



# City of Grants Pass, Oregon

## Comprehensive Annual Financial Report

### Fiscal Year 2014-15





**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Year Ended June 30, 2015

**Prepared by:**

**City of Grants Pass Finance Department**

Jay Meredith, Finance Director

Tammy Canady, Accounting Services Supervisor

Mindy Ellerman, Accountant

**NATURAL. ROGUE RIVER. LEGENDS.**



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CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

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CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

ELECTED OFFICIALS

As of December 1, 2015

<u>NAME</u>	<u>TERM EXPIRES</u>
Darin Fowler, Mayor	December 31, 2016
Roy Lindsay, NW – Ward 1	December 31, 2018
Dan DeYoung, NW – Ward 1	December 31, 2016
Rick Riker, NE – Ward 2	December 31, 2018
Vacant*, NE – Ward 2	December 31, 2016
Dennis Roler, SE – Ward 3	December 31, 2018
Ken Hannum, SE – Ward 3	December 31, 2016
Jim Goodwin, SW – Ward 4	December 31, 2018
Vacant*, SW – Ward 4	December 31, 2016

\* The Council is accepting applications for these vacancies at the time of this report.

CITY MANAGER

Aaron Cubic

FINANCE DIRECTOR

Jay Meredith

City of Grants Pass  
Municipal Building  
101 N.W. "A" Street  
Grants Pass, OR 97526

December 21, 2015



To the Honorable Mayor Darin Fowler, Members of the City Council, Reviewing Agencies, and the Citizens of Grants Pass:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Grants Pass, Oregon. This report is for the fiscal year ending June 30, 2015.

Grants Pass Municipal government undergoes an annual audit to report information on local government financial affairs and to ensure compliance with government accounting standards and practices. Local government has very stringent reporting and accounting standards that require full disclosure of financial affairs to the public that it serves. This report is presented in conformity with generally accepted accounting principles (GAAP) and is audited in conformance with generally accepted auditing standards.

The annual audit is prepared to meet legal requirements (ORS 297.425) and to respond to our Council's strong belief in total disclosure and effective communication. Eide Bailly LLP, a firm of certified public accountants, has audited the attached financial statements. The City is responsible for the accuracy of the data and the complete disclosure of our financial records. The auditors test transactions, verify the system, and assure accuracy. The independent auditor's report is presented as the first component of the financial section of this report.

This report consists of management's representations concerning the finances of the City of Grants Pass. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. We believe that the financial information and disclosures of this report are accurate in all material respects, and that the report fairly represents the financial position of the City and the results of operations for the last year, as measured by financial activity. We have included all disclosures necessary for the reader to understand the financial condition of the City.

Generally accepted accounting principals 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 the MD&A and should be read in conjunction with it. The City of Grants Pass' MD&A can be found immediately following the independent auditor's report.

### **Profile of the City of Grants Pass**

Grants Pass has grown to an estimated population of 36,465 residents according to the Portland State University Population Research Center and is a beautiful community with a

"hometown" feeling. The City was incorporated in 1887 and today encompasses 7,412 acres of land. Grants Pass is located on Interstate 5 in the "Sun Belt" of Southern Oregon, astride the banks of the Rogue River, one of America's premier white water rivers. The City is nestled among a series of mountains providing the valley a scenic backdrop. Grants Pass is the County seat of Josephine County and serves as the major commercial, cultural, and economic center for a County population of 83,720.

## **Factors Impacting Financial Conditions**

The City of Grants Pass continues to rank 15th in population among 242 cities in Oregon. Grants Pass' real estate assessed value rose by 3.6% as market values increased slightly this year. Approximately 2.2% of this increase was the change on assessed values for existing properties and approximately a 1.4% increase in values was the result of new development. Assessed property values are on average much closer to actual market values for many properties than they used to be years ago. Changes to assessed values are limited under State law so the assessed values were significantly lower than the market values during the periods where market values were increasing rapidly in the last decade. The assessed value change for the next fiscal year (Fiscal 2016) will be a total increase of 6.6%, with approximately 3.6% coming from an annexation approved in FY'15, approximately 1.0% coming from new construction and 2.0% coming from the change in existing properties.

For a third year, Grants Pass continued to see relatively strong new building activity in both commercial and residential development as compared to the more challenging years during the economic and housing downturn between 2008 and 2012. The Building and Safety Division issued 93 new structural permits during the year, compared to 72 in the previous year. Total commercial construction units were at 4 units and \$10.9M in total value, while total residential construction units were 89 units and \$17.1M in value. A total of 81 single-family residential permits were issued compared to 66 for FY'14, while there were 4 multi-family permits compared to no multi-family permits last fiscal year. Commercial permits totaled 6 in the current year which is the same in number as compared to last fiscal year.

The immediate demand for planning and building inspections for all classes of construction continues is still somewhat slow relative to activity levels prior to the housing downturn. Despite development declines compared to years ago, escalating demands for transportation and public safety services are on-going. Simultaneously, as the municipal boundaries grow and residents within the urban growth boundary connect to City utility services, additional citizens expect rural streets to be brought up to City standards and neighborhood parks to be planned and developed while protecting the natural environment.

According to Zillow.com, the median home value in the second calendar quarter of 2015 was approximately \$202,000 which is up from approximately \$191,000 in the same quarter last year. It is difficult to predict whether increases over recent years will continue but it seems reasonable to assume that development in the short-term will not be returning to anywhere near the record breaking levels experienced in the 2005 calendar year.

The permitting of lands throughout the urban growth boundary by private developers for future subdivisions has decreased dramatically and will continue to depend upon the expansion of municipal utility services. Grants Pass requires Service and Annexation

Agreements (S & A) prior to accessing municipal services for water, wastewater, police, and fire. Accordingly, property owners within the urban growth boundary are required to pay the equivalent of the City tax rate on assessed value for these services. At the time of annexation, this independent billing is replaced by the levy of the City property tax rate on the subject properties. The first annexation since 2006 was approved by voters in November of 2014, which replaced most of the service and annexation agreements that were in place. This annexation will affect total property tax assessments beginning in Fiscal 2016.

All property taxes received in Grants Pass and S&A fee revenues are dedicated exclusively for the provision of public safety services. The permanent tax rate (\$4.1335) together with the local option levy (\$1.79) and public safety bond (\$0.3997) totaled \$6.3232/\$1,000 assessed value and generated \$15.7M of the resources required for the \$16.8M public safety operations actual expenditures. Citizens reaffirmed the local option levy amount at the same rate for an additional four years in the November 2013 vote with 62% of citizens voting yes for the levy renewal. FY'15 was the first year of this 4-year levy term.

While many of the same influences affecting the nation as a whole continue to impact Grants Pass and Josephine County, the unemployment rate fell for the sixth consecutive year. At June 30<sup>th</sup>, 2015, the unemployment rate of 7.9% for the Grants Pass metropolitan statistical area was down 1.6% from the previous year. Grants Pass has a diversified economy but also a significant presence of manufacturing industries, led by wood products and housing-related manufacturing. As the current recession was fueled in part by the housing crisis, the impact on the economy in Grants Pass remains significant.

Grants Pass has made a significant commitment to economic development and works with many local and regional partners to impact economic development in the community. Partners such as the Southern Oregon Regional Economic Development Incorporated (SOREDI) help to recruit new business to the area and the City, Chamber of Commerce, and others work together for retention and expansion for existing businesses. The City also had some temporary development incentives in place in the last year to encourage development in the City, including a temporary reduction in system development charges and a grant program to assist property owners of older buildings in the City to retrofit these buildings with modern seismic and fire safety enhancements.

Grants Pass has a number of programs that can assist the expansion of local businesses and has made a financial commitment of restricting a portion of the City's transient room tax revenue for the economic development program. The Tourism and Economic Development divisions also went through a performance audit last year to ensure these divisions are operating as effectively and efficiently as possible, and the City is currently working with Josephine County and various community stakeholders for a new economic development strategic plan.

Levels of growth in residential and commercial real estate have a significant effect on the resources available to support capital projects and upgrade the City's utility and transportation infrastructure. System Development Charges (SDCs) are assessed at the start of new construction or change of use in a property and the funds are then restricted for use in capital projects that increase capacity for the related system. SDCs are assessed to make sure each property pays for its fair share of impact on the City's Water, Wastewater, Transportation, and other infrastructure. With the desire to be competitive

with other regional cities and to encourage local economic development, the City Council temporarily lowered Transportation SDCs and Parks SDCs, with the incentive ending on June 30, 2015. Revenue forecasts for development sensitive resources such as Building Permits and SDCs have been set at conservative levels in recent budgets to make sure the resources are available for planned capital projects. This year, thanks to a slightly higher level of activity for the last two years in both commercial and residential development activity, the Water, Wastewater, and Stormwater SDC revenues came in well ahead of budget.

The shortfall in resources available to complete pending high priority utility infrastructure projects will continue to be an important discussion for Council as it has been in recent years. The expansion of the Wastewater Plant in three phases has just begun in FY'15 and the complete replacement of the aging Water Plant is in the early planning phases. The more borrowing that is required for these major infrastructure projects, the more interest expenses will add to project costs and user rates in the future. A large performance audit and strategic planning project for Water and Wastewater was completed in October of 2015 to ensure these major capital projects and utility operations move forward as efficiently and effectively as possible. Water and Wastewater utility rates will need an in depth review over the next year to accommodate the bond debt service that will result from completing these major projects and a phasing in of rate increases over a multi-year period will likely be the end result.

The Wastewater Plant expansion is set for three phases, and the Wastewater Fund has recently completed phase one without borrowing. However, phase two which is likely to begin within two to three years is about \$8-\$9 million and would require borrowing. Phase three is another \$8-\$9 million and will begin approximately four years after phase two. The more we can adjust rates to prepare for the costs and long-term debt requirements of these projects, the more we can limit the long-term costs of borrowing.

The planned new Water Treatment Plant has a master plan showing the ultimate long-term capacity and cost would be a plant with a treatment capacity of 30 million gallons a day and a cost of approximately \$56 million. However, staff will be reviewing options for building a smaller capacity plant designed to meet short-term and intermediate-term water demands with the room to expand capacity in the future. Over the next year the site for the new water plant will be determined and the procurement process for the design and construction of the new plant will begin. This project will also require a significant bond issue and many of the available water capital project resources are being directed to this major plant project in order to limit the eventual size of the borrowing.

## **City Organization and Services**

The City of Grants Pass has been organized under the Council/Manager form of government since 1946. The governing body consists of eight Council members elected at large, two from each of four wards, and a Mayor elected at large. Elected officials serve without compensation. The governing council is responsible for establishing policies, passing ordinances and resolutions, adopting the budget, appointing committees, and hiring the government's manager. The Council's mission is:

"To represent all citizens by providing leadership and decisions necessary to meet community needs and desires."

The government's manager, the City Manager, is responsible for carrying out the policies and ordinances of the governing council, managing the daily operations of the government, and for appointing the heads of the government's departments. The City Manager is responsible for the operations and administrative functions for all divisions of the municipal corporation. Our local government structure is similar to that of other corporations. For instance, our Mayor is Chairman of the Board, our Council the Board of Directors, and our City Manager the Chief Executive/Operating Officer of the Corporation.

The City provides a full range of municipal services. General governmental functions include public safety, code enforcement, park maintenance, planning and development, and parking enforcement. Street maintenance, landfill operations and other special operations are reported with the Special Revenue Funds. Services provided through enterprise funds are the water and sewer utilities, in which expenses are covered primarily by user charges. Administrative Services, Support Services, Insurance and Fleet Management are provided through Internal Service Funds. The following programs are administered under the direction of the City Manager:

**Parks and Community Development:** Directs the development of the community through planning and construction (utility systems, parking facilities, neighborhood improvements, etc.), and enforcement of state building standards. Directs the operations and maintenance of City parks facilities and the recreation programs.

**Public Safety:** Provides police protection, fire suppression and prevention, traffic control, code enforcement, educational programs and similar activities for the community.

**Public Works:** Directs the operations of the City's utilities, including the Street Utility, City Water and Wastewater utilities, and monitoring operations required for the closed landfill.

**Administrative Services:** Divided into four divisions, Management, Legal, Finance, and Human Resources. Provides management in coordinating and directing all City operations and policy development/analysis, risk management and legal services, economic development, payroll, personnel, debt administration, fiscal management, budget and other financial services to the City. Coordinates downtown events, supports tourism in the community, and provides information technology and fleet maintenance services.

## **City Agencies and Special Districts**

This report includes all of the funds and account groups of the City as well as all activities for which the City exercises financial or oversight responsibilities consistent with the entity definition criteria established by the Governmental Accounting Standards Board (GASB).

In September of 2001, the City of Grants Pass entered into an intergovernmental agreement with Josephine County, forming an entity known as the Josephine County/City of Grants Pass Solid Waste Agency. This Agency has a six-member board, three each from the County and the City. This Board is responsible for oversight of the solid waste franchise agreements, establishing rates, and collecting and allocating environmental

program fees. The Board granted managerial responsibilities of the Agency to the City of Grants Pass.

## **Goals of the Community**

The Grants Pass City Council reaffirmed the following goals for 2015. These goals provide a special emphasis on the central role of the Rogue River and our natural environment while guiding our community and our organization. Well over 100 individual Council Strategic Plan action items were developed to guide operations towards each of the following big picture goals:

- Keep Citizens Safe
- Provide Cooperative Shared Leadership Involving Council, Staff and Community
- Encourage Economic Prosperity
- Expand Tourism and Cultural Opportunities
- Promote Healthy Neighborhoods
- Facilitate Sustainable, Manageable Growth
- Maintain, Operate, and Expand our Infrastructure to Meet Community Needs
- Preserve and Enjoy our Natural Resources

## **Measuring Performance**

Grants Pass is committed to the Government Finance Officers Association's recommended performance standards. Each operating division, as a part of the annual budgetary process, is required to define outcomes and service levels. These indicators of performance are reviewed semi-annually and then published in the budget book, with notations addressing the attainment of each. The Fiscal 2015 budget provided a new format for numerical performance measurements with categories of outputs, effectiveness measures, and efficiency measures. A quarterly report on progress in completing the Action Items in the Strategic Plan also measures the progress during the year.

## **Accounting Systems and Internal Controls**

The City's governmental and fiduciary fund types are maintained on the modified accrual basis of accounting with revenues recorded when measurable and available, and expenditures recorded when the goods or services are delivered and liabilities are incurred. The City's enterprise and internal service funds are maintained on the accrual basis of accounting.

Management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that:

The cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations have been made within the framework described above. We believe the internal accounting controls meet the material standards for audit, adequately safeguard the City's assets, and provide reasonable assurance that financial transactions are properly reported.

## **Financial Policies**

The City's adopted financial policies guide decisions in the main areas of revenue, budgetary management, debt management, capital improvements, and financial management. A full description of the policies can be found in the annual budget book. Policies that had impacts on the financial statements for this period and potential impact in the future include: revenue, budgetary goals and services, financial planning, capital improvements, financial management and investments.

### Revenue

The City's revenue policies strive to maintain a diversified income base in order to minimize the impact of fluctuations in any one source. The City considers the financial burden of multiple taxing jurisdictions when setting taxes and tries to equitably share the costs of services. The City will use non-recurring income for capital projects and other one-time expenses. During the year, Council continued to review fees for a number of services with an emphasis on the utility rates. Maintaining diversity in revenue sources and following policies that avoid long-term financial burdens will be important as Council continues its efforts to equitably share costs.

### Budgetary Goals and Services

The Council adopts City goals as part of their efforts to provide policy and direction for the City. The operating and capital budgets work to carry out the Council's goals and policies using objectives and action items for each goal. The 2015 Work Plan was adopted by Council towards the beginning of the calendar year following the annual strategic planning session. Council is expected to review the goals, objectives, and action items again this winter prior to fiscal year 2017 budgeting work.

### Financial Planning

Policies under financial planning require the City to estimate income and expenses over a three-year horizon and to update those projections annually. The policy also requires each fund to maintain a contingency to meet unanticipated requirements during the fiscal year. Five years ago, Council adopted a fund balance policy for the General Fund. An expanded fund balance policy also covering Enterprise Funds and certain Internal Service Funds was adopted by the City Council four years ago, along with policies that assist in financial planning for future capital expenditures.

### Capital Improvements

Under capital policies, the City strives to maintain five-year capital improvement plans and one-year capital improvement budgets. The budgets provide for adequate maintenance and the regular replacement of capital, plant and equipment. Multi-year capital improvement plans ensure that the proper financing programs are in place and regular maintenance prevents costly accelerated deterioration of capital assets.

### Financial Management

The City maintains an accounting system that is consistent with generally accepted

accounting practices for local governments in order to promote an atmosphere of trust in its financial management system and to provide full disclosure of its financial condition. Starting in the financial report four years ago there was a minor change to Fund Balance reporting under GASB 54 showing different categories of fund balance restrictions for governmental funds. Starting with the annual financial report from two years ago, GASB 63 now requires a standardized presentation of deferred outflows of resources and deferred inflows of resources and their effects on the City's reported net position. And finally, in this financial report the City has implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date" which measures the net pension liability or asset and uses a different measurement for pension related expenses as shown in statement of net position and the statement of activities. See the footnotes to the financial statements for comprehensive details on the effects to the financial statements of implementing these new pension related governmental accounting standards.

### Investments

The City strives to maximize interest income on cash assets for the benefit of the public. Cash in all City funds is pooled and invested in either the state managed Local Government Investment Pool (LGIP) or short-term instruments, which are restricted to investments approved by the State Treasurer in accordance with Oregon Revised Statutes 294.035 and 294.046 and a Council Adopted Investment Policy. Minor changes were made to the investment policy by Council four years ago and throughout the year money is moved between various investment accounts authorized by the policy in order to maximize interest while keeping the funds safe and liquid. Interest income is distributed monthly to each fund's cash balance and the investment policy is reviewed by Council on an annual basis.

### **Awards**

The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grants Pass for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 33<sup>rd</sup> consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR). 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 that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgements**

We would like to thank the Mayor and the City Council for their leadership and support. The preparation of this report could not have been accomplished without the dedicated effort of the City Finance Department staff. We also appreciate the contributions made by all other City staff members and wish to express our gratitude for their assistance in this

project. Special recognition and thanks go to Tammy Canady, Accounting Services Supervisor, who has dedicated a great deal of effort in preparing these financial statements.

These combined efforts plus the level of participation by members of our community help the City plan and conduct the financial operations of the City in a positive and responsible manner. It is a pleasure to serve the City and its citizens.

Respectfully submitted,

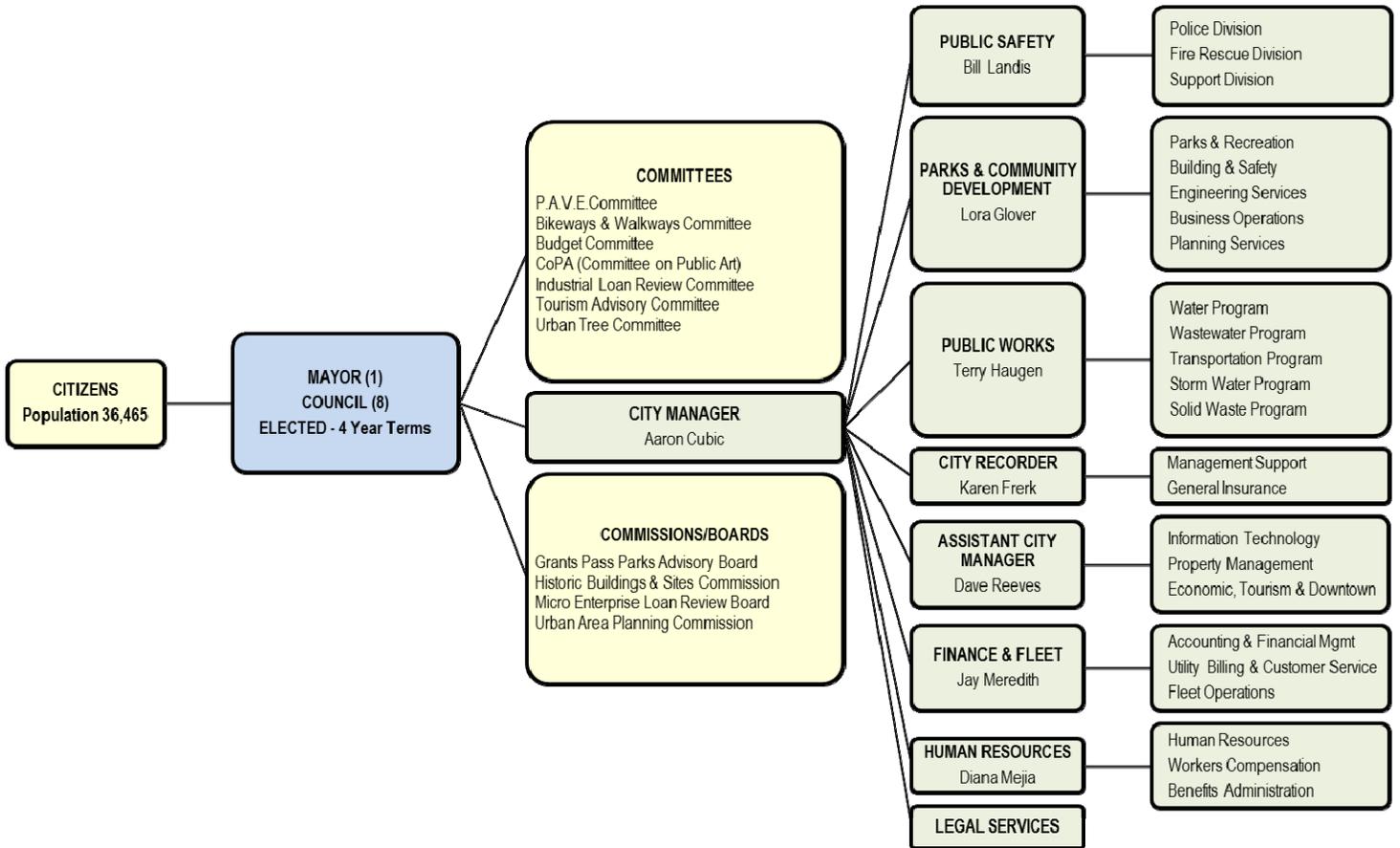


Aaron Cubic  
City Manager



Jay Meredith  
Finance Director

# CITY OF GRANTS PASS ORGANIZATIONAL CHART





Government Finance Officers Association

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

Presented to

**City of Grants Pass  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO



## Independent Auditor's Report

To the Honorable Mayor and  
Members of the City Council  
City of Grants Pass  
Grants Pass, Oregon

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Grants Pass (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Audit 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 City'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 City'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.

## **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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

### **Change in Accounting Principle**

As discussed in Note 1, Note 10, and Note 18 to the financial statements, the City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of net position as of July 1, 2014. Our opinions are not modified with respect to this matter.

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer's share of net pension liability, schedule of employer contributions and budgetary comparison information, 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 inquires of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary schedules described above 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. The budgetary schedules have 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 budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

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

The supplementary information as described 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 21, 2015 on our consideration of the City of Grants Pass's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 consideration of, the City of Grants Pass's internal control over financial reporting and compliance.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 21, 2015, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



For Eide Bailly, LLP  
Boise, Idaho  
December 21, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

As the management of the City of Grants Pass ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2-10 of this report.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$293,449,550 (net position). Of this amount, \$41,986,566 represented unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's net position increased by \$13,732,887.
- At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$26,836,915 which is a decrease of \$2,476,838 in comparison with the prior year. Approximately 36% of the combined fund balances or \$9,774,189 is available for spending at the government's discretion.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$13,325,302, or approximately 60% of total general fund expenditures for this year.
- The City's total outstanding long-term debt decreased by \$2,108,548 during the current fiscal year as a result of scheduled annual debt service payments.

### Overview of the Financial Statements

The basic financial statements and supplementary information are presented using the integrated approach as prescribed by GASB. The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. The basic financial statements present financial information about the City as a whole and about its activities. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. Following the basic financial statements are required supplementary information, other supplementary information, and other financial schedules.

#### **1. Government-wide Financial Statements**

The *government-wide financial statements* report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The *statement of net position* includes all of the City's assets, deferred outflows, liabilities and deferred inflows, with the difference being 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.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise

to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes, earned but unused vacation leave and employer contributions to Oregon Public Employees Retirement System).

Both of the government-wide financial statements of the 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's include general government, public safety, planning, building and safety, streets and storm drainage, solid waste, economic development, parks and recreation, and interest on long-term debt. The business-type activities of the City include water and sewer utilities.

The government-wide financial statements include not only the City itself (known as the primary government), but also for the legally separate Josephine County-City of Grants Pass Solid Waste Agency for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statement can be found on pages 30-32 of this report.

## **2. Fund Financial Statements**

Following the government-wide statements is a section containing 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 City, 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 three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds** - The governmental fund statements emphasize available financial resources rather than the net position. They are prepared using the current financial resources measurement focus and modified accrual basis of accounting. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

The following reconciliations are provided to facilitate a comparison between governmental funds as reported in the fund financial statements and governmental activities as reported in the government-wide financial statements:

- A reconciliation of the fund balance reported in the governmental funds Balance Sheet to the net position reported on the government-wide Statement of Net Position, and
- A reconciliation of the change in fund balances reported in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances to the change in net position reported in the government-wide Statement of Activities.

The City has 11 governmental funds. The governmental fund statements present seven major funds separately: General Fund, Solid Waste Fund, Street Utility Fund, General Obligation Bond Fund, Bancroft Bond Fund, Transportation Projects Fund, and the Lands & Buildings Projects Fund. The other 4 nonmajor funds are combined and presented in a single column as nonmajor governmental funds.

The basic governmental fund financial statement can be found on pages 33-39 of this report.

**Proprietary Funds** – Proprietary funds are to account for activities supported by user charges and where the emphasis is on the sufficiency of revenues to cover expenses. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information. The City maintains two different types of proprietary funds.

*Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations. These funds are presented separately as major funds in the proprietary fund financial statements.

*Internal service funds* are generally used to accumulate and allocate internally the costs of the City's central services. The City has established an internal service fund with the following divisions – fleet, support services (encompassing information technology, property management, engineering, and parks and community development management), administration (encompassing management, legal, finance, and human resources) and insurance (encompassing general insurance, benefits administration and workers compensation). Because the internal service fund activities predominantly benefit governmental rather than business-type functions, their assets and liabilities have been included with governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 40-42 of this report.

**Fiduciary Funds** - The City is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that, due to a trust arrangement, can be used only for the trust beneficiaries. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net assets. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

The basic fiduciary fund financial statements can be found on page 43 of this report.

### **3. Notes to the Financial Statements**

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 44-74 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

### **Analysis of Net Position**

The City's assets and deferred outflows exceed liabilities and deferred inflows by \$293,449,550 at June 30, 2015. By far, the largest portion of the City's net position, approximately 83%, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), less any related outstanding debt that was used to acquire those assets. The City's capital assets after depreciation increased \$4.37M or 1.7% from June 30, 2014. The City's major capital assets are investments in infrastructure – the water treatment plant and distribution system, the wastewater treatment plant and collection system, and the street and sidewalk system. Accordingly, these assets are not available for

future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**CITY OF GRANTS PASS' Net Position at June 30**

	<i>In thousands</i>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2015</b>	<b>2014*</b>	<b>2015</b>	<b>2014*</b>	<b>2015</b>	<b>2014*</b>
Current and Other Assets	\$ 39,842	\$ 41,329	\$ 21,714	\$ 17,958	\$ 61,556	\$ 59,287
Net Pension Asset	4,292	-	531	-	4,823	-
Capital Assets	161,269	156,144	94,810	95,564	256,079	251,708
<b>Total Assets</b>	<b>\$ 205,403</b>	<b>\$ 197,473</b>	<b>\$ 117,055</b>	<b>\$ 113,522</b>	<b>\$ 322,458</b>	<b>\$ 310,995</b>
Total Deferred Outflow of Resources	\$ 1,881	\$ 1,680	\$ 233	\$ 207	\$ 2,114	\$ 1,887
Current and Other Liabilities	\$ 5,371	\$ 3,982	\$ 2,255	\$ 2,305	\$ 7,626	\$ 6,287
Net Pension Liability	-	9,666	-	1,193	-	10,859
Long-Term Liabilities	6,588	7,232	7,567	8,788	14,155	16,020
<b>Total Liabilities</b>	<b>11,959</b>	<b>20,880</b>	<b>9,822</b>	<b>12,286</b>	<b>21,781</b>	<b>33,166</b>
Total Deferred Inflow of Resources	\$ 8,312	\$ -	\$ 1,029	\$ -	\$ 9,341	\$ -
<u>Net Position:</u>						
Net Investment						
in Capital Assets	157,464	151,474	86,693	86,203	244,157	237,677
Restricted	6,292	9,893	1,014	-	7,306	9,893
Unrestricted	23,257	16,906	18,730	15,240	41,987	32,146
<b>Total Net Position</b>	<b>\$ 187,013</b>	<b>\$ 178,273</b>	<b>\$ 106,437</b>	<b>\$ 101,443</b>	<b>\$ 293,450</b>	<b>\$ 279,716</b>
* 2014 Net Position, Net Pension Liability, and Deferred Outflow as restated for GASB 68 implementation in FY15.						

Net position of \$7.3M or 2.48% of the total represent resources that are subject to external restrictions on how they may be used. This represents a decrease of \$2.6M in the City's restricted net position from June 30, 2014. The remaining balance of \$42.0M may be used to meet the government's ongoing obligations to its citizens and creditors.

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. At the end of the current fiscal year, the City's overall net position increased \$13.7M from the prior fiscal year's restated net position. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

## Analysis of Change Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014*	2015	2014*	2015	2014*
<b>REVENUES:</b>						
Program Revenues:						
Charges for Services	\$ 5,881	\$ 3,871	\$ 12,100	\$ 11,520	\$ 17,981	\$ 15,391
Grants & Contributions	2,290	763	62	846	2,352	1,609
General Revenues:						
Taxes	21,876	21,186	-	-	21,876	21,186
Intergovernmental	3,618	3,655	2	3	3,620	3,658
Other	1,125	654	984	828	2,109	1,482
Total Revenues	<u>34,790</u>	<u>30,129</u>	<u>13,148</u>	<u>13,197</u>	<u>47,938</u>	<u>43,326</u>
<b>EXPENSES:</b>						
Public Safety	17,333	20,270	-	-	17,333	20,270
Transportation	2,029	1,912	-	-	2,029	1,912
Building	400	512	-	-	400	512
Parks	1,827	2,102	-	-	1,827	2,102
Development	1,604	1,706	-	-	1,604	1,706
General Government	1,577	1,671	-	-	1,577	1,671
Solid Waste	448	442	-	-	448	442
Water	-	-	4,188	4,415	4,188	4,415
Sewer	-	-	4,592	5,339	4,592	5,339
Interest	206	216	-	-	206	216
Total Expenses	<u>25,424</u>	<u>28,831</u>	<u>8,780</u>	<u>9,754</u>	<u>34,204</u>	<u>38,585</u>
Change in Net Position before Transfers	9,366	1,298	4,368	3,443	13,734	4,741
Transfers	<u>(626)</u>	<u>8</u>	<u>626</u>	<u>(8)</u>	<u>-</u>	<u>-</u>
Change in Net Position	8,740	1,306	4,994	3,435	13,734	4,741
Net Position - Beginning, as Restated	<u>178,273</u>	<u>176,967</u>	<u>101,443</u>	<u>98,008</u>	<u>279,716</u>	<u>274,975</u>
Net Position - Ending (As Restated in 2014)	<u>\$ 187,013</u>	<u>\$ 178,273</u>	<u>\$ 106,437</u>	<u>\$ 101,443</u>	<u>\$ 293,450</u>	<u>\$ 279,716</u>

\* 2014 Net Position, Net Pension Liability, and Deferred Outflow as restated for GASB 68 implementation in FY15.

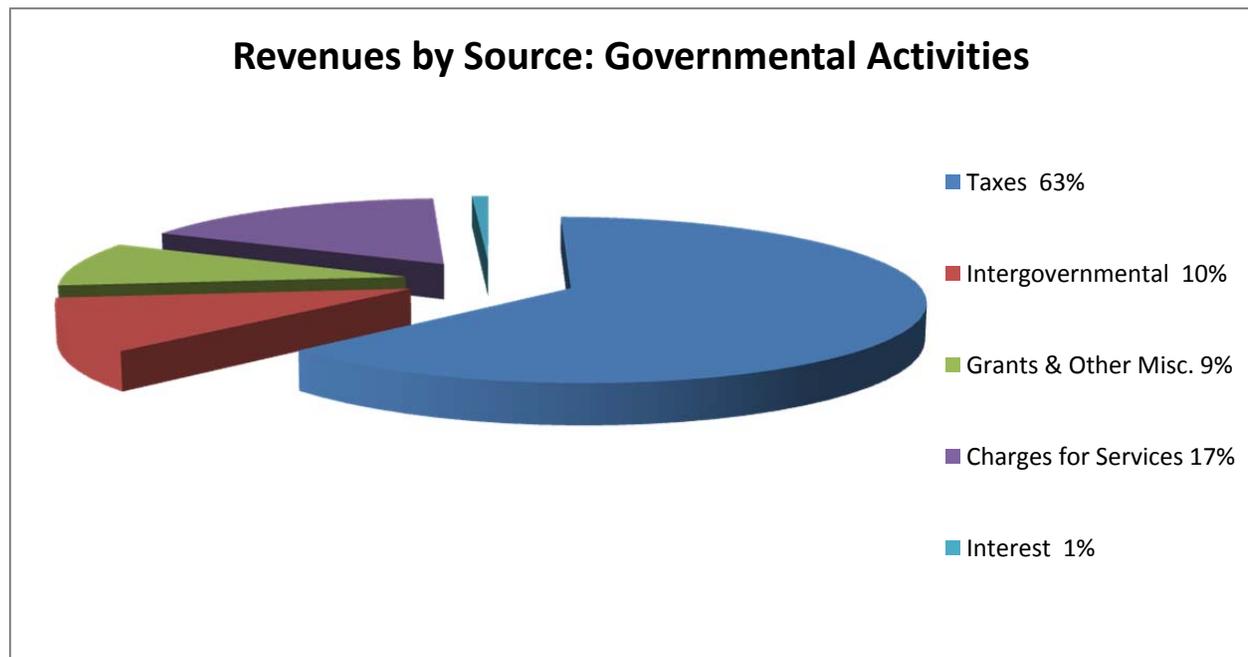
The statement of activities is a full accounting of all short-term and long-term expense accruals and differs significantly from budgetary statements or even the statement of revenues, expenditures, and changes in fund balances. For example, the statement of activities factors in program allocations for capital asset depreciation, long-term liability accruals and related expense allocations, and also integrates internal service fund expenses throughout the programs.

The City's total revenues were \$47.9M, of which a significant portion, 45.6%, came from taxes, while 37.5% relates to charges for services, including user fees and licenses and permits. Grants & Contributions increased slightly during the year primarily as a result of a large CDBG grant for a capital project. Certain expenses such as long-term liability expense accruals and capital asset depreciation are allocated to departments based on the size of the department as a percentage of budgetary expenditures.

**Governmental Activities.** The net position increase from governmental activities was approximately 4.9%, or approximately \$8.7M for the fiscal year. While governmental revenues were \$9.4M higher than expenses for the year, the increase in net position was largely due to the implementation of GASB Statement No. 68 "Accounting and Financial Reporting for Pensions", and GASB statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date." In fiscal 2015, the

measurement requirements for GASB 68 and GASB 71 resulted in a large increase in net position during the current year and a large change from a net pension liability in the previous year to a net pension asset in the current year. A portion of this liability and asset difference between FY'14 and FY'15 also resulted in a significant pension expense credit for the current year (or expense reduction) due to the pension expense calculation and the deferred inflow and outflow measurement required by GASB 68 and GASB 71 statements implementation. Certain expenses such as long-term liability expense accruals are allocated to departments based on the size of the department as a percentage of budgetary expenditures. Therefore, the implementation of GASB 68 and GASB 71 resulted in a major decrease in total expense allocations, resulting in almost all areas showing lower expenses on the statement of activities versus the previous year. Footnotes 10 and 18 to the financial statements provide much more comprehensive information about the impact of this new pension related GASB statements and the restatement of the prior year's net position required by GASB 68 and GASB 71.

Revenue from governmental activities increased approximately 15.5% for the year, largely due to higher grants and infrastructure contributions for the year from development activity. Taxes also increased approximately 3.3% in total compared to last fiscal year. The following chart shows the revenue from governmental activities by source.

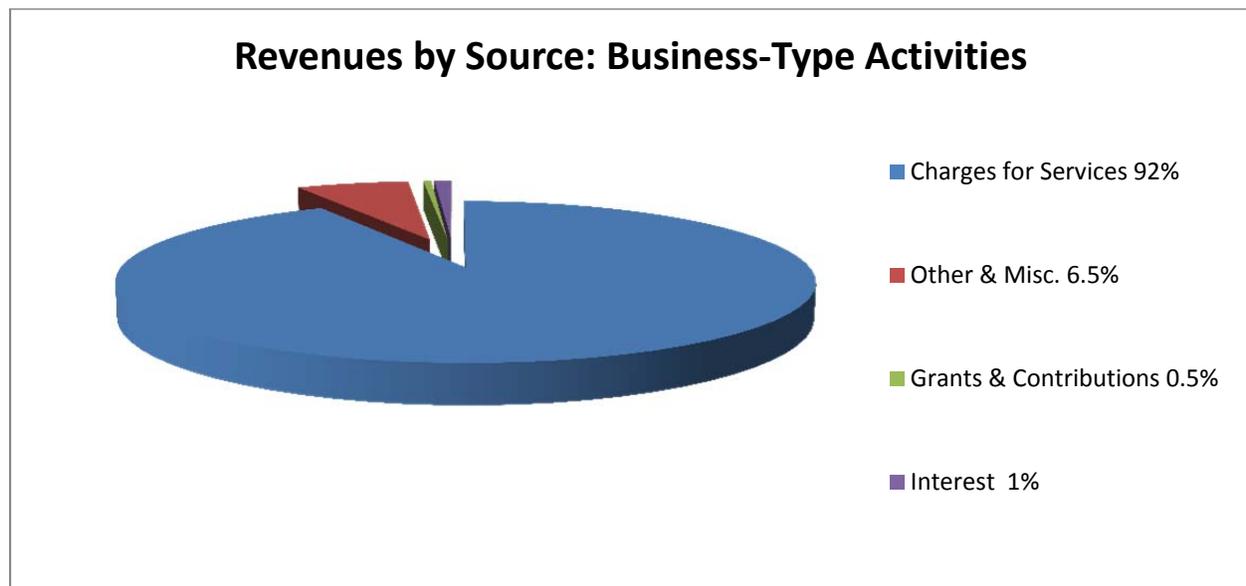


Total tax revenue increased 3.3% in FY'15 generating approximately \$0.69M more in revenues than in FY'14. Franchise taxes increased \$0.06M, Transient Room Taxes increased \$0.09M, Business Taxes were close to flat from the previous year, and Property Taxes increased \$0.54M. Grants and contributions were higher than last year due to a large CDBG grant for a capital project and some infrastructure contributions from private developments. Grant related activity is overall still high and in FY'15 the \$1.5M CDBG grant for the Josephine County food bank facility on the City's River Road Reserve Property made a large impact on total grant revenue for the year.

Governmental expenses decreased by \$3.4M or 11.8%. The decrease was primarily due the implementation of GASB 68 and GASB 71 as previously discussed. The total pension expense credit (or

personnel expense reduction) allocated to governmental activities due to GASB 68 and GASB 71 measurements in FY'15 resulted in an expense reduction of \$3.9M for the year for governmental activities.

**Business-type Activities.** The business-type activities experienced a 4.9% increase, or \$5.0M, in net position for the fiscal year. The Water and Wastewater Funds had slightly higher charges for services revenues and are carrying over additional resources to begin preparing for large capital projects such as the Wastewater Plant expansion and the construction of the new Water Treatment Plant. The implementation of GASB 68 and GASB 71 this fiscal year also had a positive effect on the net position for business type activities similar to what was previously described in governmental activities. Pension related transactions required by GASB 68 and GASB 71 are allocated to all areas of operations in the statement of activities based on percentages of contractually required pension contributions in each of the operations areas.



Charges for services accounted for 92% of the revenues in the City's business-type activities. As the current economy continues to somewhat hold back development but offers a small amount of growth, growth in total City utility accounts has remained slow but steady. The increase of \$0.58M in charges for service over the prior fiscal year can be largely attributed to the Cost of Living (CPI) Index applied to the water and sewer rates each January along with an increase to Water rates that was phased in on January 1, 2013 and January 1, 2014. The weather in the past two years has also been more hot and dry in the summertime than normal, which tends to have a positive impact on Water utility revenues and to a lesser extent the Sewer utility revenues.

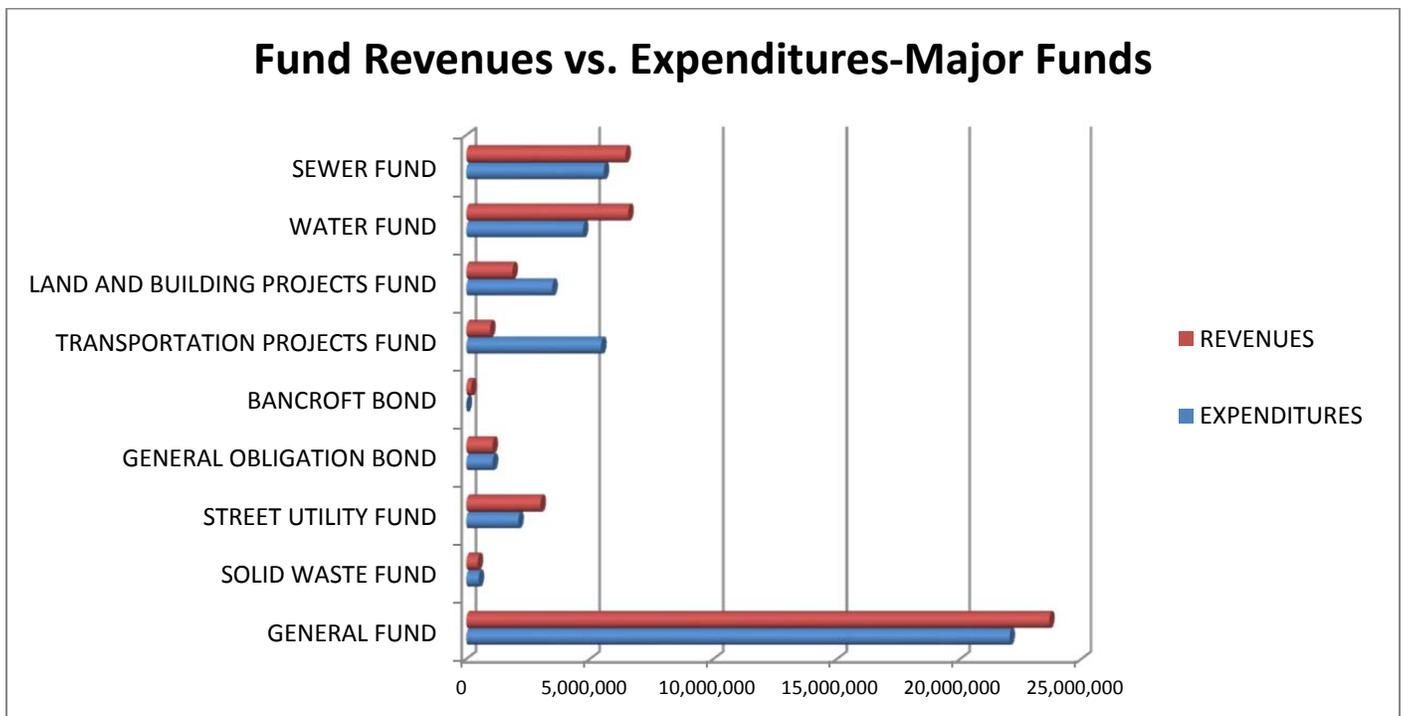
Water operational expenses decreased 5.1%, or \$0.2M, largely the result of the implementation of the GASB 68 and GASB 71 pension accounting standard. In wastewater operational expenses decreased 14.0% or \$0.7M for similar reasons. The expense reduction from GASB 68 and GASB 71 measurements in FY'15 resulted in a reduction to expenses of about \$0.25M in the Water Fund and \$0.24M in the Sewer Fund. There was also a need to consider the various strategic options for the Wastewater's Jo-Gro composting operations and how the Wastewater operation will dispose of its solids in the future. In FY'14 the Wastewater Utility closed the Jo-Gro operation part way during the fiscal year and is now disposing of the solids by hauling them to a landfill. This closure reduced both revenue and expenditures for the Sewer Fund as the composting operation was closed before the start of FY'15.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balances which has not yet been limited to use for a particular legal purpose by either an external party, the City itself, or the City Manager or Finance Director as established by Council Resolution 5813.

At the close of the current fiscal year, the City's governmental funds reported combined fund balances of \$26,836,915, a decrease of \$2.48M in comparison with the prior year. Approximately 36% of this amount or \$9,774,189 constitutes unassigned fund balance which is available for spending at the government's discretion. The decrease in total fund balance is largely the result of capital expenditures in the Transportation Capital Projects Fund as numerous large projects moved into the construction phase this year. There was an increase in the fund balance for the General Fund of \$0.82M for FY'15.



The General Fund is the chief operating fund of the City. It ended the year with a balance of \$14.1 million, an increase of \$0.8M for the year. The increase in the General Fund balance was due mostly to a one-time credit from the workers compensation insurance fund's distributions of excess reserve balances and also from higher total tax revenues versus budgeted tax revenues for the year.

The unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$13,325,302. The ending budgetary fund balance for the General Fund

was closer to \$12.6M, with the difference being an interfund loan due from the Lands and Buildings Fund. The budgetary fund balance represents approximately 46% of total general fund expenditures budgeted for FY'16, slightly above the 30% to 40% financial policy guidelines. As revenue growth is not expected to exceed expenditure growth in the short-term, some of this fund balance excess compared to financial policies will be carried over for use in future fiscal years or for use in one-time capital projects.

Other major governmental funds and their respective changes in fund balance are shown in the table below:

**Schedule of Other Major Governmental Fund Balances  
As of June 30, 2015 and 2014**

	2015	2014	Change
Bancroft Bond Fund	\$ (779,849)	\$ (968,050)	\$ 188,201
General Obligation Bond Fund	56,894	62,495	(5,601)
Street Utility Fund	1,360,714	890,671	470,043
Transportation Projects Fund	5,545,797	9,046,268	(3,500,471)
Solid Waste	2,422,977	2,486,886	(63,909)
Lands & Buildings Project Fund	2,695,599	2,757,811	(62,212)
Total Fund Balances	\$ 11,302,132	\$ 14,276,081	\$ (2,973,949)

The Bancroft Bond fund provides assessment loans to citizens that don't want to pay for their entire portion of local improvement district assessments upon completion. The Bancroft Bond fund balance increased during the year due to principal and interest repayments on loans. Internal loans have been used to provide resources to the Bancroft Bond Fund, because individual Local Improvement Districts (LID) have been insufficient in dollar value to warrant public borrowing.

The Transportation Projects Fund balance decreased during the year as major transportation projects such as Redwood Avenue and Drury Lane moved into the construction phase during the year. The Street Utility Fund collects revenues for both the maintenance of City streets and for transportation capital projects. Any fund balance resources above 25% of operational expenditures in the Street Utility Fund will be transferred to the Transportation Projects Fund in future fiscal years.

**Proprietary Funds.** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

## Schedule of Major Business-type Unrestricted Net Position

As of June 30, 2015 and 2014

	2015	2014	Change
Water Fund	\$ 7,042,697	\$ 5,688,491	\$ 1,354,206
Sewer Fund	7,366,590	6,584,615	781,975
Total Unrestricted Net Assets	<u>\$ 14,409,287</u>	<u>\$ 12,273,106</u>	<u>\$ 2,136,181</u>

Not restated

The unrestricted net position for the Water Fund at the end of the fiscal year was \$7.0M and was \$7.4M for the Sewer Fund. Generally the utility funds maintain a contingency balance in the operating fund (separate from the capital projects fund in each utility) of close to 25% of annual expenditures and the rest of available funds are transferred to the utility's capital project fund for use in the completion of infrastructure projects. The unrestricted net position amounts shown above are primarily the operating fund contingency plus funds available to complete infrastructure projects. The Water Fund and Sewer Fund are both carrying over additional resources for major upcoming capital projects such as the Wastewater Plant expansion and the construction of the new Water Treatment Plant which were both in the planning phase during FY'15.

### General Fund Budgetary Highlights

Original budget compared to final budget and final budget compared to actual results: During FY'15 there was only one budget adjustment approved by the City Council in the second quarter of FY'15. Budgeted transfers out of the General Fund to the Lands and Buildings Capital Projects Fund were increased by \$208,000 to allow the City to purchase a parking lot in the downtown area to provide for more public downtown parking.

Overall General Fund revenues came in 3.8% above budget. Along with taxes over budget, licenses and permits and charges for services were also over budget due to a pickup in residential and commercial development activity. The largest differences between estimated revenues and actual revenues were as follows.

<u>Revenue Source</u>	<u>Estimated revenues</u>	<u>Actual revenues</u>	<u>Differences</u>
Taxes	\$19,164,030	\$19,615,914	\$451,884
Charges for Services	\$1,335,240	\$1,565,712	\$230,472
Licenses and Permits	\$315,640	\$394,088	\$78,448

The only major General Fund revenue categories that came in under budget for the year were Fines and Forfeitures with a shortfall of \$45,692 for the year mostly due to changes in priorities between traffic patrol and other types of enforcement activities in the Police division. This resulted in less revenue sharing from citations processed through the circuit court.

The budgetary balance for the General Fund, which includes all General Fund programs except restricted resources from areas such as the Building and Tourism departments, was \$11,942,247. This equates to a balance slightly higher than the City's financial policy range of 30% to 40% of annual expenditures, but this excess is projected to be needed as a carryover during the current fixed rate four-year Public Safety property tax operating levy that ends in FY'18. General Fund departments with the largest budgetary savings during the year by dollar amount included Public Safety, Parks Maintenance, and Planning, largely due to personnel vacancies at different points in the year. Public Safety was by far the largest contributor to expenditure savings in dollar amounts compared to budget as it is the largest department in the General Fund. General Fund operating departments were overall 8.1% under the revised expenditure budget for the year. Public Safety expenditures in FY'15 were also 7.9% under budget, again due largely to savings in personnel budgets.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** At the end of fiscal 2015, the City had invested \$256,078,746 in a broad range of capital assets, including land, equipment, buildings, and vehicles, as reflected in the following table which represents a net increase (additions, deductions and depreciation) of \$4.37 million. The following table reconciles the change in capital assets. Additions include assets acquired or under construction at year-end. Reductions are for the disposition of assets and depreciation.

	<b><u>Changes in Capital Assets (In Millions)</u></b>					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Beginning Balance	\$ 156	\$ 156	\$ 96	\$ 93	\$ 252	\$ 249
Additions	8.04	5.88	1.76	4.92	9.80	10.80
Retirement/Other	(0.05)	(2.90)	-	(0.01)	(0.05)	(2.91)
Depreciation	(2.87)	(2.78)	(2.51)	(2.51)	(5.38)	(5.29)
Ending Balance	\$ 161	\$ 156	\$ 95	\$ 96	\$ 256	\$ 252

Major additions to Governmental Activities assets for the year were generated largely by Transportation projects. In addition to developer installed infrastructure and right-of-way acquisitions, street projects such as Redwood Avenue and Drury Lane added to infrastructure. These street projects added capital assets of \$2.7M and \$1.4M, respectively. Various parks and trails projects also added approximately \$0.5M to governmental capital assets for the year.

In the Business-type activities, the Water Fund added approximately \$0.6M in capital assets (before depreciation) for City constructed water infrastructure and water plant capital projects in process. The Sewer Fund added a net amount of \$1.1M to capital assets before depreciation, about half of which was underground pipeline infrastructure and half construction in process on the Water Restoration Plant expansion.

Additional information on the City's capital assets can be found in Note 6.

**Long-Term Debt.** At year-end the City had bonds and notes outstanding that totaled \$11.92M. All of the current debt is backed by the full faith and credit of the government, including the current bonds payable by the business-type activities. Debt outstanding was as follows at year-end:

<b>Outstanding Debt at Year End</b>		
(in millions)		
	2015	2014
Governmental:		
General obligation	\$ 3.81	\$ 4.67
Business-type Activities:		
Bonds payable	7.57	8.73
Unamortized Premium / Discount	0.54	0.63
Sub Total	8.11	9.36
Total	<u>\$ 11.92</u>	<u>\$ 14.03</u>

Decreases to outstanding debt above for the last year were the result of regular annual debt service payments and there was no new debt issued during FY'15. The City maintains a bond rating of "Aa3" with Moody's for its General Obligation debt and an "AA-" rating with Standard & Poor's for its Full Faith and Credit debt issues. Detailed charts about the City's debt are presented in Note 8 of the financial statements.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3% of total real market value of the taxable property within its boundaries (ORS 287A.050). The current debt margin for the City is \$88,776,621 which is the legal limit of additional general obligation borrowings.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The following economic factors currently affect the City and were considered in developing the 2015-2016 budget.

- The City's General Fund is dependent on property taxes. With a continued modest activity in construction, and assessed values moving closer to real market values, the key factors used to build the property tax estimates for FY'16 included a 1.5% increase in assessed value on existing properties in addition to a modest new construction estimate based on actual construction activity in the previous calendar year. The property tax revenue budget uses a 93.5% collection rate for the current year levy in addition to a percentage of past due and outstanding property tax levies from previous years. The total estimated increase in property tax revenues for the FY'16 levy is a budget of \$0.94M in additional property tax revenues for the General Fund (for the current year's estimated total levy compared to last year's actual levy), largely due to the annexation that was approved by voters in November of 2014.

- The Council, wishing to maintain service levels in our growing community, placed before the voters a four-year Public Safety levy renewal in 2013 at a \$1.79/\$1,000 assessed value. The measure was approved by a large voting margin and will provide continued Public Safety funding for the fiscal years of FY'15 through FY'18. The rate approved by voters was the same local option levy rate that funded Public Safety between in FY'10 and FY'14.
- Other General Fund revenue trends and assumptions include:
  - In the near-term, consumption of utilities is expected to stay relatively flat so franchise tax budget revenue changes are based merely on anticipated utility rate changes.
  - State revenue sharing amounts in total are not expected to have significant changes in the near-term as these are a percentage of the alcohol tax revenues paid in to the State and amounts do not typically fluctuate a great deal from year to year unless Cities have significant population changes. A minimal amount of growth is factored in for State revenue sharing and population growth in the City.
- System Development Charge (SDC) revenues generally have a very conservative budget and are not transferred for use in capital projects until they have been made available from actual receipts in previous fiscal years. This avoids uncertainty in the funding for capital projects from development levels that can vary from year to year.
- Personnel expenses continue to put pressure on budgets as health insurance premiums are expected to continue to grow at the average of close to 8%-10% per year seen over the last decade. An insurance committee composed of labor representatives, the City's agent of record, and management, continue to look at ways to lower these costs or limit premium increases in future years through modifications to plans and attaining numerous competitive insurance quotes.
- At least two of the four City bargaining units will be in negotiations for wages or the full labor contract before 2016. Budgets generally assume inflation rates of 2% for wages and certain other operational costs.
- Retirement rates also continue to be a factor at this time, although in the 2013 legislative session the State passed law changes that deferred the next significant rate increase for two years. The economic downturn has continued to put pressure on retirement funding and initial estimates were that PERS rates would increase close to 3% to 5% of gross payroll starting July 1, 2015. This was deferred to July 1, 2017 and another significant increase is expected in 2019. While the State's PERS system changes rates every two years based on its actuarial funding status, the City changes internally billed rates as often as annually to prepare for future increases through a PERS reserve (a component of the Insurance Services Fund). Approximately \$2.8M has been set aside as of June 30, 2015 to help prepare for future PERS rate increases.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

Our financial report is designed to provide our taxpayers, ratepayers, investors and creditors with an overview of the City's finances. If you have any questions about this report or need additional information please contact the Finance Department at the City of Grants Pass at (541) 450-6020, 101 N.W. "A" Street, Grants Pass, Oregon, 97526.

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**BASIC FINANCIAL STATEMENTS**

**CITY OF GRANTS PASS, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2015**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Josephine County City of Grants Pass Solid Waste Agency
<b>ASSETS</b>				
<b>Assets</b>				
Cash and Cash Equivalents	\$ 38,664,215	\$ 14,460,317	\$ 53,124,532	\$ 2,127,695
Receivables, net	4,378,514	1,919,568	6,298,082	27,636
Prepays	287,946	-	287,946	-
Internal Balances	(4,320,484)	4,320,484	-	-
Restricted Assets:				
Cash and Cash Equivalents	380,410	821,764	1,202,174	-
Receivables, net	450,758	192,348	643,106	-
Net Pension Asset	4,292,372	531,148	4,823,520	-
Capital Assets not being depreciated	77,638,922	1,762,788	79,401,710	-
Capital Assets, net of Accumulated Depreciation	83,630,052	93,046,984	176,677,036	-
Total Assets	<u>205,402,705</u>	<u>117,055,401</u>	<u>322,458,106</u>	<u>2,155,331</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Changes in employer proportion and differences between employer contribution and proportionate share of contributions	<u>1,881,382</u>	<u>232,806</u>	<u>2,114,188</u>	<u>-</u>
<b>LIABILITIES AND NET POSITION</b>				
<b>Liabilities</b>				
Accounts Payable and Other Current Liabilities	2,581,432	679,728	3,261,160	22,476
Accrued Payroll	806,254	118,036	924,290	-
Retainage Payable	188,479	21,993	210,472	-
Customer Deposits	-	64,230	64,230	-
Noncurrent Liabilities				
Due Within One Year	1,795,269	1,371,731	3,167,000	-
Due in More than One Year	6,587,612	7,567,149	14,154,761	-
Total Liabilities	<u>11,959,046</u>	<u>9,822,867</u>	<u>21,781,913</u>	<u>22,476</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Differences between projected and actual investment earnings	<u>8,312,254</u>	<u>1,028,577</u>	<u>9,340,831</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investments in Capital Assets	157,463,974	86,692,880	244,156,854	-
Restricted for				
Transportation	1,141,843	-	1,141,843	-
Lands & Building Capital	470,892	-	470,892	-
System Development	2,117,265	1,014,112	3,131,377	-
CDBG/HUD	1,142,715	-	1,142,715	-
Building & Safety	597,269	-	597,269	-
Tourism/Recreation/TRT Approved	621,120	-	621,120	-
Debt Service	56,894	-	56,894	-
Other purposes	144,020	-	144,020	-
Unrestricted	<u>23,256,795</u>	<u>18,729,771</u>	<u>41,986,566</u>	<u>2,132,855</u>
Total Net Position	<u>\$ 187,012,787</u>	<u>\$ 106,436,763</u>	<u>\$ 293,449,550</u>	<u>\$ 2,132,855</u>

The accompanying notes are an integral part of this statement.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Primary Government</b>				
Governmental Activities				
Public Safety	\$ 17,332,871	\$ 415,958	\$ 42,665	\$ -
Transportation	2,028,726	1,187,975	786,155	-
Building	400,171	601,049	-	-
Parks	1,827,139	20,901	3,600	-
Development	1,603,819	152,199	32,701	1,423,965
General Government	1,577,197	3,091,838	-	-
Solid Waste	448,447	411,325	-	-
Interest	206,200	-	-	-
Total Governmental Activities	<u>25,424,570</u>	<u>5,881,245</u>	<u>865,121</u>	<u>1,423,965</u>
Business-Type Activities				
Water	4,187,763	6,086,849	6,697	-
Sewer	4,592,129	6,013,066	55,083	-
Total Business-Type Activities	<u>8,779,892</u>	<u>12,099,915</u>	<u>61,780</u>	<u>-</u>
Total Primary Government	<u>\$ 34,204,462</u>	<u>\$ 17,981,160</u>	<u>\$ 926,901</u>	<u>\$ 1,423,965</u>
<b>Component Unit</b>				
Josephine County-City of Grants				
Pass Solid Waste Agency	<u>\$ 176,824</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

	Governmental Activities	Business-Type Activities	Total	Component Unit Josephine County City of Grants Pass Solid Waste Agency
	\$ (16,874,248)	\$ -	\$ (16,874,248)	\$ -
	(54,596)	-	(54,596)	-
	200,878	-	200,878	-
	(1,802,638)	-	(1,802,638)	-
	5,046	-	5,046	-
	1,514,641	-	1,514,641	-
	(37,122)	-	(37,122)	-
	(206,200)	-	(206,200)	-
	<u>(17,254,239)</u>	<u>-</u>	<u>(17,254,239)</u>	<u>-</u>
	-	1,905,783	1,905,783	-
	-	<u>1,476,020</u>	<u>1,476,020</u>	-
	-	<u>3,381,803</u>	<u>3,381,803</u>	-
	<u>(17,254,239)</u>	<u>3,381,803</u>	<u>(13,872,436)</u>	<u>-</u>
	-	-	-	(176,824)
General Revenues				
Taxes:				
Property	16,802,056	-	16,802,056	-
Business	281,968	-	281,968	-
Franchise	3,588,443	-	3,588,443	-
Transient Room	1,203,544	-	1,203,544	-
Intergovernmental-unrestricted	3,618,055	1,848	3,619,903	294,549
Interest	307,523	130,059	437,582	12,321
Trust Receipts - unrestricted	10,333	4,881	15,214	-
SDC Receipts	-	658,056	658,056	-
Miscellaneous	807,496	191,061	998,557	-
Transfers	(625,705)	625,705	-	-
Total General Revenues and Transfers	<u>25,993,713</u>	<u>1,611,610</u>	<u>27,605,323</u>	<u>306,870</u>
Change in Net Position	8,739,474	4,993,413	13,732,887	130,046
Net Position - Beginning, As Restated	<u>178,273,313</u>	<u>101,443,350</u>	<u>279,716,663</u>	<u>2,002,809</u>
Net Position - Ending	<u>\$ 187,012,787</u>	<u>\$ 106,436,763</u>	<u>\$ 293,449,550</u>	<u>\$ 2,132,855</u>

The accompanying notes are an integral part of this statement.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2015**

	SPECIAL REVENUE			DEBT SERVICE	
	GENERAL	SOLID WASTE	STREET UTILITY	GEN OBLIGATION BOND	BANCROFT BOND
<b>ASSETS</b>					
Cash and Investments	\$ 12,601,891	\$ 1,535,384	\$ 1,153,375	\$ 40,890	\$ 50,510
Receivables:					
Taxes	2,117,277	-	-	100,120	-
Intergovernmental	206,288	-	195,608	-	-
Accounts, net	425,288	76,696	121,598	-	-
Accrued Interest	-	-	-	-	64,572
Notes and Contracts	-	-	533	-	-
Grants	66,435	-	-	-	-
Assessment Liens	-	-	-	-	429,552
Due from Other Funds	1,460,000	894,200	-	-	-
Prepaid Items	76,945	-	-	-	-
Restricted Assets					
Cash and Cash Equivalents	-	-	-	-	-
Notes and Taxes Receivable	-	-	-	-	-
Accrued Interest Receivable	-	-	-	-	-
Total Assets	<u>\$ 16,954,124</u>	<u>\$ 2,506,280</u>	<u>\$ 1,471,114</u>	<u>\$ 141,010</u>	<u>\$ 544,634</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ 751,797	\$ 36,936	\$ 85,935	\$ -	\$ -
Salaries, Withholdings and Taxes Payable	606,941	833	23,932	-	-
Accrued Interest Payable	-	-	-	-	731
Due to Other Funds	-	-	-	-	894,200
Retainage Payable	-	-	-	-	-
Total Liabilities	<u>1,358,738</u>	<u>37,769</u>	<u>109,867</u>	<u>-</u>	<u>894,931</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenue - property taxes	\$ 1,241,012	\$ -	\$ -	\$ 84,116	\$ -
Unavailable revenue - grants	47,509	-	-	-	-
Unavailable revenue - accounts receivable	226,190	45,534	-	-	-
Unavailable revenue - special assessments	-	-	-	-	429,552
Unavailable revenue - loans	-	-	533	-	-
Total Deferred Inflows	<u>1,514,711</u>	<u>45,534</u>	<u>533</u>	<u>84,116</u>	<u>429,552</u>
<b>FUND BALANCES (DEFICITS)</b>					
<i>Nonspendable:</i>	\$ 76,945	\$ -	\$ -	\$ -	\$ -
<i>Restricted for:</i>					
Transportation	-	-	-	-	-
Lands & Building Capital	-	-	-	-	-
System Development	-	-	-	-	-
CDBG/HUD	-	-	-	-	-
Building & Safety	597,269	-	-	-	-
Tourism/Recreation/TRT Approved	75,785	-	-	-	-
Debt Service	-	-	-	56,894	-
Other purposes (COPA, Environmental Fees, PEG)	5,374	12,281	-	-	-
<i>Committed to:</i>					
Transportation	-	-	-	-	-
<i>Assigned to:</i>					
Lands & Building Capital	-	-	-	-	-
Public Safety	2,706,728	-	-	-	-
Economic Development	64,536	-	-	-	-
Solid Waste	-	173,162	-	-	-
Transportation	-	-	1,360,714	-	-
Storm Water	-	-	-	-	-
Capital Projects	-	2,237,534	-	-	-
<i>Unassigned:</i>	10,554,038	-	-	-	(779,849)
Total Fund Balances	<u>14,080,675</u>	<u>2,422,977</u>	<u>1,360,714</u>	<u>56,894</u>	<u>(779,849)</u>
Total Liabilities, deferred inflow of resources and Fund Balances	<u>\$ 16,954,124</u>	<u>\$ 2,506,280</u>	<u>\$ 1,471,114</u>	<u>\$ 141,010</u>	<u>\$ 544,634</u>

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS			
TRANSPORTATION PROJECTS	LAND AND BUILDING PROJECTS	TOTAL NON-MAJOR	TOTAL GOVERNMENTAL
\$ 6,686,070	\$ 3,874,445	\$ 1,370,764	\$ 27,313,329
-	-	-	2,217,397
-	-	-	401,896
9,780	137,953	-	771,315
28,108	-	23,997	116,677
103,975	-	181,142	285,650
42,933	10,792	25,737	145,897
-	-	-	429,552
-	-	-	2,354,200
24,798	6,792	-	108,535
165,517	136,516	78,377	380,410
348,472	40,843	19,728	409,043
22,702	9,941	9,072	41,715
<u>\$ 7,432,355</u>	<u>\$ 4,217,282</u>	<u>\$ 1,708,817</u>	<u>\$ 34,975,616</u>
\$ 1,244,623	\$ 20,839	\$ 47,104	\$ 2,187,234
1,009	-	76	632,791
-	-	-	731
-	1,460,000	-	2,354,200
188,479	-	-	188,479
<u>1,434,111</u>	<u>1,480,839</u>	<u>47,180</u>	<u>5,363,435</u>
\$ -	\$ -	\$ -	\$ 1,325,128
-	-	-	47,509
-	-	-	271,724
-	-	-	429,552
452,446	40,844	207,529	701,352
<u>452,446</u>	<u>40,844</u>	<u>207,529</u>	<u>2,775,265</u>
\$ 24,798	\$ 6,792	\$ -	\$ 108,535
1,141,843	-	-	1,141,843
-	470,892	-	470,892
1,605,044	424,772	87,449	2,117,265
-	-	1,142,715	1,142,715
-	-	-	597,269
67,292	478,043	-	621,120
-	-	-	56,894
-	126,365	-	144,020
357,976	-	-	357,976
-	254,944	-	254,944
-	-	-	2,706,728
-	-	-	64,536
-	-	-	173,162
-	-	-	1,360,714
-	-	223,944	223,944
2,348,844	933,791	-	5,520,169
-	-	-	9,774,189
<u>5,545,797</u>	<u>2,695,599</u>	<u>1,454,108</u>	<u>26,836,915</u>
<u>\$ 7,432,354</u>	<u>\$ 4,217,282</u>	<u>\$ 1,708,817</u>	<u>\$ 34,975,615</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO STATEMENT OF NET POSITION  
June 30, 2015**

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

Fund Balances	\$	26,836,915
<p>The cost of capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the City as a whole.</p>		
Net Capital Assets		158,460,065
<p>Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.</p>		
Deferred Inflow of Resources-Pension	(6,487,965)	
General Obligation Bonds	<u>(3,805,000)</u>	
Net Adjustment		(10,292,965)
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>		
Accrued Vacation and Sick Leave		(1,665,651)
Other Post Employment Benefits		(1,980,199)
<p>Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.</p>		
Net Pension Asset		3,350,326
Deferred Inflow of Resources		2,775,265
Deferred Outflow of Resources-Pension		1,468,475
<p>Internal service funds are used by the City to account for the fleet operations, support services, administrative service and insurance services that are provided to the other departments and agencies on a cost reimbursement basis. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p>		
Internal Service Fund Net Position		<u>8,060,555</u>
Total Net Position	\$	<u>187,012,786</u>

The accompanying notes are an integral part of this statement.

**NATURAL. ROGUE RIVER. LEGENDS.**



© City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2015**

	SPECIAL REVENUE			DEBT SERVICE	
	GENERAL	SOLID WASTE	STREET UTILITY	GEN OBLIGATION BOND	BANCROFT BOND
<b>REVENUES:</b>					
Taxes	\$ 19,615,914	\$ -	\$ -	\$ 1,062,136	\$ -
Licenses and Permits	394,088	880	9,354	-	-
Intergovernmental	1,599,167	15,000	2,045,959	-	-
Charges for Services	1,565,712	410,445	921,288	-	-
Fines and Forfeitures	162,808	-	-	-	-
Special Assessments	-	-	-	-	202,894
Interest on Investments	87,246	14,179	3,823	3,463	728
Trust Receipts	-	-	-	-	-
Industrial and Other Loans	-	-	-	-	-
Miscellaneous Revenues	250,089	24,777	25,522	-	-
Total Revenues	<u>23,675,024</u>	<u>465,281</u>	<u>3,005,946</u>	<u>1,065,599</u>	<u>203,622</u>
<b>EXPENDITURES:</b>					
Current:					
Public Safety	16,771,635	-	-	-	-
Transportation	-	-	2,106,951	-	-
Building	463,629	-	-	-	-
Parks	1,787,035	-	-	-	-
Development	1,513,454	-	-	-	-
General Government	1,506,873	-	-	-	15,421
Solid Waste	-	420,646	-	-	-
Capital Outlay	-	84,544	-	-	-
Debt Service	-	-	-	1,071,200	-
Total Expenditures	<u>22,042,626</u>	<u>505,190</u>	<u>2,106,951</u>	<u>1,071,200</u>	<u>15,421</u>
Excess of Revenues Over, (Under)					
Expenditures	<u>1,632,398</u>	<u>(39,909)</u>	<u>898,995</u>	<u>(5,601)</u>	<u>188,201</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of Assets	2,397	-	80	-	-
Transfers In	1,127,703	5,000	304,034	-	-
Transfer Out	<u>(1,941,634)</u>	<u>(29,000)</u>	<u>(733,066)</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources, (Uses)	<u>(811,534)</u>	<u>(24,000)</u>	<u>(428,952)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	820,864	(63,909)	470,043	(5,601)	188,201
Beginning Fund Balance	<u>13,259,811</u>	<u>2,486,886</u>	<u>890,671</u>	<u>62,495</u>	<u>(968,050)</u>
Ending Fund Balance (Deficit)	<u>\$ 14,080,675</u>	<u>\$ 2,422,977</u>	<u>\$ 1,360,714</u>	<u>\$ 56,894</u>	<u>\$ (779,849)</u>

The accompanying notes are an integral part of this statement.

CAPITAL PROJECTS			
TRANSPORTATION PROJECTS	LAND AND BUILDING PROJECTS	TOTAL NON-MAJOR	TOTAL GOVERNMENTAL
\$ -	\$ -	\$ 1,203,544	\$ 21,881,594
-	-	-	404,322
786,155	1,423,965	32,701	5,902,947
80,091	10,193	79,075	3,066,804
-	-	-	162,808
-	-	-	202,894
86,955	27,163	36,013	259,570
10,333	-	-	10,333
-	-	-	-
1,193	406,519	21,377	729,477
<u>964,727</u>	<u>1,867,840</u>	<u>1,372,710</u>	<u>32,620,749</u>
-	-	-	16,771,635
-	-	-	2,106,951
-	-	-	463,629
-	-	-	1,787,035
-	-	66,476	1,579,930
-	-	-	1,522,294
-	-	-	420,646
5,459,621	3,480,874	133,455	9,158,494
-	-	-	1,071,200
<u>5,459,621</u>	<u>3,480,874</u>	<u>199,931</u>	<u>34,881,814</u>
<u>(4,494,894)</u>	<u>(1,613,034)</u>	<u>1,172,779</u>	<u>(2,261,065)</u>
-	11,750	-	14,227
994,423	1,539,072	165,642	4,135,874
-	-	(1,662,174)	(4,365,874)
<u>994,423</u>	<u>1,550,822</u>	<u>(1,496,532)</u>	<u>(215,773)</u>
<u>(3,500,471)</u>	<u>(62,212)</u>	<u>(323,753)</u>	<u>(2,476,838)</u>
<u>9,046,268</u>	<u>2,757,811</u>	<u>1,777,861</u>	<u>29,313,753</u>
<u>\$ 5,545,797</u>	<u>\$ 2,695,599</u>	<u>\$ 1,454,108</u>	<u>\$ 26,836,915</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS - TO STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2015**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

Excess of Expenditures over Revenues \$ (2,476,838)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capitalized Expenditures	5,539,982	
Capital Contributions	2,189,948	
Depreciation Expense	(2,383,087)	
Net Adjustment	5,346,843	5,346,843

Under the modified accrual basis of accounting used in the governmental funds expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available. This adjustment combines the net changes in liability balances.

Net pension expense	4,549,025	
Compensated Absences	70,814	
GASB45-OPEB	(247,571)	
General Obligation Bond Payments	865,000	
Net Adjustment	5,237,268	5,237,268

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

Property Taxes	(5,583)	
Special Assessments	(166,432)	
Misc Notes and Grants	(30,257)	
Net Adjustment	(202,272)	(202,272)

Internal service funds are used by the City to account for the fleet operations, support services, administrative service and insurance services that are provided to the other departments and agencies on a cost reimbursement basis. The revenues and expenses of the internal service funds are included in governmental activities in the statement of activities.

Internal Service Fund Change in Net Position		834,473
Change in Net Position		\$ 8,739,474

The accompanying notes are an integral part of this statement.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
June 30, 2015**

	WATER FUND	SEWER FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
<b>ASSETS:</b>				
Current Assets				
Cash and Investments	\$ 7,042,430	\$ 7,417,887	\$ 14,460,317	\$ 11,350,886
Prepaid Items	-	-	-	179,411
Accounts Receivable	942,578	842,799	1,785,377	10,129
Notes Receivable	34,161	95,114	129,275	-
Grants	-	-	-	-
Interest Receivable	2,259	2,657	4,916	-
Restricted Assets				
Cash and Investments	429,026	392,738	821,764	-
Accrued Interest and Accounts Receivable	21,249	21,078	42,327	-
Notes	72,894	77,127	150,021	-
Total Current Assets	<u>8,544,597</u>	<u>8,849,400</u>	<u>17,393,997</u>	<u>11,540,426</u>
Noncurrent Assets				
Net Pension Asset	269,740	261,408	531,148	942,046
Capital Assets, Net	55,314,401	39,495,371	94,809,772	2,808,909
Total Noncurrent Assets	<u>55,584,141</u>	<u>39,756,779</u>	<u>95,340,920</u>	<u>3,750,955</u>
Total assets	<u>64,128,738</u>	<u>48,606,179</u>	<u>112,734,917</u>	<u>15,291,381</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Changes in employer proportion and differences between employer contribution and proportionate share of contributions	<u>118,229</u>	<u>114,577</u>	<u>232,806</u>	<u>412,907</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	283,610	374,389	657,999	294,203
Pending Claims	-	-	-	99,264
Salaries, Withholdings and Taxes Payable	65,843	52,193	118,036	173,463
Compensated Absences	100,015	96,716	196,731	138,012
Accrued Interest Payable	10,152	11,577	21,729	-
Bonds, Notes Payable Within One Year	385,000	790,000	1,175,000	-
Customer Deposits Payable	64,230	-	64,230	-
Contractor Retainage Payable	-	21,993	21,993	-
Total Current Liabilities	<u>908,850</u>	<u>1,346,868</u>	<u>2,255,718</u>	<u>704,942</u>
Long-Term Liabilities				
Compensated Absences	75,759	73,255	149,014	104,540
Other Post Employment Benefits	244,734	231,509	476,243	689,478
Full Faith & Credit Bonds Payable	3,819,078	3,122,814	6,941,892	-
Total Long-Term Liabilities	<u>4,139,571</u>	<u>3,427,578</u>	<u>7,567,149</u>	<u>794,018</u>
Total Liabilities	<u>5,048,421</u>	<u>4,774,446</u>	<u>9,822,867</u>	<u>1,498,960</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Differences between projected and actual investment earnings	<u>522,357</u>	<u>506,220</u>	<u>1,028,577</u>	<u>1,824,289</u>
Total Deferred Inflows	<u>522,357</u>	<u>506,220</u>	<u>1,028,577</u>	<u>1,824,289</u>
<b>NET POSITION</b>				
Net invested in capital assets	51,110,323	35,582,557	86,692,880	2,808,909
Restricted net position for system development	523,169	490,943	1,014,112	-
Unrestricted	7,042,697	7,366,590	14,409,287	9,572,130
Total Net Position	<u>\$ 58,676,189</u>	<u>\$ 43,440,090</u>	<u>102,116,279</u>	<u>\$ 12,381,039</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.			<u>4,320,484</u>	
Net position of business-type activities (page 30)			<u>\$ 106,436,763</u>	

The accompanying notes are an integral part of this statement.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2015**

	WATER FUND	SEWER FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 6,086,849	\$ 6,013,066	\$ 12,099,915	\$ 8,518,328
Trust receipts	4,881	-	4,881	-
Miscellaneous	49,563	67,010	116,573	87,213
Total Operating Revenue	<u>6,141,293</u>	<u>6,080,076</u>	<u>12,221,369</u>	<u>8,605,541</u>
<b>OPERATING EXPENSES</b>				
Salaries, Wages, and Benefits	914,228	807,999	1,722,227	3,251,624
Operating Supplies	468,716	314,157	782,873	421,169
Repairs and Maintenance	137,580	111,387	248,967	207,271
Utilities	386,617	562,913	949,530	132,231
Professional Services	344,233	494,137	838,370	1,674,975
General, Administrative and Engineering	1,048,969	939,804	1,988,773	840,568
Depreciation and Amortization	992,080	1,431,066	2,423,146	459,159
Total Operating Expenses	<u>4,292,423</u>	<u>4,661,463</u>	<u>8,953,886</u>	<u>6,986,997</u>
Total Operating Income	<u>1,848,870</u>	<u>1,418,613</u>	<u>3,267,483</u>	<u>1,618,544</u>
<b>NONOPERATING INCOME (EXPENSE)</b>				
Gain on disposal of capital assets	477	23,379	23,856	78,369
SDC Receipts	367,029	291,027	658,056	-
Intergovernmental	-	-	-	6,042
Interest Income	47,344	61,594	108,938	69,074
Interest Expense	(129,166)	(165,090)	(294,256)	-
Total Nonoperating Income	<u>285,684</u>	<u>210,910</u>	<u>496,594</u>	<u>153,485</u>
Capital Contribution	6,697	55,083	61,780	-
Income Before Transfers	<u>2,141,251</u>	<u>1,684,606</u>	<u>3,825,857</u>	<u>1,772,029</u>
<b>TRANSFERS</b>				
Transfers In	2,459,177	2,347,392	4,806,569	-
Transfers Out	(2,224,177)	(1,782,392)	(4,006,569)	(570,000)
Total Transfers	<u>235,000</u>	<u>565,000</u>	<u>800,000</u>	<u>(570,000)</u>
Change in Net Position	2,376,251	2,249,606	4,625,857	1,202,029
Net Position-Beginning as Restated for GASB68	56,299,938	41,190,484		11,179,010
Net Position-Ending	<u>\$ 58,676,189</u>	<u>\$ 43,440,090</u>		<u>\$ 12,381,039</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds.			<u>367,556</u>	
Changes in net position of business-type activities (page 32)			<u>\$ 4,993,413</u>	

The accompanying notes are an integral part of this statement.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
For the Fiscal Year Ended June 30, 2015**

	WATER FUND	SEWER FUND	TOTAL	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
<b>Cash Flows From Operating Activities:</b>				
Cash Received from Customers	\$ 6,128,358	\$ 6,061,581	\$ 12,189,939	\$ 8,510,868
Cash Paid to Suppliers	(2,708,297)	(2,266,234)	(4,974,531)	(3,355,212)
Cash Paid to Employees	(1,209,952)	(1,091,807)	(2,301,759)	(4,429,441)
Net cash provided by operating activities	<u>2,210,109</u>	<u>2,703,540</u>	<u>4,913,649</u>	<u>726,215</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Transfers In	2,459,177	2,347,392	4,806,569	-
Transfers Out	(2,224,177)	(1,782,392)	(4,006,569)	(570,000)
Intergovernmental and Taxes	-	-	-	84,411
SDC Receipts	367,029	291,027	658,056	-
Interfund Loan Payment	-	-	-	146,205
Decrease (Increase) in Notes Receivable	(827)	10,971	10,144	-
Net cash provided (used) by noncapital financing activities	<u>601,202</u>	<u>866,998</u>	<u>1,468,200</u>	<u>(339,384)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>				
Principal Payments on Bonds	(375,000)	(775,000)	(1,150,000)	-
Interest Paid on Bonds and Contracts	(129,770)	(166,963)	(296,733)	-
Acquisition and Construction of Capital Assets	(608,623)	(1,092,501)	(1,701,124)	(256,400)
Disposition of Property	477	23,379	23,856	-
Net cash used by capital and related financing activities	<u>(1,112,916)</u>	<u>(2,011,085)</u>	<u>(3,124,001)</u>	<u>(256,400)</u>
<b>Cash flows from investing activities</b>				
Interest on Investments	47,344	61,594	108,938	69,074
Net increase in cash and investments	1,745,739	1,621,047	3,366,786	199,505
Cash and investments, beginning of year	5,725,717	6,189,578	11,915,295	11,151,381
Cash and investments, end of year	<u>\$ 7,471,456</u>	<u>\$ 7,810,625</u>	<u>\$ 15,282,081</u>	<u>\$ 11,350,886</u>
Composition of cash and investments, end of year				
Current cash and investments	\$ 7,042,430	\$ 7,417,887	\$ 14,460,317	\$ 11,350,886
Restricted cash and investments	429,026	392,738	821,764	-
Total cash and investments	<u>\$ 7,471,456</u>	<u>\$ 7,810,625</u>	<u>\$ 15,282,081</u>	<u>\$ 11,350,886</u>
<b>Reconciliation of Operating Income to net cash provided by operating activities:</b>				
Operating Income	\$ 1,848,870	\$ 1,418,613	\$ 3,267,483	\$ 1,618,544
Depreciation and Amortization	992,080	1,431,066	2,423,146	459,159
(Increase) Decrease in Receivables/Prepays	(12,935)	(18,495)	(31,430)	(94,673)
Increase (Decrease) in Payables	(322,182)	156,164	(166,018)	(78,998)
Increase (Decrease) in Payroll Liabilities	(295,724)	(283,808)	(579,532)	(1,177,817)
Net Cash Provided by Operating Activities	<u>\$ 2,210,109</u>	<u>\$ 2,703,540</u>	<u>\$ 4,913,649</u>	<u>\$ 726,215</u>
Noncash Capital Transactions				
Developer Installed Public Utility Improvements	<u>\$ 6,697</u>	<u>\$ 55,083</u>	<u>\$ 61,780</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON

STATEMENT OF FIDUCIARY NET POSITION  
June 30, 2015

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AGENCY FUND

**ASSETS:**

Cash and Investments	\$	<u>4,016,495</u>
Total assets	\$	<u><u>4,016,495</u></u>

**LIABILITIES**

Liabilities:		
Accounts payable	\$	45,358
Building Permit Suspense		19,566
Construction Excise Tax (School Districts)		71,035
Deferred Developer Agreements		2,636,097
Evidence Money		89,213
Forfeiture Trust		131,180
Security Deposits		90,636
Tree Refund Trust		122,553
Miscellaneous Trust Liabilities		<u>810,857</u>
Total liabilities	\$	<u><u>4,016,495</u></u>

The accompanying notes are an integral part of this statement.

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Grants Pass, Oregon, have been prepared in conformity with accounting principles generally accepted in the United State of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

For purposes of Measuring the net pension liability and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS 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.

### **THE FINANCIAL REPORTING ENTITY**

The City of Grants Pass is a municipal corporation governed by an elected mayor and eight-member council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable, as defined under GASB. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the City. As of June 30, 2015, the City had one discretely presented component unit.

The City reports the following discretely presented component unit:

Josephine County-City of Grants Pass Solid Waste Agency ("The Solid Waste Agency") – The Solid Waste Agency was organized in 2001 under the provisions of ORS Chapter 190 as the Josephine County-City of Grants Pass Solid Waste Agency. The Agency is responsible for the operations of a joint City/County solid waste management agency that administers the ongoing franchise agreements in the City and the County. The Agency is governed by a Board of Directors, which consists of three members from the City of Grants Pass, three members from Josephine County and one member from the City of Cave Junction. The Agency is considered a component unit of the City of Grants Pass, Oregon, because the City has representatives on the Agency's Board, and by agreement, the City has managing jurisdiction and shall report the Agency as a component unit for audit and budgetary purposes. These financial statements include all funds, organizations, departments and offices that are not legally separated from the Agency.

Principal funding sources are environmental program fees collected through Solid Waste Franchises. Personnel of the City of Grants Pass handle fiscal and accounting functions. Separate financial statements for the Solid Waste Agency can be obtained from the finance department of the City of Grants Pass, 101 NW A Street, Grants Pass, OR 97526.

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

Separate financial statements are provided for governmental funds, proprietary funds and the fiduciary fund, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

## **MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. 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.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be measurable to accrue as revenue of the current period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

General Fund - This fund accounts for all financial resources and expenditures of the City, except those required to be accounted for in another fund. The principal revenue source is property taxes.

Solid Waste Fund – This fund accounts for the municipal portions of franchise management for the two solid waste franchises in the City. The principal revenue is charges for services.

Street Utility Fund – This fund accounts for the operations of Street Maintenance which is primarily funded by a State Gas Tax Allocation and City Transportation Utility Fees.

General Obligation Bonds - This fund accounts for the property tax collections and debt service payments of general obligation bonds.

Bancroft Bond Fund – This fund accounts for funds received from property owners to satisfy assessments against their property.

Transportation Projects Fund – This fund accounts for well-maintained street and drainage systems in addition to new street and sidewalk construction and major maintenance such as street overlays and seals. The principal revenue sources are utility fees, gas tax, and system development charges.

Land and Building Projects Fund – This fund accounts for the purchase of property, construction of buildings and major repair and replacement projects for the City's park land and facilities. The principal revenue sources are intergovernmental revenue, general obligation bonds and system development charges.

The government reports the following major proprietary funds:

Sewer Fund – This fund accounts for the operations of the Sewer Fund which is financed primarily through user charges to the general public.

Water Fund - This fund accounts for the revenues and expenses of the City's water utility. The primary revenue source is fees for service.

Additionally, the government reports the following funds:

Internal Service Funds - The internal service funds account for the fleet operations, support services, administrative services and insurance services that are provided to the other departments and agencies on a cost reimbursement basis.

Fiduciary Fund (Agency Fund) – This fund accounts for the City's monies held for others and the City's role is purely custodial. This includes pass-through grants, deposits, donations for organizations and funds collected for other governments.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are certain charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for the same purpose, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

## **STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

The City and the Solid Waste Agency budget all funds as required by Oregon State Budget Law. The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. Levels of control established by the resolution for the General, Capital Projects, Proprietary and Internal Service Funds are by department. The levels of control established by the resolution for the Solid Waste Fund are field operations, general program operations, capital projects and other expenditures. Expenditure budgets are appropriated at the following object levels for each of the remaining funds, personnel services, materials and services, capital outlay, interfund transactions, debt service and operating contingency.

Unexpected additional resources or appropriations may be added to the budget through the use of a supplemental budget. Original and supplemental budgets require hearings before the public, publications in newspapers, and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by passing a Council resolution or ordinance authorizing the transfer. All budget amendments are subject to the limitations put forth in the Oregon Revised Statutes, Chapter 294 (Oregon Budget Law). Supplemental appropriations, permitted by Oregon Budget Law, were authorized by the City Council during the fiscal year.

Budget amounts presented herein are as originally adopted or as amended by the City Council. There was one transfer of appropriations during FY15. Budget appropriations lapse at year end.

The City and the Solid Waste Agency budgets are on the modified accrual basis of accounting. The City also utilized encumbrances as a method of controlling budgeted appropriations and line item budget control. Encumbrances, which are purchase commitments to acquire goods or services yet to be received, are recognized as charges against budgeted appropriations during the year. At year end, any outstanding encumbrances are canceled and the charges against budgeted appropriations for these encumbrances are reversed. Encumbrances are not recognized as expenditures for budgetary or generally accepted accounting principles purposes in these basic financial statements.

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2015 with the exception of Environmental Waste Fees in the Solid Waste Fund. This program is a pass through account for Environmental Program Fees charged by the local haulers. Per the local IGA 100% of fees received are transferred to the Solid Waste Agency.

## **ACCOUNTING CHANGES**

### **Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Impact of Recently Issued Accounting Principles**

As of July 1, 2014, the City adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 18 and the additional disclosures required by these standards are included in Note 10.

## **ASSETS, LIABILITIES, AND NET POSITION/FUND BALANCE**

### **Cash and Investments**

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "cash and investments."

### **Receivables and Payables**

Activity between funds that are representative of lending and borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to \ from other funds." Any residual balances outstanding between the governmental and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not expendable available financial resources.

Property taxes are levied as of July 1 on property assessed as of January 1<sup>st</sup>. The tax levy is due November 15, with an optional payment method of 1/3 due November 15, 1/3 due January 15, and 1/3 due March 15. Taxes paid in full before November 15 are provided a 3 percent discount. The billings are considered delinquent after the appropriate due date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

Notes and contracts receivable are recorded at par. Interest assessed is recorded as revenue when the payment becomes due.

Receivables for federal and state grants, and state, county and local shared revenue are recorded as revenue in all funds as earned. The receivables for state, county and local shared revenue are recorded in accounts receivable.

Investment earnings (e.g., accrued interest receivable) are recorded as revenue in all fund types as earned on investments.

**Restricted Assets**

Certain assets in various governmental funds are classified as restricted assets because their use is completely restricted for the repayment of outstanding bonds, system expansion, construction projects or other legal requirements.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of a single reporting period. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Depreciation is calculated using the straight line method. The estimated useful lives of capital assets are as follows:

Buildings	20-50 years	
Supply and distribution systems, including utility plant		20-75 years
Equipment	5-20 years	

**Capitalized Interest**

Interest is capitalized on capital assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For the year ended June 30, 2015, there was no interest capitalized on capital assets.

**Grants**

Unreimbursed expenditures due from grantor agencies are reflected in the basic financial statements as receivables and revenues. Grant revenues are recorded at the time eligible expenditures are incurred. Cash

received from grantor agencies in excess of related grant expenditures is recorded as a deferred inflow of resources on the statement of net position.

### **Compensated Absences**

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. The City has a policy to pay a percentage of unpaid sick leave upon retirement or termination of employment in good standing, only after 10 years of continuous service by the employee. All vacation and sick pay is accrued when incurred in the government-wide, and proprietary financial statements. A liability for these amounts is not reported in governmental funds in accordance with GASB, unless the compensated absences have matured (due to resignation or retirement).

### **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 using the effective interest method. 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. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### **Workers' Compensation Insurance**

The City is self-insured for workers' compensation. Premiums are paid to the Insurance Service Fund from operating divisions and are available to pay claims, claims reserves and administrative costs of the program. Estimated claims of \$99,264 have been accrued as a liability of the fund and are included in accounts payable.

### **Statement of Cash Flows**

For purposes of the statement of cash flows, the proprietary fund types deposit monies into a common cash and investment pool of the City. The funds use this pool as a demand deposit account and, accordingly, all amounts in the pool are considered cash and cash equivalents. Cash and cash equivalents include investments with an original maturity date of three months or less at date of purchase. In addition, all unrestricted cash and cash equivalents and restricted cash and cash equivalents are grouped together for purposes of the statement of cash flows.

### **Fund Equity/Net Position**

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

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

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

Unrestricted net position – is the remaining net position not included in the other categories previously mentioned.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution at the highest level of decision making authority (City Council).
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. This authority has been given by Council Resolution to the City Manager and Finance Director.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

By resolution the governing body has approved the following order of spending regarding fund balance categories: Restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

### **Deferred Outflows/Inflows of Resources**

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and 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: the deferred net pension obligation reported on the government-wide Statement of Net Position. The deferred net pension obligation results from changes in assumptions or other inputs in the actuarial calculation of the City's net pension asset.

In additions 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 will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category: the deferred net pension assumption. The

deferred net pension assumption results from the differences between the expected and actual experience and the net difference between projected and actual earnings on pension plan investments derived from the actuarial calculation of the City's net pension asset.

**Pensions**

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS 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. CASH AND INVESTMENTS**

Cash and Investments at June 30, 2015 (recorded at fair value) consisted of:

Deposits with Financial Institutions:

Demand Deposits	2,984,370
Investments	57,486,526
Total	<u>\$ 60,470,896</u>

Unrestricted	\$ 53,124,532
Restricted	1,202,174
Fiduciary Fund	4,016,495
Discretely Presented Component Unit	2,127,695
Total	<u>\$ 60,470,896</u>

**INVESTMENTS**

No more than the stated percentage of the overall portfolio will be invested in each of the following categories of securities:

U.S. Treasury Obligations	85%
Local Government Investment Pool	75%
Certificates of Deposit (CD)	50%
Bankers' Acceptances (BA's)	25%
Repurchase Transactions	25%
US Agency Notes	75%
A-1/P-1 Rated Commercial Paper	25%

There were no known violations of legal or contractual provisions for investments.

As of June 30, 2015, the City had the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
US Government Securities	\$ 7,992,193	\$ -	\$ -	\$ 7,992,193
Certificates of Deposit	9,206,060	1,019,491	5,110,924	3,075,645
State Treasurer's investment pool	40,288,273	40,288,273	-	-
Total	\$ 57,486,526	\$ 41,307,764	\$ 5,110,924	\$ 11,067,838

Investments are valued at fair value as required by GASB. The fair value for US Government Securities is determined by trading value at June 30<sup>th</sup> per brokerage statements. Investments in certificates of deposit and the Local Government Investment Pool are reported at the carrying value as there is no activity in trading markets. Amounts in the State Treasurer's Local Government Investment Pool (LGIP) are not required to be collateralized. As of June 30, 2015 the fair value of the position in the LGIP is 100.71% of the value of the pool shares as reported in the Oregon Short-Term Fund audited financial statements. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

The Oregon State Treasury administers the LGIP. It is an open-ended no-load diversified portfolio offered to any agency, political subdivision or public corporation of the State that by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. In seeking to best serve local governments of Oregon, the Oregon legislature established the Oregon Short-Term Fund Board. The purpose of the Board is to advise the Oregon State Treasury in the management and investment options of the LGIP. The fund is not registered with the U.S. Securities and Exchange Commission as an investment company. The State's investment policies are governed by Oregon Revised Statutes and the Oregon Investment Council (Council). The State Treasurer is the investment officer for the Council and is responsible for all funds entrusted to the Office of the State Treasurer.

**Interest Rate Risk**

In general, the City's portfolio shall be managed by purchasing securities and holding them until their specified maturity date. However, under certain market conditions, when it becomes advantageous, the Investment Officer may sell securities prior to their maturity date and reinvest the proceeds in higher yielding instruments.

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the Oregon Short-Term Fund Board (OSFTB). The City's policy is that 100% of all funds shall mature within 36 months or up to five years if the maturity can be matched up with the known expenditure more than three years in the future.

The City limits investment maturities as follows for operating funds:

Within one business day	15% minimum
Under 180 days	45% minimum
Under 360 days	70% minimum

100% of all operating funds shall mature within 36 months, and only those funds reserved for debt services reserves may be invested at maturities greater than 36 months. The weighted average maturity of the entire portfolio shall be no more than 18 months.

**Credit Risk**

Neither the Oregon Revised Statutes nor the City's investment policy limits investments as to credit rating for securities purchased from U.S. Government Agencies. The City's investments in U.S. Government Agencies were rated AA+ by Standard & Poor's and AAA by Moody's Investor Service. The State Pool is unrated.

Oregon Revised Statutes require bankers' acceptances to be guaranteed by and carried on the books of, a qualified financial institution, eligible for discount by Federal Reserve System, and issued by a qualified

financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

Deposits consist of bank demand deposits. The carrying amount of deposits is \$2,984,370. The total bank balance per the bank statements is \$3,958,094. Of these deposits, \$558,641 is covered by federal depository insurance and the remainder is collateralized by the Oregon Public Funds Collateralization Program (PFCP). Oregon Revised Statutes and City Policy require depository institutions to maintain on deposit, with the collateral pool manager, securities having a value not less than 10% of their quarter-end public fund deposits if they are well capitalized, 25% of their quarter-end public fund deposits if they are adequately capitalized, or 110% of their quarter-end public fund deposits if they are undercapitalized or assigned to pledge 110% by the Office of the State Treasurer.

**Concentration of Credit Risk**

To avoid incurring unreasonable risks inherent to over-investing in specific instruments or in individual financial institutions, the City's investment policy sets maximum limits on the percentage of the portfolio that can be invested in any one type of security. At June 30, 2015 the City was in compliance with all percentage restrictions.

Oregon Revised Statutes require no more than 25 percent of the moneys of local government to be invested in bankers' acceptances of any qualified financial institution. Amounts in the State Treasurer's Local Government Investment Pool are not required by law to be collateralized.

**3. ASSESSMENTS RECEIVABLE**

Assessments receivable represent the uncollected amounts levied against benefited properties for the costs of local improvements. Since the assessments are liens against the properties, an allowance for uncollectible amounts is not deemed necessary. Assessments are generally payable over a period of ten to twenty years and bear interest at 5.75% to 8.00%. At June 30, 2015, the City's delinquent assessments receivable totaled \$82,209.

**4. NOTES AND CONTRACTS RECEIVABLE**

Notes and Contracts Receivable consisted of the following at June 30, 2015:

CDBG Loans	\$ 121,540
Industrial Loans (Housing & Economic Dev. Fund)	47,864
Advanced Finance/Local Improvement District Loans	1,233,604
Miscellaneous	533
	<hr/>
	\$ 1,403,541
	<hr/> <hr/>

**5. DEFERRED INFLOWS OF RESOURCES**

In accordance with the modified accrual basis of accounting, Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. These deferred inflows of resources amounts are not reported in the Statement of Net Position, as the revenue is recognized in the government-wide Statement of Net Position. At the end of the current fiscal year, the various components of deferred inflows of resources in the governmental funds were as follows:

				Debt Service		Capital Projects		Non-Major Funds
	General	Solid Waste	Street Utility	Gen Obligation	Bancroft	Transportation	Land and	
	Fund	Fund	Fund	Bond Fund	Bond Fund	Projects Fund	Building Projects Fund	
Delinquent taxes	\$ 1,241,012	\$ -	\$ -	\$ 84,116	-	\$ -	\$ -	\$ -
Grant reimbursements	47,509	-	-	-	-	-	-	-
Special assessments	-	-	-	-	429,552	-	-	-
Loans	-	-	533	-	-	452,446	40,844	207,529
Accounts Receivable	226,190	45,534	-	-	-	-	-	-
	<u>\$ 1,514,711</u>	<u>\$ 45,534</u>	<u>\$ 533</u>	<u>\$ 84,116</u>	<u>\$ 429,552</u>	<u>\$ 452,446</u>	<u>\$ 40,844</u>	<u>\$ 207,529</u>

## 6. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2015 are as follows:

	GOVERNMENTAL ACTIVITIES CAPITAL ASSETS				
	June 30, 2014	Additions	Transfers	Disposals	June 30, 2015
Capital Assets, not being depreciated					
Land	\$ 69,701,121	\$ 2,091,781	\$ -	\$ -	\$ 71,792,902
Construction in Progress	1,944,230	4,547,922	(644,008)	2,124	5,846,020
Total, not being depreciated	<u>71,645,351</u>	<u>6,639,703</u>	<u>(644,008)</u>	<u>2,124</u>	<u>77,638,922</u>
Buildings	12,024,960	125,841	6,213	-	12,157,014
Improvements	13,032,611	242,035	639,613	32,040	13,882,219
Machinery & Equipment	9,143,498	303,596	-	382,229	9,064,865
Infrastructure	84,624,192	731,873	(1,818)	-	85,354,247
Total, being depreciated	<u>118,825,261</u>	<u>1,403,345</u>	<u>644,008</u>	<u>414,269</u>	<u>120,458,345</u>
Less Accumulated Depreciation					
Buildings	3,809,676	343,253	-	-	4,152,929
Improvements	5,359,960	534,357	-	32,510	5,861,807
Machinery & Equipment	4,903,817	618,609	-	330,806	5,191,620
Infrastructure	20,253,097	1,368,840	-	-	21,621,937
Total Accumulated Depreciation	<u>34,326,550</u>	<u>2,865,059</u>	<u>-</u>	<u>363,316</u>	<u>36,828,293</u>
Total Capital Assets					
being Depreciated, net	<u>84,498,711</u>	<u>(1,461,714)</u>	<u>644,008</u>	<u>50,953</u>	<u>83,630,052</u>
Governmental Activities					
Capital Assets, net	<u>\$ 156,144,062</u>	<u>\$ 5,177,989</u>	<u>\$ -</u>	<u>\$ 53,077</u>	<u>\$ 161,268,974</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

	BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS				
	June 30, 2014	Additions	Transfers	Disposals	June 30, 2015
Capital Assets, not being depreciated					
Land	\$ 853,812	\$ -	\$ -	\$ -	\$ 853,812
Construction in Progress	6,129,287	822,289	(6,042,600)	-	908,976
Total, not being depreciated	6,983,099	822,289	(6,042,600)	-	1,762,788
Buildings	6,817,031	118,269	138,841	-	7,074,141
Improvements	2,171,570	730	122,186	-	2,294,486
Machinery & Equipment	13,283,521	9,855	558,589	-	13,851,965
Infrastructure	111,408,254	811,760	5,222,984	-	117,442,998
Total, being depreciated	133,680,376	940,614	6,042,600	-	140,663,590
Less Accumulated Depreciation					
Buildings	2,964,312	189,503	-	-	3,153,815
Improvements	1,257,457	96,632	-	-	1,354,089
Machinery & Equipment	6,180,243	569,806	-	-	6,750,049
Infrastructure	34,697,899	1,660,754	-	-	36,358,653
Total Accumulated Depreciation	45,099,911	2,516,695	-	-	47,616,606
Total Capital Assets being Depreciated, net	88,580,465	(1,576,081)	6,042,600	-	93,046,984
Business-Type Activities Capital Assets, net	\$ 95,563,564	\$ (753,792)	\$ -	\$ -	\$ 94,809,772

	Governmental Funds
Public Safety	\$ 1,949,193
Transportation	244,869
Building	53,883
Parks	207,688
Development	183,619
General Government	176,920
Solid Waste	48,887
	<u>\$ 2,865,059</u>

## **7. INTERFUND RECEIVABLE/ PAYABLE AND TRANSFERS**

The composition of interfund balances as of June 30, 2015 is as follows:

	Due From		
	Land and Building Projects	Bancroft Bond Fund	
<b>Due To</b>			
General Fund	\$ 1,460,000		
Solid Waste Fund		\$ 894,200	
<i>Total Due To/From</i>	<u>\$ 1,460,000</u>	<u>\$ 894,200</u>	<u>\$ 2,354,200</u>
Budgeted for repayment next year	\$ 1,460,000	\$ 150,000	
Not expected to be repaid next year	\$ -	\$ 744,200	

In FY'07, the City used an interfund loan from the General fund to purchase property for future park use. This loan is to be paid back through the sale of City owned property held in the Lands and Building Fund. The

Bancroft Bond Fund has made internal borrowings totaling \$1,540,000 from the Solid Waste Capital Projects Fund for local improvement projects. The variation in the individual project costs subject to bonding together with timing elements made internal borrowing more cost effective than public financing. The repayment of the Bancroft Bond Fund borrowing will depend on the amounts and timing of payments made on assessment loans owed to the fund. During FY'15 \$150,000 was available from assessment loan payments and paid to the Solid Waste Fund.

	<b>Transfers In</b>	<b>Transfers Out</b>
General Fund	\$ 1,127,703	\$ 1,941,634
Solid Waste Capital Projects	5,000	29,000
Street Utility	304,034	733,066
Transportation Capital Projects	994,423	-
Lands & Buildings Capital Projects	1,539,072	-
Water Fund	2,459,177	2,224,177
Sewer Fund	2,347,392	1,782,392
Fleet Operations Fund	-	550,000
Support Services Fund	-	20,000
Nonmajor governmental Funds	165,642	1,662,174
Total Funds	\$ 8,942,443	\$ 8,942,443

The allocation of Transient Room Tax receipts, a special revenue fund, to general governmental operating activities accounts for the majority (\$1,093,703) of the monies transferred into the General Fund. The largest segment of General Fund transfers out represent funding of \$1,067,600 appropriated for Lands & Building Capital Projects. Transfers into the Street utility fund represent street lighting support. Transfers out include \$583,360 of street utility fees and state gas tax to Transportation Projects. Transfers in and out of the Water Fund and Sewer Fund generally represent budgetary transfers between the utility's operating fund and the utility's capital project fund.

## **8. LONG-TERM DEBT AND LONG-TERM LIABILITIES**

Bonds outstanding consist of Public Safety General Obligation Bonds, 2009 Refunding General Obligation Bonds and 2013 Full Faith & Credit (Water) Bonds. The Public Safety Bonds were issued June 20, 2007, at the original amount of \$9,820,000 for the purpose of constructing and outfitting two new Public Safety facilities and repairing infrastructure at existing facilities. In 2009 the City issued refunding bonds, to fully refund their 1998 Water Revenue Bonds and two Oregon DEQ loans (which funded wastewater infrastructure improvements.) The total amount of the 2009 refunding was \$8,815,000. The refunding bonds resulted in a net present value savings of \$731,273. The Full Faith & Credit Water Bonds were issued on March 27, 2013 in the amount of \$4,620,000. These bonds were for water infrastructure projects, the largest of which was the reconstruction of water reservoir number three.

YEAR	<b>GOVERNMENTAL ACTIVITIES</b>		<b>BUSINESS-TYPE ACTIVITIES</b>	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2015-2016	\$ 930,000	\$ 171,600	\$ 1,175,000	\$ 265,883
2016-2017	1,010,000	125,100	765,000	230,483
2017-2018	1,095,000	74,600	785,000	207,583
2018-2019	770,000	30,800	810,000	182,023
2019-2020	-	-	840,000	151,363
2020-2025	-	-	3,200,000	260,194
Premium/Discount			541,892	
	<b>\$ 3,805,000</b>	<b>\$ 402,100</b>	<b>\$ 8,116,892</b>	<b>\$ 1,297,529</b>

Purpose	Interest Rates	Amount
Governmental General Obligation Bonds	4.0 - 5.0%	\$ 3,805,000
Business-Type Full Faith & Credit Bonds	1.28 - 4.0%	8,116,892

Long-Term Debt activity for the year ended June 30, 2015, is as follows:

<b>CHANGES IN LONG-TERM DEBT</b>					
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds Payable	\$ 4,670,000	\$ -	\$ 865,000	\$ 3,805,000	\$ 930,000
Governmental activities					
Long-Term Debt	\$ 4,670,000	\$ -	\$ 865,000	\$ 3,805,000	\$ 930,000
Business-type Activities:					
General Obligation Bonds Payable	\$ 8,725,000	\$ -	\$ 1,150,000	\$ 7,575,000	\$ 1,175,000
Plus Unamortized Premium	635,440	-	93,548	541,892	-
Business-type Activities					
Long-Term Debt	\$ 9,360,440	\$ -	\$ 1,243,548	\$ 8,116,892	\$ 1,175,000

Amounts included in long-term liabilities on the statement of net position were as follows as of June 30, 2015.

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Due Within One Year			
Bonds Payable	\$ 930,000	\$ 1,175,000	\$ 2,105,000
Compensated Absences	865,269	196,731	1,062,000
Total Due within One Year	1,795,269	1,371,731	3,167,000
Long-Term Liabilities			
Compensated Absences	1,042,935	149,014	1,191,949
Other Post Employment Benefits	2,669,677	476,243	3,145,920
Bonds Payable	2,875,000	6,941,892	9,816,892
Total	6,587,612	7,567,149	14,154,761
Total Long-Term Liabilities	\$ 8,382,881	\$ 8,938,880	\$ 17,321,761

## **9. 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. The City purchases commercial insurance for general, auto and property liability. Settled claims have not exceeded this commercial coverage in any of

the past three fiscal years. The Insurance Services Fund is responsible for collecting interfund premiums from other City funds and departments, paying claim settlements and purchasing other specified insurance policies. Interfund premiums are based on the insured funds' claims experiences and exposure (number of staff/payroll).

The City was self-insured for workers' compensation claims through the end of FY'15 and purchased a workers' compensation insurance policy beginning in FY'16. The activities of the workers' compensation program are accounted for in the Insurance Services Fund. Prior to FY'16 the City carried stop-loss coverage for amounts over \$500,000, to a maximum of \$1,000,000 per occurrence. The City estimates losses based on actual claims and accident history. The claims liability of \$99,264 reported in the Insurance Services Fund at June 30, 2015 is based on the requirements of GASB, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of that loss can be reasonably estimated. The \$99,264 is considered to be due within the next year and is classified as such on the Statement of Net Position. Starting in FY'16, the maximum workers' compensation claim payments by the City per policy year will be variable based on gross payroll amounts and the Insurance Services Fund as of this fiscal year has retained a reserve sufficient to cover the maximum future annual claim payments by the City for the next fiscal year. In FY'16, the maximum claim payments by the City for the FY'16 policy year is capped at \$333,552 and the current workers' compensation insurance policy contains an employer's liability per occurrence of \$3,000,000.

*Worker's Compensation Estimate of Liability*

Year Ending June 30,	Beginning of Year	Changes in Estimates	Payments of Claims	End of year
2015	\$ 102,929	\$ 53,280	\$ 56,945	\$ 99,264
2014	114,687	50,608	62,366	102,929
2013	95,020	105,682	86,015	114,687

**10. PARTICIPATION IN OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**Name of Pension Plan**

The Oregon Public Employees Retirement Systems (PERS or the System) consists of a single cost-sharing multiple employer defined benefit pension plan.

**Description of Benefit Terms**

All benefits of OPERS are established by the legislature pursuant to ORS Chapters 238 and 238A.

Tier Once/Tier Two Retirement Benefit Chapter 238: Tier Once/Tier Two Retirement Benefit plan is closed to new members hired on or after August 29, 2003.

*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 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 fair 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 completed 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.

## **Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivisions have made lump sum payments to establish side accounts, and their rates have been reduced.

The employer rate for fiscal year 2014-2015 was 15.03% for Tier 1/Tier 2, 6.42% for OPSRP general employees and 9.15% for OPSRP Police and Fire employees. The above described amount is in addition to the required 6% IAP contribution described later. Effective July 1, 2015, the rates will be 13.66% for Tier 1/Tier 2, 5.54% for OPSRP general employees and 9.65% for OPSRP Police and Fire employees based on the December 31, 2013 actuarial valuation.

Required employer contributions for the year ended June 30, 2015 were \$2,114,188, excluding amounts to fund employer specific liabilities.

## **Pension Plan CAFR**

Oregon PERS produces an independently audited CAFR which can be found at:  
[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

## **Proportionate Share Allocation Methodology**

The basis for the employer's proportion is actuarially determined by comparing the employer's projected long-term contribution effort to the Plan with the total projected long-term contribution effort of all employers. The rate for every employer has at least two major components; Normal Cost Rate and Unfunded Actuarial Liability (UAL) Rate.

The projected long-term contribution effort is estimated by projecting the present value of all future Normal Cost Rate Contributions (PVFNC). The PVFNC represents the portion of the projected long-term contribution effort related to future service.

An employer's PVFNC depends on both the Normal Cost Rates charged on the employer's payrolls, and on the underlying demographics of the respective payrolls. For PERS funding, employers have three different payrolls, each with a different Normal Cost Rate:

- Tier 1/Tier 2 payroll
- OPSRP General Service payroll
- OPSRP Police & Fire payroll

A UAL exists when Plan assets are less than actuarial liability as measured by the Plan's actuarial funding valuations. UAL can arise in a biennium when an event such as experience differing from the assumptions used in the actuarial valuation occurs. An amortization schedule is established to eliminate the UAL that arises in a given biennium over a fixed period of time if future experience follows assumption. The UAL Rate is the upcoming year's component of the cumulative amortization schedules, stated as a percent of payroll. The UAL represents the portion of the projected long-term contribution effort related to past service.

The projected long-term contribution effort is equal to the sum of the PVFNC and the UAL. After the employer's projected long-term contribution effort is calculated, that amount is reduced by the value of the employer's supplemental lump-sum payments, known as side accounts, transition surpluses and pre-SLGRP (State and Local Government Rate Pool) surpluses. Side accounts decrease the employer's projected long-term contribution effort because side accounts are effectively pre-paid contributions.

The employer's projected long-term contribution effort does not include contributions toward the current value of transition liabilities and pre-SLGRP liabilities, which PERS has determined meet the definition of separately financed employer liabilities.

If the calculation of the employer's projected long-term contribution effort yields a negative number, the employer's portion of the projected long-term contribution effort will be set to zero and the employer will be allocated no proportionate share of pension amounts.

## Actuarial Valuations

The employer contributions rates effective July 1, 2013, through June 30, 2015, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

## Actuarial Methods and Assumptions Used in Developing Total Pension Liability

Valuation Date	December 31, 2012 rolled forward to June 30, 2014.
Experience Study Report	2012, published September 18, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset valuation method	Market value of assets
Actuarial assumptions:	
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increases	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	<p>Healthy retirees and beneficiaries:  RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active members:  Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees:  Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2012 experience Study which reviewed experience for the four-year period ending on December 31, 2012.

### Discount Rate

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan

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

### Depletion Date Projection

GASB 67 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 (fair 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. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (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 Oregon PERS:

- Oregon 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 67 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate of 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 the independent plan actuary's opinion that the detailed depletion date projections outlined in GASB 67 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

### Assumed Asset Allocation

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100%

### Long-Term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both the plan actuary's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows

the plan actuary's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate-Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equity	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	7.71%	6.07%
Assumed Inflation - Mean		2.75%

### Sensitivity Analysis of Net Pension (Asset)/Liability to Changes in the Discount Rate

	1% Decrease (to 6.75%)	Current Discount Rate (7.75%)	1% Increase (to 8.75%)
Employers' Net Pension Liability / (Asset) – Defined Benefit Pension Plan	\$ 10,214,479	\$ (4,823,520)	\$ (17,542,143)

### Changes in Plan Provisions

Senate Bill 822, signed into law in May 2013, eliminated the SB 656/HB 3349 tax remedy payments for benefit recipients who are not subject to Oregon income tax, because they do not reside in Oregon, and limited the 2013 post-retirement COLA to 1.5% of annual benefit.

Senate Bill 861, signed into law October 2013, limited the post-retirement COLA for years beyond 2013 to 1.25% on the first \$60,000 of annual benefit and .15% on annual benefits above \$60,000.

Senate Bill 862, signed into law in October 2013, makes targeted changes such as allowing garnishment of PERS benefits for convicted felons. These changes do not significantly affect Plan liabilities and were not reflected in the valuation.

For GASB 67 and 68, the Total Pension Liability must be calculated based on the benefit terms legally in effect as of the relevant fiscal year-end for the plan. Due to the timing of the benefit changes, this means only Senate Bill 822 is reflected in the June 30, 2013 Total Pension Liability, but that the combined effects of Senate Bills 822 and 861 are reflected in the June 30, 2014 Total Pension Liability. The decrease in the Total Pension Liability resulting from Senate Bill 861, measured as of June 30, 2014, created a (\$2,423.6) million reduction in Plan pension liabilities.

## **Changes in Assumptions**

A summary of key changes implemented since the December 31, 2011 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at: <http://www.oregon.gov/pers/docs/2012%20Exp%20Study%20Updated.pdf>

### Changes in Actuarial Methods and Allocation Procedures

**Actuarial Cost Method** – The Actuarial Cost Method was changed from the Projected Unit Credit (PUC) Cost Method to the Entry Age Normal (EAN) Cost Method. This change will allow PERS to use the same cost method for contribution rate calculations as required for financial reporting under GASB Statements 67 and 68.

**Tier 1/Tier 2 UAL Amortization** – In combination with the change in cost method, the Board chose to re-amortize the outstanding Tier 1/Tier 2 UAL as of December 31, 2013 over a closed period of 20 years as a level percentage of projected payroll. Gains and losses between subsequent rate-setting valuations will be amortized over a closed 20 year period from the valuation in which they are first recognized.

### Contribution Rate Stabilization Method

The “grade-in range” over which the rate collar gradually doubles was modified so that the collar doubles as funded status (excluding side accounts) decreases from 70% to 60% or increases from 130% to 140%. Previously the ranges had been 80% to 70% and 120% to 130%. The modification to the grade-in range was made in combination with the change to actuarial cost method, as discussed at the July 2013 PERS Board public meeting.

### Allocation of Liability for Service Segments

For purposes of allocating Tier 1/Tier 2 member’s actuarial accrued liability among multiple employers, the valuation uses a weighted average of the Money Match methodology and the Full Formula methodology used by PERS when the member retires. The weights are determined based on the prevalence of each formula among the current Tier 1/Tier 2 population. For the December 31, 2010 and December 31, 2011 valuations, the Money Match was weighted 40 percent for General Service members and 10 percent for Police & Fire members. For the December 31, 2012 and December 31, 2013 valuations, this weighting has been adjusted to 30 percent for General Service members and 5 percent for Police & Fire members, based on a projection of the proportion of liability attributable to Money Match benefits at those valuation dates.

### Changes in Economic Assumptions

**Investment Return and Interest Crediting** – The assumed investment return and interest crediting to both regular and variable account balances was reduced to 7.75%. Previously, the assumed investment return and interest crediting to regular account balances was 8.00% and the assumed interest crediting to variable account balances was 8.25%.

**OPSRP Administrative Expenses** – Assumed administrative expenses for the OPSRP System were reduced from \$6.6 million per year to \$5.5 million per year. **Healthcare Cost Inflation** – The healthcare cost inflation for the maximum RHIPA subsidy was updated based on analysis performed by the Plan actuary’s healthcare actuaries. This analysis includes the consideration of the excise tax that will be introduced in 2018 by the Patient Protection and Affordable Care Act.

### Changes in Demographic Assumptions

Healthy Mortality – The healthy mortality assumption is based on the RP2000 generational mortality tables with group-specific class and setback adjustments. The group-specific adjustments have been updated to more closely match recently observed system experience.

Disabled Mortality – The disabled mortality assumption base was changed from the RP2000 healthy tables to the RP2000 disabled tables. Gender-specific adjustments were applied to align the assumption with recently observed system experience.

Disability, Retirement from Active Status, and Termination – Rates for disability, retirement from active status, and termination were adjusted. Termination rates were changed from being indexed upon age to being indexed upon duration from hire date.

### Changes in Salary Increase Assumptions

Merit Increases, Unused Sick Leave, and Vacation Pay – Assumed merit increases were lowered for School District members. Unused Sick Leave and Vacation Pay rates were adjusted.

Retiree Healthcare Participation – The RHIA participation rate for healthy retirees was reduced from 48% to 45%. The RHIPA participation rate was changed from a uniform rate of 13% to a service-based table of rates.

### Mortality

Healthy Retired Members – The following healthy retired mortality tables were first adopted in the December 31, 2010 valuation, except for the School District male and Police and Fire male table, which was adopted in the December 31, 2012 valuation.

Basic Table	RP 2000, Generational Combined Active/Healthy Annuitant, Sex Distinct
School District male	No collar, set back 24 months
Other General Service male (including male beneficiary)	Blended 25 percent blue collar/75 percent white collar, set back 12 months
Police and Fire male	Blended 25 percent blue collar/75 percent white collar, set back 12 months
School District female	White collar, set back 24 months
Other female (including female beneficiary)	White collar, no set back

Disabled Retired Members – The following disabled retiree mortality rates were first adopted for the December 31, 2012 actuarial valuation.

Basic Table	RP 2000, Static, Combined, Disabled, No Collar, Sex Distinct
Male	65 percent of Disabled table
Female	90 percent of Disabled table

Non-Annuitant Members – The following mortality rates were first adopted for non-annuitant members for the December 31, 2012 actuarial valuation, except for the Other General Service male and School District female rates which were adopted in the December 31, 2010 valuation.

Basic Table	Percent of Healthy Retired Mortality Tables
School District male	70%
Other General Service male	85
Police and Fire male	95
School District female	60
Other female	55

### Ad Hoc Postemployment Benefit Changes

See changes in plan provisions.

### Change in Proportionate Share

There was no change in proportionate share for fiscal years ending June 30, 2013 and June 30, 2014. Because the proportionate share is actuarially determined, it was calculated as of the December 31, 2012 valuation date used to develop results for both the June 30, 2013 and June 30, 2014 Measurement Dates. In future measurement periods, there will be changes in proportionate shares from the beginning of the period to the end.

### Deferred Items

Deferred items are calculated at the system-wide level and are allocated to employers based on their proportionate share. For fiscal year ending June 30, 2014, there was:

- No difference between expected and actual experience;
- No difference due to changes of assumptions;
- A net difference between projected and actual earnings which is being amortized over a closed five year period. One year's amortization is being recognized in the employer's total pension expense for fiscal year 2014.
- No changes in proportion
- A difference between employer contributions and proportionate share of contributions, which is being amortized over 5.6 years, the remaining service lives of all plan participants, including retirees. One year of this amortization is included in the employer's total pension expense for fiscal year 2014.
- The amortization schedule on the employer specific actuarial schedule shows the remaining 4 years amortization for the difference in investment returns and 4.6 years for the difference between proportionate share and actual contributions.

### Independent Auditors Report

The independent auditors report on the Schedule of Allocations (Proportionate Shares) and Schedule of Pension Amounts will be published on the PERS employer website. <http://www.oregon.gov/pers/EMP/pages/index.aspx>

### Changes in Plan Provisions

Senate Bill 822, signed into law in May 2013, eliminated the SB 656/HB 3349 tax remedy payments for beneficiaries not subject to Oregon income tax and limited the 2013 post-retirement COLA to 1.5 percent of annual benefit. The effects of this legislation were reflected in the December 31, 2012 valuation.

Senate Bill 861, signed into law in October 2013, limited the post-retirement COLA for years beyond 2013 to 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000. The

effects of this legislation were reflected in the December 31, 2012 valuation. The December 31, 2012 valuation was rolled forward to the measurement date of June 30, 2014.

## **Employer Contributions**

PERS includes accrued contributions when due pursuant to legal requirements, as of June 30 in its Statement of Changes in Fiduciary Net Position. These are normally included in the employer statements cut off as of the fifth of the following month. PERS does not try to accrue contributions based on pay date.

Beginning with fiscal year 2015, PERS will be able to report cash contributions and UAL side account amortization by employer, and will publish this information on the PERS Website. Prior to fiscal year 2015, contributions to the OPSRP Defined Benefit plan were not accounted for by employer, as all employers were pooled for actuarial purposes.

## **Net Pension Liability**

Net pension liabilities are calculated at the system-wide level and are allocated to employers based on their proportionate share. UAL Side Accounts are included as assets in this calculation. The rate setting actuarial valuation will continue to allocate the UAL Side Account, transitional or pre-SLGRP liabilities or surpluses as adjustments to the respective employers.

## **IAP Plan Description – OPSRP Individual Account Program (OPSRP IAP)**

### Pension Benefits

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

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

The required employee contribution of 6% is paid by the City as a result of a collective bargaining agreement.

### 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

PERS contracts with VOYA Financial to maintain IAP participant records.

## Schedule of Pension Amounts under GASB 68

Measurement Date [MD] of the Net Pension Liability / (Asset) [NPL/(A)]	June 30, 2014
Actuarial Valuation Date (liability rolled forward to MD)	December 31, 2012
City's proportionate share at prior MD	0.21279790%
City's proportionate share at MD	0.21279790%
City's proportionate share of system NPL/(A) at prior MD	\$ 10,859,389
City's proportionate share of system NPL/(A) at MD	\$ (4,823,521)
City's proportionate share of system Pension Expense/(Income)	\$ (4,427,863)
Net amortization of deferred amounts from:	
Changes in proportionate share	-
Differences between City contributions and City's proportionate share of system contributions	(7,258)
City's Total Pension Expense/(Income)	<u>\$ (4,435,121)</u>

	<u>Deferred Outflow</u>	<u>Deferred Inflow</u>
Net difference between projected and actual earnings on investments	\$ -	\$ 9,307,442
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	33,389
Contribution subsequent to measurement date	<u>2,114,188</u>	<u>                    </u>
Total	<u>\$ 2,114,188</u>	<u>\$ 9,340,831</u>
Net Deferred Outflow/(Inflow) of Resources	<u>\$ 2,114,188</u>	<u>\$ 9,340,831</u>

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

Subsequent fiscal years	<u>Amounts Reported</u>
2015 - 2016	\$ (2,334,119)
2016 - 2017	(2,334,119)
2017 - 2018	(2,334,119)
2018 - 2019	(2,334,119)
2019 - 2020	(4,355)
Thereafter	<u>-</u>
Total	<u>\$ (9,340,831)</u>

### Changes in Plan Provisions Subsequent to Measurement Date

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

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

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below.

	<u>June 30, 2014 Measurement Date</u>	
	<u>Prior to Moro</u>	<u>After Moro</u>
City's Share of Net pension liability (asset)	\$ (4,823,521)	\$ 5,639,144

**11. DEFERRED COMPENSATION**

The City offers its employees optional deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all City employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of participants and their beneficiaries. Monies accumulated by the City under its deferred compensation plans have been deposited with various financial institutions. The City has adopted GASB Statement 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. The City has little administrative involvement and does not perform the investing functions for this plan, therefore, this plan is not shown in the City's financial statements.

**12. OTHER POSTRETIREMENT BENEFITS**

**Plan Description**

*Explicit Employer Benefits* – The City provides postretirement health care benefits, as per labor contracts and the City's Personnel Rules and Regulations, for retirees. The benefit varies depending upon date of employment. For employees hired before January 1, 2001, the City pays 92.5 percent of the medical insurance premium for four years following the retirement of an employee, or until the employee dies, reaches age 65, or enters employment where insurance is provided. The employee must be eligible and receiving Oregon Public Employees Retirement Systems (OPERS) benefits. Employees hired between January 1, 2001 and December 31, 2006 are eligible for 50% City paid medical insurance benefits for only six months following retirement (except Management and GPEA employees are not covered under this reduced benefit). There are no explicit health insurance benefits upon retirement for employees hired after December 31, 2006. Under Oregon law, retirees retain the right to continue their health insurance benefits under the City's group plan, with no distinction made for costs or services available. Thus once the City's financial obligation ends, a retiree may elect to continue the group benefit coverage at their own expense. The City finances these expenses as they are incurred in the respective fund where the retiree had worked. The City did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. Any changes to these benefits and contribution obligations would be a result of collective bargaining or changes to the City's Personnel Rules and Regulations by management as directed and approved by Council.

*Implicit Employer Benefits* – The City operates a single-employer retiree benefit plan that provides postemployment health, dental, vision and life insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. Benefits and eligibility for members are established through the collective bargaining agreements. The City's post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based

on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the City's implicit employer contribution. The City did not establish an irrevocable trust (or equivalent arrangement) to account for the plan. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and (2) actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations of the OPEB plan reflect a long-term perspective. There is no separate audited GAAP basis audited financial statements for this OPEB plan. Any changes to these implicit benefits and contribution obligations would be a result of Oregon legislative action.

Funding Policy – The benefits from this program are paid either by the employer as described above or by the retired employees on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is no obligation on the part of the City to fund these benefits in advance.

Annual Pension Cost and Net Pension Obligation - The City's annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance within the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the OPEB obligation at the end of the year:

	2015	2014	2013
Annual required contribution	\$ 729,045	\$ 694,830	\$ 810,679
Interest on net pension obligation	96,429	82,593	74,133
Adjustment to annual required contribution	<u>(183,674)</u>	<u>(157,321)</u>	<u>(125,950)</u>
Annual pension cost	641,800	620,102	758,862
Contributions made	<u>(250,984)</u>	<u>(224,808)</u>	<u>(252,371)</u>
Increase in net pension obligation	390,816	395,294	506,491
NPO (Asset) at beginning of year	<u>2,755,105</u>	<u>2,359,811</u>	<u>1,853,320</u>
NPO (Asset) at end of year	<u>\$ 3,145,921</u>	<u>\$ 2,755,105</u>	<u>\$ 2,359,811</u>
Percentage of APC contributed	<u>39.1%</u>	<u>36.3%</u>	<u>33.3%</u>

The NPO and related pension expenses are allocated to each of the operating funds based on number of employees working in each fund, however these transactions do not meet the definition of budgetary expenditures under Oregon law and as such do not show in the budgetary statements starting in FY'15. Previously these transactions were accounted for as budgetary transactions in proprietary funds only but the amounts were reclassified to beginning fund balances in the proprietary funds. The NPO balances are reflected in the "Due in More than One Year" portion of Noncurrent Liabilities or the Long-term liabilities sections on the Statements of Net Position. Pension expenses are included in the statement of activities and also in the proprietary funds' statements of revenues, expenses and changes in net position.

Actuarial Methods and Assumptions – Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to

continual revisions as results are compared to past expectations and new estimates are made about the future. The annual required contribution (ARC) for the current year was determined as part of the August 1, 2012 actuarial valuation using the projected unit credit method. The objective of this method is to fund each participant's benefits under the plans as they accrue.

Actuarial cost method	Projected unit credit cost
Amortization method	Level percentage of payroll over 15 years, open
Inflation rate	2.75%
Asset valuation method	n/a
Investment return	3.50%
Projected salary increases	3.50%
Health care cost trend	5.75% inflation first year, between 4.75% and 6.75% for future years

Other actuarial assumptions include a 55% assumption of participants who elect self-pay retiree medical coverage. Also 70% of male members and 35% of female members to elect coverage upon retirement are also assumed to elect spouse coverage until the spouse reaches 65. The demographic assumptions, such as mortality rates, disability incidence rates, retirement rates and withdrawal rates, are the same as those used by Oregon PERS.

Funding Status and Funding Progress – As of June 30, 2015 the plan was 0% legally funded because the City has elected not to establish a trust for this purpose. The proprietary statements of net position and the statement of activities reflect OPEB expenses and accumulated liabilities; however the government type funds and budgetary statements do not reflect OPEB amounts. The actuarial accrued liability for benefits was \$5,347,356, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$5,347,356.

Schedule of Funding Progress

Valuation Date	AVA	AAL	UAAL	Funded Percent	Covered Payroll	UAAL/ Payroll
8/1/2010	\$ -	\$ 5,459,740	\$ 5,459,740	0%	\$ 12,246,635	45%
8/1/2012	-	5,147,652	5,147,652	0%	12,924,206	40%
8/1/2014	-	5,347,356	5,347,356	0%	13,282,821	40%

**13. FUND BALANCE DEFICITS AND OVEREXPENDITURES**

The Bancroft Bond Fund has a deficit GAAP fund balance of \$779,849. The City anticipates that the deficit balance will be liquidated by transfers from other funds and future loan payment revenues from assessment loans.

**14. LANDFILL/CLOSURE AND POSTCLOSURE CARE COSTS**

The Merlin Landfill is a municipal solid waste landfill regulated by Federal regulations, 40 CFR 258, Subpart F and the State of Oregon statutes contained in ORS 340-094. The Landfill is maintained under the specific terms of an Oregon Solid Waste Disposal Site Closure Permit No. 159, with an expiration date of June 30, 2017. In July 2001, the City purchased insurance for closure and post-closure costs. State laws and regulations required the City to place a final cover on its Merlin landfill site after it stopped accepting trash in December 2000. This cap was completed during the fiscal year ended June 30, 2002. The Remedial Investigation and Risk Assessment reports have been completed and approved by the Oregon Department of Environmental Quality (DEQ). The City received a Record of Decision (ROD) from the DEQ on January 3, 2006 that guides the City in the remedial actions necessary to mitigate the risk due to the groundwater contamination. The current value of post closure care costs is \$2,878,683. This is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws or regulations. Post-Closure Care Costs are covered by a policy with Chartis Specialty Insurance

Company. As all expenses related to this liability are paid by the Chartis insurance policy, the City does not report it on the face of the financial statements.

**15. PROPERTY TAX LIMITATIONS**

The State of Oregon has a constitutional limit on property taxes for schools and non-school government operations. The limitation provides that property taxes for non-school operations are limited to \$10.00 for each \$1,000 of property fair value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

An additional limit reduces the amount of operating property tax revenues available to the City. This reduction was accomplished by rolling property values for 1997-98 back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

**16. CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

*Construction and other significant commitments.* The City has active projects as of June 30, 2015. These projects include wastewater and transportation infrastructure. At year end commitments with contractors are as follows:

<b>Project</b>	<b>Spent-to-Date</b>	<b>Remaining commitment</b>
WRP Phase 2 Expansion (SE4964)	\$275,664	\$542,543
Drury Lane Reconstruction (TR6115)	1,318,425	7,404
Redwood Avenue – Dowell to Hubbard (TR4934)	2,460,549	1,228,514
Overlay/Maintenance FY15/FY16 (TR6201)	20,700	42,411
Collection System Maintenance/Repair (SE6198)	62,100	120,334

Some of these remaining commitment amounts of \$1,941,206 were encumbered at fiscal year-end. As discussed in the Summary of Significant Accounting Policies note disclosures, under Stewardship, Compliance and Accountability, the encumbrances and related appropriation lapse at the end of the fiscal year, but are re-appropriated and become part of the subsequent year’s budget because performance under the executory contract is expected in the next year.

*Encumbrances.* As discussed in the Summary of Significant Accounting Policies note disclosures, under Stewardship, Compliance and Accountability, the City utilizes encumbrances as a method of controlling budgeted appropriations and line item budget control. At year end, any outstanding encumbrances are canceled. As noted above, construction commitments in capital budgets are re-appropriated and no other significant commitments existed at June 30<sup>th</sup>.

**17. COMPENSATED ABSENCES**

Changes in compensated absences (vacation, comp, and sick leave conversion) are as follows:

	June 30, 2014	Additions	Deletions	June 30, 2015	Amount Due within one year
Governmental Funds	\$ 1,736,466	\$ 700,319	\$ (771,134)	\$ 1,665,651	\$ 727,000
Proprietary Funds	547,068	348,986	(307,757)	588,297	335,000
Total	<u>\$ 2,283,534</u>	<u>\$ 1,049,305</u>	<u>\$ (1,078,891)</u>	<u>\$ 2,253,948</u>	<u>\$ 1,062,000</u>

Compensated absences are assumed to be used on a first in first out basis and are generally liquidated by the general fund or other operating funds. An estimate has been made to determine balances which are considered due within one year.

**18. RESTATEMENT**

During the year ended June 30, 2015, the City implemented GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" and GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date." The adoption of this statement resulted in the restatement of the beginning Net Position of the Statement of Activities.

Beginning net position as previously reported at June 30, 2014	\$ 288,688,264
Prior period adjustment - Implementation of GASB 68	
Net pension (liability) / asset, prior measurement date	
Total of Governmental Activities	(9,663,594)
Business-type Activity - Sewer	(588,517)
Business-type Activity - Water	(607,278)
Total of Business-type Activities	<u>(1,195,795)</u>
Total Net pension (liability) / asset, prior measurement date	<u>(10,859,389)</u>
Deferred Outflows - contributions made during fiscal year 2014	
Total of Governmental Activities	1,679,912
Business-type Activity - Sewer	102,307
Business-type Activity - Water	105,569
Total of Business-type Activities	<u>207,876</u>
Total Deferred Outflows - contributions made during fiscal year 2014	<u>1,887,788</u>
Prior Period Adjustment - Governmental Activities	(7,983,682)
Prior Period Adjustment - Business-type Activities	(987,919)
Total prior period adjustment	<u>(8,971,601)</u>
Net position as restated, July 1, 2014	<u>\$ 279,716,663</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SUPPLEMENTARY INFORMATION**

**REQUIRED SUPPLEMENTARY INFORMATION**

Individual Major Governmental Fund Statements

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

	<u>GENERAL FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Taxes	\$ 19,164,030	\$ 19,164,030	\$ 19,615,914	\$ 451,884
Licenses and Permits	315,640	315,640	394,088	78,448
Intergovernmental	1,540,604	1,540,604	1,599,167	58,563
Charges for Services	1,335,240	1,335,240	1,565,712	230,472
Fines and Forfeitures	208,500	208,500	162,808	(45,692)
Interest on Investments	74,000	74,000	87,246	13,246
Miscellaneous	178,075	178,075	250,089	72,014
Total Revenues	<u>22,816,089</u>	<u>22,816,089</u>	<u>23,675,024</u>	<u>858,935</u>
<b>EXPENDITURES:</b>				
Mayor and Council	297,135	297,135 (1)	213,019	84,116
Public Safety Police Services	9,367,099	9,367,099 (1)	8,474,105	892,994
Public Safety Fire Rescue Services	5,664,603	5,664,603 (1)	5,447,791	216,812
Public Safety Support Services	3,000,117	3,000,117 (1)	2,676,926	323,191
Crisis Support Services	44,000	44,000 (1)	42,813	1,187
Sobering Center	130,000	130,000 (1)	130,000	-
Park Maintenance Services	1,662,921	1,662,921 (1)	1,553,996	108,925
Aquatic Services	125,288	125,288 (1)	89,520	35,768
Recreation Services	156,134	156,134 (1)	143,519	12,615
Planning Services	813,131	813,131 (1)	666,500	146,631
Building and Safety Services	528,366	528,366 (1)	463,629	64,737
Economic Development	170,665	170,665 (1)	123,414	47,251
Downtown Development	382,730	382,730 (1)	379,662	3,068
Tourism Promotion	345,168	345,168 (1)	343,878	1,290
General Program Operations	1,306,328	1,306,328 (1)	1,293,854	12,474
Contingency	2,507,242	2,299,242 (1)	-	2,299,242
Total Expenditures	<u>26,500,927</u>	<u>26,292,927</u>	<u>22,042,626</u>	<u>4,250,301</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,684,838)</u>	<u>(3,476,838)</u>	<u>1,632,398</u>	<u>5,109,236</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,151,300	1,151,300	1,127,703	(23,597)
Sale of Assets	4,100	4,100	2,397	(1,703)
Transfers Out	<u>(1,826,700)</u>	<u>(2,034,700) (1)</u>	<u>(1,941,634)</u>	<u>93,066</u>
Total other financing uses	<u>(671,300)</u>	<u>(879,300)</u>	<u>(811,534)</u>	<u>67,766</u>
Net Change in Fund Balance	(4,356,138)	(4,356,138)	820,864	5,177,002
Beginning Fund Balance	<u>10,515,825</u>	<u>10,515,825</u>	<u>11,799,811</u>	<u>1,283,986</u>
Ending Fund Balance	<u>\$ 6,159,687</u>	<u>\$ 6,159,687</u>	<u>\$ 12,620,675</u>	<u>\$ 6,460,988</u>
Reconciliation to GAAP Fund Balance				
Interfund Loans			1,460,000	
Total GAAP Fund Balance			<u>\$ 14,080,675</u>	

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET- BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

	<u>SOLID WASTE FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>				
Licenses and Permits	\$ 2,500	\$ 2,500	\$ 880	\$ (1,620)
Intergovernmental	15,000	15,000	15,000	-
Charges for Services	378,470	378,470	410,445	31,975
Interest on Investments	13,650	13,650	14,179	529
Miscellaneous Revenue	172,092	172,092	174,777	2,685
Total Revenues	<u>581,712</u>	<u>581,712</u>	<u>615,281</u>	<u>33,569</u>
<b>EXPENDITURES:</b>				
Environmental Waste Fees	251,000	251,000 (1)	294,548	(43,548)
Solid Waste Operations	25,644	25,644 (1)	21,045	4,599
Post-closure	115,820	115,820 (1)	93,657	22,163
General Program Operations	14,230	14,230 (1)	11,396	2,834
Capital Outlay	1,512,976	1,512,976 (1)	84,544	1,428,432
Contingency	204,424	204,424 (1)	-	204,424
Total Expenditures	<u>2,124,094</u>	<u>2,124,094</u>	<u>505,190</u>	<u>1,618,904</u>
Excess of Revenues Over (Under) Expenditures	(1,542,382)	(1,542,382)	110,091	1,652,473
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	5,000	5,000	5,000	-
Transfers Out	(29,000)	(29,000) (1)	(29,000)	-
Total Other Financing Sources (Uses)	<u>(24,000)</u>	<u>(24,000)</u>	<u>(24,000)</u>	<u>-</u>
Net Change in Fund Balance	(1,566,382)	(1,566,382)	86,091	1,652,473
Beginning Fund Balance	<u>1,566,382</u>	<u>1,566,382</u>	<u>1,442,686</u>	<u>(123,696)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,528,777</u>	<u>\$ 1,528,777</u>
Reconciliation to GAAP Equity				
Interfund Loan			<u>894,200</u>	
GAAP Equity			<u>\$ 2,422,977</u>	

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	Measurement Date of June 30:									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
City's proportion of the net pension liability (asset)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0.21279790%	0.21279790%	n/a
City's proportionate share of the net pension liability (asset)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 10,859,389	\$ (4,823,521)	n/a
City's covered employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$ 12,971,527	\$ 13,282,821	n/a
City's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	n/a	n/a	n/a	n/a	n/a	n/a	n/a	83.72%	-36.31%	n/a
Plan fiduciary net position as a percentage of the total pension liability	n/a	n/a	n/a	n/a	n/a	n/a	n/a	91.97%	103.59%	n/a

**SCHEDULE OF CITY CONTRIBUTIONS  
OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM**

	For the last ten fiscal years									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Contractually required contribution	\$ 1,483,782	\$ 1,635,788	\$ 1,673,488	\$ 1,850,217	\$ 1,561,518	\$ 1,557,801	\$ 2,150,406	\$ 2,050,221	\$ 1,887,788	\$ 2,114,188
Contributions in relation to the contractually required contribution	\$ (1,483,782)	\$ (1,635,788)	\$ (1,673,488)	\$ (1,850,217)	\$ (1,561,518)	\$ (1,557,801)	\$ (2,150,406)	\$ (2,050,221)	\$ (1,887,788)	\$ (2,114,188)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered-employee payroll	\$ 9,843,042	\$ 10,691,408	\$ 11,116,279	\$ 12,234,968	\$ 12,104,862	\$ 12,141,995	\$ 13,418,796	\$ 12,971,527	\$ 13,282,821	\$ 13,806,561
Contributions as a percentage of covered-employee payroll	15.07%	15.30%	15.05%	15.12%	12.90%	12.83%	16.03%	15.81%	14.21%	15.31%

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

The budgetary basis for required supplementary information is the same as GAAP, except for interfund loans which are accounted for as "other financing sources" for budgetary purposes and is considered loans for GAAP.

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**SUPPLEMENTARY INFORMATION**

Combining, Individual Fund, and Other Financial Schedules

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET- BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

	<u>STREET UTILITY FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>				
Licenses and permits	\$ 10,000	\$ 10,000	\$ 9,354	\$ (646)
Intergovernmental	1,994,752	1,994,752	2,045,959	51,207
Charges for services	890,000	890,000	921,288	31,288
Interest on investments	3,500	3,500	3,823	323
Miscellaneous	3,000	3,000	25,522	22,522
Total Revenues	<u>2,901,252</u>	<u>2,901,252</u>	<u>3,005,946</u>	<u>104,694</u>
<b>EXPENDITURES:</b>				
Street and drainage services	1,327,022	1,327,022 (1)	1,227,748	99,274
Customer Service	175,053	175,053 (1)	168,924	6,129
Street Lights	367,100	367,100	304,034	63,066
General operations	425,470	425,470 (1)	406,245	19,225
Contingency	459,258	459,258 (1)	-	459,258
Total Expenditures	<u>2,753,903</u>	<u>2,753,903</u>	<u>2,106,951</u>	<u>646,952</u>
Excess of Revenues Over (Under) Expenditures	<u>147,349</u>	<u>147,349</u>	<u>898,995</u>	<u>751,646</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	367,100	367,100	304,034	(63,066)
Sale of Assets	-	-	80	80
Transfers Out	<u>(1,201,952)</u>	<u>(1,201,952) (1)</u>	<u>(733,066)</u>	<u>468,886</u>
Total Other Financing Sources (Uses)	<u>(834,852)</u>	<u>(834,852)</u>	<u>(428,952)</u>	<u>405,900</u>
Net Change in Fund Balance	(687,503)	(687,503)	470,043	1,157,546
Beginning Fund Balance	<u>687,503</u>	<u>687,503</u>	<u>890,671</u>	<u>203,168</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,360,714</u>	<u>\$ 1,360,714</u>

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET- BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

<u>GENERAL OBLIGATION BOND FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Taxes	\$ 1,064,800	\$ 1,064,800	\$ 1,062,136	\$ (2,664)
Interest on Investments	1,000	1,000	3,463	2,463
Total Revenues	<u>1,065,800</u>	<u>1,065,800</u>	<u>1,065,599</u>	<u>(201)</u>
<b>EXPENDITURES:</b>				
Debt Service	1,071,200	1,071,200 (1)	1,071,200	-
Total Expenditures	<u>1,071,200</u>	<u>1,071,200</u>	<u>1,071,200</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,400)</u>	<u>(5,400)</u>	<u>(5,601)</u>	<u>(201)</u>
Beginning Fund Balance	<u>55,400</u>	<u>55,400</u>	<u>62,495</u>	<u>7,095</u>
Ending Fund Balance	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 56,894</u>	<u>\$ 6,894</u>

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET- BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

	<u>BANCROFT BOND FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Special Assessments	\$ 160,000	\$ 160,000	\$ 202,894	\$ 42,894
Interest on Investments	-	-	728	728
Total Revenues	<u>160,000</u>	<u>160,000</u>	<u>203,622</u>	<u>43,622</u>
<b>EXPENDITURES:</b>				
Materials and Services	18,000	18,000 (1)	15,421	2,579
Debt Service	150,000	150,000 (1)	150,000	-
Contingency	17,574	17,574 (1)	-	17,574
Total Expenditures	<u>185,574</u>	<u>185,574</u>	<u>165,421</u>	<u>20,153</u>
Excess of Revenues Over (Under) Expenditures	<u>(25,574)</u>	<u>(25,574)</u>	<u>38,201</u>	<u>63,775</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Bond Proceeds	750,000	750,000	-	(750,000)
Transfers Out	<u>(750,000)</u>	<u>(750,000) (1)</u>	<u>-</u>	<u>750,000</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(25,574)	(25,574)	38,201	63,775
Beginning Fund Balance	<u>25,574</u>	<u>25,574</u>	<u>76,150</u>	<u>50,576</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,351</u>	<u>\$ 114,351</u>
Reconciliation to GAAP Equity				
Interfund Loan			<u>(894,200)</u>	
GAAP Equity			<u>\$ (779,849)</u>	

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET- BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

<u>TRANSPORTATION PROJECTS FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
<b>REVENUES:</b>				
Intergovernmental	\$ 2,010,092	\$ 2,010,092	\$ 786,155	\$ (1,223,937)
Charges for Services	150,000	150,000	80,091	(69,909)
Interest on Investments	10,000	10,000	86,955	76,955
Trust Receipts	-	-	10,333	10,333
Miscellaneous Revenues	-	-	1,193	1,193
Total Revenues	<u>2,170,092</u>	<u>2,170,092</u>	<u>964,727</u>	<u>(1,205,365)</u>
<b>EXPENDITURES:</b>				
Capital Outlay	11,744,699	11,744,699 (1)	5,459,621	6,285,078
Total Expenditures	<u>11,744,699</u>	<u>11,744,699</u>	<u>5,459,621</u>	<u>6,285,078</u>
Excess of Revenues Over (Under) Expenditures	<u>(9,574,607)</u>	<u>(9,574,607)</u>	<u>(4,494,894)</u>	<u>5,079,713</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	2,242,952	2,242,952	994,423	(1,248,529)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	<u>2,242,952</u>	<u>2,242,952</u>	<u>994,423</u>	<u>(1,248,529)</u>
Net Change in Fund Balance	(7,331,655)	(7,331,655)	(3,500,471)	3,831,184
Beginning Fund Balance	<u>7,331,655</u>	<u>7,331,655</u>	<u>9,046,268</u>	<u>1,714,613</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,545,797</u>	<u>\$ 5,545,797</u>

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET- BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

	<u>LAND AND BUILDING PROJECTS FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Intergovernmental	\$ 1,500,000	\$ 1,500,000	\$ 1,423,965	\$ (76,035)
Charges for Services	87,500	87,500	10,193	(77,307)
Interest on Investments	47,500	47,500	27,163	(20,337)
Miscellaneous	3,796,000	3,796,000	406,519	(3,389,481)
Total Revenues	<u>5,431,000</u>	<u>5,431,000</u>	<u>1,867,840</u>	<u>(3,563,160)</u>
<b>EXPENDITURES:</b>				
Capital Outlay	12,970,694	12,970,694 (1)	3,480,874	9,489,820
Total expenditures	<u>12,970,694</u>	<u>12,970,694</u>	<u>3,480,874</u>	<u>9,489,820</u>
Excess of Revenues Over (Under) Expenditures	<u>(7,539,694)</u>	<u>(7,539,694)</u>	<u>(1,613,034)</u>	<u>5,926,660</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	1,935,400	1,935,400	1,539,072	(396,328)
Sale of Assets	1,487,343	1,487,343	11,750	(1,475,593)
Transfers Out	-	- (1)	-	-
Total Other Financing Sources (Uses)	<u>3,422,743</u>	<u>3,422,743</u>	<u>1,550,822</u>	<u>(1,871,921)</u>
Net Change in Fund Balance	(4,116,951)	(4,116,951)	(62,212)	4,054,739
Beginning Fund Balance	<u>4,116,951</u>	<u>4,116,951</u>	<u>4,217,811</u>	<u>100,860</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,155,599</u>	<u>\$ 4,155,599</u>
Reconciliation to GAAP Fund Balance				
Interfund Loans			<u>(1,460,000)</u>	
Total GAAP Fund Balance			<u>\$ 2,695,599</u>	

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
June 30, 2015**

	SPECIAL REVENUE FUNDS				
	TRANSIENT ROOM TAX FUND	COMMUNITY DEVELOPMENT BLOCK GRANT FUND	HOUSING & ECONOMIC DEVELOPMENT FUND	STORM WATER & OPEN SPACE FUND	TOTAL NONMAJOR FUNDS
<b>ASSETS</b>					
Cash and Investments	\$ -	\$ 187,080	\$ 936,545	\$ 247,139	\$ 1,370,764
Prepaid Items	-	-	-	-	-
Receivables					
Notes	-	121,540	47,864	11,738	181,142
Grants	-	25,737	-	-	25,737
Accrued Interest	-	20,000	609	3,388	23,997
Restricted Assets					
Cash and Cash Equivalents	-	-	-	78,377	78,377
Notes and Taxes Receivable	-	-	-	19,728	19,728
Accrued Interest Receivable	-	-	-	9,072	9,072
Total Assets	<u>\$ -</u>	<u>\$ 354,357</u>	<u>\$ 985,018</u>	<u>\$ 369,442</u>	<u>\$ 1,708,817</u>
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 20,598	\$ -	\$ 26,506	\$ 47,104
Salaries, withholdings and taxes payable	-	-	-	76	76
Total Liabilities	<u>-</u>	<u>20,598</u>	<u>-</u>	<u>26,582</u>	<u>47,180</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Unavailable revenue - loans	-	128,198	47,864	31,467	207,529
Total deferred inflow of resources	<u>-</u>	<u>128,198</u>	<u>47,864</u>	<u>31,467</u>	<u>207,529</u>
<b>FUND BALANCES</b>					
<i>Nonspendable:</i>	-	-	-	-	-
<i>Restricted for:</i>					
System Development	-	-	-	87,449	87,449
CDBG/HUD	-	205,561	937,154	-	1,142,715
Tourism/Recreation/TRT Approved	-	-	-	-	-
<i>Committed to:</i>	-	-	-	-	-
<i>Assigned to:</i>	-	-	-	223,944	223,944
Total fund balances	<u>-</u>	<u>205,561</u>	<u>937,154</u>	<u>311,393</u>	<u>1,454,108</u>
Total liabilities, deferred inflow of resources, and fund balances	<u>\$ -</u>	<u>\$ 354,357</u>	<u>\$ 985,018</u>	<u>\$ 369,442</u>	<u>\$ 1,708,817</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NON-MAJOR GOVERNMENTAL FUNDS  
For the Fiscal Year Ended June 30, 2015**

	SPECIAL REVENUE FUNDS				TOTAL
	TRANSIENT ROOM TAX FUND	COMMUNITY DEVELOPMENT BLOCK GRANT FUND	HOUSING & ECONOMIC DEVELOPMENT FUND	STORM WATER & OPEN SPACE FUND	
<b>REVENUES:</b>					
Taxes	\$ 1,203,544	\$ -	\$ -	\$ -	\$ 1,203,544
Intergovernmental	-	32,701	-	-	32,701
Charges for Services	-	-	-	79,075	79,075
Interest on Investments	1,241	23,866	6,636	4,270	36,013
Miscellaneous Revenues	-	14,424	6,667	286	21,377
Total Revenues	<u>1,204,785</u>	<u>70,991</u>	<u>13,303</u>	<u>83,631</u>	<u>1,372,710</u>
<b>EXPENDITURES:</b>					
Development	10,900	55,576	-	-	66,476
Capital Outlay	-	-	-	133,455	133,455
Total Expenditures	<u>10,900</u>	<u>55,576</u>	<u>-</u>	<u>133,455</u>	<u>199,931</u>
Excess of Revenues Over, (Under) Expenditures	<u>1,193,885</u>	<u>15,415</u>	<u>13,303</u>	<u>(49,824)</u>	<u>1,172,779</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	165,642	165,642
Transfers Out	<u>(1,295,174)</u>	<u>(250,000)</u>	<u>(5,000)</u>	<u>(112,000)</u>	<u>(1,662,174)</u>
Total Other Financing Sources (Uses)	<u>(1,295,174)</u>	<u>(250,000)</u>	<u>(5,000)</u>	<u>53,642</u>	<u>(1,496,532)</u>
Net Change in Fund Balance	(101,289)	(234,585)	8,303	3,818	(323,753)
Beginning Fund Balance	<u>101,289</u>	<u>440,146</u>	<u>928,851</u>	<u>307,575</u>	<u>1,777,861</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 205,561</u>	<u>\$ 937,154</u>	<u>\$ 311,393</u>	<u>\$ 1,454,108</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET- BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

<u>TRANSIENT ROOM TAX FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
NON-MAJOR GOVERNMENTAL FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>				
Taxes	\$ 1,239,700	\$ 1,239,700	\$ 1,203,544	\$ (36,156)
Interest	-	-	1,241	1,241
Total Revenues	<u>1,239,700</u>	<u>1,239,700</u>	<u>1,204,785</u>	<u>(34,915)</u>
<b>EXPENDITURES:</b>				
Materials and Services	10,900	10,900 (1)	10,900	-
Contingency	50,000	50,000 (1)	-	50,000
Total Expenditures	<u>60,900</u>	<u>60,900</u>	<u>10,900</u>	<u>50,000</u>
Excess of Revenues Over (Under) Expenditures	<u>1,178,800</u>	<u>1,178,800</u>	<u>1,193,885</u>	<u>15,085</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(1,323,100)	(1,323,100) (1)	(1,295,174)	27,926
Total Other Financing Sources (Uses)	<u>(1,323,100)</u>	<u>(1,323,100)</u>	<u>(1,295,174)</u>	<u>27,926</u>
Net Change in Fund Balance	(144,300)	(144,300)	(101,289)	43,011
Beginning Fund Balance	<u>144,300</u>	<u>144,300</u>	<u>101,289</u>	<u>(43,011)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET- BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

COMMUNITY DEVELOPMENT BLOCK GRANT FUND  
NON-MAJOR GOVERNMENTAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Interest on Investments	\$ 7,460	\$ 7,460	\$ 23,866	\$ 16,406
Intergovernmental Revenue	375,000	375,000	32,701	(342,299)
Miscellaneous	11,250	11,250	14,424	3,174
Total Revenues	<u>393,710</u>	<u>393,710</u>	<u>70,991</u>	<u>(322,719)</u>
<b>EXPENDITURES:</b>				
Materials and Services	406,000	406,000 (1)	55,576	350,424
Contingencies	189,844	189,844 (1)	-	189,844
Total Expenditures	<u>595,844</u>	<u>595,844</u>	<u>55,576</u>	<u>540,268</u>
Excess of Revenues Over (Under) Expenditures	<u>(202,134)</u>	<u>(202,134)</u>	<u>15,415</u>	<u>217,549</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(250,000)</u>	<u>(250,000) (1)</u>	<u>(250,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
Net Change in Fund Balance	(452,134)	(452,134)	(234,585)	217,549
Beginning Fund Balance	<u>452,134</u>	<u>452,134</u>	<u>440,146</u>	<u>(11,988)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 205,561</u>	<u>\$ 205,561</u>

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET- BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

<u>HOUSING AND ECONOMIC DEVELOPMENT FUND</u>				VARIANCE
NON-MAJOR GOVERNMENTAL FUND				TO FINAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	BUDGET POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Interest on Investments	\$ 6,735	\$ 6,735	\$ 6,636	\$ (99)
Industrial and Other Loan Payments	50,000	50,000	-	(50,000)
Miscellaneous Revenues	4,150	4,150	6,667	2,517
Total Revenues	<u>60,885</u>	<u>60,885</u>	<u>13,303</u>	<u>(47,582)</u>
<b>EXPENDITURES:</b>				
Materials and Services	350,000	350,000 (1)	-	350,000
Contingencies	632,885	632,885 (1)	-	632,885
Total Expenditures	<u>982,885</u>	<u>982,885</u>	<u>-</u>	<u>982,885</u>
Excess of Revenues Over (Under) Expenditures	<u>(922,000)</u>	<u>(922,000)</u>	<u>13,303</u>	<u>935,303</u>
<b>OTHER FINANCING USES:</b>				
Transfers Out	(5,000)	(5,000) (1)	(5,000)	-
Total Other Financing Uses	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
Net Change in Fund Balance	(927,000)	(927,000)	8,303	935,303
Beginning Fund Balance	<u>927,000</u>	<u>927,000</u>	<u>928,851</u>	<u>1,851</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 937,154</u>	<u>\$ 937,154</u>

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET- BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

STORM WATER AND OPEN SPACE FUND  
NON-MAJOR GOVERNMENTAL FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Charges for Services	\$ 25,000	\$ 25,000	\$ 79,075	\$ 54,075
Interest on Investments	2,000	2,000	4,270	2,270
Miscellaneous			286	286
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>83,631</u>	<u>56,631</u>
<b>EXPENDITURES:</b>				
General Program Operations	146,205	146,205	146,205	-
Capital Outlay	232,549	232,549 (1)	133,455	99,094
Contingency	358	358	-	358
Total Expenditures	<u>379,112</u>	<u>379,112</u>	<u>279,660</u>	<u>99,452</u>
Excess of Revenues Over (Under) Expenditures	<u>(352,112)</u>	<u>(352,112)</u>	<u>(196,029)</u>	<u>156,083</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	166,000	166,000	165,642	(358)
Transfers Out	(112,000)	(112,000) (1)	(112,000)	-
Total Other Financing Sources (Uses)	<u>54,000</u>	<u>54,000</u>	<u>53,642</u>	<u>(358)</u>
Net Change in Fund Balance	(298,112)	(298,112)	(142,387)	155,725
Beginning Fund Balance	<u>298,112</u>	<u>298,112</u>	<u>453,780</u>	<u>155,668</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 311,393</u>	<u>\$ 311,393</u>

(1) Appropriation Level

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

	<u>WATER FUND</u>			
	ENTERPRISE FUND			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Charges for Services	\$ 5,618,150	\$ 5,618,150	\$ 6,084,988	\$ 466,838
SDC Receipts	150,000	150,000	367,029	217,029
Interest on Investments	26,000	26,000	47,344	21,344
Trust Receipts	20,000	20,000	4,881	(15,119)
Miscellaneous Revenues	36,750	36,750	49,563	12,813
Total Revenues	<u>5,850,900</u>	<u>5,850,900</u>	<u>6,553,805</u>	<u>702,905</u>
<b>EXPENDITURES:</b>				
Treatment Services	1,695,164	1,695,164	(1) 1,610,237	84,927
Distribution Services	1,310,484	1,310,484	(1) 1,048,482	262,002
Customer Services	366,960	366,960	(1) 357,147	9,813
General Operations	371,355	371,355	(1) 312,745	58,610
Debt Service				
Principal	375,000	375,000	(1) 375,000	-
Interest	129,770	129,770	(1) 129,166	604
Capital Outlay	3,872,568	3,872,568	(1) 893,991	2,978,577
Contingency	1,107,270	1,107,270	(1) -	1,107,270
Total Expenditures	<u>9,228,571</u>	<u>9,228,571</u>	<u>4,726,768</u>	<u>4,501,803</u>
Excess of Revenues Over (Under) Expenditures	<u>(3,377,671)</u>	<u>(3,377,671)</u>	<u>1,827,037</u>	<u>5,204,708</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Assets	-	-	477	477
Transfers In	2,459,177	2,459,177	2,459,177	-
Transfers Out	(2,224,177)	(2,224,177)	(1) (2,224,177)	-
Total Other Financing Sources (Uses)	<u>235,000</u>	<u>235,000</u>	<u>235,477</u>	<u>477</u>
Net Change in Fund Balance	(3,142,671)	(3,142,671)	2,062,514	5,205,185
Beginning Fund Balance	<u>1,913,280</u>	<u>1,913,280</u>	<u>5,583,358</u>	<u>3,670,078</u>
Prior Period Budgetary Adjustment			(2) 367,896	367,896
Ending Fund Balance	<u>\$ (1,229,391)</u>	<u>\$ (1,229,391)</u>	<u>\$ 8,013,768</u>	<u>\$ 9,243,159</u>
<b>Reconciliation to Net Position</b>				
Capital Assets, net			55,314,401	
Net pension asset			269,740	
Net pension deferred outflows			118,229	
Net pension deferred inflows			(522,357)	
Compensated absences			(175,774)	
Other post employment benefits			(244,734)	
Bonds Payable			(4,204,139)	
Unearned Revenue			107,055	
Total Net Position			<u>\$ 58,676,189</u>	

(1) Appropriation Level

(2) Prior period budgetary adjustment includes reversal of prior budgetary treatment of long-term employment liabilities.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

<u>SEWER FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
ENTERPRISE FUND				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>				
Charges for Services	\$ 5,857,500	\$ 5,857,500	\$ 6,024,036	\$ 166,536
SDC Receipts	150,000	150,000	291,027	141,027
Interest on Investments	12,500	12,500	61,594	49,094
Trust Receipts	1,000	1,000	-	(1,000)
Miscellaneous	42,000	42,000	67,010	25,010
Total Revenues	<u>6,063,000</u>	<u>6,063,000</u>	<u>6,443,667</u>	<u>380,667</u>
<b>EXPENDITURES:</b>				
Treatment Services	2,278,209	2,278,209	(1) 1,972,335	305,874
Collection Services	777,652	777,652	(1) 657,934	119,718
Customer Services	408,653	408,653	(1) 384,360	24,293
General Operations	390,740	390,740	(1) 327,860	62,880
Debt service:				
Principal	775,000	775,000	(1) 775,000	-
Interest	166,963	166,963	(1) 165,090	1,873
Capital Outlay	5,437,462	5,437,462	(1) 1,280,818	4,156,644
Contingency	1,264,973	1,264,973	(1) -	1,264,973
Total Expenditures	<u>11,499,652</u>	<u>11,499,652</u>	<u>5,563,397</u>	<u>5,936,255</u>
Excess of Revenues Over (Under) Expenditures	<u>(5,436,652)</u>	<u>(5,436,652)</u>	<u>880,270</u>	<u>6,316,922</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In	2,347,392	2,347,392	2,347,392	-
Sale of Assets	-	-	23,379	23,379
Transfers Out	(1,782,392)	(1,782,392)	(1) (1,782,392)	-
Total Other Financing Sources (Uses)	<u>565,000</u>	<u>565,000</u>	<u>588,379</u>	<u>23,379</u>
Net Change in Fund Balance	(4,871,652)	(4,871,652)	1,468,649	6,340,301
Beginning Fund Balance	<u>4,871,652</u>	<u>4,871,652</u>	<u>6,401,404</u>	<u>1,529,752</u>
Prior Period Budgetary Adjustment			(2) 346,954	346,954
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,217,007</u>	<u>\$ 8,217,007</u>
Reconciliation to Net Position				
Capital Assets, net			39,495,371	
Net pension asset			261,408	
Net pension deferred outflows			114,577	
Net pension deferred inflows			(506,220)	
Compensated absences			(169,971)	
Other post employment benefits			(231,509)	
Unearned Revenue			172,241	
Full Faith & Credit Bonds Payable			<u>(3,912,814)</u>	
Total Net Position			<u>\$ 43,440,090</u>	

(1) Appropriation Level

(2) Prior period budgetary adjustment includes reversal of prior budgetary treatment of long-term employment liabilities.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
June 30, 2015**

	FLEET OPERATIONS FUND	SUPPORT SERVICES FUND	ADMINISTRATIVE SERVICES FUND	INSURANCE SERVICES FUND	TOTAL
<b>ASSETS</b>					
Current assets:					
Cash and Investments	\$ 4,352,816	\$ 1,412,128	\$ 1,495,615	\$ 4,090,327	\$ 11,350,886
Prepaid Items	-	86,377	69,188	23,846	179,411
Receivables					
Accounts, net	-	4,385	5,694	50	10,129
Accrued interest	-	-	-	-	-
Total current assets	<u>4,352,816</u>	<u>1,502,890</u>	<u>1,570,497</u>	<u>4,114,223</u>	<u>11,540,426</u>
Noncurrent assets:					
Net Pension Asset	66,540	410,941	451,390	13,175	942,046
Capital assets, net	2,150,938	646,253	11,718	-	2,808,909
Total noncurrent assets	<u>2,217,478</u>	<u>1,057,194</u>	<u>463,108</u>	<u>13,175</u>	<u>3,750,955</u>
Total assets	<u>6,570,294</u>	<u>2,560,084</u>	<u>2,033,605</u>	<u>4,127,398</u>	<u>15,291,381</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>					
Changes in employer proportion and differences between employer contribution and proportionate share of contributions					
	<u>29,165</u>	<u>180,119</u>	<u>197,848</u>	<u>5,775</u>	<u>412,907</u>
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable	26,085	57,693	94,485	115,940	294,203
Salaries, withholdings and taxes payable	11,635	79,740	80,299	1,789	173,463
Compensated Absences	8,603	59,606	67,604	2,199	138,012
Pending Claims	-	-	-	99,264	99,264
Total Current Liabilities	<u>46,323</u>	<u>197,039</u>	<u>242,388</u>	<u>219,192</u>	<u>704,942</u>
Long-Term Liabilities					
Compensated Absences	6,516	45,150	51,208	1,666	104,540
Other Post Employment Benefits	55,186	291,762	334,832	7,698	689,478
Total Long-Term Liabilities	<u>61,702</u>	<u>336,912</u>	<u>386,040</u>	<u>9,364</u>	<u>794,018</u>
Total Liabilities	<u>108,025</u>	<u>533,951</u>	<u>628,428</u>	<u>228,556</u>	<u>1,498,960</u>
<b>DEFERRED INFLOW OF RESOURCES</b>					
Differences between projected and actual investment earnings					
	<u>128,857</u>	<u>795,795</u>	<u>874,124</u>	<u>25,513</u>	<u>1,824,289</u>
<b>NET POSITION</b>					
Net invested in capital assets	2,150,938	646,253	11,718	-	2,808,909
Unrestricted	<u>4,211,639</u>	<u>764,204</u>	<u>717,183</u>	<u>3,879,104</u>	<u>9,572,130</u>
Total Net Position	<u>\$ 6,362,577</u>	<u>\$ 1,410,457</u>	<u>\$ 728,901</u>	<u>\$ 3,879,104</u>	<u>\$ 12,381,039</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN NET POSITION  
INTERNAL SERVICE FUNDS**

**For the Fiscal Year Ended June 30, 2015**

	FLEET OPERATIONS FUND	SUPPORT SERVICES FUND	ADMINISTRATIVE SERVICES FUND	INSURANCE SERVICES FUND	TOTAL
<b>OPERATING REVENUES:</b>					
Charges for Services	\$ 1,399,217	\$ 3,119,559	\$ 3,188,241	\$ 811,311	\$ 8,518,328
Miscellaneous	16,310	62,089	7,675	1,139	87,213
Total Operating Revenues	<u>1,415,527</u>	<u>3,181,648</u>	<u>3,195,916</u>	<u>812,450</u>	<u>8,605,541</u>
<b>OPERATING EXPENSES:</b>					
Salaries, Wages, and Benefits	220,011	1,302,772	1,497,331	231,510	3,251,624
Operating Supplies	293,452	64,804	58,357	4,556	421,169
Repairs and Maintenance	20,242	118,269	68,760	-	207,271
Utilities	2,393	115,599	13,839	400	132,231
Professional Services	63,864	287,747	636,499	686,865	1,674,975
General, Administrative and Engineering	138,542	458,922	241,772	1,332	840,568
Depreciation	377,200	75,592	6,367	-	459,159
Total Operating Expenses	<u>1,115,704</u>	<u>2,423,705</u>	<u>2,522,925</u>	<u>924,663</u>	<u>6,986,997</u>
Total Operating Income (Loss)	299,823	757,943	672,991	(112,213)	1,618,544
<b>NONOPERATING INCOME (LOSS)</b>					
Gain (Loss) on the Sale of Assets	78,369	-	-	-	78,369
Intergovernmental	-	-	6,042	-	6,042
Interest Income	25,813	8,255	9,511	25,495	69,074
Total nonoperating income (expense)	<u>104,182</u>	<u>8,255</u>	<u>15,553</u>	<u>25,495</u>	<u>153,485</u>
Income, (Loss) Before Operating Transfers	404,005	766,198	688,544	(86,718)	1,772,029
<b>TRANSFERS</b>					
Transfers In	-	-	-	-	-
Transfers Out	<u>(550,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>(570,000)</u>
Total Transfers	<u>(550,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>-</u>	<u>(570,000)</u>
Change in Net Position	(145,995)	746,198	688,544	(86,718)	1,202,029
Net Position-Beginning as Restated	<u>6,508,572</u>	<u>664,259</u>	<u>40,357</u>	<u>3,965,822</u>	<u>11,179,010</u>
Net Position-Ending	<u>\$ 6,362,577</u>	<u>\$ 1,410,457</u>	<u>\$ 728,901</u>	<u>\$ 3,879,104</u>	<u>\$ 12,381,039</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Fiscal Year Ended June 30, 2015**

	FLEET OPERATIONS FUND	SUPPORT SERVICES FUND	ADMINISTRATIVE SERVICES FUND	INSURANCE SERVICES FUND	TOTAL
<b>Cash Flows From Operating Activities:</b>					
Cash Received from Customers	\$ 1,420,276	\$ 3,117,852	\$ 3,154,186	\$ 818,554	\$ 8,510,868
Cash Paid to Suppliers	(534,532)	(1,029,006)	(1,018,498)	(773,176)	(3,355,212)
Cash Paid to Employees	(318,932)	(1,777,799)	(2,084,036)	(248,674)	(4,429,441)
Net cash provided (used) by operating activities	<u>566,812</u>	<u>311,047</u>	<u>51,652</u>	<u>(203,296)</u>	<u>726,215</u>
<b>Cash Flows From Noncapital Financing Activities</b>					
Intergovernmental Revenue	-	-	6,042	-	6,042
Interfund Loan Payment	-	-	-	146,205	146,205
Gain (Loss) on the Sale of Assets	78,369	-	-	-	78,369
Transfers In	-	-	-	-	-
Transfers Out	(550,000)	(20,000)	-	-	(570,000)
Net cash provided (used) by noncapital financing activities	<u>(471,631)</u>	<u>(20,000)</u>	<u>6,042</u>	<u>146,205</u>	<u>(339,384)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>					
Acquisition and Construction of Capital Assets	(175,664)	(72,686)	(8,050)	-	(256,400)
Net cash provided (used) by capital and related financing activities	<u>(175,664)</u>	<u>(72,686)</u>	<u>(8,050)</u>	<u>-</u>	<u>(256,400)</u>
<b>Cash flows from investing activities</b>					
Interest on Investments	25,813	8,255	9,511	25,495	69,074
Net increase (decrease) in cash and investments	(54,670)	226,616	59,155	(31,596)	199,505
Cash and investments, beginning of year	4,407,486	1,185,512	1,436,460	4,121,923	11,151,381
Cash and investments, end of year	<u>\$ 4,352,816</u>	<u>\$ 1,412,128</u>	<u>\$ 1,495,615</u>	<u>\$ 4,090,327</u>	<u>\$ 11,350,886</u>
Reconciliation of Operating Income to					
Net Cash Provided by Operating Activities					
Operating Income	\$ 299,823	\$ 757,943	\$ 672,991	\$ (112,213)	\$ 1,618,544
Depreciation and Amortization	377,200	75,592	6,367	-	459,159
(Increase) Decrease in Receivables	4,749	(63,796)	(41,730)	6,104	(94,673)
Increase (Decrease) in Payables	(16,039)	16,335	729	(80,023)	(78,998)
Increase (Decrease) in Payroll Liabilities	(98,921)	(475,027)	(586,705)	(17,164)	(1,177,817)
Net Cash Provided by Operating Activities	<u>\$ 566,812</u>	<u>\$ 311,047</u>	<u>\$ 51,652</u>	<u>\$ (203,296)</u>	<u>\$ 726,215</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

<u>FLEET OPERATIONS FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Charges for Services	1,411,915	1,411,915	1,399,217	(12,698)
Interest on Investments	32,000	32,000	25,813	(6,187)
Miscellaneous	615,000	615,000	16,310	(598,690)
Total Revenues	<u>2,058,915</u>	<u>2,058,915</u>	<u>1,441,340</u>	<u>(617,575)</u>
<b>EXPENDITURES:</b>				
Garage Operations	894,664	894,664 (1)	707,876	186,788
Equipment Replacement Operations	1,563,508	1,563,508 (1)	306,070	1,257,438
Contingency	476,228	476,228 (1)	-	476,228
Total Expenditures	<u>2,934,400</u>	<u>2,934,400</u>	<u>1,013,946</u>	<u>1,920,454</u>
Excess of Revenues Over (Under) Expenditures	<u>(875,485)</u>	<u>(875,485)</u>	<u>427,394</u>	<u>1,302,879</u>
<b>OTHER FINANCING SOURCES:</b>				
Sale of Assets	10,000	10,000	78,369	68,369
Transfers Out	(1,150,000)	(1,150,000)	(550,000)	600,000
Total Other Financing Sources	<u>(1,140,000)</u>	<u>(1,140,000)</u>	<u>(471,631)</u>	<u>668,369</u>
Net Change in Fund Balance	(2,015,485)	(2,015,485)	(44,237)	1,971,248
Beginning Fund Balance	<u>3,273,985</u>	<u>3,273,985</u>	<u>4,279,597</u>	<u>1,005,612</u>
Prior Period Budgetary Adjustment			(2) 79,736	79,736
Ending Fund Balance	<u>\$ 1,258,500</u>	<u>\$ 1,258,500</u>	<u>\$ 4,315,096</u>	<u>\$ 3,056,596</u>
Reconciliation to Net Position				
Capital Assets, net			2,150,938	
Net pension Asset (Liability)			66,540	
Net pension deferred outflows			29,165	
Net pension deferred inflows			(128,857)	
Compensated absences			(15,119)	
Other post employment benefits			<u>(55,186)</u>	
Total Net Position			<u>\$ 6,362,577</u>	

(1) Appropriation Level

(2) Prior period budgetary adjustment includes reversal of prior budgetary treatment of long-term employment liabilities.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

	<u>SUPPORT SERVICES FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>				
Charges for Services	\$ 3,218,796	\$ 3,218,796	\$ 3,119,559	\$ (99,237)
Interest on Investments	6,500	6,500	8,255	1,755
Miscellaneous Revenues	49,825	49,825	62,089	12,264
Total Revenues	<u>3,275,121</u>	<u>3,275,121</u>	<u>3,189,903</u>	<u>(85,218)</u>
<b>EXPENDITURES:</b>				
Property Management	701,700	701,700 (1)	593,409	108,291
Engineering Services	787,789	787,789 (1)	691,979	95,810
Community Development Management	1,104,418	1,104,418 (1)	954,455	149,963
Information Technology	721,769	721,769 (1)	673,287	48,482
Contingency	559,546	559,546 (1)	-	559,546
Total expenditures	<u>3,875,222</u>	<u>3,875,222</u>	<u>2,913,130</u>	<u>962,092</u>
Excess of Revenues Over (Under) Expenditures	<u>(600,101)</u>	<u>(600,101)</u>	<u>276,773</u>	<u>876,874</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	<u>(20,000)</u>	<u>(20,000) (1)</u>	<u>(20,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(20,000)</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Net Change in Fund Balance	(620,101)	(620,101)	256,773	876,874
Beginning Fund Balance	<u>620,101</u>	<u>620,101</u>	<u>777,805</u>	<u>157,704</u>
Prior Period Budgetary Adjustment			(2) 330,879	330,879
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,365,457</u>	<u>\$ 1,365,457</u>
Reconciliation to Net Position				
Capital Assets, net			646,253	
Net pension Asset (Liability)			410,941	
Net pension deferred outflows			180,119	
Net pension deferred inflows			(795,795)	
Compensated absences			(104,756)	
Other post employment benefits			<u>(291,762)</u>	
Total Net Position			<u>\$ 1,410,457</u>	

(1) Appropriation Level

(2) Prior period budgetary adjustment includes reversal of prior budgetary treatment of long-term employment liabilities.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

<u>ADMINISTRATIVE SERVICES FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 6,042	\$ 6,042
Charges for Services	3,416,044	3,416,044	3,188,241	(227,803)
Interest on Investments	6,800	6,800	9,511	2,711
Miscellaneous Revenues	3,000	3,000	7,675	4,675
Total Revenues	<u>3,425,844</u>	<u>3,425,844</u>	<u>3,211,469</u>	<u>(214,375)</u>
<b>EXPENDITURES:</b>				
Management Services	671,851	671,851 (1)	629,095	42,756
Legal Services	310,954	310,954 (1)	243,289	67,665
Finance Services	1,671,751	1,671,751 (1)	1,541,383	130,368
General Program Operations	349,935	349,935 (1)	240,595	109,340
Human Resources	525,172	525,172 (1)	462,769	62,403
Contingency	450,779	450,779 (1)	-	450,779
Total expenditures	<u>3,980,442</u>	<u>3,980,442</u>	<u>3,117,131</u>	<u>863,311</u>
Excess of Revenues Over (Under) Expenditures	<u>(554,598)</u>	<u>(554,598)</u>	<u>94,338</u>	<u>648,936</u>
Net Change in Fund Balance	(554,598)	(554,598)	94,338	648,936
Beginning Fund Balance	<u>554,598</u>	<u>554,598</u>	<u>868,099</u>	<u>313,501</u>
Prior Period Budgetary Adjustment		(2)	433,276	433,276
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,395,713</u>	<u>\$ 1,395,713</u>
Reconciliation to Net Position				
Capital Assets, net			11,718	
Net pension Asset (Liability)			451,390	
Net pension deferred outflows			197,848	
Net pension deferred inflows			(874,124)	
Compensated absences			(118,812)	
Other post employment benefits			<u>(334,832)</u>	
Total Net Position			<u>\$ 728,901</u>	

(1) Appropriation Level

(2) Prior period budgetary adjustment includes reversal of prior budgetary treatment of long-term employment liabilities.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
ACTUAL AND BUDGET - BUDGETARY BASIS  
For the Fiscal Year Ended June 30, 2015**

<u>INSURANCE SERVICES FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
<b>REVENUES:</b>				
Charges for Services	\$ 1,088,329	\$ 1,088,329	\$ 811,311	\$ (277,018)
Interest on Investments	24,000	24,000	25,495	1,495
Miscellaneous	153,705	153,705	147,344	(6,361)
Total Revenues	<u>1,266,034</u>	<u>1,266,034</u>	<u>984,150</u>	<u>(281,884)</u>
<b>EXPENDITURES:</b>				
General Insurance Services	619,445	619,445 (1)	465,674	153,771
Benefits Administration	47,823	47,823 (1)	37,116	10,707
Workers' Compensation Insurance	443,672	443,672 (1)	439,000	4,672
Contingency	933,415	933,415 (1)	-	933,415
Total expenditures	<u>2,044,355</u>	<u>2,044,355</u>	<u>941,790</u>	<u>1,102,565</u>
Excess of Revenues Over (Under) Expenditures	<u>(778,321)</u>	<u>(778,321)</u>	<u>42,360</u>	<u>820,681</u>
Net Change in Fund Balance	(778,321)	(778,321)	42,360	820,681
Beginning Fund Balance	<u>3,763,990</u>	<u>3,763,990</u>	<u>3,844,069</u>	<u>80,079</u>
Prior Period Budgetary Adjustment			(2) <u>10,801</u>	<u>10,801</u>
Ending Fund Balance	<u>\$ 2,985,669</u>	<u>\$ 2,985,669</u>	<u>\$ 3,897,230</u>	<u>\$ 911,561</u>
Reconciliation to Net Position				
Net pension Asset (Liability)			13,175	
Net pension deferred outflows			5,775	
Net pension deferred inflows			(25,513)	
Compensated absences			(3,865)	
Other post employment benefits			<u>(7,698)</u>	
Total Net Position			<u>\$ 3,879,104</u>	

(1) Appropriation Level

(2) Prior period budgetary adjustment includes reversal of prior budgetary treatment of long-term employment liabilities.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND  
For the Fiscal Year Ended June 30, 2015**

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	<u>Balance at June 30, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2015</u>
<b>Assets</b>				
Cash and Investments	\$ 3,718,897	\$ 667,126	\$ 369,528	\$ 4,016,495
Total Assets	<u>\$ 3,718,897</u>	<u>\$ 667,126</u>	<u>\$ 369,528</u>	<u>\$ 4,016,495</u>
 <b>Liabilities</b>				
Due to Others	<u>\$ 3,718,897</u>	<u>\$ 667,126</u>	<u>\$ 369,528</u>	<u>\$ 4,016,495</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES  
OF TAXES UNCOLLECTED**

**For the Fiscal Year Ended June 30, 2015**

TAX YEAR	<u>GENERAL FUNDS</u>					BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/15
	IMPOSED LEVY OR BALANCE UNCOLLECTED AT 7/1/14	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	
Current:						
2014-15	\$ 17,213,458	\$ 428,442	\$ -	\$ 8,711	\$ 16,141,385	\$ 652,342
Prior Years:						
2013-14	656,971	-	(31,478)	17,354	269,754	373,093
2012-13	375,809	-	(2,843)	20,540	150,254	243,252
2011-12	253,286	-	20,405	33,795	171,120	136,366
2010-11	148,062	-	(16,973)	14,080	61,282	83,887
2009-10	81,857	-	(381)	3,134	9,856	74,754
Prior	18,574	-	(1,024)	1,476	4,031	14,995
Total Prior	1,534,559	-	(32,294)	90,379	666,297	926,347
Total All Funds	<u>\$ 18,748,017</u>	<u>\$ 428,442</u>	<u>\$ (32,294)</u>	<u>\$ 99,090</u>	<u>\$ 16,807,682</u>	<u>\$ 1,578,689</u>

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 16,807,682
Accrual of Receivables:	
June 30, 2014	(203,846)
June 30, 2015	<u>253,561</u>
Total Revenue	<u>\$ 16,857,397</u>

**NATURAL. ROGUE RIVER. LEGENDS.**



© City of Grants Pass

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**STATISTICAL SECTION**

This part of the City of Grants Pass' comprehensive annual 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 government's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	105
<b>Revenue Capacity</b>	
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	110
<b>Debt Capacity</b>	
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	117
<b>Demographic and Economic Information</b>	
<i>These schedules offer demographics and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	125
<b>Operating Information</b>	
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	130

*Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.*

*The schedules were restated due to the implementation of GASB 68 and GASB 71*

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**NET POSITION BY COMPONENT**

For the last ten fiscal years  
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Net Investments in Capital Assets	\$ 94,714,953	\$ 109,719,868	\$ 129,195,607	\$ 133,844,008	\$ 138,145,695	\$ 146,190,808	\$ 148,515,608	\$ 150,437,183	\$ 151,474,062	\$ 157,463,974
Restricted for Capital/Other	-	-	3,706,534	1,524,619	482,870	5,392,281	10,317,156	8,378,801	9,892,811	6,292,018
Unrestricted	20,457,257	37,053,641	26,433,560	28,878,112	30,945,320	25,480,630	22,263,617	26,136,620	24,892,233	23,256,795
<b>Total governmental activities net position</b>	<b>\$ 115,172,210</b>	<b>\$ 146,773,509</b>	<b>\$ 159,335,701</b>	<b>\$ 164,246,739</b>	<b>\$ 169,573,885</b>	<b>\$ 177,063,719</b>	<b>\$ 181,096,381</b>	<b>\$ 184,952,604</b>	<b>\$ 186,259,106</b>	<b>\$ 187,012,787</b>
<b>Business-Type Activities</b>										
Net Investments in Capital Assets	\$ 71,185,429	\$ 76,870,093	\$ 82,828,074	\$ 84,254,981	\$ 86,290,233	\$ 87,379,784	\$ 86,784,900	\$ 82,628,764	\$ 86,203,124	\$ 86,692,880
Restricted	-	-	-	-	-	-	-	-	601,968	1,014,112
Unrestricted	11,829,156	13,009,932	11,255,966	11,529,197	10,670,206	11,352,071	12,147,027	16,364,958	15,624,066	18,729,771
<b>Total business-type activities net assets</b>	<b>\$ 83,014,585</b>	<b>\$ 89,880,025</b>	<b>\$ 94,084,040</b>	<b>\$ 95,784,178</b>	<b>\$ 96,960,439</b>	<b>\$ 98,731,855</b>	<b>\$ 98,931,927</b>	<b>\$ 98,993,722</b>	<b>\$ 102,429,158</b>	<b>\$ 106,436,763</b>
<b>Primary government</b>										
Net Investments in Capital Assets	\$ 165,900,382	\$ 186,589,961	\$ 212,023,742	\$ 218,098,989	\$ 224,435,928	\$ 233,570,592	\$ 235,300,508	\$ 233,065,947	\$ 237,677,186	\$ 244,156,854
Restricted for Capital Purposes	-	-	3,706,534	1,524,619	482,870	5,392,281	10,317,156	8,378,801	10,494,779	7,306,130
Unrestricted	32,286,413	50,063,573	37,689,465	40,407,309	41,615,526	36,832,701	34,410,644	42,501,578	40,516,299	41,986,566
<b>Total primary government net position</b>	<b>\$ 198,186,795</b>	<b>\$ 236,653,534</b>	<b>\$ 253,419,741</b>	<b>\$ 260,030,917</b>	<b>\$ 266,534,324</b>	<b>\$ 275,795,574</b>	<b>\$ 280,028,308</b>	<b>\$ 283,946,326</b>	<b>\$ 288,688,264</b>	<b>\$ 293,449,550</b>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CHANGES IN NET POSITION**

For the last ten fiscal years (unaudited)										
Expenses	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental Activities</b>										
Public Safety	\$ 8,505,477	\$ 13,897,740	\$ 12,104,326	\$ 15,715,693	\$ 16,622,773	\$ 15,765,649	\$ 20,258,332	\$ 20,678,509	\$ 20,269,677	\$ 17,332,871
Transportation	1,007,261	1,662,747	1,430,601	1,720,308	1,668,081	1,587,847	1,890,095	1,764,757	1,912,307	2,028,726
Building	765,541	1,178,647	910,259	806,483	496,906	547,455	586,034	557,675	5,339,400	400,171
Parks	1,135,134	1,666,934	1,450,608	2,063,311	1,714,511	1,679,201	1,942,127	2,036,468	2,101,913	1,827,139
Development	2,815,350	2,099,993	3,278,657	2,789,112	1,534,263	1,611,616	2,299,728	1,944,782	1,706,233	1,603,819
General Government	193,264	226,893	218,905	228,948	1,039,310	252,392	753,414	878,725	1,670,490	1,577,197
Solid Waste	(139,183)	787,168	1,474,560	178,512	284,876	264,647	439,330	467,019	442,414	448,447
Interest	339,344	212,221	445,088	504,102	657,027	350,140	283,013	252,176	215,700	206,200
<b>Total Governmental Activities Expenses</b>	<b>14,622,188</b>	<b>21,731,743</b>	<b>21,313,004</b>	<b>24,006,469</b>	<b>24,017,747</b>	<b>22,058,947</b>	<b>28,452,073</b>	<b>28,580,111</b>	<b>28,831,164</b>	<b>25,424,570</b>
<b>Business-Type Activities</b>										
Water	3,660,103	3,795,099	3,019,237	4,171,634	3,837,597	3,945,483	4,095,785	4,909,084	4,415,108	4,187,763
Sewer	4,544,046	4,673,214	5,617,811	5,486,284	5,567,558	5,474,335	6,485,441	6,820,408	5,339,087	4,592,129
<b>Total Business-Type Activities Expenses</b>	<b>8,204,149</b>	<b>8,468,313</b>	<b>8,637,048</b>	<b>9,657,918</b>	<b>9,405,155</b>	<b>9,419,818</b>	<b>10,581,226</b>	<b>11,729,492</b>	<b>9,754,195</b>	<b>8,779,892</b>
<b>Total Primary Government Expenses</b>	<b>\$ 22,826,337</b>	<b>\$ 30,200,056</b>	<b>\$ 29,950,052</b>	<b>\$ 33,664,387</b>	<b>\$ 33,422,902</b>	<b>\$ 31,478,765</b>	<b>\$ 39,033,299</b>	<b>\$ 40,309,603</b>	<b>\$ 38,585,359</b>	<b>\$ 34,204,462</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Service:	\$ 9,180,248	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation	-	23,214,300	3,541,708	2,532,870	1,679,342	1,576,637	1,570,789	1,590,660	1,982,665	1,187,975
General Government	-	5,281,710	1,161,947	506,123	360,782	1,769,217	1,854,686	579,607	334,439	3,091,838
Other	-	2,127,083	1,938,835	1,396,315	1,923,164	1,455,580	1,259,460	1,606,865	1,554,010	1,601,432
Operating Grants and Contributions	2,239,659	142,581	184,284	256,481	2,189,745	1,237,791	1,308,621	862,824	617,750	865,121
Capital Grants	-	398,285	-	339,749	2,600	-	273,191	437,683	144,912	1,423,965
<b>Total Governmental Activities Revenues</b>	<b>11,419,907</b>	<b>31,163,959</b>	<b>6,826,774</b>	<b>5,031,538</b>	<b>6,155,633</b>	<b>6,039,225</b>	<b>6,266,747</b>	<b>5,077,639</b>	<b>4,633,776</b>	<b>8,170,331</b>
<b>Business-Type Activities</b>										
Charges for Service:	10,341,297	-	-	-	-	-	-	-	-	-
Water	-	5,052,827	4,461,350	4,312,938	4,041,855	3,941,619	4,112,911	4,833,256	5,595,988	6,086,849
Sewer	-	6,281,328	5,940,872	5,332,252	5,360,977	5,437,415	5,693,126	5,940,026	5,924,522	6,013,066
Operating Grants and Contributions	1,761,536	2,873,646	1,010,140	909,274	240,729	955,442	335,558	23,864	846,620	61,780
<b>Total Business-Type Activities Revenues</b>	<b>12,102,833</b>	<b>14,207,801</b>	<b>11,412,362</b>	<b>10,554,464</b>	<b>9,643,561</b>	<b>10,334,476</b>	<b>10,141,595</b>	<b>10,797,146</b>	<b>12,367,130</b>	<b>12,161,695</b>
<b>Total Primary Government Revenues</b>	<b>\$ 23,522,740</b>	<b>\$ 45,371,760</b>	<b>\$ 18,239,136</b>	<b>\$ 15,586,002</b>	<b>\$ 15,799,194</b>	<b>\$ 16,373,701</b>	<b>\$ 16,408,342</b>	<b>\$ 15,874,785</b>	<b>\$ 17,000,906</b>	<b>\$ 20,332,026</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (3,202,281)	\$ 9,432,216	\$ (14,486,230)	\$ (18,974,931)	\$ (17,862,114)	\$ (16,019,722)	\$ (22,185,326)	\$ (23,502,472)	\$ (24,197,388)	\$ (17,254,239)
Business-Type Activities	3,898,684	5,739,488	2,775,314	896,546	238,406	914,658	(439,631)	(932,346)	2,612,935	3,381,803
<b>Total Primary Government Net Expense</b>	<b>\$ 696,403</b>	<b>\$ 15,171,704</b>	<b>\$ (11,710,916)</b>	<b>\$ (18,078,385)</b>	<b>\$ (17,623,708)</b>	<b>\$ (15,105,064)</b>	<b>\$ (22,624,957)</b>	<b>\$ (24,434,818)</b>	<b>\$ (21,584,453)</b>	<b>\$ (13,872,436)</b>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CHANGES IN NET POSITION (continued)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental Activities</b>										
Taxes	\$ 14,003,723	\$ 16,153,726	\$ 18,241,381	\$ 17,808,752	\$ 18,913,372	\$ 19,516,508	\$ 20,173,717	\$ 21,090,523	\$ 21,186,469	\$ 21,876,011
Intergovernmental	3,727,927	3,551,395	5,071,345	3,928,465	3,359,165	3,160,079	4,901,496	3,502,104	3,655,425	3,618,055
Interest	914,546	1,459,814	1,856,733	896,915	550,250	424,147	269,265	227,220	300,121	307,523
Trust Receipts	204,401	77,560	233,637	38,805	131,584	123,798	379,510	50,452	16,975	10,333
Industrial Payments	29,835	69,068	7,151	24,446	13,163	33,619	16,377	16,953	17,576	-
Miscellaneous	749,580	735,071	1,985,656	799,012	152,842	98,405	307,538	355,768	318,978	807,496
Transfers	65,571	122,447	(347,481)	389,574	68,884	153,000	170,085	(15,351)	8,346	(625,705)
<b>Total Governmental Activities</b>	<b>\$ 19,695,583</b>	<b>\$ 22,169,081</b>	<b>\$ 27,048,422</b>	<b>\$ 23,885,969</b>	<b>\$ 23,189,260</b>	<b>\$ 23,509,556</b>	<b>\$ 26,217,988</b>	<b>\$ 25,227,669</b>	<b>\$ 25,503,890</b>	<b>\$ 25,993,713</b>
<b>Business-Type Activities</b>										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	260,966	275,843	257,045	327,430	315,658	344,520	300,162	252,009	2,757	1,848
Interest	361,315	559,754	407,972	225,424	145,702	102,804	92,838	91,318	84,598	130,059
Trust Receipts	176,422	100,445	67,968	522,714	467,982	424,177	266,441	523,622	569,588	662,937
Miscellaneous	285,777	312,358	350,236	117,598	77,397	138,257	150,347	110,003	173,904	191,061
Transfers	(65,571)	(122,447)	347,481	(389,574)	(68,884)	(153,000)	(170,085)	15,351	(8,346)	625,705
<b>Total Business-Type Activities</b>	<b>\$ 1,018,909</b>	<b>\$ 1,125,953</b>	<b>\$ 1,430,702</b>	<b>\$ 803,592</b>	<b>\$ 937,855</b>	<b>\$ 856,758</b>	<b>\$ 639,703</b>	<b>\$ 992,303</b>	<b>\$ 822,501</b>	<b>\$ 1,611,610</b>
<b>Total Primary Government</b>	<b>\$ 20,714,492</b>	<b>\$ 23,295,034</b>	<b>\$ 28,479,124</b>	<b>\$ 24,689,561</b>	<b>\$ 24,127,115</b>	<b>\$ 24,366,314</b>	<b>\$ 26,857,691</b>	<b>\$ 26,219,972</b>	<b>\$ 26,326,391</b>	<b>\$ 27,605,323</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 16,493,302	\$ 31,601,297	\$ 12,562,192	\$ 4,911,038	\$ 5,327,146	\$ 7,489,834	\$ 4,032,662	\$ 1,725,197	\$ 1,306,502	\$ 8,739,474
Business-Type Activities	4,917,593	6,865,441	4,206,016	1,700,138	1,176,261	1,771,416	200,072	59,957	3,435,436	4,993,413
<b>Total Primary Government</b>	<b>\$ 21,410,895</b>	<b>\$ 38,466,738</b>	<b>\$ 16,768,208</b>	<b>\$ 6,611,176</b>	<b>\$ 6,503,407</b>	<b>\$ 9,261,250</b>	<b>\$ 4,232,734</b>	<b>\$ 1,785,154</b>	<b>\$ 4,741,938</b>	<b>\$ 13,732,887</b>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**PROGRAM REVENUE BY FUNCTION**

For the last ten fiscal years  
(Unaudited)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Program Revenues</b>										
Governmental Activities										
Public Safety *	\$ 484,070	\$ 343,114	\$ 488,697	\$ 873,106	\$ 766,545	\$ 684,010	\$ 1,038,011	\$ 1,149,324	\$ 569,743	\$ 458,623
Transportation	6,353,654	23,224,198	3,541,968	2,532,870	3,503,448	2,477,196	2,184,970	2,234,538	2,505,236	1,974,130
Building	1,241,980	903,800	835,566	335,550	317,067	348,445	317,104	520,536	506,353	601,049
Parks	827,167	4,750	452,763	134,809	27,095	27,278	31,403	28,056	30,050	24,501
Development	290,772	1,061,950	20,758	312,071	357,221	406,799	494,050	229,247	336,079	1,608,865
General Government	1,876,329	5,281,710	1,161,947	506,123	898,500	1,769,217	1,854,686	579,607	334,439	3,091,838
Solid Waste	345,935	344,437	325,075	337,009	285,757	326,280	346,523	336,331	351,876	411,325
Subtotal Governmental activities	11,419,907	31,163,959	6,826,774	5,031,538	6,155,633	6,039,225	6,266,747	5,077,639	4,633,776	8,170,331
Business-Type Activities										
Water	5,854,617	7,029,744	5,204,874	4,736,238	4,186,369	4,307,259	4,364,930	4,844,261	5,971,075	6,093,546
Sewer	6,248,216	7,178,057	6,207,488	5,818,226	5,457,192	6,027,217	5,776,665	5,952,885	6,396,055	6,068,149
Subtotal Business-Type Activities	12,102,833	14,207,801	11,412,362	10,554,464	9,643,561	10,334,476	10,141,595	10,797,146	12,367,130	12,161,695
Total Primary Government	\$ 23,522,740	\$ 45,371,760	\$ 18,239,136	\$ 15,586,002	\$ 15,799,194	\$ 16,373,701	\$ 16,408,342	\$ 15,874,785	\$ 17,000,906	\$ 20,332,026

\* Note- Property Taxes are recorded in the General Revenues section of the Statement of Activities

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**FUND BALANCES, GOVERNMENTAL FUNDS**

For the last ten fiscal years  
(Unaudited)

	2006	2007	2008	2009	2010	2011*	2012	2013	2014	2015
<b>General Fund</b>										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,125	\$ 294,528	\$ 220,896	\$ 148,264	\$ 76,945
Restricted	-	-	-	-	-	549,511	390,256	457,447	660,849	678,428
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	2,315,067	2,533,625	2,726,276	2,206,396	2,771,264
Unassigned	-	-	-	-	-	8,657,596	9,535,817	10,456,731	10,244,302	10,554,038
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	4,438,485	5,581,614	7,482,929	7,736,946	10,197,778	-	-	-	-	-
<b>Total General Fund</b>	<b>4,438,485</b>	<b>5,581,614</b>	<b>7,482,929</b>	<b>7,736,946</b>	<b>10,197,778</b>	<b>11,523,299</b>	<b>12,754,226</b>	<b>13,861,350</b>	<b>13,259,811</b>	<b>14,080,675</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ -	\$ -	-	-	250,000	\$ 250,000	\$ 25,943	\$ 73,467	\$ 31,590
Restricted	-	-	-	-	-	8,097,389	9,926,900	8,721,353	9,231,962	5,613,590
Committed	-	-	-	-	-	2,061,453	1,792,896	2,061,032	1,792,419	357,976
Assigned	-	-	-	-	-	7,039,518	6,132,898	5,778,144	5,924,144	7,532,933
Unassigned	-	-	-	-	-	(1,220,513)	(1,119,701)	(1,031,178)	(968,050)	(779,849)
Reserved	(2,391,514)	(1,500,626)	3,706,534	1,584,732	551,807	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	5,645,630	5,728,115	5,692,914	5,668,343	6,026,470	-	-	-	-	-
Capital Projects Funds	7,810,238	20,735,290	12,204,633	12,788,348	10,803,433	-	-	-	-	-
Debt Service Funds	-	-	(1,386,260)	(1,782,901)	(1,360,828)	-	-	-	-	-
<b>Total All Governmental Funds</b>	<b>\$ 15,502,839</b>	<b>\$ 30,544,393</b>	<b>\$ 27,700,750</b>	<b>\$ 25,995,468</b>	<b>\$ 26,218,660</b>	<b>\$ 27,751,146</b>	<b>\$ 29,737,219</b>	<b>\$ 29,416,644</b>	<b>\$ 29,313,753</b>	<b>\$ 26,836,915</b>

\* Effective FY11 the fund balance categories changed per GASB 54.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**

For the last ten fiscal years (Unaudited)										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Taxes	\$ 14,006,903	\$ 16,118,499	\$ 18,143,991	\$ 17,450,007	\$ 18,803,838	\$ 19,469,079	\$ 20,422,012	\$ 20,730,497	\$ 21,006,000	\$ 21,881,594
Licenses and Permits	1,020,253	711,524	492,375	286,445	274,049	276,619	258,616	389,943	376,233	404,322
Intergovernmental	5,387,371	4,045,054	5,225,029	4,312,300	5,733,089	4,322,842	6,401,775	4,785,875	4,411,827	5,902,947
Charges for Services	5,002,020	3,889,361	3,505,815	2,827,772	2,580,954	1,778,060	2,083,858	2,514,987	2,133,638	3,066,804
Fines and Forfeitures	200,322	233,887	253,766	237,776	300,528	306,097	301,478	260,283	223,924	162,808
Special Assessments	591,532	1,051,627	202,536	795,947	374,550	276,647	117,109	105,042	78,853	202,894
Interest	779,618	1,275,934	1,672,282	794,905	497,016	376,403	229,340	189,295	253,782	259,570
Other Revenues	103	277,830	1,299,891	229,240	330,241	187,278	792,004	331,703	292,842	739,810
<b>Total Revenues</b>	<b>\$ 26,988,122</b>	<b>\$ 27,603,716</b>	<b>\$ 30,795,685</b>	<b>26,934,392</b>	<b>\$ 28,894,265</b>	<b>\$ 26,993,025</b>	<b>\$ 30,606,192</b>	<b>29,307,625</b>	<b>28,777,099</b>	<b>32,620,749</b>
<b>Expenditures</b>										
General Governmental	\$ 238,166	\$ 190,691	\$ 237,401	549,079	\$ 1,953,637	\$ 243,351	\$ 365,668	2,335,742	1,403,700	1,522,294
Public Safety	10,350,614	11,826,804	12,596,250	14,008,746	14,737,717	15,074,699	15,888,900	16,562,958	17,028,926	16,771,635
Community Development	3,439,641	1,786,695	3,393,756	2,486,875	1,372,620	1,542,330	1,808,785	1,568,627	1,449,844	1,579,930
Debt Service										
Principal	669,499	714,972	1,328,521	1,466,960	1,110,305	1,035,000	694,528	746,020	800,000	865,000
Interest	149,304	225,289	467,588	462,106	674,031	372,640	295,985	268,656	238,200	206,200
Solid Waste	399,179	376,302	369,431	352,704	327,254	339,354	365,668	369,432	365,995	420,646
Capital Outlay	9,499,093	3,703,899	11,752,279	6,674,210	4,989,921	3,350,522	5,346,729	4,297,583	3,717,672	9,158,494
Transportation	1,240,225	1,405,089	1,529,698	1,526,810	1,545,768	1,527,138	1,528,315	1,477,610	1,685,510	2,106,951
Building	938,973	999,912	961,444	716,102	472,525	527,569	481,216	476,457	468,708	463,629
Parks	1,389,164	1,417,736	1,512,891	1,615,733	1,547,370	1,606,686	1,808,785	1,640,207	1,775,974	1,787,035
<b>Total Expenditures</b>	<b>\$ 28,313,858</b>	<b>\$ 22,647,389</b>	<b>\$ 34,149,259</b>	<b>\$ 29,859,325</b>	<b>\$ 28,731,148</b>	<b>\$ 25,619,289</b>	<b>\$ 28,584,579</b>	<b>\$ 29,743,292</b>	<b>\$ 28,934,529</b>	<b>\$ 34,881,814</b>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (CONTINUED)**

For the last ten fiscal years (Unaudited)										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Other Financing Sources (Uses)</b>										
Loan Proceeds	\$ -	\$ 9,998,031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sale of Assets	4,842	1,195	878,942	910,239	5,075	5,750	7,131	145,092	4,539	14,227
Operating Transfer In	4,109,259	3,331,276	2,760,935	8,302,583	4,152,451	3,532,156	3,306,449	4,413,993	4,019,467	4,135,874
Operating Transfers Out	(4,083,259)	(3,245,276)	(3,129,937)	(7,993,171)	(4,097,451)	(3,379,156)	(3,306,448)	(4,443,993)	(3,969,467)	(4,365,874)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 30,842</b>	<b>\$ 10,085,226</b>	<b>\$ 509,940</b>	<b>\$ 1,219,651</b>	<b>\$ 60,075</b>	<b>\$ 158,750</b>	<b>\$ 7,132</b>	<b>\$ 115,092</b>	<b>\$ 54,539</b>	<b>\$ (215,773)</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,294,894)</b>	<b>\$ 15,041,553</b>	<b>\$ (2,843,634)</b>	<b>\$ (1,705,282)</b>	<b>\$ 223,192</b>	<b>\$ 1,532,486</b>	<b>\$ 2,028,745</b>	<b>\$ (320,575)</b>	<b>\$ (102,891)</b>	<b>\$ (2,476,838)</b>
Debt Service as a percentage of noncapital expenditures	4.35%	4.96%	8.02%	8.32%	7.52%	6.32%	4.26%	3.99%	4.12%	4.16%

Source: Annual financial statements of the City of Grants Pass

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS**

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Property	Business	Franchise	Transient Room Tax	E911	Total
2006	\$ 10,556,145	\$ 307,492	\$ 2,140,490	\$ 1,002,776	\$ -	\$ 14,006,903
2007	12,450,442	305,103	2,351,245	1,046,936	-	16,153,726
2008	14,411,920	320,413	2,484,617	1,024,431	-	18,241,381
2009	14,102,746	313,194	2,422,366	970,446	-	17,808,752
2010	15,198,417	299,697	2,364,958	940,765	-	18,803,837
2011	15,284,264	290,831	2,954,859	939,125	-	19,469,079
2012	15,764,689	289,609	3,247,038	951,487	169,189	20,422,012
2013	15,982,105	285,867	3,317,002	1,061,816	83,706	20,730,496
2014	16,085,891	279,291	3,529,911	1,110,907	-	21,006,000
2015	16,802,056	281,968	3,588,443	1,203,544	-	21,876,011

Source: Annual financial statements and internal accounting reports of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**PROPERTY TAX LEVIES AND COLLECTIONS**

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Taxes Levied by Assessor	Current Tax Collections	Current Tax Collections as a		Total Tax Collections	Total Collections as a		Uncollected Taxes as a	
			Percentage of Current Levy	Delinquent Taxes Collected		Percentage of Current Levy	Uncollected Delinquent Taxes	Percentage of Current Levy	
2006	\$ 9,171,224	\$ 8,639,674	94%	\$ 259,400	\$ 8,899,074	97%	\$ 409,395	0	
2007	11,019,070	10,326,444	94%	239,558	10,566,002	96%	525,089	0	
2008	12,892,015	12,159,160	94%	270,092	12,429,252	96%	650,461	0	
2009	14,204,620	13,285,125	94%	321,578	13,606,703	96%	925,990	0	
2010	15,247,413	14,177,029	93%	467,737	14,644,766	96%	1,165,775	0	
2011	15,698,562	14,666,467	93%	611,622	15,278,089	97%	1,265,983	0	
2012	15,891,002	14,791,059	93%	471,031	15,262,090	96%	1,484,456	0	
2013	16,195,925	15,138,669	93%	792,995	15,931,664	98%	1,436,617	0	
2014	16,564,034	15,508,163	94%	578,146	16,086,309	97%	1,534,559	0	
2015	17,213,458	16,141,385	94%	666,297	16,807,682	98%	1,578,689	9%	

Source: Annual financial statements and internal accounting reports of the City of Grants Pass  
Beginning 2008 does not include the Parkway Redevelopment Fund

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**CONSOLIDATED TAX RATES**  
(Per \$1,000 of Assessed Value)

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For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Total	General Fund	Debt Service Fund
2006	\$ 5.62	\$ 5.62	\$ -
2007	5.62	5.62	-
2008	6.13	5.62	0.51
2009	6.12	5.62	0.50
2010	6.32	5.92	0.40
2011	6.33	5.92	0.41
2012	6.32	5.91	0.41
2013	6.32	5.92	0.40
2014	6.31	5.92	0.39
2015	6.32	5.92	0.40

Source: Annual financial statements and internal accounting reports of the City of Grants Pass

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**CONSOLIDATED TAX LEVIES**

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For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Total	General Fund	Bond Debt/Service Fund	Parkway Redevelopment Fund
2006	\$ 9,852,219	\$ 8,171,224	\$ -	\$ 1,680,995
2007	12,824,629	11,019,070	-	1,805,559
2008	14,851,145	11,767,092	1,124,923	1,959,130
2009	14,204,620	13,044,673	1,159,947	-
2010	15,247,413	14,285,977	961,436	-
2011	15,690,087	14,682,269	1,007,818	-
2012	15,877,288	14,860,497	1,016,791	-
2013	16,195,925	15,167,836	1,028,089	-
2014	16,561,255	15,548,816	1,012,439	-
2015	17,204,791	16,117,247	1,087,544	-

Source: Josephine County

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**

For the last ten fiscal years (Unaudited)

Fiscal Year Ended June 30,	Total Direct Tax Rate	Assessed Value					Real Market Value	Ratio AV/MV
		Real	Manufactured Structures	Personal	Utilities	Total		
2006	\$ 5.62	\$ 1,619,998,222	\$ 11,063,590	\$ 66,854,676	\$ 31,005,555	\$ 1,728,922,043	\$ 2,689,529,405	64%
2007	5.62	1,938,382,246	22,362,100	72,828,353	31,735,000	2,065,307,699	3,690,578,756	56%
2008	6.13	2,074,687,531	22,939,620	76,015,525	33,386,700	2,207,029,376	3,940,725,214	56%
2009	6.12	2,181,783,170	22,901,740	79,434,508	34,380,420	2,318,499,838	3,817,384,012	61%
2010	6.32	2,262,030,421	22,032,290	77,411,818	48,140,570	2,409,615,099	3,502,284,110	69%
2011	6.33	2,321,080,007	20,544,460	83,329,732	51,882,790	2,476,836,989	3,258,983,323	76%
2012	6.33	2,412,852,066	12,016,560	77,526,136	58,225,400	2,560,620,162	2,741,990,442	93%
2013	6.33	2,472,359,085	12,312,460	78,136,923	62,128,500	2,624,936,968	2,758,118,702	95%
2014	6.31	2,561,781,242	12,156,420	78,456,456	68,504,839	2,720,898,957	2,938,536,968	93%
2015	6.32	2,728,449,185	14,515,406	82,862,228	75,658,900	2,901,485,719	3,088,085,942	94%

Source: Josephine County

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**REAL PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

(Per \$1,000 of Assessed Value)

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	General Fund	Debt Service Fund	Total (4)	Josephine County	School District No.7	Rogue Community College	Education Service District	4H Extension	Total	Measure 5 Total (2)
2006	\$ 5.62	\$ -	\$ 5.62	\$ 0.83	\$ 6.67 (3)	\$ 0.51	\$ 0.35	\$ 0.05	\$ 14.03 (2)	\$ 11.64
2007	5.62	-	5.62	0.81	6.48 (3)	0.51	0.35	0.05	13.82 (2)	11.64
2008	5.62	0.51	6.13	0.80	6.41 (3)	0.51	0.35	0.05	14.25 (2)	11.64
2009	5.62	0.50	6.12	0.79	6.21 (3)	0.51	0.35	0.05	14.03 (2)	11.65
2010	5.92	0	6.32	1	6 (3)	0.51	0.35	0.05	14.43 (2)	11.94
2011	5.92	0	6.33	1	6 (3)	0.51	0.35	0.05	13.92 (2)	11.94
2012	5.92	0	6.33	1	6 (3)	0.51	0.35	0.05	13.96 (2)	10.45
2013	5.92	0	6.33	1	6 (3)	0.51	0.35	0.05	13.88 (2)	10.43
2014	5.92	0	6.31	1	5 (3)	0.51	0.35	0.05	12.49 (2)	11.95
2015	5.92	0	6.32	1	5 (3)	0.51	0.35	0.05	12.58 (2)	12.03

(1) Excludes Urban Renewal Agencies

(2) Rate limited due to effect of Measure 5

(3) Ballot Measure 50 approved by voters on May, 1997, recalculated taxing districts' levies into permanent tax rates.

Districts may levy local option levies or bond repayment levies in addition to the permanent rates with voter approval.

(4) While Josephine County assesses personal property tax, the City's property tax base is entirely real property and does not include personal property.

Source: Josephine County

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**SPECIAL ASSESSMENT COLLECTIONS**

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Assessments Outstanding Beginning of Year	Additional Assessments Made During Year	Assessments Collected During Year	Adjustments During Year	Assessments Outstanding End of Year	Ratio Collections to Outstanding Assessments During Year
2006	\$ 871,418	\$ 1,563,448	\$ 561,900	\$ -	\$ 1,872,966	30.0%
2007*	1,872,966	11,692	963,791	-	920,867	104.7%
2008	920,867	1,260,672	162,020	(2,895)	2,016,624	8.0%
2009	2,016,624	43,362	818,310	(11,500)	1,230,176	66.5%
2010	1,230,176	-	374,550	-	855,626	43.8%
2011	855,626	119,805	218,468	-	756,963	28.9%
2012	756,963	-	66,178	-	690,785	9.6%
2013	690,785	-	58,868	-	631,917	9.3%
2014	631,917	-	34,769	-	597,148	5.8%
2015	597,148	-	167,596	-	429,552	39.0%

Source: Internal accounting reports of the City of Grants Pass

\* Correction made to ending balance in 2005 and 2007. Additions by ordinance not included in Additional Assessments total.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**RATIO OF OUTSTANDING DEBT BY TYPE**

For the last ten fiscal years  
(Unaudited)

Fiscal year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Urban Renewal Bonds	Notes Payable	General Obligation Bonds	Solid Waste Agency Loan	Water Bonds	2013 FFC Water Bonds	2009 Refunding Bonds	SRF Loans			
2006	\$ 1,300,000	\$ 180,000	\$ -	\$ 1,154,991	\$ 2,487,924	\$ -	\$ -	\$ 10,923,053	\$ 16,045,968	1.95%	\$ 519
2007	885,000	157,500	9,820,000	864,991	2,185,363	-	-	10,428,215	24,341,069	2.76%	774
2008	455,000	135,000	9,190,000	601,705	1,867,802	-	-	9,796,518	22,046,025	2.33%	679
2009	-	112,500	8,490,000	359,737	1,530,242	-	-	9,201,369	19,693,848	1.97%	593
2010	-	90,000	7,930,000	-	-	-	8,553,004	-	16,573,004	1.66%	499
2011	-	67,500	6,895,000	-	-	-	7,426,516	-	14,389,016	1.39%	417
2012	-	45,000	6,210,000	-	-	-	6,282,577	-	12,537,577	1.19%	362
2013	-	22,500	5,470,000	-	-	-	5,914,347	-	11,406,847	1.05%	328
2014	-	-	4,670,000	-	-	4,250,000	4,475,000	-	13,395,000	1.23%	384
2015	-	-	3,805,000	-	-	3,875,000	3,700,000	-	11,380,000	0.98%	312

\*This information calculated using 2012 demographic information due to Federal Government shutdown

Source: Internal accounting reports of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND  
NET BONDED DEBT PER CAPITA**

For the last ten fiscal years (Unaudited)										
Year Ended June 30,	Population	Assessed Value (In \$1,000)	Gross General Bonded Debt	Less Debt Payable from Enterprise Revenue (1)	Less Debt Payable from Nonenterprise Revenue (3)	Gross Bonded Debt Payable from General Revenue	Less Debt Service Monies Available	Net Bonded Debt	Ratio of Net Bonded Debt per Dollar Assessed Value	Net Bonded Debt Per Capita
2006	30,930	\$ 1,728,922	\$ 1,300,000	\$ -	\$ 1,300,000	\$ -	\$ -	\$ -	0.00%	\$ -
2007	31,740	2,065,308	10,705,000	-	885,000	9,820,000	-	9,820,000	0.47%	309
2008	32,290	2,207,029	9,645,000	-	455,000	9,190,000	-	9,190,000	0.42%	285
2009	33,225	2,318,500	8,490,000	-	-	8,490,000	60,113	8,429,887	0.36%	254
2010	33,225	2,409,615	16,483,004	8,553,004	-	7,930,000	68,937	7,861,063	0.33%	237
2011	34,533	2,476,837	14,321,516	7,426,516	-	6,895,000	92,265	6,802,735	0.27%	197
2012	34,660	2,560,620	12,492,577	6,282,577	-	6,210,000	106,004	6,103,996	0.24%	176
2013	34,740	2,624,937	11,384,347	5,914,347	-	5,470,000	112,921	5,357,079	0.20%	154
2014	34,855	2,720,899	13,395,000	8,725,000	-	4,670,000	62,495	4,607,505	0.17%	132
2015	36,465	2,901,486	11,380,000	7,575,000	-	3,805,000	56,894	3,748,106	0.13%	103

(1) These amounts are being repaid by Enterprise revenue

(3) These amounts are being repaid by tax increment revenue

Source: Internal accounting reports of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**LEGAL DEBT MARGIN INFORMATION**

As of June 30, 2015

For the last ten fiscal years  
(Unaudited)

**Legal Debt Margin Calculation**

Total Real Market Value (as defined in ORS 308.207) as of June 30, 2015	\$ 3,088,085,942
Less Non-Profit Housing	<u>(2,031,900)</u>
	<u>\$ 3,086,054,042</u>

Debt limit, 3% of total real market value - ORS 287A \$ 92,581,621

Amount of debt applicable to debt limit

Total bonded debt, including special assessment bonds  
and public safety general obligation bonds \$ 11,380,000

Less other deductions allowed by law

Special assessment and revenue bonds 7,575,000

Total deductions 7,575,000

Total amount of debt applicable to debt limit 3,805,000

Legal debt margin \$ 88,776,621

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 90,246,736	\$ 110,642,556	\$ 114,449,016	\$ 114,449,016	97,696,996	\$ 97,703,644	\$ 93,957,097	\$ 82,685,254	\$ 88,096,053	\$ 92,581,621
Total net debt applicable to limit	<u>1,300,000</u>	<u>10,705,000</u>	<u>9,645,000</u>	<u>8,490,000</u>	<u>7,930,000</u>	<u>6,895,000</u>	<u>5,470,000</u>	<u>5,470,000</u>	<u>4,670,000</u>	<u>3,805,000</u>
Legal debt margin	<u>\$ 88,946,736</u>	<u>\$ 99,937,556</u>	<u>\$ 104,804,016</u>	<u>\$ 105,959,016</u>	<u>\$ 89,766,996</u>	<u>\$ 90,808,644</u>	<u>\$ 88,487,097</u>	<u>\$ 77,215,254</u>	<u>\$ 83,426,053</u>	<u>\$ 88,776,621</u>
Total net debt applicable to the limit as a percentage of debt limit	1.44%	9.68%	8.43%	7.42%	8.12%	7.06%	5.82%	6.62%	5.30%	4.11%

Sources: Josephine County and annual financial statements of the City of Grants Pass

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**

As of June 30, 2015

<u>Jurisdiction</u>	<u>Gross Property-Tax Backed Debt</u>	<u>Percentage Applicable to City of Grants Pass</u>	<u>Amount Applicable to City of Grants Pass</u>
Overlapping:			
Counties:			
Josephine	\$ 11,979,265	39.70%	\$ 4,755,768
School Districts:			
Three Rivers School District	36,510,000	5.66%	2,066,466
Grants Pass School District #7	4,000,000	79.44%	3,177,600
Community Colleges:			
Rogue Community College	17,790,000	11.33%	<u>2,015,607</u>
		<i>Sub-total Overlapping Debt</i>	12,015,441
Direct:			
City of Grants Pass Property Tax Backed Bonded Debt			<u>3,805,000</u>
Total			<u><u>\$ 15,820,441</u></u>

Sources: Oregon State Treasury, Debt Management Information System

**Notes:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Grants Pass.

For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values.

The Oregon State Treasury, acting on behalf of the Municipal Debt Advisory Commission maintains debt information to assist municipalities in debt related matters. The overlapping debt is based on information obtained from sources believed to be reliable, however, per Oregon State Treasury Debt Management Information System, its accuracy cannot be guaranteed.

Gross Property-tax Backed Debt includes all General Obligation (GO) bonds and Limited-tax GO bonds. Full faith and credit obligations, revenue bonds and special assessment bonds are not included in the Debt Outstanding and direct debt.

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**RATIO OF ANNUAL GENERAL OBLIGATION BONDED DEBT SERVICE  
EXPENDITURES TO GENERAL EXPENDITURES**

For the last ten fiscal years  
(Unaudited)

Year of Maturity	Principal	Interest	Total Debt Service	Total General Expenditures	Debt Service as a Percentage of General Expenditures
2006	\$ -	\$ -	\$ -	\$ 28,313,858	N/A
2007	-	-	-	22,647,389	N/A
2008	630,000	390,445	1,020,445	34,149,259	0
2009	700,000	387,000	1,087,000	29,859,325	0
2010	560,000	359,000	919,000	28,731,148	0
2011	1,035,000	367,952	1,402,952	25,619,289	0
2012	685,000	295,200	980,200	28,584,579	0
2013	740,000	267,800	1,007,800	29,743,292	0
2014	800,000	238,200	1,038,200	28,934,529	0
2015	865,000	206,200	1,071,200	34,881,814	0

Source: Annual financial statements of the City of Grants Pass

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF REVENUE BOND COVERAGE**  
**WATER BONDS**

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30, 2015	Gross Revenue (1)	Direct Operation Expenditures (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006 (3)	\$ 5,070,651	\$ 3,669,862	\$ 1,400,789	\$ 295,000	\$ 123,058	\$ 418,058	\$ 3.35
2007 (3)	5,412,155	3,777,173	1,634,982	305,000	111,430	416,430	3.93
2008 (3)	4,948,172	3,080,175	1,867,997	320,000	96,989	416,989	4.48
2009 (3)	4,760,706	4,160,585	600,121	340,000	82,836	422,836	1.42
2010 (4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2011 (4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2012 (4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2013 (4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2014 (4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
2015 (4)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

(1) Includes total operating revenue, interest income and taxes on a budgetary basis

(2) Includes total operating expenses, except for depreciation

(3) Includes revenues and expenses from Water Fund only

(4) In December 2009 the pledged revenue water bonds were refunded with a full faith and credit offering.

Source: Annual financial statements of the City of Grants Pass

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF BONDS AND BOND INTEREST TRANSACTIONS**

For the year ended June 30, 2015

	Bond Transactions					Outstanding June 30, 2015
	Outstanding June 30, 2014	Issued	Called	Matured	Paid	
2013 Full Faith & Credit Water Bonds	\$ 4,250,000	\$ -	\$ -	\$ 375,000	\$ 375,000	\$ 3,875,000
Amount Issued	\$ 4,620,000					
Interest Rates	1.28-4.0%					
Date of Issue	03/27/13					
2009 Full Faith & Credit Refunding	4,475,000	-	-	775,000	775,000	3,700,000
Amount Issued	\$ 8,815,000					
Interest Rates	2.0-4.0%					
Date of Issue	12/22/09					
Supported Bonds						
2007 Public Safety	4,670,000	-	-	865,000	865,000	3,805,000
Amount Issued	\$ 9,820,000					
Interest Rates	4%					
Date of Issue	06/20/07					
Total Bonds	<u>\$ 13,395,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,015,000</u>	<u>\$ 2,015,000</u>	<u>\$ 11,380,000</u>

	Interest Coupons			
	Outstanding June 30, 2014	Matured	Paid	Outstanding June 30, 2015
2007 Public Safety-Issued 06/20/07				
Interest Rates	\$ -	\$ 206,200	\$ 206,200	\$ -
2009 Public Works Debt Refunding-Issued 12/22/09				
Interest Rates	-	165,090	165,090	-
Series of 2013 Water Infrastructure-Issued 03/27/13				
Interest Rates	-	129,166	129,166	-
Total Bonds	<u>\$ -</u>	<u>\$ 500,456</u>	<u>\$ 500,456</u>	<u>\$ -</u>

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF FUTURE DEBT SERVICE**

For the Year Ended June 30, 2015

Maturity	Governmental Activities		Proprietary Activities			
	General Obligation Bond		General Obligation Bonds			
	Public Safety Facilities		2009 Refunding		2013 FFC	
	General Fund		Wastewater Fund		Water Fund	
	Principal	Interest	Principal	Interest	Principal	Interest
2015-2016	\$ 930,000	\$ 171,600	\$ 790,000	\$ 143,713	\$ 385,000	\$ 122,170
2016-2017	1,010,000	125,100	375,000	116,063	390,000	114,420
2017-2018	1,095,000	74,600	385,000	101,063	400,000	106,520
2018-2019	770,000	30,800	400,000	85,663	410,000	96,360
2019-2020			415,000	69,663	425,000	81,700
2020-2021			430,000	53,400	440,000	65,100
2021-2022			445,000	36,200	455,000	47,900
2022-2023			460,000	18,400	475,000	29,300
2023-2024					495,000	9,900
2024-2025						
2025-2026						
2026-2027						
2027-2028						
2028-2030						
	<u>\$ 3,805,000</u>	<u>\$ 402,100</u>	<u>\$ 3,700,000</u>	<u>\$ 624,165</u>	<u>\$ 3,875,000</u>	<u>\$ 673,370</u>

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**PROPERTY VALUES, CONSTRUCTION VALUES AND BANK DEPOSITS**

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended June 30,	Commercial Construction (1)		Residential Construction (1)*		Bank Deposits (in \$1,000) (2)	Property Value (3)		
	Number of Units	Value	Number of Units	Value		Commercial	Residential	Nontaxable
2006	17	\$ 19,666,915	496	\$ 80,933,576	\$ 1,030,196	(4)	(4)	(4)
2007	32	18,799,032	278	40,407,617	1,179,020	(4)	(4)	(4)
2008	17	9,751,549	185	27,184,422	1,120,845	(4)	(4)	(4)
2009	11	2,181,625	74	13,029,218	1,196,459	(4)	(4)	(4)
2010	11	3,987,404	49	9,496,138	1,210,261	(4)	(4)	(4)
2011	10	14,161,168	33	4,591,193	1,165,441	(4)	(4)	(4)
2012	9	10,559,340	21	4,423,141	1,126,689	(4)	(4)	(4)
2013	13	21,633,479	71	14,349,745	1,106,874	(4)	(4)	(4)
2014	6	2,516,675	66	13,918,655	1,146,744	(4)	(4)	(4)
2015	4	10,917,788	89	17,148,800	1,202,270	(4)	(4)	(4)

Source: (1) City Building Division  
(2) FDIC, Credit Union not included  
(3) City's value, per Josephine County  
(4) Information not currently available

\*Note data restated in 2014 to exclude manufactured home data if previously reported.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**DEMOGRAPHIC STATISTICS**

For the last ten fiscal years  
(Unaudited)

Year Ended June 30,	Population (1)	Personal Income ( <i>thousands of dollars</i> ) (2)	Per Capita Income (3)	Median Age (4)	School Enrollment (5)	Unemployment Rate (6)
2006	30,930	\$ 824,841,240	\$ 26,668	38.2	5,779	6.9%
2007	31,740	881,419,800	27,770	43.5	5,655	6.7%
2008	32,260	944,798,620	29,287	44.6	5,647	7.3%
2009	33,225	999,009,300	30,068	44.6	5,486	14.7%
2010	33,225	999,009,300	30,068	45	5,801	14.3%
2011	34,533	1,034,988,543	29,971	47 **	5,825	12.8%
2012	34,660	1,057,580,580	30,513	47 **	5,838	11.7%
2013	34,740	1,089,481,140	31,361 *	47 **	5,817	10.5%
2014	34,855	1,093,087,655	31,361 *	47 **	5,924	9.6%
2015	36,465	1,162,103,085	31,869	47 **	6,090	7.9%

- Sources:
- (1) Portland State University Center of Population and Research, and the U.S. Census Bureau
  - (2) Per Capita Income x Population
  - (3) Bureau of Economic Analysis (BEA.gov)
  - (4) United States Census Bureau
  - (5) Grants Pass School District No. 7
  - (6) Oregon Employment Department (Qualityinfo.org)

\*Due to the Federal Government shutdown, BEA.gov data is unavailable at this time. Per capita income for 2013 and 2014 are presented as the revised 2012 estimate from BEA.gov.

\*\*From 2010 Census

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**INSURANCE AND SURETY BONDS IN FORCE**

June 30, 2015  
(Unaudited)

Company	Policy Number	Amount	Coverage	Policy Term	Premium
City - County Insurance Services	14LGSP	\$ 2,000,000	Comprehensive Gen. Liability	7/01/2014- 6/30/2015	\$ 265,611
City - County Insurance Services	14APDGSP	Various	Auto Physical Damage	7/01/2014- 6/30/2015	32,483
City - County Insurance Services	14PGSP	5,000,000	Property Insurance	7/01/2014- 6/30/2015	103,013
QEB Insurance Corporation	ORGRAN11	50,000	Volunteer Accident	7/01/2014- 6/30/2015	650
Safety National Casualty	ACG4048939	1,000,000	Excess Workers' Compensation	7/01/2014- 6/30/2015	70,447
Chartis Specialty Insurance Co.	PLS1957953	10,000,000	Pollution Legal Liability	12/31/2011 - 12/31/2021	177,271
Chartis Specialty Insurance Co.	EPP1957147	13,000,000	Solid Waste-Closure/Post	7/01/2001 - 7/01/2031	6,756,809
City - County Insurance Services	14LGSP	1,500,000	Auto Liability Coverage	7/01/2014- 6/30/2015	35,700
City - County Insurance Services	14CGSP	200,000	Excess Crime	7/01/2014- 6/30/2015	1,115
City - County Insurance Services	14EQGSP	5,000,000	Excess Earthquake	7/01/2014- 6/30/2015	15,000
City - County Insurance Services	14ECLGSP	250,000	Excess Cyber Liability	7/01/2014- 6/30/2015	990

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**JOSEPHINE COUNTY PRINCIPAL EMPLOYERS**

Current Year and Ten Years Ago  
(Unaudited)

Employer	Type of Business	2015			2006		
		Approximate Employment	Rank	Percentage of Total County Employment	Approximate Employment	Rank	Percentage of Total County Employment
Three Rivers Community Hospital	* Health Care	975	1	3.86%	650	3	2.52%
Grants Pass School District No. 7	* Education	698	2	2.76%	641	4	2.48%
Rogue Community College	Education	574	3	2.27%	350	9	1.36%
Three Rivers School District	Education	541	4	2.14%	682	2	2.64%
Wal-Mart	* Department Store	451	5	1.79%	498	7	1.93%
Master Brand Cabinets	* Wood products manufacturing	450	6	1.78%	700	1	2.71%
Express Employment Professionals	* Staffing Agency	426	7	1.69%			
Fire Mountain Gems	* Catalog Sales	382	8	1.51%	500	6	1.94%
Rogue Valley Door	* Wood products manufacturing	326	9	1.29%	400	8	1.55%
Josephine County	* Government	321	10	1.27%	621	5	2.41%
ECS Composites	Plastics manufacturing	--		--	300	10	1.16%
Fred Meyer	* Department Store	--		--	300	10	1.16%
Total employees		5,144		20.36%	5,642		21.85%
	Total Employment	25,260			25,817		

\* Indicates businesses within the Grants Pass city limits.

Note: The employment numbers are very fluid and therefore are approximate numbers based on the data available at time of request.

Source: City of Grants Pass Finance Department

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**TEN LARGEST TAXPAYERS  
WITHIN CITY LIMITS**

Current Year and Ten Years Ago  
(Unaudited)

Name	Type of Business	2015			2006		
		City Assessed Value	Rank	Percentage of Total City Assessed Value	City Assessed Value	Rank	Percentage of Total City Assessed Value
Charter Communications	Utility	\$ 28,779,300	1	0.99%	\$ -		
S-H Forty-Nine Properties	Commercial	25,001,230	2	0.86%			
Masterbrand Cabinets Inc	Industrial	23,702,500	3	0.82%	7,982,850	7	0.46%
Auerbach Grants Pass LLC & Freeman Grants Pass LLC	Commercial	19,249,720	4	0.66%	11,501,360	3	0.67%
Asante (Three Rivers)	Medical	15,619,527	5	0			
Avista Corp. dba Avista Utilities	Utility	14,589,000	6	0			
Fred Meyer Stores Inc	Commercial	14,194,640	7	0			
Pacificcorp (PP&L)	Utility	14,002,000	8	0	5,835,000	10	0.34%
Johnson Trust, Carl D	Commercial	13,381,390	9	0			
Lynn-Ann Development LLC	Developer	13,566,951	10	0			
QWEST Corporation	Utility				17,182,200	1	0.99%
Albertson's Inc.	Commercial				12,510,356	2	0.72%
SPM - Grants LLC	Commercial				10,765,340	4	0.62%
Wal-Mart Stores Inc.	Commercial				10,396,905	5	0.60%
Hillebrand Children Riverwood Apts	Rental				7,965,230	6	0.46%
Jensen, Robert A & Shirley Y	Commercial				7,720,830	8	0.45%
The Suites Assisted Living	Rental				6,298,680	9	0.36%
Total of top-ten taxpayers		<u>182,086,258</u>		<u>6.27%</u>	<u>98,158,751</u>		<u>5.68%</u>
Other Taxpayers		<u>2,717,367,561</u>		<u>93.73%</u>	<u>1,630,763,292</u>		<u>94.32%</u>
Source: Josephine County Assessor		<u>\$ 2,899,453,819</u>		<u>100.00%</u>	<u>\$ 1,728,922,043</u>		<u>100.00%</u>



**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**CAPITAL ASSETS STATISTICS BY FUNCTION**

	For the last ten years (Unaudited)										
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
<b>Public Safety</b>											
Police stations	(1)	1	1	1	3	4	4	4	4	4	4
Sub-stations	(1)	1	1	1	0	0	0	0	0	0	1
Marked Patrol Units	(1)	10	11	11	11	11	11	11	11	13	16
Un-marked Patrol Units	(1)	n/a	11	11	11	11	11	11	11	12	13
K-9 units	(1)	2	2	2	2	2	2	2	2	2	2
Motorcycles	(1)	2	3	3	3	3	3	3	3	3	3
Specialty Vehicles	(1)	n/a	7	7	7	7	7	7	7	7	7
T3	(1)	n/a	1	1	2	2	2	2	2	2	2
Equipment Trailers	(1)	n/a	5	5	5	5	5	5	5	6	6
Fire stations	(1)	2	2	2	3	3	3	3	3	3	3
Pumpers	(1)	3	3	3	6	6	6	6	6	6	6
Ladder Trucks	(1)	1	1	1	1	1	1	1	1	1	1
Wildland Engine	(1)	1	1	1	1	1	1	1	1	1	1
<b>Transportation</b>											
Streets (miles)	(4)	106	131	145	162	166	167	167	167	167	168
Streetlights	(4)	1,517	1,537	1,550	1,788	1,790	1,795	1,796	1,800	1,810	1,820
City Owned	(4)	125	125	133	183	183	183	183	183	183	184
PP&L Owned	(4)	1,392	1,412	1,417	1,605	1,607	1,607	1,613	1,617	1,627	1,636
Traffic signals	(4)	7	8	9	9	9	9	12	12	12	12
<b>Parks</b>											
Number of parks-developed	(5)	15	15	21	17	24	24	24	24	24	24
Number of parks-undeveloped	(5)	n/a	n/a	n/a	15	8	8	8	8	8	8
Acreage of parks-developed	(5)	134	134	445	151.92	194.76	194.76	194.76	194.76	194.76	194.76
Acreage of parks-undeveloped	(5)	n/a	n/a	n/a	355.36	312.52	312.52	312.52	312.52	312.52	312.52
Swimming pools	(5)	1	1	1	1	1	1	1	1	1	1
Playgrounds	(5)	8	9	11	11	11	13	13	13	13	13
Baseball/softball fields	(5)	12	12	12	12	12	12	12	12	12	12
Soccer fields	(5)	5	6	5	5	5	5	5	5	5	5
Tennis courts	(5)	14	14	14	15	14	14	14	14	14	14
<b>Water</b>											
Water mains (miles)	(4)	175	180	184	186	187	187	187	187	187	193
Fire hydrants	(4)	1,472	1,489	1,569	1,602	1,608	1,620	1,623	1,623	1,623	1,634
Storage capacity (millions of gallons)	(4)	19.2	19	19	19	19	19	19	15.5**	20.5	20.5
Reservoirs	(4)	8	8	8	8	8	8	8	7**	8	8
<b>Wastewater</b>											
Sanitary sewers (miles)	(4)	167	168	170	170	170	170	170	170	170	180
Storm drains (miles)	(4)	103	104	105	105	105	105	105	105	105	105
Lift stations	(4)	2	2	2	2	2	2	2	2	2	2
Pumping Station (includes RSSSD)	(4)	3	3	3	3	3	3	3	3	3	3
Treatment capacity (millions of gallons)	(4)	4	6.4*	6.4*	6.4*	6.4*	6.4*	6.4*	6.4*	6.4*	6.4*

\*The City Wastewater Plant's hydraulic capacity permit is for 4.0 MGD. Parametrix, consultant for the Wastewater Treatment Plant, conducted a capacity analysis capacity analysis after Phase 1 of the plant upgrade at DEQ's request and it was determined the capacity was actually 6.4 MGD.

\*\*Reservoir #3 was taken out of service to be replaced with a new 5 million gallon reservoir.

Sources:

- (1) City Public Safety Department
- (2) City Community Development Department
- (3) City Administrative Services Department
- (4) City Public Works Department
- (5) City Parks and Community Services Department

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**WORKERS COMPENSATION FUND BALANCE & RESERVES**

For the last ten fiscal years  
(Unaudited)

Fiscal Year Ended 30-Jun-15	Fund Balance	Loss Reserve	Total Fund Balance & Loss Reserve
2006	\$ 596,412	\$ 56,713	\$ 653,125
2007	632,567	116,841	749,408
2008	775,676	79,755	855,431
2009	848,040	75,823	923,863
2010	987,599	39,480	1,027,079
2011	973,130	26,886	1,000,016
2012	905,850	95,020	1,000,870
2013	888,383	114,687	1,003,070
2014	816,364	102,929	919,293
2015	* 388,447	99,264	487,711

\* The City of Grants Pass is no longer self-insured for workers' compensation effective July 1, 2015, and accordingly reduced the reserve balances in the workers compensation insurance fund effective June 30, 2015.

Source: Internal accounting reports of the City of Grants Pass

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**MISCELLANEOUS STATISTICS**

June 30, 2015  
(Unaudited)

Date of Incorporation -1887

Form of government - Council/Manager

		<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Area (in Acres)	(2)	7,026	7,026	7,026	7,026	7,026	7,026	7,026	7,026	7,026	7,412
Police and officers	(1)	43	44	44	41	46	46	46	50	48	49
Firefighters and officers	(1)	17	17	19	27	27	27	27	28	30	28
Employees (Permanent)											
Classified service	(1)	169	188	217	194	180	180	181	184	178	169
Exempt	(1)	9	9	10	10	27*	31	30	31	27	32

Sources:

(1) City Personnel Records

(2) City Community Development Department

\* In 2010 a compensation study was completed that resulted in the reclassification of multiple supervisors to exempt status.

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**STAFF ALLOCATION BY ACTIVITY\***

Department/Activity	As of June 30th (Unaudited)									
	2006	2007	2008	2009*	2010	2011	2012	2013	2014	2015
<b>Administration</b>										
Management	5.90	5.90	6.90	6.70	5.75	5.61	5.55	4.45	4.95	3.95
Legal	0.80	0.75	0.75	1.34	1.34	0.05	0.05	0.05	0.05	0.05
Information Technology	3.55	2.65	4.45	3.95	3.95	4.88	4.73	5.93	5.70	5.70
Risk Insurance	0.30	0.30	0.30	0.41	0.41	0.32	0.55	0.00	0.00	0.00
General Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.20	0.20	0.20
Economic Development	1.00	0.00	1.00	1.00	1.00	1.00	1.00	1.00	0.00	1.00
Tourism Development	2.00	2.00	1.85	1.85	1.85	1.85	1.80	1.95	0.06	0.08
Downtown	0.00	1.00	1.45	1.45	1.45	1.55	1.50	1.53	1.68	2.08
Property Management	1.05	0.90	1.25	1.30	1.30	2.06	1.86	2.05	1.40	2.00
	<b>14.60</b>	<b>13.50</b>	<b>17.95</b>	<b>18</b>	<b>17.05</b>	<b>17.32</b>	<b>17.04</b>	<b>17</b>	<b>14</b>	<b>15</b>
<b>Finance</b>										
Finance	15.00	15.00	16.00	15	13.00	13.00	13.50	16	14	13
Garage Operations	0.55	0.40	3.30	3	3.05	2.13	2.84	3	3	2
Equipment Repair	0.45	0.55	0.60	1	0.70	0.47	0.61	1	1	-
	<b>16.00</b>	<b>15.95</b>	<b>19.90</b>	<b>19</b>	<b>16.75</b>	<b>15.60</b>	<b>16.95</b>	<b>20</b>	<b>17</b>	<b>15</b>
<b>Human Resources</b>										
Human Resources	-	-	2.00	3	2.50	2.38	2.86	3	3	3
Worker's Compensation	0.00	0.00	0.00	-	0.00	0.00	0.00	0	1	0
	<b>0.00</b>	<b>0.00</b>	<b>2.00</b>	<b>2.50</b>	<b>2.50</b>	<b>2.38</b>	<b>2.86</b>	<b>3.45</b>	<b>3.55</b>	<b>3.66</b>
<b>Parks &amp; Community Development</b>										
Management	7.00	7.00	8.00	4.80	5.00	9.00	9.00	9.00	8.65	8.73
Engineering	9.20	9.00	10.00	8.50	6.50	4.50	4.50	3.50	3.50	5.50
Planning	9.00	8.00	11.00	5.00	4.00	3.00	3.00	2.90	3.90	4.00
Building & Safety	6.00	6.00	7.00	2.00	2.00	2.00	2.00	2.10	2.10	2.00
Park Maintenance	6.40	6.45	8.00	6.65	6.85	6.64	6.24	7.60	6.55	5.55
Aquatics	0.35	0.30	0.30	0.30	0.10	0.40	0.40	0.40	0.35	0.35
Recreation	0.05	0.05	0.15	0.15	0.15	0.15	0.15	0.15	0.15	0.15
	<b>38.00</b>	<b>36.80</b>	<b>44.45</b>	<b>27.40</b>	<b>24.60</b>	<b>25.69</b>	<b>25.29</b>	<b>25.65</b>	<b>25.20</b>	<b>26.28</b>
<b>Public Works</b>										
Water Treatment	5.17	4.39	5.94	6.46	6.46	6.46	6.46	5.46	5.46	6.46
Water Distribution	8.44	8.98	8.93	8.30	8.30	8.80	8.80	8.80	7.80	8.80
Wastewater Collection	4.44	5.98	5.94	5.16	5.16	5.66	5.66	5.66	5.66	5.66
Wastewater Treatment	8.84	8.73	8.88	7.41	9.91	9.41	7.71	7.71	8.46	7.46
JO-GRO™	3.91	3.91	4.05	4.11	2.61	3.11	3.81	1.81	0.00	0.00
Capital Projects	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Solid Waste	0.00	0.01	0.00	0.10	0.10	0.10	0.10	0.10	0.16	0.16
Storm Water	0.00	0.00	0.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Street Maintenance	6.60	6.70	6.76	7.56	7.56	7.56	6.56	6.46	6.56	5.56
	<b>38.40</b>	<b>39.70</b>	<b>41.65</b>	<b>40.10</b>	<b>41.10</b>	<b>42.10</b>	<b>40.10</b>	<b>37.00</b>	<b>35.10</b>	<b>35.10</b>
<b>Public Safety</b>										
Fire/Rescue Operations**	-	-	-	-	-	-	-	-	31.70	29.80
Police Operations**	59.00	60.00	68.00	67.75	73.50	76.50	77.75	82.25	50.75	51.50
Support Operations	28.00	26.00	31.00	25.60	29.10	29.00	27.00	27.00	20.90	21.20
Code Enforcement	1.00	3.05	2.05	1.00	0.00	0.00	0.00	0.00	0.00	0.00
	<b>88.00</b>	<b>89.05</b>	<b>101.05</b>	<b>94.35</b>	<b>102.60</b>	<b>105.50</b>	<b>104.75</b>	<b>109.25</b>	<b>103.35</b>	<b>102.50</b>
<b>Total</b>	<b>195.00</b>	<b>195.00</b>	<b>227.00</b>	<b>201.10</b>	<b>204.60</b>	<b>208.59</b>	<b>206.99</b>	<b>212.30</b>	<b>198.55</b>	<b>197.60</b>

\* Reporting full-time-equivalency (FTE) for all permanent positions.

\*\*Previous to FY14 Police Operations and Fire Operations were listed as Field Operations

*This information is provided by the City's Personnel Records.*

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**WATER UTILITY  
TEN LARGEST REVENUE SOURCES**

Customer (classification)	Current Year and Ten Years Ago (Unaudited)				2006			
	2015		Rank	Percent of Total Revenue	2006		Rank	Percent of Total Revenue
	Annual Consumption Units (100 hcf)	Annual Revenue*			Annual Consumption Units (100 hcf)	Annual Revenue*		
City of Grants Pass (public)	199,674	\$ 166,120	1	2.85%	234,635	\$ 219,801	1	6.77%
School District 7 (public)	79,851	108,846	2	1.87%	46,379	34,752	4	1.07%
Three Rivers Hospital (commercial)	30,255	57,055	3	0.98%	43,855	38,342	3	1.18%
Josephine County (public)	15,686	51,820	4	0.89%	47,807	55,879	2	1.72%
Timber Products (commercial)	31,228	51,762	5	0.89%	33,673	22,942	6	0.71%
Emeritus @ Spring Pointe/Village (retirement)	20,952	47,563	6	0.82%	22,655	21,337	7	0.66%
Countryside Partners (commercial)	14,046	30,970	7	0.53%				
Countryside Village (retirement)	32,059	23,864	8	0.41%				
Wal-Mart (commercial)	7,493	17,349	9	0.30%	18,627	13,912	9	0.43%
State of Oregon (Public)	51,330	14,907	10	0.26%	19,976	19,347	8	0.60%
Grants Pass Shopping Center (commercial)					5,743	10,413	10	0.32%
Riverwood Apts. (multi-family)					31,233	25,570	5	0.79%
Sub-total	482,574	570,256		9.78%	504,583	462,295		14.25%
All other sources		5,261,180.00		90.22%		3,652,105		85.75%
Total Water Revenues		\$ 5,831,436		100.00%		4,114,400		100.00%

hcf = hundred cubic feet

\* While consumption may be similar, revenue can vary due to class and size of service.

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**UTILITY STATISTICS**

WATER USAGE CUSTOMER ANALYSIS

For the last ten fiscal years  
(Unaudited)

Number of Accounts

Fiscal Year Ended June 30,	Residential	Multi-Family	Commercial	Public	Fire Protection	Outside City Surcharge	Total
2006	7,400	940	1,138	172	123	233	10,006
2007	7,708	948	1,134	181	135	207	10,313
2008	7,966	977	1,175	188	135	166	10,607
2009	8,042	1,002	1,194	186	141	100	10,665
2010	7,957	1,007	1,176	118	140	94	10,492
2011	7,957	1,016	1,173	160	140	90	10,536
2012	7,913	1,012	1,188	145	145	92	10,495
2013	7,978	989	1,207	153	151	136	10,614
2014	8,152	1,007	1,213	154	150	*	10,676
2015	8,170	1,001	1,195	157	151	81	10,755

Water Consumption (hcf)

Fiscal Year Ended June 30,	Residential	Multi-Family	Commercial	Public	Fire Protection	Outside City Surcharge	Total
2006	1,777,033	429,727	800,893	264,922	2,405	50,162	3,325,142
2007	1,761,357	440,405	783,055	278,658	1,639	35,471	3,300,585
2008	1,637,651	350,760	581,247	223,662	470	35,153	2,828,943
2009	1,315,314	366,406	574,795	235,366	443	23,051	2,515,375
2010	1,172,178	356,442	547,589	217,613	564	33,370	2,327,756
2011	1,587,239	457,629	728,032	236,237	1,548	97,860	3,108,545
2012	1,517,165	415,083	645,085	225,095	1,007	90,169	2,893,604
2013	1,219,436	391,318	584,197	232,502	950	42,409	2,470,812
2014	1,214,156	408,049	681,937	237,270	227	*	2,541,639
2015	1,187,035	385,527	571,168	345,223	181	25,513	2,514,647

*\*Breakdown of customers outside the City limits without a Service and Annexation Agreement not readily available.*

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 3.43% for 2007.

**Water Rates as of January 1, 2007**

Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.58	\$ 3.21
1"	19.13	3.21
1.5"	36.10	3.21
2"	57.92	3.21
3"	111.70	3.21
4"	103.00	3.21
6"	351.66	3.21
8"	560	3.21
10"	867	3.21

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.77	\$0.98	\$1.20

Customer Class	
Multi-Family & PUD	\$ 0.79
Commercial/Public	0.94
Irrigation-All Classes	1.37
Standby-All Classes	1.37

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.20
4	\$0.29
5	\$0.38

**Sewer Rates as of January 1, 2007**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awwc*	2.25
<b>Multi-Family</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awwc*	2.25
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awc**	2.25
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awc**	3.15
<b>Public</b>	
Monthly Service Charge	\$ 10.96
Volume Charge x awc**	2.25

\*awwc: average winter water consumption

\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 2.54% for 2008.

**Water Rates as of January 1, 2008**

Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.80	\$ 3.29
1"	19.62	3.29
1.5"	37.02	3.29
2"	59.39	3.29
3"	114.54	3.29
4"	103.00	3.29
6"	360.59	3.29
8"	574	3.29
10"	889	3.29

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.82	\$1.04	\$1.23

Customer Class	
Multi-Family & PUD	\$ 0.81
Commercial/Public	0.96
Irrigation-All Classes	1.40
Standby-All Classes	1.40

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.21
4	\$0.30
5	\$0.39

**Sewer Rates as of January 1, 2008**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awwc*	2.31
<b>Multi-Family</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awwc*	2.31
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc**	2.31
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc**	3.23
<b>Public</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc**	2.31

\*awwc: average winter water consumption

\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 4.45% for 2009.

**Water Rates as of January 1, 2009**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 9.19	\$ 3.44
1"	20.49	3.44
1.5"	38.67	3.44
2"	62.03	3.44
3"	119.64	3.44
4"	198.29	3.44
6"	377	3.44
8"	599	3.44
10"	928	3.44

Single Family Residential		
1st 10 Units	Units 11-25	All Units >25
\$0.86	\$1.09	\$1.28

Customer Class	
Multi-Family & PUD	\$ 0.85
Commercial/Public	1.00
Interruptible Irrigation for Public Parks & Schools	0.86
Irrigation-All Classes	1.46
Standby-All Classes	1.46

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.10
3	\$0.22
4	\$0.31
5	\$0.41

**Sewer Rates as of January 1, 2009**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awwc**	2.41
<b>Multi-Family</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awwc**	2.41
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awc***	2.41
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awc***	3.37
<b>Public</b>	
Monthly Service Charge	\$ 11.74
Volume Charge x awc***	2.41

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Effective March 1, 2009 the Cost of Living Index increase for 2009 was repealed by Council Action.

**Water Rates as of March 1, 2009**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.80	\$ 3.29
1"	19.62	3.29
1.5"	37.02	3.29
2"	59.39	3.29
3"	114.54	3.29
4"	190	3.29
6"	361	3.29
8"	574	3.29
10"	889	3.29

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.82	\$1.04	\$1.23

Customer Class	
Multi-Family & PUD	\$ 0.81
Commercial/Public	0.96
Interruptible Irrigation for Public Parks & Schools	0.86
Irrigation-All Classes	1.40
Standby-All Classes	1.40

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.21
4	\$0.30
5	\$0.39

**Sewer Rates as of March 1, 2009**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awwc**	2.31
<b>Multi-Family</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awwc**	2.31
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc***	2.31
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc***	3.23
<b>Public</b>	
Monthly Service Charge	\$ 11.24
Volume Charge x awc***	2.31

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Effective January 1, 2010 sewer rates were increased 6.29% (4.45% permanent and 1.84% thru December 31, 2011. Water rates remained unchanged.)

**Water Rates as of January 1, 2010**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.80	\$ 3.29
1"	19.62	3.29
1.5"	37.02	3.29
2"	59.39	3.29
3"	114.54	3.29
4"	189.84	3.29
6"	361	3.29
8"	574	3.29
10"	889	3.29

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.82	\$1.04	\$1.23

Customer Class	
Multi-Family & PUD	\$ 0.81
Commercial/Public	0.96
Interruptible Irrigation for Public Parks & Schools	0.86
Irrigation-All Classes	1.40
Standby-All Classes	1.40

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.21
4	\$0.30
5	\$0.39

**Sewer Rates as of January 1, 2010**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awwc**	2.45
<b>Multi-Family</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awwc**	2.45
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awc***	2.45
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awc***	3.43
<b>Public</b>	
Monthly Service Charge	\$ 11.96
Volume Charge x awc***	2.45

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is  
 \*\*awwc: average winter water consumption  
 \*\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 1.70% for 2011.

**Water Rates as of January 1, 2011**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.95	\$ 3.35
1"	19.95	3.35
1.5"	37.65	3.35
2"	60.40	3.35
3"	116.49	3.35
4"	193.07	3.35
6"	367	3.35
8"	584	3.35
10"	904	3.35

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.83	\$1.06	\$1.25

Customer Class	
Multi-Family & PUD	\$ 0.82
Commercial/Public	0.98
Interruptible Irrigation for Public Parks & Schools	0.83
Irrigation-All Classes	1.42
Standby-All Classes	1.42

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.21
4	\$0.31
5	\$0.40

**Sewer Rates as of January 1, 2011**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 12.16
Volume Charge x awwc**	2.49
<b>Multi-Family</b>	
Monthly Service Charge	\$ 12.16
Volume Charge x awwc**	2.49
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 12.16
Volume Charge x awc***	2.49
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 12.16
Volume Charge x awc***	3.49
<b>Public</b>	
Monthly Service Charge	\$ 12.16
Volume Charge x awc***	2.49

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is equivalent to 748 gallons.

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Effective July 1, 2011, Sewer Rates increased 5% by Council Resolution 5802. Water Rates remain unchanged.

**Water Rates as of July 1, 2011**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 8.95	\$ 3.35
1"	19.95	3.35
1.5"	37.65	3.35
2"	60.40	3.35
3"	116.49	3.35
4"	193.07	3.35
6"	367	3.35
8"	584	3.35
10"	904	3.35

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.83	\$1.06	\$1.25

Customer Class	
Multi-Family & PUD	\$ 0.82
Commercial/Public	0.98
Interruptible Irrigation for Public Parks & Schools	0.83
Irrigation-All Classes	1.42
Standby-All Classes	1.42

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.09
3	\$0.21
4	\$0.31
5	\$0.40

**Sewer Rates as of July 1, 2011**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 12.77
Volume Charge x awwc**	2.61
<b>Multi-Family</b>	
Monthly Service Charge	\$ 12.77
Volume Charge x awwc**	2.61
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 12.77
Volume Charge x awc***	2.61
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 12.77
Volume Charge x awc***	3.66
<b>Public</b>	
Monthly Service Charge	\$ 12.77
Volume Charge x awc***	2.61

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 2.85% for

**Water Rates as of January 1, 2012**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 9.21	\$ 3.35
1"	20.52	3.35
1.5"	38.72	3.35
2"	62.12	3.35
3"	119.81	3.35
4"	198.57	3.35
6"	377	3.35
8"	600	3.35
10"	930	3.35

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.85	\$1.09	\$1.29

Customer Class	
Multi-Family & PUD	\$ 0.84
Commercial/Public	1.01
Interruptible Irrigation for Public Parks & Schools	0.85
Irrigation-All Classes	1.46
Standby-All Classes	1.46

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.0941
3	\$0.2197
4	\$0.3138
5	\$0.4079

**Sewer Rates as of January 1, 2012**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 12.89
Volume Charge x awwc**	2.63
<b>Multi-Family</b>	
Monthly Service Charge	\$ 12.89
Volume Charge x awwc**	2.63
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 12.89
Volume Charge x awc***	2.63
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 12.89
Volume Charge x awc***	3.70
<b>Public</b>	
Monthly Service Charge	\$ 12.89
Volume Charge x awc***	2.63

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is  
 \*\*awwc: average winter water consumption  
 \*\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 2.33% for

**Water Rates as of January 1, 2013**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 13.02	\$ 4.88
1"	29.02	4.88
1.5"	54.75	4.88
2"	87.85	4.88
3"	169.43	4.88
4"	280.82	4.88
6"	533	4.88
8"	849	4.88
10"	1,315	4.88

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.87	\$1.12	\$1.32

Customer Class	
Multi-Family & PUD	\$ 0.87
Commercial/Public	1.03
Interruptible Irrigation for Public Parks & Schools	0.87
Irrigation-All Classes	1.49
Standby-All Classes	1.49

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.0963
3	\$0.2248
4	\$0.3211
5	\$0.4174

**Sewer Rates as of January 1, 2013  
(1st 2 units included in base charge)**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 13.19
Volume Charge x awwc**	2.69
<b>Multi-Family</b>	
Monthly Service Charge	\$ 13.19
Volume Charge x awwc**	2.69
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 13.19
Volume Charge x awc***	2.69
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 13.19
Volume Charge x awc***	3.79
<b>Public</b>	
Monthly Service Charge	\$ 13.19
Volume Charge x awc***	2.69

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 1.53% for

**Water Rates as of January 1, 2014**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 16.82	\$ 6.30
1"	37.48	6.30
1.5"	70.72	6.30
2"	113.47	6.30
3"	218.85	6.30
4"	362.74	6.30
6"	688.98	6.30
8"	1,096	6.30
10"	1,698	6.30

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.88	\$1.13	\$1.34

Customer Class	
Multi-Family & PUD	\$ 0.88
Commercial/Public	1.05
Interruptible Irrigation for Public Parks & Schools	0.88
Irrigation-All Classes	1.52
Standby-All Classes	1.52

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.0978
3	\$0.2283
4	\$0.3260
5	\$0.4238

**Sewer Rates as of January 1, 2014  
(1st 2 units included in base charge)**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 13.39
Volume Charge x awwc**	2.73
<b>Multi-Family</b>	
Monthly Service Charge	\$ 13.39
Volume Charge x awwc**	2.73
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 13.39
Volume Charge x awc***	2.73
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 13.39
Volume Charge x awc***	3.85
<b>Public</b>	
Monthly Service Charge	\$ 13.39
Volume Charge x awc***	2.73

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water is

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**Water and Sewer Rates**

Annually the water and sewer rates will be increased by the 12-month average of Cost of Living Index which is 1.68% for

**Water Rates as of January 1, 2015**

Customer Service Charge*		
Meter Size	Monthly Base Rate	Add'l Unit Chrg for multi-family & PUD
3/4 " or less	\$ 17.10	\$ 6.30
1"	38.11	6.30
1.5"	71.91	6.30
2"	115.38	6.30
3"	222.53	6.30
4"	368.83	6.30
6"	700.56	6.30
8"	1,115	6.30
10"	1,727	6.30

Single Family Residential		
0-10	11-25 unit	>26 units
\$0.90	\$1.15	\$1.36

Customer Class	
Multi-Family & PUD	\$ 0.90
Commercial/Public	1.07
Interruptible Irrigation for Public Parks & Schools	0.90
Irrigation-All Classes	1.54
Standby-All Classes	1.54

Service Level Charge	
Service Level	Per Unit Chrg
1	0
2	\$0.0994
3	\$0.2321
4	\$0.3315
5	\$0.4309

**Sewer Rates as of January 1, 2015  
(1st 2 units included in base charge)**

Class	Per Month
<b>Residential</b>	
Monthly Service Charge	\$ 13.62
Volume Charge x awwc**	2.78
<b>Multi-Family</b>	
Monthly Service Charge	\$ 13.62
Volume Charge x awwc**	2.78
<b>Commercial Normal Strength</b>	
Monthly Service Charge	\$ 13.62
Volume Charge x awc***	2.78
<b>Commercial High Strength</b>	
Monthly Service Charge	\$ 13.62
Volume Charge x awc***	3.91
<b>Public</b>	
Monthly Service Charge	\$ 13.62
Volume Charge x awc***	2.78

\*Customer service charge does not include any water used. Water usage costs are based upon the following tables. Each Unit of water

\*\*awwc: average winter water consumption

\*\*\*awc: actual water consumption

**CITY OF GRANTS PASS**  
**JOSEPHINE COUNTY, OREGON**

**SUPPLEMENTARY INFORMATION**

**2014-2015 AUDITORS' COMMENTS AND DISCLOSURES**  
**REQUIRED BY STATE REGULATIONS**



## **Independent Auditor's Report Required by Oregon State Regulations**

We have audited the basic financial statements of City of Grants Pass (the City) as of and for the year ended June 30, 2015, and have issued our report thereon dated December 21, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### **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 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 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.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

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 Oregon Municipal Corporations, except as noted below:

The City's expenditures exceed appropriates for one out of six appropriations in the City's Solid Waste fund.

## **OAR 162-10-0230 Internal Control**

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

*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 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.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is intended solely for the information and use of the Honorable Mayor and Members of the City Council and management of the City of Grants Pass and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



For Eide Bailly, LLP  
Boise, Idaho  
December 21, 2015

**CITY OF GRANTS PASS  
JOSEPHINE COUNTY, OREGON**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Fiscal Year Ended June 30, 2015**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	SUBRECIPIENT AGREEMENT NUMBER	EXPENDITURES
SRS TITLE III			
Oregon Dept. of Forestry Firewise Community Coordinator	10.665		\$ 72,665
US DEPARTMENT OF JUSTICE			
Passed through Oregon Criminal Justice Commission Restorative Justice/Early Intervention Josephine County Juvenile Justice	16.738	2014-DJ-BX-0644	1,362
US DEPARTMENT OF TRANSPORTATION			
Federal Transit Administration through ODOT Transit System Agreement No. 29328	20.513	26,328	163,572
US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Grants Pass Community Development Block Grant	14.218		6,658
Passed thru Oregon Business Development Department Josephine County MircoEnterprise	14.228	M13009	32,701 (1)
Josephine County Food Bank	14.228	C12005	1,423,965 (1)
			<u>1,456,666</u>
NATIONAL HIGHWAY TRANSPORTATION SAFETY ADMINISTRATION AND FEDERAL HIGHWAY ADMINISTRATION			
Pass-through Oregon Impact			
Driving Under the Influence of Intoxicants Enforcement Overtime	20.600 to 20.605	K8-15-12-36	1,200
Pedestrian Safety Enforcement	20.600 to 20.605		1,200
Pass-through Oregon Department Of Transportation			
Speed Enforcement	20.600 to 20.605	SC-15-35-13 bbb	872
Child Safety Seats	20.600 to 20.605	OP-15-45-13 aaa	6,000
			<u>6,000</u>
TOTAL FEDERAL EXPENDITURES			<u>\$ 1,710,195</u>

(1) Major Program

The accompanying notes are an integral part of this statement

## **1. BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) presents the activity of all federal grant activity of the City under programs of the federal government for the year ended June 30, 2015. The information in this schedule is presented in accordance with the requirements of *OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operation of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City. The city received federal awards both directly from federal agencies and indirectly from pass through entities.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting when they become a demand on currently available financial resources. The City of Grants Pass's summary of significant accounting policies is presented in Note 1 in the basic financial statements. Pass-through entity identifying numbers are presented where available



**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***

To the Honorable Mayor and  
Members of the City Council  
City of Grants Pass  
Grants Pass, Oregon

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Grants Pass (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 21, 2015.

**Internal Control over Financial Reporting**

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

**Compliance and Other Matters**

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

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho  
December 21, 2015



## **Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133**

To the Honorable Mayor and  
Members of the City Council  
City of Grants Pass  
Grants Pass, Oregon

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

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

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the 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'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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

### **Opinion on the Major Federal Program**

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect of its major Federal program for the year ended June 30, 2015.

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City'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 compliance requirement 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 that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Boise, Idaho  
December 21, 2015

## **Section I - Summary of Auditor's Results**

### Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

### Federal Awards

Internal control over major programs: Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	No

Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
US Department of Housing and Urban Development Community Development Block Grant Program	14.228

Dollar threshold used to distinguish between Type A and Type B programs:	\$ 300,000
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Auditee qualified as low-risk auditee?	No
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<b>Section II - Financial Statement Findings</b>	None
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<b>Section III – Federal Award Findings and Questioned Costs</b>	None
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