

CITY OF ROSEBURG, OREGON



- *Micelli Park*

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2015

**CITY OF ROSEBURG,
OREGON**

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

FOR THE FISCAL YEAR ENDED June 30, 2015

Prepared by the Finance Department
of the City of Roseburg
D. Ron Harker, Finance Director

CITY OF ROSEBURG, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDING June 30, 2015

Table of Contents

I. INTRODUCTORY SECTION	
Letter of Transmittal	i-v
Certificate of Achievement	vi
City of Roseburg Organizational Chart	vii
List of Officials	viii
II. FINANCIAL SECTION	
A. REPORT OF THE INDEPENDENT ACCOUNTANTS	1-3
B. MANAGEMENT DISCUSSION AND ANALYSIS	4-11
C. BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13-14
Fund Financial Statements	
<i>Major Governmental Funds:</i>	15
Balance Sheet	16-17
Reconciliation of the Balance Sheet to Statement of Net Positions	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	19-20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	21
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
General Fund	22
Urban Renewal General Fund	23
<i>Proprietary Fund Financial Statements:</i>	24
Statement of Net Position	25-26
Statement of Revenues, Expenses, and Changes in Fund Net Position	27-28
Statement of Cash Flows	29-30
Notes to the Financial Statements	31-55
III. REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset) Oregon Public Employee's Retirement System	56-57
Schedule of The City's Contributions-Oregon Public Employee's Retirement System	56-57
IV. SUPPLEMENTAL SECTION	
COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS	58
Combining Balance Sheet	
Nonmajor Special Revenue Funds	59
Nonmajor Debt Service Funds and Capital Projects Funds	60
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Special Revenue Funds	61
Nonmajor Debt Service Funds and Capital Projects Funds	62

CITY OF ROSEBURG, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDING June 30, 2015

Table of Contents

C. Budgetary Comparisons	63
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	64
<i>Government Funds:</i>	
Special Revenue	
Grant	65
Hotel/Motel Tax	66
Streetlight/Sidewalk	67
Bike Trail Improvement	68
Economic Development	69
Golf	70
Stewart Trust	71
Debt Service	
Debt Retirement	72
Pension Obligation	73
Urban Renewal Debt Service	74
Capital Projects	
Transportation	75
Parks Improvement	76
Equipment Replacement	77
Assessment Improvement	78
Facilities Replacement	79
Urban Renewal Capital Projects	80
<i>Proprietary Funds:</i>	81
Enterprise Funds	
Storm Drainage	82
Airport	83
Off Street Parking	84
Water Service Fund	85
Internal Service Fund	86
Workers Compensation	87
V. STATISTICAL SECTION	
Statistical Section	88
Net Position by Component	89-90
Changes in Net Position	91-94
Fund Balances, Governmental Funds	95-96
Changes in Fund Balances, Governmental Funds	97-98
Assessed Value and Actual Value of Taxable Property	99
Property Tax Rates - All Direct and Overlapping Governments	100
Principal Property Taxpayers	101
Property Tax Levies and Collections	102
Ratios of Outstanding Debt by Type	103

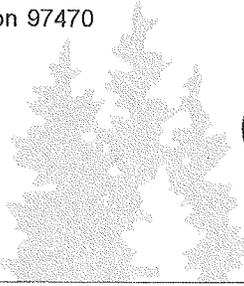
CITY OF ROSEBURG, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDING June 30, 2015

Table of Contents

Ratios of General Bonded Debt Outstanding	104
Legal Debt Margin	105
Demographic and Economic Statistics	106
Principal Employers	107
Full-time Equivalent City Government Employees by Function/Program	108
Operating Indicators by Function/Program	109-110
Capital Asset Statistics by Function/Program	111-112
VI. AUDIT COMMENTS	
Independent Auditor's Report Required by Oregon State Regulations	113-114
VII SINGLE AUDIT SECTION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	115-116
Independent Auditor's Report on Compliance with Requirements that could have a Direct and Material effect on each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	117-118
Schedule of Expenditures of Federal Awards and Notes	119-120
Independent Auditors' Schedule of Findings and Questioned Costs	121

**INTRODUCTORY
SECTION**



City of Roseburg

December 18, 2015

The Citizens of Roseburg
Mayor Larry Rich
Members of the City Council

The Comprehensive Annual Financial Report of the City of Roseburg, Oregon for fiscal year ended June 30, 2015 is hereby submitted.

This report presents the financial position of the City as of June 30, 2015 and consists of management's representations concerning the finances of the City at this date. The responsibility for both the accuracy of the data and the completeness and fairness of the presentation rests with the City administrative staff. To provide a reasonable basis for making these financial representations, management has established an internal control structure designed to safeguard City assets against loss, theft or misappropriation, and to ensure the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are being met. The concept of reasonable assurance recognizes the cost of the control structure should not exceed the benefits likely to be derived. We believe that the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions. To the best of our knowledge and belief, the enclosed data is presented accurately, in all material respects, along with disclosures necessary to provide the reader with a reasonable understanding of the City's financial activities.

State law requires an annual independent audit of the City's financial records. Neuner, Davidson, & Cooley, LLC, a firm of licensed public accountants, conducted the audit in accordance with generally accepted auditing standards. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2015 are free of material misstatement. The independent auditor concluded there was a reasonable basis for rendering an unqualified opinion that the City's basic financial statements for the fiscal year ended June 30, 2015, are fairly presented, in all material respects, in conformity with GAAP. The Report of Independent Accountants is included at the beginning of the Financial Section of this report.

In addition to the requirements presented above, the independent audit was designed to meet the special needs of federal grantor agencies as provided for in the Federal Single Audit Act and the Office of Management and Budget Circular A-133. These standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The independent auditor's reports related to the Single Audit and OMB Circular A-133 are included in the Single Audit Section.

GAAP require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

City Overview

The City of Roseburg, timber capital of the nation, was incorporated in 1872. From its founding to present day, the area's greatest wealth has been its forests. Douglas County contains the largest stand of old growth timber in the world. Roseburg is situated at the heart of the Hundred Valleys of the Umpqua in scenic Southwestern Oregon. Adjacent to Interstate 5, it is 123 miles north of the California state line and approximately 70 miles south of Eugene, the state's second largest city. Roseburg is approximately 80 miles inland from the Pacific Ocean and 80 miles west of Diamond Lake at the summit of the Oregon Cascades. It is less than 100 miles from Crater Lake National Park.

As of June 30, 2015, 22,275 people resided in Roseburg, making it the largest city in Douglas County and the 26th largest city in Oregon. City boundaries cover nearly 9.5 square miles. The South Umpqua River runs through the City and is within close proximity to the downtown business district.

The City of Roseburg, the county seat of Douglas County, is the center of government and commerce for the county. The City provides a full range of municipal services. These services include police, fire, emergency medical services, municipal court, community development, parks, recreational and cultural activities, airport, water, storm water management, general public works, central services, administration and other services associated with a full-service city. These services are provided primarily to citizens who live within the corporate limits. However, many of the services and facilities operated by the City are provided for and financed by regional service areas larger than the City. Additionally, services like the airport and the Roseburg business district serve broader regional markets.

The City operates under the Council-Manager form of government. The City Council has eight members elected by ward to four-year terms, with one Council position in each of four wards elected every two years. The Mayor, who presides at the Council meetings, is elected for a two-year term. Council adopts legislation and policies to direct the City and appoints a City Manager to administer all City operations and personnel except the Municipal Judge. The City, empowered by state statute and the Oregon constitution, levies a property tax on real properties located within its boundaries.

For financial reporting purposes, the City includes all funds of the City subject to appropriation by the City Council. In addition, the City includes all governmental organizations and activities for which the City Council is financially accountable. Therefore, the financial statements of the Urban Renewal Agency of the City of Roseburg, although legally separate, are, in substance, part of the primary government's operations and have been blended with those of the City by including them in the appropriate statements and schedules in this report.

The City prepares and adopts an annual fiscal year budget which is the basis for financial planning and control. The budget is developed and administered in accordance with Oregon Local Budget Law. The legally adopted budget is appropriated by department for those funds with personnel expenditures and at the object level for all other funds. Budget and actual comparisons are provided in this report for each fund for which an appropriated annual budget has been adopted. The General Fund and the Urban Renewal General Fund budget and actual comparison are presented as part of the basic financial statements for the governmental funds. For all other funds, this comparison is presented in the supplemental section of this report.

Economic Condition

Roseburg is the largest city in Douglas County and the 26th largest city in Oregon. The City and its businesses serve the entire population of the greater Douglas County region and an estimated 65,000 people daily. Portland State University's Population Research Center shows a total Douglas County population of 108,850, with the City of Roseburg accounting for approximately 20 percent of the total county population.

While the US and Oregon economies have strengthened as they emerge out of the shadows of the Great Recession, our local economy's start and pace of recovery has lagged behind; however, good news has arrived in growing numbers of employed and the continued decline in unemployment rates. In 2015, Douglas County has added an additional 720 jobs year over year, a 1.8% growth in the employed, which has helped the unemployment rate drop to 7.9% percent. Of important note, this year's unemployment rate continued its decline primarily as a result of the job growth, not just a decline in the labor force locally. Every year since 2009 the unemployment rate has declined from its high of 15.5 percent due to both a reduction of the labor force and an increase in available employment. While the recovery has not yet produced the same number of pre-recessionary jobs that existed in 2009, today's number of employed is 96 percent of the total employed in 2008.

Douglas County's unemployment rate of 7.9% continues to exceed both the state and national rate of 6.0 percent and 5.0 percent respectively. Oregon's unemployment rates have also consistently exceeded the national rate, primarily as a result of high unemployment rates in rural Oregon counties.

Current job growth is occurring mostly in the professional and business services, trade transportation and utilities, and leisure and hospitality sectors of the economy while the local government and manufacturing sectors are struggling to gain traction and add jobs.

Historically, Douglas County has been a timber dependent County and while its timber sector contributes approximately 8 percent of total County employment, as opposed to a little more than 1 percent statewide, the economy has become more diversified; 77 percent of jobs are attributed to the following economic sectors in order of importance: 1) Trade, transportation and utilities, 2) Local government, 3) Education and health services, 4) Manufacturing, 5) Professional and business services, and 6) Leisure and hospitality.

Current Activities

The Roseburg Regional Airport was the recipient of a multiple Federal Aviation Administration grants totaling over \$7 million over the past three years. Projects provided for the relocation of the existing taxiway and reconstruction of the south ramp apron area. The first project (approximately \$6 million) removed the existing taxiway and reconstructed a new taxiway to the west of the existing improvements. The project was necessary to meet current FAA safety standards and to provide for long-term safety at the airport. The grant funded 90 percent of the cost of the new improvements and the local match was provided through the City's Urban Renewal Agency. The project was completed during fiscal 2014.

The Roseburg Regional Airport was also the recipient of a Federal Aviation Administration grant totaling \$1.55 million to provide for apron rehabilitation and airspace analysis. The project reconstructed the existing apron and taxi lane which was in a deteriorated state. The grant funded 90 percent of the cost of the new improvements and the local match was provided through the City's Urban Renewal Agency. The project was initiated and phase I was completed during fiscal 2014. Phase II will be completed during the spring of 2015.

Final engineering on the Harvard Avenue / Ballf Street Storm Drain Improvements was completed during the fiscal 2014 and construction was completed in fiscal 2015. As an identified required improvement in the Roseburg Storm Drainage Master Plan, dated May 2009, the project designed and constructed a new storm water outfall structure on the South Umpqua River at the northern end of Ballf Street with corresponding new improvements to storm interceptor pipe, manholes, catch basins, and other related appurtenances in Ballf Street north and south of Harvard Avenue.

Construction of the Washington / Oak / Kane street improvements is fully underway; the project is a culmination of the Roseburg Downtown Master Plan, Roseburg Bike and Pedestrian Plan, and the Roseburg Outreach Project Transportation Strategy for Revitalizing Downtown. The project is tasked with enhancing downtown parking, pedestrian foot traffic, and provide ADA accessibility while at the same time enhancing the downtown business district to make it more welcoming to visitors and thereby promoting economic development. After conducting significant public outreach with vested stake holders as well as the public at large to ensure public input and support for the project, the City, through the Urban Renewal Agency, proceeded with the project. Capital investment in the project in fiscal 2015 and 2016 were approximately \$2,000,000. The Oak/Washington project combined all of the above elements with a significant emphasis on creating public art as part of the intersection. The project has been extremely well received by the downtown community and the community at large.

The City was a recipient of an Oregon Parks and Recreation Department Grant totaling \$150,000 to remove deteriorated play equipment and replace it with age appropriate ADA accessible play structures, create a fall zone area, construct a sidewalk connecting the park entry to the play equipment, landscaping, and other amenities at Eastwood Park. The grant provided 60 percent of the cost of the new improvements and the local match was provided by the City's Park Improvement Fund. The project was completed in fiscal 2015.

The City was a recipient of a \$100,000 grant from Umpqua Bank to provide ADA accessible play structures, fall zone area, landscaping and other park amenities at Micelli Park. In addition to the grant donation, bank employees also donated many volunteer hours in assisting with the park development which was completed in early fiscal 2015.

In preparation for the Oregon Department of Transportation Highway 138 Corridor project, the City upgraded water lines and some storm facilities in the footprint of the project to make sure the transportation could move forward in the timely and efficient manner. The City expended almost \$1.2 million from multiple funding sources to insure that our systems were completed before the ODOT project started.

Long-Term Financial Planning

Council Goal Setting

In early 2015, Council concluded its current goal setting process and adopted a resolution outlining goals for our organization for the next few years. The purpose of goal setting was, and is, to provide a priority framework for financial and human resource allocation to meet the needs of our community as outlined by our elected governing body. Resolution 2015-1 included four goals which are listed below along with current action items developed to comply with the goals:

1. Identify and Implement Long-Term Infrastructure Funding Mechanisms to Ensure Infrastructure System Sustainability
 - Evaluate and update water and parks fee structures and present to Council; and
 - Evaluate and update water, storm and parks system development charges and present to Council; and
 - Implement residential sidewalk standards for infill with possible use of Assessment Fund for cost share; and
 - Explore available grant funding sources...; and
 - Develop a commercial sidewalk assessment fund policy and market it to commercial development community; and
 - Evaluate multiple options for ongoing street/path funding including gas tax, general obligation bonding, local option funding and a street utility
2. Implement the Urban Renewal Financial and Capital Improvement Plan: Evaluate Establishment of Additional Urban Renewal Plan Area
 - Identify grants and other funding mechanisms to enhance existing façade improvement programs;
 - Identify areas for future Urban Renewal Plan areas for review by the Council / Agency Board; and
 - Upgrade City-owned property and assets in the existing area; and
 - Upgrade parking structure for safety, functionality and aesthetics.
3. Initiate Community Livability Programs and Beautification Projects
 - Implement City entrance signage and wayfinding; and
 - Create a City communications strategy; and
 - Identify grants and other funding mechanisms to enhance existing façade improvement programs; and
 - Upgrade City parking area near Deer Creek; and
 - Upgrade parking structure visually and functionally; and
 - Support a part-time compliance officer, and
 - Evaluate bikeway system after Transportation System Plan adoption
 - Revisit Tree City USA program.
4. Define and Establish Business Friendly and Improved City Image.
 - As part of the second/third phases of LUDO update, identify and remedy inconsistencies that may lead to misunderstandings; and
 - Work with appropriate agencies to ensure consistent understanding of business registration and site development standards; and
 - Provide customer service training for City employees providing direct services to the public; and
 - Provide outreach to the real estate and development community about the business registration process and requirements; and
 - In conjunction with Goal 1, establish a commercial sidewalk enhancement program utilizing Street light/Sidewalk Fund and the Assessment Fund.

While the goals are in no particular order, each speaks to important issues in our community and each will be dependent on strong leadership and sound financial planning.

Capital Improvement Plan

The City's most recent comprehensive Capital Improvement Plan (CIP) was adopted in December 2013. The five year CIP (2014-2019) is a financing and construction plan for projects that require significant capital investment. Long-range capital projects are identified and developed in coordination with the annual budget to maintain full utilization of available resources. The CIP will be updated every two years insuring that we

continue to evaluate and monitor our progress towards completing projects in the plan and providing for needed flexibility to meet challenges and opportunities as they arise.

Waterfront Development Plan

The Waterfront Development Plan was adopted in November 2010. The plan outlines options to utilize natural resource areas along the South Umpqua River from Deer Creek south to the Douglas County Fairgrounds. The Plan identifies opportunities to complement the natural environment, connect downtown and the waterfront, and promote economic development. Portions of the waterfront project planning will be included in the remaining years of the Urban Renewal planning that are being done in conjunction with Goal 3 above.

Storm Drainage Master Plan

The Storm Drainage Master Plan was adopted in June 2011. The goal of the plan is to proactively manage storm water runoff to protect water quality and aquatic habitat. The plan identifies infrastructure and natural resource improvements for the collection, conveyance, and treatment of storm water runoff generated within the city. The plan prioritizes storm drain improvements within the urban growth boundary and provides a five year implementation schedule for the construction of the highest priority projects. Council adopted new rates in fiscal 2013 that will allow the City to better meet the project financial demands over the next five year period.

Other Information

Awards

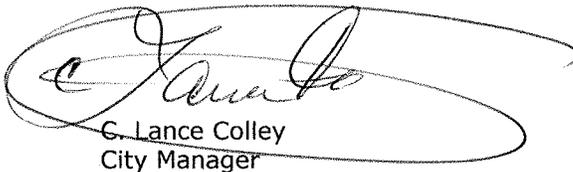
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roseburg for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the twenty-second consecutive year that the government has achieved the award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program’s requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

We wish to express our appreciation to the staff of the Finance Department and all other departments that assisted and contributed to the preparation of this report. We would also like to thank the Mayor and members of the City Council for their continued support and leadership.

Sincerely,



C. Lance Colley
City Manager



D. Ron Harker
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

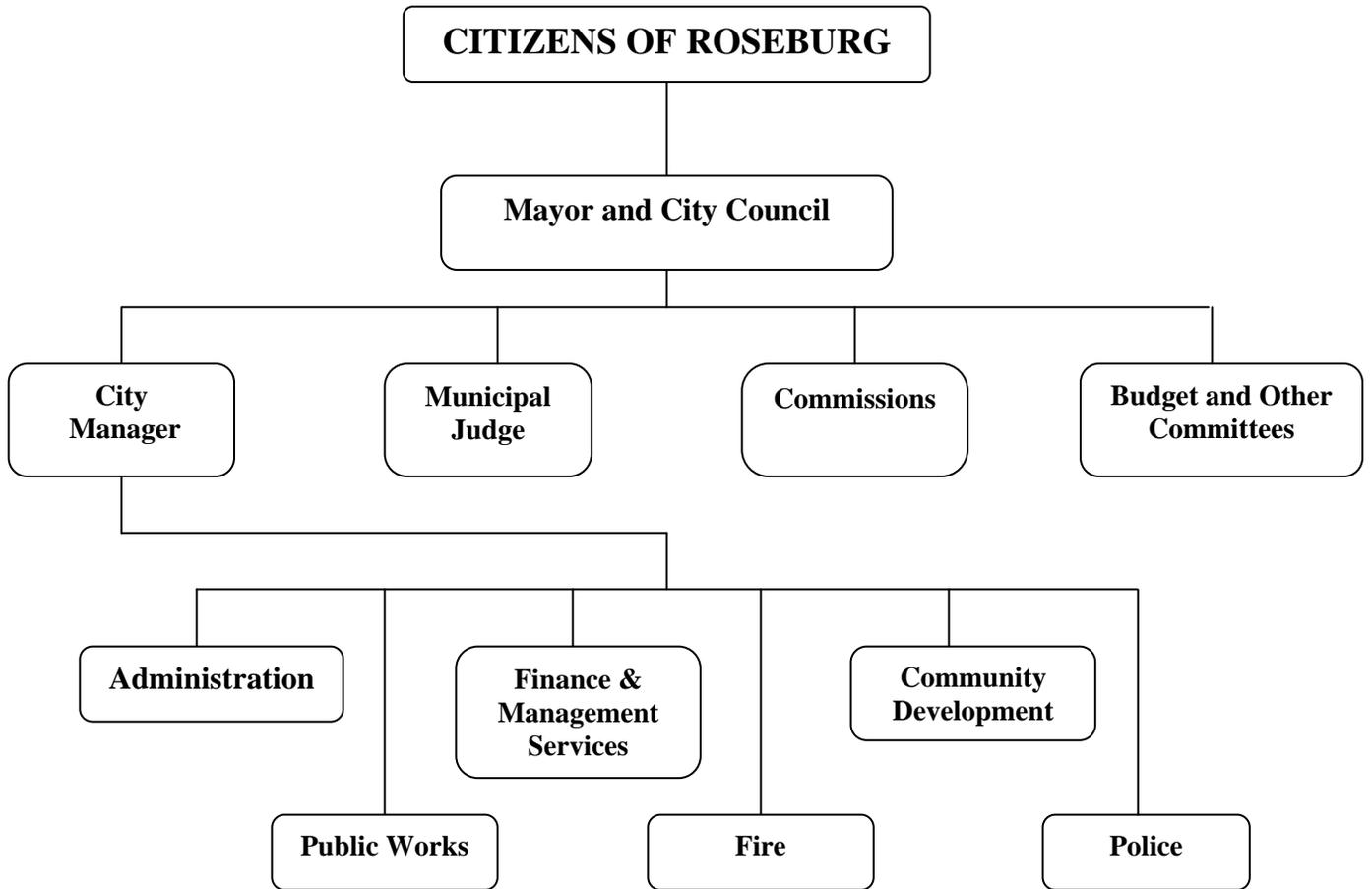
**City of Roseburg
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

**CITY OF ROSEBURG, OREGON
ORGANIZATIONAL CHART**



CITY OF ROSEBURG, OREGON

June 30, 2015

ELECTED OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Larry Rich	Mayor	December 31, 2016
Ken Fazio	Councilor, Ward I	December 31, 2016
Alison Eggers	Councilor, Ward I	December 31, 2018
Andrea Zielinski	Councilor, Ward II	December 31, 2016
Tom Ryan	Councilor, Ward II	December 31, 2018
Victoria Hawks	Councilor, Ward III	December 31, 2016
John McDonald	Councilor, Ward III	December 31, 2018
Steve Kaser	Councilor, Ward IV	December 31, 2018
Lew Marks	Councilor, Ward IV	December 31, 2016

APPOINTED OFFICIALS

<u>Name</u>	<u>Position</u>
C. Lance Colley	City Manager
Brian R. Davis	Community Development Director
Nicole A. Messenger	Public Works Director
Gregory G. Timm	Fire Chief
Sheila R. Cox	City Recorder
John D. VanWinkle	Human Resources Director
D. Ron Harker	Finance Director
Kenneth W. Madison	Municipal Judge
James A. Burge, Jr.	Police Chief
Patricia A. Loegering	Airport Manager

**FINANCIAL
SECTION**

NEUNER, DAVIDSON & COOLEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Thomas J. Davidson, C.P.A.
Jeffrey R. Cooley, C.P.A.
Traci I. Trotter, C.P.A.
Will M. Sargent, C.P.A.
Vickie L. Rapp, C.P.A.
David M. Campos, C.P.A.

2500 W. Harvard Ave.
Roseburg, Oregon 97471-2507
<http://www.ndkccpa.com>

P.O. Box 1786
Roseburg, Oregon 97470-0425
Phone (541) 672-4886
Fax (541) 673-3712

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council Members
City of Roseburg
900 SE Douglas Ave
Roseburg, OR 97470

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the CITY OF ROSEBURG, OREGON as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Member:

American Institute of Certified Public Accountants
Oregon Society of Certified Public Accountants
Private Companies Practice Section

**City of Roseburg
Independent Auditor's Report**

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the CITY OF ROSEBURG, OREGON, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Urban Renewal General Fund for the year ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in notes to the financial statements, the City adopted the accounting requirements of Governmental Accounting Standards Board Statements No. 68, Accounting and Financial Reporting for Pensions, and No.71, Pension Transition for Contributions Made Subsequent to the Measurement Date, which resulted in the restatement of the beginning balances for the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4-11 and schedule of contributions, and the schedule of the proportionate share of net pension liability be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CITY OF ROSEBURG's basic financial statements. The introductory section, supplemental section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not required part of the basic financial statements.

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

**City of Roseburg
Independent Auditor's Report**

The introductory and statistical sections have not been subjected to the audit procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards and Other Legal and Regulatory Requirements

Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2015, on our consideration of the CITY OF ROSEBURG's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CITY OF ROSEBURG's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 18, 2015, on our consideration of the City's 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.

Neuner, Davidson & Cooley, LLC
Certified Public Accountants

By: 

Thomas J. Davidson, CPA

November 18, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of Roseburg, Oregon (City) presents this narrative overview and analysis to facilitate both a short and a long-term analysis of the financial activities of the City for the fiscal year ended June 30, 2015. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found on pages *i* through *v* of this report.

FINANCIAL HIGHLIGHTS (in thousands)

- The assets of the City of Roseburg exceeded its liabilities at June 30, 2015 by \$217,617 (*net position*). Of this amount, \$20,518 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position at June 30, 2015 decreased by \$2,198 from June 30, 2014. The majority of this is due to the application of the provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions* from the Governmental Accounting Standards Board. This pronouncement included a restatement of the beginning net position for the fiscal year and an adjustment to the current year pension expense based on the results of the actuarial study as described in the notes to the financial statements.
- The City's total liabilities decreased by \$1,311 from \$18,981 to \$17,670 in the current year. Regular debt service payments were made as scheduled.
- At June 30, 2015, the City's governmental funds reported combined ending fund balances of \$19,542, an increase of \$616 from the prior year.
- At June 30, 2015, the City's business-type activities reported combined ending net position of \$83,598 an increase of \$1,517 over the prior year. Unrestricted net position increased by \$201 to \$6,118.
- At June 30, 2015, the unassigned fund balance for the General fund was \$7,640 or 40 percent of total General Fund expenditures and other financing uses.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management's Discussion and Analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: Government-wide financial statements, Fund financial statements, and Notes to the basic financial statements.

This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements include:

Statement of Net Position. The *Statement of Net Position* presents information on all of the assets and liabilities of the City, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Statement of Activities. The *Statement of Activities* presents information showing how the net position of the City changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of 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 administrative services, fire and emergency medical services, community development, police, court, public works, recreation and cultural services.

The *business-type activities* of the City include municipal airport, off street parking, storm drain utility, and water utility.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Urban Renewal Agency (URA) for which the City is financially accountable. Although legally separate, the URA's governing body is identical to the City's, and because the services of the URA are exclusively for the benefit of the City, it is included as an integral part of the primary government.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The *fund financial statements* provide more detailed information about the City's funds, focusing on its most significant or "major" funds – not the City as a whole. The City of Roseburg, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. The *governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds are used to account for activities where the emphasis is placed on available financial resources, rather than upon net income determination. Therefore, unlike the government-wide financial statements, governmental fund financial statements focus on the acquisition and use of current expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term requirements.

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 the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The City maintains 19 individual governmental funds. 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 those funds that are considered significant (major) to the City taken as a whole. These financial statements report five major funds: General Fund, Transportation Fund, Hotel/Motel Tax Fund, Urban Renewal General Fund, and the Urban Renewal Capital Projects Fund.

Data from the other 14 governmental funds are combined into a single, aggregated presentation. Summary fund data by fund-type for these non-major governmental funds is provided in the form of combining statements. Individual fund data for each of these non-major governmental funds is provided as other supplementary information.

Proprietary funds. The City utilizes five *proprietary funds* made up of four business type funds and one internal service fund. The business type funds are used to account for acquisition, operation, and maintenance of storm drainage, airport, off street parking, and water. These funds are entirely or predominantly self-supported through user charges to the customer. The Workers Compensation Fund is an internal service fund used to account for the financing of the City's self-insured program.

Proprietary Funds information is presented separately in the Fund Financial Statements and Statement of Net Position and in summary form in the Statement of Net Position and the Statement of Activities.

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and the major special revenue funds as required supplementary information. Budgetary comparisons for all other governmental

funds have been provided as other supplementary information. The governmental fund financial statements can be found beginning on page 16 of this report.

Notes to the Basic Financial Statements. The notes 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 on pages 31 through 55 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

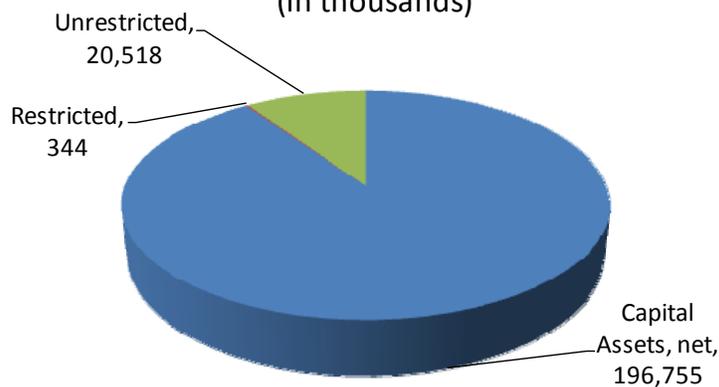
STATEMENT OF NET ASSETS

The following table reflects a summary of Net Position compared to the prior fiscal year. Chart 1 displays the three components of Net Position as of June 30, 2015.

Table 1
City of Roseburg's Net Position
 (in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$ 22,873	\$ 27,195	\$ 7,453	\$ 6,668	\$ 30,326	\$ 33,863
Capital assets	127,429	127,220	79,325	77,713	206,754	204,933
Total Assets	150,302	154,415	86,778	84,381	237,080	238,796
Deferred outflows	4,963	-	516	-	5,479	-
Current liabilities	1,460	1,194	1,255	506	2,715	1,700
Noncurrent liabilities	13,199	15,487	1,756	1,794	14,955	17,281
Total Liabilities	14,659	16,681	3,011	2,300	17,670	18,981
Deferred inflows	6,587	-	685	-	7,272	-
Net Position:	134,019	137,734	83,598	82,081	217,617	219,815
Invested in capital assets, net of related debt	119,275	119,999	77,480	76,163	196,755	196,162
Restricted	344	323	-	-	344	323
Unrestricted	14,400	17,412	6,118	5,918	20,518	23,330
Total net position	\$ 134,019	\$ 137,734	\$ 83,598	\$ 82,081	\$ 217,617	\$ 219,815

Chart 1
City of Roseburg - 2015 Net Position
 (in thousands)



As noted previously, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$217,617 at June 30, 2015.

About 89 percent of the City's net assets reflect its investment in capital assets (e.g. infrastructure, land, buildings, vehicles and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to City residents; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should

be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's noncurrent liabilities of \$14,955 is for compensated absences, postemployment obligations and outstanding bonds, representing 85 percent of total liabilities. Current liabilities, representing 15 percent of the City's total liabilities, consist of payables on accounts and unearned revenues.

STATEMENT OF ACTIVITIES

The City reports governmental activities on a consolidated basis. Descriptions of significant activities follow the table below.

Table 2
City of Roseburg's Changes in Net Position
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,874	\$ 3,092	\$ 6,841	\$ 6,528	\$ 10,715	\$ 9,620
Operating Grants & Contributions	4,300	4,190	-	-	4,300	4,190
Capital Grants & Contributions	475	618	2,376	4,397	2,851	5,015
General Revenues:						
Taxes	20,154	20,301	-	-	20,154	20,301
Interest	116	115	31	35	147	150
Other	(91)	374	16	45	(75)	419
Total Revenues	28,828	28,690	9,264	11,005	38,092	39,695
Expenses:						
General Government	2,863	2,665	-	-	2,863	2,665
Public Safety	9,782	12,381	-	-	9,782	12,381
Public Works	10,072	11,380	-	-	10,072	11,380
Culture and Recreation	1,673	1,858	-	-	1,673	1,858
Community Development	1,080	981	-	-	1,080	981
Interest on Long-term Debt	511	511	-	-	511	511
Storm Drainage	-	-	1,679	1,682	1,679	1,682
Airport	-	-	1,008	922	1,008	922
Off Street Parking	-	-	194	181	194	181
Water	-	-	4,668	4,909	4,668	4,909
Total Expenses	25,981	29,776	7,549	7,694	33,530	37,470
Increase (decrease) in net position before transfers	2,847	(1,086)	1,715	3,311	4,562	2,225
Transfers	-	170	-	(170)	-	-
Increase (decrease) in net position	2,847	(916)	1,715	3,141	4,562	2,225
Net position, July 1	137,734	138,650	82,081	78,940	219,815	217,590
Net position restatement, July 1	(6,562)	-	(198)	-	(6,760)	-
Net position, June 30	\$ 134,019	\$ 137,734	\$ 83,598	\$ 82,081	\$ 217,617	\$ 219,815

Governmental activities. (in thousands)

- Tax revenues decreased by \$147 from the prior year. Property taxes increased \$301 due to increased property values. Franchise fees decreased \$447.
- Capital grants and contributions totaled \$475 in the current fiscal year.
- Operating grants totaled \$4,300.

Business-type activities. (in thousands)

Business-type activities net position increased by \$1,715. Key changes are as follows:

- Charges for services increased by \$313. A monthly Storm Drainage rate increase of \$0.55 or 10% was effective July 1, 2014.
- The Airport received \$1,448 in FAA funds for the taxiway relocation project.
- Capital Assets increased by \$1,257.

Charts 2 and 3 below show Enterprise Fund revenue by source as a percentage of total revenue from Business-type activities and Enterprise Fund expenses by fund as a percentage of total Business-type expenses.

Chart 2
City of Roseburg - Enterprise Funds
Revenues by Source

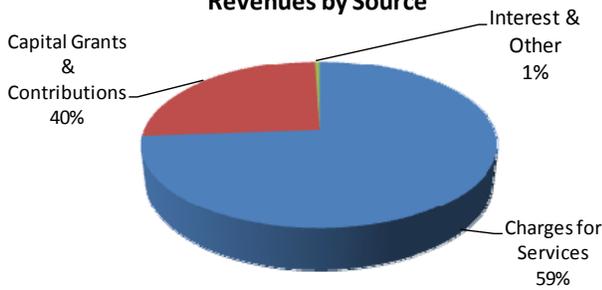
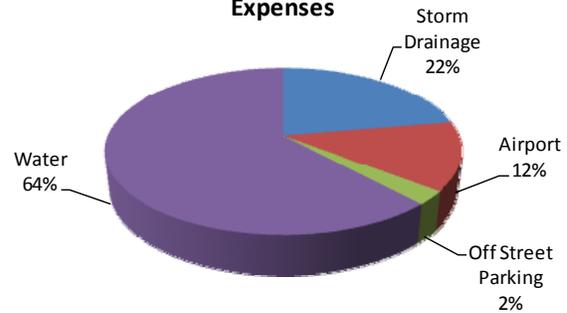


Chart 3
City of Roseburg - Enterprise Funds
Expenses



Funds

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

Governmental Funds. The focus of the City's governmental funds in the fund financial statements is to provide information on relatively short-term cash flow and funding for future basic services. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

At June 30, 2015, the City's governmental funds reported combined ending fund balances of \$19,542, an increase of \$617 from the prior year. \$7,640 constitutes unassigned ending fund balance, which is available for spending at the government's discretion.

General Fund. The General Fund is the chief operating fund of the City. As of June 30, 2015, the fund balance was \$7,745. The fund balance increased by \$151 from the prior year. Property and franchise taxes increased by \$259 from the previous year. Public safety, public works, community development, and culture and recreation expenditures all decreased by an aggregate \$3,992.

Transportation Fund. Another major fund is the Transportation Fund. This fund accounts for the acquisition or construction of major public works infrastructure and the City's pavement management program. The ending fund balance at June 30, 2015 was \$3,496, an increase of \$802 from the previous year. \$107 was spent on the pavement management program. Capital expenditures of \$23 include Stewart Parkway realignment project.

Hotel/Motel Tax Fund. Another major fund is the Hotel/Motel Tax Fund. This fund accounts for the collection and allocation of the City's eight percent Hotel/Motel Tax; by ordinance, these revenues are to be used for tourism promotion, streetlight and sidewalk improvements and economic development. The fund received \$1,010 in Transient Hotel/Motel Tax revenues, an increase of \$94 from the prior year or 10 percent.

Urban Renewal Funds. The City's component unit, its Urban Renewal Agency, has two funds that are major funds: The Urban Renewal Capital Project Fund and the Urban Renewal General Fund. The Urban Renewal Capital Project Fund ended June 30, 2015 with a committed fund balance of \$2,508 Capital expenditures of \$1,356 included Washington/Oak/Kane street improvements, Jackson Street retaining wall, façade improvements, Stephen Street improvements, Spruce/Parrot improvements, Charles Gardner Park improvements, Stephens/Chestnut improvements, and the Highway 138 project.

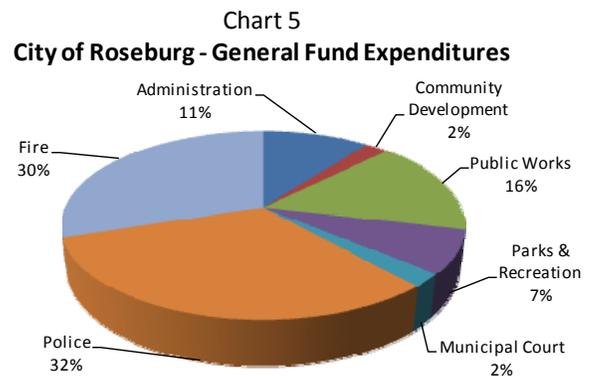
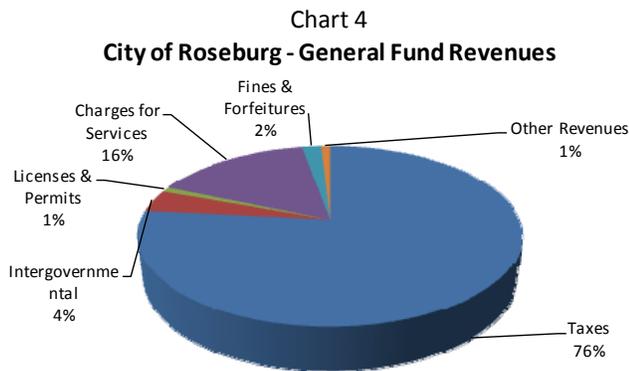
The Urban Renewal General Fund accounts for the district's tax increment revenues. The committed fund balance at June 30, 2015 was \$355. Expenditures include transfers of \$2,769 for the City's full faith and credit obligations.

General Fund Budgetary Highlights

The budgetary statement for the General Fund, page 22, shows the original budget, final budget, actual revenues, expenditures and other financing sources and uses for the fiscal year ended June 30, 2015. There was one revision to the General Fund budget for the 2014-15 fiscal year with an increase of a \$15 increase to the parks and recreation portion of the budget.

- Fines and forfeitures were \$157 less than budget. Collections on fines continue to be problematic due to the continued effects of the Great Recession.
- Expenditures were \$1,129 less than budgeted. Decreased spending was primarily related to Public Works, Police and Fire Departments.

Charts 4 and 5 show General Fund revenue by source as a percentage of total revenue and expenditures by department as a percentage of total expenditures.



CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets includes land, buildings and improvements, vehicles, equipment, infrastructure, and construction in progress. As of June 30, 2015, the City had invested \$204,932 in capital assets, net of depreciation, as shown in the following table:

Table 3
City of Roseburg's Capital Assets
(net of depreciation)
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land & Construction in Progress	\$ 69,155	\$ 68,881	\$ 9,535	\$ 14,302	\$ 78,690	\$ 83,183
Buildings	14,262	14,695	7,458	7,904	21,720	22,599
Improvements other than Buildings	7,284	7,783	61,685	55,116	68,969	62,899
Machinery and Equipment	1,293	1,478	237	313	1,530	1,791
Vehicles	1,784	1,809	55	78	1,839	1,887
Infrastructure	30,236	32,573	-	-	30,236	32,573
Total	\$ 124,014	\$ 127,219	\$ 78,970	\$ 77,713	\$ 202,984	\$ 204,932

During the year, the City's investment in capital assets decreased by \$1,948. The major capital asset events for the year include the following:

GOVERNMENTAL ACTIVITIES (in thousands)

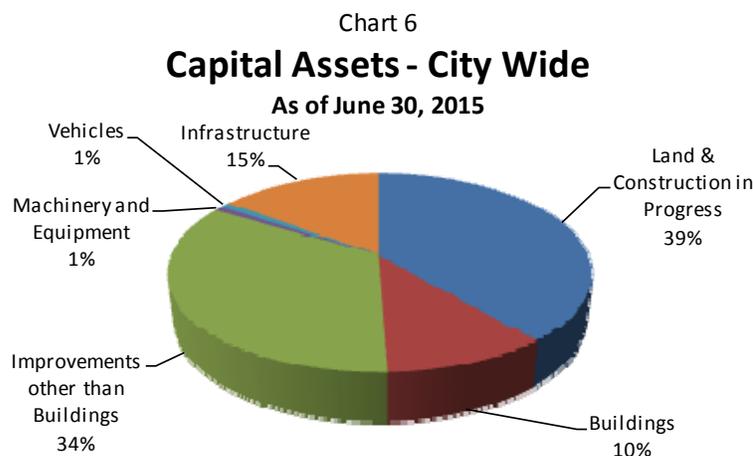
- Capital expenditures in the governmental funds totaled \$2,245.
- Highway 138 Corridor, \$650.
- Washington/Oak/Kane, \$302.
- Stewart Park Trail Renovation, \$119.
- Stephens / Chestnut Signal, \$328.
- Jackson Street Retaining Wall, \$74.

BUSINESS-TYPE ACTIVITIES

- Water Fund capital expenditures of \$1,910 included the Nebo/Brown water line, Hwy 138 main upgrade, and main reservoir piping.

- Storm Drainage capital expenditure of \$477 Harvard/Balff storm water improvements.
- Airport capital expenditure of \$1,481 for Airport apron rehabilitation.

Additional information on the City of Roseburg’s capital assets can be found in note 3 on page 41 and 42 of this report.



Long-Term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$10.805 million consisting of full faith & credit and urban renewal debt.

Table 4
City of Roseburg's Outstanding Debt
Full Faith & Credit Bonds
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Full Faith & Credit Bonds	\$ 9,315	\$ 11,960	\$ 1,490	\$ 1,550	\$ 10,805	\$ 13,510
Total	\$ 9,315	\$ 11,960	\$ 1,490	\$ 1,550	\$ 10,805	\$ 13,510

During the current fiscal year, the City’s total debt decreased by \$2.705 million as a result of regularly scheduled principal payments; no additional debt was issued during the fiscal year.

Moody’s assigned an A3 rating to the City’s Full Faith and Credit Obligations Series 2007 (Airport Projects) and an A2 rating to the Full Faith and Credit Obligations Series 2006. The City’s Full Faith and Credit Obligations series 2007 do not carry any rating from any rating service as it was directly placed with Bank of America and will not be readily marketable. The City’s Full Faith and Credit Obligations series 2013 which constitute the Pension Obligation Bonds do not carry any rating from any rating service as it was directly placed with Umpqua Bank and will not be readily marketable.

State statutes limit the amount of debt a governmental entity may issue or have outstanding at any one time up to three percent of the true cash value of all taxable property within its boundaries. The current general obligation debt limitation for the City is \$78.867 million. The City has no outstanding general obligation debt.

Additional information on the City of Roseburg’s long-term debt can be found in note 3 in the notes to basic financial statements.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The seasonally adjusted unemployment rate for Douglas County, as of June 2015, is 7.7 percent, which is a decrease of 2.0 percent from the 9.7 percent rate a year ago. The local unemployment rate exceeds the state seasonally adjusted rate of 5.7 percent and the national rate of 5.3 percent.

Recent economic data and leading indicators suggest that the growth of the economy is strengthening. 2014 marked a turning point in the job market for Douglas County as the labor market began to add jobs, and workers began to return to the job market which meant that the County's unemployment rate began to decline for all of the right reasons. From June 2014 through June 2015, Douglas County increased its labor force by 410, added 1,070 jobs and cut its unemployment rate by 2.0 percent.

The most significant source of revenue for the City is taxes, including property, state shared revenues, franchise and motel taxes. For the year ended June 30, 2015, taxes of \$19,674 made up 67 percent of governmental funds revenue.

The City's Budget Committee and City Council considered all of these factors while preparing the City's budget for the 2015-16 fiscal year.

The 2015-16 adopted budget includes contingency of \$1 million for unanticipated operating needs and cash flow requirements. Governmental fund balance classifications are reported in accordance with GASB 54.

REQUESTS FOR INFORMATION

This financial report is designed to present the user (citizens, taxpayers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the City's Finance Office at 900 SE Douglas Street, Roseburg, Oregon 97470.

**BASIC
FINANCIAL
STATEMENTS**

CITY OF ROSEBURG, OREGON

Statement of Net Position

June 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 19,651,781	\$ 5,575,466	\$ 25,227,247
Receivables (net of allowances for uncollectibles)	2,852,767	1,813,532	4,666,299
Inventories	33,963	57,733	91,696
Prepays	12,095	6,023	18,118
Restricted cash and investments	322,748	-	322,748
Capital assets			
Land and construction in progress	69,155,388	9,535,376	78,690,764
Buildings	14,262,219	7,457,559	21,719,778
Improvements other than buildings	7,283,627	61,684,993	68,968,620
Machinery and equipment	1,293,350	237,422	1,530,772
Vehicles	1,784,089	54,666	1,838,755
Infrastructure	30,236,213	-	30,236,213
Net pension asset	3,413,503	355,201	3,768,704
Total assets	<u>150,301,743</u>	<u>86,777,971</u>	<u>237,079,714</u>
 DEFERRED OUTFLOWS			
Deferred outflows-contributions to PERS	4,962,971	516,435	5,479,406
 LIABILITIES			
Accounts payable	1,298,924	1,053,987	2,352,911
Other accrued liabilities	83,929	118,474	202,403
Interest payable	34,405	5,024	39,429
Unearned revenue	42,857	77,715	120,572
Noncurrent liabilities:			
Due within one year	2,925,000	138,449	3,063,449
Due in more than one year	10,274,318	1,616,961	11,891,279
Total liabilities	<u>14,659,433</u>	<u>3,010,610</u>	<u>17,670,043</u>
 DEFERRED INFLOWS			
Net projected to actual earnings to PERS	6,586,675	685,394	7,272,069
 NET POSITION			
Net investment in capital assets	119,274,886	77,480,016	196,754,902
Restricted for:			
Capital projects	322,748	-	322,748
Debt service	21,319	-	21,319
Unrestricted	14,399,653	6,118,386	20,518,039
Total net position	<u>\$ 134,018,606</u>	<u>\$ 83,598,402</u>	<u>\$ 217,617,008</u>

See notes to the basic financial statements.

CITY OF ROSEBURG, OREGON

Statement of Activities

For the year ended June 30, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 2,863,453	\$ 3,295,586	\$ -	\$ 10,000
Public safety	9,782,042	386,665	198,789	-
Public works	10,071,557	55,741	4,056,012	274,441
Culture and recreation	1,673,298	102,072	21,820	190,461
Community development	1,079,491	34,331	22,787	-
Interest on long-term debt	511,175	-	-	-
Total governmental activities	<u>25,981,016</u>	<u>3,874,395</u>	<u>4,299,408</u>	<u>474,902</u>
Business-type activities:				
Storm Drain	1,678,702	1,423,750	-	83,676
Airport	1,007,830	349,233	-	2,059,064
Off Street Parking	194,695	144,419	-	-
Water	4,667,882	4,923,835	-	233,720
Total business-type activities	<u>7,549,109</u>	<u>6,841,237</u>	<u>-</u>	<u>2,376,460</u>
Total government	<u>\$ 33,530,125</u>	<u>\$ 10,715,632</u>	<u>\$ 4,299,408</u>	<u>\$ 2,851,362</u>

General revenues:

Taxes

 Property taxes, levied for general purposes

 Property taxes, levied for debt service

 Franchise and public service taxes

Interest and investment earnings

Other revenues

Gain (loss) on disposition of capital assets

Total general revenues

Change in net position

Net position--beginning

GASB 68 Restatement -Pension

Net position, beginning of year as restated

Net position--ending

See notes to the basic financial statements.

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

Governmental Activities	Business-Type Activities	Total
\$ 442,133	\$ -	\$ 442,133
(9,196,588)	-	(9,196,588)
(5,685,363)	-	(5,685,363)
(1,358,945)	-	(1,358,945)
(1,022,373)	-	(1,022,373)
(511,175)	-	(511,175)
<u>(17,332,311)</u>	<u>-</u>	<u>(17,332,311)</u>
-	(171,276)	(171,276)
-	1,400,467	1,400,467
-	(50,276)	(50,276)
-	489,673	489,673
<u>-</u>	<u>1,668,588</u>	<u>1,668,588</u>
<u>(17,332,311)</u>	<u>1,668,588</u>	<u>(15,663,723)</u>
12,346,019	-	12,346,019
3,472,528	-	3,472,528
4,335,939	-	4,335,939
115,796	31,401	147,197
509,885	15,715	525,600
(601,001)	-	(601,001)
<u>20,179,166</u>	<u>47,116</u>	<u>20,226,282</u>
2,846,855	1,715,704	4,562,559
137,734,055	82,080,555	219,814,610
(6,562,304)	(197,857)	(6,760,161)
<u>131,171,751</u>	<u>81,882,698</u>	<u>213,054,449</u>
<u>\$ 134,018,606</u>	<u>\$ 83,598,402</u>	<u>\$ 217,617,008</u>

FUND FINANCIAL STATEMENTS

Major Governmental Funds

General Fund

This fund accounts for the financial operations of the City not accounted for in any other fund. Principal sources of revenue are property taxes, licenses and permits, state and county shared revenue, and charges for administrative services from other funds. Primary expenditures are for culture and recreation, general government, public works, and public safety.

Transportation Fund

This fund is used to account for the acquisition and construction of transportation infrastructure not financed elsewhere.

Hotel/Motel

Accounts for revenues from hotel/motel taxes received and expenditures restricted to tourism promotion, streetlights, signals, sidewalks and economic development as provided by City Ordinance No. 2366

Urban Renewal Fund

Accounts for all resources traditionally associated with governments that are not required to be accounted for in another Urban Renewal Agency Fund.

Urban Renewal Capital Projects Fund

Accounts for acquisition, construction and improvements within the urban renewal district that are financed from issuance of debt and interest earnings.

CITY OF ROSEBURG, OREGON

Governmental Funds

Balance Sheet

June 30, 2015

	<u>General</u>	<u>Transportation</u>	<u>Hotel/Motel Tax</u>
ASSETS			
Cash and investments	\$ 7,683,076	\$ 3,014,065	\$ 209,181
Interest receivable	-	-	-
Accounts receivable	301,191	45,775	-
Taxes receivable	1,421,730	-	263,817
Assessment liens receivable	-	-	-
Notes receivable	-	-	-
Due from other funds	-	-	-
Intergovernmental receivable	81,505	119,762	-
Inventory	33,963	-	-
Advances to other funds	-	-	-
Prepaid items	12,095	-	-
Restricted cash	-	322,748	-
Total assets	<u>\$ 9,533,560</u>	<u>\$ 3,502,350</u>	<u>\$ 472,998</u>
LIABILITIES			
Accounts payable	448,484	6,575	134,514
Other accrued liabilities	73,513	-	-
Due to other funds	-	-	111,605
Unearned revenue	-	-	-
Total liabilities	<u>521,997</u>	<u>6,575</u>	<u>246,119</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	1,267,012	-	-
Unavailable revenue-special assessments	-	-	-
Total deferred inflows of resources	<u>1,267,012</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	46,058	-	-
Restricted	44,505	-	-
Committed	-	1,448,104	226,879
Assigned	13,495	2,047,671	-
Unassigned	7,640,493	-	-
Total fund balances	<u>7,744,551</u>	<u>3,495,775</u>	<u>226,879</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,533,560</u>	<u>\$ 3,502,350</u>	<u>\$ 472,998</u>

See notes to the basic financial statements.

Urban Renewal General	Urban Renewal Capital Projects	Other Governmental	Total Governmental
\$ 303,963	\$ 2,801,545	5,175,816	\$ 19,187,646
-	-	7,393	7,393
-	-	-	346,966
389,301	-	-	2,074,848
-	-	85,659	85,659
-	-	12,750	12,750
-	-	111,605	111,605
-	-	112,963	314,230
-	-	-	33,963
-	-	-	-
-	-	-	12,095
-	-	-	322,748
<u>\$ 693,264</u>	<u>\$ 2,801,545</u>	<u>\$ 5,506,186</u>	<u>\$ 22,509,903</u>
-	283,993	194,814	1,068,380
-	10,028	-	83,541
-	-	-	111,605
-	-	12,855	12,855
-	<u>294,021</u>	<u>207,669</u>	<u>1,276,381</u>
338,545	-	-	1,605,557
-	-	85,544	85,544
<u>338,545</u>	<u>-</u>	<u>85,544</u>	<u>1,691,101</u>
-	-	-	46,058
-	-	280,419	324,924
354,719	2,507,524	2,219,476	6,756,702
-	-	2,713,078	4,774,244
-	-	-	7,640,493
<u>354,719</u>	<u>2,507,524</u>	<u>5,212,973</u>	<u>19,542,421</u>
<u>\$ 693,264</u>	<u>\$ 2,801,545</u>	<u>\$ 5,506,186</u>	<u>\$ 22,509,903</u>

CITY OF ROSEBURG, OREGON
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2015

Total Fund balances-Governmental Funds \$ 19,542,421

Amounts reported for governmental activities in the Statement of Net Position are different because:

PERS net pension asset, deferred outflows of resources arising from contributions paid, and deferred inflows arising from changes in proportionate share of earnings in the current year are not financial resources in governmental funds, but are reported in the Statement of Net Positions

Net pension asset	3,413,503
Deferred outflows	4,962,971
Deferred inflows	(6,586,675)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation. This includes Internal Service Fund capital assets net of accumulated depreciation.

124,014,886

Other long-term assets are not available to pay for current period expenditures and therefore are reported as unavailable revenue in the funds.

Property taxes earned but unavailable	1,661,100
Note receivable	10,921

Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.

(1,430,930)

Net OPEB obligation

(2,453,388)

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds

(9,315,000)

The interest on the long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.

(34,405)

The internal service fund is used by management to charge the cost of self-insurance to individual funds. The assets and liabilities of the Workers Compensation Internal Service Fund are included in governmental activities in the statement of net position.

233,202

Net position of governmental activities

\$134,018,606

CITY OF ROSEBURG, OREGON
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2015

	General	Transportation	Hotel/Motel Tax
REVENUES			
Taxes	\$ 14,770,085	\$ 414,287	\$ 1,010,617
Intergovernmental	755,427	1,281,603	-
Licenses and permits	168,459	-	-
Charges for services	3,053,124	5,437	-
System development fees	-	163,857	-
Fines and forfeitures	362,139	-	-
Special assessments	-	-	-
Investment revenue	42,620	15,386	1,300
Other revenues	124,723	-	4,500
Total revenues	19,276,577	1,880,570	1,016,417
EXPENDITURES			
Current operating:			
General government	1,909,033	-	-
Public safety	11,763,052	-	-
Public works	2,929,719	1,045,262	-
Culture and recreation	1,402,371	-	-
Community development	411,834	-	584,505
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	59,169	23,761	-
Total expenditures	18,475,178	1,069,023	584,505
Excess (deficiency) of revenues over (under) expenditures	801,399	811,547	431,912
OTHER FINANCING SOURCES (USES)			
Proceeds from capital asset sales	-	-	-
Transfers in	-	-	-
Transfers out	(650,000)	(10,000)	(452,080)
Total other financing sources (uses)	(650,000)	(10,000)	(452,080)
Net change in fund balance	151,399	801,547	(20,168)
Fund balances--beginning of year as originally stated	7,593,152	2,694,228	247,047
Fund balances--ending	\$ 7,744,551	\$ 3,495,775	\$ 226,879

See notes to the basic financial statements.

<u>Urban Renewal General</u>	<u>Urban Renewal Capital Projects</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
\$ 3,478,862	\$ -	\$ -	\$ 19,673,851
-	85,106	3,357,710	5,479,846
-	-	-	168,459
-	-	44,629	3,103,190
-	-	22,309	186,166
-	-	-	362,139
-	-	17,699	17,699
10,115	14,422	28,935	112,778
-	25,000	30,093	184,316
<u>3,488,977</u>	<u>124,528</u>	<u>3,501,375</u>	<u>29,288,444</u>
-	-	62,094	1,971,127
-	-	3,402	11,766,454
2,768,800	198,734	75,287	7,017,802
-	-	14,916	1,417,287
-	-	105,597	1,101,936
-	-	2,645,000	2,645,000
-	-	520,112	520,112
-	1,356,331	805,714	2,244,975
<u>2,768,800</u>	<u>1,555,065</u>	<u>4,232,122</u>	<u>28,684,693</u>
<u>720,177</u>	<u>(1,430,537)</u>	<u>(730,747)</u>	<u>603,751</u>
-	-	12,750	12,750
-	1,692,175	1,112,080	2,804,255
<u>(800,000)</u>	<u>-</u>	<u>(892,175)</u>	<u>(2,804,255)</u>
<u>(800,000)</u>	<u>1,692,175</u>	<u>232,655</u>	<u>12,750</u>
(79,823)	261,638	(498,092)	616,501
<u>434,542</u>	<u>2,245,886</u>	<u>5,711,065</u>	<u>18,925,920</u>
<u>\$ 354,719</u>	<u>\$ 2,507,524</u>	<u>\$ 5,212,973</u>	<u>\$ 19,542,421</u>

CITY OF ROSEBURG, OREGON

**Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities**

For the year ended June 30, 2015

Net change in fund balances--total governmental funds \$ 616,501

*Amounts reported for governmental activities in the Statement of
Activities are different because:*

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlay exceeded depreciation in the current period.

Expenditures for capital assets	\$ 2,244,975	
Less current year depreciation	<u>(4,835,811)</u>	(2,590,836)

Book value of disposed capital assets		(2,780)
---------------------------------------	--	---------

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

Property taxes		(82,715)
Special assessments		(17,221)
Grant Receivable		10,921
Note Receivable		(12,750)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		2,645,000
--	--	-----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	(111,212)	
Net OPEB obligation	(246,462)	
Accrued interest	<u>8,937</u>	(348,737)

Net Assets, consisting of capital assets and cash were transferred from the enterprise funds to the governmental funds.		(610,971)
---	--	-----------

Current year PERS pension expense related to change in net pension liability is reported as an expense in the Statement of Activities but is not recorded as an expenditure in the governmental funds		3,691,211
---	--	-----------

The internal service fund is used by management to charge the cost of self-insurance to individual funds. The net expense of the Workers Compensation Internal Service Fund is reported with governmental activities.		<u>(450,768)</u>
---	--	------------------

Change in net position of governmental activities		<u>\$ 2,846,855</u>
---	--	---------------------

See notes to the basic financial statements.

CITY OF ROSEBURG, OREGON
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual

For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Taxes	\$ 15,106,250	\$ 15,106,250	\$ 14,770,085	\$ (336,165)
Intergovernmental	784,140	784,140	755,427	(28,713)
Licenses and permits	146,500	146,500	168,459	21,959
Charges for services	3,067,836	3,067,836	3,053,124	(14,712)
Fines and forfeitures	518,700	518,700	362,139	(156,561)
Investment revenue	43,000	43,000	42,620	(380)
Other revenues	-	-	124,723	124,723
Total revenues	<u>19,666,426</u>	<u>19,666,426</u>	<u>19,276,577</u>	<u>(389,849)</u>
EXPENDITURES				
Administration	2,078,037	2,078,037	1,909,033	169,004
Community development	471,527	471,527	411,834	59,693
Public works	3,147,573	3,147,573	2,929,719	217,854
Parks and recreation	1,395,732	1,410,732	1,352,371	58,361
Municipal court	496,671	496,671	424,282	72,389
Police	6,163,560	6,163,560	5,863,750	299,810
Fire	5,706,384	5,706,384	5,475,020	231,364
Intergovernmental	50,000	50,000	50,000	-
Capital outlay	80,000	80,000	59,169	20,831
Contingency	995,000	995,000	-	995,000
Total expenditures	<u>20,584,484</u>	<u>20,599,484</u>	<u>18,475,178</u>	<u>2,124,306</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(918,058)</u>	<u>(933,058)</u>	<u>801,399</u>	<u>1,734,457</u>
OTHER FINANCING USES				
Transfers out	<u>(650,000)</u>	<u>(650,000)</u>	<u>(650,000)</u>	<u>-</u>
Total other financing uses	<u>(650,000)</u>	<u>(650,000)</u>	<u>(650,000)</u>	<u>0</u>
Net change in fund balances	(1,568,058)	(1,583,058)	151,399	1,734,457
Fund balances--beginning	<u>6,988,211</u>	<u>6,988,211</u>	<u>7,593,152</u>	<u>604,941</u>
Fund balances--ending	<u>\$ 5,420,153</u>	<u>\$ 5,405,153</u>	<u>\$ 7,744,551</u>	<u>\$ 2,339,398</u>

See notes to the basic financial statements.

CITY OF ROSEBURG, OREGON
Urban Renewal General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual

For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Taxes	\$ 3,400,000	\$ 3,400,000	\$ 3,478,862	\$ 78,862
Investment revenue	13,000	13,000	10,115	(2,885)
Total revenues	<u>3,413,000</u>	<u>3,413,000</u>	<u>3,488,977</u>	<u>75,977</u>
EXPENDITURES				
Materials and services	2,769,500	2,769,500	2,768,800	700
Total expenditures	<u>2,769,500</u>	<u>2,769,500</u>	<u>2,768,800</u>	<u>700</u>
Excess of revenues over expenditures	<u>643,500</u>	<u>643,500</u>	<u>720,177</u>	<u>76,677</u>
OTHER FINANCING USES				
Transfers out	(800,000)	(800,000)	(800,000)	-
Reserved for Future Expenditures	<u>(316,707)</u>	<u>(316,707)</u>	<u>-</u>	<u>316,707</u>
Total other financing uses	<u>(1,116,707)</u>	<u>(1,116,707)</u>	<u>(800,000)</u>	<u>316,707</u>
Net change in fund balances	(473,207)	(473,207)	(79,823)	393,384
Fund balances--beginning	<u>473,207</u>	<u>473,207</u>	<u>434,542</u>	<u>(38,665)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 354,719</u>	<u>\$ 354,719</u>

See notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

Proprietary Funds

The City of Roseburg utilizes five Proprietary Funds made up of four Enterprise Funds and one Internal Service Fund. The Enterprise Funds are used to account for acquisition, operation, and maintenance of storm drainage, airport, off-street parking, and water. These funds are entirely or predominantly self-supported through user charges to the customer. The Workers Compensation Fund is an Internal Service Fund used to account for the financing of the City's self-insured program.

Enterprise Funds

- ◆ *Storm Drainage*
- ◆ *Airport*
- ◆ *Off Street Parking*
- ◆ *Water*

Internal Service Fund

- ◆ *Workers Compensation*

CITY OF ROSEBURG, OREGON

Proprietary Funds

Statement of Net Position

June 30, 2015

	Business-type Activities-Enterprise Funds		
	Storm Drainage	Airport	Off Street Parking
ASSETS			
Current assets:			
Cash and investments	\$ 1,367,413	\$ 281,383	\$ 97,940
Utilities receivable, net	202,387	-	-
Other receivables	-	1,197	7,122
Intergovernmental receivable	-	758,449	-
Inventories	-	-	-
Prepaid items	-	-	-
Total current assets	<u>1,569,800</u>	<u>1,041,029</u>	<u>105,062</u>
Noncurrent assets:			
Capital assets, net	24,450,260	18,938,383	1,475,284
Net pension asset	-	12,898	-
Total noncurrent assets	<u>24,450,260</u>	<u>18,951,281</u>	<u>1,475,284</u>
Total assets	<u>26,020,060</u>	<u>19,992,310</u>	<u>1,580,346</u>
DEFERRED OUTFLOWS			
Deferred outflows-contributions to PERS	-	18,752	-
LIABILITIES			
Current liabilities:			
Accounts payable	3,642	803,529	7,875
Other accrued liabilities	-	74,792	-
Interest payable	-	5,024	-
Compensated absences	-	1,702	-
Unearned revenue	-	47,795	-
Bond payable-current maturity	-	65,000	-
Total current liabilities	<u>3,642</u>	<u>997,842</u>	<u>7,875</u>
Noncurrent liabilities:			
Compensated absences	-	-	-
Net OPEB obligation	-	-	-
Bond payable	-	1,425,000	-
Total noncurrent liabilities	<u>-</u>	<u>1,425,000</u>	<u>-</u>
Total liabilities	<u>3,642</u>	<u>2,422,842</u>	<u>7,875</u>
DEFERRED INFLOWS			
Net projected to actual earnings to PERS	-	24,888	-
NET POSITION			
Invested in capital assets, net of related debt	24,450,260	17,448,383	1,475,284
Unrestricted	1,566,158	114,949	97,187
Total net position	<u>\$ 26,016,418</u>	<u>\$ 17,563,332</u>	<u>\$ 1,572,471</u>

See notes to the basic financial statements.

<u>Business-type Activities-Enterprise Funds</u>		<u>Activities Internal Service Fund</u>
<u>Water</u>	<u>Totals</u>	
\$ 3,828,730	\$ 5,575,466	\$ 464,135
801,871	1,004,258	-
7,972	16,291	-
34,534	792,983	-
57,733	57,733	-
6,023	6,023	-
<u>4,736,863</u>	<u>7,452,754</u>	<u>464,135</u>
34,106,089	78,970,016	2,374
342,303	355,201	
<u>34,448,392</u>	<u>79,325,217</u>	<u>2,374</u>
<u>39,185,255</u>	<u>86,777,971</u>	<u>466,509</u>
497,683	516,435	-
238,941	1,053,987	388
43,682	118,474	230,544
-	5,024	-
71,747	73,449	-
29,920	77,715	-
-	65,000	-
<u>384,290</u>	<u>1,393,649</u>	<u>230,932</u>
31,875	31,875	-
160,086	160,086	-
-	1,425,000	-
<u>191,961</u>	<u>1,616,961</u>	<u>-</u>
<u>576,251</u>	<u>3,010,610</u>	<u>230,932</u>
660,506	685,394	-
34,106,089	77,480,016	2,374
4,340,092	6,118,386	233,203
<u>\$ 38,446,181</u>	<u>\$ 83,598,402</u>	<u>\$ 235,577</u>

CITY OF ROSEBURG, OREGON
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2015

	Business-type Activities - Enterprise Funds		
	Storm Drainage	Airport	Off Street Parking
OPERATING REVENUES:			
Charges for services	\$ 1,423,750	\$ 349,233	\$ 144,419
Other revenues	779	358	200
Total operating revenues	<u>1,424,529</u>	<u>349,591</u>	<u>144,619</u>
OPERATING EXPENSES:			
Personal services	-	28,205	-
Support services	418,802	94,175	6,384
Contractual services	80,965	11,093	90,177
Utilities	-	41,441	21,215
Repairs and maintenance	14,665	13,701	4,317
Other operating expenses	18,193	2,150	9,205
Insurance claims and expenses	37,631	9,907	3,568
Depreciation	1,108,446	744,670	59,829
Total operating expenses	<u>1,678,702</u>	<u>945,342</u>	<u>194,695</u>
Operating income (loss)	<u>(254,173.40)</u>	<u>(595,751)</u>	<u>(50,076)</u>
Nonoperating revenues (expenses):			
Investment revenue	5,289	1,787	509
Interest expense	-	(62,488)	-
Total nonoperating revenues (expenses)	<u>5,289</u>	<u>(60,701)</u>	<u>509</u>
Net income (loss) before contributions and transfers	(248,884)	(656,452)	(49,567)
Capital contributions (Note 4)	83,676	2,059,064	-
Change in net position	(165,208)	1,402,612	(49,567)
Net position--beginning	26,181,626	16,167,905	1,622,038
GASB 68 Restatement-Pension	-	(7,185)	-
Net position, beginning of year as restated	<u>26,181,626</u>	<u>16,160,720</u>	<u>1,622,038</u>
Net position--ending	<u>\$ 26,016,418</u>	<u>\$ 17,563,332</u>	<u>\$ 1,572,471</u>

See notes to the basic financial statements.

<u>Business-type Activities - Enterprise Funds</u>		Governmental Activities Internal Service Fund
<u>Water</u>	<u>Totals</u>	<u>Fund</u>
\$ 4,923,835	\$ 6,841,237	\$ 239,162
14,378	15,715	13
<u>4,938,213</u>	<u>6,856,952</u>	<u>239,175</u>
1,212,187	1,240,392	-
853,426	1,372,787	16,129
341,121	523,356	22,725
347,380	410,036	-
185,138	217,821	-
271,011	300,559	5,821
39,869	90,975	648,286
<u>1,417,750</u>	<u>3,330,695</u>	<u>279</u>
<u>4,667,882</u>	<u>7,486,621</u>	<u>693,240</u>
<u>270,331</u>	<u>(629,669)</u>	<u>(454,065)</u>
23,816	31,401	3,018
<u>-</u>	<u>(62,488)</u>	<u>-</u>
<u>23,816</u>	<u>(31,087)</u>	<u>3,018</u>
294,147	(660,756)	(451,047)
233,720	2,376,460	-
527,867	1,715,704	(451,047)
38,108,986	82,080,555	686,624
(190,672)	(197,857)	-
<u>37,918,314</u>	<u>81,882,698</u>	<u>-</u>
<u>\$ 38,446,181</u>	<u>\$ 83,598,402</u>	<u>\$ 235,577</u>

CITY OF ROSEBURG, OREGON

Proprietary Funds

STATEMENT OF CASH FLOWS

For the year ended June 30, 2015

	Business-type Activities - Enterprise Funds		
	Storm Drainage	Airport	Off Street Parking
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,405,710	\$ 349,502	\$ 137,296
Payments to suppliers	(399,224)	780,304	(122,935)
Payments to employees	-	(40,451)	-
Internal activity--payments to other funds	(418,802)	(94,175)	(6,384)
Other receipts	779	358	200
	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by operating activities	<u>588,463</u>	<u>995,538</u>	<u>8,177</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from capital debt	-	(21,854)	-
System development fees	83,675	-	-
Capital contributions	-	689,644	-
Proceeds from sale of capital assets	-	-	-
Purchases of capital assets	(477,027)	(1,480,952)	-
Principal paid on capital debt	-	(60,000)	-
Interest paid on capital debt	-	(62,688)	-
	<u>-</u>	<u>-</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(393,352)</u>	<u>(935,850)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5,290	1,787	509
Net cash provided by investing activities	<u>5,290</u>	<u>1,787</u>	<u>509</u>
Net increase (decrease) in cash and investments	200,401	61,475	8,686
Balances--beginning of the year	1,167,012	219,908	89,254
Balances--end of the year	<u>\$ 1,367,413</u>	<u>\$ 281,383</u>	<u>\$ 97,940</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (254,173)	\$ (595,751)	\$ (50,076)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Cash flows reported in other categories:			
Depreciation expense	1,108,446	744,670	59,829
Change in assets and liabilities:			
Receivables, net	(18,040)	269	(7,123)
Prepaid assets	-	-	-
Inventories	-	-	-
Accounts payable	(224,878)	790,724	5,547
Accrued compensated absences	-	1,702	-
OPEB obligation	-	-	-
Other accrued liabilities	(22,892)	67,872	-
Net Pension Asset	-	(13,948.00)	-
Unearned revenue	-	-	-
Net cash provided by operating activities	<u>\$ 588,463</u>	<u>\$ 995,538</u>	<u>\$ 8,177</u>
Noncash capital activities:			
Capital assets contributed	<u>\$ -</u>	<u>\$ 610,971</u>	<u>\$ -</u>

See notes to the basic financial statements.

<u>Business-type Activities-Enterprise Funds</u>		Governmental Activities Internal Service Fund
<u>Water</u>	<u>Totals</u>	<u>Fund</u>
\$ 4,897,880	\$ 6,790,388	\$ 239,162
(1,051,362)	(793,217)	(483,467)
(1,562,300)	(1,602,751)	-
(853,426)	(1,372,787)	(16,129)
14,378	15,715	13
<u>1,445,170</u>	<u>3,037,348</u>	<u>(260,421)</u>
-	(21,854)	-
79,190	162,865	-
10,971	700,615	-
-	-	-
(1,909,823)	(3,867,802)	-
-	(60,000)	-
(1,362)	(64,050)	-
<u>(1,821,024)</u>	<u>(3,150,226)</u>	<u>-</u>
23,816	31,402	3,018
<u>23,816</u>	<u>31,402</u>	<u>3,018</u>
(352,038)	(81,476)	(257,403)
4,180,768	5,656,942	721,538
<u>\$ 3,828,730</u>	<u>\$ 5,575,466</u>	<u>\$ 464,135</u>
\$ 270,331	\$ (629,669)	\$ (454,065)
1,417,750	3,330,695	279
(30,409)	(55,303)	-
(320)	(320)	-
3,965	3,965	-
85,830	657,223	331
(1,035)	667	-
21,075	21,075	-
43,682	88,662	193,034
(370,153.00)	(384,101)	-
4,454	4,454	-
<u>\$ 1,445,170</u>	<u>\$ 3,037,348</u>	<u>\$ (260,421)</u>
<u>\$ -</u>	<u>\$ 610,971</u>	<u>\$ -</u>

**NOTES TO
BASIC FINANCIAL STATEMENTS**

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Roseburg, Oregon (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. GAAP statements include all relevant GASB pronouncements.

REPORTING ENTITY

The City of Roseburg, Oregon is a municipal corporation, incorporated in 1872. The City operates under a Council-City Manager form of government. The governing body consists of the Mayor and eight elected Council members serving four wards. The Mayor is elected to serve a two-year term, and Council members are each elected to serve a four-year term. The City Manager administers policies and coordinates the activities of the City. The heads of the various departments, formed to provide various services, are under the direct supervision of the City Manager.

The City has included the financial operations of its Urban Renewal Agency, as a blended component unit, in the basic financial statements. The Agency is a legally separate entity for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose its will on the component unit, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

BLENDED COMPONENT UNIT

The Urban Renewal Agency (Component Unit) of the City of Roseburg (Primary Government) is a legally separate entity, which is governed by a board comprised of the members of the City Council as stipulated by the Agency's bylaws. Because the Component Unit's governing body is substantively the same as the governing body of the Primary Government and there is either a financial benefit or burden relationship between the Primary Government and the Component Unit AND management of the Primary Government has operational responsibility for the Component Unit, the funds of the Agency are blended with those of the City by including them in the appropriate statements and schedules of the Comprehensive Annual Financial Report. Complete financial statements for the Component Unit can be obtained from the Finance Director of the City, 900 SE Douglas Avenue, Roseburg, Oregon 97470.

BASIC FINANCIAL STATEMENTS

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally 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.

Government-wide financial statements display information about the reporting government as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 or segment; 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*.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental, proprietary or fiduciary. Currently, the City has only governmental and proprietary type funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the City's business-type activities/enterprise funds, as well as some special revenue funds and the General Fund. The City allocates charges as reimbursement for services provided by the General Fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

Basis of Presentation

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

There are stated minimum criteria (percentage of the assets liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The City electively added funds as major funds in order to assist in compiling a complete and accurate picture of the financial position of the City. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

- *General Fund*

This is the City's primary operating fund. It accounts for all the financial operations of the City except those required to be accounted for in another fund. Principal sources of revenue are property taxes, licenses and permits, state and county shared revenues and charges for administrative services provided to other funds. Primary expenditures are for general government, police and fire protection, community development, parks and recreation.

- *Transportation Fund*

Accounts for the financial resources used for infrastructure construction and major improvements other than those related to parks and proprietary fund assets. Principal sources of revenue are gas tax subventions, 15% of City franchise fees, Federal ISTEA funds, and transportation system development charges (SDCs). Historically, street reconstruction and new street projects have been funded through this fund.

- *Hotel/Motel Tax Fund*

Accounts for the collection and allocation of the City's eight percent Hotel/Motel Tax; by ordinance, these revenues are to be used for tourism promotion, streetlight and sidewalk improvements and economic development.

- *Urban Renewal General Fund*

Accounts for all resources traditionally associated with the Urban Renewal District that is not required to be accounted for in another Urban Renewal Agency Fund. Principal sources of revenue are tax incremental revenues.

- *Urban Renewal Capital Projects Fund*

Accounts for acquisition, construction and improvements within the Urban Renewal District financed from the issuance of debt and interest earnings. Principal sources of revenue are tax incremental revenues transferred from the Urban Renewal General Fund and Federal and State grants.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

The City reports each of its five proprietary funds as major funds. The proprietary funds include four enterprise funds and one internal service fund. The enterprise funds are used to account for the acquisition, operation and maintenance of water, storm water, airport, and off-street parking. These funds are entirely or predominantly self-supported through user charges to customers. The Workers Compensation Fund is an internal service fund which accounts for the resources and payment of workers compensation claims for work-related injuries and illnesses.

The City reports the following proprietary funds:

- *Water Fund*
- *Storm Drainage Fund*
- *Airport Fund*
- *Off-Street Parking Fund*
- *Workers Compensation Fund*

Additionally, the City reports non-major funds within the governmental fund type.

- *Special Revenue Funds*

Accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

- *Capital Projects Funds*

Accounts for financial resources used for the acquisition or construction of major capital facilities (other than those financed by Business-type or Proprietary Funds).

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Government-wide Financial Statements and the Proprietary Funds Financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing or related cash flows. An economic resource focus concentrates on entity or fund's net position.

The Governmental Funds 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. 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the financial statements.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods,

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

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 non-operating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the City's Water, Storm Drainage, Off Street Parking, and Airport Funds are charges to customers for sales and services. Principle operating revenues to the Airport Fund include user fees and intergovernmental grants. The Water and Storm Drainage Funds also recognize fees intended to recover the cost of connecting new customers to the City's utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and overheads, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, short-term investments with original or remaining maturities of three months or less when purchased, and cash and investments in the City-wide investment pool. Investments, including equity in pooled cash and investments are stated at fair value.

Restricted Assets

Assets whose use is restricted for construction, debt service or by other agreement are segregated on the Government-wide Statement of Net Position and the Proprietary Fund Statement of Net Position. When expenditures are paid for purposes in which both restricted and unrestricted net position are available, the City deems restricted net position to be spent first.

Receivables and Payables

Activity between funds that represent 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 interfund 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". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Recorded property taxes receivables collected within 60 days after year-end are considered measurable and available, and recognized as revenue. The remaining balance is recorded as a deferred inflow of resources because it is not deemed available to finance operations of the current period. An allowance for doubtful accounts 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 or February 15. Taxes unpaid and outstanding on May 16 are delinquent.

Assessment liens receivable are recognized at the time property owners are assessed for property improvement. Liens and special assessments collected within 60 days after year-end are considered measurable and available and are recognized as revenue. The remaining balance is recorded as a deferred inflow of resources because it is not deemed available to finance operations of the current period.

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 any allowance for uncollectibles.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

Inventories and Prepaid Items

Inventories of materials and supplies are stated at an average cost basis and charged to expenses as used. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government wide and in the governmental fund financial statements. Assets held for resale are stated at cost.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, pathways, bridges, streetlights, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at estimated fair market value as of the date of the donation. Capital contributions are recorded as revenue rather than direct additions to capital assets and are identified on the Government-Wide Financial Statement of Activities under the category "Capital Grants and Contributions".

Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more, and that have initial useful lives extending beyond a single reporting period. 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. Other costs for repairs and maintenance are expensed as incurred.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and improvements	25-50
Improvements other than buildings	10-20
Machinery and equipment	5-15
Vehicles	5-10
Infrastructure	20-50

One-half year of depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

Accrued Compensated Absences and Sick Pay

Accumulated vested vacation pay is accrued as it is earned. For governmental funds, the non-current portion (the amount estimated to be used in subsequent fiscal years) is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. A liability is reported in the governmental funds only if they have matured, for example, as a result of resignations or retirements. In business-type/enterprise funds, both the current and long-term liabilities are recorded.

Sick pay, which does not vest, is recognized in all funds when leave is taken.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the 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 deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are capitalized in the year of issued and are amortized over the life of the bond.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is 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 current period expenditures.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of Net Position will sometimes report a separate section for *deferred outflows* of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflow of resources related to pensions for contributions made after the June 30, 2014 measurement date.

In addition to liabilities, the Statement of Net 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 and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The City reports deferred inflows related to pensions for changes in projected earnings versus actual earnings and contribution versus proportionate share of contributions. The other instance of deferred inflows arises only under a modified accrual basis of accounting. Accordingly, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance

Fund balance for governmental funds is reported in classifications in the fund financial statements. Amounts are reported in the appropriate fund balance classifications of restricted, committed, assigned, and unassigned balances.

The classifications used in the governmental fund financial statements are as follows:

- Nonspendable - amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
- Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

- Committed – amounts that can be used only for specific purposes determined by a formal action of City Council. The City Council is the highest level of decision-making authority for the City. Commitments may be established, modified, or rescinded only by “Resolution”, an order of the City Council as governing body.
- Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. City Council reserves the right to designate administrative staff to assign fund balances. The Finance Director has been designated for oversight of this classification.
- Unassigned – all other spendable amounts.

As of June 30, 2015, fund balances of the governmental funds are classified as follows:

Fund Balances	General	Transportation	Hotel / Motel Tax	Urban Renewal	Urban Renewal Capital	Other Governmental	Total Governmental
Nonspendable:	\$ 46,058	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,058
Restricted							
Federal, State & Local Grants	44,505	-	-	-	-	73,422	117,927
Pension Obligation Debt	-	-	-	-	-	21,319	21,319
Pedestrian & Bike Paths	-	-	-	-	-	105,354	105,354
Stewart Park	-	-	-	-	-	80,324	80,324
Committed							
Capital Projects	-	1,448,104	-	354,719	2,507,524	-	4,310,347
Tourism	-	-	226,879	-	-	-	226,879
Economic Development	-	-	-	-	-	149,278	149,278
Street Lights, Sidewalks & Signals	-	-	-	-	-	1,174,902	1,174,902
Facilities	-	-	-	-	-	815,724	815,724
Golf	-	-	-	-	-	79,572	79,572
Assigned:							
K-9 Program	13,495	-	-	-	-	-	13,495
Capital Projects-Streets	-	2,047,671	-	-	-	-	2,047,671
Capital Projects-Parks	-	-	-	-	-	186,049	186,049
Capital-Vehicles & Equipment	-	-	-	-	-	1,052,316	1,052,316
Local Improvement Districts	-	-	-	-	-	1,474,713	1,474,713
Unassigned	7,640,493	-	-	-	-	-	7,640,493
Total Fund Balances	\$ 7,744,551	\$ 3,495,775	\$ 226,879	\$ 354,719	\$ 2,507,524	\$ 5,212,973	\$ 19,542,421

Use of Estimates

In preparing the City of Roseburg’s financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. 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.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

Annual budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budget Law). The City is required to budget all funds. The City’s budget is prepared for each fund on the modified accrual basis of accounting with Proprietary Fund types adjusted for year-end accrued compensated absences. For all fund types, inter-fund loans are budgeted as sources

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

and uses in accordance with state budget laws. Estimated receipts and expenditures are budgeted for by fund and object. Information on the past two years' actual receipts and expenditures and current-year estimates are included in the budget document. The process under which the budget is adopted is described in the following paragraphs.

In early spring a preliminary budget calendar, budget preparation manual and budget worksheets are distributed to department heads. The City Manager (Budget Officer) and the Finance Director meet with each department head and develop a proposed budget, after which the Budget Officer publishes two notices of Budget Committee meetings. No less than five days, or more than thirty days after the notices are published, the Budget Committee (consisting of the City Council and an equal number of citizens of the City) meets to consider the proposed budget. The Budget Message is delivered, explaining the proposed budget and any significant changes in the City's financial position.

The Budget Committee conducts public meetings for the purpose of obtaining citizens' comments, deliberates on and subsequently approves the proposed budget, which includes any additions or deletions from the one originally presented by the Budget Officer. The Budget Committee then submits the approved budget to the City Council for final adoption. The approved expenditures for each fund may not be increased by more than 10% by Council without returning to the Budget Committee for a second approval. After the Council adopts the budget and certifies the total of ad valorem taxes to be levied, as approved by the Budget Committee, no additional tax levy may be made for that fiscal year.

The City Council legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. The level of control established by the resolution for each fund is at either the organizational unit, or the object group level (i.e. personal services, materials and services, capital outlay and other expenditures). The level of control for the General, Public Works, Off Street Parking, Airport, Golf and Water Service Operations Funds is by organizational unit (i.e. department). Other funds are controlled at the object group level. Appropriations lapse as of the year-end.

The City Council may change the budget throughout the year by resolution and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted and for debt service on new debt issued during the budget year.

Deficit Fund Equity

The City has no instances whereby any of its funds had a deficit in fund equity as of June 30, 2015.

3. DETAILED NOTES ON ALL FUNDS

POOLED DEPOSITS AND INVESTMENTS

The City maintains a cash management pool for its cash and cash equivalents in which each fund, except the Stewart Trust Fund, participates. Interest earnings on pooled funds are distributed monthly based on average daily balances.

Cash and investments at June 30, 2015 are comprised of the following:

Petty cash	\$1,050
Deposits with financial institutions	1,389,633
Investments	24,159,312
	<hr/> <hr/> \$25,549,995

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

Cash and investments are reflected in the government-wide Statement of Net Position as follows:

Cash and investments	\$ 25,227,247
Restricted assets - cash and investments	322,748
	<hr/> <u>\$25,549,995</u> <hr/>

DEPOSITS

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. The total bank balance per the bank statements is \$1,402,881. Of these deposits, \$384,921 is covered by federal depository insurance. The balance of \$1,017,960 is collateralized per the Oregon Public Funds Collateralization Program (PFCP) per Oregon Revised Statutes, Chapter 295 which requires public funds in excess of insurance limits to be held at qualified depositories. The City is in full compliance with ORS Chapter 295.

INVESTMENTS

The purpose of the City's investment policy specifies various goals and procedures that enhance opportunities for a prudent and systematic approach to investment-related activities. The City has delegated investment responsibilities to the Finance Director, who is primarily responsible for implementing the investment policy.

Credit Risk

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be returned to it. As required by Oregon Revised Statutes, Chapter 295, deposits in excess of FDIC coverage are held at qualified depositories for public funds. All qualified depositories for public funds are included in the multiple financial institution collateral pool that is maintained by and in the name of the Office of the State Treasurer. As a result, the City has no exposure to custodial credit risk for deposits with financial institutions.

State statutes authorize the City to invest in general obligations of the US 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. The City's investment policy does not further restrict its investment choices.

The State of Oregon Local Government Pool (Pool) is not registered with the U.S. Securities and Exchange Commission as an investment company. Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Funds Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. The Division's report on the Pool as of and for the year ended June 30, 2015 was unqualified.

The LGIP's portfolio concentration of credit risk at June 30, 2015 included: Commercial Paper, .71%; Agency Securities, 35.00%; Certificates of Deposits, .55%; Corporate Notes, 47.11%; Municipal Government Securities, 4.70%; foreign government, 1.61%; Asset-Backed Securities, 9.89%; and cash in various banks, 0.42%. The credit risk associated with the investments was: AAA rating, 9.41%; AA rating, 8.83%; A rating, 33.97%; A-1+, 2.99%; A-1, 2.35%; BBB (1) rating, 6.48%; FDIC covered, .55%; and not rated, 35.42%. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value for the LGIP entire portfolio.

Concentration of Credit Risk

100% of the Agency's investments are in the State of Oregon Local Government Pool.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

INVESTMENT TYPE	Credit Risk	Maturities	% of Portfolio	Actual Amount
Local Government Investment Pool	See Above	Avg. 6-18 months	100.0%	\$24,159,312
Petty Cash				1,050
Cash on Hand, Checking				1,389,633
Subtotal for Cash on Hand and in Checking				<u>1,390,683</u>
Total Cash and Investments, June 30, 2014				<u><u>\$25,549,995</u></u>

Interest Rate Risk

The City's investment policy states that investment maturities for operating funds shall be scheduled to coincide with projected cash flow needs and timed to comply with the following short-term investment guidelines. All funds will be considered short term and limited to maturities not exceeding 18 months, except those reserved for capital projects which will be limited to maturities not exceeding 3 years.

Receivables

Receivables as of year-end for the City's individual, major and non-major funds in the aggregate, net of applicable allowances for uncollectible accounts are as follows:

GOVERNMENTAL ACTIVITIES

	General	Transportation	Hotel / Motel Tax	Urban Renewal	Urban Renewal Capital Projects	Other Governmental	Total Governmental
Receivables:							
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,393	\$ 7,393
Accounts	301,191	45,775	-	-	-	-	346,966
Taxes	1,421,730	-	263,817	389,301	-	-	2,074,848
Assessment Liens	-	-	-	-	-	85,659	85,659
Notes	-	-	-	-	-	12,750	12,750
Intergovernmental	81,505	119,762	-	-	-	112,963	314,230
Total	<u>\$ 1,804,426</u>	<u>\$ 165,537</u>	<u>\$ 263,817</u>	<u>\$ 389,301</u>	<u>\$ -</u>	<u>\$ 218,765</u>	<u>\$ 2,841,846</u>

BUSINESS-TYPE ACTIVITIES

	Storm Drainage	Airport	Off Street Parking	Water	Total Business-Type Activities
Receivables:					
Utilities receivable, net	\$ 202,387	\$ -	\$ -	\$ 801,871	\$ 1,004,258
Other	-	1,197	7,122	7,972	16,291
Intergovernmental	-	758,449	-	34,534	792,983
Total	<u>\$ 202,387</u>	<u>\$ 759,646</u>	<u>\$ 7,122</u>	<u>\$ 844,377</u>	<u>\$ 1,813,532</u>

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2015 was as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Land	66,984,453	-	-	66,984,453
Construction in Progress	1,896,732	1,753,055	(1,478,852)	2,170,935
Total non-depreciable	<u>68,881,185</u>	<u>1,753,055</u>	<u>(1,478,852)</u>	<u>69,155,388</u>
Buildings & bldg improvemen	21,362,588	155,969	-	21,518,557
Land improvements	14,282,032	22,063	-	14,304,095
Machinery & Equipment	3,731,021	25,885	-	3,756,906
Vehicles	6,078,868	361,789	(85,428)	6,355,229
Infrastructure	115,927,608	802,816	(8,721)	116,721,703
Total depreciable	<u>161,382,117</u>	<u>1,368,522</u>	<u>(94,149)</u>	<u>162,656,490</u>
	230,263,302	3,121,577	(1,573,001)	231,811,878
Accumulated depreciation				
Buildings/Improvements	(6,668,175)	(588,163)		(7,256,338)
Land Improvements	(6,499,421)	(521,047)		(7,020,468)
Machinery & Equipment	(2,253,100)	(210,456)		(2,463,556)
Vehicles	(4,269,026)	(384,762)	82,648	(4,571,140)
Infrastructure	(83,354,107)	(3,131,383)	-	(86,485,490)
Total accumulated depreciati	<u>(103,043,829)</u>	<u>(4,835,811)</u>	<u>82,648</u>	<u>(107,796,992)</u>
Governmental activities capital assets, net	<u>\$ 127,219,473</u>	<u>\$ (1,714,234)</u>	<u>\$ (1,490,353)</u>	<u>\$ 124,014,886</u>

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

General government	481,310
Public Safety	341,565
Public Works	3,537,406
Culture and recreation	467,533
Community development	7,997
Total depreciation for governmental activities	<u>\$ 4,835,811</u>

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

CAPITAL ASSETS

Capital asset activity for business-type activities for the year ended June 30, 2015 was as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Land	6,841,635			6,841,635
Construction in Progress	7,460,080		(4,766,339)	2,693,741
Total non-depreciable	<u>14,301,715</u>	-	<u>(4,766,339)</u>	<u>9,535,376</u>
Buildings	16,608,218			16,608,218
Improvements other than buildir	106,964,887	9,354,138	-	116,319,025
Machinery & Equipment	1,984,405			1,984,405
Vehicles	1,088,146			1,088,146
Total depreciable	<u>126,645,656</u>	<u>9,354,138</u>	-	<u>135,999,794</u>
	140,947,371	9,354,138	(4,766,339)	145,535,170
Accumulated depreciation				
Buildings	(8,704,546)	(446,113)		(9,150,659)
Improvements other than buildir	(51,848,794)	(2,785,238)	-	(54,634,032)
Machinery & Equipment	(1,670,891)	(76,092)		(1,746,983)
Vehicles	(1,010,227)	(23,253)		(1,033,480)
Total accumulated depreciation	<u>(63,234,458)</u>	<u>(3,330,696)</u>	-	<u>(66,565,154)</u>
Business type activities, net	<u>\$ 77,712,913</u>	<u>\$ 6,023,442</u>	<u>\$ (4,766,339)</u>	<u>\$ 78,970,016</u>

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

Off Street Parking	59,829
Airport	744,670
Water	1,417,750
Storm Drain	1,108,447
Total depreciation for governmental activities	<u><u>\$ 3,330,696</u></u>

Interfund Receivables, Payables, and Transfers

Interfund balances as of June 30, 2015 are as follows:

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor governmental fund	Hotel/Motel Tax Fund	\$111,605

Outstanding balances between funds result mainly from the time lag between the dates payment for services or reimbursable expenditures occur.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

Interfund transfers:

Transfer out:	Transfers In:		
	Urban		
	Renewal Capital Projects	Nonmajor Governmental	Total
General Fund	\$ -	\$ 650,000	\$ 650,000
Transportation	-	10,000	10,000
Hotel/Motel Tax	-	452,080	452,080
Urban Renewal General	800,000	-	800,000
Nonmajor Governmental	892,175	-	892,175
Total	\$ 1,692,175	\$ 1,112,080	\$ 2,804,255

Interfund transfers are used to provide funds for debt service, contribute toward the cost of capital projects, and provide operational resources.

LONG-TERM OBLIGATIONS

In the following paragraphs, long-term debt information is presented separately with respect to governmental and business-type activities. The table below presents current year changes in long-term obligations and the current portions due for each obligation. For governmental activities, claims, and judgments and compensated absences are generally liquidated within each operating fund.

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Compensated Absences	1,319,718	136,396	25,184	1,430,930	29,548
Net OPEB Obligation	2,206,926	246,462	-	2,453,388	-
Full Faith & Credit					
Series 2006	2,065,000	-	65,000	2,000,000	-
Series 2007	5,155,000	-	2,415,000	2,740,000	2,740,000
Series 2013 (POB)	4,740,000	-	165,000	4,575,000	185,000
Total Governmental Activities	15,486,644	382,858	2,670,184	13,199,318	2,954,548
Business Type Activities					
Compensated Absences	104,657	3,135	2,468	105,324	2,760
Net OPEB Obligation	139,011	21,075	-	160,086	-
Full Faith & Credit					
Series 2007 (Airport)	1,550,000	-	60,000	1,490,000	65,000
Total Business Type Activities	1,793,668	24,210	62,468	1,755,410	67,760

GOVERNMENTAL ACTIVITIES

Full Faith and Credit Obligations

Series 2006

In October 2006, the City issued \$4,275,000 of Full Faith and Credit Obligations to acquire property for construction of a new public safety facility. The obligations which pledge the City's full faith and credit were sold as a direct bank placement. The interest rate on the obligations is 4%. Interest only payments were made during the first eight years. The first principal payment of \$2,210,000

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

was made in 2014 and final maturity is 2017. An intergovernmental agreement between the City and the Urban Renewal Agency pledges the Agency's tax increment revenues to pay the debt in entirety. The intergovernmental agreement constitutes an indebtedness of the Agency. The balance outstanding as of June 30, 2015 is \$2,000,000.

Annual debt service requirements to maturity for the full faith and credit obligations are as follows:

Year Ending		
June 30,	Principal	Interest
2016	-	80,000
2017	2,000,000	80,000
Totals	\$ 2,000,000	\$ 160,000

Series 2007

In January 2007, the City of Roseburg issued \$5,410,000 of Full Faith and Credit Obligations to finance the Construction of the public safety facility. The obligations pledge the City's full faith and credit and were sold as a direct bank placement. The obligations carry an interest rate of 4% and the final maturity is June 2016. An intergovernmental agreement between the City and the Urban Renewal Agency pledges the Agency's tax increment revenues to pay the debt in entirety. The intergovernmental agreement constitutes an indebtedness of the Agency.

The balance outstanding as of June 30, 2015 is \$2,740,000.

Annual debt service requirements to maturity for the full faith and credit obligations are as follows:

Year Ending		
June 30,	Principal	Interest
2016	2,740,000	109,600
Totals	\$ 2,740,000	\$ 109,600

SERIES 2013 (POB)

In November 26, 2013, the City of Roseburg issued \$4,840,000 in Pension Obligation Bonds (POBs) as Full Faith and Credit Obligations to fund the City's transition liability portion of its unfunded actuarial liability that resulted when the City joined the state and local government pool of employers. The obligations pledge the City's full faith and credit and were sold as a direct bank placement. The obligations carry an interest rate of 4.88% and the final maturity is June 2028. The City charges itself 4% of payroll to fund the annual debt liability.

The balance outstanding as of June 30, 2015 is \$4,575,000.

Annual debt service requirements to maturity for the full faith and credit obligations are as follows:

Year Ending		
June 30,	Principal	Interest
2016	185,000	223,260
2017	210,000	214,232
2018	235,000	203,984
2019	265,000	192,516
2020	295,000	179,584
2021-2028	3,385,000	774,944
Totals	\$ 4,575,000	\$ 1,788,520

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

BUSINESS-TYPE ACTIVITIES

Full Faith and Credit Obligations

In October of 2007, the City issued \$1,900,000 of Full Faith and Credit Obligations to finance construction of new T-hangars, utility and road improvements at the Roseburg Regional Airport. The interest rates on the obligation range from 4% to 4.125%. The obligation's final maturity is in June of 2032. The balance outstanding as of June 30, 2015 is \$1,490,000.

Year Ending	Principal	Interest
June 30,		
2016	65,000	60,287
2017	65,000	57,688
2018	70,000	55,087
2019	70,000	52,288
2020	75,000	49,488
2021-2032	1,145,000	327,738
Totals	\$ 1,490,000	\$ 602,576

Restricted Assets

The balances of the restricted asset accounts are as follows:

	Governmental	Business-type
Prepayments:		
Transportation Fund	\$ 322,748	\$ -
Total restricted assets	\$ 322,748	\$ -

4. OTHER INFORMATION

RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City carries commercial insurance. Settled claims relating to these exposures have not exceeded insurance coverage in any of the past three years.

The City retains a portion of the risk of loss for its workers' compensation. The City has established a Workers' Compensation Fund (an internal service fund) to account for and finance its uninsured risks of loss. Other City funds make payment to the Workers Compensation Fund based on the base rate manual premium for workers' compensation as provided by the State of Oregon. Settled claims have not exceeded interfund premiums and insurance coverage in any of the past three years.

Beginning October 1, 1987, the City established a self-insurance program for workers' compensation costs. The City is liable for direct payment of individual claims and time loss not to exceed \$500,000 per occurrence. Each claim in excess of that payment amount is covered by an excess insurance policy up to \$1,000,000. The fund is reviewed periodically by an outside actuary to ensure the program is appropriately funded. The total estimated unpaid loss liability at June 30, 2015, including an estimate for claims incurred but not reported, is \$230,544.

The following represents changes in the claims liability amount for fiscal year 2015:

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

	<u>2015</u>	<u>2014</u>
Balance July 1, 2014/2013	\$ 37,510	\$ 44,548
New Claims	487,835	155,984
Claims Payments	<u>294,801</u>	<u>163,022</u>
Balance June 30, 2015/2014	<u>\$ 230,544</u>	<u>\$ 37,510</u>

COMMITMENTS AND CONTINGENT LIABILITIES

City commitments, under various contracts entered into during the normal course of its operations, were not material. In addition, an employment contract with the City Manager includes a provision for severance pay in an amount equal to six months salary.

Amounts received or receivable from grant and regulator agencies are subject to audit and adjustment by grantor and regulator agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor or regulator cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

PENSION PLANS - OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

General Information about the Pension Plan

Plan description

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx.

Benefits provided

Tier One/Tier Two Retirement Benefit ORS Chapter 238

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, 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 a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit 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 One 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 Two 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.

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

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

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.

Benefit Changes

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

OPSRP Pension Program (OPSRP DB)

Pension Benefits

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

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.

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.

Benefit Changes After Retirement

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

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 Individual Account Program (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.

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.

Recordkeeping

OPERS contracts with VOYA Financial to maintain IAP participant records.

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. This 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, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. Employer contributions for the year ended June 30, 2015 were \$1,495,152, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2015 were 16.75 percent for Tier One/Tier Two General Service Member, 16.75 percent for Tier One/Tier Two Police and Fire, 10.63 percent for OPSRP Pension Program General Service Members, 13.36 percent for OPSRP Pension Program Police and Fire Members, and 6 percent for OPSRP Individual Account Program.

Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the City reported an asset of \$3,768,702 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The City's proportion of the net pension asset 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 entities, actuarially determined. At June 30, 2014, the City's proportion was 0.1663 percent, which was unchanged from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City's recognized pension income of \$2,593,426. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	7,272,069
Changes in proportion and differences between City contributions and proportionate share of contributions	3,984,255	-
City contributions subsequent to the measurement date	1,495,152	-
Total	\$ 5,479,407	\$ 7,272,069

\$1,495,152 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	\$ (951,875)
2017	(951,875)
2018	(951,875)
2019	(951,875)
2020	519,687
Thereafter	-

Actuarial assumptions

The employer contribution rates effective July 1, 2013, through June 30, 2015, were set using the projected unit credit 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 (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) 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 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution 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 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. The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial assumptions:

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

Valuation Date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, published September 18, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Investment Rate of Return	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Mortality	<p>Health retirees and beneficiaries: PF-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage of the RP-2000 statistic combined disabled mortality sex-distinct table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits 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 methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

Long-term expected rate of return

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

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate -Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equities	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	1.25%	6.07%
Total	100.00%	

Assumed Inflation - Mean 2.75%

Discount rate

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from 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 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City's proportionate share of the net pension liability (asset)	\$ 7,980,750	\$ (3,768,702)	\$ (13,705,984)

Pension plan fiduciary net position

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

Changes in Plan Provisions Subsequent to Measurement Date

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension liability (asset) proportionate shares provided by OPERS.

Change in Accounting Principle

Based on implementation of GASB Statement No. 68 and 71, the City restated the beginning net position for the Governmental Activities and Business-Type Activities. Net position has been restated as follows:

	Governmental Activities	Business-Type Activities	Total
Net position - beginning (as originally reported)	\$ 137,734,055	\$ 54,276,891	\$ 192,010,946
Cumulative effect of change in accounting principle	(1,901,413)	(197,857)	(2,099,270)
Net position - beginning (as restated)	\$ 135,832,642	\$ 54,079,034	\$ 189,911,676

POSTEMPLOYMENT HEALTHCARE PLAN (IMPLICIT SUBSIDY)

Plan Description

The City does not have a formal single-employer post-employment benefits plan for any employee groups, however the City is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. GASB 45 is applicable to the City due only to the implicit rate subsidy. This "plan" is not a stand-alone plan and therefore, does not issue its own financial statements.

Funding Policy

The City collects insurance premiums from all retirees each month and deposits them in the insurance fund. The City then pays health and dental insurance premiums for all retirees at the blended rate for each family classification. The required contributions to the plan include the employer's pay-as-you-go amount, an amount paid by retirees and an additional amount calculated to prefund future benefits as determined by the actuary.

For fiscal year 2014/2015, the City contributed \$76,164 consisting of retiree payments. The City has elected to not prefund the actuarially determined future cost amount of \$2,613,474.

Plan members required monthly contributions are \$698 per month for retiree-only coverage and \$1,346 per month for retiree and spouse coverage

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45.

The annual required contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years. For 2015, the City's annual OPEB cost was \$343,701.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014/2015 and the two preceding years were as follows:

Fiscal Year <u>Ended</u>	Annual <u>OPEB Cost</u>	Percent of Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Oblig.</u>
June 30, 2013	\$495,699	10.61%	\$443,091
June 30, 2014	\$512,537	15.33%	\$433,950
June 30, 2015	\$343,701	22.16%	\$267,537

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 3,185,670
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 3,185,670</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$10,515,772
UAAL as a percentage of covered payroll	30.29%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used to determine contributions level. The UAAL is being amortized over an open period of 30 years as a level percent of payroll.

Changes since the prior valuation include revision of demographic assumptions to match as closely as possible those developed in the 2012 experience study for Oregon PERS and the participation assumption was changed from 100 percent to 70 percent.

RETIREMENT HEALTH INSURANCE ACCOUNT (RHIA)

Plan Description

As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

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 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 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 PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS; 2) receive both Medicare Parts A and B coverage; and 3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she: 1) is receiving a retirement benefit or allowance from PERS; 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. For fiscal years ending June 30, 2012 and 2013, Tier 1 & 2 rates were .59% and OPSRP .50% of annual covered payroll. For fiscal years ending June 30, 2014 and 2015, the respective rates were .59% and .49%. The OPERS Board of Trustees sets the employer contribution rate based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to RHIA for the fiscal years ending June 30, 2013, 2014, and 2015 were \$59,301, \$58,296, and \$55,750 respectively, which equaled the required contribution for the year.

The City's General Fund has paid approximately 91% of the PERS, postemployment health care plan, and retirement health insurance account required contributions.

DEFERRED COMPENSATION PLANS

The City has a deferred compensation trust plan created in accordance with Internal Revenue Code Section 457. The trust holds the assets for the exclusive benefit of plan participants and their beneficiaries.

CAPITAL CONTRIBUTIONS

	Storm Drainage	Airport	Water	Total
Contributed Capital:				
System Development Charges	\$ 83,676		\$ 79,190	\$ 162,866
Grants		1,448,093	45,505	1,493,598
Capital Assets Reassigned from Urban Renewal Capital Project		610,971		610,971
Capital Contribution from Developer Activities			109,025	109,025
Totals	\$ 83,676	\$ 2,059,064	\$ 233,720	\$ 2,376,460

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2015

GASB PRONOUNCEMENTS IMPLEMENTED

GASB Statement No. 68 "Accounting and Financial Reporting for Pensions; an amendment of GASB Statement No. 27". This Statement replaces the requirements of Statements No. 27 and No. 50 related to pension plans that are administered as trusts or equivalent arrangements. The requirements of this Statement are effective for financial statements for fiscal years beginning after June 15, 2014. The statement was implemented in the current year.

GASB Statement No. 69 "Government Combinations and Disposals of Government Operations." This Statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations (i.e., government combinations). The Statement also provides guidance on how to determine the gain or loss on a disposal of government operations. This Statement applies to all state and local government entities. The requirements of this Statement should be applied prospectively and are effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. The statement was implemented in the current year.

GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB No. 68" establishes accounting and financial reporting standards for recognition of contributions made between the measurement date of the net pension liability and implementation of GASB Statement No. 68. The statement was implemented in the current year.

The City will implement new GASB pronouncements no later than the required fiscal year. Management has not determined the effect on the financial statements from implementing any of the pronouncements.

GASB Statement No. 72 "Fair Value Measurement and Application" addresses accounting and financial reporting issues related to fair value measurements. It provides guidance for determining a fair value measurement for financial reporting purposes, as well as guidance for applying fair value to certain investments, and disclosures related to all fair value measurement. The statement is effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68", completes the suite of pension standards. The requirements in Statement 73 for reporting pensions generally are the same as in Statement 68. The statement is generally effective for fiscal years beginning after June 15, 2015.

GASB Statement No. 74 "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", as amended, and Statement No. 57, "OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans". It also includes requirements for defined contributions OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans", as amended, and Statement No. 50, "Pension Disclosures". This statement is effective for financial statement periods beginning after June 15, 2016.

GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions", addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. It requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. The statement is effective for fiscal years beginning after June 15, 2016.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 18, 2015, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROSEBURG OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the last two fiscal years

Year Ended June 30,	(a) Roseburg's proportion of the net pension liability (asset)	(b) Roseburg's proportionate share of the net pension liability (asset)	(c) Roseburg's covered payroll	(b/c) Roseburg's proportionate share of the net pension liability (asset) as a percentage of	Plan fiduciary net position as a percentage of the total pension liability
2015	0.16626276%	\$ (3,768,702)	\$ 10,172,066	-37.05%	103.60%
2014	0.16626276%	8,484,632	9,875,133	85.92%	91.97%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

This schedule is 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 ROSEBURG OREGON
SCHEDULE OF CONTRIBUTIONS
For the last two fiscal years

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) Roseburg's covered payroll	(b/c) Contributions as a percent of covered payroll
2015	\$ 1,495,152	\$ 1,495,152	\$ -	\$ 10,172,066	14.70%
2014	6,385,362	6,385,362	-	9,875,133	0.6

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

This schedule is 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.

Changes in Plan Provisions

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at: http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

Changes of assumptions

A summary of key changes implemented since the December 31, 2011 valuation are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at: http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at: <http://www.oregon.gov/pers/docs/2012%20Exp%20Study%20Updated.pdf>

**SUPPLEMENTAL
SECTION**

COMBINING STATEMENTS

Non-Major Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted to expenditure for particular purposes.

Grant

Fund established to account for federal and state funds received through grants.

Streetlight/Sidewalk

Accounts for capital improvements with funding provided by the City's Hotel/Motel tax.

Bike Trail Improvement

Accounts for 1% State of Oregon gasoline tax received by the City and dedicated by Oregon law to bike trail development and maintenance.

Economic Development

Fund established to provide a comprehensive program of effective community development.

Golf

Accounts for revenues received from golf concessionaire and ground lease.

Stewart Trust

This expendable trust fund is used to account for the Stewart Trust donations. Expenditures from this trust are limited to Stewart Park and/or Legion Field improvements and maintenance.

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of principal and interest on long-term obligations of the City.

Urban Renewal Debt Service

Accounts for general obligation indebtedness of the Urban Renewal Agency.

Pension Debt Service Fund

Accounts for the accumulation of resources for, and payment of, the Pension Obligation debt.

Capital Projects Funds

Capital project funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Park Improvement

Accounts for acquisition and development of parks and open spaces that are paid from system development charges, donations, grants and transfers from operating funds.

Equipment Replacement

Accumulates resources for replacement of vehicles and other major equipment that the City must plan and save for over a period of years.

Assessment Improvement

Accounts for construction costs of local improvement districts. Financing is provided by the City and assessments on benefiting property owners.

Facilities Replacement

Accounts for resources for the replacement or improvement of major City owned facilities.

CITY OF ROSEBURG, OREGON
Nonmajor Governmental Funds
Combining Balance Sheet

June 30, 2015

(continued on next page)

	Special Revenue Funds						Stewart Trust
	Grant	Streetlight/ Sidewalk	Bike Trail Improvement	Economic Development	Golf		
ASSETS							
Cash and investments	\$ 73,083	\$ 1,092,833	\$ 112,970	\$ 129,162	\$ 89,492	\$ 80,324	
Interest receivable	-	-	-	-	-	-	
Assessment liens receivable	-	115	-	-	-	-	
Notes receivable	-	-	-	-	12,750	-	
Due from other funds	-	85,864	-	25,741	-	-	
Intergovernmental receivable	3,095	-	109,868	-	-	-	
Total assets	<u>\$ 76,178</u>	<u>\$ 1,178,812</u>	<u>\$ 222,838</u>	<u>\$ 154,903</u>	<u>\$ 102,242</u>	<u>\$ 80,324</u>	
LIABILITIES							
Accounts payable	2,756	3,805	117,484	5,625	9,920	-	
Other accrued liabilities	-	-	-	-	-	-	
Due to other funds	-	-	-	-	-	-	
Deferred revenues	-	105	-	-	12,750	-	
Total liabilities	<u>2,756</u>	<u>3,910</u>	<u>117,484</u>	<u>5,625</u>	<u>22,670</u>	<u>-</u>	
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-special assessments	-	-	-	-	-	-	
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
FUND BALANCES							
Restricted	73,422	-	105,354	-	-	80,324	
Committed	-	1,174,902	-	149,278	79,572	-	
Assigned	-	-	-	-	-	-	
Total fund balances	<u>73,422</u>	<u>1,174,902</u>	<u>105,354</u>	<u>149,278</u>	<u>79,572</u>	<u>80,324</u>	
Total liabilities and fund balances	<u>\$ 76,178</u>	<u>\$ 1,178,812</u>	<u>\$ 222,838</u>	<u>\$ 154,903</u>	<u>\$ 102,242</u>	<u>\$ 80,324</u>	

CITY OF ROSEBURG, OREGON
 Nonmajor Governmental Funds
 Combining Balance Sheet

June 30, 2015

(continued from previous page)

	Debt Service Funds			Capital Project Funds					Total Nonmajor Governmental Funds
	Debt Service	Urban Renewal Debt	Pension Debt	Park Improvement	Equipment Replacement	Assessment Improvement	Facilities Replacement		
ASSETS									
Cash and investments	\$ -	\$ -	\$ 58,319	\$ 186,049	\$ 1,066,884	\$ 1,467,320	\$ 819,380	\$ 5,175,816	
Interest receivable	-	-	-	-	-	7,393	-	7,393	
Assessment liens receivable	-	-	-	-	-	85,544	-	85,659	
Notes receivable	-	-	-	-	-	-	-	12,750	
Due from other funds	-	-	-	-	-	-	-	111,605	
Intergovernmental receivable	-	-	-	-	-	-	-	112,963	
Total assets	\$ -	\$ -	\$ 58,319	\$ 186,049	\$ 1,066,884	\$ 1,560,257	\$ 819,380	\$ 5,506,186	
LIABILITIES									
Accounts payable	-	-	37,000	-	14,568	-	3,656	194,814	
Other accrued liabilities	-	-	-	-	-	-	-	-	
Due to other funds	-	-	-	-	-	-	-	-	
Deferred revenues	-	-	-	-	-	-	-	12,855	
Total liabilities	-	-	37,000	-	14,568	-	3,656	207,669	
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue-special assessments	-	-	-	-	-	85,544	-	85,544	
Total deferred inflows of resources	-	-	-	-	-	85,544	-	85,544	
FUND BALANCES									
Restricted	-	-	21,319	-	-	-	-	280,419	
Committed	-	-	-	-	-	-	815,724	2,219,476	
Assigned	-	-	-	186,049	1,052,316	1,474,713	-	2,713,078	
Total fund balances	-	-	21,319	186,049	1,052,316	1,474,713	815,724	5,212,973	
Total liabilities and fund balances	\$ -	\$ -	\$ 58,319	\$ 186,049	\$ 1,066,884	\$ 1,560,257	\$ 819,380	\$ 5,506,186	

CITY OF ROSEBURG, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2015
(continued on next page)

	Special Revenue Funds						Stewart Trust
	Grant	Streetlight/ Sidewalk	Bike Trail Improvement	Economic Development	Golf		
REVENUES							
Intergovernmental	\$ 12,691	-	\$ 121,604	\$ -	-	\$ -	-
Charges for services	-	-	-	-	44,629	-	-
System development fees	-	-	-	-	-	-	-
Special assessments	-	478	-	-	-	-	-
Investment revenue	408	5,379	542	646	427	52	52
Other revenues	2,000	-	-	-	-	12,700	12,700
Total revenues	<u>15,099</u>	<u>5,857</u>	<u>122,146</u>	<u>646</u>	<u>45,056</u>	<u>12,752</u>	<u>12,752</u>
EXPENDITURES							
Current operating:							
General government	-	-	-	-	-	-	-
Public safety	3,402	-	-	-	-	-	-
Public works	-	75,287	-	-	-	-	-
Culture and recreation	-	-	-	-	11,888	-	-
Community development	13,677	-	-	91,920	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay	-	98,504	119,059	-	7,992	12,425	12,425
Total expenditures	<u>17,079</u>	<u>173,791</u>	<u>119,059</u>	<u>91,920</u>	<u>19,880</u>	<u>12,425</u>	<u>12,425</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,980)</u>	<u>(167,934)</u>	<u>3,087</u>	<u>(91,274)</u>	<u>25,176</u>	<u>327</u>	<u>327</u>
OTHER FINANCING SOURCES (USES)							
Proceeds from asset sales	-	-	-	-	12,750	-	-
Transfers in	-	347,811	10,000	104,269	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	<u>347,811</u>	<u>10,000</u>	<u>104,269</u>	<u>12,750</u>	-	-
Net change in fund balances	(1,980)	179,877	13,087	12,995	37,926	327	327
Fund balances--beginning	75,402	995,025	92,267	136,283	41,646	79,997	79,997
Fund balances--ending	<u>\$ 73,422</u>	<u>\$ 1,174,902</u>	<u>\$ 105,354</u>	<u>\$ 149,278</u>	<u>\$ 79,572</u>	<u>\$ 80,324</u>	<u>\$ 80,324</u>

CITY OF ROSEBURG, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2015
(continued from previous page)

	Debt Service Fund			Capital Project Funds				Total Nonmajor Governmental Funds
	Debt Service	Urban Renewal Debt	Pension Debt	Park Improvement	Equipment Replacement	Assessment Improvement	Facilities Replacement	
REVENUES								
Intergovernmental	\$ 2,768,800	\$ -	\$ 407,482	\$ 47,133	\$ -	\$ -	\$ -	\$ 3,357,710
Charges for services	-	-	-	-	-	-	-	44,629
System development fees	-	-	-	22,309	-	-	-	22,309
Special assessments	-	-	-	-	-	17,221	-	17,699
Investment revenue	-	-	-	822	5,470	10,653	4,536	28,935
Other revenues	-	-	-	5,393	-	-	10,000	30,093
Total revenues	<u>2,768,800</u>	<u>-</u>	<u>407,482</u>	<u>75,657</u>	<u>5,470</u>	<u>27,874</u>	<u>14,536</u>	<u>3,501,375</u>
EXPENDITURES								
Current operating:								
General government	-	-	-	-	-	-	62,094	62,094
Public safety	-	-	-	-	-	-	-	3,402
Public works	-	-	-	-	-	-	-	75,287
Culture and recreation	-	-	-	3,028	-	-	-	14,916
Community development	-	-	-	-	-	-	-	105,597
Debt service:								
Principal	2,480,000	-	165,000	-	-	-	-	2,645,000
Interest	288,800	-	231,312	-	-	-	-	520,112
Capital outlay	-	-	-	50,550	468,120	-	49,064	805,714
Total expenditures	<u>2,768,800</u>	<u>-</u>	<u>396,312</u>	<u>53,578</u>	<u>468,120</u>	<u>-</u>	<u>111,158</u>	<u>4,232,122</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	11,170	22,079	(462,650)	27,874	(96,622)	(730,747)
OTHER FINANCING SOURCES								
Proceeds from asset sales	-	-	-	-	-	-	-	12,750
Transfers in	-	-	-	25,000	625,000	-	-	1,112,080
Transfers out	-	(892,175)	-	-	-	-	-	(892,175)
Total other financing sources	-	(892,175)	-	25,000	625,000	-	-	232,655
Net change in fund balances	-	(892,175)	11,170	47,079	162,350	27,874	(96,622)	(498,092)
Fund balances--beginning	-	892,175	10,149	138,970	889,966	1,446,839	912,346	5,711,065
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,319</u>	<u>\$ 186,049</u>	<u>\$ 1,052,316</u>	<u>\$ 1,474,713</u>	<u>\$ 815,724</u>	<u>\$ 5,212,973</u>

BUDGETARY COMPARISON SCHEDULES

Pursuant to the provisions of Oregon Revised Statute 297.465, Oregon Administrative Rule #162-010-0130, *Minimum Standards for Audits of Oregon Municipal Corporations*, requires an individual schedule of revenues, expenditures/expenses, and changes in fund.

In accordance with GASB Statement #34 the City's General Fund and any major special revenue fund (currently the Urban Renewal General Fund) are presented in the basic financial statements. All other fund budgetary comparisons are displayed in the following pages.

**SCHEDULE OF REVENUES,
EXPENDITURES/EXPENSES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

Governmental Funds

Special Revenue Funds

- ◆ Grant
- ◆ Hotel/Motel Tax
- ◆ Streetlight/Sidewalk
- ◆ Bike Trail Improvement
- ◆ Economic Development
- ◆ Golf
- ◆ Stewart Trust

Debt Service Funds

- ◆ Debt Retirement
- ◆ Pension Obligation Debt Service
- ◆ Urban Renewal

Capital Projects Funds

- ◆ Transportation
- ◆ Park Improvement
- ◆ Equipment Replacement
- ◆ Assessment Improvement
- ◆ Facilities Replacement
- ◆ Urban Renewal Capital Projects

CITY OF ROSEBURG, OREGON

Grant Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual**

For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 81,116	\$ 81,116	\$ 12,691	\$ (68,425)
Investment revenue	-	-	408	408
Other revenues	-	-	2,000	2,000
Total revenues	<u>81,116</u>	<u>81,116</u>	<u>15,099</u>	<u>(66,017)</u>
EXPENDITURES				
Materials and services	<u>104,116</u>	<u>104,116</u>	<u>17,079</u>	<u>87,037</u>
Total expenditures	<u>104,116</u>	<u>104,116</u>	<u>17,079</u>	<u>87,037</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,000)</u>	<u>(23,000)</u>	<u>(1,980)</u>	<u>21,020</u>
OTHER FINANCING SOURCES				
Reserved for future expenditures	<u>(51,378)</u>	<u>(51,378)</u>	<u>-</u>	<u>51,378</u>
Total other financing sources	<u>(51,378)</u>	<u>(51,378)</u>	<u>-</u>	<u>51,378</u>
Net change in fund balances	(74,378)	(74,378)	(1,980)	72,398
Fund balances--beginning	<u>74,378</u>	<u>74,378</u>	<u>75,402</u>	<u>1,024</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,422</u>	<u>\$ 73,422</u>

CITY OF ROSEBURG, OREGON
Hotel/Motel Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 879,150	\$ 1,050,000	\$ 1,010,617	\$ (39,383)
Investment revenue	1,200	1,200	1,300	100
Other revenues	-	-	4,500	4,500
Total revenues	<u>880,350</u>	<u>1,051,200</u>	<u>1,016,417</u>	<u>(34,783)</u>
EXPENDITURES				
Materials and services	<u>545,711</u>	<u>631,962</u>	<u>584,505</u>	<u>47,457</u>
Total expenditures	<u>545,711</u>	<u>631,962</u>	<u>584,505</u>	<u>47,457</u>
Excess of revenues over expenditures	<u>334,639</u>	<u>419,238</u>	<u>431,912</u>	<u>12,674</u>
OTHER FINANCING USES				
Transfers out	(365,439)	(470,850)	(452,080)	18,770
Reserved for future expenditures	<u>(170,919)</u>	<u>(150,107)</u>	-	150,107
Total other financing uses	<u>(536,358)</u>	<u>(620,957)</u>	<u>(452,080)</u>	<u>168,877</u>
Net change in fund balances	(201,719)	(201,719)	(20,168)	181,551
Fund balances--beginning	<u>201,719</u>	<u>201,719</u>	<u>247,047</u>	<u>45,328</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 226,879</u>	<u>\$ 226,879</u>

CITY OF ROSEBURG, OREGON
Streetlight/Sidewalk Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual

For the year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 5,000	\$ 5,000	\$ 478	\$ (4,522)
Investment revenue	4,800	4,800	5,379	579
Total revenues	<u>9,800</u>	<u>9,800</u>	<u>5,857</u>	<u>(3,943)</u>
EXPENDITURES				
Materials and services	79,087	79,087	75,287	3,800
Capital outlay	815,000	815,000	98,504	716,496
Contingency	354,443	354,443	-	354,443
Total expenditures	<u>1,248,530</u>	<u>1,248,530</u>	<u>173,791</u>	<u>1,074,739</u>
Deficiency of revenues under expenditures	<u>(1,238,730)</u>	<u>(1,238,730)</u>	<u>(167,934)</u>	<u>1,070,796</u>
OTHER FINANCING SOURCES				
Transfers in	281,153	281,153	347,811	66,658
Total other financing sources	<u>281,153</u>	<u>281,153</u>	<u>347,811</u>	<u>66,658</u>
Net change in fund balances	(957,577)	(957,577)	179,877	1,137,454
Fund balances--beginning	<u>957,577</u>	<u>957,577</u>	<u>995,025</u>	<u>37,448</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,174,902</u>	<u>\$ 1,174,902</u>

CITY OF ROSEBURG, OREGON
Bike Trail Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 12,750	\$ 130,750	\$ 121,604	\$ (9,146)
Investment revenue	450	450	542	92
Total revenues	<u>13,200</u>	<u>131,200</u>	<u>122,146</u>	<u>(9,054)</u>
EXPENDITURES				
Materials and services	20,000	20,000	-	20,000
Capital outlay	50,000	168,000	119,059	48,941
Contingency	45,825	45,825	-	45,825
Total expenditures	<u>115,825</u>	<u>233,825</u>	<u>119,059</u>	<u>114,766</u>
Deficiency of revenues under expenditures	<u>(102,625)</u>	<u>(102,625)</u>	<u>3,087</u>	<u>105,712</u>
OTHER FINANCING SOURCES				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	(92,625)	(92,625)	13,087	105,712
Fund balances--beginning	<u>92,625</u>	<u>92,625</u>	<u>92,267</u>	<u>(358)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 105,354</u>	<u>\$ 105,354</u>

CITY OF ROSEBURG, OREGON
Economic Development Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual

For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment revenue	\$ 600	\$ 600	\$ 646	\$ 46
Total revenues	<u>600</u>	<u>600</u>	<u>646</u>	<u>46</u>
EXPENDITURES				
Materials and services	96,921	96,921	91,920	5,001
Total expenditures	<u>96,921</u>	<u>96,921</u>	<u>91,920</u>	<u>5,001</u>
Deficiency of revenues under expenditures	<u>(96,321)</u>	<u>(96,321)</u>	<u>(91,274)</u>	<u>5,047</u>
OTHER FINANCING SOURCES				
Transfers in	84,286	84,286	104,269	19,983
Reserved for future expenditures	(124,232)	(124,232)	-	124,232
Total other financing sources	<u>(39,946)</u>	<u>(39,946)</u>	<u>104,269</u>	<u>144,215</u>
Net change in fund balances	(136,267)	(136,267)	12,995	149,262
Fund balances--beginning	<u>136,267</u>	<u>136,267</u>	<u>136,283</u>	<u>16</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 149,278</u>	<u>\$ 149,278</u>

CITY OF ROSEBURG, OREGON

Golf Fund

**Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual**

For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 44,500	\$ 44,500	\$ 44,629	\$ 129
Investment revenue	225	225	427	202
Total revenues	<u>44,725</u>	<u>44,725</u>	<u>45,056</u>	<u>331</u>
EXPENDITURES				
Maintenance	19,900	19,900	11,888	8,012
Capital outlay	20,000	20,000	7,992	12,008
Intergovernmental				
Contingency	<u>56,723</u>	<u>56,723</u>	<u>-</u>	<u>56,723</u>
Total expenditures	<u>96,623</u>	<u>96,623</u>	<u>19,880</u>	<u>76,743</u>
Deficiency of revenues under expenditures	<u>(51,898)</u>	<u>(51,898)</u>	<u>25,176</u>	<u>77,074</u>
OTHER FINANCING SOURCES				
Proceeds from asset sales	<u>12,000</u>	<u>12,000</u>	<u>12,750</u>	<u>750</u>
Total other financing sources	<u>12,000</u>	<u>12,000</u>	<u>12,750</u>	<u>750</u>
Net change in fund balances	(39,898)	(39,898)	37,926	77,824
Fund balances--beginning	<u>39,898</u>	<u>39,898</u>	<u>41,646</u>	<u>1,748</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,572</u>	<u>\$ 79,572</u>

CITY OF ROSEBURG, OREGON
Stewart Trust Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual

For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment revenue	\$ 50	\$ 50	\$ 52	\$ 2
Other revenues	<u>16,285</u>	<u>16,285</u>	<u>12,700</u>	<u>(3,585)</u>
Total revenues	<u>16,335</u>	<u>16,335</u>	<u>12,752</u>	<u>(3,583)</u>
EXPENDITURES				
Capital outlay	<u>40,000</u>	<u>40,000</u>	<u>12,425</u>	<u>27,575</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>12,425</u>	<u>27,575</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,665)</u>	<u>(23,665)</u>	<u>327</u>	<u>23,992</u>
OTHER FINANCING USES				
Reserved for future expenditures	<u>(78,112)</u>	<u>(78,112)</u>	<u>-</u>	<u>78,112</u>
Total other financing uses	<u>(78,112)</u>	<u>(78,112)</u>	<u>-</u>	<u>78,112</u>
Net change in fund balances	(101,777)	(101,777)	327	102,104
Fund balances--beginning	<u>101,777</u>	<u>101,777</u>	<u>79,997</u>	<u>(21,780)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,324</u>	<u>\$ 80,324</u>

CITY OF ROSEBURG, OREGON
Debt Retirement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual

For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,769,500	\$ 2,769,500	\$ 2,768,800	\$ (700)
Total revenues	<u>2,769,500</u>	<u>2,769,500</u>	<u>2,768,800</u>	<u>(700)</u>
EXPENDITURES				
Debt service:				
Principal	2,480,000	2,480,000	2,480,000	-
Interest	<u>289,500</u>	<u>289,500</u>	<u>288,800</u>	700
Total expenditures	<u>2,769,500</u>	<u>2,769,500</u>	<u>2,768,800</u>	<u>700</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances--beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ROSEBURG, OREGON
Pension Obligation Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 438,730	\$ 438,730	\$ 407,482	\$ (31,248)
Investment revenue	1	1	-	(1)
Total revenues	<u>438,731</u>	<u>438,731</u>	<u>407,482</u>	<u>(31,249)</u>
EXPENDITURES				
Debt service:				
Principal	165,000	165,000	165,000	-
Interest	<u>231,500</u>	<u>231,500</u>	<u>231,312</u>	<u>188</u>
Total expenditures	<u>396,500</u>	<u>396,500</u>	<u>396,312</u>	<u>188</u>
Excess of revenues over expenditures	<u>42,231</u>	<u>42,231</u>	<u>11,170</u>	<u>(31,061)</u>
Net change in fund balances	42,231	42,231	11,170	(31,061)
Fund balances--beginning	<u>50,733</u>	<u>50,733</u>	<u>10,149</u>	<u>(40,584)</u>
Fund balances--ending	<u>\$ 92,964</u>	<u>\$ 92,964</u>	<u>\$ 21,319</u>	<u>\$ (71,645)</u>

CITY OF ROSEBURG, OREGON
Urban Renewal Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
OTHER FINANCING SOURCES (USES)				
Transfers out	\$ (892,175)	\$ (892,175)	\$ (892,175)	\$ -
Total other financing sources	<u>(892,175)</u>	<u>(892,175)</u>	<u>(892,175)</u>	<u>-</u>
Net change in fund balances	(892,175)	(892,175)	(892,175)	-
Fund balances--beginning	<u>892,175</u>	<u>892,175</u>	<u>892,175</u>	<u>-</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF ROSEBURG, OREGON
Transportation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual

For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 450,728	\$ 450,728	\$ 414,287	\$ (36,441)
Intergovernmental	1,510,798	1,510,798	1,281,603	(229,195)
Charges for services	1,000	1,000	5,437	4,437
System development fees	25,000	25,000	163,857	138,857
Investment revenue	10,000	10,000	15,386	5,386
Total revenues	<u>1,997,526</u>	<u>1,997,526</u>	<u>1,880,570</u>	<u>(116,956)</u>
EXPENDITURES				
Materials and services	1,290,699	1,290,699	1,045,262	245,437
Capital outlay	2,255,000	2,255,000	23,761	2,231,239
Total expenditures	<u>3,545,699</u>	<u>3,545,699</u>	<u>1,069,023</u>	<u>2,476,676</u>
Deficiency of revenues under expenditures	<u>(1,548,173)</u>	<u>(1,548,173)</u>	<u>811,547</u>	<u>2,359,720</u>
OTHER FINANCING USES				
Transfers out	(10,000)	(10,000)	(10,000)	-
Reserved for future expenditures	(862,269)	(862,269)	-	862,269
Total other financing uses	<u>(872,269)</u>	<u>(872,269)</u>	<u>(10,000)</u>	<u>862,269</u>
Net change in fund balances	(2,420,442)	(2,420,442)	801,547	3,221,989
Fund balances--beginning	<u>2,420,442</u>	<u>2,420,442</u>	<u>2,694,228</u>	<u>273,786</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,495,775</u>	<u>\$ 3,495,775</u>

CITY OF ROSEBURG, OREGON
Park Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual

For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 170,000	\$ 170,000	\$ 47,133	\$ (122,867)
Charges for services	-	-	-	-
System development fees	20,000	20,000	22,309	2,309
Investment revenue	-	-	822	822
Other revenues	<u>15,000</u>	<u>15,000</u>	<u>5,393</u>	<u>(9,607)</u>
Total revenues	<u>205,000</u>	<u>205,000</u>	<u>75,657</u>	<u>(129,343)</u>
EXPENDITURES				
Materials and services	16,000	16,000	3,028	12,972
Capital outlay	<u>239,000</u>	<u>310,000</u>	<u>50,550</u>	<u>259,450</u>
Total expenditures	<u>255,000</u>	<u>326,000</u>	<u>53,578</u>	<u>272,422</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(50,000)</u>	<u>(121,000)</u>	<u>22,079</u>	<u>143,079</u>
OTHER FINANCING SOURCES				
Transfers in	25,000	25,000	25,000	-
Reserved for future expenditures	<u>(115,559)</u>	<u>(139,488)</u>	<u>-</u>	<u>139,488</u>
Total other financing sources	<u>(90,559)</u>	<u>(114,488)</u>	<u>25,000</u>	<u>139,488</u>
Net change in fund balances	(140,559)	(235,488)	47,079	282,567
Fund balances--beginning	<u>140,559</u>	<u>140,559</u>	<u>138,970</u>	<u>(1,589)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ (94,929)</u>	<u>\$ 186,049</u>	<u>\$ 280,978</u>

CITY OF ROSEBURG, OREGON
Equipment Replacement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 4,000	\$ 4,000	\$ 5,470	\$ 1,470
Other revenues	-	-	-	-
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>5,470</u>	<u>1,470</u>
EXPENDITURES				
Capital outlay	<u>699,000</u>	<u>699,000</u>	<u>468,120</u>	<u>230,880</u>
Total expenditures	<u>699,000</u>	<u>699,000</u>	<u>468,120</u>	<u>230,880</u>
Deficiency of revenues under expenditures	<u>(695,000)</u>	<u>(695,000)</u>	<u>(462,650)</u>	<u>232,350</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from asset sales	10,000	10,000	-	(10,000)
Transfers in	625,000	625,000	625,000	-
Reserved for future expenditures	<u>(811,497)</u>	<u>(811,497)</u>	<u>-</u>	<u>811,497</u>
Total other financing sources (uses)	<u>(176,497)</u>	<u>(176,497)</u>	<u>625,000</u>	<u>801,497</u>
Net change in fund balances	(871,497)	(871,497)	162,350	1,033,847
Fund balances--beginning	<u>871,497</u>	<u>841,457</u>	<u>889,966</u>	<u>48,509</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ (30,040)</u>	<u>\$ 1,052,316</u>	<u>\$ 1,082,356</u>

CITY OF ROSEBURG, OREGON
Assessment Improvement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual

For the year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 20,000	\$ 20,000	\$ 17,221	\$ (2,779)
Investment revenue	12,500	12,500	10,653	(1,847)
Total revenues	<u>32,500</u>	<u>32,500</u>	<u>27,874</u>	<u>(4,626)</u>
EXPENDITURES				
Capital outlay	200,000	200,000	-	200,000
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(167,500)</u>	<u>(167,500)</u>	<u>27,874</u>	<u>195,374</u>
OTHER FINANCING USES				
Reserved for future expenditures	(200,000)	(200,000)	-	200,000
Total other financing uses	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>	<u>200,000</u>
Net change in fund balances	(367,500)	(367,500)	27,874	395,374
Fund balances--beginning	<u>1,413,518</u>	<u>1,413,518</u>	<u>1,446,839</u>	<u>33,321</u>
Fund balances--ending	<u><u>\$ 1,046,018</u></u>	<u><u>\$ 1,046,018</u></u>	<u><u>\$ 1,474,713</u></u>	<u><u>\$ 428,695</u></u>

CITY OF ROSEBURG, OREGON
Facilities Replacement Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual

For the year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Income	\$ 5,000	\$ 5,000	\$ 4,536	\$ (464)
Other revenues	-	-	10,000	10,000
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>14,536</u>	<u>9,536</u>
EXPENDITURES				
Materials and services	69,070	69,070	62,094	6,976
Capital outlay	383,600	383,600	49,064	334,536
Total expenditures	<u>452,670</u>	<u>452,670</u>	<u>111,158</u>	<u>341,512</u>
Deficiency of revenues under expenditures	<u>(447,670)</u>	<u>(447,670)</u>	<u>(96,622)</u>	<u>351,048</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from asset sales	190,000	190,000	-	(190,000)
Reserved for future expenditures	(594,401)	(594,401)	-	594,401
Total other financing sources (uses)	<u>(404,401)</u>	<u>(404,401)</u>	<u>-</u>	<u>404,401</u>
Net change in fund balances	(852,071)	(852,071)	(96,622)	755,449
Fund balances--beginning	<u>852,071</u>	<u>852,071</u>	<u>912,346</u>	<u>60,275</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 815,724</u>	<u>\$ 815,724</u>

CITY OF ROSEBURG, OREGON
Urban Renewal Capital Projects Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual

For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 126,000	\$ 126,000	\$ 85,106	\$ (40,894)
Investment revenue	10,000	10,000	14,422	4,422
Other revenues	-	-	46,854	46,854
Total revenues	<u>136,000</u>	<u>136,000</u>	<u>146,382</u>	<u>10,382</u>
EXPENDITURES				
Materials and services	215,889	215,889	198,734	17,155
Capital outlay	3,335,500	3,335,500	1,356,331	1,979,169
Total expenditures	<u>3,551,389</u>	<u>3,551,389</u>	<u>1,555,065</u>	<u>1,996,324</u>
Deficiency of revenues under expenditures	<u>(3,415,389)</u>	<u>(3,415,389)</u>	<u>(1,408,683)</u>	<u>2,006,706</u>
OTHER FINANCING SOURCES				
Transfers in	1,692,175	1,692,175	1,692,175	-
Reserved for future expenditures	(156,512)	(156,512)	-	156,512
Total other financing sources	<u>1,535,663</u>	<u>1,535,663</u>	<u>1,692,175</u>	<u>156,512</u>
Net change in fund balances	(1,879,726)	(1,879,726)	283,492	2,163,218
Fund balances--beginning	<u>1,879,726</u>	<u>1,879,726</u>	<u>2,245,886</u>	<u>366,160</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,529,378</u>	<u>\$ 2,529,378</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Fund balances--ending			\$ 2,529,378	
Less: Interagency loan			<u>(21,854)</u>	
GAAP Fund balances--ending			<u>\$ 2,507,524</u>	

**SCHEDULE OF REVENUES,
EXPENDITURES/EXPENSES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

Proprietary Funds

- ◆ *Storm Drainage*
- ◆ *Airport*
- ◆ *Off Street Parking*
- ◆ *Water*

CITY OF ROSEBURG, OREGON
Storm Drainage Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 1,384,521	\$ 1,384,521	\$ 1,423,750	\$ 39,229
System development fees	25,000	25,000	83,676	58,676
Investment revenue	4,500	4,500	5,289	789
Other revenues	-	-	779	779
Total revenues	<u>1,414,021</u>	<u>1,414,021</u>	<u>1,513,494</u>	<u>99,473</u>
EXPENDITURES				
Materials and services	600,212	600,212	570,256	29,956
Capital outlay	<u>1,840,000</u>	<u>1,840,000</u>	<u>477,027</u>	<u>1,362,973</u>
Total expenditures	<u>2,440,212</u>	<u>2,440,212</u>	<u>1,047,283</u>	<u>1,392,929</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,026,191)</u>	<u>(1,026,191)</u>	<u>466,211</u>	<u>1,492,402</u>
Reserved for future expenditures	<u>(163,716)</u>	<u>(163,716)</u>	-	163,716
Total other financing sources	<u>(163,716)</u>	<u>(163,716)</u>	-	163,716
Net change in fund balances	(1,189,907)	(1,189,907)	466,211	1,656,118
Fund balances--beginning	<u>1,189,907</u>	<u>1,189,907</u>	1,099,946	(89,961)
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,566,157</u>	<u>\$ 1,566,157</u>

Adjustment from budgetary basis to
generally accepted accounting basis:
Net change in fund balances per above

\$ 466,211

Add: Capital outlay
Less: Depreciation and amortization

477,027
(1,108,446)

Net income (loss) as reported in Proprietary Statement of
Revenues, Expenses and Changes in Fund Net Position

\$ (165,208)

CITY OF ROSEBURG, OREGON
Airport Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 1,534,500	\$ 1,534,500	\$ 1,448,093	\$ (86,407)
Charges for services	369,763	369,763	349,233	(20,530)
Investment revenue	3,000	3,000	1,787	(1,213)
Other revenues	-	-	358	358
Total revenues	<u>1,907,263</u>	<u>1,907,263</u>	<u>1,799,471</u>	<u>(107,792)</u>
EXPENDITURES				
Airport Operations	275,075	275,075	236,474	38,601
Capital outlay	1,534,500	1,534,500	1,480,952	53,548
Debt service:				
Principal	60,000	60,000	60,000	-
Interest	62,688	62,688	62,687	1
Contingency	140,615	140,615	-	140,615
Total expenditures	<u>2,072,878</u>	<u>2,072,878</u>	<u>1,840,113</u>	<u>232,765</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(165,615)</u>	<u>(165,615)</u>	<u>(40,642)</u>	<u>124,973</u>
Net change in fund balances	(165,615)	(165,615)	(40,642)	124,973
Fund balances--beginning	165,615	165,615	153,853	(11,762)
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,211</u>	<u>\$ 113,211</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ (40,642)	
Add: Capital outlay			1,480,952	
Contributed capital			610,971	
Principal bonded debt			60,000	
Principal repayment on interfund loan			21,854	
Budget/GAAP interest accrual difference			200	
Less: Depreciation and amortization			(744,670)	
Budget/GAAP Pension Adjustment			<u>13,947</u>	
Net income (loss) as reported in Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 1,402,612</u>	

CITY OF ROSEBURG, OREGON
Off Street Parking Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 73,000	\$ 73,000	\$ 89,374	\$ 16,374
Fines and forfeitures	35,000	35,000	55,045	20,045
Investment revenue	400	400	509	109
Other revenues	4,000	4,000	200	(3,800)
Total revenues	112,400	112,400	145,128	32,728
EXPENDITURES				
Enforcement	140,784	140,784	134,866	5,918
Total expenditures	140,784	140,784	134,866	5,918
Deficiency of revenues under expenditures	(28,384)	(28,384)	10,262	38,646
OTHER FINANCING SOURCES				
Reserved for future expenditures	(45,873)	(45,873)	-	-
Total other financing sources	(45,873)	(45,873)	-	-
Net change in fund balances	(74,257)	(74,257)	10,262	84,519
Fund balances--beginning	74,257	74,257	86,926	12,669
Fund balances--ending	\$ -	\$ -	\$ 97,188	\$ 97,188
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ 10,262	
Less: Depreciation and amortization			(59,829)	
Net income (loss) as reported in Proprietary Statement of Revenues, Expenses and changes in Fund Net Position			\$ (49,567)	

CITY OF ROSEBURG, OREGON
Water Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual

For the year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 45,505	\$ 45,505
Charges for services	4,935,652	4,935,652	4,923,835	(11,817)
System development fees	60,000	60,000	79,190	19,190
Investment revenue	20,000	20,000	23,816	3,816
Other revenues	10,500	10,500	14,378	3,878
Total revenues	5,026,152	5,026,152	5,086,724	60,572
EXPENDITURES				
Production	1,081,933	1,081,933	1,040,829	41,104
Transmission and Distribution	1,332,321	1,332,321	1,290,067	42,254
General Overhead	1,304,636	1,304,636	1,289,389	15,247
Capital outlay	2,171,500	2,171,500	1,909,823	261,677
Contingency	1,000,000	1,000,000	-	1,000,000
Total expenditures	6,890,390	6,890,390	5,530,108	1,360,282
Excess (deficiency) of revenues over (under) expenditures	(1,864,238)	(1,864,238)	(443,384)	1,420,854
OTHER FINANCING SOURCES (USES)				
Proceeds from asset sales	2,500	2,500	-	(2,500)
Reserved for future expenditures	(1,000,000)	(1,000,000)	-	1,000,000
Total other financing sources (uses)	(997,500)	(997,500)	-	997,500
Net change in fund balances	(2,861,738)	(2,861,738)	(443,384)	2,418,354
Fund balances--beginning	4,383,690	4,383,690	4,603,995	220,305
Fund balances--ending	\$ 1,521,952	\$ 1,521,952	\$ 4,160,611	\$ 2,638,659
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ (443,384)	
Add: Capital outlay			1,909,823	
Contributed capital			109,025	
Less: Depreciation and amortization			(1,417,750)	
Budget/GAAP Pension Adjustment			370,153	
Net income as reported in Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position			\$ 527,867	

**SCHEDULE OF REVENUES,
EXPENDITURES/EXPENSES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

Internal Service Fund

Workers Compensation

CITY OF ROSEBURG, OREGON
Workers Compensation Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 239,161	\$ 239,161	\$ 239,162	\$ 1
Investment revenue	3,500	3,500	3,018	(482)
Other revenues	-	-	28,145	28,145
Total revenues	<u>242,661</u>	<u>242,661</u>	<u>270,325</u>	<u>27,664</u>
EXPENDITURES				
Materials and services	353,629	578,629	528,059	50,570
Contingency	-	-	-	-
Total expenditures	<u>353,629</u>	<u>578,629</u>	<u>528,059</u>	<u>50,570</u>
Deficiency of revenues under expenditures	<u>(110,968)</u>	<u>(335,968)</u>	<u>(257,734)</u>	<u>78,234</u>
OTHER FINANCING SOURCES				
Reserved for future expenditures	(478,329)	(253,329)	-	253,329
Total other financing sources	<u>(478,329)</u>	<u>(253,329)</u>	<u>-</u>	<u>253,329</u>
Net change in fund balances	(589,297)	(589,297)	(257,734)	331,563
Fund balances--beginning	589,297	589,297	683,970	94,673
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 426,236</u>	<u>\$ 426,236</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ (257,734)	
Less: Incurred But Not Reported expense			(193,034)	
Less: Depreciation and amortization			<u>(279)</u>	
Net income (loss) as reported in Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ (451,047)</u>	

STATISTICAL SECTION

CITY OF ROSEBURG, OREGON

Statistical Section

This part of the City of Roseburg's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Page

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

89

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

99

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

103

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within the City's financial activities that take place.

106

Operating Information

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

108

Sources: Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year. This City implemented GASB Statement 34 in fiscal year 2003; all schedules include information beginning in that fiscal year and going forward.

CITY OF ROSEBURG, OREGON
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Governmental Activities				
Invested in capital assets, net of related debt	\$ 124,301,216	\$ 113,152,870	\$ 106,587,775	\$ 124,524,140
Restricted	922,145	1,508,818	11,035,903	1,836,663
Unrestricted	<u>16,757,381</u>	<u>28,476,668</u>	<u>26,818,660</u>	<u>16,243,083</u>
Total governmental activities net position	141,980,742	143,138,356	144,442,338	142,603,886
Business-type activities				
Invested in capital assets, net of related debt	71,703,303	74,815,434	74,227,331	73,377,977
Restricted	26,873	-	-	134,031
Unrestricted	<u>3,068,861</u>	<u>2,218,297</u>	<u>4,412,640</u>	<u>5,201,636</u>
Total business-type activities net position	74,799,037	77,033,731	78,639,971	78,713,644
Primary government				
Invested in capital assets, net of related debt	196,004,519	187,968,304	180,815,106	197,902,117
Restricted	949,018	1,508,818	11,035,903	1,970,694
Unrestricted	<u>19,826,242</u>	<u>30,694,965</u>	<u>31,231,300</u>	<u>21,444,719</u>
Total primary government net position	<u>\$ 216,779,779</u>	<u>\$ 220,172,087</u>	<u>\$ 223,082,309</u>	<u>\$ 221,317,530</u>

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 124,987,553	\$ 124,057,562	\$ 122,202,187	\$ 121,131,760	\$ 119,999,473	\$ 119,274,886
1,499,245	1,333,984	1,233,796	329,485	322,748	344,067
16,755,737	16,417,881	16,865,280	17,203,680	17,411,834	14,399,653
143,242,535	141,809,427	140,301,263	138,664,925	137,734,055	134,018,606
72,830,573	71,014,709	70,429,132	72,405,783	76,162,913	77,480,016
139,256	140,124	97,069	148,979	-	-
5,855,496	6,704,981	7,088,668	6,440,719	5,917,642	6,118,386
78,825,325	77,859,814	77,614,869	78,995,481	82,080,555	83,598,402
197,818,126	195,072,271	192,631,319	193,537,543	196,162,386	196,754,902
1,638,501	1,474,108	1,330,865	478,464	322,748	344,067
22,611,233	23,122,862	23,953,948	23,644,399	23,329,476	20,518,039
<u>\$ 222,067,860</u>	<u>\$ 219,669,241</u>	<u>\$ 217,916,132</u>	<u>\$ 217,660,406</u>	<u>\$ 219,814,610</u>	<u>\$ 217,617,008</u>

CITY OF ROSEBURG, OREGON

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(continued on next page)

	Fiscal Year			
	2006	2007	2008	2009
Expenses				
Governmental Activities				
General government	\$ 2,738,033	\$ 2,852,918	\$ 2,417,995	\$ 2,150,395
Public safety	8,165,681	8,896,100	9,755,597	10,789,020
Public works	7,112,575	8,300,942	12,085,109	10,908,273
Culture and recreation	1,263,664	1,371,792	1,534,226	1,463,440
Community development	890,222	1,046,132	1,480,335	1,421,339
Interest on long-term debt	294,593	591,434	806,055	717,615
Total governmental activities expenses	20,464,768	23,059,318	28,079,317	27,450,082
Business-type activities:				
Storm drain	1,439,393	1,563,588	1,593,932	1,478,907
Airport	575,203	651,590	601,602	719,573
Off street parking	196,132	212,518	226,500	206,925
Water	3,759,697	4,113,258	4,411,280	4,443,801
Golf	312,654	297,532	323,196	361,088
Total business-type activities expenses	6,283,079	6,838,486	7,156,510	7,210,294
Total primary government expenses	\$ 26,747,847	\$ 29,897,804	\$ 35,235,827	\$ 34,660,376
 Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 862,342	\$ 2,928,235	\$ 3,468,710	\$ 1,478,258
Public safety	424,932	647,158	614,341	526,451
Public works	1,282,334	28,168	350,396	1,940,034
Culture and recreation	52,268	53,114	81,735	52,699
Community development	411,383	583,711	140,314	166,027
Operating grants and contributions	1,778,893	2,055,282	2,080,288	1,629,412
Capital grants and contributions	1,143,120	1,432,516	4,370,993	2,109,773
Total governmental activities program revenues	5,955,272	7,728,184	11,106,777	7,902,654
Business-type activities:				
Charges for services:				
Storm drain	1,000,296	820,535	821,766	825,031
Airport	195,047	267,844	302,324	369,026
Off street parking	145,726	122,727	152,770	164,785
Water	4,049,397	4,478,099	4,321,983	4,445,391
Golf	297,910	279,607	308,907	343,490
Operating grants and contributions	220,870	260,723	231,992	-
Capital grants and contributions	2,890,346	1,491,758	2,334,637	870,262
Total business-type activities program revenues	8,799,592	7,721,293	8,474,379	7,017,985
Total primary government program revenues	\$ 14,754,864	\$ 15,449,477	\$ 19,581,156	\$ 14,920,639
 Net (Expense)/Revenue				
Governmental activities	\$ (14,509,496)	\$ (15,331,134)	\$ (16,972,540)	\$ (19,547,428)
Business-type activities	2,516,513	882,807	1,317,869	(192,309)
Total primary government net expense	\$ (11,992,983)	\$ (14,448,327)	\$ (15,654,671)	\$ (19,739,737)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 1,950,788	\$ 2,235,540	\$ 2,301,621	\$ 2,581,807	\$ 2,665,034	\$ 2,863,453
10,761,543	11,327,142	12,086,382	12,351,730	12,380,935	9,782,042
8,644,880	9,295,037	9,547,088	9,569,423	11,379,821	10,071,557
1,523,596	1,564,865	1,658,199	1,742,796	1,857,692	1,673,298
1,355,748	1,922,272	843,907	1,093,141	980,529	1,079,491
662,700	599,604	531,303	454,242	511,628	511,175
<u>24,899,255</u>	<u>26,944,460</u>	<u>26,968,500</u>	<u>27,793,139</u>	<u>29,775,639</u>	<u>25,981,016</u>
1,481,752	2,009,164	1,774,078	1,609,192	1,681,894	1,678,702
803,678	814,444	947,272	943,358	921,620	1,007,830
221,632	208,996	201,700	199,155	181,101	194,695
4,426,472	4,583,688	4,733,448	4,840,458	4,908,909	4,667,882
325,479	357,456	334,764	258,938	-	-
<u>7,259,013</u>	<u>7,973,748</u>	<u>7,991,262</u>	<u>7,851,101</u>	<u>7,693,524</u>	<u>7,549,109</u>
<u>\$ 32,158,268</u>	<u>\$ 34,918,208</u>	<u>\$ 34,959,762</u>	<u>\$ 35,644,240</u>	<u>\$ 37,469,163</u>	<u>\$ 33,530,125</u>
\$ 1,459,915	\$ 1,404,950	\$ 1,355,643	\$ 1,383,602	\$ 2,533,710	\$ 3,295,586
473,515	469,809	431,660	380,763	379,818	386,665
1,668,558	1,538,910	1,785,594	2,004,167	48,900	55,741
77,383	61,435	58,283	56,816	109,454	102,072
111,728	152,307	16,231	28,367	19,652	34,331
1,513,853	2,585,391	2,075,380	2,256,907	4,190,383	4,299,408
2,283,898	816,342	385,883	668,899	618,354	474,902
<u>7,588,850</u>	<u>7,029,144</u>	<u>6,108,674</u>	<u>6,779,521</u>	<u>7,900,271</u>	<u>8,648,705</u>
860,554	903,408	940,955	975,116	1,281,501	1,423,750
391,308	379,553	410,576	342,509	348,257	349,233
150,056	138,151	134,227	111,315	117,711	144,419
4,402,370	4,421,370	4,497,257	4,806,774	4,780,383	4,923,835
305,232	305,008	301,768	214,192	-	-
-	3,562	-	-	-	-
870,229	599,443	1,308,671	2,622,706	4,397,181	2,376,460
<u>6,979,749</u>	<u>6,750,495</u>	<u>7,593,454</u>	<u>9,072,612</u>	<u>10,925,033</u>	<u>9,217,697</u>
<u>\$ 14,568,599</u>	<u>\$ 13,779,639</u>	<u>\$ 13,702,128</u>	<u>\$ 15,852,133</u>	<u>\$ 18,825,304</u>	<u>\$ 17,866,402</u>
\$ (17,310,405)	\$ (19,915,316)	\$ (20,859,826)	\$ (21,013,618)	\$ (21,875,368)	\$ (17,332,311)
(279,264)	(1,223,253)	(397,808)	1,221,511	3,231,509	1,668,588
<u>\$ (17,589,669)</u>	<u>\$ (21,138,569)</u>	<u>\$ (21,257,634)</u>	<u>\$ (19,792,107)</u>	<u>\$ (18,643,859)</u>	<u>\$ (15,663,723)</u>

CITY OF ROSEBURG, OREGON

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(continued from previous page)

	Fiscal Year			
	2006	2007	2008	2009
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 11,906,182	\$ 12,625,062	\$ 13,207,409	\$ 13,495,945
Franchise taxes	2,922,125	3,103,308	3,283,545	3,227,250
Unrestricted grant and contributions	41,043	-	-	-
Investment earnings	717,534	1,419,057	1,364,425	597,570
Miscellaneous	287,124	366,380	434,026	351,942
Transfers	2,277	(1,081,152)	(12,634)	-
Proceeds from insurance	-	-	-	17,338
Gain (Loss) on disposition of capital assets	-	56,093	(249)	18,931
Total governmental activities	15,876,285	16,488,748	18,276,522	17,708,976
Business-type activities:				
Investment earnings	155,014	194,697	167,522	111,031
Miscellaneous	36,969	74,738	23,215	16,407
Transfers	-	1,081,152	12,634	-
Gain on disposition of capital assets	-	1,300	85,000	138,544
Total business-type activities	191,983	1,351,887	288,371	265,982
Total primary government	\$ 16,068,268	\$ 17,840,635	\$ 18,564,893	\$ 17,974,958
Change in Net Position				
Governmental activities	\$ 1,366,789	\$ 1,157,614	\$ 1,303,982	\$ (1,838,452)
Business-type activities	2,708,496	2,234,694	1,606,240	73,673
Total primary government	\$ 4,075,285	\$ 3,392,308	\$ 2,910,222	\$ (1,764,779)

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 13,981,642	\$ 14,417,794	\$ 14,913,045	\$ 15,114,422	\$ 15,517,666	\$ 15,818,547
3,564,616	3,793,295	4,036,584	4,015,410	4,782,836	4,335,939
-	-	-	-	-	-
170,370	124,302	121,645	125,839	114,687	115,796
405,523	295,998	288,805	204,703	373,857	509,885
(311,667)	(194,181)	(93,013)	(66,040)	170,453	-
138,570	45,000	-	-	-	-
-	-	84,596	(17,054)	-	(601,001)
<u>17,949,054</u>	<u>18,482,208</u>	<u>19,351,662</u>	<u>19,377,280</u>	<u>20,959,499</u>	<u>20,179,166</u>
49,608	39,047	39,966	40,081	35,020	31,401
25,415	15,026	16,320	24,726	18,979	15,715
311,667	194,181	93,013	66,040	(170,453)	-
4,255	9,489	3,564	28,253	25,710	-
<u>390,945</u>	<u>257,743</u>	<u>152,863</u>	<u>159,100</u>	<u>(90,744)</u>	<u>47,116</u>
<u>\$ 18,339,999</u>	<u>\$ 18,739,951</u>	<u>\$ 19,504,525</u>	<u>\$ 19,536,380</u>	<u>\$ 20,868,755</u>	<u>\$ 20,226,282</u>
\$ 638,649	\$ (1,433,108)	\$ (1,508,164)	\$ (1,636,338)	\$ (915,869)	\$ 2,846,855
111,681	(965,510)	(244,945)	1,380,611	3,140,765	1,715,704
<u>\$ 750,330</u>	<u>\$ (2,398,618)</u>	<u>\$ (1,753,109)</u>	<u>\$ (255,727)</u>	<u>\$ 2,224,896</u>	<u>\$ 4,562,559</u>

CITY OF ROSEBURG, OREGON
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	7,189,084	7,914,819	8,303,877	5,908,263
Nonspendable	n/a	n/a	n/a	n/a
Restricted	n/a	n/a	n/a	n/a
Committed	n/a	n/a	n/a	n/a
Assigned	n/a	n/a	n/a	n/a
Unassigned	n/a	n/a	n/a	n/a
Total general fund	<u>\$ 7,189,084</u>	<u>\$ 7,914,819</u>	<u>\$ 8,303,877</u>	<u>\$ 5,908,263</u>
All Other Governmental Funds				
Reserved	\$ 922,145	\$ 2,258,818	\$ 1,447,170	\$ 1,465,915
Unreserved, reported in:				
Special revenue funds	2,541,750	2,273,511	2,492,616	2,543,035
Capital project funds	6,556,262	17,128,846	15,788,445	8,123,434
Nonspendable	n/a	n/a	n/a	n/a
Restricted	n/a	n/a	n/a	n/a
Committed	n/a	n/a	n/a	n/a
Assigned	n/a	n/a	n/a	n/a
Unassigned	n/a	n/a	n/a	n/a
Total all other governmental funds	<u>\$ 10,020,157</u>	<u>\$ 21,661,175</u>	<u>\$ 19,728,231</u>	<u>\$ 12,132,384</u>

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6,213,329	-	-	-	-	-
n/a	246,943	274,946	28,120	37,487	46,058
n/a	17,777	-	110,059	12,355	44,505
n/a	-	-	-	-	-
n/a	491,609	396,882	452,920	11,178	13,495
n/a	6,568,232	6,780,066	6,825,229	7,532,132	7,640,493
<u>\$ 6,213,329</u>	<u>\$ 7,324,561</u>	<u>\$ 7,451,894</u>	<u>\$ 7,416,328</u>	<u>\$ 7,593,152</u>	<u>\$ 7,744,551</u>
\$ 1,499,245	\$ n/a				
2,270,339	n/a	n/a	n/a	n/a	n/a
7,945,684	n/a	n/a	n/a	n/a	n/a
n/a	-	-	-	-	-
n/a	1,359,982	1,402,837	468,211	-	280,419
n/a	5,978,126	6,373,087	6,923,490	7,189,910	6,756,702
n/a	2,961,764	3,171,717	3,329,738	3,885,043	4,760,749
n/a	-	-	-	-	-
<u>\$ 11,715,268</u>	<u>\$ 10,299,872</u>	<u>\$ 10,947,641</u>	<u>\$ 10,721,439</u>	<u>\$ 11,074,953</u>	<u>\$ 11,797,870</u>

CITY OF ROSEBURG, OREGON
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2006	2007	2008	2009
Revenues				
Taxes	\$ 14,405,196	\$ 15,320,178	\$ 15,970,397	\$ 16,098,529
Bond Proceeds	-	-	-	-
Intergovernmental	2,643,652	2,739,761	6,827,228	4,047,255
Licenses and permits	513,155	611,826	235,097	173,594
Charges for services	2,130,831	3,026,457	3,547,434	3,406,788
System development fees	515,263	281,674	326,590	171,704
Fines and forfeitures	387,271	581,057	546,375	483,088
Special assessments	155,969	133,015	39,994	26,860
Investment revenue	692,742	1,386,208	1,343,028	588,886
Land held for resale	-	-	-	-
Other revenues	280,930	396,758	469,526	402,194
Total revenues	21,725,009	24,476,934	29,305,669	25,398,898
Expenditures				
General government	2,371,299	2,636,422	2,137,096	1,954,106
Public safety	7,991,007	8,765,377	9,561,026	10,416,123
Public works	3,596,396	4,725,648	4,802,704	5,218,025
Culture and recreation	821,906	926,709	1,095,212	1,020,951
Community development	890,222	1,077,707	1,480,032	1,414,201
Intergovernmental	50,000	50,000	3,665,000	1,920,000
Capital Outlay	2,808,409	7,427,673	5,972,457	11,570,492
Debt service:				
Interest	295,529	589,802	777,777	717,731
Principal	2,935,000	1,450,000	1,365,000	1,195,000
Total expenditures	21,759,768	27,649,338	30,856,304	35,426,629
Excess (deficiency) of revenues over (under) expenditures	(34,759)	(3,172,404)	(1,550,635)	(10,027,731)
Other Financing Sources (Uses)				
Proceeds from issuance of bonds	-	15,410,000	-	-
Proceeds from capital asset sales	2,277	65,567	6,750	18,931
Proceeds from insurance reimbursements	-	-	-	17,338
Contract payments received	88,847	-	-	-
Additions to contracts receivable	(24,421)	-	-	-
Contribution in aid of construction	-	763,591	-	-
Transfers in	3,833,141	4,754,434	4,495,976	5,543,691
Transfers out	(3,833,141)	(5,454,434)	(4,495,976)	(5,543,691)
Total other financing sources (uses)	66,703	15,539,158	6,750	36,269
Net changes in fund balances	\$ 31,944	\$ 12,366,754	\$ (1,543,885)	\$ (9,991,462)
Debt service as a percentage of noncapital expenditures	17.05%	10.09%	8.61%	8.02%

Fiscal Year					
2010	2011	2012	2013	2014	2015
\$ 16,642,714	\$ 17,527,100	\$ 18,409,230	\$ 18,677,896	\$ 19,214,004	\$ 19,673,851
-	-	-	-	4,840,000	-
3,434,419	3,867,608	2,932,200	2,916,052	5,402,286	5,479,846
393,457	159,399	146,272	142,731	155,044	168,459
2,997,654	2,807,836	3,001,089	3,360,043	3,121,991	3,103,190
242,126	140,512	33,935	77,666	63,130	186,166
438,633	415,112	391,455	350,711	354,859	362,139
122,323	18,161	55,010	22,818	60,074	17,699
166,187	120,326	112,293	121,909	111,375	112,778
-	-	-	-	-	-
426,844	378,456	354,690	408,992	256,668	184,316
<u>24,864,357</u>	<u>25,434,510</u>	<u>25,436,174</u>	<u>26,078,818</u>	<u>33,579,431</u>	<u>29,288,444</u>
1,890,904	1,783,309	1,893,380	2,164,271	6,763,202	1,971,127
10,407,026	10,827,116	11,419,245	11,754,970	11,670,985	11,766,454
4,745,509	5,333,834	5,562,538	5,611,140	7,426,096	7,017,802
1,045,625	1,125,073	1,204,291	1,277,381	1,389,143	1,417,287
1,347,798	1,916,847	844,489	1,078,105	973,067	1,101,936
50,000	-	-	-	-	-
3,991,386	2,628,570	1,523,601	2,030,180	2,345,027	2,244,975
662,816	599,720	531,403	454,342	499,802	520,112
1,380,000	1,575,000	1,780,000	2,000,000	1,768,061	2,645,000
<u>25,521,064</u>	<u>25,789,469</u>	<u>24,758,947</u>	<u>26,370,389</u>	<u>32,835,383</u>	<u>28,684,693</u>
(656,707)	(354,959)	677,227	(291,571)	744,048	603,751
-	-	-	-	-	-
22,085	5,795	95,659	15,397	25,033	12,750
122,620	45,000	2,216	14,406	-	-
-	-	-	-	-	-
-	-	-	-	-	-
559,952	-	-	-	-	-
3,722,851	4,049,655	4,382,367	4,589,859	2,210,730	2,804,255
(3,882,851)	(4,049,655)	(4,382,367)	(4,589,859)	(2,210,730)	(2,804,255)
<u>544,657</u>	<u>50,795</u>	<u>97,875</u>	<u>29,803</u>	<u>25,033</u>	<u>12,750</u>
<u>\$ (112,050)</u>	<u>\$ (304,164)</u>	<u>\$ 775,102</u>	<u>\$ (261,768)</u>	<u>\$ 769,081</u>	<u>\$ 616,501</u>
9.49%	9.39%	9.95%	10.08%	7.44%	11.97%

CITY OF ROSEBURG, OREGON
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property	Personal Property	Utilities	Total Taxable Assessed Value(4)	(Less) Urban Renewal Excess	Value Used to Compute Tax Rate (1)(2)	Real Market Valuation (3)	Assessed to Real Market Valuation	Total Direct Tax Rate
2015	\$ 1,602,226,927	\$ 95,023,543	\$ 52,312,018	\$ 1,745,840,226	\$ 235,603,952	\$ 1,513,414,338	\$ 2,628,895,414	57.57%	8.48
2014	1,566,041,335	93,275,613	47,332,170	1,703,035,271	228,550,022	1,477,874,387	2,564,871,831	57.62%	8.48
2013	1,529,246,929	90,372,056	44,888,200	1,660,998,595	217,671,955	1,446,835,230	2,572,361,801	56.25%	8.48
2012	1,502,843,982	87,005,502	49,035,604	1,638,885,088	210,368,317	1,428,516,771	2,699,065,887	52.93%	8.48
2011	1,459,747,891	83,819,308	48,000,613	1,591,567,812	206,993,884	1,384,573,928	2,754,342,522	50.27%	8.48
2010	1,399,683,398	88,429,423	47,178,531	1,535,291,352	200,383,704	1,334,907,648	2,865,750,448	46.58%	8.48
2009	1,353,138,163	88,344,998	43,735,256	1,485,218,417	190,789,789	1,294,428,628	2,885,835,767	44.85%	8.48
2008	1,285,367,212	87,631,575	43,152,350	1,416,151,137	182,387,994	1,233,763,143	2,808,949,832	43.92%	8.69
2007	1,234,864,024	85,152,859	41,569,745	1,361,586,628	171,847,698	1,189,738,930	2,510,934,024	47.38%	8.79
2006	1,141,423,872	79,662,425	40,097,433	1,261,183,730	172,243,028	1,088,940,702	2,139,284,574	50.90%	8.75

Douglas County Department of Assessment and Taxation

- (1): In May of 1997, Oregon voters approved Measure 50 which reduced property tax levies by local government for operations by about 17% state wide. It also reduces assessed values on individual properties to 1995-96 levels less 10%. Measure 50 also restricts future growth of assessed value of individual properties to 3% per year plus the value of any improvements. Bonded debt is exempt from Measure 50.
- (2): Assessed Valuation is the total dollar value placed on real and personal property as a basis for imposing taxes.
- (3): Real Market Value represents the amount of cash that could reasonably be expected by an informed seller from an informed buyer.
- (4): Total Taxable Assessed Value is Assessed Value less tax-exempt properties.

CITY OF ROSEBURG, OREGON
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Per \$1,000 of Assessed Value)

Fiscal Year	City Direct Rates			Overlapping Rates				
	Basic Rate	General Obligation Debt Service	Total Direct Rates	City's Downtown Rates	Douglas County	School Districts	4H Extension Service	Total Direct & Overlapping
2014-15	\$ 8.48	\$ -	\$ 8.48	\$ -	\$ 1.11	\$ 5.62	\$ 0.06	\$ 15.27
2013-14	8.48	-	8.48	-	1.11	5.62	0.06	15.27
2012-13	8.48	-	8.48	-	1.11	5.64	0.06	15.29
2011-12	8.48	-	8.48	-	1.11	5.64	0.06	15.29
2010-11	8.48	-	8.48	-	1.11	5.64	0.06	15.29
2009-10	8.48	-	8.48	-	1.11	5.62	0.07	15.28
2008-09	8.48	-	8.48	-	1.11	5.62	0.06	15.27
2007-08	8.48	0.21	8.69	-	1.11	5.65	-	15.45
2006-07	8.48	0.31	8.79	-	1.11	5.67	-	15.57
2005-06	8.48	0.27	8.75	-	1.10	5.67	-	15.52

*Source: County Assessor's Annual Certified Levy

CITY OF ROSEBURG, OREGON
Principal Property Taxpayers
Current Year and Nine Years Ago

	2015			2006		
	Private Enterprises	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable		Rank
				Assessed Value	Assessed Valuation	
Costco Wholesale Corporation	\$ 15,297,877	1	0.88%	\$ -		0.00%
Charter Communications	13,026,100	2	0.75%	9,724,354	3	0.77%
Wal-Mart Real Estate Business Trust	12,299,622	3	0.70%	9,419,641	4	0.75%
Lowe's HIW Inc	12,004,324	4	0.69%	-		0.00%
Metropolitan Life Insurance Co	11,494,328	5	0.66%	-		0.00%
EMLAWA LLC	11,169,988	6	0.64%	7,897,562	6	0.63%
Oakridge Associates Limited	10,269,596	7	0.59%	7,748,864	7	0.61%
Home Depot USA Inc	10,162,717	8	0.58%	-		0.00%
Crown Development LLC	9,626,717	9	0.55%	7,378,081	8	0.59%
Parkway Medical Building Inc	9,476,946	10	0.54%	6,336,838	10	0.50%
Qwest Communications			0.00%	17,877,100	1	1.42%
RBO Mall Associates			0.00%	12,188,598	2	0.97%
Mercy Medical Enter			0.00%	9,058,971	5	0.72%
Albertson's, Inc.			0.00%	6,653,449	9	0.53%
TOTAL	\$ 114,828,215		6.57%	\$ 94,283,458		7.48%

Source: Douglas County Department of Assessment & Taxation

CITY OF ROSEBURG, OREGON
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied For the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014-15	\$ 16,201,733	\$ 15,091,169	93.15%	\$ -	\$ 15,091,169	93.15%
2013-14	15,829,005	14,723,862	93.02%	289,882	15,013,744	94.85%
2012-13	15,402,819	14,265,195	92.61%	446,952	14,712,147	95.52%
2011-12	15,219,532	14,001,445	92.00%	717,539	14,718,984	96.71%
2010-11	14,839,570	13,519,229	91.10%	885,579	14,404,808	97.07%
2009-10	14,300,551	13,140,788	91.89%	834,080	13,974,868	97.72%
2008-09	13,826,025	12,812,523	92.67%	708,796	13,521,319	97.80%
2007-08	13,477,974	12,571,101	93.27%	619,194	13,190,295	97.87%
2006-07	13,067,384	12,119,739	92.75%	539,216	12,658,955	96.87%
2005-06	12,151,933	11,375,472	93.61%	519,361	11,894,833	97.88%

Source: Douglas County Department of Assessment & Taxation

CITY OF ROSEBURG, OREGON
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income (3)	Per Capita (3)
	General Obligation Bonds	Full Faith & Credit Bonds	Tax Increment Bonds	General Obligation Bonds	Full Faith & Credit Bonds				
2014-15	-	\$ 9,315,000	\$ -	\$ -	\$ 1,490,000	-	10,805,000	N/A	480.01
2013-14	-	11,960,000	-	-	1,550,000	-	13,510,000	1.70%	612.14
2012-13	-	9,455,000	-	-	1,610,000	-	11,065,000	1.44%	504.79
2011-12	-	9,485,000	1,970,000	-	1,665,000	-	13,120,000	1.78%	604.89
2010-11	-	9,515,000	3,720,000	-	1,720,000	-	14,955,000	2.09%	690.12
2009-10	-	9,550,000	5,260,000	-	1,770,000	-	16,580,000	2.37%	759.99
2008-09	-	9,585,000	6,605,000	-	1,820,000	-	18,010,000	2.73%	848.13
2007-08	335,000	9,620,000	7,765,000	-	1,865,000	-	17,720,000	2.75%	833.69
2006-07	655,000	9,655,000	8,760,000	510,000	-	-	19,580,000	3.16%	930.17
2005-06	960,000	-	4,135,000	510,000	-	-	5,605,000	0.97%	269.60

Source:

(3) See the Schedule of Demographic and Economic Statistics for personal income and population data.

N/A: Data was not available for this year.

CITY OF ROSEBURG, OREGON
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years

<u>General Bonded Debt Outstanding</u>				
<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Total</u>	<u>Percentage of Actual Taxable Value of Property (1)</u>	<u>Per Capita</u>
2014-15		-	0.00%	-
2013-14	-	-	0.00%	-
2012-13	-	-	0.00%	-
2011-12	-	-	0.00%	-
2010-11	-	-	0.00%	-
2009-10	-	-	0.00%	-
2008-09	-	-	0.00%	-
2007-08	-	0	0.00%	-
2006-07	335,000	335,000	0.03%	15.91
2005-06	655,000	655,000	0.06%	31.51

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Population data can be found in the Schedule of Demographic and Economic Statistics.

CITY OF ROSEBURG, OREGON
Legal Debt Margin
Last Ten Fiscal Years

Fiscal Year	Real Market Value	Legal Debt Margin			Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
		General Obligation Debt Capacity (3% of RMV)	Debt Applicable to Limitation	Legal Debt Margin	
2015	\$ 2,628,895,414	\$ 78,866,862	\$ -	\$ 78,866,862	0.00%
2014	2,564,871,831	76,946,155	-	76,946,155	0.00%
2013	2,572,361,801	77,170,854	-	77,170,854	0.00%
2012	2,699,065,887	80,971,977	-	80,971,977	0.00%
2011	2,754,342,522	82,630,276	-	82,630,276	0.00%
2010	2,865,750,448	85,972,513	-	85,972,513	0.00%
2009	2,885,835,767	86,575,073	-	86,575,073	0.00%
2008	2,808,949,832	84,268,495	-	84,268,495	0.00%
2007	2,510,934,024	75,328,021	335,000	74,993,021	0.44%
2006	2,139,284,574	64,178,537	655,000	63,523,537	1.02%

Source: Douglas County Department of Assessment and Taxation

CITY OF ROSEBURG, OREGON
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	City Population (1)	Personal Income (2)	Per Capita Personal Income (3)	School Enrollment (4)	Unemployment Rate (5)
2014-15	22,510	N/A	N/A	5,827	7.3%
2013-14	22,070	\$ 761,878,470	\$ 34,521	5,842	9.7%
2012-13	21,920	741,356,320	33,821	5,927	11.0%
2011-12	21,690	702,517,410	32,389	5,928	12.1%
2010-11	21,670	672,852,210	31,222	6,236	13.3%
2009-10	21,816	711,999,629	32,637	6,053	14.2%
2008-09	21,235	672,852,210	31,686	6,333	17.0%
2007-08	21,255	661,349,325	31,115	6,462	7.9%
2006-07	21,050	637,246,650	30,273	6,460	7.0%
2005-06	20,790	611,101,260	29,394	6,697	7.1%

Source: (1) Population Research Center, Portland State University.
(2) Population Multiplied by Per Capita Personal Income.
(3) Oregon Bureau of Economic Analysis
(4) Roseburg School District.
(5) Oregon State Division of Employment.

N/A: Data was not available for this year.

CITY OF ROSEBURG, OREGON
Principal Employers
Current Year and Eight Years Ago

<u>Employer</u>	<u>2015</u>			<u>2007</u>		
	<u>Estimated No. Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>	<u>Estimated No. Employees</u>	<u>Rank</u>	<u>Percentage of Total Employment</u>
Roseburg Forest Products	1,885	1	5.34%	3,400	1	7.83%
Mercy Healthcare, Inc	1,092	2	3.10%	1,300	3	3.26%
VA Medical Center	800	3	2.27%	715	7	1.81%
Swanson Group	682	4	1.93%	800	4	2.40%
TMS Call Center	619	5	1.75%	n/a		
Seven Feathers Hotel & Gaming Center	691	6	1.96%	1,277	2	5.68%
Roseburg Public Schools	658	7	1.87%	825	6	1.86%
Douglas County	599	8	1.70%	799		
First Call Resolution	424	9	1.20%	n/a		
Umpqua Bank	331	10	0.94%	n/a		
Bayliner	n/a			330	8	0.83%
Orengo	n/a			240	9	0.76%
Ingram Book Company	n/a			300	10	0.73%
	<u>7,781</u>		<u>22.06%</u>	<u>9,986</u>		<u>25.16%</u>

Note: 2006 is the earliest year for which this information is available.

Source: Umpqua Economic Development Partnership, Oregon Employment Department

CITY OF ROSEBURG, OREGON
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees at June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
City Manager's Department	4	5	5	5	5	5	4	4.5	4.5	4.5
Finance Department	8	9	9	8	8	8	9	8	7.3	7.3
Information Technology Division	2	2	2	2	2	2	2	2	2	2
Community Development Dept.										
Planning Division	6	7	7	6	4.5	4.5	3.5	3.5	3.5	3.6
Building Division	4	1	1.5	1	1	1	0	0	0	0
Total General Government:	24	24	24.5	22	20.5	20.5	18.5	18	17.3	17.4
Police										
Officers	36	37	37	35	35	35	35	39	36	36
Civilians	4	4	5	5	5	5	4	4	4	4
Off Street Parking Enforcement	1	0	0	0	0	0	0	0	0	0
Total Police Department:	41	41	42	40	40	40	39	43	40	40
Fire Department										
Firefighters and officers	34	33	37	37	37	37	39	42.5	41	40
Civilians	1	1	1.5	1.5	1.5	1.5	1.5	1.5	1	1
Total Fire Department:	35	34	38.5	38.5	38.5	38.5	40.5	44	42	41
Municipal Court	3	3	3	3.7	3.7	3.7	3.5	3.7	3.2	3.2
Airport	0	0	0	1	0	1	1	1	0.5	0.5
Public Works Department										
Administration	4	4	4	4	4	4	4	4	3.5	3
Engineering	8.5	8.5	8.5	7	7	7	7	7	7	6.25
Building Maintenance Division	1	1	2	3	2	3	3	3	3	3
Street Division	14	15	13.5	11	11	12	12	12.8	12.6	12.6
Water Service										
Production	6	6	6	6	6	6	6	6	6	6
Transmission & Distribution	11	12	11	10	11	11	11	11	11	11
Administration	0	0	0	0	0	0	0	0	0	0
Parks and Recreation Dept.										
Administration	1	1	2	2	2	2	2	2	2.3	2.25
Parks Maintenance Division	8	9	9	11	11	11	8	10	11	11
Golf Maintenance Division	2	1	3	3	2	2	1	0	0	0
Total Public Works Department:	55.5	57.5	59	57	56	58	54	55.8	56.4	55.1
Total City Employees:	158.5	159.5	167	162.2	158.7	161.7	156.5	165.5	159.4	157.2

Source: City Payroll Department

Note: Water Service Transmission & Distribution includes positions formerly reported as Maintenance in prior years.

CITY OF ROSEBURG, OREGON
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year		
	2006	2007	2008
Police Protection:			
Physical arrests	3,762	4,614	4,232
Traffic violations	4,525	6,970	6,887
Parking violations	4,435	2,208	6,538
Calls for service	16,382	20,681	18,145
Number of police personnel and officers	40	41	42
Fire Protection			
Emergency responses	3,873	3,780	4,048
Inspections	270	283	381
Number fire personnel and officers	35	34	40
Highways and streets			
Street resurfacing (miles)	3.57	0.81	1.16
Water system:			
Number of services	10,516	10,844	10,581
Daily average production in gallons	5,070,000	5,174,000	5,082,000
Facilities and services not included in the reporting entity:			
Sewerage System:			
Daily average treatment in gallons	5,180,000	5,180,000	4,050,000
Maximum daily capacity of treatment plant in gallons	7,900,000	7,900,000	7,900,000
Number of service connections	10,299	10,110	10,195
Education:			
Total school enrollment	6,697	6,460	6,462
Number of elementary school instructors	166	127	128
Number of secondary school instructors	175	157	157
Hospitals			
Number of patient beds (includes V.A. Medical center)	296	280	328

Sources: Various city departments and Roseburg Urban Sanitary District.

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
3,848	4,700	5,987	5,095	5,145	4,774	4,755
6,169	4,710	7,248	5,183	5,063	4,157	5,023
5,682	4,779	4,189	3,923	2,971	2,738	2,630
18,971	20,152	20,233	20,792	20,573	21,393	22,049
40	40	40	39	39	40	40
4,312	4,570	4,638	4,676	4,853	4,722	5,249
586	500	563	660	374	510	309
38	38	38	42	43	42	41
1.14	2.65	4.64	4.78	2.80	4.65	4.65
10,193	10,797	10,790	10,655	10,683	10,835	10,862
5,200,000	5,200,000	4,520,000	4,340,000	4,530,000	4,460,000	4,670,000
3,470,000	4,380,000	4,380,000	4,060,000	3,740,000	3,480,000	3,480,000
7,900,000	7,900,000	7,900,000	7,900,000	7,900,000	7,900,000	7,900,000
10,569	10,067	10,087	10,266	10,275	10,326	10,360
6,333	6,053	6,236	5,928	5,927	5,842	5,827
126	121	116	110	108	118	132
157	145	135	124	124	165	148
315	315	315	315	315	315	315

CITY OF ROSEBURG, OREGON
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year		
	2006	2007	2008
Police Protection:			
Number of stations	1	1	1
Number of patrol units (including motorcycles)	11	11	10
Fire Protection:			
Number of stations	3	3	3
Highways and Streets:			
Streets (miles)	120	120	120
Streetlights	2,370	2,381	2,441
Traffic signals	29	30	30
Water system:			
Miles of water mains	160	186	187
Number of fire hydrants	1,128	1,129	1,161
Miles of storm sewers	80	84	84
Culture and Recreation:			
Parks	20	20	20
Park acreage	428	428	428
Golf courses	1	1	1
Tennis courts	15	15	15
Regional Airport:			
Runway (length in feet)	4,600	4,600	4,600
Hangars	62	62	62
Fuel Facility	1	1	1
Facilities and services not included in the reporting entity:			
Sewerage System:			
Miles of sanitary sewers	155	158	158
Number of treatment plants	1	1	1
Education:			
Number of elementary schools	9	9	9
Number of secondary schools	3	3	3
Number of community colleges (overlapping district)	1	1	1
Hospitals:			
Number of hospitals (includes V.A. Medical center)	2	2	2

Sources: Various city departments and Roseburg Urban Sanitary District.

Fiscal Year						
2009	2010	2011	2012	2013	2014	2015
1	1	1	1	1	1	1
9	10	10	12	12	12	13
3	3	3	3	3	3	3
125	125	118	118	118	118	118
2,450	2,465	2,471	1,895	1,895	1,895	1,895
32	32	32	32	32	32	33
220	221	195	195	195	196	196
1,161	1,181	1,296	1,297	1,301	1,317	1,320
93	94	95	95	95	95	95
20	20	20	20	20	20	20
428	428	428	428	428	428	428
1	1	1	1	1	1	1
15	15	15	18	18	18	18
4,600	4,600	4,600	4,600	5,000	5,000	5,000
98	98	98	98	98	98	98
1	1	1	1	1	1	1
160	160	160	160	160	160	160
1	1	1	1	1	1	1
9	9	9	9	9	8	8
3	3	3	3	3	3	3
1	1	1	1	1	1	1
2	2	2	2	2	2	2

AUDIT COMMENTS

NEUNER, DAVIDSON & COOLEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Thomas J. Davidson, C.P.A.
Jeffrey R. Cooley, C.P.A.
Traci I. Trotter, C.P.A.
Will M. Sargent, C.P.A.
Vickie L. Rapp, C.P.A.
David M. Campos, C.P.A.

2500 W. Harvard Ave.
Roseburg, Oregon 97471-2507
<http://www.ndkccpa.com>

P.O. Box 1786
Roseburg, Oregon 97470-0425
Phone (541) 672-4886
Fax (541) 673-3712

INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATION

The Honorable Mayor and City Council Members
City of Roseburg
900 SE Douglas Ave
Roseburg, OR 97470

We have audited the financial statements of the City of Roseburg for the year ended June 30, 2015 and have issued our report thereon dated November 18, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

COMPLIANCE

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) 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 statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

We performed procedures to the extent that 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.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294)
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)
- State Highway funds

In connection with our testing, nothing came to our attention that caused us to believe the City 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 Municipal Corporations, with the following exceptions:

Member:

American Institute of Certified Public Accountants
Oregon Society of Certified Public Accountants
Private Companies Practice Section

City of Roseburg
Independent Auditor's Report Required by Oregon State Regulation

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the City's 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 City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting

RESTRICTIONS ON USE

This report is intended solely for the information and use of the management and the council members of the City of Roseburg and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these specified parties.

Neuner, Davidson & Cooley LLC
Certified Public Accountants

By: 
Thomas J. Davidson, A Member

November 18, 2015

SINGLE AUDIT ACT SECTION

NEUNER, DAVIDSON & COOLEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Thomas J. Davidson, C.P.A.

Jeffrey R. Cooley, C.P.A.

Traci I. Trotter, C.P.A.

Will M. Sargent, C.P.A.

Vickie L. Rapp, C.P.A.

David M. Campos, C.P.A.

2500 W. Harvard Ave.

Roseburg, Oregon 97471-2507

<http://www.ndkccpa.com>

P.O. Box 1786

Roseburg, Oregon 97470-0425

Phone (541) 672-4886

Fax (541) 673-3712

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

The Honorable Mayor and Council Members
City of Roseburg
900 SE Douglas Ave
Roseburg, OR 97470

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Roseburg, Oregon, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City of Roseburg, Oregon's basic financial statements, and have issued our report thereon dated November 18, 2015.

Internal Control Over Financial Reporting

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

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

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

Member:

American Institute of Certified Public Accountants

Oregon Society of Certified Public Accountants

Private Companies Practice Section

City of Roseburg
GAS Report of Internal Control and Compliance

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Roseburg, Oregon's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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



Roseburg, Oregon
November 18, 2015

NEUNER, DAVIDSON & COOLEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Thomas J. Davidson, C.P.A.
Jeffrey R. Cooley, C.P.A.
Traci I. Trotter, C.P.A.
Will M. Sargent, C.P.A.
Vickie L. Rapp, C.P.A.
David M. Campos, C.P.A.

2500 W. Harvard Ave.
Roseburg, Oregon 97471-2507
<http://www.ndkccpa.com>

P.O. Box 1786
Roseburg, Oregon 97470-0425
Phone (541) 672-4886
Fax (541) 673-3712

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

The Honorable Mayor and Council Members
City of Roseburg
900 SE Douglas Ave
Roseburg, OR 97470

Report on Compliance for Each Major Federal Program

We have audited City of Roseburg, Oregon's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Roseburg, Oregon's major federal programs for the year ended June 30, 2015. City of Roseburg, Oregon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of Roseburg, Oregon's compliance.

Opinion on Each Major Federal Program

In our opinion, City of Roseburg, Oregon, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

City of Roseburg
A-133 Report on Internal control and Compliance

Report on Internal Control Over Compliance

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

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

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

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



Roseburg, Oregon
November 18, 2015

CITY OF ROSEBURG
DOUGLAS COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the Year Ended June 30, 2015

Grantor and Program Title	Federal CFDA Number	Grant Number	Award Amount	Program Expenses
<u>U.S. Department of Interior</u>				
Historic Preservation Fund Grants-In-Aid SHPO Grant	15.904	none	\$ 12,500	\$ 9,600
<u>U.S. Department of Justice</u>				
Bulletproof Vest Partnership	16.607	none	\$ 2,063	\$ 825
<u>U.S. Department of Transportation</u>				
* Airport Improvement Program:				
Airport Improvements	20.106	DOT-FA14NM-0020	\$ 1,395,000	\$ 1,395,000
Airport Improvements	20.106	DOT-FA12NM-0090	\$ 5,498,731	\$ 53,093
<u>Pass Through</u>				
State of Oregon:				
Recreational Trails Program	20.219	RT14-020	\$ 117,524	\$ 108,659
State and Community Highway Safety	20.600	none	\$ 1,230	\$ 1,230
State and Community Highway Safety	20.600	none	\$ 1,800	\$ 600
State and Community Highway Safety	20.600	none	\$ 2,190	\$ 2,000
<u>U.S. Department of Homeland Security</u>				
Homeland Security Grant Program Disaster Grants-Public Assistance	97.036	FEMA-DR-4055-OR	\$ 10,971	\$ 10,971
<u>Pass Through</u>				
Douglas County, Oregon Emergency Management Performance Grant	97.042	none	\$ 28,209	\$ 28,209
				<u>\$ 1,610,187</u>

* Major Program

CITY OF ROSEBURG

Notes to Schedule of Expenditures of Federal Awards

June 30, 2015

Note 1. **Basis of Presentation**

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

Note 2. **Subrecipients**

Of the federal expenditures presented in the schedule, City of Roseburg provided no federal awards to subrecipients.

CITY OF ROSEBURG

Schedule of Findings and Questioned Costs

June 30, 2015

Summary of the Auditor's Results

The audit report issued November 18, 2015, on the financial statements of City of Roseburg as of and for the year ended June 30, 2015, was an unqualified opinion. The audit did not disclose any reportable conditions in internal control for either major or nonmajor programs, nor did the audit disclose any noncompliance which may be material to the financial statements. The audit report on compliance for major programs was an unqualified opinion. There were no audit findings required to be reported under Sec. 510(a) of OMB Circular No. A-133.

The major program identified by City of Roseburg was:

Airport Improvement Programs

CFDA-20.106

The threshold used to distinguish between Type A and Type B programs was \$300,000. The City did qualify as a low-risk auditee under Sec. 530 of OMB Circular No. A-133.

Findings Required to be Reported in Accordance with Generally Accepted Government Auditing Standards (GAGAS) (Financial Statements Audit)

Current Year:

No Findings.

Prior Year:

No Findings.

Findings and Questioned Costs for Major Federal Awards

Current Year:

No Findings or Questioned Costs.

Prior Year:

No Findings or Questioned Costs.