

**CITY OF COOS BAY
COOS COUNTY, OREGON**

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015



12700 SW 72nd Ave.
Tigard, OR 97223

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CITY OF COOS BAY
COOS COUNTY, OREGON

For the Year Ended June 30, 2015

ANNUAL FINANCIAL REPORT

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CITY OF COOS BAY
COOS COUNTY, OREGON

CITY COUNCIL

TERM EXPIRES

Crystal Shoji, Mayor

November 2016

Stephanie Kramer, President

November 2018

Jennifer Groth

November 2018

Thomas Leahy

November 2018

Fred Brick

November 2016

Mike Vaughan

November 2016

Mark Daily

November 2016

All council members receive mail at the address listed below.

ADMINISTRATION
Rodger Craddock, City Manager
City Hall
500 Central Avenue
Coos Bay, OR 97420

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COOS COUNTY, OREGON
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COOS COUNTY, OREGON
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December 11, 2015

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Coos Bay
Coos County, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coos Bay as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Coos Bay-North Bend Water Board, which represent 14%, 17%, and 2%, respectively of the assets, net position and revenues of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Coos Bay-North Bend Water Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements 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 internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Coos Bay, as of June 30, 2015, 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 a Matter

The City adopted the provisions of GASB 68 – *Accounting and Financial Reporting for Pensions and GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date* - for the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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. We have applied certain limited procedures to the 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 budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 11, 2015, on our consideration of 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.

A handwritten signature in cursive script that reads "Tara M. Kamp, CPA".

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

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City of Coos Bay

Finance Department

500 Central Avenue, Coos Bay, Oregon 97420

• Phone 541-269-8915 • Fax 541-267-5912

MANAGEMENT'S DISCUSSION AND ANALYSIS Fiscal Year Ended June 30, 2015

As management of the City of Coos Bay (the City), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ending June 30, 2015. We request readers to consider the information presented here in conjunction with the accompanying basic financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The City of Coos Bay's Urban Renewal Agency financial statements were blended with the City of Coos Bay's financial statements beginning fiscal year 2013 to comply with GASB 61.
- The City's assets totaled \$174,501,714 at June 30, 2015, consisting of \$25,634,571 in unrestricted cash and cash equivalents; \$109,938,768 in capital assets; \$25,178,448 in investment in joint venture; \$2,156,209 in pension asset, and \$11,593,718 in other assets. Total assets increased by \$3,626,981 from the previous fiscal year.
- The City's liabilities totaled \$22,521,593 at June 30, 2015, consisting of \$20,719,809 in noncurrent liabilities, \$112,672 in accrued interest, and \$1,689,112 in accounts payable and other liabilities. Total liabilities decreased by \$747,255 from the previous fiscal year.
- The assets of the City exceeded its liabilities at June 30, 2015 by \$148,526,276 (net position), consisting of \$48,793,561 in unrestricted net position (which includes the invested in joint venture); \$93,599,029 investment in capital assets; and the remaining \$6,133,686 restricted for capital projects, debt service, and services and contributions. Unrestricted net position represents the amount that may be used to meet the City's ongoing obligations to citizens and creditors.
- On the Statement of Net Position, the City's total net position increased by \$735,395 from the previous fiscal year. This represents a decrease of \$1,663,524 in the combination of investment in capital assets net and invested in joint venture, an increase of \$327,681 restricted for debt service, an increase of \$3,170 restricted for capital projects, an increase of \$373,097 of restricted for other external requirements, and an increase of \$1,694,971 in unrestricted.
- As of the close of the current fiscal year, the City's Balance Sheet Governmental Funds reported combined Fund Balance of \$20,583,092, an increase of \$2,698,908 over the prior fiscal year. The total combined governmental fund equity balance is composed of \$6,133,686 (30%) in restricted funds, \$4,809,667 (23%) in nonspendable funds, \$6,491,116 (32%) in assigned funds, \$3,148,623 (15%) in unassigned funds.
- The City's unassigned fund balance for the General Fund, \$3,245,246 at June 30, 2015 increased \$870,837 from June 30, 2014. The unassigned general fund balance represents 86% of the general fund available for spending at the government's discretion in the budget process.

- The City's total governmental and business activities long term debt had a net decrease of \$8,225 during the current fiscal year to an ending balance of \$20,719,809. Long term debt payments began for the Safe Water loan incurred for the joint venture capital project in process between 2009 and 2014; continuing draw down of the IFA #1 and #2 loans from the State of Oregon for wastewater improvements beginning in 2013; and the Urban Renewal Agency debt due to the blending of financial statements. This also includes bond premium, OPEB liability, and two inter-fund loan repayments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is written for the purpose of introducing the City's basic financial statements. The basic financial statements are comprised of the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements present information about the City using the method of accounting similar to that used by private-sector companies, called the full-accrual basis of accounting. This basis of accounting reveals assets and liabilities as well as revenue and expenses, regardless of when cash is received or paid. This provides a broad view of the financial picture of the City. The full-accrual basis differs from the modified-accrual basis of accounting used by the governmental fund financial statements of the City, which focus on the use of spendable resources and the balance of such resources in the short-term period of one fiscal year.

The Statement of Net Position reveals the total assets and liabilities of the City, with the difference being the *net position*. The net position may serve as one of the key performance measurements over time to gauge whether the financial position of the City is improving or deteriorating.

The Statement of Activities reveals the detail of the change in the City's net position for the year ending June 30, 2015. All activities affecting net position are included, regardless of the timing of cash flow, which may be in future fiscal periods.

City of Coos Bay's Net Position at June 30th

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Current and Other Assets	\$ 28,480,721	\$ 32,059,203	\$ 5,828,203	\$ 7,325,295	\$ 34,308,924	\$ 39,384,498
Investment in Coos Bay-North Bend Water Board (restated)	24,597,225	25,178,448	0	0	24,597,225	25,178,448
Capital Assets, net	93,455,675	89,965,935	18,512,909	19,972,833	111,968,584	109,938,768
Total Assets	146,533,621	147,203,586	24,341,112	27,298,128	170,874,733	174,501,714
Deferred Outflows of Resources	184,996	168,180	0	0	184,996	168,180
Long-term Liabilities Outstanding	18,604,753	17,197,910	3,182,375	4,706,380	21,787,128	21,904,290
Other Liabilities	532,496	433,092	949,224	184,211	1,481,720	617,303
Total Liabilities	19,137,249	17,631,002	4,131,599	4,890,591	23,268,848	22,521,593
Deferred Inflows of Resources	0	3,182,997	0	439,028	0	3,622,025
Net Position:						
Invested in Capital Assets, Net	80,373,655	78,172,419	15,470,121	15,426,610	95,843,776	93,599,029
Invested in Joint Venture (restated)	24,597,225	25,178,448	0	0	24,597,225	25,178,448
Restricted for debt service	3,942,656	4,270,337	0	0	3,942,656	4,270,337
Restricted for capital projects	521,346	524,516	0	0	521,346	524,516
Restricted for other	965,736	1,338,833	0	0	965,736	1,338,833
Unrestricted	17,180,750	17,073,214	4,739,392	6,541,899	21,920,142	23,615,113
Total Net Position	\$ 127,581,368	\$ 126,557,767	\$ 20,209,513	\$ 21,968,509	\$ 147,790,881	\$ 148,526,276

Both of the government-wide financial statements are designed to present information by function of the government. *Governmental activities* are primarily supported by taxes and intergovernmental revenue for the purpose of identifying, planning, and execution of urban renewal strategies to improve the livability of the City of Coos Bay. These activities are separated from *business-type activities*, which are supported primarily from user fees and charges directly linked to the services provided. The City's governmental activities include general government, public safety, highways and streets, culture and recreation, community promotion, and urban renewal. GASB 61 modified the criteria for inclusion of component unit reporting for financial statement purposes. The City of Coos Bay's Urban Renewal Agency were blended in FYE 13 and are presented as funds within the City's financial statements. The business-type activities of the City are comprised of wastewater treatment and disposal operations and building permits.

The government-wide financial statements of the City of Coos Bay include the legally separate governmental unit named the Coos Bay Urban Renewal Agency, which is considered a blended component unit. Detailed financial statements of the Coos Bay Urban Renewal Agency can be obtained from the Finance Department at 500 Central Avenue, Coos Bay, Oregon, 97420, (541) 269-8915, or via the web at www.coosbay.org.

City of Coos Bay's Changes in Net Position at June 30th

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenues						
Program Revenues						
Charges for Services	\$ 842,439	\$ 2,133,906	\$ 5,170,521	\$ 6,165,805	\$ 6,012,960	\$ 8,299,711
Operating Grants & Contributions	657,022	685,653	0	0	657,022	685,653
Capital Grants & Contributions	738,155	52,211	0	0	738,155	52,211
General Revenues						
Property Taxes	7,567,775	8,194,836	0	0	7,567,775	8,194,836
Other Taxes	4,068,027	4,208,712	0	0	4,068,027	4,208,712
Intergovernmental	425,295	600,732	448,000	321,000	873,295	921,732
Gain (loss) on disposal of assets	0	0	0	0	0	0
Income from Investment in Coos Bay-North Bend Water Board (restated)	133,192	581,223	0	0	133,192	581,223
Transfer	985,182	416,075	(985,182)	(419,216)	0	(3,141)
Interest Income	88,520	104,488	35,777	43,496	124,297	147,984
Miscellaneous Income	162,328	11,191	134,982	175,656	297,310	186,847
Total Revenues	15,667,935	16,989,027	4,804,098	6,286,741	20,472,033	23,275,768
Expenses						
General Government	1,852,985	1,118,688	0	0	1,852,985	1,118,688
Public Safety	6,941,087	5,093,006	0	0	6,941,087	5,093,006
Public Works	6,370,035	6,195,903	0	0	6,370,035	6,195,903
Culture & Recreation	1,013,109	1,208,638	0	0	1,013,109	1,208,638
Building Codes	0	0	219,386	185,484	219,386	185,484
Interest on Long-term Debt	783,372	769,337	0	0	783,372	769,337
Wastewater	0	0	3,975,013	3,841,983	3,975,013	3,841,983
Total Expenses	16,960,588	14,385,572	4,194,399	4,027,467	21,154,987	18,413,039
Change in Net Position	(1,292,653)	2,603,455	609,699	2,259,274	(682,954)	4,862,729
Net Position restated- Beginning	128,874,021	123,954,312	19,599,814	19,709,235	148,473,835	143,663,547
Net Position- Ending	\$ 127,581,368	\$ 126,557,767	\$ 20,209,513	\$ 21,968,509	\$ 147,790,881	\$ 148,526,276

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts used for the purpose of maintaining control over resources segregated for specific activities or objectives. The City uses fund accounting to ensure compliance with legal requirements for financial activities. All of the funds of the City can be divided between two categories: governmental and proprietary.

Governmental funds. A *governmental fund* accounts for generally the same types of activities as *governmental activities*, with the primary difference being the measurement focus. Governmental funds focus on *current financial resources*, which include the measurement of inflows and outflows of spendable resources within a fiscal year as well as the balances of resources at the end of the fiscal year. In contrast, governmental activities in the government-wide financial statements focus on *total economic resources* during the fiscal year, encompassing a longer-term view.

Fund financial statements include the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances. The difference in the measurement focus of the governmental-fund financial statements and the government-wide financial statements calls for reconciliations between the two types of statements in order to fully explain the specific differences. 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. These reconciliations between governmental funds to governmental activities illuminate the long-term impact of the City's short-term financial decisions.

The City maintains 33 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statements of revenues, expenditures, and changes in fund balances for the general fund, jurisdictional exchange fund, revenue bond fund, major capital reserve fund, and downtown capital projects urban renewal agency fund of which are all considered major funds. The City has implemented GASB 54 and reduced the number of budgetary funds without a dedicated source of revenue. Data from the other 25 non-major governmental funds are combined into a single, aggregated presentation of each of these statements. In addition, the City is required to report separate schedules of revenues, expenditures and changes in fund balance for the three major funds that incorporate both the original and final budgets. Supplementary data provides schedules of revenues, expenditures and changes in fund balances for the non-major funds. The budgetary comparison at the fund level reinforces the *current financial resources* focus as described above, demonstrating actual results and variances to the annual appropriated budget as adopted by the City's governing body.

Proprietary funds. The City maintains only three enterprise-type proprietary funds. These funds are used to report the same functions presented as *business-type* activities in the government-wide financial statements. Proprietary fund financial statements provide the same information in greater detail than the government-wide financial statements. The City uses enterprise funds to account for its wastewater operations, wastewater capital improvements, and building permit operations.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements are an essential part of a full understanding of the data provided in the government-wide and fund financial statements.

SUPPLEMENTARY INFORMATION

In addition to the basic financial statements and accompanying notes, this report also presents combining financial statements and budgetary comparison schedules for the 25 non-major governmental funds. This information can be found on pages Combining Statements and/or Supplementary Information sections of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As mentioned earlier, net position may serve as one of the key performance measurements over time to gauge whether the financial position of the City is improving or deteriorating. In the case of the City, assets exceeded liabilities by \$148,526,276 at the close of the fiscal year.

Net position for the City is divided into several categories. The largest category is net investment in capital assets and invested in joint venture at \$118,777,477 (80%). This represents investment in land, infrastructure, and construction in progress, less accumulated depreciation and debt used to purchase these capital assets. The City uses these assets to provide services to citizens; thus, capital assets are not available for future spending. It should also be noted that these assets do not generate revenue to service the associated debt. Thus, resources to pay the debt must come from other sources, specifically *unrestricted* net position. The investment in capital assets net of related debt includes the net investment in the Coos Bay-North Bend Water Board (which represents 50/50 ownership with the City of North Bend) and those assets of the Urban Renewal Agency.

The second largest resource is unrestricted net position, \$23,615,113 (16%). The unrestricted fund balance may be used to meet the ongoing obligations to the City's citizens and creditors. The next three categories are externally restricted for capital projects, \$524,516; restricted for debt service, \$4,270,337; and restricted for other external purposes \$1,338,833. The City was able to maintain positive balances in all categories in both the current fiscal year and the prior fiscal year. On the Statement of Activities the City's net position increased by \$4,862,729 during the current fiscal year mainly due to the new pension asset reporting for both the City of Coos Bay and the joint venture Coos Bay – North Bend Water Board, a decrease in transfers, timber sale, and additional property tax revenue.

Governmental activities. On the Statement of Activities, the Governmental activities increased the City's net position by \$2,603,455 which can mainly be attributed to the new pension asset reporting for both the City of Coos Bay and the joint venture, a decrease in transfers, timber sale, and additional property tax revenue. The City and joint venture Coos Bay North Bend Water Board alternate years in which one entity conducts a timber sale as a revenue resource for capital expenditures. This fiscal year a portion of the timber receipts were received and utilized to supplement the General Fund.

Expenses and Program Revenues – Governmental Activities

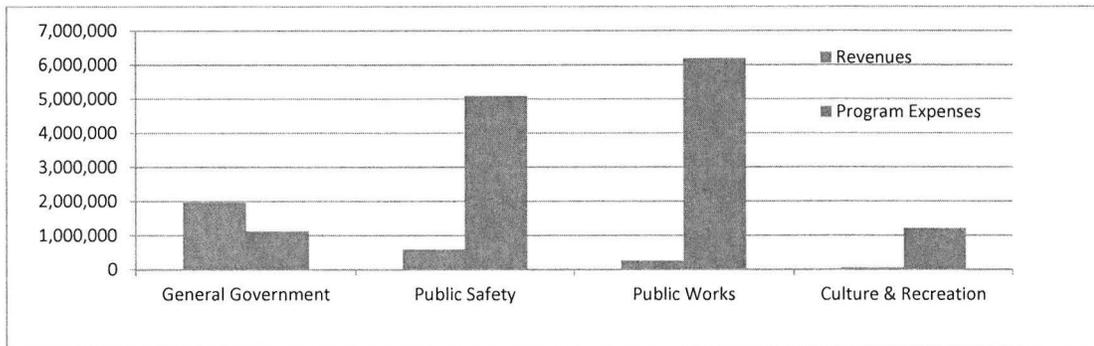


Figure 1

Governmental activities expense decreased due to the complexity in reporting the PERS pension liability and the impact to the financial statement in FYE 15 and depreciation of capital assets. The City's total property tax revenue (Schedule of Property Tax Transactions and Balances of Taxes Uncollected) as noted at the end of this audit, increased by \$108,025 due to increasing taxable assessed values.

Revenues by Source – Governmental Activities

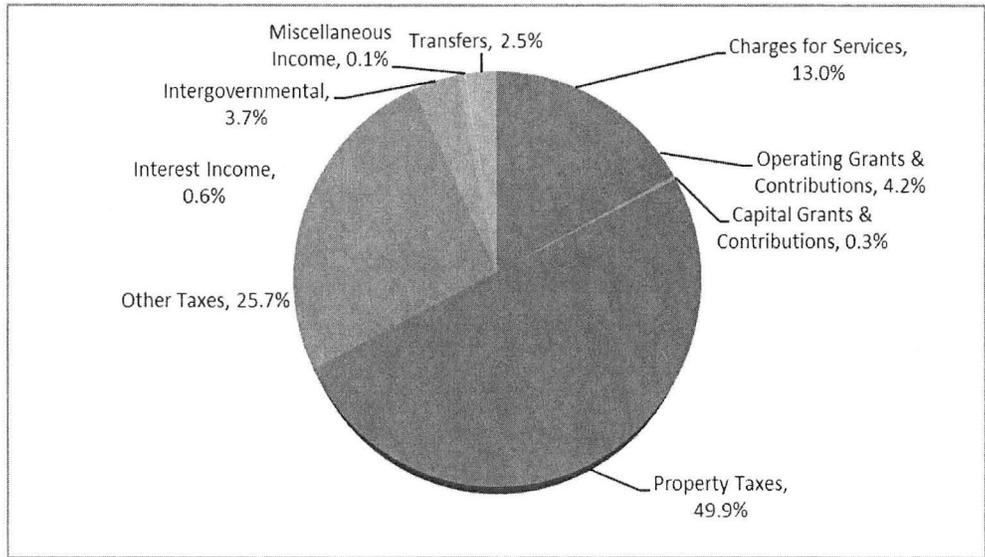


Figure 2

Business-type activities. On the Statement of Activities the Business-type activities increased the City's net position by \$2,259,274, which was largely due to the annual 6.5% sewer rate increase. The business-type activities revenues increased from the prior year and expenses decreased with the overall positive change in business-type net position due to an ongoing accumulation of resources and wastewater infrastructure capital improvement projects. The building code expense decreased due to a concerted effort to lessen the need to increase fees and preserve the fund balance. The business-type activities are wastewater (operations and capital improvements) and building codes. The primary source of revenue for wastewater operations is charges for services based on sewer user fees with the expenditures comprised of the daily operations and the IFA #1 and #2 loans from the State of Oregon for wastewater system capital improvement projects. The only revenue source for the building codes division is charges for services based upon permit fees with the expenditures comprised of the daily operations of the permit center.

Revenues by Source – Business-type Activities

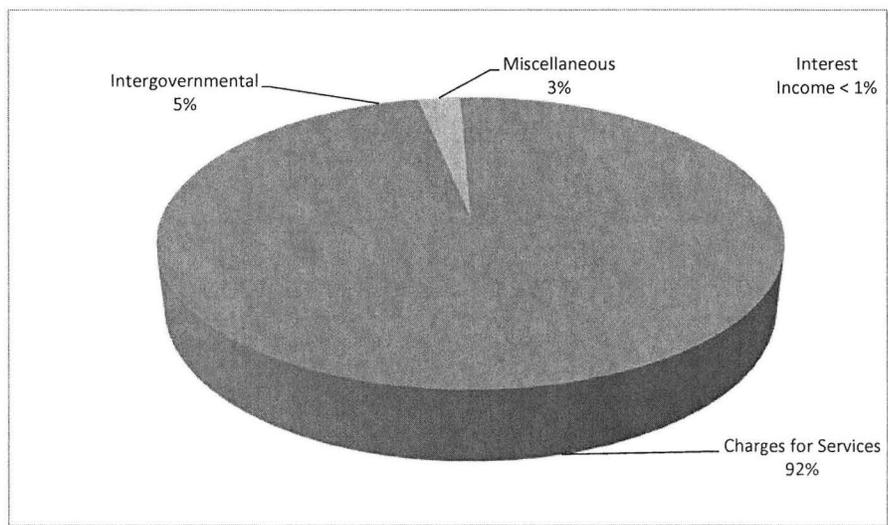


Figure 3

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. This information can be used to evaluate the City's ability to meet its financing requirements. Unassigned fund balances may serve as a useful measure of a government's net resources that are available for spending at the end of the fiscal year. A full explanation of the fund balance classifications can be found within the Notes to the Basic Financial Statements.

As of June 30, 2015, the City's Balance Sheet for Governmental Funds reported combined ending fund balances of \$22,435,355, an increase of \$2,095,974 over the prior fiscal year. Of this ending fund balance, the General Fund contributed \$5,149,867, the Jurisdictional Exchange Fund contributed \$4,850,649, the Revenue Bond Fund contributed \$3,066,612, and the other governmental funds contributed \$9,368,227.

The primary operating fund of the City is the General Fund. At June 30, 2015, the General Fund balance had \$6,656 (<1%) in nonspendable funds, \$3,189 (<1%) in restricted funds, \$504,551 (13%) in assigned funds, and \$3,245,246 (86%) in unassigned funds. One way to measure liquidity for the General Fund is with the ratio of unassigned fund balance to total fund expenditures, which is 38.7%. This ratio increased 10.3% from June 30, 2014.

The General Fund balance for GASB 54 purposes, net change in fund balance in the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds for June 30, 2015, increased by \$878,507 in the current fiscal year. This represents a 23.4% increase over the June 30, 2014 General Fund balance. The key factor is the decreased expenditures due to concerted effort to increase fund balance during the year to offset the flattening of property tax revenues, the sale of city property, and a timber sale. The reduction in expenses where possible and a review of all resources and adjustments made where possible. Contracts with other entities were adjusted for an increase in cost of living which increased revenues, business license revenue increased due to an audit and increased community contacts, and less transfers from the General Fund as a result of other funds becoming self-supporting.

The Jurisdictional Exchange Fund was formed when the City received ownership of over 23 lane miles from the State of Oregon in exchange for \$4.8 million. The corpus of this fund, \$4.8 million, is restricted from expenditure by City Charter, and allows only the amount over the \$4.8 million for maintenance. During 2012-2013, this fund did not earn a sufficient amount of interest revenue to offset the debt service which required a loan be obtained from the General Fund for the final three debt service payments. This debt matured in FYE 14 and loan payments to the General Fund commenced in FYE 15.

The Revenue Bond Fund was created to pay debt service payments and includes transfers from the wastewater fund as a reserve for future wastewater debt service payments. The transferred wastewater funds will help pay future debt service incurred for the planned wastewater capital improvements and subsequently will buy down future rate increases for sewer users. The funds primary revenue sources were transfers from other funds and receipts from the Coos Bay North Bend Water Board for their respective debt service payments. The fund balance at June 30, 2015 was \$3,066,612.

The Other Governmental Funds includes the Urban Renewal Agency Downtown Capital Projects Fund which has two bonds maturing June 30, 2018 and the Visitor Information Center bond maturing June 15, 2019. The District's major capital project was the restoration of the Egyptian Theatre which included community support from the Egyptian Theatre Preservation Association (ETPA) with contributions through grants and fundraising. Expenditures in FYE 15 slowed as a result of the ETPA commencing fund raising

to fund the façade. This fund included the expenses for nearly completing the fencing project along Highway 101 from the Historical Rail Museum north along the downtown waterfront and boardwalk. This project will be completed in FYE 16. The Urban Renewal Agency Empire Capital Projects Fund has one bond maturing June 1, 2017. The District's major capital project was the grant match for the Oregon Department of Transportation Empire Blvd sidewalk project from Newmark Avenue south to the city limits at Wisconsin Avenue. This project should commence construction in FYE 16.

Proprietary funds. The City's three proprietary funds provide the same type of information found in the government-wide financial statements in greater detail. The Wastewater Fund is utilized for the daily operations of the wastewater treatment plants, pump stations, and sanitary and storm water collection lines; the Wastewater Improvement Fund is used for capital improvements to the wastewater system; and the Building Codes Fund is for the daily operations of administering permit issuance and inspections. The unrestricted net position of the combined proprietary funds as of June 30, 2015 on the Statement of Net Position Proprietary Funds was \$1,995,676 and the net investment in capital assets \$19,972,833. The total increase in proprietary funds net position on the Statement of Net Position Proprietary Funds for the current fiscal year was \$1,758,996.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total appropriated budget of the General Fund for fiscal year 2014-15 was \$11,572,907 of which \$8,761,874 was the actual. The General Fund actual expenditures were comprised of general government \$1,113,758 or 13%, public safety \$6,508,382 or 74%, public works \$759,890 or 9%, and other financing sources/uses \$379,843 or 4%. There were amendments to the adopted budget during the year to appropriate grant funds and to increase street improvement appropriation level. It should be noted that the budgetary general fund differs from the general fund required by GASB 54. The City's budget can be found on the website coosbay.org or by contacting the Finance Department.

The 2014–15 Coos County Summary of Assessment and Tax Roll Table 4a, Line 17 Value to Compute the Tax Rate, less urban renewal excess value, was \$877,382,260. This value increased \$19,401,000, approximately two percent, over the 2013-14 total tax assessed value, less the urban renewal excess value, of \$111,936,930 (2014–15 Coos County Summary of Assessment and Tax Roll Table 4a, Line 16 Subtract Urban Renewal Excess). The slow economic recovery has required the City to remain vigilant in budgeting and developing revenue resources to increase the General Fund carryover due to the slow growth in the taxable assessed value.

GASB 60 was implemented in FYE 2013 and there were no service concession arrangements. GASB 61 was also implemented in FYE 13 and the Coos Bay Urban Renewal Agency has become a blended component unit of the City of Coos Bay as presented within the City's financial statements. GASB 63 was implemented in FYE 13 which required certain transactions to be reflected as deferred inflows of resources or deferred outflows of resources.

GASB 65 was implemented in FYE 2014 which expanded on GASB 63 and the requirements to report certain transactions as deferred inflows of resources or deferred outflows of resources.

GASB 68 Accounting and Financial Reporting for Pensions and GASB 71 Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68 were implemented in FYE 15 which required employers to report pension information in the financial statements for fiscal periods beginning on or after June 15, 2014. These requirements incorporate provisions intended to reflect the effects of transactions and events related to pensions in the measurement of employer liabilities for pensions and recognition of pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.

The City of Coos Bay contracts with the Oregon Public Employees Retirement System (PERS) to administer the City employee's benefit trust as regulated through Oregon Revised Statute 237. As the benefit administrator, PERS contracted with third-party actuaries to provide Oregon employers with the required information for financial reporting related to PERS pensions provided through the Plan. The

Notes to the Basic Financial Statements contain the required schedules which include the City of Coos Bay's proportionate share of allocated pension amounts.

As of June 30, 2015 the City's reported net pension asset of \$2,156,209 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, and the total pension liability used to calculate the net pension liability was determined by actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long term share of contributions to the pension plan relative to the projected contributions of all participating employers actuarially determined. At December 31, 2012 the City's proportion was .095 percent. As a result of GASB 68 and 71 a restatement of the prior year net position was required which decreased the net position from \$148,158,695 to \$143,663,547.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's net investment in capital assets for its governmental and business-type activities, including the joint venture capital assets of the Coos Bay North Bend Water Board, as of June 30, 2015 amounted to \$135,117,216 (net of accumulated depreciation). The fixed asset for the fire station was capitalized when the project was completed and the debt was subsequently included at that time. This investment in capital assets includes land, improvements and buildings, machinery and equipment, vehicles, infrastructure - streets, plant and systems, intangibles, and construction in progress. The City's total overall net investment in capital assets decreased less than 2% was comprised of governmental activities due to depreciation, sale of city property, and less construction in progress offset by a slight increase in business-type activities, where asset additions outpaced depreciation with the completion of wastewater projects and increase of construction in progress.

City of Coos Bay's Capital Assets at June 30th

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
Land & assets not depreciated	4,020,131	4,451,522	\$ -	\$ -	\$ 4,020,131	\$ 4,451,522
Land improvements	550,541	507,706	688,767	688,398	1,239,308	1,196,103
Buildings & improvements	14,148,565	13,780,580	0	0	14,148,565	13,780,580
Machinery & equipment	596,807	580,338	958,422	950,416	1,555,229	1,530,754
Vehicles	1,027,692	1,073,438	613,593	694,264	1,641,286	1,767,702
Infrastructure - streets	71,285,908	67,589,747	0	0	71,285,908	67,589,747
Plant & systems	0	0	12,757,521	12,576,812	12,757,521	12,576,812
Intangibles	45,348	40,886	0	0	45,348	40,886
Construction in progress	1,780,683	1,941,719	3,494,606	5,062,943	5,275,289	7,004,662
Total	\$ 93,455,675	\$ 89,965,935	\$ 18,512,909	\$ 19,972,833	\$ 111,968,584	\$ 109,938,766

Debt Administration - The City's long-term debt as of June 30, 2015 is \$20,719,809, a decrease of \$8,225 from June 30, 2014. The Governmental and Business-Type Activities June 30, 2015 long-term debt included \$89,636, \$3,695,000, and \$4,535,971 to be paid by the Coos Bay- North Bend Water Board; \$4,860,000 in the form of a General Obligation Bond for the construction of a new Fire Station in 2008 which will be paid for with property tax General Fund revenue; \$498,621 in OPEB liability; \$96,813 in bond premium; \$368,331 loan from US Bank to fund the purchase of property for the expansion of Wastewater Treatment Plant No. 2; \$2,525,358 IFA #1 State of Oregon loan for wastewater capital improvement; \$1,652,534 IFA #2 State of Oregon loan for wastewater capital improvement; \$1,215,495 Downtown Urban Renewal Agency 2003 bond; \$547,767 Empire Urban Renewal Agency 2003 bond; and \$634,283 Downtown Urban Renewal Agency loan for the construction of the Visitor Information Center in 2009. Other debt obligations not included are two inter-fund loans principal totaling \$567,272.

Oregon Revised Statute 287A.050(2) limits the amount of general obligation debt a governmental entity may issue to three percent of the real market value of the taxable property within its boundary less existing outstanding general obligation debt. The 2014-15 real market value from the Coos County Summary of Assessment and Tax Roll was \$1,097,912,498 and the three percent limit less the principal outstanding for the 2009 Fire Station general obligation bond would allow for additional general obligation debt of \$28,077,375.

In fiscal year 2012-13, the City was approved for a loan from the Infrastructure Financing Authority (IFA #1) for \$4,303,213 at an interest rate of 1.94% for a maximum term of 20 years. The approval included a maximum grant of \$500,000 to be received at the end of the disbursement of the loan proceeds for wastewater construction. In fiscal year 2013-14, the City was approved for a loan from the Infrastructure Financing Authority (IFA #2) for \$7,034,025 at an interest rate of 1% for a maximum term of 20 years. The approval included a maximum grant of \$750,000 to be received at the end of the disbursement of the loan proceeds for wastewater construction. Disbursements were made from both loans in 2014-15.

City of Coos Bay's Outstanding Debts at June 30th

	Governmental Activities		Business-type Activities		Total	
	2014	2015	2014	2015	2014	2015
OPEB Liability	\$ 424,362	\$ 498,621	\$ -	\$ -	\$ 424,362	\$ 498,621
Bond Premium	105,131	96,813	-	-	105,131	96,813
General Obligations	5,145,000	4,860,000	-	-	5,145,000	4,860,000
Revenue Bonds/Secured Loans	7,193,165	6,092,546	-	-	7,193,165	6,092,545
Revenue Secured Loans	93,604	89,636	-	-	93,604	89,636
Business Loans	4,723,985	4,535,971	3,042,788	4,546,223	7,766,773	9,082,194
Total	\$ 17,685,246	\$ 16,173,586	\$ 3,042,788	\$ 4,546,223	\$ 20,728,034	\$ 20,719,809

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

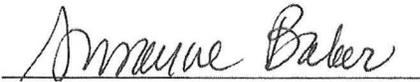
The following economic factors currently affect the City of Coos Bay and were considered in developing the 2015 – 2016 fiscal year budget. Like all cities in Oregon, the City is operating under Measure 50, the ad valorem tax limitation measure approved by voters on May 20, 1997. This measure rolled back assessed values to 1995-96 levels and effectively limited increased property tax revenues the City could anticipate in future years to a maximum of three percent, with permitted allowances for increasing valuations based on new construction. No substantive changes to the basic provisions of Measure 50 have been enacted during subsequent Oregon Legislative sessions.

- The City Council authorized a 6.5% Wastewater sewer rate increase in May of 2015 pursuant to the June 2009 rate study plan.
- Taxable assessed value slightly increased in 2014- 2015 and was considered in the 2015-2016 budget where the taxable assessed value was estimated to increase at a rate less than one percent, .7%
- Interest rates are expected to remain at record low levels throughout fiscal year 2015-2016.
- Medical insurance premiums increased 25.6%. The medical premium (not including vision or dental) increase was based on a 24 month look-back period directly related to the City's employees and their dependents actual claim history. Also included are retirees who have retained CIS insurance, of which there are currently six, and anyone who was previously employed and eligible for COBRA, of which there are none. The employees share the impact with a 90/10 cost share between the employer and employees.
- The PERS pension for the State of Oregon's 2015-2017 biennium increased on average 33.3%: Tier 1/2 17.11%; OPSRP General Service 8.81%; and OPSRP Police/Fire 12.92%.

- The contracted labor union, American Federation of State, County, and Municipal Employees (AFSCME), contract will expire June 30, 2016.

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate its accountability for the resources it receives. If you have any questions about this report or need additional financial information, contact the City's Finance Department at 500 Central Avenue, Coos Bay, Oregon, 97420, (541) 269-8915, or via the web at www.coosbay.org.



Susanne Baker
City of Coos Bay
Finance Director

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CITY OF COOS BAY
COOS COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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**CITY OF COOS BAY
COOS COUNTY, OREGON**

**STATEMENT OF NET POSITION
June 30, 2015**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 19,966,153	\$ 5,668,418	\$ 25,634,571
Receivables (Net of Allowance For Uncollectible)	1,867,923	1,394,942	3,262,865
Prepays	8,852	579	9,431
Supply Inventory	815	-	815
Investment in Joint Venture	25,178,448	-	25,178,448
Pension Asset	1,894,853	261,356	2,156,209
Capital Assets:			
Capital Assets, Non-Depreciable	6,393,241	5,062,943	11,456,184
Capital Assets, Net of Depreciation	83,572,694	14,909,890	98,482,584
Noncurrent Assets:			
Note Receivable - Due Within One Year	498,572	-	498,572
Note Receivable - Due in More Than One Year	7,822,035	-	7,822,035
Total Assets	147,203,586	27,298,128	174,501,714
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	168,180	-	168,180
Total Deferred Outflows of Resources	168,180	-	168,180
LIABILITIES			
Accounts Payable	123,339	180,128	303,467
Payroll and Payroll Taxes Payable	197,081	-	197,081
Deposits Payable	-	4,083	4,083
Interest Payable	112,672	-	112,672
Accrued Vacation	1,024,324	160,157	1,184,481
Noncurrent Liabilities:			
Due Within One Year:			
Revenue Secured Loans Payable	1,144,121	65,000	1,209,121
Bonds Payable	290,000	-	290,000
Note Payable	194,407	-	194,407
Due in More Than One Year:			
Revenue Secured Loans Payable	5,038,060	4,481,223	9,519,283
Bonds Payable	4,570,000	-	4,570,000
Note Payable	4,341,564	-	4,341,564
OPEB Obligation	498,621	-	498,621
Bond Premium	96,813	-	96,813
Total Liabilities	17,631,002	4,890,591	22,521,593
DEFERRED INFLOWS OF RESOURCES			
Net Deferred Pension Asset	3,182,997	439,028	3,622,025
Total Deferred Inflows of Resources	3,182,997	439,028	3,622,025
NET POSITION			
Net investment in capital assets	78,172,419	15,426,610	93,599,029
Invested in Joint Venture-Unrestricted	25,178,448	-	25,178,448
Restricted for:			
Capital Projects	524,516	-	524,516
Debt Services	4,270,337	-	4,270,337
Services and Contributions	1,338,833	-	1,338,833
Unrestricted	17,073,214	6,541,899	23,615,113
Total Net Position	\$ 126,557,767	\$ 21,968,509	\$ 148,526,276

See accompanying notes to basic financial statements

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015**

<u>Functions/Programs</u>	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Government				
Governmental Activities				
General Government	\$ 1,118,688	\$ 1,487,921	\$ 481,302	\$ -
Public Safety	5,093,006	461,021	134,406	-
Public Works	6,195,903	152,873	51,939	52,211
Culture and Recreation	1,208,638	32,091	18,006	-
Interest on Long-term Debt	769,337	-	-	-
Total Governmental Activities	14,385,572	2,133,906	685,653	52,211
Business- Type Activities				
Wastewater	3,841,983	5,990,536	-	-
Building Codes	185,484	175,269	-	-
Total Business-Type Activities	4,027,467	6,165,805	-	-
Total Government	\$ 18,413,039	\$ 8,299,711	\$ 685,653	\$ 52,211

General Revenues

Taxes:

Property

Transient Occupancy

Other Taxes

Intergovernmental

Franchise Fees

Gain (Loss) on Joint Venture

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position restated - beginning of year

Net Position - end of year

See accompanying notes to basic financial statements

**Net Revenue (Expenses) and
Changes in Net Position**

Governmental Activities	Business-Type Activities	Total
\$ 850,535	\$ -	\$ 850,535
(4,497,579)	-	(4,497,579)
(5,938,880)	-	(5,938,880)
(1,158,541)	-	(1,158,541)
(769,337)	-	(769,337)
<u>(11,513,802)</u>	<u>-</u>	<u>(11,513,802)</u>
-	2,148,553	2,148,553
-	(10,215)	(10,215)
-	2,138,338	2,138,338
<u>(11,513,802)</u>	<u>2,138,338</u>	<u>(9,375,464)</u>
8,194,836	-	8,194,836
585,977	-	585,977
1,998,756	-	1,998,756
600,732	321,000	921,732
1,623,979	-	1,623,979
581,223	-	581,223
104,488	43,496	147,984
11,191	175,656	186,847
416,075	(419,216)	(3,141)
<u>14,117,257</u>	<u>120,936</u>	<u>14,238,193</u>
2,603,455	2,259,274	4,862,729
<u>123,954,312</u>	<u>19,709,235</u>	<u>143,663,547</u>
<u>\$ 126,557,767</u>	<u>\$ 21,968,509</u>	<u>\$ 148,526,276</u>

See accompanying notes to basic financial statements

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015**

	JURISDICTIONAL				TOTAL
	GENERAL FUND	EXCHANGE RESERVE	REVENUE BOND	OTHER GOVERNMENTAL	
ASSETS:					
Cash and Investments	\$ 3,762,817	\$ 4,850,649	\$ 3,066,612	\$ 8,286,075	\$ 19,966,153
Inventory	815	-	-	-	815
Receivables, Net					
Taxes	533,500	-	-	213,342	746,842
Accounts	366,439	-	-	399,254	765,693
Assessments	308,843	-	-	46,545	355,388
Interfund Receivable	147,272	-	-	420,000	567,272
Due from	24,340	-	-	-	24,340
Prepaid Expenses	5,841	-	-	3,011	8,852
Total Assets	<u>\$ 5,149,867</u>	<u>\$ 4,850,649</u>	<u>\$ 3,066,612</u>	<u>\$ 9,368,227</u>	<u>\$ 22,435,355</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY:					
Liabilities:					
Accounts Payable	\$ 46,418	\$ -	\$ -	\$ 76,921	\$ 123,339
Payroll and Payroll Taxes Payable	197,081	-	-	-	197,081
Interfund Payable	420,000	147,272	-	-	567,272
Due to	-	-	-	24,340	24,340
Total Liabilities	<u>663,499</u>	<u>147,272</u>	<u>-</u>	<u>101,261</u>	<u>912,032</u>
Deferred Inflows of Resources:					
Unavailable Revenue-Property Taxes	417,883	-	-	41,389	459,272
Unavailable Revenue-Special					
Assessments	308,843	-	-	172,116	480,959
Total Deferred Inflows of Resources	<u>726,726</u>	<u>-</u>	<u>-</u>	<u>213,505</u>	<u>940,231</u>
Fund Equity:					
Fund Balances:					
Nonspendable	6,656	4,800,000	-	3,011	4,809,667
Restricted	3,189	-	3,066,612	3,063,885	6,133,686
Assigned	504,551	-	-	5,986,565	6,491,116
Unassigned	3,245,246	(96,623)	-	-	3,148,623
Total Fund Balance	<u>3,759,642</u>	<u>4,703,377</u>	<u>3,066,612</u>	<u>9,053,461</u>	<u>20,583,092</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 5,149,867</u>	<u>\$ 4,850,649</u>	<u>\$ 3,066,612</u>	<u>\$ 9,368,227</u>	<u>\$ 22,435,355</u>

See accompanying notes to basic financial statements

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION**

June 30, 2015

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

Fund Balances		\$ 20,583,092
<p>The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the City as a whole.</p>		
Net Capital Assets		89,965,935
<p>Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.</p>		
General Obligation Bonds	\$ (4,860,000)	
Revenue Loans	(6,182,181)	
Bond Premium	(96,813)	
Notes and Contracts Payable	(4,535,971)	
Debt Issuance Difference	168,180	
Accrued Interest	(112,672)	
Net Adjustment		(15,619,457)
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>		
Accrued Vacation		(1,024,324)
Net OPEB Obligation is not reported as a liability in the Governmental Funds Balance Sheet		(498,621)
Net Pension Asset		1,894,853
Net Deferred Pension Asset		(3,182,997)
<p>Other long-term assets are not available to pay for current-period expenditures and therefore are considered unavailable in the funds.</p>		
Unavailable Revenue		940,231
Joint Venture Note Receivable		8,320,607
Joint Venture Equity Investment		25,178,448
Total Net Position		<u>\$ 126,557,767</u>

See accompanying notes to basic financial statements

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015**

	GENERAL FUND	JURISDICTIONAL EXCHANGE RESERVE	REVENUE BOND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property Taxes	\$ 5,545,931	\$ -	\$ -	\$ 2,731,822	\$ 8,277,753
Other Taxes	-	-	-	2,584,733	2,584,733
Franchise Fees	1,623,979	-	-	-	1,623,979
Licenses and Permits	155,508	-	-	-	155,508
Intergovernmental	411,052	-	810,217	203,163	1,424,432
Grants	184,461	-	-	61,591	246,052
Other-Timber Sales	-	-	-	1,300,369	1,300,369
Charges for Services	604,234	-	-	44,448	648,682
Charges for Use of Money and Property	106,315	25,085	-	63,437	194,837
Fines and Forfeitures	69,797	-	-	-	69,797
Miscellaneous	73,169	-	-	318,152	391,321
Total Revenues	<u>8,774,446</u>	<u>25,085</u>	<u>810,217</u>	<u>7,307,715</u>	<u>16,917,463</u>
EXPENDITURES					
Current:					
General Government	1,113,763	-	-	295,337	1,409,100
Public Safety	6,508,383	-	-	208,905	6,717,288
Public Works	759,891	-	-	1,706,951	2,466,842
Culture and Recreation	-	-	-	1,473,210	1,473,210
Capital Outlay	-	-	-	403,285	403,285
Debt Service:					
Principal Retirement	-	-	541,981	1,100,619	1,642,600
Interest and Fiscal Charges	-	-	407,314	298,386	705,700
Total Expenditures	<u>8,382,037</u>	<u>-</u>	<u>949,295</u>	<u>5,486,693</u>	<u>14,818,025</u>
Excess of Revenues Over (Under) Expenditures	392,409	25,085	(139,078)	1,821,022	2,099,438
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	182,975	-	-	420	183,395
Transfers In	311,553	-	409,075	1,436,235	2,156,863
Transfers Out	(11,544)	(1,553)	-	(1,727,691)	(1,740,788)
Du Jour Financing - URA	311,413	-	-	308,299	619,712
Du Jour Financing - URA	(308,299)	-	-	(311,413)	(619,712)
Total Other Financing Sources, (Uses)	<u>486,098</u>	<u>(1,553)</u>	<u>409,075</u>	<u>(294,150)</u>	<u>599,470</u>
Net Change in Fund Balance	878,507	23,532	269,997	1,526,872	2,698,908
FUND BALANCE - BEGINNING OF YEAR	<u>2,881,135</u>	<u>4,679,845</u>	<u>2,796,615</u>	<u>7,526,589</u>	<u>17,884,184</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,759,642</u>	<u>\$ 4,703,377</u>	<u>\$ 3,066,612</u>	<u>\$ 9,053,461</u>	<u>\$ 20,583,092</u>

See accompanying notes to basic financial statements

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

Excess of Revenues over Expenditures \$ 2,698,908

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

Capitalized Additions	\$	1,026,353	
Depreciation Expense		<u>(4,516,094)</u>	
Net Adjustment			(3,489,741)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes in liability balances.

Amortization of Bond Issue Difference	\$	(16,818)	
Amortization of Bond Premium/Discount		8,318	
GO Bonds, Notes and Contracts Payable		1,577,601	
Accrued Vacation		(104,817)	
Net Pension Asset Changes		2,338,915	
OPEB Obligation		<u>(74,259)</u>	
Net Adjustment			3,728,940

Under the accrual basis of accounting, interest on long-term debt is accrued when payments are not due until after year end.

Accrued Interest			9,862
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes			(82,917)
Assessments Receivable			(365,838)

The payments from joint ventures are recorded in the governmental funds as revenue because they provide current financial resources. In the Statement of Activities, the payments reduce the receivable from the joint venture.

Decrease in Joint Venture Receivable			(476,982)
Gain (Loss) from Joint Venture			<u>581,223</u>

Change in Net Position	\$		<u><u>2,603,455</u></u>
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See accompanying notes to basic financial statements

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015**

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WASTEWATER FUND	WASTEWATER IMPROVEMENT FUND	BUILDING CODES FUND	
ASSETS				
Current Assets				
Cash and Investments	\$ 2,010,073	\$ 3,428,067	\$ 230,278	\$ 5,668,418
Receivables				
Accounts Receivable, Net	1,338,902	56,040	-	1,394,942
Prepaid Expenses	430	-	149	579
Pension Asset	215,109	-	46,247	261,356
Capital Assets, Non-Depreciable	5,062,943	-	-	5,062,943
Capital Assets, Net of Depreciation	14,909,890	-	-	14,909,890
Total Assets	<u>23,537,347</u>	<u>3,484,107</u>	<u>276,674</u>	<u>27,298,128</u>
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities	-	173,601	6,527	180,128
Deposits Payable	4,083	-	-	4,083
Accrued Vacation	142,975	-	17,182	160,157
Noncurrent Liabilities:				
Due within one year	-	65,000	-	65,000
Due in more than one year:				
Revenue Secured Loan	-	4,481,223	-	4,481,223
Total Liabilities	<u>147,058</u>	<u>4,719,824</u>	<u>23,709</u>	<u>4,890,591</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Charges	361,343	-	77,685	439,028
Total Deferred Outflows of Resources	<u>361,343</u>	<u>-</u>	<u>77,685</u>	<u>439,028</u>
NET POSITION				
Net Investment in Capital Assets	19,972,833	-	-	19,972,833
Restricted for				
Capital Projects	-	-	-	-
Unrestricted	3,056,113	(1,235,717)	175,280	1,995,676
Total Net Position	<u>\$ 23,028,946</u>	<u>\$ (1,235,717)</u>	<u>\$ 175,280</u>	<u>\$ 21,968,509</u>

See accompanying notes to basic financial statements

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2015**

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WASTEWATER FUND	WASTEWATER IMPROVEMENT FUND	BUILDING CODES FUND	
OPERATING REVENUES				
Licenses and Permits	\$ 6,700	\$ -	\$ 175,269	\$ 181,969
Intergovernmental	321,000	-	-	321,000
Charges for Services	5,983,836	-	-	5,983,836
Total Operating Revenues	<u>6,311,536</u>	<u>-</u>	<u>175,269</u>	<u>6,486,805</u>
OPERATING EXPENSES				
Personal Services	726,098	-	156,103	882,201
Materials and Services	2,343,934	124,114	29,381	2,497,429
Depreciation Expense	647,837	-	-	647,837
Total Operating Expenses	<u>3,717,869</u>	<u>124,114</u>	<u>185,484</u>	<u>4,027,467</u>
Income, (Loss) From Operations	2,593,667	(124,114)	(10,215)	2,459,338
NON-OPERATING REVENUES (EXPENSES)				
Interest on Investments	9,646	32,447	1,403	43,496
Other Revenue (Expenses)	54,836	121,040	(220)	175,656
Total Non-Operating Revenues	<u>64,482</u>	<u>153,487</u>	<u>1,183</u>	<u>219,152</u>
Income, (Loss) Before Contributions and Transfers	2,658,149	29,373	(9,032)	2,678,490
CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	2,110,902	(2,110,902)	-	-
Sale of capital assets	(3,141)	-	-	(3,141)
Transfers In	-	1,358,418	-	1,358,418
Transfers Out	(1,769,193)	-	(5,300)	(1,774,493)
Total Contributions and Transfers	<u>338,568</u>	<u>(752,484)</u>	<u>(5,300)</u>	<u>(419,216)</u>
Change in Net Position	2,996,717	(723,111)	(14,332)	2,259,274
Beginning Net Position - Restated	<u>20,032,229</u>	<u>(512,606)</u>	<u>189,612</u>	<u>19,709,235</u>
Ending Net Position	<u>\$ 23,028,946</u>	<u>\$ (1,235,717)</u>	<u>\$ 175,280</u>	<u>\$ 21,968,509</u>

See accompanying notes to basic financial statements

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2015**

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WASTEWATER FUND	WASTEWATER IMPROVEMENT FUND	BUILDING CODES FUND	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 5,664,234	\$ 787,172	\$ 175,370	\$ 6,626,776
Payments to Suppliers	(2,344,830)	(888,015)	(30,027)	(3,262,872)
Payments to Employees	(969,378)	-	(214,859)	(1,184,237)
Net Cash Provided by Operating Activities	<u>2,350,026</u>	<u>(100,843)</u>	<u>(69,516)</u>	<u>2,179,667</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	-	1,358,418	-	1,358,418
Transfers to Other Funds	(1,769,193)	-	(5,300)	(1,774,493)
Net Cash Provided by Noncapital Financing Activities	<u>(1,769,193)</u>	<u>1,358,418</u>	<u>(5,300)</u>	<u>(416,075)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	(2,107,761)	-	-	(2,107,761)
Capital Contributions	2,110,902	(2,110,902)	-	-
Long term debt issuance	-	1,503,435	-	1,503,435
Other Revenue (Expenses)	51,695	121,040	(220)	172,515
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>54,836</u>	<u>(486,427)</u>	<u>(220)</u>	<u>(431,811)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	9,646	32,447	1,403	43,496
Net Increase, (Decrease) in Cash and Cash Equivalents	645,315	803,595	(73,633)	1,375,277
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,364,758</u>	<u>2,624,472</u>	<u>303,911</u>	<u>4,293,141</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 2,010,073</u>	<u>\$ 3,428,067</u>	<u>\$ 230,278</u>	<u>\$ 5,668,418</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income	\$ 2,593,667	\$ (124,114)	\$ (10,215)	\$ 2,459,338
Adjustments				
Depreciation/Amortization	647,837	-	-	647,837
(Increase), Decrease in Accounts Receivable	(647,302)	787,172	-	139,870
(Increase), Decrease in Prepays	(430)	-	101	(329)
Increase (Decrease) in Accrued Vacation	22,240	-	(1,670)	20,570
Increase (Decrease) in Deposits Payable	-	-	-	-
Increase, (Decrease) in Pension items	(265,520)	-	(57,086)	(322,606)
Increase, (Decrease) in Accounts Payable/Accrued Liabilities	(466)	(763,901)	(646)	(765,013)
Net Cash From Operations	<u>\$ 2,350,026</u>	<u>\$ (100,843)</u>	<u>\$ (69,516)</u>	<u>\$ 2,179,667</u>

See accompanying notes to basic financial statements

CITY OF COOS BAY
COOS COUNTY, OREGON

STATEMENT OF FIDUCIARY FUNDS - NET POSITION
AGENCY FUND
June 30, 2015

	AGENCY FUND VISITORS CONVENTION BUREAU
ASSETS:	
Cash and Investments	\$ 248,060
Total Assets	<u>248,060</u>
LIABILITIES:	
Due to Other Agency	<u>248,060</u>
NET POSITION:	
Total Net Position Unrestricted	<u><u>\$ -</u></u>

See accompanying notes to basic financial statements

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CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Coos Bay, Oregon, have been prepared in conformity with accounting principles generally accepted in the United State of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

THE FINANCIAL REPORTING ENTITY

The City of Coos Bay is a municipal corporation, incorporated in 1874 under the name of Marshfield. In 1944, the residents voted to change the name to Coos Bay. The City presently operates under a charter, which was approved by the voters. The Charter provides for a Council-Manager form of government and provides such services as are authorized by the Charter. The City is governed by a mayor and an elected six member council. Appointed officers provided by the Charter are the City Manager, Finance Director/Recorder and City Attorney.

Accounting principles generally accepted in the United States of America require that these financial statements represent the City (the primary government) and all component units, if any. Component units, as defined by the Governmental Accounting Standards Board (GASB) Statement No. 61, are separate organizations that are included in the City of Coos Bay's reporting entity because of the significance of their operational or financial relationships with the City.

Based on the above criteria, the following is a brief description of the component unit included in the City's reporting entity:

The Urban Renewal Agency of the City of Coos Bay was formed in December, 1966 to have urban renewal authority under Oregon law. Urban Renewal Agency of the City of Coos Bay has planning and economic development programs that focus on a downtown section of the City, and an Empire Section of the City. The primary purpose of the Coos Bay Urban Renewal Agency is to revitalize the commercial area of the City and to attract new businesses and jobs. Receipts are primarily from property taxes. Disbursements are made for planning, economic development, and capital projects.

Although it is legally separate from the City, because of the significance of its financial relationship with the City, the Urban Renewal Agency of the City of Coos Bay is reported as if it were part of the reporting entity. The Agency is reported as a blended component unit in these financial statements. Separate financial statements for the Urban Renewal Agency of the City of Coos Bay may be obtained from the City administrative offices at Coos Bay City Hall.

The Coos Bay-North Bend Water Board (Note 11) was established by an intergovernmental agreement, authorized by State statutes, to operate a water board for the mutual advantage of the City of Coos Bay and the City of North Bend. The City of Coos Bay has a 50% equity interest in the Water Board and appoints 2 of its council members to the Board. The Water Board is presented as a Joint Venture Investment in the Government-Wide Financial Statements.

Entity excluded from the reporting entity:

The Coos Bay / North Bend Visitors Convention Bureau is not a component unit of the City of Coos Bay because it is a separate legal entity and does not have a significant financial relationship with the City. Cash and investments are commingled with City accounts for bookkeeping purposes only.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the nonfiduciary activities and component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities demonstrates the degree to which the direct expenses of a given function (i.e., general government, public safety, streets, etc.) is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Each fund is considered to be a separate accounting entity. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. Remaining governmental funds are aggregated and reported as non-major funds.

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 and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available (i.e. susceptible to accrual). 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 revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual if collected within 60 days of fiscal year end. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

**CITY OF COOS BAY
COOS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

There are the following *major governmental funds*:

General Fund – This is the primary operating fund. It accounts for all the financial operations except those required to be accounted for in another fund. Principal sources of revenue are property taxes, licenses and permits, state shared revenues and charges for administrative services from other funds. Primary expenditures are for general government, police and fire protection and culture and recreation.

Jurisdictional Exchange Reserve Fund – This fund is used to accumulate resources from an intergovernmental agreement, along with interest earned thereon, with the Oregon Department of Transportation for the City's authority to regulate and maintain certain highways within its jurisdiction.

Revenue Bond Fund – This fund accounts for debt service.

There are the following *non-major governmental funds*:

Special Revenue Funds – These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – These funds are used to account for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds).

Debt Service Funds – These funds account for principal and interest payments on general obligation bonds. The primary sources of revenue are property taxes and intergovernmental revenues.

There are the following *major proprietary funds*:

Wastewater Fund – This fund is used to account for the operations of the wastewater treatment facilities. The principle revenue is charges for services.

Wastewater Improvement Fund– This fund is used to accumulate resources of major wastewater equipment purchases. The primary sources of revenue are earnings on investments, operating transfers, and loan proceeds.

Building Codes Fund – This fund is used to account for building and mechanical permits along with plan check fees.

There is the following *agency fund*:

Agency Fund – This fund is used to accumulate and hold monies for the Coos Bay / North Bend Visitors Convention Bureau.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation.

For net position, when both restricted and unrestricted resources are available for use, it is the policy to use restricted resources first, then unrestricted resources as they are needed.

BUDGETS

A budget is prepared for all funds, in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. The budgetary basis of accounting is substantially the same as generally accepted accounting principles in the United States of America with the exceptions that capital outlay expenditures are expensed when purchased, depreciation is not calculated, inventories of supplies are budgeted as expenditures when purchased, debt is recorded as revenue when received and an expenditure when paid, OPEB obligation are recorded when paid instead of when incurred, and tax revenues are not recorded as revenue until received. The Council begins its budget process early in each fiscal year with the establishment of the Budget Committee. Recommendations are developed through late winter with the Budget Committee approving the budget in early spring. Public notices of the budget hearing are published generally in early spring with a public hearing being held approximately three weeks later. The Council may amend the budget prior to adoption; however, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30th.

**CITY OF COOS BAY
COOS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS (CONTINUED)

Expenditure budgets are appropriated at the following levels for each fund other than the General Fund:

LEVEL OF CONTROL

Personal Services	Interfund Transfers
Materials and Services	Debt Service
Capital Outlay	Operating Contingency
Du Jour Financing	

The General Fund is appropriated at the department level along with transfers and contingencies. Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year-end. Management may amend line items in the budget without Council approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Council approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original budget amount and appropriation transfers. All expenditures were within appropriations for year ended June 30, 2015.

ESTIMATES

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

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Deposits and investments

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, and cash and investments in the Local Governmental Investment Pool. Investments, including equity in pooled cash and investments, are stated at fair value.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/ from other funds” (i.e., the current portion of inter fund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Property taxes receivable that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue. The remaining balance is recorded as unavailable revenue because it is not deemed necessary, as uncollectible taxes become a lien on the property. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are shown in the government-wide statement of net position. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Receivables of the enterprise funds are recognized as revenue when earned, including services provided but not billed. Receivables in governmental and enterprise funds are stated net of an allowance for uncollectibles.

Prepaid items

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

Capital assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Buildings and improvements	10-50 years
Improvements other than buildings	10-50 years
Machinery and equipment	5-20 years
Vehicles	5-20 years
Utility systems	10-40 years
Infrastructure – streets	20-40 years
Intangible assets	15-20 years

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

Supply Inventories

Inventories purchased are valued at cost (first-in, first-out method). Inventory is recorded as expenditures when consumed in the government-wide statements and expensed when purchased in the fund statements.

Retirement Plans

Substantially all of the City's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. 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. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

Compensated Absences

It is the policy to permit employees to accumulate earned but unused vacation, compensatory, and sick leave benefits. Vacation accrual is limited based on the nonrepresented employees' personnel directives and the various union contracts. Any vacation accrual balances in excess of these limits will be forfeited. Accumulated vested vacation, compensatory, and sick pay is accrued as it is earned in the proprietary fund financial statements and the government-wide financial statements. Both the current and long-term liabilities are recorded. Government fund types recognize the expenditure when benefits are paid. Upon retirement an employee with ten or more years of service in a specific department shall be paid a percentage of their unused sick leave into a deferred compensation plan. The percentage shall be equal to the completed years of service.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term obligations

In the government-wide financial statements, and the proprietary fund 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. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the current period.

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

Net position/Fund balance

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories.

Invested in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – consists of external constraints placed on net position use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – consists of all other net position that are not included in the other categories previously mentioned.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories, prepaid items and a nonspendable jurisdictional exchange deposit.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net position/Fund balance (Continued)

- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The City Manager and Finance Director have the authority to classify portions of ending fund balances as Assigned.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The following order of spending regarding fund balance categories is used: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred inflows and outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting as a deferred outflow. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The statement of net position reports a deferred inflow called Net Deferred Pension Asset. This amount is equal to the difference between actuarially projected investment earnings and actual investment earnings, less contributions that the City paid to PERS during 2014-2015.

2. CASH AND INVESTMENTS

The cash management policies are governed by state statutes. Statutes authorize investment in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

A cash pool is maintained that is available for use by all funds. Each fund type's portion of this pool is reported on the combined balance sheet as Cash and Investments.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

Cash and Investments (recorded at cost) consisted of:

Deposits with Financial Institutions:	
Petty Cash	\$ 1,000
Demand Deposits	891,950
Investments	<u>24,989,681</u>
 Total Cash and Investments	 <u>\$ 25,882,631</u>
 Reconciliation of Cash Reported in:	
Governmental	\$ 19,966,153
Business Type	5,668,418
Agency Fund	<u>248,060</u>
 Total Cash and Investments	 <u>\$ 25,882,631</u>

Deposits

Deposits with financial institutions consist of bank demand deposits. The total bank balance per the bank statements for all pooled cash is \$1,018,653. This balance includes cash belonging to the Urban Renewal Agency and the Visitors Convention Bureau that is all held in the City's name for collateral purposes. Of these deposits, \$250,000 was covered by Federal Depository Insurance, and the remaining was deposited at an approved depository as prescribed by the Oregon State Treasurer.

The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Effective July 1, 2008, state statutes (ORS 295.002) allow public officials to deposit public funds in one or more depositories currently qualified pursuant to ORS 295.001 to 295.108. As long as the bank depository has entered into an agreement (ORS 295.008(2)(b)) and has deposited securities pursuant to state statutes (ORS 295.015(1)), there may now be on deposit at any one bank depository and its branches, a sum in excess of the amount insured by the Federal Deposit Insurance Corporation.

Custodial Credit Risk

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2015, none of the bank balance was exposed to custodial credit risk because it was insured or collateralized.

Investments

State statutes authorize investment in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers and the State Treasurer's Investment Pool, among others. As of June 30, 2015 the fair value of the position in the LGIP approximates fair value of the Pool shares as reported in the Oregon Short Term Fund audited financial statements.

**CITY OF COOS BAY
COOS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2015, the City had the following investments and maturities:

Investment Type	<u>Fair Value</u>	<u>Less than 3</u>	<u>3-17</u>	<u>18-19</u>
State Treasurer's Investment Pool	\$ 24,989,681	\$ 24,989,681	\$ -	\$ -
Total	<u>\$ 24,989,681</u>	<u>\$ 24,989,681</u>	<u>\$ -</u>	<u>\$ -</u>

The State Treasurer's Local Government Investment Pool (LGIP) is a cash and investment pool available for use by all state funds and local governments and is maintained by the State Treasurer. The LGIP is an open-ended, no-load diversified portfolio offered to eligible participants, including any municipality, political subdivision, or public corporation of the state. Local government pooled assets are reported as an Investment Trust Fund in Oregon's Comprehensive Annual Financial Report.

The Oregon Short-Term Fund Board, established by the Oregon Legislature, advises the Oregon Investment Council and the Oregon State Treasury in the management and investments of the LGIP.

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity beyond three months.

Custodial Credit Risk

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

Concentration Risk

Concentration risk is the risk of loss due to a large portion of investments with a single issuer. To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2015, all percentage restrictions were complied with. Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution. Amounts in the State Treasurer's Local Government Investment Pool are not required by law to be collateralized. State statutes do not limit the percentage of investments in this instrument.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. ACCRUED VACATION

The governmental funds compensated absences balances at June 30, 2015 and 2014 are \$1,024,324, and \$919,507. The business type funds compensated absences balances at June 30, 2015 and 2014 are \$160,157, and \$139,587.

<u>Compensated Absences</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental	\$ 919,507	104,817	-	\$ 1,024,324
Business Type	<u>139,587</u>	<u>20,570</u>	<u>-</u>	<u>160,157</u>
Total	<u>\$ 1,059,094</u>			<u>\$ 1,184,481</u>

4. CAPITAL ASSETS

Capital asset activity for governmental activities of the primary government for the year ended June 30, 2015 was as follows:

<u>Description</u>	<u>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS</u>			
	<u>June 30, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2015</u>
Capital assets not being depreciated				
Land	\$ 3,226,488	\$ 396,391	\$ -	\$ 3,622,879
Museum art works collection	793,643	35,000	-	828,643
Construction In Progress	<u>1,780,683</u>	<u>367,785</u>	<u>(206,749)</u>	<u>1,941,719</u>
Total Capital Assets not being depreciated	<u>5,800,814</u>	<u>799,176</u>	<u>(206,749)</u>	<u>6,393,241</u>
Other Capital Assets				
Land and Improvements	2,176,129	-	-	2,176,129
Buildings and Improvements	17,867,389	39,803	-	17,907,192
Machinery and Equipment	2,310,704	99,414	-	2,410,118
Vehicles	3,400,308	244,710	-	3,645,018
Intangibles	55,521	-	-	55,521
Infrastructure - streets	<u>151,883,491</u>	<u>50,000</u>	<u>-</u>	<u>151,933,491</u>
Total other Capital Assets	<u>177,693,542</u>	<u>433,927</u>	<u>-</u>	<u>178,127,469</u>
Less Accumulated Depreciation				
Land Improvements	1,625,589	42,834	-	1,668,423
Buildings and Improvements	3,718,824	407,788	-	4,126,612
Machinery & Equipment	1,713,898	115,882	-	1,829,780
Vehicles	2,372,613	198,967	-	2,571,580
Intangibles	10,173	4,462	-	14,635
Infrastructure - streets	<u>80,597,583</u>	<u>3,746,161</u>	<u>-</u>	<u>84,343,744</u>
Total Accumulated Depreciation	<u>90,038,680</u>	<u>4,516,094</u>	<u>-</u>	<u>94,554,774</u>
Total Governmental Activities	<u>\$ 93,455,675</u>	<u>\$ (3,282,991)</u>	<u>\$ (206,749)</u>	<u>\$ 89,965,935</u>

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS (CONTINUED)

Depreciation Expense for governmental activities is charged to functions as follows:

<u>Function</u>	<u>Governmental Funds</u>
General Government	\$ 110,675
Public Safety	287,561
Public Works	4,047,084
Culture and Recreation	<u>70,774</u>
 Total	 <u>\$ 4,516,094</u>

Capital asset activity for business type activities for the year ended June 30, 2015 was as follows:

<u>Description</u>	<u>BUSINESS TYPE ACTIVITIES</u>			
	<u>June 30, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2015</u>
Capital assets not being depreciated				
Construction in Progress	\$ 3,494,606	\$ 2,018,862	\$ (450,525)	\$ 5,062,943
Total Capital Assets not being depreciated	<u>3,494,606</u>	<u>2,018,862</u>	<u>(450,525)</u>	<u>5,062,943</u>
Other Capital Assets - Wastewater				
Land and Improvements	2,576,662	-	-	2,576,662
Machinery & Equipment	3,786,469	76,520	(27,771)	3,835,218
Vehicles	1,196,549	168,761	(10,520)	1,354,790
Plant and System	21,816,168	294,143	(84,230)	22,026,081
Total other Capital Assets	<u>29,375,848</u>	<u>539,424</u>	<u>(122,521)</u>	<u>29,792,751</u>
Less Accumulated Depreciation				
Land and Improvements	1,887,894	370	-	1,888,264
Machinery & Equipment	2,828,048	84,525	(27,771)	2,884,802
Vehicles	582,957	88,089	(10,520)	660,526
Plant and System	9,058,646	474,853	(84,230)	9,449,269
Total Accumulated Depreciation	<u>14,357,545</u>	<u>647,837</u>	<u>(122,521)</u>	<u>14,882,861</u>
Total Business Type Activities	<u>\$ 18,512,909</u>	<u>\$ 1,910,449</u>	<u>\$ (450,525)</u>	<u>\$ 19,972,833</u>

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS (CONTINUED)

Depreciation expense for business type activities is charged to functions as follows:

<u>Function</u>	<u>Business Type Funds</u>
Wastewater	<u>\$ 647,837</u>
Total	<u><u>\$ 647,837</u></u>

5. EMPLOYEE RETIREMENT PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employee defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i) Pension Benefits. The PERS 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 (2.0 percent for police and fire employees, and 1.67 percent 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 benefits results.
 - ii) 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 on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii) Disability Benefits. A member with 10 or more years of creditable service who becomes disable 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 PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv) 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 equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. EMPLOYEE RETIREMENT PLAN (CONTINUED)

- b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i) **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: Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
- General service: 1.5 percent 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.
- A member of the 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.
- ii) **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 percent of the pension that would otherwise have been paid to the deceased member.
- iii) **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 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv) **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation, which became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2015 were \$730,435, excluding amounts to fund employer specific liabilities. In addition approximately \$392,386 in employee contributions were paid or picked up by the City in fiscal 2015.

At June 30, 2015, the City reported a net pension asset of \$2,156,209 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2012, the City's proportion was .095 percent.

**CITY OF COOS BAY
COOS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. EMPLOYEE RETIREMENT PLAN (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	4,160,609
Changes in proportion and differences between City contributions and proportionate share of contributions	-	191,851
Net deferred outflow (inflow) of resources		4,352,460
City contributions subsequent to measurement date	730,435	-
Net Deferred Outflow (Inflow) of resources		<u>\$ 3,622,025</u>

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
2016	\$ (1,081,859)
2017	(1,081,859)
2018	(1,081,859)
2019	(1,081,859)
2020	(25,024)
Thereafter	-
Total	<u>\$ (4,352,460)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated July 29, 2015. Oregon PERS produces an independently audited CAFR which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx.

Actuarial Valuations – The employer contribution rates effective July 1, 2013 through June 30, 2015, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

**CITY OF COOS BAY
COOS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, Published September 18, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts 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 method and assumptions shown are based on the 2012 Experience Study which is reviewed for the four-year period ending December 31, 2012.

Discount Rate – The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the 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 for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate – The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent than the current rate.)

**CITY OF COOS BAY
COOS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

5. EMPLOYEE RETIREMENT PLAN (CONTINUED)

	Decrease (6.75%)	Rate (7.75%)	Increase (8.75%)
City's proportionate share of the net pension liability	\$ 4,566,071	\$ (2,156,209)	\$ (7,841,681)

Changes in Plan Provisions Subsequent to Measurement Date: The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. Oregon Public Employees Retirement System Notes to the Schedules of Employer Allocations and Pension Amounts by Employer As of and for the Fiscal Year Ended June 30, 2014. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below (dollars in millions). Estimates have been rounded to the nearest \$10 million.

	<u>June 30, 2014 Measurement Date</u>	
	Prior to Moro	After Moro (est.)
Net pension liability		
Total pension liability	\$ 63,135	\$ 68,050
Fiduciary net position	<u>65402</u>	<u>65400</u>
Net pension liability (asset)	<u>\$ (2,267)</u>	<u>\$ 2,650</u>

Additional disclosures related to Oregon PERS not applicable to specific employers are available online at the below website, or by contacting PERS at the following address: PO BOX 23700 Tigard, OR 97281-3700,

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

**CITY OF COOS BAY
COOS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. DEFERRED COMPENSATION

Four deferred compensation trust plans are offered to employees and were created in accordance with Internal Revenue Code Section 457. The trusts hold the assets for the exclusive benefits of plan participants and their beneficiaries.

7. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description. A program is provided for the availability for retirees and their spouses to purchase healthcare insurance at the same group rates as the City pays for its active employees'. No plan has been established to account for this activity. Since the former employees' service has caused this benefit to be available, generally accepted accounting principles requires that the costs of these services be calculated and shown as a cost of operations and/or as a liability for providing a future benefit in the financial statements. Disclosure of the liability is mandatory.

Funding Policy. There is no plan to fund these benefits, but an actuary has calculated that the implied subsidy included in healthcare costs for the year ended June 30, 2015, was approximately \$498,621.

Annual OPEB Cost and Net OPEB Obligation. The annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount determined in accordance with the parameters of Governmental Accounting Standards Board (GASB) Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the annual OPEB cost for the year, the amount implicitly contributed to the "plan" through the normal payments to healthcare insurance providers and changes to the OPEB obligation.

	<u>6/30/2013</u>	<u>6/30/2014</u>	<u>6/30/2015</u>
Annual Required Contribution (ARC)	\$ 117,009	\$ 135,804	\$ 142,089
Interest on Net Pension Obligation	11,897	12,558	14,853
Adjustment to Annual Required Contribution	<u>(20,213)</u>	<u>(43,144)</u>	<u>(51,026)</u>
Annual OPEB Cost	108,693	105,218	105,916
Contributions Made	<u>(47,307)</u>	<u>(39,665)</u>	<u>(31,657)</u>
Increase in Net Pension Obligation	61,386	65,553	74,259
Net OPEB Obligation (Asset) at Beginning of the Year	297,423	358,809	424,362
Net OPEB Obligation (Asset) at End of the Year	<u>\$ 358,809</u>	<u>\$ 424,362</u>	<u>\$ 498,621</u>
Percentage of APC Contributed	44%	38%	30%

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2015, along with preceding fiscal years, were as follows:

Year Ended	OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
6/30/2013	\$ 108,693	44.00%	\$ 358,809
6/30/2014	105,218	38.00%	424,362
6/30/2015	105,916	30.00%	498,621

Funding status and funding progress. As of August 1, 2014 the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$621,382 all of which was unfunded.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare costs trend. Amounts determined regarding the funded status of the plan and the annual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and assumptions. Projections of benefits for financial reporting purposes are based on the substitutive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of the benefit costs, if any, to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

- Discount rate: 3.50% for unfunded liabilities.
- Health Cost Trend for medical and vision: 5.5% for 2015-2029, 5.75% for 2030, 6.0% for 2031, 6.5% for 2032, 6.75% for 2033-2035, 6.5% for 2036-2037, 6.25% for 2038-2041, 6.0% for 2042-2049, 5.75% for 2050-2060, 5.5% for 2061-2063, 5.25% for 2064-2066, 5.0% for 2037-2089, and 4.75% for 2070 and on.
- Health Cost Trend for dental: 4.5% per year increase.
- Annual Payroll Increase: 2.75% compounded annually.
- Disability: Not used.
- Retirement: Based on the Oregon PERS assumptions.
- Withdrawal: Based on the Oregon PERS assumptions.
- Mortality: RP-2000 healthy white collar male and female mortality tables, set back one year for males. Mortality is projected on a generational basis using Scall AA for males and females.
- Excluded employees: Temporary and part-time employees, elected officials and volunteers.
- PERS service: Estimated based on elapsed time from date of hire to the most recent valuation.
- Future retiree coverage: 40% of active members upon retirement.
- Spousal age: Females spouses are assumed to be two years younger than male spouses.

**CITY OF COOS BAY
COOS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT

There is long term debt associated with governmental and business type activities.

Governmental Activities

Revenue Secured Bond: In April 2006, \$5,645,000 in Refunding Bonds were issued, the proceeds of which were utilized to refund the 2000 water secured bonds. These water bonds, although general obligation bonds of the City, are a primary obligation of the Coos Bay-North Bend Water Board, and are being retired from revenues turned over by that agency. The refunding reduced total debt payments by \$433,251. The Water Board, by resolution, is pledged to establish, maintain and collect rates and charges for water service that will produce sufficient revenue, after deducting the expenses for operation and maintenance, to meet principal and interest payments when due.

The future requirements for amortization of this April 2006 Revenue Secured Bond debt are as follows:

Fiscal Year	Issue of April 2006		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015-2016	\$ 300,000	\$ 153,344	\$ 453,344
2016-2017	315,000	137,967	452,967
2017-2018	330,000	123,080	453,080
2018-2019	345,000	108,736	453,736
2019-2020	360,000	93,755	453,755
2021-2025	<u>2,045,000</u>	<u>222,878</u>	<u>2,267,878</u>
Total	<u>\$ 3,695,000</u>	<u>\$ 839,760</u>	<u>\$ 4,534,760</u>

Interest rate: 4.25% and 5.0%

**CITY OF COOS BAY
COOS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

Revenue Secured Loan: On June 14, 2005, the Water Board secured a revenue loan with O.E.C.D.D. in the amount of \$125,000. The loan is a primary obligation of the City, for its portion of the water line Bay Crossing Project construction to be paid over 25 years at 4.97% annual interest. The Water Board, by resolution, is pledged to establish, maintain, and collect rates and charges for water service that will produce sufficient revenue to meet principal and interest payments when due. The future requirements for amortization of this revenue secured loan are as follows:

Fiscal Year	Issue of June 14, 2005		
	Principal	Interest	Total
2015-2016	\$ 4,165	\$ 4,455	\$ 8,620
2016-2017	4,372	4,247	8,619
2017-2018	4,589	4,031	8,620
2018-2019	4,818	3,802	8,620
2019-2020	5,057	3,563	8,620
2020-2025	29,315	13,786	43,101
2026-2030	37,320	5,741	43,061
Total	<u>\$ 89,636</u>	<u>\$ 39,625</u>	<u>\$ 129,261</u>

Interest rate: 4.97% fixed annual rate.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

General Obligation 2009 Fire Station Bond: In April 2009, \$6,900,000 in general obligation bonds were issued which will be used to finance the building of the new fire station. The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of April 15, 2009		
	Principal	Interest	Total
2015-2016	\$ 290,000	\$ 198,550	\$ 488,550
2016-2017	305,000	186,950	491,950
2017-2018	315,000	174,750	489,750
2018-2019	330,000	162,150	492,150
2019-2020	340,000	148,950	488,950
2021-2025	1,925,000	528,550	2,453,550
2026-2030	1,355,000	117,882	1,472,882
Total	<u>\$ 4,860,000</u>	<u>\$ 1,517,782</u>	<u>\$ 6,377,782</u>

Interest rate: 3.0 - 4.375% fixed annual rate.

Economic Development Loan: During 2009-10, the Water Board, a City of Coos Bay Joint Venture, began a project to increase the capacity of the Pony Creek water treatment plant from 8 MGD to 12 MGD. Engineering began in 2009-10 and construction began in 2010-11, continuing into 2012-13. The cities of Coos Bay and North Bend each borrowed approximately \$5 million dollars on the Water Board's behalf to finance the project. The Water Board will pledge its revenue stream to the two cities for repayment of the debt when it is due. Debt repayment will begin on December 1st of the year in which the project is completed. The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of 12/1/2013		
	Principal	Interest	Total
2015-2016	\$ 194,407	\$ 154,223	\$ 348,630
2016-2017	201,016	147,613	348,629
2017-2018	207,851	140,779	348,630
2018-2019	214,918	133,712	348,630
2019-2020	222,225	126,404	348,629
2021-2025	1,229,731	513,416	1,743,147
2026-2030	1,453,494	289,656	1,743,150
2031-2035	812,329	49,743	862,072
Total	<u>\$ 4,535,971</u>	<u>\$ 1,555,546</u>	<u>\$ 6,091,517</u>

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

URA Downtown Bond: \$5,700,000 of urban renewal current refunding bonds were issued on January 24, 2003, which are payable from the tax increment revenues of the Downtown Urban Renewal Area. The future requirements for amortization of these outstanding urban renewal bonds as of June 30, 2015, are as follows:

<u>Fiscal Year</u>	<u>Issue of January 24, 2003 (Series 2003 A)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015-2016	\$ 475,173	\$ 50,826	\$ 525,999
2016-2017	489,818	28,797	518,615
2017-2018	<u>250,504</u>	<u>5,878</u>	<u>256,382</u>
Total	<u>\$ 1,215,495</u>	<u>\$ 85,501</u>	<u>\$ 1,300,996</u>

Interest Rate: Fixed annual rate of 3.0%

URA Empire Bond: \$2,600,000 of urban renewal current refunding bonds were issued on January 24, 2003, which are payable from the tax increment revenues of the Empire Urban Renewal Area. The future requirements for amortization of these outstanding urban renewal bonds as of June 30, 2015, are as follows:

<u>Fiscal Year</u>	<u>Issue of January 24, 2003 (Series 2003 A)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015-2016	\$ 215,783	\$ 23,184	\$ 238,967
2016-2017	220,205	13,136	233,341
2017-2018	<u>111,779</u>	<u>680</u>	<u>112,459</u>
Total	<u>\$ 547,767</u>	<u>\$ 37,000</u>	<u>\$ 584,767</u>

Interest Rate: Fixed annual rate of 2.0%

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

URA Downtown Bond: \$1,402,000 of urban renewal debt service bonds were issued on August 28, 2009, which are payable from the tax increment revenues from the Downtown Urban Renewal Area. The future requirements for amortization of these outstanding urban renewal bonds as of June 30, 2015, are as follows:

Fiscal Year	Issue of August 28, 2009		
	Principal	Interest	Total
2015-2016	\$ 149,000	\$ 24,477	\$ 173,477
2016-2017	155,000	18,307	173,307
2017-2018	162,000	11,890	173,890
2018-2019	168,283	5,187	173,470
Total	<u>\$ 634,283</u>	<u>\$ 59,861</u>	<u>\$ 694,144</u>

Interest Rate: Fixed annual rate of 3.0%

The Downtown Bond and Empire Bond funds have been used to liquidate long-term liabilities.

Business Type Activities

Land purchase loan: At October 31, 2011, a \$650,000 loan was received for the purchase of land. The loan is payable over ten years at a fixed interest rate of 3.12%. The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of October 2011		
	Principal	Interest	Total
2015-2016	\$ 65,000	\$ 11,154	\$ 76,154
2016-2017	65,000	9,126	74,126
2017-2018	65,000	7,098	72,098
2018-2019	65,000	5,070	70,070
2019-2020	65,000	3,042	68,042
2020-2025	43,331	1,014	44,345
Total	<u>\$ 368,331</u>	<u>\$ 36,504</u>	<u>\$ 404,835</u>

IFA Wastewater Loans: Payment terms are not yet available.

**CITY OF COOS BAY
COOS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities: During the year ended June 30, 2015, the following changes occurred in long-term liabilities:

	Balance 7/1/2014	Additions	Reductions	Balance 6/30/2015	Due in One Year
Governmental Activities:					
Revenue Bonds:					
Water Bonds					
June 14, 2005 (refunding)	\$ 93,604	\$ -	\$ (3,968)	\$ 89,636	\$ 4,165
GO Fire Station April 15, 2009	5,145,000	-	(285,000)	4,860,000	290,000
Revenue Secured Bond:					
April, 2006 (refunding)	3,980,000	-	(285,000)	3,695,000	300,000
Economic Development Loan					
June 30, 2011	4,723,985	-	(188,014)	4,535,971	194,407
URA Downtown Series 1/23/03 A	1,676,617	-	(461,122)	1,215,495	475,173
URA Empire Series 1/24/03 A	759,264	-	(211,497)	547,767	215,783
URA Downtown Series 8/28/09	777,283	-	(143,000)	634,283	149,000
OPEB Obligation	424,362	74,259	-	498,621	-
Bond Premium	105,131	-	(8,318)	96,813	-
Total	\$ 17,685,246	\$ 74,259	\$ (1,585,919)	\$ 16,173,586	\$ 1,628,528
Business Type Activities					
IFA Wastewater Loan 2012	\$ 2,457,437	\$ 67,921	\$ -	\$ 2,525,358	\$ -
IFA Wastewater Loan 2013	152,020	1,500,514	-	1,652,534	-
Land purchase loan	433,331	-	(65,000)	368,331	65,000
Total	\$ 3,042,788	\$ 1,568,435	\$ (65,000)	\$ 4,546,223	\$ 65,000

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. PROPERTY TAX LIMITATIONS

The State of Oregon has a constitutional limit on property taxes for schools and nonschool government operations. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

An additional limit reduces the amount of operating property tax revenues available. This reduction was accomplished by rolling property values for 1997-98 back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

10. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to, and destruction of assets; and omissions; injuries to employees; and natural disasters. Commercial insurance is purchased to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage for any of the past three years.

11. INVESTMENT IN JOINT VENTURE

Pursuant to an intergovernmental agreement authorized by state statutes, the City of Coos Bay joined with the City of North Bend to establish and operate a Water Board for the mutual advantage of the two governments. The City of Coos Bay's share of assets, liabilities, and fund equity is 50 percent. Following is a summary of the most recent audited financial information as of, and for the year ended June 30, 2015:

Cash and investments	\$ 4,585,813
Other assets	<u>65,010,765</u>
Total assets	<u>69,596,578</u>
Deferred outflows of resources	<u>590,548</u>
Total assets and deferred outflows	<u>\$ 70,187,126</u>
Total liabilities	\$ 19,830,231
Total equity	<u>50,356,895</u>
Total liabilities and equity	<u>\$ 70,187,126</u>

**CITY OF COOS BAY
COOS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

14. TRANSFERS

Transfers made during the year are summarized as follows:

Fund:	Transfer In	Transfer Out
Governmental Funds:		
General	\$ 311,553	\$ 11,544
Jurisdictional Exchange	-	1,553
Revenue Bond	409,075	-
Other Governmental	1,436,235	1,727,691
	<u>\$ 2,156,863</u>	<u>\$ 1,740,788</u>
Business Type Funds	<u>\$ 1,358,418</u>	<u>\$ 1,774,493</u>
Total Transfers	<u>\$ 3,515,281</u>	<u>\$ 3,515,281</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

15. INTERFUND LOANS

A \$600,000 loan was issued in July of 2011 from URA Downtown Capital Fund to the General Fund. The loan is payable over 10 years at an interest rate of 1%. The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of July 2011		
	Principal	Interest	Total
2015-2016	\$ 60,000	\$ 4,200	\$ 64,200
2016-2017	60,000	3,600	63,600
2017-2018	60,000	3,000	63,000
2018-2019	60,000	2,400	62,400
2019-2020	60,000	1,800	61,800
2021-2025	<u>120,000</u>	<u>1,800</u>	<u>121,800</u>
Total	<u>\$ 420,000</u>	<u>\$ 16,800</u>	<u>\$ 436,800</u>

Interest Rate: Fixed annual rate of 4.1%

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

15. INTERFUND LOANS (CONTINUED)

An \$118,094 loan was issued in 2013 from the General Fund to the Jurisdictional Exchange Fund. During the 2013-2014 year, \$58,155 additional loan proceeds were issued for a total liability of \$176,474. The loan is payable upon the extinguishment of the 2005 business loan, in equal amounts annually, at an interest rate of 1%. The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of August 2012 through July 2013		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2015-2016	\$ 27,074	\$ 1,502	\$ 28,576
2016-2017	29,593	1,208	30,801
2017-2018	29,890	910	30,800
2018-2019	30,191	610	30,801
2019-2020	<u>30,524</u>	<u>306</u>	<u>30,830</u>
Total	<u>\$ 147,272</u>	<u>\$ 4,536</u>	<u>\$ 151,808</u>

Interest rate: 1% fixed annual rate.

**CITY OF COOS BAY
COOS COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 16 - FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2015 are as follows:

Fund Balances:	General Fund	Jurisdictional Exchange Reserve	Revenue Bond	Non Major Funds	Total
<u>Nonspendable:</u>					
Prepaid Expenses	\$ 5,841	\$ -	\$ -	\$ -	\$ 5,841
Inventory	815	-	-	-	815
Jurisdictional Exchange	-	4,800,000	-	3,011	4,803,011
Total	<u>6,656</u>	<u>4,800,000</u>	<u>-</u>	<u>3,011</u>	<u>4,809,667</u>
<u>Restricted</u>					
Memorial Bricks	209	-	-	-	209
DUII Impact Panel	-	-	-	-	-
Fire - BAH Car Seat	2,980	-	-	-	2,980
Grants	-	-	-	-	-
Legislation	-	-	-	357,547	357,547
Debt Service	-	-	3,066,612	1,203,725	4,270,337
Library	-	-	-	978,097	978,097
Choshi Garden Foundation	-	-	-	-	-
Capital Projects	-	-	-	524,516	524,516
Total	<u>3,189</u>	<u>-</u>	<u>3,066,612</u>	<u>3,063,885</u>	<u>6,133,686</u>
<u>Assigned</u>					
DUII Impact Panel	8,059	-	-	-	8,059
Range	5,493	-	-	-	5,493
John Topits Park Equipment	650	-	-	-	650
Canine	20	-	-	-	20
Hotel/Motel Tax Fund	-	-	-	127,647	127,647
Tech Fund	-	-	-	-	-
Unclaimed Property Liability	31	-	-	-	31
Rainy Day Reserve Fund	490,298	-	-	-	490,298
Jurisdictional Exchange	-	-	-	-	-
Capital Projects	-	-	-	5,858,918	5,858,918
Total	<u>504,551</u>	<u>-</u>	<u>-</u>	<u>5,986,565</u>	<u>6,491,116</u>
Unassigned:	<u>3,245,246</u>	<u>(96,623)</u>	<u>-</u>	<u>-</u>	<u>3,148,623</u>
Total Fund Balances	<u>\$ 3,759,642</u>	<u>\$ 4,703,377</u>	<u>\$ 3,066,612</u>	<u>\$ 9,053,461</u>	<u>\$ 20,583,092</u>

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 17 – CONTINGENCIES

A number of federal and state assisted programs are participated in. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant. Management believes that such disallowance, if any, will be immaterial.

NOTE 18 – SUBSEQUENT EVENT

A \$2.1 million dollar TIGER III grant was awarded to the City of Coos Bay in March of 2012 for the "Empire Pedestrian and Bicycle Access Project". Additionally, a TIGER IV grant was awarded in February of 2013 for \$1,387,200 and an additional \$1,989,038 was awarded in December 2014 to fund phase two of the project for a total project estimated at \$5,476,238. Both of these grants along with a grant match of \$830,032 will fund pedestrian and bicycle access from the intersection of Newmark Avenue and South Empire Blvd south to Wisconsin Street, the city limits. The project remained in design at the end of FYE 15 with construction estimated to begin in FYE 16 with bids accepted by ODOT in October 2015. No funds will be received by the City for either grant.

NOTE 19 – NEGATIVE NET POSITION

The Wastewater Improvement Fund has a negative net position of (\$1,235,717). This is the result of capital construction and capital contributions to the Wastewater Fund as well as debt for capital assets held by the Wastewater fund. The net position will become positive as more reimbursements are received for the project.

NOTE 20– RESTATEMENT OF NET POSITION

Due to the implementation of GASB 68 and GASB 71, a restatement of the prior year net position was required. The restatement is as follows:

Net position-Beginning as previously reported	\$ 148,158,695
Proportionate share of net pension asset	(4,854,360)
Net outflow*/(inflows) of resources	727,026
Restatement of Joint Venture	(367,814)
Net position-Beginning as restated	<u>\$ 143,663,547</u>

CITY OF COOS BAY
COOS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF COOS BAY
COOS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Year Ended June 30, 2015

OTHER POST EMPLOYEMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Normal Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered payroll ((b-a/c)
8/1/2008	\$0	\$1,310,923	\$1,310,923	0%	N/A	N/A
8/1/2010	\$0	732,571	732,571	0%	N/A	N/A
8/1/2012	\$0	693,284	693,284	0%	N/A	N/A
8/1/2014	\$0	621,382	621,382	0%	N/A	N/A

CITY OF COOS BAY
COOS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Year Ended June 30, 2015

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	Employer's proportion of the net pension liability (NPL) (a)	Employer's proportionate share of the net pension liability (NPL) (b)	Covered payroll (c)	NPL as a percentage of covered payroll (b/c)	Plan fiduciary net position as a percentage of the total pension liability
2015	0.095125 %	(\$2,156,209)	\$6,768,541	0%	104%
2014	0.095125 %	4,854,360	\$6,449,947	0%	92%

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2015	\$730,435	\$716,109	\$0	\$6,768,541	0.10579961
2014	727,026	714,740	0	6,449,947	0.110813314

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2015**

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Property Taxes	\$ 5,228,729	\$ 5,228,729	\$ 5,545,931	\$ 317,202
Franchise Fees	1,625,900	1,625,900	1,623,979	(1,921)
Licenses and Permits	167,350	167,350	155,508	(11,842)
Intergovernmental	381,200	381,200	411,052	29,852
Grants	215,032	250,049	184,461	(65,588)
Charges For Services	551,589	551,589	604,234	52,645
Charges for Use of Money and Property	85,122	85,122	103,728	18,606
Fines and Forfeitures	73,050	73,050	69,797	(3,253)
Miscellaneous	10,790	10,610	73,169	62,559
	<u>8,338,762</u>	<u>8,373,599</u>	<u>8,771,859</u>	<u>398,260</u>
EXPENDITURES				
General Government	1,223,210	1,223,210 (1)	1,113,763	109,447
Public Safety	6,948,931	6,948,931 (1)	6,508,383	440,548
Public Works	882,082	916,914 (1)	759,891	157,023
Contingency	600,000	600,000 (1)	-	600,000
	<u>9,654,223</u>	<u>9,689,055</u>	<u>8,382,037</u>	<u>1,307,018</u>
Excess of Revenues Over (Under) Expenditures	(1,315,461)	(1,315,456)	389,822	1,705,278
OTHER FINANCING SOURCES (USES)				
Transfers In	470,530	470,530	340,530	(130,000)
Transfers Out	(71,544)	(71,544) (1)	(71,544)	-
Sale of Capital Asset	-	-	182,975	182,975
Du Jour Financing - URA In	311,413	311,413	311,413	-
Du Jour Financing - URA Out	(308,299)	(308,299)	(308,299)	-
	<u>402,100</u>	<u>402,100</u>	<u>455,075</u>	<u>52,975</u>
Net Change in Fund Balance	(913,361)	(913,356)	844,897	1,758,253
FUND BALANCE - BEGINNING OF YEAR	<u>2,417,365</u>	<u>2,417,365</u>	<u>2,697,175</u>	<u>279,810</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,504,004</u>	<u>\$ 1,504,009</u>	<u>\$ 3,542,072</u>	<u>\$ 2,038,063</u>

(1) Appropriation Level

Reconciliation to Governmental Balance Sheet Fund Balance

Ending Fund Balance - combined due to requirements of GASB 54

Rainy Day Reserve Fund

490,298

Interfund Loan activity

Interfund Loan Receivable

147,272

Interfund Loan Payable

(420,000)

GAAP General Fund Balance

\$ 3,759,642

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CITY OF COOS BAY
COOS COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

JURISDICTIONAL EXCHANGE RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 20,000	\$ 20,000	\$ 25,085	\$ 5,085
Total Revenues	<u>20,000</u>	<u>20,000</u>	<u>25,085</u>	<u>5,085</u>
EXPENDITURES				
Public Works				
Debt Service				
Principal Retirement	28,977	28,977	28,977	-
Interest and Fiscal Charges	1,553	1,553	1,553	-
Total Debt Service	<u>30,530</u>	<u>30,530 (1)</u>	<u>30,530</u>	<u>-</u>
Contingency	<u>45,782</u>	<u>45,564 (1)</u>	<u>-</u>	<u>45,564</u>
Total Expenditures	<u>76,312</u>	<u>76,094</u>	<u>30,530</u>	<u>45,564</u>
Net Change in Fund Balance	(56,312)	(56,094)	(5,445)	50,649
FUND BALANCE - BEGINNING OF YEAR	<u>4,856,312</u>	<u>4,856,094</u>	<u>4,856,094</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,800,000</u>	<u>\$ 4,800,000</u>	4,850,649	<u>\$ 50,649</u>
Reconciliation to Governmental Balance Sheet Fund Balance				
Interfund Loan activity			(147,272)	
Interfund Loan Payable			(147,272)	
GAAP General Fund Balance			<u>\$ 4,703,377</u>	

(1) Appropriation Level

CITY OF COOS BAY
COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015

REVENUE BOND FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Intergovernmental				
CB-NB Water Board	\$ 811,135	\$ 811,135	\$ 810,217	\$ (918)
Total Revenues	<u>811,135</u>	<u>811,135</u>	<u>810,217</u>	<u>(918)</u>
EXPENDITURES				
Debt Service				
Principal	3,445,925	3,445,925	601,981	2,843,944
Interest	451,105	451,105	407,314	43,791
Total Expenditures	<u>3,897,030</u>	<u>3,897,030 (1)</u>	<u>1,009,295</u>	<u>2,887,735</u>
Excess of Revenues Over (Under) Expenditures	(3,085,895)	(3,085,895)	(199,078)	2,886,817
OTHER FINANCING SOURCES (USES)				
Transfers In	469,075	469,075	469,075	-
Net Change in Fund Balance	(2,616,820)	(2,616,820)	269,997	2,886,817
FUND BALANCE - BEGINNING OF YEAR	<u>2,616,820</u>	<u>2,616,820</u>	<u>2,796,615</u>	<u>179,795</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,066,612</u>	<u>\$ 3,066,612</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

	<u>WASTEWATER FUND</u>			VARIANCE TO FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u></u>
REVENUES				
Intergovernmental				
Charleston	\$ 209,047	\$ 209,047	\$ 261,000	\$ 51,953
Bunker Hill	87,521	87,521	60,000	(27,521)
Total Intergovernmental	<u>296,568</u>	<u>296,568</u>	<u>321,000</u>	<u>24,432</u>
Charges for Services				
Sewer Permits	2,000	2,000	6,700	4,700
Sewer Use Fees	4,952,044	4,952,044	5,324,517	372,473
Recreational Vehicle Dump Fees	2,500	2,500	3,400	900
Alum Sludge Disposal Fees	55,000	55,000	67,139	12,139
Total Charges for Services	<u>5,011,544</u>	<u>5,011,544</u>	<u>5,401,756</u>	<u>390,212</u>
Charges for Use of Money and Property				
Interest on Investments	9,000	9,000	9,646	646
Total Charges for Use of Money and Property	<u>9,000</u>	<u>9,000</u>	<u>9,646</u>	<u>646</u>
Miscellaneous	1,452	1,452	54,836	53,384
Total Revenues	<u>5,318,564</u>	<u>5,318,564</u>	<u>5,787,238</u>	<u>468,674</u>
EXPENDITURES				
Wastewater Collection and Treatment				
Personal Services	1,108,031	1,108,031	969,378	138,653
Materials and Services	3,023,160	3,023,160	2,343,934	679,226
Total Wastewater Collection and Treatment	<u>4,131,191</u>	<u>4,131,191</u>	<u>(1) 3,313,312</u>	<u>817,879</u>
Contingency	68,180	68,180	(1) -	68,180
Total Expenditures	<u>4,199,371</u>	<u>4,199,371</u>	<u>3,313,312</u>	<u>886,059</u>
Excess of Revenues Over (Under) Expenditures	1,119,193	1,119,193	2,473,926	1,354,733
Other Financing Sources (Uses)				
Transfers Out	(1,769,193)	(1,769,193)	(1,769,193)	-
Total Other Financing Sources (Uses)	<u>(1,769,193)</u>	<u>(1,769,193)</u>	<u>(1,769,193)</u>	<u>-</u>
Net Change in Fund Balance	(650,000)	(650,000)	704,733	1,354,733
FUND BALANCE - BEGINNING OF YEAR	<u>650,000</u>	<u>650,000</u>	<u>1,907,809</u>	<u>1,257,809</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,612,542</u>	<u>\$ 2,612,542</u>
Reconciliation to Net Position:				
Capital Assets, Net			19,972,833	
Unavailable Revenue			732,780	
Pension Asset			215,109	
Net Deferred Pension Asset			(361,343)	
Accrued Vacation			(142,975)	
Total Net Position			<u>\$ 23,028,946</u>	

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2015**

BUILDING CODES FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Licenses and Permits	\$ 179,537	\$ 179,537	\$ 175,269	\$ (4,268)
Charges for Use of Money and Property				
Interest on Investments	50	50	1,403	1,353
Miscellaneous	-	-	(220)	(220)
Total Revenues	<u>179,587</u>	<u>179,587</u>	<u>176,452</u>	<u>(3,135)</u>
EXPENDITURES				
Public Works				
Personal Services	221,961	221,961	214,859	7,102
Materials and Services	55,537	55,537	29,381	26,156
Total Building Codes Operations	<u>277,498</u>	<u>277,498</u>	(1) <u>244,240</u>	<u>33,258</u>
Contingency	3,092	3,092	(1) -	3,092
Total Expenditures	<u>280,590</u>	<u>280,590</u>	<u>244,240</u>	<u>36,350</u>
Excess of Revenues Over (Under) Expenditures	(101,003)	(101,003)	(67,788)	33,215
OTHER FINANCING SOURCES (USES)				
Transfers Out	(5,300)	(5,300)	(1) (5,300)	-
Total Other Financing Sources (Uses)	<u>(5,300)</u>	<u>(5,300)</u>	<u>(5,300)</u>	<u>-</u>
Net Change in Fund Balance	(106,303)	(106,303)	(73,088)	33,215
FUND BALANCE - BEGINNING OF YEAR	<u>106,303</u>	<u>106,303</u>	<u>296,988</u>	<u>190,685</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>223,900</u>	<u>\$ 223,900</u>

Reconciliation to Net Position:

Pension Asset	46,247
Net Deferred Pension Asset	(77,685)
Accrued Vacation	(17,182)
Total Net Position	<u>\$ 175,280</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2015**

	COMBINED NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR DEBT SERVICE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 2,704,759	\$ 1,192,290	\$ 4,389,026	\$ 8,286,075
Prepaid Expense	3,011	-	-	3,011
Receivables				
Taxes	160,518	52,824	-	213,342
Accounts	398,377	-	877	399,254
Assessments	-	-	46,545	46,545
Interfund	-	-	420,000	420,000
Total Assets	<u>\$ 3,266,665</u>	<u>\$ 1,245,114</u>	<u>\$ 4,856,448</u>	<u>\$ 9,368,227</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
LIABILITIES				
Accounts Payable	\$ 52,758	\$ -	\$ 24,163	\$ 76,921
Due to	24,340	-	-	24,340
Total Liabilities	<u>77,098</u>	<u>-</u>	<u>24,163</u>	<u>101,261</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	41,389	-	41,389
Unavailable Revenue - Special Assessments	125,571	-	46,545	172,116
Total Deferred Outflows of Resources	<u>125,571</u>	<u>41,389</u>	<u>46,545</u>	<u>213,505</u>
FUND BALANCES				
Nonspendable	3,011	-	-	3,011
Restricted	1,335,644	1,203,725	524,516	3,063,885
Assigned	1,725,341	-	4,261,224	5,986,565
Total Fund Balances	<u>3,063,996</u>	<u>1,203,725</u>	<u>4,785,740</u>	<u>9,053,461</u>
Total Liabilities and Fund Balances	<u>\$ 3,266,665</u>	<u>\$ 1,245,114</u>	<u>\$ 4,856,448</u>	<u>\$ 9,368,227</u>

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**CITY OF COOS BAY
COOS COUNTY, OREGON**

**COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2015**

	STATE GAS TAX	HOTEL/ MOTEL TAX	LIBRARY	LIBRARY ESO	911 TAX
ASSETS					
Cash and Investments	\$ 181,029	\$ -	\$ 617,500	\$ 264,057	\$ 79,426
Prepaid Expense	-	-	336	2,675	-
Receivables					
Property Taxes	-	-	-	-	-
Accounts	89,753	161,837	123,401	-	23,386
	<u>\$ 270,782</u>	<u>\$ 161,837</u>	<u>\$ 741,237</u>	<u>\$ 266,732</u>	<u>\$ 102,812</u>
Total Assets					
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
LIABILITIES					
Accounts Payable	\$ 15,929	\$ 9,850	\$ 7,495	\$ 19,366	\$ 118
Due to	-	24,340	-	-	-
	<u>15,929</u>	<u>34,190</u>	<u>7,495</u>	<u>19,366</u>	<u>118</u>
Total Liabilities					
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Special Assessments	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Outflows of Resources					
FUND BALANCES					
Nonspendable	-	-	336	2,675	-
Restricted	254,853	-	733,406	244,691	102,694
Assigned	-	127,647	-	-	-
	<u>254,853</u>	<u>127,647</u>	<u>733,742</u>	<u>247,366</u>	<u>102,694</u>
Total Fund Balances					
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 270,782</u>	<u>\$ 161,837</u>	<u>\$ 741,237</u>	<u>\$ 266,732</u>	<u>\$ 102,812</u>

<u>URA DOWNTOWN SPECIAL REVENUE</u>	<u>URA EMPIRE SPECIAL REVENUE</u>	<u>URA EMPIRE PROGRAM</u>	<u>URA DOWNTOWN PROGRAM</u>	<u>TOTAL</u>
\$ 736,350	\$ 344,734	\$ 439,489	\$ 42,174	\$ 2,704,759
-	-	-	-	3,011
96,261	64,257	-	-	160,518
-	-	-	-	398,377
<u>\$ 832,611</u>	<u>\$ 408,991</u>	<u>\$ 439,489</u>	<u>\$ 42,174</u>	<u>\$ 3,266,665</u>
\$ -	\$ -	\$ -	\$ -	\$ 52,758
-	-	-	-	24,340
-	-	-	-	77,098
75,091	50,480	-	-	125,571
75,091	50,480	-	-	125,571
-	-	-	-	3,011
-	-	-	-	1,335,644
757,520	358,511	439,489	42,174	1,725,341
757,520	358,511	439,489	42,174	3,063,996
<u>\$ 832,611</u>	<u>\$ 408,991</u>	<u>\$ 439,489</u>	<u>\$ 42,174</u>	<u>\$ 3,266,665</u>

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
June 30, 2015**

	GO BOND REDEMPTION	URA DOWNTOWN BOND	URA EMPIRE BOND	URA DOWNTOWN BOND RESERVE	URA EMPIRE BOND RESERVE	TOTAL
ASSETS						
Cash and Investments	\$ 284,211	\$ -	\$ -	\$ 682,250	\$ 225,829	\$ 1,192,290
Receivables						
Taxes	52,824	-	-	-	-	52,824
Total Assets	<u>\$ 337,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,250</u>	<u>\$ 225,829</u>	<u>\$ 1,245,114</u>
DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:						
DEFERRED INFLOWS OF RESOURCES						
Unavailable Rev.-Property Taxes	41,389	-	-	-	-	41,389
Total Deferred Inflows of Resources	41,389	-	-	-	-	41,389
FUND BALANCES						
Restricted	295,646	-	-	682,250	225,829	1,203,725
Total Fund Balances	295,646	-	-	682,250	225,829	1,203,725
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 337,035</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,250</u>	<u>\$ 225,829</u>	<u>\$ 1,245,114</u>

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**CITY OF COOS BAY
COOS COUNTY, OREGON**

**COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2015**

	<u>STREET IMPROVEMENT</u>	<u>PARKS IMPROVEMENT</u>	<u>BIKE/ PEDESTRIAN IMPROVEMENT</u>	<u>SPECIAL IMPROVEMENT</u>
ASSETS				
Cash and Investments	\$ 271	\$ 142,542	\$ 41,352	\$ 140,615
Receivables				
Accounts	-	-	877	-
Assessments	-	-	-	46,545
Interfund	-	-	-	-
Total Assets	<u>\$ 271</u>	<u>\$ 142,542</u>	<u>\$ 42,229</u>	<u>\$ 187,160</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
LIABILITIES				
Accounts Payable	\$ -	\$ 900	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>900</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Rev.-Special Assessments	-	-	-	46,545
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,545</u>
FUND BALANCES				
Restricted	-	1,170	-	-
Assigned	271	140,472	42,229	140,615
Total Fund Balances	<u>271</u>	<u>141,642</u>	<u>42,229</u>	<u>140,615</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 271</u>	<u>\$ 142,542</u>	<u>\$ 42,229</u>	<u>\$ 187,160</u>

TECHNOLOGY RESERVE	TRANSPORTATION SDC	WASTEWATER SDC	STORMWATER SDC	MAJOR CAPITAL RESERVE
\$ 85,786	\$ 14,654	\$ 247,258	\$ 19,042	\$ 928,721
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 85,786</u>	<u>\$ 14,654</u>	<u>\$ 247,258</u>	<u>\$ 19,042</u>	<u>\$ 928,721</u>
\$ 20,596	\$ -	\$ -	\$ -	\$ 1,373
20,596	-	-	-	1,373
-	-	-	-	-
-	-	-	-	-
-	14,654	247,258	19,042	-
65,190	-	-	-	927,348
65,190	14,654	247,258	19,042	927,348
<u>\$ 85,786</u>	<u>\$ 14,654</u>	<u>\$ 247,258</u>	<u>\$ 19,042</u>	<u>\$ 928,721</u>

<u>COUNTY-WIDE CAD RESERVE</u>	<u>FIRE STATION FUND</u>	<u>URA EMPIRE CAPITAL PROJECTS</u>	<u>URA DOWNTOWN CAPITAL PROJECTS</u>	<u>TOTAL</u>
\$ 26,969	\$ 215,423	\$ 1,333,053	\$ 1,193,340	\$ 4,389,026
-	-	-	-	877
-	-	-	-	46,545
-	-	-	420,000	420,000
<u>\$ 26,969</u>	<u>\$ 215,423</u>	<u>\$ 1,333,053</u>	<u>\$ 1,613,340</u>	<u>\$ 4,856,448</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,294</u>	<u>\$ 24,163</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,294</u>	<u>24,163</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,545</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,545</u>
26,969	215,423	-	-	524,516
-	-	1,333,053	1,612,046	4,261,224
<u>26,969</u>	<u>215,423</u>	<u>1,333,053</u>	<u>1,612,046</u>	<u>4,785,740</u>
<u>\$ 26,969</u>	<u>\$ 215,423</u>	<u>\$ 1,333,053</u>	<u>\$ 1,613,340</u>	<u>\$ 4,856,448</u>

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015**

	COMBINED NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR DEBT SERVICE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Property Taxes	\$ 2,183,323	\$ 548,499	\$ -	\$ 2,731,822
Other Taxes	2,584,733	-	-	2,584,733
Intergovernmental Revenues	174,922	-	28,241	203,163
Grants	2,880	-	58,711	61,591
Charges for Services	44,448	-	-	44,448
Charge for Use of Money and Property	38,619	2,273	22,545	63,437
Other - Timber Sales	-	-	1,300,369	1,300,369
Miscellaneous	286,407	-	31,745	318,152
	<u>5,315,332</u>	<u>550,772</u>	<u>1,441,611</u>	<u>7,307,715</u>
Total Revenues				
EXPENDITURES				
Current				
General Government	-	-	295,337	295,337
Public Safety	192,104	-	16,801	208,905
Public Works	1,541,922	-	165,029	1,706,951
Culture and Recreation	1,473,210	-	-	1,473,210
Capital Outlay	-	-	403,285	403,285
Debt Service:				
Principal Retirement	-	1,100,619	-	1,100,619
Interest and Fiscal Charges	-	298,386	-	298,386
	<u>3,207,236</u>	<u>1,399,005</u>	<u>880,452</u>	<u>5,486,693</u>
Total Expenditures				
Excess of Revenues Over (Under) Expenditures	2,108,096	(848,233)	561,159	1,821,022
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	420	420
Du Jour Financing	-	(311,413)	308,299	(3,114)
Transfers In	6,744	1,217,330	212,161	1,436,235
Transfers Out	(1,217,330)	-	(510,361)	(1,727,691)
	<u>(1,210,586)</u>	<u>905,917</u>	<u>10,519</u>	<u>(294,150)</u>
Total Other Financing Sources, (Uses)				
Net Change in Fund Balance	897,510	57,684	571,678	1,526,872
FUND BALANCES - BEGINNING OF YEAR	<u>2,166,486</u>	<u>1,146,041</u>	<u>4,214,062</u>	<u>7,526,589</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,063,996</u>	<u>\$ 1,203,725</u>	<u>\$ 4,785,740</u>	<u>\$ 9,053,461</u>

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2015**

	STATE GAS TAX	HOTEL/ MOTEL TAX	LIBRARY	LIBRARY ESO	911 TAX
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ 499,143	\$ -
Other Taxes	929,086	585,977	1,069,670	-	-
Charges for Use of Money and Property	978	9,702	7,145	791	556
Intergovernmental Revenues	-	-	-	5,717	169,205
Grants	-	-	2,880	-	-
Charges for Services	-	-	16,150	28,298	-
Miscellaneous	26,965	7,826	17,675	233,941	-
Total Revenues	<u>957,029</u>	<u>603,505</u>	<u>1,113,520</u>	<u>767,890</u>	<u>169,761</u>
EXPENDITURES					
Current					
Public Safety	-	-	-	-	192,104
Public Works	968,375	573,547	-	-	-
Culture and Recreation	-	-	952,686	520,524	-
Total Expenditures	<u>968,375</u>	<u>573,547</u>	<u>952,686</u>	<u>520,524</u>	<u>192,104</u>
Excess of Revenues Over (Under) Expenditures	(11,346)	29,958	160,834	247,366	(22,343)
OTHER FINANCING SOURCES (USES)					
Transfer In	1,744	5,000	-	-	-
Transfer Out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,744</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(9,602)	34,958	160,834	247,366	(22,343)
FUND BALANCES - BEGINNING OF YEAR	<u>264,455</u>	<u>92,689</u>	<u>572,908</u>	<u>-</u>	<u>125,037</u>
FUND BALANCES - END OF YEAR	<u>\$ 254,853</u>	<u>\$ 127,647</u>	<u>\$ 733,742</u>	<u>\$ 247,366</u>	<u>\$ 102,694</u>

	URA DOWNTOWN SPECIAL REVENUE	URA EMPIRE SPECIAL REVENUE	URA EMPIRE PROGRAM	URA DOWNTOWN PROGRAM	TOTAL
\$	1,011,481	\$ 672,699	\$ -	\$ -	\$ 2,183,323
	-	-	-	-	2,584,733
	10,867	6,038	2,319	223	38,619
	-	-	-	-	174,922
	-	-	-	-	2,880
	-	-	-	-	44,448
	-	-	-	-	286,407
	<u>1,022,348</u>	<u>678,737</u>	<u>2,319</u>	<u>223</u>	<u>5,315,332</u>
	-	-	-	-	192,104
	-	-	-	-	1,541,922
	-	-	-	-	<u>1,473,210</u>
	-	-	-	-	<u>3,207,236</u>
	1,022,348	678,737	2,319	223	2,108,096
	-	-	-	-	6,744
	<u>(765,415)</u>	<u>(451,915)</u>	<u>-</u>	<u>-</u>	<u>(1,217,330)</u>
	<u>(765,415)</u>	<u>(451,915)</u>	<u>-</u>	<u>-</u>	<u>(1,210,586)</u>
	256,933	226,822	2,319	223	897,510
	<u>500,587</u>	<u>131,689</u>	<u>437,170</u>	<u>41,951</u>	<u>2,166,486</u>
\$	<u><u>757,520</u></u>	\$ <u><u>358,511</u></u>	\$ <u><u>439,489</u></u>	\$ <u><u>42,174</u></u>	\$ <u><u>3,063,996</u></u>

**CITY OF COOS BAY
COOS COUNTY, OREGON**

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
For the Year Ended June 30, 2015

	GO BOND REDEMPTION	URA DOWNTOWN BOND	URA EMPIRE BOND	URA DOWNTOWN BOND RESERVE	URA EMPIRE BOND RESERVE	TOTAL
REVENUES						
Property Taxes	\$ 548,499	\$ -	\$ -	\$ -	\$ -	\$ 548,499
Charges for Use of Money and Property	2,273	-	-	-	-	2,273
Total Revenues	<u>550,772</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,772</u>
EXPENDITURES						
Debt Services						
Principal Retirement	285,000	604,122	211,497	-	-	1,100,619
Interest and Fiscal Charges	207,100	77,093	14,193	-	-	298,386
Total Expenditures	<u>492,100</u>	<u>681,215</u>	<u>225,690</u>	<u>-</u>	<u>-</u>	<u>1,399,005</u>
Excess of Revenues Over (Under) Expenditures	58,672	(681,215)	(225,690)	-	-	(848,233)
OTHER FINANCING SOURCES (USES)						
Du Jour Financing	-	(85,188)	(226,225)	-	-	(311,413)
Transfers In	-	765,369	451,915	46	-	1,217,330
Total Other Financing Sources (Uses)	<u>-</u>	<u>680,181</u>	<u>225,690</u>	<u>46</u>	<u>-</u>	<u>905,917</u>
Net Change in Fund Balance	58,672	(1,034)	-	46	-	57,684
FUND BALANCES - BEGINNING OF YEAR	<u>236,974</u>	<u>1,034</u>	<u>-</u>	<u>682,204</u>	<u>225,829</u>	<u>1,146,041</u>
FUND BALANCES - END OF YEAR	<u>\$ 295,646</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,250</u>	<u>\$ 225,829</u>	<u>\$ 1,203,725</u>

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**CITY OF COOS BAY
COOS COUNTY, OREGON**

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2015**

	STREET IMPROVEMENT	PARKS IMPROVEMENT	BIKE/ PEDESTRIAN IMPROVEMENT	SPECIAL IMPROVEMENT
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ 9,385	\$ -
Grants	-	-	-	-
Charges for Use of Money and Property	2	549	191	772
Other - Timber Sales	-	-	-	-
Miscellaneous	-	2,339	-	2,047
Total Revenues	2	2,888	9,576	2,819
EXPENDITURES				
Materials and Services	-	2,318	-	-
Capital Outlay	-	6,683	-	7,027
Total Expenditures	-	9,001	-	7,027
Excess of Revenues Over (Under) Expenditures	2	(6,113)	9,576	(4,208)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Du Jour Financing	-	-	-	-
Transfer In	-	120,000	-	-
Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	-	120,000	-	-
Net Changes in Fund Balance	2	113,887	9,576	(4,208)
FUND BALANCES - BEGINNING OF YEAR	269	27,755	32,653	144,823
FUND BALANCES - END OF YEAR	\$ 271	\$ 141,642	\$ 42,229	\$ 140,615

TECHNOLOGY RESERVE	TRANSPORTATION SDC	WASTEWATER SDC	STORMWATER SDC	MAJOR CAPITAL RESERVE
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	6,500
586	78	1,305	101	4,614
-	-	-	-	1,300,369
-	-	-	-	7,235
586	78	1,305	101	1,318,718
30,888	-	-	-	53,396
65,310	-	-	-	182,553
96,198	-	-	-	235,949
(95,612)	78	1,305	101	1,082,769
-	-	-	-	420
-	-	-	-	-
86,800	-	-	-	-
(5,361)	-	-	-	(505,000)
81,439	-	-	-	(504,580)
(14,173)	78	1,305	101	578,189
79,363	14,576	245,953	18,941	349,159
\$ 65,190	\$ 14,654	\$ 247,258	\$ 19,042	\$ 927,348

COUNTY-WIDE CAD RESERVE	FIRE STATION FUND	URA EMPIRE CAPITAL PROJECTS	URA DOWNTOWN CAPITAL PROJECTS	TOTAL
\$ 18,856	\$ -	\$ -	\$ -	\$ 28,241
-	-	-	52,211	58,711
111	1,137	6,790	6,309	22,545
-	-	-	-	1,300,369
-	-	-	20,124	31,745
18,967	1,137	6,790	78,644	1,441,611
16,801	-	211,053	162,711	477,167
500	-	17,488	123,724	403,285
17,301	-	228,541	286,435	880,452
1,666	1,137	(221,751)	(207,791)	561,159
-	-	-	-	420
-	-	223,963	84,336	308,299
5,361	-	-	-	212,161
-	-	-	-	(510,361)
5,361	-	223,963	84,336	10,519
7,027	1,137	2,212	(123,455)	571,678
19,942	214,286	1,330,841	1,735,501	4,214,062
\$ 26,969	\$ 215,423	\$ 1,333,053	\$ 1,612,046	\$ 4,785,740

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

STATE GAS TAX FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Intergovernmental				
State Gas Tax	\$ 870,000	\$ 870,000	\$ 929,086	\$ 59,086
Charges for use of money and property				
Interest on Investments	1,000	1,000	978	(22)
Miscellaneous	10,179	10,179	26,965	16,786
Total Revenues	<u>881,179</u>	<u>881,179</u>	<u>957,029</u>	<u>75,850</u>
EXPENDITURES				
Public Works				
Personal Services	417,102	417,102	355,912	61,190
Materials and Services	591,432	591,432	612,463	(21,031)
Total Public Works	<u>1,008,534</u>	<u>1,008,534</u>	(1) <u>968,375</u>	<u>40,159</u>
Contingency	17,961	17,961	(1) -	17,961
Total Expenditures	<u>1,026,495</u>	<u>1,026,495</u>	<u>968,375</u>	<u>58,120</u>
Excess of Revenues Over (Under) Expenditures	(145,316)	(145,316)	(11,346)	17,730
OTHER FINANCING SOURCES (USES)				
Transfers In	1,744	1,744	1,744	-
Total Transfers	<u>1,744</u>	<u>1,744</u>	<u>1,744</u>	<u>-</u>
Net Change in Fund Balance	(143,572)	(143,572)	(9,602)	133,970
FUND BALANCE - BEGINNING OF YEAR	<u>143,572</u>	<u>143,572</u>	<u>264,455</u>	<u>120,883</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 254,853</u>	<u>\$ 254,853</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

<u>HOTEL/MOTEL TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Taxes				
Hotel/Motel Tax	\$ 490,000	\$ 490,000	\$ 585,977	\$ 95,977
Charges for Use of Money and Property				
Interest on Investments	200	200	247	47
Visitors Center Revenue	8,000	8,000	9,455	1,455
Total Charges for Use of Money and Property	8,200	8,200	9,702	1,502
Miscellaneous Income	3,000	3,000	7,826	4,826
Total Revenues	501,200	501,200	603,505	102,305
EXPENDITURES				
Public Works				
Personal Services	224,593	224,593	194,220	30,373
Materials and Services	361,607	361,607	379,327	(17,720)
Total Operations	586,200	586,200 (1)	573,547	12,653
Total Expenditures	586,200	586,200	573,547	12,653
Excess of Revenues Over (Under) Expenditures	(85,000)	(85,000)	29,958	114,958
OTHER FINANCING SOURCES (USES)				
Transfer In	5,000	5,000	5,000	-
Total Other Financing Sources, (Uses)	5,000	5,000	5,000	-
Net Change in Fund Balance	(80,000)	(80,000)	34,958	114,958
FUND BALANCE - BEGINNING OF YEAR	80,000	80,000	92,689	12,689
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,647</u>	<u>\$ 127,647</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

<u>LIBRARY FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Taxes				
County Serial Levy	\$ 940,000	\$ 940,000	\$ 1,069,670	\$ 129,670
Intergovernmental				
State Library Grant	1,000	1,000	2,063	1,063
Other Grants	-	-	817	817
Total Intergovernmental	1,000	1,000	2,880	1,880
Charges for Services				
Copies	4,000	4,000	7,623	3,623
Library Fees	15,000	15,000	8,527	(6,473)
Total Charge for Services	19,000	19,000	16,150	(2,850)
Charges for Use of Money and Property				
Interest on Investments	1,000	1,000	3,208	2,208
Property Rentals	1,500	1,500	3,937	2,437
Total Charges for Use of Money and Property	2,500	2,500	7,145	4,645
Miscellaneous				
Donations	18,500	18,500	17,189	(1,311)
Other	500	500	486	(14)
Total Miscellaneous	19,000	19,000	17,675	(1,325)
Total Revenues	981,500	981,500	1,113,520	132,020
EXPENDITURES				
Cultural and Recreation				
Personal Services	798,742	798,742	724,022	74,720
Materials and Services	266,453	266,453	228,664	37,789
Total Library Operations	1,065,195	1,065,195 (1)	952,686	112,509
Contingency	290,471	290,471 (1)	-	290,471
Total Expenditures	1,355,666	1,355,666	952,686	402,980
Net Change in Fund Balance	(374,166)	(374,166)	160,834	535,000
FUND BALANCE - BEGINNING OF YEAR	374,166	374,166	572,908	198,742
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 733,742	\$ 733,742

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

LIBRARY ESO FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Taxes				
County Serial Levy	\$ 499,146	\$ 499,146	\$ 499,143	\$ (3)
Intergovernmental				
State Library Grant	5,500	5,500	5,717	217
Total Intergovernmental	5,500	5,500	5,717	217
Charges for Services				
Reimbursements/Fees	61,000	61,000	28,298	(32,702)
Total Charge for Services	61,000	61,000	28,298	(32,702)
Charges for Use of Money and Property				
Interest on Investments	100	100	791	691
Total Charges for Use of Money and Property	100	100	791	691
Miscellaneous				
Other	14,230	14,230	233,941	219,711
Total Miscellaneous	14,230	14,230	233,941	219,711
Total Revenues	579,976	579,976	767,890	187,914
EXPENDITURES				
Cultural and Recreation				
Personal Services	259,985	259,985	167,203	92,782
Materials and Services	350,116	350,116	282,231	67,885
Total operations	610,101	610,101 (1)	449,434	160,667
Capital Outlay	95,704	95,704 (1)	71,090	24,614
Contingency	52,592	52,592 (1)	-	52,592
Total Expenditures	758,397	758,397	520,524	237,873
Net Change in Fund Balance	(178,421)	(178,421)	247,366	425,787
FUND BALANCE - BEGINNING OF YEAR	178,421	178,421	-	(178,421)
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 247,366	\$ 247,366

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

911 TAX FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
911 Revenue	\$ 164,758	\$ 164,758	\$ 169,205	\$ 4,447
Charges for Use of Money and Property				
Interest on Investments	100	100	556	456
Total Revenues	<u>164,858</u>	<u>164,858</u>	<u>169,761</u>	<u>4,903</u>
EXPENDITURES				
Public Safety				
Personal Services	177,779	177,779	174,760	3,019
Materials and Services	28,000	28,000	17,344	10,656
Total Operations	<u>205,779</u>	<u>205,779</u> (1)	<u>192,104</u>	<u>13,675</u>
Contingency	48,908	48,908 (1)	-	48,908
Total Expenditures	<u>254,687</u>	<u>254,687</u>	<u>192,104</u>	<u>62,583</u>
Net Change in Fund Balance	(89,829)	(89,829)	(22,343)	67,486
FUND BALANCE - BEGINNING OF YEAR	<u>89,829</u>	<u>89,829</u>	<u>125,037</u>	<u>35,208</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,694</u>	<u>\$ 102,694</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

URA DOWNTOWN SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Property Taxes	\$ 972,494	\$ 972,494	\$ 1,011,481	\$ 38,987
Interest on Investments	100	100	10,867	10,767
Total Revenues	<u>972,594</u>	<u>972,594</u>	<u>1,022,348</u>	<u>49,754</u>
EXPENDITURES				
Capital Outlay	<u>230,000</u>	<u>230,000 (1)</u>	<u>-</u>	<u>230,000</u>
Total Expenditures	<u>230,000</u>	<u>230,000</u>	<u>-</u>	<u>230,000</u>
Excess of Revenues, Over (Under) Expenditures	742,594	742,594	1,022,348	279,754
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(767,594)</u>	<u>(767,594) (1)</u>	<u>(765,415)</u>	<u>2,179</u>
Total Other Financing Sources, (Uses)	<u>(767,594)</u>	<u>(767,594)</u>	<u>(765,415)</u>	<u>2,179</u>
Net Change in Fund Balance	(25,000)	(25,000)	256,933	281,933
FUND BALANCE - BEGINNING OF YEAR	<u>25,000</u>	<u>25,000</u>	<u>500,587</u>	<u>475,587</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 757,520</u>	<u>\$ 757,520</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

URA EMPIRE SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Property Taxes	\$ 622,135	\$ 622,135	\$ 672,699	\$ 50,564
Interest on Investments	50	50	6,038	5,988
Total Revenues	<u>622,185</u>	<u>622,185</u>	<u>678,737</u>	<u>56,552</u>
EXPENDITURES				
Capital Outlay	200,000	200,000 (1)	-	200,000
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Excess of Revenues Over, (Under) Expenditures	422,185	422,185	678,737	256,552
OTHER FINANCING SOURCES (USES)				
Transfers Out	(452,185)	(452,185) (1)	(451,915)	270
Total Other Financing Sources, (Uses)	<u>(452,185)</u>	<u>(452,185)</u>	<u>(451,915)</u>	<u>270</u>
Net Change in Fund Balance	(30,000)	(30,000)	226,822	256,822
FUND BALANCE - BEGINNING OF YEAR	<u>30,000</u>	<u>30,000</u>	<u>131,689</u>	<u>101,689</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 358,511</u>	<u>\$ 358,511</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

URA EMPIRE PROGRAM FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ 200	\$ 200	\$ 2,319	\$ 2,119
Total Revenues	<u>200</u>	<u>200</u>	<u>2,319</u>	<u>2,119</u>
EXPENDITURES				
Capital Outlay	<u>200,000</u>	<u>200,000 (1)</u>	<u>-</u>	<u>200,000</u>
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Net Change in Fund Balance	(199,800)	(199,800)	2,319	202,119
FUND BALANCE - BEGINNING OF YEAR	<u>434,765</u>	<u>434,765</u>	<u>437,170</u>	<u>2,405</u>
FUND BALANCE - END OF YEAR	<u>\$ 234,965</u>	<u>\$ 234,965</u>	<u>\$ 439,489</u>	<u>\$ 204,524</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

URA DOWNTOWN PROGRAM FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ -	\$ -	\$ 223	\$ 223
Total Revenues	-	-	223	223
EXPENDITURES				
Materials and Services	191,780	191,780 (1)	-	191,780
Total Expenditures	191,780	191,780	-	191,780
Excess of Revenues Over (Under) Expenditures	(191,780)	(191,780)	223	(191,557)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	150,000	150,000	-	(150,000)
Total Other Financing Sources, (Uses)	150,000	150,000	-	(150,000)
Net Change in Fund Balance	(41,780)	(41,780)	223	42,003
Beginning Fund Balance	41,780	41,780	41,951	171
Ending Fund Balance	\$ -	\$ -	\$ 42,174	\$ 42,174

(1) Appropriation Level

CITY OF COOS BAY
COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015

GENERAL OBLIGATION BOND REDEMPTION FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Taxes	\$ 512,130	\$ 512,130	\$ 548,499	\$ 36,369
Charges for Use of Money and Property				
Interest on Investments	<u>100</u>	<u>100</u>	<u>2,273</u>	<u>2,173</u>
Total Revenues	<u>512,230</u>	<u>512,230</u>	<u>550,772</u>	<u>38,542</u>
EXPENDITURES				
Debt Service				
Principal	285,010	285,010	285,000	10
Interest	<u>207,120</u>	<u>207,120</u>	<u>207,100</u>	<u>20</u>
Total Expenditures	<u>492,130</u>	<u>492,130 (1)</u>	<u>492,100</u>	<u>30</u>
Net Change in Fund Balance	20,100	20,100	58,672	38,572
FUND BALANCE - BEGINNING OF YEAR	<u>217,170</u>	<u>217,170</u>	<u>236,974</u>	<u>19,804</u>
FUND BALANCE - END OF YEAR	<u>\$ 237,270</u>	<u>\$ 237,270</u>	<u>\$ 295,646</u>	<u>\$ 58,376</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

URA DOWNTOWN BOND FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
EXPENDITURES				
Debt Service				
Principal	\$ 604,180	\$ 604,180	\$ 604,122	\$ 58
Interest	78,180	78,180	77,093	1,087
Total Expenditures	<u>682,360</u>	<u>682,360</u> (2)	<u>681,215</u>	<u>1,145</u>
Excess of Revenues Over, (Under) Expenditures	(682,360)	(682,360)	(681,215)	1,145
OTHER FINANCING SOURCES (USES)				
Du Jour Financing	(85,188)	(85,188) (2)	(85,188)	-
Transfers In	767,548	767,548	765,369	(2,179)
Total Other Financing Sources, (Uses)	<u>682,360</u>	<u>682,360</u>	<u>680,181</u>	<u>(2,179)</u>
Net Change in Fund Balance	-	-	(1,034)	(1,034)
FUND BALANCE - BEGINNING OF YEAR	<u>1,034</u>	<u>1,034</u>	<u>1,034</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,034</u>	<u>\$ 1,034</u>	<u>\$ -</u>	<u>\$ (1,034)</u>

(1) Appropriation level

(2) The sum totals the appropriation level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

<u>URA EMPIRE BOND FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
EXPENDITURES				
Debt Service				
Principal	\$ 211,560	\$ 211,560	\$ 211,497	\$ 63
Interest	14,400	14,400	14,193	207
Total Expenditures	<u>225,960</u>	<u>225,960</u> (2)	<u>225,690</u>	<u>270</u>
Excess of Revenues Over, -Under Expenditures	(225,960)	(225,960)	(225,690)	270
OTHER FINANCING SOURCES (USES)				
Du Jour Financing	(226,225)	(226,225) (2)	(226,225)	-
Transfers In	452,185	452,185	451,915	(270)
Total Other Financing Sources, (Uses)	<u>225,960</u>	<u>225,960</u>	<u>225,690</u>	<u>(270)</u>
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

(2) The sum totals the appropriation level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

URA DOWNTOWN BOND RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Contingency	682,250	682,250 (1)	-	682,250
Total Expenditures	<u>682,250</u>	<u>682,250</u>	<u>-</u>	<u>682,250</u>
Excess of Revenues Over (Under)				
Expenditures	(682,250)	(682,250)	-	682,250
OTHER FINANCING SOURCES (USES)				
Transfers In	46	46	46	-
Total Other Financing Sources (Uses)	<u>46</u>	<u>46</u>	<u>46</u>	<u>-</u>
Net Change in Fund Balance	(682,204)	(682,204)	46	682,250
FUND BALANCE - BEGINNING OF YEAR	<u>682,204</u>	<u>682,204</u>	<u>682,204</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 682,250</u>	<u>\$ 682,250</u>

(1) - Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

URA EMPIRE BOND RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Contingency	225,829	225,829 (1)	-	225,829
Total Expenditures	225,829	225,829	-	225,829
Net Change in Fund Balance	(225,829)	(225,829)	-	225,829
FUND BALANCE - BEGINNING OF YEAR	225,829	225,829	225,829	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,829</u>	<u>\$ 225,829</u>

(1) - Appropriation Level

CITY OF COOS BAY
COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015

STREET IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Intergovernmental				
State	\$ 210,000	\$ 522,075	\$ -	\$ (522,075)
Charges for Use of Money and Property				
Interest on Investments	-	-	2	2
Total Revenues	<u>210,000</u>	<u>522,075</u>	<u>2</u>	<u>(522,073)</u>
EXPENDITURES				
Public Works				
Capital Outlay	<u>210,268</u>	<u>522,343 (1)</u>	<u>-</u>	<u>522,343</u>
Total Expenditures	<u>210,268</u>	<u>522,343</u>	<u>-</u>	<u>522,343</u>
Net Change in Fund Balance	(268)	(268)	2	270
FUND BALANCE - BEGINNING OF YEAR	<u>268</u>	<u>268</u>	<u>269</u>	<u>1</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 271</u>	<u>\$ 271</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

PARKS IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 200	\$ 200	\$ 549	\$ 349
Grants	1,475,000	1,475,000	-	(1,475,000)
Donations	3,000	3,000	2,339	(661)
Total Revenues	<u>1,478,200</u>	<u>1,478,200</u>	<u>2,888</u>	<u>(1,475,312)</u>
EXPENDITURES				
Culture and Recreation				
Materials and Services	6,200	6,200 (1)	2,318	3,882
Capital Outlay	1,625,000	1,619,754 (1)	6,683	1,613,071
Total Culture and Recreation	<u>1,631,200</u>	<u>1,625,954</u>	<u>9,001</u>	<u>1,616,953</u>
Total Expenditures	<u>1,631,200</u>	<u>1,625,954</u>	<u>9,001</u>	<u>1,616,953</u>
Excess of Revenues Over (Under)				
Expenditures	(153,000)	(147,754)	(6,113)	141,641
OTHER FINANCING SOURCES (USES)				
Transfers In	120,000	120,000 (1)	120,000	-
Total Other Financing Sources (Uses)	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Net Change in Fund Balance	(33,000)	(27,754)	113,887	141,641
FUND BALANCE - BEGINNING OF YEAR	<u>33,000</u>	<u>27,754</u>	<u>27,755</u>	<u>1</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,642</u>	<u>\$ 141,642</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

BICYCLE/PEDESTRIAN PATH CONSTRUCTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Intergovernmental				
State Gas Tax	\$ 8,250	\$ 8,250	\$ 9,385	\$ 1,135
Charges for Use of Money and Property				
Interest on Investments	50	50	191	141
Total Revenues	<u>8,300</u>	<u>8,300</u>	<u>9,576</u>	<u>1,276</u>
EXPENDITURES				
Culture and Recreation				
Capital Outlay	40,467	40,467 (1)	-	40,467
Total Expenditures	<u>40,467</u>	<u>40,467</u>	<u>-</u>	<u>40,467</u>
Net Change in Fund Balance	(32,167)	(32,167)	9,576	41,743
FUND BALANCE - BEGINNING OF YEAR	<u>32,167</u>	<u>32,167</u>	<u>32,653</u>	<u>486</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,229</u>	<u>\$ 42,229</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

SPECIAL IMPROVEMENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 25	\$ 25	\$ 772	\$ 747
Miscellaneous				
LID Deposit	-	-	1,000	1,000
Principal	300	300	385	85
Interest	500	500	662	162
Total Miscellaneous	800	800	2,047	1,247
Total Revenues	825	825	2,819	1,994
EXPENDITURES				
Culture and Recreation				
Capital Outlay	14,852	14,852 (1)	7,027	7,825
Total Expenditures	14,852	14,852	7,027	7,825
Excess of Revenues Over (Under) Expenditures	(14,027)	(14,027)	(4,208)	9,819
OTHER FINANCING SOURCES (USES)				
Transfers Out	(130,000)	(130,000) (1)	-	130,000
Total Other Financing Sources (Uses)	(130,000)	(130,000)	-	130,000
Net Change in Fund Balance	(144,027)	(144,027)	(4,208)	139,819
FUND BALANCE - BEGINNING OF YEAR	144,027	144,027	144,823	796
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,615</u>	<u>\$ 140,615</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2015**

TECHNOLOGY RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES					
Charges for Use of Money and Property					
Interest on Investments	\$ 200	\$ 200		\$ 586	\$ 386
Total Revenues	200	200		586	386
EXPENDITURES					
General Government					
Materials and Services	50,000	50,000	(1)	30,888	19,112
Capital Outlay	71,639	71,639	(1)	65,310	6,329
Total Expenditures	121,639	121,639		96,198	25,441
Excess of Revenues Over (Under) Expenditures	(121,439)	(121,439)		(95,612)	25,827
OTHER FINANCING SOURCES (USES)					
Transfers In	86,800	86,800		86,800	-
Transfers Out	(5,361)	(5,361)	(1)	(5,361)	-
Total Other Financing Sources (Uses)	81,439	81,439		81,439	-
Net Change in Fund Balance	(40,000)	(40,000)		(14,173)	25,827
FUND BALANCE - BEGINNING OF YEAR	40,000	40,000		79,363	39,363
FUND BALANCE - END OF YEAR	\$ -	\$ -		\$ 65,190	\$ 65,190

(1) Appropriation Level

CITY OF COOS BAY
COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015

TRANSPORTATION SDC FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 36	\$ 36	\$ 78	\$ 42
Total Revenues	<u>36</u>	<u>36</u>	<u>78</u>	<u>42</u>
EXPENDITURES				
Capital Outlay	14,569	14,569 (1)	-	14,569
Total Expenditures	<u>14,569</u>	<u>14,569</u>	<u>-</u>	<u>14,569</u>
Net Change in Fund Balance	(14,533)	(14,533)	78	14,611
FUND BALANCE - BEGINNING OF YEAR	<u>14,533</u>	<u>14,533</u>	<u>14,576</u>	<u>43</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,654</u>	<u>\$ 14,654</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

<u>WASTEWATER SDC FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 613	\$ 613	\$ 1,305	\$ 692
Total Revenues	<u>613</u>	<u>613</u>	<u>1,305</u>	<u>692</u>
EXPENDITURES				
Wastewater Collection and Treatment				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	613	613	1,305	692
FUND BALANCE - BEGINNING OF YEAR	<u>245,211</u>	<u>245,211</u>	<u>245,953</u>	<u>742</u>
FUND BALANCE - END OF YEAR	<u>\$ 245,824</u>	<u>\$ 245,824</u>	<u>\$ 247,258</u>	<u>\$ 1,434</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

STORMWATER SDC FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 47	\$ 47	\$ 101	\$ 54
Total Revenues	<u>47</u>	<u>47</u>	<u>101</u>	<u>54</u>
EXPENDITURES				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	47	47	101	54
FUND BALANCE - BEGINNING OF YEAR	<u>18,884</u>	<u>18,884</u>	<u>18,941</u>	<u>57</u>
FUND BALANCE - END OF YEAR	<u>\$ 18,931</u>	<u>\$ 18,931</u>	<u>\$ 19,042</u>	<u>\$ 111</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

MAJOR CAPITAL RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 500	\$ 500	\$ 4,614	\$ 4,114
Grants	40,000	40,000	6,500	(33,500)
Other-Timber Sales	1,100,000	1,100,000	1,300,369	200,369
Miscellaneous	-	-	7,235	7,235
Total Revenues	<u>1,140,500</u>	<u>1,140,500</u>	<u>1,318,718</u>	<u>178,218</u>
EXPENDITURES				
General Government				
Materials and Services	166,000	166,000 (1)	53,396	112,604
Capital Outlay	320,000	320,000 (1)	182,553	137,447
Contingency	350,587	350,587 (1)	-	350,587
Total Expenditures	<u>836,587</u>	<u>836,587</u>	<u>235,949</u>	<u>600,638</u>
Excess of Revenues Over (Under) Expenditures	303,913	303,913	1,082,769	778,856
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	420	420
Transfers Out	(505,000)	(505,000) (1)	(505,000)	-
Total Other Financing Sources (Uses)	<u>(505,000)</u>	<u>(505,000)</u>	<u>(504,580)</u>	<u>420</u>
Net Change in Fund Balance	(201,087)	(201,087)	578,189	779,276
FUND BALANCE - BEGINNING OF YEAR	<u>301,087</u>	<u>301,087</u>	<u>349,159</u>	<u>48,072</u>
FUND BALANCE - END OF YEAR	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 927,348</u>	<u>\$ 827,348</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

COUNTY-WIDE CAD CORE RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES					
Charges for Use of Money and Property					
Interest on Investments	\$ 50	\$ 50		\$ 111	\$ 61
Intergovernmental					
Revenue from Other Agencies	17,477	17,477		18,856	1,379
Total Revenues	<u>17,527</u>	<u>17,527</u>		<u>18,967</u>	<u>1,440</u>
EXPENDITURES					
General Government					
Materials and Services	20,000	20,000	(1)	16,801	3,199
Capital Outlay	2,888	2,888	(1)	500	2,388
Total Expenditures	<u>22,888</u>	<u>22,888</u>		<u>17,301</u>	<u>5,587</u>
Excess of Revenues Over (Under)					
Expenditures	(5,361)	(5,361)		1,666	7,027
OTHER FINANCING SOURCES (USES)					
Transfers In	5,361	5,361		5,361	-
Net Change in Fund Balance	-	-		7,027	7,027
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>		<u>19,942</u>	<u>19,942</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 26,969</u>	<u>\$ 26,969</u>

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

<u>FIRE STATION RESERVE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 100	\$ 100	\$ 1,137	\$ 1,037
Total Revenues	<u>100</u>	<u>100</u>	<u>1,137</u>	<u>1,037</u>
EXPENDITURES				
Capital Outlay				
Fire Station	200,100	200,100 (1)	-	200,100
Total Expenditures	<u>200,100</u>	<u>200,100</u>	<u>-</u>	<u>200,100</u>
Net Change in Fund Balance	(200,000)	(200,000)	1,137	201,137
FUND BALANCE - BEGINNING OF YEAR	<u>200,000</u>	<u>200,000</u>	<u>214,286</u>	<u>14,286</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 215,423</u>	<u>\$ 215,423</u>

(1) Appropriation Level

CITY OF COOS BAY
COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015

URA EMPIRE CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ 400	\$ 400	\$ 6,790	\$ 6,390
Total Revenues	400	400	6,790	6,390
EXPENDITURES				
Materials and Services	320,103	320,103 (1)	211,053	109,050
Capital Outlay	678,290	678,290 (1)	17,488	660,802
Total Expenditures	998,393	998,393	228,541	769,852
Excess of Revenues Over, (Under) Expenditures	(997,993)	(997,993)	(221,751)	776,242
OTHER FINANCING SOURCES (USES)				
Du Jour Financing	223,963	223,963	223,963	-
Total Other Financing Sources, (Uses)	223,963	223,963	223,963	-
Net Change in Fund Balance	(774,030)	(774,030)	2,212	776,242
FUND BALANCE - BEGINNING OF YEAR	824,110	824,110	1,330,841	506,731
FUND BALANCE - END OF YEAR	<u>\$ 50,080</u>	<u>\$ 50,080</u>	<u>\$ 1,333,053</u>	<u>\$ 1,282,973</u>

(1) Appropriation Level

CITY OF COOS BAY
COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015

URA DOWNTOWN CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Grants	\$ 754,460	\$ 754,460	\$ 52,211	\$ (702,249)
Interest on Investments	500	500	6,309	5,809
Seismic Project Loan	64,800	64,800	64,800	-
Miscellaneous	-	-	15,324	15,324
	819,760	819,760	138,644	(681,116)
EXPENDITURES				
General Government				
Materials and Services	281,096	281,096 (1)	162,711	118,385
Capital Outlay	1,061,662	1,061,662 (1)	123,724	937,938
Contingency	100,000	100,000 (1)	-	100,000
	1,442,758	1,442,758	286,435	1,156,323
Excess of Revenues Over, -Under Expenditures	(622,998)	(622,998)	(147,791)	475,207
OTHER FINANCING SOURCES (USES)				
Du Jour Financing - URA	84,336	84,336	84,336	-
	84,336	84,336	84,336	-
Net Change in Fund Balance	(538,662)	(538,662)	(63,455)	475,207
FUND BALANCE - BEGINNING OF YEAR	738,710	738,710	1,255,501	516,791
FUND BALANCE - END OF YEAR	\$ 200,048	\$ 200,048	1,192,046	\$ 991,998
Reconciliation to Governmental Balance Sheet Fund Balance				
Interfund Loan activity				
Interfund Loan Receivable			420,000	
			420,000	
			\$ 1,612,046	

(1) Appropriation Level

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2015**

RAINY DAY RESERVE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 500	\$ 500	\$ 2,587	\$ 2,087
Total Revenues	<u>500</u>	<u>500</u>	<u>2,587</u>	<u>2,087</u>
EXPENDITURES				
Contingency	485,277	485,277 (1)	-	485,277
Total Expenditures	<u>485,277</u>	<u>485,277</u>	<u>-</u>	<u>485,277</u>
Net Change in Fund Balance	(484,777)	(484,777)	2,587	487,364
FUND BALANCE - BEGINNING OF YEAR	<u>484,777</u>	<u>484,777</u>	<u>487,711</u>	<u>2,934</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 490,298</u>	<u>\$ 490,298</u>

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB #54 due to its financing resources being derived primarily from General Fund transfers.

(1) Appropriation Level

CITY OF COOS BAY
COOS COUNTY, OREGON

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
For the Year Ended June 30, 2015

	<u>BALANCE</u> <u>JUNE 30, 2014</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2015</u>
ASSETS				
Cash and Investments	<u>\$ 191,416</u>	<u>\$ 291,770</u>	<u>\$ 235,126</u>	<u>\$ 248,060</u>
LIABILITIES				
Due to Agency	<u>\$ 191,416</u>	<u>\$ 291,770</u>	<u>\$ 235,126</u>	<u>\$ 248,060</u>

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**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2015**

General Fund:

TAX YEAR	IMPOSED LEVY OR OR BALANCE UNCOLLECTED AT 7/1/14	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/15
Current:						
2014-15	\$ 5,583,266	\$ 138,946	\$ (8,148)	\$ 3,493	\$ 5,193,154	\$ 246,511
Prior Years:						
2013-14	264,551	(2)	(1,141)	9,753	137,307	135,858
2012-13	144,367	(11)	(1,109)	11,576	72,126	82,719
2011-12	97,411	(6)	(975)	18,336	78,018	36,760
2010-11	33,652	-	(555)	8,924	32,355	9,666
2009-10 & Prior	27,178	1	(1,908)	2,304	5,587	21,986
Total Prior	<u>567,159</u>	<u>(18)</u>	<u>(5,688)</u>	<u>50,893</u>	<u>325,393</u>	<u>286,989</u>
Total All Funds	<u>\$ 6,150,425</u>	<u>\$ 138,928</u>	<u>\$ (13,836)</u>	<u>\$ 54,386</u>	<u>\$ 5,518,547</u>	<u>\$ 533,500</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 5,518,547
Accrual of Receivables:	
June 30, 2014	(73,626)
June 30, 2015	115,617
Taxes in Lieu of Property Taxes	<u>(14,607)</u>
Total Revenue	<u>\$ 5,545,931</u>

Debt Service Fund:

2014-15	\$ 546,698	\$ 13,605	\$ (798)	\$ 342	\$ 508,499	\$ 24,138
Prior Years:						
2013-14	26,395	1	(799)	948	13,342	13,201
2012-13	14,485	-	(111)	1,161	7,236	8,299
2011-12	9,821	-	(98)	1,849	7,866	3,706
2010-11	3,437	-	(57)	911	3,304	987
2009-10 & Prior	1,800	-	804	261	372	2,493
Total Prior	<u>55,938</u>	<u>1</u>	<u>(261)</u>	<u>5,130</u>	<u>32,120</u>	<u>28,686</u>
Total All Funds	<u>\$ 602,636</u>	<u>\$ 13,606</u>	<u>\$ (1,059)</u>	<u>\$ 5,472</u>	<u>\$ 540,619</u>	<u>\$ 52,824</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 540,619
Accrual of Receivables:	
June 30, 2014	(7,282)
June 30, 2015	11,435
Taxes in Lieu of Property Taxes	<u>3,727</u>
Total Revenue	<u>\$ 548,499</u>

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2015**

URBAN RENEWAL:

TAX YEAR	IMPOSED LEVY OR OR BALANCE UNCOLLECTED AT 7/1/14	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/15
Current:						
2014-15	\$ 1,706,842	\$ 42,477	\$ (4,739)	\$ 1,068	\$ 1,586,514	\$ 74,180
Prior Years:						
2013-14	80,687	(1)	(3,276)	2,976	38,927	41,461
2012-13	43,573	(3)	(3,829)	3,494	18,275	24,966
2011-12	29,775	(2)	(5,903)	5,605	18,243	11,236
2010-11	9,632	-	(2,713)	2,554	6,706	2,767
2009-10 & Prior	6,651	-	(480)	619	882	5,908
Total Prior	<u>170,318</u>	<u>(6)</u>	<u>(16,201)</u>	<u>15,248</u>	<u>83,033</u>	<u>86,338</u>
Total All Funds	<u>\$ 1,877,160</u>	<u>\$ 42,471</u>	<u>\$ (20,940)</u>	<u>\$ 16,316</u>	<u>\$ 1,669,547</u>	<u>\$ 160,518</u>

BALANCE UNCOLLECTED OR UNSEGREGATED

Downtown Special Revenue Fund	\$ 96,261
Empire Special Revenue Fund	64,257
Total Balance Uncollected or Unsegregated - All Funds	<u>160,518</u>

RECONCILIATION TO REVENUE:

	DOWNTOWN SPECIAL REVENUE	EMPIRE SPECIAL REVENUE
Cash Collections by County Treasurer Above	\$ 992,547	\$ 675,910
Accrual of Receivables:		
June 30, 2014	(13,560)	(8,669)
June 30, 2015	21,170	13,777
Taxes in Lieu of Property Taxes	<u>11,324</u>	<u>(8,319)</u>
Total Revenue	<u>\$ 1,011,481</u>	<u>\$ 672,699</u>

**CITY OF COOS BAY
COOS COUNTY, OREGON**

**INDEPENDENT AUDITORS' REPORT REQUIRED
BY OREGON STATE REGULATIONS**

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December 11, 2015

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Coos Bay, Oregon as of and for the year ended June 30, 2015, and have issued our report thereon dated December 11, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Governmental Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 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.**
- **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).**
- **Programs funded from outside sources.**

In connection with our testing nothing came to our attention that caused us to believe the City of Coos Bay, Oregon 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 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

OAR 162-10-0230 Internal Control

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

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

A handwritten signature in cursive script that reads "Tara M. Kamp CPA".

Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.