

City of Roseburg, Oregon



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

**CITY OF ROSEBURG,
OREGON**

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

FOR THE FISCAL YEAR ENDED June 30, 2016

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, 2016

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**INTRODUCTORY
SECTION**



City of Roseburg

December 19, 2016

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, 2016 is hereby submitted.

This report presents the financial position of the City as of June 30, 2016 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, 2016 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, 2016, 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.

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, 2016, 22,500 people resided in Roseburg, making it the largest city in Douglas County and the 26th largest city in Oregon. City boundaries cover nearly 10.6 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, the park system, the transportation system 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, which is the City's primary General Fund revenue source.

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 110,395, with the City of Roseburg accounting for approximately 21 percent of the total county population.

While the US and Oregon economies have strengthened as they emerge out of the shadows of the 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 2016, Douglas County has added an additional 1,420 jobs year over year, a 3.2% growth in the employed, which has helped the unemployment rate drop to 6.4% percent. Of important note, this year's unemployment rate continued its decline primarily as a result of the job growth, not 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 closing in on the total number employed in 2008.

Douglas County's unemployment rate of 6.4% continues to exceed both the state and national rate of 4.0 percent and 4.8 percent respectively, the difference in rates is becoming smaller and both the number of those seeking jobs and the number of jobs available continues to improve in Roseburg and throughout Douglas County. 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 City is currently working with FFA to complete the airspace analysis that has impacted night time approaches at the airport. We continue to work towards a process that will allow full night time service to resume.

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 was completed during the fiscal year; 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 \$300,000 to allow for design and construction of a playground and spray park in the Fir Grove section of Stewart Park. This state of the art play structure will provide spring and summer outdoor recreational activities for kids of all ages. In addition to the grant, the City received support from the local philanthropic community, and number of foundations, and the generous support of a local fundraising effort by our local Morning Rotary Club, who raised over \$100,000. The total project cost is estimated to be about \$625,000 and will be constructed during the spring and summer of 2017.

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. In addition, the City, through its Urban Renewal District, provided funding for the improvements of both Spruce Street and Parrot Street, immediately adjacent to the Oak Avenue portion of the 138 Project. This needed improvement provides commercial access into an area of the community that was terribly underserved as well as improving the residential street in the neighborhood.

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 re-adopted in 2015. 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. We will be updating at least two components of the CIP during early 2017 in advance of the budget process. New information has become available relating to our storm drainage system, and the airport CIP needs updated to meet our FAA requirements.

We will continue to incorporate our Water, Transportation and Storm Drainage master plans in our CIP. In addition, the City is embarking on a multi-year Transportation System Plan through an ODOT process that is used around the state. We will be kicking off the multi-year project in December 2016 and hope to have a finished product by the end of 2018 that will help drive our planning and transportation planning processes in the future.

We will also be working with Douglas County and other utility providers to assure that reasonable urban growth boundary area services can be provided in a cost effective and efficient manner moving into the future.

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, 2015. This was the twenty-third 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.

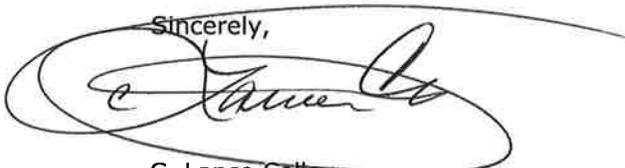
The GFOA gave an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Roseburg for its popular annual financial report for the fiscal year ended June 30, 2015. The report is designed to provide transparency and accountability of City financial information by providing a summary view of financial activities of the City that are reported in the City's comprehensive annual financial report. The report is specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. This was the first year that the government has earned the award.

An Award for Outstanding Achievement is valid for a period of one year only. We believe our current popular annual financial report continues to meet the program's requirements and we are submitting it to GFOA to determine its eligibility for another award.

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

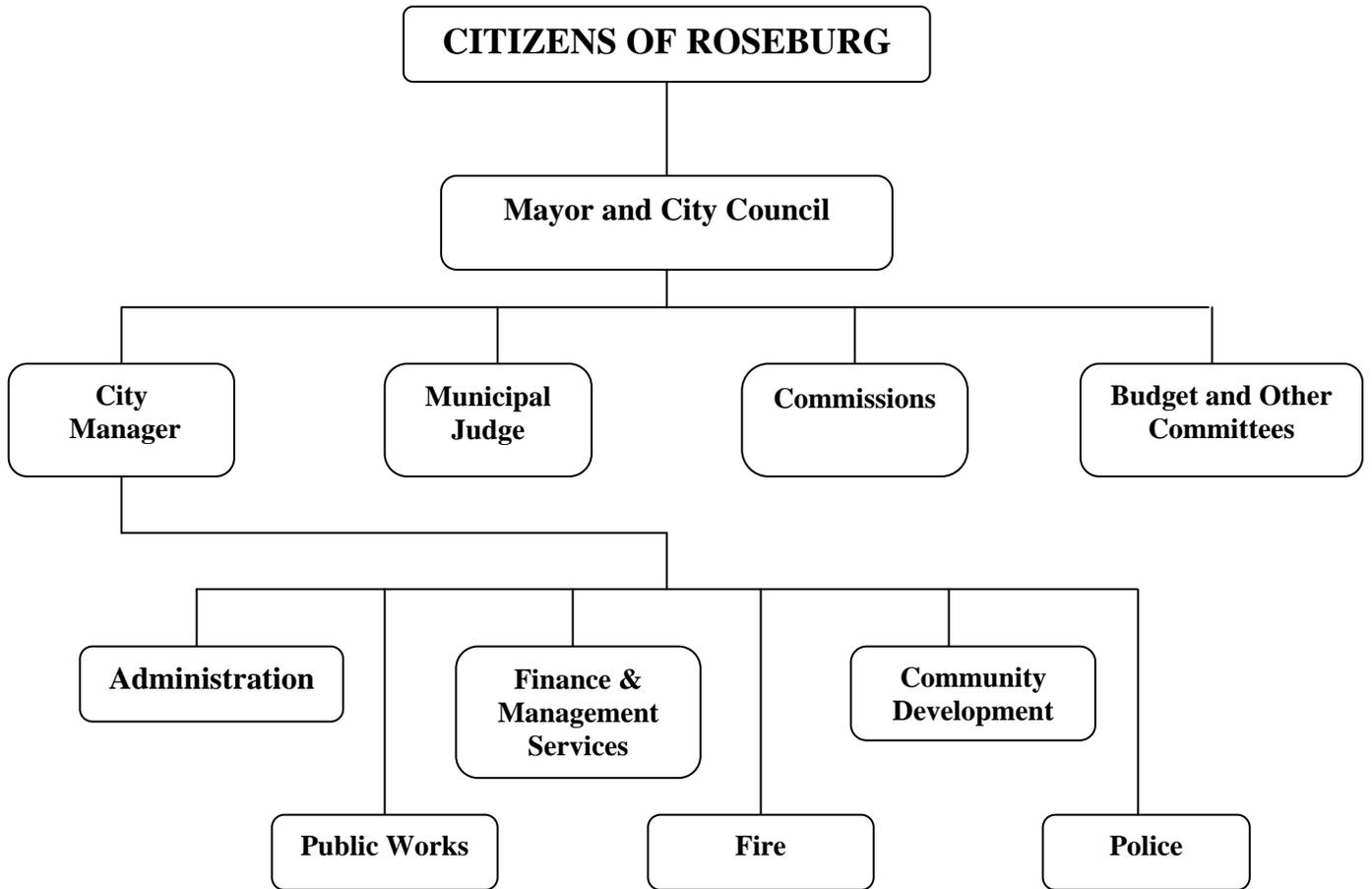
**City of Roseburg
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

**CITY OF ROSEBURG, OREGON
ORGANIZATIONAL CHART**



CITY OF ROSEBURG, OREGON

June 30, 2016

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

**FINANCIAL
SECTION**



NEUNER, DAVIDSON, COOLEY & RAPP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Thomas J. Davidson, C.P.A.
Jeffrey R. Cooley, C.P.A.
Vickie L. Rapp, C.P.A.
Traci I. Trotter, C.P.A.

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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, 2016, 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.

**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, 2016, 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.

Other Matters

Required Supplementary Information

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

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, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental section, as listed in the table of contents, is 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 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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.

**City of Roseburg
Independent Auditor's Report
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 December 16, 2016, 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 December 16, 2016, 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 & Rapp, LLC
Certified Public Accountants

By:  _____
Jeffrey R. Cooley CPA

December 16, 2016

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, 2016. 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, 2016 by \$207,686 (*net position*). Of this amount, \$10,544 (*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, 2016 decreased by \$9,931 from June 30, 2015. The decrease of total net position is a result of booking a \$13,318 adjustment to recognize a \$9,549 net pension liability per the requirements of GASB 68.
- The City's total liabilities increased by \$5,782 from \$17,670 to \$23,452 in the current year. Regular debt service payments were made as scheduled. Per the provisions of GASB 68, the City realized a net pension liability of \$9,549 while it had a net pension asset last year. The City's total liabilities would have been significantly reduced this year if not for the net pension liability.
- At June 30, 2016, the City's governmental funds reported combined ending fund balances of \$16,467, a decrease of \$3,076 from the prior year.
- At June 30, 2016, the City's business-type activities reported combined ending net position of \$82,465 a decrease of \$1,134 over the prior year. Unrestricted net position increased by \$646 to \$6,764.
- At June 30, 2016, the unassigned fund balance for the General fund was \$7,518 or 38 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 17 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 four major funds: General Fund, Transportation Fund, Urban Renewal General Fund, and the Urban Renewal Capital Projects Fund.

Data from the other 13 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 57 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

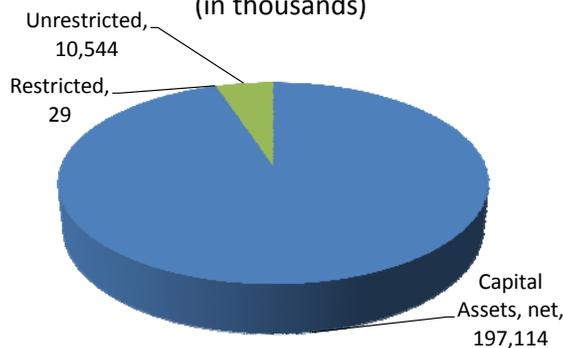
STATEMENT OF NET ASSETS

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, 2016.

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

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 19,651	\$ 22,873	\$ 7,975	\$ 7,453	\$ 27,626	\$ 30,326
Capital assets	123,413	127,429	77,125	79,325	200,538	206,754
Total Assets	143,064	150,302	85,100	86,778	228,164	237,080
Deferred outflows	4,774	4,963	484	516	5,258	5,479
Current liabilities	1,333	1,460	329	1,255	1,662	2,715
Noncurrent liabilities	19,209	13,199	2,580	1,756	21,789	14,955
Total Liabilities	20,542	14,659	2,909	3,011	23,451	17,670
Deferred inflows	2,074	6,587	210	685	2,284	7,272
Net Position:	125,222	134,019	82,465	83,598	207,687	217,617
Net investment in capital assets	121,413	119,275	75,701	77,480	197,114	196,755
Restricted	29	344	-	-	29	344
Unrestricted	3,780	14,400	6,764	6,118	10,544	20,518
Total net position	\$ 125,222	\$ 134,019	\$ 82,465	\$ 83,598	\$ 207,687	\$ 217,617

Chart 1
City of Roseburg - 2016 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 \$207,687 at June 30, 2016.

About 95 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 \$12,240 is for compensated absences, postemployment obligations and outstanding bonds, representing 52 percent of total liabilities. Current liabilities, representing 48 percent of the City's total liabilities, consist of payables on accounts, unearned revenues and net pension liabilities.

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	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 3,963	\$ 3,874	\$ 7,158	\$ 6,841	\$ 11,121	\$ 10,715
Operating Grants & Contributions	4,481	4,300	-	-	4,481	4,300
Capital Grants & Contributions	525	475	547	2,376	1,072	2,851
General Revenues:						
Taxes	20,618	20,154	-	-	20,618	20,154
Interest	134	116	40	31	174	147
Other	528	(91)	35	16	563	(75)
Total Revenues	30,249	28,828	7,780	9,264	38,029	38,092
Expenses:						
General Government	4,467	2,863	-	-	4,467	2,863
Public Safety	18,058	9,782	-	-	18,058	9,782
Public Works	12,308	10,072	-	-	12,308	10,072
Culture and Recreation	2,358	1,673	-	-	2,358	1,673
Community Development	1,432	1,080	-	-	1,432	1,080
Interest on Long-term Debt	423	511	-	-	423	511
Storm Drainage	-	-	1,672	1,679	1,672	1,679
Airport	-	-	1,199	1,008	1,199	1,008
Off Street Parking	-	-	179	194	179	194
Water	-	-	5,863	4,668	5,863	4,668
Total Expenses	39,046	25,981	8,913	7,549	47,959	33,530
Increase (decrease) in net position before transfers	(8,797)	2,847	(1,133)	1,715	(9,930)	4,562
Transfers	-	-	-	-	-	-
Increase (decrease) in net position	(8,797)	2,847	(1,133)	1,715	(9,930)	4,562
Net position, July 1	134,019	137,734	83,598	82,081	217,617	219,815
Net position restatement, July 1	-	(6,562)	-	(198)	-	(6,760)
Net position, June 30	\$ 125,222	\$ 134,019	\$ 82,465	\$ 83,598	\$ 207,687	\$ 217,617

Governmental activities. (in thousands)

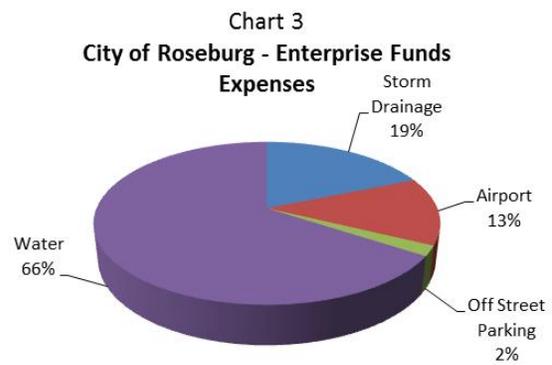
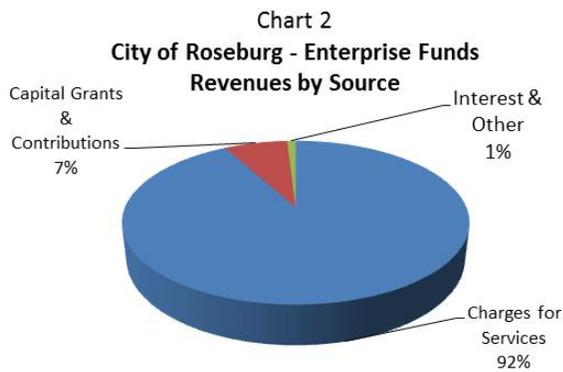
- Tax revenues increased by \$464 from the prior year. Property taxes increased \$319 due to increased property values. Franchise fees increased \$145.
- Capital grants and contributions totaled \$525 in the current fiscal year.
- Operating grants totaled \$4,481.

Business-type activities. (in thousands)

Business-type activities net position decreased by \$1,133. Key changes are as follows:

- Charges for services increased by \$317.
 - A monthly Water rate increase of 15 percent was effective January 1, 2016.
 - A monthly Storm Drainage rate increase of \$1.10 or 10 percent was effective July 1, 2015.
- Capital Assets decreased by \$355.
- Net pension expense of \$792 was booked this year per the requirements of GASB 68.

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.



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, 2016, the City’s governmental funds reported combined ending fund balances of \$16,467, a decrease of \$3,076 from the prior year. \$7,518 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, 2016, the fund balance was \$7,551. The fund balance decreased by \$194 from the prior year. Property and franchise taxes increased by \$205 from the previous year. Public safety, public works, community development, and culture and recreation expenditures all increased by an aggregate \$451.

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, 2016 was \$3,496, an increase of \$682 from the previous year. \$837 was spent on the pavement management program. Capital expenditures of \$348 include Stewart Parkway realignment project.

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, 2016 with a committed fund balance of \$194 and Capital expenditures of \$2,941 that included Washington/Oak/Kane street improvements, Charles Gardiner bike improvements, Spruce/Parrott street improvements, Stephens street improvements, a Parking Garage study and contributions towards the Highway 138 corridor project.

The Urban Renewal General Fund accounts for the district’s tax increment revenues. The committed fund balance at June 30, 2016 was \$196. Expenditures include transfers of \$2,930 for the City’s full faith and credit obligations.

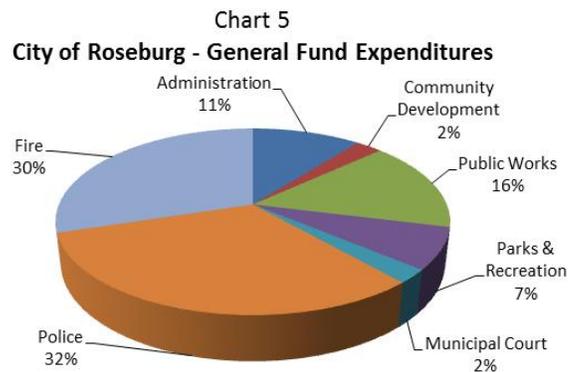
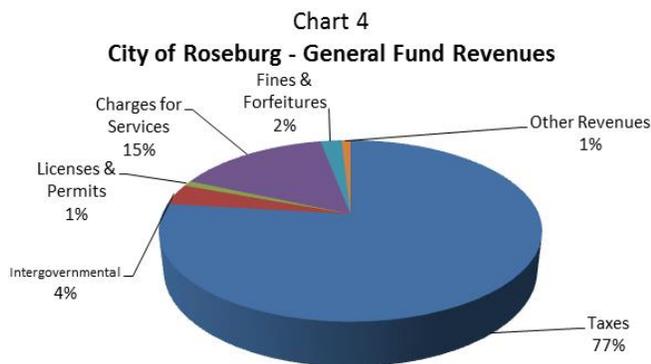
General Fund Budgetary Highlights

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, 2016. There was one revision to the General Fund budget for the 2015-16 fiscal year with an increase of a \$5 increase to the parks and recreation portion of the budget.

- Revenues were \$390 less than budgeted.
 - 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 \$2,124 less than budgeted. Decreased spending was primarily related to Administration, 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, 2016, the City had invested \$200,539 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	
	2016	2015	2016	2015	2016	2015
Land & Construction in Progress	\$ 69,187	\$ 69,155	\$ 7,296	\$ 9,535	\$ 76,483	\$ 78,690
Buildings	13,831	14,262	7,204	7,458	21,035	21,720
Improvements other than Buildings	7,020	7,284	62,025	61,685	69,045	68,969
Machinery and Equipment	1,357	1,293	423	237	1,780	1,530
Vehicles	2,183	1,784	178	55	2,361	1,839
Infrastructure	29,835	30,236	-	-	29,835	30,236
Total	\$ 123,413	\$ 124,014	\$ 77,126	\$ 78,970	\$ 200,539	\$ 202,984

During the year, the City's investment in capital assets decreased by \$2,445. The major capital asset events for the year include the following:

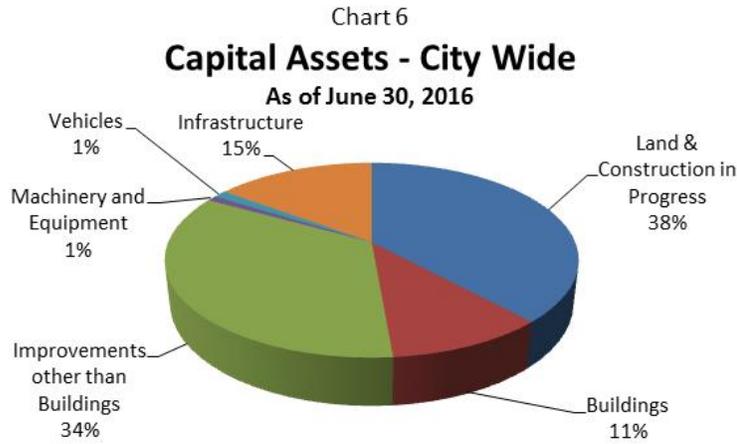
GOVERNMENTAL ACTIVITIES (in thousands)

- Capital expenditures in the governmental funds totaled \$4,956.
- Finance and Court systems software, \$92.
- Triple combination pumper (Fire Department), \$518.
- Police department vehicles, \$180.
- Parks equipment and vehicles, \$111.
- Public Works vehicles, \$52.
- Washington/Oak/Kane, \$1,523.
- Charles Gardiner bike improvements, \$120.
- Spruce/Parrot improvements, \$123.
- Parking Garage study, \$47.
- Stephens Street improvements, \$446.
- Highway 138 Corridor project, \$552.

BUSINESS-TYPE ACTIVITIES

- Water Fund capital expenditures of \$813 included the Washington/Oak/Kane, Hughes/Knoll improvements, and transmission main cathodic protection project.
- Storm Drainage capital expenditure of \$618 included the Indianola, Washington/Oak/Kane, Fairmont/Garden Valley storm water improvements, the Harvard Avenue emergency repairs, and the Highway 138 Corridor project.
- Airport capital expenditure of \$66 included the Airport apron rehabilitation.

Additional information on the City of Roseburg’s capital assets can be found in note 3 on page 42 and 43 of this report.



Long-Term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$7.815 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	
	2016	2015	2016	2015	2016	2015
Full Faith & Credit Bonds	\$ 6,390	\$ 9,315	\$ 1,425	\$ 1,490	\$ 7,815	\$ 10,805
Total	\$ 6,390	\$ 9,315	\$ 1,425	\$ 1,490	\$ 7,815	\$ 10,805

During the current fiscal year, the City’s total debt decreased by \$2.99 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 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 \$77.865 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 2016, is 6.0 percent, which is a decrease of 1.9 percent from the 7.9 percent rate a year ago. The local unemployment rate exceeds the state seasonally adjusted rate of 4.8 percent and the national rate of 4.9 percent.

Supporting figures to the unemployment rate indicate that the drop in the unemployment rate is occurring for all of the right reasons. An improving local job market is pulling workers back into the workforce as the civilian labor force (individuals that are either working or who are actively looking for employment) continues to expand; May 2016's total labor force increased by 720 to 44,812, or 1.6 percent from May 2015. The total employed increased 1,689 to 42,267, or 4.2 percent from May 2015. And the unemployed decreased by 969 to 2,545 or 28 percent from May 2015. Of great import is that the over-the-year employment growth occurred across the board in most private-sector industries.

A recent study released July 14, 2016 by the Oregon Employment Department titled "Douglas County's Occupational Employment Projections" indicates that due to growth and demographic trends there are projected to be considerable job openings through 2024 across all sectors. ". . . Douglas County is expected to have 12,358 openings from 2014 through 2024, an increase of 8.6 percent. There are projected to be 8,971 openings due to replacement needs and 3,387 openings due to growth. All 12 major occupational groups will offer more employment opportunities on the basis of need to replace departing workers than on the basis of new, growth opportunities."

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, 2016, taxes of \$20,072 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 2016-17 fiscal year.

The 2016-17 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, 2016

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 16,888,253	\$ 6,865,041	\$ 23,753,294
Receivables (net of allowances for uncollectibles)	2,729,437	1,056,428	3,785,865
Inventories	21,296	53,062	74,358
Prepays	11,894	47	11,941
Capital assets			
Land and construction in progress	69,187,067	7,295,550	76,482,617
Buildings	13,831,127	7,204,013	21,035,140
Improvements other than buildings	7,020,327	62,024,588	69,044,915
Machinery and equipment	1,356,685	422,901	1,779,586
Vehicles	2,183,089	178,684	2,361,773
Infrastructure	29,835,081	-	29,835,081
Total assets	<u>143,064,256</u>	<u>85,100,314</u>	<u>228,164,570</u>
DEFERRED OUTFLOWS			
Deferred outflows-contributions to PERS	4,773,705	484,288	5,257,993
LIABILITIES			
Accounts payable	1,120,899	212,496	1,333,395
Other accrued liabilities	160,890	33,199	194,089
Interest payable	24,520	4,807	29,327
Net pension liability	8,669,575	879,520	9,549,095
Unearned revenue	26,555	79,040	105,595
Noncurrent liabilities:			
Due within one year	2,210,000	135,105	2,345,105
Due in more than one year	8,329,794	1,565,264	9,895,058
Total liabilities	<u>20,542,233</u>	<u>2,909,431</u>	<u>23,451,664</u>
DEFERRED INFLOWS			
Net projected to actual earnings to PERS	2,074,013	210,407	2,284,420
NET POSITION			
Net investment in capital assets	121,413,376	75,700,736	197,114,112
Restricted for:			
Debt service	28,422	-	28,422
Unrestricted	3,779,917	6,764,028	10,543,945
Total net position	<u>\$ 125,221,715</u>	<u>\$ 82,464,764</u>	<u>\$ 207,686,479</u>

See notes to the basic financial statements.

CITY OF ROSEBURG, OREGON

Statement of Activities

For the year ended June 30, 2016

<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	\$ 4,466,584	\$ 3,307,718	\$ -	\$ 7,500
Public safety	18,058,464	443,671	185,618	-
Public works	12,307,748	61,634	4,255,430	473,218
Culture and recreation	2,358,375	112,752	27,208	44,049
Community development	1,432,439	37,529	13,000	-
Interest on long-term debt	422,746	-	-	-
Total governmental activities	<u>39,046,356</u>	<u>3,963,304</u>	<u>4,481,256</u>	<u>524,767</u>
Business-type activities:				
Storm Drain	1,671,645	1,574,742	-	75,676
Airport	1,199,630	362,318	-	369,886
Off Street Parking	178,735	120,785	-	-
Water	5,862,763	5,099,393	-	100,976
Total business-type activities	<u>8,912,773</u>	<u>7,157,238</u>	<u>-</u>	<u>546,538</u>
Total government	<u>\$ 47,959,129</u>	<u>\$ 11,120,542</u>	<u>\$ 4,481,256</u>	<u>\$ 1,071,305</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

Net position--ending

See notes to the basic financial statements.

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

Governmental Activities	Business-Type Activities	Total
\$ (1,151,366)	\$ -	\$ (1,151,366)
(17,429,175)	-	(17,429,175)
(7,517,466)	-	(7,517,466)
(2,174,366)	-	(2,174,366)
(1,381,910)	-	(1,381,910)
<u>(422,746)</u>	<u>-</u>	<u>(422,746)</u>
<u>(30,077,029)</u>	<u>-</u>	<u>(30,077,029)</u>
-	(21,227)	(21,227)
-	(467,426)	(467,426)
-	(57,950)	(57,950)
-	<u>(662,394)</u>	<u>(662,394)</u>
<u>-</u>	<u>(1,208,997)</u>	<u>(1,208,997)</u>
<u>(30,077,029)</u>	<u>(1,208,997)</u>	<u>(31,286,026)</u>
12,578,951	-	12,578,951
3,558,472	-	3,558,472
4,480,949	-	4,480,949
133,816	40,203	174,019
527,950	11,100	539,050
-	24,056	24,056
<u>21,280,138</u>	<u>75,359</u>	<u>21,355,497</u>
<u>(8,796,891)</u>	<u>(1,133,638)</u>	<u>(9,930,529)</u>
<u>134,018,606</u>	<u>83,598,402</u>	<u>217,617,008</u>
<u>\$ 125,221,715</u>	<u>\$ 82,464,764</u>	<u>\$ 207,686,479</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.

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, 2016

	<u>General</u>	<u>Transportation</u>	<u>Urban Renewal General</u>
ASSETS			
Cash and investments	\$ 7,591,356	\$ 3,369,220	\$ 145,747
Interest receivable	-	-	-
Accounts receivable	277,572	42,807	-
Taxes receivable	1,401,237	-	389,720
Assessment liens receivable	-	-	-
Due from other funds	-	-	-
Intergovernmental receivable	117,093	116,783	-
Inventory	21,296	-	-
Prepaid items	11,893	-	-
Total assets	<u>\$ 9,420,447</u>	<u>\$ 3,528,810</u>	<u>\$ 535,467</u>
LIABILITIES			
Accounts payable	584,711	32,353	-
Other accrued liabilities	35,636	-	-
Due to other funds	-	-	-
Total liabilities	<u>620,347</u>	<u>32,353</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	1,249,175	-	339,895
Unavailable revenue-special assessments	-	-	-
Total deferred inflows of resources	<u>1,249,175</u>	<u>-</u>	<u>339,895</u>
FUND BALANCES			
Nonspendable	33,189	-	-
Restricted	-	-	-
Committed	-	-	195,572
Assigned	-	3,496,457	-
Unassigned	7,517,736	-	-
Total fund balances	<u>7,550,925</u>	<u>3,496,457</u>	<u>195,572</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,420,447</u>	<u>\$ 3,528,810</u>	<u>\$ 535,467</u>

See notes to the basic financial statements.

Urban Renewal Capital Projects	Other Governmental	Total Governmental
\$ 259,012	\$ 5,150,074	\$ 16,515,409
-	7,393	7,393
38,137	5,417	363,933
-	274,833	2,065,790
-	68,186	68,186
-	114,704	114,704
-	1,180	235,056
-	-	21,296
-	-	11,893
<u>\$ 297,149</u>	<u>\$ 5,621,787</u>	<u>\$ 19,403,660</u>
103,134	400,544	1,120,742
-	-	35,636
-	114,704	114,704
<u>103,134</u>	<u>515,248</u>	<u>1,271,082</u>
-	-	1,589,070
-	76,690	76,690
<u>-</u>	<u>76,690</u>	<u>1,665,760</u>
-	-	33,189
-	331,253	331,253
194,015	2,290,293	2,679,880
-	2,408,303	5,904,760
-	-	7,517,736
<u>194,015</u>	<u>5,029,849</u>	<u>16,466,818</u>
<u>\$ 297,149</u>	<u>\$ 5,621,787</u>	<u>\$ 19,403,660</u>

CITY OF ROSEBURG, OREGON
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2016

Total Fund balances-Governmental Funds \$ 16,466,818

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	(8,669,575)
Deferred outflows	4,773,705
Deferred inflows	(2,074,013)

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.

123,413,376

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	1,639,205
Note receivable	(10,921)

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

(1,451,881)

Net OPEB obligation

(2,697,912)

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

(6,390,000)

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

(24,520)

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.

247,433

Net position of governmental activities

\$125,221,715

CITY OF ROSEBURG, OREGON

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the year ended June 30, 2016

	<u>General</u>	<u>Transportation</u>	<u>Urban Renewal General</u>
REVENUES			
Taxes	\$ 14,974,873	\$ 419,904	\$ 3,557,864
Intergovernmental	726,005	1,432,585	-
Licenses and permits	184,364	-	-
Charges for services	3,001,798	13,147	-
System development fees	-	165,786	-
Fines and forfeitures	416,438	-	-
Special assessments	-	-	-
Investment revenue	53,349	21,047	12,589
Other revenues	119,446	-	-
Total revenues	<u>19,476,273</u>	<u>2,052,469</u>	<u>3,570,453</u>
EXPENDITURES			
Current operating:			
General government	2,015,539	-	-
Public safety	12,099,009	-	-
Public works	2,959,360	1,693,839	2,929,600
Culture and recreation	1,413,054	-	-
Community development	486,608	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	22,489	347,948	-
Total expenditures	<u>18,996,059</u>	<u>2,041,787</u>	<u>2,929,600</u>
Excess (deficiency) of revenues over (under) expenditures	<u>480,214</u>	<u>10,682</u>	<u>640,853</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital asset sales	1,160	-	-
Transfers in	-	-	-
Transfers out	<u>(675,000)</u>	<u>(10,000)</u>	<u>(800,000)</u>
Total other financing sources (uses)	<u>(673,840)</u>	<u>(10,000)</u>	<u>(800,000)</u>
Net change in fund balance	(193,626)	682	(159,147)
Fund balances--beginning	<u>7,744,551</u>	<u>3,495,775</u>	<u>354,719</u>
Fund balances--ending	<u>\$ 7,550,925</u>	<u>\$ 3,496,457</u>	<u>\$ 195,572</u>

See notes to the basic financial statements.

Urban Renewal Capital Projects	Other Governmental	Total Governmental
\$ -	\$ 1,119,524	\$ 20,072,165
192,153	3,390,452	5,741,195
-	-	184,364
-	45,712	3,060,657
-	21,572	187,358
-	-	416,438
-	9,498	9,498
7,789	33,648	128,422
-	51,850	171,296
<u>199,942</u>	<u>4,672,256</u>	<u>29,971,393</u>
-	49,682	2,065,221
-	4,421	12,103,430
372,213	72,152	8,027,164
-	25,504	1,438,558
-	730,628	1,217,236
-	2,925,000	2,925,000
-	412,860	412,860
2,941,238	1,644,635	4,956,310
<u>3,313,451</u>	<u>5,864,882</u>	<u>33,145,779</u>
<u>(3,113,509)</u>	<u>(1,192,626)</u>	<u>(3,174,386)</u>
-	97,623	98,783
800,000	1,152,449	1,952,449
-	(467,449)	(1,952,449)
<u>800,000</u>	<u>782,623</u>	<u>98,783</u>
(2,313,509)	(410,003)	(3,075,603)
<u>2,507,524</u>	<u>5,439,852</u>	<u>19,542,421</u>
<u>\$ 194,015</u>	<u>\$ 5,029,849</u>	<u>\$ 16,466,818</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, 2016

Net change in fund balances--total governmental funds \$ (3,075,603)

*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	\$ 4,956,310	
Less current year depreciation	(4,485,639)	
Book value of disposed capital assets	(842,868)	
During the current year the governmental fund transferred capital assets to the enterprise fund	(229,313)	(601,510)

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

Property taxes		(15,110)
Special assessments		(8,854)

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

2,925,000

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	(20,951)	
Net OPEB obligation	(244,524)	
Accrued interest	(9,886)	(275,361)

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

(7,759,682)

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.

14,229

Change in net position of governmental activities

\$ (8,796,891)

See notes to the basic financial statements.

CITY OF ROSEBURG, OREGON

General Fund

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

For the year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 15,210,493	\$ 15,210,493	\$ 14,974,873	\$ (235,620)
Intergovernmental	798,942	798,942	726,005	(72,937)
Licenses and permits	165,100	165,100	184,364	19,264
Charges for services	2,995,480	2,995,480	3,001,798	6,318
Fines and forfeitures	399,720	399,720	416,438	16,718
Investment revenue	43,000	43,000	53,349	10,349
Other revenues	-	-	119,446	119,446
Total revenues	<u>19,612,735</u>	<u>19,612,735</u>	<u>19,476,273</u>	<u>(136,462)</u>
EXPENDITURES				
Administration	2,174,004	2,174,004	2,015,539	158,465
Community development	541,509	541,509	486,608	54,901
Public works	3,212,867	3,212,867	2,959,360	253,507
Parks and recreation	1,438,139	1,438,139	1,363,054	75,085
Municipal court	489,418	489,418	450,023	39,395
Police	6,360,705	6,360,705	6,006,974	353,731
Fire	5,846,642	5,846,642	5,642,012	204,630
Intergovernmental	50,000	50,000	50,000	-
Capital outlay	47,120	47,120	22,489	24,631
Contingency	1,000,000	1,000,000	-	1,000,000
Total expenditures	<u>21,160,404</u>	<u>21,160,404</u>	<u>18,996,059</u>	<u>2,164,345</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,547,669)</u>	<u>(1,547,669)</u>	<u>480,214</u>	<u>2,027,883</u>
OTHER FINANCING USES				
Proceeds from asset sales	-	-	1,160	1,160
Transfers out	(675,000)	(675,000)	(675,000)	-
Total other financing uses	<u>(675,000)</u>	<u>(675,000)</u>	<u>(673,840)</u>	<u>1,160</u>
Net change in fund balances	(2,222,669)	(2,222,669)	(193,626)	2,029,043
Fund balances--beginning	<u>7,341,488</u>	<u>7,341,488</u>	<u>7,744,551</u>	<u>403,063</u>
Fund balances--ending	<u>\$ 5,118,819</u>	<u>\$ 5,118,819</u>	<u>\$ 7,550,925</u>	<u>\$ 2,432,106</u>

See notes to the basic financial statements.

CITY OF ROSEBURG, OREGON
Urban Renewal General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 3,587,600	\$ 3,587,600	\$ 3,557,864	\$ (29,736)
Investment revenue	13,000	13,000	12,589	(411)
Total revenues	<u>3,600,600</u>	<u>3,600,600</u>	<u>3,570,453</u>	<u>(30,147)</u>
EXPENDITURES				
Materials and services	2,930,000	2,930,000	2,929,600	400
Total expenditures	<u>2,930,000</u>	<u>2,930,000</u>	<u>2,929,600</u>	<u>400</u>
Excess of revenues over expenditures	<u>670,600</u>	<u>670,600</u>	<u>640,853</u>	<u>(29,747)</u>
OTHER FINANCING USES				
Transfers out	(800,000)	(800,000)	(800,000)	-
Reserved for Future Expenditures	<u>(233,952)</u>	<u>(233,952)</u>	<u>-</u>	<u>233,952</u>
Total other financing uses	<u>(1,033,952)</u>	<u>(1,033,952)</u>	<u>(800,000)</u>	<u>233,952</u>
Net change in fund balances	(363,352)	(363,352)	(159,147)	204,205
Fund balances--beginning	<u>363,352</u>	<u>363,352</u>	<u>354,719</u>	<u>(8,633)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,572</u>	<u>\$ 195,572</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, 2016

	Business-type Activities-Enterprise Funds		
	Storm Drainage	Airport	Off Street Parking
ASSETS			
Current assets:			
Cash and investments	\$ 1,883,012	\$ 256,394	\$ 100,483
Utilities receivable, net	225,926	-	-
Other receivables	-	2,296	1,903
Intergovernmental receivable	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Total current assets	<u>2,108,938</u>	<u>258,690</u>	<u>102,386</u>
Noncurrent assets:			
Capital assets, net	<u>23,957,780</u>	<u>18,341,968</u>	<u>1,414,131</u>
Total noncurrent assets	<u>23,957,780</u>	<u>18,341,968</u>	<u>1,414,131</u>
Total assets	<u>26,066,718</u>	<u>18,600,658</u>	<u>1,516,517</u>
DEFERRED OUTFLOWS			
Deferred outflows-contributions to PERS	-	13,145	-
LIABILITIES			
Current liabilities:			
Accounts payable	60,554	2,757	607
Other accrued liabilities	-	6,199	-
Interest payable	-	4,807	-
Net pension liability	-	23,873	-
Compensated absences	-	-	-
Unearned revenue	-	47,795	-
Bond payable-current maturity	-	65,000	-
Total current liabilities	<u>60,554</u>	<u>150,431</u>	<u>607</u>
Noncurrent liabilities:			
Compensated absences	-	-	-
Net OPEB obligation	-	-	-
Bond payable	-	1,360,000	-
Total noncurrent liabilities	<u>-</u>	<u>1,360,000</u>	<u>-</u>
Total liabilities	<u>60,554</u>	<u>1,510,431</u>	<u>607</u>
DEFERRED INFLOWS			
Net projected to actual earnings to PERS	-	5,711	-
NET POSITION			
Net investment in capital assets	23,957,780	16,916,968	1,414,131
Unrestricted	<u>2,048,384</u>	<u>180,693</u>	<u>101,779</u>
Total net position	<u>\$ 26,006,164</u>	<u>\$ 17,097,661</u>	<u>\$ 1,515,910</u>

See notes to the basic financial statements.

Business-type Activities-Enterprise Funds		Activities Internal Service Fund
Water	Totals	
\$ 4,625,152	\$ 6,865,041	\$ 372,844
822,416	1,048,342	-
3,887	8,086	-
-	-	-
53,062	53,062	-
47	47	-
<u>5,504,564</u>	<u>7,974,578</u>	<u>372,844</u>
33,411,857	77,125,736	2,094
33,411,857	77,125,736	2,094
38,916,421	85,100,314	374,938
471,143	484,288	-
148,578	212,496	157
27,000	33,199	125,254
-	4,807	-
855,647	879,520	-
70,105	70,105	-
31,245	79,040	-
-	65,000	-
<u>1,132,575</u>	<u>1,344,167</u>	<u>125,411</u>
24,763	24,763	-
180,501	180,501	-
-	1,360,000	-
205,264	1,565,264	-
<u>1,337,839</u>	<u>2,909,431</u>	<u>125,411</u>
<u>204,696</u>	<u>210,407</u>	<u>-</u>
33,411,857	75,700,736	2,094
4,433,172	6,764,028	247,433
<u>\$ 37,845,029</u>	<u>\$ 82,464,764</u>	<u>\$ 249,527</u>

CITY OF ROSEBURG, OREGON
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2016

	Business-type Activities - Enterprise Funds		
	Storm Drainage	Airport	Off Street Parking
OPERATING REVENUES:			
Charges for services	\$ 1,574,742	\$ 362,318	\$ 120,785
Other revenues	836	-	769
Total operating revenues	<u>1,575,578</u>	<u>362,318</u>	<u>121,554</u>
OPERATING EXPENSES:			
Personal services	-	43,972	-
Support services	392,403	81,648	6,722
Contractual services	92,064	25,896	83,204
Utilities	-	45,469	20,132
Repairs and maintenance	14,884	10,549	2,210
Other operating expenses	22,125	2,313	1,560
Insurance claims and expenses	39,416	14,448	3,754
Depreciation	1,110,753	892,063	61,153
Total operating expenses	<u>1,671,645</u>	<u>1,116,358</u>	<u>178,735</u>
Operating income (loss)	<u>(96,067.00)</u>	<u>(754,040)</u>	<u>(57,181)</u>
Nonoperating revenues (expenses):			
Investment revenue	10,137	1,755	620
Interest expense	-	(60,071)	-
Gain on sale of capital assets	-	-	-
GAAP Pension Adjustment	-	(23,201)	-
Total nonoperating revenues (expenses)	<u>10,137</u>	<u>(81,517)</u>	<u>620</u>
Net income (loss) before contributions and transfers	(85,930)	(835,557)	(56,561)
Capital contributions-grants and fees	75,676	140,573	-
Capital contributions-infrastructure	-	229,313	-
Change in net position	(10,254)	(465,671)	(56,561)
Net position--beginning	26,016,418	17,563,332	1,572,471
Net position--ending	<u>\$ 26,006,164</u>	<u>\$ 17,097,661</u>	<u>\$ 1,515,910</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>
\$ 5,099,393	\$ 7,157,238	\$ 300,000
9,495	11,100	8
<u>5,108,888</u>	<u>7,168,338</u>	<u>300,008</u>
1,587,850	1,631,822	-
800,777	1,281,550	16,880
324,559	525,723	8,900
350,620	416,221	-
164,587	192,230	-
308,535	334,533	1,857
41,236	98,854	260,169
<u>1,515,919</u>	<u>3,579,888</u>	<u>279</u>
<u>5,094,083</u>	<u>8,060,821</u>	<u>288,086</u>
<u>14,805</u>	<u>(892,483)</u>	<u>11,922</u>
27,691	40,203	2,028
-	(60,071)	-
24,056	24,056	-
<u>(768,680)</u>	<u>(791,881)</u>	<u>-</u>
<u>(716,933)</u>	<u>(787,693)</u>	<u>2,028</u>
(702,128)	(1,680,176)	13,950
100,976	317,225	-
-	229,313	-
<u>(601,152)</u>	<u>(1,133,638)</u>	<u>13,950</u>
<u>38,446,181</u>	<u>83,598,402</u>	<u>235,577</u>
<u>\$ 37,845,029</u>	<u>\$ 82,464,764</u>	<u>\$ 249,527</u>

CITY OF ROSEBURG, OREGON

Proprietary Funds

STATEMENT OF CASH FLOWS

For the year ended June 30, 2016

	Business-type Activities - Enterprise Funds		
	Storm Drainage	Airport	Off Street Parking
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 1,551,202	\$ 361,219	\$ 126,003
Payments to suppliers	(111,577)	(968,040)	(118,127)
Payments to employees	-	(45,674)	-
Internal activity--payments to other funds	(392,403)	(81,648)	(6,722)
Other receipts	836	-	769
	<u>1,048,058</u>	<u>(734,143)</u>	<u>1,923</u>
Net cash provided by operating activities			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
System development fees	75,675	-	-
Capital contributions	-	140,573	-
Proceeds from sale of capital assets	-	-	-
Purchases of capital assets	(618,272)	692,114	-
Principal paid on capital debt	-	(65,000)	-
Interest paid on capital debt	-	(60,288)	-
Net cash used by capital and related financing activities	<u>(542,597)</u>	<u>707,399</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	10,138	1,755	620
Net cash provided by investing activities	<u>10,138</u>	<u>1,755</u>	<u>620</u>
Net increase (decrease) in cash and investments	515,599	(24,989)	2,543
Balances--beginning of the year	1,367,413	281,383	97,940
Balances--end of the year	<u>\$ 1,883,012</u>	<u>\$ 256,394</u>	<u>\$ 100,483</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (96,067)	\$ (777,241)	\$ (57,181)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Cash flows reported in other categories:			
Depreciation expense	1,110,753	892,063	61,153
Change in assets and liabilities:			
Receivables, net	(23,540)	(1,099)	5,218
Prepaid assets	-	-	-
Inventories	-	-	-
Accounts payable	56,912	(800,772)	(7,267)
Accrued compensated absences	-	(1,702)	-
OPEB obligation	-	-	-
Other accrued liabilities	-	(68,593)	-
Pension expense (income)	-	23,201	-
Unearned revenue	-	-	-
Net cash provided by operating activities	<u>\$ 1,048,058</u>	<u>\$ (734,143)</u>	<u>\$ 1,923</u>
Noncash capital activities:			
Capital assets contributed	<u>\$ -</u>	<u>\$ 229,313</u>	<u>\$ -</u>

See notes to the basic financial statements.

The Airport fund received certain capital assets from the Urban Renewal fund. The new book value of the asset was \$229,313

<u>Business-type Activities-Enterprise Funds</u>		Governmental Activities Internal Service Fund
<u>Water</u>	<u>Totals</u>	<u>Fund</u>
\$ 5,118,793	\$ 7,157,217	\$ 300,000
(1,285,935)	(2,483,679)	(376,447)
(1,576,189)	(1,621,863)	-
(800,777)	(1,281,550)	(16,880)
9,495	11,100	8
<u>1,465,387</u>	<u>1,781,225</u>	<u>(93,319)</u>
100,976	176,651	-
-	140,573	-
15,056	15,056	-
(812,688)	(738,846)	-
-	(65,000)	-
-	(60,288)	-
<u>(696,656)</u>	<u>(531,854)</u>	<u>-</u>
27,691	40,204	2,028
<u>27,691</u>	<u>40,204</u>	<u>2,028</u>
796,422	1,289,575	(91,291)
<u>3,828,730</u>	<u>5,575,466</u>	<u>464,135</u>
<u>\$ 4,625,152</u>	<u>\$ 6,865,041</u>	<u>\$ 372,844</u>
\$ (753,875)	\$ (1,684,364)	\$ 11,922
1,515,919	3,579,888	279
18,075	(1,346)	-
5,976	5,976	-
4,671	4,671	-
(90,363)	(841,490)	(231)
(8,754)	(10,456)	-
20,415	20,415	-
(16,682)	(85,275)	(105,290)
768,680	791,881	-
1,325	1,325	-
<u>\$ 1,465,387</u>	<u>\$ 1,781,225</u>	<u>\$ (93,319)</u>
<u>\$ -</u>	<u>\$ 229,313</u>	<u>\$ -</u>

**NOTES TO
BASIC FINANCIAL STATEMENTS**

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

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, 2016

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.

- *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.

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

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

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.

- *Debt Service Funds*

Accounts for the accumulation of resources for, and the payment of, indebtedness of the City and the Urban Renewal Agency.

- *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, services or privileges provided; 2) operating grants and contributions; and 3) capital grants and

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

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.

Inventories and Prepaid Items

Inventories of materials and supplies are stated at an average cost basis and charged to expenses as

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

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.

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

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

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 represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. It is the deferred amounts relating to pensions. This amount is deferred and recognized as an outflow of resources in the period when the City recognizes pension expense/expenditures. Deferred outflows are included in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

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 represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. Unavailable revenue from property taxes is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amount becomes available. The City also reports deferred amounts related to pensions. This amount is deferred and recognized as an inflow of resources in the period when the City recognizes pension income. Deferred inflows are included in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

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.

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.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

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.
- 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, 2016, fund balances of the governmental funds are classified as follows:

Fund Balances	General	Transportation	Urban Renewal General	Urban Renewal Capital	Other Governmental	Total Governmental
Nonspendable:	\$ 33,189	\$ -	\$ -	\$ -	\$ -	\$ 33,189
Restricted						
Federal, State & Local Grants	-	-	-	-	87,438	87,438
Pension Obligation Debt	-	-	-	-	28,422	28,422
Pedestrian & Bike Paths	-	-	-	-	121,633	121,633
Stewart Park	-	-	-	-	93,760	93,760
Committed						
Capital Projects	-	-	195,572	194,015	-	389,587
Tourism	-	-	-	-	263,905	263,905
Economic Development	-	-	-	-	150,698	150,698
Street Lights, Sidewalks & Signals	-	-	-	-	1,021,655	1,021,655
Facilities	-	-	-	-	742,690	742,690
Golf	-	-	-	-	111,345	111,345
Assigned:						
Public Works	-	-	-	-	-	-
Capital Projects-Streets	-	3,496,457	-	-	-	3,496,457
Capital Projects-Parks	-	-	-	-	266,519	266,519
Capital-Vehicles & Equipment	-	-	-	-	646,021	646,021
Local Improvement Districts	-	-	-	-	1,495,763	1,495,763
Unassigned	7,517,736	-	-	-	-	7,517,736
Total Fund Balances	\$ 7,550,925	\$ 3,496,457	\$ 195,572	\$ 194,015	\$ 5,029,849	\$ 16,466,818

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

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

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 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.

Excess of Expenditures Over Appropriations

Expenditures exceeded appropriations for the fiscal year ended June 30, 2016 in the following amounts:

Economic Development Fund	
Materials and services	\$ 10,000

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

Deficit Fund Equity

The City has no instances whereby any of its funds had a deficit in fund equity as of June 30, 2016.

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, 2016 are comprised of the following:

	Carrying Value	Fair Value
Petty cash	\$ 1,050	\$ 1,050
Deposits with financial institutions	1,594,134	1,594,134
Investments	22,158,110	22,158,110
	\$ 23,753,294	\$ 23,753,294

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

Cash and investments	\$ 23,753,294
Restricted assets - cash and investments	0
	\$ 23,753,294

DEPOSITS

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. The total bank balance per the bank statements is \$1,464,708. Of these deposits, \$420,356 is covered by federal depository insurance. The balance of \$1,044,352 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 City has invested funds in the State Treasurer’s Oregon Short-Term Fund Local Government Investment Pool during fiscal year 2016. The Oregon Short-Term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an unrated external investment pool managed by the State Treasurer’s office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and participants’ equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, that adjusted fair value would not represent an expendable increase in the City’s cash position.

Investments in the Oregon State Treasury LGIP are made under the provisions of ORS 294. These funds are held in the City’s name and are not subject to collateralization requirements or ORS 295.015.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

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, 2016 was unqualified.

The LGIP's portfolio concentration of credit risk at June 30, 2016 included: Commercial Paper, 1.71%; Agency Securities, 29.36%; Certificates of Deposits, 5.15%; Corporate Notes, 43.09%; Municipal Government Securities, 2.35%; foreign government, 4.66%; Asset-Backed Securities, 13.28%; and cash in various banks, 0.40%. The credit risk associated with the investments was: AAA rating, 16.45%; AA rating, 18.93%; A rating, 29.30%; A-1+, 5.53%; A-1, 0.58%; BBB (1) rating, 2.56%; FDIC covered, .40%; and not rated, 26.24%. 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.

INVESTMENT TYPE	Credit Risk	Maturities	% of Portfolio	Actual Amount
Local Government Investment Pool	See Above	Avg. 6-18 months	100.0%	\$22,158,110
Petty Cash				1,050
Cash on Hand, Checking				1,594,134
Subtotal for Cash on Hand and in Checking				<u>1,595,184</u>
Total Cash and Investments, June 30, 2016				<u><u>\$23,753,294</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:

CITY OF ROSEBURG, OREGON
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GOVERNMENTAL ACTIVITIES

	General	Transportation	Urban Renewal	Urban Renewal Capital Projects	Other Governmental	Total Governmental
Receivables:						
Interest	\$ -	\$ -	\$ -	\$ -	\$ 7,393	\$ 7,393
Accounts	277,572	42,807	-	38,137	5,417	363,933
Taxes	1,401,237	-	389,720	-	274,833	2,065,790
Assessment Liens	-	-	-	-	68,186	68,186
Notes	-	-	-	-	-	-
Intergovernmental	117,093	116,783	-	-	1,180	235,056
Total	<u>\$ 1,795,902</u>	<u>\$ 159,590</u>	<u>\$ 389,720</u>	<u>\$ 38,137</u>	<u>\$ 357,009</u>	<u>\$ 2,740,358</u>

BUSINESS-TYPE ACTIVITIES

	Storm Drainage	Airport	Off Street Parking	Water	Total Business-Type Activities
Receivables:					
Utilities receivable, net	\$ 225,926	\$ -	\$ -	\$ 822,416	\$ 1,048,342
Other	-	2,296	1,903	3,887	8,086
Intergovernmental	-	-	-	-	-
Total	<u>\$ 225,926</u>	<u>\$ 2,296</u>	<u>\$ 1,903</u>	<u>\$ 826,303</u>	<u>\$ 1,056,428</u>

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
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CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2016 was as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Land	66,984,453	-	(823,446)	66,161,007
Construction in Progress	2,170,935	4,956,312	(4,101,187)	3,026,060
Total non-depreciable	<u>69,155,388</u>	<u>4,956,312</u>	<u>(4,924,633)</u>	<u>69,187,067</u>
Buildings & bldg improvemen	21,518,557	511,927	-	22,030,484
Land improvements	14,304,095	349,073	(479,397)	14,173,771
Machinery & Equipment	3,756,906	274,589	(84,028)	3,947,467
Vehicles	6,355,229	888,709	(282,557)	6,961,381
Infrastructure	116,721,703	2,355,554		119,077,257
Total depreciable	<u>162,656,490</u>	<u>4,379,852</u>	<u>(845,982)</u>	<u>166,190,360</u>
	231,811,878	9,336,164	(5,770,615)	235,377,427
Accumultated depreciation				
Buildings/Improvements	(7,256,338)	(943,019)		(8,199,357)
Land Improvements	(7,020,468)	(504,411)	371,434	(7,153,445)
Machinery & Equipment	(2,463,556)	(211,254)	84,028	(2,590,782)
Vehicles	(4,571,140)	(489,709)	282,557	(4,778,292)
Infrastructure	(86,485,490)	(2,756,685)		(89,242,175)
Total accumulated depreciati	<u>(107,796,992)</u>	<u>(4,905,078)</u>	<u>738,019</u>	<u>(111,964,051)</u>
Governmental activities				
capital assets, net	<u>\$ 124,014,886</u>	<u>\$ 4,431,086</u>	<u>\$ (5,032,596)</u>	<u>\$ 123,413,376</u>

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

General government	444,556
Public Safety	352,023
Public Works	3,206,715
Culture and recreation	478,346
Community development	3,999
Total depreciation for governmental activities	<u>\$ 4,485,639</u>

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

Capital asset activity for business-type activities for the year ended June 30, 2016 was as follows:

Description	Beginning Balance	Increases	Decreases	Recon Items	Ending Balance
Land	6,841,635				6,841,635
Construction in Progress	2,693,741		(2,239,826)		453,915
Total non-depreciable	9,535,376	-	(2,239,826)		7,295,550
Buildings	16,608,218	108,877		68,934	16,786,029
Improvements other than buildir	116,319,025	3,458,588	-	(68,934)	119,708,679
Machinery & Equipment	1,984,405	257,299	(2,372)		2,239,332
Vehicles	1,088,146	150,670	(174,833)		1,063,983
Total depreciable	135,999,794	3,975,434	(177,205)		139,798,023
	145,535,170	3,975,434	(2,417,031)		147,093,573
Accumulated depreciation					
Buildings	(9,150,659)	(431,357)			(9,582,016)
Improvements other than buildir	(54,634,032)	(3,050,059)	-		(57,684,091)
Machinery & Equipment	(1,746,983)	(71,820)	2,372		(1,816,431)
Vehicles	(1,033,480)	(26,652)	174,833		(885,299)
Total accumulated depreciation	(66,565,154)	(3,579,888)	177,205		(69,967,837)
Business type activities, net	\$ 78,970,016	\$ 395,546	\$ (2,239,826)		\$ 77,125,736

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

Off Street Parking	61,153
Airport	892,063
Water	1,515,919
Storm Drain	1,110,753
Total depreciation for governmental activities	\$ 3,579,888

Interfund Receivables, Payables, and Transfers

Interfund balances as of June 30, 2016 are as follows:

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor governmental fund	Nonmajor governmental fund	\$114,704

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

CITY OF ROSEBURG, OREGON
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Interfund transfers:

Transfer out:	Transfers In:		
	Urban		
	Renewal	Nonmajor	
	Capital Projects	Governmental	Total
General Fund	\$ -	\$ 675,000	\$ 675,000
Transportation	-	10,000	10,000
Urban Renewal General	800,000	-	800,000
Nonmajor Governmental		467,449	467,449
Total	\$ 800,000	\$ 1,152,449	\$ 1,952,449

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	1,430,930	37,493	16,542	1,451,881	29,764
Net OPEB Obligation	2,453,388	244,524	-	2,697,912	-
Full Faith & Credit					
Series 2006	2,000,000	-	-	2,000,000	2,000,000
Series 2007	2,740,000	-	2,740,000	-	-
Series 2013 (POB)	4,575,000	-	185,000	4,390,000	210,000
Total Governmental Activities	13,199,318	282,017	2,941,542	10,539,793	2,239,764
Business Type Activities					
Compensated Absences	105,324	-	10,456	94,868	2,680
Net OPEB Obligation	160,086	20,415	-	180,501	-
Full Faith & Credit					
Series 2007 (Airport)	1,490,000	-	65,000	1,425,000	65,000
Total Business Type Activities	1,755,410	20,415	75,456	1,700,369	67,680

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 was made in 2014 and final maturity is 2017. An intergovernmental agreement between the City

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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, 2016 is \$2,000,000.

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

Year Ending	Principal	Interest
June 30,		
2017	2,000,000	80,000
Totals	<u>\$ 2,000,000</u>	<u>\$ 80,000</u>

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 was 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, 2016 is \$0.

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, 2016 is \$4,390,000.

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

Year Ending	Principal	Interest
June 30,		
2017	210,000	214,232
2018	235,000	203,984
2019	265,000	192,516
2020	295,000	179,584
2021	325,000	165,188
2022-2028	3,060,000	609,756
Totals	<u>\$ 4,390,000</u>	<u>\$ 1,565,260</u>

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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, 2016 is \$1,425,000.

Year Ending	Principal	Interest
June 30,		
2017	65,000	57,688
2018	70,000	55,087
2019	70,000	52,288
2020	75,000	49,488
2021	75,000	46,488
2022-2032	1,070,000	281,250
Totals	<u>\$ 1,425,000</u>	<u>\$ 542,289</u>

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, 2016, including an estimate for claims incurred but not reported, is \$125,254.

The following represents changes in the claims liability amount for fiscal year 2016:

	<u>2016</u>	<u>2015</u>
Balance July 1, 2015/2014	\$ 230,544	\$ 37,510
New Claims	12,500	487,835
Claims Payments	218,044	294,801
Balance June 30, 2016/2015	<u>\$ 125,254</u>	<u>\$ 230,544</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.

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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 either 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 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

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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.

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

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

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, 2013 actuarial valuation as subsequently modified by 2015 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2016 were \$1,623,991, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2016 were 19.06 percent for Tier One/Tier Two General Service Member, 19.06 percent for Tier One/Tier Two Police and Fire, 11.08 percent for OPSRP Pension Program General Service Members, 15.19 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, 2016, the City reported a liability of \$9,549,097 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2015, the City's proportion was 0.16631 percent, which was increased from its proportion of 0.16626 measured as of June 30, 2014.

For the year ended June 30, 2016, the City's recognized pension expense of \$8,551,563. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 514,936	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on investments	-	2,001,707
Changes in proportion	953	-
Differences between employer contributions and proportionate share of contributions	3,118,113	282,713
Total (prior to post-MD contributions)	3,634,002	2,284,420
Contributions subsequent to the MD	1,623,991	-
 Total	 \$ 5,257,993	 \$ 2,284,420

CITY OF ROSEBURG, OREGON
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Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Outflows		Deferred Inflows	
Amortization Period		Amortization Period	
FY2017	\$ 2,607,380	FY2017	\$ 1,019,336
FY2018	983,389	FY2018	1,019,336
FY2019	983,389	FY2019	1,019,336
FY2020	636,934	FY2020	(799,289)
FY2021	46,901	FY2021	25,701
Total	\$ 5,257,993	Total	\$ 2,284,420

Actuarial assumptions

The employer contribution rates effective July 1, 2013, through June 30, 2015 and effective July 1, 2015, through June 30, 2017, 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, 2013 actuarial valuation was determined using the following actuarial assumptions:

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Valuation Date	December 31, 2013
Measurement Date	June 30, 2015
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Long-Term Expected Rate of Return	7.75 percent
Discount Rate	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service
Mortality	Health retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 statistic combined disabled mortality sex-distinct table.

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 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

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.

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Asset Class/Strategy	Assumed Asset Allocation		
	Low Range	High Range	Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			<u>100.0%</u>

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	<u>100.00%</u>	
Assumed Inflation - Mean		2.75%

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

Based on these circumstances, it is our independent actuary's opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

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>
Roseburg's proportionate share of the net pension liability (asset)	\$ 23,046,390	\$ 9,549,097	\$ (1,825,575)

Pension plan fiduciary net position

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

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 change in benefit terms were reflected in the current valuation.

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2015 measurement date.

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

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

to prefund future benefits as determined by the actuary.

For fiscal year 2015/2016, the City contributed \$91,584 consisting of retiree payments. The City has elected to not prefund the actuarially determined future cost amount of \$2,878,413.

Plan members required monthly contributions are \$677 per month for retiree-only coverage and \$1,306 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 2016, the City's annual OPEB cost was \$356,523.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2015/2016 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, 2014	\$512,537	15.33%	\$433,950
June 30, 2015	\$343,701	22.16%	\$267,537
June 30, 2016	\$356,523	25.69%	\$264,939

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.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

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 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, 2014 and 2015, Tier 1 & 2 rates were .59% and OPSRP .49% of annual covered payroll. For fiscal years ending June 30, 2016 and 2017, the respective rates were .53% and .45%. 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, 2014, 2015, and 2016 were \$58,296, \$55,750 and \$70,323 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.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

CAPITAL CONTRIBUTIONS

	Storm			Total
	Drainage	Airport	Water	
Contributed Capital:				
System Development Charges	\$ 75,676		\$ 100,976	\$ 176,652
Grants		140,573		140,573
Capital Assets Reassigned from Urban Renewal Capital Project		229,313		229,313
Totals	\$ 75,676	\$ 369,886	\$ 100,976	\$ 546,538

PRIOR PERIOD RESTATEMENT

The beginning fund balance of the Workers Compensation Fund has been increased by \$37,510 on the Schedule of Revenues, Expenditures, and Changes in Fund Balances to accurately reflect the budgetary fund balance without the fully accrued Incurred But Not Reported (IBNR) expense prior to adjustments to GAAP basis.

Fund balances - ending (2015)	\$ 426,236
less: accrued IBNR expense (2015)	<u>(37,510)</u>
Fund balances - ending (2015)	
- beginning (2016)	<u>\$ 463,746</u>

GASB PRONOUNCEMENTS IMPLEMENTED

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 was implemented in the current year.

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 was implemented in the current year.

GASB Statement No. 76 "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments" supersedes Statement No. 55, "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This 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. 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

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2016

information (RSI) about their OPEB liabilities. The statement is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 77, "Tax Abatement Disclosures," addresses the disclosure requirements for governments that have tax abated properties in their jurisdiction. It will require governments to disclose a description of the tax abatement program, the gross dollar amount of taxes abated during the period, and commitments made by a government, other than to abate taxes, as part of the tax abatement agreement. The statement is effective for fiscal years beginning after December 15, 2015.

SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 16, 2016, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ROSEBURG, OREGON
OTHER POSTEMPLOYMENT BENEFITS PLAN SCHEDULE OF FUNDING PROGRESS
Year Ended June 30, 2016

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Asset	AAL Unit Credit	UAAL	Ratio Funded	Covered Payroll	UAAL as a % of Covered Payroll
2009	July 1, 2008	\$ -	\$ 3,116,723	\$ 3,116,723	- %	\$ 9,576,983	32.50 %
2010	July 1, 2008	-	3,116,723	3,116,723	-	9,576,983	32.50
2011	July 1, 2010	-	4,168,096	4,168,096	-	9,659,739	43.10
2012	July 1, 2010	-	4,168,096	4,168,096	-	9,659,739	43.10
2013	July 1, 2012	-	4,301,218	4,301,218	-	10,451,461	41.20
2014	July 1, 2012	-	4,301,218	4,301,218	-	10,451,461	41.20
2015	July 1, 2014	-	3,185,670	3,185,670	-	10,515,772	30.30
2016	July 1, 2014	-	3,185,670	3,185,670	-	10,515,772	30.30

CITY OF ROSEBURG, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Last Three 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 its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2016	0.16631823%	\$ 9,549,097	\$ 10,172,066	93.88%	91.90%
2015	0.16626276%	(3,768,702)	9,875,133	-38.16%	103.60%
2014	0.16631823%	8,484,632	10,051,512	84.41%	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 Three 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
2016	\$ 1,623,991	\$ 1,623,991	\$ -	\$ 10,394,458	15.62%
2015	1,495,152	1,495,152	-	10,172,066	14.70%
2014	6,385,362	6,385,362	-	9,875,133	64.66%

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 Benefit Terms

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 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 that was not included in the net pension liability (asset) proportionate shares provided by OPERS for the years ending June 30, 2015 and June 30, 2014.

Changes in Assumptions

Details and a comprehensive list of changes in methods and assumptions can be found in the 2012 and 2014 Experience Study of the System, which were published on September 18, 2013 and September 23, 2015. These reports can be found at: http://www.oregon.gov/pers/Pages/section/financial_reports/mercercer_reports.aspx.

**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.

Hotel/Motel

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

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.

Debt Retirement

Accounts for the accumulation of resources for, and payment of, general obligation and other long term debt.

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, 2016
 (continued on next page)

	Special Revenue Funds						
	Grant	Hotel/Motel Tax	Streetlight/Sidewalk	Bike Trail Improvement	Economic Development	Golf	Stewart Trust
ASSETS							
Cash and investments	\$ 89,913	\$ 241,607	\$ 933,382	\$ 120,453	\$ 134,867	\$ 111,498	\$ 93,760
Interest receivable	-	-	-	-	-	-	-
Accounts receivable	-	417	-	-	-	-	-
Taxes receivable	-	274,833	-	-	-	-	-
Assessment liens receivable	-	-	25	-	-	-	-
Due from other funds	-	-	88,248	-	26,456	-	-
Intergovernmental receivable	-	-	-	1,180	-	-	-
Total assets	\$ 89,913	\$ 516,857	\$ 1,021,655	\$ 121,633	\$ 161,323	\$ 111,498	\$ 93,760
LIABILITIES							
Accounts payable	2,475	138,248	-	-	10,625	153	-
Due to other funds	-	114,704	-	-	-	-	-
Total liabilities	2,475	252,952	-	-	10,625	153	-
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-special assessments	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
FUND BALANCES							
Restricted	87,438	-	-	121,633	-	-	93,760
Committed	-	263,905	1,021,655	-	150,698	111,345	-
Assigned	-	-	-	-	-	-	-
Total fund balances	87,438	263,905	1,021,655	121,633	150,698	111,345	93,760
Total liabilities and fund balances	\$ 89,913	\$ 516,857	\$ 1,021,655	\$ 121,633	\$ 161,323	\$ 111,498	\$ 93,760

CITY OF ROSEBURG, OREGON
Nonmajor Governmental Funds
Combining Balance Sheet
 June 30, 2016
 (continued from previous page)

	Debt Service Funds		Capital Project Funds				Total Nonmajor Governmental Funds
	Debt Service	Pension Debt	Park Improvement	Equipment Replacement	Assessment Improvement	Facilities Replacement	
ASSETS							
Cash and investments	\$ -	\$ 65,422	\$ 263,946	\$ 847,369	\$ 1,496,899	\$ 750,958	\$ 5,150,074
Interest receivable	-	-	-	-	7,393	-	7,393
Accounts receivable	-	-	5,000	-	-	-	5,417
Taxes receivable	-	-	-	-	-	-	274,833
Assessment liens receivable	-	-	-	-	68,161	-	68,186
Due from other funds	-	-	-	-	-	-	114,704
Intergovernmental receivable	-	-	-	-	-	-	1,180
Total assets	\$ -	\$ 65,422	\$ 268,946	\$ 847,369	\$ 1,572,453	\$ 750,958	\$ 5,621,787
LIABILITIES							
Accounts payable	-	37,000	2,427	201,348	-	8,268	400,544
Due to other funds	-	-	-	-	-	-	114,704
Total liabilities		37,000	2,427	201,348	-	8,268	515,248
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-special assessments	-	-	-	-	76,690	-	76,690
Total deferred inflows of resources					76,690		76,690
FUND BALANCES							
Restricted	-	28,422	-	-	-	-	331,253
Committed	-	-	-	-	-	742,690	2,290,293
Assigned	-	-	266,519	646,021	1,495,763	-	2,408,303
Total fund balances		28,422	266,519	646,021	1,495,763	742,690	5,029,849
Total liabilities and fund balances	\$ -	\$ 65,422	\$ 268,946	\$ 847,369	\$ 1,572,453	\$ 750,958	\$ 5,621,787

CITY OF ROSEBURG, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2016
(continued on next page)

	Special Revenue Funds							Stewart Trust
	Grant	Hotel/Motel Tax	Streetlight/Sidewalk	Bike Trail Improvement	Economic Development	Golf		
REVENUES								
Taxes	\$ -	\$ 1,119,524	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,150	-	-	18,839	-	-	-	-
Charges for services	-	-	-	-	-	45,712	-	-
System development fees	-	-	-	-	-	-	-	-
Special assessments	-	-	644	-	-	-	-	-
Investment revenue	521	2,106	5,840	549	732	683	64	64
Other revenues	-	5,113	-	-	-	-	13,372	13,372
Total revenues	19,671	1,126,743	6,484	19,388	732	46,395	13,436	13,436
EXPENDITURES								
Current operating:								
General government	-	-	-	-	-	-	-	-
Public safety	4,421	-	-	-	-	-	-	-
Public works	-	-	72,152	-	-	-	-	-
Culture and recreation	-	-	-	9,450	-	14,622	-	-
Community development	1,234	622,268	-	-	107,126	-	-	-
Debt service:								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	447,214	3,659	-	-	-	-
Total expenditures	5,655	622,268	519,366	13,109	107,126	14,622	-	-
Excess (deficiency) of revenues over (under) expenditures	14,016	504,475	(512,882)	6,279	(106,394)	31,773	13,436	13,436
OTHER FINANCING SOURCES (USES)								
Proceeds from asset sales	-	-	-	-	-	-	-	-
Transfers in	-	-	359,635	10,000	107,814	-	-	-
Transfers out	-	(467,449)	-	-	-	-	-	-
Total other financing sources (uses)	-	(467,449)	359,635	10,000	107,814	-	-	-
Net change in fund balances	14,016	37,026	(153,247)	16,279	1,420	31,773	13,436	13,436
Fund balances--beginning	73,422	226,879	1,174,902	105,354	149,278	79,572	80,324	80,324
Fund balances--ending	\$ 87,438	\$ 263,905	\$ 1,021,655	\$ 121,633	\$ 150,698	\$ 111,345	\$ 93,760	\$ 93,760

CITY OF ROSEBURG, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2016
(continued from previous page)

	Debt Service Fund			Capital Project Funds				Total
	Debt Service	Pension Debt	Park Improvement	Equipment Replacement	Assessment Improvement	Facilities Replacement	Nonmajor Governmental Funds	
REVENUES								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,119,524	
Intergovernmental	2,929,600	415,363	-	-	-	7,500	3,390,452	
Charges for services	-	-	-	-	-	-	45,712	
System development fees	-	-	21,572	-	-	-	21,572	
Special assessments	-	-	-	-	8,854	-	9,498	
Investment revenue	-	-	1,457	4,802	12,196	4,698	33,648	
Other revenues	-	-	14,695	-	-	18,670	51,850	
Total revenues	2,929,600	415,363	37,724	4,802	21,050	30,868	4,672,256	
EXPENDITURES								
Current operating:								
General government	-	-	-	-	-	49,682	49,682	
Public safety	-	-	-	-	-	-	4,421	
Public works	-	-	-	-	-	-	72,152	
Culture and recreation	-	-	1,432	-	-	-	25,504	
Community development	-	-	-	-	-	-	730,628	
Debt service:								
Principal	2,740,000	185,000	-	-	-	-	2,925,000	
Interest	189,600	223,260	-	-	-	-	412,860	
Capital outlay	-	-	5,822	1,045,180	-	142,760	1,644,635	
Total expenditures	2,929,600	408,260	7,254	1,045,180	-	192,442	5,864,882	
Excess (deficiency) of revenues over (under) expenditures	-	7,103	30,470	(1,040,378)	21,050	(161,574)	(1,192,626)	
OTHER FINANCING SOURCES								
Proceeds from asset sales	-	-	-	9,083	-	88,540	97,623	
Transfers in	-	-	50,000	625,000	-	-	1,152,449	
Transfers out	-	-	-	-	-	-	(467,449)	
Total other financing sources	-	-	50,000	634,083	-	88,540	782,623	
Net change in fund balances	-	7,103	80,470	(406,295)	21,050	(73,034)	(410,003)	
Fund balances--beginning	-	21,319	186,049	1,052,316	1,474,713	815,724	5,439,852	
Fund balances--ending	\$ -	\$ 28,422	\$ 266,519	\$ 646,021	\$ 1,495,763	\$ 742,690	\$ 5,029,849	

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

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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 87,125	\$ 87,125	\$ 19,150	\$ (67,975)
Investment revenue	-	-	521	521
Total revenues	<u>87,125</u>	<u>87,125</u>	<u>19,671</u>	<u>(67,454)</u>
EXPENDITURES				
Materials and services	49,250	49,250	5,655	43,595
Capital outlay	80,000	80,000	-	80,000
Total expenditures	<u>129,250</u>	<u>129,250</u>	<u>5,655</u>	<u>123,595</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(42,125)</u>	<u>(42,125)</u>	<u>14,016</u>	<u>56,141</u>
OTHER FINANCING SOURCES				
Reserved for future expenditures	<u>(21,479)</u>	<u>(21,479)</u>	-	21,479
Total other financing sources	<u>(21,479)</u>	<u>(21,479)</u>	<u>-</u>	<u>21,479</u>
Net change in fund balances	(63,604)	(63,604)	14,016	77,620
Fund balances--beginning	<u>63,604</u>	<u>63,604</u>	<u>73,422</u>	<u>9,818</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,438</u>	<u>\$ 87,438</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 1,203,500	\$ 1,203,500	\$ 1,119,524	\$ (83,976)
Investment revenue	1,200	1,200	2,106	906
Other revenues	-	-	5,113	5,113
Total revenues	<u>1,204,700</u>	<u>1,204,700</u>	<u>1,126,743</u>	<u>(77,957)</u>
EXPENDITURES				
Materials and services	<u>732,177</u>	<u>732,177</u>	<u>622,268</u>	<u>109,909</u>
Total expenditures	<u>732,177</u>	<u>732,177</u>	<u>622,268</u>	<u>109,909</u>
Excess of revenues over expenditures	<u>472,523</u>	<u>472,523</u>	<u>504,475</u>	<u>31,952</u>
OTHER FINANCING USES				
Transfers out	(503,350)	(503,350)	(467,449)	35,901
Reserved for future expenditures	<u>(190,568)</u>	<u>(190,568)</u>	-	190,568
Total other financing uses	<u>(693,918)</u>	<u>(693,918)</u>	<u>(467,449)</u>	<u>226,469</u>
Net change in fund balances	(221,395)	(221,395)	37,026	258,421
Fund balances--beginning	<u>221,395</u>	<u>221,395</u>	<u>226,879</u>	<u>5,484</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 263,905</u>	<u>\$ 263,905</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, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 3,000	\$ 3,000	\$ 644	\$ (2,356)
Investment revenue	5,000	5,000	5,840	840
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>6,484</u>	<u>(1,516)</u>
EXPENDITURES				
Materials and services	76,704	76,704	72,152	4,552
Capital outlay	550,000	550,000	447,214	102,786
Contingency	836,708	836,708	-	836,708
Total expenditures	<u>1,463,412</u>	<u>1,463,412</u>	<u>519,366</u>	<u>944,046</u>
Deficiency of revenues under expenditures	<u>(1,455,412)</u>	<u>(1,455,412)</u>	<u>(512,882)</u>	<u>942,530</u>
OTHER FINANCING SOURCES				
Transfers in	387,250	387,250	359,635	(27,615)
Total other financing sources	<u>387,250</u>	<u>387,250</u>	<u>359,635</u>	<u>(27,615)</u>
Net change in fund balances	(1,068,162)	(1,068,162)	(153,247)	914,915
Fund balances--beginning	<u>1,068,162</u>	<u>1,068,162</u>	<u>1,174,902</u>	<u>106,740</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,021,655</u>	<u>\$ 1,021,655</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 132,980	\$ 132,980	\$ 18,839	\$ (114,141)
Investment revenue	450	450	549	99
Total revenues	<u>133,430</u>	<u>133,430</u>	<u>19,388</u>	<u>(114,042)</u>
EXPENDITURES				
Materials and services	20,000	20,000	9,450	10,550
Capital outlay	150,000	150,000	3,659	146,341
Contingency	54,120	54,120	-	54,120
Total expenditures	<u>224,120</u>	<u>224,120</u>	<u>13,109</u>	<u>211,011</u>
Deficiency of revenues under expenditures	<u>(90,690)</u>	<u>(90,690)</u>	<u>6,279</u>	<u>96,969</u>
OTHER FINANCING SOURCES				
Transfers in	10,000	10,000	10,000	-
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	(80,690)	(80,690)	16,279	96,969
Fund balances--beginning	<u>80,690</u>	<u>80,690</u>	<u>105,354</u>	<u>24,664</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 121,633</u>	<u>\$ 121,633</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, 2016

	<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	\$ 620	\$ 620	\$ 732	\$ 112
Total revenues	<u>620</u>	<u>620</u>	<u>732</u>	<u>112</u>
EXPENDITURES				
Materials and services	97,126	97,126	107,126	(10,000)
Total expenditures	<u>97,126</u>	<u>97,126</u>	<u>107,126</u>	<u>(10,000)</u>
Deficiency of revenues under expenditures	<u>(96,506)</u>	<u>(96,506)</u>	<u>(106,394)</u>	<u>(9,888)</u>
OTHER FINANCING SOURCES				
Transfers in	116,100	116,100	107,814	(8,286)
Reserved for future expenditures	<u>(178,167)</u>	<u>(178,167)</u>	<u>-</u>	<u>178,167</u>
Total other financing sources	<u>(62,067)</u>	<u>(62,067)</u>	<u>107,814</u>	<u>169,881</u>
Net change in fund balances	(158,573)	(158,573)	1,420	159,993
Fund balances--beginning	<u>158,573</u>	<u>158,573</u>	<u>149,278</u>	<u>(9,295)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150,698</u>	<u>\$ 150,698</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, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 45,718	\$ 45,718	\$ 45,712	\$ (6)
Investment revenue	600	600	683	83
Total revenues	<u>46,318</u>	<u>46,318</u>	<u>46,395</u>	<u>77</u>
EXPENDITURES				
Maintenance	20,300	20,300	14,622	5,678
Capital outlay	20,000	20,000	-	20,000
Contingency	81,261	81,261	-	81,261
Total expenditures	<u>121,561</u>	<u>121,561</u>	<u>14,622</u>	<u>106,939</u>
Deficiency of revenues under expenditures	<u>(75,243)</u>	<u>(75,243)</u>	<u>31,773</u>	<u>107,016</u>
Net change in fund balances	(75,243)	(75,243)	31,773	107,016
Fund balances--beginning	<u>75,243</u>	<u>75,243</u>	<u>79,572</u>	<u>4,329</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 111,345</u>	<u>\$ 111,345</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, 2016

	<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	\$ 52	\$ 52	\$ 64	\$ 12
Other revenues	<u>13,000</u>	<u>13,000</u>	<u>13,372</u>	<u>372</u>
Total revenues	<u>13,052</u>	<u>13,052</u>	<u>13,436</u>	<u>384</u>
EXPENDITURES				
Capital outlay	<u>55,000</u>	<u>55,000</u>	-	<u>55,000</u>
Total expenditures	<u>55,000</u>	<u>55,000</u>	-	<u>55,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(41,948)</u>	<u>(41,948)</u>	<u>13,436</u>	<u>55,384</u>
OTHER FINANCING USES				
Reserved for future expenditures	<u>(51,101)</u>	<u>(51,101)</u>	-	<u>51,101</u>
Total other financing uses	<u>(51,101)</u>	<u>(51,101)</u>	-	<u>51,101</u>
Net change in fund balances	(93,049)	(93,049)	13,436	106,485
Fund balances--beginning	<u>93,049</u>	<u>93,049</u>	<u>80,324</u>	<u>(12,725)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 93,760</u>	<u>\$ 93,760</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 2,930,000	\$ 2,930,000	\$ 2,929,600	\$ (400)
Total revenues	<u>2,930,000</u>	<u>2,930,000</u>	<u>2,929,600</u>	<u>(400)</u>
EXPENDITURES				
Debt service:				
Principal	2,740,000	2,740,000	2,740,000	-
Interest	190,000	190,000	189,600	400
Total expenditures	<u>2,930,000</u>	<u>2,930,000</u>	<u>2,929,600</u>	<u>400</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 421,000	\$ 421,000	\$ 415,363	\$ (5,637)
Total revenues	<u>421,000</u>	<u>421,000</u>	<u>415,363</u>	<u>(5,637)</u>
EXPENDITURES				
Debt service:				
Principal	185,000	185,000	185,000	-
Interest	223,300	223,300	223,260	40
Total expenditures	<u>408,300</u>	<u>408,300</u>	<u>408,260</u>	<u>40</u>
Excess of revenues over expenditures	<u>12,700</u>	<u>12,700</u>	<u>7,103</u>	<u>(5,597)</u>
Net change in fund balances	12,700	12,700	7,103	(5,597)
Fund balances--beginning	<u>26,394</u>	<u>26,394</u>	<u>21,319</u>	<u>(5,075)</u>
Fund balances--ending	<u>\$ 39,094</u>	<u>\$ 39,094</u>	<u>\$ 28,422</u>	<u>\$ (10,672)</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 436,970	\$ 436,970	\$ 419,904	\$ (17,066)
Intergovernmental	1,297,926	1,297,926	1,432,585	134,659
Charges for services	3,000	3,000	13,147	10,147
System development fees	50,000	50,000	165,786	115,786
Investment revenue	12,000	12,000	21,047	9,047
Total revenues	<u>1,799,896</u>	<u>1,799,896</u>	<u>2,052,469</u>	<u>252,573</u>
EXPENDITURES				
Materials and services	1,657,482	1,697,482	1,693,839	3,643
Capital outlay	680,000	640,000	347,948	292,052
Total expenditures	<u>2,337,482</u>	<u>2,337,482</u>	<u>2,041,787</u>	<u>295,695</u>
Deficiency of revenues under expenditures	<u>(537,586)</u>	<u>(537,586)</u>	<u>10,682</u>	<u>548,268</u>
OTHER FINANCING USES				
Transfers out	(10,000)	(10,000)	(10,000)	-
Reserved for future expenditures	(2,451,132)	(2,451,132)	-	2,451,132
Total other financing uses	<u>(2,461,132)</u>	<u>(2,461,132)</u>	<u>(10,000)</u>	<u>2,451,132</u>
Net change in fund balances	(2,998,718)	(2,998,718)	682	2,999,400
Fund balances--beginning	<u>3,322,466</u>	<u>3,322,466</u>	<u>3,495,775</u>	<u>173,309</u>
Fund balances--ending	<u>\$ 323,748</u>	<u>\$ 323,748</u>	<u>\$ 3,496,457</u>	<u>\$ 3,172,709</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 400,000	\$ 400,000	\$ -	\$ (400,000)
System development fees	20,800	20,800	21,572	772
Investment revenue	800	800	1,457	657
Other revenues	<u>55,000</u>	<u>55,000</u>	<u>14,695</u>	<u>(40,305)</u>
Total revenues	<u>476,600</u>	<u>476,600</u>	<u>37,724</u>	<u>(438,876)</u>
EXPENDITURES				
Materials and services	16,000	16,000	1,432	14,568
Capital outlay	<u>560,000</u>	<u>560,000</u>	<u>5,822</u>	<u>554,178</u>
Total expenditures	<u>576,000</u>	<u>576,000</u>	<u>7,254</u>	<u>568,746</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(99,400)</u>	<u>(99,400)</u>	<u>30,470</u>	<u>129,870</u>
OTHER FINANCING SOURCES				
Transfers in	50,000	50,000	50,000	-
Reserved for future expenditures	<u>(130,257)</u>	<u>(130,257)</u>	<u>-</u>	<u>130,257</u>
Total other financing sources	<u>(80,257)</u>	<u>(80,257)</u>	<u>50,000</u>	<u>130,257</u>
Net change in fund balances	(179,657)	(179,657)	80,470	260,127
Fund balances--beginning	<u>179,657</u>	<u>179,657</u>	<u>186,049</u>	<u>6,392</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 266,519</u>	<u>\$ 266,519</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, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 2,500	\$ 2,500	\$ 4,802	\$ 2,302
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>4,802</u>	<u>2,302</u>
EXPENDITURES				
Capital outlay	1,409,000	1,409,000	1,045,180	363,820
Total expenditures	<u>1,409,000</u>	<u>1,409,000</u>	<u>1,045,180</u>	<u>363,820</u>
Deficiency of revenues under expenditures	<u>(1,406,500)</u>	<u>(1,406,500)</u>	<u>(1,040,378)</u>	<u>366,122</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from asset sales	10,000	10,000	9,083	(917)
Transfers in	625,000	625,000	625,000	-
Reserved for future expenditures	(251,504)	(251,504)	-	251,504
Total other financing sources (uses)	<u>383,496</u>	<u>383,496</u>	<u>634,083</u>	<u>250,587</u>
Net change in fund balances	(1,023,004)	(1,023,004)	(406,295)	616,709
Fund balances--beginning	<u>1,023,004</u>	<u>1,023,004</u>	<u>1,052,316</u>	<u>29,312</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 646,021</u>	<u>\$ 646,021</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special assessments	\$ 20,000	\$ 20,000	\$ 8,854	\$ (11,146)
Investment revenue	11,000	11,000	12,196	1,196
Total revenues	<u>31,000</u>	<u>31,000</u>	<u>21,050</u>	<u>(9,950)</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>(169,000)</u>	<u>(169,000)</u>	<u>21,050</u>	<u>190,050</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	(369,000)	(369,000)	21,050	390,050
Fund balances--beginning	<u>1,475,369</u>	<u>1,475,369</u>	<u>1,474,713</u>	<u>(656)</u>
Fund balances--ending	<u>\$ 1,106,369</u>	<u>\$ 1,106,369</u>	<u>\$ 1,495,763</u>	<u>\$ 389,394</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, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 7,500	\$ 7,500
Investment Income	4,000	4,000	4,698	698
Other revenues	-	-	18,670	18,670
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>30,868</u>	<u>26,868</u>
EXPENDITURES				
Materials and services	65,708	65,708	49,682	16,026
Capital outlay	400,000	400,000	142,760	257,240
Total expenditures	<u>465,708</u>	<u>465,708</u>	<u>192,442</u>	<u>273,266</u>
Deficiency of revenues under expenditures	<u>(461,708)</u>	<u>(461,708)</u>	<u>(161,574)</u>	<u>300,134</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from asset sales	190,000	190,000	88,540	(101,460)
Reserved for future expenditures	(474,913)	(474,913)	-	474,913
Total other financing sources (uses)	<u>(284,913)</u>	<u>(284,913)</u>	<u>88,540</u>	<u>373,453</u>
Net change in fund balances	(746,621)	(746,621)	(73,034)	673,587
Fund balances--beginning	<u>746,621</u>	<u>746,621</u>	<u>815,724</u>	<u>69,103</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 742,690</u>	<u>\$ 742,690</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, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 192,153	\$ 192,153
Investment revenue	13,000	13,000	7,789	(5,211)
Other revenues	-	-	-	-
Total revenues	<u>13,000</u>	<u>13,000</u>	<u>199,942</u>	<u>186,942</u>
EXPENDITURES				
Materials and services	378,374	378,374	372,213	6,161
Capital outlay	4,610,000	4,610,000	2,941,238	1,668,762
Total expenditures	<u>4,988,374</u>	<u>4,988,374</u>	<u>3,313,451</u>	<u>1,674,923</u>
Deficiency of revenues under expenditures	<u>(4,975,374)</u>	<u>(4,975,374)</u>	<u>(3,113,509)</u>	<u>1,861,865</u>
OTHER FINANCING SOURCES				
Proceeds from loan	2,100,000	2,100,000	-	(2,100,000)
Transfers in	800,000	800,000	800,000	-
Reserved for future expenditures	(189,335)	(189,335)	-	189,335
Total other financing sources	<u>2,710,665</u>	<u>2,710,665</u>	<u>800,000</u>	<u>(1,910,665)</u>
Net change in fund balances	(2,264,709)	(2,264,709)	(2,313,509)	(48,800)
Fund balances--beginning	<u>2,264,709</u>	<u>2,264,709</u>	<u>2,507,524</u>	<u>242,815</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 194,015</u>	<u>\$ 194,015</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, 2016

	<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	\$ 1,572,805	\$ 1,572,805	\$ 1,574,742	\$ 1,937
System development fees	38,400	38,400	75,676	37,276
Investment revenue	5,000	5,000	10,137	5,137
Other revenues	-	-	836	836
Total revenues	<u>1,616,205</u>	<u>1,616,205</u>	<u>1,661,391</u>	<u>45,186</u>
EXPENDITURES				
Materials and services	576,281	576,281	560,892	15,389
Capital outlay	922,500	922,500	618,272	304,228
Contingency	<u>1,000,000</u>	<u>1,000,000</u>	-	<u>1,000,000</u>
Total expenditures	<u>2,498,781</u>	<u>2,498,781</u>	<u>1,179,164</u>	<u>1,319,617</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(882,576)</u>	<u>(882,576)</u>	<u>482,227</u>	<u>1,364,803</u>
Net change in fund balances	(882,576)	(882,576)	482,227	1,364,803
Fund balances--beginning	<u>1,380,912</u>	<u>1,380,912</u>	<u>1,566,157</u>	<u>185,245</u>
Fund balances--ending	<u>\$ 498,336</u>	<u>\$ 498,336</u>	<u>\$ 2,048,384</u>	<u>\$ 1,550,048</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ 482,227	
Add: Capital outlay			618,272	
Less: Depreciation and amortization			<u>(1,110,753)</u>	
Net income (loss) as reported in Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ (10,254)</u>	

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

For the year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 555,000	\$ 555,000	\$ 140,573	\$ (414,427)
Charges for services	366,500	366,500	362,318	(4,182)
Investment revenue	1,300	1,300	1,755	455
Other revenues	500	500	-	(500)
Total revenues	<u>923,300</u>	<u>923,300</u>	<u>504,646</u>	<u>(418,654)</u>
EXPENDITURES				
Airport Operations	248,117	248,117	224,294	23,823
Capital outlay	625,000	625,000	66,335	558,665
Debt service:				
Principal	65,000	65,000	65,000	-
Interest	60,288	60,288	60,288	-
Contingency	163,092	163,092	-	163,092
Total expenditures	<u>1,161,497</u>	<u>1,161,497</u>	<u>415,917</u>	<u>745,580</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(238,197)</u>	<u>(238,197)</u>	<u>88,729</u>	<u>326,926</u>
Net change in fund balances	(238,197)	(238,197)	88,729	326,926
Fund balances--beginning	238,197	238,197	113,211	(124,986)
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,940</u>	<u>\$ 201,940</u>

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

\$ 88,729

Add: Capital outlay
 Contributed capital
 Principal bonded debt
 Budget/GAAP interest accrual difference
Less: Depreciation and amortization
Budget/GAAP Pension Adjustment

66,335
229,313
65,000
216
(892,063)
(23,201)

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

\$ (465,671)

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, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 78,000	\$ 78,000	\$ 61,344	\$ (16,656)
Fines and forfeitures	45,000	45,000	59,441	14,441
Investment revenue	450	450	620	170
Other revenues	-	-	769	769
Total revenues	123,450	123,450	122,174	(1,276)
EXPENDITURES				
Enforcement	146,722	146,722	117,582	29,140
Contingency	70,036	70,036	-	70,036
Total expenditures	216,758	216,758	117,582	99,176
Deficiency of revenues under expenditures	(93,308)	(93,308)	4,592	97,900
Net change in fund balances	(93,308)	(93,308)	4,592	97,900
Fund balances--beginning	93,308	93,308	97,188	3,880
Fund balances--ending	\$ -	\$ -	\$ 101,780	\$ 101,780
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ 4,592	
Less: Depreciation and amortization			(61,153)	
Net income (loss) as reported in Proprietary Statement of Revenues, Expenses and changes in Fund Net Position			\$ (56,561)	

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, 2016

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 4,994,449	\$ 4,994,449	\$ 5,099,393	\$ 104,944
System development fees	60,000	60,000	100,976	40,976
Investment revenue	18,000	18,000	27,691	9,691
Other revenues	10,500	10,500	9,495	(1,005)
Total revenues	5,082,949	5,082,949	5,237,555	154,606
EXPENDITURES				
Production	1,110,826	1,110,826	1,048,461	62,365
Transmission and Distribution	1,359,060	1,359,060	1,291,804	67,256
General Overhead	1,259,147	1,259,147	1,237,899	21,248
Capital outlay	2,274,500	2,274,500	812,688	1,461,812
Contingency	1,000,000	1,000,000	-	1,000,000
Total expenditures	7,003,533	7,003,533	4,390,852	2,612,681
Excess (deficiency) of revenues over (under) expenditures	(1,920,584)	(1,920,584)	846,703	2,767,287
OTHER FINANCING SOURCES (USES)				
Proceeds from asset sales	-	-	15,056	15,056
Reserved for future expenditures	(1,000,000)	(1,000,000)	-	1,000,000
Total other financing sources (uses)	(1,000,000)	(1,000,000)	15,056	1,015,056
Net change in fund balances	(2,920,584)	(2,920,584)	861,759	3,782,343
Fund balances--beginning	3,825,731	3,825,731	4,160,611	334,880
Fund balances--ending	\$ 905,147	\$ 905,147	\$ 5,022,370	\$ 4,117,223
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ 861,759	
Add: Capital outlay			812,688	
Less: Depreciation and amortization			(1,515,919)	
Gain on asset disposed			9,000	
Budget/GAAP Pension Adjustment			(768,680)	
Net income as reported in Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position			\$ (601,152)	

**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, 2016

	<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	\$ 300,000	\$ 300,000	\$ 300,000	\$ -
Investment revenue	3,000	3,000	2,028	(972)
Other revenues	-	-	14,706	14,706
Total revenues	<u>303,000</u>	<u>303,000</u>	<u>316,734</u>	<u>13,734</u>
EXPENDITURES				
Materials and services	454,380	454,380	407,794	46,586
Contingency	306,377	306,377	-	306,377
Total expenditures	<u>760,757</u>	<u>760,757</u>	<u>407,794</u>	<u>352,963</u>
Deficiency of revenues under expenditures	<u>(457,757)</u>	<u>(457,757)</u>	<u>(91,060)</u>	<u>366,697</u>
Net change in fund balances	(457,757)	(457,757)	(91,060)	366,697
Fund balances--beginning--restatement (Note 4)	<u>457,757</u>	<u>457,757</u>	<u>463,746</u>	<u>5,989</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 372,686</u>	<u>\$ 372,686</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ (91,060)	
Add: Change of Incurred But Not Reported expense			105,289	
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>\$ 13,950</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.

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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.

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Revenue Capacity

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

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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.

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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.

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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.

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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			
	2007	2008	2009	2010
Governmental Activities				
Net investment in capital assets	\$ 113,152,870	\$ 106,587,775	\$ 124,524,140	\$ 124,987,553
Restricted	1,508,818	11,035,903	1,836,663	1,499,245
Unrestricted	<u>28,476,668</u>	<u>26,818,660</u>	<u>16,243,083</u>	<u>16,755,737</u>
Total governmental activities net position	143,138,356	144,442,338	142,603,886	143,242,535
Business-type activities				
Invested in capital assets, net of related debt	74,815,434	74,227,331	73,377,977	72,830,573
Restricted	-	-	134,031	139,256
Unrestricted	<u>2,218,297</u>	<u>4,412,640</u>	<u>5,201,636</u>	<u>5,855,496</u>
Total business-type activities net position	77,033,731	78,639,971	78,713,644	78,825,325
Primary government				
Invested in capital assets, net of related debt	187,968,304	180,815,106	197,902,117	197,818,126
Restricted	1,508,818	11,035,903	1,970,694	1,638,501
Unrestricted	<u>30,694,965</u>	<u>31,231,300</u>	<u>21,444,719</u>	<u>22,611,233</u>
Total primary government net position	<u>\$ 220,172,087</u>	<u>\$ 223,082,309</u>	<u>\$ 221,317,530</u>	<u>\$ 222,067,860</u>

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 124,057,562	\$ 122,202,187	\$ 121,131,760	\$ 119,999,473	\$ 119,274,886	\$ 121,413,376
1,333,984	1,233,796	329,485	322,748	344,067	28,422
16,417,881	16,865,280	17,203,680	17,411,834	14,399,653	3,779,917
141,809,427	140,301,263	138,664,925	137,734,055	134,018,606	125,221,715
71,014,709	70,429,132	72,405,783	76,162,913	77,480,016	75,700,736
140,124	97,069	148,979	-	-	-
6,704,981	7,088,668	6,440,719	5,917,642	6,118,386	6,764,028
77,859,814	77,614,869	78,995,481	82,080,555	83,598,402	82,464,764
195,072,271	192,631,319	193,537,543	196,162,386	196,754,902	197,114,112
1,474,108	1,330,865	478,464	322,748	344,067	28,422
23,122,862	23,953,948	23,644,399	23,329,476	20,518,039	10,543,945
<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>	<u>\$ 207,686,479</u>

CITY OF ROSEBURG, OREGON

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(continued on next page)

	Fiscal Year			
	2007	2008	2009	2010
Expenses				
Governmental Activities				
General government	\$ 2,852,918	\$ 2,417,995	\$ 2,150,395	\$ 1,950,788
Public safety	8,896,100	9,755,597	10,789,020	10,761,543
Public works	8,300,942	12,085,109	10,908,273	8,644,880
Culture and recreation	1,371,792	1,534,226	1,463,440	1,523,596
Community development	1,046,132	1,480,335	1,421,339	1,355,748
Interest on long-term debt	591,434	806,055	717,615	662,700
Total governmental activities expenses	23,059,318	28,079,317	27,450,082	24,899,255
Business-type activities:				
Storm drain	1,563,588	1,593,932	1,478,907	1,481,752
Airport	651,590	601,602	719,573	803,678
Off street parking	212,518	226,500	206,925	221,632
Water	4,113,258	4,411,280	4,443,801	4,426,472
Golf	297,532	323,196	361,088	325,479
Total business-type activities expenses	6,838,486	7,156,510	7,210,294	7,259,013
Total primary government expenses	\$ 29,897,804	\$ 35,235,827	\$ 34,660,376	\$ 32,158,268
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 2,928,235	\$ 3,468,710	\$ 1,478,258	\$ 1,459,915
Public safety	647,158	614,341	526,451	473,515
Public works	28,168	350,396	1,940,034	1,668,558
Culture and recreation	53,114	81,735	52,699	77,383
Community development	583,711	140,314	166,027	111,728
Operating grants and contributions	2,055,282	2,080,288	1,629,412	1,513,853
Capital grants and contributions	1,432,516	4,370,993	2,109,773	2,283,898
Total governmental activities program revenues	7,728,184	11,106,777	7,902,654	7,588,850
Business-type activities:				
Charges for services:				
Storm drain	820,535	821,766	825,031	860,554
Airport	267,844	302,324	369,026	391,308
Off street parking	122,727	152,770	164,785	150,056
Water	4,478,099	4,321,983	4,445,391	4,402,370
Golf	279,607	308,907	343,490	305,232
Operating grants and contributions	260,723	231,992	-	-
Capital grants and contributions	1,491,758	2,334,637	870,262	870,229
Total business-type activities program revenues	7,721,293	8,474,379	7,017,985	6,979,749
Total primary government program revenues	\$ 15,449,477	\$ 19,581,156	\$ 14,920,639	\$ 14,568,599
Net (Expense)/Revenue				
Governmental activities	\$ (15,331,134)	\$ (16,972,540)	\$ (19,547,428)	\$ (17,310,405)
Business-type activities	882,807	1,317,869	(192,309)	(279,264)
Total primary government net expense	\$ (14,448,327)	\$ (15,654,671)	\$ (19,739,737)	\$ (17,589,669)

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 2,235,540	\$ 2,301,621	\$ 2,581,807	\$ 2,665,034	\$ 2,863,453	\$ 4,466,584
11,327,142	12,086,382	12,351,730	12,380,935	9,782,042	18,058,464
9,295,037	9,547,088	9,569,423	11,379,821	10,071,557	12,307,748
1,564,865	1,658,199	1,742,796	1,857,692	1,673,298	2,358,375
1,922,272	843,907	1,093,141	980,529	1,079,491	1,432,439
599,604	531,303	454,242	511,628	511,175	422,746
<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>	<u>39,046,356</u>
2,009,164	1,774,078	1,609,192	1,681,894	1,678,702	1,671,645
814,444	947,272	943,358	921,620	1,007,830	1,199,630
208,996	201,700	199,155	181,101	194,695	178,735
4,583,688	4,733,448	4,840,458	4,908,909	4,667,882	5,862,763
357,456	334,764	258,938	-	-	-
<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>8,912,773</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>	<u>\$ 47,959,129</u>
\$ 1,404,950	\$ 1,355,643	\$ 1,383,602	\$ 2,533,710	\$ 3,295,586	\$ 3,307,718
469,809	431,660	380,763	379,818	386,665	443,671
1,538,910	1,785,594	2,004,167	48,900	55,741	61,634
61,435	58,283	56,816	109,454	102,072	112,752
152,307	16,231	28,367	19,652	34,331	37,529
2,585,391	2,075,380	2,256,907	4,190,383	4,299,408	4,481,256
816,342	385,883	668,899	618,354	474,902	524,767
<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>	<u>8,969,327</u>
903,408	940,955	975,116	1,281,501	1,423,750	1,574,742
379,553	410,576	342,509	348,257	349,233	362,318
138,151	134,227	111,315	117,711	144,419	120,785
4,421,370	4,497,257	4,806,774	4,780,383	4,923,835	5,099,393
305,008	301,768	214,192	-	-	-
3,562	-	-	-	-	-
599,443	1,308,671	2,622,706	4,397,181	2,376,460	546,538
<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>7,703,776</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>	<u>\$ 16,673,103</u>
\$ (19,915,316)	\$ (20,859,826)	\$ (21,013,618)	\$ (21,875,368)	\$ (17,332,311)	\$ (30,077,029)
(1,223,253)	(397,808)	1,221,511	3,231,509	1,668,588	(1,208,997)
<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>	<u>\$ (31,286,026)</u>

CITY OF ROSEBURG, OREGON

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(continued from previous page)

	Fiscal Year			
	2007	2008	2009	2010
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 12,625,062	\$ 13,207,409	\$ 13,495,945	\$ 13,981,642
Franchise taxes	3,103,308	3,283,545	3,227,250	3,564,616
Unrestricted grant and contributions	-	-	-	-
Investment earnings	1,419,057	1,364,425	597,570	170,370
Miscellaneous	366,380	434,026	351,942	405,523
Transfers	(1,081,152)	(12,634)	-	(311,667)
Proceeds from insurance	-	-	17,338	138,570
Gain (Loss) on disposition of capital assets	56,093	(249)	18,931	-
Total governmental activities	<u>16,488,748</u>	<u>18,276,522</u>	<u>17,708,976</u>	<u>17,949,054</u>
Business-type activities:				
Investment earnings	194,697	167,522	111,031	49,608
Miscellaneous	74,738	23,215	16,407	25,415
Transfers	1,081,152	12,634	-	311,667
Gain on disposition of capital assets	1,300	85,000	138,544	4,255
Total business-type activities	<u>1,351,887</u>	<u>288,371</u>	<u>265,982</u>	<u>390,945</u>
Total primary government	<u>\$ 17,840,635</u>	<u>\$ 18,564,893</u>	<u>\$ 17,974,958</u>	<u>\$ 18,339,999</u>
Change in Net Position				
Governmental activities	\$ 1,157,614	\$ 1,303,982	\$ (1,838,452)	\$ 638,649
Business-type activities	2,234,694	1,606,240	73,673	111,681
Total primary government	<u>\$ 3,392,308</u>	<u>\$ 2,910,222</u>	<u>\$ (1,764,779)</u>	<u>\$ 750,330</u>

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 14,417,794	\$ 14,913,045	\$ 15,114,422	\$ 15,517,666	\$ 15,818,547	\$ 16,137,423
3,793,295	4,036,584	4,015,410	4,782,836	4,335,939	4,480,949
-	-	-	-	-	-
124,302	121,645	125,839	114,687	115,796	133,816
295,998	288,805	204,703	373,857	509,885	527,950
(194,181)	(93,013)	(66,040)	170,453	-	-
45,000	-	-	-	-	-
-	84,596	(17,054)	-	(601,001)	-
<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>	<u>21,280,138</u>
39,047	39,966	40,081	35,020	31,401	40,203
15,026	16,320	24,726	18,979	15,715	11,100
194,181	93,013	66,040	(170,453)	-	-
9,489	3,564	28,253	25,710	-	24,056
<u>257,743</u>	<u>152,863</u>	<u>159,100</u>	<u>(90,744)</u>	<u>47,116</u>	<u>75,359</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>	<u>\$ 21,355,497</u>
\$ (1,433,108)	\$ (1,508,164)	\$ (1,636,338)	\$ (915,869)	\$ 2,846,855	\$ (8,796,891)
(965,510)	(244,945)	1,380,611	3,140,765	1,715,704	(1,133,638)
<u>\$ (2,398,618)</u>	<u>\$ (1,753,109)</u>	<u>\$ (255,727)</u>	<u>\$ 2,224,896</u>	<u>\$ 4,562,559</u>	<u>\$ (9,930,529)</u>

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

	Fiscal Year			
	2007	2008	2009	2010
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	7,914,819	8,303,877	5,908,263	6,213,329
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	<u>\$ 7,914,819</u>	<u>\$ 8,303,877</u>	<u>\$ 5,908,263</u>	<u>\$ 6,213,329</u>
All Other Governmental Funds				
Reserved	\$ 2,258,818	\$ 1,447,170	\$ 1,465,915	\$ 1,499,245
Unreserved, reported in:				
Special revenue funds	2,273,511	2,492,616	2,543,035	2,270,339
Capital project funds	17,128,846	15,788,445	8,123,434	7,945,684
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 21,661,175</u>	<u>\$ 19,728,231</u>	<u>\$ 12,132,384</u>	<u>\$ 11,715,268</u>

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
246,943	274,946	28,120	37,487	46,058	33,189
17,777	-	110,059	12,355	44,505	-
-	-	-	-	-	-
491,609	396,882	452,920	11,178	13,495	-
6,568,232	6,780,066	6,825,229	7,532,132	7,640,493	7,517,736
<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>	<u>\$ 7,550,925</u>
\$ n/a	\$ n/a				
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
-	-	-	-	-	-
1,359,982	1,402,837	468,211	-	280,419	331,253
5,978,126	6,373,087	6,923,490	7,189,910	6,756,702	2,679,880
2,961,764	3,171,717	3,329,738	3,885,043	4,760,749	5,904,760
-	-	-	-	-	-
<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>	<u>\$ 8,915,893</u>

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

	Fiscal Year			
	2007	2008	2009	2010
Revenues				
Taxes	\$ 15,320,178	\$ 15,970,397	\$ 16,098,529	\$ 16,642,714
Bond Proceeds	-	-	-	-
Intergovernmental	2,739,761	6,827,228	4,047,255	3,434,419
Licenses and permits	611,826	235,097	173,594	393,457
Charges for services	3,026,457	3,547,434	3,406,788	2,997,654
System development fees	281,674	326,590	171,704	242,126
Fines and forfeitures	581,057	546,375	483,088	438,633
Special assessments	133,015	39,994	26,860	122,323
Investment revenue	1,386,208	1,343,028	588,886	166,187
Land held for resale	-	-	-	-
Other revenues	396,758	469,526	402,194	426,844
Total revenues	24,476,934	29,305,669	25,398,898	24,864,357
Expenditures				
General government	2,636,422	2,137,096	1,954,106	1,890,904
Public safety	8,765,377	9,561,026	10,416,123	10,407,026
Public works	4,725,648	4,802,704	5,218,025	4,745,509
Culture and recreation	926,709	1,095,212	1,020,951	1,045,625
Community development	1,077,707	1,480,032	1,414,201	1,347,798
Intergovernmental	50,000	3,665,000	1,920,000	50,000
Capital Outlay	7,427,673	5,972,457	11,570,492	3,991,386
Debt service:				
Interest	589,802	777,777	717,731	662,816
Principal	1,450,000	1,365,000	1,195,000	1,380,000
Total expenditures	27,649,338	30,856,304	35,426,629	25,521,064
Excess (deficiency) of revenues over (under) expenditures	(3,172,404)	(1,550,635)	(10,027,731)	(656,707)
Other Financing Sources (Uses)				
Proceeds from issuance of bonds	15,410,000	-	-	-
Proceeds from capital asset sales	65,567	6,750	18,931	22,085
Proceeds from insurance reimbursements	-	-	17,338	122,620
Contract payments received	-	-	-	-
Additions to contracts receivable	-	-	-	-
Contribution in aid of construction	763,591	-	-	559,952
Transfers in	4,754,434	4,495,976	5,543,691	3,722,851
Transfers out	(5,454,434)	(4,495,976)	(5,543,691)	(3,882,851)
Total other financing sources (uses)	15,539,158	6,750	36,269	544,657
Net changes in fund balances	\$ 12,366,754	\$ (1,543,885)	\$ (9,991,462)	\$ (112,050)
Debt service as a percentage of noncapital expenditures	10.09%	8.61%	8.02%	9.49%

Fiscal Year						
2011	2012	2013	2014	2015	2016	
\$ 17,527,100	\$ 18,409,230	\$ 18,677,896	\$ 19,214,004	\$ 19,673,851	\$ 20,072,165	
-	-	-	4,840,000	-	-	
3,867,608	2,932,200	2,916,052	5,402,286	5,479,846	5,741,195	
159,399	146,272	142,731	155,044	168,459	184,364	
2,807,836	3,001,089	3,360,043	3,121,991	3,103,190	3,060,657	
140,512	33,935	77,666	63,130	186,166	187,358	
415,112	391,455	350,711	354,859	362,139	416,438	
18,161	55,010	22,818	60,074	17,699	9,498	
120,326	112,293	121,909	111,375	112,778	128,422	
-	-	-	-	-	-	
378,456	354,690	408,992	256,668	184,316	171,296	
<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>	<u>29,971,393</u>	
1,783,309	1,893,380	2,164,271	6,763,202	1,971,127	2,065,221	
10,827,116	11,419,245	11,754,970	11,670,985	11,766,454	12,103,430	
5,333,834	5,562,538	5,611,140	7,426,096	7,017,802	8,027,164	
1,125,073	1,204,291	1,277,381	1,389,143	1,417,287	1,438,558	
1,916,847	844,489	1,078,105	973,067	1,101,936	1,217,236	
-	-	-	-	-	-	
2,628,570	1,523,601	2,030,180	2,345,027	2,244,975	2,925,000	
599,720	531,403	454,342	499,802	520,112	412,860	
1,575,000	1,780,000	2,000,000	1,768,061	2,645,000	4,956,310	
<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>	<u>33,145,779</u>	
(354,959)	677,227	(291,571)	744,048	603,751	(3,174,386)	
-	-	-	-	-	-	
5,795	95,659	15,397	25,033	12,750	98,783	
45,000	2,216	14,406	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
4,049,655	4,382,367	4,589,859	2,210,730	2,804,255	1,952,449	
(4,049,655)	(4,382,367)	(4,589,859)	(2,210,730)	(2,804,255)	(1,952,449)	
<u>50,795</u>	<u>97,875</u>	<u>29,803</u>	<u>25,033</u>	<u>12,750</u>	<u>98,783</u>	
<u>\$ (304,164)</u>	<u>\$ 775,102</u>	<u>\$ (261,768)</u>	<u>\$ 769,081</u>	<u>\$ 616,501</u>	<u>\$ (3,075,603)</u>	
9.39%	9.95%	10.08%	7.44%	11.97%	17.77%	

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
2016	\$ 1,634,945,620	\$ 87,255,557	\$ 58,428,840	\$ 1,776,796,089	\$ 241,454,574	\$ 1,538,459,989	\$ 2,595,503,901	59.27%	8.48
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	1,664,507,185	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

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					Total Direct & Overlapping
	Basic Rate	General Obligation Debt Service	Total Direct Rates	City's Downtown Rates	Douglas County	School Districts	4H Extension Service		
2015-16	\$ 8.48	\$ -	\$ 8.48	\$ -	\$ 1.11	\$ 5.61	\$ 0.06	\$ 15.26	
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	

*Source: County Assessor's Annual Certified Levy

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

		2016	2006					
Private Enterprises	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value		Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value	
			Assessed Value	Rank			Assessed Value	Rank
Charter Communications	\$ 16,814,800	1	0.95%		9,724,354	3	0.71%	
Wal-Mart Real Estate Business Trust	12,668,610	2	0.71%		9,419,641	4	0.69%	
Metropolitan Life Insurance Co	11,848,470	3	0.67%		-		0.00%	
EMLAWA LLC	11,515,453	4	0.65%		7,897,562	6	0.58%	
Lowe's HIW Inc	10,850,864	5	0.61%		-		0.00%	
Oakridge Associates Limited	10,577,683	6	0.60%		7,748,864	7	0.57%	
Home Depot USA Inc	10,501,138	7	0.59%		-		0.00%	
Crown Development LLC	9,770,998	8	0.55%		7,378,081	8	0.54%	
Parkway Medical Building Inc	9,726,042	9	0.55%		6,336,838	10	0.47%	
Centurylink	9,665,000	10	0.54%	\$	-		0.00%	
Qwest Communications			0.00%		17,877,100	1	1.31%	
RBO Mall Associates			0.00%		12,188,598	2	0.90%	
Mercy Medical Center			0.00%		9,058,971	5	0.67%	
Albertson's, Inc.			0.00%		6,653,449	9	0.49%	
TOTAL	\$ 113,939,058		6.41%		\$ 94,283,458		6.92%	

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
2015-16	\$ 16,401,287	\$ 15,371,695	93.72%	\$ -	\$ 15,371,695	93.72%
2014-15	16,201,733	15,091,169	93.15%	276,471	15,367,640	94.85%
2013-14	15,829,005	14,723,862	93.02%	440,460	15,164,322	95.80%
2012-13	15,402,819	14,265,195	92.61%	633,726	14,898,921	96.73%
2011-12	15,219,532	14,001,445	92.00%	803,605	14,805,050	97.28%
2010-11	14,839,570	13,519,229	91.10%	895,913	14,415,142	97.14%
2009-10	14,300,551	13,140,788	91.89%	841,771	13,982,559	97.78%
2008-09	13,826,025	12,812,523	92.67%	709,685	13,522,208	97.80%
2007-08	13,477,974	12,571,101	93.27%	619,760	13,190,861	97.87%
2006-07	13,067,384	12,119,739	92.75%	541,010	12,660,749	96.89%

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				
2015-16	\$ -	\$ 6,390,000		\$ -	\$ 1,425,000		7,815,000	N/A	347.33
2014-15	-	9,315,000	-	-	1,490,000		10,805,000	1.29%	480.01
2013-14	-	11,960,000	-	-	1,550,000		13,510,000	1.66%	600.18
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

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>	
2015-16	\$ -	-	0.00%	-	
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	0.00%	-	
2007-08	0	0	0.00%	-	
2006-07	335,000	335,000	0.03%	15.91	

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	
2016	\$ 2,595,503,901	\$ 77,865,117	\$ -	\$ 77,865,117	0.00%
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	335,000	83,933,495	0.40%
2007	2,510,934,024	75,328,021	335,000	74,993,021	0.44%

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)
2015-16	22,500	N/A	N/A	5,785	6.4%
2014-15	22,510	809,842,270	35,977	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	676,580,740	31,222	6,236	13.3%
2009-10	21,235	693,046,695	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%

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 Ten Years Ago

<u>Employer</u>	<u>2016</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	1,794	1	4.90%	3,100	1	7.83%
CHI -Mercy Healthcare, Inc	1,080	2	2.95%	1,290	3	3.26%
VA Medical Center	800	3	2.18%	715	7	1.81%
Roseburg Public Schools	694	4	1.89%	735	6	1.86%
Seven Feathers Hotel & Gaming Center	635	5	1.73%	2,250	2	5.68%
Douglas County	578	6	1.58%	799	5	2.02%
First Call Resolution	537	7	1.47%	n/a		
Swanson Group	438	8	1.20%	950	4	2.40%
TMS Call Center	360	9	0.98%	n/a		
Umpqua Bank	239	10	0.65%	n/a		
Bayliner	n/a			330	8	0.83%
Orenco	n/a			300	9	0.76%
Ingram Book Company	n/a			288	10	0.73%
	<u>7,155</u>		<u>19.53%</u>	<u>10,757</u>		<u>27.18%</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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
City Manager's Department	5	5	5	5	5	4	4.5	4.5	4.5	4.5
Finance Department	9	9	8	8	8	9	8	7.3	7.3	7.3
Information Technology Division	2	2	2	2	2	2	2	2	2	2
Community Development Dept.										
Planning Division	7	7	6	4.5	4.5	3.5	3.5	3.5	3.6	4.5
Building Division	<u>1</u>	<u>1.5</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General Government:	24	24.5	22	20.5	20.5	18.5	18	17.3	17.4	18.3
Police										
Officers	37	37	35	35	35	35	39	36	36	40
Civilians	<u>4</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
Total Police Department:	41	42	40	40	40	39	43	40	40	44
Fire Department										
Firefighters and officers	33	37	37	37	37	39	42.5	41	40	41.5
Civilians	<u>1</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1.5</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total Fire Department:	34	38.5	38.5	38.5	38.5	40.5	44	42	41	42.5
Municipal Court										
	3	3	3.7	3.7	3.7	3.5	3.7	3.2	3.2	3.2
Airport										
	0	0	1	0	1	1	1	0.5	0.5	0.5
Public Works Department										
Administration	4	4	4	4	4	4	4	3.5	3	3
Engineering	8.5	8.5	7	7	7	7	7	7	6.25	6.5
Building Maintenance Division	1	2	3	2	3	3	3	3	3	3
Street Division	15	13.5	11	11	12	12	12.8	12.6	12.6	12.6
Water Service										
Production	6	6	6	6	6	6	6	6	6	6
Transmission & Distribution	12	11	10	11	11	11	11	11	11	11
Administration	0	0	0	0	0	0	0	0	0	0
Parks and Recreation Dept.										
Administration	1	2	2	2	2	2	2	2.3	2.25	2.25
Parks Maintenance Division	9	9	11	11	11	8	10	11	11	11
Golf Maintenance Division	<u>1</u>	<u>3</u>	<u>3</u>	<u>2</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Public Works Department:	57.5	59	57	56	58	54	55.8	56.4	55.1	55.35
Total City Employees:	<u>159.5</u>	<u>167</u>	<u>162.2</u>	<u>158.7</u>	<u>161.7</u>	<u>156.5</u>	<u>165.5</u>	<u>159.4</u>	<u>157.2</u>	<u>163.85</u>

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		
	2007	2008	2009
Police Protection:			
Physical arrests	3,762	4,232	3,848
Traffic violations	4,525	6,887	6,169
Parking violations	4,435	6,538	5,682
Calls for service	16,382	18,145	18,971
Number of police personnel and officers	40	42	40
Fire Protection			
Emergency responses	3,780	4,048	4,312
Inspections	283	381	586
Number fire personnel and officers	34	40	38
Highways and streets			
Street resurfacing (miles)	0.81	1.16	1.14
Water system:			
Number of services	10,844	10,581	10,193
Daily average production in gallons	5,174,000	5,082,000	5,200,000
Facilities and services not included in the reporting entity:			
Sewerage System:			
Daily average treatment in gallons	5,180,000	4,050,000	3,470,000
Maximum daily capacity of treatment plant in gallons	7,900,000	7,900,000	7,900,000
Number of service connections	10,110	10,195	10,569
Education:			
Total school enrollment	6,460	6,462	6,333
Number of elementary school instructors	127	128	126
Number of secondary school instructors	157	157	157
Hospitals			
Number of patient beds (includes V.A. Medical center)	280	328	315

Sources: Various city departments and Roseburg Urban Sanitary District.

Fiscal Year						
2010	2011	2012	2013	2014	2015	2016
4,700	5,987	5,095	5,145	4,774	4,755	4,814
4,710	7,248	5,183	5,063	4,157	5,023	3,841
4,779	4,189	3,923	2,971	2,738	2,630	3,469
20,152	20,233	20,792	20,573	21,393	22,049	23,540
40	40	39	39	40	40	40
4,570	4,638	4,676	4,853	4,722	5,249	5,843
500	563	660	374	510	309	212
38	38	42	43	42	41	42.5
2.65	4.64	4.78	2.80	4.65	4.65	4.65
10,797	10,790	10,655	10,683	10,835	10,862	11,062
5,200,000	4,520,000	4,340,000	4,530,000	4,460,000	4,670,000	4,675,000
4,380,000	4,380,000	4,060,000	3,740,000	3,480,000	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
10,067	10,087	10,266	10,275	10,326	10,360	10,423
6,053	6,236	5,928	5,927	5,842	5,827	5,785
121	116	110	108	118	132	147
145	135	124	124	165	148	157
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		
	2007	2008	2009
Police Protection:			
Number of stations	1	1	1
Number of patrol units (including motorcycles)	11	10	9
Fire Protection:			
Number of stations	3	3	3
Highways and Streets:			
Streets (miles)	120	120	125
Streetlights	2,381	2,441	2,450
Traffic signals	30	30	32
Water system:			
Miles of water mains	186	187	220
Number of fire hydrants	1,129	1,161	1,161
Miles of storm sewers	84	84	93
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	98
Fuel Facility	1	1	1
Facilities and services not included in the reporting entity:			
Sewerage System:			
Miles of sanitary sewers	158	158	160
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						
2010	2011	2012	2013	2014	2015	2016
1	1	1	1	1	1	1
10	10	12	12	12	13	13
3	3	3	3	3	3	3
125	118	118	118	118	118	118
2,465	2,471	1,895	1,895	1,895	1,895	1,932
32	32	32	32	32	33	33
221	195	195	195	196	196	196
1,181	1,296	1,297	1,301	1,317	1,320	1,324
94	95	95	95	95	95	92
20	20	20	20	20	20	20
428	428	428	428	428	428	428
1	1	1	1	1	1	1
15	15	18	18	18	18	18
4,600	4,600	4,600	5,000	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	162
1	1	1	1	1	1	1
9	9	9	9	8	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 & RAPP, LLC

CERTIFIED PUBLIC ACCOUNTANTS

Thomas J. Davidson, C.P.A.
Jeffrey R. Cooley, C.P.A.
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Traci I. Trotter, C.P.A.

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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, 2016 and have issued our report thereon dated December 16, 2016. 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

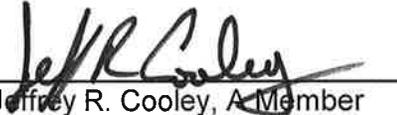
INTERNAL CONTROL OVER FINANCIAL REPORTING

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 & Rapp, LLC
Certified Public Accountants

By: 
Jeffrey R. Cooley, A Member

December 16, 2016



NEUNER, DAVIDSON, COOLEY & RAPP, LLC

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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, 2016, 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 December 16, 2016.

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.

Neuner, Dardson, Goley + Rapp LLC
Roseburg, Oregon
December 16, 2016