

# City of Roseburg, Oregon



## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2019

**CITY OF ROSEBURG,  
OREGON**

**COMPREHENSIVE**

**ANNUAL**

**FINANCIAL**

**REPORT**

**FOR THE FISCAL YEAR ENDED June 30, 2019**

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

# CITY OF ROSEBURG, OREGON

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDING June 30, 2019

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# CITY OF ROSEBURG, OREGON

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# **INTRODUCTORY SECTION**

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# City of Roseburg

900 S.E. Douglas Avenue Roseburg, Oregon 97470 | [www.cityofroseburg.org](http://www.cityofroseburg.org) | Phone (541) 492-6700

December 9, 2019

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, 2019 is hereby submitted.

This report presents the financial position of the City as of June 30, 2019 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, 2019 are free of material misstatement. The independent auditor concluded there was a reasonable basis for rendering an unmodified opinion that the City's basic financial statements for the fiscal year ended June 30, 2019, are fairly presented, in all material respects, in conformity with GAAP. The Report of Independent Accountants is included at the beginning of the Financial Section of this report.

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

## City Overview

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

As of June 30, 2019, 24,820 people resided in Roseburg, making it the largest city in Douglas County and the 24<sup>th</sup> largest city in Oregon according to the PSU Population Research Center. City boundaries cover nearly 11 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, library, recreational and cultural activities, airport, water, storm water management, general public works, central services, administration and other services associated with a full-service city. These services are provided primarily to citizens who live within the corporate limits. However, many of the services and facilities operated by the City are provided for and financed by regional service areas larger than the City. Additionally, services like the airport, the park system, the transportation system and the Roseburg business district serve broader regional markets.

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

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

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

## **Economic Condition**

Roseburg is the largest city in Douglas County and the 24<sup>th</sup> 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 112,250, with the City of Roseburg accounting for approximately 22 percent of the total county population.

While the US and Oregon economies continue to grow in the longest expansions in history, our local economy's start and pace of recovery has lagged behind; however, over the last few years good news has arrived in growing numbers of employed and the continued decline in unemployment rates. While the economic expansion has continued this past year, it has slowed from its previous unsustainable rates. As of June 30, 2019, Douglas County added an additional 40 jobs year over year thereby maintaining the unemployment rate steady at 5.3 percent. The unemployment rate has declined every year since 2009 from a high of 16.8 percent to the current low, suggesting that we are near full-employment.

The December 2018 *Oregon Economic and Revenue Forecast* issued by the Office of Economic Analysis (OEA) reported that incomes are growing and poverty levels are falling in Douglas County as job growth has returned resulting in historic highs for income.

While the City of Roseburg is home to 22 percent of Douglas County's nearly 112,250 people, the Roseburg area provides nearly 53 percent of the county's employment. The Roseburg area is the hub of health care and social assistance for the county and provides one out of every four Roseburg jobs. Trade, transportation, and utilities provide nearly one out of every five jobs in the Roseburg area. Professional and business services companies are concentrated in Roseburg and provides 13 percent of employment. Additionally, public administration's government-based services provide 9 percent of the Roseburg area employment. On the other

end of the spectrum; while manufacturing is the county's number one source of employment (23 percent of county jobs), it only provides 3 percent of employment in the Roseburg area.

## **Current Activities**

The City worked towards the retirement of the North Roseburg Urban Renewal District on September 30, 2019. Prior to that several urban renewal capital projects were completed, including Downtown Lighting Phase III, the Stewart Parkway Pavement Rehabilitation Project from Edenbower to Aviation, and a Traffic Signal Interconnect Project on Stewart Parkway. Combining match funding from the Roseburg Urban Renewal Agency and transportation funds, the City was able to install vehicle and pedestrian safety improvements on Stewart Parkway, Stephens Street, and Harvard Avenue utilizing an All Roads Transportation Safety grant.

In addressing the City's water infrastructure the final phase of the Supervisory Control and Data Acquisition (SCADA) project was undertaken. Also in 2019, a project was designed, bid and awarded to replace the disinfection system at the Water Treatment Plant. As part of the project, the plant will be converting from on-site mixed-oxidant chlorine generation to the use of sodium hypochlorite. Construction of the chlorination improvements will be completed in 2020. Design of a new transmission main from West Avenue to the main reservoir complex was undertaken in 2019. The project is expected to go to bid in 2020. A design to replace the water mains on either end of the Washington Avenue bridge is currently in design with bidding expected in 2020.

At the airport, the City is in the final stages of adopting a new Airport Master Plan and Airport Layout Plan. In addition, the City is nearing completion of an obstruction removal and PAPI installation project that will allow for the reinstatement of the nighttime instrument approach at the airport. Lastly, a project to replace the runway edge lighting and related appurtenances has been designed, bid and awarded. Construction of the runway edge lighting project will be completed in 2020. The City received funding from the Federal Aviation Administration and the Oregon Department of Transportation to complete all of these projects.

Turning to the City's park system, the City removed and replace a section of multi-use path located in Riverfront Park. Construction work included excavation, grading, asphalt paving, tree removal, topsoil placement and other related work for approximately 2,000 lineal feet of multi-use path.

As part of the annual Pavement Management Program, four sections of arterial or collector streets were rehabilitated with grind/inlay and ADA improvements and twenty-two streets were treated with slurry seals.

The City recently installed three new electric vehicle charging stations thanks to a grant from Pacific Power. The stations are located at the Roseburg Public Library, in Fir Grove Park at the Umpqua Valley Arts Center, and in the downtown parking structure.

## **Long-Term Financial Planning**

### **Council Goal Setting**

In early 2017, Council concluded its current goal setting process and adopted a resolution outlining goals for our organization for the next few years. The purpose of goal setting was, and is, to provide a priority framework for financial and human resource allocation to meet the needs of our community as outlined by our elected governing body. Resolution 2017-09 included four goals which are listed below along with current action items developed to comply with the goals:

*Goal – Support and adopt policy development and implementation to enhance housing and community development.*

- 1. Initiate a housing needs analysis and buildable lands inventory to determine current needs and Urban Growth Boundary expansion needs.*
- 2. Evaluate and implement a strategy to annex contiguous areas that are cost effective from a service/resource standpoint*
- 3. Update the Urban Growth Management agreement with Douglas County and urban services agreements.*
- 4. Update dangerous/derelict building and municipal code requirements to provide opportunities for redevelopment and accountability*
- 5. Review and implement infill zoning and development standards to encourage affordable development.*

6. *Provide incentive programs like the façade program to generate private investment in upgrading properties.*

*Goal – Develop and implement transportation funding policies to meet identified community needs.*

1. *Update the Transportation System Plan and incorporate the TSP into our policy documents.*
2. *Provide for a community poll related to a local gas tax and place a gas tax on the May ballot that would allow the City to maintain or enhance its current Pavement Condition Index of 72.*
3. *Complete the ADA transition plan and incorporate priority projects in next CIP.*
4. *Work with ODOT on interchange area management plans and the I-5 capacity analysis.*
5. *Evaluate and implement a new Urban Renewal Plan area to support infrastructure funding.*
6. *Utilize TGM grants and processes to identify opportunities and obstacles to infrastructure development to serve targeted land use areas.*
7. *Evaluate opportunities through the Bicycle Friendly Community program to provide funding opportunities for multi-modal transportation improvements.*

*Goal –Take a proactive role in community economic development and revitalization.*

1. *Identify targeted commercial community needs and possible incentives to attract development.*
2. *Evaluate cooperative tourism programs with the Visitor Center (Chamber), the Partnership and the private sector to enhance our area as a tourism hub.*
3. *Support efforts of the Partnership and IDB related to MedEd, Data Center recruitment, Boutique Hotel and other prime target manufacturing.*
4. *Support Travel Oregon Bicycle and Agra Tourism Studio work and implement priority opportunities including wayfinding and cooperative tourism programming.*
5. *Update policies on vacant/zombie homes to provide additional housing stock and enhanced neighborhood viability.*
6. *Support efforts by Umpqua Community College related to targeted work force development opportunities that benefit the City and the community.*

*Goal- Develop programs and policies to enhance community livability and public safety.*

1. *Update policies on vacant/zombie homes to provide additional housing stock and enhanced neighborhood viability (duplicate from prior goal).*
2. *Add a community oriented policing position in the PD to proactively work on targeted criminal activities that disrupt business and neighborhood activities.*
3. *Consider safety and security measures like video security cameras in targeted areas that experience significant criminal activity.*
4. *Expand coordinated compliance and nuisance abatement programs to enhance neighborhood livability.*
5. *Work with the Local Public Safety Coordinating Council and other partners on safe, appropriate transitional and short term housing for post incarceration housing/lodging needs.*
6. *Work with the legislature to develop more local control over certain provisions of statute related to the OLCC for authorization of new licenses and alcohol related criminal activities.*

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. At the time of the writing of this letter, Council and staff have been meeting to develop and adopt a new set of Council goals which will provide guidance for the next few years.

### **Capital Improvement Plan**

The City's most recent comprehensive Capital Improvement Plan (CIP) was adopted in March 2018 and updated for the final year of the North Roseburg Urban Renewal area in late 2018. The five-year CIP (2018-2023) is a financing and construction plan for projects that require significant capital investment. Long-range capital projects are identified and developed in coordination with the annual budget to maintain full utilization of available resources. The CIP will be updated every two years insuring that we continue to evaluate and monitor our progress towards completing projects in the plan and providing for needed flexibility to meet challenges and opportunities as they arise. We will revisit the entire CIP in 2020 to incorporate the updated Airport Master Plan

projects as well as the initial five-year program that was part of the recently adopted Diamond Lake Urban Renewal Plan.

We will continue to incorporate our Water, Transportation and Storm Drainage master plans in our CIP. In addition, the City is embarking on a multi-year Transportation System Plan through an ODOT process that is used around the state. We kicked off the multi-year project in December 2016 and hope to have the plan adopted by March 2020. The TSP will help drive our planning and transportation planning processes in the future.

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

## **Other Information**

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Roseburg for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the twenty-sixth consecutive year that the government has achieved the award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

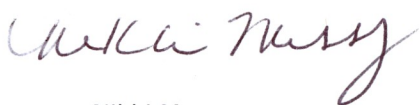
The GFOA gave an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Roseburg for its popular annual financial report for the fiscal years ended June 30, 2018. The report is designed to provide transparency and accountability of City financial information by providing a summary view of financial activities of the City that are reported in the City's comprehensive annual financial report. The report is specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. This was the fourth year that the government has earned the award.

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

### **Acknowledgements**

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

Sincerely,



Nikki Messenger  
City Manager



D. Ron Harker  
Finance Director



Government Finance Officers Association

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

Presented to

**City of Roseburg  
Oregon**

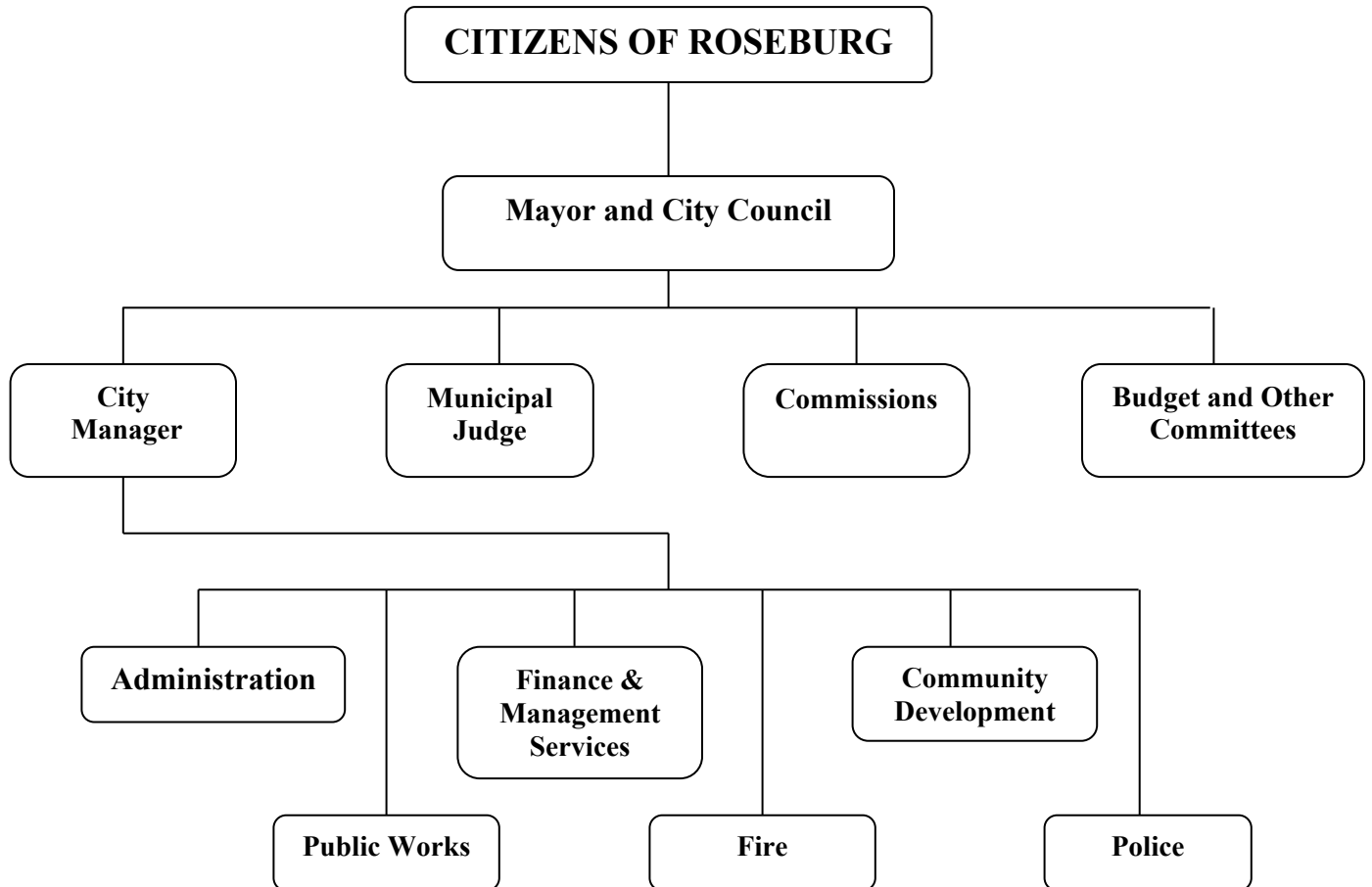
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morrell*

Executive Director/CEO

**CITY OF ROSEBURG, OREGON  
ORGANIZATIONAL CHART**



# CITY OF ROSEBURG, OREGON

*June 30, 2019*

## ELECTED OFFICIALS

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Term Expires</u></b>
Larry Rich	Mayor	December 31, 2020
Linda Fisher-Fowler	Councilor, Ward I	December 31, 2020
Alison Eggers	Councilor, Ward I	December 31, 2022
Andrea Zielinski	Councilor, Ward II	December 31, 2020
Tom Ryan	Councilor, Ward II	December 31, 2022
Brian Prawitz	Councilor, Ward III	December 31, 2020
Bob Cotterell	Councilor, Ward III	December 31, 2022
Beverly Cole	Councilor, Ward IV	December 31, 2022
Ashley Hicks	Councilor, Ward IV	December 31, 2020

## APPOINTED OFFICIALS

<b><u>Name</u></b>	<b><u>Position</u></b>
Nicole A. Messenger	City Manager
Stuart I. Cowie	Community Development Director
Jim Maciariello	Interim Public Works Director
Gary L. Garrisi	Fire Chief
Amy L Sowa	City Recorder
John D. VanWinkle	Human Resources Director
D. Ron Harker	Finance Director
W. Jason Mahan	Municipal Judge
Gary L. Klopfenstein	Police Chief
Kris Wiley	Library Director

**FINANCIAL  
SECTION**

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# NEUNER DAVIDSON & CO

Cooley, Rapp, Friel & Lee, LLC

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the CITY OF ROSEBURG, OREGON as of and for the year ended June 30, 2019 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, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Urban Renewal General Fund for the year ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

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

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the CITY OF ROSEBURG's basic financial statements. The introductory section, supplemental section, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

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

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

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

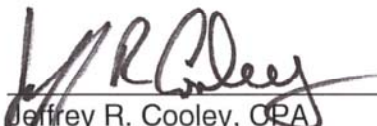
*Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019, 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 solely 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 the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CITY OF ROSEBURG's internal control over financial reporting and compliance.

*Report on Other Legal and Regulatory Requirements*

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 9, 2019, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Neuner Davidson & Co.

By:   
Jeffrey R. Cooley, CPA  
Roseburg, Oregon  
December 9, 2019

## 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, 2019. This Management's Discussion and Analysis (MD&A) is based on currently known facts, decisions, and conditions that existed as of the date of the independent auditor's report. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our Transmittal Letter, which can be found on pages *i* through *v* of this report.

### FINANCIAL HIGHLIGHTS (in thousands)

- The assets of the City of Roseburg exceeded its liabilities at June 30, 2019 by \$216,784 (*net position*). Of this amount, \$12,525 (*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, 2019 increased by \$6,119 from June 30, 2018. Approximately half of the increase is a result of a \$2,983 increase in cash and investments in the Business-Type Activities.
- The City's total liabilities decreased by \$1,597 from \$32,401 to \$30,804 in the current year. Regular debt service payments were made as scheduled which included the retirement of the bank line-of-credit.
- At June 30, 2019, the City's governmental funds reported combined ending fund balances of \$16,158, an increase of \$192 from the prior year.
- At June 30, 2019, the City's business-type activities reported combined ending net position of \$86,019 an increase of \$2,605 over the prior year. Unrestricted net position increased by \$3,173 to \$12,020.
- At June 30, 2019, the unassigned fund balance for the General fund was \$7,221 or 31.5 percent of total General Fund expenditures and other financing uses.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

*Statement of Activities.* The *Statement of Activities* presents information showing how the net position of the City changed over the year by tracking revenues, expenses and other transactions that increase or reduce net position. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

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

The *governmental activities* of the City include administrative services, fire and emergency medical services, community development, police, court, public works, recreation and cultural services.

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

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

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances are reconciled to the government-wide Statements of Net Position and Activities.

The City maintains 17 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for those funds that are considered significant (major) to the City taken as a whole. These financial statements report five major funds: General Fund, Grant Fund, Transportation Fund, Urban Renewal General Fund, and the Urban Renewal Capital Projects Fund.

Data from the other 13 governmental funds are combined into a single, aggregated presentation. Summary fund data by fund-type for these non-major governmental funds is provided in the form of combining statements. Individual fund data for each of these non-major governmental funds is provided as other supplementary information.

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

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

The City adopts an annual appropriated budget for all governmental funds. To demonstrate compliance with the budget, budgetary comparison statements have been provided for the General Fund and the major special revenue funds as required supplementary information. Budgetary comparisons for all other governmental funds have been provided as other supplementary information. The governmental fund financial statements can be found beginning on page 17 of this report.

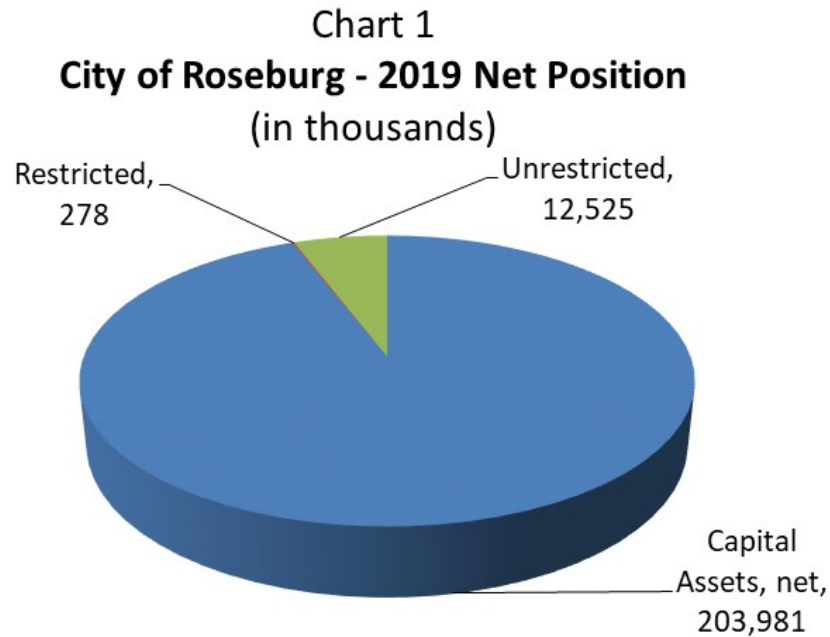
**Notes to the Basic Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 30 through 63 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### STATEMENT OF NET POSITION

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, 2019.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 20,300	\$ 20,534	\$ 13,857	\$ 10,673	\$ 34,157	\$ 31,207
Capital assets	133,662	129,350	75,243	75,893	208,905	205,243
Total Assets	153,962	149,884	89,100	86,566	243,062	236,450
Deferred outflows	7,855	7,647	710	732	8,565	8,379
Current liabilities	1,953	2,579	287	410	2,240	2,989
Noncurrent liabilities	25,380	26,092	3,183	3,319	28,563	29,411
Total Liabilities	27,333	28,671	3,470	3,729	30,803	32,400
Deferred inflows	3,719	1,609	321	154	4,040	1,763
Net Position:	130,765	127,251	86,019	83,415	216,784	210,666
Net investment in capital assets	129,982	128,851	73,999	74,568	203,981	203,419
Restricted	278	45	-	-	278	45
Unrestricted	505	(1,645)	12,020	8,846	12,525	7,201
Total net position	\$ 130,765	\$ 127,251	\$ 86,019	\$ 83,414	\$ 216,784	\$ 210,665



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 \$216,784 at June 30, 2019.

About 94 percent of the City's net position 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 \$8,501 is for compensated absences, postemployment obligations and outstanding bonds, representing 28 percent of total liabilities. Other liabilities, representing 72 percent of the City's total liabilities, consist of payables on accounts, unearned revenues, net pension liabilities, and net other post employment liabilities.

#### STATEMENT OF ACTIVITIES

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

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 4,639	\$ 4,424	\$ 9,082	\$ 8,285	\$ 13,721	\$ 12,709
Operating Grants & Contributions	6,062	3,109	-	-	6,062	3,109
Capital Grants & Contributions	3,469	6,032	1,946	681	5,415	6,713
General Revenues:						
Taxes	23,887	22,909	-	-	23,887	22,909
Interest	449	314	273	150	722	464
Other	543	901	67	10	610	911
Total Revenues	39,049	37,689	11,367	9,126	50,416	46,815
<b>Expenses:</b>						
General Government	3,975	3,455	-	-	3,975	3,455
Public Safety	15,421	15,499	-	-	15,421	15,499
Public Works	8,905	9,642	-	-	8,905	9,642
Culture and Recreation	2,563	2,120	-	-	2,563	2,120
Community Development	4,462	1,745	-	-	4,462	1,745
Interest on Long-term Debt	209	247	-	-	209	247
Storm Drainage	-	-	1,876	1,823	1,876	1,823
Airport	-	-	1,105	1,125	1,105	1,125
Off Street Parking	-	-	134	128	134	128
Water	-	-	5,647	5,659	5,647	5,659
Total Expenses	35,535	32,707	8,762	8,735	44,297	41,442
Increase (decrease) in net position before transfers	3,514	4,982	2,605	391	6,119	5,373
Other Financing Resources	-	-	-	2	-	2
Transfers	-	(217)	-	217	-	-
Increase (decrease) in net position	3,514	4,765	2,605	610	6,119	5,375
Net position, July 1	127,251	123,965	83,414	82,802	210,665	206,767
Net position restatement, July 1	-	(1,479)	-	2	-	(1,477)
Net position, June 30	\$ 130,765	\$ 127,251	\$ 86,019	\$ 83,414	\$ 216,784	\$ 210,665

#### Governmental activities. (in thousands)

- Tax revenues increased by \$978 from the prior year. Property taxes increased \$959 due to increased property values. Franchise fees increased \$18.
- Capital grants and contributions totaled \$3,469 in the current fiscal year.
- Operating grants totaled \$6,062.

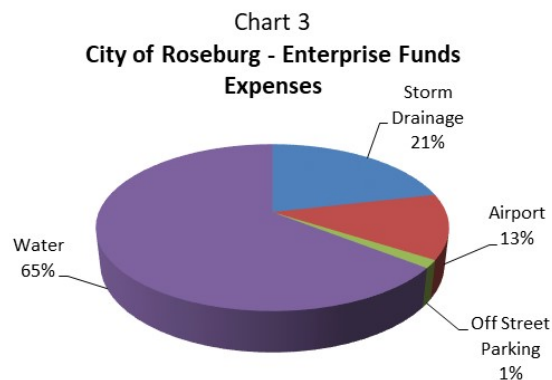
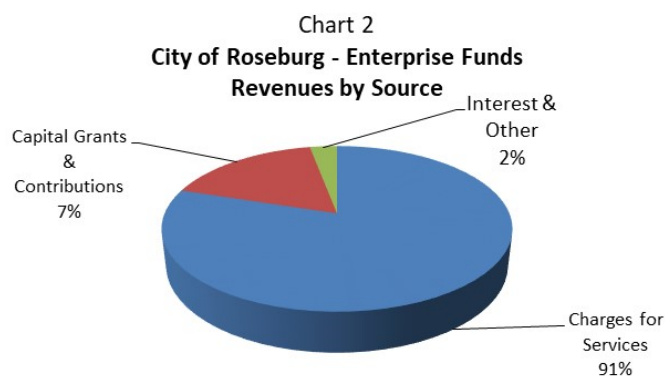
#### Business-type activities. (in thousands)

Business-type activities net position increased by \$2,605. Key changes are as follows:

- Charges for services increased by \$797.
  - A monthly Water rate increase of 5.5 percent was effective January 1, 2019.
  - A monthly Storm Drainage rate increase of \$0.73 or 10 percent was effective July 1, 2018.

- Capital grants and contributions increased by \$1,265.
- Net pension expense of \$130 was booked this year per the requirements of GASB 68.
- Net OPEB expense of \$228 was booked this year per the requirements of GASB 75.

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, 2019, the City's governmental funds reported combined ending fund balances of \$16,158, an increase of \$192 from the prior year. \$7,221 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, 2019, the fund balance was \$7,264. The fund balance decreased by \$34 from the prior year. Property and franchise taxes increased by \$657 from the previous year. General Government, public safety, public works, community development, and culture and recreation expenditures all increased by an aggregate \$1,253.

**Grant Fund.** The Grant Fund accounts for and report financial resources that are restricted to expenditure of both capital and non-capital outlays to satisfy the program requirements of various grants awarded the City. The ending fund balance as of June 30, 2019 was \$86, an increase of \$2 from the previous year. \$3,004 of Community Development Grant Funds were passed through to facilitate the construction of the new HeadStart facility.

**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, 2019 was \$2,604, an increase of \$197 from the previous year. \$916 was spent on the pavement management program. Capital expenditures of \$1,103 include Stewart Parkway Realignment, All Roads Transportation Project, and the Douglas Avenue Roadway 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, 2019 with a committed fund balance of \$607 and Capital expenditures of \$3,603 that included Black Street Extension, Edenbower/Stewart Parkway Improvements, Garden Valley – Fairmont to Stephens Project, Downtown Corridor Improvements, Downtown Street Lighting Improvements, and Stewart Parkway Pavement Rehabilitation.

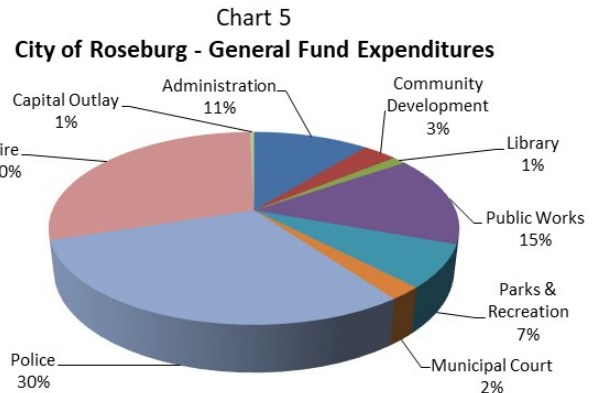
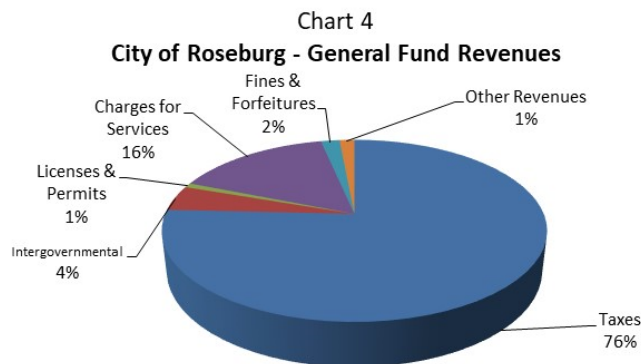
The Urban Renewal General Fund accounts for the district's tax increment revenues. The committed fund balance at June 30, 2019 was \$444. Expenditures include transfers of \$3,500 to the Urban Renewal Capital Projects Fund to support capital projects.

## General Fund Budgetary Highlights

The budgetary statement for the General Fund, page 64, shows the original budget, final budget, actual revenues, expenditures and other financing sources and uses for the fiscal year ended June 30, 2019. There were three revisions to the General Fund budget for the 2018-19 fiscal year and are summarized as follows: 1) an appropriation revision to transfer \$100 from contingency to the Facilities fund in support of improvements at the library and city hall, 2) a supplemental budget to recognize \$40 from fire conflagration events revenue to cover increase fire department expenses resulting from the events, 3) a reappropriation of \$20 from contingency funds to the Administration Department to manage increased city leadership transitional expenses.

- Revenues were \$380 more than budgeted.
  - Taxes were \$98 more than budgeted as both current and delinquent property taxes were 101% of budget respectively.
  - Intergovernmental revenues were \$17 more than budget.
  - Licenses and permits were \$10 less than budget.
  - Charges for services were \$35 more than budget.
  - Fines and forfeitures were \$30 more than budget.
  - Investment revenues were \$103 more than budget.
  - Other revenue were \$109 more than budget.
- Expenditures were \$2,120 less than budgeted. Decreased spending was primarily related to Public Works, Fire and Police 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, 2019, the City had invested \$208,905 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	
	2019	2018	2019	2018	2019	2018
Land & Construction in Progress	\$ 76,298	\$ 76,312	\$ 9,539	\$ 10,046	\$ 85,837	\$ 86,358
Buildings	16,796	16,952	7,837	6,937	\$ 24,633	23,889
Improvements other than Buildings	12,356	6,358	57,453	58,391	\$ 69,809	64,749
Machinery and Equipment	2,176	1,649	214	276	\$ 2,390	1,925
Vehicles	1,552	1,680	201	242	\$ 1,753	1,922
Infrastructure	24,484	26,399	-	-	\$ 24,484	26,399
Total	<u>\$ 133,661</u>	<u>\$ 129,350</u>	<u>\$ 75,244</u>	<u>\$ 75,892</u>	<u>\$ 208,905</u>	<u>\$ 205,242</u>

During the year, the City's investment in capital assets increased by \$3,663. The major capital asset events for the year include the following:

**GOVERNMENTAL ACTIVITIES (in thousands)**

- Capital expenditures in the governmental funds totaled \$8,838.
- Stewart Parkway Realignment, \$24.
- Stewart Park Bank Stabilization, \$243.
- Deer Creek Path Stabilization, \$175.
- Edenbower – Stewart Parkway, \$638.
- Downtown Corridor Improvements, \$1,346.
- Riverfront Park Trail Renovation, \$142.
- Black Street Extension, \$467.
- Pavement Management, \$916.
- All Roads Transportation, \$104.
- Garden Valley – Fairmont to Stephens Project, \$876.
- Douglas Avenue Roadway, \$34.
- Downtown Street Lighting Improvements, \$152.
- Stewart Parkway Pavement Rehabilitation, \$171.
- Seismic Upgrades for Fire Stations No. 2 and No. 3, \$1,166.
- Library Renovations, \$1,696.

**BUSINESS-TYPE ACTIVITIES**

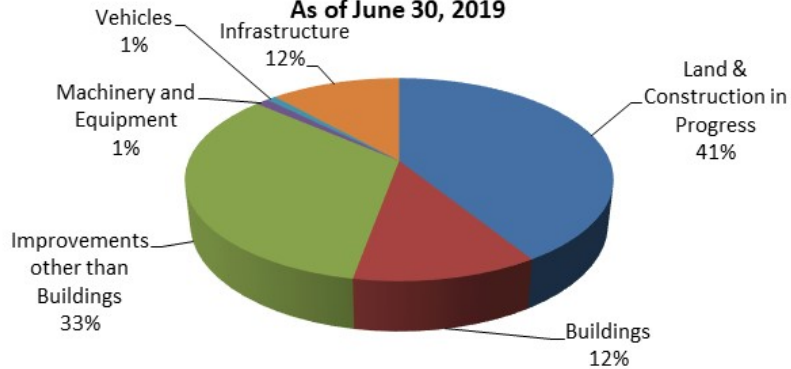
- Water Fund capital expenditures of \$1,451 included the Downtown Corridor Improvements, Reservoir Hill Yard Piping, Water System SCADA Improvements, and Water Treatment VFD Retrofit.
- Storm Drainage capital expenditure of \$311 included the Downtown Corridor Improvements, and Stewart Parkway Wetland Mitigation.
- Airport capital expenditure of \$187 included the Obstruction Mitigation Plans and VASI Update, Runway Lighting, and Airport Master/Layout Plan Update.

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

Chart 6

**Capital Assets - City Wide**

As of June 30, 2019

**Long-Term Debt**

At the end of the current fiscal year, the City had total bonded debt outstanding of \$4.923 million consisting of full faith & credit obligations.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Full Faith & Credit Bonds	\$ 3,680	\$ 3,945	\$ 1,243	\$ 1,324	\$ 4,923	\$ 5,269
Line-of-Credit	-	700	-	-	-	700
Total	\$ 3,680	\$ 4,645	\$ 1,243	\$ 1,324	\$ 4,923	\$ 5,969

During the current fiscal year, the City's total debt decreased by \$1.046 million as a result of regularly scheduled principal payments.

The City's Full Faith and Credit Obligations series 2013 which constitute the Pension Obligation Bonds do not carry any rating from any rating service as it was directly placed with Umpqua Bank and will not be readily marketable. Likewise, the City's Full Faith and Credit Obligations series 2017 which constitute the refinancing of the airport debt do not carry any rating from any rating service as it was directly placed with Chase Bank and will not be readily marketable.

State statutes limit the amount of debt a governmental entity may issue or have outstanding at any one time up to three percent of the true cash value of all taxable property within its boundaries. The current general obligation debt limitation for the City is \$95.015 million. The City has no outstanding general obligation debt.

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The State of Oregon Employment Department reported that "Douglas County's seasonally adjusted May unemployment rate edged down to 5.4 percent compared with a revised 5.6 percent in April. This month's rate is higher than the May 2018 rate of 5.2%"

A review of the underlying figures to May's unemployment rate indicate that the decline of the year-over-year rate is due to a mixed bag of results:

- The civilian labor force decreased by -266 year-over-year or -0.6%;
- The number of employed (or jobs) decreased by -87 year-over-year or -0.2%; and
- The number of unemployed decreased by -179 year-over-year or -8.3%.

The December 2018 *Oregon Economic and Revenue Forecast* issued by the Office of Economic Analysis (OEA) reported that incomes are growing and poverty levels are falling in Douglas County as job growth has returned resulting in historic highs for income.

Oregon's Employment Department recently published "Southwestern Oregon's Population Growth, 2000-2018; Southwestern Oregon's Economic Well-Being: Per Capita Personal Income and Gross Domestic Product; and The Roseburg Area's Economic Focus is Health Care and Social Assistance" which provide further insight into the local economy and its well-being.

The City of Roseburg was the main driver of population growth in the County as it added 4,803 people or 42.37 percent of the County's population growth since 2000. Population growth in Roseburg has been accelerating as the city grew 5.8 percent from 2000 to 2010 and then by 17.2 percent from 2010 to 2018; or 24 percent during the last eighteen years (a growth rate greater than the state's).

Per capita personal income, the total income in an area divided by population, is frequently cited as a measure of economic health. While Oregon's 2017 per capita personal income was \$48,137, Douglas County's was \$38,752.

Oregon's Employment Department published "Long-Term Job Outlook for Douglas, Coos, and Curry Counties Is Modest" which provides a forecast of future job growth by sector for the counties. Future job growth projections for Douglas County call for a modest 7 percent growth rate for 2017 through 2027; private payroll growth is projected to be 7 percent, government employment 2 percent, and self-employment 10%. At the same time population is expected to grow 2.3 percent between 2018 and 2025 and then 1.9% between 2025 and 2030; population growth drives the demand for goods and services as well as supplying the needed labor.

The most significant source of revenue for the City is taxes, including property, state shared revenues, franchise and motel taxes. For the year ended June 30, 2019, taxes of \$23,185 made up 60 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 2019-20 fiscal year.

The 2019-20 adopted budget includes contingency of \$1 million for unanticipated operating needs and cash flow requirements. Governmental fund balance classifications are reported in accordance with GASB 54.

## **REQUESTS FOR INFORMATION**

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

**BASIC  
FINANCIAL  
STATEMENTS**

**CITY OF ROSEBURG, OREGON**

**Statement of Net Position**

*June 30, 2019*

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 16,660,888	\$ 12,221,568	\$ 28,882,456
Receivables (net of allowances for uncollectibles)	3,487,412	1,534,148	5,021,560
Inventories	33,566	54,423	87,989
Prepays	9,480	36,689	46,169
Net OPEB asset RHIA	108,685	10,077	118,762
Capital assets			
Land and construction in progress	76,297,941	9,538,731	85,836,672
Buildings	16,796,292	7,836,735	24,633,027
Improvements other than buildings	12,355,932	57,452,521	69,808,453
Machinery and equipment	2,175,632	213,634	2,389,266
Vehicles	1,552,186	201,204	1,753,390
Infrastructure	24,484,321	-	24,484,321
Total assets	<u>153,962,335</u>	<u>89,099,730</u>	<u>243,062,065</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred outflows-contributions to PERS	7,807,766	705,944	8,513,710
Deferred outflows-contributions to OPEB	46,965	4,428	51,393
Total deferred outflow of resources	<u>7,854,731</u>	<u>710,372</u>	<u>8,565,103</u>
<b>LIABILITIES</b>			
Accounts payable	1,572,383	183,844	1,756,227
Other accrued liabilities	199,747	4,598	204,345
Interest payable	14,965	2,331	17,296
Unearned revenue	165,740	96,662	262,402
Noncurrent liabilities:			
Due within one year	1,252,027	156,949	1,408,976
Due in more than one year	24,128,361	3,025,970	27,154,331
Total liabilities	<u>27,333,223</u>	<u>3,470,354</u>	<u>30,803,577</u>
<b>DEFERRED INFLOWS</b>			
Net projected to actual earnings to PERS	2,271,480	205,377	2,476,857
Net projected to actual earnings to OPEB	1,447,450	115,302	1,562,752
Total deferred inflow of resources	<u>3,718,930</u>	<u>320,679</u>	<u>4,039,609</u>
<b>NET POSITION</b>			
Net investment in capital assets	129,982,304	73,999,473	203,981,777
Restricted for:			
Capital projects	235,906	-	235,906
Debt service	41,797	-	41,797
Unrestricted	504,906	12,019,596	12,524,502
Total net position	<u>\$ 130,764,913</u>	<u>\$ 86,019,069</u>	<u>\$ 216,783,982</u>

See notes to the basic financial statements.

**CITY OF ROSEBURG, OREGON**

**Statement of Activities**

*For the year ended June 30, 2019*

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 3,975,489	\$ 3,930,981	\$ 9,649	\$ 2,959,706
Public safety	15,420,769	496,034	252,835	-
Public works	8,904,662	68,326	2,496,903	-
Culture and recreation	2,562,905	93,707	182,716	413,805
Community development	4,461,579	49,699	3,119,512	95,599
Interest on long-term debt	209,384	-	-	-
Total governmental activities	<u>35,534,788</u>	<u>4,638,747</u>	<u>6,061,615</u>	<u>3,469,110</u>
Business-type activities:				
Storm Drain	1,876,178	2,198,028	-	723,636
Airport	1,104,571	404,512	-	252,943
Off Street Parking	134,137	47,500	-	-
Water	5,647,251	6,431,978	-	969,046
Total business-type activities	<u>8,762,137</u>	<u>9,082,018</u>	<u>-</u>	<u>1,945,625</u>
Total government	<u>\$ 44,296,925</u>	<u>\$ 13,720,765</u>	<u>\$ 6,061,615</u>	<u>\$ 5,414,735</u>

General revenues:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Franchise and public service taxes

Interest and investment earnings

Other revenues

Gain on disposition of capital assets

Subtotal general revenues

Total general revenues and transfers

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**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ 2,924,847	\$ -	\$ 2,924,847
(14,671,900)	-	(14,671,900)
(6,339,433)	-	(6,339,433)
(1,872,677)	-	(1,872,677)
(1,196,769)	-	(1,196,769)
(209,384)	-	(209,384)
<u>(21,365,316)</u>	<u>-</u>	<u>(21,365,316)</u>
-	1,045,486	1,045,486
-	(447,116)	(447,116)
-	(86,637)	(86,637)
-	1,753,773	1,753,773
-	2,265,506	2,265,506
<u>(21,365,316)</u>	<u>2,265,506</u>	<u>(19,099,810)</u>
14,225,668	-	14,225,668
4,093,165	-	4,093,165
5,567,873	-	5,567,873
448,961	272,526	721,487
554,412	67,034	621,446
(11,320)	-	(11,320)
24,878,759	339,560	25,218,319
24,878,759	339,560	25,218,319
3,513,443	2,605,066	6,118,509
127,251,470	83,414,003	210,665,473
<u>\$ 130,764,913</u>	<u>\$ 86,019,069</u>	<u>\$ 216,783,982</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.

#### **Grant**

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

#### **Transportation Fund**

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

#### **Urban Renewal Fund**

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

#### **Urban Renewal Capital Projects Fund**

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

**CITY OF ROSEBURG, OREGON**

**Governmental Funds**

**Balance Sheet**

*June 30, 2019*

	<u>General</u>	<u>Grant</u>	<u>Transportation</u>
<b>ASSETS</b>			
Cash and investments	\$ 6,968,721	\$ 237,798	\$ 2,537,339
Interest receivable	-	-	-
Accounts receivable	314,252	-	48,242
Taxes receivable	1,382,175	-	-
Assessment liens receivable	-	-	-
Due from other funds	-	-	-
Intergovernmental receivable	79,073	537,764	158,908
Inventory	33,566	-	-
Prepaid items	9,480	-	-
Total assets	<u>\$ 8,787,267</u>	<u>\$ 775,562</u>	<u>\$ 2,744,489</u>
<b>LIABILITIES</b>			
Accounts payable	296,904	689,192	140,241
Other accrued liabilities	1,461	-	-
Due to other funds	-	-	-
Total liabilities	<u>298,365</u>	<u>689,192</u>	<u>140,241</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue-property taxes	1,224,998	-	-
Unavailable revenue-special assessments	-	-	-
Total deferred inflows of resources	<u>1,224,998</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Nonspendable	43,046	-	-
Restricted	-	86,370	-
Committed	-	-	-
Assigned	-	-	2,604,248
Unassigned	7,220,858	-	-
Total fund balances	<u>7,263,904</u>	<u>86,370</u>	<u>2,604,248</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,787,267</u>	<u>\$ 775,562</u>	<u>\$ 2,744,489</u>

See notes to the basic financial statements.

Urban Renewal General	Urban Renewal Capital Projects	Other Governmental	Total Governmental
\$ 417,225	\$ 937,478	\$ 4,828,802	\$ 15,927,363
-	-	178	178
-	-	50,882	413,376
382,030	-	326,928	2,091,133
-	-	6,832	6,832
-	-	135,635	135,635
-	-	56,671	832,416
-	-	-	33,566
-	-	-	9,480
<u>\$ 799,255</u>	<u>\$ 937,478</u>	<u>\$ 5,405,928</u>	<u>\$ 19,449,979</u>
-	330,799	110,502	1,567,638
-	-	105	1,566
-	-	135,635	135,635
<u>-</u>	<u>330,799</u>	<u>246,242</u>	<u>1,704,839</u>
355,617	-	-	1,580,615
-	-	6,832	6,832
<u>355,617</u>	<u>-</u>	<u>6,832</u>	<u>1,587,447</u>
-	-	-	43,046
-	-	191,333	277,703
443,638	606,679	1,602,395	2,652,712
-	-	3,359,126	5,963,374
-	-	-	7,220,858
<u>443,638</u>	<u>606,679</u>	<u>5,152,854</u>	<u>16,157,693</u>
<u>\$ 799,255</u>	<u>\$ 937,478</u>	<u>\$ 5,405,928</u>	<u>\$ 19,449,979</u>

**CITY OF ROSEBURG, OREGON**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Position**  
*June 30, 2019*

Total Fund balances-Governmental Funds	\$ 16,157,693
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*Amounts reported for governmental activities in the Statement of Net Position are different because:*

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

Net pension asset	(18,289,678)
Deferred outflows	7,807,766
Deferred inflows	(2,271,480)

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.

133,662,304

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	1,550,615
Special assessments	6,832

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

(1,554,921)

Net OPEB HIC liability

(1,855,789)

Net OPEB RHIA asset

108,685

OPEB HIC deferred inflows

(1,417,040)

OPEB RHIA deferred outflows

46,965

OPEB RHIA deferred inflows

(30,410)

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

(3,680,000)

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

(14,965)

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.

538,336

Net position of governmental activities

\$130,764,913

**CITY OF ROSEBURG, OREGON**

**Governmental Funds**

**Statement of Revenues, Expenditures, and Changes in Fund Balances**

*For the year ended June 30, 2019*

	<u>General</u>	<u>Grant</u>	<u>Transportation</u>
REVENUES			
Taxes	\$ 17,357,126	\$ -	\$ 506,877
Intergovernmental	1,027,070	3,109,512	1,771,667
Licenses and permits	182,449	-	-
Charges for services	3,575,988	-	-
System development fees	-	-	80,226
Fines and forfeitures	427,921	-	-
Special assessments	-	-	-
Investment revenue	223,457	3,687	57,946
Other revenues	118,691	-	-
Total revenues	<u>22,912,702</u>	<u>3,113,199</u>	<u>2,416,716</u>
EXPENDITURES			
Current operating:			
General government	2,402,489	-	-
Public safety	13,672,944	10,022	-
Public works	3,340,470	-	1,107,087
Culture and recreation	1,868,600	-	-
Community development	724,937	3,070,699	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	82,057	4,048	1,102,942
Total expenditures	<u>22,091,497</u>	<u>3,084,769</u>	<u>2,210,029</u>
Excess (deficiency) of revenues over (under) expenditures	<u>821,205</u>	<u>28,430</u>	<u>206,687</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from capital asset sales	-	-	-
Transfers in	-	-	-
Transfers out	(855,000)	-	(10,000)
Total other financing sources (uses)	<u>(855,000)</u>	<u>-</u>	<u>(10,000)</u>
Net change in fund balance	(33,795)	28,430	196,687
Fund balances--beginning originally stated	<u>7,297,699</u>	<u>57,940</u>	<u>2,407,561</u>
Fund balances--ending	<u>\$ 7,263,904</u>	<u>\$ 86,370</u>	<u>\$ 2,604,248</u>

See notes to the basic financial statements.

<b>Urban Renewal General</b>	<b>Urban Renewal Capital Projects</b>	<b>Other Governmental</b>	<b>Total Governmental</b>
\$ 4,087,813	\$ -	\$ 1,232,792	\$ 23,184,608
-	-	3,950,090	9,858,339
-	-	-	182,449
-	-	42,464	3,618,452
-	-	39,258	119,484
-	-	-	427,921
-	-	27,729	27,729
12,888	23,084	109,164	430,226
-	18,421	407,299	544,411
<u>4,100,701</u>	<u>41,505</u>	<u>5,808,796</u>	<u>38,393,619</u>
-	-	88,528	2,491,017
-	-	-	13,682,966
717,947	457,321	87,743	5,710,568
-	-	67,938	1,936,538
-	-	589,919	4,385,555
-	-	965,000	965,000
-	-	210,463	210,463
-	3,603,495	4,045,508	8,838,050
<u>717,947</u>	<u>4,060,816</u>	<u>6,055,099</u>	<u>38,220,157</u>
<u>3,382,754</u>	<u>(4,019,311)</u>	<u>(246,303)</u>	<u>173,462</u>
-	-	18,053	18,053
-	3,500,000	1,375,514	4,875,514
<u>(3,500,000)</u>	<u>-</u>	<u>(510,514)</u>	<u>(4,875,514)</u>
<u>(3,500,000)</u>	<u>3,500,000</u>	<u>883,053</u>	<u>18,053</u>
(117,246)	(519,311)	636,750	191,515
<u>560,884</u>	<u>1,125,990</u>	<u>4,516,104</u>	<u>15,966,178</u>
<u>\$ 443,638</u>	<u>\$ 606,679</u>	<u>\$ 5,152,854</u>	<u>\$ 16,157,693</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, 2019*

Net change in fund balances--total governmental funds \$ 191,515

*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	\$ 8,838,050	
Less current year depreciation	(4,318,453)	
Book value of disposed capital assets	(29,373)	
Net Assets, contributed by private agreement to the governmental funds	350,412	
Assets reassigned from governmental to an enterprise fund	<u>(528,969)</u>	4,311,667

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

Property taxes	(62,396)
Special assessments	(27,210)

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

965,000

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

Compensated absences	(13,318)	
Net OPEB HIC	(54,914)	
Net OPEB RHIA	56,302	
Accrued interest	<u>1,079</u>	(10,851)

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

(2,065,089)

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.

210,807

Change in net position of governmental activities

3,513,443

See notes to the basic financial statements.

## **FUND FINANCIAL STATEMENTS**

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### **Proprietary Funds**

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

#### *Enterprise Funds*

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

#### *Internal Service Fund*

- ◆ ***Workers Compensation***

**CITY OF ROSEBURG, OREGON**

**Proprietary Funds**

**Statement of Net Position**

*June 30, 2019*

	<b>Business-type Activities-Enterprise Funds</b>		
	<b>Storm Drainage</b>	<b>Airport</b>	<b>Off Street Parking</b>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 3,105,697	\$ 486,232	\$ 40,045
Utilities receivable, net	316,193	-	-
Other receivables	-	143,071	3,962
Inventories	-	-	-
Prepaid items	-	36,660	-
Total current assets	<u>3,421,890</u>	<u>665,963</u>	<u>44,007</u>
Noncurrent assets:			
Net OPEB Asset - RHIA	-	-	-
Capital assets, net	<u>24,374,170</u>	<u>16,334,698</u>	<u>1,746,325</u>
Total noncurrent assets	<u>24,374,170</u>	<u>16,334,698</u>	<u>1,746,325</u>
Total assets	<u>27,796,060</u>	<u>17,000,661</u>	<u>1,790,332</u>
<b>DEFFERED OUTFLOWS</b>			
Deferred outflows-contributions to PERS	-	-	-
Deferred outflows-contributions to OPEB	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	8,837	8,394	784
Other accrued liabilities	-	4,506	-
Interest payable	-	2,331	-
Net pension liability	-	-	-
Compensated absences	-	-	-
Unearned revenue	-	54,875	-
Bond payable-current maturity	-	81,050	-
Total current liabilities	<u>8,837</u>	<u>151,156</u>	<u>784</u>
Noncurrent liabilities:			
Compensated absences	-	-	-
Net OPEB Liability - HIC	-	-	-
Bond payable	-	1,162,302	-
Total noncurrent liabilities	<u>-</u>	<u>1,162,302</u>	<u>-</u>
Total liabilities	<u>8,837</u>	<u>1,313,458</u>	<u>784</u>
<b>DEFERRED INFLOWS</b>			
Net projected to actual earnings to PERS	-	-	-
Net projected to actual earnings to OPEB	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	24,374,170	15,091,346	1,746,325
Unrestricted	<u>3,413,053</u>	<u>595,857</u>	<u>43,223</u>
Total net position	<u>\$ 27,787,223</u>	<u>\$ 15,687,203</u>	<u>\$ 1,789,548</u>

See notes to the basic financial statements.

<b>Business-type Activities-Enterprise Funds</b>		<b>Activities Internal Service Fund</b>
<b>Water</b>	<b>Totals</b>	
\$ 8,589,594	\$ 12,221,568	\$ 733,525
1,067,738	1,383,931	-
3,184	150,217	7,842
54,423	54,423	-
29	36,689	-
9,714,968	13,846,828	741,367
10,077	10,077	
32,787,632	75,242,825	1,257
32,797,709	75,252,902	1,257
42,512,677	89,099,730	742,624
705,944	705,944	-
4,428	4,428	-
165,829	183,844	4,745
92	4,598	198,286
-	2,331	-
1,653,672	1,653,672	-
71,875	71,875	-
41,787	96,662	-
-	85,074	-
1,933,255	2,098,056	203,031
32,410	32,410	-
181,610	181,610	-
-	1,158,278	-
214,020	1,372,298	-
2,147,275	3,470,354	203,031
205,377	205,377	-
115,302	115,302	-
32,787,632	73,999,473	1,257
7,967,463	12,019,596	538,336
<u>\$ 40,755,095</u>	<u>\$ 86,019,069</u>	<u>\$ 539,593</u>

**CITY OF ROSEBURG, OREGON**  
**Proprietary Funds**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
*For the year ended June 30, 2019*

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Storm Drainage</b>	<b>Airport</b>	<b>Off Street Parking</b>
OPERATING REVENUES:			
Charges for services	\$ 2,198,028	\$ 404,512	\$ 47,500
Other revenues	\$ 1,990	300	448
Total operating revenues	<u>2,200,018</u>	<u>404,812</u>	<u>47,948</u>
OPERATING EXPENSES:			
Personal services	-	-	-
Support services	504,934	84,916	2,638
Contractual services	127,853	16,114	2,387
Utilities	-	52,010	18,292
Repairs and maintenance	46,552	17,734	38,041
Other operating expenses	19,183	1,829	1,504
Insurance claims and expenses	42,746	10,532	4,100
Amortization of bond costs	-	4,957	-
Depreciation	1,134,910	886,884	89,934
Total operating expenses	<u>1,876,178</u>	<u>1,074,976</u>	<u>156,896</u>
Operating income (loss)	<u>323,840</u>	<u>(670,164)</u>	<u>(108,948)</u>
Nonoperating revenues (expenses):			
Investment revenue	61,851	13,288	1,135
Proceeds from insurance reimbursements	-	-	22,759
Interest expense	-	(29,595)	-
GAAP Pension OPEB Adjustment	-	-	-
GAAP OPEB Adjustment			
Total nonoperating revenues (expenses)	<u>61,851</u>	<u>(16,307)</u>	<u>23,894</u>
Net income (loss)			
Net income (loss) before contributions and transfers	385,691	(686,471)	(85,054)
Capital contributions-grants and fees	106,653	252,943	-
Capital contributions-infrastructure	616,983	-	-
Change in net position	<u>1,109,327</u>	<u>(433,528)</u>	<u>(85,054)</u>
Net position--beginning	<u>26,677,896</u>	<u>16,120,731</u>	<u>1,874,602</u>
Net position--ending	<u>\$ 27,787,223</u>	<u>\$ 15,687,203</u>	<u>\$ 1,789,548</u>

See notes to the basic financial statements.

<b><u>Business-type Activities - Enterprise Funds</u></b>		<b>Governmental Activities Internal Service Fund</b>
<b><u>Water</u></b>	<b><u>Totals</u></b>	
\$ 6,431,978	\$ 9,082,018	\$ 389,999
64,296	67,034	207
<u>6,496,274</u>	<u>9,149,052</u>	<u>390,206</u>
1,650,145	1,650,145	-
943,326	1,535,814	16,671
430,392	576,746	16,826
335,065	405,367	-
175,466	277,793	-
305,603	328,119	7,806
46,992	104,370	153,016
-	4,957	-
<u>1,644,074</u>	<u>3,755,802</u>	<u>279</u>
<u>5,531,063</u>	<u>8,639,113</u>	<u>194,598</u>
<u>965,211</u>	<u>509,939</u>	<u>195,608</u>
196,252	272,526	14,920
16,581	39,340	-
-	(29,595)	-
(130,470)	(130,470)	-
<u>(2,299)</u>	<u>(2,299)</u>	
<u>80,064</u>	<u>149,502</u>	<u>14,920</u>
1,045,275	659,441	210,528
429,137	788,733	-
<u>539,909</u>	<u>1,156,892</u>	<u>-</u>
<u>2,014,321</u>	<u>2,605,066</u>	<u>210,528</u>
<u>38,740,774</u>	<u>83,414,003</u>	<u>329,065</u>
<u>\$ 40,755,095</u>	<u>\$ 86,019,069</u>	<u>\$ 539,593</u>

**CITY OF ROSEBURG, OREGON**

**Proprietary Funds**

**STATEMENT OF CASH FLOWS**

*For the year ended June 30, 2019*

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Storm Drainage</b>	<b>Airport</b>	<b>Off Street Parking</b>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,161,549	\$ 353,711	\$ 43,537
Payments to suppliers	(368,424)	(147,747)	(64,159)
Payments to employees	-	-	-
Internal activity--payments to other funds	(504,934)	(91,220)	(2,638)
Other receipts	<u>1,990</u>	<u>300</u>	<u>448</u>
Net cash provided by operating activities	<u>1,290,181</u>	<u>115,044</u>	<u>(22,812)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
System development fees	106,653	-	-
Proceeds from insurance reimbursements	-	2,312	-
Purchases of capital assets	(311,045)	(187,473)	-
Principal paid on capital debt	-	(81,050)	-
Interest paid on capital debt	<u>-</u>	<u>(29,747)</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(204,392)</u>	<u>(295,958)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>61,852</u>	<u>13,288</u>	<u>1,135</u>
Net cash provided by investing activities	<u>61,852</u>	<u>13,288</u>	<u>1,135</u>
Net increase (decrease) in cash and investments	1,147,641	(167,626)	(21,677)
Balances--beginning of the year	<u>1,958,056</u>	<u>401,880</u>	<u>38,961</u>
Balances--end of the year	<u><u>\$ 3,105,697</u></u>	<u><u>\$ 234,254</u></u>	<u><u>\$ 17,284</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 323,840	\$ (670,164)	\$ (108,948)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Cash flows reported in other categories:			
Depreciation expense	1,134,910	886,884	89,933
Amortization expense	-	4,957	-
Change in assets and liabilities:			
Receivables, net	(36,479)	(51,701)	(3,963)
Prepaid assets	-	(1,347)	-
Inventories	-	-	-
Net OPEB asset	-	-	-
Accounts payable	(132,090)	(54,490)	166
Accrued compensated absences	-	-	-
OPEB obligation	-	-	-
Other accrued liabilities	-	5	-
Pension expense (income)	-	-	-
Unearned revenue	<u>-</u>	<u>900</u>	<u>-</u>
Net cash provided by operating activities	<u><u>\$ 1,290,181</u></u>	<u><u>\$ 115,044</u></u>	<u><u>\$ (22,812)</u></u>
Noncash capital activities:			
Capital assets contributed	<u><u>\$ 616,983</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See notes to the basic financial statements.

<u>Business-type Activities-Enterprise Funds</u>		Governmental Activities Internal Service Fund
<u>Water</u>	<u>Totals</u>	
\$ 6,330,615	\$ 8,889,412	\$ 389,999
(1,232,518)	(1,812,848)	(268,819)
(746,793)	(746,793)	-
(943,326)	(1,542,118)	(16,671)
64,296	67,034	207
<u>3,472,274</u>	<u>4,854,687</u>	<u>104,716</u>
429,137	535,790	-
16,581	18,893	-
(1,450,922)	(1,949,440)	-
-	(81,050)	-
-	(29,747)	-
<u>(1,005,204)</u>	<u>(1,505,554)</u>	<u>-</u>
196,252	272,527	14,920
<u>196,252</u>	<u>272,527</u>	<u>14,920</u>
2,663,322	3,621,660	119,636
6,839,963	9,238,860	621,731
<u>\$ 9,503,285</u>	<u>\$ 12,860,520</u>	<u>\$ 741,367</u>
\$ 965,211	\$ 509,939	\$ 195,608
1,644,073	3,755,800	279
-	4,957	-
(102,360)	(194,503)	-
(29)	(1,376)	-
(1,259)	(1,259)	-
6,196	6,196	-
62,408	(124,006)	(3,934)
(10,339)	(10,339)	-
(105,063)	(105,063)	-
(120)	(115)	(87,237)
1,012,558	1,012,558	-
998	1,898	-
<u>\$ 3,472,274</u>	<u>\$ 4,854,687</u>	<u>\$ 104,716</u>
<u>\$ 539,909</u>	<u>\$ 1,156,892</u>	<u>\$ -</u>

**NOTES TO  
BASIC FINANCIAL STATEMENTS**

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**CITY OF ROSEBURG, OREGON**  
**Notes to Basic Financial Statements**  
*June 30, 2019*

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**REPORTING ENTITY**

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

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

**BLENDED COMPONENT UNIT**

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

**BASIC FINANCIAL STATEMENTS**

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among

**CITY OF ROSEBURG, OREGON**  
**Notes to Basic Financial Statements**  
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program revenues are reported instead as *general revenues*.

*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*

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.

- *Grant Fund*

Accounts for and report financial resources that are restricted to expenditure of both capital and non-capital outlays to satisfy the program requirements of various grants awarded to the City.

- *Transportation Fund*

Accounts for and report financial resources that are restricted, committed, or assigned to expenditure of capital outlays, including the acquisition or construction of capital facilities and other capital assets. Principal sources of revenue are gas tax subventions, 15% of City franchise fees, Federal ISTEA funds, and transportation system development charges (SDCs). Historically, street reconstruction and new street projects have been funded through this fund.

- *Urban Renewal General Fund*

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

- *Urban Renewal Capital Projects Fund*

**CITY OF ROSEBURG, OREGON**  
**Notes to Basic Financial Statements**  
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Accounts for acquisition, construction and improvements within the Urban Renewal District financed from the issuance of debt and interest earnings. Principal sources of revenue are tax incremental revenues transferred from the Urban Renewal General Fund and Federal and State grants.

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

The City reports the following proprietary funds:

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

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

- *Special Revenue Funds*

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

- *Debt Service Funds*

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

- *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.

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

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

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

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

**Cash and Investments**

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

**Restricted Assets**

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

**Receivables and Payables**

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

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

Assessment liens receivable are recognized at the time property owners are assessed for property improvement. Liens and special assessments collected within 60 days after year-end are considered

**CITY OF ROSEBURG, OREGON**  
**Notes to Basic Financial Statements**  
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measurable and available and are recognized as revenue. The remaining balance is recorded as a deferred inflow of resources because it is not deemed available to finance operations of the current period.

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

**Inventories and Prepaid Items**

Inventories of materials and supplies are stated at an average cost basis and charged to expenses as 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 capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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

Depreciation is calculated as of the acquisition date of the asset. 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.

**CITY OF ROSEBURG, OREGON**  
**Notes to Basic Financial Statements**  
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Sick pay, which does not vest, is recognized in all funds when leave is taken.

**Long-Term Obligations**

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

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

**Deferred Outflows/Inflows of Resources**

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

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

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Net Position Flow Assumption**

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

**Fund Balance Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to

**CITY OF ROSEBURG, OREGON**  
**Notes to Basic Financial Statements**  
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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 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 – amounts that constitute the residual classification for the General Fund. This classification represents fund balance that is not otherwise reported as nonspendable, restricted, or committed within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

As of June 30, 2019, fund balances of the governmental funds are classified as follows:

Fund Balances	General	Grant	Transportation	Urban Renewal General	Urban Renewal Capital	Other Governmental	Total Governmental
Nonspendable:	\$ 43,046	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,046
Restricted							
Federal, State & Local Grants	-	86,370	-	-	-	-	86,370
Pension Obligation Debt	-	-	-	-	-	41,797	41,797
Pedestrian & Bike Paths	-	-	-	-	-	47,219	47,219
Stewart Park	-	-	-	-	-	102,317	102,317
Committed							
Capital Projects	-	-	-	443,638	606,679	-	1,050,317
Tourism	-	-	-	-	-	555,109	555,109
Economic Development	-	-	-	-	-	218,999	218,999
Street Lights, Sidewalks & Signals	-	-	-	-	-	382,918	382,918
Facilities	-	-	-	-	-	232,640	232,640
Library	-	-	-	-	-	127,079	127,079
Golf	-	-	-	-	-	85,650	85,650
Assigned:							
Capital Projects-Streets	-	-	2,604,248	-	-	-	2,604,248
Capital Projects-Parks	-	-	-	-	-	306,754	306,754
Capital-Vehicles & Equipment	-	-	-	-	-	1,413,727	1,413,727
Local Improvement Districts	-	-	-	-	-	1,638,645	1,638,645
Unassigned	7,220,858	-	-	-	-	-	7,220,858
<b>Total Fund Balances</b>	<b>\$ 7,263,904</b>	<b>\$ 86,370</b>	<b>\$ 2,604,248</b>	<b>\$ 443,638</b>	<b>\$ 606,679</b>	<b>\$ 5,152,854</b>	<b>\$ 16,157,693</b>

**CITY OF ROSEBURG, OREGON**  
**Notes to Basic Financial Statements**  
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**Use of Estimates**

In preparing the City of Roseburg's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**BUDGETARY INFORMATION**

Annual budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budget Law). The City is required to budget all funds. The City's budget is prepared for each fund on the modified accrual basis of accounting with Proprietary Fund types adjusted for year-end accrued compensated absences. For all fund types, inter-fund loans are budgeted as sources and uses in accordance with state budget laws. Estimated receipts and expenditures are budgeted for by fund and object. Information on the past two years' actual receipts and expenditures and current-year estimates are included in the budget document. The process under which the budget is adopted is described in the following paragraphs.

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

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

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

The City Council may change the budget throughout the year by resolution and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that

**CITY OF ROSEBURG, OREGON**  
**Notes to Basic Financial Statements**  
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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, 2019.

**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, 2019 are comprised of the following:

	Carrying Value	Fair Value
Petty cash	\$ 1,250	\$ 1,250
Deposits with financial institutions	1,348,757	1,348,757
Investments	27,532,449	27,532,449
	<u>\$ 28,882,456</u>	<u>\$ 28,882,456</u>

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

Cash and investments	\$ 28,502,909
Restricted assets - cash and investments	379,547
	<u>\$ 28,882,456</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 \$1,841,644. Of these deposits, \$477,695 is covered by federal depository insurance. The balance of \$1,363,949 is collateralized per the Oregon Public Funds Collateralization Program (PFCP) per Oregon Revised Statutes, Chapter 295 which requires public funds in excess of insurance limits to be held at qualified depositories. The City is in full compliance with ORS Chapter 295.

**INVESTMENTS**

The City has invested funds in the State Treasurer's Oregon Short-Term Fund Local Government Investment Pool during fiscal year 2019. The Oregon Short-Term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the financial and administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an unrated external investment pool managed by the State Treasurer's office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40.

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

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

**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, 2019 was unqualified.

The LGIP's portfolio concentration of credit risk at June 30, 2019 included: Commercial Paper, 2.80%; Agency Securities, 19.06%; Certificates of Deposits, 1.65%; Corporate Notes, 42.83%; Municipal Government Securities, 4.64%; foreign government, 7.04%; Asset-Backed Securities, 20.58%; Commingled Investment Pool, 1.00%; and cash in various banks, 0.40%. The credit risk associated with the investments was: AAA rating, 25.96%; AA rating, 18.95%; A rating, 30.11%; A-1+, 6.99%; A-1, 0.92%; BBB(1) rating, 0.35%; FDIC covered, 0.40%; and not rated, 16.32%. 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.

**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.

**CITY OF ROSEBURG, OREGON**  
**Notes to Basic Financial Statements**  
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**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	Grant	Transportation	Urban Renewal	Urban Renewal Capital Projects	Other Governmental	Total Governmental
Receivables:							
Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 178	\$ 178
Accounts	314,252	-	48,242	-	-	50,882	413,376
Taxes	1,382,175	-	-	382,030	-	326,928	2,091,133
Assessment Liens	-	-	-	-	-	6,832	6,832
Intergovernmental	79,073	537,764	158,908	-	-	56,671	832,416
Total	<u>\$ 1,775,500</u>	<u>\$ 537,764</u>	<u>\$ 207,150</u>	<u>\$ 382,030</u>	<u>\$ -</u>	<u>\$ 441,491</u>	<u>\$ 3,343,935</u>

**BUSINESS-TYPE ACTIVITIES**

	Storm Drainage	Airport	Off Street Parking	Water	Total Business-Type Activities
Receivables:					
Utilities receivable, net	\$ 316,193	\$ -	\$ -	\$ 1,067,738	\$ 1,383,931
Other	-	143,071	3,962	3,184	150,217
Intergovernmental	-	-	-	-	-
Total	<u>\$ 316,193</u>	<u>\$ 143,071</u>	<u>\$ 3,962</u>	<u>\$ 1,070,922</u>	<u>\$ 1,534,148</u>

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

Capital asset activity for governmental activities for the year ended June 30, 2019 was as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Land	66,580,719		(27,500)	66,553,219
Construction in Progress	9,731,378	544,185	(530,841)	9,744,722
Total non-depreciable	<u>76,312,097</u>	<u>544,185</u>	<u>(558,341)</u>	<u>76,297,941</u>
Buildings & bldg improvements	26,211,146	432,983		26,644,129
Land improvements	14,519,313	6,550,835		21,070,148
Machinery & Equipment	4,394,960	874,472		5,269,432
Vehicles	6,959,566	320,089	(164,202)	7,115,453
Infrastructure	121,451,732	465,897		121,917,629
Total depreciable	<u>173,536,717</u>	<u>8,644,276</u>	<u>(164,202)</u>	<u>182,016,791</u>
	249,848,814	9,188,461	(722,543)	258,314,732
Accumulated depreciation				
Buildings/Improvements	(9,258,758)	(589,079)		(9,847,837)
Land Improvements	(8,161,759)	(552,457)		(8,714,216)
Machinery & Equipment	(2,746,327)	(347,473)		(3,093,800)
Vehicles	(5,279,095)	(448,374)	164,202	(5,563,267)
Infrastructure	(95,052,238)	(2,381,070)		(97,433,308)
Total accumulated depreciation	<u>(120,498,177)</u>	<u>(4,318,453)</u>	<u>164,202</u>	<u>(124,652,428)</u>
Governmental activities				
capital assets, net	<u>\$ 129,350,637</u>	<u>\$ 4,870,008</u>	<u>\$ (558,341)</u>	<u>\$ 133,662,304</u>

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

General government	638,336
Public Safety	350,185
Public Works	2,969,925
Culture and recreation	344,162
Community development	15,845
<b>Total depreciation for governmental activities</b>	<u><u>\$ 4,318,453</u></u>

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

Capital asset activity for business-type activities for the year ended June 30, 2019 was as follows:

Description	Beginning Balance	Increases	Decreases	Ending Balance
Land	6,841,635			6,841,635
Construction in Progress	3,204,712		(507,616)	2,697,096
Total non-depreciable	<u>10,046,347</u>	<u>-</u>	<u>(507,616)</u>	<u>9,538,731</u>
Buildings	17,418,531	1,398,567	(59,420)	18,757,678
Improvements other than buildings	122,270,003	2,154,590	-	124,424,593
Machinery & Equipment	2,271,075	29,499	(6,498)	2,294,076
Vehicles	1,251,263	31,291	(132,269)	1,150,285
Total depreciable	<u>143,210,872</u>	<u>3,613,947</u>	<u>(198,187)</u>	<u>146,626,632</u>
	153,257,219	3,613,947	(705,803)	156,165,363
Accumulated depreciation				
Buildings	(10,481,795)	(498,568)	59,420	(10,920,943)
Improvements other than buildings	(63,878,875)	(3,093,197)		(66,972,072)
Machinery & Equipment	(1,994,715)	(92,225)	6,498	(2,080,442)
Vehicles	(1,009,538)	(71,812)	132,269	(949,081)
Total accumulated depreciation	<u>(77,364,923)</u>	<u>(3,755,802)</u>	<u>198,187</u>	<u>(80,922,538)</u>
Business type activities, net	<u>\$ 75,892,296</u>	<u>\$ (141,855)</u>	<u>\$ (507,616)</u>	<u>\$ 75,242,825</u>

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

Off Street Parking	89,934
Airport	886,884
Water	1,644,074
Storm Drain	1,134,910
<b>Total depreciation for business-type activities</b>	<u><u>\$ 3,755,802</u></u>

**Interfund Receivables, Payables, and Transfers**

Interfund balances as of June 30, 2019 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	\$135,635

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

**CITY OF ROSEBURG, OREGON**  
**Notes to Basic Financial Statements**  
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**Interfund transfers:**

	Transfers In:		
	Urban Renewal Capital Projects	Nonmajor Governmental	Total
Transfer out:			
General Fund	\$ -	\$ 855,000	\$ 855,000
Transportation	-	10,000	10,000
Urban Renewal General	3,500,000	-	3,500,000
Nonmajor Governmental	-	510,514	510,514
Total	\$ 3,500,000	\$ 1,375,514	\$ 4,875,514

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
<b>Governmental Activities</b>					
Compensated Absences	1,541,603	819,476	806,158	1,554,921	957,027
OPEB - HIC	3,217,914	79,129	1,441,254	1,855,789	-
OPEB - RHIA	(40,142)	-	68,543	(108,685)	-
Full Faith & Credit					
Series 2013 (POB)	3,945,000	-	265,000	3,680,000	295,000
Line-of-Credit (Non-Revolving)	700,000	-	700,000	-	-
Total Governmental Activities	9,364,375	898,605	3,280,955	6,982,025	1,252,027
<b>Business Type Activities</b>					
Compensated Absences	114,624	62,569	72,908	104,285	71,875
OPEB - HIC	286,672	-	105,062	181,610	-
OPEB - RHIA	(3,880)	-	6,197	(10,077)	-
Full Faith & Credit					
Financing Agreement (Series 2017)	1,324,402	-	81,050	1,243,352	85,074
Total Business Type Activities	1,721,818	62,569	265,217	1,519,170	156,949

**GOVERNMENTAL ACTIVITIES**

**Full Faith and Credit Obligations**

*SERIES 2013 (POB)*

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

**CITY OF ROSEBURG, OREGON**  
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The balance outstanding as of June 30, 2019 is \$3,680,000.

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

<b>Year Ending</b>		
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>
2020	295,000	179,584
2021	325,000	165,188
2022	360,000	149,328
2023	395,000	131,760
2024	435,000	91,256
2025-2028	1,870,000	216,184
Totals	<u>\$ 3,680,000</u>	<u>\$ 933,300</u>

*Line of Credit (Non Revolving)*

In November 2015, the City established a Full Faith and Credit Tax-Exempt Non-Revolving Credit Facility and Note (Line of Credit) with Umpqua Bank to provide the necessary capital to facilitate several urban renewal capital projects prior to the termination of the City's Urban Renewal Agency in 2019. The maximum principal amount of the Credit Facility was \$4,500,000 and the balance of all drawdowns accrued interest at 2.80%. An intergovernmental agreement between the City and the Urban Renewal Agency pledged the Agency's tax increment revenues to pay the debt in entirety. The intergovernmental agreement constituted an indebtedness of the Agency. The balance outstanding as of June 30, 2019 was \$0.00.

**BUSINESS-TYPE ACTIVITIES**

**Full Faith and Credit Obligations**

*Financing Agreement (Series 2017) Refunding of Series 2007 (Airport)*

On June 14, 2017, the City refunded and defeased in substance its outstanding 2007 Series Full Faith and Credit Obligations of \$1,360,000, carrying interest rates from 4% to 4.125%, with new Financing Agreements of \$1,407,930, issued at a rate of 2.25%. The debt service payments maintain the same schedule of payments of the original refinanced debt with a final payment due June 1, 2032.

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

<b>Year Ending</b>		
<b>June 30,</b>	<b>Principal</b>	<b>Interest</b>
2020	85,074	27,975
2021	83,988	26,061
2022	87,877	24,172
2023	86,655	22,194
2024	90,404	20,245
2025-2032	809,354	84,525
Totals	<u>\$ 1,243,352</u>	<u>\$ 205,172</u>

**CITY OF ROSEBURG, OREGON**  
**Notes to Basic Financial Statements**  
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Amortization of the deferred outflow of resources on the refunding and the unamortized issue costs over the remaining subsequent periods are as follows:

Year	New Debt, Beginning of Year	Deferred Outflow of Resources on Refunding	Unamortized Issue Costs	Net New Debt	Effective Interest	Stated Interest	Amortization	
							Deferred Outflow of Resources on Refunding	Unamortized Issue Costs
2020	1,243,352	(5,033)	(31,627)	1,206,692	32,694	27,975	648	4,071
2021	1,158,278	(4,385)	(27,556)	1,126,337	30,517	26,061	612	3,844
2022	1,078,290	(3,773)	(23,712)	1,050,805	28,362	24,172	575	3,615
2023	986,413	(3,198)	(20,097)	963,118	26,095	22,194	536	3,365
2024	899,758	(2,662)	(16,731)	880,365	23,853	20,245	495	3,112
2025	809,354	(2,167)	(13,619)	793,568	21,501	18,211	452	2,838
2026	715,316	(1,715)	(10,781)	702,820	19,042	16,095	405	2,543
2027	622,762	(1,311)	(8,238)	613,213	16,614	14,012	357	2,245
2028	526,725	(954)	(5,993)	519,778	14,083	11,851	306	1,926
2029	427,327	(647)	(4,067)	422,613	11,450	9,615	252	1,583
2030	324,818	(395)	(2,484)	321,939	8,723	7,308	194	1,220
2031	219,334	(201)	(1,263)	217,870	5,903	4,935	133	835
2032	111,014	(68)	(428)	110,518	2,994	2,498	68	428
					<u>241,832</u>	<u>205,172</u>	<u>5,033</u>	<u>31,625</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, 2019, including an estimate for claims incurred but not reported, is \$198,286.

The following represents changes in the claims liability amount for fiscal year 2019:

	<u>2019</u>	<u>2018</u>
Balance July 1, 2018/2017	\$ 285,523	\$ 171,827
New Claims	45,133	200,813
Claims Payments	<u>132,370</u>	<u>87,117</u>
Balance June 30, 2019/2018	<u>\$ 198,286</u>	<u>\$ 285,523</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**  
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Amounts received or receivable from grant and regulator agencies are subject to audit and adjustment by grantor and regulator agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor or regulator cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

## **PENSION PLANS - OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

### **General Information about the Pension Plan**

#### **Plan description**

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

#### **Benefits provided**

#### **Tier One/Tier Two Retirement Benefit ORS Chapter 238**

##### **Pension Benefits**

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

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

##### **Death Benefits**

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

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

##### **Disability Benefits**

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service

**CITY OF ROSEBURG, OREGON**  
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time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

**Benefit Changes**

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

**OPSRP Pension Program (OPSRP DB)**

**Pension Benefits**

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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

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

**Death Benefits**

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

**Disability Benefits**

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

**Benefit Changes After Retirement**

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

**OPSRP Individual Account Program (OPSRP IAP)**

**Pension Benefits**

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each

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distribution option has a \$200 minimum distribution limit.

**Death Benefits**

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

**Recordkeeping**

OPERS contracts with VOYA Financial to maintain IAP participant records.

**Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2016 actuarial valuation and rolled forward to June 30, 2018. The rates based on a percentage of payroll, first became effective July 1, 2017. Employer contributions for the year ended June 30, 2019 were \$2,887,367, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2019 were 23.99 percent for Tier One/Tier Two Members, 14.02 percent for OPSRP Pension Program General Service Members, 18.79 percent for OPSRP Pension Program Police and Fire Members, and 6 percent for OPSRP Individual Account Program.

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

At June 30, 2019, the City reported a liability of \$19,943,350 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2018. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2018, the City's proportion was 0.13165072 percent, which was decreased from its proportion of 0.13572377 measured as of June 30, 2017.

For the year ended June 30, 2019, the City's recognized pension expense of \$2,195,559. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 678,413	\$ -
Changes of assumptions	4,636,791	-
Net difference between projected and actual earnings on investments	-	885,597
Changes in proportion	305	1,501,306
Differences between employer contributions and proportionate share of contributions	1,053,612	89,954
Total (prior to post-MD contributions)	6,369,121	2,476,857
Contributions subsequent to the MD	2,144,589	-
Total	<u>\$ 8,513,710</u>	<u>\$ 2,476,857</u>

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**CITY OF ROSEBURG, OREGON**  
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Deferred Outflows		Deferred Inflows	
Amortization Period		Amortization Period	
FY2020	\$ 2,379,507	FY2020	\$ (110,002)
FY2021	1,859,693	FY2021	534,990
FY2022	1,147,006	FY2022	1,531,663
FY2023	796,614	FY2023	504,177
FY2024	186,301	FY2024	16,029
Total	<u>\$ 6,369,121</u>	Total	<u>\$ 2,476,857</u>

**Actuarial assumptions**

The employer contribution rates effective July 1, 2017, through June 30, 2019, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years.

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

The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

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Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study Report	2016, published July 26, 2017
Actuarial Assumptions:	
Actuarial cost method	Entry Age Normal
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision, blend based on service.
Mortality	<p><b><i>Healthy retirees and beneficiaries:</i></b> RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><b><i>Active Members:</i></b> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><b><i>Disabled retirees:</i></b> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

**Long-term expected rate of return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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Asset Class/Strategy	Assumed Asset Allocation		
	Low Range	High Range	Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	13.5%	21.5%	17.5%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			<u>100.0%</u>

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.30%	6.69%
Micro Cap US Equities	1.30%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Foreign Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-Driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
Total	<u>100.00%</u>	

Assumed Inflation - Mean 2.50%

**Depletion Date Projection**

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

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Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

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

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

**Discount rate**

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate**

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Roseburg's proportionate share of the net pension liability (asset)	\$ 33,329,106	\$ 19,943,350	\$ 8,894,504

**Pension plan fiduciary net position**

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

**Changes in Assumptions**

A summary of key changes implemented since the December 31, 2016 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2016 Experience Study for the System, which was published on July 26, 2017, and can be found at: <http://www.oregon.gov/PERS/Documents/2016-Exp-Study.pdf>

- Changes in Actuarial Methods and Allocation Procedures: There were no changes to actuarial methods and procedures since the December 31, 2016 valuation.
- Changes in Economic Assumptions: There were no changes to economic assumptions since the December 31, 2016 valuation.
- Changes in Demographic Assumptions: There were no changes to demographic assumptions

**CITY OF ROSEBURG, OREGON**  
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since the December 31, 2016 valuation.

**POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

The Other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree Health Insurance Continuation (HIC) premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined benefit plan (RHIA).

Health Insurance Continuation (HIC)

*Plan Description*

The City has a Health Insurance Continuation (HIC) option available for retirees. It is a substantive postemployment benefits plan offered under Oregon Revised Statutes (ORS) 243. ORS 243.303 requires the City provide retirees and their dependents with an opportunity to participate in group health and dental insurance from the date of retirement to age 65, and the rate would be calculated using claims experience from retirees and active employees for health plan rating purposes. Providing the same rate to retirees as provided to current employees constitutes an implicit rate subsidy under OPEB. This single-employer "plan" is not a stand-alone plan and therefore does not issue financial statements.

*Funding Policy*

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

For fiscal year 2018/2019, the City contributed \$119,776 consisting of retiree payments. The City has elected to not prefund the actuarially determined OPEB Liability of \$2,037,399.

Plan members required monthly contributions are \$776 per month for retiree-only coverage and \$1,498 per month for retiree and spouse coverage.

At June 30, 2019 the following employees were covered by the benefit terms:

<b>Participant Counts</b>	<b>Governmental</b>	<b>Enterprise</b>	<b>Total</b>
Number of Active Participants	140	16	156
Number of Inactive Participants	10	-	10
Total Number of Participants	150	16	166
<b>Participant Statistics</b>			
Active Participants			
Average Age	43.7	48.7	44.2
Average Service	10.2	14.5	10.6
Inactive Participants			
Average Age	61.3	N/A	61.3

*Total OPEB Liability*

The City's total OPEB liability of \$2,037,400 was measured as of June 30, 2018 and rolled forward to June 30, 2019, and was determined by an actuarial valuation as of June 30, 2018.

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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Actuarial Cost Method	Entry Age Normal, level percent of salary.			
Interest Rate for Discounting Future Liabilities	4.0% per year, based on all years discounted at municipal bond rate (based on Bond Buyer 20 - Bond General Obligation Index as of September 30, 2018)			
General Inflation	2.5% per year.			
Payroll growth	3.5% per year.			
Salary Merit Scale	Total payroll increase is overall payroll growth plus merit table below. Sample rates are as follows:			
	<u>Duration</u>	<u>General</u>	<u>Duration</u>	<u>Police &amp; Fire</u>
	0	3.38%	0	4.44%
	5	1.94%	5	2.39%
	10	0.99%	10	1.23%
	15	0.43%	15	0.69%
	20	0.14%	20	0.52%
	25	0.02%	25	0.44%
	30+	-0.04%	30+	0.21%
Annual Premium Rate Increase	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
	2018-19	7.00%	2029-30	5.90%
	2019-20	6.90%	2030-31	5.80%
	2020-21	6.80%	2031-32	5.70%
	2021-22	6.70%	2032-33	5.60%
	2022-23	6.60%	2033-34	5.50%
	2023-24	6.50%	2034-35	5.40%
	2024-25	6.40%	2035-36	5.30%
	2025-26	6.30%	2036-37	5.20%
	2026-27	6.20%	2037-38	5.10%
	2027-28	6.10%	2038+	5.00%
	2028-29	6.00%		
	The initial rates above are based in part on the 2017 Segal Health Plan Cost Trend Survey. Rates are trended down in subsequent years in accordance with prevalent actuarial practice, based in part on the Society of Actuaries - Getzen Long Term Healthcare Trends Resource Model, as updated August 2017.			
Mortality Rates	Basic table: RP 2014, Employee/Healthy Annuitant, sex distinct, generational			
	Improvement Scale: Unisex Social Security Data Scale (60 year average)			
	Male Adjustments: Blended 50% blue collar / 50% white collar, set back 12 months			
	Female Adjustments: Blended 50% blue collar / 50% white collar, no set back			
Turnover Rates	As developed for the valuation of benefits under Oregon PERS.			

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Disability Rates	As developed for the valuation of benefits under Oregon PERS.
Retirement Rates	As developed for the Oregon PERS valuation, and were used with the following exception. General Service employees are assumed to retire by the time both employee and dependent have reached age 65, the age at which they can no longer receive subsidized health benefits.
Participation	Of the active employees currently enrolled in a medical plan, 60% are assumed to remain enrolled at retirement until Medicare eligibility.
Plan Enrollment	Current and future retirees are assumed to remain enrolled in the plans in which they are currently enrolled, if any.
Marital Status	70% of future retirees electing coverage are assumed to cover a spouse as well. Males are assumed to be three years older than their female spouses. Actual marital status as of the valuation date are used for current retirees.
Coverage of Eligible Children	Assumed no impact of dependent children on the implicit subsidy.
Health Care Claims Costs	2018-19 annual claims costs for an age 64 retiree or spouse are assumed to be \$14,222. The age-specific claims costs were developed based on the health plans' overall demographics and total premiums, to the extent the data was available.
Aging Factors	Aging factors are used to adjust the age 64 per capita claims cost.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2018.

Changes since the prior actuarial valuation include:

- The interest rate for discounting future liabilities was lowered to match municipal bond rates, as outlined in GASB Statement 75,
- Premium increase rates were modified slightly to reflect anticipated experience,
- Aging factors were revised to better align with prevalent actuarial practice, and
- Demographic assumptions were revised to match (as closely as possible) those developed in the most recent experience study for Oregon PERS.

*Changes in the Total OPEB Liability*

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	<b>Governmental OPEB Liability</b>	<b>Enterprise OPEB Liability</b>	<b>Total OPEB Liability</b>
<b>Balance at 06/30/2018</b>	\$ 3,217,914	\$ 286,673	\$ 3,504,587
<b>Changes for the year:</b>			
Service cost	182,910	13,131	196,041
Interest	101,243	8,984	110,227
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(384,149)	(15,391)	(399,540)
Changes in assumptions or other inputs	(1,210,021)	(111,116)	(1,321,137)
Benefit payments	(52,108)	(671)	(52,779)
<b>Net Changes</b>	(1,362,125)	(105,063)	(1,467,188)
<b>Balance at 06/30/19</b>	1,855,789	181,610	2,037,399

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.0 percent) or 1-percentage-point higher (5.0 percent) than the current discount rate:

	<b>1% Decrease (3.0%)</b>	<b>Discount Rate (4.0%)</b>	<b>1% Increase (5.0%)</b>
<b>Total OPEB Liability</b>			
Governmental	\$ 2,057,422	\$ 1,855,789	\$ 1,673,695
Enterprise	197,169	181,610	166,943
<b>Total</b>	<u>\$ 2,254,591</u>	<u>\$ 2,037,399</u>	<u>\$ 1,840,638</u>

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates*

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.0 percent decreasing to 4.0 percent) or 1-percentage-point higher (8.0 percent decreasing to 6.0 percent) than the current healthcare cost trend rates:

	<b>1% Decrease (6.00% Graded Down to 4.00%)</b>	<b>Current Trend Rate (7.00% Graded Down to 5.00%)</b>	<b>1% Increase (8.00% Graded Down to 6.00%)</b>
<b>Total OPEB Liability</b>			
Governmental	\$ 1,596,663	\$ 1,855,789	\$ 2,169,188
Enterprise	159,307	181,610	207,585
<b>Total</b>	<u>\$ 1,755,970</u>	<u>\$ 2,037,399</u>	<u>\$ 2,376,773</u>

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB*  
For the year ended June 30, 2019, the City recognized an OPEB expense of \$284,153 for Governmental Funds and \$22,115 for Enterprise Funds. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<b>Governmental</b>		<b>Enterprise</b>	
	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience	\$ -	\$ 341,465	\$ -	\$ 13,680
Changes of assumptions or other inputs	-	1,075,575	-	98,771
Total	\$ -	\$ 1,417,040	\$ -	\$ 112,451

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

	<b>Governmental</b>	<b>Enterprise</b>
<b>Year ended June 30:</b>		
2020	\$ (177,130)	\$ (14,056)
2021	(177,130)	(14,056)
2022	(177,130)	(14,056)
2023	(177,130)	(14,056)
2024	(177,130)	(14,056)
Thereafter	(531,391)	(42,171)

Retirement Health Insurance Account (RHIA)

*Plan Description*

The City contributes to the PERS 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 PERS. ORS 238.420 established this trust fund and authorizes the Oregon Legislature to establish and amend the benefit provisions. PERS issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, telephone (503) 598-7377, or by URL <http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

*Benefits Provided*

RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible employees. 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 RHIA established by the City, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. The plan has been closed to new entrants since January 1, 2004.

*Contributions*

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. Participating cities are contractually required to contribute to RHIA at a rate assessed each year by PERS.

The City's contractually required contribution rate for the year ended June 30, 2019 was 0.50% of the covered payroll, actuarially determined as an amount that is expected to finance the costs of benefits earned by employees during the year. Contributions to the OPEB plan from the City were \$56,638 for the year ended June 30, 2019. Employees are not required to contribute to the OPEB plan.

*OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (RHIA)*

At June 30, 2019, the City reported an asset of \$118,762 for its proportionate share of net OPEB asset. The net OPEB asset was measured as of June 30, 2018, and the total OPEB liability used to calculate the OPEB asset was determined by an actuarial evaluation date as of December 31, 2016. The City's proportionate share of the RHIA net OPEB asset has been determined based on the City's contributions

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to the RHIA program (as reported by PERS) during the measurement period ending on the corresponding measurement date. The City's proportionate share at June 30, 2018 and June 30, 2017 was 0.10639145% and 0.10548254%, respectively.

	Net OPEB	
City of Roseburg	Asset	Allocation
Governmental activities	\$ 108,685	91.5%
Business-type activities	\$ 10,077	8.5%
Government-wide	<u>\$ 118,762</u>	<u>100.0%</u>

For the year ended June 30, 2019, the City recognized an OPEB expense of \$61,392. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Differences between expected and actual experience	\$ -	\$ (6,731)	\$ (6,731)
Changes of assumptions	-	(377)	(377)
Net difference between projected and actual earnings on investments	-	(25,605)	(25,605)
Changes in proportionate share	-	(548)	(548)
Total (prior to post-measurement data contributions)	-	(33,261)	(33,261)
City contributions made subsequent to measurement date	51,393	-	51,393
Net deferred outflow / (inflows) of resources	<u>\$ 51,393</u>	<u>\$ (33,261)</u>	<u>\$ 18,132</u>

\$51,393 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to OPEB will be recognized in OPEB expense as follows:

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Deferred Inflows of Resources					
Fiscal Year Ending June 30,	Differences between Expected and Actual Experience	Changes of Assumptions	Net Difference between Projected and Actual Earnings on Investments	Changes in Proportionate Share	Net Deferred Outflow/(Inflows) of Resources
2020	\$ (1,683)	\$ (95)	\$ (6,402)	\$ (2,898)	\$ (11,078)
2021	(1,683)	(94)	(6,401)	(2,829)	(11,007)
2022	(1,683)	(94)	(6,401)	(453)	(8,631)
2023	(1,682)	(94)	(6,401)	5,632	(2,545)
2024	-	-	-	-	-
Thereafter	-	-	-	-	-
	<u>\$ (6,731)</u>	<u>\$ (377)</u>	<u>\$ (25,605)</u>	<u>\$ (548)</u>	<u>\$ (33,261)</u>

*Actuarial Methods & Assumptions*

The total OPEB liability in the December 31, 2016 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation Date	December 31, 2016
Measurement Date	June 30, 2018
Experience Study	2016, published July 26, 2017

Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50%
Long-Term Expected Rate of Return	7.20%
Discount Rate	7.20%
Projected Salary Increases	3.50%
Retire Healthcare Participation	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare Cost Trend Rate	Not applicable
Mortality	<p><b>Healthy retirees and beneficiaries:</b>  RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in valuation.</p> <p><b>Active members:</b>  Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p><b>Disabled retirees:</b>  Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 sex-distinct generational per Scale BB, disabled mortality table.</p>

*Discount Rate*

The discount rate used to measure the total OPEB liability at June 30, 2018 was 7.20 percent. The projection of cash flows used to determine the discount rate assumed that contributions from contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments for the RHIA plan was applied to all periods of projected benefit

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payments to determine the total OPEB liability.

*Depletion Date Projection*

GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability. The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

Assumed Asset Allocation

<u>Asset Class / Strategy</u>	<u>Low Range</u>	<u>High Range</u>	<u>OIC Target</u>
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	13.5%	21.5%	17.5%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			<u>100.0%</u>

*Long-Term Expected Rate of Return*

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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**Notes to Basic Financial Statements**  
*June 30, 2019*

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.30%	6.69%
Micro Cap US Equities	1.30%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Foreign Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-Driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
 Total	 <u>100.00%</u>	

Assumed Inflation - Mean 2.50%

*Sensitivity of the City's Proportionate Share of the Net OPEB Asset to Changes in the Discount Rate*

The following presents the City's proportionate share of the net OPEB liability/(asset), as well as what the City's proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (6.20%) or one percentage point higher (8.20%).

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
Proportionate Share of the Net OPEB			
Liability (Asset)	\$ (69,149)	\$ (118,762)	\$ (160,992)

The RHIA plan is unaffected by health care cost trends since the benefit is limited to a \$60 monthly payment toward Medicare companion insurance premiums. Consequently, disclosure of a healthcare cost trend analysis is not applicable.

*OPEB Plan Fiduciary Net Position*

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

*Aggregate NET OPEB Liability/Asset, Pension Expense, & Net Deferred Outflow/Inflow of Resourced Related to OPEB:*

The tables below present the aggregate balance of the City's net OPEB liability/(asset), OPEB expense, and net deferred inflows and outflows as of June 30, 2019:

**CITY OF ROSEBURG, OREGON**  
**Notes to Basic Financial Statements**  
*June 30, 2019*

	Deferred Outflow/(Inflow) of Resources - OPEB	Net OPEB Liability/(Asset)	OPEB Expense
HIC	\$ (1,529,491)	\$ 2,037,399	\$ 115,083
RHIA	\$ 18,132	\$ (118,762)	\$ 113,379
Total	<u>\$ (1,511,359)</u>	<u>\$ 1,918,637</u>	<u>\$ 228,462</u>

**DEFERRED COMPENSATION PLANS**

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

**CAPITAL CONTRIBUTIONS**

	Storm Drainage	Airport	Water	Total
Contributed Capital:				
System Development Charges	\$ 106,653	\$ -	\$ 429,137	\$ 535,790
Grants	-	252,943	-	252,943
Infrastructure	616,983	-	539,909	1,156,892
Totals	<u>\$ 723,636</u>	<u>\$ 252,943</u>	<u>\$ 969,046</u>	<u>\$ 1,945,625</u>

**TAX ABATEMENTS**

As of June 30, 2019, the City of Roseburg provides tax abatements through a Nonprofit Low Income Rental Housing program.

*Nonprofit Low Income Rental Housing (ORS 307.540 to 307.548)*

The only abatement program for the City is the Nonprofit Low Income Rental Housing. In 1985, Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating the property tax burden on those agencies that provide this type of housing. The qualifying property must be located within the City of Roseburg.

Charitable, nonprofit organizations that provide housing to low-income persons are eligible, and must be certified by the Internal Revenue Service as 501(c)(3) or (4) organization. Organizations must own or have a leasehold interest in the property or participate in a partnership as long as the nonprofit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline. Vacant land intended to be developed as low-income housing is also eligible for the exemption.

The property tax exemption applies only to the tax levy of a governing body that adopts the provisions of ORS 307.540 to 307.548.

For the fiscal year ended June 30, 2019, the City of Roseburg abated property taxes totaling \$72,023 under this program:

**CITY OF ROSEBURG, OREGON**  
**Notes to Basic Financial Statements**  
*June 30, 2019*

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated during the Fiscal Year</b>
Nonprofit Low Income Rental Housing	\$ 72,023

## **GASB PRONOUNCEMENTS IMPLEMENTED**

During the fiscal year ended June 30, 2019, the City did not implement any new GASB Pronouncements.

The following GASB pronouncements have been issued, but are not effective as of June 30, 2019. Management has not determined the effect on the financial statements from implementing any of these pronouncements. The City of Roseburg will implement new GASB pronouncements no later than the required effective date unless otherwise indicated

GASB Statement No. 84, Fiduciary Activities. Issued January 2017, this statement establishes criteria for identifying fiduciary activities of all state and local governments. GASB 84 will be effective for the City, fiscal year ending June 30, 2020.

GASB Statement No. 87, Leases. This Statement was issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for the City for fiscal year ending June 30, 2021.

GASB Statement No. 89, Accounting for Interest Costs Incurred Before the End of a Construction Period. This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. The objectives of the Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 will be effective for the City for fiscal year ending June 30, 2021.

GASB Statement No. 90, Majority Equity Interests. Issued August 2018, the primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization; and to improve the relevance of financial statement information for certain component units. GASB Statement No. 90 will be effective for the City for fiscal year ending June 30, 2020.

GASB Statement No. 91, Conduit Debt Obligations. This statement was issued May 2019, this Statement establishes accounting requirements for conduit debt obligations by issuers. The objectives of this Statement are to eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. GASB Statement No. 91 will be effective for the City for fiscal year ending June 30, 2022.

## **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through December 9, 2019, the date on which the financial statements were available to be issued.

## **REQUIRED SUPPLEMENTARY INFORMATION**

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**CITY OF ROSEBURG, OREGON**

**General Fund**

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

*For the year ended June 30, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 17,259,392	\$ 17,259,392	\$ 17,357,126	\$ 97,734
Intergovernmental	1,010,300	1,010,300	1,027,070	16,770
Licenses and permits	192,300	192,300	182,449	(9,851)
Charges for services	3,501,453	3,541,453	3,575,988	34,535
Fines and forfeitures	398,200	398,200	427,921	29,721
Investment revenue	120,750	120,750	223,457	102,707
Other revenues	10,000	10,000	118,691	108,691
Total revenues	<u>22,492,395</u>	<u>22,532,395</u>	<u>22,912,702</u>	<u>380,307</u>
<b>EXPENDITURES</b>				
Administration	2,469,197	2,489,197	2,402,489	86,708
Community development	786,726	786,726	724,937	61,789
Library	355,535	355,535	282,326	73,209
Public works	3,695,399	3,695,399	3,340,470	354,929
Parks and recreation	1,665,833	1,665,833	1,586,274	79,559
Municipal court	505,192	505,192	489,310	15,882
Police	7,079,569	7,079,569	6,658,954	420,615
Fire	6,623,367	6,663,367	6,524,680	138,687
Intergovernmental	-	-	-	-
Capital outlay	91,000	91,000	82,057	8,943
Contingency	1,000,000	880,000	-	880,000
Total expenditures	<u>24,271,818</u>	<u>24,211,818</u>	<u>22,091,497</u>	<u>2,120,321</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,779,423)</u>	<u>(1,679,423)</u>	<u>821,205</u>	<u>2,500,628</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(755,000)	(855,000)	(855,000)	-
Total other financing uses	<u>(755,000)</u>	<u>(855,000)</u>	<u>(855,000)</u>	<u>-</u>
Net change in fund balances	(2,534,423)	(2,534,423)	(33,795)	2,500,628
Fund balances--beginning	<u>6,784,009</u>	<u>6,784,009</u>	<u>7,297,699</u>	<u>513,690</u>
Fund balances--ending	<u>\$ 4,249,586</u>	<u>\$ 4,249,586</u>	<u>\$ 7,263,904</u>	<u>\$ 3,014,318</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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 4,126,100	\$ 4,126,100	\$ 3,109,512	\$ (1,016,588)
Investment revenue	1,000	1,000	3,687	2,687
Total revenues	<u>4,127,100</u>	<u>4,127,100</u>	<u>3,113,199</u>	<u>(1,013,901)</u>
<b>EXPENDITURES</b>				
Materials and services	4,194,700	4,194,700	3,080,721	1,113,979
Capital outlay	-	-	4,048	(4,048)
Total expenditures	<u>4,194,700</u>	<u>4,194,700</u>	<u>3,084,769</u>	<u>1,109,931</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(67,600)</u>	<u>(67,600)</u>	<u>28,430</u>	<u>96,030</u>
<b>OTHER FINANCING SOURCES</b>				
Reserved for future expenditures	(75,643)	(75,643)	-	75,643
Total other financing sources	<u>(75,643)</u>	<u>(75,643)</u>	<u>-</u>	<u>75,643</u>
Net change in fund balances	(143,243)	(143,243)	28,430	171,673
Fund balances--beginning	<u>143,243</u>	<u>143,243</u>	<u>57,940</u>	<u>(85,303)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 86,370</u>	<u>\$ 86,370</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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 538,000	\$ 538,000	\$ 506,877	\$ (31,123)
Intergovernmental	1,940,600	1,940,600	1,771,667	(168,933)
System development fees	155,000	155,000	80,226	(74,774)
Investment revenue	30,000	30,000	57,946	27,946
Total revenues	<u>2,663,600</u>	<u>2,663,600</u>	<u>2,416,716</u>	<u>(246,884)</u>
<b>EXPENDITURES</b>				
Materials and services	1,133,371	1,133,371	1,107,087	26,284
Capital outlay	<u>1,525,000</u>	<u>1,525,000</u>	<u>1,102,942</u>	<u>422,058</u>
Total expenditures	<u>2,658,371</u>	<u>2,658,371</u>	<u>2,210,029</u>	<u>448,342</u>
Deficiency of revenues under expenditures	<u>5,229</u>	<u>5,229</u>	<u>206,687</u>	<u>201,458</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(10,000)	(10,000)	(10,000)	-
Reserved for future expenditures	<u>(2,266,016)</u>	<u>(2,266,016)</u>	<u>-</u>	<u>2,266,016</u>
Total other financing uses	<u>(2,276,016)</u>	<u>(2,276,016)</u>	<u>(10,000)</u>	<u>2,266,016</u>
Net change in fund balances	(2,270,787)	(2,270,787)	196,687	2,467,474
Fund balances--beginning	<u>2,270,787</u>	<u>2,270,787</u>	<u>2,407,561</u>	<u>136,774</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,604,248</u>	<u>\$ 2,604,248</u>

**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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 3,836,100	\$ 3,836,100	\$ 4,087,813	\$ 251,713
Investment revenue	20,000	20,000	12,888	(7,112)
Total revenues	3,856,100	3,856,100	4,100,701	244,601
<b>EXPENDITURES</b>				
Materials and services	725,000	725,000	717,947	7,053
Total expenditures	725,000	725,000	717,947	7,053
Excess of revenues over expenditures	3,131,100	3,131,100	3,382,754	251,654
<b>OTHER FINANCING USES</b>				
Transfers out	(3,500,000)	(3,500,000)	(3,500,000)	-
Reserved for Future Expenditures	(160,038)	(160,038)	-	160,038
Total other financing uses	(3,660,038)	(3,660,038)	(3,500,000)	160,038
Net change in fund balances	(528,938)	(528,938)	(117,246)	411,692
Fund balances--beginning	528,938	528,938	560,884	31,946
Fund balances--ending	\$ -	\$ -	\$ 443,638	\$ 443,638

**CITY OF ROSEBURG, OREGON**  
**SCHEDULE OF THE CHANGES IN THE CITY'S**  
**TOTAL HIC OPEB LIABILITY AND RELATED RATIOS**  
**Last 10 Fiscal Years**

	2019	2018	2017
<b>Total OPEB liability</b>			
Service Cost	\$ 196,041	\$ 190,332	\$ 190,332
Interest	110,227	100,375	93,993
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(399,539)	-	-
Changes in assumptions or other inputs	(1,321,137)	-	-
Benefit payments	(52,779)	(73,564)	(69,590)
<b>Net change in total OPEB liability</b>	(1,467,187)	217,143	214,735
<b>Total OPEB liability - beginning</b>	3,504,587	3,287,444	3,072,709
<b>Total OPEB liability - ending</b>	<u>\$ 2,037,400</u>	<u>\$ 3,504,587</u>	<u>\$ 3,287,444</u>
<b>Covered employee payroll</b>	\$ 11,779,509	\$ 11,193,571	\$ 10,867,545
<b>Total OPEB liability as a percentage of covered employee payroll</b>	17.30%	31.31%	30.25%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been complied, information is presented for the years for which the required supplementary schedule information is available. The City implemented GASB 75 for its HIC OPEB in the fiscal year ending June 30, 2017.

**CITY OF ROSEBURG, OREGON**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY/(ASSET)**  
**RHIA OTHER POSTEMPLOYMENT BENEFITS**  
**Last 10 Fiscal Years**

	2019	2018	2017
Proportion of the OPEB pension liability / (asset)	0.10639145%	0.10540825%	0.10873998%
Proportionate share of the net OPEB liability / (asset)	(118,762)	(44,022)	29,530
Covered payroll *	11,124,357	10,858,272	10,394,458
Proportionate share of the OPEB liability / (asset) as a percentage of covered employee payroll	-1.07%	-0.41%	0.28%
Plan net position as a percentage of the total OPEB liability	123.99%	108.90%	94.20%

\* As of the measurement date which is one year in arrears.

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been complied, information is presented for the years for which the required supplementary schedule information is available. The City implemented GASB 75 for its HIC OPEB in the fiscal year ending June 30, 2017.

**CITY OF ROSEBURG, OREGON**  
**SCHEDULE OF CONTRIBUTIONS**  
**RHIA OTHER POSTEMPLOYMENT BENEFITS**  
**Last 10 Fiscal Years**

	2019	2018	2017
Contractually required contributions	\$ 15,475	\$ 14,398	\$ 12,721
Contributions in relation to the contractually required contribution	15,475	14,398	12,721
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered payroll	11,327,587	11,124,357	10,858,272
Contributions as a percentage of covered employee payroll	0.14%	0.13%	0.12%

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been complied, information is presented for the years for which the required supplementary schedule information is available. The City implemented GASB 75 for its HIC OPEB in the fiscal year ending June 30, 2017.

**CITY OF ROSEBURG, OREGON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**For the Last Six Fiscal Years**

Measurement Date June 30,	(a) Roseburg's proportion of the net pension liability (asset)	(b) Roseburg's proportionate share of the net pension liability (asset)	(c) Roseburg's covered payroll	(b/c) Roseburg's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2018	0.13165072%	\$ 19,943,350	\$ 11,124,357	179.28%	82.1%
2017	0.13572377%	18,295,616	10,858,272	168.49%	83.1%
2016	0.14796181%	22,212,503	10,394,458	213.70%	80.5%
2015	0.16631823%	9,549,097	10,172,066	93.88%	91.9%
2014	0.16626276%	(3,768,702)	9,875,133	-38.16%	103.6%
2013	0.16631823%	8,484,632	10,051,512	84.41%	92.0%

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

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

**CITY OF ROSEBURG, OREGON**  
**SCHEDULE OF CONTRIBUTIONS**  
**For the Last Six Fiscal Years**

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) Roseburg's covered payroll	(b/c) Contributions as a percent of covered payroll
2019	\$ 2,144,589	\$ 2,144,589	\$ -	\$ 11,327,587	18.93%
2018	2,130,663	2,130,663	-	11,124,357	19.15%
2017	1,697,077	1,697,077	-	10,858,272	15.63%
2016	1,623,991	1,623,991	-	10,394,458	15.62%
2015	1,495,152	1,495,152	-	10,172,066	14.70%
2014	6,385,362	6,385,362	-	9,875,133	64.66%

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

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

**SUPPLEMENTAL  
SECTION**

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# **COMBINING STATEMENTS**

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## **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.

#### **Hotel/Motel**

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

#### **Streetlight/Sidewalk**

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

#### **Bike Trail Improvement**

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

#### **Economic Development**

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

#### **Golf**

Accounts for revenues received from golf concessionaire and ground lease.

#### **Library**

Accounts for grants and donations received for use by the Library and its programs.

#### **Stewart Trust**

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

### **Debt Service Funds**

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

#### **Debt Retirement**

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

#### **Pension Debt Service Fund**

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

### **Capital Projects Funds**

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

#### **Park Improvement**

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

#### **Equipment Replacement**

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

#### **Assessment Improvement**

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

#### **Facilities Replacement**

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

**CITY OF ROSEBURG, OREGON**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
June 30, 2019  
(continued on next page)

	Hotel/Motel Tax	Streetslight/ Sidewalk	Bike Trail Improvement	Economic Development	Golf	Library	Stewart Trust
<b>ASSETS</b>							
Cash and investments	\$ 313,381	\$ 278,224	\$ 52,254	\$ 187,716	\$ 89,373	\$ 130,442	\$ 102,317
Interest receivable	-	-	-	-	-	-	-
Accounts receivable	50,540	342	-	-	-	-	-
Taxes receivable	326,928	-	-	-	-	-	-
Assessment liens receivable	-	-	-	-	-	-	-
Due from other funds	-	104,352	-	31,283	-	-	-
Intergovernmental receivable	-	-	1,605	-	-	-	-
Total assets	\$ 690,849	\$ 382,918	\$ 53,859	\$ 218,999	\$ 89,373	\$ 130,442	\$ 102,317
<b>LIABILITIES</b>							
Accounts payable	-	-	6,640	-	3,723	3,363	-
Other accrued liabilities	105	-	-	-	-	-	-
Due to other funds	135,635	-	-	-	-	-	-
Total liabilities	135,740	-	6,640	-	3,723	3,363	-
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue-special assessments	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
<b>FUND BALANCES</b>							
Restricted	-	-	47,219	-	-	-	102,317
Committed	555,109	382,918	-	218,999	85,650	127,079	-
Assigned	-	-	-	-	-	-	-
Total fund balances	555,109	382,918	47,219	218,999	85,650	127,079	102,317
Total liabilities and fund balances	\$ 690,849	\$ 382,918	\$ 53,859	\$ 218,999	\$ 89,373	\$ 130,442	\$ 102,317

**CITY OF ROSEBURG, OREGON**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
June 30, 2019  
(continued from previous page)

	Debt Service Funds		Capital Project Funds				Total Nonmajor Governmental Funds
	Debt Service	Pension Debt	Park Improvement	Equipment Replacement	Assessment Improvement	Facilities Replacement	
<b>ASSETS</b>							
Cash and investments	\$ -	\$ 78,797	\$ 306,754	\$ 1,463,407	\$ 1,638,467	\$ 187,670	\$ 4,828,802
Interest receivable	-	-	-	-	178	-	178
Accounts receivable	-	-	-	-	-	-	50,882
Taxes receivable	-	-	-	-	-	-	326,928
Assessment liens receivable	-	-	-	-	6,832	-	6,832
Due from other funds	-	-	-	-	-	-	135,635
Intergovernmental receivable	-	-	-	-	-	55,066	56,671
Total assets	\$ -	\$ 78,797	\$ 306,754	\$ 1,463,407	\$ 1,645,477	\$ 242,736	\$ 5,405,928
<b>LIABILITIES</b>							
Accounts payable	-	37,000	-	49,680	-	10,096	110,502
Other accrued liabilities	-	-	-	-	-	-	105
Due to other funds	-	-	-	-	-	-	135,635
Total liabilities	-	37,000	-	49,680	-	10,096	246,242
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue-special assessments	-	-	-	-	6,832	-	6,832
Total deferred inflows of resources	-	-	-	-	6,832	-	6,832
<b>FUND BALANCES</b>							
Restricted	-	41,797	-	-	-	-	191,333
Committed	-	-	-	-	-	232,640	1,602,395
Assigned	-	-	306,754	1,413,727	1,638,645	-	3,359,126
Total fund balances	-	41,797	306,754	1,413,727	1,638,645	232,640	5,152,854
Total liabilities and fund balances	\$ -	\$ 78,797	\$ 306,754	\$ 1,463,407	\$ 1,645,477	\$ 242,736	\$ 5,405,928

**CITY OF ROSEBURG, OREGON**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
For the year ended June 30, 2019  
(continued on next page)

	Hotel/Motel Tax	Streetlight/ Sidewalk	Bike Trail Improvement	Economic Development	Golf	Library	Stewart Trust
<b>REVENUES</b>							
Taxes	\$ 1,232,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	17,896	-	-	127,528	-
Charges for services	-	-	-	-	42,464	-	-
System development fees	-	-	-	-	-	-	-
Special assessments	-	504	-	-	-	-	-
Investment revenue	10,326	5,746	3,974	4,332	2,323	1,310	268
Other revenues	951	2,160	1,258	10,000	-	40,581	20,220
Total revenues	<u>1,244,069</u>	<u>8,410</u>	<u>23,128</u>	<u>14,332</u>	<u>44,787</u>	<u>169,419</u>	<u>20,488</u>
<b>EXPENDITURES</b>							
Current operating:							
General government	-	-	-	-	-	-	-
Public works	-	87,743	-	-	-	-	-
Culture and recreation	-	-	-	-	24,717	42,340	-
Community development	-	-	-	87,486	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay	-	216,669	141,969	-	-	-	-
Total expenditures	<u>502,433</u>	<u>304,412</u>	<u>141,969</u>	<u>87,486</u>	<u>24,717</u>	<u>42,340</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>741,636</u>	<u>(296,002)</u>	<u>(118,841)</u>	<u>(73,154)</u>	<u>20,070</u>	<u>127,079</u>	<u>20,488</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	392,768	10,000	117,746	-	-	-
Transfers out	<u>(510,514)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(510,514)</u>	<u>392,768</u>	<u>10,000</u>	<u>117,746</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	231,122	96,766	(108,841)	44,592	20,070	127,079	20,488
Fund balances--beginning	323,987	286,152	156,060	174,407	65,580	-	81,829
Fund balances--ending	<u>\$ 555,109</u>	<u>\$ 382,918</u>	<u>\$ 47,219</u>	<u>\$ 218,999</u>	<u>\$ 85,650</u>	<u>\$ 127,079</u>	<u>\$ 102,317</u>

**CITY OF ROSEBURG, OREGON**  
**Nonmajor Governmental Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
For the year ended June 30, 2019  
(continued from previous page)

	Debt Service Fund		Capital Project Funds				Total Nonmajor Governmental Funds
	Debt Service	Pension Debt	Park Improvement	Equipment Replacement	Assessment Improvement	Facilities Replacement	
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,232,792
Intergovernmental	717,947	453,717	354,574	-	-	2,278,428	3,950,090
Charges for services	-	-	-	-	-	-	42,464
System development fees	-	-	39,258	-	-	-	39,258
Special assessments	-	-	-	-	27,225	-	27,729
Investment revenue	-	-	6,236	20,882	32,885	20,882	109,164
Other revenues	-	-	1,263	-	-	330,866	407,299
Total revenues	717,947	453,717	401,331	20,882	60,110	2,630,176	5,808,796
<b>EXPENDITURES</b>							
Current operating:							
General government	-	-	-	-	-	88,528	88,528
Public works	-	-	-	-	-	-	87,743
Culture and recreation	-	-	881	-	-	-	67,938
Community development	-	-	-	-	-	-	589,919
Debt service:							
Principal	700,000	265,000	-	-	-	-	965,000
Interest	17,947	192,516	-	-	-	-	210,463
Capital outlay	-	-	424,396	370,528	-	2,891,946	4,045,508
Total expenditures	717,947	457,516	425,277	370,528	-	2,980,474	6,055,099
Excess (deficiency) of revenues over (under) expenditures	-	(3,799)	(23,946)	(349,646)	60,110	(350,298)	(246,303)
<b>OTHER FINANCING SOURCES</b>							
Proceeds from asset sales	-	-	-	14,553	-	3,500	18,053
Transfers in	-	-	50,000	675,000	-	130,000	1,375,514
Transfers out	-	-	-	-	-	-	(510,514)
Total other financing sources	-	-	50,000	689,553	-	133,500	883,053
Net change in fund balances	-	(3,799)	26,054	339,907	60,110	(216,798)	636,750
Fund balances--beginning	-	45,596	280,700	1,073,820	1,578,535	449,438	4,516,104
Fund balances--ending	\$ -	\$ 41,797	\$ 306,754	\$ 1,413,727	\$ 1,638,645	\$ 232,640	\$ 5,152,854

## **BUDGETARY COMPARISON SCHEDULES**

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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**

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**Governmental Funds**

***Special Revenue Funds***

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

***Debt Service Funds***

- ◆ Debt Retirement
- ◆ Pension Obligation Debt Service

***Capital Projects Funds***

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

**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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 1,258,580	\$ 1,258,580	\$ 1,232,792	\$ (25,788)
Intergovernmental	100,000	100,000	-	(100,000)
Investment revenue	6,500	6,500	10,326	3,826
Other revenues	-	-	951	951
Total revenues	<u>1,365,080</u>	<u>1,365,080</u>	<u>1,244,069</u>	<u>(121,011)</u>
<b>EXPENDITURES</b>				
Materials and services	876,907	876,907	502,433	374,474
Capital outlay	<u>40,000</u>	<u>40,000</u>	-	<u>40,000</u>
Total expenditures	<u>916,907</u>	<u>916,907</u>	<u>502,433</u>	<u>414,474</u>
Excess of revenues over expenditures	<u>448,173</u>	<u>448,173</u>	<u>741,636</u>	<u>293,463</u>
<b>OTHER FINANCING USES</b>				
Transfers out	(518,810)	(518,810)	(510,514)	8,296
Reserved for future expenditures	<u>(247,261)</u>	<u>(247,261)</u>	-	<u>247,261</u>
Total other financing uses	<u>(766,071)</u>	<u>(766,071)</u>	<u>(510,514)</u>	<u>255,557</u>
Net change in fund balances	(317,898)	(317,898)	231,122	549,020
Fund balances--beginning	<u>317,898</u>	<u>317,898</u>	<u>323,987</u>	<u>6,089</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 555,109</u>	<u>\$ 555,109</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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Special assessments	\$ 600	\$ 600	\$ 504	\$ (96)
Investment revenue	9,700	9,700	5,746	(3,954)
Other revenues	-	-	2,160	2,160
Total revenues	<u>10,300</u>	<u>10,300</u>	<u>8,410</u>	<u>(1,890)</u>
<b>EXPENDITURES</b>				
Materials and services	88,943	88,943	87,743	1,200
Capital outlay	310,000	310,000	216,669	93,331
Contingency	250,144	250,144	-	250,144
Total expenditures	<u>649,087</u>	<u>649,087</u>	<u>304,412</u>	<u>344,675</u>
Deficiency of revenues under expenditures	<u>(638,787)</u>	<u>(638,787)</u>	<u>(296,002)</u>	<u>342,785</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	<u>399,150</u>	<u>399,150</u>	<u>392,768</u>	<u>(6,382)</u>
Total other financing sources	<u>399,150</u>	<u>399,150</u>	<u>392,768</u>	<u>(6,382)</u>
Net change in fund balances	(239,637)	(239,637)	96,766	336,403
Fund balances--beginning	<u>239,637</u>	<u>239,637</u>	<u>286,152</u>	<u>46,515</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 382,918</u>	<u>\$ 382,918</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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 137,406	\$ 137,406	\$ 17,896	\$ (119,510)
Investment revenue	1,800	1,800	3,974	2,174
Other revenues	-	-	1,258	1,258
Total revenues	<u>139,206</u>	<u>139,206</u>	<u>23,128</u>	<u>(116,078)</u>
<b>EXPENDITURES</b>				
Materials and services	10,000	10,000	-	10,000
Capital outlay	150,000	150,000	141,969	8,031
Contingency	116,926	116,926	-	116,926
Total expenditures	<u>276,926</u>	<u>276,926</u>	<u>141,969</u>	<u>134,957</u>
Deficiency of revenues under expenditures	<u>(137,720)</u>	<u>(137,720)</u>	<u>(118,841)</u>	<u>18,879</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	10,000	10,000	10,000	-
Total other financing sources	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	(127,720)	(127,720)	(108,841)	18,879
Fund balances--beginning	<u>127,720</u>	<u>127,720</u>	<u>156,060</u>	<u>28,340</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,219</u>	<u>\$ 47,219</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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental revenue	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Investment revenue	1,500	1,500	4,332	2,832
Other revenues	-	-	10,000	10,000
Total revenues	<u>51,500</u>	<u>51,500</u>	<u>14,332</u>	<u>(37,168)</u>
<b>EXPENDITURES</b>				
Materials and services	114,436	114,436	87,486	26,950
Capital outlay	30,000	30,000	-	30,000
Total expenditures	<u>144,436</u>	<u>144,436</u>	<u>87,486</u>	<u>56,950</u>
Deficiency of revenues under expenditures	<u>(92,936)</u>	<u>(92,936)</u>	<u>(73,154)</u>	<u>19,782</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	119,660	119,660	117,746	(1,914)
Reserved for future expenditures	(205,127)	(205,127)	-	205,127
Total other financing sources	<u>(85,467)</u>	<u>(85,467)</u>	<u>117,746</u>	<u>203,213</u>
Net change in fund balances	(178,403)	(178,403)	44,592	222,995
Fund balances--beginning	<u>178,403</u>	<u>178,403</u>	<u>174,407</u>	<u>(3,996)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 218,999</u>	<u>\$ 218,999</u>

**CITY OF ROSEBURG, OREGON**

**Golf Fund**

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

*For the year ended June 30, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Charges for services	\$ 46,654	\$ 46,654	\$ 42,464	\$ (4,190)
Investment revenue	1,300	1,300	2,323	1,023
Total revenues	<u>47,954</u>	<u>47,954</u>	<u>44,787</u>	<u>(3,167)</u>
<b>EXPENDITURES</b>				
Maintenance	32,249	32,249	24,717	7,532
Capital outlay	15,000	15,000	-	15,000
Contingency	47,840	47,840	-	47,840
Total expenditures	<u>95,089</u>	<u>95,089</u>	<u>24,717</u>	<u>70,372</u>
Deficiency of revenues under expenditures	<u>(47,135)</u>	<u>(47,135)</u>	<u>20,070</u>	<u>67,205</u>
Net change in fund balances	(47,135)	(47,135)	20,070	67,205
Fund balances--beginning	47,135	47,135	65,580	18,445
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,650</u>	<u>\$ 85,650</u>

**CITY OF ROSEBURG, OREGON**  
**Library Special Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 127,528	\$ 27,528
Investment revenue	250	250	1,310	1,060
Other revenues	50,000	50,000	40,581	(9,419)
Total revenues	150,250	150,250	169,419	19,169
<b>EXPENDITURES</b>				
Materials and services	145,100	145,100	42,340	102,760
Capital outlay	5,000	5,000	-	5,000
Total expenditures	150,100	150,100	42,340	107,760
Excess (deficiency) of revenues over (under) expenditures	150	150	127,079	126,929
<b>OTHER FINANCING SOURCES</b>				
Reserved for future expenditures	(150)	(150)	-	150
Total other financing sources	(150)	(150)	-	150
Net change in fund balances	-	-	127,079	127,079
Fund balances--beginning	-	-	-	-
Fund balances--ending	\$ -	\$ -	\$ 127,079	\$ 127,079

**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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Investment revenue	\$ 200	\$ 200	\$ 268	\$ 68
Other revenues	12,500	12,500	20,220	7,720
Total revenues	12,700	12,700	20,488	7,788
<b>EXPENDITURES</b>				
Capital outlay	40,000	40,000	-	40,000
Total expenditures	40,000	40,000	-	40,000
Excess (deficiency) of revenues over (under) expenditures	(27,300)	(27,300)	20,488	47,788
<b>OTHER FINANCING USES</b>				
Reserved for future expenditures	(51,790)	(51,790)	-	51,790
Total other financing uses	(51,790)	(51,790)	-	51,790
Net change in fund balances	(79,090)	(79,090)	20,488	99,578
Fund balances--beginning	79,090	79,090	81,829	2,739
Fund balances--ending	\$ -	\$ -	\$ 102,317	\$ 102,317

**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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 725,000	\$ 725,000	\$ 717,947	\$ (7,053)
Total revenues	725,000	725,000	717,947	(7,053)
<b>EXPENDITURES</b>				
Debt service:				
Principal	700,000	700,000	700,000	-
Interest	25,000	25,000	17,947	7,053
Total expenditures	725,000	725,000	717,947	7,053
Excess of revenues over expenditures	-	-	-	-
Fund balances--beginning	-	-	-	-
Fund balances--ending	\$ -	\$ -	\$ -	\$ -

**CITY OF ROSEBURG, OREGON**  
**Pension Obligation Debt Service Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 470,870	\$ 470,870	\$ 453,717	\$ (17,153)
Total revenues	<u>470,870</u>	<u>470,870</u>	<u>453,717</u>	<u>(17,153)</u>
<b>EXPENDITURES</b>				
Debt service:				
Principal	265,000	265,000	265,000	-
Interest	<u>192,516</u>	<u>192,516</u>	<u>192,516</u>	-
Total expenditures	<u>457,516</u>	<u>457,516</u>	<u>457,516</u>	-
Excess of revenues over expenditures	<u>13,354</u>	<u>13,354</u>	<u>(3,799)</u>	<u>(17,153)</u>
Net change in fund balances	13,354	13,354	(3,799)	(17,153)
Fund balances--beginning	<u>59,749</u>	<u>59,749</u>	<u>45,596</u>	<u>(14,153)</u>
Fund balances--ending	<u>\$ 73,103</u>	<u>\$ 73,103</u>	<u>\$ 41,797</u>	<u>\$ (31,306)</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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 404,833	\$ 404,833	\$ 354,574	\$ (50,259)
System development fees	21,200	21,200	39,258	18,058
Investment revenue	5,000	5,000	6,236	1,236
Other revenues	30,000	30,000	1,263	(28,737)
Total revenues	461,033	461,033	401,331	(59,702)
<b>EXPENDITURES</b>				
Materials and services	30,000	30,000	881	29,119
Capital outlay	565,000	565,000	424,396	140,604
Total expenditures	595,000	595,000	425,277	169,723
Excess (deficiency) of revenues over (under) expenditures	(133,967)	(133,967)	(23,946)	110,021
<b>OTHER FINANCING SOURCES</b>				
Transfers in	50,000	50,000	50,000	-
Reserved for future expenditures	(120,845)	(120,845)	-	120,845
Total other financing sources	(70,845)	(70,845)	50,000	120,845
Net change in fund balances	(204,812)	(204,812)	26,054	230,866
Fund balances--beginning	204,812	204,812	280,700	75,888
Fund balances--ending	\$ -	\$ -	\$ 306,754	\$ 306,754

**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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Investment revenue	\$ 8,800	\$ 8,800	\$ 20,882	\$ 12,082
Total revenues	8,800	8,800	20,882	12,082
<b>EXPENDITURES</b>				
Materials and services	133,000	133,000	-	133,000
Capital outlay	800,500	800,500	370,528	429,972
Total expenditures	933,500	933,500	370,528	562,972
Deficiency of revenues under expenditures	(924,700)	(924,700)	(349,646)	575,054
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from asset sales	10,000	10,000	14,553	4,553
Transfers in	675,000	675,000	675,000	-
Reserved for future expenditures	(846,149)	(846,149)	-	846,149
Total other financing sources (uses)	(161,149)	(161,149)	689,553	850,702
Net change in fund balances	(1,085,849)	(1,085,849)	339,907	1,425,756
Fund balances--beginning	1,085,849	1,085,849	1,073,820	(12,029)
Fund balances--ending	\$ -	\$ -	\$ 1,413,727	\$ 1,413,727

**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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Special assessments	\$ 15,000	\$ 15,000	\$ 27,225	\$ 12,225
Investment revenue	16,000	16,000	32,885	16,885
Total revenues	31,000	31,000	60,110	29,110
<b>EXPENDITURES</b>				
Capital outlay	1,000,000	1,000,000	-	1,000,000
Total expenditures	1,000,000	1,000,000	-	1,000,000
Excess (deficiency) of revenues over (under) expenditures	(969,000)	(969,000)	60,110	1,029,110
<b>OTHER FINANCING USES</b>				
Reserved for future expenditures	(200,000)	(200,000)	-	200,000
Total other financing uses	(200,000)	(200,000)	-	200,000
Net change in fund balances	(1,169,000)	(1,169,000)	60,110	1,229,110
Fund balances--beginning	1,564,465	1,564,465	1,578,535	14,070
Fund balances--ending	<u>\$ 395,465</u>	<u>\$ 395,465</u>	<u>\$ 1,638,645</u>	<u>\$ 1,243,180</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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 2,711,860	\$ 3,544,935	\$ 2,278,428	\$ (1,266,507)
Investment Income	2,000	2,000	20,882	18,882
Other revenues	250,000	250,000	330,866	80,866
Total revenues	<u>2,963,860</u>	<u>3,796,935</u>	<u>2,630,176</u>	<u>(1,166,759)</u>
<b>EXPENDITURES</b>				
Materials and services	91,274	141,274	88,528	52,746
Capital outlay	3,021,000	3,904,075	2,891,946	1,012,129
Total expenditures	<u>3,112,274</u>	<u>4,045,349</u>	<u>2,980,474</u>	<u>1,064,875</u>
Deficiency of revenues under expenditures	<u>(148,414)</u>	<u>(248,414)</u>	<u>(350,298)</u>	<u>(101,884)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from asset sales	-	-	3,500	3,500
Transfers in	30,000	130,000	130,000	-
Reserved for future expenditures	<u>(48,290)</u>	<u>(48,290)</u>	<u>-</u>	<u>48,290</u>
Total other financing sources (uses)	<u>(18,290)</u>	<u>81,710</u>	<u>133,500</u>	<u>51,790</u>
	-	-	-	-
Total other financing sources (uses) and special items				
Net change in fund balances	(166,704)	(166,704)	(216,798)	(50,094)
Fund balances--beginning	<u>166,704</u>	<u>166,704</u>	<u>449,438</u>	<u>282,734</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 232,640</u>	<u>\$ 232,640</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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 225,000	\$ 225,000	\$ -	\$ (225,000)
Investment revenue	9,000	9,000	23,084	14,084
Other revenues	-	-	18,421	18,421
Total revenues	<u>234,000</u>	<u>234,000</u>	<u>41,505</u>	<u>(192,495)</u>
<b>EXPENDITURES</b>				
Materials and services	498,598	498,598	457,321	41,277
Capital outlay	<u>4,275,000</u>	<u>4,275,000</u>	<u>3,603,495</u>	<u>671,505</u>
Total expenditures	<u>4,773,598</u>	<u>4,773,598</u>	<u>4,060,816</u>	<u>712,782</u>
Deficiency of revenues under expenditures	<u>(4,539,598)</u>	<u>(4,539,598)</u>	<u>(4,019,311)</u>	<u>520,287</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in	3,500,000	3,500,000	3,500,000	-
Reserved for future expenditures	<u>(30,197)</u>	<u>(30,197)</u>	<u>-</u>	<u>30,197</u>
Total other financing sources	<u>3,469,803</u>	<u>3,469,803</u>	<u>3,500,000</u>	<u>30,197</u>
Net change in fund balances	(1,069,795)	(1,069,795)	(519,311)	550,484
Fund balances--beginning	<u>1,069,795</u>	<u>1,069,795</u>	<u>1,125,990</u>	<u>56,195</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 606,679</u>	<u>\$ 606,679</u>

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

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**Proprietary Funds**

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

**CITY OF ROSEBURG, OREGON**  
**Storm Drainage Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual**  
*For the year ended June 30, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Charges for services	\$ 2,178,129	\$ 2,178,129	\$ 2,198,028	\$ 19,899
System development fees	84,000	84,000	106,653	22,653
Investment revenue	26,000	26,000	61,851	35,851
Other revenues	<u>1,500</u>	<u>1,500</u>	<u>1,990</u>	<u>490</u>
Total revenues	<u>2,289,629</u>	<u>2,289,629</u>	<u>2,368,522</u>	<u>78,893</u>
<b>EXPENDITURES</b>				
Materials and services	763,990	763,990	741,268	22,722
Capital outlay	1,210,000	1,210,000	311,045	898,955
Contingency	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total expenditures	<u>2,973,990</u>	<u>2,973,990</u>	<u>1,052,313</u>	<u>1,921,677</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(684,361)</u>	<u>(684,361)</u>	<u>1,316,209</u>	<u>2,000,570</u>
Net change in fund balances	(684,361)	(684,361)	1,316,209	2,000,570
Fund balances--beginning	<u>2,175,558</u>	<u>2,175,558</u>	<u>2,096,844</u>	<u>(78,714)</u>
Fund balances--ending	<u><u>\$ 1,491,197</u></u>	<u><u>\$ 1,491,197</u></u>	<u><u>\$ 3,413,053</u></u>	<u><u>\$ 1,921,856</u></u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ 1,316,209	
Add: Capital outlay			311,045	
Contributed capital			616,983	
Less: Depreciation and amortization			<u>(1,134,910)</u>	
Net income (loss) as reported in Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position			<u><u>\$ 1,109,327</u></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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Intergovernmental	\$ 113,500	\$ 113,500	\$ 252,943	\$ 139,443
Charges for services	384,000	384,000	404,512	20,512
Investment revenue	5,500	5,500	13,288	7,788
Other revenues	-	-	300	300
Total revenues	<u>503,000</u>	<u>503,000</u>	<u>671,043</u>	<u>168,043</u>
<b>EXPENDITURES</b>				
Airport Operations	199,206	199,206	188,092	11,114
Capital outlay	200,000	275,000	187,473	87,527
Debt service:				
Principal	81,050	81,050	81,050	-
Interest	29,800	29,800	29,747	53
Intergovernmental				
Contingency	399,336	324,336	-	324,336
Total expenditures	<u>909,392</u>	<u>909,392</u>	<u>486,362</u>	<u>423,030</u>
Excess (deficiency) of revenues				
over (under) expenditures	<u>(406,392)</u>	<u>(406,392)</u>	<u>184,681</u>	<u>591,073</u>
Net change in fund balances	<u>(406,392)</u>	<u>(406,392)</u>	<u>184,681</u>	<u>591,073</u>
Fund balances--beginning	<u>406,392</u>	<u>406,392</u>	<u>413,509</u>	<u>7,117</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 598,190</u>	<u>\$ 598,190</u>

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

\$ 184,681

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

187,473

81,050

152

(886,884)

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

\$ (433,528)

**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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Charges for services	\$ 47,500	\$ 47,500	\$ 47,500	\$ -
Investment revenue	600	600	1,135	535
Other revenues	200	200	448	248
Total revenues	<u>48,300</u>	<u>48,300</u>	<u>49,083</u>	<u>783</u>
<b>EXPENDITURES</b>				
Enforcement	58,338	86,857	66,962	19,895
Contingency	30,779	25,019	-	25,019
Total expenditures	<u>89,117</u>	<u>111,876</u>	<u>66,962</u>	<u>44,914</u>
Deficiency of revenues under expenditures	<u>(40,817)</u>	<u>(63,576)</u>	<u>(17,879)</u>	<u>45,697</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from insurance reimbursements	-	22,759	22,759	-
Total other financing sources	<u>-</u>	<u>22,759</u>	<u>22,759</u>	<u>-</u>
Net change in fund balances	<u>(40,817)</u>	<u>(40,817)</u>	<u>4,880</u>	<u>45,697</u>
Fund balances--beginning	<u>40,817</u>	<u>40,817</u>	<u>38,343</u>	<u>(2,474)</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,223</u>	<u>\$ 43,223</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ 4,880	
Less: Depreciation and amortization			<u>(89,934)</u>	
Net income (loss) as reported in Proprietary Statement of Revenues, Expenses and changes in Fund Net Position			<u>\$ (85,054)</u>	

**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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Charges for services	\$ 6,072,500	\$ 6,072,500	\$ 6,431,978	\$ 359,478
System development fees	105,000	105,000	429,137	324,137
Investment revenue	100,000	100,000	196,252	96,252
Other revenues	6,000	6,000	64,296	58,296
Total revenues	<u>6,283,500</u>	<u>6,283,500</u>	<u>7,121,663</u>	<u>838,163</u>
<b>EXPENDITURES</b>				
Production	1,194,401	1,194,401	1,083,509	110,892
Transmission and Distribution	1,494,951	1,494,951	1,324,243	170,708
General Overhead	1,470,826	1,510,826	1,479,237	31,589
Capital outlay	2,460,000	2,460,000	1,450,922	1,009,078
Contingency	1,000,000	960,000	-	960,000
Total expenditures	<u>7,620,178</u>	<u>7,620,178</u>	<u>5,337,911</u>	<u>2,282,267</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,336,678)</u>	<u>(1,336,678)</u>	<u>1,783,752</u>	<u>3,120,430</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from asset sales	-	-	16,581	16,581
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>16,581</u>	<u>16,581</u>
Net change in fund balances	<u>(1,336,678)</u>	<u>(1,336,678)</u>	<u>1,800,333</u>	<u>3,137,011</u>
Fund balances-beginning	6,552,883	6,552,883	7,315,968	763,085
Prior period adjustment	-	-	286,673	286,673
Fund balances--ending	<u>\$ 5,216,205</u>	<u>\$ 5,216,205</u>	<u>\$ 9,402,974</u>	<u>\$ 4,186,769</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ 1,800,333	
Add: Capital outlay			1,450,922	
Contributed capital			539,909	
Less: Depreciation and amortization			(1,644,074)	
Budget/GAAP Pension Adjustment			(130,470)	
Budget/GAAP OPEB Adjustment			<u>(2,299)</u>	
Net income as reported in Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 2,014,321</u>	

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

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**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, 2019*

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Charges for services	\$ 389,999	\$ 389,999	\$ 389,999	\$ -
Investment revenue	8,000	8,000	14,920	6,920
Other revenues	-	-	207	207
Total revenues	<u>397,999</u>	<u>397,999</u>	<u>405,126</u>	<u>7,127</u>
<b>EXPENDITURES</b>				
Personal services				
Materials and services	381,170	381,170	298,003	83,167
Contingency	<u>603,740</u>	<u>603,740</u>	-	<u>603,740</u>
Total expenditures	<u>984,910</u>	<u>984,910</u>	<u>298,003</u>	<u>686,907</u>
Deficiency of revenues under expenditures	<u>(586,911)</u>	<u>(586,911)</u>	<u>107,123</u>	<u>694,034</u>
<b>OTHER FINANCING SOURCES</b>				
Proceeds from insurance reimbursements	-	-	16,447	16,447
Total other financing sources	<u>-</u>	<u>-</u>	<u>16,447</u>	<u>16,447</u>
Net change in fund balances	<u>(586,911)</u>	<u>(586,911)</u>	<u>123,570</u>	<u>710,481</u>
Fund balances--beginning	<u>586,911</u>	<u>586,911</u>	<u>613,051</u>	<u>26,140</u>
Fund balances--ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 736,621</u>	<u>\$ 736,621</u>
Adjustment from budgetary basis to generally accepted accounting basis:				
Net change in fund balances per above			\$ 123,570	
Add: Change of Incurred But Not Reported expense			87,237	
Add: Capital outlay				
Less: Depreciation and amortization			<u>(279)</u>	
Net income (loss) as reported in Proprietary Statement of Revenues, Expenses and Changes in Fund Net Position			<u>\$ 210,528</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**

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#### **Financial Trends**

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

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#### **Revenue Capacity**

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

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#### **Debt Capacity**

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

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#### **Demographic and Economic Information**

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

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#### **Operating Information**

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

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

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

	Fiscal Year			
	2010	2011	2012	2013
Governmental Activities				
Net investment in capital assets	\$ 124,987,553	\$ 124,057,562	\$ 122,202,187	\$ 121,131,760
Restricted	1,499,245	1,333,984	1,233,796	329,485
Unrestricted	<u>16,755,737</u>	<u>16,417,881</u>	<u>16,865,280</u>	<u>17,203,680</u>
Total governmental activities net position	143,242,535	141,809,427	140,301,263	138,664,925
Business-type activities				
Net investment in capital assets	72,830,573	71,014,709	70,429,132	72,405,783
Restricted	139,256	140,124	97,069	148,979
Unrestricted	<u>5,855,496</u>	<u>6,704,981</u>	<u>7,088,668</u>	<u>6,440,719</u>
Total business-type activities net position	78,825,325	77,859,814	77,614,869	78,995,481
Primary government				
Net investment in capital assets	197,818,126	195,072,271	192,631,319	193,537,543
Restricted	1,638,501	1,474,108	1,330,865	478,464
Unrestricted	<u>22,611,233</u>	<u>23,122,862</u>	<u>23,953,948</u>	<u>23,644,399</u>
Total primary government net position	<u>\$ 222,067,860</u>	<u>\$ 219,669,241</u>	<u>\$ 217,916,132</u>	<u>\$ 217,660,406</u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 119,999,473	\$ 119,274,886	\$ 121,413,376	\$ 121,816,094	\$ 128,850,637	\$ 129,982,304
322,748	344,067	28,422	38,521	45,596	277,703
17,411,834	14,399,653	3,779,917	2,109,992	(1,644,763)	504,906
137,734,055	134,018,606	125,221,715	123,964,607	127,251,470	130,764,913
76,162,913	77,480,016	75,700,736	75,087,602	74,567,894	73,999,473
-	-	-	-	-	-
5,917,642	6,118,386	6,764,028	7,714,260	8,846,109	12,019,596
82,080,555	83,598,402	82,464,764	82,801,862	83,414,003	86,019,069
196,162,386	196,754,902	197,114,112	196,903,696	203,418,531	203,981,777
322,748	344,067	28,422	38,521	45,596	277,703
23,329,476	20,518,039	10,543,945	9,824,252	7,201,346	12,524,502
<u>\$ 219,814,610</u>	<u>\$ 217,617,008</u>	<u>\$ 207,686,479</u>	<u>\$ 206,766,469</u>	<u>\$ 210,665,473</u>	<u>\$ 216,783,982</u>

**CITY OF ROSEBURG, OREGON**

**Changes in Net Position**

**Last Ten Fiscal Years**

**(accrual basis of accounting)**

(continued on next page)

	Fiscal Year			
	2010	2011	2012	2013
<b>Expenses</b>				
Governmental Activities				
General government	\$ 1,950,788	\$ 2,235,540	\$ 2,301,621	\$ 2,581,807
Public safety	10,761,543	11,327,142	12,086,382	12,351,730
Public works	8,644,880	9,295,037	9,547,088	9,569,423
Culture and recreation	1,523,596	1,564,865	1,658,199	1,742,796
Community development	1,355,748	1,922,272	843,907	1,093,141
Interest on long-term debt	662,700	599,604	531,303	454,242
Total governmental activities expenses	<u>24,899,255</u>	<u>26,944,460</u>	<u>26,968,500</u>	<u>27,793,139</u>
Business-type activities:				
Storm drain	1,481,752	2,009,164	1,774,078	1,609,192
Airport	803,678	814,444	947,272	943,358
Off street parking	221,632	208,996	201,700	199,155
Water	4,426,472	4,583,688	4,733,448	4,840,458
Golf	325,479	357,456	334,764	258,938
Total business-type activities expenses	<u>7,259,013</u>	<u>7,973,748</u>	<u>7,991,262</u>	<u>7,851,101</u>
Total primary government expenses	<u>\$ 32,158,268</u>	<u>\$ 34,918,208</u>	<u>\$ 34,959,762</u>	<u>\$ 35,644,240</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services				
General government	\$ 1,459,915	\$ 1,404,950	\$ 1,355,643	\$ 1,383,602
Public safety	473,515	469,809	431,660	380,763
Public works	1,668,558	1,538,910	1,785,594	2,004,167
Culture and recreation	77,383	61,435	58,283	56,816
Community development	111,728	152,307	16,231	28,367
Operating grants and contributions	1,513,853	2,585,391	2,075,380	2,256,907
Capital grants and contributions	2,283,898	816,342	385,883	668,899
Total governmental activities program revenues	<u>7,588,850</u>	<u>7,029,144</u>	<u>6,108,674</u>	<u>6,779,521</u>
Business-type activities:				
Charges for services:				
Storm drain	860,554	903,408	940,955	975,116
Airport	391,308	379,553	410,576	342,509
Off street parking	150,056	138,151	134,227	111,315
Water	4,402,370	4,421,370	4,497,257	4,806,774
Golf	305,232	305,008	301,768	214,192
Operating grants and contributions	-	3,562	-	-
Capital grants and contributions	870,229	599,443	1,308,671	2,622,706
Total business-type activities program revenues	<u>6,979,749</u>	<u>6,750,495</u>	<u>7,593,454</u>	<u>9,072,612</u>
Total primary government program revenues	<u>\$ 14,568,599</u>	<u>\$ 13,779,639</u>	<u>\$ 13,702,128</u>	<u>\$ 15,852,133</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (17,310,405)	\$ (19,915,316)	\$ (20,859,826)	\$ (21,013,618)
Business-type activities	<u>(279,264)</u>	<u>(1,223,253)</u>	<u>(397,808)</u>	<u>1,221,511</u>
Total primary government net expense	<u>\$ (17,589,669)</u>	<u>\$ (21,138,569)</u>	<u>\$ (21,257,634)</u>	<u>\$ (19,792,107)</u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 2,665,034	\$ 2,863,453	\$ 4,466,584	\$ 3,650,618	\$ 3,455,286	\$ 3,975,489
12,380,935	9,782,042	18,058,464	15,180,934	15,498,590	15,420,769
11,379,821	10,071,557	12,307,748	11,096,517	9,641,812	8,904,662
1,857,692	1,673,298	2,358,375	2,182,612	2,119,521	2,562,905
980,529	1,079,491	1,432,439	1,374,057	1,744,992	4,461,579
511,628	511,175	422,746	311,094	247,245	209,384
29,775,639	25,981,016	39,046,356	33,795,832	32,707,446	35,534,788
1,681,894	1,678,702	1,671,645	1,750,092	1,823,067	1,876,178
921,620	1,007,830	1,199,630	1,108,229	1,125,206	1,104,571
181,101	194,695	178,735	175,272	127,663	134,137
4,908,909	4,667,882	5,862,763	5,448,567	5,658,712	5,647,251
-	-	-	-	-	-
7,693,524	7,549,109	8,912,773	8,482,160	8,734,648	8,762,137
\$ 37,469,163	\$ 33,530,125	\$ 47,959,129	\$ 42,277,992	\$ 41,442,094	\$ 44,296,925
\$ 2,533,710	\$ 3,295,586	\$ 3,307,718	\$ 3,556,864	\$ 3,735,729	\$ 3,930,981
379,818	386,665	443,671	317,735	521,703	496,034
48,900	55,741	61,634	64,007	54,205	68,326
109,454	102,072	112,752	100,302	71,829	93,707
19,652	34,331	37,529	38,397	40,435	49,699
4,190,383	4,299,408	4,481,256	3,822,946	3,109,489	6,061,615
618,354	474,902	524,767	622,607	6,031,918	3,469,110
7,900,271	8,648,705	8,969,327	8,522,858	13,565,308	14,169,472
1,281,501	1,423,750	1,574,742	1,758,504	1,962,338	2,198,028
348,257	349,233	362,318	369,928	379,909	404,512
117,711	144,419	120,785	42,500	41,250	47,500
4,780,383	4,923,835	5,099,393	5,376,613	5,901,252	6,431,978
-	-	-	-	-	-
-	-	-	-	-	-
4,397,181	2,376,460	546,538	1,060,056	681,087	1,945,625
10,925,033	9,217,697	7,703,776	8,607,601	8,965,836	11,027,643
\$ 18,825,304	\$ 17,866,402	\$ 16,673,103	\$ 17,130,459	\$ 22,531,144	\$ 25,197,115
\$ (21,875,368)	\$ (17,332,311)	\$ (30,077,029)	\$ (25,272,974)	\$ (19,142,138)	\$ (21,365,316)
3,231,509	1,668,588	(1,208,997)	125,441	231,188	2,265,506
\$ (18,643,859)	\$ (15,663,723)	\$ (31,286,026)	\$ (25,147,533)	\$ (18,910,950)	\$ (19,099,810)

**CITY OF ROSEBURG, OREGON**

**Changes in Net Position**

**Last Ten Fiscal Years**

**(accrual basis of accounting)**

(continued from previous page)

	Fiscal Year			
	2010	2011	2012	2013
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes				
Property taxes	\$ 13,981,642	\$ 14,417,794	\$ 14,913,045	\$ 15,114,422
Franchise taxes	3,564,616	3,793,295	4,036,584	4,015,410
Unrestricted grant and contributions	-	-	-	-
Investment earnings	170,370	124,302	121,645	125,839
Miscellaneous	405,523	295,998	288,805	204,703
Transfers	(311,667)	(194,181)	(93,013)	(66,040)
Proceeds from insurance	138,570	45,000	-	-
Proceeds from Line of Credit	-	-	-	-
Gain (Loss) on disposition of capital assets	0	-	84,596	(17,054)
Total governmental activities	<u>17,949,054</u>	<u>18,482,208</u>	<u>19,351,662</u>	<u>19,377,280</u>
Business-type activities:				
Investment earnings	49,608	39,047	39,966	40,081
Miscellaneous	25,415	15,026	16,320	24,726
Transfers	311,667	194,181	93,013	66,040
Proceeds from insurance	-	-	-	-
Gain on disposition of capital assets	4,255	9,489	3,564	28,253
Total business-type activities	<u>390,945</u>	<u>257,743</u>	<u>152,863</u>	<u>159,100</u>
Total primary government	<u><u>\$ 18,339,999</u></u>	<u><u>\$ 18,739,951</u></u>	<u><u>\$ 19,504,525</u></u>	<u><u>\$ 19,536,380</u></u>
<b>Change in Net Position</b>				
Governmental activities	\$ 638,649	\$ (1,433,108)	\$ (1,508,164)	\$ (1,636,338)
Business-type activities	111,681	(965,510)	(244,945)	1,380,611
Total primary government	<u><u>\$ 750,330</u></u>	<u><u>\$ (2,398,618)</u></u>	<u><u>\$ (1,753,109)</u></u>	<u><u>\$ (255,727)</u></u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 15,517,666	\$ 15,818,547	\$ 16,137,423	\$ 16,590,532	\$ 17,359,467	\$ 18,318,833
4,782,836	4,335,939	4,480,949	5,181,645	5,549,481	5,567,873
-	-	-	-	-	-
114,687	115,796	133,816	213,352	314,021	448,961
373,857	509,885	527,950	541,987	901,150	554,412
170,453	-	-	-	(216,609)	-
-	-	-	4,545	-	-
-	-	-	1,500,000	-	-
-	(601,001)	-	111,465	-	(11,320)
<u>20,959,499</u>	<u>20,179,166</u>	<u>21,280,138</u>	<u>24,143,526</u>	<u>23,907,510</u>	<u>24,878,759</u>
35,020	31,401	40,203	85,070	149,551	272,526
18,979	15,715	11,100	186,405	10,457	67,034
(170,453)	-	-	-	216,609	-
-	-	-	-	2,312	-
25,710	-	24,056	6,818	-	-
<u>(90,744)</u>	<u>47,116</u>	<u>75,359</u>	<u>278,293</u>	<u>378,929</u>	<u>339,560</u>
<u>\$ 20,868,755</u>	<u>\$ 20,226,282</u>	<u>\$ 21,355,497</u>	<u>\$ 24,421,819</u>	<u>\$ 24,286,439</u>	<u>\$ 25,218,319</u>
\$ (915,869)	\$ 2,846,855	\$ (8,796,891)	\$ (1,129,448)	\$ 4,765,372	\$ 3,513,443
3,140,765	1,715,704	(1,133,638)	403,734	610,117	2,605,066
<u>\$ 2,224,896</u>	<u>\$ 4,562,559</u>	<u>\$ (9,930,529)</u>	<u>\$ (725,714)</u>	<u>\$ 5,375,489</u>	<u>\$ 6,118,509</u>

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

	Fiscal Year			
	2010	2011	2012	2013
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	6,213,329	-	-	-
Nonspendable	-	246,943	274,946	28,120
Restricted	-	17,777	-	110,059
Committed	-	-	-	-
Assigned	-	491,609	396,882	452,920
Unassigned	-	6,568,232	6,780,066	6,825,229
Total general fund	<u>\$ 6,213,329</u>	<u>\$ -</u>	<u>\$ 7,451,894</u>	<u>\$ 7,416,328</u>
All Other Governmental Funds				
Reserved	\$ 1,499,245	\$ n/a	\$ n/a	\$ n/a
Unreserved, reported in:				
Special revenue funds	2,270,339	n/a	n/a	n/a
Capital project funds	7,945,684	n/a	n/a	n/a
Nonspendable	-	-	-	-
Restricted	-	1,359,982	1,402,837	468,211
Committed	-	5,978,126	6,373,087	6,923,490
Assigned	-	2,961,764	3,171,717	3,329,738
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 11,715,268</u>	<u>\$ 10,299,872</u>	<u>\$ 10,947,641</u>	<u>\$ 10,721,439</u>

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
37,487	46,058	33,189	37,928	46,667	43,046
12,355	44,505	-	-	-	-
-	-	-	-	-	-
11,178	13,495	-	-	-	-
7,532,132	7,640,493	7,517,736	7,472,448	7,251,032	7,220,858
<u>\$ 7,593,152</u>	<u>\$ 7,744,551</u>	<u>\$ 7,550,925</u>	<u>\$ 7,510,376</u>	<u>\$ 7,297,699</u>	<u>\$ 7,263,904</u>
\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a	\$ n/a
n/a	n/a	n/a	n/a	n/a	n/a
n/a	n/a	n/a	n/a	n/a	n/a
-	-	-	-	-	-
-	280,419	331,253	311,227	341,425	191,333
7,189,910	6,756,702	2,679,880	3,108,328	2,986,438	1,602,395
3,885,043	4,760,749	5,904,760	5,172,111	5,340,616	3,359,126
-	-	-	-	-	-
<u>\$ 11,074,953</u>	<u>\$ 11,797,870</u>	<u>\$ 8,915,893</u>	<u>\$ 8,591,666</u>	<u>\$ 8,668,479</u>	<u>\$ 5,152,854</u>

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

	Fiscal Year			
	2010	2011	2012	2013
<b>Revenues</b>				
Taxes	\$ 16,642,714	\$ 17,527,100	\$ 18,409,230	\$ 18,677,896
Bond Proceeds	-	-	-	-
Intergovernmental	3,434,419	3,867,608	2,932,200	2,916,052
Licenses and permits	393,457	159,399	146,272	142,731
Charges for services	2,997,654	2,807,836	3,001,089	3,360,043
System development fees	242,126	140,512	33,935	77,666
Fines and forfeitures	438,633	415,112	391,455	350,711
Special assessments	122,323	18,161	55,010	22,818
Investment revenue	166,187	120,326	112,293	121,909
Other revenues	426,844	378,456	354,690	408,992
Total revenues	<u>24,864,357</u>	<u>25,434,510</u>	<u>25,436,174</u>	<u>26,078,818</u>
<b>Expenditures</b>				
General government	1,890,904	1,783,309	1,893,380	2,164,271
Public safety	10,407,026	10,827,116	11,419,245	11,754,970
Public works	4,745,509	5,333,834	5,562,538	5,611,140
Culture and recreation	1,045,625	1,125,073	1,204,291	1,277,381
Community development	1,347,798	1,916,847	844,489	1,078,105
Intergovernmental	50,000	-	-	-
Capital Outlay	3,991,386	2,628,570	1,523,601	2,030,180
Debt service:				
Interest	662,816	599,720	531,403	454,342
Principal	1,380,000	1,575,000	1,780,000	2,000,000
Total expenditures	<u>25,521,064</u>	<u>25,789,469</u>	<u>24,758,947</u>	<u>26,370,389</u>
Excess (deficiency) of revenues over (under) expenditures	(656,707)	(354,959)	677,227	(291,571)
<b>Other Financing Sources (Uses)</b>				
Proceeds from line of credit	-	-	-	-
Proceeds from capital asset sales	22,085	5,795	95,659	15,397
Proceeds from insurance reimbursements	122,620	45,000	2,216	14,406
Contribution in aid of construction	559,952	-	-	-
Transfers in	3,722,851	4,049,655	4,382,367	4,589,859
Transfers out	(3,882,851)	(4,049,655)	(4,382,367)	(4,589,859)
Total other financing sources (uses)	<u>544,657</u>	<u>50,795</u>	<u>97,875</u>	<u>29,803</u>
Net changes in fund balances	<u>\$ (112,050)</u>	<u>\$ (304,164)</u>	<u>\$ 775,102</u>	<u>\$ (261,768)</u>
Debt service as a percentage of noncapital expenditures	9.49%	9.39%	9.95%	10.08%

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$ 19,214,004	\$ 19,673,851	\$ 20,072,165	\$ 21,101,887	\$ 22,149,701	\$ 23,184,608
4,840,000	-	-	-	-	-
5,402,286	5,479,846	5,741,195	5,071,880	6,038,782	9,858,339
155,044	168,459	184,364	184,142	168,220	182,449
3,121,991	3,103,190	3,060,657	3,192,173	3,514,035	3,618,452
63,130	186,166	187,358	262,642	90,325	119,484
354,859	362,139	416,438	295,817	344,892	427,921
60,074	17,699	9,498	26,036	17,688	27,729
111,375	112,778	128,422	209,348	306,093	430,226
256,668	184,316	171,296	287,487	424,124	544,411
<u>33,579,431</u>	<u>29,288,444</u>	<u>29,971,393</u>	<u>30,631,412</u>	<u>33,053,860</u>	<u>38,393,619</u>
6,763,202	1,971,127	2,065,221	2,143,756	2,391,680	2,491,017
11,670,985	11,766,454	12,103,430	12,574,010	13,681,015	13,682,966
7,426,096	7,017,802	8,027,164	7,352,901	5,910,784	5,710,568
1,389,143	1,417,287	1,438,558	1,573,602	1,533,127	1,936,538
973,067	1,101,936	1,217,236	1,317,514	1,667,695	4,385,555
-	-	-	-	-	-
2,345,027	2,244,975	4,956,310	5,171,802	6,722,222	8,838,050
-	-	-	-	-	-
499,802	520,112	412,860	318,615	248,201	965,000
1,768,061	2,645,000	2,925,000	2,210,000	1,235,000	210,463
<u>32,835,383</u>	<u>28,684,693</u>	<u>33,145,779</u>	<u>32,662,200</u>	<u>33,389,724</u>	<u>38,220,157</u>
744,048	603,751	(3,174,386)	(2,030,788)	(335,864)	173,462
-	-	-	1,500,000	200,000	-
25,033	12,750	98,783	166,012	-	18,053
-	-	-	-	-	-
-	-	-	-	-	-
2,210,730	2,804,255	1,952,449	2,592,455	3,746,528	4,875,514
(2,210,730)	(2,804,255)	(1,952,449)	(2,592,455)	(3,746,528)	(4,875,514)
<u>25,033</u>	<u>12,750</u>	<u>98,783</u>	<u>1,666,012</u>	<u>200,000</u>	<u>18,053</u>
<u>\$ 769,081</u>	<u>\$ 616,501</u>	<u>\$ (3,075,603)</u>	<u>\$ (364,776)</u>	<u>\$ (135,864)</u>	<u>\$ 191,515</u>
7.44%	11.97%	11.84%	9.20%	5.56%	4.00%

**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
2019	\$ 1,848,438,874	\$ 87,649,000	\$ 74,813,620	\$ 2,010,901,494	\$ 278,995,414	\$ 1,731,906,000	\$ 3,167,156,261	54.68%	8.48
2018	1,759,590,553	87,451,298	64,105,139	1,911,146,990	255,972,875	1,655,219,115	2,879,174,915	57.49%	8.48
2017	1,689,380,795	89,220,648	59,067,640	1,837,663,191	249,176,156	1,588,470,819	2,701,406,536	58.80%	8.48
2016	1,634,945,620	87,255,557	58,428,840	1,776,796,089	241,454,574	1,538,459,989	2,595,503,901	59.27%	8.48
2015	1,602,226,927	95,023,543	52,312,018	1,745,840,226	235,603,952	1,513,414,338	2,628,895,414	57.57%	8.48
2014	1,566,041,335	93,275,613	47,332,170	1,703,035,271	22,855,022	1,477,874,387	2,564,871,831	57.62%	8.48
2013	1,529,246,929	90,372,056	44,888,200	1,664,507,185	217,671,955	1,446,835,230	2,572,361,801	56.25%	8.48
2012	1,502,843,982	87,005,502	49,035,604	1,638,885,088	210,368,317	1,428,516,771	2,699,065,887	52.93%	8.48
2011	1,459,747,891	83,819,308	48,000,613	1,591,567,812	206,993,884	1,384,573,928	2,754,342,522	50.27%	8.48
2010	1,399,683,398	88,429,423	47,178,531	1,535,291,352	200,383,704	1,334,907,648	2,865,750,448	46.58%	8.48

**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)**

<u>Fiscal Year</u>	<u>City Direct Rates</u>			<u>Overlapping Rates</u>				
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct Rates</u>	<u>City's Downtown Rates</u>	<u>Douglas County</u>	<u>School Districts</u>	<u>4H Extension Service</u>	<u>Total Direct &amp; Overlapping</u>
2018-19	\$ 8.48	\$ -	\$ 8.48	\$ -	\$ 1.11	\$ 5.56	\$ 0.06	\$ 15.21
2017-18	8.48	-	8.48	-	1.11	5.55	0.06	\$ 15.20
2016-17	8.48	-	8.48	-	1.11	5.49	0.06	\$ 15.14
2015-16	8.48	-	8.48	-	1.11	5.61	0.06	\$ 15.26
2014-15	8.48	-	8.48	-	1.11	5.62	0.06	\$ 15.27
2013-14	8.48	-	8.48	-	1.11	5.62	0.06	\$ 15.27
2012-13	8.48	-	8.48	-	1.11	5.64	0.06	\$ 15.29
2011-12	8.48	-	8.48	-	1.11	5.64	0.06	\$ 15.29
2010-11	8.48	-	8.48	-	1.11	5.64	0.06	\$ 15.29
2009-10	8.48	-	8.48	-	1.11	5.62	0.07	\$ 15.28

\*Source: County Assessor's Annual Certified Levy

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

2019				2010			
Private Enterprises	Taxable Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value	Assessed Valuation	Rank	Percentage of Total City Taxable Assessed Value	
Charter Communications	\$ 19,382,300	1	0.96%	\$ -		0.00%	
Centurylink	17,158,000	2	0.85%	-		0.00%	
Avista Corporation	15,333,400	3	0.76%	-		0.00%	
Investors IX, LLC	15,312,545	4	0.76%	-		0.00%	
PAPF Roseburg LLC	14,913,073	5	0.74%	-		0.00%	
Wal-Mart Real Estate Business Trust	13,843,331	6	0.69%	8,467,742	7	0.55%	
Metropolitan Life Insurance Co	12,617,785	7	0.63%	10,944,843	3	0.71%	
Costco Wholesale Corporation	12,540,000	8	0.62%	-		0.00%	
CHI Living Communities	12,217,539	9	0.61%	-		0.00%	
Oakridge Associates LLC	11,558,517	10	0.57%	9,003,604	6	0.59%	
Emmi, Laudon & Wasselle Partnership	-		0.00%	14,406,076	1	0.94%	
Qwest Corporation	-		0.00%	13,940,300	2	0.91%	
Lowe's HIW Inc	-		0.00%	10,601,873	4	0.69%	
Home Depot USA Inc	-		0.00%	9,758,413	5	0.64%	
Crown Development LLC	-		0.00%	8,304,093	8	0.54%	
Umpqua Dairy Products	-		0.00%	7,744,860	9	0.50%	
New Albertsons, Inc.				7,488,514	10	0.49%	
<b>TOTAL</b>	<b>\$ 144,876,490</b>		<b>7.20%</b>	<b>\$ 100,660,318</b>		<b>6.56%</b>	

Source: Douglas County Department of Assessment & Taxation

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

<b>Fiscal Year</b>	<b>Taxes Levied For the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Levy</b>
2018-19	\$ 18,786,242	\$ 17,580,925	93.58%	\$ -	\$ 17,580,925	93.58%
2017-18	17,744,722	16,630,202	93.72%	269,553	16,899,755	95.24%
2016-17	17,018,378	15,856,752	93.17%	427,712	16,284,464	95.69%
2015-16	16,401,287	15,371,695	93.72%	531,106	15,902,801	96.96%
2014-15	16,201,733	15,091,169	93.15%	630,532	15,721,701	97.04%
2013-14	15,829,005	14,723,862	93.02%	676,347	15,400,209	97.29%
2012-13	15,402,819	14,265,195	92.61%	713,312	14,978,507	97.25%
2011-12	15,219,532	14,001,445	92.00%	824,856	14,826,301	97.42%
2010-11	14,839,570	13,519,229	91.10%	907,608	14,426,837	97.22%
2019-10	14,300,551	13,140,788	91.89%	850,615	13,991,403	97.84%

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				
2018-19	\$ -	\$ 4,340,000	\$ -	\$ -	\$ 1,243,352		5,583,352	N/A	224.95
2017-18	-	4,645,000	-	-	1,324,402		5,969,402	0.63%	248.57
2016-17	-	5,680,000	-	-	1,407,930		7,087,930	0.80%	310.60
2015-16	-	6,390,000	-	-	1,425,000		7,815,000	0.91%	347.33
2014-15	-	9,315,000	-	-	1,490,000		10,805,000	1.29%	480.01
2013-14	-	11,960,000	-	-	1,550,000		13,510,000	1.66%	600.44
2012-13	-	9,455,000	-	-	1,610,000		11,065,000	1.44%	504.79
2011-12	-	9,485,000	1,970,000	-	1,665,000		13,120,000	1.78%	604.89
2010-11	-	9,515,000	3,720,000	-	1,720,000	-	14,955,000	2.09%	690.12
2009-10	-	9,550,000	5,260,000	-	1,770,000		16,580,000	2.37%	759.99

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**

<b>General Bonded Debt Outstanding</b>				
<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Total</b>	<b>Percentage of Actual Taxable Value of Property (1)</b>	<b>Per Capita</b>
2018-19	\$ -	-	0.00%	-
2017-18	-	-	0.00%	-
2016-17	-	-	0.00%	-
2015-16	-	-	0.00%	-
2014-15	-	-	0.00%	-
2013-14	-	-	0.00%	-
2012-13	-	-	0.00%	-
2011-12	-	-	0.00%	-
2010-11	-	-	0.00%	-

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	
2019	\$ 3,167,156,261	\$ 95,014,688	\$ -	\$ 95,014,688	0.00%
2018	2,879,174,915	86,375,247	-	86,375,247	0.00%
2017	2,701,406,536	81,042,196	-	81,042,196	0.00%
2016	2,595,503,901	77,865,117	-	77,865,117	0.00%
2015	2,628,895,414	78,866,862	-	78,866,862	0.00%
2014	2,564,871,831	76,946,155	-	76,946,155	0.00%
2013	2,572,361,801	77,170,854	-	77,170,854	0.00%
2012	2,699,065,887	80,971,977	-	80,971,977	0.00%
2011	2,754,342,522	82,630,276	-	82,630,276	0.00%
2010	2,865,750,448	85,972,513	-	85,972,513	0.00%

Source: Douglas County Department of Assessment and Taxation

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

<b>Fiscal Year</b>	<b>City Population (1)</b>	<b>Personal Income (2)</b>	<b>Per Capita Personal Income (3)</b>	<b>School Enrollment (4)</b>	<b>Unemployment Rate (5)</b>
2018-19	24,820	N/A	N/A	5,663	5.3%
2017-18	24,015	930,629,280	38,752	5,736	5.2%
2016-17	22,820	846,097,140	37,077	5,791	4.7%
2015-16	22,500	809,482,500	35,977	5,827	7.3%
2014-15	22,510	777,067,710	34,521	5,842	9.7%
2013-14	22,275	753,362,775	33,821	5,927	11.0%
2012-13	21,920	709,966,880	32,389	5,928	12.1%
2011-12	21,690	677,205,180	31,222	6,236	13.3%
2010-11	21,670	707,243,790	32,637	6,053	14.2%
2009-10	21,235	672,852,210	31,686	6,333	17.0%

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

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

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

<u>Employer</u>	<u>2019</u>			<u>2009</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	1,831	1	4.72%	2,400	1	6.63%
VA Medical Center	1,175	2	3.03%	725	6	2.00%
CHI -Mercy Healthcare, Inc	1,120	3	2.89%	1,100	2	3.04%
Roseburg Public Schools	800	4	2.06%	800	4	2.21%
Seven Feathers Hotel & Gaming Center	787	5	2.03%	735	5	2.03%
Swanson Group	714	6	1.84%	317	7	0.88%
Douglas County	538	7	1.39%	825	3	2.28%
First Call Resolution	433	8	1.12%	250	9	0.69%
Orengo	370	9	0.95%	207	10	0.57%
Wal-Mart	301	10	0.78%	281	8	0.78%
	<u>8,069</u>		<u>20.81%</u>	<u>7,640</u>		<u>21.11%</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
City Manager's Department	5	5	4	4.5	4.5	4.5	4.5	4.5	5	5
Finance Department	8	8	9	8	7.3	7.3	7.3	7.3	7.3	7.3
Information Technology Division	2	2	2	2	2	2	2	2	2	2
Community Development Dept.										
Planning Division	4.5	4.5	3.5	3.5	3.5	3.6	4.5	5	5	6
Building Division	1	1	0	0	0	0	0	0	0	0
Library	0	0	0	0	0	0	0	0	0	2
Total General Government:	20.5	20.5	18.5	18	17.3	17.4	18.3	18.8	19.3	22.3
Police										
Officers	35	35	35	39	36	36	36	36	38	38
Civilians	5	5	4	4	4	4	4	4	4	4
Total Police Department:	40	40	39	43	40	40	40	40	42	42
Fire Department										
Firefighters and officers	37	37	39	42.5	41	40	40	40	40	40
Civilians	1.5	1.5	1.5	1.5	1	1	1.5	1.5	1.75	1.75
Total Fire Department:	38.5	38.5	40.5	44	42	41	41.5	41.5	41.75	41.75
Municipal Court	3.7	3.7	3.5	3.7	3.2	3.2	3.2	3.2	3.2	3.2
Airport	0	1	1	1	0.5	0.5	0.5	0.5	0	0
Public Works Department										
Administration	4	4	4	4	3.5	3	3	3	3	3
Engineering	7	7	7	7	7	6.25	6.5	7.5	7.5	7.5
Building Maintenance Division	2	3	3	3	3	3	3	3	3	3
Street Division	11	12	12	12.8	12.6	12.6	12.6	12.6	12.6	12.6
Water Service										
Production	6	6	6	6	6	6	6	6	6	6
Transmission & Distribution	10	11	11	11	11	11	11	11	11	11
Administration	0	0	0	0	0	0	0	0	0	0
Parks and Recreation Dept.										
Administration	2	2	2	2	2.3	2.25	2.25	2.25	2.25	2.25
Parks Maintenance Division	11	11	8	10	11	11	11	11	12	12
Golf Maintenance Division	3	2	1	0	0	0	0	0	0	0
Total Public Works Department:	56	58	54	55.8	56.4	55.1	55.35	56.35	57.35	57.35
Total City Employees:	158.7	161.7	156.5	165.5	159.4	157.2	158.85	160.35	163.6	166.6

Source: City Payroll Department

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

Function/Program	Fiscal Year		
	2010	2011	2012
Police Protection:			
Physical arrests	4,700	5,987	5,095
Traffic violations	4,710	7,248	5,183
Parking violations	4,779	4,189	3,923
Calls for service	20,152	20,233	20,792
Number of police personnel and officers	40	40	39
Fire Protection			
Emergency responses	4,570	4,638	4,676
Inspections	500	563	660
Number fire personnel and officers	38	38	42
Highways and streets			
Street resurfacing (miles)	2.65	4.64	4.78
Water system:			
Number of services	10,797	10,790	10,655
Daily average production in gallons	5,200,000	4,520,000	4,340,000
Facilities and services not included in the reporting entity:			
Sewerage System:			
Daily average treatment in gallons	4,380,000	4,380,000	4,060,000
Maximum daily capacity of treatment plant in gallons	7,900,000	7,900,000	7,900,000
Number of service connections	10,067	10,087	10,266
Education:			
Total school enrollment	6,053	6,236	5,928
Number of elementary school instructors	121	116	110
Number of secondary school instructors	145	135	124
Hospitals			
Number of patient beds (includes V.A. Medical center)	315	315	315

Sources: Various city departments and Roseburg Urban Sanitary District.

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
5,145	4,774	4,755	4,814	4,254	2,896	2,946
5,063	4,157	5,023	3,841	2,616	2,183	1,710
2,971	2,738	2,630	3,469	2,378	3,466	3,093
20,573	21,393	22,049	23,540	23,219	34,779	33,454
39	40	40	40	40	40	40
4,853	4,722	5,249	5,843	6,309	6,156	5,970
374	510	309	212	257	316	718
43	42	41	43	42	43	42
2.80	4.65	4.65	4.65	0.64	1.05	1.18
10,683	10,835	10,862	11,062	11,280	11,339	11,384
4,530,000	4,460,000	4,670,000	4,675,000	4,472,000	4,522,000	4,558,750
3,740,000	3,480,000	3,480,000	3,480,000	3,480,000	4,830,000	3,630,000
7,900,000	7,900,000	7,900,000	7,900,000	7,900,000	7,900,000	7,900,000
10,275	10,326	10,360	10,423	10,474	10,504	10,554
5,927	5,842	5,827	5,785	5,791	5,736	5,663
108	118	132	147	133	148.0	157.0
124	165	148	157	147	144	156
315	315	315	315	264	273	273

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

Function/Program	Fiscal Year		
	2010	2011	2012
Police Protection:			
Number of stations	1	1	1
Number of patrol units (including motorcycles)	10	10	12
Fire Protection:			
Number of stations	3	3	3
Highways and Streets:			
Streets (miles)	125	118	118
Streetlights	2,465	2,471	1,895
Traffic signals	32	32	32
Water system:			
Miles of water mains	221	195	195
Number of fire hydrants	1,181	1,296	1,297
Miles of storm sewers	94	95	95
Culture and Recreation:			
Parks	20	20	20
Park acreage	428	428	428
Golf courses	1	1	1
Tennis courts	15	15	18
Regional Airport:			
Runway (length in feet)	4,600	4,600	4,600
Hangars	98	98	98
Fuel Facility	1	1	1
Facilities and services not included in the reporting entity:			
Sewerage System:			
Miles of sanitary sewers	160	160	160
Number of treatment plants	1	1	1
Education:			
Number of elementary schools	9	9	9
Number of secondary schools	3	3	3
Number of community colleges (overlapping district)	1	1	1
Hospitals:			
Number of hospitals (includes V.A. Medical center)	2	2	2

Sources: Various city departments and Roseburg Urban Sanitary District.

Fiscal Year						
2013	2014	2015	2016	2017	2018	2019
1	1	1	1	1	1	1
12	12	13	13	14	13	13
3	3	3	3	3	3	3
118	118	118	118	120	120	121
1,895	1,895	1,895	1,932	1,976	1,976	1,996
32	32	33	33	33	33	31
195	196	196	196	197	197	197
1,301	1,317	1,320	1,324	1,332	1,342	1,362
95	95	95	92	75	76	77
20	20	20	20	20	20	20
428	428	428	428	428	428	428
1	1	1	1	1	1	1
18	18	18	18	18	17	17
5,000	5,000	5,000	5,000	5,000	5,000	5,000
98	98	98	98	98	98	98
1	1	1	1	1	1	1
160	160	160	162	162	160	162
1	1	1	1	1	1	1
9	8	8	8	8	8	8
3	3	3	3	3	3	3
1	1	1	1	1	1	1
2	2	2	2	2	2	2

## **AUDIT COMMENTS**



# NEUNER DAVIDSON & CO

Cooley, Rapp, Friel & Lee, LLC

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATION

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

We have audited the financial statements of the City of Roseburg for the year ended June 30, 2019 and have issued our report thereon dated December 9, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

### Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

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

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294)
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C)
- State Highway funds

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


### **Internal Control Over Financial Reporting**

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

### **Restrictions on Use**

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

Neuner Davidson & Co.

By:   
Jeffrey R. Cooley  
Roseburg, Oregon  
December 9, 2019

## **SINGLE AUDIT ACT SECTION**



# NEUNER DAVIDSON & CO

Cooley, Rapp, Friel & Lee, LLC

Certified Public Accountants

## 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 City 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 9, 2019.

### Internal Control over Financial Reporting

In planning and performing our audit, we considered CITY OF ROSEBURG'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 the CITY OF ROSEBURG's internal control. Accordingly, we do not express an opinion on the effectiveness of the CITY OF ROSEBURG'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 City'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 over financial reporting 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's financial statements are free of material misstatement, we performed test 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 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 of 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 Davidson & Co

  
Jeffrey R. Cooley, CPA  
Roseburg, Oregon  
December 9, 2019



# NEUNER DAVIDSON & CO

Cooley, Rapp, Friel & Lee, LLC

Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

### **Report on Compliance for Each Major Federal Program**

We have audited the CITY OF ROSEBURG's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the CITY OF ROSEBURG's major federal programs for the year ended June 30, 2019. CITY OF ROSEBURG'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 federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the CITY OF ROSEBURG'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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 the CITY OF ROSEBURG'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 the CITY OF ROSEBURG compliance.

#### ***Opinion on Each Major Federal Program***

In our opinion, the CITY OF ROSEBURG, 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, 2019.

**CITY OF ROSEBURG**  
**Independent Auditor's Report on Compliance**

**Report on Internal Control over Compliance**

Management of the CITY OF ROSEBURG's 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 the CITY OF ROSEBURG'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 the Uniform Guidance, 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 the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Neuner Davidson & Co

A handwritten signature in black ink, appearing to read "J. R. Cooley", is written over a horizontal line.

Jeffrey R. Cooley, CPA  
Roseburg, Oregon  
December 9, 2019

**CITY OF ROSEBURG, OREGON**  
**Schedule of Expenditures of Federal Awards By Grant**  
*For the Fiscal Year Ended June 30, 2019*

Federal Grantor/Pass Through Grantor/Program Title	Federal CFDA Number	Grant Period	Grant Number	Grant Amount	2018-19 Revenues	2018-19 Expenditures
<b>Highway Safety Cluster-Cluster</b>						
Department of Transportation						
National Priority Safety Programs						
National Priority Safety Programs	20.616	10/1/18-9/30/19	OP-19-45-03 YYY	3,000	2,142	2,142
National Priority Safety Programs	20.616	10/1/18-9/30/19	FHX-19-60-01	1,969	1,969	1,916
National Priority Safety Programs	20.616	10/1/18-9/30/19	OP-18-45-03 TTT	3,600	994	994
National Priority Safety Programs	20.616	10/1/17-9/30/18	SC-18-35-13 GGG	10,000	8,272	8,272
Total National Priority Safety Programs						<u>13,324</u>
Total Department of Transportation						<u>13,324</u>
Total Highway Safety Cluster-Cluster						<u>13,324</u>
<b>Other Programs</b>						
Department of Homeland Security						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	7/1/18-6/30/19	DR-4258-OR	152,385	152,385	152,385
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	7/1/18-6/30/19	DR-4258-OR	202,189	202,189	202,189
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)						<u>354,574</u>
Total Department of Homeland Security						<u>354,574</u>
Department of the Interior						
Historic Preservation Fund Grants-In-Aid						
Historic Preservation Fund Grants-In-Aid	15.904	3/6/18-8/30/19	OR-18-18	12,500	9,336	9,336
Total Historic Preservation Fund Grants-In-Aid						<u>9,336</u>
Total Department of the Interior						<u>9,336</u>
United States Department of Justice						
National Criminal History Improvement Program (NCHIP)						
National Criminal History Improvement Program (NCHIP)	16.554	7/1/18-6/30/19	NCHIP Livescan	20,154	20,154	20,154
Total National Criminal History Improvement Program (NCHIP)						<u>20,154</u>
Bulletproof Vest Partnership Program						
Bulletproof Vest Partnership Program	16.607	10/1/17-8/31/19		10,320	7,913	7,913
Bulletproof Vest Partnership Program	16.607	10/1/18-8/31/20		10,430	3,837	3,837
Total Bulletproof Vest Partnership Program						<u>11,750</u>
Total United States Department of Justice						<u>31,904</u>
Department of Transportation						
Airport Improvement Program						
Airport Improvement Program	20.106	7/1/18-6/30/19		244,611	244,611	244,611
Total Airport Improvement Program						<u>244,611</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated						
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	10/1/18-9/30/19	164AL-19-14-36	3,000	676	676
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	10/1/17-9/30/18	164AL-19-14-36	2,687	1,558	1,558
Total Minimum Penalties for Repeat Offenders for Driving While Intoxicated						<u>2,234</u>
Total Department of Transportation						<u>246,845</u>
Department of Housing and Urban Development						
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii						
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	8/1/17-7/31/19	C16010 236-24	1,500,000	1,112,989	1,112,989
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	7/1/18-6/30/19	H17013 236-27	400,000	34,732	34,732
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii						<u>1,147,721</u>
Total Department of Housing and Urban Development						<u>1,147,721</u>
Total Other Programs						<u>1,790,380</u>
Total Expenditures of Federal Awards						<u>1,803,704</u>

The accompanying notes are an integral part of this schedule.

CITY OF ROSEBURG  
Notes to Schedule of Expenditures of Federal Awards  
June 30, 2019

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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 modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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. **Sub-recipients**

Of the federal expenditures presented in the schedule, CITY OF ROSEBURG provided no federal awards to sub-recipients.

CITY OF ROSEBURG  
Auditors Comments  
For the Fiscal Year ended June 30, 2019

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**Summary of the Auditor's Results**

The audit report issued December 9, 2019, on the general purpose financial statements of CITY OF ROSEBURG as of and for the year ended June 30, 2019, 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 in accordance with 2 CFR section 200.216(a).

The major programs identified by CITY OF ROSEBURG were:

Community Development Block Grant 14.228

The threshold used to distinguish between Type A and Type B programs was \$750,000. The City did not qualify as a low-risk auditee under Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

**Findings required to be reported in accordance with generally accepted government auditing standards (GAGAS):**

No Findings.

**Findings and questioned costs for Federal awards:**

Current Year:

No Findings or Questioned Costs.

Summary Schedule of Prior Audit Findings:

No Findings or Questioned Costs