

CITY OF COOS BAY
COOS COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2023



12700 SW 72nd Ave.
Tigard, OR 97223

CITY OF COOS BAY
COOS COUNTY, OREGON

For the Year Ended June 30, 2023

ANNUAL FINANCIAL REPORT

CITY OF COOS BAY
COOS COUNTY, OREGON

CITY COUNCIL

TERM EXPIRES

Joe Benetti, Mayor

November 2024

Lucinda DiNovo, President

November 2024

Drew Farmer

November 2024

Stephanie Kilmer

November 2024

Carmen Matthews

November 2026

Tony Cribbins

November 2024

Sara Stephens

November 2026

All council members receive mail at the address listed below.

ADMINISTRATION
Nichole Rutherford, City Manager
City Hall
500 Central Avenue
Coos Bay, OR 97420

CITY OF COOS BAY
COOS COUNTY, OREGON
TABLE OF CONTENTS

PAGE
NUMBER

INDEPENDENT AUDITORS' REPORT

1

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

i

BASIC FINANCIAL STATEMENTS

FINANCIAL STATEMENTS AND SCHEDULES:

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Position

2

Statement of Activities

3

Fund Financial Statements:

Balance Sheet – Governmental Funds

5

Reconciliation of Balance Sheet of Governmental Funds to
Statement of Net Position

6

Statement of Revenues, Expenditures and Changes in
Fund Balance – Governmental Funds

7

Reconciliation of Statement of Revenues, Expenditures and Changes in
Fund Balance – Governmental Funds – to Statement of Activities

8

Statement of Net Position – Proprietary Funds

9

Statement of Revenues, Expenses and Changes in
Net Position – Proprietary Funds

10

Statement of Cash Flows – Proprietary Funds

11

Statement of Fiduciary Net Position – Custodial Fund

12

Statement of Changes in Fiduciary Net Position – Custodial Fund

13

Notes to Basic Financial Statements

14-63

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Funding Progress – Other post employment benefits

64

Schedule of Proportionate Share of Net Pension Liability & Contributions

65

Schedule of Funding Progress – Other post employment benefits – RHIA

66

General Fund:

Schedule of Revenues, Expenditures and Changes in

Fund Balance - Actual and Budget - Budgetary Basis

67

SUPPLEMENTARY INFORMATION

Jurisdictional Exchange Reserve Fund:

Schedule of Revenues, Expenditures and Changes in

Fund Balance - Actual and Budget - Budgetary Basis

68

Urban Renewal Agency Fund Downtown Capital Projects Fund:

Schedule of Revenues, Expenditures and Changes in

Fund Balance - Actual and Budget - Budgetary Basis

69

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

SUPPLEMENTARY INFORMATION (CONTINUED)

**PAGE
NUMBER**

Water Quality Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Budgetary Basis	70
Water Quality Improvement Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Actual and Budget - Budgetary Basis	71
Building Codes Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget – Budgetary Basis	72
Combining Balance Sheet – Non-Major Governmental Funds	73
Combined Schedule of Revenues, Expenditures and Changes in Fund Balances - Non-Major Governmental Funds	76
Schedules of Revenues, Expenditures and Changes in Fund Balance – Actual and Budget – Budgetary Basis:	
Non-Major Governmental Funds:	
State Gas Tax Fund	79
Hotel/Motel Tax Fund	80
Library Fund	81
Coos County Library Service District ESO Fund	82
911 Tax Fund	83
URA Downtown Special Revenue Fund	84
URA Empire Special Revenue Fund	85
General Obligation Bond Redemption Fund	86
URA Downtown Bond Fund	87
URA Empire Bond Fund	88
Capital Improvement Fund	89
CAD Group Reserve Fund	90
Fire Equipment Reserve Fund	91
URA Empire Capital Projects Fund	92
System Development Charges Fund	93
Rainy Day Fund	94

REPORTS ON LEGAL AND OTHER REGULATORY REQUIREMENTS

Independent Auditors’ Report Required by Oregon State Regulations	95-96
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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

December 18, 2023

INDEPENDENT AUDITORS' REPORT

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

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, 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 The City of Coos Bay, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Coos Bay North Bend Water Board, which represent 24.4% percent, 4.5% percent, respectively, of the assets, and revenues of the Governmental Activities as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. 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 City, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Coos Bay and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

The City adopted new accounting guidance, GASB Statement No. 96 – Subscription Based Information Technology Arrangements during the fiscal year under audit. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about The City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information and other required supplementary information as noted in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the other information, as listed in the table of contents, and the listing of board members containing their term expiration dates, located before the table of contents, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 18, 2023 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 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
<https://www.coosbayor.gov>

MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)

As management of the City of Coos Bay, Oregon, we offer the following narrative overview and analysis of the financial activities of the City of Coos Bay (the City) for the fiscal year ended June 30, 2023 (current year). Readers are encouraged to consider this overview and analysis in combination with the accompanying basic financial statements and notes to the financial statements.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded liabilities and deferred inflows at close of fiscal year by \$152,106,052 (net position), an increase of \$4,458,367 from the prior year. Of this amount, \$10,205,329 (unrestricted net position) may be used to meet the government's ongoing obligations to the community and creditors.
- Net position increased for governmental activities by \$2,015,588 or 1.86% from the prior year. Net position increased for business activities by \$2,442,779 or 6.23% from the prior year. Governmental funds' net position primarily increased as a result of a current assets; business-type activities increased net position was primarily due to an increase in current assets.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$22,286,792, an increase of \$934,751 or 4.38% from the prior year. Approximately \$5,043,548 or 22.63% of the total amount is available for spending at the City's discretion through the budget process (assigned and unassigned fund balance).
- At the end of current fiscal year, the total assigned and unassigned fund balance in the General Fund was \$4,725,047 which was 36.66% of the total General Fund operating expenditures of \$12,889,823. This increase of \$537,198 or 12.27% in the current year fund balance available for expenditures is primarily due to receipt of opioids settlement funds.
- Total governmental activities debt decreased by \$1,117,334 or 7.79% during the current fiscal year. The decrease was result of paying all required debt payments and final draw down of the Downtown 2020A Series bond. Total business-type activities debt decreased by \$242,964 or 0.78%. The decrease in business-type activities was the result of payment all required debt payments.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis intends to serve as an introduction to the City's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements themselves.

Government-wide Financial Statements. These statements are designed to provide readers with a broad overview of the City finances, in a manner similar to private-sector business. They are represented beginning on page 2 of this report. Summarized versions of these statements are included in this MD&A and can be found on pages ii and iii.

The *Statement of Net Position*, page 2 of this report, presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the components as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in the City's financial position.

The *Statement of Activities*, page 3 of this report, presents information showing how the City net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. This is the accrual basis of accounting. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e., uncollected property taxes and earned but unused leave).

Both the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The governmental activities of the City include police, fire, library, parks, general administration, and public works and community development. The business-type activities of the City include wastewater and building codes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following tables, graphs, and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the current fiscal year.

Net Position. As previously noted, net position may serve over time as a useful indicator of a government's financial position. The City's net position, the amount by which assets plus deferred outflows of resources exceeded liabilities plus deferred inflows of resources, was \$152,106,502 at close of the current fiscal year. This represented a \$4,458,367 or 3.02% increase in net position from the prior fiscal year.

City of Coos Bay's Net Position at June 30						
	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Current and Other Assets	\$ 27,356,884	\$ 27,646,470	\$ 16,224,957	\$ 16,011,086	\$ 43,581,841	\$ 43,657,556
Investment in Joint Venture	29,514,160	30,695,301	-	-	29,514,160	30,695,301
Non-current assets	225,001	194,872	-	-	\$ 225,001	\$ 194,872
Capital Assets, net	83,101,717	82,633,122	57,316,239	59,308,005	140,417,956	141,941,127
Total Assets	<u>140,197,762</u>	<u>141,169,765</u>	<u>73,541,196</u>	<u>75,319,091</u>	<u>213,738,958</u>	<u>216,488,856</u>
Deferred Outflows of Resources	<u>5,311,041</u>	<u>5,279,578</u>	<u>759,771</u>	<u>748,038</u>	<u>6,070,812</u>	<u>6,027,616</u>
Long-term Liabilities Outstanding	23,729,820	25,773,757	31,228,058	31,450,161	54,957,878	57,223,918
Other Liabilities	4,063,190	4,768,737	2,524,043	2,189,087	6,587,233	6,957,824
Total Liabilities	<u>27,793,010</u>	<u>30,542,494</u>	<u>33,752,101</u>	<u>33,639,248</u>	<u>61,545,111</u>	<u>64,181,742</u>
Deferred Inflows of Resources	<u>9,260,949</u>	<u>5,436,417</u>	<u>1,356,025</u>	<u>792,261</u>	<u>10,616,974</u>	<u>6,228,678</u>
Net Position:						
Invested in Capital Assets, Net	70,086,829	70,315,944	26,144,295	28,379,025	96,231,124	98,694,969
Invested in Joint Venture	29,514,160	30,695,301	-	-	29,514,160	30,695,301
Restricted for Debt Service	1,624,063	1,500,613	-	-	1,624,063	1,500,613
Restricted for Capital Projects	4,608,874	1,849,413	-	-	4,608,874	1,849,413
Restricted for Other	5,769,585	9,160,427	-	-	5,769,585	9,160,427
Unrestricted	<u>(3,148,667)</u>	<u>(3,051,266)</u>	<u>13,048,546</u>	<u>13,256,595</u>	<u>9,899,879</u>	<u>10,205,329</u>
Total Net Position	<u>\$ 108,454,844</u>	<u>\$ 110,470,432</u>	<u>\$ 39,192,841</u>	<u>\$ 41,635,620</u>	<u>\$ 147,647,685</u>	<u>\$ 152,106,052</u>

The largest portion of the City's net position, \$98,694,969, reflects its net investment in capital assets. The City's asset category, investment in capital assets net of related debt, was used to acquire assets. This represents investment in land, infrastructure, buildings, equipment, and construction in progress, less accumulated depreciation and debt used to purchase those capital assets and was 64.89% of the total net position. The preceding table summarizes the detailed Statement of Net Position. The City's major assets are investment in infrastructure – the wastewater and stormwater systems of the treatment plants and collection/distribution facilities, and the street and sidewalk system. The City uses the capital assets to

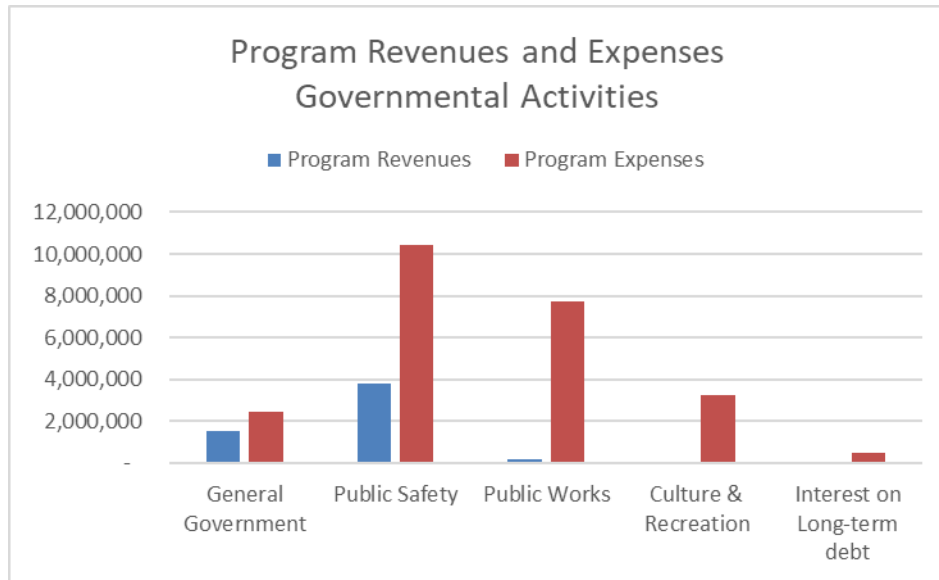
provide services to the community; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other resources since the capital assets themselves cannot be used to liquidate these liabilities.

The City's restricted net position totaled \$12,510,453 or 8.22% of the total net position representing resources that are subject to external restrictions on how they must be used. This represents an increase of \$507,931 or 4.23% in the City's restricted net position from the prior fiscal year. The City's unrestricted net position, \$10,205,329, may be used to meet the City's ongoing obligations to the community and creditors. At the end of the current fiscal year, the City of Coos Bay reported positive balances in all three categories of net position.

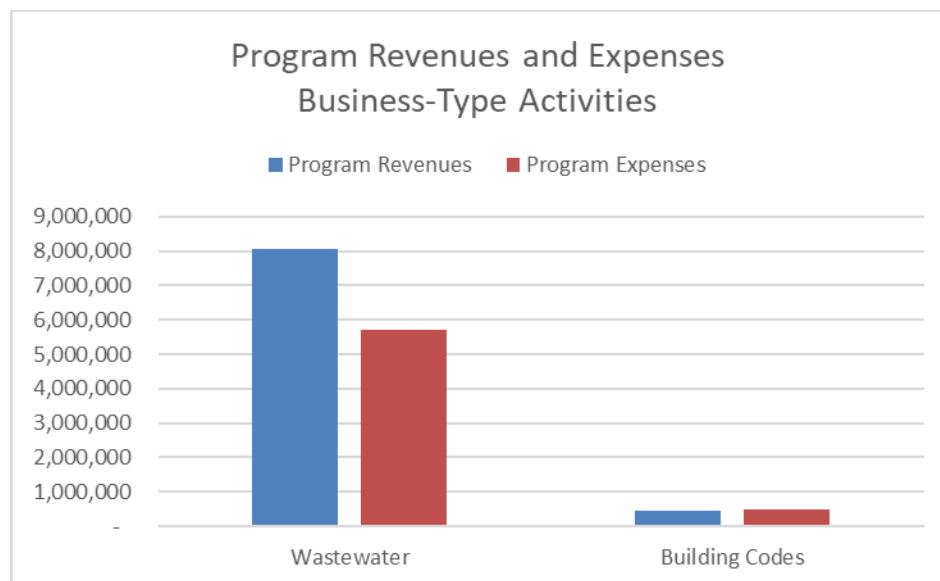
Changes in Net Position. Detail of the following summarized information can be found on the Statement of Activities.

	City of Coos Bay's Change in Net Position at June 30					
	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Revenues						
Program Revenues						
Charges for Services	\$ 1,257,532	\$ 1,518,385	\$ 7,615,420	\$ 8,540,683	\$ 8,872,952	\$ 10,059,068
Operating Grants & Contributions	3,835,709	3,764,878	-	-	3,835,709	3,764,878
Capital Grants & Contributions	-	157,300	-	-	-	157,300
General Revenues						
Property Taxes	10,222,503	10,360,141	-	-	10,222,503	10,360,141
Other Taxes	5,922,802	5,754,722	-	-	5,922,802	5,754,722
Intergovernmental	635,727	114,161	55,237	27,407	690,964	141,568
Gain on Joint Venture	784,544	1,181,141	-	-	784,544	1,181,141
Transfer	(5,423,458)	140,000	5,423,458	(140,000)	-	-
Investment Earnings	(80,452)	792,968	(67,374)	536,972	(147,826)	1,329,940
Miscellaneous Income	2,671,790	2,601,999	(531,221)	(407,549)	2,140,569	2,194,450
Total Revenues	<u>19,826,697</u>	<u>26,385,695</u>	<u>12,495,520</u>	<u>8,557,513</u>	<u>32,322,217</u>	<u>34,943,208</u>
Expenses						
General Government	2,861,978	2,429,674	-	-	2,861,978	2,429,674
Public Safety	9,356,170	10,436,297	-	-	9,356,170	10,436,297
Public Works	8,649,811	7,725,493	-	-	8,649,811	7,725,493
Culture & Recreation	2,171,475	3,234,547	-	-	2,171,475	3,234,547
Building Codes	-	-	538,001	491,783	538,001	491,783
Interest on Long-term Debt	841,046	472,360	-	-	841,046	472,360
Wastewater	-	-	6,763,281	5,694,687	6,763,281	5,694,687
Total Expenses	<u>23,880,480</u>	<u>24,298,371</u>	<u>7,301,282</u>	<u>6,186,470</u>	<u>31,181,762</u>	<u>30,484,841</u>
Change in Net Position	(4,053,783)	2,087,324	5,194,238	2,371,043	1,140,455	4,458,367
Net Position - Beginning	112,414,113	108,454,844	33,998,603	39,192,841	146,412,716	147,647,685
Prior Period Adjustment	94,514	(71,736)	-	71,736	94,514	-
Net Position - Ending	<u>\$ 108,454,844</u>	<u>\$ 110,470,432</u>	<u>\$ 39,192,841</u>	<u>\$ 41,635,620</u>	<u>\$ 147,647,685</u>	<u>\$ 152,106,052</u>

- Governmental activities increased the City's net position by \$2,015,588 or 1.86%.



- Business-type activities increased the City's net position by \$2,442,779 or 6.23%. A rate increase of 6.5% for wastewater was implemented in 2023 which led to an overall increase in program revenue available to fund operating and maintenance costs as well as to build capacity for cash or debt funded infrastructure projects. Additionally, per City Charter, the City's building code program must be self-supporting through collection building permit and inspection fees. To ensure timely review of building plans, permit issuance, and building inspections, fees for building code related permits were increased 10% to support the additions of a full-time and part-time building codes inspector in fiscal year 2017-18. Discussion has begun regarding analysis of current permit and inspection fees to ensure self-supporting methodology is still applied.



FUND FINANCIAL STATEMENTS

The Fund Financial Statements are presented beginning on page 5 of this report. A *fund* is a grouping of related accounts used to maintain control over resources segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The Agency uses only one fund, which is categorized as a governmental fund. All of the funds of the City can be divided into two categories: governmental and proprietary funds.

Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, which are on full accrual basis, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year, which is the modified accrual basis of accounting. Both the governmental funds balance sheet (5) and the governmental funds statement of revenues, expenditures and changes in fund balances (7) provide a reconciliation to the governmental activities portion of the government-wide financial statements.

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. By doing so, readers may better understand the long-term impact of near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintained 19 governmental funds at current fiscal year end. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Jurisdictional Exchange Reserve, Revenue Bond, and Downtown Capital Projects, all of which were considered to be major funds. Data from the other governmental funds is combined into a single aggregated presentation. Fund data for each of these non-major governmental funds is disclosed as supplementary information in the form of statements and schedules.

The City adopts an annual appropriated budget for its General Fund, along with all other funds. Budgetary comparisons statements are provided in the basic financial statements, within the required supplementary information section, for the General Fund to demonstrate compliance with this budget. Budgetary comparisons for all other funds are provided as supplementary information.

Proprietary Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses three enterprise funds to account for its Wastewater Operations, Wastewater Capital Improvements, and Building Codes Funds, all of which are considered to be major funds of the City of Coos Bay. Proprietary fund financial statements provide the same type of information as government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 9-11 of this report.

NOTES TO THE FINANCIAL STATEMENTS

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 14 of this report.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes the Other Postemployment Benefits Plan Schedule of Changes in Other Post-Employment Benefits (OPEB) Liability, Schedule of Funding Progress including the Schedule of Proportionate Share of Net Pension Liability (Asset) and the Schedule of Contributions, and the budgetary comparison schedule for the General Fund. This information can be found beginning on page 39 of this report.

SUPPLEMENTARY INFORMATION

Supplementary information includes the combining statements referred to earlier in connection with non-major governmental funds and other financial schedules. This information can be found beginning on page 64 of this report.

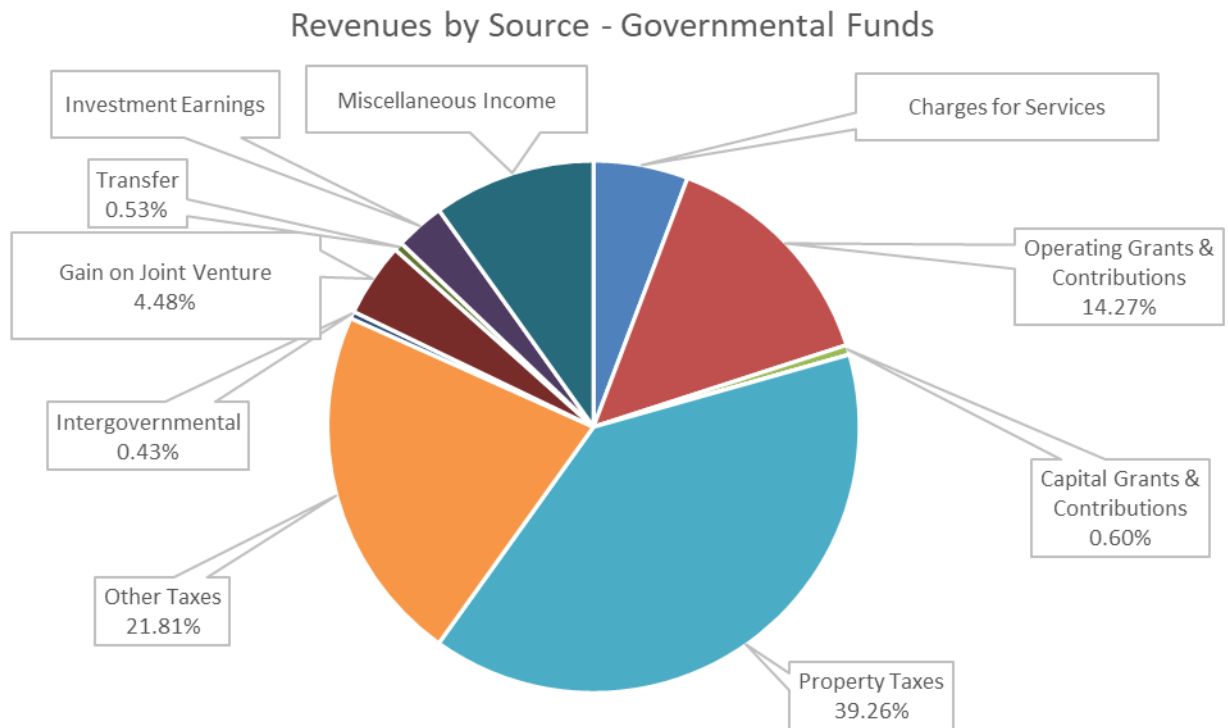
GOVERNMENT-WIDE FINANCIAL ANALYSIS

At the end of the current fiscal year, the City's Balance Sheet for Governmental Funds reported combined ending fund balances of \$22,286,792, an increase of \$934,751 or 4.38% over the prior fiscal year. Business-type Funds reported combined ending net position of \$41,635,620, an increase over the prior fiscal year of \$2,442,779 or 6.23%.

**Changes in Fund Balance
Fiscal Year Ended June 30**

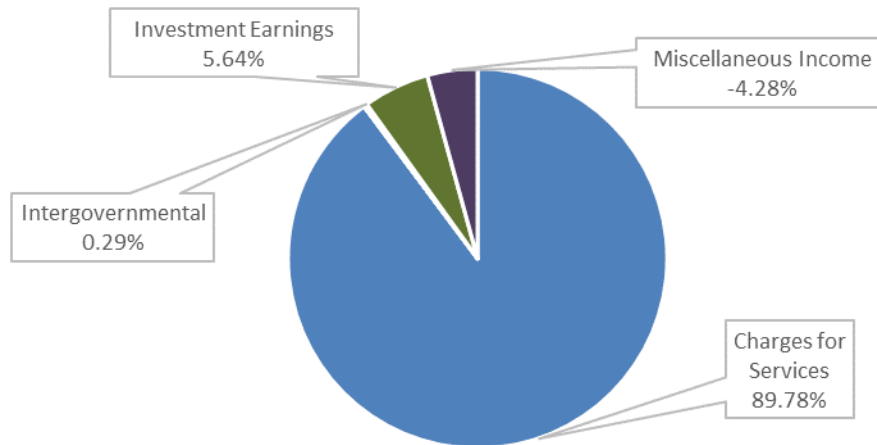
	<u>2022</u>	<u>2023</u>
Governmental Funds		
Major Funds		
General Fund	\$ 4,379,649	\$ 4,916,847
Jurisdictional Exchange Reserve	4,938,032	5,118,501
URA Downtown Capital Projects	<u>2,452,549</u>	<u>2,827,036</u>
Total Major Funds	11,770,230	12,862,384
Non Major Funds	<u>9,581,811</u>	<u>9,424,408</u>
Total Governmental Funds	<u>\$ 21,352,041</u>	<u>\$ 22,286,792</u>
Business-Type Funds		
Major Proprietary Funds		
Wastewater Operations	\$ 63,723,306	\$ 62,426,993
Wastewater Capital Improvements	(24,507,920)	(20,802,582)
Building Codes	<u>(22,545)</u>	<u>11,209</u>
Total Business-Type Funds	<u>\$ 39,192,841</u>	<u>\$ 41,635,620</u>

The City's total property tax revenue increased by \$137,638 or 1.35% due to an increase in taxable assessed values.



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 (sewer user fees) with the expenditures comprised of the daily operations. Loan proceeds continue to be drawn down on the State of Oregon's Infrastructure Financing Authority and Department of Environmental Quality State Revolving Fund, the major financing components for wastewater system capital improvement projects this fiscal year. The only revenue source for the building codes division is charges for services (permit fees) with the expenditures comprised of the daily operations of the permit center.

Revenues By Source - Business-Type Activities



Capital Assets. The City's capital assets for the current fiscal year totaled \$141,941,127, net of accumulated depreciation. This represents an overall increase from the prior fiscal year of \$1,523,171 or 1.08% for the City as a whole; a decrease of \$468,595 or 0.56% for governmental activities and increase of \$1,991,766 or 3.48% for business-type activities. The decrease in governmental activities was a result of increased depreciation expense. Major additions to capital assets during the fiscal year included the following:

Governmental Activities

- Street improvements
- Vehicle purchases and leases
- Downtown and Empire trash cans
- Sidewalk improvements
- Washed Ashore display
- City Hall handrail refurbishing
- East Side and Empire boat ramp improvements
- Gary's Automotive building demolition
- Fire Station 2 parking lot improvements
- Library roof replacement

Business-Type Activities

- Vehicle purchases and leases
- WWTP #1 HVAC system
- WWTP #1 boiler and digester building improvements
- PS #8 chopper pump
- Highway 101 emergency sewer repair
- PS #9 generator
- Englewood School brownsfield

The following table provides a listing of the capital assets, net of accumulated depreciation. Additional information regarding the City's capital assets can be found in Note 4 of the financial statements.

	Governmental Activities		Business-Type Activities		Total	
	2022	2023	2022	2023	2022	2023
Land and Assets not Depreciated	\$ 5,753,460	\$ 5,261,942	\$ -	\$ -	\$ 5,753,460	\$ 5,261,942
Land Improvements	802,169	1,157,060	687,471	803,604	1,489,640	1,960,664
Buildings and Improvements	13,927,890	14,196,274	-	-	13,927,890	14,196,274
Machinery and Equipment	572,126	588,451	1,018,227	967,204	1,590,353	1,555,655
Vehicles	1,200,317	1,060,989	1,122,865	1,218,245	2,323,182	2,279,234
Infrastructure - Streets	59,417,282	56,353,794	-	-	59,417,282	56,353,794
Plant & Systems	-	-	52,191,604	51,267,003	52,191,604	51,267,003
Intangibles	26,017	21,936	-	-	26,017	21,936
Leased Equipment	10,831	11,491	-	-	10,831	11,491
Leased Vehicles	-	299,127	-	185,998	-	485,125
Subscriptions	-	249,146	-	45,139	-	294,285
Construction in Progress	1,391,625	3,432,912	2,296,072	4,820,812	3,687,697	8,253,724
Total	<u>\$ 83,101,717</u>	<u>\$ 82,633,122</u>	<u>\$ 57,316,239</u>	<u>\$ 59,308,005</u>	<u>\$ 140,417,956</u>	<u>\$ 141,941,127</u>

Long-term Liabilities. The City's total outstanding long-term debt was \$44,148,614 which was a decrease of \$1,360,298 or 2.99% over the prior fiscal year. At the current fiscal year end, the governmental and business-type long-term debt included loans to construct the new Wastewater Treatment Plant No. 2, IFA #1 and #2 through the State of Oregon Infrastructure Financing Authority, and Oregon Department of Environmental Quality (DEQ) State Revolving Fund (SRF); 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; bond premium(s); Empire Urban Renewal Agency serial bonds to finance the acquisition of real property for the library site and repair the seawall contained within and located at the western terminus of the Newmark Avenue right-of-way and several street reconstruction projects, and street infrastructure reconstruction; Downtown Urban Renewal Agency serial bonds to provide financial support for traffic and safety infrastructure as part of the Coos Bay Village development at the old Central Dock site, 4th Street rehabilitation and pedestrian safety improvements, and various downtown area streetscape and street improvement projects.

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 current fiscal year real market value from the Coos County Summary of Assessment and Tax Roll was \$2,310,292,629 and the three percent limit less the principal outstanding for the 2009 Fire Station general obligation bond (refunded with the 2020 Series) of \$1,570,000 would allow for additional general obligation debt of \$67,738,779.

	Outstanding Debt					
	Fiscal Year Ended June 30					
	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
Leases	10,770	310,558	-	-	10,770	310,558
Subscriptions	-	214,515	-	-	-	214,515
Bond Premium	11,327	7,552	-	-	11,327	7,552
General Obligations	2,036,000	1,570,000	-	-	2,036,000	1,570,000
Revenue Bonds/Secured Loans	9,194,938	8,284,597	-	-	9,194,938	8,284,597
Revenue Secured Loans	55,753	49,904	-	-	55,753	49,904
Business Loans/Notes Payable	3,028,180	2,782,508	31,171,944	30,928,980	34,200,124	33,711,488
Total	<u>\$ 14,336,968</u>	<u>\$ 13,219,634</u>	<u>\$ 31,171,944</u>	<u>\$ 30,928,980</u>	<u>\$ 45,508,912</u>	<u>\$ 44,148,614</u>

BUDGETARY HIGHLIGHTS

The following factors currently affect the City of Coos Bay and were considered in developing the 2022-23 and subsequent 2023-2024 fiscal year budgets. 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 following table shows changes between the originally adopted budget and the final amended budget for the fiscal year ended June 30, 2023.

	Original	Final	
	Budget	Amended	Change
	Budget	Budget	Change
Governmental Funds			
Major Funds			
General Fund	17,073,201	17,537,630	464,429
Jurisdictional Exchange Reserve	5,120,000	4,963,000	(157,000)
URA Downtown Capital Projects	<u>4,661,435</u>	<u>4,377,976</u>	<u>(283,459)</u>
Total Major Funds	26,854,636	26,878,606	23,970
Non Major Funds	<u>22,995,033</u>	<u>24,320,100</u>	<u>1,325,067</u>
Total Governmental Funds	<u>49,849,669</u>	<u>51,198,706</u>	<u>1,349,037</u>
Business-Type Funds			
Major Proprietary Funds			
Wastewater Operations	11,607,969	13,377,969	1,770,000
Wastewater Capital Improvements	12,530,000	13,584,000	1,054,000
Building Codes	<u>689,500</u>	<u>649,500</u>	<u>(40,000)</u>
Total Business-Type Funds	<u>24,827,469</u>	<u>27,611,469</u>	<u>2,784,000</u>
Total Entity-wide	<u>74,677,138</u>	<u>78,810,175</u>	<u>4,133,037</u>

- Budget amendments during the year were completed for appropriating grant funds and adjusting carryover balance to actual for funds with significant differences, the general fund being one of these funds.
- The City Council budgeted a 6.5% wastewater sewer rate increase for fiscal year 2023 pursuant to the June 2009 rate study plan.
- The City's permanent tax rate continues at \$6.3643.

ECONOMIC FACTORS

- The Coos Bay City Council identified economic development as a priority, specifically tourism, as an important sector of the city economy. Effective November 1, 2018 the Visitor and Convention Bureau's distribution was increased to 50% of transient lodging taxes collected, up from 29%. The city retains the remainder of the transit room tax. Effective April 1, 2019, the City of Coos Bay, City of North Bend and the Coquille Indian Tribe agreed to an increase in the transient lodging tax rate, adjusting the rate of 7% to 9.5%.
- The Coos Bay City Council established a transportation utility fee in FY19 to help support street improvements. For each single-family residential unit, the fee is \$10 per month. For commercial facilities, the fee is \$20 per month. These fees were added to the sewer billing already processed by the Coos Bay-North Bend Water Board, as a separate, identifiable item on each consumer's monthly bill.
- The PERS pension rates for the State of Oregon's 2021-2023 biennium increased an average of 12.59% over the previous PERS rates: Tiers 1 and 2, 26.88%; OPSRP General Service 16.75%; and OPSRP Police/Fire 21.11%.
- The collective bargaining agreement (CBA) for the International Association of Fire Fighters (IAFF) labor union was renegotiated on July 25, 2023 after the June 30, 2023 expiration. The CBA for the Coos Bay Police Officers' Association labor contract will expire June 30, 2024.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Coos Bay's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to City of Coos Bay Finance Director at 500 Central Avenue, Coos Bay, Oregon, 97420. Financial Statements for the City of Coos Bay are available online at <https://www.coosbayor.gov/government/city-departments/finance-department/budget-audit-records>.



Melissa Olson, Finance Director

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

BASIC FINANCIAL STATEMENTS

CITY OF COOS BAY
COOS COUNTY, OREGON

STATEMENT OF NET POSITION
June 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 21,480,629	\$ 15,081,249	\$ 36,561,878
Receivables (Net of Allowance For Uncollectible)	2,226,337	892,182	3,118,519
Lease Receivables	7,318	-	7,318
Prepays	126,886	37,655	164,541
Supply Inventory	777	-	777
Investment in Joint Venture	30,695,301	-	30,695,301
Capital Assets:			
Capital Assets, Non-Depreciable	8,694,854	4,820,812	13,515,666
Capital Assets, Net of Depreciation	73,938,268	54,487,193	128,425,461
Noncurrent Assets:			
OPEB RHIA Asset	194,872	-	194,872
Note Receivable - Due Within One Year	721,902	-	721,902
Note Receivable - Due in More Than One Year	3,082,621	-	3,082,621
Total Assets	141,169,765	75,319,091	216,488,856
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Deferral	5,006,098	748,038	5,754,136
OPEB Related Deferral	220,921	-	220,921
OPEB Related Deferral - RHIA	18,923	-	18,923
Deferred Charge on Refunding	33,636	-	33,636
Total Deferred Outflows of Resources	5,279,578	748,038	6,027,616
LIABILITIES			
Accounts Payable	526,304	214,508	740,812
Payroll and Payroll Taxes Payable	211,709	-	211,709
Deposits Payable	25,000	-	25,000
Interest Payable	73,689	151,172	224,861
Accrued Compensated Absences	1,300,949	215,950	1,516,899
Unearned Revenue	18,962	-	18,962
Noncurrent Liabilities:			
Due Within One Year:			
Long Term Debt	2,612,124	1,607,457	4,219,581
Due in More Than One Year:			
Proportionate Share of Net Pension Liability	14,245,499	2,128,638	16,374,137
OPEB Obligation	920,748	-	920,748
Long Term Debt	10,607,510	29,321,523	39,929,033
Total Liabilities	30,542,494	33,639,248	64,181,742
DEFERRED INFLOWS OF RESOURCES			
Net Deferred Pension Asset	5,302,058	792,261	6,094,319
OPEB Deferred	99,177	-	99,177
OPEB Deferred - RHIA	27,864	-	27,864
Lease Receivable Deferred	7,318	-	7,318
Total Deferred Inflows of Resources	5,436,417	792,261	6,228,678
NET POSITION			
Net Investment in Capital Assets	70,315,944	28,379,025	98,694,969
Invested in Joint Venture-Unrestricted	30,695,301	-	30,695,301
Restricted for:			
Capital Projects	1,849,413	-	1,849,413
Debt Services	1,500,613	-	1,500,613
Services and Contributions	8,965,555	-	8,965,555
RHIA OPEB Asset	194,872	-	194,872
Unrestricted	(3,051,266)	13,256,595	10,205,329
Total Net Position	\$ 110,470,432	\$ 41,635,620	\$ 152,106,052

See accompanying notes to basic financial statements

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

**STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2023**

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	
Functions/Programs				
Government				
Governmental Activities				
General Government	\$ 2,429,674	\$ 122,578	\$ 3,550,474	\$ -
Public Safety	10,436,297	1,196,209	93,666	-
Public Works	7,725,493	190,166	50,732	157,300
Culture and Recreation	3,234,547	9,432	70,006	-
Interest on Long-term Debt	472,360	-	-	-
Total Governmental Activities	24,298,371	1,518,385	3,764,878	157,300
Business-Type Activities				
Wastewater	5,694,687	8,079,726	-	-
Building Codes	491,783	460,957	-	-
Total Business-Type Activities	6,186,470	8,540,683	-	-
Total Government	\$ 30,484,841	\$ 10,059,068	\$ 3,764,878	\$ 157,300

General Revenues

Taxes:

Property
Transient Occupancy
Other Taxes

Intergovernmental

Franchise Fees

Gain (Loss) on Joint Venture

Investment Earnings

Miscellaneous

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - beginning of year

Prior Period Adjustment

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
\$ 1,243,378	\$ -	\$ 1,243,378
(9,146,422)	-	(9,146,422)
(7,327,295)	-	(7,327,295)
(3,155,109)	-	(3,155,109)
(472,360)	-	(472,360)
<u>(18,857,808)</u>	<u>-</u>	<u>(18,857,808)</u>
-	2,385,039	2,385,039
-	(30,826)	(30,826)
<u>-</u>	<u>2,354,213</u>	<u>2,354,213</u>
<u>(18,857,808)</u>	<u>2,354,213</u>	<u>(16,503,595)</u>
10,360,141	-	10,360,141
935,723	-	935,723
2,574,390	-	2,574,390
114,161	27,407	141,568
2,244,609	-	2,244,609
1,181,141	-	1,181,141
792,968	536,972	1,329,940
2,601,999	(407,549)	2,194,450
140,000	(140,000)	-
<u>20,945,132</u>	<u>16,830</u>	<u>20,961,962</u>
2,087,324	2,371,043	4,458,367
<u>108,454,844</u>	<u>39,192,841</u>	<u>147,647,685</u>
<u>(71,736)</u>	<u>71,736</u>	<u>-</u>
<u>\$ 110,470,432</u>	<u>\$ 41,635,620</u>	<u>\$ 152,106,052</u>

See accompanying notes to basic financial statements

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

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023**

	GENERAL	JURISDICTIONAL EXCHANGE RESERVE	URA DOWNTOWN CAPITAL	OTHER GOVERNMENTAL	TOTAL
ASSETS:					
Cash and Investments	\$ 4,629,651	\$ 5,118,501	\$ 2,835,999	\$ 8,896,478	\$ 21,480,629
Inventory	777	-	-	-	777
Receivables, Net					
Taxes	474,782	-	-	226,076	700,858
Accounts	540,913	-	-	745,599	1,286,512
Lease	7,318	-	-	-	7,318
Interest	79	-	-	-	79
Assessments	238,888	-	-	-	238,888
Prepaid Expenditures	52,687	-	-	74,199	126,886
Total Assets	<u>\$ 5,945,095</u>	<u>\$ 5,118,501</u>	<u>\$ 2,835,999</u>	<u>\$ 9,942,352</u>	<u>\$ 23,841,947</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:					
Liabilities:					
Accounts Payable	\$ 218,264	\$ -	\$ 8,963	\$ 299,077	\$ 526,304
Payroll and Payroll Taxes Payable	211,709	-	-	-	211,709
Deposits	-	-	-	25,000	25,000
Deferred Revenue	-	-	-	18,962	18,962
Total Liabilities	<u>429,973</u>	<u>-</u>	<u>8,963</u>	<u>343,039</u>	<u>781,975</u>
Deferred Inflows of Resources:					
Unavailable Revenue-Property Taxes	368,614	-	-	174,905	543,519
Unavailable Revenue-Lease	7,318	-	-	-	7,318
Unavailable Revenue-Special Assessments	222,343	-	-	-	222,343
Total Deferred Inflows of Resources	<u>598,275</u>	<u>-</u>	<u>-</u>	<u>174,905</u>	<u>773,180</u>
Fund Balance:					
Nonspendable	53,464	4,800,000	-	74,199	4,927,663
Restricted	138,336	-	2,827,036	9,350,209	12,315,581
Assigned	1,174,308	318,501	-	-	1,492,809
Unassigned	3,550,739	-	-	-	3,550,739
Total Fund Balance	<u>4,916,847</u>	<u>5,118,501</u>	<u>2,827,036</u>	<u>9,424,408</u>	<u>22,286,792</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 5,945,095</u>	<u>\$ 5,118,501</u>	<u>\$ 2,835,999</u>	<u>\$ 9,942,352</u>	<u>\$ 23,841,947</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, 2023

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

Fund Balances		\$	22,286,792
<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			82,633,122
<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>			
Long Term Debt	\$	(13,219,634)	
Deferred Charge on Refunding		33,636	
Accrued Interest		(73,689)	
Net Adjustment			(13,259,687)
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>			
Accrued Compensated Absences			(1,300,949)
OPEB Obligation is not reported as a liability in the Governmental Funds Balance Sheet			(920,748)
OPEB Related Deferrals			220,921
OPEB Deferred			(99,177)
OPEB RHIA Asset is not reported as an asset in the Governmental Funds Balance Sheet			194,872
OPEB RHIA Related Deferrals			18,923
OPEB RHIA Deferred			(27,864)
Net Pension Liability			(14,245,499)
Pension Related Deferrals			5,006,098
Net Deferred Pension Asset			(5,302,058)
<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			765,862
Joint Venture Note Receivable			3,804,523
Joint Venture Equity Investment			30,695,301
Total Net Position		\$	110,470,432

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, 2023**

	GENERAL	JURISDICTIONAL EXCHANGE RESERVE	URA DOWNTOWN CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES					
Property Taxes	\$ 6,891,781	\$ -	\$ -	\$ 3,363,814	\$ 10,255,595
Other Taxes	-	-	-	3,510,113	3,510,113
Franchise Fees	1,909,838	-	-	334,771	2,244,609
Licenses and Permits	158,782	-	-	-	158,782
Transportation Utility Fee and Technology Fee	-	-	-	1,077,486	1,077,486
Intergovernmental	567,785	-	-	1,367,629	1,935,414
Grants	2,299,139	-	235,948	232,974	2,768,061
Other-Timber Sales	-	-	-	38,940	38,940
Charges for Services	1,131,952	-	-	32,571	1,164,523
Charges for Use of Money and Property	276,814	180,469	80,768	369,394	907,445
Fines and Forfeitures	86,804	-	-	-	86,804
Miscellaneous	1,178,774	-	956	339,425	1,519,155
Total Revenues	14,501,669	180,469	317,672	10,667,117	25,666,927
EXPENDITURES					
Current:					
General Government	2,100,683	-	-	153,490	2,254,173
Public Safety	9,041,161	-	-	1,004,621	10,045,782
Public Works	1,402,846	-	655,734	1,372,509	3,431,089
Culture and Recreation	-	-	-	3,163,428	3,163,428
Capital Outlay	345,133	-	1,290,761	3,213,337	4,849,231
Debt Service:					
Principal and Interest	939,772	-	-	2,067,114	3,006,886
Total Expenditures	13,829,595	-	1,946,495	10,974,499	26,750,589
Excess of Revenues Over, (Under) Expenditures	672,074	180,469	(1,628,823)	(307,382)	(1,083,662)
OTHER FINANCING SOURCES (USES)					
Sale of Capital Assets	-	-	-	800,000	800,000
Debt Proceeds	-	-	685,382	-	685,382
Lease Proceeds	284,484	-	-	74,564	359,048
Subscription Proceeds	33,344	-	-	639	33,983
Transfers In	-	-	-	3,608,650	3,608,650
Transfers Out	(450,000)	-	-	(3,018,650)	(3,468,650)
Du Jour Financing - URA	1,748,650	-	1,317,928	-	3,066,578
Du Jour Financing - URA	(1,751,354)	-	-	(1,315,224)	(3,066,578)
Total Other Financing Sources, (Uses)	(134,876)	-	2,003,310	149,979	2,018,413
Net Change in Fund Balance	537,198	180,469	374,487	(157,403)	934,751
FUND BALANCE - BEGINNING OF YEAR	4,379,649	4,938,032	2,452,549	9,581,811	21,352,041
FUND BALANCE - END OF YEAR	\$ 4,916,847	\$ 5,118,501	\$ 2,827,036	\$ 9,424,408	\$ 22,286,792

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, 2023**

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 \$ 934,751

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	\$ 4,797,541	
Capital Asset Deletions	(766,916)	
Depreciation Expense	<u>(4,776,008)</u>	
Net Adjustment		(745,383)

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.

Deferred Charge on Refunding Amortization	\$ (16,818)	
Amortization of Bond Premium/Discount	3,775	
GO Bonds, Notes and Contracts Payable	2,540,496	
Debt Issuance	(1,078,413)	
Accrued Compensated Absences	(67,133)	
Net Pension Asset Changes	(42,097)	
OPEB RHIA Changes Obligation	18,968	
OPEB Obligation Changes	<u>(13,579)</u>	
Net Adjustment		1,345,199

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

Accrued Interest		7,073
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes		104,546
Assessments Receivable		(37,296)

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		(702,707)
Gain (Loss) from Joint Venture		<u>1,181,141</u>
Change in Net Position		<u>\$ 2,087,324</u>

See accompanying notes to basic financial statements

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

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2023**

	Business-type Activities			
	MAJOR WATER QUALITY FUND	WATER QUALITY IMPROVEMENT FUND	BUILDING CODES FUND	TOTAL PROPRIETARY FUNDS
ASSETS				
Current Assets				
Cash and Investments	\$ 5,573,162	\$ 9,176,637	\$ 331,450	\$ 15,081,249
Receivables				
Accounts Receivable, Net	890,255	1,927	-	892,182
Prepaid Expenses	36,804	-	851	37,655
Capital Assets, Non-Depreciable	4,820,812	-	-	4,820,812
Capital Assets, Net of Depreciation	54,429,488	-	57,705	54,487,193
Total Assets	65,750,521	9,178,564	390,006	75,319,091
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related Deferrals	632,955	-	115,083	748,038
Total Deferred Outflows of Resources	632,955	-	115,083	748,038
LIABILITIES				
Current Liabilities				
Accounts Payable and Accrued Liabilities	185,017	20,702	8,789	214,508
Accrued Compensated Absences	181,944	-	34,006	215,950
Interest Payable	5,907	145,265	-	151,172
Noncurrent Liabilities:				
Due within one year	209,114	1,397,510	833	1,607,457
Due in more than one year:				
Proportionate Share of Net Pension Liability	1,801,155	-	327,483	2,128,638
Long Term Debt	902,971	28,417,669	883	29,321,523
Total Liabilities	3,286,108	29,981,146	371,994	33,639,248
DEFERRED INFLOWS OF RESOURCES				
Net Deferred Pension Liability	670,375	-	121,886	792,261
Total Deferred Outflows of Resources	670,375	-	121,886	792,261
NET POSITION				
Net Investment in Capital Assets	58,138,215	-	55,989	58,194,204
Unrestricted	4,288,778	(20,802,582)	(44,780)	(16,558,584)
Total Net Position	\$ 62,426,993	\$ (20,802,582)	\$ 11,209	\$ 41,635,620

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, 2023

	Business-type Activities			TOTAL PROPRIETARY FUNDS
	MAJOR WATER QUALITY FUND	WATER QUALITY IMPROVEMENT FUND	BUILDING CODES FUND	
OPERATING REVENUES				
Licenses and Permits	\$ 8,900	\$ -	\$ 460,957	\$ 469,857
Intergovernmental	-	27,407	-	27,407
Charges for Services	8,070,826	-	-	8,070,826
Total Operating Revenues	<u>8,079,726</u>	<u>27,407</u>	<u>460,957</u>	<u>8,568,090</u>
OPERATING EXPENSES				
Personnel Services	2,798,343	-	417,159	3,215,502
Materials and Services	1,009,044	-	58,043	1,067,087
Depreciation Expense	1,887,300	-	16,581	1,903,881
Total Operating Expenses	<u>5,694,687</u>	<u>-</u>	<u>491,783</u>	<u>6,186,470</u>
Income, (Loss) From Operations	2,385,039	27,407	(30,826)	2,381,620
NON-OPERATING REVENUES (EXPENSES)				
Interest on Investments	268,840	256,576	11,556	536,972
Gain, (Loss) on sale of Capital Asset	(7,590)	-	-	(7,590)
Interest Expense	(432,361)	7,619	-	(424,742)
Other Revenue, (Expenses)	21,568	1,927	1,288	24,783
Total Non-Operating Revenues	<u>(149,543)</u>	<u>266,122</u>	<u>12,844</u>	<u>129,423</u>
Income, (Loss) Before Contributions and Transfers	2,235,496	293,529	(17,982)	2,511,043
CONTRIBUTIONS AND TRANSFERS				
Capital Contributions	2,329,622	(2,329,622)	-	-
Contribution for Debt Service	(1,380,431)	1,380,431	-	-
Transfers In	-	4,361,000	-	4,361,000
Transfers Out	(4,481,000)	-	(20,000)	(4,501,000)
Total Contributions and Transfers	<u>(3,531,809)</u>	<u>3,411,809</u>	<u>(20,000)</u>	<u>(140,000)</u>
Change in Net Position	(1,296,313)	3,705,338	(37,982)	2,371,043
Beginning Net Position	63,723,306	(24,507,920)	(22,545)	39,192,841
Prior Period Adjustment	-	-	71,736	71,736
Ending Net Position	<u>\$ 62,426,993</u>	<u>\$ (20,802,582)</u>	<u>\$ 11,209</u>	<u>\$ 41,635,620</u>

See accompanying notes to basic financial statements

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

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2023**

	Business-type Activities			
	MAJOR WATER QUALITY FUND	WATER QUALITY IMPROVEMENT FUND	BUILDING CODES FUND	TOTAL PROPRIETARY FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 8,031,408	\$ 125,733	\$ 460,503	\$ 8,617,644
Payments to Suppliers	(864,088)	(576,654)	(57,428)	(1,498,170)
Payments to Employees	(2,741,401)	-	(409,057)	(3,150,458)
Net Cash Provided by Operating Activities	<u>4,425,919</u>	<u>(450,921)</u>	<u>(5,982)</u>	<u>3,969,016</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from Other Funds	-	4,361,000	-	4,361,000
Transfers to Other Funds	(4,481,000)	-	(20,000)	(4,501,000)
Net Cash Provided, (Used) by Noncapital Financing Activities	<u>(4,481,000)</u>	<u>4,361,000</u>	<u>(20,000)</u>	<u>(140,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Contribution for Debt Service	(1,380,431)	1,380,431	-	-
Capital Asset Purchases	(1,608,552)	-	(834)	(1,609,386)
Sale of Capital Assets	(7,590)	-	-	(7,590)
Long Term Debt Issuance	204,077	(333,352)	-	(129,275)
Interest Expense	(432,361)	-	-	(432,361)
Other Revenue, (Expenses)	21,568	(2,327,695)	1,288	(2,304,839)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,203,289)</u>	<u>(1,280,616)</u>	<u>454</u>	<u>(4,483,451)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	268,840	256,576	11,556	536,972
Net Increase, (Decrease) in Cash and Cash Equivalents	(2,989,530)	2,886,039	(13,972)	(117,463)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>8,562,692</u>	<u>6,290,598</u>	<u>345,422</u>	<u>15,198,712</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,573,162</u>	<u>\$ 9,176,637</u>	<u>\$ 331,450</u>	<u>\$ 15,081,249</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating Income	\$ 2,385,039	\$ 27,407	\$ (30,826)	\$ 2,381,620
Adjustments				
Depreciation/Amortization	1,887,300	-	16,581	1,903,881
(Increase), Decrease in Accounts Receivable	(48,318)	98,326	-	50,008
(Increase), Decrease in Prepays	46,854	-	(454)	46,400
Increase (Decrease) in Accrued Vacation	51,619	-	7,134	58,753
Increase (Decrease) in Deposits Payable	-	-	20	20
Increase, (Decrease) in Pension Items	5,323	-	968	6,291
Increase, (Decrease) in Accounts Payable/Accrued Liabilities	98,102	(576,654)	595	(477,957)
Net Cash From Operations	<u>\$ 4,425,919</u>	<u>\$ (450,921)</u>	<u>\$ (5,982)</u>	<u>\$ 3,969,016</u>
Noncash Transactions:				
Capital Contributions	2,329,622	(2,329,622)		

See accompanying notes to basic financial statements

CITY OF COOS BAY
COOS COUNTY, OREGON

STATEMENT OF NET POSITION
FIDUCIARY FUND - CUSTODIAL
June 30, 2023

	FIDUCIARY FUND CUSTODIAL
ASSETS:	
Cash and Investments	\$ 57,646
Intergovernmental Receivable	206,661
Inventory	33,751
Prepaid Expense	11,519
Capital Assets, net	<u>36,984</u>
Total Assets	<u>346,561</u>
LIABILITIES:	
Accounts Payable	55,825
Noncurrent Liabilities	
Long Term Debt, due within one year	6,499
Long Term Debt, due in more than one year	<u>12,691</u>
Total Liabilities	<u>75,015</u>
NET POSITION:	
Net Investments in Capital Assets	17,794
Unrestricted	<u>253,752</u>
Total Net Position	<u>\$ 271,546</u>

See accompanying notes to basic financial statements

CITY OF COOS BAY
COOS COUNTY, OREGON

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUND - CUSTODIAL
For the Year Ended June 30, 2023

	FIDUCIARY FUND CUSTODIAL
ADDITIONS:	
Transient tax collections for other governments	\$ 856,995
Interest	7,834
Grants and Contributions	22,500
VIC Department Revenue	129,402
Miscellaneous	12,486
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Total Additions	1,029,217
	<hr/>
DEDUCTIONS	
Tourism Promotion	1,144,399
	<hr/>
Total Deductions	1,144,399
	<hr/>
Net Increase (Decrease) in Fiduciary Net Position	(115,182)
Net Position - Beginning	386,728
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Net Position - Ending	\$ 271,546
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See accompanying notes to basic financial statements

**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 and Municipal Judge.

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 13) 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.

**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

Entity excluded from the reporting entity:

The Coos Bay/North Bend/Charleston Visitor and 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.

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, public works, 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 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.

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, fire protection, and culture and recreation.

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

URA Downtown Capital Fund – These funds are used to account for the capital projects related to the downtown URA.

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*:

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

Water Quality 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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/Charleston Visitor and Convention Bureau.

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

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)

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

LEVEL OF CONTROL

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

The General Fund and the Water Quality 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, 2023, except for the General Fund – general government by \$211,641, General Fund – debt service by \$45,297, Hotel/Motel Tax Fund – debt service by \$879, Library Fund – debt service by \$19,334, 911 Tax Fund – debt service by \$1,646, and Capital Improvement Fund – debt service by \$68,103.

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.

Lease Receivables

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the government, reduced by principal payments received.

Prepaid Items

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

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets, which include property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$10,000 (amount not rounded) and an estimated useful life in excess of five years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

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

Lease Assets - Intangibles

Lease assets are assets which the government leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the government's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

Subscription Assets

Subscription assets are assets in which the government obtains control of the right to use the underlying IT asset. The value of the subscription asset is initially measured as the sum of the initial subscription liability amount, any payments made to the IT software vendor before commencement of the subscription term, and any capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized in a straight-line manner over the course of the subscription term.

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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Leases Payable

In the government-wide financial statements, leases payable are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Subscription Liabilities

In the government-wide financial statements, subscription liabilities are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of subscription payments expected to be made during the subscription term is reported as other financing sources. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position/Fund Balance

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

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

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

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

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use

of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

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

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 City's deferred outflows are clearly labeled on the face of the financial statements.

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 City's deferred inflows are clearly labeled on the face of the financial statements.

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.

Cash and Investments (recorded at cost) consisted of:

Deposit with Financial Institutions:	
Petty Cash	\$ 800
Demand Deposits	1,082,357
Investments	<u>35,536,367</u>
Total Cash and Investments	<u>\$ 36,619,524</u>
Reconciliation of Cash Reported in:	
Governmental Funds	\$ 21,480,629
Business Type Funds	15,081,249
Agency Fund	<u>57,646</u>
Total Cash and Investments	<u>\$ 36,619,524</u>

Deposits

Deposits with financial institutions consist of bank demand deposits. The total bank balance per the bank statements for all pooled cash is \$1,458,266. This balance includes cash belonging to the Urban Renewal Agency and the Visitor and 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.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

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, 2023, 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.

As of June 30, 2023, 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	\$ 35,536,367	\$ 35,536,367	\$ -	\$ -
Total	\$ 35,536,367	\$ 35,536,367	\$ -	\$ -

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 (OSTFB), 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, 2023. 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. 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, 2023, the fair value of the position in the LGIP is 99.63% of 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

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, 2023, 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.

3. LEASE RECEIVABLE AND DEFERRED INFLOW

On 04/01/2022, the City entered into a 72 month lease as Lessor for the use of North Dock. An initial lease receivable was recorded in the amount of \$7,197. As of 06/30/2023, the value of the lease receivable is \$5,120. The lessee is required to make annual fixed payments of \$1,274. The lease has an interest rate of 2.49%. The value of the deferred inflow of resources as of 06/30/2023 was \$5,120, and the City recognized lease revenue of \$1,267 during the fiscal year. The lessee has 1 extension option(s), each for 36 months.

On 07/01/2021, the City entered into a 60 month lease as Lessor for the use of OSP Range. An initial lease receivable was recorded in the amount of \$3,629. As of 06/30/2023, the value of the lease receivable is \$2,198. The lessee is required to make annual fixed payments of \$750. The lease has an interest rate of 1.18%. The value of the deferred inflow of resources as of 06/30/2023 was \$2,198, and the City recognized lease revenue of \$726 during the fiscal year.

GOVERNMENTAL ACTIVITIES:	Balance as of July 1, 2022	Additions	Reductions	Balance as of June 30, 2023
Lease Receivable				
Buildings				
North Dock	\$ 5,922	\$ 440	\$ 1,242	\$ 5,120
OSP Range	2,914	-	716	2,198
	<u>\$ 8,836</u>	<u>\$ 440</u>	<u>\$ 1,958</u>	<u>\$ 7,318</u>
Total Lease Receivable				
	<u>\$ 8,836</u>	<u>\$ 440</u>	<u>\$ 1,958</u>	<u>\$ 7,318</u>
Deferred Inflow of Resources				
Buildings				
North Dock	\$ 5,922	\$ 440	\$ 1,242	\$ 5,120
OSP Range	2,914	-	716	2,198
	<u>\$ 8,836</u>	<u>\$ 440</u>	<u>\$ 1,958</u>	<u>\$ 7,318</u>
Total Deferred Inflow of Resources				
	<u>\$ 8,836</u>	<u>\$ 440</u>	<u>\$ 1,958</u>	<u>\$ 7,318</u>

Future maturities for the receivable are as follows:

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total Payments</u>
2024	\$ 1,957	\$ 153	\$ 2,110
2025	1,997	114	2,111
2026	2,037	74	2,111
2027	1,327	33	1,360
	<u>\$ 7,318</u>	<u>\$ 374</u>	<u>\$ 7,692</u>
Total			
	<u>\$ 7,318</u>	<u>\$ 374</u>	<u>\$ 7,692</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

4. ACCRUED COMPENSATED ABSENCES

The governmental funds compensated absences balances at June 30, 2023 and 2022 are \$1,300,949, and \$1,233,816, respectively. The business type funds compensated absences balances at June 30, 2023 and 2022 are \$215,950 and \$157,197, respectively.

<u>Compensated Absences</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental	\$ 1,233,816	\$ 981,217	\$ (914,084)	\$ 1,300,949
Business Type	157,197	165,053	(106,300)	215,950
Total	\$ 1,391,013	\$ 1,146,270	\$ (1,020,384)	\$ 1,516,899

5. CAPITAL ASSETS

Capital asset activity for governmental activities of the primary government for the year ended June 30, 2023 was as follows:

<u>Description</u>	<u>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS</u>				
	<u>June 30, 2022</u>	<u>Adjustment</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2023</u>
Capital assets not being depreciated					
Land	\$ 4,836,164	\$ -	\$ 127,500	\$ (625,918)	\$ 4,337,746
Museum art works collection	917,296	-	6,900	-	924,196
Construction In Progress	1,391,625	-	2,675,113	(633,826)	3,432,912
Total Capital Assets not being depreciated	7,145,085	-	2,809,513	(1,259,744)	8,694,854
Other Capital Assets					
Land and Improvements	2,897,099	-	415,456	-	3,312,555
Buildings and Improvements	21,249,247	-	754,893	-	22,004,140
Machinery and Equipment	3,117,272	-	110,308	-	3,227,580
Vehicles	4,455,742	(78,604)	302,092	(325,579)	4,353,651
Intangibles	74,421	-	-	-	74,421
Infrastructure - streets	169,655,830	-	611,180	-	170,267,010
Leased Equipment - Intangible	15,363	-	6,532	-	21,895
Leased Vehicles - Intangible	-	-	335,667	-	335,667
Subscriptions - Intangible	-	-	434,250	-	434,250
Total other Capital Assets	201,464,974	(78,604)	2,970,378	(325,579)	204,031,169
Less Accumulated Depreciation and Amortization					
Land Improvements	2,094,930	-	60,565	-	2,155,495
Buildings and Improvements	7,321,357	-	486,509	-	7,807,866
Machinery & Equipment	2,545,146	-	93,983	-	2,639,129
Vehicles	3,255,425	(6,868)	228,686	(184,581)	3,292,662
Intangibles	48,404	-	4,081	-	52,485
Infrastructure - streets	110,238,548	-	3,674,668	-	113,913,216
Leased Equipment - Intangible	4,532	-	5,872	-	10,404
Leased Vehicles - Intangible	-	-	36,540	-	36,540
Subscriptions - Intangible	-	-	185,104	-	185,104
Total Accumulated Depreciation and Amortization	125,508,342	(6,868)	4,776,008	(184,581)	130,092,901
Total Governmental Activities	\$ 83,101,717	\$ (71,736)	\$ 1,003,883	\$ (1,400,742)	\$ 82,633,122

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

NOTES TO BASIC FINANCIAL STATEMENTS

5. CAPITAL ASSETS (CONTINUED)

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

<u>Function</u>	<u>Governmental Funds</u>
General Government	\$ 111,454
Public Safety	335,271
Public Works	4,275,505
Culture and Recreation	<u>53,778</u>
 Total	 <u>\$ 4,776,008</u>

Capital asset activity for business type activities for the year ended June 30, 2023 was as follows:

<u>Description</u>	<u>BUSINESS TYPE ACTIVITIES</u>				
	<u>June 30, 2022</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2023</u>
Capital assets not being depreciated					
Construction in Progress	\$ 2,296,072	\$ -	\$ 2,616,332	\$ (91,592)	\$ 4,820,812
Total Capital Assets not being depreciated	<u>2,296,072</u>	<u>-</u>	<u>2,616,332</u>	<u>(91,592)</u>	<u>4,820,812</u>
Other Capital Assets					
Land and Improvements	2,576,662	-	116,133	-	2,692,795
Machinery & Equipment	4,412,313	-	48,593	-	4,460,906
Vehicles	2,127,781	78,604	189,323	(16,031)	2,379,677
Plant and System	66,401,870	-	668,002	-	67,069,872
Leased Vehicles - Intangible	-	-	205,617	-	205,617
Subscriptions - Intangible	-	-	79,093	-	79,093
Total other Capital Assets	<u>75,518,626</u>	<u>78,604</u>	<u>1,306,761</u>	<u>(16,031)</u>	<u>76,887,960</u>
Less Accumulated Depreciation					
Land and Improvements	1,889,191	-	-	-	1,889,191
Machinery & Equipment	3,394,086	-	99,616	-	3,493,702
Vehicles	1,004,916	6,868	158,089	(8,441)	1,161,432
Plant and System	14,210,266	-	1,592,603	-	15,802,869
Leased Vehicles - Intangible	-	-	19,619	-	19,619
Subscriptions - Intangible	-	-	33,954	-	33,954
Total Accumulated Depreciation	<u>20,498,459</u>	<u>6,868</u>	<u>1,903,881</u>	<u>(8,441)</u>	<u>22,400,767</u>
Total Business Type Activities	<u>\$ 57,316,239</u>	<u>\$ 71,736</u>	<u>\$ 2,019,212</u>	<u>\$ (99,182)</u>	<u>\$ 59,308,005</u>

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

<u>Function</u>	<u>Business Type Funds</u>
Wastewater	\$ 1,887,300
Building Codes	<u>16,581</u>
 Total	 <u>\$ 1,903,881</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

6. 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 Annual Comprehensive Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

If the link is expired please contact Oregon PERS for this information.

1. **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.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

- 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 one 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 disabled 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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

6. EMPLOYEE RETIREMENT PLAN (CONTINUED)

iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

2. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

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

ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

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.

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

NOTES TO BASIC FINANCIAL STATEMENTS

6. EMPLOYEE RETIREMENT PLAN (CONTINUED)

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, 2019 actuarial valuation, which became effective July 1, 2021. 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, 2023 were \$1,111,586, excluding amounts to fund employer specific liabilities. In addition approximately \$546,051 in employee contributions were paid or picked up by the City in fiscal 2023. At June 30, 2023, the City reported a net pension liability of \$16,374,137 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. 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. As of the measurement date of June 30, 2022 and 2021, the City’s proportion was .1069 percent and 0.1009 percent, respectively. Pension expense for the year ended June 30, 2023 was \$48,389.

The rates in effect for the year ended June 30, 2023 were:

- (1) Tier 1/Tier 2 – 18.07%
- (2) OPSRP general services – 7.94%
- (3) OPSRP police and fire – 12.30%

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2024.

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

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 794,832	\$ 102,112
Changes in assumptions	2,569,191	23,472
Net difference between projected and actual earnings on pension plan investments		2,927,379
Net changes in proportionate share	1,278,527	8,805
Differences between contributions and proportionate share of contributions	-	3,032,551
Subtotal - Amortized Deferrals (below)	4,642,550	6,094,319
Contributions subsequent to measuring date	1,111,586	-
Deferred outflow (inflow) of resources	\$ 5,754,136	\$ 6,094,319

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. EMPLOYEE RETIREMENT PLAN (CONTINUED)

<u>Year ending June 30,</u>	<u>Amount</u>
2024	\$ (300,235)
2025	(655,221)
2026	(1,515,962)
2027	1,124,703
2028	(105,055)
Thereafter	-
Total	<u>\$ (1,451,770)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2021 through June 30, 2023, 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

6. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll
Asset valuation method	Market value of assets
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	25.0%	35.0%	30.0%
Real Estate	7.5%	17.5%	12.5%
Private Equity	15.0%	27.5%	20.0%
Risk Parity	0.0%	3.5%	2.5%
Real Assets	2.5%	10.0%	7.5%
Diversifying Strategies	2.5%	10.0%	7.5%
Opportunity Portfolio	0.0%	5.0%	0.0%
Total			100.0%

(Source: June 30, 2022 PERS ACFR; p. 104)

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

NOTES TO BASIC FINANCIAL STATEMENTS

6. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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 Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		<i>2.40%</i>

(Source: June 30, 2022 PERS ACFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City’s proportionate share of the net pension liability to changes in the discount rate – the following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.90 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 one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	1% Decrease (5.90%)	Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 29,038,116	\$ 16,374,137	\$ 5,774,972

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

NOTES TO BASIC FINANCIAL STATEMENTS

6. EMPLOYEE RETIREMENT PLAN (CONTINUED)

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.

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

Deferred Compensation Plan

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 resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. 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.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member 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, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

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

NOTES TO BASIC FINANCIAL STATEMENTS

6. EMPLOYEE RETIREMENT PLAN (CONTINUED)

Death Benefits:

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

Contributions:

Employees of the City pay six (6) percent of their covered payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The City made \$1,914 in optional contributions to member IAP accounts for the year ended June 30, 2023.

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.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

7. OTHER POST EMPLOYMENT BENEFITS - RHIA

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 dollars or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the Retirement Health Insurance Account established by the employer, and any monthly cost in excess of \$60 dollars shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in OPERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in OPERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in an OPERS-sponsored health plan. A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is

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

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST EMPLOYMENT BENEFITS - RHIA (CONTINUED)

receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The City's contributions to RHIA for the years ended June 30, 2021, 2022 and 2023 were \$437, \$1,352, and \$1,129, respectively, which equaled the required contributions each year.

At June 30, 2023, the City reported a net OPEB liability/(asset) of (\$194,872) for its proportionate share of the net OPEB liability/(asset). The OPEB liability/(asset) was measured as of June 30, 2022, and the total OPEB liability/(asset) used to calculate the net OPEB liability/(asset) was determined by an actuarial valuation as of December 31, 2020. Consistent with GASB Statement No. 75, paragraph 59(a), the City's proportion of the net OPEB liability/(asset) is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the Plan with the total actual contributions made in the fiscal year of all employers. As of the measurement date of June 30, 2022 and 2021, the City's proportion was .055 percent and .066 percent, respectively. OPEB expense for the year ended June 30, 2023 was (\$18,968).

Components of OPEB Expense/(Income):

Employer's proportionate share of collective system OPEB Expense/(Income)	\$ (29,177)
Net amortization of employer-specific deferred amounts from:	
- Changes in proportionate share (per paragraph 64 of GASB 75)	11,333
- Differences between employer contributions and employer's proportionate share of system contributions (per paragraph 65 of GASB 75)	-
Employer's Total OPEB Expense/(Income)	<u>\$ (17,844)</u>

Components of Deferred Outflows/Inflows of Resources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Difference between expected and actual experience	\$ -	\$ 5,281
Changes in assumptions	1,526	6,496
Net difference between projected and actual earnings on pension plan investments	-	14,862
Net changes in proportionate share	16,268	1,225
Differences between contributions and proportionate share of contributions	-	-
Subtotal - Amortized Deferrals (below)	<u>17,794</u>	<u>27,864</u>
Contributions subsequent to measuring date	1,129	-
Deferred outflow (inflow) of resources	<u>\$ 18,923</u>	<u>\$ 27,864</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST EMPLOYMENT BENEFITS - RHIA (CONTINUED)

The amount of contributions subsequent to the measurement date will be included as a reduction of the net OPEB liability/(asset) in the fiscal year ended June 30, 2024.

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

<u>Year ending June 30,</u>	<u>Amount</u>
2024	\$ (1,825)
2025	(3,625)
2026	(9,378)
2027	4,760
2028	-
Thereafter	-
Total	<u>\$ (10,068)</u>

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS Retirement Health Insurance Account Cost-Sharing Multiple-Employer Other Postemployment Benefit (OPEB) Plan Schedules of Employer Allocations and OPEB Amounts by Employer report, as of and for the Year Ended June 30, 2022. That independently audited report was dated February 2, 2023 and can be found at:

<https://www.oregon.gov/pers/EMP/Documents/GASB/2022/GASB-75-RHIA-2022.pdf>

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2020
Experience Study Report	2020, Published July 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40 percent
Investment rate of return	6.90 percent
Discount rate	6.90 percent
Projected salary increase	3.40 percent
Retiree healthcare participation	Healthy retirees: 27.5%; Disabled retirees: 15%
Mortality	Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST EMPLOYMENT BENEFITS - RHIA (CONTINUED)

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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Discount Rate:

The discount rate used to measure the total OPEB liability as of the measurement date of June 30, 2022 was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 OPEB plan investments for the RHIA plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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 Allocation	Compound Annual (Geometric) Return
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
<i>Assumed Inflation - Mean</i>		<i>2.40%</i>

(Source: June 30, 2022 PERS ACFR; p. 74)

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

NOTES TO BASIC FINANCIAL STATEMENTS

7. OTHER POST EMPLOYMENT BENEFITS - RHIA (CONTINUED)

Sensitivity of the City’s proportionate share of the net OPEB liability/(asset) to changes in the discount rate – The following presents the City’s proportionate share of the net OPEB liability/(asset) calculated using the discount rate of 6.90 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 one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

	<u>1%</u> Decrease (5.90%)	<u>Discount</u> Rate (6.90%)	<u>1%</u> Increase (7.90%)
Proportionate share of the net OPEB liability (asset)	\$ (175,635)	\$ (194,872)	\$ (211,363)

Changes Subsequent to the Measurement Date

There are no changes subsequent to the June 30, 2022 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

8. 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.

9. POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description: The City operates a single-employer retiree benefit plan that provides postemployment health, dental and vision insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. All classes of employee are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage. Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible).

Benefits and eligibility for members are established through the collective bargaining agreements. The post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the City’s implicit employer contribution. The City did not establish an irrevocable trust (or equivalent arrangement) to account for the plan.

Funding Policy: The benefits from this program are paid by the City on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is not obligation on the part of the City to fund these benefits in advance.

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

NOTES TO BASIC FINANCIAL STATEMENTS

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

Actuarial Methods and Assumptions: The City engaged an actuary to perform an evaluation as of July 1, 2022 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

Discount Rate per year	3.54%
General Inflation Rate per year	2.40%
Salary Scale per year	3.40%

Health Care Cost Trend for Medical and Vision:

<u>Year</u>	<u>Trend</u>
2022	4.25%
2023	6.75%
2024	6.50%
2025	6.00%
2026	5.25%
2027	5.00%
2028-29	4.75%
2030	4.50%
2031-2065	4.25%
2066-71	4.00%
2072+	3.75

Dental Care Cost Trend: 1.75% for 2022, 4.00% per year until 2072, then 3.75% thereafter.

Mortality rates were based on the Pub 2010 General and Safety Employee and Healthy Retiree tables, sex distinct, for members and dependents, with a one year setback for male general service employees and female safety employees.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability was not used.

Retirement rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

The projection of benefits for financial reporting purpose does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Changes in Medical Benefit OPEB Liability:

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

NOTES TO BASIC FINANCIAL STATEMENTS

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability - Beginning	\$842,260	\$ 815,217	\$ 800,752
Changes for the Year:			
Service Cost	50,342	48,867	45,055
Interest	18,869	18,618	28,662
Changes of Benefit Terms	-	-	-
Economic Gains or Losses	55,739	-	116,431
Changes of Assumptions or Other Input	(8,173)	3,088	(121,435)
Benefit Payments	<u>(38,289)</u>	<u>(43,530)</u>	<u>(54,248)</u>
Net Changes for the Year	78,488	27,043	14,465
Total OPEB Liability - Ending	<u>\$920,748</u>	<u>\$ 842,260</u>	<u>\$ 815,217</u>

Sensitivity of the Net Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates: The following presents the other post-employment benefit liability (NOL), calculated using the discount rate of 3.54 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current rate:

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Discount Rate</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability	\$ 987,233	\$ 920,748	\$ 859,263

The following a sensitivity analysis for changes in healthcare cost trend assumptions.

	<u>1%</u> <u>Decrease</u>	<u>Current</u> <u>Trend Rate</u>	<u>1%</u> <u>Increase</u>
Total OPEB Liability	\$ 842,550	\$ 920,748	\$ 1,010,868

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

	<u>Deferred (Inflows)</u> <u>of Resources</u>	<u>Deferred Outflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ -	\$ 133,014
Changes of assumptions or inputs	(99,177)	24,448
Benefit Payments	-	63,459
Total as of June 30	<u>\$ (99,177)</u>	<u>\$ 220,921</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT

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

Governmental Activities – Direct Borrowings and Placements

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. Upon the occurrence of any event of default the Lender may exercise any remedy available at law or in equity. In addition, and upon the occurrence of an event of default the outstanding balance shall bear interest at the default rate until such event of default is remedied. The default rate is an additional 1.5 of interest%.

The future requirements for amortization of this November 2016 Revenue Secured Bond debt are as follows:

Fiscal Year	Issue of November 2016		
	Principal	Interest	Total
2023-2024	\$ 420,000	\$ 11,113	\$ 431,113
2024-2025	425,000	3,719	428,719
Total	<u>\$ 845,000</u>	<u>\$ 14,832</u>	<u>\$ 859,832</u>

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. In the event of default, the State shall have the right to take any action permitted or required pursuant to the loan agreement or any other loan document and to take whatever other action at law or in equity may appear necessary or desirable to collect the amounts then due. The future requirements for amortization of this revenue secured loan are as follows:

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

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

Fiscal Year	Issue of November 2016		
	Principal	Interest	Total
2023-2024	\$ 6,140	\$ 2,480	\$ 8,620
2024-2025	6,445	2,175	8,620
2025-2026	6,765	1,855	8,620
2026-2027	7,102	1,518	8,620
2027-2028	7,454	1,166	8,620
2028-2033	15,998	1,202	17,200
Total	\$ 49,904	\$ 10,396	\$ 60,300

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. Upon the occurrence of an event of default under this contract, State may pursue any or all of the remedies set forth herein or in the loan agreement or any of the loan documents and any other remedies available at law or in equity. Such remedies may include, but are not limited to: i. termination of this contract or loan agreement, ii. termination of State's obligations to make the loan or any disbursement under this contract or the loan agreement, iii. repayment of the loan, iv. payment of interest earned by Recipient on the loan proceeds, v. acceleration of the loan, vi. declaration of Recipient's ineligibility to receive future awards, and vii. the withholding pursuant to ORS 285A.213(6) and OAR 123-049-0040 of other State funds due Recipient.

The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of December 1, 2013		
	Principal	Interest	Total
2023-2024	\$ 254,024	\$ 94,605	\$ 348,629
2024-2025	262,661	85,968	348,629
2025-2026	271,592	77,038	348,630
2026-2027	280,826	67,804	348,630
2027-2028	290,374	58,256	348,630
2028-2033	1,423,031	136,301	1,559,332
Total	\$ 2,782,508	\$ 519,972	\$ 3,302,480

URA Empire Banner Bank Bond 2018:

\$1,435,000 of the urban renewal serial bond was issued on June 26, 2018 of which the full amount has been drawn down and which are payable from the tax increment revenues from the Empire Urban Renewal Area. The fixed interest rate over a 10 year period is 2.97%. In the event of default the Bank may exercise any remedy allowed by law and may increase the interest rate by 1.5%. The Bond shall not be subject to acceleration. The future requirements for amortization of the debt service payments are as follows:

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

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

Fiscal Year	Issue of June 26, 2018		
	Principal	Interest	Total
2023-2024	\$ 144,845	\$ 20,007	\$ 164,852
2024-2025	146,996	15,673	162,669
2025-2026	149,179	11,275	160,454
2026-2027	151,394	6,811	158,205
2027-2028	153,643	2,282	155,925
Total	<u>\$ 746,057</u>	<u>\$ 56,048</u>	<u>\$ 802,105</u>

URA Downtown Banner Bank Bond 2019:

\$3,300,000 of the urban renewal serial bond was issued on April 16, 2019 which are payable from the tax increment revenues from the Downtown Urban Renewal Area. During the fiscal year the bond was refunded with the Series 2020B Bond described below.

URA Downtown 2020B Refunding Bond

On November 24, 2020, \$2,772,250 was issued of a refunding bond. The proceeds of the Series 2020B Bond shall be used solely to refund the Agency's outstanding Downtown Urban Renewal Area Urban Renewal Bond, Series 2019A and costs associated with the issuance of the Series 2020B Bond. The refunding was undertaken to reduce the total debt service payments by \$450,358 and resulted in an economic gain of \$111,443. Upon the occurrence and continuance of any Event of Default hereunder the Owners of ten percent or more of the principal amount of affected Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Master Bond Declaration or in aid of the exercise of any power granted in this Master Bond Declaration or for the enforcement of any other legal or equitable right vested in the Owners of Bonds by this Master Bond Declaration or by law. However: the Bonds shall not be subject to acceleration; and, neither the City nor the Agency shall be required to pay any amounts to Owners (other than Tax Increment Revenues, and amounts in the Tax Increment Fund. The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of November 24, 2020		
	Principal	Interest	Total
2023-2024	\$ 351,526	\$ 28,828	\$ 380,354
2024-2025	356,875	23,480	380,355
2025-2026	362,304	18,050	380,354
2026-2027	367,816	12,538	380,354
2027-2028	373,413	6,941	380,354
2028-2033	272,990	2,061	275,051
Total	<u>\$ 2,084,924</u>	<u>\$ 91,898</u>	<u>\$ 2,176,822</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

URA Empire Banner Bank Bond 2019

\$2,855,000 of the urban renewal serial bond was issued on August 6, 2019 of which the full amount was drawn down by 6/30/2021, which are payable from the tax increment revenues from the Downtown Urban Renewal Area. The fixed interest rate over a 10 year period is 2.46%. Upon the occurrence and continuance of any Event of Default hereunder the Owners percent or more of the principal amount of affected Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Master Bond Declaration or in aid of the exercise of any power granted in this Master Bond Declaration or for the enforcement of any other legal or equitable right vested in the Owners of Bonds by this Master Bond Declaration or by law. However, the Bonds shall not be subject to acceleration; and, neither the City nor the Agency shall be required to pay any amounts to Owners (other than Tax Increment Revenues, and amounts in the Tax Increment Fund) because of an Event of Default. The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of June 26, 2018		
	Principal	Interest	Total
2023-2024	\$ 303,100	\$ 44,624	\$ 347,724
2024-2025	310,700	36,858	347,558
2025-2026	318,400	29,013	347,413
2026-2027	326,300	20,973	347,273
2027-2028	334,500	12,756	347,256
2028-2033	342,800	4,287	347,087
Total	<u>\$ 1,935,800</u>	<u>\$ 148,511</u>	<u>\$ 2,084,311</u>

URA Downtown Pacific Premier Bank Bond 2020:

\$3,400,000 of the urban renewal serial bond was issued on March 31, 2020 of which the full amount was drawn down as of 6/30/2023, which are payable from the tax increment revenues from the Downtown Urban Renewal Area. The fixed interest rate over a 10 year period is 2.28%. If an Event of Default occurs, the Bank may exercise any remedy available at law or inequity and as set forth in the Declaration. However, the Series 2020A Bond shall not be subject to acceleration. Additionally, upon the occurrence and continuance of an Event of Default, at its election the Bank may increase the interest rate applicable to the Outstanding Balance by three percent (3.00%) until such time as the Event of Default is remedied. The right of the Bank under this paragraph shall not be subject to any waiver of rights and remedies.

Fiscal Year	Issue of March 31, 2020		
	Principal	Interest	Total
2023-2024	\$ 366,852	\$ 53,860	\$ 420,712
2024-2025	374,853	45,405	420,258
2025-2026	345,000	37,199	382,199
2026-2027	352,000	29,253	381,253
2027-2028	361,000	21,124	382,124
2028-2033	746,000	21,398	767,398
Total	<u>\$ 2,545,705</u>	<u>\$ 208,239</u>	<u>\$ 2,753,944</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

10. 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%. If an event of default occurs, the Bank may exercise any remedy available at law or in equity; however, the amounts due under this agreement and the note shall not be subject to acceleration. In addition to all other remedies, the Bank may bring suit to compel the City to appropriate funds to pay the principal, premium, if any, and interest due on the agreement and the note during a fiscal year when the City's governing body fails or refuses to appropriate moneys for such purpose in the fiscal year. No remedy shall be exclusive. The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of March 31, 2016		
	Principal	Interest	Total
2023-2024	\$ 41,738	\$ 1,564	\$ 43,302
2024-2025	42,299	1,003	43,302
2025-2026	43,074	434	43,508
Total	\$ 127,111	\$ 3,001	\$ 130,112

Governmental Activities – General Obligation Bonds

General Obligation 2020 Refunding Bond

In October of 2020 refunding bonds were issued in the amount of \$2,963,000 to refund the 2009 Fire Station Bonds. The refunding resulted in a present value savings of \$775,889. Upon an Event of Default the Bank may exercise any remedy available at law or in equity. However, the Bond shall not be subject to acceleration. No remedy shall be exclusive. The Bank may waive any Event of Default, but no such waiver shall extend to a subsequent Event of Default. No delay or omission of the Bank to exercise any right or power arising upon the happening of an Event of Default shall impair any right or power or shall be construed to be a waiver of any such Event of Default or to be an acquiescence therein; and every power and remedy given by this Section to the Bank may be exercised from time to time and as often as may be deemed expedient by the Bank. The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of April 15, 2009		
	Principal	Interest	Total
2023-2024	\$ 471,000	\$ 18,997	\$ 489,997
2024-2025	476,000	13,298	489,298
2025-2026	485,000	7,538	492,538
2026-2027	138,000	1,670	139,670
Total	\$ 1,570,000	\$ 41,503	\$ 1,611,503

Interest rate: 1.210% fixed annual rate.

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

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

Governmental Activities – Other - Leases

On 07/01/2021, the City entered into a 33 month lease for the use of Pitney Bowes - Public Library. An initial lease liability was recorded in the amount of \$4,560. The City is required to make quarterly fixed payments of \$419. The lease has an interest rate of 0.8453%.

On 07/01/2021, the City entered into a 86 month lease for the use of Xerox Multifunction Printer. An initial lease liability was recorded in the amount of \$3,097. The City is required to make monthly fixed payments of \$120. The lease has an interest rate of 2.8760%.

On 07/01/2021, the City entered into a 56 month lease for the use of Xerox Color Multifunction Printer. An initial lease liability was recorded in the amount of \$6,533. The City is required to make monthly fixed payments of \$120. The lease has an interest rate of 1.1771%. The Equipment estimated useful life was 56 months as of the contract commencement.

On 04/07/2022, the City entered into a 24 month lease for the use of Iphone 11. An initial lease liability was recorded in the amount of \$1,173. The City is required to make monthly fixed payments of \$50. The lease has an interest rate of 2.3463%. The Equipment estimated useful life was 24 months as of the contract commencement.

On 11/02/2022, the City entered into a 60 month lease as for the use of a dispatch copier. An initial lease liability was recorded in the amount of \$6,333. The City is required to make monthly fixed payments of \$113. The lease has an interest rate of 3.4450%. The Equipment estimated useful life was 24 months as of the contract commencement.

On 02/04/2023, the City entered into a 60 month lease for the use of a vehicle GMC Yukon 7301. An initial lease liability was recorded in the amount of \$69,124. The City is required to make monthly fixed payments of \$1,204. The lease has an interest rate of 2.8220%. The lease has a termination penalty of \$400. .

On 02/04/2023, the City entered into a 60 month lease for the use of a vehicle GMC Yukon 7136. An initial lease liability was recorded in the amount of \$69,124. The City is required to make monthly fixed payments of \$1,204. The lease has an interest rate of 2.8220%. The lease has a termination penalty of \$400.

On 12/03/2022, the City entered into a 60 month lease for the use of a vehicle Toyota Corolla 4330. An initial lease liability was recorded in the amount of \$31,122. The City is required to make monthly fixed payments of \$540. The lease has an interest rate of 3.4450%. The lease has a termination penalty of \$400.

On 11/03/2022, the City entered into a 60 month lease for the use of a vehicle Ford Escape 5017. An initial lease liability was recorded in the amount of \$27,606. The City is required to make monthly fixed payments of \$483. The lease has an interest rate of 3.4450%. The lease has a termination penalty of \$400.

On 12/03/2022, the City entered into a 60 month lease for the use of a vehicle Chev Silverado 3733. An initial lease liability was recorded in the amount of \$55,781. The City is required to make monthly fixed payments of \$982. The lease has an interest rate of 3.4450% and a guaranteed residual value of \$10,065. The lease has a termination penalty of \$400.

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

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

On 10/05/2022, the City entered into a 60 month lease for the use of a vehicle Ram 1500 5971. An initial lease liability was recorded in the amount of \$39,558. The City is required to make monthly fixed payments of \$698. The lease has an interest rate of 3.4450% and a guaranteed residual value of \$7,195. The lease has a termination penalty of \$400.

On 10/05/2022, the City entered into a 60 month lease for the use of a vehicle Ram 1500 5972. An initial lease liability was recorded in the amount of \$39,227. The City is required to make monthly fixed payments of \$686. The lease has an interest rate of 3.4450% and a guaranteed residual value of \$7,195. The lease has a termination penalty of \$400.

The value of the right to use lease assets and related amortization are included with leased vehicles and leased equipment in the Capital Asset note disclosure.

The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Leases		
	Principal	Interest	Total
2023-2024	\$ 66,293	\$ 8,792	\$ 75,085
2024-2025	66,522	6,757	73,279
2025-2026	68,141	4,637	72,778
2026-2027	69,315	2,461	71,776
2027-2028	40,145	419	40,564
2028-2034	142	1	143
Total	<u>\$ 310,558</u>	<u>\$ 23,067</u>	<u>\$ 333,625</u>

Governmental Activities – Other – Subscriptions

On 07/01/2022, the City entered into a 42 month subscription for the use of Zoom software. An initial subscription liability was recorded in the amount of \$801. The City is required to make annual fixed payments of \$210. The subscription has an interest rate of 2.4450% and there are 2 extension options for 12 months.

On 07/01/2022, the City entered into a 32 month subscription for the use of ForseeCom System. An initial subscription liability was recorded in the amount of \$3,203. The City is required to make annual fixed payments of \$1,646. The subscription has an interest rate of 2.3540% and there are 2 extension options for 12 months.

On 07/01/2022, the City entered into a 29 month subscription for the use of Adobe Software. An initial subscription liability was recorded in the amount of \$1,049. The City is required to make annual fixed payments of \$360. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

On 07/01/2022, the City entered into a 24 month subscription for the use of Asavie Software-Moda. An initial subscription liability was recorded in the amount of \$1,760. The City is required to make monthly fixed payments of \$75. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 38 month subscription for the use of Aspen Discovery System. An initial subscription liability was recorded in the amount of \$22,516. The City is required to make annual fixed payments of \$7,500. The subscription has an interest rate of 2.350% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 24 month subscription for the use of Buzzsprout – Podcast Hosting. An initial subscription liability was recorded in the amount of \$282. The City is required to make monthly fixed payments of \$12. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 36 month subscription for the use of Caselle. An initial subscription liability was recorded in the amount of \$63,742. The City is required to make monthly fixed payments of \$1,832. The subscription has an interest rate of 2.3540% and there are 2 extension options for 12 months.

On 07/01/2022, the City entered into a 24 month subscription for the use of Executech Microsoft. An initial subscription liability was recorded in the amount of \$115,948. The City is required to make monthly fixed payments of \$4,942. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 24 month subscription for the use of ArchiveSocial. An initial subscription liability was recorded in the amount of \$13,022. The City is required to make monthly fixed payments of \$5,988. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 26 month subscription for the use of Data Base. An initial subscription liability was recorded in the amount of \$591. The City is required to make annual fixed payments of \$300. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 19 month subscription for the use of Cybrarian. An initial subscription liability was recorded in the amount of \$4,886. The City is required to make annual fixed payments of \$2,495. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 23 month subscription for the use of ArcGIS Esri Concurrent Use. An initial subscription liability was recorded in the amount of \$3,633. The City is required to make annual fixed payments of \$1,870. The subscription has an interest rate of 2.1940%.

On 07/01/2022, the City entered into a 24 month subscription for the use of Target Solutions. An initial subscription liability was recorded in the amount of \$3,210. The City is required to make annual fixed payments of \$1,512. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 24 month subscription for the use of PSTrax. An initial subscription liability was recorded in the amount of \$8,330. The City is required to make annual fixed payments of \$4,210. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

On 12/12/2022, the City entered into a 36 month subscription for the use of When To Work. An initial subscription liability was recorded in the amount of \$639. The City is required to make annual fixed payments of \$220. The subscription has an interest rate of 3.3780% and there are 2 extension options for 12 months.

On 07/01/2022, the City entered into a 28 month subscription for the use of SHI-Adobe Volume License. An initial subscription liability was recorded in the amount of \$9,969. The City is required to make annual fixed payments of \$5,082. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

On 01/31/2023, the City entered into a 37 month subscription for the use of Zoom. An initial subscription liability was recorded in the amount of \$5,392. The City is required to make annual fixed payments of \$1,851. The subscription has an interest rate of 2.7960% and there are 2 extension options for 12 months.

On 08/04/2022, the City entered into a 24 month subscription for the use of Frontline. An initial subscription liability was recorded in the amount of \$3,957. The City is required to make annual fixed payments of \$2,000. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 24 month subscription for the use of Vector Solutions. An initial subscription liability was recorded in the amount of \$6,796. The City is required to make annual fixed payments of \$3,677. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 31 month subscription for the use of Tracwire SaaS. An initial subscription liability was recorded in the amount of \$2,548. The City is required to make annual fixed payments of \$1,309. The subscription has an interest rate of 2.3540% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 24 month subscription for the use of Executech Microsoft. An initial subscription liability was recorded in the amount of \$36,049. The City is required to make monthly fixed payments of \$1,534. The subscription has an interest rate of 2.1940%.

On 07/01/2022, the City entered into a 29 month subscription for the use of Granicus – Software govAccess. An initial subscription liability was recorded in the amount of \$25,443. The City is required to make annual fixed payments of \$13,935. The subscription has an interest rate of 2.1940%.

On 07/01/2022, the City entered into a 23 month subscription for the use of Granicus – Software Novus. An initial subscription liability was recorded in the amount of \$21,380. The City is required to make annual fixed payments of \$11,023. The subscription has an interest rate of 2.1940%.

On 07/01/2022, the City entered into a 24 month subscription for the use of Piggyback - CAD. An initial subscription liability was recorded in the amount of \$7,705. The City is required to make annual fixed payments of \$3,825. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 25 month subscription for the use of Leads Online. An initial subscription liability was recorded in the amount of \$4,932. The City is required to make annual fixed payments of \$2,192. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

On 07/01/2022, the City entered into a 32 month subscription for the use of Lexipol Management System. An initial subscription liability was recorded in the amount of \$8,135. The City is required to make annual fixed payments of \$4,179. The subscription has an interest rate of 2.3540% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 22 month subscription for the use of Bibliotheca. An initial subscription liability was recorded in the amount of \$12,354. The City is required to make annual fixed payments of \$6,355. The subscription has an interest rate of 2.1940%.

On 04/30/2023, the City entered into a 24 month subscription for the use of DebtBook. An initial subscription liability was recorded in the amount of \$23,695. The City is required to make annual fixed payments of \$12,000. The subscription has an interest rate of 2.6100% and there is 1 extension option for 12 months.

The value of the right to use subscription assets are included with subscriptions in the Capital Asset note disclosure.

The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Subscriptions		
	Principal	Interest	Total
2023-2024	\$ 186,606	\$ 3,911	\$ 190,517
2024-2025	27,704	480	28,184
2025-2026	205	5	210
Total	<u>\$ 214,515</u>	<u>\$ 4,396</u>	<u>\$ 218,911</u>

Business Type Activities - Direct Borrowings and Placements

IFA Wastewater Loan 2012 # Y12005: The City entered into this loan on June 28, 2012 for a wastewater project. The loan is payable at a fixed interest rate of 1.94%. The loan is secured by the full faith and credit of the City. Upon any event of default, the IFA may pursue any or all remedies available at law or in equity to collect amounts due or to become due or to enforce the performance of any obligation of recipient. Remedies may include, but are not limited to: (1) Terminating IFA's commitment and obligation to make the loan or disbursements under the contract. (2) Declaring all payments under the note and all other amounts due under any of the financing documents immediately due and payable, and upon notice to recipient the same become due and payable without further notice or demand. (3) Barring recipient from applying for future awards. (4) Withholding amounts otherwise due to recipient for application to the payment of amounts due under this contract, including as provided in ORS 285B.599; however, this provision is not to be construed in a way that recipient's obligations would constitute debt that violates Section 10, Article XI of the Oregon Constitution. (5) Foreclosing liens or security interests pursuant to the contract or any other financing document. (6) Requiring repayment of the grant and all interest earned by recipient on those grant funds. The future requirements for amortization of the debt service payments are as follows:

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

Fiscal Year	Issue of June 28, 2012		
	Principal	Interest	Total
2023-2024	\$ 187,126	\$ 66,059	\$ 253,185
2024-2025	190,756	62,429	253,185
2025-2026	194,457	58,728	253,185
2026-2027	198,229	54,955	253,184
2027-2028	202,075	51,110	253,185
2028-2033	1,070,721	195,202	1,265,923
2033-2038	1,178,690	87,240	1,265,930
2038-2043	183,041	3,551	186,592
Total	<u>\$ 3,405,095</u>	<u>\$ 579,274</u>	<u>\$ 3,984,369</u>

IFA Wastewater Loan 2013 #Y14002: The City entered into this loan on December 16, 2013 for a wastewater project. The loan is payable at a fixed interest rate of 1.00%. The loan is secured by the full faith and credit of the City. Upon any event of default, the IFA may pursue any or all remedies available at law or in equity to collect amounts due or to become due or to enforce the performance of any obligation of recipient. Remedies may include, but are not limited to: (1) Terminating IFA's commitment and obligation to make the loan or disbursements under the contract, (2) Declaring all payments under the note and all other amounts due under any of the financing documents immediately due and payable, and upon notice to recipient the same become due and payable without further notice or demand, (3) Barring recipient from applying for future awards, (4) Withholding amounts otherwise due to recipient for application to the payment of amounts due under this contract, including as provided in ORS 285B.599; however, this provision is not to be construed in a way that recipient's obligations would constitute debt that violates Section 10, Article XI of the Oregon Constitution, (5) Foreclosing liens or security interests pursuant to the contract or any other financing document, (6) Requiring repayment of the grant and all interest earned by recipient on those grant funds.

The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of June 16, 2013		
	Principal	Interest	Total
2023-2024	\$ 340,061	\$ 62,675	\$ 402,736
2024-2025	343,461	59,274	402,735
2025-2026	346,896	55,839	402,735
2026-2027	350,365	52,371	402,736
2027-2028	353,868	48,867	402,735
2028-2033	1,823,135	190,540	2,013,675
2033-2038	1,916,134	97,542	2,013,676
2038-2043	793,548	11,922	805,470
Total	<u>\$ 6,267,468</u>	<u>\$ 579,030</u>	<u>\$ 6,846,498</u>

Interest rate: 1.00% fixed annual rate.

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

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

Oregon DEQ SRF R24000 Wastewater Loan: The City entered into this loan on May 10th 2016 for a wastewater project. The loan is payable at a fixed interest rate of 1.00%, unless the project is not completed on time whereas the interest rate is payable at a fixed rate of 2.00%. The loan is secured by the full faith and credit of the City. If DEQ determines that an event of default has occurred, DEQ may, without further notice: (1) Declare the outstanding loan amount plus any unpaid accrued interest, fees and any other amounts due hereunder immediately due and payable; (2) Cease making disbursement of loan proceeds or make some disbursements of loan proceeds and withhold or refuse to make other disbursements; (3) Appoint a receiver, at the borrower's expense, to operate the facility that produces the pledged revenues and collect the gross revenues; (4) Set and collect utility rates and charges; (5) Pay, compromise or settle any liens on the facility or the project or pay other sums required to be paid by the borrower in connection with the project, at DEQ's discretion, using the loan proceeds and such additional money as may be required. If DEQ pays any encumbrance, lien, claim, or demand, it shall be subrogated, to the extent of the amount of such payment, to all the rights, powers, privileges, and remedies of the holder of the encumbrance, lien, claim, or demand, as the case may be. Any such subrogation rights shall be additional cumulative security for the amounts due under this loan agreement; (6) Direct the State Treasurer to withhold any amounts otherwise due to the borrower from the State of Oregon and, to the extent permitted by law, direct that such funds be applied to the amounts due DEQ under the loan agreement and be deposited into the SRF; and (7) Pursue any other legal or equitable remedy it may have.

The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of May 10, 2016		
	Principal	Interest	Total
2023-2024	\$ 748,204	\$ 140,482	\$ 888,686
2024-2025	755,705	132,981	888,686
2025-2026	763,281	125,405	888,686
2026-2027	770,933	117,753	888,686
2027-2028	778,662	110,024	888,686
2028-2033	4,011,979	431,451	4,443,430
2033-2038	4,217,152	226,278	4,443,430
2038-2043	2,188,789	30,730	2,219,519
Total	<u>\$ 14,234,705</u>	<u>\$ 1,315,104</u>	<u>\$ 15,549,809</u>

Interest rate: 1.00% fixed annual rate.

Oregon DEQ SRF R24001 Wastewater Loan: The City entered into this loan on May 10th 2016 for a wastewater project. The loan is payable at a fixed interest rate of 1.00%, unless the project is not completed on time whereas the interest rate is payable at a fixed rate of 2.00%. The loan is secured by the full faith and credit of the City. If DEQ determines that an event of default has occurred, DEQ may, without further notice: (1) Declare the outstanding loan amount plus any unpaid accrued interest, fees and any other amounts due hereunder immediately due and payable; (2) Cease making disbursement of loan proceeds or make some disbursements of loan proceeds and withhold or refuse to make other disbursements; (3) Appoint a receiver, at the borrower's expense, to operate the facility that produces the pledged revenues and collect the gross revenues; (4) Set and collect utility rates and charges; (5) Pay, compromise or settle any liens on the facility or the project or pay other sums required to be paid by the borrower in connection with the project, at DEQ's discretion, using the loan proceeds and such additional money as may be required. If DEQ pays any encumbrance, lien, claim, or demand, it shall be subrogated, to the

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

extent of the amount of such payment, to all the rights, powers, privileges, and remedies of the holder of the encumbrance, lien, claim, or demand, as the case may be. Any such subrogation rights shall be additional cumulative security for the amounts due under this loan agreement; (6) Direct the State Treasurer to withhold any amounts otherwise due to the borrower from the State of Oregon and, to the extent permitted by law, direct that such funds be applied to the amounts due DEQ under the loan agreement and be deposited into the SRF; and (7) Pursue any other legal or equitable remedy it may have. As of the fiscal year end the City has drawn down \$1,093,783. Final amortization schedule will be reported when the loan is fully drawn down.

Oregon DEQ SRF R24002 Wastewater Loan: The City entered into this loan on June 4, 2019 for a wastewater project. The loan is payable at a fixed interest rate of 1.00%, unless the project is not completed on time whereas the interest rate is payable at a fixed rate of 2.00%. The loan is secured by the full faith and credit of the City. If DEQ determines that an event of default has occurred, DEQ may, without further notice: (1) Declare the outstanding loan amount plus any unpaid accrued interest, fees and any other amounts due hereunder immediately due and payable; (2) Cease making disbursement of loan proceeds or make some disbursements of loan proceeds and withhold or refuse to make other disbursements; (3) Appoint a receiver, at the borrower's expense, to operate the facility that produces the pledged revenues and collect the gross revenues; (4) Set and collect utility rates and charges; (5) Pay, compromise or settle any liens on the facility or the project or pay other sums required to be paid by the borrower in connection with the project, at DEQ's discretion, using the loan proceeds and such additional money as may be required. If DEQ pays any encumbrance, lien, claim, or demand, it shall be subrogated, to the extent of the amount of such payment, to all the rights, powers, privileges, and remedies of the holder of the encumbrance, lien, claim, or demand, as the case may be. Any such subrogation rights shall be additional cumulative security for the amounts due under this loan agreement; (6) Direct the State Treasurer to withhold any amounts otherwise due to the borrower from the State of Oregon and, to the extent permitted by law, direct that such funds be applied to the amounts due DEQ under the loan agreement and be deposited into the SRF; and (7) Pursue any other legal or equitable remedy it may have.

The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of June 4, 2019		
	Principal	Interest	Total
2023-2024	\$ 122,119	\$ 60,177	\$ 182,296
2024-2025	124,907	57,389	182,296
2025-2026	127,759	54,537	182,296
2026-2027	130,675	51,621	182,296
2027-2028	133,658	48,638	182,296
2028-2033	715,476	196,004	911,480
2033-2038	800,956	110,524	911,480
2038-2043	525,787	21,083	546,870
Total	<u>\$ 2,681,337</u>	<u>\$ 599,973</u>	<u>\$ 3,281,310</u>

Interest rate: 1.00% fixed annual rate.

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

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

Oregon DEQ SRF R24004 Wastewater Loan: The City entered into this loan on July 16, 2019 for a wastewater project. The loan is payable at a fixed interest rate of 2.27%. The loan is secured by the full faith and credit of the City. If DEQ determines that an Event of Default has occurred, DEQ may, without further notice: (1) Declare the Outstanding Loan Amount plus any unpaid accrued interest, fees and any other amounts due hereunder immediately due and payable; (2) Cease making disbursement of Loan proceeds or make some disbursements of Loan proceeds and withhold or refuse to make other disbursements; (3) Appoint a receiver, at the Borrower's expense, to operate the Facility that produces the pledged revenues and collect the Gross Revenues; (4) Set and collect utility rates and charges; (5) Pay, compromise or settle any liens on the Facility or the Project or pay other sums required to be paid by the Borrower in connection with the Project, at DEQ's discretion, using the Loan proceeds and such additional money as may be required. If DEQ pays any encumbrance, lien, claim, or demand, DEQ shall be subrogated, to the extent of the amount of such payment, to all the rights, powers, privileges, and remedies of the holder of the encumbrance, lien, claim, or demand, as the case may be. Any such subrogation rights shall be additional, cumulative security for the amounts due under this Loan Agreement; (6) Direct the State Treasurer to withhold any amounts otherwise due to the Borrower from the State of Oregon and, to the extent permitted by law, direct that such funds be applied to the amounts due DEQ under this Loan Agreement and be deposited into the SRF; and (7) Pursue any other legal or equitable remedy it may have. As of the fiscal year end the City has drawn down \$1,652,978. Final amortization schedule will be reported when the loan is fully drawn down.

Oregon DEQ SRF R24005 Wastewater Loan: The City entered into this loan on July 16, 2019 for a wastewater project. The loan is payable at a fixed interest rate of 2.27%. The loan is secured by the full faith and credit of the City. If DEQ determines that an Event of Default has occurred, DEQ may, without further notice: (1) Declare the Outstanding Loan Amount plus any unpaid accrued interest, fees and any other amounts due hereunder immediately due and payable; (2) Cease making disbursement of Loan proceeds or make some disbursements of Loan proceeds and withhold or refuse to make other disbursements; (3) Appoint a receiver, at the Borrower's expense, to operate the Facility that produces the pledged revenues and collect the Gross Revenues; (4) Set and collect utility rates and charges; (5) Pay, compromise or settle any liens on the Facility or the Project or pay other sums required to be paid by the Borrower in connection with the Project, at DEQ's discretion, using the Loan proceeds and such additional money as may be required. If DEQ pays any encumbrance, lien, claim, or demand, DEQ shall be subrogated, to the extent of the amount of such payment, to all the rights, powers, privileges, and remedies of the holder of the encumbrance, lien, claim, or demand, as the case may be. Any such subrogation rights shall be additional, cumulative security for the amounts due under this Loan Agreement; (6) Direct the State Treasurer to withhold any amounts otherwise due to the Borrower from the State of Oregon and, to the extent permitted by law, direct that such funds be applied to the amounts due DEQ under this Loan Agreement and be deposited into the SRF; and (7) Pursue any other legal or equitable remedy it may have. As of the fiscal year end the City has drawn down \$807,887. Final amortization schedule will be reported when the loan is fully drawn down.

Business Type Activities – Other Debt – Financed Purchases

Vacon Truck Financed Purchase: The City entered into this loan on September 17, 2021 for a Vacon Truck in the amount of \$437,588. The loan is payable at a fixed interest rate of 1.650%. Principal and Interest payments are due on a yearly basis.

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

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of September 17, 2021		
	Principal	Interest	Total
2023-2024	\$ 86,074	\$ 5,823	\$ 91,897
2024-2025	87,494	4,403	91,897
2025-2026	88,938	2,959	91,897
2026-2027	90,405	1,420	91,825
Total	<u>\$ 352,911</u>	<u>\$ 14,605</u>	<u>\$ 367,516</u>

Street Sweeper Financed Purchase: The City entered into this loan on September 17, 2021 for a Street Sweeper in the amount of \$257,751. The loan is payable at a fixed interest rate of 2.440%. Principal and Interest payments are due on a yearly basis.

The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Issue of September 17, 2021		
	Principal	Interest	Total
2023-2024	\$ 50,293	\$ 5,091	\$ 55,384
2024-2025	51,520	3,864	55,384
2025-2026	52,777	2,607	55,384
2026-2027	54,066	1,319	55,385
Total	<u>\$ 208,656</u>	<u>\$ 12,881</u>	<u>\$ 221,537</u>

Business Type Activities – Other – Leases

On 01/05/2023, the City entered into a 60 month lease for the use of a vehicle Ram 1500 5973. An initial lease liability was recorded in the amount of \$40,396. The City is required to make monthly fixed payments of \$694. The lease has an interest rate of 2.8220% and has a guaranteed residual value of \$7,195. The lease has a termination penalty of \$400.

On 01/05/2023, the City entered into a 60 month lease for the use of a vehicle Ram 1500 5115. An initial lease liability was recorded in the amount of \$33,923. The City is required to make monthly fixed payments of \$587. The lease has an interest rate of 2.8220% and has a guaranteed residual value of \$6,082. The lease has a termination penalty of \$400.

On 12/03/2022, the City entered into a 60 month lease for the use of a vehicle Chev Silverado 5842. An initial lease liability was recorded in the amount of \$56,117. The City is required to make monthly fixed payments of \$988. The lease has an interest rate of 3.4550% and has a guaranteed residual value of \$5,002. The lease has a termination penalty of \$400.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

On 02/04/2023, the City entered into a 60 month lease for the use of a vehicle Ram 1500 5011. An initial lease liability was recorded in the amount of \$36,841. The City is required to make monthly fixed payments of \$636. The lease has an interest rate of 2.8220% and has a guaranteed residual value of \$6,598. The lease has a termination penalty of \$400.

On 02/04/2023, the City entered into a 60 month lease for the use of a vehicle Ram 1500 5010. An initial lease liability was recorded in the amount of \$36,801. The City is required to make monthly fixed payments of \$636. The lease has an interest rate of 2.8220% and has a guaranteed residual value of \$6,598. The lease has a termination penalty of \$400.

The value of the right to use leased assets are included with leased vehicles in the Capital Asset note disclosure.

The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Leases		
	Principal	Interest	Total
2023-2024	\$ 37,497	\$ 4,983	\$ 42,480
2024-2025	38,635	3,845	42,480
2025-2026	39,808	2,672	42,480
2026-2027	41,017	1,463	42,480
2027-2028	26,780	284	27,064
Total	<u>\$ 183,737</u>	<u>\$ 13,247</u>	<u>\$ 196,984</u>

Business Type Activities – Other – Subscriptions

On 09/03/2022, the City entered into a 24 month subscription for the use of Aquatic - FOG. An initial subscription liability was recorded in the amount of \$8,686. The City is required to make annual fixed payments of \$4,390. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

On 10/21/2022, the City entered into a 24 month subscription for the use of Aquatic - WMS. An initial subscription liability was recorded in the amount of \$21,200. The City is required to make annual fixed payments of \$10,775. The subscription has an interest rate of 3.3470% and there is 1 extension option for 12 months.

On 08/18/2022, the City entered into a 24 month subscription for the use of Autodesk. An initial subscription liability was recorded in the amount of \$4,580. The City is required to make annual fixed payments of \$2,315. The subscription has an interest rate of 2.1940% and there is 1 extension option for 12 months.

On 07/01/2022, the City entered into a 36 month subscription for the use of Caselle. An initial subscription liability was recorded in the amount of \$63,742. The City is required to make monthly fixed payments of \$1,832. The subscription has an interest rate of 2.3540% and there are 2 extension options for 12 months.

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

On 07/01/2022, the City entered into a 21 month subscription for the use of Central Square – Software Solutions. An initial subscription liability was recorded in the amount of \$29,718. The City is required to make yearly fixed payments of \$15,182. The subscription has an interest rate of 2.1940%.

The value of the right to use subscription assets are included with subscriptions in the Capital Asset note disclosure.

The future requirements for amortization of the debt service payments are as follows:

Fiscal Year	Subscriptions		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023-2024	\$ 36,083	\$ 975	\$ 37,058
2024-2025	4,340	56	4,396
Total	<u>\$ 40,423</u>	<u>\$ 1,031</u>	<u>\$ 41,454</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

10. LONG TERM DEBT (CONTINUED)

Changes in Long-Term Liabilities: During the year ended June 30, 2023, the following changes occurred in long-term liabilities:

Governmental Activities	Balance 7/1/2022	Additions	Reductions	Balance 6/30/2023	Due in One Year
Direct Borrowings and Placements					
Water Bonds					
June 14, 2005 (refunding)	\$ 55,753	\$ -	\$ (5,849)	\$ 49,904	\$ 6,140
Revenue Secured Bond:					
November 2016 (refunding)	1,255,000	-	(410,000)	845,000	420,000
Economic Development Loan					
June 30, 2011	3,028,180	-	(245,672)	2,782,508	254,024
URA Banner Bank Empire Bond 2018A	888,783	-	(142,726)	746,057	144,845
URA Banner Bank Empire Bond 2019A	2,231,500	-	(295,700)	1,935,800	303,100
URA Pacific Premier Bank Downtown Bond 2020A	2,220,177	685,382	(359,854)	2,545,705	366,852
URA 2020B Refunding Bond	2,431,182	-	(346,258)	2,084,924	351,526
OTIB #0059 Water Board Loan	168,296	-	(41,185)	127,111	41,738
2020 Refunding Bond-direct placement	2,036,000	-	(466,000)	1,570,000	471,000
Premium	11,327	-	(3,775)	7,552	-
Other Debt					
Lease Liability	10,770	342,039	(42,251)	310,558	66,293
Subscription Liabilities	-	399,516	(185,001)	214,515	186,606
Total	\$ 14,336,968	\$ 1,426,937	\$ (2,544,271)	\$ 13,219,634	\$ 2,612,124
Business-Type Activities	Balance 7/1/2022	Additions	Reductions	Balance 6/30/2023	Due in One Year
Direct Borrowings and Placements					
IFA Wastewater Loan 2012 #Y12005	\$ 3,588,659	\$ -	\$ (183,564)	\$ 3,405,095	\$ 187,126
IFA Wastewater Loan 2013 #Y14002	6,604,162	-	(336,694)	6,267,468	340,061
OR DEQ SRF R 24000 Wastewater Loan	14,975,484	-	(740,779)	14,234,705	748,204
OR DEQ SRF R 24001 Wastewater Loan	1,035,548	58,235	-	1,093,783	-
OR DEQ SRF R 24002 Wastewater Loan	2,800,730	-	(119,393)	2,681,337	122,119
OR DEQ SRF R 24004 Wastewater Loan	778,293	874,685	-	1,652,978	-
OR DEQ SRF R 24005 Wastewater Loan	693,729	114,158	-	807,887	-
Other Debt					
Financed Purchase - Vacon Truck	437,588	-	(84,677)	352,911	86,074
Financed Purchase - Street Sweeper	257,751	-	(49,095)	208,656	50,293
Lease Liability	-	204,077	(20,340)	183,737	37,497
Subscription Liabilities	-	79,093	(38,670)	40,423	36,083
Total	\$ 31,171,944	\$ 1,330,248	\$ (1,573,212)	\$ 30,928,980	\$ 1,607,457

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

11. 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.

12. 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.

13. 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, 2023:

Cash and investments	\$ 7,482,341
Other assets	<u>65,695,526</u>
Total assets	<u>73,177,867</u>
Deferred outflows of resources	<u>351,037</u>
Total assets and deferred outflows	<u>\$ 73,528,904</u>
Total liabilities and deferred inflows	\$ 12,138,303
Total equity	<u>61,390,601</u>
Total liabilities and equity	<u>\$ 73,528,904</u>

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

NOTES TO BASIC FINANCIAL STATEMENTS

13. INVESTMENT IN JOINT VENTURE (CONTINUED)

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

Balance July 1, 2022	Increases	Decreases	Balance June 30, 2023
\$ 29,514,160	\$ 1,181,141	\$ -	\$ 30,695,301

An investment in joint venture in the amount of \$30,695,301 million was recorded as an asset (Investment in Joint Venture) in Fiscal Year 2023, 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.

14. 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, 2023, the Water Board remitted \$8,287,877 to the City of Coos Bay, Oregon, which included sewer user fee revenues, alum sludge disposal fees, transportation utility fee, and interest earnings, net of the handling fee of \$84,986.

15. 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, 2023 is \$3,804,523. 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 10).

16. TRANSFERS

Transfers made during the year are summarized as follows:

Fund:	Transfer In	Transfer Out
Governmental Funds:		
General	\$ -	\$ 450,000
Other Governmental	3,608,650	3,018,650
Business Type Funds	4,361,000	4,501,000
Total Transfers	\$ 7,969,650	\$ 7,969,650

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

NOTES TO BASIC FINANCIAL STATEMENTS

16. 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.

17. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2023 are as follows:

Fund Balances:	General Fund	Jurisdictional Exchange Reserve	URA Downtown Capital	Non Major Funds	Total
<u>Nonspendable:</u>					
Prepaid Expenses	\$ 52,687	\$ -	-	\$ 74,199	\$ 126,886
Inventory	777	-	-	-	777
Jurisdictional Exchange	-	4,800,000	-	-	4,800,000
Total	<u>53,464</u>	<u>4,800,000</u>	<u>-</u>	<u>74,199</u>	<u>4,927,663</u>
<u>Restricted:</u>					
Memorial Bricks	576	-	-	-	576
DUII Impact Panel	13,191	-	-	-	13,191
OR Impact-Ped Safety	5,770	-	-	-	5,770
OR Impact-DUII Task Force	4,994	-	-	-	4,994
ODOT Distracted Driving	2,443	-	-	-	2,443
Fire-BAH Car Seat	2,169	-	-	-	2,169
Marshfield Pioneer Cemetery	12,900	-	-	-	12,900
Mingus Park Flag Pole	616	-	-	-	616
Opioids Settlement Payments	95,677	-	-	-	95,677
Hotel Motel Tax	-	-	-	302,057	302,057
Debt Service	-	-	-	1,500,613	1,500,613
Streets - Gas Tax	-	-	-	681,479	681,479
911 Services	-	-	-	142,431	142,431
Library	-	-	-	1,694,095	1,694,095
Capital Projects	-	-	2,827,036	5,029,534	7,856,570
Total	<u>138,336</u>	<u>-</u>	<u>2,827,036</u>	<u>9,350,209</u>	<u>12,315,581</u>
<u>Assigned:</u>					
Canine	10,191	-	-	-	10,191
Unclaimed Property Liability	3,411	-	-	-	3,411
Range	3,910	-	-	-	3,910
Rainy Day Reserve Fund	1,156,796	-	-	-	1,156,796
Jurisdictional Exchange	-	318,501	-	-	318,501
Total	<u>1,174,308</u>	<u>318,501</u>	<u>-</u>	<u>-</u>	<u>1,492,809</u>
Unassigned:	<u>3,550,739</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,550,739</u>
Total Fund Balances	<u>\$ 4,916,847</u>	<u>\$ 5,118,501</u>	<u>\$ 2,827,036</u>	<u>\$ 9,424,408</u>	<u>\$ 22,286,792</u>

CITY OF COOS BAY
COOS COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

18. 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.

19. NEGATIVE NET POSITION

The Water Quality Improvement Fund has a negative net position of (\$20,802,582). This is the result of capital construction and capital contributions to the Water Quality Fund as well as debt for capital assets held by the Water Quality Fund. The net position will become positive as more reimbursements are received for the project.

CITY OF COOS BAY
COOS COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

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

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2023**

	2023	2022	2021	2020	2019	2018
Total OPEB Liability - Beginning	\$ 842,260	\$ 815,217	\$ 800,752	\$ 758,910	\$ 686,642	\$ 695,980
Changes for the year:						
Service Cost	50,342	48,867	45,055	40,053	37,376	40,285
Interest	18,869	18,618	28,662	29,932	25,327	20,597
Changes of Benefit Terms	-	-	-	-	-	-
Effect of economic/demographic change	55,739	-	116,431	-	19,427	-
Changes of Assumptions or Other Input	(8,173)	3,088	(121,435)	23,414	23,542	(42,895)
Benefit Payments	(38,289)	(43,530)	(54,248)	(51,557)	(33,404)	(27,325)
Net changes for the year	78,488	27,043	14,465	41,842	72,268	(9,338)
Total OPEB Liability - Ending	\$ 920,748	\$ 842,260	\$ 815,217	\$ 800,752	\$ 758,910	\$ 686,642
Covered Payroll	\$10,478,520	\$9,765,259	\$7,858,623	\$7,533,032	\$7,313,978	6,993,970
Total OPEB Liability as a Percentage of Covered Payroll	8.79%	8.63%	10.37%	10.63%	10.38%	9.82%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The City implemented and GASB Statement No. 75 in the fiscal year ended June 30, 2018.

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

**REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Year Ended June 30, 2023**

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
2023	0.100943 %	\$16,374,137	\$9,765,259	168%	84.5%
2022	0.100943 %	12,079,355	7,858,623	154%	87.6%
2021	0.098686 %	21,536,626	7,533,032	286%	75.8%
2020	0.096263 %	16,651,209	7,313,978	228%	80.2%
2019	0.094009 %	14,241,146	6,993,970	204%	82.1%
2018	0.096247 %	12,974,119	7,043,536	184%	83.1%
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 Ended June 30,	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
2023	\$ 1,111,586	\$ 1,111,586	\$ -	\$ 10,478,520	10.61%
2022	1,043,178	1,043,178	-	9,765,259	10.68%
2021	1,113,758	1,113,758	-	7,858,623	14.17%
2020	1,047,695	1,047,695	-	7,533,032	13.91%
2019	1,009,913	1,009,913	-	7,313,978	13.81%
2018	1,019,229	1,019,229	-	6,993,970	14.57%
2017	873,648	873,648	-	7,043,536	12.40%
2016	1,001,449	1,001,449	-	6,979,113	14.35%
2015	730,435	730,435	-	6,539,770	11.17%
2014	727,026	727,026	-	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

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
For the Year Ended June 30, 2023

SCHEDULE OF CHANGES IN THE TOTAL OPEB - RHIA LIABILITY (ASSET)

Year Ended June 30,	Service Cost	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Employer Actual Contributions	Changes in Employer Proportion	Employer Total Expense
2023	\$ -	\$ (5,281)	\$ (4,970)	\$ (14,862)	\$ 1,129	\$ 15,043	\$ (17,844)
2022	-	(6,260)	1,080	(53,472)	1,352	(738)	(36,115)
2021	-	(13,143)	(6,834)	14,297	437	4,670	(18,431)
2020	-	(17,263)	(136)	(8,080)	1,750	(319)	(17,387)
2019	-	(4,262)	(239)	(16,213)	2,939	(375)	(18,779)

SCHEDULE OF TOTAL OPEB LIABILITY AND RELATED RATIOS

Year Ended June 30,	Total OPEB Liability Beginning (Asset)	Net Change in Total OPEB Liability (Asset)	Total OPEB Liability (Asset) Ending	Covered Payroll	Total OPEB Liability (Asset) as a Percentage of Covered Payroll	Discount Rate
2023	\$ (225,001)	\$ 30,129	\$ (194,872)	\$ 10,478,520	-1.86%	6.90%
2022	(128,563)	(96,438)	(225,001)	9,765,259	-2.30%	6.90%
2021	(130,908)	2,345	(128,563)	7,858,623	-1.64%	7.20%
2020	(75,200)	(55,708)	(130,908)	7,533,032	-1.74%	7.20%
2019	(28,850)	(46,350)	(75,200)	7,313,978	-1.03%	7.20%

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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, 2023**

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Property Taxes	\$ 6,984,613	\$ 6,984,613	\$ 6,891,781	\$ (92,832)
Franchise Fees	2,020,000	2,020,000	1,909,838	(110,162)
Licenses and Permits	153,200	153,200	158,782	5,582
Intergovernmental	543,400	543,400	567,785	24,385
Federal Financial Assistance	1,902,989	2,173,418	2,299,139	125,721
Charges for Services	1,057,774	1,057,774	1,131,952	74,178
Charges for Use of Money and Property	78,000	78,000	237,104	159,104
Fines and Forfeitures	70,750	70,750	86,804	16,054
Miscellaneous	1,005,025	1,005,025	1,178,774	173,749
Total Revenue	13,815,751	14,086,180	14,461,959	375,779
EXPENDITURES				
General Government	1,938,618	2,190,618 (1)	2,402,259	(211,641)
Public Safety	9,506,116	9,673,345 (1)	9,045,118	628,227
Public Works	1,398,606	1,430,806 (1)	1,407,661	23,145
Special Payments	12,000	12,000 (1)	-	12,000
Debt Service	829,475	894,475 (1)	939,772	(45,297)
Contingency	987,522	741,522 (1)	-	741,522
Total Expenditures	14,672,337	14,942,766	13,794,810	1,147,956
Excess of Revenues Over, (Under) Expenditures	(856,586)	(856,586)	667,149	1,523,735
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(843,500)	(843,500) (1)	(530,340)	313,160
Lease Proceeds	-	-	284,484	284,484
Subscription Proceeds	-	-	33,344	33,344
Du Jour Financing - URA In	1,557,450	1,751,450	1,748,650	(2,800)
Debt Service (Du Jour Financing - URA Out)	(1,557,364)	(1,751,364) (1)	(1,751,354)	10
Total Other Financing Sources, (Uses)	(843,414)	(843,414)	(215,216)	628,198
Net Change in Fund Balance	(1,700,000)	(1,700,000)	451,933	2,151,933
FUND BALANCE - BEGINNING OF YEAR	3,200,000	3,200,000	3,308,118	108,118
FUND BALANCE - END OF YEAR	\$ 1,500,000	\$ 1,500,000	\$ 3,760,051	\$ 2,260,051

(1) Appropriation Level

Reconciliation to Governmental Balance Sheet Fund Balance

Ending Fund Balance - combined due to requirements of GASB 54

Rainy Day Reserve Fund

	1,156,796
GAAP General Fund Balance	<u>\$ 4,916,847</u>

CITY OF COOS BAY
COOS COUNTY, OREGON

SUPPLEMENTARY INFORMATION

**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, 2023**

JURISDICTIONAL EXCHANGE RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Interest on Investments	\$ 25,000	\$ 25,000	\$ 180,469	\$ 155,469
Total Revenues	<u>25,000</u>	<u>25,000</u>	<u>180,469</u>	<u>155,469</u>
EXPENDITURES				
Public Works				
Materials and Services	<u>320,000</u>	<u>163,000 (1)</u>	<u>-</u>	<u>163,000</u>
Total Expenditures	<u>320,000</u>	<u>163,000</u>	<u>-</u>	<u>163,000</u>
Net Change in Fund Balance	(295,000)	(138,000)	180,469	318,469
FUND BALANCE - BEGINNING OF YEAR	<u>5,095,000</u>	<u>4,938,000</u>	<u>4,938,032</u>	<u>32</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,800,000</u>	<u>\$ 4,800,000</u>	<u>\$ 5,118,501</u>	<u>\$ 318,501</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, 2023

URA DOWNTOWN CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Grants	\$ -	\$ -	\$ 235,948	\$ 235,948
Interest on Investments	7,500	7,500	80,768	73,268
Miscellaneous	-	-	956	956
Total Revenues	<u>7,500</u>	<u>7,500</u>	<u>317,672</u>	<u>310,172</u>
EXPENDITURES				
Materials and Services	802,288	802,288 (1)	655,734	146,554
Capital Outlay	3,859,147	3,575,688 (1)	1,290,761	2,284,927
Total Expenditures	<u>4,661,435</u>	<u>4,377,976</u>	<u>1,946,495</u>	<u>2,431,481</u>
Excess of Revenues Over, (Under) Expenditures	(4,653,935)	(4,370,476)	(1,628,823)	2,741,653
OTHER FINANCING SOURCES, (USES)				
Bond Proceeds	600,000	600,000	685,382	85,382
Du Jour Financing - URA	1,178,935	1,317,928	1,317,928	-
Total Other Financing Sources, (Uses)	<u>1,778,935</u>	<u>1,917,928</u>	<u>2,003,310</u>	<u>85,382</u>
Net Change in Fund Balance	(2,875,000)	(2,452,548)	374,487	2,827,035
FUND BALANCE - BEGINNING OF YEAR	<u>2,875,000</u>	<u>2,452,548</u>	<u>2,452,549</u>	<u>1</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,827,036</u>	<u>\$ 2,827,036</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, 2023**

	<u>WATER QUALITY FUND</u>			VARIANCE TO FINAL BUDGET
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Charleston	\$ 342,000	\$ 342,000	\$ 520,667	\$ 178,667
Bunker Hill	90,000	90,000	124,036	34,036
Licenses and Permits	500	500	-	(500)
Sewer Permits	8,000	8,000	8,900	900
Sewer Use Fees	7,385,000	7,385,000	7,357,996	(27,004)
Recreational Vehicle Dump Fees	5,000	5,000	6,341	1,341
Alum Sludge Disposal Fees	60,000	60,000	61,786	1,786
Interest on Investments	35,000	35,000	268,840	233,840
Miscellaneous	500	500	21,568	21,068
Total Revenues	<u>7,926,000</u>	<u>7,926,000</u>	<u>8,370,134</u>	<u>444,134</u>
EXPENDITURES				
Wastewater Collection and Treatment				
Personnel Services	3,090,703	3,252,703	2,741,401	511,302
Materials and Services	2,098,450	2,240,450	1,934,104	306,346
Capital Outlay	725,000	725,000	544,352	180,648
Total Wastewater Collection and Treatment	5,914,153	6,218,153 (1)	5,219,857	998,296
Debt Service	2,088,000	2,153,000 (1)	1,996,148	156,852
Contingency	525,816	525,816 (1)	-	525,816
Total Expenditures	<u>8,527,969</u>	<u>8,896,969</u>	<u>7,216,005</u>	<u>1,680,964</u>
Excess of Revenues Over, (Under) Expenditures	(601,969)	(970,969)	1,154,129	2,125,098
Other Financing Sources, (Uses)				
Subscription Proceeds	-	-	204,077	204,077
Lease Proceeds	-	-	36,626	36,626
Transfers Out	(3,080,000)	(4,481,000) (1)	(4,481,000)	-
Total Other Financing Sources, (Uses)	<u>(3,080,000)</u>	<u>(4,481,000)</u>	<u>(4,240,297)</u>	<u>240,703</u>
Net Change in Fund Balance	(3,681,969)	(5,451,969)	(3,086,168)	2,365,801
FUND BALANCE - BEGINNING OF YEAR	<u>7,500,000</u>	<u>9,270,000</u>	<u>9,401,372</u>	<u>131,372</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,818,031</u>	<u>\$ 3,818,031</u>	<u>\$ 6,315,204</u>	<u>\$ 2,497,173</u>
Reconciliation to Net Position:				
Capital Assets, Net			59,250,300	
Pension Related Deferrals			632,955	
Pension Liability			(1,801,155)	
Net Deferred Pension Asset			(670,375)	
Long Term Debt			(1,112,085)	
Interest Payable			(5,907)	
Accrued Compensated Absences			(181,944)	
Total Net Position			<u>\$ 62,426,993</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, 2023**

<u>BUILDING CODES FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Licenses and Permits	\$ 334,300	\$ 334,300	\$ 460,957	\$ 126,657
Charges for Use of Money and Property				
Interest on Investments	4,000	4,000	11,556	7,556
Intergovernmental Revenue	1,000	1,000	-	(1,000)
Miscellaneous	200	200	1,288	1,088
Total Revenues	<u>339,500</u>	<u>339,500</u>	<u>473,801</u>	<u>134,301</u>
EXPENDITURES				
Building Codes				
Personnel Services	447,081	447,081	409,057	38,024
Materials and Services	103,600	78,600	57,998	20,602
Total Building Codes Operations	<u>550,681</u>	<u>525,681 (1)</u>	<u>467,055</u>	<u>58,626</u>
Debt Service	-	6,000 (1)	879	5,121
Capital Outlay	20,000	5,000 (1)	-	5,000
Contingency	48,819	42,819 (1)	-	42,819
Total Expenditures	<u>619,500</u>	<u>579,500</u>	<u>467,934</u>	<u>111,566</u>
Excess of Revenues Over, (Under) Expenditures	(280,000)	(240,000)	5,867	245,867
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(20,000)	(20,000) (1)	(20,000)	-
Total Other Financing Sources, (Uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net Change in Fund Balance	(300,000)	(260,000)	(14,133)	245,867
FUND BALANCE - BEGINNING OF YEAR	<u>350,000</u>	<u>310,000</u>	<u>337,645</u>	<u>27,645</u>
FUND BALANCE - END OF YEAR	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>323,512</u>	<u>\$ 273,512</u>
Reconciliation to Net Position:				
			(334,286)	
			57,705	
			(1,716)	
			(34,006)	
Total Net Position			<u>\$ 11,209</u>	

(1) Appropriation Level

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

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2023**

	SPECIAL REVENUE FUNDS			
	STATE GAS TAX FUND	HOTEL/ MOTEL TAX FUND	LIBRARY FUND	COOS COUNTY LIBRARY SERVICE DISTRICT ESO FUND
ASSETS:				
Cash and Investments	\$ 615,650	\$ 57,511	\$ 1,304,909	\$ 442,331
Prepaid Expense	250	11,733	18,971	39,106
Receivables				
Taxes	-	-	-	-
Accounts	117,229	375,795	-	524
Total Assets	<u>\$ 733,129</u>	<u>\$ 445,039</u>	<u>\$ 1,323,880</u>	<u>\$ 481,961</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:				
Liabilities				
Accounts Payable	\$ 51,400	\$ 131,249	\$ 45,350	\$ 8,319
Deposits	-	-	-	-
Deferred Revenue	-	-	-	-
Total Liabilities	<u>51,400</u>	<u>131,249</u>	<u>45,350</u>	<u>8,319</u>
Deferred Inflows of Resources				
Unavailable Revenue - Property Taxes	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances				
Nonspendable	250	11,733	18,971	39,106
Restricted	681,479	302,057	1,259,559	434,536
Total Fund Balances	<u>681,729</u>	<u>313,790</u>	<u>1,278,530</u>	<u>473,642</u>
Total Liabilities Deferred Inflows and Fund Balances	<u>\$ 733,129</u>	<u>\$ 445,039</u>	<u>\$ 1,323,880</u>	<u>\$ 481,961</u>

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS			CAPITAL PROJECT FUNDS
911 TAX FUND	URA DOWNTOWN SPECIAL REVENUE FUND	URA EMPIRE SPECIAL REVENUE FUND	GENERAL OBLIGATION BOND REDEMPTION FUND	URA DOWNTOWN BOND FUND	URA EMPIRE BOND FUND	CAPITAL IMPROVEMENT FUND
\$ 22,873	\$ 52,376	\$ 48,145	\$ 185,322	\$ 808,889	\$ 498,151	\$ 2,459,968
1,188	-	-	-	-	-	2,951
-	128,072	61,049	36,955	-	-	-
120,160	-	-	-	-	-	131,891
<u>\$ 144,221</u>	<u>\$ 180,448</u>	<u>\$ 109,194</u>	<u>\$ 222,277</u>	<u>\$ 808,889</u>	<u>\$ 498,151</u>	<u>\$ 2,594,810</u>
\$ 602	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,488
-	-	-	-	-	-	25,000
-	-	-	-	-	-	18,962
602	-	-	-	-	-	83,450
-	99,030	47,171	28,704	-	-	-
-	99,030	47,171	28,704	-	-	-
1,188	-	-	-	-	-	2,951
142,431	81,418	62,023	193,573	808,889	498,151	2,508,409
143,619	81,418	62,023	193,573	808,889	498,151	2,511,360
<u>\$ 144,221</u>	<u>\$ 180,448</u>	<u>\$ 109,194</u>	<u>\$ 222,277</u>	<u>\$ 808,889</u>	<u>\$ 498,151</u>	<u>\$ 2,594,810</u>

CAPITAL PROJECT FUNDS

CAD GROUP RESERVE FUND	FIRE EQUIPMENT RESERVE FUND	URA EMPIRE CAPITAL FUND	SYSTEM DEVELOPMENT CHARGES FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
\$ 33,492	\$ 300,302	\$ 1,766,149	\$ 300,410	\$ 8,896,478
-	-	-	-	74,199
-	-	-	-	226,076
-	-	-	-	745,599
<u>\$ 33,492</u>	<u>\$ 300,302</u>	<u>\$ 1,766,149</u>	<u>\$ 300,410</u>	<u>\$ 9,942,352</u>
\$ 73	\$ -	\$ 22,596	\$ -	\$ 299,077
-	-	-	-	25,000
-	-	-	-	18,962
<u>73</u>	<u>-</u>	<u>22,596</u>	<u>-</u>	<u>343,039</u>
-	-	-	-	174,905
-	-	-	-	174,905
-	-	-	-	74,199
<u>33,419</u>	<u>300,302</u>	<u>1,743,553</u>	<u>300,410</u>	<u>9,350,209</u>
<u>33,419</u>	<u>300,302</u>	<u>1,743,553</u>	<u>300,410</u>	<u>9,424,408</u>
<u>\$ 33,492</u>	<u>\$ 300,302</u>	<u>\$ 1,766,149</u>	<u>\$ 300,410</u>	<u>\$ 9,942,352</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, 2023**

	SPECIAL REVENUE FUNDS			
	STATE GAS TAX FUND	HOTEL/ MOTEL TAX FUND	LIBRARY FUND	COOS COUNTY LIBRARY SERVICE DISTRICT ESO FUND
REVENUES				
Property Taxes	\$ -	\$ -	\$ -	\$ -
Other Taxes	1,238,919	935,723	1,322,957	-
Franchise Fee	-	-	-	-
Transportation Utility Fee and Technology Fee	-	-	-	-
Charges for Use of Money and Property	28,927	4,181	78,571	12,309
Intergovernmental Revenues	-	-	29,250	657,469
Grants	-	-	2,252	6,422
Charges for Services	-	-	6,861	37
Timber Sales	-	-	-	-
Miscellaneous	84,907	2,224	45,234	13,128
Total Revenues	1,352,753	942,128	1,485,125	689,365
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	1,372,509	-	-	-
Culture and Recreation	-	908,895	1,598,490	656,043
Capital Outlay	45,327	-	32,616	-
Debt Service	140,657	879	19,334	29,000
Total Expenditures	1,558,493	909,774	1,650,440	685,043
Excess of Revenues Over, (Under) Expenditures	(205,740)	32,354	(165,315)	4,322
OTHER FINANCING SOURCES, (USES)				
Sale of Capital Assets	-	-	-	-
Du Jour Financing	-	-	-	-
Lease Proceeds	43,442	-	31,122	-
Subscription Proceeds	-	-	639	-
Transfers In	-	-	-	-
Transfers Out	(27,000)	-	-	-
Total Other Financing Sources, (Uses)	16,442	-	31,761	-
Net Change in Fund Balance	(189,298)	32,354	(133,554)	4,322
FUND BALANCES - BEGINNING OF YEAR	871,027	281,436	1,412,084	469,320
FUND BALANCES - END OF YEAR	\$ 681,729	\$ 313,790	\$ 1,278,530	\$ 473,642

SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
911 TAX FUND	URA DOWNTOWN SPECIAL FUND	URA EMPIRE SPECIAL FUND	GENERAL OBLIGATION BOND REDEMPTION FUND	URA DOWNTOWN BOND FUND	URA EMPIRE BOND FUND
\$ -	\$ 1,907,819	\$ 923,776	\$ 532,219	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
4,192	24,407	13,931	13,373	6,902	3,551
680,910	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
79	-	-	-	-	-
<u>685,181</u>	<u>1,932,226</u>	<u>937,707</u>	<u>545,592</u>	<u>6,902</u>	<u>3,551</u>
-	-	-	-	-	-
702,448	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,646	-	-	490,574	802,279	514,642
<u>704,094</u>	<u>-</u>	<u>-</u>	<u>490,574</u>	<u>802,279</u>	<u>514,642</u>
(18,913)	1,932,226	937,707	55,018	(795,377)	(511,091)
-	-	-	-	-	-
-	-	-	-	(1,315,900)	(432,750)
-	-	-	-	-	-
-	-	-	-	1,958,900	917,750
-	(1,958,900)	(917,750)	-	-	-
<u>-</u>	<u>(1,958,900)</u>	<u>(917,750)</u>	<u>-</u>	<u>643,000</u>	<u>485,000</u>
(18,913)	(26,674)	19,957	55,018	(152,377)	(26,091)
<u>162,532</u>	<u>108,092</u>	<u>42,066</u>	<u>138,555</u>	<u>961,266</u>	<u>524,242</u>
<u>\$ 143,619</u>	<u>\$ 81,418</u>	<u>\$ 62,023</u>	<u>\$ 193,573</u>	<u>\$ 808,889</u>	<u>\$ 498,151</u>

CAPITAL PROJECT FUNDS

CAPITAL IMPROVEMENT FUND	CAD GROUP RESERVE FUND	FIRE EQUIPMENT RESERVE FUND	URA EMPIRE CAPITAL FUNDS	SYSTEM DEVELOPMENT CHARGES FUND	TOTAL NON-MAJOR GOVERNMENTAL FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,363,814
12,514	-	-	-	-	3,510,113
334,771	-	-	-	-	334,771
1,077,486	-	-	-	-	1,077,486
91,525	1,438	9,958	65,591	10,538	369,394
-	-	-	-	-	1,367,629
67,000	-	-	157,300	-	232,974
-	-	25,673	-	-	32,571
38,940	-	-	-	-	38,940
51,681	-	-	142,172	-	339,425
<u>1,673,917</u>	<u>1,438</u>	<u>35,631</u>	<u>365,063</u>	<u>10,538</u>	<u>10,667,117</u>
152,616	874	-	-	-	153,490
-	-	-	302,173	-	1,004,621
-	-	-	-	-	1,372,509
-	-	-	-	-	3,163,428
1,636,005	-	-	1,499,389	-	3,213,337
68,103	-	-	-	-	2,067,114
<u>1,856,724</u>	<u>874</u>	<u>-</u>	<u>1,801,562</u>	<u>-</u>	<u>10,974,499</u>
(182,807)	564	35,631	(1,436,499)	10,538	(307,382)
-	-	-	800,000	-	800,000
-	-	-	433,426	-	(1,315,224)
-	-	-	-	-	74,564
-	-	-	-	-	639
517,000	15,000	200,000	-	-	3,608,650
(115,000)	-	-	-	-	(3,018,650)
<u>402,000</u>	<u>15,000</u>	<u>200,000</u>	<u>1,233,426</u>	<u>-</u>	<u>149,979</u>
219,193	15,564	235,631	(203,073)	10,538	(157,403)
<u>2,292,167</u>	<u>17,855</u>	<u>64,671</u>	<u>1,946,626</u>	<u>289,872</u>	<u>9,581,811</u>
<u>\$ 2,511,360</u>	<u>\$ 33,419</u>	<u>\$ 300,302</u>	<u>\$ 1,743,553</u>	<u>\$ 300,410</u>	<u>\$ 9,424,408</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, 2023

	<u>STATE GAS TAX FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
State Gas Tax	\$ 1,175,000	\$ 1,175,000	\$ 1,238,919	\$ 63,919
Interest on Investments	1,000	1,000	28,927	27,927
Miscellaneous	10,500	10,500	84,907	74,407
Total Revenues	<u>1,186,500</u>	<u>1,186,500</u>	<u>1,352,753</u>	<u>166,253</u>
EXPENDITURES				
Street Maintenance				
Personnel Services	610,989	622,989	615,769	7,220
Materials and Services	866,711	949,711	756,740	192,971
Total Street Maintenance	1,477,700	1,572,700 (1)	1,372,509	200,191
Capital Outlay	75,000	90,000 (1)	45,327	44,673
Debt Service	133,800	208,800 (1)	140,657	68,143
Contingency	155,000	155,000 (1)	-	155,000
Total Expenditures	<u>1,841,500</u>	<u>2,026,500</u>	<u>1,558,493</u>	<u>468,007</u>
Excess of Revenues Over, (Under) Expenditures	(655,000)	(840,000)	(205,740)	(301,754)
OTHER FINANCING SOURCES, (USES)				
Lease Proceeds	-	-	43,442	43,442
Transfers In	313,500	313,500	-	(313,500)
Transfers Out	(328,500)	(343,500) (1)	(27,000)	316,500
Total Other Financing Sources, (Uses)	<u>(15,000)</u>	<u>(30,000)</u>	<u>16,442</u>	<u>46,442</u>
Net Change in Fund Balance	(670,000)	(870,000)	(189,298)	680,702
FUND BALANCE - BEGINNING OF YEAR	<u>670,000</u>	<u>870,000</u>	<u>871,027</u>	<u>1,027</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 681,729</u>	<u>\$ 681,729</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, 2023**

<u>HOTEL/MOTEL TAX FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
REVENUES				
Hotel/Motel Tax	\$ 952,000	\$ 952,000	\$ 935,723	\$ (16,277)
Interest on Investments	500	500	4,181	3,681
Miscellaneous Income	500	500	2,224	1,724
Total Revenues	<u>953,000</u>	<u>953,000</u>	<u>942,128</u>	<u>(10,872)</u>
EXPENDITURES				
Tourism Promotion Program				
Personnel Services	338,484	338,484	103,723	234,761
Materials and Services	836,575	877,575	805,172	72,403
Total Tourism Promotion Program	1,175,059	1,216,059 (1)	908,895	307,164
Debt Service	-	- (1)	879	(879)
Contingency	17,941	17,941 (1)	-	17,941
Total Expenditures	<u>17,941</u>	<u>17,941</u>	<u>909,774</u>	<u>(891,833)</u>
Net Change in Fund Balance	935,059	935,059	32,354	(902,705)
FUND BALANCE - BEGINNING OF YEAR	<u>240,000</u>	<u>281,000</u>	<u>281,436</u>	<u>436</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,175,059</u>	<u>\$ 1,216,059</u>	<u>\$ 313,790</u>	<u>\$ (902,269)</u>

(1) Appropriation Level

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

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2023**

<u>LIBRARY FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
County Serial Levy	\$ 1,220,000	\$ 1,220,000	\$ 1,322,957	\$ 102,957
State Library Grant	1,500	1,500	2,252	752
Other Grants	6,000	30,250	29,250	(1,000)
Copies	6,000	6,000	4,084	(1,916)
Library Fees	2,000	2,000	2,777	777
Interest on Investments	5,000	5,000	52,474	47,474
Property Rentals	26,000	26,000	26,097	97
Donations	10,000	10,000	34,334	24,334
Miscellaneous	600	600	10,900	10,300
Total Revenues	1,277,100	1,301,350	1,485,125	183,775
EXPENDITURES				
Library				
Personnel Services	1,383,476	1,383,476	1,102,263	281,213
Materials and Services	768,700	854,950	496,227	358,723
Capital Outlay	60,000	60,000	32,616	27,384
Total Library Operations	2,212,176	2,298,426 (1)	1,631,106	667,320
Debt Service	-	- (1)	19,334	(19,334)
Contingency	164,924	164,924 (1)	-	164,924
Total Expenditures	2,377,100	2,463,350	1,650,440	812,910
Excess of Revenues Over, (Under) Expenditures	(1,100,000)	(1,162,000)	(165,315)	996,685
OTHER FINANCING SOURCES, (USES)				
Lease Proceeds	-	-	31,122	31,122
Subscription Proceeds	-	-	639	639
Total Other Financing Sources, (Uses)	-	-	31,761	31,761
Net Change in Fund Balance	(1,100,000)	(1,162,000)	(133,554)	1,028,446
FUND BALANCE - BEGINNING OF YEAR	1,350,000	1,412,000	1,412,084	84
FUND BALANCE - END OF YEAR	\$ 250,000	\$ 250,000	\$ 1,278,530	\$ 1,028,530

(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, 2023

COOS COUNTY LIBRARY SERVICE DISTRICT ESO FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
ESO Intergovernmental Revenue	\$ 653,500	\$ 653,500	\$ 657,469	\$ 3,969
State Library Grant	6,300	6,300	6,422	122
Reimbursements/Fees	200	200	37	(163)
Interest on Investments	1,000	1,000	12,309	11,309
Miscellaneous	5,000	5,000	13,128	8,128
Total Revenues	666,000	666,000	689,365	23,365
EXPENDITURES				
Library				
Personnel Services	331,685	331,685	278,390	53,295
Materials and Services	435,930	539,930	377,653	162,277
Total Library Operations	767,615	871,615 (1)	656,043	215,572
Debt Service	-	35,000 (1)	29,000	6,000
Capital Outlay	90,000	120,000 (1)	-	120,000
Contingency	108,485	108,485 (1)	-	108,485
Total Expenditures	966,100	1,135,100	685,043	450,057
Excess of Revenues Over, (Under) Expenditures	(300,100)	(469,100)	4,322	473,422
OTHER FINANCING SOURCES, (USES)				
Sale of Capital Assets	100	100	-	(100)
Total Other Financing Sources, (Uses)	100	100	-	(100)
Net Change in Fund Balance	(300,000)	(469,000)	4,322	473,322
FUND BALANCE - BEGINNING OF YEAR	300,000	469,000	469,320	320
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 473,642	\$ 473,642

(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, 2023

911 TAX FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
911 Revenue	\$ 682,000	\$ 682,000	\$ 680,910	\$ (1,090)
Interest on Investments	250	250	4,192	3,942
Miscellaneous Revenue	-	-	79	79
Total Revenues	<u>682,250</u>	<u>682,250</u>	<u>685,181</u>	<u>2,931</u>
EXPENDITURES				
9-1-1 Communications Operations				
Personnel Services	665,750	742,750	670,211	72,539
Materials and Services	30,550	65,550	32,237	33,313
Total 9-1-1 Communications Operations	696,300	808,300	702,448	105,852
Debt Service	-	- (1)	1,646	(1,646)
Contingency	35,950	35,950 (1)	-	35,950
Total Expenditures	<u>732,250</u>	<u>844,250</u>	<u>704,094</u>	<u>140,156</u>
Net Change in Fund Balance	(50,000)	(162,000)	(18,913)	143,087
FUND BALANCE - BEGINNING OF YEAR	<u>50,000</u>	<u>162,000</u>	<u>162,532</u>	<u>532</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,619</u>	<u>\$ 143,619</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, 2023

URA DOWNTOWN SPECIAL REVENUE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Property Taxes	\$ 1,850,000	\$ 1,850,000	\$ 1,907,819	\$ 57,819
Interest on Investments	1,000	1,000	24,407	23,407
Total Revenues	1,851,000	1,851,000	1,932,226	81,226
Excess of Revenues Over, (Under) Expenditures	1,851,000	1,851,000	1,932,226	81,226
OTHER FINANCING SOURCES, (USES)				
Transfers Out	(1,851,000)	(1,959,000) (1)	(1,958,900)	100
Total Other Financing Sources, (Uses)	(1,851,000)	(1,959,000)	(1,958,900)	100
Net Change in Fund Balance	-	(108,000)	(26,674)	81,326
FUND BALANCE - BEGINNING OF YEAR	-	108,000	108,092	92
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 81,418	\$ 81,418

(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, 2023

URA EMPIRE SPECIAL REVENUE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Property Taxes	\$ 875,000	\$ 875,000	\$ 923,776	\$ 48,776
Interest on Investments	750	750	13,931	13,181
Total Revenues	<u>875,750</u>	<u>875,750</u>	<u>937,707</u>	<u>61,957</u>
Excess of Revenues Over, (Under) Expenditures	875,750	875,750	937,707	61,957
OTHER FINANCING SOURCES, (USES)				
Transfers Out	<u>(875,750)</u>	<u>(917,750) (1)</u>	<u>(917,750)</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>(875,750)</u>	<u>(917,750)</u>	<u>(917,750)</u>	<u>-</u>
Net Change in Fund Balance	-	(42,000)	19,957	61,957
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>42,000</u>	<u>42,066</u>	<u>66</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,023</u>	<u>\$ 62,023</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, 2023

GENERAL OBLIGATION BOND REDEMPTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Taxes	\$ 516,700	\$ 516,700	\$ 532,219	\$ 15,519
Interest on Investments	500	500	13,373	12,873
Total Revenues	<u>517,200</u>	<u>517,200</u>	<u>545,592</u>	<u>28,392</u>
EXPENDITURES				
Debt Service				
Principal	470,000	510,000	466,000	44,000
Interest	24,700	32,700	24,574	8,126
Total Expenditures	<u>494,700</u>	<u>542,700 (1)</u>	<u>490,574</u>	<u>52,126</u>
Net Change in Fund Balance	22,500	(25,500)	55,018	80,518
FUND BALANCE - BEGINNING OF YEAR	<u>90,000</u>	<u>138,000</u>	<u>138,555</u>	<u>555</u>
FUND BALANCE - END OF YEAR	<u>\$ 112,500</u>	<u>\$ 112,500</u>	<u>\$ 193,573</u>	<u>\$ 81,073</u>

(1) Appropriation Level

CITY OF COOS BAY
COOS COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2023

URA DOWNTOWN BOND FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Interest on Investments	\$ -	\$ -	\$ 6,902	\$ 6,902
Total Revenues	-	-	6,902	6,902
EXPENDITURES				
Debt Service				
Principal	707,000	707,000	706,112	888
Interest	95,000	95,000	96,167	(1,167)
Total Expenditures	802,000	802,000 (2)	802,279	(279)
Excess of Revenues Over, (Under) Expenditures	(802,000)	(802,000)	(795,377)	6,623
OTHER FINANCING SOURCES, (USES)				
Du Jour Financing	(1,179,000)	(1,318,000) (2)	(1,315,900)	2,100
Transfers In	1,851,000	1,959,000	1,958,900	(100)
Total Other Financing Sources, (Uses)	672,000	641,000	643,000	2,000
Net Change in Fund Balance	(130,000)	(161,000)	(152,377)	8,623
FUND BALANCE - BEGINNING OF YEAR	930,000	961,000	961,266	266
FUND BALANCE - END OF YEAR	<u>\$ 800,000</u>	<u>\$ 800,000</u>	<u>\$ 808,889</u>	<u>\$ 8,889</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, 2023

	<u>URA EMPIRE BOND FUND</u>			
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Interest on Investments	\$ -	\$ -	\$ 3,551	\$ 3,551
Total Revenues	<u>-</u>	<u>-</u>	<u>3,551</u>	<u>3,551</u>
EXPENDITURES				
Debt Service				
Principal	438,600	438,600	438,426	174
Interest	<u>75,600</u>	<u>75,600</u>	<u>76,216</u>	<u>(616)</u>
Total Expenditures	<u>514,200</u>	<u>514,200 (2)</u>	<u>514,642</u>	<u>(442)</u>
Excess of Revenues Over, (Under) Expenditures	(514,200)	(514,200)	(511,091)	3,109
OTHER FINANCING SOURCES, (USES)				
Du Jour Financing (Debt Service)	(378,450)	(433,450) (2)	(432,750)	700
Transfers In	<u>875,750</u>	<u>917,750</u>	<u>917,750</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>497,300</u>	<u>484,300</u>	<u>485,000</u>	<u>700</u>
Net Change in Fund Balance	(16,900)	(29,900)	(26,091)	3,809
FUND BALANCE - BEGINNING OF YEAR	<u>529,000</u>	<u>542,000</u>	<u>524,242</u>	<u>(17,758)</u>
FUND BALANCE - END OF YEAR	<u>\$ 512,100</u>	<u>\$ 512,100</u>	<u>\$ 498,151</u>	<u>\$ (13,949)</u>

(2) Sum equals 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, 2023

CAPITAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Grants	\$ 200,500	\$ 643,694	\$ 67,000	\$ (576,694)
State Gas Tax	12,231	12,231	12,514	283
STP Funds	445,923	445,923	-	(445,923)
Transportation Utility Fee	975,000	975,000	1,042,399	67,399
Franchise Fee	-	-	334,771	334,771
Technology Fee	40,000	40,000	35,087	(4,913)
Timber Sales	500,000	500,000	38,940	(461,060)
Interest on Investments	8,800	8,800	91,525	82,725
Miscellaneous	4,500	4,500	51,681	47,181
Total Revenues	2,186,954	2,630,148	1,673,917	(956,231)
EXPENDITURES				
Materials and Services	530,300	560,300	(1) 152,616	407,684
Capital Outlay	4,032,354	5,027,548	(1) 1,636,005	3,391,543
Debt Service	-	-	(1) 68,103	(68,103)
Total Expenditures	4,562,654	5,587,848	1,856,724	-
Excess of Revenues Over (Under) Expenditures	(2,375,700)	(2,957,700)	(182,807)	2,774,893
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	1,000	1,000	-	(1,000)
Transfer In	778,500	833,500	517,000	(316,500)
Transfer Out	(115,000)	(115,000)	(1) (115,000)	-
Total Other Financing Sources, (Uses)	664,500	719,500	402,000	(317,500)
Net Change in Fund Balance	(1,711,200)	(2,238,200)	219,193	2,457,393
FUND BALANCE - BEGINNING OF YEAR	1,711,200	2,238,200	2,292,167	53,967
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 2,511,360	\$ 2,511,360

(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, 2023**

CAD GROUP RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Charges for Service	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Interest on Investments	50	50	1,438	1,388
Total Revenues	<u>2,050</u>	<u>2,050</u>	<u>1,438</u>	<u>(612)</u>
EXPENDITURES				
Materials and Services	4,200	4,200 (1)	874	3,326
Capital Outlay	31,350	31,350 (1)	-	31,350
Total Expenditures	<u>35,550</u>	<u>35,550</u>	<u>874</u>	<u>34,676</u>
Excess of Revenues Over, (Under) Expenditures	(33,500)	(33,500)	564	34,064
OTHER FINANCING SOURCES, (USES)				
Transfers In	15,000	15,000	15,000	-
Total Other Financing Sources, (Uses)	<u>15,000</u>	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net Change in Fund Balance	(18,500)	(18,500)	15,564	34,064
FUND BALANCE - BEGINNING OF YEAR	<u>18,500</u>	<u>18,500</u>	<u>17,855</u>	<u>(645)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,419</u>	<u>\$ 33,419</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, 2023**

<u>FIRE DEPT EQUIPMENT 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	\$ 9,000	\$ 9,000	\$ 5,000	\$ (4,000)
Charges for Services	-	-	25,673	25,673
Interest on Investments	200	200	4,958	4,758
Total Revenues	<u>9,200</u>	<u>9,200</u>	<u>35,631</u>	<u>26,431</u>
EXPENDITURES				
Capital Outlay	<u>281,200</u>	<u>273,200 (1)</u>	<u>-</u>	<u>273,200</u>
Total Expenditures	<u>281,200</u>	<u>273,200</u>	<u>-</u>	<u>273,200</u>
Excess of Revenues Over, (Under) Expenditures	(272,000)	(264,000)	35,631	299,631
OTHER FINANCING SOURCES, (USES)				
Transfers In	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Net Change in Fund Balance	(72,000)	(64,000)	235,631	299,631
FUND BALANCE - BEGINNING OF YEAR	<u>72,000</u>	<u>64,000</u>	<u>64,671</u>	<u>671</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,302</u>	<u>\$ 300,302</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, 2023

URA EMPIRE CAPITAL PROJECTS FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Grants	\$ -	\$ -	\$ 157,300	\$ 157,300
Interest on Investments	10,000	10,000	65,591	55,591
Miscellaneous Revenue	-	-	142,172	142,172
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>365,063</u>	<u>355,063</u>
EXPENDITURES				
Materials and Services	464,536	464,536 (1)	302,173	162,363
Capital Outlay	2,423,893	1,925,516 (1)	1,499,389	426,127
Total Expenditures	<u>2,888,429</u>	<u>2,390,052</u>	<u>1,801,562</u>	<u>588,490</u>
Excess of Revenues Over, (Under) Expenditures	(2,878,429)	(2,380,052)	(1,436,499)	943,553
OTHER FINANCING SOURCES, (USES)				
Sale of Capital Asset	-	-	800,000	800,000
Du Jour Financing	378,429	433,426	433,426	-
Total Other Financing Sources, (Uses)	<u>378,429</u>	<u>433,426</u>	<u>1,233,426</u>	<u>800,000</u>
Net Change in Fund Balance	(2,500,000)	(1,946,626)	(203,073)	1,743,553
FUND BALANCE - BEGINNING OF YEAR	<u>2,500,000</u>	<u>1,946,626</u>	<u>1,946,626</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,743,553</u>	<u>\$ 1,743,553</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, 2023**

SYSTEM DEVELOPMENT CHARGES FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Interest on Investments	\$ 1,500	\$ 1,500	\$ 10,538	\$ 9,038
Total Revenues	1,500	1,500	10,538	9,038
EXPENDITURES				
Capital Outlay	294,500	294,500 (1)	-	294,500
Total Expenditures	294,500	294,500	-	294,500
Net Change in Fund Balance	(293,000)	(293,000)	10,538	303,538
FUND BALANCE - BEGINNING OF YEAR	293,000	293,000	289,872	(3,128)
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,410</u>	<u>\$ 300,410</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, 2023**

RAINY DAY FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Interest on Investments	\$ 5,000	\$ 5,000	\$ 39,710	\$ 34,710
Total Revenues	5,000	5,000	39,710	34,710
EXPENDITURES				
Capital Outlay	1,167,000	667,000 (1)	34,785	632,215
Materials and Service		500,000 (1)	-	500,000
Total Expenditures	1,167,000	1,167,000	34,785	1,132,215
Excess of Revenues Over, (Under) Expenditures	(1,162,000)	(1,162,000)	4,925	1,166,925
OTHER FINANCING SOURCES, (USES)				
Transfers In	80,000	80,000	80,340	340
Total Other Financing Sources, (Uses)	80,000	80,000	80,340	340
Net Change in Fund Balance	(1,082,000)	(1,082,000)	85,265	1,167,265
FUND BALANCE - BEGINNING OF YEAR	<u>1,082,000</u>	<u>1,082,000</u>	<u>1,071,531</u>	<u>(10,469)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,156,796</u>	<u>\$ 1,156,796</u>

(1) Appropriation Level

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.

CITY OF COOS BAY
COOS COUNTY, OREGON

INDEPENDENT AUDITORS' REPORT REQUIRED
BY OREGON STATE REGULATIONS



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

December 18, 2023

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, 2023, and have issued our report thereon dated December 18, 2023. 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)**
- **Programs funded from outside sources**

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

1. Budget over expenditures as noted on page 17 of the notes.

OAR 162-10-0230 Internal Control

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

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

Tara M. Kamp, CPA

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