

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

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2014



12700 SW 72nd Ave.
Tigard, OR 97223

CITY OF COOS BAY
COOS COUNTY, OREGON

For the Year Ended June 30, 2014

ANNUAL FINANCIAL REPORT

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

CITY COUNCIL

TERM EXPIRES

Crystal Shoji, Mayor

November 2014

Stephanie Kramer, President

November 2014

Jennifer Groth

November 2014

Thomas Leahy

November 2014

Brian Bowers

November 2014

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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COOS COUNTY, OREGON
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November 10, 2014

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, 2014, 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 15%, 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, 2014, 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 65 – *Items Previously Reported as Assets and Liabilities* for the year ended June 30, 2014. 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.

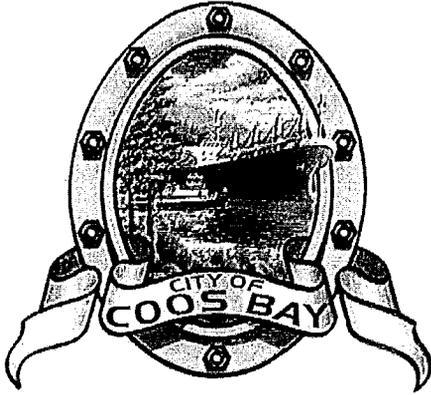
The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not 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 November 10, 2014, 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.


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

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MANAGEMENT'S DISCUSSION AND ANALYSIS Fiscal Year Ended June 30, 2014

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, 2014. 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 \$171,242,547 at June 30, 2014, consisting of \$21,865,967 in unrestricted cash and cash equivalents; \$111,968,584 in capital assets; \$24,965,039 in investment in joint venture; and \$12,442,957 in receivables, prepaids, and unamortized debt issuance costs. Total assets increased by \$641,200 from the previous fiscal year.
- The City's liabilities totaled \$23,268,848 at June 30, 2014, consisting of \$20,728,034 in noncurrent liabilities, \$122,534 in accrued interest, and \$2,418,280 in accounts payable and other liabilities. Total liabilities increased by \$1,043,952 from the previous fiscal year.
- The assets of the City exceeded its liabilities at June 30, 2014 by \$148,158,695 (net position), consisting of \$46,885,181 in unrestricted fund balance (which includes the invested in joint venture); \$95,843,776 investment in capital assets; and the remainder of \$5,429,738 restricted for capital projects, other external requirements, and debt service. 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 Activities, the City's total net position decreased by \$315,140 from the previous fiscal year. This represents a decrease of \$11,603,394 in the combination of investment in capital assets net and invested in joint venture, an increase of \$740,401 restricted for debt service, a decrease of \$624,971 restricted for capital projects, an increase of \$76,043 of restricted for other external requirements, and an increase of \$11,194,165 in unrestricted.
- As of the close of the current fiscal year, the City's Balance Sheet Governmental Funds reported combined ending fund balances of \$17,884,184, an increase of \$800,848 over the prior fiscal year. The total combined governmental funds balance is composed of \$5,429,738 (30%) in restricted funds, \$4,803,283 (27%) in nonspendable funds, \$5,453,002 (30%) in assigned funds, and \$2,198,161 (13%) in unassigned funds.
- The City's unassigned fund balance for the General Fund, \$2,374,409 at June 30, 2014, increased \$106,873 from June 30, 2013. The unassigned general fund balance represents 82% 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 increase of \$330,926 during the current fiscal year to an ending balance of \$20,728,034, primarily due to the additional long-term debt for the

Safe Water loan incurred for the joint venture capital project in process between 2009 and 2014, IFA #1 loan from the State of Oregon for wastewater improvements, IFA #2 loan Safe Water loan incurred for the joint venture capital project in process beginning 2013, and the addition of the Urban Renewal Agency debt due to the blending of financial statements. This also includes bond premium, OPEB liability, and two inter-fund loans.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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, 2014. 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	
	2013	2014	2013	2014	2013	2014
Current and Other Assets	\$ 28,396,541	\$ 28,480,721	\$ 4,372,597	\$ 5,828,203	\$ 32,769,138	\$ 34,308,924
Investment in Coos Bay-North Bend Water Board	24,464,033	24,965,039	0	0	24,464,033	24,965,039
Capital Assets, net	96,457,093	93,455,675	16,911,083	18,512,909	113,368,176	111,968,584
Total Assets	149,317,667	146,901,435	21,283,680	24,341,112	170,601,347	171,242,547
Deferred Outflows of Resources	0	184,996	0	0	0	184,996
Long-term Liabilities Outstanding	20,676,505	18,604,753	592,203	3,182,375	21,268,708	21,787,128
Other Liabilities	362,856	532,496	593,332	949,224	956,188	1,481,720
Total Liabilities	21,039,361	19,137,249	1,185,535	4,131,599	22,224,896	23,268,848
Net Position:						
Invested in Capital Assets, Net	91,037,093	80,373,655	16,911,083	15,470,121	107,948,176	95,843,776
Invested in Joint Venture	24,464,033	24,965,039	0	0	24,464,033	24,965,039
Restricted for debt service	3,202,255	3,942,656	0	0	3,202,255	3,942,656
Restricted for capital projects	537,896	521,346	608,421	0	1,146,317	521,346
Restricted for other	889,693	965,736	0	0	889,693	965,736
Unrestricted	8,147,336	17,180,750	2,578,641	4,739,392	10,725,977	21,920,142
Total Net Position	\$ 128,278,306	\$ 127,949,182	\$ 20,098,145	\$ 20,209,513	\$ 148,376,451	\$ 148,158,695

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 identification, 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	
	2013	2014	2013	2014	2013	2014
Revenues						
Program Revenues						
Charges for Services	\$ 1,222,714	\$ 842,439	\$ 4,912,487	\$ 5,170,521	\$ 6,135,201	\$ 6,012,960
Operating Grants & Contributions	599,860	657,022	0	0	599,860	657,022
Capital Grants & Contributions	554,474	738,155	0	0	554,474	738,155
General Revenues						
Property Taxes	7,221,610	7,567,775	0	0	7,221,610	7,567,775
Other Taxes	3,966,124	4,068,027	0	0	3,966,124	4,068,027
Intergovernmental	147,226	425,295	258,422	448,000	405,648	873,295
Gain (loss) on disposal of assets	0	0	0	0	0	0
Income from Investment in Coos Bay-North Bend Water Board	505,697	501,006	0	0	505,697	501,006
Transfer	1,073,469	985,182	(1,073,469)	(985,182)	0	0
Interest Income	92,100	88,520	27,183	35,777	119,283	124,297
Miscellaneous Income	207,514	162,328	27,792	134,982	235,306	297,310
Total Revenues	15,590,788	16,035,749	4,152,415	4,804,098	19,743,203	20,839,847
Expenses						
General Government	2,330,718	1,852,985	0	0	2,330,718	1,852,985
Public Safety	6,936,025	6,941,087	0	0	6,936,025	6,941,087
Public Works	6,486,641	6,370,035	0	0	6,486,641	6,370,035
Culture & Recreation	1,116,994	1,013,109	0	0	1,116,994	1,013,109
Building Codes	0	0	313,881	219,386	313,881	219,386
Interest on Long-term Debt	793,744	783,372	0	0	793,744	783,372
Wastewater	0	0	3,490,913	3,975,013	3,490,913	3,975,013
Total Expenses	17,664,122	16,960,588	3,804,794	4,194,399	21,468,916	21,154,987
Change in Net Position	(2,073,334)	(924,839)	347,621	609,699	(1,725,713)	(315,140)
Net Position restated- Beginning	130,351,640	128,874,021	19,750,524	19,599,814	150,102,164	148,473,835
Net Position- Ending	\$ 128,278,306	\$ 127,949,182	\$ 20,098,145	\$ 20,209,513	\$ 148,376,451	\$ 148,158,695

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 \$148,158,695 at the close of the fiscal year.

Net position for the City is divided into several categories. The largest category is investment in capital assets net of related debt and invested in joint venture at \$120,808,815 (82%). 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, \$21,920,142 (15%). 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, \$521,346; restricted for debt service, \$3,942,656; and restricted for other external purposes \$965,736. 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 decreased by \$315,140 during the current fiscal year mainly due to the additional debt due to the wastewater construction projects.

Governmental activities. On the Statement of Activities the Governmental activities decreased the City's net position by \$924,839 which can be attributed to a decrease in noncurrent assets note receivables due to the debt from the joint venture being systematically reduced each year.

Expenses and Program Revenues – Governmental Activities

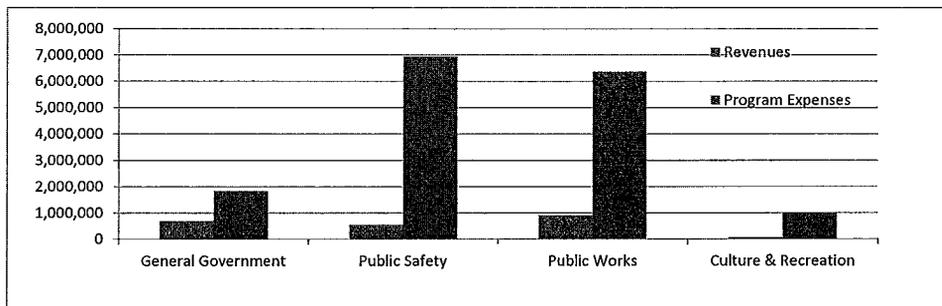


Figure 1

Governmental activities expenses decreased due to the completion of projects which was also compounded with a decrease in revenue. 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 \$187,128 due to increasing taxable assessed values.

Revenues by Source – Governmental Activities

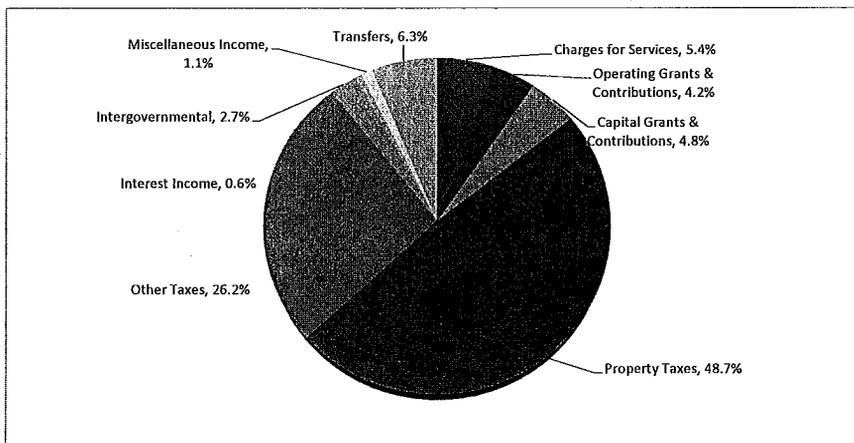


Figure 2

Business-type activities. On the Statement of Activities the Business-type activities increased the City's net position by \$609,699, which was largely due to the annual 6.5% sewer rate increase. Both revenues and expenses increased from the prior year, and the overall change in business-type net position was positive due to an ongoing accumulation of resources and capital improvement projects to the wastewater infrastructure. 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

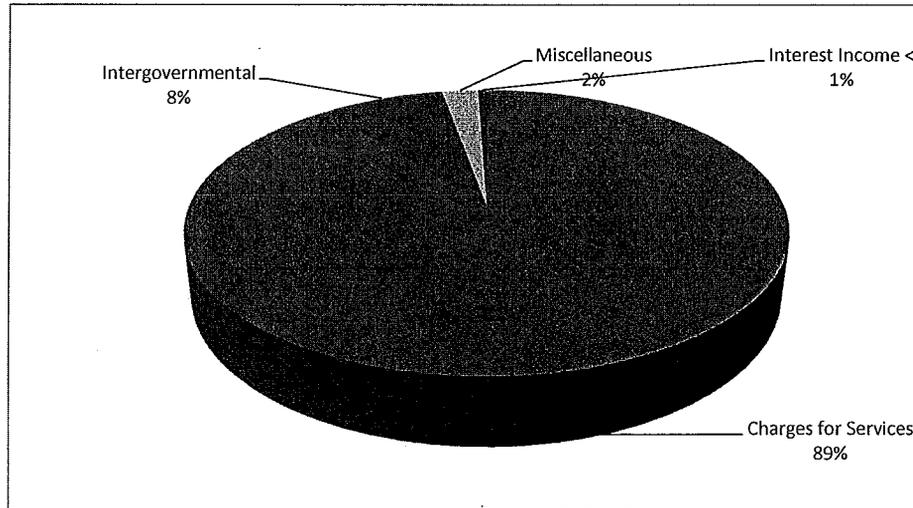


Figure 3

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, 2014, the City's Balance Sheet for Governmental Funds reported combined ending fund balances of \$17,884,184, an increase of \$800,848 over the prior fiscal year. The composition of total governmental fund balances include \$4,803,283 (27%) as nonspendable, \$5,429,738 (30%) as restricted, \$5,453,002 (31%) as assigned, and \$2,198,161 (12%) as unassigned. Of the \$17,884,184 ending fund balance, the General Fund contributed \$2,881,135, the Jurisdictional Exchange Fund contributed \$4,679,845, the Revenue Bond Fund contributed \$2,796,615, the Urban Renewal Agency Downtown Capital Projects Fund contributed \$1,735,501, and the other governmental funds contributed \$5,791,088.

The primary operating fund of the City is the General Fund. At June 30, 2014, the General Fund balance had \$3,283 (<1%) in nonspendable funds, \$3,336 (<1%) in restricted funds, \$500,107 (17%) in assigned funds, and \$2,374,409 (82%) 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 28.3%. This ratio increased 3.9% from June 30, 2013.

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, 2014, increased by \$182,730 in the current fiscal year. This represents a 6.8% increase over the June 30, 2013 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. This included a reduction in expenses where possible and a review of all resources and adjustments made where possible. Moorage rates were increased, 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, grant revenue increased, and transfers out of the General Fund decreased 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 back to the General Fund will commence in FYE 15.

The Revenue Bond Fund was created to pay debt service payments and includes transfers from the wastewater funds 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, 2014 was \$2,796,615.

The Urban Renewal Agency Downtown Capital Projects Fund has two bonds with the recently refinanced 2003 bond 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 with contributions through grants and fundraising. Expenditures in FYE 14 also included the completion of the Eastside Boat Ramp upgrades and the start of the fencing project along Highway 101.

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, 2014 on the Statement of Net Position Proprietary Funds was \$1,696,604. The total increase in proprietary funds net position on the Statement of Activities for the current fiscal year was \$609,699.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total appropriated budget of the General Fund for fiscal year 2013-14 was \$11,109,508 of which \$9,011,158 was the actual. The General Fund actual expenditures were comprised of general government \$1,115,569 or 12%, public safety \$6,491,651 or 72%, public works \$784,914 or 9%, and other financing sources/uses \$619,024 or 7%. There were amendments to the adopted budget during the year to appropriate grant funds, anticipated plan check development fees, and to reallocate personnel costs to accurately reflect the time spent by staff due to the wastewater projects. 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 2013-14 Coos County Summary of Assessment and Tax Roll Table 4a, Line 17 Value to Compute the Tax Rate, less urban renewal excess value, was \$857,981,160. This value increased \$8,650,590, approximately one percent, over the 2012-13 total tax assessed value, less the urban renewal excess value, of \$109,423,220 (2013-14 Coos County Summary of Assessment and Tax Roll Table 4a, Line 16 Subtract Urban Renewal Excess). The slow economic recovery required the City to take steps mid-year 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.

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, 2014 amounted to \$136,933,623 (net of accumulated depreciation). 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 1% was comprised of governmental activities due to depreciation 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	
	2013	2014	2013	2014	2013	2014
Land & assets not depreciated	4,009,356	4,020,131	\$ -	\$ -	\$ 4,009,356	\$ 4,020,131
Land improvements	419,885	550,541	689,139	688,767	1,109,024	1,239,308
Buildings & improvements	14,557,169	14,148,565	0	0	14,557,169	14,148,565
Machinery & equipment	528,828	596,807	1,004,733	958,422	1,533,562	1,555,229
Vehicles	1,171,414	1,027,692	552,899	613,593	1,724,313	1,641,286
Infrastructure - streets	75,042,980	71,285,908	0	0	75,042,980	71,285,908
Plant & systems	0	0	12,936,115	12,757,521	12,936,115	12,757,521
Intangibles	49,923	45,348	0	0	49,923	45,348
Construction in progress	677,539	1,780,683	1,728,197	3,494,606	2,405,735	5,275,289
Total	\$ 96,457,094	\$ 93,455,675	\$ 16,911,083	\$ 18,512,909	\$ 113,368,177	\$ 111,968,584

Debt Administration - The City's long-term debt as of June 30, 2014 is \$20,728,034, an increase of \$330,926 from June 30, 2013. The Governmental and Business-Type Activities June 30, 2014 long-term debt totals \$17,685,246 and included \$93,604, \$3,980,003, and \$4,723,985 to be paid from the Coos Bay- North Bend Water Board; \$5,145,000 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; the loan from Umpqua Bank for the Jurisdictional Exchange Fund matured on August 15, 2013; \$424,362 in OPEB liability; \$105,131 in bond premium; \$433,331 loan from US Bank to fund the purchase of property for the expansion of Wastewater Treatment Plant No. 2; \$2,457,437 IFA #1 State of Oregon loan for wastewater capital improvement; \$152,020 IFA #2 State of Oregon loan for wastewater capital improvement; \$1,676,617 Downtown Urban Renewal Agency 2003 bond; \$759,264 Empire Urban Renewal Agency 2003 bond; and \$777,283 Downtown Urban Renewal Agency loan for the construction of the Visitor Information Center in 2009. Other debt obligations are two inter-fund loans totaling \$656,249.

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 2013-14 real market value from the Coos County Summary of Assessment and Tax Roll was \$1,077,738,895 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 \$27,187,167.

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 2013-14.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2014	2013	2014	2013	2014
OPEB Liability	\$ 358,809	\$ 424,362	\$ -	\$ -	\$ 358,809	\$ 424,362
Bond Premium	113,449	105,131	-	-	113,449	105,131
General Obligations	5,420,000	5,145,000	-	-	5,420,000	5,145,000
Revenue Bonds/Secured Loans	8,259,718	7,193,165	-	-	8,259,718	7,193,164
Revenue Secured Loans	97,384	93,604	-	-	97,384	93,604
Business Loans	5,057,214	4,723,985	1,090,534	3,042,788	6,147,748	7,766,773
Total	\$ 19,306,574	\$ 17,685,246	\$ 1,090,534	\$ 3,042,788	\$ 20,397,108	\$ 20,728,034

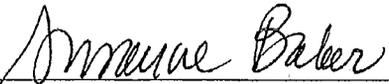
ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors currently affect the City of Coos Bay and were considered in developing the 2014 – 2015 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 2014 pursuant to the June 2009 rate study plan.
- Taxable assessed value slightly increased in 2013- 2014 and was considered in the 2014-2015 budget where the taxable assessed value was estimated to increase at a rate of one-half of a percent.
- Interest rates are expected to remain at record low levels throughout fiscal year 2014-2015.
- Health insurance premiums increased approximately 10%.
- The PERS pension costs after the 2013 legislative action remained the same as the first year of the State's 2013-2015 biennium (Tier 1/2 13.71%; OPSRP General Service 6.51%; and OPSRP Police/Fire 9.24%).
- The contracted labor union, Coos Bay Police Officer's Association (CBPOA), contract will expire June 30, 2015.

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, 2014**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 17,572,826	\$ 4,293,141	\$ 21,865,967
Receivables (Net of Allowance For Uncollectible)	2,107,023	1,534,812	3,641,835
Prepays	2,650	250	2,900
Supply Inventory	633	-	633
Investment in Joint Venture	24,965,039	-	24,965,039
Capital Assets:			
Capital Assets, Non-Depreciable	5,800,814	3,494,606	9,295,420
Capital Assets, Net of Depreciation	87,654,861	15,018,303	102,673,164
Noncurrent Assets:			
Note Receivable - Due Within One Year	476,982	-	476,982
Note Receivable - Due in More Than One Year	8,320,607	-	8,320,607
Total Assets	146,901,435	24,341,112	171,242,547
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charge on Refunding	184,996	-	184,996
Total Deferred Outflows of Resources	184,996	-	184,996
LIABILITIES			
Accounts Payable	229,943	944,675	1,174,618
Payroll and Payroll Taxes Payable	180,019	-	180,019
Deposits Payable	-	4,549	4,549
Interest Payable	122,534	-	122,534
Accrued Vacation	919,507	139,587	1,059,094
Noncurrent Liabilities:			
Due Within One Year:			
Revenue Secured Loans Payable	1,104,587	65,000	1,169,587
Bonds Payable	285,000	-	285,000
Note Payable	253,014	-	253,014
Due in More Than One Year:			
Revenue Secured Loans Payable	6,182,181	2,977,788	9,159,969
Bonds Payable	4,361,669	-	4,361,669
Note Payable	4,969,302	-	4,969,302
OPEB Obligation	424,362	-	424,362
Bond Premium	105,131	-	105,131
Total Liabilities	19,137,249	4,131,599	23,268,848
NET POSITION			
Net investment in capital assets	\$80,373,655	\$15,470,121	95,843,776
Invested in Joint Venture-Unrestricted	24,965,039	-	24,965,039
Restricted for:			
Capital Projects	521,346	-	521,346
Debt Services	3,942,656	-	3,942,656
Services and Contributions	965,736	-	965,736
Unrestricted	17,180,750	4,739,392	21,920,142
Total Net Position	\$ 127,949,182	\$ 20,209,513	\$ 148,158,695

See accompanying notes to basic financial statements

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

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2014**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Government				
Governmental Activities				
General Government	\$ 1,852,985	\$ 214,093	\$ 472,922	\$ -
Public Safety	6,941,087	443,023	125,941	-
Public Works	6,370,035	150,282	27,700	738,155
Culture and Recreation	1,013,109	35,041	30,459	-
Interest on Long-term Debt	783,372	-	-	-
Total Governmental Activities	16,960,588	842,439	657,022	738,155
Business-Type Activities				
Wastewater	3,975,013	4,966,483	-	-
Building Codes	219,386	204,038	-	-
Total Business-Type Activities	4,194,399	5,170,521	-	-
Total Government	\$ 21,154,987	\$ 6,012,960	\$ 657,022	\$ 738,155

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

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

Governmental Activities	Business-Type Activities	Total
\$ (1,165,970)	\$ -	\$ (1,165,970)
(6,372,123)	-	(6,372,123)
(5,453,898)	-	(5,453,898)
(947,609)	-	(947,609)
(783,372)	-	(783,372)
<u>(14,722,972)</u>	<u>-</u>	<u>(14,722,972)</u>
-	991,470	991,470
-	(15,348)	(15,348)
<u>-</u>	<u>976,122</u>	<u>976,122</u>
<u>(14,722,972)</u>	<u>976,122</u>	<u>(13,746,850)</u>
7,567,775	-	7,567,775
520,552	-	520,552
1,923,421	-	1,923,421
425,295	448,000	873,295
1,624,054	-	1,624,054
501,006	-	501,006
88,520	35,777	124,297
162,328	134,982	297,310
985,182	(985,182)	-
<u>13,798,133</u>	<u>(366,423)</u>	<u>13,431,710</u>
(924,839)	609,699	(315,140)
<u>128,874,021</u>	<u>19,599,814</u>	<u>148,473,835</u>
<u>\$ 127,949,182</u>	<u>\$ 20,209,513</u>	<u>\$ 148,158,695</u>

See accompanying notes to basic financial statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014**

	GENERAL FUND	JURISDICTIONAL EXCHANGE RESERVE	REVENUE BOND	URA DOWNTOWN CAPITAL	OTHER GOVERNMENTAL	TOTAL
ASSETS:						
Cash and Investments	\$ 3,003,415	\$ 4,856,094	\$ 2,819,634	\$ 1,331,412	\$ 5,562,271	\$ 17,572,826
Inventory	633	-	-	-	-	633
Receivables, Net						
Taxes	567,159	-	-	-	226,256	793,415
Accounts	319,395	-	-	20,000	275,505	614,900
Assessments	654,482	-	-	-	44,226	698,708
Interfund Receivable	176,249	-	-	480,000	-	656,249
Prepaid Expenses	2,650	-	-	-	-	2,650
Total Assets	\$ 4,723,983	\$ 4,856,094	\$ 2,819,634	\$ 1,831,412	\$ 6,108,258	\$ 20,339,381
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY:						
Liabilities:						
Accounts Payable	\$ 34,814	\$ -	\$ 23,019	\$ 95,911	\$ 76,199	\$ 229,943
Payroll and Payroll Taxes Payable	180,019	-	-	-	-	180,019
Interfund Payable	480,000	176,249	-	-	-	656,249
Total Liabilities	694,833	176,249	23,019	95,911	76,199	1,066,211
Deferred Inflows of Resources:						
Unavailable Revenue-Property						
Taxes	493,533	-	-	-	48,656	542,189
Unavailable Revenue-Special						
Assessments	654,482	-	-	-	192,315	846,797
Total Deferred Inflows of Resources	1,148,015	-	-	-	240,971	1,388,986
Fund Equity:						
Fund Balances:						
Nonspendable	3,283	4,800,000	-	-	-	4,803,283
Restricted	3,336	-	2,796,615	-	2,629,787	5,429,738
Assigned	500,107	56,093	-	1,735,501	3,161,301	5,453,002
Unassigned	2,374,409	(176,248)	-	-	-	2,198,161
Total Fund Balance	2,881,135	4,679,845	2,796,615	1,735,501	5,791,088	17,884,184
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 4,723,983	\$ 4,856,094	\$ 2,819,634	\$ 1,831,412	\$ 6,108,258	\$ 20,339,381

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, 2014

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

Fund Balances		\$ 17,884,184
<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		93,455,675
<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	\$ (4,646,669)	
Revenue Loans	(7,286,768)	
Bond Premium	(105,131)	
Notes and Contracts Payable	(5,222,316)	
Debt Issuance Difference	184,996	
Accrued Interest	(122,534)	
Net Adjustment	<u>(17,198,422)</u>	(17,198,422)
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>		
Accrued Vacation		(919,507)
Net OPEB Obligation is not reported as a liability in the Governmental Funds Balance Sheet		(424,362)
<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		1,388,986
Joint Venture Note Receivable		8,797,589
Joint Venture Equity Investment		<u>24,965,039</u>
Total Net Position		<u>\$ 127,949,182</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, 2014**

	GENERAL FUND	JURISDICTIONAL EXCHANGE RESERVE	REVENUE BOND	URA DOWNTOWN CAPITAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property Taxes	\$ 5,437,906	\$ -	\$ -	\$ -	\$ 2,195,865	\$ 7,633,771
Other Taxes	-	-	-	-	2,443,973	2,443,973
Franchise Fees	1,624,054	-	-	-	-	1,624,054
Licenses and Permits	153,079	-	-	-	-	153,079
Intergovernmental Grants	396,934 147,940	-	814,214	- 738,155	194,885 12,946	1,406,033 899,041
Other-Timber Sales	-	-	-	-	30,000	30,000
Charges for Services	590,183	-	-	-	21,762	611,945
Charges for Use of Money and Property	103,071	26,147	-	8,816	38,074	176,108
Fines and Forfeitures	70,080	-	-	-	-	70,080
Miscellaneous	52,910	-	-	36,172	118,609	207,691
Total Revenues	8,576,157	26,147	814,214	783,143	5,056,114	15,255,775
EXPENDITURES						
Current:						
General Government	1,115,569	-	-	390,177	298,019	1,803,765
Public Safety	6,491,651	-	-	-	183,601	6,675,252
Public Works	784,914	-	-	-	1,548,650	2,333,564
Culture and Recreation	-	-	-	-	974,697	974,697
Capital Outlay	-	-	-	1,010,621	321,947	1,332,568
Debt Service:						
Principal Retirement	-	57,214	619,794	-	1,066,553	1,743,561
Interest and Fiscal Charges	-	941	302,305	-	330,962	634,208
Total Expenditures	8,392,134	58,155	922,099	1,400,798	4,724,429	15,497,615
Excess of Revenues Over (Under) Expenditures	184,023	(32,008)	(107,885)	(617,655)	331,685	(241,840)
OTHER FINANCING SOURCES (USES)						
Sale of Capital Assets	-	-	-	-	57,506	57,506
Transfers In	88,843	-	978,782	-	1,554,683	2,622,308
Transfers Out	(94,243)	-	-	-	(1,542,883)	(1,637,126)
Du Jour Financing - URA	410,733	-	-	-	350,180	760,913
Du Jour Financing - URA	(406,626)	-	-	56,446	(410,733)	(760,913)
Total Other Financing Sources, (Uses)	(1,293)	-	978,782	56,446	8,753	1,042,688
Net Change in Fund Balance	182,730	(32,008)	870,897	(561,209)	340,438	800,848
FUND BALANCE - BEGINNING OF YEAR	2,698,405	4,711,853	1,925,718	2,296,710	5,450,650	17,083,336
FUND BALANCE - END OF YEAR	\$ 2,881,135	\$ 4,679,845	\$ 2,796,615	1,735,501	\$ 5,791,088	\$ 17,884,184

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, 2014**

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 \$ 800,848

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	\$	1,544,410	
Depreciation Expense		(4,545,828)	
Net Adjustment			(3,001,418)

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		1,678,562	
Accrued Vacation		(47,906)	
OPEB Obligation		(65,553)	
Net Adjustment			1,556,603

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

Accrued Interest			(75,665)
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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			(65,996)
Assessments Receivable			(28,208)

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			(612,009)
Gain (Loss) from Joint Venture			501,006

Change in Net Position	\$	(924,839)	
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**CITY OF COOS BAY
COOS COUNTY, OREGON**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

June 30, 2014

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WASTEWATER FUND	WASTEWATER IMPROVEMENT FUND	BUILDING CODES FUND	
ASSETS				
Current Assets				
Cash and Investments	\$ 1,364,758	\$ 2,624,472	\$ 303,911	\$ 4,293,141
Receivables				
Accounts Receivable, Net	691,600	843,212	-	1,534,812
Prepaid Expenses	-	-	250	250
Capital Assets, Non-Depreciable	3,494,606	-	-	3,494,606
Capital Assets, Net of Depreciation	15,018,303	-	-	15,018,303
Total Assets	20,569,267	3,467,684	304,161	24,341,112
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities	-	937,502	7,173	944,675
Deposits Payable	4,549	-	-	4,549
Accrued Vacation	120,735	-	18,852	139,587
Noncurrent Liabilities:				
Due within one year	-	65,000	-	65,000
Due in more than one year:				
Revenue Secured Loan	-	2,977,788	-	2,977,788
Total Liabilities	125,284	3,980,290	26,025	4,131,599
NET POSITION				
Net Investment in Capital Assets	18,512,909	-	-	18,512,909
Restricted for				
Capital Projects	-	-	-	-
Unrestricted	1,931,074	(512,606)	278,136	1,696,604
Total Net Position	\$ 20,443,983	\$ (512,606)	\$ 278,136	\$ 20,209,513

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, 2014**

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WASTEWATER FUND	WASTEWATER IMPROVEMENT FUND	BUILDING CODES FUND	
OPERATING REVENUES				
Licenses and Permits	\$ 5,755	\$ -	\$ 198,283	\$ 204,038
Intergovernmental	448,000	-	-	448,000
Charges for Services	4,966,483	-	-	4,966,483
Total Operating Revenues	<u>5,420,238</u>	<u>-</u>	<u>198,283</u>	<u>5,618,521</u>
OPERATING EXPENSES				
Personal Services	917,983	-	187,457	1,105,440
Materials and Services	2,338,928	76,523	31,929	2,447,380
Depreciation Expense	641,579	-	-	641,579
Total Operating Expenses	<u>3,898,490</u>	<u>76,523</u>	<u>219,386</u>	<u>4,194,399</u>
Income, (Loss) From Operations	1,521,748	(76,523)	(21,103)	1,424,122
NON-OPERATING REVENUES (EXPENSES)				
Interest on Investments	10,441	23,598	1,738	35,777
Other Revenue (Expenses)	69,907	65,000	75	134,982
Total Non-Operating Revenues	<u>80,348</u>	<u>88,598</u>	<u>1,813</u>	<u>170,759</u>
Income, (Loss) Before Contributions and Transfers	1,602,096	12,075	(19,290)	1,594,881
CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	2,243,405	(2,243,405)	-	-
Transfers In	-	1,608,634	-	1,608,634
Transfers Out	(2,588,516)	-	(5,300)	(2,593,816)
Total Contributions and Transfers	<u>(345,111)</u>	<u>(634,771)</u>	<u>(5,300)</u>	<u>(985,182)</u>
Change in Net Position	1,256,985	(622,696)	(24,590)	609,699
Beginning Net Position	<u>19,186,998</u>	<u>110,090</u>	<u>302,726</u>	<u>19,599,814</u>
Ending Net Position	<u>\$ 20,443,983</u>	<u>\$ (512,606)</u>	<u>\$ 278,136</u>	<u>\$ 20,209,513</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, 2014**

	Business-type Activities			
	MAJOR WASTEWATER FUND	WASTEWATER IMPROVEMENT FUND	BUILDING CODES FUND	TOTAL PROPRIETARY FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 5,312,162	\$ (406,365)	\$ 198,333	\$ 5,104,130
Payments to Suppliers	(2,345,248)	401,701	(33,061)	(1,976,608)
Payments to Employees	(876,695)	-	(204,038)	(1,080,733)
Net Cash Provided by Operating Activities	<u>2,090,219</u>	<u>(4,664)</u>	<u>(38,766)</u>	<u>2,046,789</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	-	1,608,634	-	1,608,634
Transfers to Other Funds	(2,588,516)	-	(5,300)	(2,593,816)
Net Cash Provided by Noncapital Financing Activities	<u>(2,588,516)</u>	<u>1,608,634</u>	<u>(5,300)</u>	<u>(985,182)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	(2,243,405)	-	-	(2,243,405)
Long term debt issuance	-	1,952,254	-	1,952,254
Other Revenue (Expenses)	80,348	88,598	1,813	170,759
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>80,348</u>	<u>(202,553)</u>	<u>1,813</u>	<u>(120,392)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	-	-	-	-
Net Increase, (Decrease) in Cash and Cash Equivalents	(417,949)	1,401,417	(42,253)	941,215
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>1,782,707</u>	<u>1,223,055</u>	<u>346,164</u>	<u>3,351,926</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,364,758</u>	<u>\$ 2,624,472</u>	<u>\$ 303,911</u>	<u>\$ 4,293,141</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income	\$ 1,521,748	\$ (76,523)	\$ (21,103)	\$ 1,424,122
Adjustments				
Depreciation/Amortization	641,579	-	-	641,579
(Increase), Decrease in Accounts Receivable	(108,076)	(406,365)	-	(514,441)
(Increase), Decrease in Prepays	-	-	50	50
Increase (Decrease) in Accrued Vacation	41,288	-	(16,581)	24,707
Increase (Decrease) in Deposits Payable	-	-	-	-
Increase, (Decrease) in Accounts Payable/Accrued Liabilities	(6,320)	478,224	(1,132)	470,772
Net Cash From Operations	<u>\$ 2,090,219</u>	<u>\$ (4,664)</u>	<u>\$ (38,766)</u>	<u>\$ 2,046,789</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, 2014

	AGENCY FUND VISITORS CONVENTION BUREAU
ASSETS:	
Cash and Investments	\$ 191,416
Total Assets	<u>191,416</u>
LIABILITIES:	
Due to Other Agency	<u>191,416</u>
NET POSITION:	
Total Net Position Unrestricted	<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.

URA Downtown Capital Fund – This fund is used to account for capital projects within the Downtown Special Revenue Fund to service the downtown area's urban renewal debt.

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, except for the Park Improvement Fund – Materials and Services by \$35.

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.

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.

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.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 in this category. 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.

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	629,466
Investments	<u>21,426,917</u>
 Total Cash and Investments	 <u>\$ 22,057,383</u>

Reconciliation of Cash Reported in:	
Governmental	\$ 17,572,826
Business Type	4,293,141
Agency Fund	<u>191,416</u>
 Total Cash and Investments	 <u>\$ 22,057,383</u>

Deposits

Deposits with financial institutions consist of bank demand deposits. The total bank balance per the bank statements for all pooled cash is \$971,915. 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, 2014, 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, 2014 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, 2014, 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	\$ 21,426,917	\$ 21,426,917	\$ -	\$ -
Total	<u>\$ 21,426,917</u>	<u>\$ 21,426,917</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, 2014, 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, 2014 and 2013 are \$919,507, and \$871,601. The business type funds compensated absences balances at June 30, 2014 and 2013 are \$139,587, and \$114,880.

<u>Compensated Absences</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental	\$ 871,601	47,906	-	\$ 919,507
Business Type	114,880	24,707	-	139,587
Total	\$ 986,481			\$ 1,059,094

4. CAPITAL ASSETS

Capital asset activity for governmental activities of the primary government for the year ended June 30, 2014 was as follows:

<u>Description</u>	<u>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS</u>			
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2014</u>
Capital assets not being depreciated				
Land	\$ 3,226,488	\$ -	\$ -	\$ 3,226,488
Museum art works collection	782,868	10,775	-	793,643
Construction In Progress	677,539	1,280,128	(176,984)	1,780,683
Total Capital Assets not being depreciated	4,686,895	1,290,903	(176,984)	5,800,814
Other Capital Assets				
Land and Improvements	2,002,641	173,488	-	2,176,129
Buildings and Improvements	17,867,389	-	-	17,867,389
Machinery and Equipment	2,148,045	208,033	(45,374)	2,310,704
Vehicles	3,392,287	48,970	(40,949)	3,400,308
Intangibles	55,521	-	-	55,521
Infrastructure - streets	151,883,491	-	-	151,883,491
Total other Capital Assets	177,349,374	430,491	(86,323)	177,693,542
Less Accumulated Depreciation				
Land Improvements	1,582,755	42,834	-	1,625,589
Buildings and Improvements	3,310,221	408,603	-	3,718,824
Machinery & Equipment	1,619,217	140,055	(45,374)	1,713,898
Vehicles	2,220,873	192,689	(40,949)	2,372,613
Intangibles	5,598	4,575	-	10,173
Infrastructure - streets	76,840,511	3,757,072	-	80,597,583
Total Accumulated Depreciation	85,579,175	4,545,828	(86,323)	90,038,680
Total Governmental Activities	\$ 96,457,093	\$ (2,824,434)	\$ (176,984)	\$ 93,455,675

**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	\$ 121,779
Public Safety	321,520
Public Works	4,055,951
Culture and Recreation	46,578
 Total	 <u>\$ 4,545,828</u>

Capital asset activity for business type activities for the year ended June 30, 2014 was as follows:

<u>Description</u>	<u>BUSINESS TYPE ACTIVITIES</u>			
	<u>June 30, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2014</u>
Capital assets not being depreciated				
Construction in Progress	\$ 1,728,197	\$ 2,164,111	\$ (397,702)	\$ 3,494,606
Total Capital Assets not being depreciated	<u>1,728,197</u>	<u>2,164,111</u>	<u>(397,702)</u>	<u>3,494,606</u>
Other Capital Assets - Wastewater				
Land and Improvements	2,576,662	-	-	2,576,662
Machinery & Equipment	3,809,546	41,023	(64,100)	3,786,469
Vehicles	1,207,762	143,007	(154,220)	1,196,549
Plant and System	21,523,202	299,845	(6,879)	21,816,168
Total other Capital Assets	<u>29,117,172</u>	<u>483,875</u>	<u>(225,199)</u>	<u>29,375,848</u>
Less Accumulated Depreciation				
Land and Improvements	1,887,523	371	-	1,887,894
Machinery & Equipment	2,804,813	87,335	(64,100)	2,828,048
Vehicles	654,863	82,314	(154,220)	582,957
Plant and System	8,587,087	471,559	-	9,058,646
Total Accumulated Depreciation	<u>13,934,286</u>	<u>641,579</u>	<u>(218,320)</u>	<u>14,357,545</u>
Total Business Type Activities	<u>\$ 16,911,083</u>	<u>\$ 2,006,407</u>	<u>\$ (404,581)</u>	<u>\$ 18,512,909</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	\$ 641,579
Total	\$ 641,579

5. EMPLOYEE RETIREMENT PLAN

Plan Description

The State of Oregon Public Employees Retirement System (PERS), a cost sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System (OPERS) is participated in. Retirement is allowed at age 58 with full benefits, but retirement is generally available after age 55 with reduced benefits. Police and Fire Department employees may retire with full benefits at the age of 55 with 30 years of service. Compulsory retirement is age 70. Retirement benefits are payable in lump sum or monthly amounts using several payment options. PERS also provides death and disability benefits. Benefits are established by State statute.

In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for PERS. The Oregon Public Service Retirement Plan ("OPSRP") is effective for all new employees hired on or after August 29, 2003, and applies to any inactive PERS members who return to employment following a six month or greater break in service. The new plan consists of a defined benefit program (the "Pension Program") and a defined contribution portion (the Individual Account Program or "IAP"). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service and a factor that varies based on type of service (general versus police or fire).

Beginning January 1, 2004, all PERS member contributions go into the IAP portion of OPSRP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment.

Both PERS and OPSRP are administered under Oregon Revised Statute (ORS) Chapter 238. ORS 238.620 establishes the Public Employees Retirement Board as the governing body of PERS. The Oregon Public Employees Retirement System issues a publicly available financial report that includes financial statements and required supplementary information.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Funding Policy

Covered employees are required by State statute to contribute 6% of their salary to the plan, which the City has elected to pay for the employee. The City is required to contribute at actuarially determined rates, as adopted by the PERS Board. The current rate is 13.71% of covered payroll for Tier One/Two employees and 6.51% for general OPSRP employees and 9.24% for public safety. The contribution to the plan for the years ending June 30, 2014, 2013, and 2012 were as follows:

<u>For the Year</u> <u>Ended June</u> <u>30, 2013</u>	<u>Annual</u> <u>Pension Cost</u> <u>(APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
2014	\$ 1,111,438	100%	\$ -
2013	\$ 1,175,918	100%	\$ -
2012	\$ 1,114,668	100%	\$ -

Annual Pension Costs

For the year ended June 30, 2014, the annual pension cost (APC) for PERS was equal to the required and actual contributions (ARC). The required contribution was determined as part of December 31, 2012, actuarial valuation using the projected unit credit. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases was 3.75% per year, and (c) 2.75% per year post-retirement cost-of-living increases. The underlying long-term assumed rate of inflation is 3.75% per year. The actuarial value of PERS assets are valued on the market value of asset method.

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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

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, 2014, was approximately \$424,362.

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>6/30/2012</u>	<u>6/30/2013</u>	<u>6/30/2014</u>
Annual Required Contribution (ARC)	\$ 111,165	\$ 117,009	\$ 135,804
Interest on Net Pension Obligation	9,580	11,897	12,558
Adjustment to Annual Required Contribution	<u>(16,276)</u>	<u>(20,213)</u>	<u>(43,144)</u>
Annual OPEB Cost	104,469	108,693	105,218
Contributions Made	<u>(46,544)</u>	<u>(47,307)</u>	<u>(39,665)</u>
Increase in Net Pension Obligation	57,925	61,386	65,553
Net OPEB Obligation (Asset) at Beginning of the Year	239,498	297,423	358,809
Net OPEB Obligation (Asset) at End of the Year	<u>\$ 297,423</u>	<u>\$ 358,809</u>	<u>\$ 424,362</u>
Percentage of APC Contributed	45%	44%	38%

**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, 2014, along with preceding fiscal years, were as follows:

<u>Year Ended</u>	<u>OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>OPEB Obligation</u>
6/30/2012	\$ 104,469	45.00%	\$ 297,423
6/30/2013	108,693	44.00%	358,809
6/30/2014	105,218	38.00%	424,362

Funding status and funding progress. As of August 1, 2012 the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$693,284 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: 6.0% for 2014, 5.75% for 2015-2028, 6.25% for 2029, 6.75% for 2030-2032, 6.5% for 2033-2035, 6.25% for 2036-2037, 6.0% for 2038-2042, 5.75% for 2043-2052, and 5.5% for 2053 and on.
- Health Cost Trend for dental: 5.25% 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: Based on Oregon PERS actuarial valuation.
- 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: 55% 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		
	Principal	Interest	Total
2014-2015	\$ 285,000	\$ 167,967	\$ 452,967
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
2019-2024	1,960,000	307,176	2,267,176
2024-2029	445,000	9,457	454,457
Total	<u>\$ 3,980,000</u>	<u>\$ 1,007,727</u>	<u>\$ 4,987,727</u>

Interest rate: 4.25%-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
2014-2015	\$ 3,968	\$ 4,652	\$ 8,620
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
2019-2024	27,927	15,174	43,101
2024-2029	35,591	7,509	43,100
2029-2034	8,174	407	8,581
Total	\$ 93,604	\$ 44,277	\$ 137,881

Interest rate: 4.97% fixed annual rate.

Business Loan Agreement: In August 2005, a Business Loan Agreement was executed with a local bank for an \$800,000 loan, to be paid over 8 years at 4% annual interest. This loan is for a major arterial (Ocean Blvd) overlay and construction of a street that was received from the State in the Jurisdictional Exchange program several years ago. The loan was paid off in the current year.

**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
2014-2015	\$ 285,000	\$ 207,100	\$ 492,100
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
2019-2024	1,850,000	602,750	2,452,750
2024-2029	1,770,000	192,632	1,962,632
Total	<u>\$ 5,145,000</u>	<u>\$ 1,724,882</u>	<u>\$ 6,869,882</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
2014-2015	\$ 188,014	\$ 160,615	\$ 348,629
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
2019-2024	1,189,295	553,852	1,743,147
2024-2029	1,405,700	337,449	1,743,149
2029-2034	1,122,784	87,918	1,210,702
Total	<u>\$ 4,723,985</u>	<u>\$ 1,716,161</u>	<u>\$ 6,440,146</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

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 July, 2011		
	Principal	Interest	Total
2015-2015	\$ 65,000	\$ 13,182	\$ 78,182
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
2019-2024	108,331	4,056	112,387
Total	\$ 433,331	\$ 49,686	\$ 483,017

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, 2014, are as follows:

Fiscal Year	Issue of January 24, 2003 (Series 2003 A)		
	Principal	Interest	Total
2014-2015	\$ 461,122	\$ 71,647	\$ 532,769
2015-2016	475,173	50,826	525,999
2016-2017	489,818	28,797	518,615
2017-2018	250,504	5,878	256,382
Total	\$ 1,676,617	\$ 157,148	\$ 1,833,765

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, 2014, are as follows:

Fiscal Year	Issue of January 24, 2003 (Series 2003 A)		
	Principal	Interest	Total
2014-2015	\$ 211,497	\$ 32,681	\$ 244,178
2015-2016	215,783	23,184	238,967
2016-2017	220,205	13,136	233,341
2017-2018	111,779	680	112,459
Total	\$ 759,264	\$ 69,681	\$ 828,945

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, 2014, are as follows: The Downtown Bond and Empire Bond funds have been used to liquidate long-term liabilities.

<u>Fiscal Year</u>	<u>Issue of August 28, 2009 (Series 2009)</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014-2015	\$ 143,000	\$ 30,402	\$ 173,402
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	<u>168,283</u>	<u>5,187</u>	<u>173,470</u>
Total	<u>\$ 777,283</u>	<u>\$ 90,263</u>	<u>\$ 867,546</u>

Interest Rate: Fixed annual rate of 4.1%

Business Type Activities

IFA Wastewater Loan: 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, 2014, the following changes occurred in long-term liabilities:

	RESTATED Balance 7/1/2013	Additions	Reductions	Balance 6/30/2014	Due in One Year
Governmental Activities:					
Revenue Bonds:					
Water Bonds					
June 14, 2005 (refunding)	\$ 97,384	\$ -	\$ (3,780)	\$ 93,604	\$ 3,968
GO Fire Station					
April 15, 2009	5,420,000	-	(275,000)	5,145,000	285,000
Revenue Secured Bond:					
April, 2006 (refunding)	4,255,000	-	(275,000)	3,980,000	285,000
Business Loan:					
August 17, 2005	57,214	-	(57,214)	-	-
Economic Development Loan					
June 30, 2011	5,000,000	-	(276,015)	4,723,985	188,014
URA Downtown Series 1/23/03 A	2,124,028	-	(447,411)	1,676,617	461,122
URA Empire Series 1/24/03 A	966,537	-	(207,273)	759,264	211,497
URA Downtown Series 8/28/09	914,153	-	(136,870)	777,283	143,000
OPEB Obligation	358,809	65,553	-	424,362	-
Bond Premium	113,449	-	(8,318)	105,131	-
Total	<u>\$ 19,306,574</u>	<u>\$ 65,553</u>	<u>\$ (1,686,881)</u>	<u>\$ 17,685,246</u>	<u>\$ 1,577,601</u>
Business Type Activities	Balance 7/1/2013	Additions	Reductions	Balance 6/30/2014	Due in One Year
IFA Wastewater Loan 2012	\$ 592,203	\$ 1,865,234	\$ -	\$ 2,457,437	\$ -
IFA Wastewater Loan 2013	-	152,020	-	152,020	-
Land purchase loan	498,331	-	(65,000)	433,331	65,000
Total	<u>\$ 1,090,534</u>	<u>\$ 2,017,254</u>	<u>\$ (65,000)</u>	<u>\$ 3,042,788</u>	<u>\$ 65,000</u>

**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, 2014:

Cash and investments	\$ 5,536,052
Other assets	<u>63,658,753</u>
Total assets	<u><u>\$ 69,194,805</u></u>
Total liabilities	\$ 19,264,727
Total equity	<u>49,930,078</u>
Total liabilities and equity	<u><u>\$ 69,194,805</u></u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

11. INVESTMENT IN JOINT VENTURE (CONTINUED)

Changes in the investment in the joint venture are as follows:

Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
\$ 24,464,033	\$ 501,006	\$ -	\$ 24,965,039

An investment in joint venture in the amount of \$24,965,039 million was booked as an asset (Investment in Joint Venture) in Fiscal Year 2014, for the 50% equity interest that the City of Coos Bay has in the Coos Bay/North Bend Water Board. The Coos Bay/North Bend Water Board issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Coos Bay/North Bend Water Board, P.O. Box 539, Coos Bay, OR 97420 or by calling (541) 267-3128.

12. RELATED PARTY TRANSACTIONS

All sewer service charges are billed by the Water Board as an accommodation for the Cities of Coos Bay and North Bend, Oregon, and collections thereon are remitted to the cities, less a handling fee, for providing these services. During the year ended June 30, 2014, the Water Board remitted \$4,837,287 to the City of Coos Bay, Oregon, which included sewer user fee revenues, alum sludge disposal fees, and interest earnings, net of the handling fee of \$66,835.

13. NOTES RECEIVABLE

There is a note receivable carried on the statement of net position. The note is the result of an agreement between the City and the Water Board wherein the City obtained a loan on behalf of the Water Board. The amount receivable by the City as of June 30, 2014 is \$8,797,589. This includes the 2005 and 2006 refunding issues. The Water Board also pays the interest on these issues (see footnote 8).

14. TRANSFERS

Transfers made during the year are summarized as follows:

Fund:	Transfer In	Transfer Out
Governmental Funds:		
General	\$ 88,843	\$ 94,243
Revenue Bond	978,782	-
Other Governmental	1,554,683	1,542,883
	\$ 2,622,308	\$ 1,637,126
Business Type Funds	\$ 1,608,634	\$ 2,593,816
Total Transfers	\$ 4,230,942	\$ 4,230,942

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

NOTES TO BASIC FINANCIAL STATEMENTS

14. TRANSFERS (CONTINUED)

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
2014-2015	\$ 60,000	\$ 4,800	\$ 64,800
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
2019-2024	180,000	3,600	183,600
Total	\$ 480,000	\$ 21,600	\$ 501,600

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		
	Principal	Interest	Total
2014-2015	\$ 28,977	\$ 1,553	\$ 30,530
2015-2016	29,299	1,502	30,801
2016-2017	29,593	1,208	30,801
2017-2018	29,890	910	30,800
2018-2019	30,191	610	30,801
2019-2024	30,524	306	30,830
Total	\$ 178,474	\$ 6,089	\$ 184,563

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, 2014 are as follows:

Fund Balances:	General Fund	Jurisdictional Exchange Reserve	Revenue Bond	URA Downtown Capital	Non Major Funds	Total
<u>Nonspendable:</u>						
Prepaid Expenses	\$ 2,650	\$ -	\$ -	\$ -	\$ -	\$ 2,650
Inventory	633	-	-	-	-	633
Jurisdictional Exchange	-	4,800,000	-	-	-	4,800,000
Total	3,283	4,800,000	-	-	-	4,803,283
<u>Restricted</u>						
Memorial Bricks	158	-	-	-	-	158
Grants	3,178	-	-	-	-	3,178
Legislation	-	-	-	-	389,492	389,492
Debt Service	-	-	2,796,615	-	1,146,041	3,942,656
Library	-	-	-	-	572,908	572,908
Choshi Garden Foundation	-	-	-	-	1,148	1,148
Capital Projects	-	-	-	-	520,198	520,198
Total	3,336	-	2,796,615	-	2,629,787	5,429,738
<u>Assigned</u>						
DUII Impact Panel	7,221	-	-	-	-	7,221
Range	3,497	-	-	-	-	3,497
Canine	1,010	-	-	-	-	1,010
Hotel/Motel Tax Fund	-	-	-	-	92,689	92,689
Tech Fund	-	-	-	-	79,363	79,363
Unclaimed Property Liability	668	-	-	-	-	668
Rainy Day Reserve Fund	487,711	-	-	-	-	487,711
Jurisdictional Exchange	-	56,093	-	-	-	56,093
Capital Projects	-	-	-	1,735,501	2,989,249	4,724,750
Total	500,107	56,093	-	1,735,501	3,161,301	5,453,002
Unassigned:	2,374,409	(176,248)	-	-	-	2,198,161
Total Fund Balances	\$ 2,881,135	\$ 4,679,845	\$ 2,796,615	\$ 1,735,501	\$ 5,791,088	\$ 17,884,184

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 to fund phase two of the project for a total project estimated at \$4,239,180. Both of these grants along with a grant match of \$751,980 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 14 with construction estimated to begin in FYE 15. 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 (\$512,606). 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

The beginning balance of net assets for the governmental type funds and business type funds was restated by \$498,331 to account for the land purchase loan that was changed from governmental type debt to business type debt. In addition the beginning net position of the governmental type funds was restated by an amount to add a portion of a long term receivable that is associated with the Joint Venture.

**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, 2014

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

RETIREMENT PLAN - PERS

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)
12/31/2010	\$35,757,810	\$40,041,572	\$4,283,742	89%	\$5,849,235	73%
12/31/2009	33,985,858	38,913,223	4,927,365	87%	5,474,299	90%
12/31/2008	29,981,209	37,359,256	7,378,047	80%	5,072,888	145%
12/31/2007	38,665,975	35,658,154	(3,007,821)	108%	4,801,518	-63%
12/31/2006	36,494,231	33,901,635	(2,592,596)	108%	4,358,838	-59%
12/31/2005	32,582,744	32,895,592	312,848	99%	4,097,249	8%

**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, 2014**

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Property Taxes	\$ 5,144,855	\$ 5,144,855	\$ 5,437,906	\$ 293,051
Franchise Fees	1,570,000	1,570,000	1,624,054	54,054
Licenses and Permits	107,300	187,300	153,079	(34,221)
Intergovernmental	363,200	363,200	396,934	33,734
Grants	216,254	216,254	147,940	(68,314)
Charges For Services	538,798	538,798	590,183	51,385
Charges for Use of Money and Property	91,000	91,000	100,598	9,598
Fines and Forfeitures	77,500	77,500	70,080	(7,420)
Miscellaneous	27,020	27,020	52,910	25,890
Total Revenue	<u>8,135,927</u>	<u>8,215,927</u>	<u>8,573,684</u>	<u>357,757</u>
EXPENDITURES				
General Government	1,296,400	1,296,400 (1)	1,115,569	180,831
Public Safety	7,139,423	7,139,423 (1)	6,491,651	647,772
Public Works	842,825	922,825 (1)	784,914	137,911
Contingency	400,000	400,000 (1)	-	400,000
Total Expenditures	<u>9,678,648</u>	<u>9,758,648</u>	<u>8,392,134</u>	<u>1,366,514</u>
Excess of Revenues Over (Under) Expenditures	(1,542,721)	(1,542,721)	181,550	1,724,271
OTHER FINANCING SOURCES (USES)				
Transfers Out	(392,059)	(392,059) (1)	(154,243)	237,816
Interfund Loan	(58,506)	(58,506) (1)	(58,155)	351
Du Jour Financing - URA In	410,733	410,733	410,733	-
Du Jour Financing - URA Out	(406,626)	(406,626)	(406,626)	-
Total Other Financing Sources (Uses)	<u>(446,458)</u>	<u>(446,458)</u>	<u>(208,291)</u>	<u>238,167</u>
Net Change in Fund Balance	(1,989,179)	(1,989,179)	(26,741)	1,962,438
FUND BALANCE - BEGINNING OF YEAR	<u>2,482,848</u>	<u>2,482,848</u>	<u>2,723,916</u>	<u>241,068</u>
FUND BALANCE - END OF YEAR	<u>\$ 493,669</u>	<u>\$ 493,669</u>	<u>\$ 2,697,175</u>	<u>\$ 2,203,506</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

487,711

Interfund Loan activity

Interfund Loan Receivable

176,249

Interfund Loan Payable

(480,000)

GAAP General Fund Balance \$ 2,881,135

**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, 2014**

JURISDICTIONAL EXCHANGE RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 25,000	\$ 25,000	\$ 26,147	\$ 1,147
Total Revenues	25,000	25,000	26,147	1,147
EXPENDITURES				
Public Works				
Debt Service				
Principal Retirement	57,306	57,306	57,214	92
Interest and Fiscal Charges	1,200	1,200	941	259
Total Expenditures	58,506	58,506 (1)	58,155	351
Excess of Revenues Over (Under) Expenditures	(33,506)	(33,506)	(32,008)	1,498
OTHER FINANCING SOURCES (USES)				
Interfund Loan Proceeds	58,506	58,506	58,155	(351)
Net Change in Fund Balance	25,000	25,000	26,147	1,147
FUND BALANCE - BEGINNING OF YEAR	4,825,938	4,825,938	4,829,947	4,009
FUND BALANCE - END OF YEAR	\$ 4,850,938	\$ 4,850,938	4,856,094	\$ 5,156
Reconciliation to Governmental Balance Sheet Fund Balance				
Interfund Loan activity			(176,249)	
Interfund Loan Payable			(176,249)	
		GAAP General Fund Balance	\$ 4,679,845	

(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, 2014

<u>REVENUE BOND FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Intergovernmental				
CB-NB Water Board	\$ 1,235,638	\$ 1,235,638	\$ 814,214	\$ (421,424)
Total Revenues	<u>1,235,638</u>	<u>1,235,638</u>	<u>814,214</u>	<u>(421,424)</u>
EXPENDITURES				
Debt Service				
Principal	3,769,810	3,761,770	679,794	3,081,976
Interest	438,368	438,368	302,305	136,063
Total Expenditures	<u>4,208,178</u>	<u>4,200,138 (1)</u>	<u>982,099</u>	<u>3,218,039</u>
Excess of Revenues Over (Under) Expenditures	(2,972,540)	(2,964,500)	(167,885)	2,796,615
OTHER FINANCING SOURCES (USES)				
Transfers In	1,038,782	1,038,782	1,038,782	-
Net Change in Fund Balance	(1,933,758)	(1,925,718)	870,897	2,796,615
FUND BALANCE - BEGINNING OF YEAR	<u>1,933,758</u>	<u>1,925,718</u>	<u>1,925,718</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,796,615</u>	<u>\$ 2,796,615</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, 2014**

URA DOWNTOWN CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Grants	\$ 1,103,540	\$ 1,152,790	\$ 738,155	\$ (414,635)
Interest on Investments	1,000	1,000	8,816	7,816
Seismic Project Loan	65,400	65,400	65,400	-
Miscellaneous	35,500	75,500	30,772	(44,728)
Total Revenues	1,205,440	1,294,690	843,143	(451,547)
EXPENDITURES				
General Government				
Materials and Services	428,737	468,737 (1)	390,177	78,560
Capital Outlay	1,570,970	1,620,220 (1)	1,010,621	609,599
Total Expenditures	1,999,707	2,088,957	1,400,798	688,159
Excess of Revenues Over, -Under Expenditures	(794,267)	(794,267)	(557,655)	236,612
OTHER FINANCING SOURCES (USES)				
Du Jour Financing - URA	56,446	56,446	56,446	-
Total Other Financing Sources, (Uses)	56,446	56,446	56,446	-
Net Change in Fund Balance	(737,821)	(737,821)	(501,209)	236,612
FUND BALANCE - BEGINNING OF YEAR	1,200,000	1,200,000	1,756,710	556,710
FUND BALANCE - END OF YEAR	\$ 462,179	\$ 462,179	1,255,501	\$ 793,322
Reconciliation to Governmental Balance Sheet Fund Balance				
Interfund Loan activity				
Interfund Loan Receivable			480,000	
			GAAP General Fund Balance	\$ 1,735,501

(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, 2014**

	<u>WASTEWATER FUND</u>			VARIANCE TO FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Intergovernmental				
Charleston	\$ 120,000	\$ 120,000	\$ 392,000	\$ 272,000
Bunker Hill	55,000	55,000	56,000	1,000
Total Intergovernmental	<u>175,000</u>	<u>175,000</u>	<u>448,000</u>	<u>273,000</u>
Charges for Services				
Sewer Permits	2,000	2,000	5,755	3,755
Sewer Use Fees	4,699,840	4,699,840	4,928,852	229,012
Recreational Vehicle Dump Fees	2,500	2,500	2,162	(338)
Alum Sludge Disposal Fees	78,000	78,000	59,503	(18,497)
Total Charges for Services	<u>4,782,340</u>	<u>4,782,340</u>	<u>4,996,272</u>	<u>213,932</u>
Charges for Use of Money and Property				
Interest on Investments	9,000	9,000	10,441	1,441
Total Charges for Use of Money and Property	<u>9,000</u>	<u>9,000</u>	<u>10,441</u>	<u>1,441</u>
Miscellaneous	-	-	69,907	69,907
Total Revenues	<u>4,966,340</u>	<u>4,966,340</u>	<u>5,524,620</u>	<u>558,280</u>
EXPENDITURES				
Wastewater Collection and Treatment				
Personal Services	758,977	938,977	876,695	62,282
Materials and Services	2,961,268	2,961,268	2,338,928	622,340
Total Wastewater Collection and Treatment	<u>3,720,245</u>	<u>3,900,245</u> (1)	<u>3,215,623</u>	<u>684,622</u>
Contingency	157,579	664,907 (1)	-	664,907
Total Expenditures	<u>3,877,824</u>	<u>4,565,152</u>	<u>3,215,623</u>	<u>1,349,529</u>
Excess of Revenues Over (Under) Expenditures	1,088,516	401,188	2,308,997	1,907,809
Other Financing Sources (Uses)				
Transfers Out	(2,588,516)	(2,588,516) (1)	(2,588,516)	-
Total Other Financing Sources (Uses)	<u>(2,588,516)</u>	<u>(2,588,516)</u>	<u>(2,588,516)</u>	<u>-</u>
Net Change in Fund Balance	(1,500,000)	(2,187,328)	(279,519)	1,907,809
FUND BALANCE - BEGINNING OF YEAR	<u>1,500,000</u>	<u>2,187,328</u>	<u>2,187,328</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,907,809</u>	<u>\$ 1,907,809</u>
Reconciliation to Net Position:				
			18,512,909	
			144,000	
			(120,735)	
			<u>\$ 20,443,983</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, 2014**

<u>BUILDING CODES FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Licenses and Permits	\$ 228,100	\$ 228,100	\$ 198,283	\$ (29,817)
Charges for Use of Money and Property				
Interest on Investments	1,500	1,500	1,738	238
Miscellaneous	500	500	75	(425)
Total Revenues	230,100	230,100	200,096	(30,004)
EXPENDITURES				
Public Works				
Personal Services	273,940	273,940	204,038	69,902
Materials and Services	66,715	66,715	31,929	34,786
Total Building Codes Operations	340,655	340,655	(1) 235,967	104,688
Contingency	168,145	168,145	(1) -	168,145
Total Expenditures	508,800	508,800	235,967	272,833
Excess of Revenues Over (Under) Expenditures	(278,700)	(278,700)	(35,871)	242,829
OTHER FINANCING SOURCES (USES)				
Transfers Out	(5,300)	(5,300)	(1) (5,300)	-
Total Other Financing Sources (Uses)	(5,300)	(5,300)	(5,300)	-
Net Change in Fund Balance	(284,000)	(284,000)	(41,171)	242,829
FUND BALANCE - BEGINNING OF YEAR	284,000	284,000	338,159	54,159
FUND BALANCE - END OF YEAR	\$ -	\$ -	296,988	\$ 296,988
Reconciliation to Net Position:				
Accrued Vacation			(18,852)	
Total Net Position			\$ 278,136	

(1) Appropriation Level

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

**COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2014**

	<u>COMBINED NONMAJOR SPECIAL REVENUE FUNDS</u>	<u>COMBINED NONMAJOR DEBT SERVICE FUNDS</u>	<u>COMBINED NONMAJOR CAPITAL PROJECTS FUNDS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
ASSETS				
Cash and Investments	\$ 1,928,648	\$ 1,138,759	\$ 2,494,864	\$ 5,562,271
Receivables				
Taxes	170,318	55,938	-	226,256
Accounts	266,221	-	9,284	275,505
Assessments	-	-	44,226	44,226
Total Assets	<u>\$ 2,365,187</u>	<u>\$ 1,194,697</u>	<u>\$ 2,548,374</u>	<u>\$ 6,108,258</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
LIABILITIES				
Accounts Payable	\$ 50,612	\$ -	\$ 25,587	\$ 76,199
Total Liabilities	<u>50,612</u>	<u>-</u>	<u>25,587</u>	<u>76,199</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	48,656	-	48,656
Unavailable Revenue - Special Assessments	148,089	-	44,226	192,315
Total Deferred Outflows of Resources	<u>148,089</u>	<u>48,656</u>	<u>44,226</u>	<u>240,971</u>
FUND BALANCES				
Restricted	962,400	1,146,041	521,346	2,629,787
Assigned	1,204,086	-	1,957,215	3,161,301
Total Fund Balances	<u>2,166,486</u>	<u>1,146,041</u>	<u>2,478,561</u>	<u>5,791,088</u>
Total Liabilities and Fund Balances	<u>\$ 2,365,187</u>	<u>\$ 1,194,697</u>	<u>\$ 2,548,374</u>	<u>\$ 6,108,258</u>

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

**COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2014**

	STATE GAS TAX	HOTEL/ MOTEL TAX	LIBRARY	911 TAX
ASSETS				
Cash and Investments	\$ 220,378	\$ (36,307)	\$ 553,631	\$ 101,779
Receivables				
Property Taxes	-	-	-	-
Accounts	81,351	132,927	28,588	23,354
Total Assets	\$ 301,729	\$ 96,620	\$ 582,219	\$ 125,133
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
LIABILITIES				
Accounts Payable	\$ 37,274	\$ 3,931	\$ 9,311	\$ 96
Total Liabilities	37,274	3,931	9,311	96
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	-	-	-
Unavailable Revenue - Special Assessments	-	-	-	-
Total Deferred Outflows of Resources	-	-	-	-
FUND BALANCES				
Restricted	264,455	-	572,908	125,037
Assigned	-	92,689	-	-
Total Fund Balances	264,455	92,689	572,908	125,037
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 301,729	\$ 96,620	\$ 582,219	\$ 125,133

<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>
\$ 487,027	\$ 123,020	\$ 437,170	\$ 41,950	\$ 1,928,648
104,849	65,469	-	-	170,318
-	-	-	1	266,221
<u>\$ 591,876</u>	<u>\$ 188,489</u>	<u>\$ 437,170</u>	<u>\$ 41,951</u>	<u>\$ 2,365,187</u>
\$ -	\$ -	\$ -	\$ -	\$ 50,612
-	-	-	-	50,612
-	-	-	-	-
91,289	56,800	-	-	148,089
91,289	56,800	-	-	148,089
-	-	-	-	962,400
500,587	131,689	437,170	41,951	1,204,086
500,587	131,689	437,170	41,951	2,166,486
<u>\$ 591,876</u>	<u>\$ 188,489</u>	<u>\$ 437,170</u>	<u>\$ 41,951</u>	<u>\$ 2,365,187</u>

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

**COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS**

June 30, 2014

	<u>GO BOND REDEMPTION</u>	<u>URA DOWNTOWN BOND</u>	<u>URA EMPIRE BOND</u>	<u>URA DOWNTOWN BOND RESERVE</u>	<u>URA EMPIRE BOND RESERVE</u>	<u>TOTAL</u>
ASSETS						
Cash and Investments	\$ 229,692	\$ 1,034	\$ -	\$ 682,204	\$ 225,829	\$ 1,138,759
Receivables						
Taxes	55,938	-	-	-	-	55,938
Total Assets	<u>\$ 285,630</u>	<u>\$ 1,034</u>	<u>\$ -</u>	<u>\$ 682,204</u>	<u>\$ 225,829</u>	<u>\$ 1,194,697</u>
 DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:						
DEFERRED INFLOWS OF RESOURCES						
Unavailable Rev.-Property Taxes	48,656	-	-	-	-	48,656
Total Deferred Inflows of Resources	<u>48,656</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,656</u>
 FUND BALANCES						
Restricted	236,974	1,034	-	682,204	225,829	1,146,041
Total Fund Balances	<u>236,974</u>	<u>1,034</u>	<u>-</u>	<u>682,204</u>	<u>225,829</u>	<u>1,146,041</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 285,630</u>	<u>\$ 1,034</u>	<u>\$ -</u>	<u>\$ 682,204</u>	<u>\$ 225,829</u>	<u>\$ 1,194,697</u>

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

**COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2014**

	STREET IMPROVEMENT	PARKS IMPROVEMENT	BIKE/ PEDESTRIAN IMPROVEMENT	SPECIAL IMPROVEMENT
ASSETS				
Cash and Investments	\$ 269	\$ 38,716	\$ 31,927	\$ 144,823
Receivables				
Accounts	-	-	726	-
Assessments	-	-	-	44,226
Total Assets	\$ 269	\$ 38,716	\$ 32,653	\$ 189,049
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
LIABILITIES				
Accounts Payable	\$ -	\$ 10,961	\$ -	\$ -
Total Liabilities	-	10,961	-	-
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Rev.-Special Assessments	-	-	-	44,226
Total Deferred Outflows of Resources	-	-	-	44,226
FUND BALANCES				
Restricted	-	1,148	-	-
Assigned	269	26,607	32,653	144,823
Total Fund Balances	269	27,755	32,653	144,823
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 269	\$ 38,716	\$ 32,653	\$ 189,049

TECHNOLOGY RESERVE	TRANSPORTATION SDC	WASTEWATER SDC	STORMWATER SDC
\$ 80,075	\$ 14,576	\$ 245,953	\$ 18,941
-	-	-	-
-	-	-	-
<u>\$ 80,075</u>	<u>\$ 14,576</u>	<u>\$ 245,953</u>	<u>\$ 18,941</u>
\$ 712	\$ -	\$ -	\$ -
712	-	-	-
-	-	-	-
-	-	-	-
-	14,576	245,953	18,941
79,363	-	-	-
79,363	14,576	245,953	18,941
<u>\$ 80,075</u>	<u>\$ 14,576</u>	<u>\$ 245,953</u>	<u>\$ 18,941</u>

MAJOR CAPITAL RESERVE	COUNTY-WIDE CAD RESERVE	FIRE STATION FUND	URA EMPIRE CAPITAL PROJECTS	TOTAL
\$ 346,765	\$ 19,942	\$ 214,286	\$ 1,338,591	\$ 2,494,864
8,558	-	-	-	9,284
-	-	-	-	44,226
<u>\$ 355,323</u>	<u>\$ 19,942</u>	<u>\$ 214,286</u>	<u>\$ 1,338,591</u>	<u>\$ 2,548,374</u>
\$ 6,164	\$ -	\$ -	\$ 7,750	\$ 25,587
<u>6,164</u>	<u>-</u>	<u>-</u>	<u>7,750</u>	<u>25,587</u>
-	-	-	-	44,226
-	-	-	-	44,226
6,500	19,942	214,286	-	521,346
<u>342,659</u>	<u>-</u>	<u>-</u>	<u>1,330,841</u>	<u>1,957,215</u>
<u>349,159</u>	<u>19,942</u>	<u>214,286</u>	<u>1,330,841</u>	<u>2,478,561</u>
<u>\$ 355,323</u>	<u>\$ 19,942</u>	<u>\$ 214,286</u>	<u>\$ 1,338,591</u>	<u>\$ 2,548,374</u>

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**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, 2014**

	COMBINED NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR DEBT SERVICE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Property Taxes	\$ 1,657,858	\$ 538,007	\$ -	\$ 2,195,865
Other Taxes	2,443,973	-	-	2,443,973
Intergovernmental Revenues	167,822	-	27,063	194,885
Grants	6,446	-	6,500	12,946
Charges for Services	21,762	-	-	21,762
Charge for Use of Money and Property	22,889	2,247	12,938	38,074
Other - Timber Sales	-	-	30,000	30,000
Miscellaneous	71,262	-	47,347	118,609
Total Revenues	4,392,012	540,254	123,848	5,056,114
EXPENDITURES				
Current				
General Government	-	-	298,019	298,019
Public Safety	177,312	-	6,289	183,601
Public Works	1,546,389	-	2,261	1,548,650
Culture and Recreation	974,697	-	-	974,697
Capital Outlay	-	-	321,947	321,947
Debt Service:				
Principal Retirement	-	1,066,553	-	1,066,553
Interest and Fiscal Charges	-	330,962	-	330,962
Total Expenditures	2,698,398	1,397,515	628,516	4,724,429
Excess of Revenues Over (Under) Expenditures	1,693,614	(857,261)	(504,668)	331,685
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	18,437	-	39,069	57,506
Du Jour Financing	-	(410,733)	350,180	(60,553)
Transfers In	-	1,317,898	236,785	1,554,683
Transfers Out	(1,317,898)	(180,400)	(44,585)	(1,542,883)
Total Other Financing Sources, (Uses)	(1,299,461)	726,765	581,449	8,753
Net Change in Fund Balance	394,153	(130,496)	76,781	340,438
FUND BALANCES - BEGINNING OF YEAR	1,772,333	1,276,537	2,401,780	5,450,650
FUND BALANCES - END OF YEAR	\$ 2,166,486	\$ 1,146,041	\$ 2,478,561	\$ 5,791,088

**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, 2014**

	<u>STATE GAS TAX</u>	<u>HOTEL/ MOTEL TAX</u>	<u>LIBRARY</u>	<u>911 TAX</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	911,698	520,552	1,011,723	-
Charges for Use of Money and Property	1,172	9,175	4,975	571
Intergovernmental Revenues	-	-	-	167,822
Grants	-	-	6,446	-
Charges for Services	-	-	21,762	-
Miscellaneous	37,856	6,842	26,564	-
Total Revenues	<u>950,726</u>	<u>536,569</u>	<u>1,071,470</u>	<u>168,393</u>
EXPENDITURES				
Current				
Public Safety	-	-	-	177,312
Public Works	959,843	586,546	-	-
Culture and Recreation	-	-	974,697	-
Total Expenditures	<u>959,843</u>	<u>586,546</u>	<u>974,697</u>	<u>177,312</u>
Excess of Revenues Over (Under) Expenditures	(9,117)	(49,977)	96,773	(8,919)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(9,117)	(49,977)	96,773	(8,919)
FUND BALANCES - BEGINNING OF YEAR	<u>273,572</u>	<u>142,666</u>	<u>476,135</u>	<u>133,956</u>
FUND BALANCES - END OF YEAR	<u>\$ 264,455</u>	<u>\$ 92,689</u>	<u>\$ 572,908</u>	<u>\$ 125,037</u>

URA DOWNTOWN SPECIAL REVENUE	URA EMPIRE SPECIAL REVENUE	URA EMPIRE PROGRAM	URA DOWNTOWN PROGRAM	TOTAL
\$ 1,011,294	\$ 646,564	\$ -	\$ -	\$ 1,657,858
-	-	-	-	2,443,973
2,929	1,492	2,405	170	22,889
-	-	-	-	167,822
-	-	-	-	6,446
-	-	-	-	21,762
-	-	-	-	71,262
<u>1,014,223</u>	<u>648,056</u>	<u>2,405</u>	<u>170</u>	<u>4,392,012</u>
-	-	-	-	177,312
-	-	-	-	1,546,389
-	-	-	-	974,697
-	-	-	-	2,698,398
1,014,223	648,056	2,405	170	1,693,614
-	-	-	18,437	18,437
<u>(738,403)</u>	<u>(579,495)</u>	<u>-</u>	<u>-</u>	<u>(1,317,898)</u>
<u>(738,403)</u>	<u>(579,495)</u>	<u>-</u>	<u>18,437</u>	<u>(1,299,461)</u>
275,820	68,561	2,405	18,607	394,153
<u>224,767</u>	<u>63,128</u>	<u>434,765</u>	<u>23,344</u>	<u>1,772,333</u>
<u>\$ 500,587</u>	<u>\$ 131,689</u>	<u>\$ 437,170</u>	<u>\$ 41,951</u>	<u>\$ 2,166,486</u>

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**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, 2014

	<u>GO BOND REDEMPTION</u>	<u>URA DOWNTOWN BOND</u>	<u>URA EMPIRE BOND</u>	<u>URA DOWNTOWN BOND RESERVE</u>	<u>URA EMPIRE BOND RESERVE</u>	<u>TOTAL</u>
REVENUES						
Property Taxes	\$ 538,007	\$ -	\$ -	\$ -	\$ -	\$ 538,007
Charges for Use of Money and Property	2,247	-	-	-	-	2,247
Total Revenues	<u>540,254</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>540,254</u>
EXPENDITURES						
Debt Services						
Principal Retirement	275,000	584,280	207,273	-	-	1,066,553
Interest and Fiscal Charges	215,350	97,107	18,505	-	-	330,962
Total Expenditures	<u>490,350</u>	<u>681,387</u>	<u>225,778</u>	<u>-</u>	<u>-</u>	<u>1,397,515</u>
Excess of Revenues Over (Under) Expenditures	49,904	(681,387)	(225,778)	-	-	(857,261)
OTHER FINANCING SOURCES (USES)						
Du Jour Financing	-	(57,016)	(353,717)	-	-	(410,733)
Transfers In	-	738,403	579,495	-	-	1,317,898
Transfers Out	(180,400)	-	-	-	-	(180,400)
Total Other Financing Sources (Uses)	<u>(180,400)</u>	<u>681,387</u>	<u>225,778</u>	<u>-</u>	<u>-</u>	<u>726,765</u>
Net Change in Fund Balance	(130,496)	-	-	-	-	(130,496)
FUND BALANCES - BEGINNING OF YEAR	<u>367,470</u>	<u>1,034</u>	<u>-</u>	<u>682,204</u>	<u>225,829</u>	<u>1,276,537</u>
FUND BALANCES - END 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>

**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, 2014**

	STREET IMPROVEMENT	PARKS IMPROVEMENT	BIKE/ PEDESTRIAN IMPROVEMENT	SPECIAL IMPROVEMENT
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ 9,209	\$ -
Grants	-	-	-	-
Charges for Use of Money and Property	1	432	148	796
Other - Timber Sales	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1	432	9,357	796
EXPENDITURES				
Materials and Services	-	2,261	-	-
Capital Outlay	-	24,980	-	-
Debt Service	-	-	-	-
Total Expenditures	-	27,241	-	-
Excess of Revenues Over (Under) Expenditures	1	(26,809)	9,357	796
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Du Jour Financing	-	-	-	-
Transfer In	-	-	-	-
Transfer Out	-	(40,000)	-	-
Total Other Financing Sources (Uses)	-	(40,000)	-	-
Net Changes in Fund Balance	1	(66,809)	9,357	796
FUND BALANCES - BEGINNING OF YEAR	268	94,564	23,296	144,027
FUND BALANCES - END OF YEAR	\$ 269	\$ 27,755	\$ 32,653	\$ 144,823

TECHNOLOGY RESERVE	TRANSPORTATION SDC	WASTEWATER SDC	STORMWATER SDC	MAJOR CAPITAL RESERVE
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	6,500
581	80	1,353	104	2,003
-	-	-	-	30,000
-	-	-	-	10,986
<u>581</u>	<u>80</u>	<u>1,353</u>	<u>104</u>	<u>49,489</u>
30,888	-	-	-	38,273
23,031	-	-	-	216,468
-	-	-	-	-
<u>53,919</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>254,741</u>
(53,338)	80	1,353	104	(205,252)
-	-	-	-	39,069
-	-	-	-	-
11,800	-	-	-	40,000
(4,585)	-	-	-	-
<u>7,215</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,069</u>
(46,123)	80	1,353	104	(126,183)
<u>125,486</u>	<u>14,496</u>	<u>244,600</u>	<u>18,837</u>	<u>475,342</u>
<u>\$ 79,363</u>	<u>\$ 14,576</u>	<u>\$ 245,953</u>	<u>\$ 18,941</u>	<u>\$ 349,159</u>

COUNTY-WIDE CAD RESERVE	FIRE STATION FUND	URA EMPIRE CAPITAL PROJECTS	TOTAL
\$ 17,854	\$ -	\$ -	\$ 27,063
-	-	-	6,500
170	921	6,349	12,938
-	-	-	30,000
-	36,361	-	47,347
<u>18,024</u>	<u>37,282</u>	<u>6,349</u>	<u>123,848</u>
6,289	-	228,858	306,569
28,532	3,396	25,540	321,947
-	-	-	-
<u>34,821</u>	<u>3,396</u>	<u>254,398</u>	<u>628,516</u>
(16,797)	33,886	(248,049)	(504,668)
-	-	-	39,069
-	-	350,180	350,180
4,585	180,400	-	236,785
-	-	-	(44,585)
<u>4,585</u>	<u>180,400</u>	<u>350,180</u>	<u>581,449</u>
(12,212)	214,286	102,131	76,781
<u>32,154</u>	<u>-</u>	<u>1,228,710</u>	<u>2,401,780</u>
<u>\$ 19,942</u>	<u>\$ 214,286</u>	<u>\$ 1,330,841</u>	<u>\$ 2,478,561</u>

**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, 2014**

<u>STATE GAS TAX FUND</u>				
	<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	\$ 911,698	\$ 41,698
Charges for use of money and property				
Interest on Investments	800	800	1,172	372
Miscellaneous	10,000	10,000	37,856	27,856
Total Revenues	<u>880,800</u>	<u>880,800</u>	<u>950,726</u>	<u>69,926</u>
EXPENDITURES				
Public Works				
Personal Services	404,504	404,504	365,705	38,799
Materials and Services	647,638	647,638	594,138	53,500
Total Public Works	<u>1,052,142</u>	<u>1,052,142</u>	<u>959,843</u>	<u>92,299</u>
Total Expenditures	<u>1,052,142</u>	<u>1,052,142</u>	<u>959,843</u>	<u>92,299</u>
Excess of Revenues Over (Under) Expenditures	(171,342)	(171,342)	(9,117)	(22,373)
OTHER FINANCING SOURCES (USES)				
Transfers In	41,342	41,342	-	(41,342)
Total Transfers	<u>41,342</u>	<u>41,342</u>	<u>-</u>	<u>(41,342)</u>
Net Change in Fund Balance	(130,000)	(130,000)	(9,117)	120,883
FUND BALANCE - BEGINNING OF YEAR	<u>130,000</u>	<u>130,000</u>	<u>273,572</u>	<u>143,572</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 264,455</u>	<u>\$ 264,455</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, 2014**

<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	\$ 479,980	\$ 479,980	\$ 520,552	\$ 40,572
Charges for Use of Money and Property				
Interest on Investments	100	100	392	292
Visitors Center Revenue	8,000	8,000	8,423	423
Property Rentals	720	720	360	(360)
Total Charges for Use of Money and Property	8,820	8,820	9,175	355
Miscellaneous Income	3,000	3,000	6,842	3,842
Total Revenues	491,800	491,800	536,569	44,769
EXPENDITURES				
Public Works				
Personal Services	236,823	236,823	201,824	34,999
Materials and Services	478,479	478,479	384,722	93,757
Total Operations	715,302	715,302 (1)	586,546	128,756
Total Expenditures	715,302	715,302	586,546	128,756
Excess of Revenues Over (Under) Expenditures	(223,502)	(223,502)	(49,977)	173,525
OTHER FINANCING SOURCES (USES)				
Transfer In	171,474	171,474	-	(171,474)
Total Other Financing Sources, (Uses)	171,474	171,474	-	(171,474)
Net Change in Fund Balance	(52,028)	(52,028)	(49,977)	2,051
FUND BALANCE - BEGINNING OF YEAR	52,028	52,028	142,666	90,638
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 92,689</u>	<u>\$ 92,689</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, 2014**

<u>LIBRARY FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Taxes				
County Serial Levy	\$ 927,000	\$ 927,000	\$ 1,011,723	\$ 84,723
Intergovernmental				
State Library Grant	1,500	1,500	1,910	410
Other Grants	1,000	6,400	4,536	(1,864)
Total Intergovernmental	2,500	7,900	6,446	(1,454)
Charges for Services				
Copies	4,000	4,000	6,181	2,181
Database Specialist Fees	68,743	68,743	455	(68,288)
Library Fees	18,000	18,000	15,126	(2,874)
Total Charge for Services	90,743	90,743	21,762	(68,981)
Charges for Use of Money and Property				
Interest on Investments	800	800	2,670	1,870
Property Rentals	2,500	2,500	2,305	(195)
Total Charges for Use of Money and Property	3,300	3,300	4,975	1,675
Miscellaneous				
Donations	18,500	18,500	25,923	7,423
Other	500	500	641	141
Total Miscellaneous	19,000	19,000	26,564	7,564
Total Revenues	1,042,543	1,047,943	1,071,470	23,527
EXPENDITURES				
Cultural and Recreation				
Personal Services	883,422	883,422	731,817	151,605
Materials and Services	261,090	266,490	242,880	23,610
Total Library Operations	1,144,512	1,149,912 (1)	974,697	175,215
Contingency	285,031	285,031 (1)	-	285,031
Total Expenditures	1,429,543	1,434,943	974,697	460,246
Net Change in Fund Balance	(387,000)	(387,000)	96,773	483,773
FUND BALANCE - BEGINNING OF YEAR	387,000	387,000	476,135	89,135
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 572,908	\$ 572,908

(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, 2014**

<u>911 TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
911 Revenue	\$ 165,092	\$ 165,092	\$ 167,822	\$ 2,730
Charges for Use of Money and Property				
Interest on Investments	100	100	571	471
Total Revenues	<u>165,192</u>	<u>165,192</u>	<u>168,393</u>	<u>3,201</u>
EXPENDITURES				
Public Safety				
Personal Services	181,319	181,319	162,086	19,233
Materials and Services	28,000	28,000	15,226	12,774
Total Operations	<u>209,319</u>	<u>209,319</u> (1)	<u>177,312</u>	<u>32,007</u>
Contingency	20,000	20,000 (1)	-	20,000
Total Expenditures	<u>229,319</u>	<u>229,319</u>	<u>177,312</u>	<u>52,007</u>
Net Change in Fund Balance	(64,127)	(64,127)	(8,919)	55,208
FUND BALANCE - BEGINNING OF YEAR	<u>105,000</u>	<u>105,000</u>	<u>133,956</u>	<u>28,956</u>
FUND BALANCE - END OF YEAR	<u>\$ 40,873</u>	<u>\$ 40,873</u>	<u>\$ 125,037</u>	<u>\$ 84,164</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, 2014

URA DOWNTOWN SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Property Taxes	\$ 968,432	\$ 968,432	\$ 1,011,294	\$ 42,862
Interest on Investments	50	50	2,929	2,879
Total Revenues	<u>968,482</u>	<u>968,482</u>	<u>1,014,223</u>	<u>45,741</u>
EXPENDITURES				
Capital Outlay	230,000	230,000 (1)	-	230,000
Total Expenditures	<u>230,000</u>	<u>230,000</u>	<u>-</u>	<u>230,000</u>
Excess of Revenues, Over (Under) Expenditures	738,482	738,482	1,014,223	275,741
OTHER FINANCING SOURCES (USES)				
Transfers Out	(738,742)	(738,742) (1)	(738,403)	339
Total Other Financing Sources, (Uses)	<u>(738,742)</u>	<u>(738,742)</u>	<u>(738,403)</u>	<u>339</u>
Net Change in Fund Balance	(260)	(260)	275,820	276,080
FUND BALANCE - BEGINNING OF YEAR	<u>260</u>	<u>260</u>	<u>224,767</u>	<u>224,507</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,587</u>	<u>\$ 500,587</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, 2014**

URA EMPIRE SPECIAL REVENUE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Property Taxes	\$ 596,901	\$ 596,901	\$ 646,564	\$ 49,663
Interest on Investments	100	100	1,492	1,392
Total Revenues	<u>597,001</u>	<u>597,001</u>	<u>648,056</u>	<u>51,055</u>
EXPENDITURES				
Capital Outlay	<u>50,000</u>	<u>50,000 (1)</u>	<u>-</u>	<u>50,000</u>
Total Expenditures	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Excess of Revenues Over, (Under) Expenditures	547,001	547,001	648,056	101,055
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(579,525)</u>	<u>(579,525) (1)</u>	<u>(579,495)</u>	<u>30</u>
Total Other Financing Sources, (Uses)	<u>(579,525)</u>	<u>(579,525)</u>	<u>(579,495)</u>	<u>30</u>
Net Change in Fund Balance	(32,524)	(32,524)	68,561	101,085
FUND BALANCE - BEGINNING OF YEAR	<u>32,524</u>	<u>32,524</u>	<u>63,128</u>	<u>30,604</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 131,689</u>	<u>\$ 131,689</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, 2014**

URA EMPIRE PROGRAM FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ 1,000	\$ 1,000	\$ 2,405	\$ 1,405
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>2,405</u>	<u>1,405</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>
Net Change in Fund Balance	(199,000)	(199,000)	2,405	201,405
FUND BALANCE - BEGINNING OF YEAR	<u>433,600</u>	<u>433,600</u>	<u>434,765</u>	<u>1,165</u>
FUND BALANCE - END OF YEAR	<u>\$ 234,600</u>	<u>\$ 234,600</u>	<u>\$ 437,170</u>	<u>\$ 202,570</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, 2014**

URA DOWNTOWN PROGRAM FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ 10	\$ 10	\$ 170	\$ 160
Total Revenues	10	10	170	160
EXPENDITURES				
Materials and Services	23,310	23,310 (1)	-	23,310
Total Expenditures	23,310	23,310	-	23,310
Excess of Revenues Over (Under) Expenditures	(23,300)	(23,300)	170	(23,150)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	18,437	18,437
Total Other Financing Sources, (Uses)	-	-	18,437	18,437
Net Change in Fund Balance	(23,300)	(23,300)	18,607	41,907
Beginning Fund Balance	23,300	23,300	23,344	44
Ending Fund Balance	\$ -	\$ -	\$ 41,951	\$ 41,951

(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, 2014**

GENERAL OBLIGATION BOND REDEMPTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Taxes	\$ 520,380	\$ 520,380	\$ 538,007	\$ 17,627
Charges for Use of Money and Property				
Interest on Investments	100	100	2,247	2,147
Total Revenues	<u>520,480</u>	<u>520,480</u>	<u>540,254</u>	<u>19,774</u>
EXPENDITURES				
Debt Service				
Principal	275,010	275,010	275,000	10
Interest	215,370	215,370	215,350	20
Total Expenditures	<u>490,380</u>	<u>490,380 (1)</u>	<u>490,350</u>	<u>30</u>
Excess of Revenues Over (Under) Expenditures	30,100	30,100	49,904	19,804
OTHER FINANCING SOURCES (USES)				
Transfers Out	(180,400)	(180,400) (1)	(180,400)	-
Total Other Financing Sources, (Uses)	<u>(180,400)</u>	<u>(180,400)</u>	<u>(180,400)</u>	<u>-</u>
Net Change in Fund Balance	(150,300)	(150,300)	(130,496)	19,804
FUND BALANCE - BEGINNING OF YEAR	<u>250,000</u>	<u>250,000</u>	<u>367,470</u>	<u>117,470</u>
FUND BALANCE - END OF YEAR	<u>\$ 99,700</u>	<u>\$ 99,700</u>	<u>\$ 236,974</u>	<u>\$ 137,274</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, 2014**

URA DOWNTOWN BOND FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
EXPENDITURES				
Debt Service				
Principal	\$ 584,378	\$ 584,378	\$ 584,280	\$ 98
Interest	97,348	97,348	97,107	241
Total Expenditures	<u>681,726</u>	<u>681,726</u> (2)	<u>681,387</u>	<u>339</u>
Excess of Revenues Over, (Under) Expenditures	(681,726)	(681,726)	(681,387)	339
OTHER FINANCING SOURCES (USES)				
Du Jour Financing	(57,016)	(57,016) (2)	(57,016)	-
Transfers In	738,742	738,742	738,403	(339)
Total Other Financing Sources, (Uses)	<u>681,726</u>	<u>681,726</u>	<u>681,387</u>	<u>(339)</u>
Net Change in Fund Balance	-	-	-	-
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>\$ 1,034</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, 2014

<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	\$ 207,237	\$ 207,237	\$ 207,273	\$ (36)
Interest	18,571	18,571	18,505	66
	<u>225,808</u>	<u>225,808</u>	<u>225,778</u>	<u>30</u>
Total Expenditures	225,808	225,808 (2)	225,778	30
Excess of Revenues Over, -Under Expenditures	(225,808)	(225,808)	(225,778)	30
OTHER FINANCING SOURCES (USES)				
Du Jour Financing	(353,717)	(353,717) (2)	(353,717)	-
Transfers In	579,525	579,525	579,495	(30)
	<u>225,808</u>	<u>225,808</u>	<u>225,778</u>	<u>(30)</u>
Total Other Financing Sources, (Uses)	225,808	225,808	225,778	(30)
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, 2014

URA DOWNTOWN BOND RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Contingency	681,689	681,689 (1)	-	681,689
Total Expenditures	681,689	681,689	-	681,689
Net Change in Fund Balance	(681,689)	(681,689)	-	681,689
FUND BALANCE - BEGINNING OF YEAR	681,689	681,689	682,204	515
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 682,204	\$ 682,204

(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, 2014

URA EMPIRE BOND RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Contingency	225,770	225,770 (1)	-	225,770
Total Expenditures	225,770	225,770	-	225,770
Net Change in Fund Balance	(225,770)	(225,770)	-	225,770
FUND BALANCE - BEGINNING OF YEAR	225,770	225,770	225,829	59
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 225,829	\$ 225,829

(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, 2014**

STREET IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Intergovernmental				
State	\$ 173,283	\$ 173,283	\$ -	\$ (173,283)
Charges for Use of Money and Property				
Interest on Investments	-	-	1	1
Total Revenues	<u>173,283</u>	<u>173,283</u>	<u>1</u>	<u>(173,282)</u>
EXPENDITURES				
Public Works				
Capital Outlay	<u>173,550</u>	<u>173,550 (1)</u>	<u>-</u>	<u>173,550</u>
Total Expenditures	<u>173,550</u>	<u>173,550</u>	<u>-</u>	<u>173,550</u>
Net Change in Fund Balance	(267)	(267)	1	268
FUND BALANCE - BEGINNING OF YEAR	<u>267</u>	<u>267</u>	<u>268</u>	<u>1</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 269</u>	<u>\$ 269</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, 2014

PARKS IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 300	\$ 300	\$ 432	\$ 132
Grants	375,000	375,000	-	(375,000)
Donations	132,226	132,226	-	(132,226)
Total Revenues	<u>507,526</u>	<u>507,526</u>	<u>432</u>	<u>(507,094)</u>
EXPENDITURES				
Culture and Recreation				
Materials and Services	2,226	2,226 (1)	2,261	(35)
Capital Outlay	556,300	556,300 (1)	24,980	531,320
Total Culture and Recreation	<u>558,526</u>	<u>558,526</u>	<u>27,241</u>	<u>531,285</u>
Total Expenditures	<u>558,526</u>	<u>558,526</u>	<u>27,241</u>	<u>531,285</u>
Excess of Revenues Over (Under)				
Expenditures	(51,000)	(51,000)	(26,809)	24,191
OTHER FINANCING SOURCES (USES)				
Transfers Out	(40,000)	(40,000) (1)	(40,000)	-
Total Other Financing Sources (Uses)	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net Change in Fund Balance	(91,000)	(91,000)	(66,809)	24,191
FUND BALANCE - BEGINNING OF YEAR	<u>91,000</u>	<u>91,000</u>	<u>94,564</u>	<u>3,564</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,755</u>	<u>\$ 27,755</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, 2014**

BIKE/PEDESTRIAN PATH CONSTRUCTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Intergovernmental				
State Gas Tax	\$ 8,250	\$ 8,250	\$ 9,209	\$ 959
Charges for Use of Money and Property				
Interest on Investments	50	50	148	98
Total Revenues	<u>8,300</u>	<u>8,300</u>	<u>9,357</u>	<u>1,057</u>
EXPENDITURES				
Culture and Recreation				
Capital Outlay	30,725	30,725 (1)	-	30,725
Total Expenditures	<u>30,725</u>	<u>30,725</u>	<u>-</u>	<u>30,725</u>
Net Change in Fund Balance	(22,425)	(22,425)	9,357	31,782
FUND BALANCE - BEGINNING OF YEAR	<u>22,425</u>	<u>22,425</u>	<u>23,296</u>	<u>871</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,653</u>	<u>\$ 32,653</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, 2014**

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	\$ 400	\$ 400	\$ 796	\$ 396
Miscellaneous				
Principal	2,200	2,200	-	(2,200)
Interest	2,000	2,000	-	(2,000)
Total Miscellaneous	4,200	4,200	-	(4,200)
Total Revenues	4,600	4,600	796	(3,804)
EXPENDITURES				
Culture and Recreation				
Materials and Services	15,000	15,000 (1)	-	15,000
Capital Outlay	138,550	133,627 (1)	-	133,627
Total Expenditures	153,550	148,627	-	148,627
Net Change in Fund Balance	(148,950)	(144,027)	796	144,823
FUND BALANCE - BEGINNING OF YEAR	148,950	144,027	144,027	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,823</u>	<u>\$ 144,823</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, 2014**

TECHNOLOGY 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	\$ 200	\$ 200		\$ 581	\$ 381
Total Revenues	<u>200</u>	<u>200</u>		<u>581</u>	<u>381</u>
EXPENDITURES					
General Government					
Materials and Services	50,000	90,000	(1)	30,888	59,112
Capital Outlay	58,822	117,901	(1)	23,031	94,870
Total Expenditures	<u>108,822</u>	<u>207,901</u>		<u>53,919</u>	<u>153,982</u>
Excess of Revenues Over (Under) Expenditures	(108,622)	(207,701)		(53,338)	154,363
OTHER FINANCING SOURCES (USES)					
Transfers In	86,800	86,800		11,800	(75,000)
Transfers Out	(4,585)	(4,585)	(1)	(4,585)	-
Total Other Financing Sources (Uses)	<u>82,215</u>	<u>82,215</u>		<u>7,215</u>	<u>(75,000)</u>
Net Change in Fund Balance	(26,407)	(125,486)		(46,123)	79,363
FUND BALANCE - BEGINNING OF YEAR	<u>26,407</u>	<u>125,486</u>		<u>125,486</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 79,363</u>	<u>\$ 79,363</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, 2014**

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	\$ 64	\$ 64	\$ 80	\$ 16
Total Revenues	<u>64</u>	<u>64</u>	<u>80</u>	<u>16</u>
EXPENDITURES				
Capital Outlay	<u>14,508</u>	<u>14,508 (1)</u>	-	<u>14,508</u>
Total Expenditures	<u>14,508</u>	<u>14,508</u>	-	<u>14,508</u>
Net Change in Fund Balance	(14,444)	(14,444)	80	14,524
FUND BALANCE - BEGINNING OF YEAR	<u>14,444</u>	<u>14,444</u>	<u>14,496</u>	<u>52</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,576</u>	<u>\$ 14,576</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, 2014**

	<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	\$ 733	\$ 733	\$ 1,353	\$ 620
Total Revenues	<u>733</u>	<u>733</u>	<u>1,353</u>	<u>620</u>
EXPENDITURES				
Wastewater Collection and Treatment				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	733	733	1,353	620
FUND BALANCE - BEGINNING OF YEAR	<u>244,599</u>	<u>244,599</u>	<u>244,600</u>	<u>1</u>
FUND BALANCE - END OF YEAR	<u>\$ 245,332</u>	<u>\$ 245,332</u>	<u>\$ 245,953</u>	<u>\$ 621</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, 2014**

<u>STORMWATER 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	\$ 56	\$ 56	\$ 104	\$ 48
Total Revenues	<u>56</u>	<u>56</u>	<u>104</u>	<u>48</u>
EXPENDITURES				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	56	56	104	48
FUND BALANCE - BEGINNING OF YEAR	<u>18,817</u>	<u>18,817</u>	<u>18,837</u>	<u>20</u>
FUND BALANCE - END OF YEAR	<u>\$ 18,873</u>	<u>\$ 18,873</u>	<u>\$ 18,941</u>	<u>\$ 68</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, 2014**

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	\$ 2,003	\$ 1,503
Grants	25,000	25,000	6,500	(18,500)
Other-Timber Sales	700,000	700,000	30,000	(670,000)
Miscellaneous	-	-	10,986	10,986
Total Revenues	<u>725,500</u>	<u>725,500</u>	<u>49,489</u>	<u>(676,011)</u>
EXPENDITURES				
General Government				
Materials and Services	223,750	223,750 (1)	38,273	185,477
Capital Outlay	540,000	540,000 (1)	216,468	323,532
Total Expenditures	<u>763,750</u>	<u>763,750</u>	<u>254,741</u>	<u>509,009</u>
Excess of Revenues Over (Under)				
Expenditures	(38,250)	(38,250)	(205,252)	(167,002)
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	39,069	39,069
Transfers In	65,000	65,000	40,000	(25,000)
Transfers Out	(75,000)	(75,000) (1)	-	75,000
Total Other Financing Sources (Uses)	<u>(10,000)</u>	<u>(10,000)</u>	<u>79,069</u>	<u>89,069</u>
Net Change in Fund Balance	(48,250)	(48,250)	(126,183)	(77,933)
FUND BALANCE - BEGINNING OF YEAR	<u>174,255</u>	<u>174,255</u>	<u>475,342</u>	<u>301,087</u>
FUND BALANCE - END OF YEAR	<u>\$ 126,005</u>	<u>\$ 126,005</u>	<u>\$ 349,159</u>	<u>\$ 223,154</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, 2014**

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	\$ 170	\$ 120
Intergovernmental				
Revenue from Other Agencies	17,791	17,791	17,854	63
Total Revenues	17,841	17,841	18,024	183
EXPENDITURES				
General Government				
Materials and Services	10,000	10,000 (1)	6,289	3,711
Capital Outlay	16,000	29,509 (1)	28,532	977
Total Expenditures	26,000	39,509	34,821	4,688
Excess of Revenues Over (Under)				
Expenditures	(8,159)	(21,668)	(16,797)	4,871
OTHER FINANCING SOURCES (USES)				
Transfers In	4,585	4,585	4,585	-
Net Change in Fund Balance	(3,574)	(17,083)	(12,212)	4,871
FUND BALANCE - BEGINNING OF YEAR	18,645	32,154	32,154	-
FUND BALANCE - END OF YEAR	\$ 15,071	\$ 15,071	\$ 19,942	\$ 4,871

(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, 2014**

<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	\$ 50	\$ 50	\$ 921	\$ 871
Miscellaneous	-	-	36,361	36,361
Total Revenues	<u>50</u>	<u>50</u>	<u>37,282</u>	<u>37,232</u>
EXPENDITURES				
Capital Outlay				
Fire Station	180,450	180,450 (1)	3,396	177,054
Total Expenditures	<u>180,450</u>	<u>180,450</u>	<u>3,396</u>	<u>177,054</u>
Excess of Revenues Over (Under)				
Expenditures	(180,400)	(180,400)	33,886	214,286
OTHER FINANCING SOURCES (USES)				
Transfers In	180,400	180,400	180,400	-
Total Other Financing Sources (Uses)	<u>180,400</u>	<u>180,400</u>	<u>180,400</u>	<u>-</u>
Net Change in Fund Balance	-	-	214,286	214,286
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 214,286</u>	<u>\$ 214,286</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, 2014**

URA EMPIRE CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ 400	\$ 400	\$ 6,349	\$ 5,949
Total Revenues	400	400	6,349	5,949
EXPENDITURES				
Materials and Services	317,887	317,887 (1)	228,858	89,029
Capital Outlay	702,537	702,537 (1)	25,540	676,997
Total Expenditures	1,020,424	1,020,424	254,398	766,026
Excess of Revenues Over, (Under) Expenditures	(1,020,024)	(1,020,024)	(248,049)	771,975
OTHER FINANCING SOURCES (USES)				
Du Jour Financing	350,180	350,180	350,180	-
Total Other Financing Sources, (Uses)	350,180	350,180	350,180	-
Net Change in Fund Balance	(669,844)	(669,844)	102,131	771,975
FUND BALANCE - BEGINNING OF YEAR	750,000	750,000	1,228,710	478,710
FUND BALANCE - END OF YEAR	\$ 80,156	\$ 80,156	\$ 1,330,841	\$ 1,250,685

(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, 2014**

RAINY DAY RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 300	\$ 300	\$ 2,473	\$ 2,173
Total Revenues	300	300	2,473	2,173
EXPENDITURES				
Contingency	483,568	483,568	-	483,568
Total Expenditures	483,568	483,568	-	483,568
Excess of Revenues Over (Under) Expenditures	(483,268)	(483,268)	2,473	485,741
OTHER FINANCING SOURCES (USES)				
Transfer In	88,843	88,843	88,843	-
Total Other Financing Sources, (Uses)	88,843	88,843	88,843	-
Net Change in Fund Balance	(394,425)	(394,425)	91,316	485,741
FUND BALANCE - BEGINNING OF YEAR	394,425	394,425	396,395	1,970
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 487,711</u>	<u>\$ 487,711</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, 2014**

	<u>BALANCE JUNE 30, 2013</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2014</u>
ASSETS				
Cash and Investments	<u>\$ 150,458</u>	<u>\$ 254,333</u>	<u>\$ 213,375</u>	<u>\$ 191,416</u>
 LIABILITIES				
Due to Agency	<u>\$ 150,458</u>	<u>\$ 254,333</u>	<u>\$ 213,375</u>	<u>\$ 191,416</u>

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

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2014**

General Fund:						
TAX YEAR	IMPOSED LEVY OR OR BALANCE UNCOLLECTED AT 7/1/13	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/14
Current:						
2013-14	\$ 5,466,782	\$ 135,105	\$ (12,733)	\$ 3,493	\$ 5,057,886	\$ 264,551
Prior Years:						
2012-13	291,499	(13)	(13,645)	10,320	143,820	144,367
2011-12	169,870	-	(1,918)	13,615	84,156	97,411
2010-11	102,266	-	(1,619)	20,881	87,876	33,652
2009-10	36,185	-	(2,204)	9,518	33,656	9,843
2008-09 & Prior	27,669	-	(3,916)	5,079	11,497	17,335
Total Prior	627,489	(13)	(23,302)	59,413	361,005	302,608
Total All Funds	\$ 6,094,271	\$ 135,092	\$ (36,035)	\$ 62,906	\$ 5,418,891	\$ 567,159

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 5,418,891
Accrual of Receivables:	
June 30, 2013	(73,854)
June 30, 2014	73,626
Taxes in Lieu of Property Taxes	19,243
Total Revenue	\$ 5,437,906

Debt Service Fund:

2013-14	\$ 545,463	\$ 13,481	\$ (1,269)	\$ 348	\$ 504,664	\$ 26,395
Prior Years:						
2012-13	29,256	(1)	(1,377)	1,035	14,430	14,485
2011-12	17,126	-	(194)	1,373	8,484	9,821
2010-11	10,444	-	(165)	2,132	8,974	3,437
2009-10	4,103	-	(250)	1,079	3,816	1,116
2008-09 & Prior	1,048	-	(311)	200	253	684
Total Prior	61,977	(1)	(2,297)	5,819	35,957	29,543
Total All Funds	\$ 607,440	\$ 13,480	\$ (3,566)	\$ 6,167	\$ 540,621	\$ 55,938

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 540,621
Accrual of Receivables:	
June 30, 2013	(7,427)
June 30, 2014	7,282
Taxes in Lieu of Property Taxes	(2,469)
Total Revenue	\$ 538,007

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

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2014**

URBAN RENEWAL:						
TAX YEAR	IMPOSED LEVY OR OR BALANCE UNCOLLECTED AT 7/1/13	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/14
Current:						
2013-14	\$ 1,671,987	\$ 41,321	\$ (5,187)	\$ 1,068	\$ 1,545,860	\$ 80,687
Prior Years:						
2012-13	87,768	(4)	(7,020)	3,115	40,293	43,573
2011-12	50,411	-	(3,236)	4,162	21,562	29,775
2010-11	30,610	-	(7,780)	5,976	19,174	9,632
2009-10	10,708	-	(4,135)	2,558	6,486	2,645
2008-09 & Prior	6,439	-	(2,124)	1,174	1,483	4,006
Total Prior	<u>185,936</u>	<u>(4)</u>	<u>(24,295)</u>	<u>16,985</u>	<u>88,998</u>	<u>89,631</u>
Total All Funds	<u>\$ 1,857,923</u>	<u>\$ 41,317</u>	<u>\$ (29,482)</u>	<u>\$ 18,053</u>	<u>\$ 1,634,858</u>	<u>\$ 170,318</u>

BALANCE UNCOLLECTED OR UNSEGREGATED

Downton Special Revenue Fund	\$ 104,849
Empire Special Revenue Fund	65,469
Total Balance Uncollected or Unsegregated - All Funds	<u>170,318</u>

RECONCILIATION TO REVENUE:

	DOWNTOWN SPECIAL REVENUE	EMPIRE SPECIAL REVENUE
Cash Collections by County Treasurer Above	\$ 1,000,845	\$ 642,057
Accrual of Receivables:		
June 30, 2013	(13,446)	(8,456)
June 30, 2014	13,560	8,669
Taxes in Lieu of Property Taxes	<u>10,335</u>	<u>4,294</u>
Total Revenue	<u>\$ 1,011,294</u>	<u>\$ 646,564</u>

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

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

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November 10, 2014

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, 2014, and have issued our report thereon dated November 10, 2014. 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.**

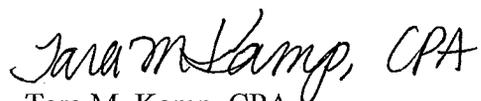
In connection with our testing nothing came to our attention that caused us to believe the City of Coos Bay, Oregon was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except for the following.

1. One budget appropriation was over expended as noted on page 28.

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.


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