

CITY OF ROSEBURG, OREGON



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2013

**CITY OF ROSEBURG,
OREGON**

COMPREHENSIVE

ANNUAL

FINANCIAL

REPORT

FOR THE FISCAL YEAR ENDED June 30, 2013

Prepared by the Finance Department
of the City of Roseburg
Cheryl Guyett, Finance Director

CITY OF ROSEBURG, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDING June 30, 2013

Table of Contents

I. INTRODUCTORY SECTION

Letter of Transmittal	i-iv
Certificate of Achievement	v
City of Roseburg Organizational Chart	vi
List of Officials	vii

II. FINANCIAL SECTION

A. REPORT OF THE INDEPENDENT ACCOUNTANTS	1-3
B. MANAGEMENT DISCUSSION AND ANALYSIS	4-11
C. BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	12
Statement of Activities	13-14
Fund Financial Statements	
<i>Major Governmental Funds:</i>	15
Balance Sheet	16-17
Reconciliation of the Balance Sheet to Statement of Net Positions	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	19-20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
General Fund	22
Urban Renewal General Fund	23
<i>Proprietary Fund Financial Statements:</i>	24
Statement of Net Position	25-26
Statement of Revenues, Expenses, and Changes in Fund Net Position	27-28
Statement of Cash Flows	29-30
Notes to the Financial Statements	31-49

III. SUPPLEMENTAL SECTION

A. COMBINING STATEMENTS - MAJOR GOVERNMENTAL FUNDS	50
Combining General Fund Balance Sheet	51
Combining General Fund Statement of Revenues, Expenditures and Changes in Fund Balances	52
B. COMBINING STATEMENTS - NONMAJOR GOVERNMENTAL FUNDS	53
Combining Balance Sheet	
Nonmajor Special Revenue Funds	54
Nonmajor Debt Service Funds and Capital Projects Funds	55
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	
Nonmajor Special Revenue Funds	56
Nonmajor Debt Service Funds and Capital Projects Funds	57

CITY OF ROSEBURG, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDING June 30, 2013

Table of Contents

C. Budgetary Comparisons	58
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	59
<i>Government Funds:</i>	
Special Revenue	
Public Works	60
Grant	61
Hotel/Motel Tax	62
Streetlight/Sidewalk	63
Bike Trail Improvement	64
Housing Rehabilitation	65
Economic Development	66
Stewart Trust	67
Debt Service	
Debt Retirement	68
Urban Renewal Debt Service	69
Capital Projects	
Transportation	70
Parks Improvement	71
Equipment Replacement	72
Assessment Improvement	73
Facilities Replacement	74
Urban Renewal Capital Projects	75
<i>Proprietary Funds:</i>	76
Enterprise Funds	
Storm Drainage	77
Airport	78
Off Street Parking	79
Water Service Fund	80
Golf	81
Internal Service Fund	82
Workers Compensation	83
IV. STATISTICAL SECTION	
Statistical Section	84
Net Position by Component	85-86
Changes in Net Position	87-90
Fund Balances, Governmental Funds	91-92
Changes in Fund Balances, Governmental Funds	93-94
Assessed Value and Actual Value of Taxable Property	95
Property Tax Rates - All Direct and Overlapping Governments	96
Principal Property Taxpayers	97
Property Tax Levies and Collections	98
Ratios of Outstanding Debt by Type	99

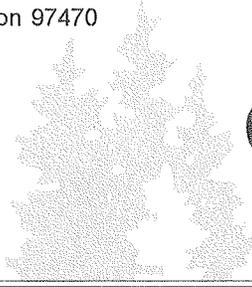
CITY OF ROSEBURG, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDING June 30, 2013

Table of Contents

Ratios of General Bonded Debt Outstanding	100
Legal Debt Margin	101
Demographic and Economic Statistics	102
Principal Employers	103
Full-time Equivalent City Government Employees by Function/Program	104
Operating Indicators by Function/Program	105-106
Capital Asset Statistics by Function/Program	107-108
V. AUDIT COMMENTS	
Audit Comments and Disclosures Required by State Regulation	109-110
VI. SINGLE AUDIT SECTION	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	111-112
Independent Auditor's Report on Compliance with Requirements that could have a Direct and Material effect on each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	113-114
Schedule of Expenditures of Federal Awards and Notes	115-116
Independent Auditors' Schedule of Findings and Questioned Costs	117

**INTRODUCTORY
SECTION**



City of Roseburg

December 30, 2013

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, 2013 is hereby submitted.

This report presents the financial position of the City as of June 30, 2013 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, 2013 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, 2013, are fairly presented, in all material respects, in conformity with GAAP. The Report of Independent Accountants is included at the beginning of the Financial Section of this report.

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

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

City Overview

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

As of June 30, 2013, 21,920 people resided in Roseburg, making it the largest city in Douglas County and the 23rd largest city in Oregon. City boundaries cover nearly 9.5 square miles. The South Umpqua River runs through the City and is within close proximity to the downtown business district.

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

The City operates under the Council-Manager form of government. The City Council has eight members elected by ward to four-year terms, with one Council position in each ward 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, levies a property tax on real properties located within its boundaries.

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

The City prepares and adopts an annual 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 23rd largest city in Oregon. The City and its businesses serve the entire population of the greater Douglas County region and an estimated 65,000 people daily. Portland State University's Population Research Center shows a total Douglas County population of 108,195, with the City of Roseburg accounting for approximately 20% of the total county population.

A weakened global economy continues into 2013; however the US economy has been improving. Efforts to solve the economic challenges have proven difficult and uncertainty remains as to when recovery will occur in much of rural America. Although economists suggest the recession is over, they caution the recovery will be slow. Significant job recovery is expected to take several years, and continues to be slower in rural parts of Oregon than in the metropolitan regions.

Douglas County is the second largest timber producing county in Oregon. According to the Oregon Employment Department approximately 7 percent of total employment is in the lumber and wood products manufacturing industry compared to a little more than 1 percent statewide. Significant declines in the manufacturing and construction sectors have led to employment losses in retail trade and services.

Douglas County's seasonally adjusted unemployment rate for June 2013 was 11.0 percent, a decrease from the June 2012 rate of 12.1 percent. The local fiscal year end unemployment rate peaked in June 2009 at 15.5 percent. Job creation has been very slow, but steady, as the rate has dropped from 15.5 percent in 2009 to the current 11.0 percent. Douglas County's unemployment rate continues to exceed both the state and national rate of 7.9 percent and 7.6 percent respectively. Oregon's unemployment rates have also consistently exceeded the national rate, primarily as a result of high unemployment rates in rural Oregon counties.

Current Activities

The Roseburg Regional Airport was the recipient of a Federal Aviation Administration grant totaling about \$6 million to provide for the relocation of the existing taxiway. The project 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. In addition to the taxiway work, fish passage improvements were made to Newton Creek which runs east to west under the existing taxiway and runway. The grant funded 90% of the cost of the new improvements and the local match was provided through the City's Urban Renewal Agency. The project was nearing completion at the end of fiscal 2013.

The taxiway relocation followed closely on the heels of the runway extension project completed early in the fiscal year which was funded through a *ConnectOregon* grant. The *ConnectOregon* III program was dedicated to improving the state's multimodal connections by funding non-highway projects. The project extended the north end of the existing airport runway and taxiway. The runway was extended an additional 400 feet and better serves business size jets that currently utilize the airport. Douglas County, through its Industrial Development Board, provided \$150,000 towards the project's required match and the balance was provided through the City of Roseburg Urban Renewal Agency.

The City also completed one phase of our water transmission line from the Winchester water treatment plant into our primary storage facilities and initiated the second phase of the project. These two phases will ultimately cost over \$4 million and will provide for upgraded transmission and distribution within the City's water system. The projects are being paid for through the water utility. In addition to the transmission main project, we also received a grant from the FEMA to replace a waterline that was damaged during a storm event in 2011-12. The waterline broke within the banks of the South Umpqua river and the replacement was required to be "bored" under the river for environmental reasons. The FEMA grant paid for 75% of the improvement.

The Police Department formed a new K-9 unit within the department in Fiscal 2012. Two German Shepherds were added to the department ranks. The community made this addition possible through fundraising efforts that not only provided for purchase of the two K-9s, but also for training and supplies. The addition of the K-9 unit would not have happened without the dedication of the department and officers involved and the commitment made by the community. In 2013 a third K-9 was added to the City's force and our public safety partner Douglas County added its first K-9 unit. Through intergovernmental cooperation, there will now be a K-9 unit available almost 24 hours every day.

The City received significant community and regional support for projects in our parks during fiscal 2013. A local non-profit, Guardians of Heroes, completed its fundraising efforts and provided the City with enough resources to allow for the completion of a new parking area and multi-modal trail that supports our Fir Grove park system as well as the Roseburg National Cemetery, the primary purpose of the fund raising. The City also received grants and donations to complete a neighborhood park project at Parrott Creek Park and a state grant to construct a multi-modal trail between Micelli Park and Templin Beach Park.

Long-Term Financial Planning

Council Goal Setting

In February Council concluded a 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 2013-2 included five goals:

1. Identify and Implement Long-Term Infrastructure Funding Mechanisms to Ensure the City can meet Long-term Infrastructure Sustainability

2. Develop Strategies to Provide Long-Term Operational Stability and Sustainability
3. Update and Implement the Urban Renewal Financial and Project Plan; Evaluate Establishment of Additional Urban Renewal Plan Area
4. Citywide Beautification
5. Define and Establish Business Friendly and Improved City Image.

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 first comprehensive Capital Improvement Plan (CIP) was adopted in April 2011. The five year CIP is a financing and construction plan for projects that require significant capital investment. Long-range capital projects are identified and developed in coordination with the annual budget to maintain full utilization of available resources. The CIP will be updated every two years insuring that we continue to evaluate and monitor our progress towards completing projects in the plan and providing for needed flexibility to meet challenges and opportunities as they arise.

Waterfront Development Plan

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

Storm Drainage Master Plan

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

Other Information

Awards

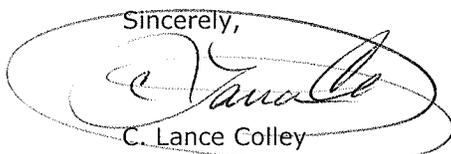
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roseburg for its comprehensive annual financial report for the fiscal year ended June 30, 2012. This was the twentieth consecutive year that the government has achieved the award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

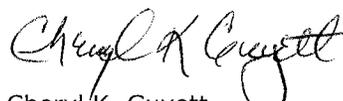
Acknowledgements

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

Sincerely,



C. Lance Colley
City Manager



Cheryl K. Guyett
Finance Director



Government Finance Officers Association

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

Presented to

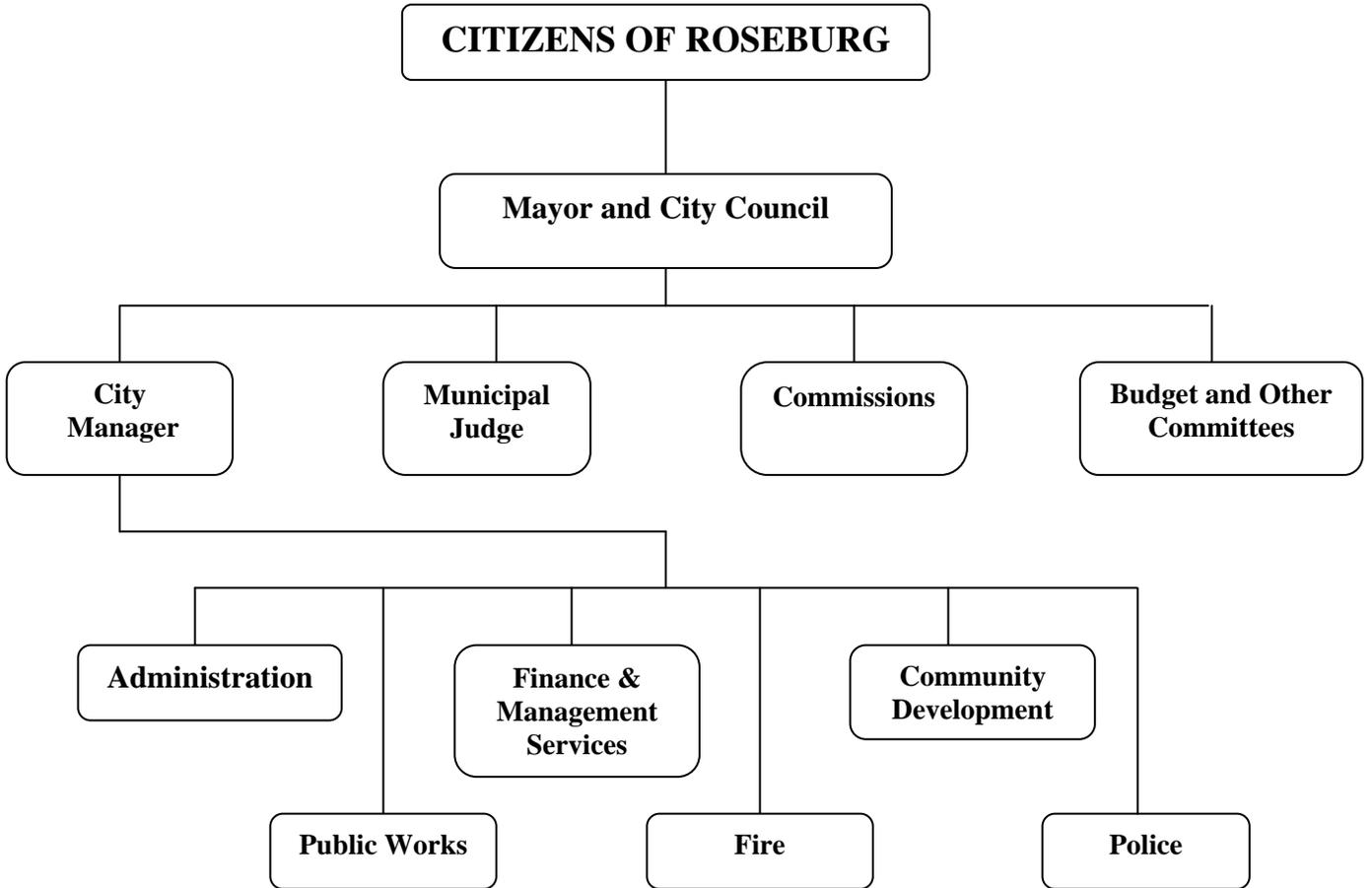
**City of Roseburg
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

**CITY OF ROSEBURG, OREGON
ORGANIZATIONAL CHART**



CITY OF ROSEBURG, OREGON

June 30, 2013

ELECTED OFFICIALS

<u>Name</u>	<u>Position</u>	<u>Term Expires</u>
Larry Rich	Mayor	December 31, 2014
Ken Averett	Councilor, Ward I	December 31, 2016
Mike Hilton	Councilor, Ward I	December 31, 2014
Marty Katz	Councilor, Ward II	December 31, 2016
Tom Ryan	Councilor, Ward II	December 31, 2014
Rick Coen	Councilor, Ward III	December 31, 2016
Bob Cotterell	Councilor, Ward III	December 31, 2014
Steve Kaser	Councilor, Ward IV	December 31, 2014
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
G. Michael Lane	Fire Chief
Sheila R. Cox	City Recorder
John D. VanWinkle	Human Resources Director
Cheryl K. Guyett	Finance Director
Kenneth W. Madison	Municipal Judge
James A. Burge, Jr.	Police Chief
Michael G. Danielle	Airport Director

**FINANCIAL
SECTION**

NEUNER, DAVIDSON & COOLEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

INDEPENDENT AUDITOR'S REPORT

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

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, 2013, 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, 2013, and the respective changes in financial position, the respective budgetary comparison for the General Fund and, where applicable, cash flows thereof 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 on pages 4-11 is 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 combining and fund financial statements and other supplemental data are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not required part of the basic financial statements.

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

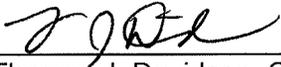
The other supplemental data has not been subjected to the audit procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2013, 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.

Neuner, Davidson & Cooley, LLC
Certified Public Accountants

By: 

Thomas J. Davidson, CPA

December 19, 2013

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, 2013. 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 *iv* of this report. *All amounts, unless otherwise indicated, are expressed in thousands of dollars.*

FINANCIAL HIGHLIGHTS

- The assets of the City of Roseburg exceeded its liabilities at June 30, 2013 by \$217,661 (*net position*). Of this amount, \$23,645 (*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, 2013 decreased by \$255 from June 30, 2012.
- The City's total liabilities decreased by \$2,502 from \$18,611 to \$16,109 in the current year. Regular debt service payments were made as scheduled and no new debt was issued during the current year.
- At June 30, 2013, the City's governmental funds reported combined ending fund balances of \$18,138, a decrease of \$262 from the prior year.
- At June 30, 2013, the City's business-type activities reported combined ending net position of \$78,996 an increase of \$1,381 over the prior year. Unrestricted net position decreased by \$648 to \$6,441.
- At June 30, 2013, the unassigned fund balance for the General fund was \$6,825 or 33 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, municipal golf course, 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 18 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. The Public Works Fund has been combined with the General Fund because it does not meet the GASB 54 committed resources requirement for a special revenue 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 six *proprietary funds* made up of five 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, water, and golf course. 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 49 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

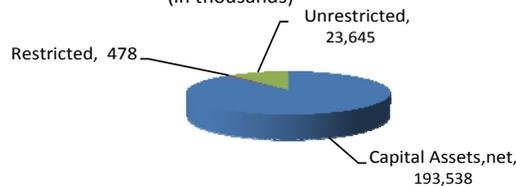
STATEMENT OF NET ASSETS

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, 2013.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 21,452	\$ 22,497	\$ 7,715	\$ 7,759	\$ 29,167	\$ 30,256
Capital assets	130,587	133,657	74,016	72,614	204,603	206,271
Total assets	152,039	156,154	81,731	80,373	233,770	236,527
Current liabilities	858	1,712	896	872	1,754	2,584
Noncurrent liabilities	12,516	14,141	1,839	1,886	14,355	16,027
Total liabilities	13,374	15,853	2,735	2,758	16,109	18,611
Net position:	138,665	140,301	78,996	77,615	217,661	217,916
Invested in capital assets, net of related debt	121,132	122,202	72,406	70,429	193,538	192,631
Restricted	329	1,234	149	97	478	1,331
Unrestricted	17,204	16,865	6,441	7,089	23,645	23,954
Total net position	\$ 138,665	\$ 140,301	\$ 78,996	\$ 77,615	\$ 217,661	\$ 217,916

Chart 1
City of Roseburg - 2013 Net Position
(in thousands)



As noted previously, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$217,661 at June 30, 2013.

About 89 percent of the City's net assets reflect its investment in capital assets (e.g. infrastructure, land, buildings, vehicles and equipment), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to City residents; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The City's noncurrent liabilities of \$14,355 is for compensated absences, postemployment obligations and outstanding bonds, representing 89 percent of total liabilities. Current liabilities, representing 11 percent of the City's total liabilities, consist of payables on accounts and unearned revenues.

STATEMENT OF ACTIVITIES

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

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for services	\$ 3,854	\$ 3,647	\$ 6,450	\$ 6,285	\$ 10,304	\$ 9,932
Operating Grants & Contributions	2,257	2,075	-	-	2,257	2,075
Capital Grants & Contributions	669	386	2,623	1,308	3,292	1,694
General revenue:						
Taxes	19,130	18,950	-	-	19,130	18,950
Interest	126	122	40	40	166	162
Other	187	373	53	20	240	393
Total Revenues	26,223	25,553	9,166	7,653	35,389	33,206
Expenses:						
General government	2,582	2,302	-	-	2,582	2,302
Public safety	12,352	12,086	-	-	12,352	12,086
Public Works	9,569	9,547	-	-	9,569	9,547
Culture and recreation	1,743	1,658	-	-	1,743	1,658
Community development	1,093	844	-	-	1,093	844
Interest on long-term debt	454	531	-	-	454	531
Storm Drain	-	-	1,609	1,774	1,609	1,774
Airport	-	-	943	947	943	947
Off Street Parking	-	-	199	202	199	202
Water	-	-	4,841	4,733	4,841	4,733
Golf	-	-	259	335	259	335
Total Expenses	27,793	26,968	7,851	7,991	35,644	34,959
Increase (decrease) in net position before transfers	(1,570)	(1,415)	1,315	(338)	(255)	(1,753)
Transfers	(66)	(93)	66	93	-	-
Increase(decrease) in net position	(1,636)	(1,508)	1,381	(245)	(255)	(1,753)
Net position, July 1	140,301	141,809	77,615	77,860	217,916	219,669
Net position, June 30	\$ 138,665	\$ 140,301	\$ 78,996	\$ 77,615	\$ 217,661	\$ 217,916

Governmental activities.

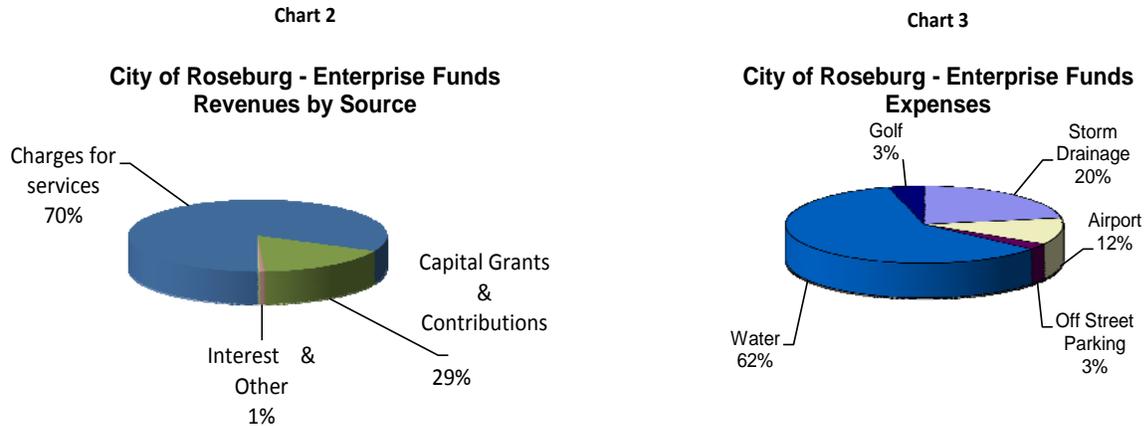
- Tax revenues increased by \$180 from the prior year. Property taxes increased \$201 due to increased property values. Franchise fees decreased \$21, primarily due to electric and natural gas utilities.
- Capital grants and contributions totaled \$669 in the current fiscal year.
- Operating grants totaled \$2,257. Of this amount state gasoline taxes totaled \$1,194.

Business-type activities.

Business-type activities net position increased by \$1,381. Key changes are as follows:

- Charges for services increased by \$165. Monthly rate increases of 3% were effective July 1, 2012 in the Storm Drain and Water Fund.
- The Airport received \$1,774 in FAA funds for the taxiway relocation project and \$43 for the runway obstruction removal project. \$693 in Connect Oregon III funds were received for the runway extension project.
- Capital Assets increased by \$1,402. Depreciation expense exceeded current year capital outlay.

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, 2013, the City’s governmental funds reported combined ending fund balances of \$18,138, a decrease of \$262 from the prior year. \$6,825 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, 2013, the fund balance was \$7,416. The fund balance decreased by \$36 from the prior year. The Public Works Fund has been combined with the General Fund in compliance with GASB 54 requirements. Property and franchise taxes increased by \$165 from the previous year. Public Safety costs increased \$347 over the prior year.

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, 2013 was \$2,193, a decrease of \$329 from the previous year. \$721 was spent on the pavement management program. Capital expenditures of \$335 include Edenbower/Stewart Parkway, Edenbower/Aviation and Edenbower/Stephens Intersection improvements.

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, 2013 with a committed fund balance of \$2,238. Capital expenditures of \$1,114 included Edenbower Stewart Parkway and Edenbower Aviation Intersection improvements, Airport taxiway relocation and obstruction removal projects, and Riverside Waterfront project.

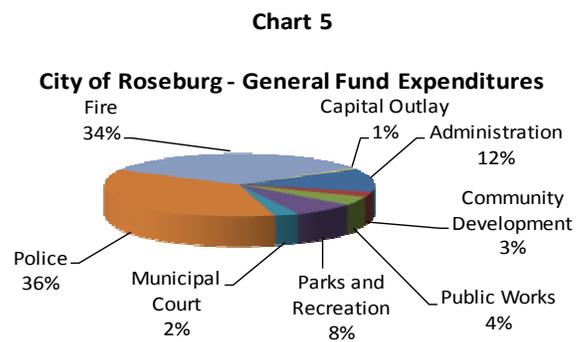
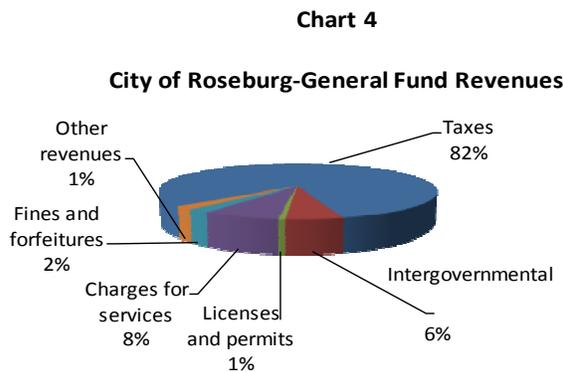
The Urban Renewal General Fund accounts for the district’s tax increment revenues. The committed fund balance at June 30, 2013 was \$365. Expenditures include transfers of \$2,052 for Urban Renewal debt service and \$409 for the City’s full faith and credit obligations.

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, 2013. There were no revisions to the General Fund budget for the 2012-13 fiscal year.

- Fines and forfeitures were \$39 less than budget. Legislative changes in 2012 restructured fines resulting in increased state assessments and reduced revenues to local courts.
- Expenditures were \$1,004 less than budgeted. Decreased spending was primarily related to 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, 2013, the City had invested \$204,602 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	
	2013	2012	2013	2012	2013	2012
Land & Construction in Progress	\$ 68,203	\$ 68,116	\$ 10,050	\$ 9,797	\$ 78,253	\$ 77,913
Buildings	15,143	15,422	8,371	8,721	23,514	24,143
Improvements other than buildings	7,967	8,125	55,135	53,491	63,102	61,616
Machinery and Equipment	1,406	1,519	348	478	1,754	1,998
Vehicles	1,825	1,955	111	127	1,936	2,082
Infrastructure	36,043	38,520	-	-	36,043	38,520
Total	\$ 130,587	\$ 133,657	\$ 74,015	\$ 72,614	\$ 204,602	\$ 206,272

During the year, the City’s investment in capital assets decreased by \$1,670. The major capital asset events for the year include the following:

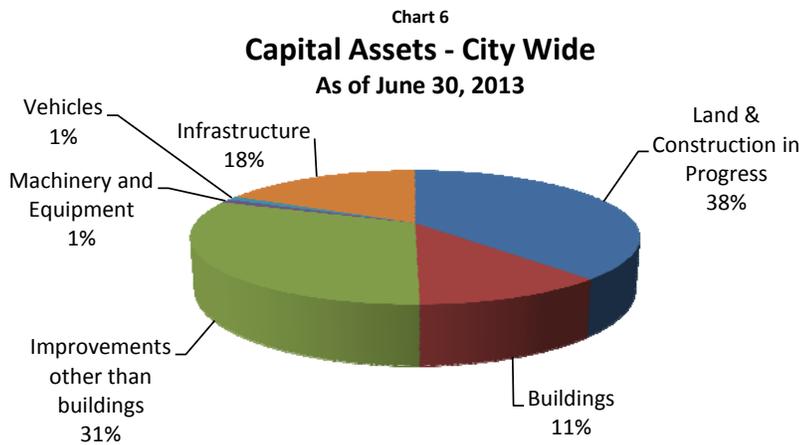
GOVERNMENTAL ACTIVITIES

- Capital expenditures in the governmental funds totaled \$2,030.
- Edenbower/Stewart Park Intersection, \$274
- Edenbower/Aviation, \$480.
- Taxiway Relocation, \$605.

BUSINESS-TYPE ACTIVITIES

- Water Fund capital expenditures of \$2,362 included main replacements, 24” transmission line, treatment plant repairs.
- Storm Drain capital expenditure of \$509 for the Wanell, Kline Storm Drain project.
- Airport runway extension, \$768.
- Airport taxiway relocation, \$811.

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



Long-Term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$11,065 consisting of full faith & credit and urban renewal debt.

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

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Full Faith & Credit Bonds	\$ 9,455	\$ 9,485	\$ 1,610	\$ 1,665	\$ 11,065	\$ 11,150
Urban Renewal Bonds	-	1,970	-	-	-	1,970
Total	\$ 9,455	\$ 11,455	\$ 1,610	\$ 1,665	\$ 11,065	\$ 13,120

During the current fiscal year, the City's total debt decreased by \$2,055 as a result of regularly scheduled principal payments. The above table is not shown net of premiums/discounts or bond costs.

Moody's assigned an A3 rating to the City's Full Faith and Credit Obligations Series 2007 (Airport Projects) and an "A2" rating to all other debt.

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 \$77,171. 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 2013, is 11.0 percent, which is a decrease of 1.2 percent from the 12.1 percent rate a year ago. The local unemployment rate exceeds the state seasonally adjusted rate of 7.9 percent and the national rate of 7.6 percent.

The area's economy has continued to shift away from the manufacturing industry, primarily wood products, to the services industries. Tourism and medical services continue to be factors in the services sector growth.

The most significant source of revenue for the City is taxes, including property, franchise and motel taxes. For the year ended June 30, 2013, taxes of \$18,678 made up 72 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 2013-14 fiscal year.

The 2012-13 adopted budget includes contingency of \$925 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, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 17,665,423	\$ 6,391,492	\$ 24,056,915
Receivables (net of allowances for uncollectibles)	2,894,453	1,585,004	4,479,457
Internal balances	520,000	(520,000)	-
Inventories	25,275	48,068	73,343
Prepays	2,845	5,438	8,283
Bond issue cost (net of amortization)	15,001	55,691	70,692
Restricted cash and investments	329,485	148,979	478,464
Capital assets			
Land and construction in progress	68,202,705	10,050,331	78,253,036
Buildings	15,142,676	8,371,187	23,513,863
Improvements other than buildings	7,967,496	55,135,110	63,102,606
Machinery and equipment	1,405,255	348,057	1,753,312
Vehicles	1,825,591	111,098	1,936,689
Infrastructure	36,043,037	-	36,043,037
Total assets	<u>152,039,242</u>	<u>81,730,455</u>	<u>233,769,697</u>
LIABILITIES			
Accounts payable	700,856	736,341	1,437,197
Other accrued liabilities	125,582	84,898	210,480
Interest payable	31,517	5,424	36,941
Unearned revenue	-	69,343	69,343
Noncurrent liabilities:			
Due within one year	2,991,936	126,011	3,117,947
Due in more than one year	9,524,426	1,712,957	11,237,383
Total liabilities	<u>13,374,317</u>	<u>2,734,974</u>	<u>16,109,291</u>
NET POSITION			
Invested in capital assets, net of related debt	121,131,760	72,405,783	193,537,543
Restricted for:			
Capital projects	329,485	148,979	478,464
Debt service	-	-	-
Unrestricted	17,203,680	6,440,719	23,644,399
Total net position	<u>\$ 138,664,925</u>	<u>\$ 78,995,481</u>	<u>\$ 217,660,406</u>

See notes to the basic financial statements.

CITY OF ROSEBURG, OREGON

Statement of Activities

For the year ended June 30, 2013

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 2,581,807	\$ 1,383,602	\$ -	\$ 107,312
Public safety	12,351,730	380,763	636,123	3,900
Public works	9,569,423	2,004,167	1,602,217	320,881
Culture and recreation	1,742,796	56,816	13,241	236,806
Community development	1,093,141	28,367	5,326	-
Interest on long-term debt	454,242	-	-	-
Total governmental activities	<u>27,793,139</u>	<u>3,853,715</u>	<u>2,256,907</u>	<u>668,899</u>
Business-type activities:				
Storm Drain	1,609,192	975,116	-	61,926
Airport	943,358	342,509	-	2,509,481
Off Street Parking	199,155	111,315	-	-
Water	4,840,458	4,806,774	-	51,299
Golf	258,938	214,192	-	-
Total business-type activities	<u>7,851,101</u>	<u>6,449,906</u>	<u>-</u>	<u>2,622,706</u>
Total government	<u>\$ 35,644,240</u>	<u>\$ 10,303,621</u>	<u>\$ 2,256,907</u>	<u>\$ 3,291,605</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 and transfers

Transfer Capital Assets/OPEB liability

 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
\$ (1,090,893)	\$ -	\$ (1,090,893)
(11,330,944)	-	(11,330,944)
(5,642,158)	-	(5,642,158)
(1,435,933)	-	(1,435,933)
(1,059,448)	-	(1,059,448)
(454,242)	-	(454,242)
<u>(21,013,618)</u>	<u>-</u>	<u>(21,013,618)</u>
-	(572,150)	(572,150)
-	1,908,632	1,908,632
-	(87,840)	(87,840)
-	17,615	17,615
-	(44,746)	(44,746)
<u>-</u>	<u>1,221,511</u>	<u>1,221,511</u>
<u>(21,013,618)</u>	<u>1,221,511</u>	<u>(19,792,107)</u>
11,892,617	-	11,892,617
3,221,805	-	3,221,805
4,015,410	-	4,015,410
125,839	40,081	165,920
204,703	24,726	229,429
(17,054)	28,253	11,199
<u>19,443,320</u>	<u>93,060</u>	<u>19,536,380</u>
(66,040)	66,040	-
(1,636,338)	1,380,611	(255,727)
<u>140,301,263</u>	<u>77,614,870</u>	<u>217,916,133</u>
<u>\$ 138,664,925</u>	<u>\$ 78,995,481</u>	<u>\$ 217,660,406</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 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, 2013

	<u>General</u>	<u>Transportation</u>	<u>Urban Renewal</u>
ASSETS			
Cash and investments	\$ 7,369,630	\$ 1,758,776	\$ 308,945
Interest receivable	-	-	-
Accounts receivable	274,523	42,362	-
Taxes receivable	1,510,422	-	406,879
Assessment liens receivable	-	-	-
Due from other funds	-	-	-
Intergovernmental receivable	137,169	104,904	-
Inventory	25,275	-	-
Advances to other funds	-	-	-
Prepaid items	2,845	-	-
Restricted cash	-	329,485	-
Total assets	<u>\$ 9,319,864</u>	<u>\$ 2,235,527</u>	<u>\$ 715,824</u>
LIABILITIES			
Accounts payable	543,551	39,616	-
Other accrued liabilities	58,116	2,978	-
Due to other funds	-	-	-
Total liabilities	<u>601,667</u>	<u>42,594</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	1,301,869	-	350,617
Unavailable revenue-special assessments	-	-	-
Total deferred inflows of resources	<u>1,301,869</u>	<u>-</u>	<u>350,617</u>
FUND BALANCES			
Nonspendable	28,120	-	-
Restricted	110,059	-	-
Committed	-	1,255,776	365,207
Assigned	452,920	937,157	-
Unassigned	6,825,229	-	-
Total fund balances	<u>7,416,328</u>	<u>2,192,933</u>	<u>365,207</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,319,864</u>	<u>\$ 2,235,527</u>	<u>\$ 715,824</u>

See notes to the basic financial statements.

Urban Renewal Capital Projects	Other Governmental	Total Governmental
\$ 1,729,477	5,795,235	\$ 16,962,063
-	8,615	8,615
-	-	316,885
-	204,151	2,121,452
-	159,974	159,974
-	85,076	85,076
-	42,318	284,391
-	-	25,275
520,000	-	520,000
-	-	2,845
-	-	329,485
<u>\$ 2,249,477</u>	<u>\$ 6,295,369</u>	<u>\$ 20,816,061</u>
10,765	106,924	700,856
-	19,940	81,034
-	85,076	85,076
<u>10,765</u>	<u>211,940</u>	<u>866,966</u>
-	-	1,652,486
-	158,842	158,842
-	158,842	1,811,328
-	-	28,120
-	468,211	578,270
2,238,712	3,063,795	6,923,490
-	2,392,581	3,782,658
-	-	6,825,229
<u>2,238,712</u>	<u>5,924,587</u>	<u>18,137,767</u>
<u>\$ 2,249,477</u>	<u>\$ 6,295,369</u>	<u>\$ 20,816,061</u>

CITY OF ROSEBURG, OREGON
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2013

Total Fund balances-Governmental Funds	\$ 18,137,767
 <i>Amounts reported for governmental activities in the Statement of Net Position are different because:</i>	
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.	130,586,760
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	1,652,486
Special assessments	158,842
Grants Receivable	3,136
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(1,262,375)
Net OPEB obligation	(1,798,987)
Bond issuance cost used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated amortization.	15,001
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds	(9,455,000)
The interest on the long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.	(31,517)
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.	<u>658,812</u>
Net position of governmental activities	<u><u>\$138,664,925</u></u>

See notes to the basic financial statements.

CITY OF ROSEBURG, OREGON
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2013

	<u>General</u>	<u>Transportation</u>	<u>Urban Renewal General</u>
REVENUES			
Taxes	\$ 14,238,908	\$ 405,175	\$ 3,233,050
Intergovernmental	1,093,577	1,182,149	-
Licenses and permits	142,731	-	-
Charges for services	3,346,198	2,649	-
System development fees	-	47,479	-
Fines and forfeitures	350,711	-	-
Special assessments	-	-	-
Investment revenue	48,122	12,597	13,118
Other revenues	219,801	-	-
Total revenues	<u>19,440,048</u>	<u>1,650,049</u>	<u>3,246,168</u>
EXPENDITURES			
Current operating:			
General government	1,943,843	-	-
Public safety	11,742,832	-	-
Public works	3,414,523	1,603,982	409,400
Culture and recreation	1,274,515	-	-
Community development	416,635	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	56,723	335,020	-
Total expenditures	<u>18,849,071</u>	<u>1,939,002</u>	<u>409,400</u>
Excess (deficiency) of revenues over (under) expenditures	<u>590,977</u>	<u>(288,953)</u>	<u>2,836,768</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital asset sales	-	-	-
Proceeds from insurance reimbursements	8,457	-	-
Transfers in	831,983	-	-
Transfers out	<u>(1,466,983)</u>	<u>(40,000)</u>	<u>(2,751,755)</u>
Total other financing sources (uses)	<u>(626,543)</u>	<u>(40,000)</u>	<u>(2,751,755)</u>
Net change in fund balance	(35,566)	(328,953)	85,013
Fund balances--beginning	<u>7,451,894</u>	<u>2,521,886</u>	<u>280,194</u>
Fund balances--ending	<u>\$ 7,416,328</u>	<u>\$ 2,192,933</u>	<u>\$ 365,207</u>

See notes to the basic financial statements.

Urban Renewal Capital Projects	Other Governmental	Total Governmental
\$ -	\$ 800,763	\$ 18,677,896
161,334	478,992	2,916,052
-	-	142,731
-	11,196	3,360,043
-	30,187	77,666
-	-	350,711
-	22,818	22,818
12,589	35,483	121,909
515	188,676	408,992
<u>174,438</u>	<u>1,568,115</u>	<u>26,078,818</u>
-	220,428	2,164,271
-	12,138	11,754,970
119,105	64,130	5,611,140
-	2,866	1,277,381
-	661,470	1,078,105
-	2,000,000	2,000,000
-	454,342	454,342
1,114,316	524,121	2,030,180
<u>1,233,421</u>	<u>3,939,495</u>	<u>26,370,389</u>
<u>(1,058,983)</u>	<u>(2,371,380)</u>	<u>(291,571)</u>
-	15,397	15,397
-	5,949	14,406
700,000	3,057,876	4,589,859
-	(331,121)	(4,589,859)
<u>700,000</u>	<u>2,748,101</u>	<u>29,803</u>
(358,983)	376,721	(261,768)
<u>2,597,695</u>	<u>5,547,866</u>	<u>18,399,535</u>
<u>\$ 2,238,712</u>	<u>\$ 5,924,587</u>	<u>\$ 18,137,767</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, 2013

Net change in fund balances--total governmental funds \$ (261,768)

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

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

Expenditures for capital assets	\$ 2,030,180	
Less current year depreciation	<u>(5,083,601)</u>	(3,053,421)

Book value of disposed capital assets (32,451)

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

Property taxes		(61,548)
Special assessments		158,842
Grant Receivable		3,136
Grants-Capital Asset Contributed		56,716

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

The bond issuance cost in governmental funds are reported as expenditures when debt is issued, whereas these amounts are deferred and amortized in the Statement of Activities

Less current year amortization		(8,289)
--------------------------------	--	---------

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	65,178	
Net OPEB obligation	(415,463)	
Accrued interest	<u>100</u>	(350,185)

Capital assets transferred to the enterprise funds are not recorded in the governmental funds (41,271)

Liabilities transferred from enterprise fund not recorded in governmental funds (24,769)

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.

(21,330)

Change in net position of governmental activities \$ (1,636,338)

CITY OF ROSEBURG, OREGON

General Fund

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

For the year ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Taxes	\$ 14,298,075	\$ 14,298,075	\$ 14,238,908	\$ (59,167)
Intergovernmental	1,038,940	1,038,940	1,086,509	47,569
Licenses and permits	141,000	141,000	136,190	(4,810)
Charges for services	1,334,567	1,334,567	1,395,801	61,234
Fines and forfeitures	390,000	390,000	350,711	(39,289)
Investment revenue	45,000	45,000	45,771	771
Other revenues	265,000	265,000	215,838	(49,162)
Total revenues	<u>17,512,582</u>	<u>17,512,582</u>	<u>17,469,728</u>	<u>(42,854)</u>
EXPENDITURES				
Administration	2,119,045	2,119,045	1,943,843	175,202
Community development	475,394	475,394	416,635	58,759
Public works	763,521	763,521	675,393	88,128
Parks and recreation	1,274,344	1,274,344	1,224,515	49,829
Municipal court	500,263	500,263	416,090	84,173
Police	6,057,803	6,057,803	5,797,295	260,508
Fire	5,757,751	5,757,751	5,529,447	228,304
Intergovernmental	50,000	50,000	50,000	-
Capital outlay	116,000	116,000	56,723	59,277
Contingency	925,000	925,000	-	925,000
Total expenditures	<u>18,039,121</u>	<u>18,039,121</u>	<u>16,109,941</u>	<u>1,929,180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(526,539)</u>	<u>(526,539)</u>	<u>1,359,787</u>	<u>1,886,326</u>
OTHER FINANCING USES				
Proceeds from insurance reimbursements	-	-	5,827	5,827
Transfers out	(1,466,983)	(1,466,983)	(1,466,983)	-
Reserved for future expenditures	(65,000)	(65,000)	-	65,000
Total other financing uses	<u>(1,531,983)</u>	<u>(1,531,983)</u>	<u>(1,461,156)</u>	<u>70,827</u>
Net change in fund balances	(2,058,522)	(2,058,522)	(101,369)	1,957,153
Fund balances--beginning	<u>6,625,277</u>	<u>6,625,277</u>	<u>7,080,130</u>	<u>454,853</u>
Fund balances--ending	<u>\$ 4,566,755</u>	<u>\$ 4,566,755</u>	<u>\$ 6,978,761</u>	<u>\$ 2,412,006</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Taxes	\$ 3,132,000	\$ 3,132,000	\$ 3,233,050	\$ 101,050
Investment revenue	13,000	13,000	13,118	118
Total revenues	<u>3,145,000</u>	<u>3,145,000</u>	<u>3,246,168</u>	<u>101,168</u>
EXPENDITURES				
Materials and services	410,000	410,000	409,400	600
Contingency	223,541	223,541	-	223,541
Total expenditures	<u>633,541</u>	<u>633,541</u>	<u>409,400</u>	<u>224,141</u>
Excess of revenues over expenditures	<u>2,511,459</u>	<u>2,511,459</u>	<u>2,836,768</u>	<u>325,309</u>
OTHER FINANCING USES				
Transfers out	<u>(2,752,085)</u>	<u>(2,752,085)</u>	<u>(2,751,755)</u>	<u>330</u>
Total other financing uses	<u>(2,752,085)</u>	<u>(2,752,085)</u>	<u>(2,751,755)</u>	<u>330</u>
Net change in fund balances	(240,626)	(240,626)	85,013	325,639
Fund balances--beginning	<u>240,626</u>	<u>240,626</u>	<u>280,194</u>	<u>39,568</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 365,207</u>	<u>\$ 365,207</u>

See notes to the basic financial statements.

FUND FINANCIAL STATEMENTS

Proprietary Funds

The City of Roseburg utilizes six Proprietary Funds made up of five 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, water, and golf facilities. 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*
- ◆ *Golf*

Internal Service Fund

- ◆ *Workers Compensation*

CITY OF ROSEBURG, OREGON

Proprietary Funds

Statement of Net Position

June 30, 2013

	Business-type Activities-Enterprise Funds		
	Storm Drainage	Airport	Off Street Parking
ASSETS			
Current assets:			
Cash and investments	\$ 757,012	\$ 1,247,852	\$ 84,700
Utilities receivable, net	139,622	-	-
Other receivables	-	610,710	740
Advances to other funds	-	-	-
Notes receivable-current	-	-	-
Inventories	-	-	-
Prepaid items	-	-	-
Total current assets	<u>896,634</u>	<u>1,858,562</u>	<u>85,440</u>
Noncurrent assets:			
Restricted cash and investments	-	-	-
Notes receivable	-	-	-
Bond issue cost, net	-	55,691	-
Capital assets, net	25,657,657	14,008,548	1,594,941
Total noncurrent assets	<u>25,657,657</u>	<u>14,064,239</u>	<u>1,594,941</u>
Total assets	<u>26,554,291</u>	<u>15,922,801</u>	<u>1,680,381</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,227	623,855	472
Other accrued liabilities	-	63,386	-
Interest payable	-	5,424	-
Advances from other funds	-	-	-
Compensated absences	-	2,601	-
Unearned revenue	-	47,795	-
Bond payable-current maturity	-	60,000	-
Total current liabilities	<u>1,227</u>	<u>803,061</u>	<u>472</u>
Noncurrent liabilities:			
Advances from other funds	-	520,000	-
Compensated absences	-	-	-
Net OPEB obligation	-	-	-
Bond payable	-	1,550,000	-
Total noncurrent liabilities	<u>-</u>	<u>2,070,000</u>	<u>-</u>
Total liabilities	<u>1,227</u>	<u>2,873,061</u>	<u>472</u>
NET POSITION			
Invested in capital assets, net of related debt	25,657,657	12,398,548	1,594,941
Restricted for capital improvements	-	-	-
Unrestricted	895,407	651,192	84,968
Total net position	<u>\$ 26,553,064</u>	<u>\$ 13,049,740</u>	<u>\$ 1,679,909</u>

See notes to the basic financial statements.

<u>Business-type Activities-Enterprise Funds</u>			Governmental Activities Internal Service Fund
<u>Water</u>	<u>Golf</u>	<u>Totals</u>	
\$ 4,283,567	\$ 18,361	\$ 6,391,492	\$ 703,360
790,244	-	929,866	-
11,275	2,663	625,388	-
10,027	-	10,027	-
-	17,000	17,000	-
48,068	-	48,068	-
5,438	-	5,438	-
<u>5,148,619</u>	<u>38,024</u>	<u>8,027,279</u>	<u>703,360</u>
148,979	-	148,979	-
-	12,750	12,750	-
-	-	55,691	-
<u>32,622,978</u>	<u>131,659</u>	<u>74,015,783</u>	<u>2,932</u>
<u>32,771,957</u>	<u>144,409</u>	<u>74,233,203</u>	<u>2,932</u>
<u>37,920,576</u>	<u>182,433</u>	<u>82,260,482</u>	<u>706,292</u>
108,834	1,953	736,341	-
21,512	-	84,898	44,548
-	-	5,424	-
-	10,027	10,027	-
63,410	-	66,011	-
21,548	-	69,343	-
-	-	60,000	-
<u>215,304</u>	<u>11,980</u>	<u>1,032,044</u>	<u>44,548</u>
-	-	520,000	-
49,957	-	49,957	-
113,000	-	113,000	-
-	-	1,550,000	-
<u>162,957</u>	<u>-</u>	<u>2,232,957</u>	<u>-</u>
<u>378,261</u>	<u>11,980</u>	<u>3,265,001</u>	<u>44,548</u>
32,622,978	131,659	72,405,783	2,932
148,979	-	148,979	-
<u>4,770,358</u>	<u>38,794</u>	<u>6,440,719</u>	<u>658,812</u>
<u>\$ 37,542,315</u>	<u>\$ 170,453</u>	<u>\$ 78,995,481</u>	<u>\$ 661,744</u>

CITY OF ROSEBURG, OREGON
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position
For the year ended June 30, 2013

	Business-type Activities - Enterprise Funds		
	Storm Drainage	Airport	Off Street Parking
OPERATING REVENUES:			
Charges for services	\$ 975,116	\$ 342,509	\$ 111,315
Other revenues	365	2,009	-
Total operating revenues	<u>975,481</u>	<u>344,518</u>	<u>111,315</u>
OPERATING EXPENSES:			
Personal services	-	113,648	-
Support services	385,045	98,613	7,996
Contractual services	74,765	8,498	94,457
Utilities	-	36,400	18,415
Repairs and maintenance	8,140	29,970	2,392
Other operating expenses	12,415	2,922	12,773
Insurance claims and expenses	26,727	9,425	3,293
Amortization of bond costs	-	2,931	-
Depreciation	1,102,100	573,846	59,829
Total operating expenses	<u>1,609,192</u>	<u>876,253</u>	<u>199,155</u>
Operating income (loss)	<u>(633,711)</u>	<u>(531,735)</u>	<u>(87,840)</u>
Nonoperating revenues (expenses):			
Investment revenue	3,423	3,380	556
Interest expense	-	(67,105)	-
Gain on sale of capital assets	15,000	-	-
Total nonoperating revenues (expenses)	<u>18,423</u>	<u>(63,725)</u>	<u>556</u>
Net income (loss) before contributions and transfers	(615,288)	(595,460)	(87,284)
Capital contributions (Note 4)	61,926	2,550,752	-
Change in net position	(553,362)	1,955,292	(87,284)
Net position--beginning	27,106,426	11,094,448	1,767,193
Net position--ending	<u>\$ 26,553,064</u>	<u>\$ 13,049,740</u>	<u>\$ 1,679,909</u>

See notes to the basic financial statements.

<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities Internal Service Fund
<u>Water</u>	<u>Golf</u>	<u>Totals</u>	<u>Fund</u>
\$ 4,806,774	\$ 214,192	\$ 6,449,906	\$ 234,000
22,352	-	24,726	533
<u>4,829,126</u>	<u>214,192</u>	<u>6,474,632</u>	<u>234,533</u>
1,526,083	75,615	1,715,346	-
815,090	57,533	1,364,277	9,794
314,973	67,509	560,202	8,850
331,924	11,950	398,689	-
150,986	11,493	202,981	-
283,181	5,392	316,683	3,263
31,911	3,779	75,135	237,887
-	-	2,931	-
<u>1,386,310</u>	<u>25,221</u>	<u>3,147,306</u>	<u>476</u>
<u>4,840,458</u>	<u>258,492</u>	<u>7,783,550</u>	<u>260,270</u>
<u>(11,332)</u>	<u>(44,300)</u>	<u>(1,308,918)</u>	<u>(25,737)</u>
32,316	406	40,081	3,931
-	(446)	(67,551)	-
<u>656</u>	<u>12,597</u>	<u>28,253</u>	<u>-</u>
<u>32,972</u>	<u>12,557</u>	<u>783</u>	<u>3,931</u>
21,640	(31,743)	(1,308,135)	(21,806)
51,299	24,769	2,688,746	-
72,939	(6,974)	1,380,611	(21,806)
<u>37,469,376</u>	<u>177,427</u>	<u>77,614,870</u>	<u>683,550</u>
<u>\$ 37,542,315</u>	<u>\$ 170,453</u>	<u>\$ 78,995,481</u>	<u>\$ 661,744</u>

CITY OF ROSEBURG, OREGON

Proprietary Funds

STATEMENT OF CASH FLOWS

For the year ended June 30, 2013

	Business-type Activities - Enterprise Funds		
	Storm Drainage	Airport	Off Street Parking
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 968,389	\$ 302,235	\$ 111,167
Payments to suppliers	(272,884)	73,878	(131,214)
Payments to employees	-	(113,818)	-
Internal activity--payments to other funds	(385,045)	(98,613)	(7,996)
Other receipts	365	2,009	-
Net cash provided by operating activities	<u>310,825</u>	<u>165,691</u>	<u>(28,043)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Interfund loan	-	-	-
Net cash provided (used) by noncapital and related financing activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
System development fees	61,926	-	-
Capital contributions	-	2,509,481	-
Proceeds from sale of capital assets	15,000	-	-
Purchases of capital assets	(529,897)	(1,635,012)	-
Principal paid on capital debt	-	(55,000)	-
Interest paid on capital debt	-	(67,288)	-
Net cash used by capital and related financing activities	<u>(452,971)</u>	<u>752,181</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	3,644	3,460	583
Net cash provided by investing activities	<u>3,644</u>	<u>3,460</u>	<u>583</u>
Net increase (decrease) in cash and investments	(138,502)	921,332	(27,460)
Balances--beginning of the year	895,514	326,520	112,160
Balances--end of the year	<u>\$ 757,012</u>	<u>\$ 1,247,852</u>	<u>\$ 84,700</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (633,711)	\$ (531,735)	\$ (87,840)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Cash flows reported in other categories:			
Depreciation expense	1,102,100	573,846	59,829
Amortization expense	-	2,931	-
Change in assets and liabilities:			
Receivables, net	(6,727)	(44,619)	(148)
Prepaid assets	-	-	-
Inventories	-	-	-
Accounts payable	(143,076)	130,271	116
Accrued compensated absences	-	(170)	-
OPEB obligation	-	-	-
Other accrued liabilities	(7,761)	30,822	-
Unearned revenue	-	4,345	-
Net cash provided by operating activities	<u>\$ 310,825</u>	<u>\$ 165,691</u>	<u>\$ (28,043)</u>
Noncash capital activities:			
Capital assets contributed	<u>\$ -</u>	<u>\$ 41,271</u>	<u>\$ -</u>

See notes to the basic financial statements.

Business-type Activities-Enterprise Funds			Governmental Activities Internal Service Fund
Water	Golf	Totals	Fund
\$ 4,703,690	\$ 223,151	\$ 6,308,632	\$ 234,000
(1,087,251)	(120,821)	(1,538,292)	(257,210)
(1,487,188)	(81,623)	(1,682,629)	-
(815,090)	(57,533)	(1,364,277)	(9,794)
22,352	-	24,726	533
<u>1,336,513</u>	<u>(36,826)</u>	<u>1,748,160</u>	<u>(32,471)</u>
9,807	(9,807)	-	-
9,807	(9,807)	-	-
51,299	-	113,225	-
-	-	2,509,481	-
2,900	250	18,150	-
(2,362,424)	-	(4,527,333)	-
-	-	(55,000)	-
-	(446)	(67,734)	-
<u>(2,308,225)</u>	<u>(196)</u>	<u>(2,009,211)</u>	<u>-</u>
33,635	422	41,744	4,108
<u>33,635</u>	<u>422</u>	<u>41,744</u>	<u>4,108</u>
(928,270)	(46,407)	(219,307)	(28,363)
5,360,816	64,768	6,759,778	731,723
<u>\$ 4,432,546</u>	<u>\$ 18,361</u>	<u>\$ 6,540,471</u>	<u>\$ 703,360</u>
\$ (11,332)	\$ (44,300)	\$ (1,308,918)	\$ (25,737)
1,386,310	25,221	3,147,306	476
-	-	2,931	-
(104,510)	8,959	(147,045)	-
(251)	-	(251)	-
(2,537)	-	(2,537)	-
7,000	(2,787)	(8,476)	(1,281)
11,267	(6,008)	5,089	-
27,628	-	27,628	-
21,512	(17,911)	26,662	(5,929)
1,426	-	5,771	-
<u>\$ 1,336,513</u>	<u>\$ (36,826)</u>	<u>\$ 1,748,160</u>	<u>\$ (32,471)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,271</u>	<u>\$ -</u>

**NOTES TO
BASIC FINANCIAL STATEMENTS**

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict 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 of the City of Roseburg (Agency) 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 Agency's governing body is identical to the City's and because the services of the Agency are exclusively for the benefit of the City, 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 Agency 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, 2013

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. 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.

- *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.

The City reports each of its six proprietary funds as major funds. The proprietary funds include five 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, off-street parking and golf facilities. These funds are entirely or predominantly self-supported through user charges to customers. The Workers Compensation Fund is an internal service fund which accounts for the resources and payment of workers compensation claims for work-related injuries and illnesses.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

The City reports the following proprietary funds:

- *Water Fund*
- *Storm Drainage Fund*
- *Airport Fund*
- *Off-Street Parking Fund*
- *Golf 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.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

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

Proprietary funds distinguish operating revenues and expenses from 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, Airport and Golf Funds are charges to customers for sales and services. Principle operating revenues to the Airport Fund include user fees and intergovernmental grants. The Water and Storm Drainage Funds also recognize fees intended to recover the cost of connecting new customers to the City's utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and overheads, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Cash and Investments

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

Restricted Assets

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

Receivables and Payables

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Recorded property taxes receivables collected within 60 days after year-end are considered measurable and available, and recognized as revenue. The remaining balance is recorded as a deferred inflow of resources because it is not deemed available to finance operations of the current period. An allowance for doubtful accounts is not deemed necessary, as uncollectible taxes become a lien on the property. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15 and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are delinquent.

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

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

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

Inventories and Prepaid Items

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

Capital Assets

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

Capital assets are defined by the City as assets with an initial individual cost of \$5,000 or more, and that have initial useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset, are capitalized. Other costs for repairs and maintenance are expensed as incurred.

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

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

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

Accrued Compensated Absences and Sick Pay

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

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

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are capitalized in the year of issued and are amortized over the life of the bond.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of Net Position will sometimes report a separate section for *deferred outflows* of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City does not currently have anything that qualifies for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for *deferred inflows of resources*. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance

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

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

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

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

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, 2013, fund balances of the governmental funds are classified as follows:

Fund Balances	General	Transportation	Urban Renewal	Urban Renewal Capital	Other Governmental	Total Governmental
Nonspendable:	\$ 28,120	\$ -	\$ -	\$ -	\$ -	\$ 28,120
Restricted						
Federal, State & Local Grants	110,059	-	-	-	69,482	179,541
Housing Rehabilitation	-	-	-	-	96,047	96,047
Pedestrian & Bike Paths	-	-	-	-	108,156	108,156
Fir Grove Parking	-	-	-	-	80,961	80,961
Stewart Park	-	-	-	-	113,565	113,565
Committed						
Capital Projects	-	1,255,776	365,207	2,238,712	892,175	4,751,870
Tourism	-	-	-	-	157,732	157,732
Economic Development	-	-	-	-	144,217	144,217
Street Lights, Sidewalks & Signals	-	-	-	-	864,047	864,047
Facilities	-	-	-	-	1,005,624	1,005,624
Assigned:						
K-9 Program	15,353	-	-	-	-	15,353
Public Works	437,567	-	-	-	-	437,567
Capital Projects-Streets	-	937,157	-	-	-	937,157
Capital Projects-Parks	-	-	-	-	164,932	164,932
Capital-Vehicles & Equipment	-	-	-	-	849,283	849,283
Local Improvement Districts	-	-	-	-	1,378,366	1,378,366
Unassigned	6,825,229	-	-	-	-	6,825,229
Total Fund Balances	\$ 7,416,328	\$ 2,192,933	\$ 365,207	\$ 2,238,712	\$ 5,924,587	\$ 18,137,767

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.

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.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

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

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

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

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

Deficit Fund Equity

The City has no instances whereby any of its funds had a deficit in fund equity as of June 30, 2013.

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, 2013 are comprised of the following:

Petty cash	\$1,050
Deposits with financial institutions	1,181,164
Investments	23,353,165
	<hr/>
	\$24,535,379
	<hr/>

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

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

Cash and investments	\$ 24,056,915
Restricted assets - cash and investments	478,464
	<hr/> <u>\$24,535,379</u>

DEPOSITS

Deposits with financial institutions are comprised of bank demand deposits and certificates of deposit. The total bank balance per the bank statements is \$1,390,412. Of these deposits, \$380,688 is covered by federal depository insurance. The balance of \$1,009,724 is collateralized per the Oregon Public Funds Collateralization Program (PFCP) per Oregon Revised Statutes, Chapter 295 which requires public funds in excess of insurance limits to be held at qualified depositories. The City is in full compliance with ORS Chapter 295.

INVESTMENTS

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

Credit Risk

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

State statutes authorize the City to invest in general obligations of the US Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers and the State Treasurer's investment pool, among others. The City's investment policy does not further restrict its investment choices.

The State of Oregon Local Government Pool (Pool) is not registered with the U.S. Securities and Exchange Commission as an investment company. Oregon Revised Statutes and the Oregon Investment Council govern the Pool's investment policies. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the fund are further governed by portfolio guidelines issued by the Oregon Short-Term Funds Board, which establish diversification percentages and specify the types and maturities of investments. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. The Division's report on the Pool as of and for the year ended June 30, 2013 was unqualified.

The LGIP's portfolio concentration of credit risk at June 30, 2013 included: Commercial Paper, .1%; Agency Securities, 42.1%; Certificates of Deposits, .70%; Corporate Notes, 47.5%; Municipal Bonds, 4.4%; and foreign government, 5.2%. The credit risk associated with the investments was: AAA rating, .14%; AA rating, 28.81%; A rating, 34.56%; BBB rating, 7.75%; FDIC covered, .66%; and not rated, 28.08%. 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.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

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%	\$23,353,165
Petty Cash				1,050
Cash on Hand, Checking				1,181,164
Subtotal for Cash on Hand and in Checking				<u>1,182,214</u>
Total Cash and Investments, June 30, 2013				<u><u>\$24,535,379</u></u>

Interest Rate Risk

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

Receivables

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

GOVERNMENTAL ACTIVITIES

	General	Transportation	Urban Renewal General	Urban Renewal Capital	Non-Major	Total Governmental Activities
Receivables:						
Interest	\$ -	\$ -	\$ -	\$ -	\$ 8,615	\$ 8,615
Accounts	274,523	42,362	-	-	-	316,885
Taxes	1,510,422	-	406,879	-	204,151	2,121,452
Special assessments	-	-	-	-	159,974	159,974
Intergovernmental	137,169	104,904	-	-	45,454	287,527
Total	<u>\$ 1,922,114</u>	<u>\$ 147,266</u>	<u>\$ 406,879</u>	<u>\$ -</u>	<u>\$ 418,194</u>	<u>\$ 2,894,453</u>

BUSINESS-TYPE ACTIVITIES

	Storm Drainage	Airport	Off Street Parking	Water	Golf	Total Business-Type Activities
Receivables:						
Accounts	\$ -	\$ 610,710	\$ 740	\$ 11,275	\$ 2,663	\$ 625,388
Utilities receivable, net	139,622	-	-	790,244	-	929,866
Notes	-	-	-	-	29,750	29,750
Total	<u>\$ 139,622</u>	<u>\$ 610,710</u>	<u>\$ 740</u>	<u>\$ 801,519</u>	<u>\$ 32,413</u>	<u>\$ 1,585,004</u>

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

Capital asset activity for governmental and internal service funds for the year ended June 30, 2013:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Land	\$ 66,956,446	\$ -	\$ -	\$ 66,956,446
Construction in Progress	1,159,402	1,622,685	(1,535,828)	1,246,259
Total non-depreciable	<u>68,115,848</u>	<u>1,622,685</u>	<u>(1,535,828)</u>	<u>68,202,705</u>
Buildings & bldg improvements	20,857,142	296,110	-	21,153,252
Land improvements	13,247,028	345,271	-	13,592,299
Machinery & Equipment	3,352,905	99,582	(40,985)	3,411,502
Vehicles	5,800,885	218,902	(147,495)	5,872,292
Infrastructure	114,900,729	998,904	-	115,899,633
Total depreciable	<u>158,158,689</u>	<u>1,958,769</u>	<u>(188,480)</u>	<u>159,928,978</u>
Accumulated depreciation				
Buildings/Improvements	(5,435,359)	(575,217)	-	(6,010,576)
Land Improvements	(5,121,989)	(502,814)	-	(5,624,803)
Machinery & Equipment	(1,833,769)	(198,435)	25,957	(2,006,247)
Vehicles	(3,845,756)	(331,016)	130,071	(4,046,701)
Infrastructure	(76,380,477)	(3,476,119)	-	(79,856,596)
Total accumulated depreciation	<u>(92,617,350)</u>	<u>(5,083,601)</u>	<u>156,028</u>	<u>(97,544,923)</u>
Governmental activities capital assets, net	<u>\$ 133,657,187</u>	<u>\$ (1,502,147)</u>	<u>\$ (1,568,280)</u>	<u>\$ 130,586,760</u>

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

General government	\$ 483,958
Public Safety	271,705
Public Works	3,866,001
Culture and recreation	457,938
Community development	3,999
Total depreciation for governmental activities	<u>\$ 5,083,601</u>

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

Capital asset activity for business-type activities for the year ended June 30, 2013:

Description	Beginning Balance	Adjustments	Increases	Decreases	Ending Balance
Land	\$ 6,871,885	\$ -	\$ -	\$ (2,244)	\$ 6,869,642
Construction in Progress	2,925,112	-	1,574,439	(1,318,862)	3,180,689
Total non-depreciable	<u>9,796,997</u>	<u>-</u>	<u>1,574,439</u>	<u>(1,321,106)</u>	<u>10,050,331</u>
Buildings	16,584,713	2	110,825	-	16,695,538
Improvements other than building	100,612,422	-	4,155,774	-	104,768,196
Machinery & Equipment	2,164,223	-	19,791	(71,901)	2,112,113
Vehicles	1,214,729	28,235	26,637	(161,006)	1,080,360
Total depreciable	<u>120,576,087</u>	<u>28,237</u>	<u>4,313,027</u>	<u>(232,907)</u>	<u>124,656,207</u>
Accumulated depreciation					
Buildings	(7,864,139)	(2)	(460,212)	-	(8,324,351)
Improvements other than building	(47,121,056)	-	(2,512,030)	-	(49,633,086)
Machinery & Equipment	(1,685,853)	-	(132,701)	54,498	(1,764,056)
Vehicles	(1,087,905)	(28,235)	(42,363)	161,006	(969,262)
Total accumulated depreciation	<u>(57,758,953)</u>	<u>(28,237)</u>	<u>(3,147,306)</u>	<u>215,504</u>	<u>(60,690,755)</u>
Business type activities, net	<u>\$ 72,614,131</u>	<u>\$ -</u>	<u>\$ 2,740,160</u>	<u>\$ (1,338,509)</u>	<u>\$ 74,015,783</u>

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

Off Street Parking	\$ 59,829
Airport	573,846
Water	1,386,310
Golf	25,221
Storm Drain	1,102,100
Total depreciation for business-type activities	<u>\$ 3,147,306</u>

Interfund Receivables, Payables, and Transfers

Interfund balances as of June 30, 2013 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	\$85,076

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

Advances from/to other funds:

An interfund loan of \$48,000 from the Water Fund to the Golf Fund to purchase twelve new golf carts was authorized in July of 2009. The loan, at 2.25% interest, is to be repaid within five years. A principal installment of \$9,807 was made June 1, 2013. The remaining balance at June 30, 2013 was \$10,027.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

An interagency loan of \$520,000 from the Urban Renewal Capital Fund to the Airport Fund to purchase 3.6 acres of land at the airport was authorized in July of 2011. The loan, at 0% interest, is for a period not to exceed the Urban Renewal Agency termination date in 2019. In September 2012, the City was awarded an FAA grant. A portion of the grant will be used to pay off the loan, with funding to occur by December 2013.

Interfund transfers:

	Transfers In:			
	General Fund	Urban Renewal Capital Projects	Nonmajor Governmental	Total
Transfer out:				
General Fund	\$ 773,128	\$ -	\$ 568,000	\$1,341,128
Urban Renewal	-	800,000	1,907,080	2,707,080
Nonmajor Governmental	-	-	334,159	334,159
Total	\$ 773,128	\$ 800,000	\$2,809,239	\$4,382,367

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	\$ 1,327,553	\$ 757,195	\$ 822,373	\$ 1,262,375	\$ 756,936
Net OPEB Obligation	1,358,755	415,463	(24,769) *	1,798,987	-
Full Faith & Credit					
Series 2006	4,275,000	-	-	4,275,000	2,210,000
Series 2007	5,210,000	-	30,000	5,180,000	25,000
Tax Increment Bonds					
Series 2002	-	-	-	-	-
Series 2006	1,970,000	-	1,970,000	-	-
Total Governmental Activities	\$ 14,141,308	\$ 1,172,658	\$ 2,797,604	\$ 12,516,362	\$ 2,991,936
Business Type Activities					
Compensated Absences	\$ 110,879	\$ 67,052	\$ 61,963	\$ 115,968	\$ 66,011
Net OPEB Obligation	110,141	33,865	31,006	113,000	-
Full Faith & Credit					
Series 2007 (Airport)	1,665,000	-	55,000	1,610,000	60,000
Total	\$ 1,886,020	\$ 100,917	\$ 147,969	\$ 1,838,968	\$ 126,011

* Includes transfer from Business Type Activities listed below

GOVERNMENTAL ACTIVITIES

Full Faith and Credit Obligations

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

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

credit were sold as a direct bank placement. The interest rate on the obligations is 4%. Interest only payments will be made during the first eight years. The first principal payment of \$2,210,000 is due in 2014 and final maturity is 2017. An intergovernmental agreement between the City and the Urban Renewal Agency pledges the Agency's tax increment revenues to pay the debt in entirety. The intergovernmental agreement constitutes an indebtedness of the Agency.

The balance outstanding as of June 30, 2013 is \$4,275,000.

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

Year Ending June 30,	Principal	Interest
2014	2,210,000	171,000
2015	65,000	82,600
2016	-	80,000
2017	2,000,000	80,000
Totals	<u>\$ 4,275,000</u>	<u>\$ 413,600</u>

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

The balance outstanding as of June 30, 2013 is \$5,180,000.

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

Year Ending June 30,	Principal	Interest
2014	25,000	207,200
2015	2,415,000	206,200
2016	2,740,000	109,600
Totals	<u>\$ 5,180,000</u>	<u>\$ 523,000</u>

Urban Renewal Bonds

In October 2006, the City issued \$5,725,000 in bonds through its Urban Renewal Agency to finance Urban Renewal infrastructure projects and to assist with completion of the public safety facility project. The interest rate on the bonds is 4.15% and the final maturity will be in June 2013. The principal balance outstanding on these bonds as of June 30, 2013 is \$0. This issue has been paid in full.

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, 2013 is \$1,610,000.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

Year Ending June 30,	Principal	Interest
2014	60,000	65,087
2015	60,000	62,688
2016	65,000	60,288
2017	65,000	57,688
2018	70,000	55,087
<u>2019-2032</u>	<u>1,290,000</u>	<u>429,512</u>
Totals	<u>\$ 1,610,000</u>	<u>\$ 730,350</u>

Restricted Assets

The balances of the restricted asset accounts are as follows:

	<u>Governmental</u>	<u>Business-type</u>
Prepayments:		
Transportation Fund	\$ 329,485	\$ -
Water Fund	<u>-</u>	<u>148,979</u>
Total restricted assets	<u>\$ 329,485</u>	<u>\$ 148,979</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, 2013, including an estimate for claims incurred but not reported, is \$44,548.

The following represents changes in the claims liability amount for fiscal year 2013:

	<u>2013</u>	<u>2012</u>
Balance July 1, 2012/2011	\$ 50,478	\$ 90,109
New Claims	152,160	41,300
Claims Payments	<u>158,090</u>	<u>80,931</u>
Balance June 30, 2013/2012	<u>\$ 44,548</u>	<u>\$ 50,478</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.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

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

Plan Description

The City contributes to the Oregon Public Employees Retirement Fund (OPERF), a cost-sharing multiple-employer defined benefit pension plan administered by the Oregon Public Employees Retirement System (PERS). PERS provides retirement and disability benefits, cost of living adjustments and death benefits to members and beneficiaries.

In the 2003 legislative sessions, the Oregon Legislative Assembly created a successor plan for PERS. The Oregon Public Service Retirement Plan ("OPSRP") is effective for all new employees hired on or after August 29, 2003. The new plan consists of a defined benefit program (the "Pension Program") and a defined contribution portion (the Individual Account Program or "IAP"). The Pension Program portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service and a factor that varies based on type of service (general versus police or fire).

Beginning January 1, 2004, all PERS member contributions go into the IAP portion of OPSRP. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account. Those employees who had established a PERS membership prior to creation of OPSRP will be members of both the PERS and OPSRP system as long as they remain in covered employment.

Both PERS and OPSRP are administered under Oregon Revised Statute Chapter 238 which establishes the Oregon Public Employees Retirement Board (OPERB) as the governing body of PERS. The comprehensive annual financial report of the funds administered by the OPERB may be obtained by writing to Oregon Public Employees Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377 or by accessing the PERS web site at <http://oregon.gov/pers/>.

Funding Policy

Members of PERS are required by state statute to contribute 6% of their annual salary to the system. The City, in conformance with its personnel policy, pays the required employee contribution. The City is required by ORS 235.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and OPSRP rates in effect for the year ended June 30, 2013 were 21.54% and 15.32%. The rates in effect for police and fire were 21.54% and 18.03%.

The City's contributions to PERS for the fiscal years ending June 30, 2011, 2012 and 2013 were \$2,083,057, \$2,488,857, and \$2,576,465 respectively, which equaled the required contribution for the year.

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.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

Funding Policy

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

For fiscal year 2012/2013, the City contributed \$52,608 consisting of retiree payments. The City has elected to not prefund the actuarially determined future cost amount of \$1,911,987.

Plan members required monthly contributions are \$689 per month for retiree-only coverage and \$1,329 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 2013, the City's annual OPEB cost was \$495,699.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2012/2013 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percent of Annual OPEB Cost Contributed	Net OPEB Oblig.
June 30, 2011	\$479,640	13.42%	\$415,281
June 30, 2012	\$496,906	15.87%	\$418,049
June 30, 2013	\$495,699	10.61%	\$443,091
Total			

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 4,301,218
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 4,301,218</u>
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$10,384,506
UAAL as a percentage of covered payroll	41.4%

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.

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

Actuarial Methods and Assumptions

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

In the July 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used to determine contributions level. The UAAL is being amortized over a closed period of 30 years as a level percent of payroll.

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, 2011 and 2012, Tier 1 & 2 rates were 1.59% and OPSRP .50% of annual covered payroll. For fiscal year ending June 30, 2013, the respective rates were .59% and .50%. 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, 2011, 2012, and 2013 were \$27,208, \$54,105, and \$59,301 respectively, which equaled the required contribution for the year.

The City's General Fund has paid approximately 78% 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

CITY OF ROSEBURG, OREGON
Notes to Basic Financial Statements
June 30, 2013

Section 457. The trust holds the assets for the exclusive benefit of plan participants and their beneficiaries.

CAPITAL CONTRIBUTIONS

	Storm				Total
	Drainage	Airport	Water	Golf	
Capital Contributions:					
System Development Charges	\$ 61,926	\$ -	\$51,299	\$ -	\$ 113,225
Grants	-	2,509,481	-	-	2,509,481
Capital Assets Reassigned from					
Urban Renewal Capital Project	-	41,271	-	-	41,271
Other Post-Employment Benefit					
reassigned to Governmental Funds	-	-	-	24,769	24,769
Totals	<u>\$ 61,926</u>	<u>\$ 2,550,752</u>	<u>\$51,299</u>	<u>\$ 24,769</u>	<u>\$ 2,688,746</u>

GASB PRONOUNCEMENTS IMPLEMENTED

The Governmental Accounting Standards Board (GASB) has issued Statement No. 63 "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Implementation is required for statements for periods beginning after December 15, 2011. The purpose of the statement is to standardize the presentation of deferred outflows of resources, deferred inflows of resources, and the effects they have on the City's net position.

GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities", modifies GASB No. 63. The statement is effective for periods beginning after December 15, 2012. Earlier application is encouraged. The City has chosen to implement Statement No. 65 this fiscal year.

GASB Statement No. 61, "The Financial Reporting Entity: Omnibus-an amendment of GASB Statements No. 14 and No. 34". This statement modifies certain requirements for inclusion of component units in the financial reporting entity. This statement also amends the criteria for reporting component units as if they were part of the primary government. The statement is effective for fiscal years beginning after June 15, 2012.

GASB Statement No. 62, "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements". The objective of this statement is to incorporate into GASB's authoritative literature certain accounting and financial reporting guidance that were issued on or before November 30, 1989, which do not conflict with or contradict GASB pronouncements. The statement is effective for fiscal years beginning after December 15, 2011.

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. 68 "Accounting and Reporting for Pensions-an amendment of GASB Statement No. 27". The statement establishes accounting and financial reporting requirements related to pensions provided by governments. The statement is effective for fiscal years beginning after June 15, 2014.

GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date - an Amendment of GASB No. 68" is to be applied simultaneously with the provisions of Statement No. 68.

SUBSEQUENT EVENTS

On November 26, 2013, the City sold full faith and credit obligations totaling \$4,840,000 to pay-off its OPERS transition liability. The net PV savings to the City is approximately \$825,000 over the fifteen year bond term.

Effective July 1, 2013 the Golf Fund will be considered a Special Revenue Fund.

**SUPPLEMENTAL
SECTION**

COMBINING 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.

Public Works

Accounts for the revenues generated for the administration of the Public Works Department and maintenance of City streets.

CITY OF ROSEBURG, OREGON
Major Funds
Combining General Fund Balance Sheet
June 30, 2013

	<u>General</u>	<u>Public Works</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 6,927,764	\$ 441,866	\$ 7,369,630
Accounts receivable	273,954	569	274,523
Taxes receivable	1,510,422	-	1,510,422
Intergovernmental receivable	137,169	-	137,169
Inventory	25,275	-	25,275
Prepays	2,845	-	2,845
Total assets	<u>\$ 8,877,429</u>	<u>\$ 442,435</u>	<u>\$ 9,319,864</u>
LIABILITIES			
Accounts payable	538,783	4,768	543,551
Other accrued liabilities	58,016	100	58,116
Total liabilities	<u>596,799</u>	<u>4,868</u>	<u>601,667</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	<u>1,301,869</u>	<u>-</u>	<u>1,301,869</u>
Total deferred inflows of resources	<u>1,301,869</u>	<u>-</u>	<u>1,301,869</u>
FUND BALANCES			
Nonspendable	28,120	-	28,120
Restricted	110,059	-	110,059
Assigned	15,353	437,567	452,920
Unassigned	<u>6,825,229</u>	<u>-</u>	<u>6,825,229</u>
Total fund balances	<u>6,978,761</u>	<u>437,567</u>	<u>7,416,328</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,877,429</u>	<u>\$ 442,435</u>	<u>\$ 9,319,864</u>

CITY OF ROSEBURG, OREGON
Major Funds
Combining General Fund Statement of Revenues,
Expenditures, and Changes in Fund Balances
For the year ended June 30, 2013

	<u>General</u>	<u>Public Works</u>	<u>Total</u>
REVENUES			
Taxes	\$ 14,238,908	\$ -	\$ 14,238,908
Intergovernmental	1,086,509	7,068	1,093,577
Licenses and permits	136,190	6,541	142,731
Charges for services	1,395,801	1,950,397	3,346,198
Fines and forfeitures	350,711	-	350,711
Investment revenue	45,771	2,351	48,122
Other revenues	215,838	3,963	219,801
Total revenues	<u>17,469,728</u>	<u>1,970,320</u>	<u>19,440,048</u>
EXPENDITURES			
Current operating:			
General government	1,943,843	-	1,943,843
Public safety	11,742,832	-	11,742,832
Public works	675,393	2,739,130	3,414,523
Culture and recreation	1,224,515	-	1,224,515
Community development	416,635	-	416,635
Intergovernmental	50,000	-	50,000
Capital outlay	56,723	-	56,723
Total expenditures	<u>16,109,941</u>	<u>2,739,130</u>	<u>18,849,071</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,359,787</u>	<u>(768,810)</u>	<u>590,977</u>
OTHER FINANCING SOURCES			
Proceeds from insurance reimbursements	5,827	2,630	8,457
Transfers in	-	831,983	831,983
Transfers out	<u>(1,466,983)</u>	<u>-</u>	<u>(1,466,983)</u>
Total other financing sources	<u>(1,461,156)</u>	<u>834,613</u>	<u>(626,543)</u>
Net change in fund balances	(101,369)	65,803	(35,566)
Fund balances--beginning	<u>7,080,130</u>	<u>371,764</u>	<u>7,451,894</u>
Fund balances--ending	<u>\$ 6,978,761</u>	<u>\$ 437,567</u>	<u>\$ 7,416,328</u>

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, streetlights, 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.

Housing Rehabilitation

Accounts for federal grant proceeds to be used for rehabilitation of qualified housing.

Economic Development

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

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.

Urban Renewal Debt Service

Accounts for general obligation indebtedness of the Urban Renewal Agency.

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, 2013
 (continued on next page)

	Special Revenue Funds							
	Grant	Hotel/Motel Tax	Streetlight/Sidewalk	Bike Trail Improvement	Housing Rehabilitation	Economic Development	Stewart Trust	
ASSETS								
Cash and investments	\$ 31,872	\$ 141,195	\$ 806,461	\$ 107,096	\$ 96,167	\$ 130,220	\$ 113,565	
Interest receivable	-	-	-	-	-	-	-	
Taxes receivable	-	204,151	-	-	-	-	-	
Assessment liens receivable	-	-	1,132	-	-	-	-	
Due from other funds	-	-	65,454	-	-	19,622	-	
Intergovernmental receivable	41,258	-	-	1,060	-	-	-	
Total assets	\$ 73,130	\$ 345,346	\$ 873,047	\$ 108,156	\$ 96,167	\$ 149,842	\$ 113,565	
LIABILITIES								
Accounts payable	3,648	82,718	9,000	-	-	5,625	-	
Other accrued liabilities	-	19,820	-	-	120	-	-	
Due to other funds	-	85,076	-	-	-	-	-	
Total liabilities	3,648	187,614	9,000	-	120	5,625	-	
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue-special assessments	-	-	-	-	-	-	-	
Total deferred inflows of resources	-	-	-	-	-	-	-	
FUND BALANCES								
Restricted	69,482	-	-	108,156	96,047	-	113,565	
Committed	-	157,732	864,047	-	-	144,217	-	
Assigned	-	-	-	-	-	-	-	
Total fund balances	69,482	157,732	864,047	108,156	96,047	144,217	113,565	
Total liabilities and fund balances	\$ 73,130	\$ 345,346	\$ 873,047	\$ 108,156	\$ 96,167	\$ 149,842	\$ 113,565	

CITY OF ROSEBURG, OREGON
Nonmajor Governmental Funds
Combining Balance Sheet
 June 30, 2013
 (continued from previous page)

	Debt Service Funds	Capital Project Funds					Total Nonmajor Governmental Funds
		Urban Renewal Debt	Park Improvement	Equipment Replacement	Assessment Improvement	Facilities Replacement	
ASSETS							
Cash and investments	\$ 892,175	\$ 250,493	\$ 849,283	\$ 1,369,751	\$ 1,006,957	\$ 5,795,235	
Interest receivable	-	-	-	8,615	-	8,615	
Taxes receivable	-	-	-	-	-	204,151	
Assessment liens receivable	-	-	-	158,842	-	159,974	
Due from other funds	-	-	-	-	-	85,076	
Intergovernmental receivable	-	-	-	-	-	42,318	
Total assets	<u>\$ 892,175</u>	<u>\$ 250,493</u>	<u>\$ 849,283</u>	<u>\$ 1,537,208</u>	<u>\$ 1,006,957</u>	<u>\$ 6,295,369</u>	
LIABILITIES							
Accounts payable	-	4,600	-	-	1,333	106,924	
Other accrued liabilities	-	-	-	-	-	19,940	
Due to other funds	-	-	-	-	-	85,076	
Total liabilities	-	<u>4,600</u>	-	-	<u>1,333</u>	<u>211,940</u>	
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-special assessments	-	-	-	158,842	-	158,842	
Total deferred inflows of resources	-	-	-	<u>158,842</u>	-	<u>158,842</u>	
FUND BALANCES							
Restricted	-	80,961	-	-	-	468,211	
Committed	892,175	-	-	-	1,005,624	3,063,795	
Assigned	-	164,932	849,283	1,378,366	-	2,392,581	
Total fund balances	<u>892,175</u>	<u>245,893</u>	<u>849,283</u>	<u>1,378,366</u>	<u>1,005,624</u>	<u>5,924,587</u>	
Total liabilities and fund balances	<u>\$ 892,175</u>	<u>\$ 250,493</u>	<u>\$ 849,283</u>	<u>\$ 1,537,208</u>	<u>\$ 1,006,957</u>	<u>\$ 6,295,369</u>	

CITY OF ROSEBURG, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2013
(continued on next page)

	Special Revenue Funds						
	Grant	Hotel/Motel Tax	Streetlight/Sidewalk	Bike Trail Improvement	Housing Rehabilitation	Economic Development	Stewart Trust
REVENUES							
Taxes	\$ -	\$ 800,763	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	56,103	-	-	13,489	-	-	-
Charges for services	-	-	-	-	10,000	-	-
System development fees	-	-	-	-	-	-	-
Special assessments	-	-	896	-	-	-	-
Investment revenue	319	1,176	4,657	491	1,231	784	59
Other revenues	1,300	-	-	-	-	-	17,432
Total revenues	<u>57,722</u>	<u>801,939</u>	<u>5,553</u>	<u>13,980</u>	<u>11,231</u>	<u>784</u>	<u>17,491</u>
EXPENDITURES							
Current operating:							
General government	-	-	-	-	78,286	-	-
Public safety	12,138	-	-	-	-	-	-
Public works	-	-	64,130	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Community development	3,136	566,414	-	-	-	91,920	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay	38,186	-	108,065	152	116,577	-	-
Total expenditures	<u>53,460</u>	<u>566,414</u>	<u>172,195</u>	<u>152</u>	<u>194,863</u>	<u>91,920</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	4,262	235,525	(166,642)	13,828	(183,632)	(91,136)	17,491
OTHER FINANCING SOURCES (USES)							
Proceeds from asset sales	-	-	-	-	-	-	-
Proceeds from insurance reimbursements	-	-	-	-	-	-	-
Transfers in	-	-	254,750	40,000	-	76,371	-
Transfers out	-	(331,121)	-	-	-	-	-
Total other financing sources (uses)	-	(331,121)	254,750	40,000	-	76,371	-
Net change in fund balances	4,262	(95,596)	88,108	53,828	(183,632)	(14,765)	17,491
Fund balances--beginning	65,220	253,328	775,939	54,328	279,679	158,982	96,074
Fund balances--ending	<u>\$ 69,482</u>	<u>\$ 157,732</u>	<u>\$ 864,047</u>	<u>\$ 108,156</u>	<u>\$ 96,047</u>	<u>\$ 144,217</u>	<u>\$ 113,565</u>

CITY OF ROSEBURG, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the year ended June 30, 2013
(continued from previous page)

	Debt Service Funds		Capital Project Funds				Total Nonmajor Governmental Funds
	Debt Retirement	Urban Renewal Debt	Park Improvement	Equipment Replacement	Assessment Improvement	Facilities Replacement	
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,763
Intergovernmental	409,400	-	-	-	-	-	478,992
Charges for services	-	-	1,196	-	-	-	11,196
System development fees	-	-	30,187	-	-	-	30,187
Special assessments	-	-	-	-	21,922	-	22,818
Investment revenue	-	-	924	3,830	16,023	5,989	35,483
Other revenues	-	-	62,632	-	-	107,312	188,676
Total revenues	409,400	-	94,939	3,830	37,945	113,301	1,568,115
EXPENDITURES							
Current operating:							
General government	-	-	-	-	-	142,142	220,428
Public safety	-	-	-	-	-	-	12,138
Public works	-	-	-	-	-	-	64,130
Culture and recreation	-	-	2,866	-	-	-	2,866
Community development	-	-	-	-	-	-	661,470
Debt service:							
Principal	30,000	1,970,000	-	-	-	-	2,000,000
Interest	379,400	74,942	-	-	-	-	454,342
Capital outlay	-	-	17,024	218,901	-	25,216	524,121
Total expenditures	409,400	2,044,942	19,890	218,901	-	167,358	3,939,495
Excess (deficiency) of revenues over (under) expenditures	-	(2,044,942)	75,049	(215,071)	37,945	(54,057)	(2,371,380)
OTHER FINANCING SOURCES							
Proceeds from asset sales	-	-	-	15,397	-	-	15,397
Transfers from insurance reimbursements	-	-	-	-	-	5,949	5,949
Transfers in	-	2,051,755	10,000	625,000	-	-	3,057,876
Transfers out	-	-	-	-	-	-	(331,121)
Total other financing sources	-	2,051,755	10,000	640,397	-	5,949	2,748,101
Net change in fund balances	-	6,813	85,049	425,326	37,945	(48,108)	376,721
Fund balances--beginning	-	885,362	160,844	423,957	1,340,421	1,053,732	5,547,866
Fund balances--ending	\$ -	\$ 892,175	\$ 245,893	\$ 849,283	\$ 1,378,366	\$ 1,005,624	\$ 5,924,587

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

- ◆ Public Works
- ◆ Grant
- ◆ Hotel/Motel Tax
- ◆ Streetlight/Sidewalk
- ◆ Bike Trail Improvement
- ◆ Housing Rehabilitation
- ◆ Economic Development
- ◆ Stewart Trust

Debt Service Funds

- ◆ Debt Retirement
- ◆ Urban Renewal

Capital Projects Funds

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

CITY OF ROSEBURG, OREGON
Public Works Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts Budgetary Basis</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 7,068	\$ 2,068
Licenses and permits	3,500	3,500	6,541	3,041
Charges for services	1,925,044	1,925,044	1,950,397	25,353
Investment revenue	1,200	1,200	2,351	1,151
Other revenues	-	-	3,963	3,963
Total revenues	<u>1,934,744</u>	<u>1,934,744</u>	<u>1,970,320</u>	<u>35,576</u>
EXPENDITURES				
Administration	760,255	760,255	722,360	37,895
Engineering	751,013	751,013	740,992	10,021
Street maintenance	1,363,835	1,363,835	1,275,778	88,057
Contingency	223,924	223,924	-	223,924
Total expenditures	<u>3,099,027</u>	<u>3,099,027</u>	<u>2,739,130</u>	<u>359,897</u>
Deficiency of revenues under expenditures	<u>(1,164,283)</u>	<u>(1,164,283)</u>	<u>(768,810)</u>	<u>395,473</u>
OTHER FINANCING SOURCES				
Proceeds from insurance reimbursements	-	-	2,630	2,630
Transfers in	831,983	831,983	831,983	-
Total other financing sources	<u>831,983</u>	<u>831,983</u>	<u>834,613</u>	<u>2,630</u>
Net change in fund balances	(332,300)	(332,300)	65,803	398,103
Fund balances--beginning	<u>332,300</u>	<u>332,300</u>	<u>371,764</u>	<u>39,464</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 437,567</u>	<u>\$ 437,567</u>

CITY OF ROSEBURG, OREGON

Grant Fund

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

For the year ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 140,264	\$ 140,264	\$ 56,103	\$ (84,161)
Investment revenue	400	400	319	(81)
Other revenues	-	-	1,300	1,300
Total revenues	<u>140,664</u>	<u>140,664</u>	<u>57,722</u>	<u>(82,942)</u>
EXPENDITURES				
Materials and services	129,798	129,798	15,274	114,524
Capital outlay	41,466	41,466	38,186	3,280
Contingency	42,662	42,662	-	42,662
Total expenditures	<u>213,926</u>	<u>213,926</u>	<u>53,460</u>	<u>160,466</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(73,262)</u>	<u>(73,262)</u>	<u>4,262</u>	<u>77,524</u>
Fund balances--beginning	<u>73,262</u>	<u>73,262</u>	<u>65,220</u>	<u>(8,042)</u>
Fund balances--ending	<u>-</u>	<u>-</u>	<u>\$ 69,482</u>	<u>\$ 69,482</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 825,000	\$ 825,000	\$ 800,763	\$ (24,237)
Investment revenue	<u>1,025</u>	<u>1,025</u>	<u>1,176</u>	<u>151</u>
Total revenues	<u>826,025</u>	<u>826,025</u>	<u>801,939</u>	<u>(24,086)</u>
EXPENDITURES				
Materials and services	509,787	574,787	566,414	8,373
Contingency	<u>112,395</u>	<u>47,395</u>	<u>-</u>	<u>47,395</u>
Total expenditures	<u>622,182</u>	<u>622,182</u>	<u>566,414</u>	<u>55,768</u>
Excess of revenues over expenditures	<u>203,843</u>	<u>203,843</u>	<u>235,525</u>	<u>31,682</u>
OTHER FINANCING USES				
Transfers out	<u>(341,482)</u>	<u>(341,482)</u>	<u>(331,121)</u>	<u>10,361</u>
Total other financing uses	<u>(341,482)</u>	<u>(341,482)</u>	<u>(331,121)</u>	<u>10,361</u>
Net change in fund balances	(137,639)	(137,639)	(95,596)	42,043
Fund balances--beginning	<u>137,639</u>	<u>137,639</u>	<u>253,328</u>	<u>115,689</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,732</u>	<u>\$ 157,732</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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ -	\$ -	\$ 896	\$ 896
Investment revenue	3,200	3,200	4,657	1,457
Total revenues	<u>3,200</u>	<u>3,200</u>	<u>5,553</u>	<u>2,353</u>
EXPENDITURES				
Materials and services	67,885	67,885	64,130	3,755
Capital outlay	435,000	435,000	108,065	326,935
Contingency	200,000	200,000	-	200,000
Total expenditures	<u>702,885</u>	<u>702,885</u>	<u>172,195</u>	<u>530,690</u>
Deficiency of revenues under expenditures	<u>(699,685)</u>	<u>(699,685)</u>	<u>(166,642)</u>	<u>533,043</u>
OTHER FINANCING SOURCES				
Transfers in	262,722	262,722	254,750	(7,972)
Total other financing sources	<u>262,722</u>	<u>262,722</u>	<u>254,750</u>	<u>(7,972)</u>
Net change in fund balances	(436,963)	(436,963)	88,108	525,071
Fund balances--beginning	<u>716,261</u>	<u>716,261</u>	<u>775,939</u>	<u>59,678</u>
Fund balances--ending	<u>\$ 279,298</u>	<u>\$ 279,298</u>	<u>\$ 864,047</u>	<u>\$ 584,749</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 87,144	\$ 87,144	\$ 13,489	\$ (73,655)
Investment revenue	-	-	491	491
Total revenues	<u>87,144</u>	<u>87,144</u>	<u>13,980</u>	<u>(73,164)</u>
EXPENDITURES				
Capital outlay	127,969	127,969	152	127,817
Contingency	43,594	43,594	-	43,594
Total expenditures	<u>171,563</u>	<u>171,563</u>	<u>152</u>	<u>171,411</u>
Deficiency of revenues under expenditures	<u>(84,419)</u>	<u>(84,419)</u>	<u>13,828</u>	<u>98,247</u>
OTHER FINANCING SOURCES				
Transfers in	40,000	40,000	40,000	-
Total other financing sources	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net change in fund balances	(44,419)	(44,419)	53,828	98,247
Fund balances--beginning	44,419	44,419	54,328	9,909
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,156</u>	<u>\$ 108,156</u>

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

For the year ended June 30, 2013

	<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	\$ -	\$ -	\$ 10,000	\$ 10,000
Investment revenue	750	750	1,231	481
Total revenues	<u>750</u>	<u>750</u>	<u>11,231</u>	<u>10,481</u>
EXPENDITURES				
Materials and services	78,286	78,286	78,286	-
Capital outlay	175,000	175,000	116,577	58,423
Contingency	26,994	26,994	-	26,994
Total expenditures	<u>280,280</u>	<u>280,280</u>	<u>194,863</u>	<u>85,417</u>
Deficiency of revenues under expenditures	<u>(279,530)</u>	<u>(279,530)</u>	<u>(183,632)</u>	<u>95,898</u>
Net change in fund balances	(279,530)	(279,530)	(183,632)	95,898
Fund balances--beginning	<u>279,530</u>	<u>279,530</u>	<u>279,679</u>	<u>149</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,047</u>	<u>\$ 96,047</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, 2013

	<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	\$ 500	\$ 500	\$ 784	\$ 284
Total revenues	<u>500</u>	<u>500</u>	<u>784</u>	<u>284</u>
EXPENDITURES				
Materials and services	101,832	101,832	91,920	9,912
Contingency	<u>115,263</u>	<u>115,263</u>	-	<u>115,263</u>
Total expenditures	<u>217,095</u>	<u>217,095</u>	<u>91,920</u>	<u>125,175</u>
Deficiency of revenues under expenditures	<u>(216,595)</u>	<u>(216,595)</u>	<u>(91,136)</u>	<u>125,459</u>
OTHER FINANCING SOURCES				
Transfers in	<u>78,760</u>	<u>78,760</u>	<u>76,371</u>	<u>(2,389)</u>
Total other financing sources	<u>78,760</u>	<u>78,760</u>	<u>76,371</u>	<u>(2,389)</u>
Net change in fund balances	(137,835)	(137,835)	(14,765)	123,070
Fund balances--beginning	<u>137,835</u>	<u>137,835</u>	<u>158,982</u>	<u>21,147</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,217</u>	<u>\$ 144,217</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, 2013

	<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	\$ 60	\$ 60	\$ 59	\$ (1)
Other revenues	<u>12,000</u>	<u>12,000</u>	<u>17,432</u>	<u>5,432</u>
Total revenues	<u>12,060</u>	<u>12,060</u>	<u>17,491</u>	<u>5,431</u>
EXPENDITURES				
Capital outlay	60,000	60,000	-	60,000
Contingency	<u>44,702</u>	<u>44,702</u>	<u>-</u>	<u>44,702</u>
Total expenditures	<u>104,702</u>	<u>104,702</u>	<u>-</u>	<u>104,702</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(92,642)</u>	<u>(92,642)</u>	<u>17,491</u>	<u>110,133</u>
Fund balances--beginning	<u>92,642</u>	<u>92,642</u>	<u>96,074</u>	<u>3,432</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 113,565</u>	<u>\$ 113,565</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 410,000	\$ 410,000	\$ 409,400	\$ (600)
Total revenues	<u>410,000</u>	<u>410,000</u>	<u>409,400</u>	<u>(600)</u>
EXPENDITURES				
Debt service:				
Principal	30,000	30,000	30,000	-
Interest	<u>380,000</u>	<u>380,000</u>	<u>379,400</u>	<u>600</u>
Total expenditures	<u>410,000</u>	<u>410,000</u>	<u>409,400</u>	<u>600</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
Urban Renewal Debt Service Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the year ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES				
Debt service:				
Principal	\$ 1,970,000	\$ 1,970,000	\$ 1,970,000	\$ -
Interest	82,085	82,085	74,942	7,143
Total expenditures	<u>2,052,085</u>	<u>2,052,085</u>	<u>2,044,942</u>	<u>7,143</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,052,085	2,052,085	2,051,755	(330)
Transfers out	-	-	-	-
Reserved for future expenditures	<u>(879,085)</u>	<u>(879,085)</u>	-	879,085
Total other financing sources	<u>1,173,000</u>	<u>1,173,000</u>	<u>2,051,755</u>	<u>878,755</u>
Net change in fund balances	(879,085)	(879,085)	6,813	885,898
Fund balances--beginning	<u>879,085</u>	<u>879,085</u>	<u>885,362</u>	<u>6,277</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 892,175</u>	<u>\$ 892,175</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 432,855	\$ 432,855	\$ 405,175	\$ (27,680)
Intergovernmental	1,405,350	1,405,350	1,182,149	(223,201)
Charges for services	1,000	1,000	2,649	1,649
System development fees	25,000	25,000	47,479	22,479
Investment revenue	12,000	12,000	12,597	597
Total revenues	<u>1,876,205</u>	<u>1,876,205</u>	<u>1,650,049</u>	<u>(226,156)</u>
EXPENDITURES				
Materials and services	1,656,111	1,656,111	1,603,982	52,129
Capital outlay	632,500	632,500	335,020	297,480
Contingency	1,000,000	1,000,000	-	1,000,000
Total expenditures	<u>3,288,611</u>	<u>3,288,611</u>	<u>1,939,002</u>	<u>1,349,609</u>
Deficiency of revenues under expenditures	<u>(1,412,406)</u>	<u>(1,412,406)</u>	<u>(288,953)</u>	<u>1,123,453</u>
OTHER FINANCING USES				
Transfers out	(40,000)	(40,000)	(40,000)	-
Total other financing uses	<u>(40,000)</u>	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>
Net change in fund balances	(1,452,406)	(1,452,406)	(328,953)	1,123,453
Fund balances--beginning	<u>2,465,701</u>	<u>2,465,701</u>	<u>2,521,886</u>	<u>56,185</u>
Fund balances--ending	<u>\$ 1,013,295</u>	<u>\$ 1,013,295</u>	<u>\$ 2,192,933</u>	<u>\$ 1,179,638</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 114,000	\$ 114,000	\$ -	\$ (114,000)
Charges for services	400	400	1,196	796
System development fees	10,000	10,000	30,187	20,187
Investment revenue	800	800	924	124
Other revenues	<u>25,000</u>	<u>25,000</u>	<u>62,632</u>	<u>37,632</u>
Total revenues	<u>150,200</u>	<u>150,200</u>	<u>94,939</u>	<u>(55,261)</u>
EXPENDITURES				
Materials and services	18,242	18,242	2,866	15,376
Capital outlay	180,000	180,000	17,024	162,976
Contingency	<u>111,182</u>	<u>111,182</u>	<u>-</u>	<u>111,182</u>
Total expenditures	<u>309,424</u>	<u>309,424</u>	<u>19,890</u>	<u>289,534</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(159,224)</u>	<u>(159,224)</u>	<u>75,049</u>	<u>234,273</u>
OTHER FINANCING SOURCES				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	(149,224)	(149,224)	85,049	234,273
Fund balances--beginning	<u>149,224</u>	<u>149,224</u>	<u>160,844</u>	<u>11,620</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 245,893</u>	<u>\$ 245,893</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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment revenue	\$ 2,000	\$ 2,000	\$ 3,830	\$ 1,830
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>3,830</u>	<u>1,830</u>
EXPENDITURES				
Capital outlay	408,000	408,000	218,901	189,099
Total expenditures	<u>408,000</u>	<u>408,000</u>	<u>218,901</u>	<u>189,099</u>
Deficiency of revenues under expenditures	<u>(406,000)</u>	<u>(406,000)</u>	<u>(215,071)</u>	<u>190,929</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from asset sales	10,000	10,000	15,397	5,397
Transfers in	625,000	625,000	625,000	-
Reserved for future expenditures	(568,892)	(568,892)	-	568,892
Total other financing sources (uses)	<u>66,108</u>	<u>66,108</u>	<u>640,397</u>	<u>574,289</u>
Net change in fund balances	(339,892)	(339,892)	425,326	765,218
Fund balances--beginning	<u>339,892</u>	<u>339,892</u>	<u>423,957</u>	<u>84,065</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 849,283</u>	<u>\$ 849,283</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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special assessments	\$ 20,000	\$ 20,000	\$ 21,922	\$ 1,922
Investment revenue	12,000	12,000	16,023	4,023
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>37,945</u>	<u>5,945</u>
EXPENDITURES				
Contingency	300,000	300,000	-	300,000
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(268,000)</u>	<u>(268,000)</u>	<u>37,945</u>	<u>305,945</u>
OTHER FINANCING USES				
Reserved for future expenditures	(1,067,156)	(1,067,156)	-	1,067,156
Total other financing uses	<u>(1,067,156)</u>	<u>(1,067,156)</u>	<u>-</u>	<u>1,067,156</u>
Net change in fund balances	(1,335,156)	(1,335,156)	37,945	1,373,101
Fund balances--beginning	<u>1,335,156</u>	<u>1,335,156</u>	<u>1,340,421</u>	<u>5,265</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,378,366</u>	<u>\$ 1,378,366</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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 30,000	\$ 30,000	\$ -	\$ (30,000)
Investment Income	5,000	5,000	5,989	989
Other revenues	<u>105,000</u>	<u>105,000</u>	<u>107,312</u>	<u>2,312</u>
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>113,301</u>	<u>(26,699)</u>
EXPENDITURES				
Materials and services	190,376	190,376	142,142	48,234
Capital outlay	305,300	305,300	25,216	280,084
Contingency	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Total expenditures	<u>695,676</u>	<u>695,676</u>	<u>167,358</u>	<u>528,318</u>
Deficiency of revenues under expenditures	<u>(555,676)</u>	<u>(555,676)</u>	<u>(54,057)</u>	<u>501,619</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from asset sales	100,000	100,000	-	(100,000)
Proceeds from insurance reimbursements	-	-	5,949	5,949
Reserved for future expenditures	<u>(592,626)</u>	<u>(592,626)</u>	<u>-</u>	<u>592,626</u>
Total other financing sources (uses)	<u>(492,626)</u>	<u>(492,626)</u>	<u>5,949</u>	<u>498,575</u>
Net change in fund balances	(1,048,302)	(1,048,302)	(48,108)	1,000,194
Fund balances--beginning	<u>1,048,302</u>	<u>1,048,302</u>	<u>1,053,732</u>	<u>5,430</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,005,624</u>	<u>\$ 1,005,624</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 120,000	\$ 120,000	\$ 161,334	\$ 41,334
Investment revenue	12,000	12,000	12,589	589
Other revenues	-	-	515	515
Total revenues	<u>132,000</u>	<u>132,000</u>	<u>174,438</u>	<u>42,438</u>
EXPENDITURES				
Materials and services	197,666	197,666	119,105	78,561
Capital outlay	2,145,000	2,145,000	1,114,316	1,030,684
Contingency	446,741	446,741	-	446,741
Total expenditures	<u>2,789,407</u>	<u>2,789,407</u>	<u>1,233,421</u>	<u>1,555,986</u>
Deficiency of revenues under expenditures	<u>(2,657,407)</u>	<u>(2,657,407)</u>	<u>(1,058,983)</u>	<u>1,598,424</u>
OTHER FINANCING SOURCES				
Transfers in	700,000	700,000	700,000	-
Total other financing sources	<u>700,000</u>	<u>700,000</u>	<u>700,000</u>	<u>-</u>
Net change in fund balances	(1,957,407)	(1,957,407)	(358,983)	1,598,424
Fund balances--beginning	<u>1,957,407</u>	<u>1,957,407</u>	<u>2,077,695</u>	<u>120,288</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,718,712</u>	<u>\$ 1,718,712</u>

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

Proprietary Funds

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

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, 2013

	<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	\$ 964,000	\$ 964,000	\$ 975,116	\$ 11,116
System development fees	25,000	25,000	61,926	36,926
Investment revenue	2,500	2,500	3,423	923
Other revenues	-	-	365	365
Total revenues	<u>991,500</u>	<u>991,500</u>	<u>1,040,830</u>	<u>49,330</u>
EXPENDITURES				
Materials and services	590,600	590,600	507,092	83,508
Capital outlay	904,000	904,000	529,897	374,103
Contingency	348,231	348,231	-	348,231
Total expenditures	<u>1,842,831</u>	<u>1,842,831</u>	<u>1,036,989</u>	<u>805,842</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(851,331)</u>	<u>(851,331)</u>	<u>3,841</u>	<u>855,172</u>
OTHER FINANCING SOURCES				
Proceeds from asset sales	-	-	15,000	15,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Net change in fund balances	(851,331)	(851,331)	18,841	870,172
Fund balances--beginning	<u>851,331</u>	<u>851,331</u>	<u>876,565</u>	<u>25,234</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 895,406</u>	<u>\$ 895,406</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ 18,841	
Add: Capital outlay			529,897	
Less: Depreciation and amortization			<u>(1,102,100)</u>	
Net income (loss) as reported in Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ (553,362)</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, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 6,122,701	\$ 6,122,701	\$ 2,509,481	\$ (3,613,220)
Charges for services	334,768	334,768	342,509	7,741
Investment revenue	2,400	2,400	3,380	980
Other revenues	-	-	2,009	2,009
Total revenues	<u>6,459,869</u>	<u>6,459,869</u>	<u>2,857,379</u>	<u>(3,602,490)</u>
EXPENDITURES				
Airport Operations	315,387	315,387	299,476	15,911
Capital outlay	6,316,000	6,316,000	1,635,012	4,680,988
Debt service:				
Principal	55,000	55,000	55,000	-
Interest	67,288	67,288	67,288	-
Contingency	13,096	13,096	-	13,096
Total expenditures	<u>6,766,771</u>	<u>6,766,771</u>	<u>2,056,776</u>	<u>4,709,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(306,902)</u>	<u>(306,902)</u>	<u>800,603</u>	<u>1,107,505</u>
Net change in fund balances	(306,902)	(306,902)	800,603	1,107,505
Fund balances--beginning	306,902	306,902	320,323	13,421
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,120,926</u>	<u>\$ 1,120,926</u>

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

\$ 800,603

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

1,635,012

41,271

55,000

183

(576,777)

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

\$ 1,955,292

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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 80,000	\$ 80,000	\$ 77,675	\$ (2,325)
Fines and forfeitures	51,000	51,000	33,640	(17,360)
Investment revenue	500	500	556	56
Total revenues	131,500	131,500	111,871	(19,629)
EXPENDITURES				
Enforcement	118,000	118,000	103,037	14,963
Administration	51,061	51,061	36,289	14,772
Contingency	65,109	65,109	-	65,109
Total expenditures	234,170	234,170	139,326	94,844
Deficiency of revenues under expenditures	(102,670)	(102,670)	(27,455)	75,215
Net change in fund balances	(102,670)	(102,670)	(27,455)	75,215
Fund balances--beginning	102,670	102,670	112,423	9,753
Fund balances--ending	\$ -	\$ -	\$ 84,968	\$ 84,968
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ (27,455)	
Less: Depreciation and amortization			(59,829)	
Net income (loss) as reported in Proprietary Statement of Revenues, Expenses and changes in Fund Net Position			\$ (87,284)	

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, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 450,000	\$ 450,000	\$ -	\$ (450,000)
Charges for services	4,437,850	4,437,850	4,806,774	368,924
System development fees	50,000	50,000	51,299	1,299
Investment revenue	26,000	26,000	32,316	6,316
Other revenues	15,000	15,000	22,352	7,352
Total revenues	4,978,850	4,978,850	4,912,741	(66,109)
EXPENDITURES				
Production	1,051,561	1,051,561	1,000,250	51,311
Transmission and Distribution	1,265,856	1,265,856	1,231,594	34,262
General Overhead	1,251,433	1,251,433	1,222,304	29,129
Capital outlay	3,447,000	3,447,000	2,362,424	1,084,576
Contingency	500,000	500,000	-	500,000
Total expenditures	7,515,850	7,515,850	5,816,572	1,699,278
Excess (deficiency) of revenues over (under) expenditures	(2,537,000)	(2,537,000)	(903,831)	1,633,169
OTHER FINANCING SOURCES (USES)				
Payment of interfund loan	10,096	10,096	9,807	(289)
Proceeds from asset sales	-	-	2,900	2,900
Reserved for future expenditures	(1,000,000)	(1,000,000)	-	1,000,000
Total other financing sources (uses)	(989,904)	(989,904)	12,707	1,002,611
Net change in fund balances	(3,526,904)	(3,526,904)	(891,124)	2,635,780
Fund balances--beginning	5,431,870	5,431,870	5,800,433	368,563
Fund balances--ending	\$ 1,904,966	\$ 1,904,966	\$ 4,909,309	\$ 3,004,343
Adjustment from budgetary basis to generally accepted accounting basis: Net change in fund balances per above			\$ (891,124)	
Add: Capital outlay			2,362,424	
Less: Depreciation and amortization			(1,386,310)	
Loss on sale of asset			(2,244)	
Repayment of interfund loan			(9,807)	
Net income as reported in Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position			\$ 72,939	

CITY OF ROSEBURG, OREGON

Golf Fund

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

For the year ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for services	\$ 316,510	\$ 316,510	\$ 214,192	\$ (102,318)
Investment revenue	300	300	406	106
Total revenues	316,810	316,810	214,598	(102,212)
EXPENDITURES				
Maintenance	300,447	300,447	233,271	67,176
Debt service:				
Principal	9,807	9,807	9,807	-
Interest	446	446	446	-
Contingency	13,310	13,310	-	13,310
Total expenditures	324,010	324,010	243,524	80,486
Deficiency of revenues under expenditures	(7,200)	(7,200)	(28,926)	(21,726)
OTHER FINANCING SOURCES				
Proceeds from asset sales	-	-	250	250
Total other financing sources	-	-	250	250
Net change in fund balances	(7,200)	(7,200)	(28,676)	(21,476)
Fund balances--beginning	7,200	7,200	22,979	15,779
Increase in fund balance due to OPEB liability transfer to governmental funds	-	-	24,769	24,769
Fund balances--ending	\$ -	\$ -	\$ 19,072	\$ 19,072
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ (28,676)	
Add: Repayment of interfund loan			9,807	
Gain on sale of asset			12,347	
OPEB liability transfer			24,769	
Less: Depreciation and amortization			(25,221)	
Net income (loss) as reported in Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position			\$ (6,974)	

**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, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance With</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Charges for services	\$ 234,000	\$ 234,000	\$ 234,000	\$ -
Investment revenue	3,600	3,600	3,931	331
Other revenues	-	-	533	533
Total revenues	<u>237,600</u>	<u>237,600</u>	<u>238,464</u>	<u>864</u>
EXPENDITURES				
Materials and services	255,294	270,294	262,669	7,625
Contingency	300,000	285,000	-	285,000
Total expenditures	<u>555,294</u>	<u>555,294</u>	<u>262,669</u>	<u>292,625</u>
Deficiency of revenues under expenditures	<u>(317,694)</u>	<u>(317,694)</u>	<u>(24,205)</u>	<u>293,489</u>
OTHER FINANCING SOURCES				
Proceeds from insurance reimbursements	-	-	2,875	2,875
Total other financing sources	<u>-</u>	<u>-</u>	<u>2,875</u>	<u>2,875</u>
Net change in fund balances	(317,694)	(317,694)	(21,330)	296,364
Fund balances--beginning	615,771	615,771	680,141	64,370
Fund balances--ending	<u>\$ 298,077</u>	<u>\$ 298,077</u>	<u>\$ 658,811</u>	<u>\$ 360,734</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ (21,330)	
Less: Depreciation and amortization			<u>(476)</u>	
Net income (loss) as reported in Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ (21,806)</u>	

STATISTICAL SECTION

CITY OF ROSEBURG, OREGON

Statistical Section

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

Contents

Page

Financial Trends

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

85

Revenue Capacity

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

95

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.

99

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.

102

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.

104

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			
	2004	2005	2006	2007
Governmental Activities				
Invested in capital assets, net of related debt	\$ 122,291,456	\$ 122,739,741	\$ 124,301,216	\$ 113,152,870
Restricted	3,560,513	1,544,637	922,145	1,508,818
Unrestricted	<u>13,686,064</u>	<u>16,329,575</u>	<u>16,757,381</u>	<u>28,476,668</u>
Total governmental activities net position	139,538,033	140,613,953	141,980,742	143,138,356
Business-type activities				
Invested in capital assets, net of related debt	67,353,357	68,242,972	71,703,303	74,815,434
Restricted	738,473	944,669	26,873	-
Unrestricted	<u>3,009,680</u>	<u>2,902,900</u>	<u>3,068,861</u>	<u>2,218,297</u>
Total business-type activities net position	71,101,510	72,090,541	74,799,037	77,033,731
Primary government				
Invested in capital assets, net of related debt	189,644,813	190,982,713	196,004,519	187,968,304
Restricted	4,298,986	2,489,306	949,018	1,508,818
Unrestricted	<u>16,695,744</u>	<u>19,232,475</u>	<u>19,826,242</u>	<u>30,694,965</u>
Total primary government net position	<u>\$ 210,639,543</u>	<u>\$ 212,704,494</u>	<u>\$ 216,779,779</u>	<u>\$ 220,172,087</u>

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 106,587,775	\$ 124,524,140	\$ 124,987,553	\$ 124,057,562	\$ 122,202,187	\$ 121,131,760
11,035,903	1,836,663	1,499,245	1,333,984	1,233,796	329,485
26,818,660	16,243,083	16,755,737	16,417,881	16,865,280	17,203,680
144,442,338	142,603,886	143,242,535	141,809,427	140,301,263	138,664,925
74,227,331	73,377,977	72,830,573	71,014,709	70,429,132	72,405,783
-	134,031	139,256	140,124	97,069	148,979
4,412,640	5,201,636	5,855,496	6,704,981	7,088,668	6,440,719
78,639,971	78,713,644	78,825,325	77,859,814	77,614,869	78,995,481
180,815,106	197,902,117	197,818,126	195,072,271	192,631,319	193,537,543
11,035,903	1,970,694	1,638,501	1,474,108	1,330,865	478,464
31,231,300	21,444,719	22,611,233	23,122,862	23,953,948	23,644,399
<u>\$ 223,082,309</u>	<u>\$ 221,317,530</u>	<u>\$ 222,067,860</u>	<u>\$ 219,669,241</u>	<u>\$ 217,916,132</u>	<u>\$ 217,660,406</u>

CITY OF ROSEBURG, OREGON

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(continued on next page)

	Fiscal Year			
	2004	2005	2006	2007
Expenses				
Governmental Activities				
General government	\$ 2,126,863	\$ 2,478,346	\$ 2,738,033	\$ 2,852,918
Public safety	6,838,463	7,567,236	8,165,681	8,896,100
Public works	5,908,810	6,191,069	7,112,575	8,300,942
Culture and recreation	1,118,558	1,139,010	1,263,664	1,371,792
Community development	496,953	741,567	890,222	1,046,132
Interest on long-term debt	478,423	410,758	294,593	591,434
Total governmental activities expenses	16,968,070	18,527,986	20,464,768	23,059,318
Business-type activities:				
Storm drain	1,362,697	1,383,470	1,439,393	1,563,588
Airport	1,845,842	836,646	575,203	651,590
Off street parking	180,459	184,618	196,132	212,518
Water	3,211,980	3,371,137	3,759,697	4,113,258
Golf	280,307	280,837	312,654	297,532
Total business-type activities expenses	6,881,285	6,056,708	6,283,079	6,838,486
Total primary government expenses	\$ 23,849,355	\$ 24,584,694	\$ 26,747,847	\$ 29,897,804
Program Revenues				
Governmental activities:				
Charges for services				
General government	\$ 964,830	\$ 1,430,788	\$ 862,342	\$ 2,928,235
Public safety	403,257	400,781	424,932	647,158
Public works	31,439	63,658	1,282,334	28,168
Culture and recreation	82,993	108,917	52,268	53,114
Community development	413,389	362,007	411,383	583,711
Operating grants and contributions	1,603,000	1,867,606	1,778,893	2,055,282
Capital grants and contributions	229,802	536,196	1,143,120	1,432,516
Total governmental activities program revenues	3,728,710	4,769,953	5,955,272	7,728,184
Business-type activities:				
Charges for services:				
Storm drain	862,650	735,969	1,000,296	820,535
Airport	328,799	201,320	195,047	267,844
Off street parking	153,476	131,755	145,726	122,727
Water	3,864,455	3,798,683	4,049,397	4,478,099
Golf	282,195	276,694	297,910	279,607
Operating grants and contributions	1,083,764	437,431	220,870	260,723
Capital grants and contributions	1,403,232	1,155,104	2,890,346	1,491,758
Total business-type activities program revenues	7,978,571	6,736,956	8,799,592	7,721,293
Total primary government program revenues	\$ 11,707,281	\$ 11,506,909	\$ 14,754,864	\$ 15,449,477
Net (Expense)/Revenue				
Governmental activities	\$ (13,239,360)	\$ (13,758,033)	\$ (14,509,496)	\$ (15,331,134)
Business-type activities	1,097,286	680,248	2,516,513	882,807
Total primary government net expense	\$ (12,142,074)	\$ (13,077,785)	\$ (11,992,983)	\$ (14,448,327)

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 2,417,995	\$ 2,150,395	\$ 1,950,788	\$ 2,235,540	\$ 2,301,621	\$ 2,581,807
9,755,597	10,789,020	10,761,543	11,327,142	12,086,382	12,351,730
12,085,109	10,908,273	8,644,880	9,295,037	9,547,088	9,569,423
1,534,226	1,463,440	1,523,596	1,564,865	1,658,199	1,742,796
1,480,335	1,421,339	1,355,748	1,922,272	843,907	1,093,141
806,055	717,615	662,700	599,604	531,303	454,242
<u>28,079,317</u>	<u>27,450,082</u>	<u>24,899,255</u>	<u>26,944,460</u>	<u>26,968,500</u>	<u>27,793,139</u>
1,593,932	1,478,907	1,481,752	2,009,164	1,774,078	1,609,192
601,602	719,573	803,678	814,444	947,272	943,358
226,500	206,925	221,632	208,996	201,700	199,155
4,411,280	4,443,801	4,426,472	4,583,688	4,733,448	4,840,458
323,196	361,088	325,479	357,456	334,764	258,938
<u>7,156,510</u>	<u>7,210,294</u>	<u>7,259,013</u>	<u>7,973,748</u>	<u>7,991,262</u>	<u>7,851,101</u>
<u>\$ 35,235,827</u>	<u>\$ 34,660,376</u>	<u>\$ 32,158,268</u>	<u>\$ 34,918,208</u>	<u>\$ 34,959,762</u>	<u>\$ 35,644,240</u>
\$ 3,468,710	\$ 1,478,258	\$ 1,459,915	\$ 1,404,950	\$ 1,355,643	\$ 1,383,602
614,341	526,451	473,515	469,809	431,660	380,763
350,396	1,940,034	1,668,558	1,538,910	1,785,594	2,004,167
81,735	52,699	77,383	61,435	58,283	56,816
140,314	166,027	111,728	152,307	16,231	28,367
2,080,288	1,629,412	1,513,853	2,585,391	2,075,380	2,256,907
4,370,993	2,109,773	2,283,898	816,342	385,883	668,899
<u>11,106,777</u>	<u>7,902,654</u>	<u>7,588,850</u>	<u>7,029,144</u>	<u>6,108,674</u>	<u>6,779,521</u>
821,766	825,031	860,554	903,408	940,955	975,116
302,324	369,026	391,308	379,553	410,576	342,509
152,770	164,785	150,056	138,151	134,227	111,315
4,321,983	4,445,391	4,402,370	4,421,370	4,497,257	4,806,774
308,907	343,490	305,232	305,008	301,768	214,192
231,992	-	-	3,562	-	-
<u>2,334,637</u>	<u>870,262</u>	<u>870,229</u>	<u>599,443</u>	<u>1,308,671</u>	<u>2,622,706</u>
<u>8,474,379</u>	<u>7,017,985</u>	<u>6,979,749</u>	<u>6,750,495</u>	<u>7,593,454</u>	<u>9,072,612</u>
<u>\$ 19,581,156</u>	<u>\$ 14,920,639</u>	<u>\$ 14,568,599</u>	<u>\$ 13,779,639</u>	<u>\$ 13,702,128</u>	<u>\$ 15,852,133</u>
\$ (16,972,540)	\$ (19,547,428)	\$ (17,310,405)	\$ (19,915,316)	\$ (20,859,826)	\$ (21,013,618)
1,317,869	(192,309)	(279,264)	(1,223,253)	(397,808)	1,221,511
<u>\$ (15,654,671)</u>	<u>\$ (19,739,737)</u>	<u>\$ (17,589,669)</u>	<u>\$ (21,138,569)</u>	<u>\$ (21,257,634)</u>	<u>\$ (19,792,107)</u>

CITY OF ROSEBURG, OREGON

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(continued from previous page)

	Fiscal Year			
	2004	2005	2006	2007
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Property taxes	\$ 10,750,331	\$ 11,401,460	\$ 11,906,182	\$ 12,625,062
Franchise taxes	2,582,712	2,775,294	2,922,125	3,103,308
Unrestricted grant and contributions	105,000	160,000	41,043	-
Investment earnings	206,572	403,269	717,534	1,419,057
Miscellaneous	123,410	216,016	287,124	366,380
Transfers	-	-	2,277	(1,081,152)
Proceeds from insurance	-	-	-	-
Gain (Loss) on disposition of capital assets	-	(122,085)	-	56,093
Total governmental activities	13,768,025	14,833,954	15,876,285	16,488,748
Business-type activities:				
Investment earnings	59,746	93,845	155,014	194,697
Miscellaneous	166,484	214,738	36,969	74,738
Transfers	-	-	-	1,081,152
Gain on disposition of capital assets	102,368	200	-	1,300
Total business-type activities	328,598	308,783	191,983	1,351,887
Total primary government	\$ 14,096,623	\$ 15,142,737	\$ 16,068,268	\$ 17,840,635
Change in Net Position				
Governmental activities	\$ 528,665	\$ 1,075,921	\$ 1,366,789	\$ 1,157,614
Business-type activities	1,425,884	989,031	2,708,496	2,234,694
Total primary government	\$ 1,954,549	\$ 2,064,952	\$ 4,075,285	\$ 3,392,308

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 13,207,409	\$ 13,495,945	\$ 13,981,642	\$ 14,417,794	\$ 14,913,045	\$ 15,114,422
3,283,545	3,227,250	3,564,616	3,793,295	4,036,584	4,015,410
-	-	-	-	-	-
1,364,425	597,570	170,370	124,302	121,645	125,839
434,026	351,942	405,523	295,998	288,805	204,703
(12,634)	-	(311,667)	(194,181)	(93,013)	(66,040)
-	17,338	138,570	45,000	-	-
(249)	18,931	-	-	84,596	(17,054)
<u>18,276,522</u>	<u>17,708,976</u>	<u>17,949,054</u>	<u>18,482,208</u>	<u>19,351,662</u>	<u>19,377,280</u>
167,522	111,031	49,608	39,047	39,966	40,081
23,215	16,407	25,415	15,026	16,320	24,726
12,634	-	311,667	194,181	93,013	66,040
85,000	138,544	4,255	9,489	3,564	28,253
<u>288,371</u>	<u>265,982</u>	<u>390,945</u>	<u>257,743</u>	<u>152,863</u>	<u>159,100</u>
<u>\$ 18,564,893</u>	<u>\$ 17,974,958</u>	<u>\$ 18,339,999</u>	<u>\$ 18,739,951</u>	<u>\$ 19,504,525</u>	<u>\$ 19,536,380</u>
\$ 1,303,982	\$ (1,838,452)	\$ 638,649	\$ (1,433,108)	\$ (1,508,164)	\$ (1,636,338)
1,606,240	73,673	111,681	(965,510)	(244,945)	1,380,611
<u>\$ 2,910,222</u>	<u>\$ (1,764,779)</u>	<u>\$ 750,330</u>	<u>\$ (2,398,618)</u>	<u>\$ (1,753,109)</u>	<u>\$ (255,727)</u>

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

	Fiscal Year			
	2004	2005	2006	2007
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	4,809,884	6,452,765	7,189,084	7,914,819
Nonspendable	n/a	n/a	n/a	n/a
Restricted	n/a	n/a	n/a	n/a
Committed	n/a	n/a	n/a	n/a
Assigned	n/a	n/a	n/a	n/a
Unassigned	n/a	n/a	n/a	n/a
Total general fund	<u>\$ 4,809,884</u>	<u>\$ 6,452,765</u>	<u>\$ 7,189,084</u>	<u>\$ 7,914,819</u>
All Other Governmental Funds				
Reserved	\$ 3,560,513	\$ 1,544,637	\$ 922,145	\$ 2,258,818
Unreserved, reported in:				
Special revenue funds	2,182,602	2,371,078	2,541,750	2,273,511
Capital project funds	5,639,349	6,808,819	6,556,262	17,128,846
Nonspendable	n/a	n/a	n/a	n/a
Restricted	n/a	n/a	n/a	n/a
Committed	n/a	n/a	n/a	n/a
Assigned	n/a	n/a	n/a	n/a
Unassigned	n/a	n/a	n/a	n/a
Total all other governmental funds	<u>\$ 11,382,464</u>	<u>\$ 10,724,534</u>	<u>\$ 10,020,157</u>	<u>\$ 21,661,175</u>

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,303,877	5,908,263	6,213,329	-	-	-
n/a	n/a	n/a	246,943	274,946	28,120
n/a	n/a	n/a	17,777	-	110,059
n/a	n/a	n/a	-	-	-
n/a	n/a	n/a	491,609	396,882	452,920
n/a	n/a	n/a	6,568,232	6,780,066	6,825,229
<u>\$ 8,303,877</u>	<u>\$ 5,908,263</u>	<u>\$ 6,213,329</u>	<u>\$ 7,324,561</u>	<u>\$ 7,451,894</u>	<u>\$ 7,416,328</u>
\$ 1,447,170	\$ 1,465,915	\$ 1,499,245	\$ n/a	\$ n/a	\$ n/a
2,492,616	2,543,035	2,270,339	n/a	n/a	n/a
15,788,445	8,123,434	7,945,684	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
n/a	n/a	n/a	5,978,126	6,373,087	6,923,490
n/a	n/a	n/a	2,961,764	3,171,717	3,329,738
n/a	n/a	n/a	-	-	-
<u>\$ 19,728,231</u>	<u>\$ 12,132,384</u>	<u>\$ 11,715,268</u>	<u>\$ 10,299,872</u>	<u>\$ 10,947,641</u>	<u>\$ 10,721,439</u>

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

	Fiscal Year			
	2004	2005	2006	2007
Revenues				
Taxes	\$ 13,041,753	\$ 13,836,165	\$ 14,405,196	\$ 15,320,178
Intergovernmental	2,158,951	2,585,985	2,643,652	2,739,761
Licenses and permits	508,021	463,392	513,155	611,826
Charges for services	946,576	1,418,716	2,130,831	3,026,457
System development fees	38,060	96,863	515,263	281,674
Fines and forfeitures	403,257	387,179	387,271	581,057
Special assessments	86,388	79,060	155,969	133,015
Investment revenue	195,236	386,925	692,742	1,386,208
Land held for resale	-	(141,175)	-	-
Other revenues	117,139	463,259	280,930	396,758
Total revenues	<u>17,495,381</u>	<u>19,576,369</u>	<u>21,725,009</u>	<u>24,476,934</u>
Expenditures				
General government	1,698,002	1,982,045	2,371,299	2,636,422
Public safety	6,623,398	7,360,808	7,991,007	8,765,377
Public works	2,509,398	2,722,525	3,596,396	4,725,648
Culture and recreation	693,572	714,746	821,906	926,709
Community development	496,388	741,567	890,222	1,077,707
Intergovernmental	50,000	50,000	50,000	50,000
Capital Outlay	1,707,382	2,935,892	2,808,409	7,427,673
Debt service:				
Interest	479,262	411,682	295,529	589,802
Principal	1,690,000	1,710,000	2,935,000	1,450,000
Total expenditures	<u>15,947,402</u>	<u>18,629,265</u>	<u>21,759,768</u>	<u>27,649,338</u>
Excess (deficiency) of revenues over (under) expenditures	1,547,979	947,104	(34,759)	(3,172,404)
Other Financing Sources (Uses)				
Proceeds from issuance of bonds	-	-	-	15,410,000
Proceeds from capital asset sales	(72,093)	19,090	2,277	65,567
Proceeds from insurance reimbursements	-	-	-	-
Contract payments received	56,156	61,589	88,847	-
Additions to contracts receivable	(1,336)	(42,834)	(24,421)	-
Contribution in aid of construction	-	-	-	763,591
Transfers in	3,466,704	3,246,664	3,833,141	4,754,434
Transfers out	(3,466,704)	(3,246,664)	(3,833,141)	(5,454,434)
Total other financing sources (uses)	<u>(17,273)</u>	<u>37,845</u>	<u>66,703</u>	<u>15,539,158</u>
Net changes in fund balances	<u>\$ 1,530,706</u>	<u>\$ 984,949</u>	<u>\$ 31,944</u>	<u>\$ 12,366,754</u>
Debt service as a percentage of noncapital expenditures	15.23%	13.52%	17.05%	10.09%

		Fiscal Year									
		2008	2009	2010	2011	2012	2013				
\$	15,970,397	\$	16,098,529	\$	16,642,714	\$	17,527,100	\$	18,409,230	\$	18,677,896
	6,827,228		4,047,255		3,434,419		3,867,608		2,932,200		2,916,052
	235,097		173,594		393,457		159,399		146,272		142,731
	3,547,434		3,406,788		2,997,654		2,807,836		3,001,089		3,360,043
	326,590		171,704		242,126		140,512		33,935		77,666
	546,375		483,088		438,633		415,112		391,455		350,711
	39,994		26,860		122,323		18,161		55,010		22,818
	1,343,028		588,886		166,187		120,326		112,293		121,909
	-		-		-		-		-		-
	469,526		402,194		426,844		378,456		354,690		408,992
	<u>29,305,669</u>		<u>25,398,898</u>		<u>24,864,357</u>		<u>25,434,510</u>		<u>25,436,174</u>		<u>26,078,818</u>
	2,137,096		1,954,106		1,890,904		1,783,309		1,893,380		2,164,271
	9,561,026		10,416,123		10,407,026		10,827,116		11,419,245		11,754,970
	4,802,704		5,218,025		4,745,509		5,333,834		5,562,538		5,611,140
	1,095,212		1,020,951		1,045,625		1,125,073		1,204,291		1,277,381
	1,480,032		1,414,201		1,347,798		1,916,847		844,489		1,078,105
	3,665,000		1,920,000		50,000		-		-		-
	5,972,457		11,570,492		3,991,386		2,628,570		1,523,601		2,030,180
	777,777		717,731		662,816		599,720		531,403		454,342
	<u>1,365,000</u>		<u>1,195,000</u>		<u>1,380,000</u>		<u>1,575,000</u>		<u>1,780,000</u>		<u>2,000,000</u>
	<u>30,856,304</u>		<u>35,426,629</u>		<u>25,521,064</u>		<u>25,789,469</u>		<u>24,758,947</u>		<u>26,370,389</u>
	(1,550,635)		(10,027,731)		(656,707)		(354,959)		677,227		(291,571)
	-		-		-		-		-		-
	6,750		18,931		22,085		5,795		95,659		15,397
	-		17,338		122,620		45,000		2,216		14,406
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		559,952		-		-		-
	4,495,976		5,543,691		3,722,851		4,049,655		4,382,367		4,589,859
	(4,495,976)		(5,543,691)		(3,882,851)		(4,049,655)		(4,382,367)		(4,589,859)
	<u>6,750</u>		<u>36,269</u>		<u>544,657</u>		<u>50,795</u>		<u>97,875</u>		<u>29,803</u>
\$	<u>(1,543,885)</u>	\$	<u>(9,991,462)</u>	\$	<u>(112,050)</u>	\$	<u>(304,164)</u>	\$	<u>775,102</u>	\$	<u>(261,768)</u>
	8.61%		8.02%		9.49%		9.39%		9.95%		10.08%

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
2013	\$ 1,529,246,929	\$ 90,372,056	\$ 44,888,200	\$ 1,660,998,595	\$ 217,671,955	\$ 1,446,835,230	\$ 2,572,361,801	56.25%	8.48
2012	1,502,843,982	87,005,502	49,035,604	1,638,885,088	210,368,317	1,428,516,771	2,699,065,887	52.93%	8.48
2011	1,459,747,891	83,819,308	48,000,613	1,591,567,812	206,993,884	1,384,573,928	2,754,342,522	50.27%	8.48
2010	1,399,683,398	88,429,423	47,178,531	1,535,291,352	200,383,704	1,334,907,648	2,865,750,448	46.58%	8.48
2009	1,353,138,163	88,344,998	43,735,256	1,485,218,417	190,789,789	1,294,428,628	2,885,835,767	44.85%	8.48
2008	1,285,367,212	87,631,575	43,152,350	1,416,151,137	182,387,994	1,233,763,143	2,808,949,832	43.92%	8.69
2007	1,234,864,024	85,152,859	41,569,745	1,361,586,628	171,847,698	1,189,738,930	2,510,934,024	47.38%	8.79
2006	1,141,423,872	79,662,425	40,097,433	1,261,183,730	172,243,028	1,088,940,702	2,139,284,574	50.90%	8.75
2005	1,074,689,381	79,517,375	50,601,966	1,204,808,722	155,376,796	1,049,431,926	1,898,763,728	55.27%	8.78
2004	1,012,007,459	75,337,421	46,990,655	1,134,334,535	141,672,315	992,672,220	1,719,198,751	57.74%	8.85

*Source: Douglas County Department of Assessment and Taxation

(1): In May of 1997, Oregon voters approved Measure 50 which reduced property tax levies by local government for operations by about 17% state wide. It also reduces assessed values on individual properties to 1995-96 levels less 10%. Measure 50 also restricts future growth of assessed value of individual properties to 3% per year plus the value of any improvements. Bonded debt is exempt from Measure 50.

(2): Assessed Valuation is the total dollar value placed on real and personal property as a basis for imposing taxes.

(3): Real Market Value represents the amount of cash that could reasonably be expected by an informed seller from an informed buyer.

(4): Total Taxable Assessed Value is Assessed Value less tax-exempt properties.

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

Fiscal Year	City Direct Rates			Overlapping Rates				
	Basic Rate	General Obligation Debt Service	Total Direct Rates	City's Downtown Rates	Douglas County	School Districts	4H Extension Service	Total Direct & Overlapping
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	15.27
2008-09	8.48	-	8.48	-	1.11	5.62	0.06	15.27
2007-08	8.48	0.21	8.69	-	1.11	5.65	-	15.45
2006-07	8.48	0.31	8.79	-	1.11	5.67	-	15.57
2005-06	8.48	0.27	8.75	-	1.10	5.67	-	15.52
2004-05	8.48	0.30	8.78	0.44	1.10	5.78	-	16.10
2003-04	8.48	0.37	8.85	0.44	1.08	5.83	-	16.20

*Source: County Assessor's Annual Certified Levy

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

	2013			2004		
	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value
Costco Wholesale Corporation	\$ 14,419,717	1	0.87%	\$ -		0.00%
Metropolitan Life Insurance Co	11,721,172	2	0.71%	9,441,121	3	0.87%
Lowe's HIW Inc.	11,348,764	3	0.68%	6,844,674	8	0.63%
Home Depot USA, Inc.	10,663,279	4	0.64%	-		0.00%
EMLAWA LLC	10,436,265	5	0.63%	-		0.00%
Oakridge Associates Limited	9,838,477	6	0.59%	7,667,537	5	0.70%
Wal-Mart Real Estate Business Trust	9,504,764	7	0.57%	7,270,830	6	0.67%
Charter Communications	9,436,000	8	0.57%	-		0.00%
Crown Development LLC	9,074,105	9	0.55%	7,163,186	7	0.66%
Parkway Medical Building Inc	9,061,881	10	0.55%	-		0.00%
Qwest Communications			0.00%	28,928,800	1	2.66%
RBO Mall Associates			0.00%	11,877,127	2	1.09%
Mercy Medical Enter			0.00%	8,795,118	4	0.81%
Albertson's, Inc.			0.00%	6,459,660	9	0.59%
Invest West Alpha			0.00%	5,929,333	10	0.54%
TOTAL	\$ 105,504,424		6.35%	\$ 100,377,386		9.22%

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
2012-13	\$ 15,402,819	\$ 14,265,195	92.61%	\$ -	\$ 14,265,195	92.61%
2011-12	15,219,532	14,001,445	92.00%	359,937	14,361,382	94.36%
2010-11	14,839,570	13,519,229	91.10%	585,443	14,104,672	95.05%
2009-10	14,300,551	13,140,788	91.89%	731,791	13,872,579	97.01%
2008-09	13,826,025	12,812,523	92.67%	683,396	13,495,919	97.61%
2007-08	13,477,974	12,571,101	93.27%	605,952	13,177,053	97.77%
2006-07	13,067,384	12,119,739	92.75%	535,427	12,655,166	96.85%
2005-06	12,151,933	11,375,472	93.61%	509,540	11,885,012	97.80%
2004-05	11,598,453	10,829,608	93.37%	707,668	11,537,276	99.47%
2003-04	10,979,105	10,220,961	93.09%	720,814	10,941,775	99.66%

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				
2012-13	\$ -	\$ 9,455,000	\$ -	\$ -	\$ 1,610,000		\$ 11,065,000	N/A	504.79
2011-12	-	9,485,000	1,970,000	-	1,665,000		13,120,000	1.73%	604.89
2010-11	-	9,515,000	3,720,000	-	1,720,000		14,955,000	2.03%	690.12
2009-10	-	9,550,000	5,260,000	-	1,770,000		16,580,000	2.30%	759.99
2008-09	-	9,585,000	6,605,000	-	1,820,000		18,010,000	2.65%	848.13
2007-08	-	9,620,000	7,765,000	-	1,865,000		19,250,000	2.91%	905.67
2006-07	335,000	9,655,000	8,760,000	-	-		18,750,000	2.94%	890.74
2005-06	655,000	-	4,135,000	510,000	-		5,300,000	0.87%	254.93
2004-05	960,000	-	6,765,000	1,010,000	-		8,735,000	1.53%	425.47
2003-04	1,250,000	-	8,185,000	1,480,000	-		10,915,000	1.98%	532.96

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>
2012-13	\$ -	\$	-	0.00%	\$ -
2011-12	-		-	0.00%	-
2010-11	-		-	0.00%	-
2009-10	-		-	0.00%	-
2008-09	-		-	0.00%	-
2007-08	-		-	0.00%	-
2006-07	335,000		335,000	0.03%	15.91
2005-06	655,000		655,000	0.06%	31.51
2004-05	960,000		960,000	0.09%	46.76
2003-04	1,250,000		1,250,000	0.13%	61.04

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	
2013	\$ 2,572,361,801	\$ 77,170,854	\$ -	\$ 77,170,854	0.00%
2012	2,699,065,887	80,971,977	-	80,971,977	0.00%
2011	2,754,342,522	82,630,276	-	82,630,276	0.00%
2010	2,865,750,448	85,972,513	-	85,972,513	0.00%
2009	2,885,835,767	86,575,073	-	86,575,073	0.00%
2008	2,808,949,832	84,268,495	-	84,268,495	0.00%
2007	2,510,934,024	75,328,021	335,000	74,993,021	0.44%
2006	2,139,284,574	64,178,537	655,000	63,523,537	1.02%
2005	1,898,763,728	56,962,912	960,000	56,002,912	1.69%
2004	1,719,198,751	51,575,963	1,250,000	50,325,963	2.42%

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)
2012-13	21,920	N/A	N/A	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	21,816	672,852,210	32,637	6,053	14.2%
2008-09	21,235	672,852,210	31,686	6,333	17.0%
2007-08	21,255	661,349,325	31,115	6,462	7.9%
2006-07	21,050	637,246,650	30,273	6,460	7.0%
2005-06	20,790	611,101,260	29,394	6,697	7.1%
2004-05	20,530	570,549,230	27,791	6,634	8.0%
2003-04	20,480	550,113,280	26,861	6,667	9.2%

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 Seven Years Ago

<u>Employer</u>	<u>2012</u>			<u>2006</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	1,800	1	5.18%	3,100	1	7.83%
Mercy Healthcare, Inc	1,124	2	3.23%	1,290	3	3.26%
VA Medical Center	800	3	2.30%	715	7	1.81%
Douglas County Seven Feathers Hotel & Gaming Center	680	4	1.96%	799	5	2.02%
Roseburg Public Schools	614	6	1.77%	2,250	2	5.68%
TMS Call Center	562	7	1.62%	735	6	1.86%
Swanson Group	475	8	1.37%	n/a		
First Call Resolution	308	9	0.89%	950	4	2.40%
Umpqua Bank	294	10	0.85%	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>7,307</u>		<u>21.04%</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,									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
City Manager's Department	4	4	4	5	5	5	5	5	4	4.5
Finance Department	8	8	8	9	9	8	8	8	9	8
Information Technology Division	1	1	2	2	2	2	2	2	2	2
Community Development Dept.										
Planning Division	4	6	6	7	7	6	4.5	4.5	3.5	3.5
Building Division	3	3	4	1	1.5	1	1	1	0	0
Total General Government:	20	22	24	24	24.5	22	20.5	20.5	18.5	18
Police										
Officers	35	35	36	37	37	35	35	35	35	39
Civilians	4	4	4	4	5	5	5	5	4	4
Off Street Parking Enforcement	1	1	1	0	0	0	0	0	0	0
Total Police Department:	40	40	41	41	42	40	40	40	39	43
Fire Department										
Firefighters and officers	30	34	34	33	37	37	37	37	39	42.5
Civilians	1	1	1	1	1.5	1.5	1.5	1.5	1.5	1.5
Total Fire Department:	31	35	35	34	38.5	38.5	38.5	38.5	40.5	44
Municipal Court	2	2	3	3	3	3.7	3.7	3.7	3.5	3.7
Airport	0	0	0	0	0	1	0	1	1	1
Public Works Department										
Administration	7	9	4	4	4	4	4	4	4	4
Engineering	0	0	8.5	8.5	8.5	7	7	7	7	7
Building Maintenance Division	0	1	1	1	2	3	2	3	3	3
Street Division	16	15	14	15	13.5	11	11	12	12	12.8
Water Service										
Production	6	6	6	6	6	6	6	6	6	6
Transmission & Distribution	11	12	11	12	11	10	11	11	11	11
Administration	0	0	0	0	0	0	0	0	0	0
Parks and Recreation Dept.										
Administration	1	1	1	1	2	2	2	2	2	2
Parks Maintenance Division	8	8	8	9	9	11	11	11	8	10
Golf Maintenance Division	2	2	2	1	3	3	2	2	1	0
Total Public Works Department:	51	54	55.5	57.5	59	57	56	58	54	55.8
Total City Employees:	<u>144</u>	<u>153</u>	<u>158.5</u>	<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>

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		
	2004	2005	2006
Police Protection:			
Physical arrests	4,366	4,165	3,762
Traffic violations	2,971	3,595	4,525
Parking violations	4,459	4,028	4,435
Calls for service	16,199	15,033	16,382
Number of police personnel and officers	39	39	40
Fire Protection			
Emergency responses	3,900	3,800	3,873
Inspections	325	460	270
Number fire personnel and officers	31	35	35
Highways and streets			
Street resurfacing (miles)	4.12	5.09	3.57
Water system:			
Number of services	10,137	10,580	10,516
Daily average production in gallons	5,080,000	5,000,000	5,070,000
Facilities and services not included in the reporting entity:			
Sewerage System:			
Daily average treatment in gallons	4,447,000	5,000,000	5,180,000
Maximum daily capacity of treatment plant in gallons	8,000,000	7,900,000	7,900,000
Number of service connections	9,263	9,600	10,299
Education:			
Total school enrollment	Not available	6,397	6,697
Number of elementary school instructors	191	166	166
Number of secondary school instructors	168	175	175
Hospitals			
Number of patient beds (includes V.A. Medical center)	296	296	296

Sources: Various city departments and Roseburg Urban Sanitary District.

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
4,614	4,232	3,848	4,700	5,987	5,095	5,145
6,970	6,887	6,169	4,710	7,248	5,183	5,063
2,208	6,538	5,682	4,779	4,189	3,923	2,971
20,681	18,145	18,971	20,152	20,233	20,792	20,573
41	42	40	40	40	39	39
3,780	4,048	4,312	4,570	4,638	4,676	4,853
283	381	586	500	563	660	374
34	40	38	38	38	42	43
0.81	1.16	1.14	2.65	4.64	4.78	2.80
10,844	10,581	10,193	10,797	10,790	10,655	10,683
5,174,000	5,082,000	5,200,000	5,200,000	4,520,000	4,340,000	4,530,000
5,180,000	4,050,000	3,470,000	4,380,000	4,380,000	4,060,000	3,740,000
7,900,000	7,900,000	7,900,000	7,900,000	7,900,000	7,900,000	7,900,000
10,110	10,195	10,569	10,067	10,087	10,266	10,275
6,460	6,462	6,333	6,053	6,236	5,928	5,927
127	128	126	121	116	110	108
157	157	157	145	135	124	124
280	328	315	315	315	315	315

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

Function/Program	Fiscal Year		
	2004	2005	2006
Police Protection:			
Number of stations	1	1	1
Number of patrol units (including motorcycles)	11	11	11
Fire Protection:			
Number of stations	2	3	3
Highways and Streets:			
Streets (miles)	122	122	120
Streetlights	2,359	2,370	2,370
Traffic signals	27	28	29
Water system:			
Miles of water mains	145	145	160
Number of fire hydrants	1,012	990	1,128
Miles of storm sewers	70	70	80
Culture and Recreation:			
Parks	20	20	20
Park acreage	428	428	428
Golf courses	1	1	1
Tennis courts	15	15	15
Regional Airport:			
Runway (length in feet)	4,600	4,600	4,600
Hangars	62	62	62
Fuel Facility	1	1	1
Facilities and services not included in the reporting entity:			
Sewerage System:			
Miles of sanitary sewers	155	155	155
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						
2007	2008	2009	2010	2011	2012	2013
1	1	1	1	1	1	1
11	10	9	10	10	12	12
3	3	3	3	3	3	3
120	120	125	125	118	118	118
2,381	2,441	2,450	2,465	2,471	1,895	1,895
30	30	32	32	32	32	32
186	187	220	221	195	195	195
1,129	1,161	1,161	1,181	1,296	1,297	1,301
84	84	93	94	95	95	95
20	20	20	20	20	20	20
428	428	428	428	428	428	428
1	1	1	1	1	1	1
15	15	15	15	15	18	18
4,600	4,600	4,600	4,600	4,600	4,600	5,000
62	62	98	98	98	98	98
1	1	1	1	1	1	1
158	158	160	160	160	160	160
1	1	1	1	1	1	1
9	9	9	9	9	9	9
3	3	3	3	3	3	3
1	1	1	1	1	1	1
2	2	2	2	2	2	2

AUDIT COMMENTS

CITY OF ROSEBURG

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATION

June 30, 2013

ACCOUNTING RECORDS AND INTERNAL CONTROL

The City's accounting records were reasonably maintained and adequate to support our audit of the basic financial statements.

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.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COLLATERAL

The City has complied with Oregon Revised Statutes Chapter 295 in relation to deposit accounts.

INDEBTEDNESS

The general obligation bonded debt of the City is in compliance with the limitation imposed by ORS. We noted no defaults in principal, interest, sinking fund, or redemption provisions with respect to any of the City's bonded debt, and no breach of the bond agreements at June 30, 2013.

BUDGET

The City appears to have complied in all material respects with Local Budget Law (ORS 294.305 to 294.520) in the preparation, adoption and execution of its budget and tax levy for the year ended June 30, of the current year, and the preparation and adoption of its budget for the year ending June 30 of the subsequent year.

CITY OF ROSEBURG

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATION

June 30, 2013

PROGRAMS FUNDED FROM OUTSIDE SOURCES

We reviewed the City's compliance with appropriate laws, rules, and regulations that could have material impact on the basic financial statements for programs funded wholly or partially by other governmental agencies. The City is in compliance with the guidelines in all material respects.

INSURANCE AND FIDELITY BONDS

We have reviewed the City's legally required insurance and fidelity bond coverage at June 30, 2013. We ascertained that such policies appeared to be in force and in compliance with legal requirements relating to insurance and fidelity bond coverage.

INVESTMENTS

Public funds appear to be invested in compliance with ORS 294.

PUBLIC CONTRACTING

The City's procedures for awarding public contracts were reviewed and found to be in accordance with ORS 279.

STATE HIGHWAY FUNDS

The City's procedures for utilizing gas tax funds were reviewed and found to be in accordance with ORS Chapter 294.

SINGLE AUDIT ACT SECTION

NEUNER, DAVIDSON & COOLEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Roseburg, Oregon, as of and for the year ended June 30, 2013, 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 19, 2013.

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.

**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, DeLeon + Cooley LLC

Roseburg, Oregon
December 19, 2013

NEUNER, DAVIDSON & COOLEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Report on Compliance for Each Major Federal Program

We have audited City of Roseburg, Oregon's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of Roseburg, Oregon's major federal programs for the year ended June 30, 2013. City of Roseburg, Oregon's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, City of Roseburg, Oregon, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

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

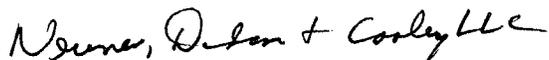
Report on Internal Control Over Compliance

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

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

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

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



Roseburg, Oregon
December 19, 2013

CITY OF ROSEBURG
DOUGLAS COUNTY, OREGON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
for the Year Ended June 30, 2013

Grantor and Program Title	Federal CFDA Number	Grant Number	Award Amount	Program Expenses
<u>U.S. Department of Interior</u>				
Historic Preservation Fund Grants-In-Aid SHPO Grant	15.904	none	\$ 14,500	\$ 1,568
<u>U.S. Department of Justice</u>				
Bulletproof Vest Partnership	16.607	none	\$ 7,138	\$ 7,105
Edward Byrne Memorial Justice Assistance Grant Program/Grants to Units of Local Government	16.804	2009-SB-B9-1891	\$ 41,466	\$ 38,258
<u>U.S. Department of Transportation</u>				
* Airport Improvement Program				
Airport Improvements	20.106	DOT-FA12NM-0031	\$ 139,402	\$ 139,402
Airport Improvements	20.106	DOT-FA12NM-0090	\$ 5,498,731	\$ 1,725,974
Airport Improvements	20.106	DOT-FA12NM-0109	\$ 511,215	\$ 43,053
<u>Pass Through</u>				
Highway Training and Education	20.215	RT11-006	\$ 70,507	\$ 69,595
Alcohol Impaired Driving Countermeasures Incentive Grants:				
State and Community Highway Safety	20.600	SC-12-35-13eee	\$ 2,200	\$ 2,109
State and Community Highway Safety	20.600	OP-13-45-13aaa	\$ 2,106	\$ 550
State and Community Highway Safety	20.600	SC-13-45-13aaa	\$ 5,728	\$ 5,728
ODOT-DUII Traffic Safety Grant	20.601	none	\$ 5,000	\$ 3,900
<u>U.S. Department of Homeland Security</u>				
Homeland Security Grant Program				
* SAFR Firefighters	97.044	EMW-2010-FH-00858	\$ 648,324	\$ 356,159
Emergency Communication	97.073	#11-284	\$ 11,442	\$ 2,275
Total Expenditures				<u>\$ 2,395,676</u>

* Major Program

CITY OF ROSEBURG

Notes to Schedule of Expenditures of Federal Awards

June 30, 2013

Note 1. **Basis of Presentation**

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

Note 2. **Subrecipients**

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

CITY OF ROSEBURG

Schedule of Findings and Questioned Costs

June 30, 2013

Summary of the Auditor's Results

The audit report issued December 19, 2013, on the financial statements of City of Roseburg as of and for the year ended June 30, 2013, was an unqualified opinion. The audit did not disclose any reportable conditions in internal control for either major or nonmajor programs, nor did the audit disclose any noncompliance which may be material to the financial statements. The audit report on compliance for major programs was an unqualified opinion. There were no audit findings required to be reported under Sec. 510(a) of OMB Circular No. A-133.

The major program identified by City of Roseburg was:

Airport Improvement Programs

CFDA-20.106

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

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

Current Year:

No Findings.

Prior Year:

No Findings.

Findings and Questioned Costs for Major Federal Awards

Current Year:

No Findings or Questioned Costs.

Prior Year:

No Findings or Questioned Costs.