

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

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2013



12700 SW 72nd Ave.
Tigard, OR 97223

CITY OF COOS BAY
COOS COUNTY, OREGON

For the Year Ended June 30, 2013

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

Gene Melton

November 2016

Dr. John Muenchrath

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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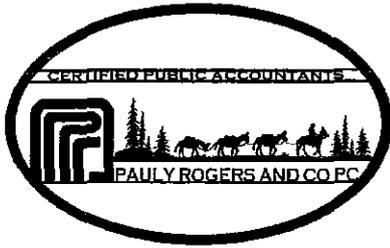
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COOS COUNTY, OREGON
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COOS COUNTY, OREGON
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November 20, 2013

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, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Coos Bay-North Bend Water Board, which represent 14%, 16%, and 3%, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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, 2013, 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.

The City adopted the provisions of GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and GASB Statement No. 61, the Financial Reporting Entity, for the year ended June 30, 2013. 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 schedule of expenditures of federal expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplementary information, as listed in the table of contents, and the schedule of expenditures of federal expenditures 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, and the schedule of federal expenditures 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.

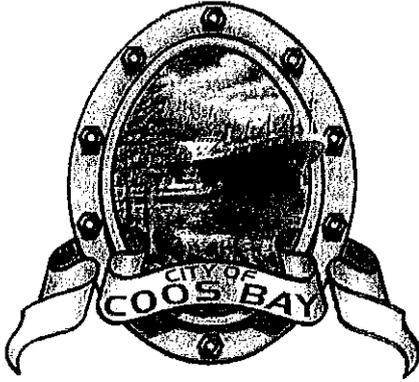
Reports on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2013 on our consideration of the internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 20, 2013, 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
Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

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City of Coos Bay

Finance Department

500 Central Avenue, Coos Bay, Oregon 97420

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

MANAGEMENT'S DISCUSSION AND ANALYSIS Fiscal Year Ended June 30, 2013

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, 2013. 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 have been blended with the City of Coos Bay's financial statements beginning this fiscal year to comply with GASB 61.
- The City's assets totaled \$170,601,347 at June 30, 2013, consisting of \$20,008,230 in unrestricted cash and cash equivalents; \$113,368,176 in capital assets; \$24,464,033 in investment in joint venture; and \$3,448,694 in receivables, prepaids, and unamortized debt issuance costs. Total assets increased by \$10,376,028 from the previous fiscal year.
- The City's liabilities totaled \$22,224,896 at June 30, 2013, consisting of \$20,397,107 in noncurrent liabilities, \$46,869 in accrued interest, and \$1,780,920 in accounts payable and other liabilities. Total liabilities increased by \$4,477,964 from the previous fiscal year.
- The assets of the City exceeded its liabilities at June 30, 2013 by \$148,376,451 (net position), consisting of \$35,190,010 in unrestricted fund balance (which includes the invested in joint venture); \$107,948,176 investment in capital assets; and the remainder of \$5,238,265 restricted for capital projects, other external requirements, and debt service. Unrestricted fund balance represents the amount that may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$1,725,713 from the previous fiscal year. This represents an increase of \$2,370,025 in the combination of investment in capital assets net and invested in joint venture, an increase of \$1,078,858 restricted for debt service, an increase of \$706,561 restricted for capital projects and other external requirements, and a decrease of \$5,281,157 in unrestricted.
- As of the close of the current fiscal year, the City's Balance Sheet Governmental Funds reported combined ending fund balances of \$17,083,336, an increase of \$366,679 over the prior fiscal year. The total combined governmental funds balance is composed of \$4,629,844 (27%) in restricted funds, \$4,808,400 (28%) in nonspendable funds, \$5,465,703 (32%) in assigned funds, and \$2,179,389 (13%) in unassigned funds.
- The City's unassigned fund balance for the General Fund, \$2,267,536 at June 30, 2013, decreased \$1,256,779. The unassigned general fund balance represents 13% of the general fund available for spending at the government's discretion in the budget process.
- The City's total governmental and business activities long term debt had a net decrease of \$35,313 during the current fiscal year to an ending balance of \$20,397,108, 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 2013, IFA #1 loan

from the State of Oregon for wastewater improvements, 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, 2013. 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	
	2012	2013 Restated	2012	2013 Restated	2012	2013 Restated
Current and Other Assets	\$ 23,008,540	\$ 28,396,541	\$ 3,341,443	\$ 4,372,597	\$ 26,349,983	\$ 32,769,138
Investment in Coos Bay-North Bend Water Board	23,958,336	24,464,033	0	0	23,958,336	24,464,033
Capital Assets, net	93,390,452	96,457,093	16,526,548	16,911,083	109,917,000	113,368,176
Total Assets	140,357,328	149,317,667	19,867,991	21,283,680	160,225,319	170,601,347
Long-term Liabilities Outstanding	15,540,374	20,676,505	0	592,203	15,540,374	21,268,708
Other Liabilities	2,089,091	362,856	117,467	593,332	2,206,558	958,188
Total Liabilities	17,629,465	21,039,361	117,467	1,185,535	17,746,932	22,224,896
Net Position:						
Invested in Capital Assets, Net	87,705,452	91,037,093	16,526,548	16,911,083	104,232,000	107,948,176
Invested in Joint Venture	23,958,336	24,464,033	0	0	23,958,336	24,464,033
Restricted for debt service	1,216,932	3,202,255	0	0	1,216,932	3,202,255
Restricted for capital projects	376,947	537,896	124,398	608,421	501,345	1,146,317
Restricted for other	828,104	889,693	0	0	828,104	889,693
Unrestricted	8,642,092	8,147,338	3,099,578	2,578,641	11,741,670	10,725,977
Total Net Position	\$ 122,727,863	\$ 128,278,306	\$ 19,750,524	\$ 20,098,145	\$ 142,478,387	\$ 148,376,451

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 has been blended and 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	
	2012	2013 Restated	2012	2013 Restated	2012	2013 Restated
Revenues						
Program Revenues						
Charges for Services	\$ 967,735	\$ 1,222,714	\$ 4,845,801	\$ 4,912,487	\$ 5,813,536	\$ 6,135,201
Operating Grants & Contributions	504,792	599,860	0	0	504,792	599,860
Capital Grants & Contributions	1,408,349	554,474	0	0	1,408,349	554,474
General Revenues						
Property Taxes	5,844,412	7,221,610	0	0	5,844,412	7,221,610
Other Taxes	3,934,888	3,966,124	0	0	3,934,888	3,966,124
Intergovernmental	333,062	147,226	361,631	258,422	694,693	405,648
Gain (loss) on disposal of assets	0	0	0	0	0	0
Income from Investment in Coos Bay-North Bend Water Board	874,525	505,697	0	0	874,525	505,697
Transfer	708,694	1,073,469	(708,694)	(1,073,469)	0	0
Interest Income	115,647	92,100	16,786	27,183	132,433	119,283
Miscellaneous Income	753,257	207,514	630,524	27,792	1,383,781	235,306
Total Revenues	15,445,361	15,590,788	5,146,048	4,152,415	20,591,409	19,743,203
Expenses						
General Government	1,374,077	2,330,718	0	0	1,374,077	2,330,718
Public Safety	6,831,027	6,936,025	0	0	6,831,027	6,936,025
Public Works	8,473,728	6,486,641	0	0	8,473,728	6,486,641
Culture & Recreation	1,052,226	1,116,994	0	0	1,052,226	1,116,994
Building Codes	0	0	314,484	313,881	314,484	313,881
Interest on Long-term Debt	510,793	793,744	0	0	510,793	793,744
Wastewater	0	0	3,415,116	3,490,913	3,415,116	3,490,913
Total Expenses	18,241,851	17,664,122	3,729,600	3,804,794	21,971,451	21,468,916
Change in Net Position	(2,796,490)	(2,073,334)	1,416,448	347,621	(1,380,042)	(1,725,713)
Net Position- Beginning	125,524,353	130,351,640	18,334,076	19,750,524	143,858,429	150,102,164
Prior Assets Adjustment	0	0	0	0	0	0
Net Position- Ending	\$ 122,727,863	\$ 128,278,306	\$ 19,750,524	\$ 20,098,145	\$ 142,478,387	\$ 148,376,451

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 32 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 24 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 24 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 \$148,376,451 at the close of the most recent 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 \$132,412,209 (89%). 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* fund balance. 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 fund balance, \$10,725,977 (7%). 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, \$1,146,317; restricted for debt service, \$3,202,255; and restricted for other external purposes \$889,693. The City was able to maintain positive balances in all categories in both the current fiscal year and the prior fiscal year. The City's net position decreased by \$1,725,713 during the current fiscal year mainly due to the blending of the Urban Renewal Agency's with the City of Coos Bay's financial statements.

Governmental activities. Governmental activities decreased the City's net position by \$2,073,334 which can be attributed the blending of the Urban Renewal Agency with the City's financial statements and the completion of the Public Works capital project and related grant for the City Hall Seismic project. Expenses generally increased over the prior year due to increases in labor contracts.

Expenses and Program Revenues – Governmental Activities

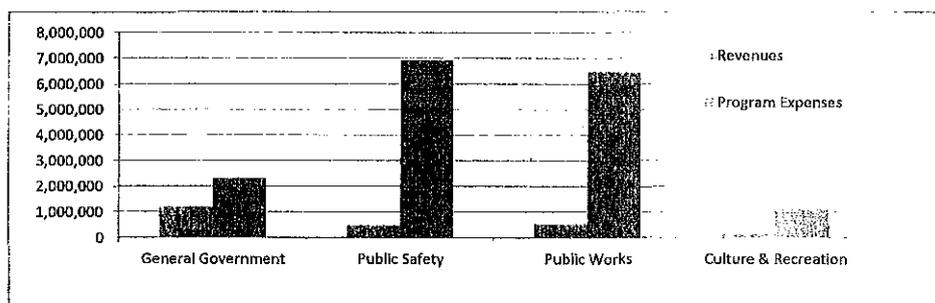


Figure 1

Governmental activities revenue increased due to the blending of the Urban Renewal Agency with the City's financial statements. 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, decreased by \$5,974 due to declining taxable assessed values.

Revenues by Source – Governmental Activities

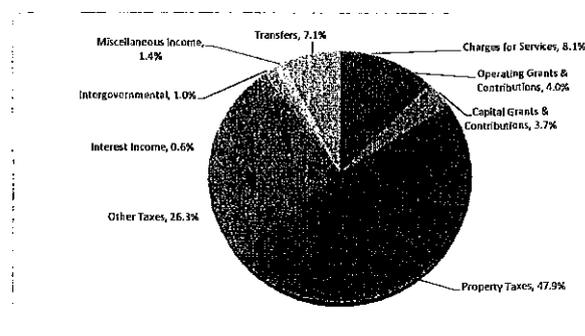


Figure 2

Business-type activities. Business-type activities increased the City's net position by \$347,621, which comprised 6% of the total growth in the net position of the city which was largely due to the annual 6.5% sewer rate increase. Both revenues and expenses increased by small amounts 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 loan 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

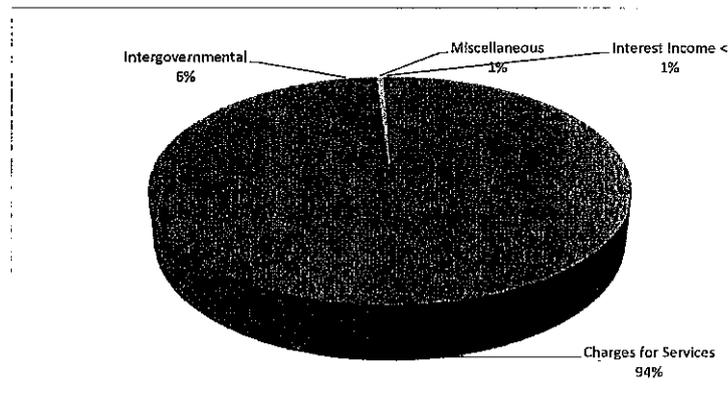


Figure 3

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, 2013, the City's Balance Sheet for Governmental Funds reported combined ending fund balances of \$17,083,336, an increase of \$366,679 over the prior fiscal year. The composition of total governmental fund balances include \$4,808,400 (28%) as nonspendable, \$4,629,844 (27%) as restricted, \$5,465,703 (32%) as assigned, and \$2,179,389 (13%) as unassigned. Of the \$17,083,336 ending fund balance, the General Fund contributed \$2,698,405, the Jurisdictional Exchange Fund contributed \$4,711,853, the Revenue Bond Fund contributed \$1,925,718, the Urban Renewal Agency Downtown Capital Projects Fund contributed \$2,296,710, and the other governmental funds contributed \$5,450,650. The Major Capital Reserve Fund was no longer a major fund this fiscal year, the Revenue Bond Fund became a major fund, and the blending of the Urban Renewal Agency subsequently added the Downtown Capital Projects Fund as a major fund.

The primary operating fund of the City is the General Fund. At June 30, 2013, the General Fund balance had \$7,651 (<1%) in nonspendable funds, \$6,779 (<1%) in restricted funds, \$416,439 (15%) in assigned funds, and \$2,267,536 (84%) 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 24.4%. This ratio is down 24.2% from June 30, 2012.

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, 2013, decreased by \$550,537 in the current fiscal year. This represents a 20% decrease over the June 30, 2012 General Fund balance. The key factor is the increased expenditures in the major capital improvements for the City Hall Seismic project, an inter-fund loan to the Jurisdictional Exchange Fund for debt service payments, labor contracted increases, and an increase in operational expenditures.

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 earned \$27,187 in interest revenue. The interest revenue was not sufficient to cover the debt service and required a loan be obtained from the General Fund for the final three debt service payments in FYE 13 and FYE 14.

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, 2013 was \$1,925,718.

The Urban Renewal Agency Downtown Capital Projects Fund refinanced the 2003 bonds to secure lower interest rates. A portion of the bond issuance costs were added to the loans and the original budget appropriations were amended to reflect a transfer from the bond reserve accounts to the capital project accounts for the balance of the bond issuance costs. The District's major capital project was the upgrade of the Eastside Boat Ramp which included grants from the Oregon Department of Fish and Wildlife and Oregon State Marine Board.

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 fund balance of the combined enterprise funds as of June 30, 2013 on the Statement of Net Position Proprietary Funds was \$2,578,641. The combined increase in net position for the current fiscal year was \$347,621.

GENERAL FUND BUDGETARY HIGHLIGHTS

The total appropriated budget of the general fund for fiscal year 2012-13 was \$16,375,594, which was comprised of general government \$1,320,683 or 8%, public safety \$6,392,605 or 42%, public works \$1,563,506 or 27%, and transfers to other funds \$179,824 or 18%. There were amendments to the adopted budget during the year to appropriate grant funds and to appropriate carryover in the Streets Fund for the purchase of capital assets (mower) and for financial statement purposes insurance proceeds for computer system replacement at the Library due to a fire. 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.

GASB 60 was implemented this fiscal year and there were no service concession arrangements. GASB 61 was implemented this fiscal year and the Coos Bay Urban Renewal Agency was found to be a blended component unit of the City of Coos Bay and is being 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.

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, 2013 amounted to \$132,412,209 (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 increased 3% comprised of an decrease in 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	
	2012	2013	2012	2013	2012	2013
Land & assets not depreciated	\$ 2,842,931	\$ 4,009,356	\$ -	\$ -	\$ 2,842,931	\$ 4,009,356
Land improvements	453,512	423,994	689,509	689,139	\$1,143,021	\$1,113,133
Buildings & improvements	9,390,022	14,553,060	0	0	\$9,390,022	\$14,553,060
Machinery & equipment	564,278	528,828	1,085,905	1,004,733	\$1,650,183	\$1,533,561
Vehicles	1,297,868	1,171,414	465,634	552,899	\$1,763,502	\$1,724,313
Infrastructure - streets	78,817,296	75,042,980	0	0	\$78,817,296	\$75,042,980
Plant & systems	0	0	13,172,848	12,936,115	\$13,172,848	\$12,936,115
Intangibles	15,884	49,923	0	0	\$15,884	\$49,923
Construction in progress	8,661	677,539	1,112,652	1,728,197	\$1,121,313	\$2,405,736
Total	\$93,390,452	\$96,457,094	\$16,526,548	\$16,911,083	\$109,917,000	\$113,368,177

Debt Administration - The City's long-term debt as of June 30, 2013 is \$20,397,108, a decrease of \$35,313 from June 30, 2012. The Governmental Activities June 30, 2013 long-term debt totals \$19,804,905 and included \$97,384, \$4,255,000, and \$5,000,000 to be paid from the Coos Bay- North Bend Water Board; \$5,420,000 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; \$57,214 loan from Umpqua Bank for the final Jurisdictional Exchange Fund payment (matures August 15, 2013); \$358,809 in OPEB liability; \$113,449 in bond premium; \$498,331 loan from US Bank to fund the purchase of property for the expansion of Wastewater Treatment Plant No. 2; new \$592,203 IFA #1 State of Oregon loan for wastewater capital improvement; \$2,124,028 Downtown Urban Renewal Agency 2003 bond; \$966,537 Empire Urban Renewal Agency 2003 bond; and \$914,153 Downtown Urban Renewal Agency loan for the construction of the Visitor Information Center in 2009. Other debt obligations are two inter-fund loans totaling \$658,095.

State statutes limit the amount of general obligation debt a governmental entity may issue to three percent of its total assessed valuation. The 2012-13 total tax assessed value from the Coos County Summary of Assessment and Tax Roll Table 4a, Line 17 Value to Compute the Tax Rate was \$849,330,570, which would establish this limit to approximately \$25,479,917. The 2012-13 total tax assessed value from the Coos County Summary of Assessment and Tax Roll Table 4A decreased \$667,839 from the 2011-12 total tax assessed value of \$849,998,409. The City continues to operate significantly below the taxes received from the total tax assessed value.

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. No grant proceeds were disbursed or requested in 2012-13.

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

	Governmental Activities		Business-type Activities		Total	
	2012	2013	2012	2013	2012	2013
OPEB Liability	\$ 297,423	\$ 358,809	\$ -	\$ -	\$ 297,423	\$ 358,809
General Obligations	5,685,000	5,420,000	-	-	5,685,000	5,420,000
Revenue Bonds/Secured Loans	4,510,000	8,259,718	-	-	4,510,000	8,259,718
Revenue Secured Loans	100,985	97,384	-	-	100,985	97,384
Business Loans	5,586,133	5,555,545	-	692,203	5,586,133	6,147,748
Total	\$ 16,179,541	\$ 19,691,455	\$ -	\$ 692,203	\$ 16,179,541	\$ 20,283,658

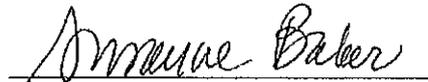
ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors currently affect the City of Coos Bay and were considered in developing the 2013 – 2014 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 2013 pursuant to the June 2009 rate study plan.
- Declining taxable assessed value in 2012- 2013 resulted in a decrease in property assessment and were considered in the 2013-2014 budget with a zero percentage increase in anticipated tax revenue was recommended.
- Interest rates are expected to remain at record low levels throughout fiscal year 2013-2014.
- Health insurance premiums increased 8%.
- The PERS pension costs after legislative action were less than anticipated (Tier 1/2 13.64% to 16.71%; OPSRP General Service 8.61% to 9.51%; and OPSRP Police/Fire 11.32% to 12.24%). Additionally, employer contribution rates for the 2013-15 biennium were recalculated in response to legislation adopted during the 2013 Legislative session (Tier 1/2 13.71%; OPSRP General Service 6.51%; and OPSRP Police/Fire 9.24%).
- The contracted labor union, International Association of Fire Fighters (IAFF), contract will expire June 30, 2014.

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) 269-88915, 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, 2013**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 16,656,304	\$ 3,351,926	\$ 20,008,230
Receivables (Net of Allowance For Uncollectible)	2,217,809	1,020,371	3,238,180
Prepays	7,673	300	7,973
Supply Inventory	727	-	727
Investment in Joint Venture	24,464,033	-	24,464,033
Unamortized Debt Issuance Difference	201,814	-	201,814
Capital Assets:			
Capital Assets, Non-Depreciable	4,686,895	1,728,197	6,415,092
Capital Assets, Net of Depreciation	91,770,198	15,182,886	106,953,084
Noncurrent Assets:			
Note Receivable - Due Within One Year	278,780	-	278,780
Note Receivable - Due in More Than One Year	9,033,434	-	9,033,434
Total Assets	149,317,667	21,283,680	170,601,347
LIABILITIES			
Accounts Payable	131,224	478,448	609,672
Payroll and Payroll Taxes Payable	184,763	-	184,763
Deposits Payable	-	4	4
Interest Payable	46,869	-	46,869
Accrued Vacation	871,601	114,880	986,481
Noncurrent Liabilities:			
Due Within One Year:			
Revenue Secured Loans Payable	1,070,463	-	1,070,463
Bonds Payable	275,000	-	275,000
Note Payable	122,214	-	122,214
Due in More Than One Year:			
Revenue Secured Loans Payable	7,286,638	592,203	7,878,841
Bonds Payable	5,145,000	-	5,145,000
Note Payable	5,433,331	-	5,433,331
OPEB Obligation	358,809	-	358,809
Bond Premium	113,449	-	113,449
Total Liabilities	21,039,361	1,185,535	22,224,896
NET POSITION			
Invested in Capital Assets, Net of Related Debt	91,037,093	16,911,083	107,948,176
Invested in Joint Venture	24,464,033	-	24,464,033
Restricted for:			
Capital Projects	537,896	608,421	1,146,317
Debt Services	3,202,255	-	3,202,255
Services and Contributions	889,693	-	889,693
Unrestricted	8,147,336	2,578,641	10,725,977
Total Net Position	\$ 128,278,306	\$ 20,098,145	\$ 148,376,451

See accompanying notes to basic financial statements

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

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013**

	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Government				
Governmental Activities				
General Government	\$ 2,330,718	\$ 607,258	\$ 457,277	\$ 150,000
Public Safety	6,936,025	406,547	83,874	-
Public Works	6,486,641	107,393	32,222	404,474
Culture and Recreation	1,116,994	101,516	26,487	-
Interest on Long-term Debt	793,744	-	-	-
Total Governmental Activities	17,664,122	1,222,714	599,860	554,474
Business-Type Activities				
Wastewater	3,490,913	4,754,305	-	-
Building Codes	313,881	158,182	-	-
Total Business-Type Activities	3,804,794	4,912,487	-	-
Total Government	\$ 21,468,916	\$ 6,135,201	\$ 599,860	\$ 554,474

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 - beginning of year - Restated (See note 19)

Net Position - end of year

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

Governmental Activities	Business-Type Activities	Total
\$ (1,116,183)	\$ -	\$ (1,116,183)
(6,445,604)	-	(6,445,604)
(5,942,552)	-	(5,942,552)
(988,991)	-	(988,991)
(793,744)	-	(793,744)
<u>(15,287,074)</u>	<u>-</u>	<u>(15,287,074)</u>
-	1,263,392	1,263,392
-	(155,699)	(155,699)
<u>-</u>	<u>1,107,693</u>	<u>1,107,693</u>
<u>(15,287,074)</u>	<u>1,107,693</u>	<u>(14,179,381)</u>
7,221,610	-	7,221,610
509,075	-	509,075
1,831,429	-	1,831,429
147,226	258,422	405,648
1,625,620	-	1,625,620
505,697	-	505,697
92,100	27,183	119,283
207,514	27,792	235,306
1,073,469	(1,073,469)	-
<u>13,213,740</u>	<u>(760,072)</u>	<u>12,453,668</u>
(2,073,334)	347,621	(1,725,713)
<u>130,351,640</u>	<u>19,750,524</u>	<u>150,102,164</u>
<u>\$ 128,278,306</u>	<u>\$ 20,098,145</u>	<u>\$ 148,376,451</u>

See accompanying notes to basic financial statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013**

	GENERAL FUND	JURISDICTIONAL EXCHANGE RESERVE	REVENUE BOND	URA DOWNTOWN CAPITAL	OTHER GOVERNMENTAL	TOTAL
ASSETS:						
Cash and Investments	\$ 2,948,102	\$ 4,829,947	\$ 1,925,718	\$ 1,785,666	\$ 5,166,871	\$ 16,656,304
Inventory	727	-	-	-	-	727
Receivables, Net						
Taxes	627,489	-	-	-	247,913	875,402
Accounts	327,094	-	-	4,956	302,342	634,392
Assessments	666,770	-	-	-	41,245	708,015
Interfund Receivable	118,094	-	-	540,000	-	658,094
Prepaid Expenses	6,924	-	-	-	749	7,673
Total Assets	\$ 4,695,200	\$ 4,829,947	\$ 1,925,718	\$ 2,330,622	\$ 5,759,120	\$ 19,540,607
LIABILITIES AND FUND EQUITY:						
Liabilities:						
Accounts Payable	\$ 51,627	\$ -	\$ -	\$ 30,956	\$ 48,641	\$ 131,224
Payroll and Payroll Taxes Payable	184,763	-	-	-	-	184,763
Interfund Payable	540,000	118,094	-	-	-	658,094
Deferred Revenues	666,770	-	-	2,956	205,279	875,005
Deferred Taxes	553,635	-	-	-	54,550	608,185
Total Liabilities	1,996,795	118,094	-	33,912	308,470	2,457,271
Fund Equity:						
Fund Balances:						
Nonspendable	7,651	4,800,000	-	-	749	4,808,400
Restricted	6,779	-	1,925,718	224,400	2,472,947	4,629,844
Assigned	416,439	-	-	2,072,310	2,976,954	5,465,703
Unassigned	2,267,536	(88,147)	-	-	-	2,179,389
Total Fund Balance	2,698,405	4,711,853	1,925,718	2,296,710	5,450,650	17,083,336
Total Liabilities and Fund Balance	\$ 4,695,200	\$ 4,829,947	\$ 1,925,718	\$ 2,330,622	\$ 5,759,120	\$ 19,540,607

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, 2013

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

Fund Balances		\$ 17,083,336
<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		96,457,093
<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	\$ (5,420,000)	
Revenue Bonds	(8,357,101)	
Bond Premium	(113,449)	
Notes and Contracts Payable	(5,555,545)	
Debt Issuance Difference	201,814	
Accrued Interest	(46,869)	
Net Adjustment		(19,291,150)
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>		
Accrued Vacation		(871,601)
Net OPEB Obligation is not reported as a liability in the Governmental Funds Balance Sheet		(358,809)
<p>Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.</p>		
Deferred Revenue		1,483,190
Joint Venture Note Receivable		9,312,214
Joint Venture Equity Investment		24,464,033
Total Net Position		\$ <u>128,278,306</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, 2013**

	GENERAL FUND	JURISDICTIONAL EXCHANGE RESERVE	REVENUE BOND	URA DOWNTOWN CAPITAL	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES						
Property Taxes	\$ 5,250,778	\$ -	\$ -	\$ -	\$ 2,105,024	\$ 7,355,802
Other Taxes	-	-	-	-	2,340,504	2,340,504
Franchise Fees	1,625,620	-	-	-	-	1,625,620
Licenses and Permits	110,210	-	-	-	-	110,210
Intergovernmental	378,649	-	617,517	-	199,504	1,195,670
Grants	111,574	-	-	399,395	186,278	697,247
Other-Timber Sales	-	-	-	-	418,918	418,918
Charges for Services	541,911	-	-	-	95,779	637,690
Charges for Use of Money and Property	101,936	27,187	-	8,979	38,768	176,870
Fines and Forfeitures	76,822	-	-	-	-	76,822
Miscellaneous	71,632	-	-	52,001	93,933	217,566
Total Revenues	8,269,132	27,187	617,517	460,375	5,478,708	14,852,919
EXPENDITURES						
Current:						
General Government	1,320,683	-	-	434,814	309,328	2,064,825
Public Safety	6,392,605	-	-	-	187,907	6,580,512
Public Works	1,531,376	-	-	-	1,659,442	3,190,818
Culture and Recreation	-	-	-	-	1,070,196	1,070,196
Capital Outlay	32,130	-	-	274,131	917,247	1,223,508
Debt Service:						
Principal Retirement	-	112,336	345,269	-	1,028,163	1,485,768
Interest and Fiscal Charges	-	5,758	382,084	-	403,576	791,418
Total Expenditures	9,276,794	118,094	727,353	708,945	5,575,859	16,407,045
Excess of Revenues Over (Under) Expenditures	(1,007,662)	(90,907)	(109,836)	(248,570)	(97,151)	(1,554,126)
OTHER FINANCING SOURCES (USES)						
Sale of Capital Assets	-	-	-	-	10,032	10,032
Bond Proceeds	-	-	-	12,262	24,505	36,767
Transfers In	176,047	-	1,067,669	16,872	2,212,094	3,472,682
Transfers Out	(519,521)	-	-	-	(1,879,692)	(2,399,213)
Insurance Recovery	32,130	-	-	-	-	32,130
CBNBWB Water Project Loan	768,407	-	-	-	-	768,407
Du Jour Financing - URA	736,033	-	-	-	380,137	1,116,170
Du Jour Financing - URA	(735,971)	-	-	355,834	(736,033)	(1,116,170)
Total Other Financing Sources, (Uses)	457,125	-	1,067,669	384,968	11,043	1,920,805
Net Change in Fund Balance	(550,537)	(90,907)	957,833	136,398	(86,108)	366,679
FUND BALANCE - BEGINNING OF YEAR - RESTATED	3,248,942	4,802,760	967,885	2,160,312	5,536,758	16,716,657
FUND BALANCE - END OF YEAR	\$ 2,698,405	\$ 4,711,853	\$ 1,925,718	2,296,710	\$ 5,450,650	\$ 17,083,336

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, 2013**

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 \$ 366,679

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

Capitalized Additions	\$	1,026,954	
Gain on disposal		(553)	
Depreciation Expense		<u>(4,542,722)</u>	
Net Adjustment			(3,516,321)

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	
Debt Issuance		(36,767)	
GO Bonds, Notes and Contracts Payable		1,485,769	
Accrued Vacation		58,739	
OPEB Obligation		<u>(61,386)</u>	
Net Adjustment			1,437,855

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

Accrued Interest			6,173
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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			(134,192)
Assessments Receivable			(440,454)

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			(298,771)
Gain (Loss) from Joint Venture			<u>505,697</u>

Change in Net Position	\$		<u>(2,073,334)</u>
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**CITY OF COOS BAY
COOS COUNTY, OREGON**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013**

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WASTEWATER FUND	WASTEWATER IMPROVEMENT FUND	BUILDING CODES FUND	
ASSETS				
Current Assets				
Cash and Investments	\$ 1,782,707	\$ 1,223,055	\$ 346,164	\$ 3,351,926
Receivables				
Accounts Receivable, Net	583,524	436,847	-	1,020,371
Prepaid Expenses	-	-	300	300
Capital Assets, Non-Depreciable	1,728,197	-	-	1,728,197
Capital Assets, Net of Depreciation	15,182,886	-	-	15,182,886
Total Assets	19,277,314	1,659,902	346,464	21,283,680
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities	10,869	459,278	8,301	478,448
Deposits Payable	-	-	4	4
Accrued Vacation	79,447	-	35,433	114,880
Long Term Liabilities				
Due in more than one year:				
Revenue Secured Loan	-	592,203	-	592,203
Total Liabilities	90,316	1,051,481	43,738	1,185,535
Net Position				
Invested in Capital Assets	16,911,083	-	-	16,911,083
Restricted for				
Capital Projects	-	608,421	-	608,421
Unrestricted	2,275,915	-	302,726	2,578,641
Total Net Position	\$ 19,186,998	\$ 608,421	\$ 302,726	\$ 20,098,145

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, 2013**

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WASTEWATER FUND	WASTEWATER IMPROVEMENT FUND	BUILDING CODES FUND	
OPERATING REVENUES				
Licenses and Permits	\$ 5,770	\$ -	\$ 152,412	\$ 158,182
Intergovernmental	258,422	-	-	258,422
Charges for Services	4,754,305	-	-	4,754,305
Total Operating Revenues	5,018,497	-	152,412	5,170,909
OPERATING EXPENSES				
Personal Services	669,732	-	279,847	949,579
Materials and Services	1,246,334	947,530	34,034	2,227,898
Depreciation Expense	627,317	-	-	627,317
Total Operating Expenses	2,543,383	947,530	313,881	3,804,794
Income, (Loss) From Operations	2,475,114	(947,530)	(161,469)	1,366,115
NON-OPERATING REVENUES (EXPENSES)				
Interest on Investments	11,420	13,351	2,412	27,183
Lease Revenue	-	-	-	-
Other Revenue (Expenses)	27,634	-	158	27,792
Total Non-Operating Revenues	39,054	13,351	2,570	54,975
Income, (Loss) Before Contributions and Transfers	2,514,168	(934,179)	(158,899)	1,421,090
CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	-	-	-	-
Transfers In	-	1,959,871	-	1,959,871
Transfers Out	(2,486,371)	(541,669)	(5,300)	(3,033,340)
Total Contributions and Transfers	(2,486,371)	1,418,202	(5,300)	(1,073,469)
Change in Net Position	27,797	484,023	(164,199)	347,621
Beginning Net Position	19,159,201	124,398	466,925	19,750,524
Ending Net Position	\$ 19,186,998	\$ 608,421	\$ 302,726	\$ 20,098,145

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, 2013

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WASTEWATER FUND	WASTEWATER IMPROVEMENT FUND	BUILDING CODES FUND	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 5,054,926	\$ (436,847)	\$ 151,403	\$ 4,769,482
Payments to Suppliers	(1,242,155)	(506,168)	(28,035)	(1,776,358)
Payments to Employees	(652,518)	-	(272,027)	(924,545)
Net Cash Provided by Operating Activities	<u>3,160,253</u>	<u>(943,015)</u>	<u>(148,659)</u>	<u>2,068,579</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	-	1,959,871	-	1,959,871
Transfers to Other Funds	(2,486,371)	(541,669)	(5,300)	(3,033,340)
Net Cash Provided by Noncapital Financing Activities	<u>(2,486,371)</u>	<u>1,418,202</u>	<u>(5,300)</u>	<u>(1,073,469)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(1,011,852)	-	-	(1,011,852)
Long term debt issuance	-	592,203	-	592,203
Other Revenue (Expenses)	39,054	13,351	2,570	54,975
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(972,798)</u>	<u>605,554</u>	<u>2,570</u>	<u>(364,674)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	-	-	-	-
Net Increase, (Decrease) in Cash and Cash Equivalents	(298,916)	1,080,741	(151,389)	630,436
CASH AND CASH EQUIVALENTS - BEGINNING OF YI	<u>2,081,623</u>	<u>142,314</u>	<u>497,553</u>	<u>2,721,490</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,782,707</u>	<u>\$ 1,223,055</u>	<u>\$ 346,164</u>	<u>\$ 3,351,926</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income	\$ 2,475,114	\$ (947,530)	\$ (161,469)	\$ 1,366,115
Adjustments				
Depreciation/Amortization	627,317	-	-	627,317
(Increase), Decrease in Accounts Receivable	36,429	(436,847)	-	(400,418)
(Increase), Decrease in Prepays	-	-	(300)	(300)
Increase (Decrease) in Accrued Vacation	17,214	-	7,820	25,034
Increase (Decrease) in Deposits Payable	-	-	(709)	(709)
Increase, (Decrease) in Accounts Payable/Accrued Liabilities	4,179	441,362	5,999	451,540
Net Cash From Operations	<u>\$ 3,160,253</u>	<u>\$ (943,015)</u>	<u>\$ (148,659)</u>	<u>\$ 2,068,579</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, 2013

	AGENCY FUND VISITORS CONVENTION BUREAU
ASSETS:	
Cash and Investments	\$ 150,458
Total Assets	<u>150,458</u>
LIABILITIES:	
Due to Other Agency	<u>150,458</u>
NET POSITION:	
Total Net Position Unrestricted	<u><u>\$ -</u></u>

See accompanying notes to basic financial statements

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CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

THE FINANCIAL REPORTING ENTITY

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

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

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

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

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

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

Entity excluded from the reporting entity:

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

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

There are the following *major governmental funds*:

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

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

Revenue Bond Fund – This fund accounts for debt service.

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, bond issuance costs are expensed instead of amortized, 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.

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 deferred 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, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the 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, net of related debt – 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.

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	963,819
Investments	<u>19,193,869</u>
Total Cash and Investments	<u>\$ 20,158,688</u>
Reconciliation of Cash Reported in:	
Governmental	\$ 16,656,304
Business Type	3,351,926
Agency Fund	<u>150,458</u>
Total Cash and Investments	<u>\$ 20,158,688</u>

Deposits

Deposits with financial institutions consist of bank demand deposits. The total bank balance per the bank statements for all pooled cash is \$1,393,559. 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, 2013, 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, 2013 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, 2013, 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	<u>\$ 19,193,869</u>	<u>\$ 19,193,869</u>	<u>\$ -</u>	<u>\$ -</u>
Total	<u>\$ 19,193,869</u>	<u>\$ 19,193,869</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, 2013, 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, 2013 and 2012 are \$871,601, and \$930,340. The business type funds compensated absences balances at June 30, 2013 and 2012 are \$114,880, and \$89,846.

Compensated Absences	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental	\$ 930,340	\$ -	\$ (58,739)	\$ 871,601
Business Type	<u>89,546</u>	<u>25,334</u>	<u>-</u>	<u>114,880</u>
	<u>\$ 1,019,886</u>			<u>\$ 986,481</u>

4. CAPITAL ASSETS

Capital asset activity for governmental activities of the primary government for the year ended June 30, 2013 was as follows:

Description	<u>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS</u>			
	<u>RESTATED</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2013</u>
	<u>June 30, 2012</u>			
Capital assets not being depreciated				
Land	\$ 3,226,488	\$ -	\$ -	\$ 3,226,488
Museum art works collection	773,768	9,100	-	782,868
Construction In Progress	<u>2,466,973</u>	<u>832,538</u>	<u>(2,621,972)</u>	<u>677,539</u>
Total Capital Assets not being depreciated	<u>6,467,229</u>	<u>841,638</u>	<u>(2,621,972)</u>	<u>4,686,895</u>
Other Capital Assets				
Land and Improvements	1,991,916	10,725	-	2,002,641
Buildings and Improvements	15,300,388	2,567,001	-	17,867,389
Machinery and Equipment	2,167,719	103,096	(122,770)	2,148,045
Vehicles	3,377,303	89,807	(74,823)	3,392,287
Intangibles	18,862	36,659	-	55,521
Infrastructure - streets	<u>151,883,491</u>	<u>-</u>	<u>-</u>	<u>151,883,491</u>
Total other Capital Assets	<u>174,739,679</u>	<u>2,807,288</u>	<u>(197,593)</u>	<u>177,349,374</u>
Less Accumulated Depreciation				
Land Improvements	1,538,404	40,243	-	1,578,647
Buildings and Improvements	2,950,673	363,656	-	3,314,329
Machinery & Equipment	1,595,810	145,624	(122,217)	1,619,217
Vehicles	2,079,435	216,262	(74,824)	2,220,873
Intangibles	2,978	2,620	-	5,598
Infrastructure - streets	<u>73,066,194</u>	<u>3,774,317</u>	<u>-</u>	<u>76,840,511</u>
Total Accumulated Depreciation	<u>81,233,494</u>	<u>4,542,722</u>	<u>(197,041)</u>	<u>85,579,175</u>
Total Governmental Activities	<u>\$ 99,973,413</u>	<u>\$ (893,796)</u>	<u>\$ (2,622,524)</u>	<u>\$ 96,457,093</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS (CONTINUED)

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

Function	Governmental Funds
General Government	\$ 78,394
Public Safety	354,163
Public Works	4,063,587
Culture and Recreation	46,578
Total	\$ 4,542,722

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

Description	BUSINESS TYPE ACTIVITIES			
	June 30, 2012	Additions	Disposals	June 30, 2013
Capital assets not being depreciated				
Construction in Progress	\$ 1,112,652	\$ 772,190	\$ (156,645)	\$ 1,728,197
Total Capital Assets not being depreciated	<u>1,112,652</u>	<u>772,190</u>	<u>(156,645)</u>	<u>1,728,197</u>
Other Capital Assets - Wastewater				
Land and Improvements	2,576,662	-	-	2,576,662
Machinery & Equipment	3,796,828	12,718	-	3,809,546
Vehicles	1,053,399	154,363	-	1,207,762
Plant and System	21,302,371	229,226	(8,395)	21,523,202
Total other Capital Assets	<u>28,729,260</u>	<u>396,307</u>	<u>(8,395)</u>	<u>29,117,172</u>
Less Accumulated Depreciation				
Land and Improvements	1,887,153	370	-	1,887,523
Machinery & Equipment	2,710,923	93,890	-	2,804,813
Vehicles	587,765	67,098	-	654,863
Plant and System	8,129,523	465,959	(8,395)	8,587,087
Total Accumulated Depreciation	<u>13,315,364</u>	<u>627,317</u>	<u>(8,395)</u>	<u>13,934,286</u>
Total Business Type Activities	<u>\$ 16,526,548</u>	<u>\$ 541,180</u>	<u>\$ (156,645)</u>	<u>\$ 16,911,083</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	\$ 627,317
Total	<u>\$ 627,317</u>

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 13.64% of covered payroll for Tier One/Two employees and 8.61% for general OPSRP employees and 11.32% for public safety. The contribution to the plan for the years ending June 30, 2013, 2012, and 2011 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>
2013	\$ 1,175,918	100%	\$ -
2012	\$ 1,114,668	100%	\$ -
2011	\$ 934,284	100%	\$ -

Annual Pension Costs

For the year ended June 30, 2013, 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, 2010, actuarial valuation using the projected unit credit. The actuarial assumptions included (a) 8.00% 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, 2013, was approximately \$358,809.

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>6/30/2011</u>	<u>6/30/2012</u>	<u>6/30/2013</u>
Annual Required Contribution (ARC)	\$ 208,427	\$ 111,165	\$ 117,009
Interest on Net Pension Obligation	5,399	9,580	11,897
Adjustment to Annual Required Contribution	<u>(8,468)</u>	<u>(16,276)</u>	<u>(20,213)</u>
Annual OPEB Cost	205,358	104,469	108,693
Contributions Made	<u>(85,831)</u>	<u>(46,544)</u>	<u>(47,307)</u>
Increase in Net Pension Obligation	119,527	57,925	61,386
Net OPEB Obligation (Asset) at Beginning of the Year	119,971	239,498	297,423
Net OPEB Obligation (Asset) at End of the Year	<u>\$ 239,498</u>	<u>\$ 297,423</u>	<u>\$ 358,809</u>
Percentage of APC Contributed	42%	42%	44%

**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, 2013, along with preceding fiscal years, were as follows:

Year Ended	OPEB Cost	Annual OPEB Cost Contributed	OPEB Obligation
6/30/2011	\$ 205,358	42.00%	\$ 239,498
6/30/2012	104,469	45.00%	297,423
6/30/2013	108,693	44.00%	358,809

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: 6.5% for 2013, 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
2013-2014	\$ 275,000	\$ 181,967	\$ 456,967
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
2018-2023	1,880,000	388,075	2,268,075
2023-2028	870,000	37,294	907,294
Total	<u>\$ 4,255,000</u>	<u>\$ 1,189,694</u>	<u>\$ 5,444,694</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
2013-2014	\$ 3,780	\$ 4,840	\$ 8,620
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
2018-2023	26,605	16,496	43,101
2023-2028	33,906	9,194	43,100
2028-2033	15,999	1,202	17,201
Total	<u>\$ 97,384</u>	<u>\$ 49,117</u>	<u>\$ 146,501</u>

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 amortization is as follows:

Fiscal Year	Issue of August 17, 2005		
	Principal	Interest	Total
2013-14	\$ 57,214	\$ 1,153	\$ 58,370
Total	<u>\$ 57,214</u>	<u>\$ 1,153</u>	<u>\$ 58,367</u>

Interest rate: 4% fixed annual rate.

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

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

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

Fiscal Year	Issue of April 15, 2009		
	Principal	Interest	Total
2013-2014	\$ 275,000	\$ 215,350	\$ 490,350
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
2018-2023	1,780,000	673,950	2,453,950
2023-2028	2,170,000	283,581	2,453,581
Total	<u>\$ 5,420,000</u>	<u>\$ 1,940,231</u>	<u>\$ 7,360,231</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. Payment terms are not yet available. The amount of the loan drawn at June 30, 2013 was \$768,417 from each city.

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
2013-14	\$ 65,000	\$ 15,210	\$ 80,210
2014-15	65,000	13,182	78,182
2015-16	65,000	11,154	76,154
2016-17	65,000	9,126	74,126
2017-18	65,000	7,098	72,098
2018-23	173,331	9,126	182,457
Total	<u>\$ 498,331</u>	<u>\$ 64,896</u>	<u>\$ 563,227</u>

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

URA Downtown Bond: \$5,700,000 of urban renewal current refunding bonds were issued on January 24, 2003, which are payable from the tax increment revenues of the Downtown Urban Renewal Area. The future requirements for amortization of these outstanding urban renewal bonds as of June 30, 2013, are as follows:

Fiscal Year	Issue of January 24, 2003 (Series 2003 A)		
	Principal	Interest	Total
2013-14	\$ 447,410	\$ 91,667	\$ 539,077
2014-15	461,122	71,647	532,769
2015-16	475,173	50,826	525,999
2016-17	489,818	28,797	518,615
2017-18	250,505	5,878	256,383
Total	<u>\$ 2,124,028</u>	<u>\$ 248,815</u>	<u>\$ 2,372,843</u>

Interest Rate: Fixed annual rate of 3.0%

URA Empire Bond: \$2,600,000 of urban renewal current refunding bonds were issued on January 24, 2003, which are payable from the tax increment revenues of the Empire Urban Renewal Area. The future requirements for amortization of these outstanding urban renewal bonds as of June 30, 2013, are as follows:

Fiscal Year	Issue of January 24, 2003 (Series 2003 A)		
	Principal	Interest	Total
2013-14	\$ 207,273	\$ 41,814	\$ 249,087
2014-15	211,497	32,681	244,178
2015-16	215,783	23,184	238,967
2016-17	220,205	13,136	233,341
2017-19	111,779	680	112,459
Total	<u>\$ 966,537</u>	<u>\$ 111,495</u>	<u>\$ 1,078,032</u>

Interest Rate: Fixed annual rate of 2.0%

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, 2013, are as follows:

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

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

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>
2013-14	\$ 137,000	\$ 36,080	\$ 173,080
2014-15	143,000	30,402	173,402
2015-16	149,000	24,477	173,477
2016-17	155,000	18,307	173,307
2017-19	<u>330,153</u>	<u>17,077</u>	<u>347,230</u>
Total	<u>\$ 914,153</u>	<u>\$ 126,343</u>	<u>\$1,040,496</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, 2013, the following changes occurred in long-term liabilities:

	<u>Balance 7/1/2012</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2013</u>	<u>Due in One Year</u>
Governmental Activities:					
Revenue Bonds:					
Water Bonds					
June 14, 2005 (refunding)	\$ 100,985	\$ -	\$ (3,601)	\$ 97,384	\$ 3,780
GO Fire Station					
April 15, 2009	5,685,000	-	(265,000)	5,420,000	275,000
Revenue Secured Bond:					
April, 2006 (refunding)	4,510,000	-	(255,000)	4,255,000	275,000
Business Loan:					
August 17, 2005	169,550	-	(112,336)	57,214	57,214
Economic Development Loan					
June 30, 2011	4,231,583	768,417	-	5,000,000	-
Land purchase loan	585,000	-	(86,669)	498,331	65,000
URA Downtown Series 1/23/03 A	2,530,740	26,217	(432,929)	2,124,028	447,410
URA Empire Series 1/24/03 A	1,154,373	10,551	(198,387)	966,537	207,273
URA Downtown Series 8/28/09	1,046,000	-	(131,847)	914,153	137,000
OPEB Obligation	297,423	61,386	-	358,809	-
Bond Premium	121,767	-	(8,318)	113,449	-
Total	<u>\$ 20,432,421</u>	<u>\$ 866,571</u>	<u>\$ (1,494,087)</u>	<u>\$ 19,804,905</u>	<u>\$ 1,467,677</u>
Business Type Activities					
IFA Wastewater Loan 2012	\$ -	\$ 592,203	\$ -	\$ 592,203	\$ -
Total	<u>\$ -</u>	<u>\$ 592,203</u>	<u>\$ -</u>	<u>\$ 592,203</u>	<u>\$ -</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, 2013:

Cash and investments	\$ 5,668,180
Other assets	<u>63,231,401</u>
Total assets	<u>\$ 68,899,581</u>
Total liabilities	\$ 19,971,515
Total equity	<u>48,928,066</u>
Total liabilities and equity	<u>\$ 68,899,581</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, 2012	Increases	Decreases	Balance June 30, 2013
\$ 23,958,336	\$ 505,697	\$ -	\$ 24,464,033

An investment in joint venture in the amount of \$24,464,033 million was booked as an asset (Investment in Joint Venture) in Fiscal Year 2012-2013, 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, 2013, the Water Board remitted \$4,658,328 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 \$65,305.

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, 2013 is \$9,312,214. This includes the 2005 and 2006 refunding issues, as well as the 2011 Economic Development Loan. 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	\$ 176,047	\$ 519,521
Revenue Bond	1,067,669	-
URA Downtown Capital	16,872	-
Other Governmental	2,212,093	1,879,691
	\$ 3,472,681	\$ 2,399,212
 Business Type Funds	 \$ 1,959,871	 \$ 3,033,340
Total Transfers	\$ 5,432,552	\$ 5,432,552

**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
2013-14	\$ 60,000	\$ 5,400	\$ 65,400
2014-15	60,000	4,800	64,800
2015-16	60,000	4,200	64,200
2016-17	60,000	3,600	63,600
2017-18	60,000	3,000	63,000
2018-23	240,000	6,000	246,000
Total	<u>\$ 540,000</u>	<u>\$ 27,000</u>	<u>\$ 567,000</u>

An \$118,094 loan was issued in 2013 from the General Fund to the Jurisdictional Exchange Fund. The loan is payable upon the extinguishment of the 2005 business loan, in equal amounts annually, at an interest rate of 1%. A payment schedule is not yet available.

**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, 2013 are as follows:

Fund Balances:	General Fund	Jurisdictional Exchange Reserve	Revenue Bond	URA Downtown Capital	Non Major Funds	Total
<u>Nonspendable:</u>						
Prepaid Expenses	\$ 6,924	\$ -	\$ -	\$ -	\$ 749	\$ 7,673
Inventory	727	-	-	-	-	727
Jurisdictional Exchange	-	4,800,000	-	-	-	4,800,000
Total	7,651	4,800,000	-	-	749	4,808,400
<u>Restricted</u>						
Memorial Bricks	158	-	-	-	-	158
Grants	6,621	-	-	224,400	-	231,021
Legislation	-	-	-	-	407,528	407,528
Debt Service	-	-	1,925,718	-	1,276,537	3,202,255
Library	-	-	-	-	475,386	475,386
Choshi Garden Foundation	-	-	-	-	3,409	3,409
Capital Projects	-	-	-	-	310,087	310,087
Total	6,779	-	1,925,718	224,400	2,472,947	4,629,844
<u>Assigned</u>						
DUII Impact Panel	12,289	-	-	-	-	12,289
Range	2,998	-	-	-	-	2,998
Canine	1,000	-	-	-	-	1,000
Crime Prevention	3,562	-	-	-	-	3,562
Hotel/Motel Tax Fund	-	-	-	-	142,666	142,666
Tech Fund	-	-	-	-	125,486	125,486
Unclaimed Property Liability	195	-	-	-	-	195
Rainy Day Reserve Fund	396,395	-	-	-	-	396,395
Jurisdictional Exchange	-	-	-	-	-	-
Capital Projects	-	-	-	2,072,310	2,708,802	4,781,112
Total	416,439	-	-	2,072,310	2,976,954	5,465,703
Unassigned:	2,267,536	(88,147)	-	-	-	2,179,389
Total Fund Balances	\$ 2,698,405	\$ 4,711,853	\$ 1,925,718	2,296,710	\$ 5,450,650	\$ 17,083,336

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 its "Empire Pedestrian and Bicycle Access Project." The grant will allow phase one of the project to move forward. The total cost of phase one is \$2.7 million dollars, which will require a City's match of \$600,000. The City has also submitted a TIGER IV grant application to help with funding phase two of the project. The total cost of the project is projected to be \$3,809,621. Construction work for phase one could commence as early as the fall of 2013, however weather could delay the start of construction until the spring of 2014. No funds were received from the TIGER III grant in fiscal year 2012-13.

NOTE 19 – RESTATEMENT OF NET POSITION AND FUND BALANCE

Net Position was restated in the amount of \$7,623,777 and Fund Balance was restated in the amount of \$4,431,966 to account for the presentation of the Urban Renewal Agency of the City of Coos Bay's funds as a blended component unit rather than a discretely presented component unit in accordance with GASB 61.

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, 2013

OTHER POST EMPLOYMENT 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	-	732,571	732,571	0%	N/A	N/A
8/1/2012	-	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, 2013**

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Property Taxes	\$ 5,258,226	\$ 5,258,226	\$ 5,250,778	\$ (7,448)
Franchise Fees	1,538,000	1,538,000	1,625,620	87,620
Licenses and Permits	125,078	125,078	110,210	(14,868)
Intergovernmental	354,966	354,966	378,649	23,683
Grants	113,500	111,900	111,574	(326)
Charges For Services	529,783	529,783	541,911	12,128
Charges for Use of Money and Property	106,500	106,500	99,966	(6,534)
Fines and Forfeitures	85,000	85,000	76,822	(8,178)
Miscellaneous	15,320	15,320	71,632	56,312
Total Revenue	8,126,373	8,124,773	8,267,162	142,389
EXPENDITURES				
General Government	1,305,856	1,385,856 (1)	1,320,683	65,173
Public Safety	6,886,135	6,886,135 (1)	6,392,605	493,530
Public Works	4,455,926	4,479,326 (1)	1,563,506	2,915,820
Contingency	650,000	595,000 (1)	-	595,000
Total Expenditures	13,297,917	13,346,317	9,276,794	4,069,523
Excess of Revenues Over (Under) Expenditures	(5,171,544)	(5,221,544)	(1,009,632)	4,211,912
OTHER FINANCING SOURCES (USES)				
Transfers In	129,375	129,375	76,840	(52,535)
Transfers Out	(1,232,057)	(1,232,057) (1)	(579,521)	652,536
Insurance Recovery	-	50,000	32,130	(17,870)
CBNBWB Water Project Loan	3,600,000	3,600,000	768,407	(2,831,593)
City Hall Seismic Project Loan - URA	600,000	600,000	-	(600,000)
Interfund Loan	(118,098)	(118,098) (1)	(118,094)	4
Du Jour Financing - URA In	736,028	736,028	736,033	5
Du Jour Financing - URA Out	(735,971)	(735,971) (1)	(735,971)	-
Total Other Financing Sources (Uses)	2,979,277	3,029,277	179,824	(2,849,453)
Net Change in Fund Balance	(2,192,267)	(2,192,267)	(829,808)	1,362,459
FUND BALANCE - BEGINNING OF YEAR	3,051,303	3,051,303	3,553,724	502,421
FUND BALANCE - END OF YEAR	\$ 859,036	\$ 859,036	\$ 2,723,916	\$ 1,864,880

(1) Appropriation Level

Reconciliation to Governmental Balance Sheet Fund Balance

Ending Fund Balance - combined due to requirements of GASB 54

Rainy Day Reserve Fund

396,395

Interfund Loan activity

Interfund Loan Receivable

118,094

Interfund Loan Payable

(540,000)

GAAP General Fund Balance

\$ 2,698,405

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, 2013**

JURISDICTIONAL EXCHANGE RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 20,433	\$ 20,433	\$ 27,187	\$ 6,754
Total Revenues	20,433	20,433	27,187	6,754
EXPENDITURES				
Public Works				
Debt Service				
Principal Retirement	112,336	112,336	112,336	-
Interest and Fiscal Charges	5,762	5,762	5,758	4
Total Expenditures	118,098	118,098 (1)	118,094	4
Excess of Revenues Over (Under) Expenditures	(97,665)	(97,665)	(90,907)	6,758
OTHER FINANCING SOURCES (USES)				
Interfund Loan Proceeds	118,098	118,098	118,094	(4)
Net Change in Fund Balance	20,433	20,433	27,187	6,754
FUND BALANCE - BEGINNING OF YEAR	4,801,926	4,801,926	4,802,760	834
FUND BALANCE - END OF YEAR	\$ 4,822,359	\$ 4,822,359	4,829,947	\$ 7,588
Reconciliation to Governmental Balance Sheet Fund Balance				
Interfund Loan activity				
Interfund Loan Payable			(118,094)	
		GAAP General Fund Balance	\$ 4,711,853	

(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, 2013**

<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	\$ 878,840	\$ 878,840	\$ 617,517	\$ (261,323)
Total Revenues	<u>878,840</u>	<u>878,840</u>	<u>617,517</u>	<u>(261,323)</u>
EXPENDITURES				
Debt Service				
Principal	2,076,602	2,076,602	405,269	1,671,333
Interest	948,238	948,238	382,084	566,154
Total Expenditures	<u>3,024,840</u>	<u>3,024,840 (1)</u>	<u>787,353</u>	<u>2,237,487</u>
Excess of Revenues Over (Under) Expenditures	(2,146,000)	(2,146,000)	(169,836)	1,976,164
OTHER FINANCING SOURCES (USES)				
Transfers In	1,626,000	1,626,000	1,127,669	(498,331)
Net Change in Fund Balance	(520,000)	(520,000)	957,833	1,477,833
FUND BALANCE - BEGINNING OF YEAR	<u>520,597</u>	<u>520,597</u>	<u>967,885</u>	<u>447,288</u>
FUND BALANCE - END OF YEAR	<u>\$ 597</u>	<u>\$ 597</u>	<u>\$ 1,925,718</u>	<u>\$ 1,925,121</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, 2013**

URA DOWNTOWN CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Grants	\$ 644,000	\$ 644,000	\$ 399,395	\$ (244,605)
Revenue from Other Agencies	20,000	20,000	-	(20,000)
Interest on Investments	2,300	2,300	8,979	6,679
Seismic Project Loan	66,000	66,000	66,000	-
Miscellaneous	-	502	46,001	45,499
	<u>732,300</u>	<u>732,802</u>	<u>520,375</u>	<u>(212,427)</u>
EXPENDITURES				
General Government				
Materials and Services	457,237	487,611 (1)	434,814	52,797
Capital Outlay	1,539,750	1,173,210 (1)	274,131	899,079
	<u>1,996,987</u>	<u>1,660,821</u>	<u>708,945</u>	<u>951,876</u>
Excess of Revenues Over, -Under Expenditures	(1,264,687)	(928,019)	(188,570)	739,449
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	-	12,262	12,262
Du Jour Financing - URA	355,834	355,834	355,834	-
Transfers In	-	16,872	16,872	-
	<u>355,834</u>	<u>372,706</u>	<u>384,968</u>	<u>12,262</u>
Net Change in Fund Balance	(908,853)	(555,313)	196,398	751,711
FUND BALANCE - BEGINNING OF YEAR	<u>1,200,378</u>	<u>846,838</u>	<u>1,560,312</u>	<u>713,474</u>
FUND BALANCE - END OF YEAR	<u>\$ 291,525</u>	<u>\$ 291,525</u>	1,756,710	<u>\$ 1,465,185</u>
Reconciliation to Governmental Balance Sheet Fund Balance				
Interfund Loan activity				
Interfund Loan Receivable			540,000	
			<u>540,000</u>	
			<u>\$ 2,296,710</u>	
			GAAP General Fund Balance	

(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, 2013**

	<u>WASTEWATER FUND</u>			VARIANCE TO FINAL BUDGET
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Intergovernmental				
Charleston	\$ 120,000	\$ 120,000	\$ 229,992	\$ 109,992
Bunker Hill	55,000	55,000	50,292	(4,708)
Total Intergovernmental	<u>175,000</u>	<u>175,000</u>	<u>280,284</u>	<u>105,284</u>
Charges for Services				
Sewer Permits	5,000	5,000	5,770	770
Sewer Use Fees	4,449,035	4,449,035	4,697,617	248,582
Recreational Vehicle Dump Fees	2,500	2,500	2,241	(259)
Alum Sludge Disposal Fees	80,000	80,000	54,447	(25,553)
Total Charges for Services	<u>4,536,535</u>	<u>4,536,535</u>	<u>4,760,075</u>	<u>223,540</u>
Charges for Use of Money and Property				
Interest on Investments	5,100	5,100	11,420	6,320
Lease Revenue	-	-	-	-
Total Charges for Use of Money and Property	<u>5,100</u>	<u>5,100</u>	<u>11,420</u>	<u>6,320</u>
Miscellaneous	-	-	27,632	27,632
Total Revenues	<u>4,716,635</u>	<u>4,716,635</u>	<u>5,079,411</u>	<u>362,776</u>
EXPENDITURES				
Wastewater Collection and Treatment				
Personal Services	706,474	706,474	652,518	53,956
Materials and Services	2,572,739	2,871,547	2,258,186	613,361
Total Wastewater Collection and Treatment	<u>3,279,213</u>	<u>3,578,021 (1)</u>	<u>2,910,704</u>	<u>667,317</u>
Contingency	631,051	1,137,235 (1)	-	1,137,235
Total Expenditures	<u>3,910,264</u>	<u>4,715,256</u>	<u>2,910,704</u>	<u>1,804,552</u>
Excess of Revenues Over (Under) Expenditures	806,371	1,379	2,168,707	2,167,328
Other Financing Sources (Uses)				
Transfers Out	(2,506,371)	(2,506,371) (1)	(2,486,371)	20,000
Total Other Financing Sources (Uses)	<u>(2,506,371)</u>	<u>(2,506,371)</u>	<u>(2,486,371)</u>	<u>20,000</u>
Net Change in Fund Balance	(1,700,000)	(2,504,992)	(317,664)	2,187,328
FUND BALANCE - BEGINNING OF YEAR	<u>1,700,000</u>	<u>2,504,992</u>	<u>2,504,992</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,187,328</u>	<u>\$ 2,187,328</u>
Reconciliation to Net Position:				
			16,911,083	
			168,034	
			(79,447)	
Total Net Position			<u>\$ 19,186,998</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, 2013**

WASTEWATER IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 900	\$ 900	\$ 13,351	\$ 12,451
Total Revenues	900	900	13,351	12,451
EXPENDITURES				
Capital Outlay	10,723,984	10,723,984 (1)	947,530	9,776,454
Total Expenditures	10,723,984	10,723,984	947,530	9,776,454
Excess of Revenues Over (Under) Expenditures	(10,723,084)	(10,723,084)	(934,179)	9,788,905
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	9,703,213	9,703,213	592,203	(9,111,010)
Transfers In	1,959,871	1,959,871	1,959,871	-
Transfers Out	(1,040,000)	(1,040,000) (1)	(541,669)	498,331
Total Other Financing Sources (Uses)	10,623,084	10,623,084	2,010,405	(8,612,679)
Net Change in Fund Balance	(100,000)	(100,000)	1,076,226	1,176,226
FUND BALANCE - BEGINNING OF YEAR	100,000	100,000	124,398	24,398
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	\$ 1,200,624	<u>\$ 1,200,624</u>
Reconciliation to Net Position:				
			(592,203)	
			<u>\$ 608,421</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, 2013**

<u>BUILDING CODES FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Licenses and Permits	\$ 372,250	\$ 372,250	\$ 152,412	\$ (219,838)
Charges for Use of Money and Property				
Interest on Investments	1,300	1,300	2,412	1,112
Miscellaneous	1,000	1,000	158	(842)
Total Revenues	<u>374,550</u>	<u>374,550</u>	<u>154,982</u>	<u>(219,568)</u>
EXPENDITURES				
Public Works				
Personal Services	299,724	299,724	272,027	27,697
Materials and Services	133,565	133,565	34,034	99,531
Total Building Codes Operations	<u>433,289</u>	<u>433,289</u>	<u>306,061</u>	<u>127,228</u>
Contingency	50,185	50,185	-	50,185
Total Expenditures	<u>483,474</u>	<u>483,474</u>	<u>306,061</u>	<u>177,413</u>
Excess of Revenues Over (Under) Expenditures	(108,924)	(108,924)	(151,079)	(42,155)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(5,300)	(5,300)	(5,300)	-
Total Other Financing Sources (Uses)	<u>(5,300)</u>	<u>(5,300)</u>	<u>(5,300)</u>	<u>-</u>
Net Change in Fund Balance	(114,224)	(114,224)	(156,379)	(42,155)
FUND BALANCE - BEGINNING OF YEAR	400,000	400,000	494,538	94,538
Prior Period Adjustment	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ 285,776</u>	<u>\$ 285,776</u>	<u>338,159</u>	<u>\$ 52,383</u>
Reconciliation to Net Assets:				
Accrued Vacation			(35,433)	
Total Net Assets			<u>\$ 302,726</u>	

(1) Appropriation Level

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

**COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2013**

	COMBINED NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR DEBT SERVICE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 1,488,299	\$ 1,269,110	\$ 2,409,462	\$ 5,166,871
Receivables				
Taxes	185,936	61,977	-	247,913
Accounts	295,180	-	7,162	302,342
Assessments	-	-	41,245	41,245
Prepaid Expenses	749	-	-	749
Total Assets	\$ 1,970,164	\$ 1,331,087	\$ 2,457,869	\$ 5,759,120
LIABILITIES AND FUND BALANCES:				
LIABILITIES				
Accounts Payable	\$ 33,797	\$ -	\$ 14,844	\$ 48,641
Deferred Revenues	164,034	-	41,245	205,279
Deferred Taxes	-	54,550	-	54,550
Total Liabilities	197,831	54,550	56,089	308,470
FUND BALANCES				
Nonspendable	749	-	-	749
Restricted	882,914	1,276,537	313,496	2,472,947
Assigned	888,670	-	2,088,284	2,976,954
Total Fund Balances	1,772,333	1,276,537	2,401,780	5,450,650
Total Liabilities and Fund Balances	\$ 1,970,164	\$ 1,331,087	\$ 2,457,869	\$ 5,759,120

CITY OF COOS BAY
COOS COUNTY, OREGON

COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2013

	<u>STATE GAS TAX</u>	<u>HOTEL/ MOTEL TAX</u>	<u>LIBRARY</u>	<u>911 TAX</u>
ASSETS				
Cash and Investments	\$ 205,325	\$ 23,404	\$ 449,986	\$ 85,482
Receivables				
Property Taxes	-	-	-	-
Accounts	81,084	125,067	40,180	48,849
Prepaid Expenses	-	-	749	-
Total Assets	<u>\$ 286,409</u>	<u>\$ 148,471</u>	<u>\$ 490,915</u>	<u>\$ 134,331</u>
LIABILITIES AND FUND BALANCES:				
LIABILITIES				
Accounts Payable	\$ 12,837	\$ 5,805	\$ 14,780	\$ 375
Deferred Revenue	-	-	-	-
Total Liabilities	<u>12,837</u>	<u>5,805</u>	<u>14,780</u>	<u>375</u>
FUND BALANCES				
Nonspendable	-	-	749	-
Restricted	273,572	-	475,386	133,956
Assigned	-	142,666	-	-
Total Fund Balances	<u>273,572</u>	<u>142,666</u>	<u>476,135</u>	<u>133,956</u>
Total Liabilities and Fund Balances	<u>\$ 286,409</u>	<u>\$ 148,471</u>	<u>\$ 490,915</u>	<u>\$ 134,331</u>

<u>URA DOWNTOWN</u>	<u>URA EMPIRE</u>	<u>URA EMPIRE PROGRAM</u>	<u>URA DOWNTOWN PROGRAM</u>	<u>TOTAL</u>
\$ 211,321	\$ 54,672	\$ 434,765	\$ 23,344	\$ 1,488,299
115,958	69,978	-	-	185,936
-	-	-	-	295,180
-	-	-	-	749
<u>\$ 327,279</u>	<u>\$ 124,650</u>	<u>\$ 434,765</u>	<u>\$ 23,344</u>	<u>\$ 1,970,164</u>
\$ -	\$ -	\$ -	\$ -	\$ 33,797
102,512	61,522	-	-	164,034
102,512	61,522	-	-	197,831
-	-	-	-	749
-	-	-	-	882,914
224,767	63,128	434,765	23,344	888,670
224,767	63,128	434,765	23,344	1,772,333
<u>\$ 327,279</u>	<u>\$ 124,650</u>	<u>\$ 434,765</u>	<u>\$ 23,344</u>	<u>\$ 1,970,164</u>

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CITY OF COOS BAY
COOS COUNTY, OREGON

COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS

June 30, 2013

	<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	\$ 360,043	\$ 1,034	\$ -	\$ 682,204	\$ 225,829	\$ 1,269,110
Receivables						
Taxes	61,977	-	-	-	-	61,977
Total Assets	<u>\$ 422,020</u>	<u>\$ 1,034</u>	<u>\$ -</u>	<u>\$ 682,204</u>	<u>\$ 225,829</u>	<u>\$ 1,331,087</u>
LIABILITIES AND FUND BALANCES:						
LIABILITIES						
Deferred Taxes	\$ 54,550	\$ -	\$ -	\$ -	\$ -	\$ 54,550
Total Liabilities	<u>54,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,550</u>
FUND BALANCES						
Restricted	367,470	1,034	-	682,204	225,829	1,276,537
Total Fund Balances	<u>367,470</u>	<u>1,034</u>	<u>-</u>	<u>682,204</u>	<u>225,829</u>	<u>1,276,537</u>
Total Liabilities and Fund Balances	<u>\$ 422,020</u>	<u>\$ 1,034</u>	<u>\$ -</u>	<u>\$ 682,204</u>	<u>\$ 225,829</u>	<u>\$ 1,331,087</u>

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

**COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2013**

	<u>STREET IMPROVEMENT</u>	<u>PARKS IMPROVEMENT</u>	<u>BIKE/ PEDESTRIAN IMPROVEMENT</u>	<u>SPECIAL IMPROVEMENT</u>
ASSETS				
Cash and Investments	\$ 268	\$ 105,289	\$ 22,525	\$ 144,027
Receivables				
Accounts	-	-	771	-
Assessments	-	-	-	41,245
Total Assets	<u>\$ 268</u>	<u>\$ 105,289</u>	<u>\$ 23,296</u>	<u>\$ 185,272</u>
LIABILITIES AND FUND BALANCES:				
LIABILITIES				
Accounts Payable	\$ -	\$ 10,725	\$ -	\$ -
Deferred Revenues	-	-	-	41,245
Total Liabilities	<u>-</u>	<u>10,725</u>	<u>-</u>	<u>41,245</u>
FUND BALANCES				
Restricted	-	3,409	-	-
Assigned	268	91,155	23,296	144,027
Total Fund Balances	<u>268</u>	<u>94,564</u>	<u>23,296</u>	<u>144,027</u>
Total Liabilities and Fund Balances	<u>\$ 268</u>	<u>\$ 105,289</u>	<u>\$ 23,296</u>	<u>\$ 185,272</u>

TECHNOLOGY RESERVE	TRANSPORTATION SDC	WASTEWATER SDC	STORMWATER SDC
\$ 126,843	\$ 14,496	\$ 244,600	\$ 18,837
-	-	-	-
<u>\$ 126,843</u>	<u>\$ 14,496</u>	<u>\$ 244,600</u>	<u>\$ 18,837</u>
\$ 1,357	\$ -	\$ -	\$ -
-	-	-	-
<u>1,357</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	14,496	244,600	18,837
<u>125,486</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>125,486</u>	<u>14,496</u>	<u>244,600</u>	<u>18,837</u>
<u>\$ 126,843</u>	<u>\$ 14,496</u>	<u>\$ 244,600</u>	<u>\$ 18,837</u>

MAJOR CAPITAL RESERVE	COUNTY-WIDE CAD RESERVE	FIRE STATION FUND	URA EMPIRE CAPITAL PROJECTS	TOTAL
\$ 471,713	\$ 32,154	\$ -	\$ 1,228,710	\$ 2,409,462
6,391	-	-	-	7,162
-	-	-	-	41,245
<u>\$ 478,104</u>	<u>\$ 32,154</u>	<u>\$ -</u>	<u>\$ 1,228,710</u>	<u>\$ 2,457,869</u>
\$ 2,762	\$ -	\$ -	\$ -	\$ 14,844
-	-	-	-	41,245
<u>2,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,089</u>
-	32,154	-	-	313,496
<u>475,342</u>	<u>-</u>	<u>-</u>	<u>1,228,710</u>	<u>2,088,284</u>
<u>475,342</u>	<u>32,154</u>	<u>-</u>	<u>1,228,710</u>	<u>2,401,780</u>
<u>\$ 478,104</u>	<u>\$ 32,154</u>	<u>\$ -</u>	<u>\$ 1,228,710</u>	<u>\$ 2,457,869</u>

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

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013**

	COMBINED NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR DEBT SERVICE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Property Taxes	\$ 1,577,868	\$ 527,156	\$ -	\$ 2,105,024
Other Taxes	2,340,504	-	-	2,340,504
Intergovernmental Revenues	168,133	-	31,371	199,504
Grants	1,681	-	184,597	186,278
Charges for Services	95,779	-	-	95,779
Charge for Use of Money and Property	23,702	2,728	12,338	38,768
Other - Timber Sales	-	-	418,918	418,918
Miscellaneous	60,026	-	33,907	93,933
Total Revenues	4,267,693	529,884	681,131	5,478,708
EXPENDITURES				
Current				
General Government	-	-	309,328	309,328
Public Safety	178,897	-	9,010	187,907
Public Works	1,657,148	-	2,294	1,659,442
Culture and Recreation	1,070,196	-	-	1,070,196
Capital Outlay	-	-	917,247	917,247
Debt Service:				
Principal Retirement	-	1,028,163	-	1,028,163
Interest and Fiscal Charges	-	403,576	-	403,576
Total Expenditures	2,906,241	1,431,739	1,237,879	5,575,859
Excess of Revenues Over (Under) Expenditures	1,361,452	(901,855)	(556,748)	(97,151)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	10,032	10,032
Bond Proceeds	-	20,320	4,185	24,505
Du Jour Financing	-	(736,033)	380,137	(355,896)
Transfers In	337,475	1,769,350	105,269	2,212,094
Transfers Out	(1,692,511)	(30,757)	(156,424)	(1,879,692)
Total Other Financing Sources, (Uses)	(1,355,036)	1,022,880	343,199	11,043
Net Change in Fund Balance	6,416	121,025	(213,549)	(86,108)
FUND BALANCES - BEGINNING OF YEAR	1,765,917	1,155,512	2,615,329	5,536,758
FUND BALANCES - END OF YEAR	\$ 1,772,333	\$ 1,276,537	\$ 2,401,780	\$ 5,450,650

**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, 2013**

	<u>STATE GAS TAX</u>	<u>HOTEL/ MOTEL TAX</u>	<u>LIBRARY</u>	<u>911 TAX</u>
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	868,362	509,075	963,067	-
Charges for Use of Money and Property	751	9,535	5,827	610
Intergovernmental Revenues	-	-	-	168,133
Grants	-	-	1,681	-
Charges for Services	-	-	95,779	-
Miscellaneous	28,366	3,190	28,470	-
Total Revenues	<u>897,479</u>	<u>521,800</u>	<u>1,094,824</u>	<u>168,743</u>
EXPENDITURES				
Current				
Public Safety	-	-	-	178,897
Public Works	1,041,483	615,665	-	-
Culture and Recreation	-	-	1,070,196	-
Total Expenditures	<u>1,041,483</u>	<u>615,665</u>	<u>1,070,196</u>	<u>178,897</u>
Excess of Revenues Over (Under) Expenditures	(144,004)	(93,865)	24,628	(10,154)
OTHER FINANCING SOURCES (USES)				
Transfer In	188,972	148,503	-	-
Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>188,972</u>	<u>148,503</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	44,968	54,638	24,628	(10,154)
FUND BALANCES - BEGINNING OF YEAR	<u>228,604</u>	<u>88,028</u>	<u>451,507</u>	<u>144,110</u>
FUND BALANCES - END OF YEAR	<u>\$ 273,572</u>	<u>\$ 142,666</u>	<u>\$ 476,135</u>	<u>\$ 133,956</u>

<u>URA DOWNTOWN</u>	<u>URA EMPIRE</u>	<u>URA EMPIRE PROGRAM</u>	<u>URA DOWNTOWN PROGRAM</u>	<u>TOTAL</u>
\$ 963,410	\$ 614,458	\$ -	\$ -	\$ 1,577,868
-	-	-	-	2,340,504
3,078	1,359	2,413	129	23,702
-	-	-	-	168,133
-	-	-	-	1,681
-	-	-	-	95,779
-	-	-	-	60,026
<u>966,488</u>	<u>615,817</u>	<u>2,413</u>	<u>129</u>	<u>4,267,693</u>
-	-	-	-	178,897
-	-	-	-	1,657,148
-	-	-	-	1,070,196
-	-	-	-	2,906,241
966,488	615,817	2,413	129	1,361,452
-	-	-	-	337,475
<u>(1,079,571)</u>	<u>(612,940)</u>	<u>-</u>	<u>-</u>	<u>(1,692,511)</u>
<u>(1,079,571)</u>	<u>(612,940)</u>	<u>-</u>	<u>-</u>	<u>(1,355,036)</u>
(113,083)	2,877	2,413	129	6,416
<u>337,850</u>	<u>60,251</u>	<u>432,352</u>	<u>23,215</u>	<u>1,765,917</u>
<u>\$ 224,767</u>	<u>\$ 63,128</u>	<u>\$ 434,765</u>	<u>\$ 23,344</u>	<u>\$ 1,772,333</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, 2013

	<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	\$ 527,156	\$ -	\$ -	\$ -	\$ -	\$ 527,156
Charges for Use of Money and Property	2,728	-	-	-	-	2,728
Total Revenues	529,884	-	-	-	-	529,884
EXPENDITURES						
Debt Services						
Principal Retirement	265,000	564,776	198,387	-	-	1,028,163
Interest and Fiscal Charges	223,300	139,530	40,746	-	-	403,576
Total Expenditures	488,300	704,306	239,133	-	-	1,431,739
Excess of Revenues Over (Under) Expenditures	41,584	(704,306)	(239,133)	-	-	(901,855)
OTHER FINANCING SOURCES (USES)						
Bond Proceeds	-	13,955	6,365	-	-	20,320
Du Jour Financing	-	(355,864)	(380,169)	-	-	(736,033)
Transfers In	76,839	1,046,215	612,937	33,356	3	1,769,350
Transfers Out	-	-	-	(16,872)	(13,885)	(30,757)
Total Other Financing Sources (Uses)	76,839	704,306	239,133	16,484	(13,882)	1,022,880
Net Change in Fund Balance	118,423	-	-	16,484	(13,882)	121,025
FUND BALANCES - BEGINNING OF YEAR	249,047	1,034	-	665,720	239,711	1,155,512
FUND BALANCES - END OF YEAR	\$ 367,470	\$ 1,034	\$ -	\$ 682,204	\$ 225,829	\$ 1,276,537

**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, 2013**

	STREET IMPROVEMENT	PARKS IMPROVEMENT	BIKE/ PEDESTRIAN IMPROVEMENT	SPECIAL IMPROVEMENT
REVENUES				
Intergovernmental Revenues	\$ 5,079	\$ -	\$ 8,771	\$ -
Grants	-	-	-	-
Charges for Use of Money and Property	1	600	100	799
Other - Timber Sales	-	-	-	-
Miscellaneous	-	3,953	-	300
Total Revenues	5,080	4,553	8,871	1,099
EXPENDITURES				
Materials and Services	-	2,294	-	-
Capital Outlay	5,079	24,184	-	-
Debt Service	-	-	-	-
Total Expenditures	5,079	26,478	-	-
Excess of Revenues Over (Under) Expenditures	1	(21,925)	8,871	1,099
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Bond Proceeds	-	-	-	-
Du Jour Financing	-	-	-	-
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Changes in Fund Balance	1	(21,925)	8,871	1,099
FUND BALANCES - BEGINNING OF YEAR	267	116,489	14,425	142,928
FUND BALANCES - END OF YEAR	\$ 268	\$ 94,564	\$ 23,296	\$ 144,027

TECHNOLOGY RESERVE	TRANSPORTATION SDC	WASTEWATER SDC	STORMWATER SDC	COUNTY-WIDE CAD RESERVE
\$ -	\$ -	\$ -	\$ -	\$ 17,521
10,343	-	-	-	-
949	80	1,358	105	171
-	-	-	-	-
-	-	-	-	-
11,292	80	1,358	105	17,692
31,203	-	-	-	9,010
99,225	-	-	-	3,758
-	-	-	-	-
130,428	-	-	-	12,768
(119,136)	80	1,358	105	4,924
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
86,800	-	-	-	4,585
(4,585)	-	-	-	-
82,215	-	-	-	4,585
(36,921)	80	1,358	105	9,509
162,407	14,416	243,242	18,732	22,645
\$ 125,486	\$ 14,496	\$ 244,600	\$ 18,837	\$ 32,154

MAJOR CAPITAL RESERVE	FIRE STATION FUND	URA EMPIRE CAPITAL PROJECTS	TOTAL
\$ -	\$ -	\$ -	\$ 31,371
174,254	-	-	184,597
2,445	108	5,622	12,338
418,918	-	-	418,918
29,654	-	-	33,907
<u>625,271</u>	<u>108</u>	<u>5,622</u>	<u>681,131</u>
138,606	-	139,519	320,632
637,881	-	147,120	917,247
-	-	-	-
<u>776,487</u>	<u>-</u>	<u>286,639</u>	<u>1,237,879</u>
(151,216)	108	(281,017)	(556,748)
10,032	-	-	10,032
-	-	4,185	4,185
-	-	380,137	380,137
-	-	13,884	105,269
(75,000)	(76,839)	-	(156,424)
<u>(64,968)</u>	<u>(76,839)</u>	<u>398,206</u>	<u>343,199</u>
(216,184)	(76,731)	117,189	(213,549)
<u>691,526</u>	<u>76,731</u>	<u>1,111,521</u>	<u>2,615,329</u>
<u>\$ 475,342</u>	<u>\$ -</u>	<u>\$ 1,228,710</u>	<u>\$ 2,401,780</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, 2013**

<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	\$ 800,000	\$ 800,000	\$ 868,362	\$ 68,362
Charges for use of money and property				
Interest on Investments	150	150	751	601
Miscellaneous	30,000	30,000	28,366	(1,634)
Total Revenues	<u>830,150</u>	<u>830,150</u>	<u>897,479</u>	<u>67,329</u>
EXPENDITURES				
Public Works				
Personal Services	399,590	399,590	344,674	54,916
Materials and Services	670,532	700,532	696,809	3,723
Total Public Works	<u>1,070,122</u>	<u>1,100,122</u> (1)	<u>1,041,483</u>	<u>58,639</u>
Contingency	-	139,604	-	139,604
Total Expenditures	<u>1,070,122</u>	<u>1,239,726</u>	<u>1,041,483</u>	<u>198,243</u>
Excess of Revenues Over (Under) Expenditures	(239,972)	(409,576)	(144,004)	(130,914)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(8,000)	(8,000) (1)	-	8,000
Transfers In	188,972	188,972	188,972	-
Total Transfers	<u>180,972</u>	<u>180,972</u>	<u>188,972</u>	<u>8,000</u>
Net Change in Fund Balance	(59,000)	(228,604)	44,968	273,572
FUND BALANCE - BEGINNING OF YEAR	<u>59,000</u>	<u>228,604</u>	<u>228,604</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 273,572</u>	<u>\$ 273,572</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, 2013**

<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	\$ 466,000	\$ 466,000	\$ 509,075	\$ 43,075
Charges for Use of Money and Property				
Interest on Investments	100	100	273	173
Visitors Center Revenue	8,000	8,000	8,542	542
Property Rentals	720	720	720	-
Total Charges for Use of Money and Property	8,820	8,820	9,535	715
Miscellaneous Income	9,000	9,000	3,190	(5,810)
Total Revenues	483,820	483,820	521,800	37,980
EXPENDITURES				
Public Works				
Personal Services	257,836	257,836	233,946	23,890
Materials and Services	410,487	410,487	381,719	28,768
Total Operations	668,323	668,323 (1)	615,665	52,658
Total Expenditures	668,323	668,323	615,665	52,658
Excess of Revenues Over (Under) Expenditures	(184,503)	(184,503)	(93,865)	90,638
OTHER FINANCING SOURCES (USES)				
Transfer In	148,503	148,503	148,503	-
Total Other Financing Sources, (Uses)	148,503	148,503	148,503	-
Net Change in Fund Balance	(36,000)	(36,000)	54,638	90,638
FUND BALANCE - BEGINNING OF YEAR	36,000	36,000	88,028	52,028
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 142,666	\$ 142,666

(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, 2013**

<u>LIBRARY FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Taxes				
County Serial Levy	\$ 927,000	\$ 927,000	\$ 963,067	\$ 36,067
Intergovernmental				
State Library Grant	2,400	2,400	1,681	(719)
Other Grants	2,500	7,900	-	(7,900)
Total Intergovernmental	4,900	10,300	1,681	(8,619)
Charges for Services				
Copies	3,900	3,900	5,392	1,492
Database Specialist Fees	66,551	66,551	73,890	7,339
Library Fees	22,000	22,000	16,497	(5,503)
Total Charge for Services	92,451	92,451	95,779	3,328
Charges for Use of Money and Property				
Interest on Investments	800	800	2,427	1,627
Property Rentals	2,500	2,500	3,400	900
Total Charges for Use of Money and Property	3,300	3,300	5,827	2,527
Miscellaneous				
Donations	30,000	30,000	26,487	(3,513)
Other	500	500	1,983	1,483
Total Miscellaneous	30,500	30,500	28,470	(2,030)
Total Revenues	1,058,151	1,063,551	1,094,824	31,273
EXPENDITURES				
Cultural and Recreation				
Personal Services	846,884	846,884	838,220	8,664
Materials and Services	255,330	260,730	231,976	28,754
Total Library Operations	1,102,214	1,107,614 (1)	1,070,196	37,418
Contingency	262,937	262,937 (1)	-	262,937
Total Expenditures	1,365,151	1,370,551	1,070,196	300,355
Net Change in Fund Balance	(307,000)	(307,000)	24,628	331,628
FUND BALANCE - BEGINNING OF YEAR	307,000	307,000	451,507	144,507
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 476,135	\$ 476,135

(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, 2013**

<u>911 TAX FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
911 Revenue	\$ 168,407	\$ 168,407	\$ 168,133	\$ (274)
Charges for Use of Money and Property				
Interest on Investments	100	100	610	510
Total Revenues	168,507	168,507	168,743	236
EXPENDITURES				
Public Safety				
Personal Services	166,605	166,605	164,782	1,823
Materials and Services	22,500	22,500	14,115	8,385
Total Operations	189,105	189,105 (1)	178,897	10,208
Contingency	15,554	15,554 (1)	-	15,554
Total Expenditures	204,659	204,659	178,897	25,762
Net Change in Fund Balance	(36,152)	(36,152)	(10,154)	25,998
FUND BALANCE - BEGINNING OF YEAR	75,000	75,000	144,110	69,110
FUND BALANCE - END OF YEAR	\$ 38,848	\$ 38,848	\$ 133,956	\$ 95,108

(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, 2013

URA DOWNTOWN SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Property Taxes	\$ 971,770	\$ 971,770	\$ 963,410	\$ (8,360)
Interest on Investments	1,000	1,000	3,078	2,078
Total Revenues	<u>972,770</u>	<u>972,770</u>	<u>966,488</u>	<u>(6,282)</u>
EXPENDITURES				
Debt Service	<u>222,064</u>	<u>222,064</u>	-	<u>222,064</u>
Total Expenditures	<u>222,064</u>	<u>222,064</u>	-	<u>222,064</u>
Excess of Revenues, Over (Under) Expenditures	750,706	750,706	966,488	215,782
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	<u>(1,088,296)</u>	<u>(1,088,296) (1)</u>	<u>(1,079,571)</u>	<u>8,725</u>
Total Other Financing Sources, (Uses)	<u>(1,088,296)</u>	<u>(1,088,296)</u>	<u>(1,079,571)</u>	<u>8,725</u>
Net Change in Fund Balance	(337,590)	(337,590)	(113,083)	224,507
FUND BALANCE - BEGINNING OF YEAR	<u>337,590</u>	<u>337,590</u>	<u>337,850</u>	<u>260</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 224,767</u>	<u>\$ 224,767</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, 2013

URA EMPIRE SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Property Taxes	\$ 592,059	\$ 592,059	\$ 614,458	\$ 22,399
Interest on Investments	100	100	1,359	1,259
Total Revenues	<u>592,159</u>	<u>592,159</u>	<u>615,817</u>	<u>23,658</u>
EXPENDITURES				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over, (Under) Expenditures	592,159	592,159	615,817	23,658
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(619,886)</u>	<u>(619,886) (1)</u>	<u>(612,940)</u>	<u>6,946</u>
Total Other Financing Sources, (Uses)	<u>(619,886)</u>	<u>(619,886)</u>	<u>(612,940)</u>	<u>6,946</u>
Net Change in Fund Balance	(27,727)	(27,727)	2,877	30,604
FUND BALANCE - BEGINNING OF YEAR	<u>27,727</u>	<u>27,727</u>	<u>60,251</u>	<u>32,524</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,128</u>	<u>\$ 63,128</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, 2013**

URA EMPIRE PROGRAM FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ 1,326	\$ 1,326	\$ 2,413	\$ 1,087
Total Revenues	<u>1,326</u>	<u>1,326</u>	<u>2,413</u>	<u>1,087</u>
EXPENDITURES				
Capital Outlay	443,326	433,678 (1)	-	433,678
Total Expenditures	<u>443,326</u>	<u>433,678</u>	<u>-</u>	<u>433,678</u>
Net Change in Fund Balance	(442,000)	(432,352)	2,413	434,765
FUND BALANCE - BEGINNING OF YEAR	<u>442,000</u>	<u>432,352</u>	<u>432,352</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 434,765</u>	<u>\$ 434,765</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, 2013

URA DOWNTOWN PROGRAM FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ 75	\$ 75	\$ 129	\$ 54
Total Revenues	75	75	129	54
EXPENDITURES				
Materials and Services	23,825	23,290 (1)	-	23,290
Total Expenditures	23,825	23,290	-	23,290
Net Change in Fund Balance	(23,750)	(23,215)	129	23,344
Beginning Fund Balance	23,750	23,215	23,215	-
Ending Fund Balance	\$ -	\$ -	\$ 23,344	\$ 23,344

(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, 2013**

GENERAL OBLIGATION BOND REDEMPTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Taxes	\$ 488,300	\$ 488,300	\$ 527,156	\$ 38,856
Charges for Use of Money and Property				
Interest on Investments	-	-	2,728	2,728
Total Revenues	488,300	488,300	529,884	41,584
EXPENDITURES				
Debt Service				
Principal	265,000	265,000	265,000	-
Interest	223,300	223,300	223,300	-
Total Expenditures	488,300	488,300 (1)	488,300	-
Excess of Revenues Over (Under) Expenditures	-	-	41,584	41,584
OTHER FINANCING SOURCES (USES)				
Transfers In	129,375	129,375	76,839	(52,536)
Net Change in Fund Balance	129,375	129,375	118,423	(10,952)
FUND BALANCE - BEGINNING OF YEAR	105,916	105,916	249,047	143,131
FUND BALANCE - END OF YEAR	\$ 235,291	\$ 235,291	\$ 367,470	\$ 132,179

(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, 2013

URA DOWNTOWN BOND FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
EXPENDITURES				
Debt Service				
Principal	\$ 546,717	\$ 560,672	\$ 564,776	\$ (4,104)
Interest	152,359	152,359	139,530	12,829
Total Expenditures	<u>699,076</u>	<u>713,031 (2)</u>	<u>704,306</u>	<u>8,725</u>
Excess of Revenues Over, (Under) Expenditures	(699,076)	(713,031)	(704,306)	8,725
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	13,955	13,955	-
Du Jour Financing	(355,864)	(355,864) (2)	(355,864)	-
Transfers In	1,054,940	1,054,940	1,046,215	(8,725)
Total Other Financing Sources, (Uses)	<u>699,076</u>	<u>713,031</u>	<u>704,306</u>	<u>(8,725)</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, 2013**

URA EMPIRE BOND FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
EXPENDITURES				
Debt Service				
Principal	\$ 189,170	\$ 189,170	\$ 198,387	\$ (9,217)
Interest	50,544	50,544	40,746	9,798
Total Expenditures	<u>239,714</u>	<u>239,714 (2)</u>	<u>239,133</u>	<u>581</u>
Excess of Revenues Over, -Under Expenditures	(239,714)	(239,714)	(239,133)	581
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	-	6,365	6,365
Du Jour Financing	(380,169)	(380,169) (2)	(380,169)	-
Transfers In	619,883	619,883	612,937	(6,946)
Total Other Financing Sources, (Uses)	<u>239,714</u>	<u>239,714</u>	<u>239,133</u>	<u>(581)</u>
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

(2) The sum totals the appropriation level

CITY OF COOS BAY
COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2013

URA DOWNTOWN BOND RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Contingency	699,076	682,204 (1)	-	682,204
Total Expenditures	699,076	682,204	-	682,204
Excess of Revenues Over, -Under Expenditures	(699,076)	(682,204)	-	682,204
OTHER FINANCING SOURCES (USES)				
Transfers In	33,356	33,356	33,356	-
Transfers Out	-	(16,872) (1)	(16,872)	-
Total Other Financing Sources, (Uses)	33,356	16,484	16,484	-
Net Change in Fund Balance	(665,720)	(665,720)	16,484	682,204
FUND BALANCE - BEGINNING OF YEAR	665,720	665,720	665,720	-
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, 2013

URA EMPIRE BOND RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Contingency	239,714	225,829 (1)	-	225,829
Total Expenditures	239,714	225,829	-	225,829
Excess of Revenues Over, -Under Expenditures	(239,714)	(225,829)	-	225,829
OTHER FINANCING SOURCES (USES)				
Transfers In	3	3	3	-
Transfers Out	-	(13,885) (1)	(13,885)	-
Total Other Financing Sources, (Uses)	3	(13,882)	(13,882)	-
Net Change in Fund Balance	(239,711)	(239,711)	(13,882)	225,829
FUND BALANCE - BEGINNING OF YEAR	239,711	239,711	239,711	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,829</u>	<u>\$ 225,829</u>

(1) - Appropriation Level

CITY OF COOS BAY
COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2013

STREET IMPROVEMENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Intergovernmental				
State	\$ 176,274	\$ 176,274	\$ 5,079	\$ (171,195)
Charges for Use of Money and Property				
Interest on Investments	-	-	1	1
Total Revenues	<u>176,274</u>	<u>176,274</u>	<u>5,080</u>	<u>(171,194)</u>
EXPENDITURES				
Public Works				
Capital Outlay	<u>176,274</u>	<u>176,274 (1)</u>	<u>5,079</u>	<u>171,195</u>
Total Expenditures	<u>176,274</u>	<u>176,274</u>	<u>5,079</u>	<u>171,195</u>
Net Change in Fund Balance	-	-	1	1
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>267</u>	<u>267</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 268</u>	<u>\$ 268</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, 2013**

PARKS IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 50	\$ 50	\$ 600	\$ 550
Grants	370,000	370,000	-	(370,000)
Donations	132,362	132,362	4,522	(127,840)
Miscellaneous	-	-	(569)	(569)
Total Revenues	<u>502,412</u>	<u>502,412</u>	<u>4,553</u>	<u>(497,859)</u>
EXPENDITURES				
Culture and Recreation				
Materials and Services	2,429	2,429 (1)	2,294	135
Capital Outlay	580,000	580,000 (1)	24,184	555,816
Total Culture and Recreation	<u>582,429</u>	<u>582,429</u>	<u>26,478</u>	<u>555,951</u>
Contingency	4,520	4,520 (1)	-	4,520
Total Expenditures	<u>586,949</u>	<u>586,949</u>	<u>26,478</u>	<u>560,471</u>
Net Change in Fund Balance	(84,537)	(84,537)	(21,925)	62,612
FUND BALANCE - BEGINNING OF YEAR	<u>84,537</u>	<u>84,537</u>	<u>116,489</u>	<u>31,952</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,564</u>	<u>\$ 94,564</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, 2013

BIKE/PEDESTRIAN PATH CONSTRUCTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Intergovernmental				
State Gas Tax	\$ -	\$ -	\$ 8,771	\$ 8,771
Charges for Use of Money and Property				
Interest on Investments	25	25	100	75
Total Revenues	25	25	8,871	8,846
EXPENDITURES				
Culture and Recreation				
Capital Outlay	22,377	22,377 (1)	-	22,377
Total Expenditures	22,377	22,377	-	22,377
Excess of Revenues Over (Under)				
Expenditures	(22,352)	(22,352)	8,871	31,223
OTHER FINANCING SOURCES (USES)				
Transfers In	8,000	8,000	-	(8,000)
Total Other Financing Sources (Uses)	8,000	8,000	-	(8,000)
Net Change in Fund Balance	(14,352)	(14,352)	8,871	23,223
FUND BALANCE - BEGINNING OF YEAR	14,352	14,352	14,425	73
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 23,296	\$ 23,296

(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, 2013**

SPECIAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 400	\$ 400	\$ 799	\$ 399
Miscellaneous				
Principal	2,200	2,200	-	(2,200)
Interest	2,000	2,000	300	(1,700)
Total Miscellaneous	4,200	4,200	300	(3,900)
Total Revenues	4,600	4,600	1,099	(3,501)
EXPENDITURES				
Culture and Recreation				
Materials and Services	14,550	14,550 (1)	-	14,550
Capital Outlay	137,814	132,978 (1)	-	132,978
Total Expenditures	152,364	147,528	-	147,528
Net Change in Fund Balance	(147,764)	(142,928)	1,099	144,027
FUND BALANCE - BEGINNING OF YEAR	147,764	142,928	142,928	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 144,027	\$ 144,027

(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, 2013**

TECHNOLOGY RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 100	\$ 100	\$ 949	\$ 849
Grants	-	-	10,343	10,343
Total Revenues	<u>100</u>	<u>100</u>	<u>11,292</u>	<u>11,192</u>
EXPENDITURES				
General Government				
Materials and Services	45,000	45,000	(1) 31,203	13,797
Capital Outlay	153,315	153,315	(1) 99,225	54,090
Total Expenditures	<u>198,315</u>	<u>198,315</u>	<u>130,428</u>	<u>67,887</u>
Excess of Revenues Over (Under) Expenditures	(198,215)	(198,215)	(119,136)	79,079
OTHER FINANCING SOURCES (USES)				
Transfers In	86,800	86,800	86,800	-
Transfers Out	(4,585)	(4,585)	(1) (4,585)	-
Total Other Financing Sources (Uses)	<u>82,215</u>	<u>82,215</u>	<u>82,215</u>	<u>-</u>
Net Change in Fund Balance	(116,000)	(116,000)	(36,921)	79,079
FUND BALANCE - BEGINNING OF YEAR	<u>136,000</u>	<u>136,000</u>	<u>162,407</u>	<u>26,407</u>
FUND BALANCE - END OF YEAR	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 125,486</u>	<u>\$ 105,486</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, 2013

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	\$ 43	\$ 43	\$ 80	\$ 37
Total Revenues	<u>43</u>	<u>43</u>	<u>80</u>	<u>37</u>
EXPENDITURES				
Capital Outlay	14,414	14,414 (1)	-	(14,414)
Total Expenditures	<u>14,414</u>	<u>14,414</u>	<u>-</u>	<u>(14,414)</u>
Net Change in Fund Balance	(14,371)	(14,371)	80	14,451
FUND BALANCE - BEGINNING OF YEAR	<u>14,371</u>	<u>14,371</u>	<u>14,416</u>	<u>45</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,496</u>	<u>\$ 14,496</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, 2013**

	<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	\$ 725	\$ 725	\$ 1,358	\$ 633
Total Revenues	<u>725</u>	<u>725</u>	<u>1,358</u>	<u>633</u>
EXPENDITURES				
Wastewater Collection and Treatment				
Capital Outlay	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	725	725	1,358	633
FUND BALANCE - BEGINNING OF YEAR	<u>241,665</u>	<u>241,665</u>	<u>243,242</u>	<u>1,577</u>
FUND BALANCE - END OF YEAR	<u>\$ 242,390</u>	<u>\$ 242,390</u>	<u>\$ 244,600</u>	<u>\$ 2,210</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, 2013

<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	\$ 105	\$ 49
Total Revenues	<u>56</u>	<u>56</u>	<u>105</u>	<u>49</u>
EXPENDITURES				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	56	56	105	49
FUND BALANCE - BEGINNING OF YEAR	<u>18,667</u>	<u>18,667</u>	<u>18,732</u>	<u>65</u>
FUND BALANCE - END OF YEAR	<u>\$ 18,723</u>	<u>\$ 18,723</u>	<u>\$ 18,837</u>	<u>\$ 114</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, 2013**

MAJOR CAPITAL RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 800	\$ 800	\$ 2,445	\$ 1,645
Grants	640,000	40,000	174,254	134,254
Other-Timber Sales	150,000	227,741	418,918	191,177
Miscellaneous	-	-	29,654	29,654
Total Revenues	<u>790,800</u>	<u>268,541</u>	<u>625,271</u>	<u>356,730</u>
EXPENDITURES				
General Government				
Materials and Services	113,500	191,241 (1)	138,606	52,635
Capital Outlay	1,601,000	1,215,321 (1)	637,881	577,440
Total Expenditures	<u>1,714,500</u>	<u>1,406,562</u>	<u>776,487</u>	<u>630,075</u>
Excess of Revenues Over (Under)				
Expenditures	(923,700)	(1,138,021)	(151,216)	986,805
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	10,032	10,032
Transfers In	600,000	522,754	-	(522,754)
Transfers Out	(75,000)	(75,000) (1)	(75,000)	-
Total Other Financing Sources (Uses)	<u>525,000</u>	<u>447,754</u>	<u>(64,968)</u>	<u>(512,722)</u>
Net Change in Fund Balance	(398,700)	(690,267)	(216,184)	474,083
FUND BALANCE - BEGINNING OF YEAR	<u>399,959</u>	<u>691,526</u>	<u>691,526</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,259</u>	<u>\$ 1,259</u>	<u>\$ 475,342</u>	<u>\$ 474,083</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, 2013**

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	\$ 171	\$ 121
Intergovernmental				
Revenue from Other Agencies	17,251	17,251	17,521	270
Total Revenues	17,301	17,301	17,692	391
EXPENDITURES				
General Government				
Materials and Services	10,000	10,000 (1)	9,010	990
Capital Outlay	15,886	15,886 (1)	3,758	12,128
Total Expenditures	25,886	25,886	12,768	13,118
Excess of Revenues Over (Under)				
Expenditures	(8,585)	(8,585)	4,924	13,509
OTHER FINANCING SOURCES (USES)				
Transfers In	4,585	4,585	4,585	-
Net Change in Fund Balance	(4,000)	(4,000)	9,509	13,509
FUND BALANCE - BEGINNING OF YEAR	14,000	14,000	22,645	8,645
FUND BALANCE - END OF YEAR	\$ 10,000	\$ 10,000	\$ 32,154	\$ 22,154

(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, 2013

<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	\$ -	\$ -	\$ 108	\$ 108
Total Revenues	-	-	108	108
EXPENDITURES				
Capital Outlay				
Fire Station	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under)				
Expenditures	-	-	108	108
OTHER FINANCING SOURCES (USES)				
Transfers Out	(129,375)	(129,375)	(1) (76,839)	(52,536)
Net Change in Fund Balance	(129,375)	(129,375)	(76,731)	52,644
FUND BALANCE - BEGINNING OF YEAR	<u>129,375</u>	<u>129,375</u>	<u>76,731</u>	<u>(52,644)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2013**

URA EMPIRE CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
OTC Flex Funds	\$ 3,394,687	\$ 3,394,687	\$ -	\$ (3,394,687)
Interest on Investments	400	400	5,622	5,222
Total Revenues	<u>3,395,087</u>	<u>3,395,087</u>	<u>5,622</u>	<u>(3,389,465)</u>
EXPENDITURES				
Materials and Services	178,887	197,772 (1)	139,519	58,253
Capital Outlay	4,380,469	4,375,469 (1)	147,120	4,228,349
Total Expenditures	<u>4,559,356</u>	<u>4,573,241</u>	<u>286,639</u>	<u>4,286,602</u>
Excess of Revenues Over, (Under) Expenditures	(1,164,269)	(1,178,154)	(281,017)	897,137
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	-	4,185	4,185
Du Jour Financing	380,137	380,137	380,137	-
Transfers In	-	13,885	13,884	(1)
Total Other Financing Sources, (Uses)	<u>380,137</u>	<u>394,022</u>	<u>398,206</u>	<u>4,184</u>
Net Change in Fund Balance	(784,132)	(784,132)	117,189	901,321
FUND BALANCE - BEGINNING OF YEAR	<u>784,132</u>	<u>784,132</u>	<u>1,111,521</u>	<u>327,389</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,228,710</u>	<u>\$ 1,228,710</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, 2013**

RAINY DAY RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 800	\$ 800	\$ 1,970	\$ 1,170
Total Revenues	800	800	1,970	1,170
EXPENDITURES				
Contingency	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	800	800	1,970	1,170
OTHER FINANCING SOURCES (USES)				
Transfer In	99,207	99,207	99,207	-
Total Other Financing Sources, (Uses)	99,207	99,207	99,207	-
Net Change in Fund Balance	100,007	100,007	101,177	1,170
FUND BALANCE - BEGINNING OF YEAR	293,825	293,825	295,218	1,393
FUND BALANCE - END OF YEAR	<u>\$ 393,832</u>	<u>\$ 393,832</u>	<u>\$ 396,395</u>	<u>\$ 2,563</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, 2013

	<u>BALANCE</u> <u>JUNE 30, 2012</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2013</u>
ASSETS				
Cash and Investments	\$ 129,061	\$ 248,392	\$ 226,995	\$ 150,458
LIABILITIES				
Due to Agency	\$ 129,061	\$ 248,392	\$ 226,995	\$ 150,458

CITY OF COOS BAY

SCHEDULE OF EXPENDITURES OF FEDERAL EXPENDITURES
For the Year Ended June 30, 2013

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	TOTAL AWARDS EXPENDED
DEPARTMENT OF THE INTERIOR		
Maintenance Assistance Program	15.616	\$ 1,200
ODFW-Eastside Boat Facility Parking Lot Expansion	15.605	141,323
U.S. DEPARTMENT OF JUSTICE		
Bullet Proof Vest Partnership Grant Program	16.607	2,041
South Coast Interagency Narcotics Team	16.710	59,591
Byrne Grant	16.804	10,343
NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION		
Coastal Management Grant	11.419	14,400
DEPARTMENT OF TRANSPORTATION		
DUII Taskforce OT Reimbursement	20.601	17,440
Three Flags / Safety Belt OT Reimbursement	20.602	3,580
OREGON STATE MARINE BOARD		
OSMB-Eastside Boat Facility Parking Lot Expansion	15.616	20,000
ENVIRONMENTAL PROTECTION AGENCY		
Capitalization Grants for Drinking Water	66.468	768,417 (1)
Total Expenditures		<u>\$ 1,038,335</u>

(1) Major Program

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

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2013**

General Fund:	IMPOSED LEVY OR OR BALANCE UNCOLLECTED AT 7/1/12		DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/13
TAX YEAR							
Current:							
2012-13	\$ 5,405,864	\$ 130,706	\$ (45,759)	\$ 3,713	\$ 4,941,613	\$ 291,499	
Prior Years:							
2011-12	307,272	(79)	(15,599)	9,832	131,714	169,870	
2010-11	165,421	-	(4,762)	11,215	69,608	102,266	
2009-10	90,222	-	(2,080)	16,078	68,035	36,185	
2008-09	34,446	-	(1,563)	8,988	32,589	9,282	
2007-08 & Prior	27,373	-	(3,470)	3,199	8,715	18,387	
Total Prior	<u>624,734</u>	<u>(79)</u>	<u>(27,474)</u>	<u>49,312</u>	<u>310,661</u>	<u>335,990</u>	
Total All Funds	<u>\$ 6,030,598</u>	<u>\$ 130,627</u>	<u>\$ (73,233)</u>	<u>\$ 53,025</u>	<u>\$ 5,252,274</u>	<u>\$ 627,489</u>	

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 5,252,274
Accrual of Receivables:	
June 30, 2012	(90,754)
June 30, 2013	73,854
Taxes in Lieu of Property Taxes	<u>15,404</u>
Total Revenue	<u>\$ 5,250,778</u>

Debt Service Fund:

2012-13	\$ 542,558	13,118	(4,593)	373	495,964	29,256
Prior Years:						
2011-12	30,991	(8)	(1,585)	991	13,279	17,126
2010-11	16,894	-	(486)	1,145	7,109	10,444
2009-10	10,230	-	(236)	1,823	7,714	4,103
2008-09	3,891	-	(177)	1,015	3,681	1,048
2007-08 & Prior	-	-	-	-	-	-
Total Prior	<u>62,006</u>	<u>(8)</u>	<u>(2,484)</u>	<u>4,974</u>	<u>31,783</u>	<u>32,721</u>
Total All Funds	<u>\$ 604,564</u>	<u>\$ 13,110</u>	<u>\$ (7,077)</u>	<u>\$ 5,347</u>	<u>\$ 527,747</u>	<u>\$ 61,977</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 527,747
Accrual of Receivables:	
June 30, 2012	(9,177)
June 30, 2013	7,427
Taxes in Lieu of Property Taxes	<u>1,159</u>
Total Revenue	<u>\$ 527,156</u>

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

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2013**

URBAN RENEWAL:						
<u>TAX YEAR</u>	<u>IMPOSED LEVY OR OR BALANCE UNCOLLECTED AT 7/1/12</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/13</u>
Current:						
2012-13	\$ 1,627,670	\$ 39,355	\$ (14,896)	\$ 1,118	\$ 1,486,769	\$ 87,768
Prior Years:						
2011-12	90,246	(23)	(6,607)	2,918	36,169	50,411
2010-11	49,512	-	(4,781)	3,357	17,478	30,610
2009-10	26,698	-	(5,373)	4,758	15,375	10,708
2008-09	9,072	-	(2,779)	2,365	6,215	2,443
2007-08 & Prior	6,219	-	(1,719)	695	1,199	3,996
Total Prior	<u>181,747</u>	<u>(23)</u>	<u>(21,259)</u>	<u>14,093</u>	<u>76,436</u>	<u>98,168</u>
Total All Funds	<u>\$ 1,809,417</u>	<u>\$ 39,332</u>	<u>\$ (36,155)</u>	<u>\$ 15,211</u>	<u>\$ 1,563,205</u>	<u>\$ 185,936</u>

BALANCE UNCOLLECTED OR UNSEGREGATED	
Downton Special Revenue Fund	\$ 115,958
Empire Special Revenue Fund	69,978
Total Balance Uncollected or Unsegregated - All Funds	<u>185,936</u>

	<u>DOWNTOWN SPECIAL REVENUE</u>	<u>EMPIRE SPECIAL REVENUE</u>
RECONCILIATION TO REVENUE:		
Cash Collections by County Treasurer Above	\$ 970,592	\$ 592,613
Accrual of Receivables:		
June 30, 2012	(16,370)	(9,808)
June 30, 2013	13,446	8,456
Taxes in Lieu of Property Taxes	(4,258)	23,197
Total Revenue	<u>\$ 963,410</u>	<u>\$ 614,458</u>

CITY OF COOS BAY
COOS COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED
BY OREGON STATE REGULATIONS

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November 20, 2013

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, 2013, and have issued our report thereon dated November 20, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Governmental Auditing Standards.

Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

OAR 162-10-0230 Internal Control

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

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

Tara M. Kamp, CPA

Tara M. Kamp, CPA

PAULY, ROGERS AND CO., P.C.

GRANT COMPLIANCE REVIEW

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November 20, 2013

**To the City Council
Coos Bay, Oregon**

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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, 2013, and the related notes to the financial statements, which collectively comprise the basic financial statements, and have issued our report thereon dated November 20, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express an opinion on the effectiveness of internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements are free from material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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November 20, 2013

To the City Council
Coos Bay, Oregon

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Report on Compliance for Each Major Federal Program

We have audited the City of Coos Bay's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the major federal program for the year ended June 30, 2013. The major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Coos Bay, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Other Matters

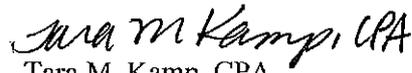
Report on Internal Control Over Compliance

Management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


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

CITY OF COOS BAY
COOS COUNTY, OREGON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2013

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

yes no

Significant deficiency(s) identified that are not considered to be material weaknesses?

yes none reported

Noncompliance material to financial statements noted?

yes no

Any GAGAS audit findings disclosed that are required to be reporting in accordance with section 505(d)(2) of OMB Circular A-133?

yes no

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified?

yes no

Significant deficiency(s) identified that are not considered to be material weaknesses?

yes none reported

Type of auditors' report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, section 510(a)?

yes no

CITY OF COOS BAY
COOS COUNTY, OREGON

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2013

IDENTIFICATION OF MAJOR PROGRAMS

66.468 Capitalization Grants for Drinking Water State Revolving Fund

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low risk auditee?

yes

no

SECTION II – FINANCIAL STATEMENT FINDINGS

NONE NOTED

SECTION III – FEDERAL AWARD FINDINGS

NONE NOTED

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.