

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

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2017



**12700 SW 72nd Ave.
Tigard, OR 97223**

CITY OF COOS BAY
COOS COUNTY, OREGON

For the Year Ended June 30, 2017

ANNUAL FINANCIAL REPORT

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CITY OF COOS BAY
COOS COUNTY, OREGON

CITY COUNCIL

TERM EXPIRES

Joe Benetti, Mayor

November 2018

Jennifer Groth, President

November 2018

Lucinda DiNovo

November 2020

Drew Farmer

November 2020

Stephanie Kramer

November 2018

Stephanie Kilmer

November 2020

Philip Marler

November 2018

All council members receive mail at the address listed below.

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

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COOS COUNTY, OREGON
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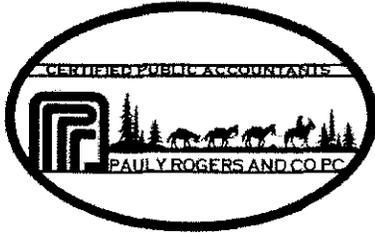
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COOS COUNTY, OREGON
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PAULY, ROGERS, AND Co., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

November 15, 2017

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coos Bay as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Coos Bay-North Bend Water Board, which represent 19%, 19%, and 2%, respectively of the assets, net position and revenues of the City. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Coos Bay-North Bend Water Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Coos Bay, as of June 30, 2017, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and required supplemental information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Information

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

The supplementary information, as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

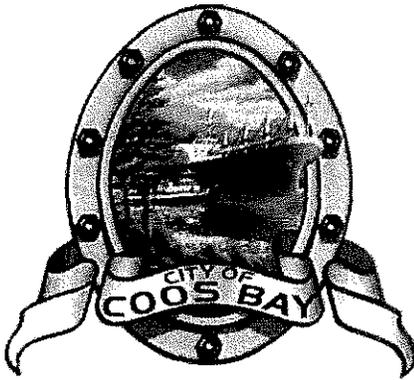
The listing of board members containing their term expiration dates, located before the table of contents, and the other information, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not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

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 15, 2017, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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



City of Coos Bay

Finance Department

500 Central Avenue, Coos Bay, Oregon 97420

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

MANAGEMENT'S DISCUSSION AND ANALYSIS Fiscal Year Ended June 30, 2017

As management of the City of Coos Bay (the City), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ending June 30, 2017. We request readers to consider the information presented here in conjunction with the accompanying basic financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The City of Coos Bay's Urban Renewal Agency financial statements were blended with the City of Coos Bay's financial statements beginning fiscal year 2013 to comply with GASB 61.
- The City's assets totaled \$180,597,320 at June 30, 2017, consisting of \$27,031,434 in unrestricted cash and cash equivalents; \$113,393,402 in capital assets; \$26,393,312 in investment in joint venture; and \$13,779,172 in other assets. Total assets increased by \$8,286,306 from the previous fiscal year.
- The City's liabilities totaled \$45,286,593 at June 30, 2017, consisting of \$41,584,664 in noncurrent liabilities, \$97,039 in accrued interest, and \$3,604,890 in accounts payable and other liabilities. Total liabilities increased by \$17,271,797 from the previous fiscal year.
- The assets of the City exceeded its liabilities at June 30, 2017 by \$142,401,854 (net position), consisting of \$43,530,073 in unrestricted net position (which included the invested in joint venture); \$91,038,830 investment in capital assets; and the remaining \$7,832,951 restricted for capital projects, debt service, and services and contributions. Unrestricted net position represents the amount that may be used to meet the City's ongoing obligations to citizens and creditors.
- On the Statement of Net Position, the City's total net position decreased by \$1,631,366 from the previous fiscal year. This represents a decrease of \$4,185,002 in the combination of investment in capital assets net and invested in joint venture, an increase of \$272,514 restricted for debt service, an increase of \$109,687 restricted for capital projects, an increase of \$176,707 of restricted for other external requirements, and an increase of \$1,994,728 in unrestricted.
- As of the close of the current fiscal year, the City's Balance Sheet Governmental Funds reported combined Fund Balance of \$20,902,206, an increase of \$756,430 over the prior fiscal year. The total combined governmental fund equity balance is composed of \$7,832,951 (38%) in restricted funds, \$4,836,429 (23%) in nonspendable funds, \$5,429,475 (26%) in assigned funds, \$2,803,351 (13%) in unassigned funds.
- The City's unassigned fund balance for the General Fund, \$2,817,828 at June 30, 2017 increased \$12,229 from June 30, 2016. The unassigned General Fund balance represents 80% of the general fund available for spending at the government's discretion in the budget process.

- The City's total governmental and business activities long term debt had a net increase of \$6,694,155 during the current fiscal year to an ending balance of \$26,311,272. Long term debt increased due to the continued draw down of the IFA #1 and #2 loans from the State of Oregon for wastewater improvements beginning in 2013; commenced draw down on the Dept. of Environmental Quality State Revolving Fund loan for the wastewater improvements; refinancing of the 2006 Union Bank loan for the joint venture loan; and early payoff of the Urban Renewal Agency Downtown District 2003 debt. This also included a technology upgrade loan, bond premium, OPEB liability, and two inter-fund loan repayments.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The Statement of Activities reveals the detail of the change in the City's net position for the year ending June 30, 2017. All activities affecting net position are included, regardless of the timing of cash flow, which may be in future fiscal periods.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Current and Other Assets	\$ 29,852,985	\$ 30,370,472	\$ 8,627,725	\$ 10,440,134	\$ 38,480,710	\$ 40,810,606
Investment in Coos Bay-North Bend Water Board (restated)	25,869,826	26,393,312	0	0	25,869,826	26,393,312
Capital Assets, net	87,896,228	84,382,613	20,064,250	29,010,789	107,960,478	113,393,402
Total Assets	143,619,039	141,146,397	28,691,975	39,450,923	172,311,014	180,597,320
Deferred Outflows of Resources	1,458,104	6,923,339	178,192	1,056,912	1,636,296	7,980,251
Long-term Liabilities Outstanding	21,285,147	27,403,852	5,854,043	15,473,398	27,139,190	42,877,250
Other Liabilities	626,848	750,392	248,758	1,658,951	875,606	2,409,343
Total Liabilities	21,911,995	28,154,244	6,102,801	17,132,349	28,014,796	45,286,593
Deferred Inflows of Resources	1,671,379	769,348	227,915	119,776	1,899,294	889,124
Net Position:						
Invested in Capital Assets, Net	77,326,106	75,263,393	15,140,113	15,775,437	92,466,219	91,038,830
Invested in Joint Venture (restated)	25,869,826	26,393,312	0	0	25,869,826	26,393,312
Restricted for debt service	4,877,416	5,149,930	0	0	4,877,416	5,149,930
Restricted for capital projects	914,890	1,024,577	0	0	914,890	1,024,577
Restricted for other	1,481,737	1,658,444	0	0	1,481,737	1,658,444
Unrestricted	11,023,794	9,656,488	7,399,338	7,480,273	18,423,132	17,136,761
Total Net Position	\$ 121,493,769	\$ 119,146,144	\$ 22,539,451	\$ 23,255,710	\$ 144,033,220	\$ 142,401,854

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

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

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

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Revenues						
Program Revenues						
Charges for Services	\$ 914,421	\$ 1,478,968	\$ 5,748,342	\$ 5,791,532	\$ 6,662,763	\$ 7,270,500
Operating Grants & Contributions	708,399	706,436	0	0	708,399	706,436
Capital Grants & Contributions	463,895	35,000	0	0	463,895	35,000
General Revenues						
Property Taxes	8,171,896	7,610,052	0	0	8,171,896	7,610,052
Other Taxes	4,656,199	4,778,416	0	0	4,656,199	4,778,416
Intergovernmental	1,302,391	1,287,649	755,956	1,116,251	2,058,347	2,403,900
Gain (loss) on disposal of assets	(7,213)	(1,401)	0	0	(7,213)	(1,401)
Income from Investment in Coos Bay-North Bend Water Board	691,378	523,486	0	0	691,378	523,486
Transfer	943,067	931,000	(943,067)	(931,000)	0	0
Interest Income	114,201	184,641	65,904	155,543	180,105	340,184
Miscellaneous Income	537,968	451,259	89,802	43,065	627,770	494,324
Total Revenues	18,496,602	17,985,506	5,716,937	6,175,391	24,213,539	24,160,897
Expenses						
General Government	2,137,959	2,251,902	0	0	2,137,959	2,251,902
Public Safety	10,872,346	8,323,651	0	0	10,872,346	8,323,651
Public Works	7,668,666	7,225,602	0	0	7,668,666	7,225,602
Culture & Recreation	2,156,187	1,883,510	0	0	2,156,187	1,883,510
Building Codes	0	0	344,302	364,457	344,302	364,457
Interest on Long-term Debt	725,442	648,466	0	0	725,442	648,466
Wastewater	0	0	4,801,693	5,094,675	4,801,693	5,094,675
Total Expenses	23,560,600	20,333,131	5,145,995	5,459,132	28,706,595	25,792,263
Change in Net Position	(5,063,998)	(2,347,625)	570,942	716,259	(4,493,056)	(1,631,366)
Net Position- Beginning	126,557,767	121,493,769	21,968,509	22,539,451	148,526,276	144,033,220
Net Position- Ending	\$ 121,493,769	\$ 119,146,144	\$ 22,539,451	\$ 23,255,710	\$ 144,033,220	\$ 142,401,854

FUND FINANCIAL STATEMENTS

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

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

Fund financial statements include the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances. The difference in the measurement focus of the governmental-fund financial statements and the government-wide financial statements calls for reconciliations between the two types of statements in order to fully explain the specific differences. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. These reconciliations between governmental funds to governmental activities illuminate the long-term impact of the City's short-term financial decisions.

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

SUPPLEMENTARY INFORMATION

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As mentioned earlier, net position may serve as one of the key performance measurements over time to gauge whether the financial position of the City is improving or deteriorating. In the case of the City, assets exceeded liabilities by \$142,401,854 at the close of the fiscal year.

Net position for the City is divided into several categories. The largest category is net investment in capital assets and invested in joint venture at \$117,432,142 (82%). This represents investment in land, infrastructure, and construction in progress, less accumulated depreciation and debt used to purchase these capital assets. The City uses these assets to provide services to citizens; thus, capital assets are not available for future spending. It should also be noted that these assets do not generate revenue to service the associated debt. Thus, resources to pay the debt must come from other sources, specifically *unrestricted* net position. The investment in capital assets net of related debt includes the net investment in the Coos Bay-North Bend Water Board (which represents 50/50 ownership with the City of North Bend) and those assets of the Urban Renewal Agency.

The second largest resource is unrestricted net position, \$17,136,854 (12%). The unrestricted fund balance may be used to meet the ongoing obligations to the City's citizens and creditors. The next three categories are externally restricted for capital projects, \$1,024,577; restricted for debt service, \$5,149,930; and restricted for other external purposes \$1,658,444. The City was able to maintain positive balances in all categories in both the current fiscal year and the prior fiscal year. On the Statement of Activities the City's net position decreased by \$1,631,366 during the current fiscal year mainly due to the pension liability recorded pursuant to the implementation of GASB 68 for the City of Coos Bay. The City of Coos Bay participates in the Oregon Public Employees Retirement System (PERS) which is a defined benefit pension plan. GASB 68 required the City to include in their financial statements the net pension asset or liability against the City's net position. FYE 17 was the third year of this reporting and as noted in the Notes To Basic Financial Statements section, the City recorded a net pension liability based on the independent PERS audit report and Schedule of Pension Amounts under GASB 68 using the measurement date of June 30, 2016. The timing in the availability of the PERS net pension asset or liability figure necessitates this figure will always be a one year delay in the recording.

Governmental activities. On the Statement of Activities, the Governmental activities decreased the City's net position by \$1,631,366 which can mainly be attributed to the net pension liability. This was offset by increased transfers, property taxes, transient occupancy tax, and franchise fees. Decreases included miscellaneous income, capital grants, and a loss in the disposal of capital assets.

Expenses and Program Revenues – Governmental Activities

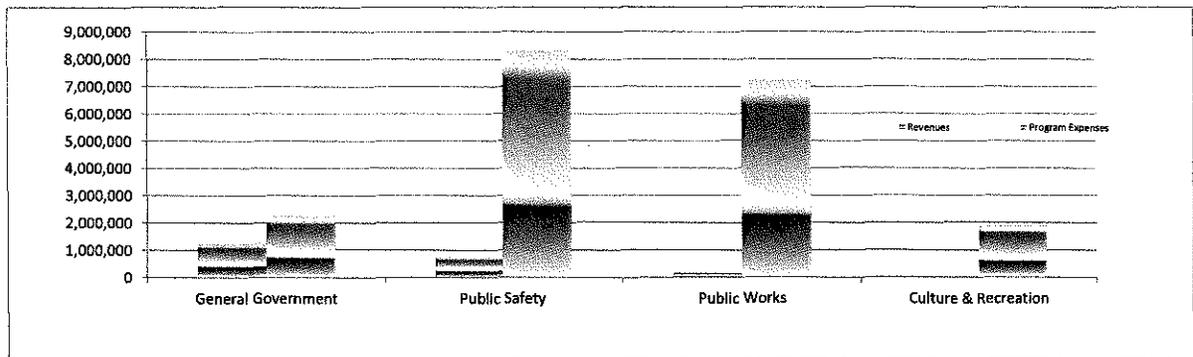


Figure 1

Governmental activities expense increased due to the complexity in reporting the PERS pension liability in the financial statements. FYE 17 reconciled the second year reporting of the FYE 16 pension asset to the FYE 17 pension liability. Increasing depreciation expense and less capitalization of capital assets also attributed to the increase in governmental activities expense. The City's total property tax revenue (Schedule of Property Tax Transactions and Balances of Taxes Uncollected) as noted at the end of this audit, increased by \$57,363 due to an increase in taxable assessed values.

Revenues by Source – Governmental Activities

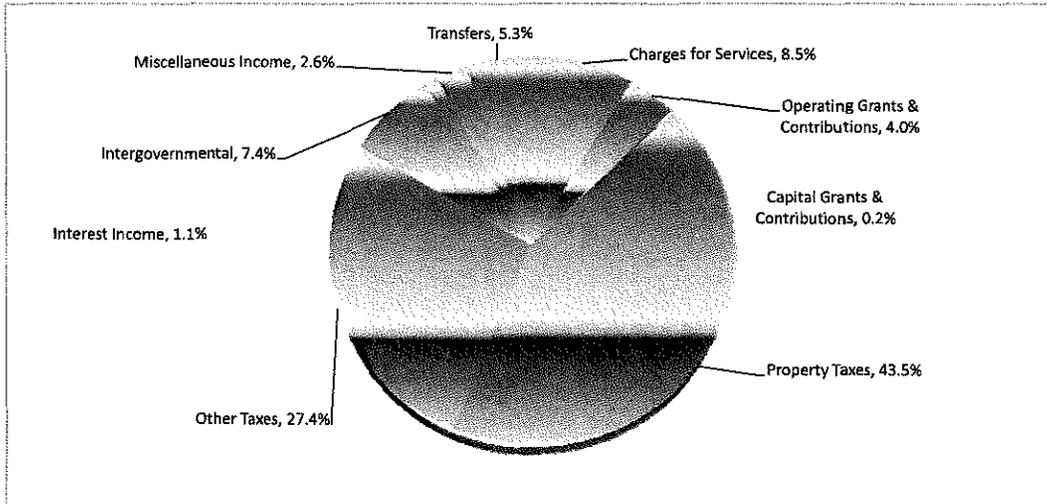


Figure 2

Business-type activities. On the Statement of Activities the Business-type activities contributed to the City's net position by \$716,259, which was largely due to increases: FYE 17 June 6.4% sewer rate increase; building permit fees; and the Charleston Sanitary District accounts receivable for their proportionate share of operations, maintenance, and construction for Wastewater Treatment Plant No. 2. Charleston Sanitary District's arrearage is anticipated to be reduced through their award of Rural Development grant funding.

The business-type activities are wastewater (operations and capital improvements) and building codes. The primary source of revenue for wastewater operations is charges for services based on sewer user fees with the expenditures comprised of the daily operations. Loan proceeds continue to be drawn down on the IFA #1 and #2 loans from the State of Oregon and grant distributions commenced this fiscal year. The Dept. of Environmental Quality State Revolving Fund was the major financing component for wastewater system capital improvement projects this fiscal year and will continue for the duration of the Wastewater Plant 2 capital upgrades. The only revenue source for the building codes division is charges for services based upon permit fees with the expenditures comprised of the daily operations of the permit center.

The wastewater business-type activities revenues decreased from the prior year due to the May 2016 annual sewer rate increase of 6.5% not being implemented and change in the methodology of sewer billings to actual consumption figures instead of rounding up. The wastewater business-type activities expenses increased due to the ongoing wastewater infrastructure capital improvement projects, depreciation of assets, and recording of the GASB 68 pension liability.

The building code business-type activities revenues increased as a result of a fee increase, an upturn in the economy and subsequent construction activity. The building code business-type activities expenses increased primarily due to the allocation of the PERS net pension liability.

Revenues by Source – Business-type Activities

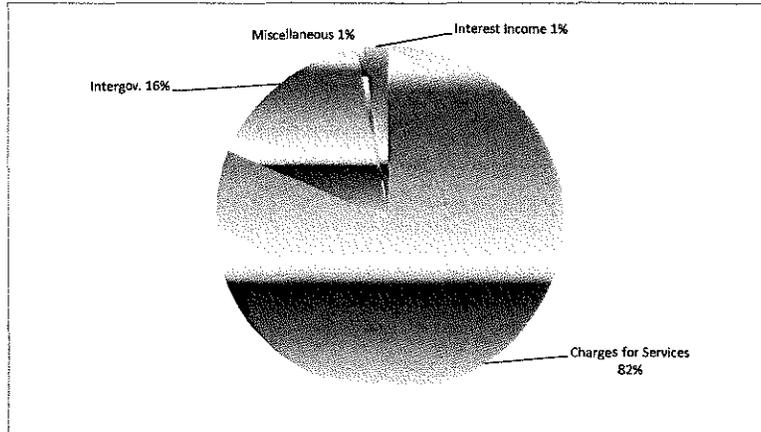


Figure 3

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

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

As of June 30, 2017, the City's Balance Sheet for Governmental Funds reported combined ending fund balances of \$20,902,206, an increase of \$756,430 over the prior fiscal year. Of this ending fund balance, the General Fund contributed \$3,509,705, the Jurisdictional Exchange Fund contributed \$4,785,523, the Revenue Bond Fund contributed \$4,594,589, and the other governmental funds contributed \$8,012,389.

The primary operating fund of the City is the General Fund. At June 30, 2017, the General Fund balance had \$7,558 (<1%) in nonspendable funds, \$6,507 (<1%) in restricted funds, \$677,812 (19%) in assigned funds, and \$2,817,828 (80%) in unassigned funds. One way to measure liquidity for the General Fund is with the ratio of unassigned fund balance to total fund expenditures, which is 22.8%. This ratio decreased 6.3% from June 30, 2016.

The General Fund balance for GASB 54 purposes, net change in fund balance in the Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds for June 30, 2017, decreased from (\$452,579) in the prior fiscal year to (\$34,681) in the current fiscal year, a 93% decrease over the June 30, 2016. Changes between the fiscal years can be attributed to the PERS pension liability, increase in revenues, and refinancing of the Coos Bay North Bend Water Board's \$3.2 million debt instrument.

The Jurisdictional Exchange Fund was formed when the City received ownership of over 23 lane miles from the State of Oregon in exchange for \$4.8 million. The corpus of this fund, \$4.8 million, is restricted from expenditure by City Charter, and allows only the amount over the \$4.8 million for maintenance. During 2012-2013, this fund did not earn a sufficient amount of interest revenue to offset the debt service which required a loan be obtained from the General Fund for the final three debt service payments. This debt matured in FYE 14 and loan payments to the General Fund continued in FYE 17.

The Revenue Bond Fund was created to pay debt service payments and includes transfers from the wastewater fund as a reserve for future wastewater debt service payments and loan covenants. The transferred wastewater funds will help pay future debt service incurred for the planned wastewater capital improvements and subsequently will buy down future rate increases for sewer users. The funds primary revenue sources were transfers from other funds and receipts from the Coos Bay North Bend Water Board for their respective debt service payments. The fund balance at June 30, 2017 was \$4,594,589.

The Other Governmental Funds includes the Urban Renewal Agency Downtown Capital Projects Fund. The Downtown District has one remaining bonds for the Visitor Information Center which will mature June 15, 2019. The District's major capital project was the restoration of the Highway 101 Broadway/Bayshore Beautification project and Coos Art Museum capital projects. The Urban Renewal Agency Empire Capital Projects Fund paid its only debt off one year early. The District's major capital project was the grant match for the Oregon Department of Transportation Empire Blvd sidewalk project from Newmark Avenue south to the city limits at Wisconsin Avenue. This project was completed in the first half of FYE 18.

Proprietary funds. The City's three proprietary funds provide the same type of information found in the government-wide financial statements in greater detail. The Wastewater Fund is utilized for the daily operations of the wastewater treatment plants, pump stations, and sanitary and storm water collection lines; the Wastewater Improvement Fund is used for capital improvements to the wastewater system; and the Building Codes Fund is for the daily operations of administering permit issuance and inspections. The unrestricted net position of the combined proprietary funds as of June 30, 2017 on the Statement of Net Position Proprietary Funds was -\$5,651,162 and the net investment in capital assets \$28,906,872. The total increase in proprietary funds net position on the Statement of Net Position Proprietary Funds for the current fiscal year was \$716,259.

The IFA #1 and #2 loans from the State of Oregon for wastewater system capital improvement projects required a pledge of net revenues of the wastewater system. As a condition of receiving IFA funds, the City of Coos Bay agreed to charge rates and fees in connection with the operation of the wastewater system of at least equal to 120% of the annual debt service due in the fiscal year on the loan.

The Oregon Department of Environmental Quality Clean Water State Revolving Fund (DEQ SRF) loan required the City of Coos Bay to maintain wastewater rates and charge fees in connection with the operation of the wastewater facilities that are adequate to generate net operating revenues in each fiscal year sufficient to pay all debt service, all other financing obligations imposed in connection with prior lien obligations of the borrower, and an amount equal to the debt service coverage factor of 105% multiplied by the debt service payments due in that fiscal year. The following chart provides the annual analysis to evidence compliance with the IFA and DEQ pledges.

Wastewater IFA and DEQ SRF Net Revenues Calculation		
	FYE 16	FYE 17
Revenues: Total Gross Revenues	\$ 6,428,405	\$ 6,032,365
Expenses: Operating Expenses	\$ 3,432,666	\$ 3,810,201
Net Revenues	\$ 2,995,739	\$ 2,222,164
Annual Debt Service:		
Wastewater Land Purchase	\$ 144,751	\$ 158,539
IFA Net Revenues 120% of annual debt service	120%	120%
DEQ SRF Net Revenues 105% of debt service	105%	105%
120% of annual debt service	\$ 173,701	\$ 190,247
105% of annual debt service	\$ 151,988	\$ 166,466

Figure 4

GENERAL FUND BUDGETARY HIGHLIGHTS

The total appropriated final budget of the General Fund for fiscal year 2016-17 was \$17,250,530 of which \$14,294,097 were the actual expenditures. There were amendments to the adopted budget during the year to appropriate grant funds, additional electricity franchise fees for street improvements, Coos Bay North Bend Water Board refinancing, and additional expenditures due to attrition. It should be noted the budgetary general fund differs from the general fund required by GASB 54. The City's budget can be found on the website coosbay.org or by contacting the Finance Department.

The 2016–17 Coos County Summary of Assessment and Tax Roll (<http://www.co.coos.or.us/Departments/Assessors/Assessment-Taxation.aspx>), Table 4a, City of Coos Bay, Line 17 Value to Compute the Tax Rate, less urban renewal excess value, was \$904,689,559. This value increased \$12,497,556, approximately 1.38%, over the 2015-16 total tax assessed value, less the urban renewal excess value, of \$98,723,301 (Coos County Summary of Assessment and Tax Roll Table 4a, Line 16 Subtract Urban Renewal Excess). The slow economic recovery has required the City to remain vigilant in budgeting and developing revenue resources to increase the General Fund carryover due to the slow growth in the taxable assessed value.

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

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

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

The City of Coos Bay contracts with the Oregon Public Employees Retirement System (PERS) to administer the City employee's benefit trust as regulated through Oregon Revised Statute 237. As the benefit administrator, PERS contracted with third-party actuaries to provide Oregon employers with the required information for financial reporting related to PERS pensions provided through the Plan. The Notes to the Basic Financial Statements contain the required schedules which include the City of Coos Bay's proportionate share of allocated pension amounts.

As of June 30, 2017 the City's reported a net pension liability of \$15,273,229, actuarially determined as of December 31st for the fiscal year and rolled forward to the measurement date. The actuarial valuation date rolled forward was initially December 31, 2013. The City's proportion of the net pension liability was based on a projection of the City's long term share of contributions to the pension plan relative to the projected contributions of all participating employers actuarially determined. The City's proportionate share the net pension liability was .1095%. As a result of GASB 68 and 71, the net pension liability contributed to the decrease in the net position.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's net investment in capital assets for its governmental and business-type activities, including the joint venture capital assets of the Coos Bay North Bend Water Board, as of June 30, 2017 amounted to \$139,786,712 (net of accumulated depreciation). This investment in capital assets includes land, improvements and buildings, machinery and equipment, vehicles, infrastructure - streets, plant and systems, intangibles, and construction in progress. The City's total overall net investment in

capital assets increased 4% and was comprised of governmental activities due to depreciation and less construction in progress offset by an increase in business-type activities due to the construction at Wastewater Treatment Plant No. 2; asset additions outpaced depreciation.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Land & assets not depreciated	4,612,393	4,486,659	\$ -	\$ -	\$ 4,612,393	\$ 4,486,659
Land improvements	462,191	767,818	688,028	687,656	1,150,219	1,455,475
Buildings & improvements	13,401,711	14,665,747	0	0	13,401,711	14,665,747
Machinery & equipment	588,276	493,983	1,029,410	953,072	1,617,686	1,447,055
Vehicles	1,037,652	981,597	603,309	448,106	1,640,961	1,429,703
Infrastructure - streets	63,862,568	60,840,103	0	0	63,862,568	60,840,103
Plant & systems	0	0	13,420,214	13,785,901	13,420,214	13,785,901
Intangibles	36,425	28,076	0	0	36,425	28,076
Construction in progress	3,895,017	2,118,630	4,323,289	13,136,052	8,218,306	15,254,682
Total	\$ 87,896,228	\$ 84,382,613	\$ 20,064,250	\$ 29,010,787	\$ 107,960,478	\$ 113,393,400

Debt Administration - The City's long-term debt as of June 30, 2017 was \$26,311,272, an increase of \$6,694,155 from June 30, 2016. The Governmental and Business-Type Activities June 30, 2017 long-term debt included loans to purchase property and construct the new Wastewater Treatment Plant No. 2 (IFA #1 and #2 through the State of Oregon, US Bank, and DEQ SRF funds); loans to be paid by the City's joint venture, the Coos Bay- North Bend Water Board, to fund drinking water infrastructure upgrades and new construction; a General Obligation Bond for the construction of the new Fire Station in 2008; OPEB liability; bond premium; Downtown Urban Renewal Agency bonds for the new Visitor Information Center in 2009; and other debt obligations not included are two inter-fund loans and a loan for technology infrastructure upgrades.

The Coos Bay North Bend Water Board refinanced the 2006 Union Bank of California Revenue Secured Bond this fiscal year for \$3,200,000 and the Urban Renewal Agency paid off the Empire District 2003 bond.

Oregon Revised Statute 287A.050(2) limits the amount of general obligation debt a governmental entity may issue to three percent of the real market value of the taxable property within its boundary less existing outstanding general obligation debt. The 2016-17 real market value from the Coos County Summary of Assessment and Tax Roll, page 5, was \$1,189,281,410 and the three percent limit less the principal outstanding for the 2009 Fire Station general obligation bond would allow for additional general obligation debt of \$31,413,442.

In fiscal year 2012-13, the City was approved for a loan from the Infrastructure Financing Authority (IFA #1) for \$4,303,213 at an interest rate of 1.94% for a maximum term of 20 years for wastewater construction. The approval included a maximum grant of \$500,000 which commenced disbursement this fiscal year. In fiscal year 2013-14, the City was approved for a loan from the Infrastructure Financing Authority (IFA #2) for \$7,034,025 at an interest rate of 1% for a maximum term of 20 years for wastewater construction. The approval included a maximum grant of \$750,000 of which the majority was disbursed this fiscal year. Loan disbursements were made from both loans in 2016-17.

This analysis also includes a copy of the Oregon State Treasury Overlapping Debt report as of June 30, 2017 for compliance with continuing debt disclosures for the FYE 16 \$3.2 million refunding of the Union Bank debt for the joint venture.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
OPEB Liability	\$ 553,892	\$ 595,587	\$ -	\$ -	\$ 553,892	\$ 595,587
Bond Premium	88,495	80,177	-	-	88,495	80,177
General Obligations	4,570,000	4,265,000	-	-	4,570,000	4,265,000
Revenue Bonds/Secured Loans	4,620,604	3,897,127	-	-	4,620,604	3,897,127
Revenue Secured Loans	85,473	81,101	-	-	85,473	81,101
Business Loans/Notes Payable	4,774,517	4,157,091	4,924,137	13,235,352	9,698,654	17,392,443
Total	\$ 14,692,981	\$ 13,076,083	\$ 4,924,137	\$ 13,235,352	\$ 19,617,117	\$ 26,311,433

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The following economic factors currently affect the City of Coos Bay and were considered in developing the 2017 – 2018 fiscal year budget. Like all cities in Oregon, the City is operating under Measure 50, the ad valorem tax limitation measure approved by voters on May 20, 1997. This measure rolled back assessed values to 1995-96 levels and effectively limited increased property tax revenues the City could anticipate in future years to a maximum of three percent, with permitted allowances for increasing valuations based on new construction. No substantive changes to the basic provisions of Measure 50 have been enacted during subsequent Oregon Legislative sessions.

- The City Council budgeted a 6.4% Wastewater sewer rate increase for FYE 18 pursuant to the June 2009 rate study plan.
- Taxable assessed value increased in 2016-2017 and was considered in the 2017-2018 budget where the taxable assessed value was estimated to increase less than one percent.
- The City's permanent tax rate continues at \$6.3643.
- The passage of local and state taxes on marijuana will provide a resource for the General Fund and through resolution, to be split with the SCINT (South Coast Interagency Narcotics Team).
- Interest rates for the City's resources on deposit were expected to remain steady or increase throughout fiscal year 2017-2018.
- Medical insurance premiums increased less than one percent .5% and dental premiums increased 9.5%. The medical premium (not including vision or dental) is based on a 24 month look-back period directly related to the City's employees and their dependents actual claim history. Also included are retirees who have retained CIS insurance and anyone previously employed and eligible for COBRA. The employees cost share of the medical/dental/vision premiums continued at 10%.
- The PERS pension for the State of Oregon's 2015-2017 biennium increased an average of 33.3%: Tiers 1 and 2, 17.11%; OPSRP General Service 8.81%; and OPSRP Police/Fire 12.92%.
- The contracted labor union, International Association of Firefighters, was renegotiated prior to the June 30, 2017 expiration. The Coos Bay Police Officer's Association labor contract will expire June 30, 2018.

REQUESTS FOR INFORMATION

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


 Susanne Baker
 City of Coos Bay
 Finance Director

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CITY OF COOS BAY
COOS COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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CITY OF COOS BAY
COOS COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 20,499,034	\$ 6,532,400	\$ 27,031,434
Receivables (Net of Allowance For Uncollectible)	2,047,196	3,905,365	5,952,561
Prepays	35,535	2,369	37,904
Supply Inventory	894	-	894
Investment in Joint Venture	26,393,312	-	26,393,312
Capital Assets:			
Capital Assets, Non-Depreciable	6,893,467	13,136,052	20,029,519
Capital Assets, Net of Depreciation	77,489,146	15,874,737	93,363,883
Noncurrent Assets:			
Note Receivable - Due Within One Year	601,510	-	601,510
Note Receivable - Due in More Than One Year	7,186,303	-	7,186,303
Total Assets	141,146,397	39,450,923	180,597,320
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferral	6,788,795	1,056,912	7,845,707
Deferred Charge on Refunding	134,544	-	134,544
Total Deferred Outflows of Resources	6,923,339	1,056,912	7,980,251
LIABILITIES			
Accounts Payable	416,120	1,658,951	2,075,071
Payroll and Payroll Taxes Payable	237,233	-	237,233
Interest Payable	97,039	-	97,039
Accrued Vacation	1,112,030	180,556	1,292,586
Noncurrent Liabilities:			
Due Within One Year:			
Revenue Secured Loans Payable	555,659	65,000	620,659
Bonds Payable	315,000	-	315,000
Note Payable	220,259	-	220,259
Due in More Than One Year:			
Proportionate Share of Net Pension Liability	13,215,739	2,057,490	15,273,229
Revenue Secured Loans Payable	3,422,567	13,170,352	16,592,919
Bonds Payable	3,950,000	-	3,950,000
Note Payable	3,936,834	-	3,936,834
OP EB Obligation	595,587	-	595,587
Bond Premium	80,177	-	80,177
Total Liabilities	28,154,244	17,132,349	45,286,593
DEFERRED INFLOWS OF RESOURCES			
Net Deferred Pension Asset	769,348	119,776	889,124
Total Deferred Inflows of Resources	769,348	119,776	889,124
NET POSITION			
Net investment in capital assets	75,263,393	15,775,437	91,038,830
Invested in Joint Venture-Unrestricted	26,393,312	-	26,393,312
Restricted for:			
Capital Projects	1,024,577	-	1,024,577
Debt Services	5,149,930	-	5,149,930
Services and Contributions	1,658,444	-	1,658,444
Unrestricted	9,656,488	7,480,273	17,136,761
Total Net Position	\$ 119,146,144	\$ 23,255,710	\$ 142,401,854

See accompanying notes to basic financial statements

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

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017**

<u>Functions/Programs</u>	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Government				
Governmental Activities				
General Government	\$ 2,251,902	\$ 635,256	\$ 583,449	\$ 25,000
Public Safety	8,323,651	667,263	84,406	-
Public Works	7,225,602	138,932	16,951	10,000
Culture and Recreation	1,883,510	37,517	21,630	-
Interest on Long-term Debt	648,466	-	-	-
Total Governmental Activities	<u>20,333,131</u>	<u>1,478,968</u>	<u>706,436</u>	<u>35,000</u>
Business- Type Activities				
Wastewater	5,094,675	5,449,020	-	-
Building Codes	364,457	342,512	-	-
Total Business-Type Activities	<u>5,459,132</u>	<u>5,791,532</u>	<u>-</u>	<u>-</u>
Total Government	<u>\$ 25,792,263</u>	<u>\$ 7,270,500</u>	<u>\$ 706,436</u>	<u>\$ 35,000</u>

General Revenues

Taxes:

Property

Transient Occupancy

Other Taxes

Intergovernmental

Franchise Fees

Gain (Loss) on Joint Venture

Gain (Loss) on Disposal of Capital Asset

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - beginning of year

Net Position - end of year

See accompanying notes to basic financial statements

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

Governmental Activities	Business-Type Activities	Total
\$ (1,008,197)	\$ -	\$ (1,008,197)
(7,571,982)	-	(7,571,982)
(7,059,719)	-	(7,059,719)
(1,824,363)	-	(1,824,363)
(648,466)	-	(648,466)
<u>(18,112,727)</u>	<u>-</u>	<u>(18,112,727)</u>
-	354,345	354,345
<u>-</u>	<u>(21,945)</u>	<u>(21,945)</u>
-	332,400	332,400
<u>(18,112,727)</u>	<u>332,400</u>	<u>(17,780,327)</u>
7,610,052	-	7,610,052
630,482	-	630,482
2,041,630	-	2,041,630
1,287,649	1,116,251	2,403,900
2,106,304	-	2,106,304
523,486	-	523,486
(1,401)	-	(1,401)
184,641	155,543	340,184
451,259	43,065	494,324
931,000	(931,000)	-
<u>15,765,102</u>	<u>383,859</u>	<u>16,148,961</u>
(2,347,625)	716,259	(1,631,366)
<u>121,493,769</u>	<u>22,539,451</u>	<u>144,033,220</u>
<u>\$ 119,146,144</u>	<u>\$ 23,255,710</u>	<u>\$ 142,401,854</u>

See accompanying notes to basic financial statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2017

	GENERAL FUND	JURISDICTIONAL EXCHANGE RESERVE	REVENUE BOND	OTHER GOVERNMENTAL	TOTAL
ASSETS:					
Cash and Investments	\$ 3,480,783	\$ 4,873,905	\$ 4,594,589	\$ 7,549,757	\$ 20,499,034
Inventory	894	-	-	-	894
Receivables, Net					
Taxes	561,254	-	-	208,432	769,686
Accounts	425,322	-	-	453,013	878,335
Assessments	350,780	-	-	48,395	399,175
Interfund Receivable	88,382	-	-	300,000	388,382
Prepaid Expenses	6,664	-	-	28,871	35,535
Total Assets	<u>\$ 4,914,079</u>	<u>\$ 4,873,905</u>	<u>\$ 4,594,589</u>	<u>\$ 8,588,468</u>	<u>\$ 22,971,041</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND EQUITY:					
Liabilities:					
Accounts Payable	\$ 61,237	\$ -	\$ -	\$ 354,883	\$ 416,120
Payroll and Payroll Taxes Payable	237,233	-	-	-	237,233
Interfund Payable	300,000	88,382	-	-	388,382
Total Liabilities	<u>598,470</u>	<u>88,382</u>	<u>-</u>	<u>354,883</u>	<u>1,041,735</u>
Deferred Inflows of Resources:					
Unavailable Revenue-Property Taxes	455,124	-	-	47,390	502,514
Unavailable Revenue-Special Assessments	350,780	-	-	173,806	524,586
Total Deferred Inflows of Resources	<u>805,904</u>	<u>-</u>	<u>-</u>	<u>221,196</u>	<u>1,027,100</u>
Fund Equity:					
Fund Balances:					
Nonspendable	7,558	4,800,000	-	28,871	4,836,429
Restricted	6,507	-	4,594,589	3,231,855	7,832,951
Assigned	677,812	-	-	4,751,663	5,429,475
Unassigned	2,817,828	(14,477)	-	-	2,803,351
Total Fund Balance	<u>3,509,705</u>	<u>4,785,523</u>	<u>4,594,589</u>	<u>8,012,389</u>	<u>20,902,206</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 4,914,079</u>	<u>\$ 4,873,905</u>	<u>\$ 4,594,589</u>	<u>\$ 8,588,468</u>	<u>\$ 22,971,041</u>

See accompanying notes to basic financial statements

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

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

June 30, 2017

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

Fund Balances		\$	20,902,206
<p>The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the City as a whole.</p>			
Net Capital Assets			84,382,613
<p>Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.</p>			
General Obligation Bonds	\$	(4,265,000)	
Revenue Loans		(3,978,226)	
Bond Premium		(80,177)	
Notes and Contracts Payable		(4,157,093)	
Debt Issuance Difference		134,544	
Accrued Interest		(97,039)	
Net Adjustment			(12,442,991)
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>			
Accrued Vacation			(1,112,030)
Net OPEB Obligation is not reported as a liability in the Governmental Funds Balance Sheet			(595,587)
Net Pension Liability			(13,215,739)
Pension Related Deferrals			6,788,795
Net Deferred Pension Asset			(769,348)
<p>Other long-term assets are not available to pay for current-period expenditures and therefore are considered unavailable in the funds.</p>			
Unavailable Revenue			1,027,100
Joint Venture Note Receivable			7,787,813
Joint Venture Equity Investment			26,393,312
Total Net Position		\$	<u>119,146,144</u>

See accompanying notes to basic financial statements

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

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2017**

	GENERAL FUND	JURISDICTIONAL EXCHANGE RESERVE	REVENUE BOND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property Taxes	\$ 5,608,349	\$ -	\$ -	\$ 1,978,389	\$ 7,586,738
Other Taxes	-	-	-	2,672,112	2,672,112
Franchise Fees	2,106,304	-	-	-	2,106,304
Licenses and Permits	141,932	-	-	-	141,932
Intergovernmental	438,089	-	752,935	894,685	2,085,709
Grants	99,522	-	-	271,038	370,560
Other-Timber Sales	-	-	-	449,825	449,825
Charges for Services	899,920	-	-	23,718	923,638
Charges for Use of Money and Property	128,679	53,392	-	90,469	272,540
Fines and Forfeitures	70,104	-	-	-	70,104
Miscellaneous	69,786	-	-	102,329	172,115
Total Revenues	9,562,685	53,392	752,935	6,482,565	16,851,577
EXPENDITURES					
Current:					
General Government	1,292,011	-	-	527,871	1,819,882
Public Safety	6,990,555	-	-	231,846	7,222,401
Public Works	911,518	-	-	1,967,065	2,878,583
Culture and Recreation	-	-	-	1,638,431	1,638,431
Capital Outlay	-	-	-	1,224,054	1,224,054
Debt Service:					
Principal Retirement	3,147,353	-	623,059	1,212,477	4,982,889
Interest and Fiscal Charges	-	1,208	294,863	220,192	516,263
Total Expenditures	12,341,437	1,208	917,922	7,021,936	20,282,503
Excess of Revenues Over (Under) Expenditures	(2,778,752)	52,184	(164,987)	(539,371)	(3,430,926)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	-	-	-	4,113	4,113
Loan Proceeds	3,200,000	-	-	-	3,200,000
Transfers In	77,237	-	906,447	3,379,634	4,363,318
Transfers Out	(433,348)	-	-	(2,998,970)	(3,432,318)
Insurance Recovery	-	-	-	52,243	52,243
Du Jour Financing - URA	1,474,050	-	-	1,459,309	2,933,359
Du Jour Financing - URA	(1,459,309)	-	-	(1,474,050)	(2,933,359)
Total Other Financing Sources, (Uses)	2,858,630	-	906,447	422,279	4,187,356
Net Change in Fund Balance	79,878	52,184	741,460	(117,092)	756,430
FUND BALANCE - BEGINNING OF YEAR	3,429,827	4,733,339	3,853,129	8,129,481	20,145,776
FUND BALANCE - END OF YEAR	\$ 3,509,705	\$ 4,785,523	\$ 4,594,589	\$ 8,012,389	\$ 20,902,206

See accompanying notes to basic financial statements

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

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2017**

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 \$ 756,430

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

Capitalized Additions	\$	1,222,747
Capital Asset Deletions		(5,514)
Depreciation Expense		<u>(4,730,848)</u>

Net Adjustment (3,513,615)

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		4,850,274
Debt Issuance		(3,200,000)
Accrued Vacation		(57,195)
Net Pension Asset Changes		(1,294,323)
OPEB Obligation		<u>(41,695)</u>

Net Adjustment 248,561

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

Accrued Interest 8,912

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

Property Taxes	23,314
Assessments Receivable	43,509

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	(438,222)
Gain (Loss) from Joint Venture	<u>523,486</u>

Change in Net Position \$ (2,347,625)

See accompanying notes to basic financial statements

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

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017**

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WASTEWATER FUND	WASTEWATER IMPROVEMENT FUND	BUILDING CODES FUND	
ASSETS				
Current Assets				
Cash and Investments	\$ 1,844,786	\$ 4,469,153	\$ 218,461	\$ 6,532,400
Receivables				
Accounts Receivable, Net	1,683,001	2,222,364	-	3,905,365
Prepaid Expenses	2,169	-	200	2,369
Capital Assets, Non-Depreciable	13,136,052	-	-	13,136,052
Capital Assets, Net of Depreciation	15,874,737	-	-	15,874,737
Total Assets	32,540,745	6,691,517	218,661	39,450,923
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferrals	871,886	-	185,026	1,056,912
Total Deferred Outflows of Resources	871,886	-	185,026	1,056,912
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities	15,360	1,638,467	5,124	1,658,951
Accrued Vacation	161,368	-	19,188	180,556
Noncurrent Liabilities:				
Due within one year	-	65,000	-	65,000
Due in more than one year:				
Proportionate Share of Net Pension Liability	1,697,299	-	360,191	2,057,490
Revenue Secured Loan	103,917	13,066,435	-	13,170,352
Total Liabilities	1,977,944	14,769,902	384,503	17,132,349
DEFERRED INFLOWS OF RESOURCES				
Net Deferred Pension Asset	98,808	-	20,968	119,776
Total Deferred Outflows of Resources	98,808	-	20,968	119,776
NET POSITION				
Net Investment in Capital Assets	28,906,872	-	-	28,906,872
Restricted for				
Unrestricted	2,429,007	(8,078,385)	(1,784)	(5,651,162)
Total Net Position	\$ 31,335,879	\$ (8,078,385)	\$ (1,784)	\$ 23,255,710

See accompanying notes to basic financial statements

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2017**

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WASTEWATER FUND	WASTEWATER IMPROVEMENT FUND	BUILDING CODES FUND	
OPERATING REVENUES				
Licenses and Permits	\$ 6,770	\$ -	\$ 342,512	\$ 349,282
Intergovernmental	444,637	671,614	-	1,116,251
Charges for Services	5,442,250	-	-	5,442,250
Total Operating Revenues	5,893,657	671,614	342,512	6,907,783
OPERATING EXPENSES				
Personal Services	1,485,578	-	323,453	1,809,031
Materials and Services	2,578,165	248,528	41,004	2,867,697
Depreciation Expense	782,404	-	-	782,404
Total Operating Expenses	4,846,147	248,528	364,457	5,459,132
Income, (Loss) From Operations	1,047,510	423,086	(21,945)	1,448,651
NON-OPERATING REVENUES (EXPENSES)				
Interest on Investments	20,715	132,885	1,943	155,543
Other Revenue (Expenses)	43,042	-	23	43,065
Total Non-Operating Revenues	63,757	132,885	1,966	198,608
Income, (Loss) Before Contributions and Transfers	1,111,267	555,971	(19,979)	1,647,259
CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	9,728,943	(9,728,943)	-	-
Transfers In	-	1,553,823	-	1,553,823
Transfers Out	(2,478,823)	-	(6,000)	(2,484,823)
Total Contributions and Transfers	7,250,120	(8,175,120)	(6,000)	(931,000)
Change in Net Position	8,361,387	(7,619,149)	(25,979)	716,259
Beginning Net Position	22,974,492	(459,236)	24,195	22,539,451
Ending Net Position	\$ 31,335,879	\$ (8,078,385)	\$ (1,784)	\$ 23,255,710

See accompanying notes to basic financial statements

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

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2017**

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WASTEWATER FUND	WASTEWATER IMPROVEMENT FUND	BUILDING CODES FUND	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 5,905,837	\$ (1,472,668)	\$ 342,672	\$ 4,775,841
Payments to Suppliers	(2,585,914)	1,167,042	(40,411)	(1,459,283)
Payments to Employees	(1,229,902)	-	(257,848)	(1,487,750)
Net Cash Provided by Operating Activities	<u>2,090,021</u>	<u>(305,626)</u>	<u>44,413</u>	<u>1,828,808</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	-	1,553,823	-	1,553,823
Transfers to Other Funds	(2,478,823)	-	(6,000)	(2,484,823)
Net Cash Provided by Noncapital Financing Activities	<u>(2,478,823)</u>	<u>1,553,823</u>	<u>(6,000)</u>	<u>(931,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	(9,728,943)	8,236,265	-	(1,492,678)
Long term debt issuance	74,950	-	-	74,950
Other Revenue (Expenses)	43,042	-	23	43,065
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>117,992</u>	<u>(1,492,678)</u>	<u>23</u>	<u>(1,374,663)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	20,715	132,885	1,943	155,543
Net Increase, (Decrease) in Cash and Cash Equivalents	(250,095)	(111,596)	40,379	(321,312)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>2,094,881</u>	<u>4,580,749</u>	<u>178,082</u>	<u>6,853,712</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,844,786</u>	<u>\$ 4,469,153</u>	<u>\$ 218,461</u>	<u>\$ 6,532,400</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income	\$ 1,047,510	\$ 423,086	\$ (21,945)	\$ 1,448,651
Adjustments				
Depreciation/Amortization	782,404	-	-	782,404
(Increase), Decrease in Accounts Receivable	12,180	(2,144,282)	-	(2,132,102)
(Increase), Decrease in Prepaids	(1,779)	-	160	(1,619)
Increase (Decrease) in Accrued Vacation	2,133	-	3,607	5,740
Increase, (Decrease) in Pension items	253,543	-	61,998	315,541
Increase, (Decrease) in Accounts Payable/Accrued Liabilities	(5,970)	1,415,570	593	1,410,193
Net Cash From Operations	<u>\$ 2,090,021</u>	<u>\$ (305,626)</u>	<u>\$ 44,413</u>	<u>\$ 1,828,808</u>

See accompanying notes to basic financial statements

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

**STATEMENT OF FIDUCIARY FUNDS - NET POSITION
AGENCY FUND
June 30, 2017**

	<u>AGENCY FUND VISITORS CONVENTION BUREAU</u>
ASSETS:	
Cash and Investments	\$ <u>591,453</u>
Total Assets	<u>591,453</u>
LIABILITIES:	
Due to Other Agency	<u>591,453</u>
NET POSITION:	
Total Net Position Unrestricted	<u>\$ -</u>

See accompanying notes to basic financial statements

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CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

THE FINANCIAL REPORTING ENTITY

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

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

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

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

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

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

Entity excluded from the reporting entity:

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

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

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

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

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

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

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

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

There are the following *major governmental funds*:

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

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

Revenue Bond Fund – This fund accounts for debt service.

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

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

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

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

There are the following *major proprietary funds*:

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

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

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

There is the following *agency fund*:

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

BUDGETS

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BUDGETS (CONTINUED)

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

LEVEL OF CONTROL

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

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

Budget amounts shown in the basic financial statements reflect the original budget amount and appropriation transfers. All expenditures were within appropriations for year ended June 30, 2017.

ESTIMATES

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

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

Deposits and investments

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

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market–corroborated inputs)

Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Receivables and payables

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

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

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

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

Prepaid items

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

Capital assets

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Gains or losses from sales or retirements of capital assets are included in operations of the current period.

Supply Inventories

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

Retirement Plans

Substantially all of the City's employees are participants in the State of Oregon Public Employees Retirement System (PERS). For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about fiduciary net position of PERS and additions to/deductions from PERS's fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. GASB Statements 68 and 71 have been implemented as of July 1, 2014.

Compensated Absences

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

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term obligations

In the government-wide financial statements, and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the current period.

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

Net position/Fund balance

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

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

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

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

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

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net position/Fund balance (Continued)

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

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

Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The statement of net position reports a deferred inflow called Net Deferred Pension Asset. This amount is equal to the difference between actuarially projected investment earnings and actual investment earnings, less contributions that the City paid to PERS during 2016-2017.

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:

Depositist with Financial Institutions:	
Petty Cash	\$ 1,000
Demand Deposits	752,942
Investments	<u>26,868,945</u>
 Total Cash and Investments	 <u>\$ 27,622,887</u>
 Reconciliation of Cash Reported in:	
Governmental Funds	\$ 20,499,034
Business Type Funds	6,532,400
Agency Fund	<u>591,453</u>
 Total Cash and Investments	 <u>\$ 27,622,887</u>

Deposits

Deposits with financial institutions consist of bank demand deposits. The total bank balance per the bank statements for all pooled cash is \$2,294,143. 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, 2017, none of the bank balance was exposed to custodial credit risk because it was unsecured 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2017, the City had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-19
State Treasurer's Investment Pool	\$ 26,868,945	\$ 26,868,945	\$ -	\$ -
Total	\$ 26,868,945	\$ 26,868,945	\$ -	\$ -

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2017. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2017, the fair value of the position in the LGIP approximates the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized.

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, 2017, 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, 2017 and 2016 are \$1,112,030, and \$1,054,835. The business type funds compensated absences balances at June 30, 2017 and 2016 are \$180,556 and \$174,816.

<u>Compensated Absences</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental	\$ 1,054,835	\$ 57,195	\$ -	\$ 1,112,030
Business Type	174,816	5,740	-	180,556
Total	\$ 1,229,651	\$ 62,935	\$ -	\$ 1,292,586

4. CAPITAL ASSETS

Capital asset activity for governmental activities of the primary government for the year ended June 30, 2017 was as follows:

<u>Description</u>	<u>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS</u>			
	<u>June 30, 2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2017</u>
Capital assets not being depreciated				
Land	\$ 3,775,275	\$ 144,793	\$ -	\$ 3,920,068
Museum art works collection	837,119	17,650	-	854,769
Construction In Progress	3,895,017	1,126,252	(2,902,639)	2,118,630
Total Capital Assets not being depreciated	8,507,411	1,288,695	(2,902,639)	6,893,467
Other Capital Assets				
Land and Improvements	2,176,129	82,299	-	2,258,428
Buildings and Improvements	17,938,339	1,716,053	-	19,654,392
Machinery and Equipment	2,529,380	36,832	(5,710)	2,560,502
Vehicles	3,789,560	173,228	(173,150)	3,789,638
Intangibles	55,521	-	-	55,521
Infrastructure - streets	151,933,491	828,279	-	152,761,770
Total other Capital Assets	178,422,420	2,836,691	(178,860)	181,080,251
Less Accumulated Depreciation				
Land Improvements	1,713,941	64,846	-	1,778,787
Buildings and Improvements	4,536,629	452,015	-	4,988,644
Machinery & Equipment	1,941,104	126,368	(952)	2,066,520
Vehicles	2,751,907	228,528	(172,394)	2,808,041
Intangibles	19,096	8,349	-	27,445
Infrastructure - streets	88,070,926	3,850,742	-	91,921,668
Total Accumulated Depreciation	99,033,603	4,730,848	(173,346)	103,591,105
Total Governmental Activities	\$ 87,896,227	\$ (605,462)	\$ (2,908,153)	\$ 84,382,613

**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	\$ 314,568
Public Safety	152,624
Public Works	4,175,229
Culture and Recreation	<u>88,427</u>
 Total	 <u>\$ 4,730,848</u>

Capital asset activity for business type activities for the year ended June 30, 2017 was as follows:

	<u>BUSINESS TYPE ACTIVITIES</u>			
<u>Description</u>	<u>June 30, 2016</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2017</u>
Capital assets not being depreciated				
Construction in Progress	\$ 4,323,289	\$ 10,015,133	\$ (1,202,370)	\$ 13,136,052
Total Capital Assets not being depreciated	<u>4,323,289</u>	<u>10,015,133</u>	<u>(1,202,370)</u>	<u>13,136,052</u>
 Other Capital Assets - Wastewater				
Land and Improvements	2,576,662	-	-	2,576,662
Machinery & Equipment	4,006,227	27,176	-	4,033,403
Vehicles	1,339,790	-	-	1,339,790
Plant and System	23,396,289	889,004	-	24,285,293
Total other Capital Assets	<u>31,318,968</u>	<u>916,180</u>	<u>-</u>	<u>32,235,148</u>
 Less Accumulated Depreciation				
Land and Improvements	1,888,634	371	-	1,889,005
Machinery & Equipment	2,976,817	103,512	-	3,080,329
Vehicles	736,481	155,203	-	891,684
Plant and System	9,976,075	523,318	-	10,499,393
Total Accumulated Depreciation	<u>15,578,007</u>	<u>782,404</u>	<u>-</u>	<u>16,360,411</u>
 Total Business Type Activities	 <u>\$ 20,064,250</u>	 <u>\$ 10,148,909</u>	 <u>\$ (1,202,370)</u>	 <u>\$ 29,010,789</u>

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

<u>Function</u>	<u>Business Type Funds</u>
Wastewater	\$ <u>782,404</u>
 Total	 <u>\$ 782,404</u>

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. EMPLOYEE RETIREMENT PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at: <http://www.oregon.gov/PERS/Documents/Financial/CAFR/2016-CAFR.pdf>

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i) Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
 - ii) Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii) Disability Benefits. A member with 10 or more years of creditable service who becomes disable from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv) Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

- b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
 - i) Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.
General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

- ii) **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii) **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv) **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2014 actuarial valuation, which became effective July 1, 2015. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2017 were \$873,648, excluding amounts to fund employer specific liabilities. In addition approximately \$422,612 in employee contributions were paid or picked up by the City in fiscal 2017.

At June 30, 2017, the City reported a net pension liability of \$15,273,229, for its proportionate share of the net pension liability. The pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2014, the City's proportion was .102 percent.

	<u>Deferred Outflow</u> <u>of Resources</u>	<u>Deferred Inflow</u> <u>of Resources</u>
Difference between expected and actual experience	\$ 505,305	\$ -
Changes in assumptions	3,257,413	-
Net difference between projected and actual earnings on pension plan investments	3,017,349	-
Changes in proportionate share	191,992	423,053
Changes in proportion and differences between City contributions and proportionate share of contributions	-	466081
Total (prior to post-MD) contributions	<u>6,972,059</u>	<u>889,134</u>
Contributions subsequent to the MD	<u>873,648</u>	<u>-</u>
Net Deferred Outflow (Inflow) of resources	<u>\$ 7,845,707</u>	<u>\$ 889,134</u>

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

<u>Year ending June 30,</u>	<u>Amount</u>
2018	\$ 1,032,946
2019	1,032,946
2020	2,162,093
2021	1,640,696
2022	214,254
Thereafter	-
Total	<u>\$ 6,082,935</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated December 1, 2016. Oregon PERS produces an independently audited CAFR which can be found at:

<http://www.oregon.gov/PERS/Documents/Financial/CAFR/2016-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2015 through June 30, 2017 are General Service – 15.63%, Police and Fire – 11.44%, OPSRP General Service – 7.33% and OPSRP Police and Fire – 11.442%, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2014 rolled forward to June 30, 2016 measurement date
Experience Study Report	2014, Published September 2015
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.5 percent
Investment rate of return	7.5 percent
Projected salary increase	3.5 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service (reduced from 3.5 percent). Blend of 2.0 percent COLA and graded COLA (1.25/0.15 percent) in accordance with the Moro decision, blend based on service.
Cost of Living Adjustment	Blend of 2.0 percent COLA and graded COLA (1.25/0.15 percent) in accordance with Moro decision, blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males and 95% for females) of the RP-2000 sex-distinct, generational per scale BB, disabled mortality rate.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2014 Experience Study which is reviewed for the four-year period ending December 31, 2014.

Discount Rate – The discount rate used to measure the total pension liability was 7.5 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

Source: June 30, 2014 PERS CAFR; p. 54 – 55)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	7.71%	6.07%
<i>Assumed Inflation</i>		<i>2.75%</i>

Source: June 30, 2014 PERS CAFR; p. 54 – 55)

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5 percent) or 1-percentage-point higher (8.5 percent) than the current rate.

	Decrease (6.5%)	Rate (7.5%)	Increase (8.5%)
City's proportionate share of the net pension liability	\$ 24,661,172	\$ 15,273,229	\$ 7,426,551

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

At its July 28, 2017 meeting, the PERS Board lowered the assumed rate to 7.2 percent. For member transactions, this rate will take effect January 1, 2018. The current assumed rate is 7.5 percent and has been in effect for member transactions since January 1, 2016.

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the City for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the City.

Individual Account Program - In the 2003 legislative session, the Oregon Legislative Assembly created a successor plan for OPERS. 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 OPERS members who return to employment following a six month or greater break in service. The new plan consists of the defined benefit pension plans and a defined contribution pension plan (the Individual Account Program or IAP). Beginning January 1, 2004, all OPERS member contributions go into the IAP portion of OPSRP. OPERS' members retain their existing OPERS accounts, but any future member contributions are deposited into the member's IAP, not the member's OPERS account. Those employees who had established an OPERS membership prior to the creation of OPSRP will be members of both the OPERS and OPSRP system as long as they remain in covered employment. Members of OPERS and OPSRP are required to contribute six percent of their salary covered under the plan which is invested in the IAP. The City makes this contribution on behalf of its employees.

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. EMPLOYEE RETIREMENT PLAN (CONTINUED)

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

6. DEFERRED COMPENSATION

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

7. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

Funding Policy. There is no plan to fund these benefits, but an actuary has calculated that the implied subsidy included in healthcare costs for the year ended June 30, 2017, was approximately \$595,587.

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

	<u>6/30/2015</u>	<u>6/30/2016</u>	<u>6/30/2017</u>
Annual Required Contribution (ARC)	\$ 142,089	\$ 119,652	\$ 116,235
Interest on Net Pension Obligation	14,853	17,452	19,386
Adjustment to Annual Required Contribution	<u>(51,026)</u>	<u>(59,955)</u>	<u>(66,601)</u>
Annual OPEB Cost	105,916	77,149	69,020
Contributions Made	<u>(31,657)</u>	<u>(21,878)</u>	<u>(27,325)</u>
Increase in Net Pension Obligation	74,259	55,271	41,695
Net OPEB Obligation (Asset) at Beginning of the Year	424,362	498,621	553,892
Net OPEB Obligation (Asset) at End of the Year	<u>\$ 498,621</u>	<u>\$ 553,892</u>	<u>\$ 595,587</u>
Percentage of APC Contributed	30%	28%	40%

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

NOTES TO BASIC FINANCIAL STATEMENTS

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

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2017, along with preceding fiscal years, were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 105,218	38.00%	\$ 424,362
6/30/2015	105,916	30.00%	498,621
6/30/2016	77,149	28.00%	553,892
6/30/2017	69,020	40.00%	595,587

Funding status and funding progress. As of July 1, 2016 the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$658,956 all of which was unfunded.

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

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

The following simplifying assumptions were made:

- Discount rate: 3.50% for unfunded liabilities.
- Health Cost Trend for medical and vision: 7.00% for 2016, 7.50% for 2017, 6.00% for 2018, 5.50% for 2019, 5.25% for 2020-2025, 5.00% for 2026, 5.25% for 2027-2035, 5.75% for 2036, 6.25% for 2037-2039, 6.00% for 2040-2042, 5.75% for 2043-2047, 5.50% for 2048-2056, 5.25% for 2057-2064, and 5.00% for 2065 and so on.
- Health Cost Trend for dental: 4.5% per year increase.
- Annual Payroll Increase: 3.50% per year
- Disability: Not used.
- Retirement: Based on the Oregon PERS assumptions.
- Withdrawal: Based on the Oregon PERS assumptions.
- Mortality: RP-2000 healthy white collar male and female mortality tables. Mortality is projected on a generational basis using Scale BB for males and females.
- Excluded employees: Temporary and part-time employees, elected officials and volunteers.
- PERS service: Estimated based on elapsed time from date of hire to the most recent valuation.
- Future retiree coverage: 40% of active members upon retirement.
- Spousal age: Females spouses are assumed to be two years younger than male spouses.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT

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

Governmental Activities

Revenue Secured Bond:

In November 2016, \$3,200,000 in Refunding Bonds were issued, the proceeds of which were utilized to refund the 2006 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 \$296,673. 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 November 2016 Revenue Secured Bond debt are as follows:

Fiscal Year	Issue of April 2006		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017-2018	\$ 370,000	\$ 52,763	\$ 422,763
2018-2019	385,000	46,157	431,157
2019-2020	390,000	39,375	429,375
2020-2021	395,000	32,506	427,506
2021-2022	405,000	25,506	430,506
2023-2027	1,255,000	33,207	1,288,207
Total	<u>\$ 3,200,000</u>	<u>\$ 229,514</u>	<u>\$ 3,429,514</u>

Interest rate: 1.75%

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		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017-2018	\$ 4,589	\$ 4,031	\$ 8,620
2018-2019	4,818	3,802	8,620
2019-2020	5,057	3,563	8,620
2020-2021	5,309	3,312	8,621
2021-2022	5,572	3,048	8,620
2023-2027	32,301	10,799	43,100
2028-2032	<u>23,453</u>	<u>2,368</u>	<u>25,821</u>
Total	<u>\$ 81,099</u>	<u>\$ 30,923</u>	<u>\$ 112,022</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

General Obligation 2009 Fire Station Bond:

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

Fiscal Year	Issue of April 15, 2009		
	Principal	Interest	Total
2017-2018	\$ 315,000	\$ 174,750	\$ 489,750
2018-2019	330,000	162,150	492,150
2019-2020	340,000	148,950	488,950
2020-2021	355,000	135,350	490,350
2021-2022	370,000	121,150	491,150
2023-2027	2,085,000	369,369	2,454,369
2028-2032	470,000	20,563	490,563
Total	\$ 4,265,000	\$ 1,132,282	\$ 5,397,282

Interest rate: 3.0 - 4.375% fixed annual rate.

Economic Development Loan:

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

Fiscal Year	Issue of December 1, 2013		
	Principal	Interest	Total
2017-2018	\$ 207,851	\$ 140,779	\$ 348,630
2018-2019	214,918	133,712	348,630
2019-2020	222,225	126,404	348,629
2020-2021	229,781	118,849	348,630
2021-2022	237,593	111,036	348,629
2023-2027	1,314,775	428,373	1,743,148
2028-2032	1,554,011	189,138	1,743,149
2033-2037	159,394	5,419	164,813
Total	\$ 4,140,548	\$ 1,253,710	\$ 5,394,258

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

URA Downtown Bond:

\$5,700,000 of urban renewal current refunding bonds were issued on January 24, 2003, which are payable from the tax increment revenues of the Downtown Urban Renewal Area. The bonds were paid off in the current year.

URA Downtown Bond: \$1,402,000 of urban renewal debt service bonds were issued on August 28, 2009, which are payable from the tax increment revenues from the Downtown Urban Renewal Area. The future requirements for amortization of these outstanding urban renewal bonds as of June 30, 2017, are as follows:

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

Fiscal Year	Issue of August 28, 2009		
	Principal	Interest	Total
2017-2018	\$ 162,000	\$ 11,890	\$ 173,890
2018-2019	<u>168,961</u>	<u>5,187</u>	<u>174,148</u>
Total	<u>\$ 330,961</u>	<u>\$ 17,077</u>	<u>\$ 348,038</u>

Interest Rate: Fixed annual rate of 3.0%

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

OTIB #0059 Water Board Loan: At March 31, 2016, a \$404,000 loan was received for construction of water mains in South Empire Boulevard. The loan is payable over ten years at a fixed interest rate of 1.34%. The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of March 31, 2016		
	Principal	Interest	Total
2017-2018	\$ 19,070	\$ 2,581	\$ 21,651
2018-2019	19,198	2,453	21,651
2019-2020	19,326	2,325	21,651
2020-2021	19,456	2,195	21,651
2021-2022	19,586	2,065	21,651
2021-2026	99,917	8,340	108,257
	103,310	4,946	108,256
2021-2026	<u>66,303</u>	<u>1,437</u>	<u>67,740</u>
Total	<u>\$ 366,166</u>	<u>\$ 26,342</u>	<u>\$ 392,508</u>

City Tech Loan with Executech: At May 12, 2016, a \$31,021 loan was received for the purchase of information technology infrastructure at City Hall. The loan is payable over 30 months at a fixed interest rate of 0%. Management has elected not to impute interest as it would be insignificant. The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of May 12, 2016		
	Principal	Interest	Total
2017-2018	\$ 12,408	\$ -	\$ 12,408
2018-2019	<u>4,137</u>	<u>-</u>	<u>4,137</u>
Total	<u>\$ 16,545</u>	<u>\$ -</u>	<u>\$ 16,545</u>

Interest Rate: Fixed annual rate of 3.0%

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

Business Type Activities

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

<u>Fiscal Year</u>	<u>Issue of October 2011</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017-2018	\$ 65,000	\$ 7,098	\$ 72,098
2018-2019	65,000	5,070	70,070
2019-2020	65,000	3,042	68,042
2020-2021	<u>43,494</u>	<u>1,014</u>	<u>44,508</u>
Total	<u>\$ 238,494</u>	<u>\$ 16,224</u>	<u>\$ 254,718</u>

Business Type Loans: Payment terms are not yet available for the IFA Wastewater Loans and the Oregon DEQ SRF Wastewater Loan.

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

NOTES TO BASIC FINANCIAL STATEMENTS

8. LONG TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities: During the year ended June 30, 2017, the following changes occurred in long-term liabilities:

Governmental Activities:	<u>Balance 7/1/2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 6/30/2017</u>	<u>Due in One Year</u>
Revenue Bonds:					
Water Bonds					
June 14, 2005 (refunding)	\$ 85,471	\$ -	\$ (4,372)	\$ 81,099	\$ 4,589
GO Fire Station					
April 15, 2009	4,570,000	-	(305,000)	4,265,000	315,000
Revenue Secured Bond:					
April, 2006 (refunding)	3,395,000	-	(3,395,000)	-	-
Revenue Secured Bond:					
Novemberr 2016 (refunding	-	3,200,000	-	3,200,000	370,000
Economic Development Loan					
June 30, 2011	4,341,564	-	(201,016)	4,140,548	207,851
URA Downtown Series 1/23/03 A	740,322	-	(740,322)	-	-
URA Downtown Series 8/28/09	485,283	424	(154,746)	330,961	162,000
City Tech Loan with Execute 2016	28,953	-	(12,408)	16,545	12,408
OTIB #0059 Water Board Loan	404,000	-	(37,834)	366,166	19,070
OPEB Obligation	553,892	41,695	-	595,587	-
Bond Premium	88,495	-	(8,318)	80,177	-
Total	\$ 14,692,980	\$ 3,242,119	\$ (4,859,016)	\$ 13,076,083	\$ 1,090,918
Business-Type Activities					
IFA Wastewater Loan 2012	\$ 2,759,512	\$ 581,993	\$ -	\$ 3,341,505	\$ -
IFA Wastewater Loan 2013	1,861,294	1,332,524	-	3,193,818	-
OR DEQ SRF Wastewater Loan	-	6,461,535	-	6,461,535	-
Land Purchase Loan	303,331	-	(64,837)	238,494	65,000
Total	\$ 4,924,137	\$ 8,376,052	\$ (64,837)	\$ 13,235,352	\$ 65,000

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. PROPERTY TAX LIMITATIONS

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

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

10. RISK MANAGEMENT

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

11. INVESTMENT IN JOINT VENTURE

Pursuant to an intergovernmental agreement authorized by state statutes, the City of Coos Bay joined with the City of North Bend to establish and operate a Water Board for the mutual advantage of the two governments. The City of Coos Bay's share of assets, liabilities, and fund equity is 50 percent. Following is a summary of the most recent audited financial information as of, and for the year ended June 30, 2017:

Cash and investments	\$ 4,700,504
Other assets	<u>66,224,620</u>
Total assets	<u>70,925,124</u>
Deferred outflows of resources	<u>462,380</u>
Total assets and deferred outflows	<u>\$ 71,387,504</u>
Total liabilities	\$ 18,600,880
Total equity	<u>52,786,624</u>
Total liabilities and equity	<u>\$ 71,387,504</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

11. INVESTMENT IN JOINT VENTURE (CONTINUED)

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

Balance July 1, 2016	Increases	Decreases	Balance June 30, 2017
\$ 25,869,826	\$ 523,486	\$ -	\$ 26,393,312

An investment in joint venture in the amount of \$26,393,312 million was booked as an asset (Investment in Joint Venture) in Fiscal Year 2017, 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, 2017, the Water Board remitted \$5,373,592 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 \$68,621.

13. NOTES RECEIVABLE

There is a note receivable carried on the statement of net position. The note is the result of an agreement between the City and the Water Board wherein the City obtained a loan on behalf of the Water Board. The amount receivable by the City as of June 30, 2017 is \$7,787,813. This includes the 2005, 2006 and 2016 refunding issues as well as the OTIB Loan. The Water Board also pays the interest on these issues (see footnote 8).

14. TRANSFERS

Transfers made during the year are summarized as follows:

Fund:	Transfer In	Transfer Out
Governmental Funds:		
General	\$ 77,237	\$ 433,348
Revenue Bond	906,447	-
Other Governmental	3,379,634	2,998,970
	\$ 4,363,318	\$ 3,432,318
Business Type Funds	\$ 1,553,823	\$ 2,484,823
Total Transfers	\$ 5,917,141	\$ 5,917,141

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

NOTES TO BASIC FINANCIAL STATEMENTS

14. TRANSFERS (CONTINUED)

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

15. INTERFUND LOANS

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

Fiscal Year	Issue of July 2011		
	Principal	Interest	Total
2017-2018	\$ 60,000	\$ 3,000	\$ 63,000
2018-2019	60,000	2,400	62,400
2019-2020	60,000	1,800	61,800
2020-2021	60,000	1,800	61,800
2021-2022	60,000	-	60,000
Total	\$ 300,000	\$ 9,000	\$ 309,000

Interest rate: 1% fixed annual rate.

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

Fiscal Year	Issue of August 2012 through July 2013		
	Principal	Interest	Total
2017-2018	\$ 29,890	\$ 910	\$ 30,800
2018-2019	30,191	610	30,801
2019-2020	28,301	306	28,607
Total	\$ 88,382	\$ 1,826	\$ 90,208

Interest rate: 1% fixed annual rate.

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 16. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2017 are as follows:

Fund Balances:	General Fund	Jurisdictional Exchange Reserve	Revenue Bond	Non Major Funds	Total
<u>Nonspendable:</u>					
Prepaid Expenses	\$ 6,664	\$ -	\$ -	\$ 28,871	\$ 35,535
Inventory	894	-	-	-	894
Jurisdictional Exchange	-	4,800,000	-	-	4,800,000
Total	7,558	4,800,000	-	28,871	4,836,429
<u>Restricted</u>					
Memorial Bricks	209	-	-	-	209
Police Reserves	2,124	-	-	-	2,124
DUII Impact Panel	3,787	-	-	-	3,787
Fire - BAH impact	387	-	-	-	387
911 Services	-	-	-	40,260	40,260
Debt Service	-	-	4,594,589	555,341	5,149,930
Library	-	-	-	1,284,796	1,284,796
Capital Projects	-	-	-	1,351,458	1,351,458
Total	6,507	-	4,594,589	3,231,855	7,832,951
<u>Assigned</u>					
Range	10,204	-	-	-	10,204
Hotel/Motel Tax Fund	-	-	-	301,561	301,561
Unclaimed Property Liability	1,097	-	-	-	1,097
Rainy Day Reserve Fund	666,511	-	-	-	666,511
Capital Projects	-	-	-	4,450,102	4,450,102
Total	677,812	-	-	4,751,663	5,429,475
Unassigned:	2,817,828	(14,477)	-	-	2,803,351
Total Fund Balances	\$ 3,509,705	\$ 4,785,523	\$ 4,594,589	\$ 8,012,389	\$ 20,902,206

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

NOTES TO BASIC FINANCIAL STATEMENTS

NOTE 17. CONTINGENCIES

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

NOTE 18. SUBSEQUENT EVENT

A \$2.1 million dollar TIGER III grant was awarded to the City of Coos Bay in March of 2012 for the "Empire Pedestrian and Bicycle Access Project". Additionally, a TIGER IV grant was awarded in February of 2013 for \$1,387,200 and an additional \$1,989,038 was awarded in December 2014 to fund phase two of the project for a total project estimated at \$5,476,238. Both of these grants along with a grant match and URA funds expended of \$1,699,012 for the pedestrian and bicycle access from the intersection of Newmark Avenue and South Empire Blvd south to Wisconsin Street, the city limits. The project was in construction at the end of the fiscal year. No funds will be received by the City for either grant.

NOTE 19. NEGATIVE NET POSITION

The Wastewater Improvement Fund has a negative net position of (\$8,078,385). This is the result of capital construction and capital contributions to the Wastewater Fund as well as debt for capital assets held by the Wastewater fund. The net position will become positive as more reimbursements are received for the project. The Building Codes Fund has a negative net position of (\$1,784) as a result of pension expenses added from the inclusion of the Proportionate Share of Net Pension Liability.

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

REQUIRED SUPPLEMENTARY INFORMATION

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

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Year Ended June 30, 2017**

OTHER POST EMPLOYMENT BENEFITS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Normal Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered payroll ((b-a/c)
8/1/2008	\$0	\$1,310,923	\$1,310,923	0%	\$5,072,888	25.84%
8/1/2010	\$0	732,571	732,571	0%	5,849,235	12.52%
8/1/2012	\$0	693,284	693,284	0%	6,598,945	10.51%
8/1/2014	\$0	621,382	621,382	0%	6,686,955	9.29%
8/1/2016	\$0	658,956	658,956	0%	7,043,538	9.36%

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

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Year Ended June 30, 2017**

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	Employer's proportion of the net pension liability (NPL) (a)	Employer's proportionate share of the net pension liability (NPL) (b)	Covered payroll (c)	NPL as a percentage of covered payroll (b/c)	Plan fiduciary net position as a percentage of the total pension liability
2017	0.101738 %	\$15,273,229	\$6,979,113	219%	80.5%
2016	0.109596 %	6,292,423	6,539,770	96%	91.9%
2015	0.095125 %	-2,156,209	6,404,247	-34%	104%
2014	0.095125 %	4,854,360	6,449,947	75%	92%

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

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

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2017	\$873,648	\$873,648	\$0	\$7,043,536	12.40%
2016	1,001,449	1,001,449	0	6,979,113	14.35%
2015	730,435	730,435	0	6,539,770	11.17%
2014	727,026	727,026	0	6,404,247	11.08%

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date.

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

**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, 2017**

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Property Taxes	\$ 5,481,138	\$ 5,481,138	\$ 5,608,349	\$ 127,211
Franchise Fees	1,900,000	2,000,000	2,106,304	106,304
Licenses and Permits	149,897	149,897	141,932	(7,965)
Intergovernmental	418,700	418,700	438,089	19,389
Grants	230,905	230,905	99,522	(131,383)
Charges For Services	820,701	820,701	899,920	79,219
Charges for Use of Money and Property	100,000	100,000	121,765	21,765
Fines and Forfeitures	69,900	69,900	70,104	204
Miscellaneous	14,200	14,200	68,579	54,379
Total Revenue	<u>9,185,441</u>	<u>9,285,441</u>	<u>9,554,564</u>	<u>269,123</u>
EXPENDITURES				
General Government	1,384,122	1,444,122 (1)	1,292,011	152,111
Public Safety	7,497,168	7,597,168 (1)	6,990,555	606,613
Public Works	1,402,630	4,402,630 (1)	4,058,871	343,759
Contingency	600,000	440,000 (1)	-	440,000
Total Expenditures	<u>10,883,920</u>	<u>13,883,920</u>	<u>12,341,437</u>	<u>1,542,483</u>
Excess of Revenues Over (Under) Expenditures	(1,698,479)	(4,598,479)	(2,786,873)	1,811,606
OTHER FINANCING SOURCES (USES)				
Transfers In	30,799	30,799	30,799	-
Transfers Out	(458,600)	(558,600) (1)	(493,348)	65,252
Loan Proceeds	404,000	3,404,000	3,200,000	(204,000)
Du Jour Financing - URA In	896,449	1,468,273	1,474,050	5,777
Debt Service (Du Jour Financing - URA Out)	(887,485)	(1,459,309) (1)	(1,459,309)	-
Total Other Financing Sources (Uses)	<u>(14,837)</u>	<u>2,885,163</u>	<u>2,752,192</u>	<u>(132,971)</u>
Net Change in Fund Balance	(1,713,316)	(1,713,316)	(34,681)	1,678,635
FUND BALANCE - BEGINNING OF YEAR	<u>3,062,016</u>	<u>3,062,016</u>	<u>3,089,493</u>	<u>27,477</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,348,700</u>	<u>\$ 1,348,700</u>	<u>\$ 3,054,812</u>	<u>\$ 1,706,112</u>

(1) Appropriation Level

Reconciliation to Governmental Balance Sheet Fund Balance

Ending Fund Balance - combined due to requirements of GASB 54

Rainy Day Reserve Fund	666,511
Interfund Loan activity	
Interfund Loan Receivable	88,382
Interfund Loan Payable	(300,000)

GAAP General Fund Balance \$ 3,509,705

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CITY OF COOS BAY
COOS COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2017**

JURISDICTIONAL EXCHANGE RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 21,000	\$ 21,000	\$ 53,392	\$ 32,392
Total Revenues	<u>21,000</u>	<u>21,000</u>	<u>53,392</u>	<u>32,392</u>
EXPENDITURES				
Public Works				
Debt Service				
Principal Retirement	29,592	29,592	29,592	-
Interest and Fiscal Charges	1,208	1,208	1,208	-
Total Debt Service	<u>30,800</u>	<u>30,800 (1)</u>	<u>30,800</u>	<u>-</u>
Contingency	<u>29,250</u>	<u>29,250 (1)</u>	<u>-</u>	<u>29,250</u>
Total Expenditures	<u>60,050</u>	<u>60,050</u>	<u>30,800</u>	<u>29,250</u>
Net Change in Fund Balance	(39,050)	(39,050)	22,592	61,642
FUND BALANCE - BEGINNING OF YEAR	<u>4,839,050</u>	<u>4,839,050</u>	<u>4,851,313</u>	<u>12,263</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,800,000</u>	<u>\$ 4,800,000</u>	4,873,905	<u>\$ 73,905</u>
Reconciliation to Governmental Balance Sheet Fund Balance				
Interfund Loan activity				
Interfund Loan Payable			(88,382)	
		GAAP General Fund Balance	<u>\$ 4,785,523</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, 2017**

<u>REVENUE BOND FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Intergovernmental				
CB-NB Water Board	\$ 862,300	\$ 862,300	\$ 752,935	\$ (109,365)
Total Revenues	<u>862,300</u>	<u>862,300</u>	<u>752,935</u>	<u>(109,365)</u>
EXPENDITURES				
Debt Service				
Principal	5,040,795	5,040,795	683,059	4,357,736
Interest	<u>545,900</u>	<u>545,900</u>	<u>294,863</u>	<u>251,037</u>
Total Expenditures	<u>5,586,695</u>	<u>5,586,695 (1)</u>	<u>977,922</u>	<u>4,608,773</u>
Excess of Revenues Over (Under) Expenditures	(4,724,395)	(4,724,395)	(224,987)	4,499,408
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>963,600</u>	<u>963,600</u>	<u>966,447</u>	<u>2,847</u>
Net Change in Fund Balance	(3,760,795)	(3,760,795)	741,460	4,502,255
FUND BALANCE - BEGINNING OF YEAR	<u>3,760,795</u>	<u>3,760,795</u>	<u>3,853,129</u>	<u>92,334</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,594,589</u>	<u>\$ 4,594,589</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, 2017**

	<u>WASTEWATER FUND</u>			VARIANCE TO FINAL BUDGET
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Intergovernmental				
Charleston	\$ 336,000	\$ 336,000	\$ 286,099	\$ (49,901)
Bunker Hill	48,000	48,000	57,901	9,901
State Grant	-	-	31,936	31,936
Total Intergovernmental	<u>384,000</u>	<u>384,000</u>	<u>375,936</u>	<u>(8,064)</u>
Charges for Services				
Sewer Permits	4,000	4,000	6,770	2,770
Sewer Use Fees	5,300,000	5,300,000	5,382,883	82,883
Recreational Vehicle Dump Fees	2,200	2,200	5,877	3,677
Alum Sludge Disposal Fees	55,000	55,000	53,490	(1,510)
Total Charges for Services	<u>5,361,200</u>	<u>5,361,200</u>	<u>5,449,020</u>	<u>87,820</u>
Charges for Use of Money and Property				
Interest on Investments	9,000	9,000	20,715	11,715
Total Charges for Use of Money and Property	<u>9,000</u>	<u>9,000</u>	<u>20,715</u>	<u>11,715</u>
Miscellaneous	-	-	43,042	43,042
Total Revenues	<u>5,754,200</u>	<u>5,754,200</u>	<u>5,888,713</u>	<u>134,513</u>
EXPENDITURES				
Wastewater Collection and Treatment				
Personal Services	1,006,675	1,006,675	1,229,902	(223,227)
Materials and Services	3,609,518	4,009,518	2,578,165	1,431,353
Total Wastewater Collection and Treatment	<u>4,616,193</u>	<u>5,016,193 (1)</u>	<u>3,808,067</u>	<u>1,208,126</u>
Contingency	32,371	936,570 (1)	-	936,570
Total Expenditures	<u>4,648,564</u>	<u>5,952,763</u>	<u>3,808,067</u>	<u>2,144,696</u>
Excess of Revenues Over (Under) Expenditures	1,105,636	(198,563)	2,080,646	2,279,209
Other Financing Sources (Uses)				
Loan Proceeds	-	-	74,950	74,950
Transfers Out	(2,478,823)	(2,478,823) (1)	(2,478,823)	-
Total Other Financing Sources (Uses)	<u>(2,478,823)</u>	<u>(2,478,823)</u>	<u>(2,403,873)</u>	<u>74,950</u>
Net Change in Fund Balance	(1,373,187)	(2,677,386)	(323,227)	2,354,159
FUND BALANCE - BEGINNING OF YEAR	<u>1,373,187</u>	<u>2,677,386</u>	<u>2,677,387</u>	<u>1</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,354,160</u>	<u>\$ 2,354,160</u>
Reconciliation to Net Position:				
Capital Assets, Net			29,010,789	
Unavailable Revenue			1,160,436	
Pension Related Deferrals			871,886	
Pension Liability			(1,697,299)	
Net Deferred Pension Asset			(98,808)	
Long Term Debt			(103,917)	
Accrued Vacation			(161,368)	
Total Net Position			<u>\$ 31,335,879</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, 2017**

WASTEWATER IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
State Grants	\$ 1,250,000	\$ 1,250,000	\$ 671,614	\$ (578,386)
Charges for Use of Money and Property				
Interest on Investments	5,000	5,000	132,885	127,885
Total Revenues	1,255,000	1,255,000	804,499	(450,501)
EXPENDITURES				
Capital Outlay	35,410,836	35,410,836 (1)	10,042,308	25,368,528
Total Expenditures	35,410,836	35,410,836	10,042,308	25,368,528
Excess of Revenues Over (Under)				
Expenditures	(34,155,836)	(34,155,836)	(9,237,809)	24,918,027
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	30,890,689	30,890,689	8,301,102	(22,589,587)
Transfers In	1,553,823	1,553,823	1,553,823	-
Total Other Financing Sources (Uses)	32,444,512	32,444,512	9,854,925	(22,589,587)
Net Change in Fund Balance	(1,711,324)	(1,711,324)	617,116	2,328,440
FUND BALANCE - BEGINNING OF YEAR	1,711,324	1,711,324	4,435,934	2,724,610
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 5,053,050	\$ 5,053,050
Reconciliation to Net Position:				
			(13,131,435)	
			\$ (8,078,385)	

(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, 2017**

<u>BUILDING CODES FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Licenses and Permits	\$ 241,561	\$ 241,561	\$ 342,512	\$ 100,951
Charges for Use of Money and Property				
Interest on Investments	100	100	1,943	1,843
Miscellaneous	-	-	23	23
	<u>241,661</u>	<u>241,661</u>	<u>344,478</u>	<u>102,817</u>
Total Revenues				
EXPENDITURES				
Public Works				
Personal Services	283,546	283,546	257,848	25,698
Materials and Services	49,447	49,447	41,004	8,443
	<u>332,993</u>	<u>332,993</u>	<u>298,852</u>	<u>34,141</u>
Total Building Codes Operations				
Contingency	2,668	2,668 (1)	-	2,668
	<u>335,661</u>	<u>335,661</u>	<u>298,852</u>	<u>36,809</u>
Total Expenditures				
Excess of Revenues Over (Under) Expenditures	(94,000)	(94,000)	45,626	139,626
OTHER FINANCING SOURCES (USES)				
Transfers Out	(6,000)	(6,000) (1)	(6,000)	-
	<u>(6,000)</u>	<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	(100,000)	(100,000)	39,626	139,626
FUND BALANCE - BEGINNING OF YEAR	<u>100,000</u>	<u>100,000</u>	<u>173,911</u>	<u>73,911</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>213,537</u>	<u>\$ 213,537</u>
Reconciliation to Net Position:				
			(196,133)	
			(19,188)	
			<u>(215,321)</u>	
			<u>\$ (1,784)</u>	

(1) Appropriation Level

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

**COMBINING BALANCE SHEET
ALL NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2017**

	COMBINED NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR DEBT SERVICE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 3,037,272	\$ 548,969	\$ 3,963,516	\$ 7,549,757
Prepaid Expense	24,205	-	4,666	28,871
Receivables				
Taxes	154,670	53,762	-	208,432
Accounts	403,934	-	49,079	453,013
Assessments	-	-	48,395	48,395
Interfund	-	-	300,000	300,000
Total Assets	<u>\$ 3,620,081</u>	<u>\$ 602,731</u>	<u>\$ 4,365,656</u>	<u>\$ 8,588,468</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
LIABILITIES				
Accounts Payable	\$ 128,688	\$ -	\$ 226,195	\$ 354,883
Due to	-	-	-	-
Total Liabilities	<u>128,688</u>	<u>-</u>	<u>226,195</u>	<u>354,883</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	-	47,390	-	47,390
Unavailable Revenue - Special Assessments	125,411	-	48,395	173,806
Total Deferred Outflows of Resources	<u>125,411</u>	<u>47,390</u>	<u>48,395</u>	<u>221,196</u>
FUND BALANCES				
Nonspendable	24,205	-	4,666	28,871
Restricted	1,651,937	555,341	1,024,577	3,231,855
Assigned	1,689,840	-	3,061,823	4,751,663
Total Fund Balances	<u>3,365,982</u>	<u>555,341</u>	<u>4,091,066</u>	<u>8,012,389</u>
Total Liabilities and Fund Balances	<u>\$ 3,620,081</u>	<u>\$ 602,731</u>	<u>\$ 4,365,656</u>	<u>\$ 8,588,468</u>

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

**COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2017**

	STATE GAS TAX	HOTEL/ MOTEL TAX	LIBRARY	LIBRARY ESO	911 TAX
ASSETS					
Cash and Investments	\$ 277,314	\$ 139,588	\$ 839,821	\$ 406,974	\$ 14,555
Prepaid Expense	-	5,807	5,722	12,676	-
Receivables					
Property Taxes	-	-	-	-	-
Accounts	144,513	171,398	61,801	266	25,956
Total Assets	<u>\$ 421,827</u>	<u>\$ 316,793</u>	<u>\$ 907,344</u>	<u>\$ 419,916</u>	<u>\$ 40,511</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
LIABILITIES					
Accounts Payable	\$ 94,946	\$ 9,425	\$ 9,841	\$ 14,225	\$ 251
Total Liabilities	<u>94,946</u>	<u>9,425</u>	<u>9,841</u>	<u>14,225</u>	<u>251</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Special Assessments	-	-	-	-	-
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	5,807	5,722	12,676	-
Restricted	326,881	-	891,781	393,015	40,260
Assigned	-	301,561	-	-	-
Total Fund Balances	<u>326,881</u>	<u>307,368</u>	<u>897,503</u>	<u>405,691</u>	<u>40,260</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 421,827</u>	<u>\$ 316,793</u>	<u>\$ 907,344</u>	<u>\$ 419,916</u>	<u>\$ 40,511</u>

<u>URA DOWNTOWN SPECIAL REVENUE</u>	<u>URA EMPIRE SPECIAL REVENUE</u>	<u>URA EMPIRE PROGRAM</u>	<u>URA DOWNTOWN PROGRAM</u>	<u>TOTAL</u>
\$ 471,521	\$ 417,811	\$ 447,238	\$ 22,450	\$ 3,037,272
-	-	-	-	24,205
87,930	66,740	-	-	154,670
-	-	-	-	403,934
<u>\$ 559,451</u>	<u>\$ 484,551</u>	<u>\$ 447,238</u>	<u>\$ 22,450</u>	<u>\$ 3,620,081</u>
\$ -	\$ -	\$ -	\$ -	\$ 128,688
-	-	-	-	128,688
71,390	54,021	-	-	125,411
71,390	54,021	-	-	125,411
-	-	-	-	24,205
-	-	-	-	1,651,937
488,061	430,530	447,238	22,450	1,689,840
488,061	430,530	447,238	22,450	3,365,982
<u>\$ 559,451</u>	<u>\$ 484,551</u>	<u>\$ 447,238</u>	<u>\$ 22,450</u>	<u>\$ 3,620,081</u>

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

**COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
June 30, 2017**

	<u>GO BOND REDEMPTION</u>	<u>URA DOWNTOWN BOND</u>	<u>URA EMPIRE BOND</u>	<u>URA DOWNTOWN BOND RESERVE</u>	<u>URA EMPIRE BOND RESERVE</u>	<u>TOTAL</u>
ASSETS						
Cash and Investments	\$ 375,369	\$ -	\$ -	\$ 173,600	\$ -	\$ 548,969
Receivables						
Taxes	<u>53,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,762</u>
Total Assets	<u>\$ 429,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,600</u>	<u>\$ -</u>	<u>\$ 602,731</u>
DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:						
LIABILITIES						
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Rev.-Property Taxes	<u>47,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,390</u>
Total Deferred Inflows of Resources	<u>47,390</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,390</u>
FUND BALANCES						
Restricted	<u>381,741</u>	<u>-</u>	<u>-</u>	<u>173,600</u>	<u>-</u>	<u>555,341</u>
Total Fund Balances	<u>381,741</u>	<u>-</u>	<u>-</u>	<u>173,600</u>	<u>-</u>	<u>555,341</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 429,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,600</u>	<u>\$ -</u>	<u>\$ 602,731</u>

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

**COMBINING BALANCE SHEET
NON-MAJOR CAPITAL PROJECTS FUNDS
June 30, 2017**

	STREET IMPROVEMENT	PARKS IMPROVEMENT	BIKE/ PEDESTRIAN IMPROVEMENT	SPECIAL IMPROVEMENT
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:				
ASSETS				
Cash and Investments	\$ 500,240	\$ 126,509	\$ 59,321	\$ 147,907
Receivables				
Accounts	-	23,688	855	-
Assessments	-	-	-	48,395
Interfund	-	-	-	-
Prepaid Expense	-	-	-	-
Total Assets	<u>\$ 500,240</u>	<u>\$ 150,197</u>	<u>\$ 60,176</u>	<u>\$ 196,302</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
LIABILITIES				
Accounts Payable	<u>\$ 8,601</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Liabilities	<u>8,601</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable Rev.-Special Assessments	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,395</u>
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,395</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	491,639	-	-	-
Assigned	-	150,197	60,176	147,907
Total Fund Balances	<u>491,639</u>	<u>150,197</u>	<u>60,176</u>	<u>147,907</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 500,240</u>	<u>\$ 150,197</u>	<u>\$ 60,176</u>	<u>\$ 196,302</u>

<u>TECHNOLOGY RESERVE</u>	<u>TRANSPORTATION SDC</u>	<u>WASTEWATER SDC</u>	<u>STORMWATER SDC</u>	<u>MAJOR CAPITAL RESERVE</u>
\$ 83,909	\$ 14,912	\$ 251,617	\$ 19,377	\$ 681,773
673	-	-	-	23,863
-	-	-	-	-
-	-	-	-	-
2,916	-	-	-	-
<u>\$ 87,498</u>	<u>\$ 14,912</u>	<u>\$ 251,617</u>	<u>\$ 19,377</u>	<u>\$ 705,636</u>
<u>\$ 7,513</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,737</u>
<u>7,513</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,737</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,916	-	-	-	-
-	14,912	251,617	19,377	-
<u>77,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>672,899</u>
<u>79,985</u>	<u>14,912</u>	<u>251,617</u>	<u>19,377</u>	<u>672,899</u>
<u>\$ 87,498</u>	<u>\$ 14,912</u>	<u>\$ 251,617</u>	<u>\$ 19,377</u>	<u>\$ 705,636</u>

<u>COUNTY-WIDE CAD RESERVE</u>	<u>FIRE STATION FUND</u>	<u>URA EMPIRE CAPITAL PROJECTS</u>	<u>URA DOWNTOWN CAPITAL PROJECTS</u>	<u>TOTAL</u>
\$ 36,591	\$ 219,221	\$ 458,093	\$ 1,364,046	\$ 3,963,516
-	-	-	-	49,079
-	-	-	-	48,395
-	-	-	300,000	300,000
<u>1,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,666</u>
<u>\$ 38,341</u>	<u>\$ 219,221</u>	<u>\$ 458,093</u>	<u>\$ 1,664,046</u>	<u>\$ 4,365,656</u>
\$ 8,780	\$ -	\$ 154,191	\$ 14,373	\$ 226,195
<u>8,780</u>	<u>-</u>	<u>154,191</u>	<u>14,373</u>	<u>226,195</u>
-	-	-	-	48,395
-	-	-	-	48,395
1,750	-	-	-	4,666
27,811	219,221	-	-	1,024,577
-	-	303,902	1,649,673	3,061,823
<u>29,561</u>	<u>219,221</u>	<u>303,902</u>	<u>1,649,673</u>	<u>4,091,066</u>
<u>\$ 38,341</u>	<u>\$ 219,221</u>	<u>\$ 458,093</u>	<u>\$ 1,664,046</u>	<u>\$ 4,365,656</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, 2017**

	COMBINED NONMAJOR SPECIAL REVENUE FUNDS	COMBINED NONMAJOR DEBT SERVICE FUNDS	COMBINED NONMAJOR CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Property Taxes	\$ 1,452,794	\$ 525,595	\$ -	\$ 1,978,389
Other Taxes	2,672,112	-	-	2,672,112
Intergovernmental Revenues	865,807	-	28,878	894,685
Grants	4,073	-	266,965	271,038
Charges for Services	23,718	-	-	23,718
Charge for Use of Money and Property	48,820	6,060	35,589	90,469
Other - Timber Sales	-	-	449,825	449,825
Miscellaneous	89,672	-	12,657	102,329
	<u>5,156,996</u>	<u>531,655</u>	<u>793,914</u>	<u>6,482,565</u>
EXPENDITURES				
Current				
General Government	5,213	-	522,658	527,871
Public Safety	213,104	-	18,742	231,846
Public Works	1,636,799	-	330,266	1,967,065
Culture and Recreation	1,638,431	-	-	1,638,431
Capital Outlay	-	-	1,224,054	1,224,054
Debt Service:				
Principal Retirement	-	1,200,069	12,408	1,212,477
Interest and Fiscal Charges	-	220,192	-	220,192
	<u>3,493,547</u>	<u>1,420,261</u>	<u>2,108,128</u>	<u>7,021,936</u>
Excess of Revenues Over (Under) Expenditures	1,663,449	(888,606)	(1,314,214)	(539,371)
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	52,243	-	-	52,243
Sale of Capital Assets	-	-	4,113	4,113
Du Jour Financing	-	(1,474,050)	1,459,309	(14,741)
Transfers In	349,664	2,402,361	627,609	3,379,634
Transfers Out	(2,248,374)	(508,651)	(241,945)	(2,998,970)
	<u>(1,846,467)</u>	<u>419,660</u>	<u>1,849,086</u>	<u>422,279</u>
Total Other Financing Sources, (Uses)	<u>(1,846,467)</u>	<u>419,660</u>	<u>1,849,086</u>	<u>422,279</u>
Net Change in Fund Balance	(183,018)	(468,946)	534,872	(117,092)
FUND BALANCES - BEGINNING OF YEAR	<u>3,549,000</u>	<u>1,024,287</u>	<u>3,556,194</u>	<u>8,129,481</u>
FUND BALANCES - END OF YEAR	<u>\$ 3,365,982</u>	<u>\$ 555,341</u>	<u>\$ 4,091,066</u>	<u>\$ 8,012,389</u>

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

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2017**

	STATE GAS TAX	HOTEL/ MOTEL TAX	LIBRARY	LIBRARY ESO	911 TAX
REVENUES					
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Other Taxes	980,309	630,482	1,061,321	-	-
Charges for Use of Money and Property	2,616	10,691	12,456	2,026	587
Intergovernmental Revenues	-	-	-	686,596	179,211
Grants	-	-	4,073	-	-
Charges for Services	-	-	23,609	109	-
Miscellaneous	42,940	12,358	23,361	11,013	-
Total Revenues	1,025,865	653,531	1,124,820	699,744	179,798
EXPENDITURES					
Current					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	213,104
Public Works	1,037,214	599,585	-	-	-
Culture and Recreation	-	-	1,090,816	547,615	-
Total Expenditures	1,037,214	599,585	1,090,816	547,615	213,104
Excess of Revenues Over (Under) Expenditures	(11,349)	53,946	34,004	152,129	(33,306)
OTHER FINANCING SOURCES (USES)					
Insurance Proceeds	52,243	-	-	-	-
Transfers In	349,664	-	-	-	-
Transfers Out	(354,664)	-	-	-	-
Total Other Financing Sources (Uses)	47,243	-	-	-	-
Net Change in Fund Balance	35,894	53,946	34,004	152,129	(33,306)
FUND BALANCES - BEGINNING OF YEAR	290,987	253,422	863,499	253,562	73,566
FUND BALANCES - END OF YEAR	\$ 326,881	\$ 307,368	\$ 897,503	\$ 405,691	\$ 40,260

URA DOWNTOWN SPECIAL REVENUE	URA EMPIRE SPECIAL REVENUE	URA EMPIRE PROGRAM	URA DOWNTOWN PROGRAM	TOTAL
\$ 792,093	\$ 660,701	\$ -	\$ -	\$ 1,452,794
-	-	-	-	2,672,112
8,782	6,490	4,894	278	48,820
-	-	-	-	865,807
-	-	-	-	4,073
-	-	-	-	23,718
-	-	-	-	89,672
<u>800,875</u>	<u>667,191</u>	<u>4,894</u>	<u>278</u>	<u>5,156,996</u>
-	-	-	5,213	5,213
-	-	-	-	213,104
-	-	-	-	1,636,799
-	-	-	-	1,638,431
-	-	-	5,213	3,493,547
800,875	667,191	4,894	(4,935)	1,663,449
-	-	-	-	52,243
-	-	-	-	349,664
<u>(1,167,010)</u>	<u>(726,700)</u>	<u>-</u>	<u>-</u>	<u>(2,248,374)</u>
<u>(1,167,010)</u>	<u>(726,700)</u>	<u>-</u>	<u>-</u>	<u>(1,846,467)</u>
(366,135)	(59,509)	4,894	(4,935)	(183,018)
<u>854,196</u>	<u>490,039</u>	<u>442,344</u>	<u>27,385</u>	<u>3,549,000</u>
<u>\$ 488,061</u>	<u>\$ 430,530</u>	<u>\$ 447,238</u>	<u>\$ 22,450</u>	<u>\$ 3,365,982</u>

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

**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR DEBT SERVICE FUNDS
For the Year Ended June 30, 2017**

	<u>GO BOND REDEMPTION</u>	<u>URA DOWNTOWN BOND</u>	<u>URA EMPIRE BOND</u>	<u>URA DOWNTOWN BOND RESERVE</u>	<u>URA EMPIRE BOND RESERVE</u>	<u>TOTAL</u>
REVENUES						
Property Taxes	\$ 525,595	\$ -	\$ -	\$ -	\$ -	\$ 525,595
Charges for Use of Money and Property	6,059	-	-	-	1	6,060
Total Revenues	<u>531,654</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>531,655</u>
EXPENDITURES						
Debt Services						
Principal Retirement	305,000	895,069	-	-	-	1,200,069
Interest and Fiscal Charges	186,950	33,242	-	-	-	220,192
Total Expenditures	<u>491,950</u>	<u>928,311</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,420,261</u>
Excess of Revenues Over (Under) Expenditures	39,704	(928,311)	-	-	1	(888,606)
OTHER FINANCING SOURCES (USES)						
Du Jour Financing	-	(747,349)	(726,701)	-	-	(1,474,050)
Transfers In	-	1,675,660	726,701	-	-	2,402,361
Transfers Out	-	-	-	(508,650)	(1)	(508,651)
Total Other Financing Sources (Uses)	<u>-</u>	<u>928,311</u>	<u>-</u>	<u>(508,650)</u>	<u>(1)</u>	<u>419,660</u>
Net Change in Fund Balance	39,704	-	-	(508,650)	-	(468,946)
FUND BALANCES - BEGINNING OF YEAR	<u>342,037</u>	<u>-</u>	<u>-</u>	<u>682,250</u>	<u>-</u>	<u>1,024,287</u>
FUND BALANCES - END OF YEAR	<u>\$ 381,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,600</u>	<u>\$ -</u>	<u>\$ 555,341</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, 2017**

	STREET IMPROVEMENT	PARKS IMPROVEMENT	BIKE/ PEDESTRIAN IMPROVEMENT	SPECIAL IMPROVEMENT
REVENUES				
Intergovernmental Revenues	\$ -	\$ -	\$ 9,902	\$ -
Grants	-	81,649	-	-
Charges for Use of Money and Property	1,592	1,316	596	1,616
Other - Timber Sales	-	-	-	-
Miscellaneous	-	2,451	-	740
Total Revenues	1,592	85,416	10,498	2,356
EXPENDITURES				
Materials and Services	-	2,419	-	-
Debt Service	-	-	-	-
Capital Outlay	243,984	125,866	-	-
Total Expenditures	243,984	128,285	-	-
Excess of Revenues Over (Under) Expenditures	(242,392)	(42,869)	10,498	2,356
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	-	-
Du Jour Financing	-	-	-	-
Transfer In	349,664	61,584	-	-
Transfer Out	-	-	-	-
Total Other Financing Sources (Uses)	349,664	61,584	-	-
Net Changes in Fund Balance	107,272	18,715	10,498	2,356
FUND BALANCES - BEGINNING OF YEAR	384,367	131,482	49,678	145,551
FUND BALANCES - END OF YEAR	\$ 491,639	\$ 150,197	\$ 60,176	\$ 147,907

TECHNOLOGY RESERVE	TRANSPORTATION SDC	WASTEWATER SDC	STORMWATER SDC	MAJOR CAPITAL RESERVE
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	175,316
1,306	163	2,753	212	8,648
-	-	-	-	449,825
5,716	-	-	-	-
<u>7,022</u>	<u>163</u>	<u>2,753</u>	<u>212</u>	<u>633,789</u>
95,373	-	-	-	26,325
12,408	-	-	-	-
41,306	-	-	-	426,056
<u>149,087</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>452,381</u>
(142,065)	163	2,753	212	181,408
-	-	-	-	4,113
-	-	-	-	-
211,000	-	-	-	-
(5,361)	-	-	-	(236,584)
<u>205,639</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(232,471)</u>
63,574	163	2,753	212	(51,063)
<u>16,411</u>	<u>14,749</u>	<u>248,864</u>	<u>19,165</u>	<u>723,962</u>
<u>\$ 79,985</u>	<u>\$ 14,912</u>	<u>\$ 251,617</u>	<u>\$ 19,377</u>	<u>\$ 672,899</u>

COUNTY-WIDE CAD RESERVE	FIRE STATION FUND	URA EMPIRE CAPITAL PROJECTS	URA DOWNTOWN CAPITAL PROJECTS	TOTAL
\$ 18,976	\$ -	\$ -	\$ -	\$ 28,878
-	-	-	10,000	266,965
423	2,399	2,973	11,592	35,589
-	-	-	-	449,825
-	-	150	3,600	12,657
<u>19,399</u>	<u>2,399</u>	<u>3,123</u>	<u>25,192</u>	<u>793,914</u>
18,742	-	400,960	327,847	871,666
-	-	-	-	12,408
<u>7,380</u>	<u>-</u>	<u>235,957</u>	<u>143,505</u>	<u>1,224,054</u>
<u>26,122</u>	<u>-</u>	<u>636,917</u>	<u>471,352</u>	<u>2,108,128</u>
(6,723)	2,399	(633,794)	(446,160)	(1,314,214)
-	-	-	-	4,113
-	-	719,433	739,876	1,459,309
5,361	-	-	-	627,609
-	-	-	-	(241,945)
<u>5,361</u>	<u>-</u>	<u>719,433</u>	<u>739,876</u>	<u>1,849,086</u>
(1,362)	2,399	85,639	293,716	534,872
<u>30,923</u>	<u>216,822</u>	<u>218,263</u>	<u>1,355,957</u>	<u>3,556,194</u>
<u>\$ 29,561</u>	<u>\$ 219,221</u>	<u>\$ 303,902</u>	<u>\$ 1,649,673</u>	<u>\$ 4,091,066</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, 2017**

<u>STATE GAS TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Intergovernmental				
State Gas Tax	\$ 925,000	\$ 925,000	\$ 980,309	\$ 55,309
Charges for use of money and property				
Interest on Investments	500	500	2,616	2,116
Miscellaneous	10,000	10,000	42,940	32,940
Total Revenues	<u>935,500</u>	<u>935,500</u>	<u>1,025,865</u>	<u>90,365</u>
EXPENDITURES				
Public Works				
Personal Services	455,944	455,944	371,713	84,231
Materials and Services	611,537	611,537	602,558	8,979
Total Public Works	<u>1,067,481</u>	<u>1,067,481 (1)</u>	<u>974,271</u>	<u>93,210</u>
Capital Outlay	-	100,000 (1)	62,943	37,057
Contingency	41,267	41,267 (1)	-	41,267
Total Expenditures	<u>1,108,748</u>	<u>1,208,748</u>	<u>1,037,214</u>	<u>171,534</u>
Excess of Revenues Over (Under) Expenditures	(173,248)	(273,248)	(11,349)	(81,169)
OTHER FINANCING SOURCES (USES)				
Insurance Proceeds	-	100,000	52,243	(47,757)
Transfers In	295,000	395,000	349,664	(45,336)
Transfers Out	(281,283)	(381,283) (1)	(354,664)	26,619
Total Other Financing Sources (Uses)	<u>13,717</u>	<u>113,717</u>	<u>47,243</u>	<u>(66,474)</u>
Net Change in Fund Balance	(159,531)	(159,531)	35,894	195,425
FUND BALANCE - BEGINNING OF YEAR	<u>159,531</u>	<u>159,531</u>	<u>290,987</u>	<u>131,456</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,881</u>	<u>\$ 326,881</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, 2017**

<u>HOTEL/MOTEL TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Taxes				
Hotel/Motel Tax	\$ 585,000	\$ 585,000	\$ 630,482	\$ 45,482
Charges for Use of Money and Property				
Interest on Investments	200	200	2,361	2,161
Visitors Center Revenue	8,000	8,000	8,330	330
Total Charges for Use of Money and Property	8,200	8,200	10,691	2,491
Miscellaneous Income	3,000	3,000	12,358	9,358
Total Revenues	596,200	596,200	653,531	57,331
EXPENDITURES				
Public Works				
Personal Services	190,617	190,617	165,967	24,650
Materials and Services	485,474	485,474	433,618	51,856
Total Operations	676,091	676,091 (1)	599,585	76,506
Contingency	39,020	39,020 (1)	-	39,020
Total Expenditures	715,111	715,111	599,585	115,526
Net Change in Fund Balance	(118,911)	(118,911)	53,946	172,857
FUND BALANCE - BEGINNING OF YEAR	118,911	118,911	253,422	134,511
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 307,368	\$ 307,368

(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, 2017**

<u>LIBRARY FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Taxes				
County Serial Levy	\$ 975,000	\$ 975,000	\$ 1,061,321	\$ 86,321
Intergovernmental				
State Library Grant	1,000	1,000	2,073	1,073
Other Grants	11,000	11,000	2,000	(9,000)
Total Intergovernmental	12,000	12,000	4,073	(7,927)
Charges for Services				
Copies	4,000	4,000	7,968	3,968
Library Fees	14,000	14,000	15,641	1,641
Total Charge for Services	18,000	18,000	23,609	5,609
Charges for Use of Money and Property				
Interest on Investments	1,500	1,500	9,881	8,381
Property Rentals	500	500	2,575	2,075
Total Charges for Use of Money and Property	2,000	2,000	12,456	10,456
Miscellaneous				
Donations	12,000	12,000	21,630	9,630
Other	300	300	1,731	1,431
Total Miscellaneous	12,300	12,300	23,361	11,061
Total Revenues	1,019,300	1,019,300	1,124,820	105,520
EXPENDITURES				
Cultural and Recreation				
Personal Services	913,947	913,947	802,180	111,767
Materials and Services	281,600	281,600	270,954	10,646
Total Library Operations	1,195,547	1,195,547 (1)	1,073,134	122,413
Capital Outlay	35,000	35,000 (1)	17,682	17,318
Contingency	353,394	353,394 (1)	-	353,394
Total Expenditures	1,583,941	1,583,941	1,090,816	493,125
Net Change in Fund Balance	(564,641)	(564,641)	34,004	598,645
FUND BALANCE - BEGINNING OF YEAR	564,641	564,641	863,499	298,858
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 897,503	\$ 897,503

(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, 2017**

<u>LIBRARY ESO FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Taxes				
County Serial Levy	\$ 680,998	\$ 680,998	\$ -	\$ (680,998)
Intergovernmental				
State Library Grant	7,000	7,000	686,596	679,596
Total Intergovernmental	7,000	7,000	686,596	679,596
Charges for Services				
Reimbursements/Fees	-	-	109	109
Total Charge for Services	-	-	109	109
Charges for Use of Money and Property				
Interest on Investments	500	500	2,026	1,526
Total Charges for Use of Money and Property	500	500	2,026	1,526
Miscellaneous				
Other	30,000	30,000	11,013	(18,987)
Total Miscellaneous	30,000	30,000	11,013	(18,987)
Total Revenues	718,498	718,498	699,744	(18,754)
EXPENDITURES				
Cultural and Recreation				
Personal Services	363,954	363,954	270,182	93,772
Materials and Services	343,000	343,000	277,433	65,567
Total Library Operations	706,954	706,954	(1) 547,615	159,339
Capital Outlay	55,000	55,000	(1) -	55,000
Contingency	56,544	56,544	(1) -	56,544
Total Expenditures	818,498	818,498	547,615	270,883
Net Change in Fund Balance	(100,000)	(100,000)	152,129	252,129
FUND BALANCE - BEGINNING OF YEAR	100,000	100,000	253,562	153,562
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 405,691	\$ 405,691

(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, 2017**

<u>911 TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
911 Revenue	\$ 171,538	\$ 171,538	\$ 179,211	\$ 7,673
Charges for Use of Money and Property				
Interest on Investments	<u>100</u>	<u>100</u>	<u>587</u>	<u>487</u>
Total Revenues	<u>171,638</u>	<u>171,638</u>	<u>179,798</u>	<u>8,160</u>
EXPENDITURES				
Public Safety				
Personal Services	194,173	201,609	196,008	5,601
Materials and Services	<u>28,000</u>	<u>28,000</u>	<u>17,096</u>	<u>10,904</u>
Total Operations	<u>222,173</u>	<u>229,609 (1)</u>	<u>213,104</u>	<u>16,505</u>
Contingency	<u>7,436</u>	<u>- (1)</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>229,609</u>	<u>229,609</u>	<u>213,104</u>	<u>16,505</u>
Net Change in Fund Balance	(57,971)	(57,971)	(33,306)	24,665
FUND BALANCE - BEGINNING OF YEAR	<u>57,971</u>	<u>57,971</u>	<u>73,566</u>	<u>15,595</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,260</u>	<u>\$ 40,260</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, 2017**

URA DOWNTOWN SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Property Taxes	\$ 879,949	\$ 879,949	\$ 792,093	\$ (87,856)
Interest on Investments	1,000	1,000	8,782	7,782
Total Revenues	<u>880,949</u>	<u>880,949</u>	<u>800,875</u>	<u>(80,074)</u>
EXPENDITURES				
Contingency	<u>203,650</u>	<u>203,650</u> (1)	-	<u>203,650</u>
Total Expenditures	<u>203,650</u>	<u>203,650</u>	-	<u>203,650</u>
Excess of Revenues, Over (Under) Expenditures	677,299	677,299	800,875	123,576
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(1,177,299)</u>	<u>(1,177,299)</u> (1)	<u>(1,167,010)</u>	<u>10,289</u>
Total Other Financing Sources, (Uses)	<u>(1,177,299)</u>	<u>(1,177,299)</u>	<u>(1,167,010)</u>	<u>10,289</u>
Net Change in Fund Balance	(500,000)	(500,000)	(366,135)	133,865
FUND BALANCE - BEGINNING OF YEAR	<u>500,000</u>	<u>500,000</u>	<u>854,196</u>	<u>354,196</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 488,061</u>	<u>\$ 488,061</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, 2017**

URA EMPIRE SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Property Taxes	\$ 725,700	\$ 725,700	\$ 660,701	\$ (64,999)
Interest on Investments	1,000	1,000	6,490	5,490
Total Revenues	<u>726,700</u>	<u>726,700</u>	<u>667,191</u>	<u>(59,509)</u>
EXPENDITURES				
Contingency	<u>300,000</u>	<u>300,000</u> (1)	-	<u>300,000</u>
Total Expenditures	<u>300,000</u>	<u>300,000</u>	-	<u>300,000</u>
Excess of Revenues Over, (Under) Expenditures	426,700	426,700	667,191	240,491
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(726,700)</u>	<u>(726,700)</u> (1)	<u>(726,700)</u>	-
Total Other Financing Sources, (Uses)	<u>(726,700)</u>	<u>(726,700)</u>	<u>(726,700)</u>	-
Net Change in Fund Balance	(300,000)	(300,000)	(59,509)	240,491
FUND BALANCE - BEGINNING OF YEAR	<u>300,000</u>	<u>300,000</u>	<u>490,039</u>	<u>190,039</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,530</u>	<u>\$ 430,530</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, 2017**

<u>URA EMPIRE PROGRAM FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Interest on Investments	\$ 1,000	\$ 1,000	\$ 4,894	\$ 3,894
Total Revenues	<u>1,000</u>	<u>1,000</u>	<u>4,894</u>	<u>3,894</u>
EXPENDITURES				
Materials and Services	50,000	50,000 (1)	-	50,000
Capital Outlay	<u>155,489</u>	<u>155,489 (1)</u>	<u>-</u>	<u>155,489</u>
Total Expenditures	<u>205,489</u>	<u>205,489</u>	<u>-</u>	<u>205,489</u>
Net Change in Fund Balance	(204,489)	(204,489)	4,894	209,383
FUND BALANCE - BEGINNING OF YEAR	<u>439,489</u>	<u>439,489</u>	<u>442,344</u>	<u>2,855</u>
FUND BALANCE - END OF YEAR	<u>\$ 235,000</u>	<u>\$ 235,000</u>	<u>\$ 447,238</u>	<u>\$ 212,238</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, 2017**

URA DOWNTOWN PROGRAM FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ 100	\$ 100	\$ 278	\$ 178
Total Revenues	<u>100</u>	<u>100</u>	<u>278</u>	<u>178</u>
EXPENDITURES				
General Government				
Materials and Services	50,000	50,000 (1)	5,213	44,787
Capital Outlay	142,274	142,274 (1)	-	142,274
Total Expenditures	<u>192,274</u>	<u>192,274</u>	<u>5,213</u>	<u>44,787</u>
Excess of Revenues Over (Under) Expenditures	(192,174)	(192,174)	(4,935)	(44,609)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	150,000	150,000	-	(150,000)
Total Other Financing Sources, (Uses)	<u>150,000</u>	<u>150,000</u>	<u>-</u>	<u>(150,000)</u>
Net Change in Fund Balance	(42,174)	(42,174)	(4,935)	37,239
Beginning Fund Balance	42,174	42,174	27,385	(14,789)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,450</u>	<u>\$ 22,450</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, 2017**

GENERAL OBLIGATION BOND REDEMPTION FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Taxes	\$ 508,550	\$ 508,550	\$ 525,595	\$ 17,045
Charges for Use of Money and Property				
Interest on Investments	<u>100</u>	<u>100</u>	<u>6,059</u>	<u>5,959</u>
Total Revenues	<u>508,650</u>	<u>508,650</u>	<u>531,654</u>	<u>23,004</u>
EXPENDITURES				
Debt Service				
Principal	306,000	306,000	305,000	1,000
Interest	<u>188,000</u>	<u>188,000</u>	<u>186,950</u>	<u>1,050</u>
Total Expenditures	<u>494,000</u>	<u>494,000 (1)</u>	<u>491,950</u>	<u>2,050</u>
Net Change in Fund Balance	14,650	14,650	39,704	25,054
FUND BALANCE - BEGINNING OF YEAR	<u>315,746</u>	<u>315,746</u>	<u>342,037</u>	<u>26,291</u>
FUND BALANCE - END OF YEAR	<u>\$ 330,396</u>	<u>\$ 330,396</u>	<u>\$ 381,741</u>	<u>\$ 51,345</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, 2017**

<u>URA DOWNTOWN BOND FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Interest on Investments	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service				
Principal	896,100	896,100	895,069	1,031
Interest	42,500	42,500	33,242	9,258
Total Expenditures	938,600	938,600 (2)	928,311	10,289
Excess of Revenues Over, (Under) Expenditures	(938,600)	(938,600)	(928,311)	10,289
OTHER FINANCING SOURCES (USES)				
Du Jour Financing	(747,349)	(747,349) (2)	(747,349)	-
Transfers In	1,685,949	1,685,949	1,675,660	(10,289)
Total Other Financing Sources, (Uses)	938,600	938,600	928,311	(10,289)
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(2) The sum totals the appropriation level

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2017**

URA EMPIRE BOND FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over, -Under Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Du Jour Financing (Debt Service)	(726,701)	(726,701) (1)	(726,701)	-
Transfers In	726,701	726,701	726,701	-
Total Other Financing Sources, (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation level

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2017**

URA DOWNTOWN BOND RESERVE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Interest on Investments	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Contingency	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under)				
Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(508,650)	(508,650) (1)	(508,650)	-
Total Other Financing Sources (Uses)	(508,650)	(508,650)	(508,650)	-
Net Change in Fund Balance	(508,650)	(508,650)	(508,650)	-
FUND BALANCE - BEGINNING OF YEAR	<u>682,250</u>	<u>682,250</u>	<u>682,250</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 173,600</u>	<u>\$ 173,600</u>	<u>\$ 173,600</u>	<u>\$ -</u>

(1) - Appropriation Level

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2017**

URA EMPIRE BOND RESERVE FUND

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

(1) - Appropriation Level

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2017**

<u>STREET IMPROVEMENT FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Intergovernmental				
State	\$ 923,794	\$ 923,794	\$ -	\$ (923,794)
Federal Grants	1,500,000	1,500,000	-	(1,500,000)
Charges for Use of Money and Property				
Interest on Investments	-	-	1,592	1,592
Total Revenues	<u>2,423,794</u>	<u>2,423,794</u>	<u>1,592</u>	<u>(2,422,202)</u>
EXPENDITURES				
Public Works				
Capital Outlay	<u>3,016,348</u>	<u>3,116,348 (1)</u>	<u>243,984</u>	<u>2,872,364</u>
Total Expenditures	<u>3,016,348</u>	<u>3,116,348</u>	<u>243,984</u>	<u>2,872,364</u>
Excess of Revenues Over (Under)				
Expenditures	(592,554)	(692,554)	(242,392)	450,162
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>276,283</u>	<u>376,283</u>	<u>349,664</u>	<u>(26,619)</u>
Total Other Financing Sources (Uses)	<u>276,283</u>	<u>376,283</u>	<u>349,664</u>	<u>(26,619)</u>
Net Change in Fund Balance	(316,271)	(316,271)	107,272	423,543
FUND BALANCE - BEGINNING OF YEAR	<u>316,271</u>	<u>316,271</u>	<u>384,367</u>	<u>68,096</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491,639</u>	<u>\$ 491,639</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, 2017**

<u>PARKS IMPROVEMENT FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 50	\$ 50	\$ 1,316	\$ 1,266
Grants	721,774	751,374	81,649	(669,725)
Donations	3,000	3,000	2,451	(549)
Total Revenues	<u>724,824</u>	<u>754,424</u>	<u>85,416</u>	<u>(669,008)</u>
EXPENDITURES				
Culture and Recreation				
Materials and Services	6,000	6,000 (1)	2,419	3,581
Capital Outlay	797,050	826,650 (1)	125,866	700,784
Total Culture and Recreation	<u>803,050</u>	<u>832,650</u>	<u>128,285</u>	<u>704,365</u>
Contingency	5,000	5,000 (1)	-	5,000
Total Expenditures	<u>808,050</u>	<u>837,650</u>	<u>128,285</u>	<u>709,365</u>
Excess of Revenues Over (Under)				
Expenditures	(83,226)	(83,226)	(42,869)	40,357
OTHER FINANCING SOURCES (USES)				
Transfers In	61,584	61,584	61,584	-
Total Other Financing Sources (Uses)	<u>61,584</u>	<u>61,584</u>	<u>61,584</u>	<u>-</u>
Net Change in Fund Balance	<u>(21,642)</u>	<u>(21,642)</u>	<u>18,715</u>	<u>40,357</u>
FUND BALANCE - BEGINNING OF YEAR	<u>21,642</u>	<u>21,642</u>	<u>131,482</u>	<u>109,840</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,197</u>	<u>\$ 150,197</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, 2017**

BICYCLE/PEDESTRIAN PATH CONSTRUCTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Intergovernmental				
State Gas Tax	\$ 9,250	\$ 9,250	\$ 9,902	\$ 652
Charges for Use of Money and Property				
Interest on Investments	50	50	596	546
	<u>9,300</u>	<u>9,300</u>	<u>10,498</u>	<u>1,198</u>
Total Revenues				
	<u>9,300</u>	<u>9,300</u>	<u>10,498</u>	<u>1,198</u>
EXPENDITURES				
Culture and Recreation				
Capital Outlay	42,390	42,390 (1)	-	42,390
	<u>42,390</u>	<u>42,390</u>	<u>-</u>	<u>42,390</u>
Total Expenditures				
	<u>42,390</u>	<u>42,390</u>	<u>-</u>	<u>42,390</u>
Net Change in Fund Balance	(33,090)	(33,090)	10,498	43,588
FUND BALANCE - BEGINNING OF YEAR	<u>33,090</u>	<u>33,090</u>	<u>49,678</u>	<u>16,588</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 60,176</u>	<u>\$ 60,176</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, 2017**

<u>SPECIAL IMPROVEMENT FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 100	\$ 100	\$ 1,616	\$ 1,516
Miscellaneous				
Interest payment	-	-	740	740
Total Miscellaneous	-	-	740	740
Total Revenues	100	100	2,356	2,256
EXPENDITURES				
Culture and Recreation				
Capital Outlay	140,715	140,715 (1)	-	140,715
Total Expenditures	140,715	140,715	-	140,715
Net Change in Fund Balance	(140,615)	(140,615)	2,356	142,971
FUND BALANCE - BEGINNING OF YEAR	140,615	140,615	145,551	4,936
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 147,907</u>	<u>\$ 147,907</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, 2017**

TECHNOLOGY RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 200	\$ 200	\$ 1,306	\$ 1,106
Miscellaneous Revenue	-	-	5,716	5,716
Total Revenues	<u>200</u>	<u>200</u>	<u>7,022</u>	<u>6,822</u>
EXPENDITURES				
General Government				
Materials and Services	120,000	120,000 (1)	95,373	24,627
Debt Service	30,000	30,000 (1)	12,408	17,592
Capital Outlay	<u>60,839</u>	<u>60,839 (1)</u>	<u>41,306</u>	<u>19,533</u>
Total Expenditures	<u>210,839</u>	<u>210,839</u>	<u>149,087</u>	<u>61,752</u>
Excess of Revenues Over (Under) Expenditures	(210,639)	(210,639)	(142,065)	68,574
OTHER FINANCING SOURCES (USES)				
Transfers In	211,000	211,000	211,000	-
Transfers Out	<u>(5,361)</u>	<u>(5,361) (1)</u>	<u>(5,361)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>205,639</u>	<u>205,639</u>	<u>205,639</u>	<u>-</u>
Net Change in Fund Balance	(5,000)	(5,000)	63,574	68,574
FUND BALANCE - BEGINNING OF YEAR	<u>5,000</u>	<u>5,000</u>	<u>16,411</u>	<u>11,411</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,985</u>	<u>\$ 79,985</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, 2017**

<u>TRANSPORTATION SDC FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 43	\$ 43	\$ 163	\$ 120
Total Revenues	<u>43</u>	<u>43</u>	<u>163</u>	<u>120</u>
EXPENDITURES				
Capital Outlay	14,735	14,735 (1)	-	14,735
Total Expenditures	<u>14,735</u>	<u>14,735</u>	<u>-</u>	<u>14,735</u>
Net Change in Fund Balance	(14,692)	(14,692)	163	14,855
FUND BALANCE - BEGINNING OF YEAR	<u>14,692</u>	<u>14,692</u>	<u>14,749</u>	<u>57</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,912</u>	<u>\$ 14,912</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, 2017**

	<u>WASTEWATER SDC FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 743	\$ 743	\$ 2,753	\$ 2,010
Total Revenues	<u>743</u>	<u>743</u>	<u>2,753</u>	<u>2,010</u>
EXPENDITURES				
Wastewater Collection and Treatment				
Capital Outlay	248,634	248,634 (1)	-	248,634
Total Expenditures	<u>248,634</u>	<u>248,634</u>	<u>-</u>	<u>248,634</u>
Net Change in Fund Balance	(247,891)	(247,891)	2,753	250,644
FUND BALANCE - BEGINNING OF YEAR	<u>247,891</u>	<u>247,891</u>	<u>248,864</u>	<u>973</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,617</u>	<u>\$ 251,617</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, 2017**

<u>STORMWATER SDC FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 57	\$ 57	\$ 212	\$ 155
Total Revenues	<u>57</u>	<u>57</u>	<u>212</u>	<u>155</u>
EXPENDITURES				
Capital Outlay	<u>19,147</u>	<u>19,147 (1)</u>	<u>-</u>	<u>19,147</u>
Total Expenditures	<u>19,147</u>	<u>19,147</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(19,090)	(19,090)	212	19,302
FUND BALANCE - BEGINNING OF YEAR	<u>19,090</u>	<u>19,090</u>	<u>19,165</u>	<u>75</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,377</u>	<u>\$ 19,377</u>

(1) Appropriation Level

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2017**

MAJOR CAPITAL RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 2,000	\$ 2,000	\$ 8,648	\$ 6,648
Grants	770,000	770,000	175,316	(594,684)
Other-Timber Sales	977,530	977,530	449,825	(527,705)
Total Revenues	<u>1,749,530</u>	<u>1,749,530</u>	<u>633,789</u>	<u>(1,115,741)</u>
EXPENDITURES				
General Government				
Materials and Services	150,000	150,000 (1)	26,325	123,675
Capital Outlay	1,245,095	1,245,095 (1)	426,056	819,039
Contingency	565,399	565,399 (1)	-	565,399
Total Expenditures	<u>1,960,494</u>	<u>1,960,494</u>	<u>452,381</u>	<u>1,508,113</u>
Excess of Revenues Over (Under)				
Expenditures	(210,964)	(210,964)	181,408	392,372
Other Financing Sources (Uses)				
Sale of Capital Assets	-	-	4,113	4,113
Transfers Out	(236,584)	(236,584) (1)	(236,584)	-
Total Other Financing Sources (Uses)	<u>(236,584)</u>	<u>(236,584)</u>	<u>(232,471)</u>	<u>4,113</u>
Net Change in Fund Balance	(447,548)	(447,548)	(51,063)	396,485
FUND BALANCE - BEGINNING OF YEAR	<u>447,548</u>	<u>447,548</u>	<u>723,962</u>	<u>276,414</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 672,899</u>	<u>\$ 672,899</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, 2017

COUNTY-WIDE CAD CORE RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 50	\$ 50	\$ 423	\$ 373
Intergovernmental				
Revenue from Other Agencies	18,976	18,976	18,976	-
Total Revenues	19,026	19,026	19,399	373
EXPENDITURES				
General Government				
Materials and Services	20,000	20,000 (1)	18,742	1,258
Capital Outlay	11,414	35,309 (1)	7,380	27,929
Total Expenditures	31,414	55,309	26,122	29,187
Excess of Revenues Over (Under)				
Expenditures	(12,388)	(36,283)	(6,723)	29,560
OTHER FINANCING SOURCES (USES)				
Transfers In	5,361	5,361	5,361	-
Net Change in Fund Balance	(7,027)	(30,922)	(1,362)	29,560
FUND BALANCE - BEGINNING OF YEAR	7,027	30,922	30,923	1
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 29,561	\$ 29,561

(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, 2017**

	<u>FIRE STATION RESERVE FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Grants	\$ 525,000	\$ 525,000	\$ -	\$ (525,000)
Charges for Use of Money and Property				
Interest on Investments	1,100	1,100	2,399	1,299
Total Revenues	<u>526,100</u>	<u>526,100</u>	<u>2,399</u>	<u>(523,701)</u>
EXPENDITURES				
Capital Outlay				
Fire Station	741,523	741,523 (1)	-	741,523
Total Expenditures	<u>741,523</u>	<u>741,523</u>	<u>-</u>	<u>741,523</u>
Net Change in Fund Balance	(215,423)	(215,423)	2,399	217,822
FUND BALANCE - BEGINNING OF YEAR	<u>215,423</u>	<u>215,423</u>	<u>216,822</u>	<u>1,399</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 219,221</u>	<u>\$ 219,221</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, 2017**

URA EMPIRE CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ 500	\$ 500	\$ 2,973	\$ 2,473
Miscellaneous Revenue	1,500,000	1,500,000	150	(1,499,850)
Total Revenues	<u>1,500,500</u>	<u>1,500,500</u>	<u>3,123</u>	<u>(1,497,377)</u>
EXPENDITURES				
Materials and Services	437,993	437,993 (1)	400,960	37,033
Capital Outlay	2,250,993	2,250,993 (1)	235,957	2,015,036
Total Expenditures	<u>2,688,986</u>	<u>2,688,986</u>	<u>636,917</u>	<u>2,052,069</u>
Excess of Revenues Over, (Under) Expenditures	(1,188,486)	(1,188,486)	(633,794)	554,692
OTHER FINANCING SOURCES (USES)				
Du Jour Financing	719,433	719,433	719,433	-
Total Other Financing Sources, (Uses)	<u>719,433</u>	<u>719,433</u>	<u>719,433</u>	<u>-</u>
Net Change in Fund Balance	(469,053)	(469,053)	85,639	554,692
FUND BALANCE - BEGINNING OF YEAR	<u>469,053</u>	<u>469,053</u>	<u>218,263</u>	<u>(250,790)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 303,902</u>	<u>\$ 303,902</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, 2017**

URA DOWNTOWN CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Grants	\$ 350,000	\$ 350,000	\$ 10,000	\$ (340,000)
Interest on Investments	2,000	2,000	11,592	9,592
Seismic Project Loan	63,600	63,600	63,600	-
Total Revenues	415,600	415,600	85,192	(330,408)
EXPENDITURES				
Materials and Services	357,189	407,189 (1)	327,847	79,342
Capital Outlay	942,566	892,566 (1)	143,505	749,061
Contingency	108,123	108,123 (1)	-	108,123
Total Expenditures	1,407,878	1,407,878	471,352	936,526
Excess of Revenues Over, -Under Expenditures	(992,278)	(992,278)	(386,160)	606,118
OTHER FINANCING SOURCES (USES)				
Du Jour Financing - URA	739,876	739,876	739,876	-
Total Other Financing Sources, (Uses)	739,876	739,876	739,876	-
Net Change in Fund Balance	(252,402)	(252,402)	353,716	606,118
FUND BALANCE - BEGINNING OF YEAR	442,046	442,046	995,957	553,911
FUND BALANCE - END OF YEAR	\$ 189,644	\$ 189,644	1,349,673	\$ 1,160,029
Reconciliation to Governmental Balance Sheet Fund Balance				
Interfund Loan activity				
Interfund Loan Receivable			300,000	
		GAAP Fund Balance	\$ 1,649,673	

(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, 2017

<u>RAINY DAY RESERVE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Charges for Use of Money and Property				
Interest on Investments	\$ 2,000	\$ 2,000	\$ 6,914	\$ 4,914
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>6,914</u>	<u>4,914</u>
EXPENDITURES				
Capital Outlay	<u>682,321</u>	<u>682,321</u> (1)	-	<u>682,321</u>
Total Expenditures	<u>682,321</u>	<u>682,321</u>	<u>-</u>	<u>682,321</u>
Excess of Revenues Over, -Under Expenditures	(680,321)	(680,321)	6,914	687,235
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>100,000</u>	<u>100,000</u>	<u>77,237</u>	<u>(22,763)</u>
Total Other Financing Sources, (Uses)	<u>100,000</u>	<u>100,000</u>	<u>77,237</u>	<u>(22,763)</u>
Net Change in Fund Balance	(580,321)	(580,321)	84,151	664,472
FUND BALANCE - BEGINNING OF YEAR	<u>580,321</u>	<u>580,321</u>	<u>582,360</u>	<u>2,039</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 666,511</u>	<u>\$ 666,511</u>

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

(1) Appropriation Level

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

**SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
For the Year Ended June 30, 2017**

	<u>BALANCE JUNE 30, 2016</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2017</u>
ASSETS				
Cash and Investments	<u>\$ 438,500</u>	<u>\$ 327,304</u>	<u>\$ 174,351</u>	<u>\$ 591,453</u>
 LIABILITIES				
Due to Agency	<u>\$ 438,500</u>	<u>\$ 327,304</u>	<u>\$ 174,351</u>	<u>\$ 591,453</u>

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

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2017**

General Fund:						
TAX YEAR	IMPOSED LEVY OR OR BALANCE UNCOLLECTED AT 7/1/16	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/17
Current:						
2016-17	\$ 5,757,770	\$ 145,203	\$ (21,456)	\$ 3,547	\$ 5,349,106	\$ 245,552
Prior Years:						
2015-16	260,983	(7)	(8,393)	7,591	104,170	156,018
2014-15	138,311	(123)	(13,344)	8,792	44,102	89,780
2013-14	86,295	(1)	(13,677)	13,266	45,446	40,439
2012-13	33,004	(2)	(8,716)	8,295	23,769	8,816
2011-12 & Prior	24,825	(2)	(3,174)	2,112	3,116	20,649
Total Prior	543,418	(135)	(47,304)	40,056	220,603	315,702
Total All Funds	\$ 6,301,188	\$ 145,068	\$ (68,760)	\$ 43,603	\$ 5,569,709	\$ 561,254

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 5,569,709
Accrual of Receivables:	
June 30, 2016	(106,597)
June 30, 2017	106,130
Taxes in Lieu of Property Taxes	39,107
Total Revenue	\$ 5,608,349

Debt Service Fund:

2016-17	\$ 542,808	\$ 13,689	\$ (2,022)	\$ 334	\$ 504,282	\$ 23,149
Prior Years:						
2015-16	24,953	(1)	(792)	726	9,964	14,924
2014-15	13,546	(12)	(1,307)	861	4,319	8,793
2013-14	8,385	-	(1,328)	1,289	4,416	3,930
2012-13	3,311	-	(873)	832	2,385	885
2011-12 & Prior	2,525	-	(343)	213	314	2,081
Total Prior	52,720	(13)	(4,643)	3,921	21,398	30,613
Total All Funds	\$ 595,528	\$ 13,676	\$ (6,665)	\$ 4,255	\$ 525,680	\$ 53,762

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 525,680
Accrual of Receivables:	
June 30, 2016	(10,341)
June 30, 2017	9,744
Taxes in Lieu of Property Taxes	512
Total Revenue	\$ 525,595

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

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2017**

URBAN RENEWAL:						
TAX YEAR	IMPOSED LEVY OR OR BALANCE UNCOLLECTED AT 7/1/16	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/17
Current:						
2016-17	\$ 1,483,525	\$ 37,412	\$ (4,992)	\$ 914	\$ 1,379,066	\$ 62,969
Prior Years:						
2015-16	73,508	(2)	(2,687)	2,137	29,331	43,629
2014-15	41,930	(38)	(876)	2,698	16,535	27,255
2013-14	25,752	-	(1,081)	3,959	16,562	12,068
2012-13	10,260	(1)	290	2,579	10,389	2,741
2011-12 & Prior	6,712	(1)	(411)	617	911	6,008
Total Prior	158,162	(42)	(4,765)	11,990	73,728	91,701
Total All Funds	\$ 1,641,687	\$ 37,370	\$ (9,757)	\$ 12,904	\$ 1,452,794	\$ 154,670

BALANCE UNCOLLECTED OR UNSEGREGATED

Downton Special Revenue Fund	\$ 87,930
Empire Special Revenue Fund	66,740
Total Balance Uncollected or Unsegregated - All Funds	<u>154,670</u>

RECONCILIATION TO REVENUE:

	DOWNTOWN SPECIAL REVENUE	EMPIRE SPECIAL REVENUE
Cash Collections by County Treasurer Above	\$ 792,093	\$ 660,701
Accrual of Receivables:		
June 30, 2016	(18,272)	(12,857)
June 30, 2017	16,540	12,719
Taxes in Lieu of Property Taxes	1,732	138
Total Revenue	<u>\$ 792,093</u>	<u>\$ 660,701</u>

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CITY OF COOS BAY
COOS COUNTY, OREGON

OTHER INFORMATION

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Oregon State Treasury
 Debt Management Division
 350 Winter Street NE, Suite 100
 Salem, OR 97301
 (503) 378-4930
 DMD@ost.state.or.us

Overlapping Debt Report

for: City Of Coos Bay
 As of 6/30/2017

Overlapping District Name	Outstanding Gross Property-tax Backed Debt	Outstanding Net Property-tax Backed Debt	Overlapping District Real Market Value	Percent Overlapping	Gross Overlapping Debt	Net Overlapping Debt
Coos Bay Urban Renewal Agency	\$1,763,262	\$1,763,262	\$1,189,281,410	100.00%	\$1,763,262	\$1,763,262
Coos County	\$6,875,000	\$6,875,000	\$6,468,651,825	18.39%	\$1,263,989	\$1,263,989
Coos Cty Airport	\$1,335,051	\$1,335,051	\$6,468,651,825	18.39%	\$245,453	\$245,453
Coos Cty SD 9 (Coos Bay)	\$9,368,699	\$9,368,699	\$2,345,198,127	50.71%	\$4,750,989	\$4,750,989
Port Of Coos Bay	\$6,795,505	\$6,795,505	\$3,497,572,586	34.00%	\$2,310,682	\$2,310,682
Southwestern Oregon Community College	\$31,249,277	\$3,774,277	\$10,333,258,748	11.51%	\$3,596,573	\$434,393
Totals:	\$57,386,795	\$29,911,795			\$13,930,948	\$10,768,768

Net Property-tax Backed Debt of Subject Issuer is: \$13,328,497
 Net Property-tax Backed Debt of Overlapping Issuers is: \$10,768,768
 Total: \$24,097,265

Ratio of Net Property-tax Backed Debt to Real Market Value is: 1.12%
 Per Capita Net Property-tax Backed Debt is: \$802
 Ratio of Total Net Property-tax Backed Debt to Real Market Value is: 2.03%
 Per Capita Total Net Property-tax Backed Debt is: \$1,450

Population of Subject Issuer is: 16,615 As Of: 07/01/2016
 Real Market Value of Subject Issuer is: \$1,189,281,410 As Of: 01/01/2016



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Overlapping Debt Report

for: City Of Coos Bay

As of 6/30/2017

District's Outstanding Balances

District	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	General Obligation (N) Bonds	General Obligation (S) Bonds	Full Faith & Credit Obligations (N)	Full Faith & Credit Obligations (S)	Appropriation Credits(1,2)	Conduit Revenue Bonds(2)	Dedicated Niche Tax Obligations(2)	Other(2)	Revenue Bonds(2)
City Of Coos Bay	\$16,528,497	\$13,328,497	\$0	\$0	\$13,328,497	\$3,200,000	\$0	\$0	\$0	\$0	\$0

Overlapping District

District	Gross Property-tax Backed Debt	Net Property-tax Backed Debt	General Obligation (N) Bonds	General Obligation (S) Bonds	Full Faith & Credit Obligations (N)	Full Faith & Credit Obligations (S)	Appropriation Credits	Conduit Revenue Bonds	Dedicated Niche Tax Obligations	Other	Revenue Bonds
Bay Area Health District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Coos 4H Extension	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Coos Bay Urban Renewal Agency	\$1,763,262	\$1,763,262	\$0	\$0	\$1,763,262	\$0	\$0	\$0	\$0	\$0	\$330,000
Coos County	\$6,875,000	\$6,875,000	\$6,875,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Coos Cty Airport	\$1,335,051	\$1,335,051	\$0	\$0	\$1,335,051	\$0	\$0	\$0	\$0	\$0	\$1,171,484
Coos Cty Library District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Coos Cty SD 9 (Coos Bay)	\$9,368,699	\$9,368,699	\$0	\$0	\$9,368,699	\$0	\$0	\$0	\$0	\$0	\$0
Coos Cty Urban Renewal Area 1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
HFA Bay Area Health District	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Port Of Coos Bay	\$6,795,505	\$6,795,505	\$0	\$0	\$6,795,505	\$0	\$0	\$0	\$0	\$0	\$101,769
South Coast ESD	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Southwestern Oregon Community College	\$31,249,277	\$3,774,277	\$0	\$0	\$3,774,277	\$27,475,000	\$0	\$0	\$0	\$0	\$0
Totals:	\$57,386,795	\$29,911,795	\$6,875,000	\$0	\$23,036,795	\$27,475,000	\$0	\$0	\$0	\$0	\$1,603,253

(1) Subject to Appropriation Obligations.

(2) Not included in overlapping debt.



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Overlapping Debt Report

for: City Of Coos Bay
 As of 6/30/2017

Issue Listing for: City Of Coos Bay

Issue Information		Issued Par Amount	Calendar Year Payments	Principal	Interest	Total
Bond Type:	Full Faith & Credit Obligations(N)	\$125,000	12/1/2029	\$89,634.24	\$0.00	\$89,634.24
Series:	J04004		IssueTotals:	\$89,634.24	\$0.00	\$89,634.24
Dated Date:	11/06/03					
Project:	Special Public Works Fund					
Program:	OBDD - SPWF DIRECT					
Interest Rate:						
Interest Basis:						
Bond Type:	Full Faith & Credit Obligations(N)	\$6,900,000	12/1/2017	\$0.00	\$87,375.00	\$87,375.00
Series:	2009		6/1/2018	\$315,000.00	\$87,375.00	\$402,375.00
Dated Date:	04/15/09		12/1/2018	\$0.00	\$81,075.00	\$81,075.00
Project:	Fire Station	Bank Qualified <input checked="" type="checkbox"/>	6/1/2019	\$330,000.00	\$81,075.00	\$411,075.00
Program:	N/A		12/1/2019	\$0.00	\$74,475.00	\$74,475.00
Interest Rate:	4.09%		6/1/2020	\$340,000.00	\$74,475.00	\$414,475.00
Interest Basis:			12/1/2020	\$0.00	\$67,675.00	\$67,675.00
			6/1/2021	\$355,000.00	\$67,675.00	\$422,675.00
			12/1/2021	\$0.00	\$60,575.00	\$60,575.00
			6/1/2022	\$370,000.00	\$60,575.00	\$430,575.00
			12/1/2022	\$0.00	\$53,175.00	\$53,175.00
			6/1/2023	\$385,000.00	\$53,175.00	\$438,175.00
			12/1/2023	\$0.00	\$45,475.00	\$45,475.00
			6/1/2024	\$400,000.00	\$45,475.00	\$445,475.00
			12/1/2024	\$0.00	\$37,375.00	\$37,375.00
			6/1/2025	\$415,000.00	\$37,375.00	\$452,375.00
			12/1/2025	\$0.00	\$28,815.63	\$28,815.63
			6/1/2026	\$435,000.00	\$28,815.63	\$463,815.63
			12/1/2026	\$0.00	\$19,843.75	\$19,843.75
			6/1/2027	\$450,000.00	\$19,843.75	\$469,843.75
			12/1/2027	\$0.00	\$10,281.25	\$10,281.25
			6/1/2028	\$470,000.00	\$10,281.25	\$480,281.25
			IssueTotals:	\$4,265,000.00	\$1,132,281.26	\$5,397,281.26



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Overlapping Debt Report

for: City Of Coos Bay

As of 6/30/2017

Issue Listing for: City Of Coos Bay

Issue Information		Issued Par Amount	Calendar Year Payments	Principal	Interest	Total
Bond Type:	Full Faith & Credit Obligations(N)	\$5,000,000	12/1/2032	\$4,535,970.91	\$0.00	\$4,535,970.91
Series:	S10009		IssueTotals:	\$4,535,970.91	\$0.00	\$4,535,970.91
Dated Date:	02/19/10					
Project:	Safe Drinking Water Loan Fund - SDW					
Program:	OBDD - SDW					
Interest Rate:						
Interest Basis:						
Bond Type:	Full Faith & Credit Obligations(N)	\$650,000	12/1/2017	\$65,000.00	\$4,056.00	\$69,056.00
Series:	2011		6/1/2018	\$0.00	\$3,042.00	\$3,042.00
Dated Date:	10/31/11		12/1/2018	\$65,000.00	\$3,042.00	\$68,042.00
Project:	Land acquisition for wastewater treatment plant	Bank Qualified <input checked="" type="checkbox"/>	6/1/2019	\$0.00	\$2,028.00	\$2,028.00
Program:			12/1/2019	\$65,000.00	\$2,028.00	\$67,028.00
Interest Rate:	3.12%		6/1/2020	\$0.00	\$1,014.00	\$1,014.00
Interest Basis:	Fixed		12/1/2020	\$65,000.00	\$1,014.00	\$66,014.00
			IssueTotals:	\$260,000.00	\$16,224.00	\$276,224.00
Bond Type:	Full Faith & Credit Obligations(N)	\$2,525,358	12/1/2034	\$2,525,358.00	\$0.00	\$2,525,358.00
Series:	Y12005		IssueTotals:	\$2,525,358.00	\$0.00	\$2,525,358.00
Dated Date:	04/13/12					
Project:	Water/Wastewater Financing Program					
Program:	OBDD - WF DIRECT					
Interest Rate:						
Interest Basis:						



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Overlapping Debt Report

for: City Of Coos Bay
 As of 6/30/2017

Issue Listing for: City Of Coos Bay

Issue Information		Issued Par Amount	Calendar Year Payments	Principal	Interest	Total
Bond Type:	Full Faith & Credit Obligations(N)	\$1,707,104	12/1/2035	\$1,652,534.00	\$0.00	\$1,652,534.00
Series:	Y14002		IssueTotals:	\$1,652,534.00	\$0.00	\$1,652,534.00
Dated Date:	10/03/13					
Project:	Water/Wastewater Financing Program					
Program:	OBDD - WF DIRECT					
Interest Rate:						
Interest Basis:						
Bond Type:	Full Faith & Credit Obligations(S)	\$3,200,000	12/1/2017	\$370,000.00	\$28,000.00	\$398,000.00
Series:	2016		6/1/2018	\$0.00	\$24,762.50	\$24,762.50
Dated Date:	11/03/16		12/1/2018	\$385,000.00	\$24,762.50	\$409,762.50
Project:	FFC Financing Agreement partial refunding Series 2006	Bank Qualified <input checked="" type="checkbox"/>	6/1/2019	\$0.00	\$21,393.75	\$21,393.75
Program:			12/1/2019	\$390,000.00	\$21,393.75	\$411,393.75
Interest Rate:	1.75%		6/1/2020	\$0.00	\$17,981.25	\$17,981.25
Interest Basis:	Coupon		12/1/2020	\$395,000.00	\$17,981.25	\$412,981.25
			6/1/2021	\$0.00	\$14,525.00	\$14,525.00
			12/1/2021	\$405,000.00	\$14,525.00	\$419,525.00
			6/1/2022	\$0.00	\$10,981.25	\$10,981.25
			12/1/2022	\$410,000.00	\$10,981.25	\$420,981.25
			6/1/2023	\$0.00	\$7,393.75	\$7,393.75
			12/1/2023	\$420,000.00	\$7,393.75	\$427,393.75
			6/1/2024	\$0.00	\$3,718.75	\$3,718.75
			12/1/2024	\$425,000.00	\$3,718.75	\$428,718.75
			IssueTotals:	\$3,200,000.00	\$229,512.50	\$3,429,512.50
			Final Totals:	\$16,528,497.15	\$1,378,017.76	\$17,906,514.91

Disclaimer: The State of Oregon Office of the Treasurer, acting on behalf of the Municipal Debt Advisory Commission (MDAC), maintains debt information to assist municipalities in debt related matters. The data is based on information obtained from sources believed to be reliable; however, its accuracy cannot be guaranteed. The Office of the State Treasurer does not independently verify the information received from reporting municipalities. The State of Oregon is not responsible for the accuracy, completeness or timeliness of the information obtained and the data presented and disclaims any liability for or obligation to bond owners or others concerning the accuracy, completeness or timeliness of the data and information presented.

"Gross Property-tax Backed Debt" includes all General Obligation (GO) bonds and Full Faith & Credit bonds. "Net Property-tax Backed Debt" is Gross Property-tax Backed Debt less Self-supporting Unlimited-tax GO and less Self-Supporting Full Faith & Credit debt. The following obligations are NOT included in Property-tax backed calculations: Appropriation Credits, Conduit Revenue Bonds, Dedicated Niche Obligations, Revenue Bonds, obligations issued for less than 13 months



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Overlapping Debt Report

for: City Of Coos Bay

As of 6/30/2017

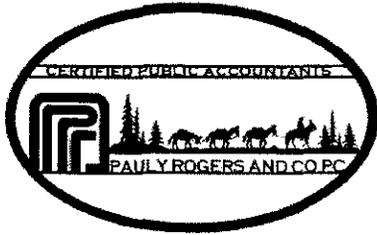
(e.g. Bond Anticipation Notes, Tax Anticipation Notes), lease purchase agreements, loans, lines of credit or other non-publicly offered financial obligations. The Municipal Debt Advisory Commission (MDAC), however, does request and track information for these obligations.

In August 2010, the Oregon State Treasury reclassified all Self-Supporting School District debt to Non Self-Supporting debt, thus making all School District debt included as Net Property-tax Backed Debt, rather than Gross Property-tax Backed Debt. Schools, by definition will not have debt supported by Enterprise Revenues, and thus can not have fully Self-Supporting debt as defined by the Municipal Debt Advisory Commission.

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

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

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PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

November 15, 2017

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, 2017, and have issued our report thereon dated November 15, 2017. 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 financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

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

OAR 162-10-0230 Internal Control

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

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



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