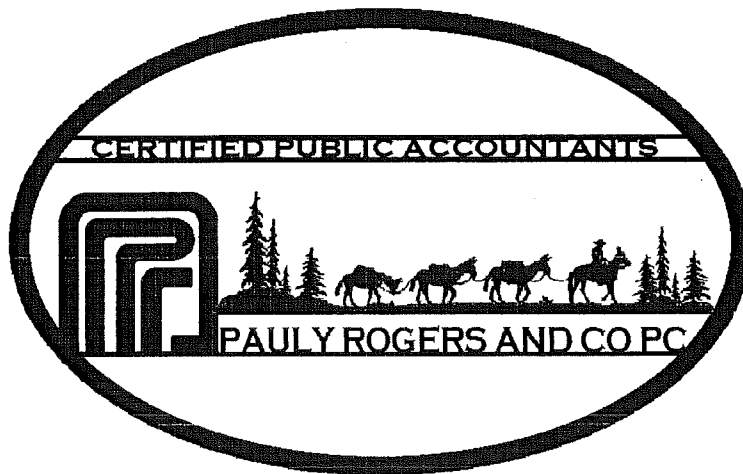


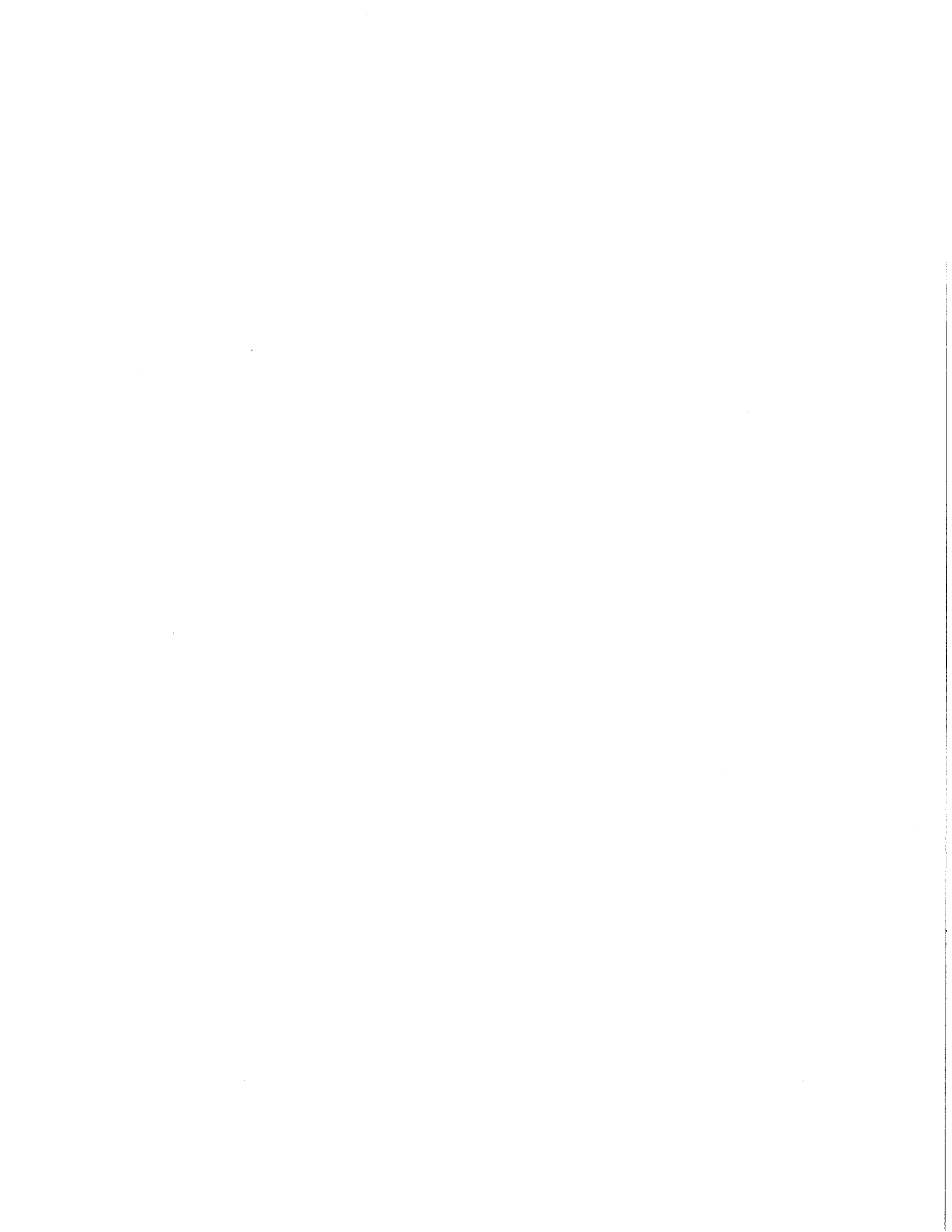
**CITY OF COOS BAY  
COOS COUNTY, OREGON**

**FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2010**



12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223



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

**For the Year Ended June 30, 2010**

**ANNUAL FINANCIAL REPORT**

This Page Intentionally Left Blank

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

**CITY COUNCIL**

**TERM EXPIRES**

Jeff McKeown, Mayor

November 2010

Jon Eck, President

November 2012

Gene Melton

November 2012

Mark Daily

November 2010

John Pundt

November 2010

Joanie Johnson

November 2012

Stephanie Kramer

November 2010

All council members receive mail at the address listed below.

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

This Page Intentionally Left Blank

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

	<b><u>PAGE</u></b> <b><u>NUMBER</u></b>
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	2
FINANCIAL STATEMENTS AND SCHEDULES:	
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	10
Statement of Activities	11
Fund Financial Statements:	
Balance Sheet – Governmental Funds	12
Reconciliation of Balance Sheet of Governmental Funds to Statement of Net Assets	13
Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds	14
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balance – Governmental Funds – To Statement of Activities	15
Statement of Net Assets – Proprietary Funds	16
Statement of Revenues, Expenses and Changes in Net Assets – Proprietary Funds	17
Statement of Cash Flows – Proprietary Funds	18
Statement of Fiduciary Net Assets	19
Notes to Basic Financial Statements	20
Required Supplementary Data:	
General Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Budgetary Basis	41
Fire Station Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Budgetary Basis	42
Jurisdictional Exchange Reserve Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Budgetary Basis	43
Wastewater Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Budgetary Basis	44
Wastewater Equipment Reserve:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Budgetary Basis	45
Supplementary Data:	
Combining Balance Sheet – All Non-Major Governmental Funds	46
Combining Balance Sheet – Non-Major Special Revenue Funds	47
Combining Balance Sheet – Non-Major Debt Service Funds	48
Combining Balance Sheet – Non-Major Capital Projects Funds	49

**CITY OF COOS BAY**  
**COOS COUNTY, OREGON**  
**TABLE OF CONTENTS (CONTINUED)**

	<u><b>PAGE NUMBER</b></u>
Combined Schedule of Revenues, Expenditures and Changes in Fund Balances:	
All Non-Major Governmental Funds	50
Non-Major Special Revenue Funds	51
Non-Major Debt Service Funds	52
Non-Major Capital Projects Funds	53
Schedules of Revenues, Expenditures and Changes in Fund Balance –	
Actual and Budget – Budgetary Basis:	
Non-Major Governmental Funds:	
State Gas Tax Fund	54
Special Police Fund	55
Hotel/Motel Tax Fund	56
Library Fund	57
911 Tax Fund	58
Rainy Day Reserve Fund	59
General Obligation Redemption Fund	60
Revenue Bond Fund	61
Street Improvement Fund	62
Parks Improvement Fund	63
Bike/Pedestrian Path Construction Fund	64
Special Improvement Fund	65
Insurance Reserve Fund	66
Technology Reserve Fund	67
Transportation SDC Fund	68
Wastewater SDC Fund	69
Stormwater SDC Fund	70
County-Wide CAD Core Reserve Fund	71
Major Capital Reserve Fund	72
Combining Statement of Net Assets – Non-Major Proprietary Funds	73
Combining Statement of Revenues, Expenses and Changes in Net Assets – Non-Major Proprietary Funds	74
Schedules of Revenues, Expenditures and Changes in Fund Balance –	
Actual and Budget – Budgetary Basis:	
Non-Major Proprietary Funds:	
Building Codes Fund	75
Building Codes Reserve Fund	76
Schedule of Changes in Assets and Liabilities – Agency Fund	77
Other Financial Schedules:	
Schedule of Property Tax Transactions and Balances of Taxes Uncollected	78
INDEPENDENT AUDITORS’ REPORT REQUIRED BY OREGON STATE REGULATIONS	79





**PAULY, ROGERS AND CO., P.C.**

**CERTIFIED PUBLIC ACCOUNTANTS**

- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

November 12, 2010

To the Honorable Mayor and  
Members of the City Council  
City of Coos Bay, Oregon

**INDEPENDENT AUDITORS' REPORT**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit of the City of Coos Bay, Oregon, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

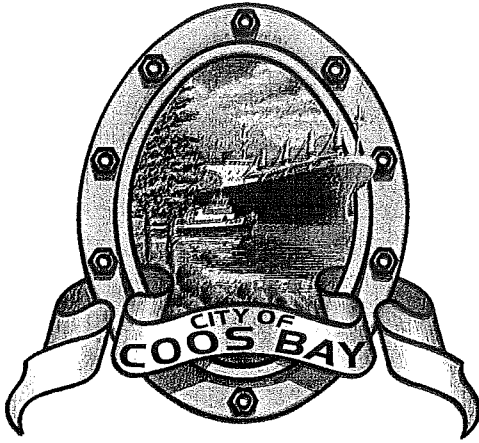
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information, and the discretely presented component unit information of the City of Coos Bay, Oregon, at June 30, 2010, and the results of its operations and cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statement. The required supplementary information and supplementary information, including budgetary comparison schedules as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The required supplementary and supplementary information and other financial schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Management Discussion and Analysis, as listed on the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

*Pauly, Rogers and Co., P.C.*  
**PAULY, ROGERS AND CO., P.C.**

This Page Intentionally Left Blank



# City of Coos Bay

*Finance Department*

500 Central Avenue, Coos Bay, Oregon 97420 • Phone 541-269-8915

Fax 541-267-5912 • <http://www.coosbay.org>

## MANAGEMENT'S DISCUSSION AND ANALYSIS Fiscal Year Ended June 30, 2010

This discussion and analysis presents the highlights of financial activities and financial position for the City of Coos Bay (City). The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please read it in conjunction with the City's financial statements (beginning on page 10).

### FINANCIAL HIGHLIGHTS

The City's net assets decreased approximately \$1.8 million (or 1.2%) from \$146.7 million in FYE09 to \$144.9 million in FYE10. Capital Assets increased approximately \$1.2 million (or 1.1%) from \$113.4 million in FYE09 to \$114.6 million. Governmental capital assets increased \$0.6 million (or 0.6%) from approximately \$100.3 million in FYE09 to \$100.9 million primarily due to Fire Station Construction in Progress offset by infrastructure depreciation. Business-type capital assets increased \$0.6 million (or 5%) from approximately \$13.1 million in FYE09 to \$13.7 million in FYE10 primarily due to Pump Station #10 Rebuild Construction offset by plant and systems depreciation. Investment in Joint Venture increased \$0.67 million (or 3.1%) from approximately \$21.6 million in FYE09 to \$22.2 million in FYE10.

Governmental net assets decreased approximately \$2.8 million (or 2.2%) from \$130.7 million in FYE09 to \$127.9 million in FYE10 primarily due to the downturn in the national economy. Governmental revenue increased approximately \$0.52 million (or 4.5%) from \$11.65 million in FYE09 to \$12.17 million in FYE10. Governmental expenses (including transfers) increased approximately \$1.01 million (or 7.3%) from \$13.87 million in FYE09 to \$14.8 million in FYE10 primarily due to 5% contracted and non-represented wage increases, combined health/worker's compensation cost increases and operational increases (e.g. fuel, utilities and maintenance).

Business-type net assets increased approximately \$0.9 million (or 5%) from \$16.0 million in FYE09 to \$16.9 million in FYE10. Business revenue increased approximately \$0.05 million (or 1%) from \$4.55 million in FYE09 to \$4.60 million in FYE10. Wastewater fund revenue increased approximately \$159,570 (or 4.1%) from \$3.9 million in FYE09 to \$4.0 million in FYE10 primarily due to the City implementing 6.5% rate increase in May 2010. Wastewater Fund expenses increased approximately \$388,051 (or 12.9%) from \$3.0 million in FYE09 to \$3.4 million in FYE10. Building fund revenue increased approximately \$2,227 (or 1.18%) from approximately \$187,788 in FYE09 to \$190,015 in FYE10 primarily due to increased permit activity. Building fund expenses increased approximately \$27,773 (or 9.1%) from \$305,527 in FYE09 to \$333,300 in FYE10 primarily due to increased operational costs.

## REPORT LAYOUT

The City's annual financial report consists of several sections. Taken together they provide a comprehensive look at the City. The components of the report include the following:

**Management's Discussion and Analysis.** This section of the report provides financial highlights, overview and economic factors affecting the City.

**Basic Financial Statements.** Includes Statement of Net Assets, Statement of Activities, fund financial statements and the notes to the financial statements. Statements of Net Assets and Activities focus on an entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the City.

- The Statement of Net Assets focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the community owns (excluding infrastructure), the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.
- The Statement of Activities focuses on gross and net costs of the city programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds." Budgetary comparison statements are presented for the General Fund and the Jurisdictional Exchange Reserve Fund. Statements for the City's proprietary funds follow the governmental funds and include net assets, revenue, expenses, and changes in fund net assets, and cash flows. Budgetary comparisons are presented for the Wastewater Fund.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

**Other Supplementary Information.** Readers desiring additional information on non-major funds can find it in the Combining Statements of Non-major Funds and/or the Supplementary Information-Budgetary Comparison sections of this report. Components within this section include:

- Combining Statements. Major funds are included within the Basic Financial Statements, whereas non-major funds are presented here. These statements include balance sheets and statements of revenues, expenditures and changes in fund balances.
- Budgetary Comparisons. Budgetary information for all funds, except General, Jurisdictional Exchange Reserve, and Wastewater, which are presented in the Basic Financial Statements, are presented here.
- Capital Assets and Other Financial Schedules complete the Financial Section of the report.

**Reports by independent certified public accountants.** Supplemental communication on City compliance and internal controls as required by Oregon statutes.

**CITY AS A WHOLE**

**Government-Wide Financial Statements**

**Table 1**  
**Net Assets at Fiscal Year-End**  
(in millions)

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>	<b>2010</b>
Cash and investments	11.5	\$15.5	3.1	\$2.9	14.6
Other assets	24.1	23.2	0.4	0.3	24.5
Capital assets	100.9	100.3	13.7	13.0	114.6
Long term receivables	5.0	5.3	0.0	0.0	5.0
<b>Total assets</b>	<b>141.5</b>	<b>144.3</b>	<b>17.2</b>	<b>16.2</b>	<b>158.7</b>
Other liabilities	1.7	1.3	0.3	0.2	1.9
Long term debt outstanding	11.8	12.3	0.0	0.0	11.8
<b>Total liabilities</b>	<b>13.5</b>	<b>13.6</b>	<b>0.3</b>	<b>0.2</b>	<b>13.8</b>
<b>Net assets:</b>					
Invested in capital assets, net of debt	89.7	88.6	13.8	13.0	103.5
Invested in Joint Venture	22.2	21.6	0.0	0.0	22.2
Restricted	0.4	5.1	0.9	1.0	1.3
Unrestricted	15.7	15.4	2.2	2.0	17.9
<b>Total net assets</b>	<b>127.9</b>	<b>130.7</b>	<b>16.9</b>	<b>16.0</b>	<b>144.9</b>

**Statement of Net Assets at June 30, 2010:**

The City's net assets decreased approximately \$1.8 million (or 1.2%) from \$146.7 million in FYE09 to \$144.9 million in FYE10. Capital Assets increased approximately \$1.2 million (or 1.1%) from \$113.4 million in FYE09 to \$114.6 million. Governmental capital assets increased \$0.6 million (or 0.6%) from approximately \$100.3 million in FYE09 to \$100.9 million primarily due to Fire Station Construction in Progress offset by infrastructure depreciation. Governmental net assets decreased approximately \$2.8 million (or 2.2%) from \$130.7 million in FYE09 to \$127.9 million in FYE10 primarily due to the downturn in the national economy.

**Business Activities:**

Business-type net assets increased approximately \$0.9 million (or 5%) from \$16.0 million in FYE09 to \$16.9 in FYE10. Business-type capital assets increased \$0.6 million (or 5%) from approximately \$13.1 million in FYE09 to \$13.7 million in FYE10 primarily due to Pump Station #10 Rebuild Construction offset by plant and systems depreciation. Investment in Joint Venture increased \$0.67 million (or 3.1%) from approximately \$21.6 million in FYE09 to \$22.2 million in FYE10.

**Joint Venture**

In 2006-2007 the City's agreement and participation with the Water Board was reviewed. At that time Coos Bay's 50% equity interest in the Coos Bay North Bend Water Board Investment in the Joint Venture was determined to be best reflected as a joint venture relationship in the Statement of Net Assets and Statement of Activities.

Coos Bay's 50% equity interest in the Coos Bay North Bend Water Board Investment in the Joint Venture increased by approximately \$665,290 (or 3.1%) \$21,553,982 (in FYE09) to \$22,219,272 (in FYE10).

### Business-type Activities

Business-type net assets increased primarily due to ongoing increased wastewater revenues per planned rate study and slightly increased building permit activity offset by managed control of discretionary costs.

A portion of the year-end net assets is restricted for specific purposes. The restrictions represent legal or contractual limitations on how the assets may be expended. Within the governmental activities category are bond proceeds and taxes limited to repayment of debt, and the corpus of the jurisdictional exchange proceeds that are restricted from expenditure by City charter. Within the business-type activities are monies restricted for capital projects and building codes revenues are restricted to the building codes program by City Charter.

### Statement of Activities for the Year Ended June 30, 2010:

**Table 2**  
**Governmental and Proprietary Activities**  
**For Fiscal Year Ending June 30, 2010**  
(in millions)

	Governmental Activities		Business-type Activities		Total Government
	2010	2009	2010	2009	2010
<b>REVENUES</b>					
Program revenues					
Charges for services	\$ 0.88	\$1.16	\$4.26	\$ 4.10	5.14
Grants and contributions	0.13	0.02	0.00	0.00	0.13
Capital contributions	0.00	0.00	0.00	0.00	0.00
General revenues					
Taxes	6.93	6.78	0.00	0.00	6.93
Interest	0.20	0.02	0.02	0.07	0.22
Other	4.03	3.67	0.32	0.38	4.35
Total revenues	<u>12.17</u>	<u>11.65</u>	<u>4.60</u>	<u>4.55</u>	<u>16.77</u>
<b>EXPENSES</b>					
Governmental activities	\$14.87	13.86	0.00	0.00	14.87
Business-type activities	0.00	0.00	3.81	3.36	3.81
Total expenses	<u>14.87</u>	<u>13.86</u>	<u>3.81</u>	<u>3.36</u>	<u>18.68</u>
Transfers	<u>0.01</u>	<u>0.01</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>0.00</u>
Increase in net assets	(2.71)	(2.22)	0.80	1.20	(1.91)
Prior Period Adjustmnet	0.00	0.00	0.00	0.00	0.00
Beginning net assets	<u>130.68</u>	<u>132.90</u>	<u>16.10</u>	<u>14.90</u>	<u>146.78</u>
Ending net assets	<u><u>127.97</u></u>	<u><u>130.68</u></u>	<u><u>16.90</u></u>	<u><u>\$16.10</u></u>	<u><u>144.87</u></u>

### Governmental Activities

Governmental revenue (including transfers) increased approximately \$0.52 million (or 4.5%) from \$11.65 million in FYE09 to \$12.17 million in FYE10. Governmental expenses (including transfers) increased

approximately \$1.01 million (or 7.3%) from \$13.87 million in FYE09 to \$14.8 million in FYE10 primarily due to 5% contracted and non-represented wage increases, combined health/worker's compensation cost increases and operational increases (e.g. fuel, utilities and maintenance).

**Business-type Activities:**

Business revenue (including transfers) increased approximately \$0.05 million (or 1%) from \$4.55 million in FYE09 to \$4.60 million in FYE10. Wastewater fund revenue increased approximately \$159,570 (or 4.1%) from \$3.9 million in FYE09 to \$4.0 million in FYE10 primarily due to the City implementing 6.5% rate increase in May 2010. Wastewater Fund expenses increased approximately \$388,051 (or 12.9%) from \$3.0 million in FYE09 to \$3.4 million in FYE10. Building fund revenue increased approximately \$2,227 (or 1.18%) from approximately \$187,788 in FYE09 to \$190,015 in FYE10 primarily due to increased permit activity. Building fund expenses increased approximately \$27,773 (or 9.1%) from \$305,527 in FYE09 to \$333,300 in FYE10 primarily due to increased operational costs.

**BUDGETARY HIGHLIGHTS**

The General Fund appropriations (less transfers and du jour financing) increased approximately \$2.7 million (or 25%) from \$10.7 million in FYE09 to \$13.4 million in FYE10. General Fund actual operating costs in FYE10 were approximately \$7.1 million (or 53%) of the final budget.

Wastewater Funds appropriations (less transfers) increased approximately \$4.7 million (or 80.5%) from \$5.9 million in FYE09 to \$10.7 million in FYE10. Wastewater Fund actual operating and construction costs in FYE10 were approximately \$4.0 million (or 38%) of the final budget. Major capital improvements were in the engineering design phase in FYE10.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

As of June 30, 2010 the City had invested \$114.6 million in capital assets as reflected in the following table. This represents a \$1.2 million net increase for current year activity (additions, deductions and depreciation).

**Table 3**  
**Capital Assets at Fiscal Year-End**  
**(Net of Depreciation)**  
(in millions)

	Governmental		Business-type		Totals	
	2010	2009	2010	2009	2010	2009
Land & assets not depreciated	\$1.8	\$1.8	\$0.0	\$0.0	\$1.8	\$1.8
Land improvements	0.5	0.6	0.1	0.1	0.6	0.7
Buildings & improvements	4.4	4.5	0.0	0.0	4.4	4.5
Machinery & equipment	0.7	0.8	1.3	1.4	2.0	2.2
Vehicles	1.3	1.0	0.6	0.6	1.9	1.6
Infrastructure - streets	85.8	89.6	0.0	0.0	85.8	89.6
Plant and systems	0.0	0.0	10.5	9.8	10.5	9.8
Intangibles	0.0	0.0	0.0	0.0	0.0	0.0
Work in progress	<u>6.4</u>	<u>2.0</u>	<u>1.2</u>	<u>1.2</u>	<u>7.6</u>	<u>3.2</u>
Total	<u>\$100.9</u>	<u>\$100.3</u>	<u>\$13.7</u>	<u>\$13.1</u>	<u>\$114.6</u>	<u>\$113.4</u>

The following table reconciles the change in capital assets. Additions include assets acquired or under Construction at year-end. Reductions are for disposition of assets and depreciation.

**Table 4**  
**Change in Capital Assets**  
(in millions)

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Beginning balance	\$100.3	\$13.1	\$113.4
Additions	5.4	2.3	7.7
Retirement	(0.5)	(1.2)	(1.7)
Retroactive adjustment	0.0	0.0	0.0
Depreciation	(4.3)	(0.5)	(4.8)
Ending balance	<u>\$100.9</u>	<u>\$13.7</u>	<u>\$114.6</u>

Capital Assets from governmental activities increased \$0.6 million primarily due to \$4.7 million Construction in Progress (CIP) offset by the disposals and ongoing infrastructure depreciation.

Business-type activities' capital assets increased \$0.6 million primarily due to \$1.1 million in additions primarily due to rehabilitation of aged infrastructure offset by disposals and depreciation.

**Debt Outstanding**

As of year-end, the City had approximately \$12.3 million in debt outstanding compared to \$13.0 million last year including compensated absences. Debt outstanding at June 30, 2010 due within one year totals \$1,067,525 (\$591,951 principle and \$475,574 interest).

**Table 5**  
**Outstanding Debt at Fiscal Year End**  
(in millions)

	<u>Totals</u>	
	<u>2010</u>	<u>2009</u>
<b>Governmental:</b>		
Compensated absences	\$0.7	\$0.7
General obligations	6.2	6.4
Revenue bonds	4.9	5.2
Loan Payable	0.4	0.5
Revenue secured loans	0.1	0.1
Sub-total	<u>11.6</u>	<u>12.9</u>
<b>Business-type</b>	<u>0.0</u>	<u>0.0</u>
<b>Total</b>	<u>12.3</u>	<u>\$13.0</u>



The City's water bonds and loans are paid from water revenues passed through from the Coos Bay-North Bend Water Board, Joint Venture. Standard & Poor's Rating Services has rated the City's water obligations A+. Standards & Poor's Rating Service has rated the City's 2009 GO Bonds AAA based upon insurance provided by Assured Guarantee. For more detailed information on the City's debt and amortization terms refer to pages 35-37 of the notes.

## **FUND-BASED FINANCIAL ANALYSIS**

**Governmental funds.** The **General Fund** is the chief operating fund of the City. At June 30, 2010 the fund balance, which is all unreserved, was approximately \$3.8 million. The fund balance represents 50% of the revenues for 2009-2010, which is adequate to cover expenditures prior to November when a significant portion of property tax revenues are received.

The **Jurisdictional Exchange Fund** was formed when the City took over 23 lane miles from the State of Oregon in exchange for \$4.8 million. The corpus of these monies is restricted from expenditure by City charter. Fund balance at June 30, 2010 was \$4.9 million. During 2009-2010, this money earned \$49,708 in interest revenue. All amounts over the \$4.8 can be used to maintain and improve the 23 lane miles.

The **Fire Station Fund** was created to account for the bonds and construction of the new Fire Station. The primary source of revenue was debt. Fund balance at June 30, 2010 was \$348,835.

**Business-type funds.** The **Major Wastewater Fund** is used to account for the operations of the wastewater treatment facilities, and sanitary sewer and storm water systems. The primary source of revenue is charges for service. The City implemented a 17% increase to user rates in June 2006, a 25% increase in June 2007, a 5% increase in June 2008, a 6.5% increase in June 2009, a 6.5% increase in May 2010 and a 6.5% increase scheduled for May 2011. The Major Wastewater Fund balance June 30, 2010 is approximately \$1.8 million.

The **Wastewater Reserve Fund** is used to account for the capital expenditures of the wastewater treatment facilities, and sanitary sewer and storm water systems. The primary source of revenue is the transfer of charges for services collected in the Major Wastewater Fund. The Wastewater Reserve Fund balance June 30, 2010 is approximately \$0.9 million. Capital projects earmarked include Oregon Dept. of Environmental Quality mandated upgrades to the wastewater treatment facilities and ongoing rehabilitation of pump stations and collection lines.

## **ECONOMIC FACTORS**

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 3 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.

In 2002 and 2003, some City programs were reduced, and a number of positions were eliminated in order for the City to downsize its budget to meet the limited revenues resulting from Measure 50 and the general downturn in economic conditions. In recent years, some of those positions were reinstated and other new positions have been created as funding has allowed. In FYE09 several positions were reorganized or contracted to curtail rising labor costs in a downturned economy.

The City's business-type activities are funded via utility charges for the Wastewater Fund and license and permit fees for the Building Codes Fund. The City Council authorized a 6.5% Wastewater Rates increase per the rate study plan June 2009 and 6.5 % in May 2010. Building permit activities are down due to a downtown in the national economy beginning fall 2008.

per the rate study plan June 2009 and 6.5 % in May 2010. Building permit activities are down due to a downturn in the national economy beginning fall 2008.

## FINANCIAL CONTACT

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Finance Director at 500 Central Avenue, Coos Bay, Oregon 97420.



Rae Lea Cousens  
City of Coos Bay  
Finance Director

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

**BASIC FINANCIAL STATEMENTS**

This Page Intentionally Left Blank

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

**STATEMENT OF NET ASSETS  
June 30, 2010**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Coos Bay Urban Renewal Agency
<b>ASSETS</b>				
Cash and Investments	\$ 11,451,355	\$ 3,093,298	\$ 14,544,653	\$ 6,499,622
Receivables (Net of Allowance For Uncollectibles)	1,559,813	380,505	1,940,318	163,024
Prepays	5,609	-	5,609	-
Supply Inventory	334	-	334	-
Investment in Joint Venture	22,219,272	-	22,219,272	-
Unamortized Debt Issuance Difference	252,270	-	252,270	-
Capital Assets:				
Capital Assets (Net of Accumulated Depreciation)	100,913,023	13,749,920	114,662,943	4,364,171
Noncurrent Assets:				
Note Receivable - Due Within One Year	238,268	-	238,268	-
Note Receivable - Due in More Than One Year	4,864,414	-	4,864,414	-
<b>Total Assets</b>	<b>141,504,358</b>	<b>17,223,723</b>	<b>158,728,081</b>	<b>11,026,817</b>
<b>LIABILITIES</b>				
Accounts Payable	575,189	251,409	826,598	172,205
Payroll and Payroll Taxes Payable	196,803	-	196,803	-
Interest Payable	36,238	-	36,238	17,451
Accrued Vacation	788,378	68,561	856,939	-
Bond Discount/Premium	138,403	-	138,403	-
Noncurrent Liabilities:				
OPEB Obligation	119,971	-	119,971	-
Due Within One Year:				
Revenue Secured Loans Payable	3,268	-	3,268	-
Bonds Payable	485,000	-	485,000	670,806
Note Payable	103,683	-	103,683	-
Due in More Than One Year:				
Revenue Secured Loans Payable	104,414	-	104,414	-
Bonds Payable	10,705,000	-	10,705,000	5,436,885
Note Payable	277,558	-	277,558	-
<b>Total Liabilities</b>	<b>13,533,905</b>	<b>319,970</b>	<b>13,853,875</b>	<b>6,297,347</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	89,723,023	13,749,920	103,472,943	(1,743,520)
Restricted for:				
Capital Projects	348,835	949,381	1,298,216	1,987,764
Debt Service	62,857	-	62,857	905,431
Unrestricted	37,835,738	2,204,452	40,040,190	3,579,795
<b>Total Net Assets</b>	<b>\$ 127,970,453</b>	<b>\$ 16,903,753</b>	<b>\$ 144,874,206</b>	<b>\$ 4,729,470</b>

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2010**

	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
<b>Functions/Programs</b>			
<b>Primary Government</b>			
<b>Governmental Activities</b>			
General Government	\$ 1,651,426	239,519	113,410
Public Safety	8,321,124	481,077	-
Public Works	2,713,072	154,058	-
Culture and Recreation	1,683,695	-	-
Interest on Long-term Debt	502,617	-	-
<b>Total Governmental Activities</b>	<b>14,871,934</b>	<b>874,654</b>	<b>113,410</b>
<b>Business- Type Activities</b>			
Wastewater	3,408,157	4,068,247	-
Building Codes	333,300	190,015	-
<b>Total Business-Type Activities</b>	<b>3,741,457</b>	<b>4,258,262</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 18,613,391</b>	<b>\$ 5,132,916</b>	<b>\$ 113,410</b>
<b>Component Unit</b>			
Coos Bay Urban Renewal Agency	\$ 892,895	\$ -	\$ -

**General Revenues**

Taxes:  
Property  
Transient Occupancy  
Other Taxes  
Intergovernmental  
Franchise Fees  
Gain (Loss) on Joint Venture  
Investment Earnings  
Miscellaneous  
Gain (Loss) on disposal of assets  
Transfers

**Total General Revenues and Transfers**

**Change in Net Assets**

**Net Assets - beginning of year**

**Net Assets - end of year**

The accompanying notes are an integral part of this statement.

Net Revenue (Expenses) and Changes in Net Assets			Component Unit
Governmental Activities	Business-Type Activities	Total	Coos Bay Urban Renewal Agency
\$ (1,298,497)	\$ -	\$ (1,298,497)	\$ -
(7,840,047)	-	(7,840,047)	-
(2,559,014)	-	(2,559,014)	-
(1,683,695)	-	(1,683,695)	-
(502,617)	-	(502,617)	-
<u>(13,883,870)</u>	<u>-</u>	<u>(13,883,870)</u>	<u>-</u>
-	660,090	660,090	-
-	(143,285)	(143,285)	-
-	516,805	516,805	-
<u>\$ (13,883,870)</u>	<u>\$ 516,805</u>	<u>(13,367,065)</u>	<u>-</u>
-	-	-	(892,895)
5,527,401	-	5,527,401	1,457,165
464,235	-	464,235	-
914,767	-	914,767	-
1,466,079	312,439	1,778,518	-
1,414,727	-	1,414,727	-
665,291	-	665,291	-
192,811	25,627	218,438	55,271
502,404	21,349	523,753	6,000
8,348	-	8,348	-
24,800	(24,800)	-	-
<u>11,180,863</u>	<u>334,615</u>	<u>11,515,478</u>	<u>1,518,436</u>
(2,703,007)	851,420	(1,851,587)	625,541
<u>130,673,460</u>	<u>16,052,333</u>	<u>146,725,793</u>	<u>4,103,929</u>
<u>\$ 127,970,453</u>	<u>\$ 16,903,753</u>	<u>\$ 144,874,206</u>	<u>\$ 4,729,470</u>

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

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2010**

	GENERAL FUND	FIRE STATION FUND	JURISDICTIONAL EXCHANGE RESERVE	OTHER GOVERNMENTAL	TOTAL
<b>ASSETS:</b>					
Cash and Investments	\$ 3,729,222	\$ 834,254	\$ 4,914,027	\$ 1,973,852	\$ 11,451,355
Inventory	334	-	-	-	334
Receivables, Net					
Taxes	598,151	-	-	47,810	645,961
Accounts	274,302	-	-	280,326	554,628
Assessments	304,138	-	-	55,086	359,224
Prepaid Expenses	4,159	-	-	1,450	5,609
<b>Total Assets</b>	<b>\$ 4,910,306</b>	<b>\$ 834,254</b>	<b>\$ 4,914,027</b>	<b>\$ 2,358,524</b>	<b>\$ 13,017,111</b>
<b>LIABILITIES AND FUND EQUITY:</b>					
Liabilities:					
Accounts Payable	\$ 52,050	\$ 485,419	\$ -	\$ 37,720	\$ 575,189
Payroll and Payroll Taxes Payable	196,803	-	-	-	196,803
Deferred Revenues	304,138	-	-	55,086	359,224
Deferred Taxes	504,074	-	-	38,593	542,667
Matured Interest Payable	-	-	-	213	213
<b>Total Liabilities</b>	<b>1,057,065</b>	<b>485,419</b>	<b>-</b>	<b>131,612</b>	<b>1,674,096</b>
Fund Equity:					
Fund Balances:					
Reserved for					
Debt Service	-	-	-	62,857	62,857
Capital Outlay	-	-	4,914,027	-	4,914,027
Unreserved, Reported in					
General Fund	3,853,241	-	-	-	3,853,241
Special Revenue Funds	-	-	-	818,546	818,546
Capital Projects Funds	-	348,835	-	1,345,509	1,694,344
<b>Total Fund Balance</b>	<b>3,853,241</b>	<b>348,835</b>	<b>4,914,027</b>	<b>2,226,912</b>	<b>11,343,015</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 4,910,306</b>	<b>\$ 834,254</b>	<b>\$ 4,914,027</b>	<b>\$ 2,358,524</b>	<b>\$ 13,017,111</b>

The accompanying notes are an integral part of this statement.



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

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

**June 30, 2010**

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

Fund Balances		\$ 11,343,015
<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 assets includes those capital assets among the assets of the City as a whole.</p>		
Net Capital Assets		100,913,023
<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 assets.</p>		
General Obligation Bonds	\$ (11,190,000)	
Revenue Bonds	(107,682)	
Bond Premium	(138,403)	
Notes and Contracts Payable	(381,241)	
Debt Issuance Difference	252,270	
Accrued Interest	(36,025)	
Net Adjustment		(11,601,081)
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>		
Accrued Vacation		(788,378)
Net OPEB Obligation is not reported as a liability in the Governmental Funds Balance Sheet		(119,971)
<p>Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.</p>		
Deferred Revenue		901,891
Joint Venture Note Receivable		5,102,682
Joint Venture Equity Investment		<u>22,219,272</u>
Total Net Assets		<u>\$ 127,970,453</u>

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Year Ended June 30, 2010**

	GENERAL FUND	FIRE STATION FUND	JURISDICTIONAL EXCHANGE RESERVE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>					
Property Taxes	\$ 5,001,031	\$ -	\$ -	\$ 443,678	\$ 5,444,709
Other Taxes	-	-	-	1,379,002	1,379,002
Franchise Fees	1,414,727	-	-	-	1,414,727
Licenses and Permits	118,981	-	-	-	118,981
Intergovernmental	331,800	-	-	1,521,523	1,853,323
Grants	113,410	-	-	-	113,410
Other-Timber Sales	-	-	-	159,131	159,131
Charges for Services	401,575	-	-	104,367	505,942
Charges for Use of Money and Property	91,020	27,522	49,708	24,561	192,811
Fines and Forfeitures	90,600	-	-	-	90,600
Miscellaneous	59,268	37,632	-	209,878	306,778
Total Revenues	<u>7,622,412</u>	<u>65,154</u>	<u>49,708</u>	<u>3,842,140</u>	<u>11,579,414</u>
<b>EXPENDITURES</b>					
Current:					
General Government	1,136,706	-	-	-	1,136,706
Public Safety	5,521,418	-	-	206,161	5,727,579
Public Works	495,998	-	-	1,371,458	1,867,456
Culture and Recreation	-	-	-	1,158,918	1,158,918
Capital Outlay	23,847	4,739,996	-	240,036	5,003,879
Debt Service:					
Principal Retirement	-	-	99,637	473,113	572,750
Interest and Fiscal Charges	-	-	18,457	478,439	496,896
Total Expenditures	<u>7,177,969</u>	<u>4,739,996</u>	<u>118,094</u>	<u>3,928,125</u>	<u>15,964,184</u>
Excess of Revenues Over (Under) Expenditures	444,443	(4,674,842)	(68,386)	(85,985)	(4,384,770)
<b>Other Financing Sources, (Uses)</b>					
Transfers In	-	-	-	295,767	295,767
Transfers Out	(210,902)	-	-	(60,065)	(270,967)
Capital Asset Disposition	-	-	-	8,663	8,663
Du Jour Financing - URA	500,042	-	-	-	500,042
Du Jour Financing - URA	(500,000)	-	-	-	(500,000)
Total Other Financing Sources, (Uses)	<u>(210,860)</u>	<u>-</u>	<u>-</u>	<u>244,365</u>	<u>33,505</u>
Net Change in Fund Balance	233,583	(4,674,842)	(68,386)	158,380	(4,351,265)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>3,619,658</u>	<u>5,023,677</u>	<u>4,982,413</u>	<u>2,068,532</u>	<u>15,694,280</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 3,853,241</u>	<u>\$ 348,835</u>	<u>\$ 4,914,027</u>	<u>\$ 2,226,912</u>	<u>\$ 11,343,015</u>

The accompanying notes are an integral part of this statement.

**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, 2010**

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 \$ (4,351,265)

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	\$	5,042,153	
Disposal of Capital Assets, net		(315)	
Depreciation Expense		(4,389,605)	
Net Adjustment		652,233	652,233

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

Amortization of Bond Issue Difference	\$	(16,818)	
Amortization of Bond Premium/Discount		8,318	
GO Bonds, Notes and Contracts Payable		572,716	
Accrued Vacation		(7,357)	
OPEB Obligation		(119,971)	
Net Adjustment		436,888	436,888

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

Accrued Interest			2,813
------------------	--	--	-------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes	\$	82,692	
Other Receivables		36,454	
Net Adjustment		119,146	119,146

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			(228,113)
Gain (Loss) from Joint Venture			665,291
Change in Net Assets			\$ (2,703,007)

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2010**

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WASTEWATER FUND	WASTEWATER EQUIPMENT RESERVE	NON-MAJOR ENTERPRISE FUNDS	
<b>ASSETS</b>				
Current Assets				
Cash and Investments	\$ 1,762,388	\$ 971,047	\$ 359,863	\$ 3,093,298
Receivables				
Accounts Receivable, Net	380,505	-	-	380,505
Capital Assets, Net	13,749,920	-	-	13,749,920
Total Assets	15,892,813	971,047	359,863	17,223,723
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable and Accrued Liabilities	226,974	21,666	2,769	251,409
Accrued Vacation	45,654	-	22,907	68,561
Total Liabilities	272,628	21,666	25,676	319,970
Net Assets				
Invested in Capital Assets	13,749,920	-	-	13,749,920
Reserved for				
Capital Projects	-	949,381	-	949,381
Unreserved	1,870,265	-	334,187	2,204,452
Total Net Assets	\$ 15,620,185	\$ 949,381	\$ 334,187	\$ 16,903,753

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
For the Year Ended June 30, 2010**

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WASTEWATER FUND	WASTEWATER EQUIPMENT RESERVE	NONMAJOR ENTERPRISE FUNDS	
<b>OPERATING REVENUES</b>				
Licenses and Permits	\$ -	\$ -	\$ 190,015	\$ 190,015
Intergovernmental	312,439	-	-	312,439
Charge for Services	4,068,247	-	-	4,068,247
Total Operating Revenues	4,380,686	-	190,015	4,570,701
<b>OPERATING EXPENSES</b>				
Personal Services	619,306	-	301,657	920,963
Materials and Services	2,199,427	19,191	31,643	2,250,261
Depreciation Expense	570,233	-	-	570,233
Total Operating Expenses	3,388,966	19,191	333,300	3,741,457
Income, (Loss) From Operations	991,720	(19,191)	(143,285)	829,244
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest on Investments	13,536	8,546	3,545	25,627
Other Revenue (Expenses)	20,295	-	1,054	21,349
Total Non-Operating Revenues	33,831	8,546	4,599	46,976
Income, (Loss) Before Contributions and Transfers	1,025,551	(10,645)	(138,686)	876,220
<b>CONTRIBUTIONS AND TRANSFERS</b>				
Capital Contributions	967,874	(967,874)	-	-
Transfers In	-	942,991	-	942,991
Transfers Out	(964,791)	-	(3,000)	(967,791)
Total Transfers	3,083	(24,883)	(3,000)	(24,800)
Change in Net Assets	1,028,634	(35,528)	(141,686)	851,420
Beginning Net Assets	14,591,551	984,909	475,873	16,052,333
Ending Net Assets	\$ 15,620,185	\$ 949,381	\$ 334,187	\$ 16,903,753

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
For the Year Ended June 30, 2010**

	Business-type Activities			TOTAL PROPRIETARY
	MAJOR WASTEWATER	WASTEWATER EQUIPMENT RESERVE	NONMAJOR ENTERPRISE	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 4,366,359	\$ -	\$ 190,015	\$ 4,556,374
Payments to Suppliers	(2,170,873)	(107,002)	(35,314)	(2,313,189)
Payments to Employees	(613,198)	-	(289,375)	(902,573)
Net Cash Provided by Operating Activities	<u>1,582,288</u>	<u>(107,002)</u>	<u>(134,674)</u>	<u>1,340,612</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from Other Funds	-	942,991	-	942,991
Transfers to Other Funds	(964,791)	-	(3,000)	(967,791)
Net Cash Provided by Noncapital Financing Activities	<u>(964,791)</u>	<u>942,991</u>	<u>(3,000)</u>	<u>(24,800)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of Capital Assets	(1,230,996)	-	-	(1,230,996)
Capital Contributions	967,874	(967,874)	-	-
Other Revenue (Expenses)	33,831	8,546	4,599	46,976
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(229,291)</u>	<u>(959,328)</u>	<u>4,599</u>	<u>(1,184,020)</u>
Net Increase, (Decrease) in Cash and Cash Equivalents	388,206	(123,339)	(133,075)	131,792
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>1,374,182</u>	<u>1,094,386</u>	<u>492,938</u>	<u>2,961,506</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,762,388</u>	<u>\$ 971,047</u>	<u>\$ 359,863</u>	<u>\$ 3,093,298</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income	\$ 991,720	\$ (19,191)	\$ (143,285)	\$ 829,244
Adjustments				
Depreciation/Amortization	570,233	-	-	570,233
(Increase), Decrease in Accounts Receivable	(14,327)	-	-	(14,327)
Increase (Decrease) in Accrued Vacation	6,108	-	12,282	18,390
Increase, (Decrease) in Accounts Payable/Accrued Liabilities	28,554	(87,811)	(3,671)	(62,928)
Net Cash From Operations	<u>\$ 1,582,288</u>	<u>\$ (107,002)</u>	<u>\$ (134,674)</u>	<u>\$ 1,340,612</u>

The accompanying notes are an integral part of this statement.

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

**STATEMENT OF FIDUCIARY FUNDS - NET ASSETS**  
**AGENCY FUND**  
**June 30, 2010**

---

	<u>AGENCY FUND</u> <u>VISITORS CONVENTION</u> <u>BUREAU</u>
<b>ASSETS:</b>	
Cash and Investments	\$ 81,007
Total Assets	<u>81,007</u>
<b>LIABILITIES:</b>	
Due to Other Agency	<u>81,007</u>
<b>NET ASSETS:</b>	
Total Net Assets	
Unrestricted	<u><u>\$ -</u></u>

See accompanying notes to basic financial statements

This Page Intentionally Left Blank



**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. 39, 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. 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 City believes the financial data of the component unit included in the financial reporting entity meets the criteria for discrete presentation and is presented in the component unit column in the basic financial statements.

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. 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 assets 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.

Fire Station Fund – This fund accounts for the general obligation bond and the construction of the Fire Station.

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.

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 Equipment Reserve Fund – This fund is used to accumulate resources of major wastewater equipment purchases. The primary sources of revenue are earnings on investments and operating transfers.

Additionally, there are the following *non-major proprietary funds*:

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

Building Codes Reserve Fund – This fund is used to accumulate resources to purchase capital outlay for building codes department. The primary source of revenue is operating transfers.

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

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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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.

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, 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 30<sup>th</sup>.

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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**BUDGETS (CONTINUED)**

Budget amounts shown in the basic financial statements reflect the original budget amount and appropriation transfers. Expenses of the various funds were within authorized appropriations for the year ended June 30, 2010, except for the Wastewater Fund - Wastewater Collection and Treatment by \$260, the Technology Reserve Fund – Capital Outlay by \$1,078, and the County-Wide CAD Core Reserve Fund – Materials and Services by \$722.

**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 and disclosures. Actual results could differ from those estimates.

**ASSETS, LIABILITIES, AND NET ASSETS 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.

**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.”

Recorded 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 assets. 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.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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 received rather than as consumed. Supply balances on hand at year end are not considered material.

**Compensated Absences**

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

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Long-term obligations**

In the government-wide financial statements, and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. 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.

**Fund equity/Net assets**

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

Net assets comprise the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net assets are 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 asset 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 assets – consists of all other net assets that are not included in the other categories previously mentioned.

**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	18,973,554
Investments	<u>2,150,728</u>

Total Cash and Investments \$ 21,125,282

Reconciliation of Cash Reported in:

Governmental	\$ 11,451,355
Business Type	3,093,298
Component Unit	6,499,622
Visitors Convention Bureau	<u>81,007</u>

Total Cash and Investments \$ 21,125,282

**Deposits**

Deposits with financial institutions consist of bank demand deposits. The total bank balance per the bank statements for all pooled cash is \$19,763,289. 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, 2010, 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, 2010 the fair value of the position in the LGIP is 99.56% of the 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, 2010, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
State Treasurer's Investment Pool	\$ 57,888	\$ 57,888	\$ -	\$ -
Certificate of Deposits	2,092,840	2,092,840	-	-
<b>Total</b>	<b>\$ 2,150,728</b>	<b>\$ 2,150,728</b>	<b>\$ -</b>	<b>\$ -</b>

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. Currently, there are more than 1,500 participants in the Pool. 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, 2010, 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, 2010 and 2009 are \$788,378, and \$781,021. The business type funds compensated absences balances at June 30, 2010 and 2009 are \$68,561, and \$50,171.

Compensated Absences	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental	\$ 781,021	\$ 788,378	\$ (781,021)	\$ 788,378
Business Type	50,171	68,561	(50,171)	68,561
	<u>\$ 831,192</u>			<u>\$ 856,939</u>

**4. CAPITAL ASSETS**

Capital asset activity for governmental activities of the primary government for the year ended June 30, 2010 was as follows:

Description	GOVERNMENTAL ACTIVITIES CAPITAL ASSETS			
	<u>June 30, 2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2010</u>
Capital assets not being depreciated				
Land	\$ 996,285	\$ -	\$ -	\$ 996,285
Museum art works collection	753,700	6,695	-	760,395
Construction In Progress	2,023,848	4,744,882	(380,040)	6,388,690
Total Capital Assets not being depreciated	<u>3,773,833</u>	<u>4,751,577</u>	<u>(380,040)</u>	<u>8,145,370</u>
Other Capital Assets				
Land and Improvements	1,991,916	-	-	1,991,916
Buildings and Improvements	6,781,557	58,719	-	6,840,276
Machinery and Equipment	1,866,745	141,837	(27,450)	1,981,132
Vehicles	3,148,838	451,199	(143,396)	3,456,641
Intangibles	-	18,862	-	18,862
Infrastructure - streets	151,327,094	-	-	151,327,094
Total other Capital Assets	<u>165,116,150</u>	<u>670,617</u>	<u>(170,846)</u>	<u>165,615,921</u>
Less Accumulated Depreciation				
Land Improvements	1,408,529	48,700	-	1,457,229
Buildings and Improvements	2,272,836	167,190	-	2,440,026
Machinery & Equipment	1,097,015	179,967	(27,135)	1,249,847
Vehicles	2,121,076	214,775	(143,396)	2,192,455
Intangibles	-	630	-	630
Infrastructure - streets	61,729,737	3,778,343	-	65,508,080
Total Accumulated Depreciation	<u>68,629,193</u>	<u>4,389,605</u>	<u>(170,531)</u>	<u>72,848,267</u>
Total Governmental Activities	<u>\$ 100,260,789</u>	<u>\$ 1,032,588</u>	<u>\$ (380,356)</u>	<u>\$ 100,913,023</u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**4. CAPITAL ASSETS (CONTINUED)**

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

<u>Function</u>	<u>Governmental Funds</u>
General Government	\$ 504,485
Public Safety	2,541,975
Public Works	828,802
Culture and Recreation	<u>514,343</u>
 Total	 <u>\$ 4,389,605</u>

Capital asset activity for business type activities for the year ended June 30, 2010 was as follows:

<u>Description</u>	<u>BUSINESS TYPE ACTIVITIES</u>			
	<u>June 30, 2009</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2010</u>
Capital assets not being depreciated				
Construction in Progress	\$ 1,180,266	\$ 1,088,299	\$ (1,058,014)	\$ 1,210,551
Total Capital Assets not being depreciated	<u>1,180,266</u>	<u>1,088,299</u>	<u>(1,058,014)</u>	<u>1,210,551</u>
Other Capital Assets - Wastewater				
Land and Improvements	1,982,091	-	-	1,982,091
Machinery & Equipment	3,851,618	46,882	-	3,898,500
Vehicles	1,146,336	25,975	(106,410)	1,065,901
Plant and System	16,788,502	1,128,329	-	17,916,831
Total other Capital Assets	<u>23,768,547</u>	<u>1,201,186</u>	<u>(106,410)</u>	<u>24,863,323</u>
Less Accumulated Depreciation				
Land and Improvements	1,839,206	47,207	-	1,886,413
Machinery & Equipment	2,473,729	129,665	-	2,603,394
Vehicles	555,128	50,358	(105,935)	499,551
Plant and System	6,991,593	343,003	-	7,334,596
Total Accumulated Depreciation	<u>11,859,656</u>	<u>570,233</u>	<u>(105,935)</u>	<u>12,323,954</u>
Total Business Type Activities	<u>\$ 13,089,157</u>	<u>\$ 1,719,252</u>	<u>\$ (1,058,489)</u>	<u>\$ 13,749,920</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:

**Governmental Activities Depreciation Allocation to Function**

<u>Function</u>	<u>Business Type Funds</u>
Wastewater	<u>\$ 570,233</u>
Total	<u><u>\$ 570,233</u></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 serviced 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 10.18% of covered payroll for Tier One/Two employees and 7.14% for general OPSRP employees and 9.85% for public safety. The contribution to the plan for the years ending June 30, 2010, 2009, and 2008 were as follows:

For the Year Ended June 30,	Annual Pension Cost (APC) (ARC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 878,113	100%	\$ -
2009	\$ 993,295	100%	\$ -
2008	\$ 999,135	100%	\$ -

Annual Pension Costs

For the year ended June 30, 2010, 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, 1999, actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 8.00% investment rate of return (net of administrative expenses), (b) projected salary increases was 4.25% per year, and (c) 2.00% per year post-retirement cost-of-living increases. The underlying long-term assumed rate of inflation is 3.50% per year. The actuarial value of PERS assets are valued on the Expected Value Method.

Schedule of Funding Progress

Dec. 31 Valuation Date	Value	Actuarial Liability	Unfunded Actuarial of Assets	Funded Percent	Covered Payroll	Excess as a Percent of Covered Liability
2008	\$29,981,209	\$37,359,256	\$ 7,378,047	80%	\$ 5,072,888	145%
2007	38,665,975	35,658,154	(3,007,821)	108%	4,801,518	-63%
2006	36,494,231	33,901,635	(2,592,596)	108%	4,358,838	59%

**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 EMPLOYEMENT 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'. There is not established a formal plan 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 not a plan to fund these benefits, but an actuary has calculated that the implied subsidy included in healthcare costs for the year ended June 30, 2010, was approximately \$119,971 There is no contribution from retirees receiving benefits.

*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.

Annual Required Contribution (ARC)	\$ 197,070
Annual benefit contributions deemed to be made	<u>(77,099)</u>
Increase in net OPEB obligation	119,971
Net OPEB obligation - beginning of year	<u>-</u>
Net OPEB obligation - end of year	<u><u>\$ 119,971</u></u>

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, 2010, along with preceding fiscal years, were as follows:

<u>Year</u> <u>Ended</u>	<u>OPEB</u> <u>Cost</u>	<u>Annual OPEB</u> <u>Cost Contributed</u>	<u>OPEB</u> <u>Obligation</u>
6/30/2008	n/a	n/a	n/a
6/30/2009	n/a	n/a	n/a
6/30/2010	\$ 197,070	39.00%	\$ 119,971

*Funding status and funding progress.* As of August 1, 2008, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$1,310,923 all of which was unfunded.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**7. POST EMPLOYEMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)**

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: 4.5% for unfunded liabilities.
- Health Cost Trend: 8% for the first year, 7% in the second year, 6.5% in the third year, 6.0% in the fourth year through the fourteenth year, 5.5% for the fifteenth through the twenty ninth year, and 5.0% thereafter.
- Annual Payroll Increase: 3.75% compounded annually.
- Disability: Not used.
- Retirement: Based on the Oregon PERS assumptions.
- Withdrawal: Based on the Oregon PERS assumptions.
- Mortality: Generally, the PR-2000 healthy combined male and female mortality tables set back two years.
- 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: 70% of active members are assumed to elect coverage until age 65, and 50% of participants are estimated to elect spousal coverage until the spouse reaches age 65.
- Spousal age: Females spouses are assumed to be two years younger than male spouses.

The following is required supplementary information regarding funding progress:

Actuarial Valuation Date	Actuarial Value of Assets	AAL Unit Credit	UAAL	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
8/1/2006	\$ -	\$ 1,364,923	\$ 1,364,923	0.00%	n/a	n/a
8/1/2008	\$ -	\$ 1,310,923	\$ 1,310,923	0.00%	n/a	n/a

NOTE: No prior actuarial valuations have been completed.

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

**8. LONG TERM DEBT**

The long term debt is associated with *governmental activities* only. There are no long term liabilities associated with the *business-type 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
2010-2011	\$ 235,000	\$ 217,211	\$ 452,211
2011-2012	250,000	206,905	456,905
2012-2013	255,000	195,217	450,217
2013-2014	275,000	181,967	456,967
2014-2015	285,000	167,967	452,967
2015-2020	1,665,000	609,232	2,274,232
2020-2025	2,030,000	230,527	2,260,527
<b>Total</b>	<b>\$ 4,995,000</b>	<b>\$ 1,809,026</b>	<b>\$ 6,804,026</b>

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
2010-2011	\$ 3,268	\$ 5,352	\$ 8,620
2011-2012	3,431	5,189	8,620
2012-2013	3,601	5,019	8,620
2013-2014	3,780	4,840	8,620
2014-2015	3,968	4,652	8,620
2015-2020	23,001	20,098	43,099
2020-2025	29,315	13,786	43,101
2025-2030	37,318	5,741	43,059
Total	<u>\$ 107,682</u>	<u>\$ 64,677</u>	<u>\$ 172,359</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
2010-11	\$ 103,683	\$ 14,411	\$ 118,094
2011-12	107,931	10,163	118,094
2012-13	112,333	5,761	118,094
2013-14	57,294	1,153	58,447
Total	<u>\$ 381,241</u>	<u>\$ 31,488</u>	<u>\$ 412,729</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.

Fiscal Year	Issue of April 15, 2009		
	Principal	Interest	Total
2010-11	\$ 250,000	\$ 238,600	\$ 488,600
2011-12	260,000	231,100	491,100
2012-13	265,000	223,300	488,300
2013-14	275,000	215,350	490,350
2014-15	285,000	207,100	492,100
2015-2020	1,580,000	871,350	2,451,350
2020-2025	1,925,000	528,550	2,453,550
2025-2030	1,355,000	117,881	1,472,881
<b>Total</b>	<b>\$ 6,195,000</b>	<b>\$ 2,633,231</b>	<b>\$ 8,828,231</b>

Interest rate: 3.0 - 4.375% fixed annual rate.

**Changes in Long-Term Liabilities:** During the year ended June 30, 2010, the following changes occurred in long-term liabilities:

	Balance 7/1/2009	Additions	Reductions	Balance 6/30/2010	Due in One Year
General Obligation:					
Revenue Bonds:					
Water Bonds					
June 14, 2005 (refunding)	\$ 110,795	\$ -	\$ (3,113)	\$ 107,682	\$ 3,268
GO Fire Station April 15, 2009	6,440,000	-	(245,000)	6,195,000	250,000
Revenue Secured Bond:					
April, 2006 (refunding)	5,220,000	-	(225,000)	4,995,000	235,000
Business Loan:					
August 17, 2005	480,844	-	(99,603)	381,241	103,683
<b>Total</b>	<b>\$ 12,251,639</b>	<b>\$ -</b>	<b>\$ (572,716)</b>	<b>\$ 11,678,923</b>	<b>\$ 591,951</b>

**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, 2010:

Cash and investments	\$ 4,351,285
Other assets	<u>51,442,059</u>
Total assets	<u><u>\$ 55,793,344</u></u>
Total liabilities	\$ 11,354,799
Total equity	<u>44,438,545</u>
Total liabilities and equity	<u><u>\$ 55,793,344</u></u>

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**11. INVESTMENT IN JOINT VENTURE (CONTINUED)**

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

<u>Balance</u> <u>July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2010</u>
\$ 21,553,982	\$ 665,290	\$ -	\$ 22,219,272

An investment in joint venture in the amount of \$22,219,272 million was booked as an asset (Investment in Joint Venture) in Fiscal Year 2009-2010, 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, 2010, the Water Board remitted \$4,072,759 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 \$57,037.

**13. NOTES RECEIVABLE**

There is a note receivable carried on the statement of net assets. 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, 2010 is \$5,102,682. This includes the 2005 and 2006 refunding issues. The Water Board also pays the interest on these issues (see footnote 8).

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

**NOTES TO BASIC FINANCIAL STATEMENTS**

---

**14. TRANSFERS**

Transfers made during the year are summarized as follows:

<u>Fund:</u>	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental Funds:		
General	\$ -	\$ 210,902
Other Governmental	<u>295,767</u>	<u>60,065</u>
	<u>\$ 295,767</u>	<u>\$ 270,967</u>
Business Type Funds	<u>\$ 942,991</u>	<u>\$ 967,791</u>
Total Transfers	<u>\$ 1,238,758</u>	<u>\$ 1,238,758</u>

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

This Page Intentionally Left Blank

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

**REQUIRED SUPPLEMENTARY DATA**

This Page Intentionally Left Blank



**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, 2010**

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES</b>				
Property Taxes	\$ 4,781,939	\$ 4,781,939	\$ 5,001,031	\$ 219,092
Franchise Fees	1,396,000	1,396,000	1,414,727	18,727
Licenses and Permits	142,000	142,000	118,981	(23,019)
Intergovernmental	353,077	353,077	331,800	(21,277)
Grants	4,433,683	4,433,683	113,410	(4,320,273)
Charges For Services	424,316	424,316	401,575	(22,741)
Charges for Use of Money and Property	142,000	142,000	91,020	(50,980)
Fines and Forfeitures	98,224	98,224	90,600	(7,624)
Miscellaneous	21,350	21,350	59,268	37,918
<b>Total Revenue</b>	<u>11,792,589</u>	<u>11,792,589</u>	<u>7,622,412</u>	<u>(4,170,177)</u>
<b>EXPENDITURES</b>				
General Government	1,070,743	1,484,071 (1)	1,136,706	347,365
Public Safety	5,798,862	5,798,862 (1)	5,521,418	277,444
Public Works	591,004	591,004 (1)	512,227	78,777
Special Payments	4,406,283	4,406,283 (1)	7,618	4,398,665
Contingency	2,104,795	1,191,467 (1)	-	1,191,467
<b>Total Expenditures</b>	<u>13,971,687</u>	<u>13,471,687</u>	<u>7,177,969</u>	<u>6,293,718</u>
Excess of Revenues Over (Under) Expenditures	(2,179,098)	(1,679,098)	444,443	2,123,541
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	41,600	41,600	-	(41,600)
Transfers Out	(262,502)	(262,502) (1)	(210,902)	51,600
Du Jour Financing - URA	-	500,000	500,042	42
Du Jour Financing - URA	-	(500,000) (1)	(500,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(220,902)</u>	<u>(220,902)</u>	<u>(210,860)</u>	<u>10,042</u>
<b>Net Change in Fund Balance</b>	(2,400,000)	(1,900,000)	233,583	2,133,583
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>2,400,000</u>	<u>1,900,000</u>	<u>3,619,658</u>	<u>1,719,658</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,853,241</u>	<u>\$ 3,853,241</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, 2010**

FIRE STATION RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ 50,000	\$ 50,000	\$ 27,522	\$ (22,478)
Grants	130,000	130,000	-	(130,000)
Miscellaneous	50,000	50,000	37,632	(12,368)
Total Revenues	<u>230,000</u>	<u>230,000</u>	<u>65,154</u>	<u>(164,846)</u>
<b>EXPENDITURES</b>				
Capital Outlay				
Fire Station	5,630,000	5,203,677	(1) 4,739,996	463,681
Total Expenditures	<u>5,630,000</u>	<u>5,203,677</u>	<u>4,739,996</u>	<u>463,681</u>
Net Change in Fund Balance	(5,400,000)	(4,973,677)	(4,674,842)	298,835
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>5,400,000</u>	<u>4,973,677</u>	<u>5,023,677</u>	<u>50,000</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 348,835</u>	<u>\$ 348,835</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, 2010**

JURISDICTIONAL EXCHANGE RESERVE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ 50,003	\$ 50,003	\$ 49,708	\$ (295)
Total Revenues	<u>50,003</u>	<u>50,003</u>	<u>49,708</u>	<u>(295)</u>
<b>EXPENDITURES</b>				
Public Works				
Debt Service				
Principal Retirement	99,603	99,603	99,637	(34)
Interest and Fiscal Charges	18,491	18,491	18,457	34
Total Expenditures	<u>118,094</u>	<u>118,094 (1)</u>	<u>118,094</u>	<u>-</u>
Net Change in Fund Balance	(68,091)	(68,091)	(68,386)	(295)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>4,868,091</u>	<u>4,868,091</u>	<u>4,982,413</u>	<u>114,322</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,800,000</u>	<u>\$ 4,800,000</u>	<u>\$ 4,914,027</u>	<u>\$ 114,027</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, 2010**

	<u>WASTEWATER FUND</u>			VARIANCE TO FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>
<b>REVENUES</b>				
Intergovernmental				
Grants	\$ 64,253	\$ 64,253	\$ -	\$ (64,253)
Charleston	187,000	187,000	220,946	33,946
Bunker Hill	107,000	107,000	91,493	(15,507)
Total Intergovernmental	<u>358,253</u>	<u>358,253</u>	<u>312,439</u>	<u>(45,814)</u>
Charges for Services				
Sewer Permits	8,000	8,000	6,470	(1,530)
Sewer Use Fees	4,103,985	4,103,985	3,980,042	(123,943)
Recreational Vehicle Dump Fees	2,500	2,500	2,554	54
Alum Sludge Disposal Fees	41,600	41,600	79,181	37,581
Total Charges for Services	<u>4,156,085</u>	<u>4,156,085</u>	<u>4,068,247</u>	<u>(87,838)</u>
Charges for Use of Money and Property				
Interest on Investments	45,000	45,000	13,536	(31,464)
Miscellaneous	-	-	20,295	20,295
Total Revenues	<u>4,559,338</u>	<u>4,559,338</u>	<u>4,414,517</u>	<u>(144,821)</u>
<b>EXPENDITURES</b>				
Wastewater Collection and Treatment				
Personal Services	584,007	612,007	619,306	(7,299)
Materials and Services	2,414,833	2,414,833	2,407,794	7,039
Total Wastewater Collection and Treatment	<u>2,998,840</u>	<u>3,026,840</u> (1)	<u>3,027,100</u>	<u>(260)</u>
Capital Outlay	228,150	228,150 (1)	54,755	173,395
Contingency	898,858	870,858 (1)	-	870,858
Total Expenditures	<u>4,125,848</u>	<u>4,125,848</u>	<u>3,081,855</u>	<u>1,043,993</u>
Excess of Revenues Over (Under) Expenditures	433,490	433,490	1,332,662	899,172
<b>Other Financing Sources (Uses)</b>				
Transfers Out	(1,651,490)	(1,651,490) (1)	(964,791)	686,699
Net Change in Fund Balance	(1,218,000)	(1,218,000)	367,871	1,585,871
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>1,218,000</u>	<u>1,218,000</u>	<u>1,502,394</u>	<u>284,394</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,870,265</u>	<u>\$ 1,870,265</u>
<b>Reconciliation to Net Assets:</b>				
Capital Assets, Net			<u>13,749,920</u>	
Total Net Assets			<u>\$ 15,620,185</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, 2010**

WASTEWATER EQUIPMENT RESERVE

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ 12,213	\$ 12,213	\$ 8,546	\$ (3,667)
Miscellaneous Income	12,000,000	12,000,000	-	(12,000,000)
Total Revenues	<u>12,012,213</u>	<u>12,012,213</u>	<u>8,546</u>	<u>(12,003,667)</u>
<b>EXPENDITURES</b>				
Materials and Services	869,991	869,991 (1)	19,191	850,800
Capital Outlay	5,716,000	5,716,000 (1)	967,874	4,748,126
Total Expenditures	<u>6,585,991</u>	<u>6,585,991</u>	<u>987,065</u>	<u>5,598,926</u>
Excess of Revenues Over (Under) Expenditures	5,426,222	5,426,222	(978,519)	(6,404,741)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	942,991	942,991	942,991	-
Total Other Financing Sources (Uses)	<u>942,991</u>	<u>942,991</u>	<u>942,991</u>	<u>-</u>
Net Change in Fund Balance	6,369,213	6,369,213	(35,528)	(6,404,741)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>892,698</u>	<u>892,698</u>	<u>984,909</u>	<u>92,211</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 7,261,911</u>	<u>\$ 7,261,911</u>	<u>\$ 949,381</u>	<u>\$ (6,312,530)</u>

(1) Appropriation Level

This Page Intentionally Left Blank

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

**SUPPLEMENTARY DATA**

This Page Intentionally Left Blank



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

**COMBINING BALANCE SHEET  
ALL NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2010**

	COMBINED NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR DEBT SERVICE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash and Investments	\$ 563,704	\$ 53,853	\$ 1,356,295	\$ 1,973,852
Receivables				
Taxes	-	47,810	-	47,810
Accounts	280,326	-	-	280,326
Assessments	-	-	55,086	55,086
Prepaid Expenses	1,450	-	-	1,450
	<u>\$ 845,480</u>	<u>\$ 101,663</u>	<u>\$ 1,411,381</u>	<u>\$ 2,358,524</u>
Total Assets				
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 26,934	\$ -	\$ 10,786	\$ 37,720
Deferred Revenue	-	38,593	55,086	93,679
Matured Interest Payable	-	213	-	213
	<u>26,934</u>	<u>38,806</u>	<u>65,872</u>	<u>131,612</u>
Total Liabilities				
<b>FUND BALANCES</b>				
Reserved for				
Debt Service	-	62,857	-	62,857
Unreserved, reported in				
Special Revenue Funds	818,546	-	-	818,546
Capital Projects Funds	-	-	1,345,509	1,345,509
	<u>818,546</u>	<u>62,857</u>	<u>1,345,509</u>	<u>2,226,912</u>
Total Fund Balances				
Total Liabilities and Fund Balances	<u>\$ 845,480</u>	<u>\$ 101,663</u>	<u>\$ 1,411,381</u>	<u>\$ 2,358,524</u>

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

**COMBINING BALANCE SHEET  
NON-MAJOR SPECIAL REVENUE FUNDS  
June 30, 2010**

	STATE GAS TAX	SPECIAL POLICE	HOTEL/ MOTEL TAX	LIBRARY	911 TAX	RAINY DAY	TOTAL
<b>ASSETS</b>							
Cash and Investments	\$ 46,799	\$ 46,327	\$ (43,852)	\$ 408,099	\$ 48,183	\$ 58,148	\$ 563,704
Receivables							
Accounts	58,415	1,459	117,110	52,355	50,987	-	280,326
Prepaid Expenses	-	-	-	1,450	-	-	1,450
Total Assets	<u>\$ 105,214</u>	<u>\$ 47,786</u>	<u>\$ 73,258</u>	<u>\$ 461,904</u>	<u>\$ 99,170</u>	<u>\$ 58,148</u>	<u>\$ 845,480</u>
<b>LIABILITIES AND FUND BALANCES:</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 3,894	\$ -	\$ 5,520	\$ 16,873	\$ 647	\$ -	\$ 26,934
Total Liabilities	<u>3,894</u>	<u>-</u>	<u>5,520</u>	<u>16,873</u>	<u>647</u>	<u>-</u>	<u>26,934</u>
<b>FUND BALANCES</b>							
Unreserved, reported in							
Special Revenue Funds	101,320	47,786	67,738	445,031	98,523	58,148	818,546
Total Fund Balances	<u>101,320</u>	<u>47,786</u>	<u>67,738</u>	<u>445,031</u>	<u>98,523</u>	<u>58,148</u>	<u>818,546</u>
Total Liabilities and Fund Balances	<u>\$ 105,214</u>	<u>\$ 47,786</u>	<u>\$ 73,258</u>	<u>\$ 461,904</u>	<u>\$ 99,170</u>	<u>\$ 58,148</u>	<u>\$ 845,480</u>

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

**COMBINING BALANCE SHEET  
NON-MAJOR DEBT SERVICE FUNDS  
June 30, 2010**

	GO BOND REDEMPTION	REVENUE BOND	TOTAL
<b>ASSETS</b>			
Cash and Investments	\$ 53,256	\$ 597	\$ 53,853
Receivables			
Taxes	47,810	-	47,810
Total Assets	<u>\$ 101,066</u>	<u>\$ 597</u>	<u>\$ 101,663</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
<b>LIABILITIES</b>			
Deferred Revenue	\$ 38,593	\$ -	\$ 38,593
Matured Interest Payable	213	-	213
Total Liabilities	<u>38,806</u>	<u>-</u>	<u>38,806</u>
<b>FUND BALANCES</b>			
Reserved for Debt Service	62,260	597	62,857
Total Fund Balances	<u>62,260</u>	<u>597</u>	<u>62,857</u>
Total Liabilities and Fund Balances	<u>\$ 101,066</u>	<u>\$ 597</u>	<u>\$ 101,663</u>

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

**COMBINING BALANCE SHEET  
NON-MAJOR CAPITAL PROJECTS FUNDS  
June 30, 2010**

	<u>STREET IMPROVEMENT</u>	<u>PARKS IMPROVEMENT</u>	<u>BIKE/ PEDESTRIAN IMPROVEMENT</u>	<u>SPECIAL IMPROVEMENT</u>
<b>ASSETS</b>				
Cash and Investments	\$ 96,572	\$ 11,423	\$ 29,100	\$ 118,017
Receivables				
Accounts	-	-	-	-
Assessments	-	-	-	55,086
Total Assets	<u>\$ 96,572</u>	<u>\$ 11,423</u>	<u>\$ 29,100</u>	<u>\$ 173,103</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,540	\$ -	\$ -	\$ -
Deferred Revenues	-	-	-	55,086
Total Liabilities	<u>1,540</u>	<u>-</u>	<u>-</u>	<u>55,086</u>
<b>FUND BALANCES</b>				
Unreserved, reported in:				
Capital Projects Funds	<u>95,032</u>	<u>11,423</u>	<u>29,100</u>	<u>118,017</u>
Total Fund Balances	<u>95,032</u>	<u>11,423</u>	<u>29,100</u>	<u>118,017</u>
Total Liabilities and Fund Balances	<u>\$ 96,572</u>	<u>\$ 11,423</u>	<u>\$ 29,100</u>	<u>\$ 173,103</u>

<u>INSURANCE RESERVE</u>	<u>TECHNOLOGY RESERVE</u>	<u>TRANSPORTATION SDC</u>	<u>WASTEWATER SDC</u>	<u>STORMWATER SDC</u>
\$ 255,149	\$ 105,303	\$ 86,989	\$ 240,073	\$ 18,488
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 255,149</u>	<u>\$ 105,303</u>	<u>\$ 86,989</u>	<u>\$ 240,073</u>	<u>\$ 18,488</u>
\$ -	\$ 1,208	\$ 1,115	\$ -	\$ -
-	-	-	-	-
<u>-</u>	<u>1,208</u>	<u>1,115</u>	<u>-</u>	<u>-</u>
<u>255,149</u>	<u>104,095</u>	<u>85,874</u>	<u>240,073</u>	<u>18,488</u>
<u>255,149</u>	<u>104,095</u>	<u>85,874</u>	<u>240,073</u>	<u>18,488</u>
<u>\$ 255,149</u>	<u>\$ 105,303</u>	<u>\$ 86,989</u>	<u>\$ 240,073</u>	<u>\$ 18,488</u>

<u>COUNTY-WIDE CAD RESERVE</u>	<u>MAJOR CAPITAL RESERVE</u>	<u>TOTAL</u>
\$ 23,032	\$ 372,149	\$ 1,356,295
-	-	-
<u>-</u>	<u>-</u>	<u>55,086</u>
<u>\$ 23,032</u>	<u>\$ 372,149</u>	<u>\$ 1,411,381</u>
\$ -	\$ 6,923	\$ 10,786
-	-	55,086
<u>-</u>	<u>6,923</u>	<u>65,872</u>
<u>23,032</u>	<u>365,226</u>	<u>1,345,509</u>
<u>23,032</u>	<u>365,226</u>	<u>1,345,509</u>
<u>\$ 23,032</u>	<u>\$ 372,149</u>	<u>\$ 1,411,381</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, 2010**

	COMBINED NONMAJOR SPECIAL REVENUE FUNDS	COMBINED MAJOR DEBT SERVICE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Property Taxes	\$ -	\$ 443,678	\$ -	\$ 443,678
Other Taxes	1,379,002	-	-	1,379,002
Intergovernmental Revenues	890,906	460,602	170,015	1,521,523
Other-Timber Sales			159,131	159,131
Charges for Services	104,367	-	-	104,367
Charge for Use of Money and Property	14,244	1,738	8,579	24,561
Miscellaneous	63,745	-	146,133	209,878
<b>Total Revenues</b>	<b>2,452,264</b>	<b>906,018</b>	<b>483,858</b>	<b>3,842,140</b>
<b>EXPENDITURES</b>				
Current				
Public Safety	206,161	-	-	206,161
Public Works	1,371,458	-	-	1,371,458
Culture and Recreation	1,081,205	-	77,713	1,158,918
Capital Outlay	9,546	-	230,490	240,036
Debt Service:				
Principal Retirement	-	473,113	-	473,113
Interest and Fiscal Charges	-	478,439	-	478,439
<b>Total Expenditures</b>	<b>2,668,370</b>	<b>951,552</b>	<b>308,203</b>	<b>3,928,125</b>
Excess of Revenues Over (Under) Expenditures	(216,106)	(45,534)	175,655	(85,985)
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital Asset Disposition	-	-	8,663	8,663
Transfers In	182,822	-	112,945	295,767
Transfers Out	(6,380)	-	(53,685)	(60,065)
<b>Total Other Financing Sources, (Uses)</b>	<b>176,442</b>	<b>-</b>	<b>67,923</b>	<b>244,365</b>
Net Change in Fund Balance	(39,664)	(45,534)	243,578	158,380
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>858,210</b>	<b>108,391</b>	<b>1,101,931</b>	<b>2,068,532</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 818,546</b>	<b>\$ 62,857</b>	<b>\$ 1,345,509</b>	<b>\$ 2,226,912</b>

**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, 2010**

	STATE GAS TAX	SPECIAL POLICE	HOTEL/ MOTEL TAX	LIBRARY	911 TAX	RAINY DAY	TOTAL
<b>REVENUES</b>							
Other Taxes	\$ -	\$ -	\$ 464,235	\$ 914,767	\$ -	\$ -	\$ 1,379,002
Charges for Use of Money and Property	267	304	5,847	7,027	484	315	14,244
Intergovernmental Revenues	692,009	30,542	-	4,064	164,291	-	890,906
Charges for Services	-	11,450	-	92,917	-	-	104,367
Miscellaneous	33,230	8,927	-	21,588	-	-	63,745
<b>Total Revenues</b>	<b>725,506</b>	<b>51,223</b>	<b>470,082</b>	<b>1,040,363</b>	<b>164,775</b>	<b>315</b>	<b>2,452,264</b>
<b>EXPENDITURES</b>							
Current							
Public Safety	-	43,194	-	-	162,967	-	206,161
Public Works	795,380	-	576,078	-	-	-	1,371,458
Culture and Recreation	-	-	-	1,081,205	-	-	1,081,205
Capital Outlay	-	-	-	9,546	-	-	9,546
<b>Total Expenditures</b>	<b>795,380</b>	<b>43,194</b>	<b>576,078</b>	<b>1,090,751</b>	<b>162,967</b>	<b>-</b>	<b>2,668,370</b>
Excess of Revenues Over (Under) Expenditures	(69,874)	8,029	(105,996)	(50,388)	1,808	315	(216,106)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfer In	141,747	-	11,075	-	-	30,000	182,822
Transfer Out	(6,380)	-	-	-	-	-	(6,380)
<b>Total Other Financing Sources (Uses)</b>	<b>135,367</b>	<b>-</b>	<b>11,075</b>	<b>-</b>	<b>-</b>	<b>30,000</b>	<b>176,442</b>
<b>Net Change in Fund Balance</b>	<b>65,493</b>	<b>8,029</b>	<b>(94,921)</b>	<b>(50,388)</b>	<b>1,808</b>	<b>30,315</b>	<b>(39,664)</b>
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>35,827</b>	<b>39,757</b>	<b>162,659</b>	<b>495,419</b>	<b>96,715</b>	<b>27,833</b>	<b>858,210</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 101,320</b>	<b>\$ 47,786</b>	<b>\$ 67,738</b>	<b>\$ 445,031</b>	<b>\$ 98,523</b>	<b>\$ 58,148</b>	<b>\$ 818,546</b>



**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, 2010**

	<u>GO BOND REDEMPTION</u>	<u>REVENUE BOND</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Property Taxes	\$ 443,678	\$ -	\$ 443,678
Intergovernmental	-	460,602	460,602
Charges for Use of Money and Property	1,738	-	1,738
Total Revenues	<u>445,416</u>	<u>460,602</u>	<u>906,018</u>
<b>EXPENDITURES</b>			
Debt Services			
Principal Retirement	245,000	228,113	473,113
Interest and Fiscal Charges	<u>245,950</u>	<u>232,489</u>	<u>478,439</u>
Total Expenditures	<u>490,950</u>	<u>460,602</u>	<u>951,552</u>
Net Change in Fund Balance	(45,534)	-	(45,534)
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<u>107,794</u>	<u>597</u>	<u>108,391</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 62,260</u>	<u>\$ 597</u>	<u>\$ 62,857</u>

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

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NON-MAJOR CAPITAL PROJECTS FUNDS  
For the Year Ended June 30, 2010**

	STREET IMPROVEMENT	PARKS IMPROVEMENT	BIKE/ PEDESTRIAN IMPROVEMENT	SPECIAL IMPROVEMENT
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 96,555	\$ 58,719	\$ -	\$ -
Charges for Use of Money and Property	170	101	174	783
Others-Timber Sales	-	-	-	-
Miscellaneous	-	2,627	-	69,319
<b>Total Revenues</b>	<b>96,725</b>	<b>61,447</b>	<b>174</b>	<b>70,102</b>
<b>EXPENDITURES</b>				
Current:				
Materials and Services	-	2,562	-	-
Capital Outlay	24,839	58,719	-	-
<b>Total Expenditures</b>	<b>24,839</b>	<b>61,281</b>	<b>-</b>	<b>-</b>
Excess of Revenues Over (Under) Expenditures	71,886	166	174	70,102
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Equipment	-	-	-	-
Transfer In	-	-	6,380	-
Transfer Out	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>6,380</b>	<b>-</b>
Net Changes in Fund Balance	71,886	166	6,554	70,102
<b>FUND BALANCES - BEGINNING OF YEAR</b>	<b>23,146</b>	<b>11,257</b>	<b>22,546</b>	<b>47,915</b>
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 95,032</b>	<b>\$ 11,423</b>	<b>\$ 29,100</b>	<b>\$ 118,017</b>

<u>INSURANCE RESERVE</u>	<u>TECHNOLOGY RESERVE</u>	<u>TRANSPORTATION SDC</u>	<u>WASTEWATER SDC</u>	<u>STORMWATER SDC</u>	<u>COUNTY-WIDE CAD RESERVE</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,741
1,864	833	787	1,835	141	155
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,864</u>	<u>833</u>	<u>787</u>	<u>1,835</u>	<u>141</u>	<u>14,896</u>
-	33,010	-	-	-	6,222
-	<u>51,078</u>	<u>17,013</u>	-	-	<u>18,846</u>
-	<u>84,088</u>	<u>17,013</u>	-	-	<u>25,068</u>
1,864	(83,255)	(16,226)	1,835	141	(10,172)
-	-	-	-	-	-
20,000	82,880	-	-	-	3,685
-	<u>(3,685)</u>	-	-	-	-
<u>20,000</u>	<u>79,195</u>	-	-	-	<u>3,685</u>
21,864	(4,060)	(16,226)	1,835	141	(6,487)
<u>233,285</u>	<u>108,155</u>	<u>102,100</u>	<u>238,238</u>	<u>18,347</u>	<u>29,519</u>
<u>\$ 255,149</u>	<u>\$ 104,095</u>	<u>\$ 85,874</u>	<u>\$ 240,073</u>	<u>\$ 18,488</u>	<u>\$ 23,032</u>

<u>MAJOR CAPITAL RESERVE FUND</u>	<u>TOTAL</u>
\$ -	\$ 170,015
1,736	8,579
159,131	159,131
<u>74,187</u>	<u>146,133</u>
235,054	483,858
35,919	77,713
<u>59,995</u>	<u>230,490</u>
95,914	308,203
139,140	175,655
8,663	8,663
-	112,945
<u>(50,000)</u>	<u>(53,685)</u>
(41,337)	67,923
97,803	243,578
<u>267,423</u>	<u>1,101,931</u>
<u>\$ 365,226</u>	<u>\$ 1,345,509</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, 2010**

STATE GAS TAX FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Intergovernmental				
State Gas Tax	\$ 638,000	\$ 638,000	\$ 692,009	\$ 54,009
Interest on Investments	8,000	8,000	267	(7,733)
Miscellaneous	10,000	10,000	33,230	23,230
Total Revenues	<u>656,000</u>	<u>656,000</u>	<u>725,506</u>	<u>69,506</u>
<b>EXPENDITURES</b>				
Public Works				
Personal Services	457,897	457,897	445,392	12,505
Materials and Services	343,470	343,470	349,988	(6,518)
Total Expenditures	<u>801,367</u>	<u>801,367 (1)</u>	<u>795,380</u>	<u>5,987</u>
Excess of Revenues Over (Under) Expenditures	(145,367)	(145,367)	(69,874)	75,493
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(6,380)	(6,380) (1)	(6,380)	-
Transfers In	141,747	141,747	141,747	-
Total Transfers	<u>135,367</u>	<u>135,367</u>	<u>135,367</u>	<u>-</u>
Net Change in Fund Balance	(10,000)	(10,000)	65,493	75,493
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>10,000</u>	<u>10,000</u>	<u>35,827</u>	<u>25,827</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 101,320</u>	<u>\$ 101,320</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, 2010**

	<u>SPECIAL POLICE FUND</u>			VARIANCE TO FINAL BUDGET
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES</b>				
Intergovernmental				
Other Grants	\$ 198,816	\$ 198,816	\$ 30,542	\$ (168,274)
Total Intergovernmental	<u>198,816</u>	<u>198,816</u>	<u>30,542</u>	<u>(168,274)</u>
Charges for Services				
DUII Impact Panel Fees	7,000	7,000	10,926	3,926
Range User Fees	499	499	524	(25)
Total Charges for Services	<u>7,499</u>	<u>7,499</u>	<u>11,450</u>	<u>3,951</u>
Charges for Use for Money and Property				
Interest on Investments	413	413	304	(109)
Miscellaneous	-	-	8,927	8,927
Total Revenues	<u>206,728</u>	<u>206,728</u>	<u>51,223</u>	<u>(155,505)</u>
<b>EXPENDITURES</b>				
Public Safety - Special Police				
Personal Services	87,316	87,316	16,730	70,586
Materials and Services	55,804	55,804	8,978	46,826
Total Special Police	<u>143,120</u>	<u>143,120 (1)</u>	<u>25,708</u>	<u>117,412</u>
Public Safety - Special Fire				
Personal Services	-	-	11,291	(11,291)
Materials and Services	8,858	8,858	6,195	2,663
Capital Outlay	100,000	100,000	-	100,000
Total Special Fire	<u>108,858</u>	<u>108,858 (1)</u>	<u>17,486</u>	<u>91,372</u>
Total Expenditures	<u>251,978</u>	<u>251,978</u>	<u>43,194</u>	<u>208,784</u>
Excess of Revenues Over (Under) Expenditures	(45,250)	(45,250)	8,029	53,279
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	10,000	10,000	-	(10,000)
Net Change in Fund Balance	(35,250)	(35,250)	8,029	43,279
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>35,250</u>	<u>35,250</u>	<u>39,757</u>	<u>4,507</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,786</u>	<u>\$ 47,786</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, 2010**

<u>HOTEL/MOTEL TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Taxes				
Hotel/Motel Tax	\$ 467,291	\$ 467,291	\$ 464,235	\$ (3,056)
Charges for Use of Money and Property				
Interest on Investments	1,557	1,557	731	(826)
Property Rentals	1,000	1,000	5,116	4,116
Total Charges for Use of Money and Property	<u>2,557</u>	<u>2,557</u>	<u>5,847</u>	<u>3,290</u>
Total Revenues	<u>469,848</u>	<u>469,848</u>	<u>470,082</u>	<u>234</u>
<b>EXPENDITURES</b>				
Public Works				
Personal Services	256,417	256,417	237,256	19,161
Materials and Services	273,786	387,165	338,822	48,343
Total Expenditures	<u>530,203</u>	<u>643,582 (1)</u>	<u>576,078</u>	<u>67,504</u>
Excess of Revenues Over (Under) Expenditures	(60,355)	(173,734)	(105,996)	(67,270)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	52,675	52,675	11,075	(41,600)
Transfer Out	(41,600)	- (1)	-	-
Total Other Financing Sources, (Uses)	<u>11,075</u>	<u>11,075</u>	<u>11,075</u>	<u>-</u>
Net Change in Fund Balance	(49,280)	(162,659)	(94,921)	67,738
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>49,280</u>	<u>162,659</u>	<u>162,659</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 67,738</u>	<u>\$ 67,738</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, 2010**

<u>LIBRARY FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
Taxes				
County Serial Levy	\$ 882,700	\$ 882,700	\$ 914,767	\$ 32,067
Intergovernmental				
State Library Grant	2,800	2,800	4,064	1,264
Total Intergovernmental	2,800	2,800	4,064	1,264
Charges for Services				
Copies	3,100	3,100	3,911	811
Database Specialist Fees	57,000	57,000	65,992	8,992
Peripherals Tech Fees	28,617	28,617	-	(28,617)
Library Fees	23,000	23,000	23,014	14
Total Charge for Services	111,717	111,717	92,917	(18,800)
Charges for Use of Money and Property				
Interest on Investments	17,400	17,400	4,547	(12,853)
Property Rentals	3,500	3,500	2,480	(1,020)
Total Charges for Use of Money and Property	20,900	20,900	7,027	(13,873)
Miscellaneous				
Donations	20,000	20,000	19,872	(128)
Other	-	-	1,716	1,716
Total Miscellaneous	20,000	20,000	21,588	1,588
Total Revenues	1,038,117	1,038,117	1,040,363	2,246
<b>EXPENDITURES</b>				
Cultural and Recreation				
Personal Services	822,044	822,044	808,648	13,396
Materials and Services	229,148	283,148	272,557	10,591
Total Library Operations	1,051,192	1,105,192 (1)	1,081,205	23,987
Capital Outlay	10,000	10,000 (1)	9,546	454
Contingency	441,065	387,065 (1)	-	387,065
Total Expenditures	1,502,257	1,502,257	1,090,751	411,506
Net Change in Fund Balance	(464,140)	(464,140)	(50,388)	413,752
<b>FUND BALANCE - BEGINNING OF YEAR</b>	464,140	464,140	495,419	31,279
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 445,031</u>	<u>\$ 445,031</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, 2010**

<u>911 TAX FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
911 Revenue	\$ 164,500	\$ 164,500	\$ 164,291	\$ (209)
Interest on Investments	705	705	484	(221)
Total Revenues	<u>165,205</u>	<u>165,205</u>	<u>164,775</u>	<u>(430)</u>
<b>EXPENDITURES</b>				
Public Safety				
Personal Services	176,370	176,370	147,220	29,150
Materials and Services	<u>30,850</u>	<u>30,850</u>	<u>15,747</u>	<u>15,103</u>
Total 911 Communications Opeations	<u>207,220</u>	<u>207,220 (1)</u>	<u>162,967</u>	<u>44,253</u>
Contingency	<u>28,134</u>	<u>28,134 (1)</u>	<u>-</u>	<u>28,134</u>
Total Expenditures	<u>235,354</u>	<u>235,354</u>	<u>162,967</u>	<u>72,387</u>
Net Change in Fund Balance	(70,149)	(70,149)	1,808	71,957
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>70,149</u>	<u>70,149</u>	<u>96,715</u>	<u>26,566</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 98,523</u>	<u>\$ 98,523</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, 2010**

RAINY DAY RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
Interest on Investments	\$ 279	\$ 279	\$ 315	\$ 36
Total Revenues	<u>279</u>	<u>279</u>	<u>315</u>	<u>36</u>
<b>EXPENDITURES</b>				
Contingency	-	- (1)	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	279	279	315	36
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer In	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>-</u>
Net Change in Fund Balance	30,279	30,279	30,315	36
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>27,690</u>	<u>27,690</u>	<u>27,833</u>	<u>143</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 57,969</u>	<u>\$ 57,969</u>	<u>\$ 58,148</u>	<u>\$ 179</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, 2010**

**GENERAL OBLIGATION BOND REDEMPTION FUND**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Taxes	\$ 404,950	\$ 404,950	\$ 443,678	\$ 38,728
Charges for Use of Money and Property				
Interest on Investments	-	-	1,738	1,738
Total Revenues	<u>404,950</u>	<u>404,950</u>	<u>445,416</u>	<u>40,466</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	122,975	122,975	245,000	(122,025)
Interest	<u>367,975</u>	<u>367,975</u>	<u>245,950</u>	<u>122,025</u>
Total Expenditures	<u>490,950</u>	<u>490,950</u> (1)	<u>490,950</u>	<u>-</u>
Net Change in Fund Balance	(86,000)	(86,000)	(45,534)	40,466
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>86,000</u>	<u>86,000</u>	<u>107,794</u>	<u>21,794</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,260</u>	<u>\$ 62,260</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, 2010**

REVENUE BOND FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Intergovernmental				
CB-NB Water Board	\$ 460,606	\$ 460,606	\$ 460,602	\$ (4)
Interest on Investments	6	6	-	(6)
Total Revenues	<u>460,612</u>	<u>460,612</u>	<u>460,602</u>	<u>(10)</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	564,811	564,811	228,113	336,698
Interest	582,493	582,493	232,489	350,004
Contingency	607	607	-	607
Total Expenditures	<u>1,147,911</u>	<u>1,147,911 (1)</u>	<u>460,602</u>	<u>687,309</u>
Excess of Revenues Over (Under) Expenditures	(687,299)	(687,299)	-	687,299
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>686,699</u>	<u>686,699</u>	<u>-</u>	<u>(686,699)</u>
Net Change in Fund Balance	(600)	(600)	-	600
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>600</u>	<u>600</u>	<u>597</u>	<u>(3)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 597</u>	<u>\$ 597</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, 2010**

STREET IMPROVEMENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Intergovernmental				
State	\$ 511,800	\$ 511,800	\$ 96,555	\$ (415,245)
Charges for Use of Money and Property				
Interest on Investments	379	379	170	(209)
Total Revenues	<u>512,179</u>	<u>512,179</u>	<u>96,725</u>	<u>(415,454)</u>
<b>EXPENDITURES</b>				
Public Works				
Capital Outlay	511,800	497,228 (1)	24,839	472,389
Contingency	38,097	38,097 (1)	-	38,097
Total Expenditures	<u>549,897</u>	<u>535,325</u>	<u>24,839</u>	<u>510,486</u>
Net Change in Fund Balance	(37,718)	(23,146)	71,886	95,032
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>37,718</u>	<u>23,146</u>	<u>23,146</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,032</u>	<u>\$ 95,032</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, 2010**

PARKS IMPROVEMENT FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ 368	\$ 368	\$ 101	\$ (267)
Grants	80,000	80,000	58,719	(21,281)
Donations	4,700	4,700	2,627	(2,073)
	<u>85,068</u>	<u>85,068</u>	<u>61,447</u>	<u>(23,621)</u>
<b>EXPENDITURES</b>				
Culture and Recreation				
Materials and Services	2,700	2,700 (1)	2,562	138
Capital Outlay	102,000	76,598 (1)	58,719	17,879
Contingency	17,027	17,027 (1)	-	17,027
	<u>121,727</u>	<u>96,325</u>	<u>61,281</u>	<u>35,044</u>
Net Change in Fund Balance	(36,659)	(11,257)	166	11,423
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>36,659</u>	<u>11,257</u>	<u>11,257</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,423</u>	<u>\$ 11,423</u>

(1) Appropriation Level

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET- BUDGETARY BASIS  
For the Year Ended June 30, 2010**

BIKE/PEDESTRIAN PATH CONSTRUCTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ 226	\$ 226	\$ 174	\$ (52)
Other Taxes	-	-	-	-
Total Revenues	<u>226</u>	<u>226</u>	<u>174</u>	<u>(52)</u>
<b>EXPENDITURES</b>				
Culture and Recreation				
Capital Outlay	29,130	29,130 (1)	-	29,130
Total Expenditures	<u>29,130</u>	<u>29,130</u>	<u>-</u>	<u>29,130</u>
Excess of Revenues Over (Under) Expenditures	(28,904)	(28,904)	174	29,078
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	6,380	6,380	6,380	-
Total Other Financing Sources (Uses)	<u>6,380</u>	<u>6,380</u>	<u>6,380</u>	<u>-</u>
Net Change in Fund Balance	(22,524)	(22,524)	6,554	29,078
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>22,524</u>	<u>22,524</u>	<u>22,546</u>	<u>22</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,100</u>	<u>\$ 29,100</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, 2010**

SPECIAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ 343	\$ 343	\$ 783	\$ 440
Miscellaneous				
Principal	134,030	134,030	67,924	(66,106)
Interest	13,882	13,882	1,395	(12,487)
Total Miscellaneous	147,912	147,912	69,319	(78,593)
Total Revenues	148,255	148,255	70,102	(78,153)
<b>EXPENDITURES</b>				
Culture and Recreation				
Materials and Services	4,396	4,396 (1)	-	4,396
Capital Outlay	175,984	175,984 (1)	-	175,984
Contingency	2,000	2,000 (1)	-	2,000
Total Expenditures	182,380	182,380	-	182,380
Net Change in Fund Balance	(34,125)	(34,125)	70,102	104,227
<b>FUND BALANCE - BEGINNING OF YEAR</b>	34,125	34,125	47,915	13,790
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 118,017</u>	<u>\$ 118,017</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, 2010**

INSURANCE RESERVE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ 2,341	\$ 2,341	\$ 1,864	\$ (477)
Total Revenues	<u>2,341</u>	<u>2,341</u>	<u>1,864</u>	<u>(477)</u>
<b>EXPENDITURES</b>				
Culture and Recreation				
Reserve for Future Expenditures	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under)				
Expenditures	2,341	2,341	1,864	(477)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net Change in Fund Balance	22,341	22,341	21,864	(477)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>233,057</u>	<u>233,057</u>	<u>233,285</u>	<u>228</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 255,398</u>	<u>\$ 255,398</u>	<u>\$ 255,149</u>	<u>\$ (249)</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, 2010**

TECHNOLOGY RESERVE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ 600	\$ 600	\$ 833	\$ 233
Total Revenues	<u>600</u>	<u>600</u>	<u>833</u>	<u>233</u>
<b>EXPENDITURES</b>				
General Government				
Materials and Services	35,000	35,000	(1) 33,010	1,990
Capital Outlay	<u>50,000</u>	<u>50,000</u>	(1) 51,078	<u>(1,078)</u>
Total Expenditures	<u>85,000</u>	<u>85,000</u>	<u>84,088</u>	<u>912</u>
Excess of Revenues Over (Under) Expenditures	(84,400)	(84,400)	(83,255)	1,145
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	82,880	82,880	82,880	-
Transfers Out	<u>(3,685)</u>	<u>(3,685)</u>	(1) (3,685)	-
Total Other Financing Sources (Uses)	<u>79,195</u>	<u>79,195</u>	<u>79,195</u>	<u>-</u>
Net Change in Fund Balance	(5,205)	(5,205)	(4,060)	1,145
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>100,000</u>	<u>100,000</u>	<u>108,155</u>	<u>8,155</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 94,795</u>	<u>\$ 94,795</u>	<u>\$ 104,095</u>	<u>\$ 9,300</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, 2010**

TRANSPORTATION SDC FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ -	\$ -	\$ 787	\$ 787
Charges for Services				
SDC Improvement Fees	1,025	1,025	-	(1,025)
Total Revenues	<u>1,025</u>	<u>1,025</u>	<u>787</u>	<u>(238)</u>
<b>EXPENDITURES</b>				
Public Works				
Capital Outlay	103,025	103,025 (1)	17,013	86,012
Total Expenditures	<u>103,025</u>	<u>103,025</u>	<u>17,013</u>	<u>86,012</u>
Net Change in Fund Balance	(102,000)	(102,000)	(16,226)	85,774
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>102,000</u>	<u>102,000</u>	<u>102,100</u>	<u>100</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,874</u>	<u>\$ 85,874</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, 2010**

<u>WASTEWATER SDC FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ 2,391	\$ 2,391	\$ 1,835	\$ (556)
Charges for Services				
SDC Improvement Fees	10,300	10,300	-	(10,300)
SDC Reimbursement Fees	500	500	-	(500)
SDC Compliance Fees	400	400	-	(400)
Total Charges for Services	<u>11,200</u>	<u>11,200</u>	<u>-</u>	<u>(11,200)</u>
Total Revenues	<u>13,591</u>	<u>13,591</u>	<u>1,835</u>	<u>(11,756)</u>
<b>EXPENDITURES</b>				
Wastewater Collection and Treatment				
Capital Outlay	251,596	251,596 (1)	-	251,596
Total Expenditures	<u>251,596</u>	<u>251,596</u>	<u>-</u>	<u>251,596</u>
Net Change in Fund Balance	(238,005)	(238,005)	1,835	239,840
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>238,005</u>	<u>238,005</u>	<u>238,238</u>	<u>233</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,073</u>	<u>\$ 240,073</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, 2010**

<u>STORMWATER SDC FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ 184	\$ 184	\$ 141	\$ (43)
Total Revenues	<u>184</u>	<u>184</u>	<u>141</u>	<u>(43)</u>
<b>EXPENDITURES</b>				
Public Works				
Capital Outlay	18,513	18,513 (1)	-	18,513
Total Expenditures	<u>18,513</u>	<u>18,513</u>	<u>-</u>	<u>18,513</u>
Net Change in Fund Balance	(18,329)	(18,329)	141	18,470
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>18,329</u>	<u>18,329</u>	<u>18,347</u>	<u>18</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,488</u>	<u>\$ 18,488</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, 2010**

COUNTY-WIDE CAD CORE RESERVE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ 430	\$ 430	\$ 155	\$ (275)
Intergovernmental				
Revenue from Other Agencies	14,741	14,741	14,741	-
Total Revenues	<u>15,171</u>	<u>15,171</u>	<u>14,896</u>	<u>(275)</u>
<b>EXPENDITURES</b>				
General Government				
Materials and Services	5,500	5,500 (1)	6,222	(722)
Capital Outlay	40,961	40,961 (1)	18,846	22,115
Total Expenditures	<u>46,461</u>	<u>46,461</u>	<u>25,068</u>	<u>21,393</u>
Excess of Revenues Over (Under)				
Expenditures	(31,290)	(31,290)	(10,172)	21,118
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,685	3,685	3,685	-
Net Change in Fund Balance	(27,605)	(27,605)	(6,487)	21,118
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>42,776</u>	<u>42,776</u>	<u>29,519</u>	<u>(13,257)</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 15,171</u>	<u>\$ 15,171</u>	<u>\$ 23,032</u>	<u>\$ 7,861</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, 2010**

MAJOR CAPITAL RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ 2,700	\$ 2,700	\$ 1,736	\$ (964)
Grants	27,500	27,500	-	(27,500)
Other-Timber Sales	-	-	159,131	159,131
Others - Property Sales	136,000	101,078	-	(101,078)
Miscellaneous	-	-	74,187	74,187
Total Revenues	<u>166,200</u>	<u>131,278</u>	<u>235,054</u>	<u>103,776</u>
<b>EXPENDITURES</b>				
General Government				
Materials and Services	10,000	110,000 (1)	35,919	74,081
Capital Outlay	70,000	70,000 (1)	59,995	10,005
Total Expenditures	<u>80,000</u>	<u>180,000</u>	<u>95,914</u>	<u>84,086</u>
Excess of Revenues Over (Under) Expenditures	86,200	(48,722)	139,140	187,862
<b>Other Financing Sources (Uses)</b>				
Sale of Equipment	-	-	8,663	(8,663)
Transfers Out	(50,000)	(50,000) (1)	(50,000)	-
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(41,337)</u>	<u>(8,663)</u>
Net Change in Fund Balance	36,200	(98,722)	97,803	196,525
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>232,500</u>	<u>267,422</u>	<u>267,423</u>	<u>1</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 268,700</u>	<u>\$ 168,700</u>	<u>\$ 365,226</u>	<u>\$ 196,526</u>

(1) Appropriation Level

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

**COMBINING STATEMENT OF NET ASSETS  
NONMAJOR PROPRIETARY FUNDS  
June 30, 2010**

	BUILDING CODES	BUILDING CODES RESERVE	TOTAL
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 295,965	\$ 63,898	\$ 359,863
Total Assets	<u>\$ 295,965</u>	<u>\$ 63,898</u>	<u>\$ 359,863</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	\$ 2,550	\$ -	\$ 2,550
Deposits	219	-	219
Accrued Vacation	22,907	-	22,907
Total Liabilities	<u>25,676</u>	<u>-</u>	<u>25,676</u>
<b>NET ASSETS</b>			
Restricted for Other Uses	270,289	63,898	334,187
Total Net Assets	<u><u>\$ 270,289</u></u>	<u><u>\$ 63,898</u></u>	<u><u>\$ 334,187</u></u>



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

**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS  
NONMAJOR PROPRIETARY FUNDS  
For the Year Ended June 30, 2010**

	BUILDING CODES	BUILDING CODES RESERVE	TOTAL
<b>OPERATING REVENUES</b>			
Licenses and Permits	\$ 190,015	\$ -	\$ 190,015
Total Operating Revenues	190,015	-	190,015
<b>OPERATING EXPENSES</b>			
Personal Services	301,657	-	301,657
Materials and Services	31,643	-	31,643
Capital Outlay	-	-	-
Total Operating Expenses	333,300	-	333,300
Income, (Loss) From Operations	(143,285)	-	(143,285)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest on Investments	3,043	502	3,545
Other Revenue (Expenses)	1,054	-	1,054
Total Non-Operating Revenues (Expenses)	4,097	502	4,599
Net Income (Loss) before Operating Transfers	(139,188)	502	(138,686)
<b>TRANSFERS</b>			
Transfers Out	-	(3,000)	(3,000)
Net Transfers	-	(3,000)	(3,000)
Change in Net Assets	(139,188)	(2,498)	(141,686)
Total Net Assets - Beginning of Year	409,477	66,396	475,873
Total Net Assets - End of Year	\$ 270,289	\$ 63,898	\$ 334,187

**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, 2010**

BUILDING CODES FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
Licenses and Permits	\$ 166,390	\$ 166,390	\$ 190,015	\$ 23,625
Charges for Use of Money and Property				
Interest on Investments	4,386	4,386	3,043	(1,343)
Miscellaneous	100	100	1,054	954
<b>Total Revenues</b>	<u>170,876</u>	<u>170,876</u>	<u>194,112</u>	<u>23,236</u>
<b>EXPENDITURES</b>				
Public Works				
Personal Services	276,899	296,899	301,657	(4,758)
Materials and Services	57,638	57,638	31,643	25,995
<b>Total Building Codes Opeations</b>	<u>334,537</u>	<u>354,537 (1)</u>	<u>333,300</u>	<u>21,237</u>
Contingency	133,301	113,301 (1)	-	113,301
<b>Total Expenditures</b>	<u>467,838</u>	<u>467,838</u>	<u>333,300</u>	<u>134,538</u>
<b>Net Change in Fund Balance</b>	(296,962)	(296,962)	(139,188)	157,774
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>296,962</u>	<u>296,962</u>	<u>409,477</u>	<u>112,515</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 270,289</u>	<u>\$ 270,289</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, 2010**

BUILDING CODES RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
Charges for Use of Money and Property				
Interest on Investments	\$ 767	\$ 767	\$ 502	\$ (265)
Total Revenues	<u>767</u>	<u>767</u>	<u>502</u>	<u>(265)</u>
<b>EXPENDITURES</b>				
Reserve for Future Expenditures	-	- (1)	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	767	767	502	(265)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(3,000)	(3,000) (1)	(3,000)	-
Total Other Financing Sources (Uses)	<u>(3,000)</u>	<u>(3,000)</u>	<u>(3,000)</u>	<u>-</u>
Net Change in Fund Balance	(2,233)	(2,233)	(2,498)	(265)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>66,396</u>	<u>66,396</u>	<u>66,396</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 64,163</u>	<u>\$ 64,163</u>	<u>\$ 63,898</u>	<u>\$ (265)</u>

(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, 2010

---

	<u>BALANCE</u> <u>JUNE 30, 2009</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2010</u>
ASSETS				
Cash and Investments	<u>\$ 49,198</u>	<u>\$ 192,435</u>	<u>\$ 160,626</u>	<u>\$ 81,007</u>
LIABILITIES				
Due to Agency	<u>\$ 49,198</u>	<u>\$ 192,435</u>	<u>\$ 160,626</u>	<u>\$ 81,007</u>

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

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED  
For the Year Ended June 30, 2010**

<b>General Fund:</b>						
<u>TAX YEAR</u>	<u>IMPOSED LEVY OR OR BALANCE UNCOLLECTED AT 7/1/09</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>ADD INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/10</u>
Current:						
2009-10	\$ 5,059,276	\$ 121,315	\$ 100,479	\$ 741	\$ 4,722,589	\$ 316,592
Prior Years:						
2008-09	312,371	(71)	(11,723)	10,331	150,622	160,428
2007-08	126,564	(33)	5,624	9,320	65,080	76,461
2006-07	66,497	(77)	(3,922)	9,877	44,917	27,612
2005-06	26,726	(13)	(32)	6,870	27,704	5,873
2004-05 & Prior	13,940	(6)	(1,132)	931	2,560	11,185
Total Prior	<u>546,098</u>	<u>(200)</u>	<u>(11,185)</u>	<u>37,329</u>	<u>290,883</u>	<u>281,559</u>
Total All Funds	<u>\$ 5,605,374</u>	<u>\$ 121,115</u>	<u>\$ 89,294</u>	<u>\$ 38,070</u>	<u>\$ 5,013,472</u>	<u>\$ 598,151</u>

**RECONCILIATION TO REVENUE:**

Cash Collections by County Treasurer Above	\$ 5,013,472
Accrual of Receivables:	
June 30, 2009	(86,123)
June 30, 2010	94,077
Taxes in Lieu of Property Taxes	<u>(20,395)</u>
Total Revenue	<u>\$ 5,001,031</u>

**Debt Service Fund:**

2009-10	\$ 573,487	13,751	(113,341)	84	410,591	35,887
Prior Years:						
2008-09	35,408	(8)	(6,548)	1,167	18,111	11,923
2007-08	-	-	-	-	-	-
2006-07	-	-	-	-	-	-
2005-06	-	-	-	-	-	-
2004-05 & Prior	-	-	-	-	-	-
Total Prior	<u>35,408</u>	<u>(8)</u>	<u>(6,548)</u>	<u>1,167</u>	<u>18,111</u>	<u>11,923</u>
Total All Funds	<u>\$ 608,895</u>	<u>\$ 13,743</u>	<u>\$ (119,889)</u>	<u>\$ 1,251</u>	<u>\$ 428,702</u>	<u>\$ 47,810</u>

**RECONCILIATION TO REVENUE:**

Cash Collections by County Treasurer Above	\$ 428,702
Accrual of Receivables:	
June 30, 2009	(7,110)
June 30, 2010	9,217
Taxes in Lieu of Property Taxes	<u>12,869</u>
Total Revenue	<u>\$ 443,678</u>

This Page Intentionally Left Blank

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

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

This Page Intentionally Left Blank





# PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

- 
- 
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
  - (503) 620-2632 • FAX (503) 684-7523

November 12, 2010

## 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, 2010, and have issued our report thereon dated November 12, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### Compliance

As part of obtaining reasonable assurance about whether the City of Coos Bay, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 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).**

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

1. Expenditures were within appropriations, except as noted on page 24.

**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 and management and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

*Pauly, Rogers and Co. P.C.*  
PAULY, ROGERS AND CO., P.C.