

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

FOR THE YEAR ENDED JUNE 30, 2009



12700 SW 72nd Ave.
Tigard, OR 97223

**CITY OF NEWPORT
LINCOLN COUNTY, OREGON**

FINANCIAL REPORT

Year Ended June 30, 2009

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

ELECTED OFFICIALS

June 30, 2009

<u>NAME</u>	<u>TERM EXPIRES</u>
Bill Bain, Mayor	December 31, 2010
Jeff Bertuleit, Council President	December 31, 2012
Richard Kilbride, Councilmember	December 31, 2010
Mark McConnell, Councilmember	December 31, 2012
Patricia Patrick-Joling, Councilmember	December 31, 2010
Lon Brusselback, Councilmember	December 31, 2012
Terry Obteshka, Councilmember	December 31, 2010

All council members receive mail at the address listed below.

CITY MANAGER

Jim Voetberg

City of Newport
169 SW Coast Hwy
Newport, Oregon 97365

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
 - (503) 620-2632 • FAX (503) 684-7523

January 25, 2010

To the Honorable Mayor and
Members of the City Council
City of Newport, Oregon

INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Newport, Lincoln County, Oregon, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Newport, Lincoln County, Oregon, at June 30, 2009 and the results of its operations and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management Discussion and Analysis and the required supplementary information, as listed on the table of contents, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Newport's basic financial statements. The supplementary information on page 41 of the report is presented for purposes of additional analysis and is not a required part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management about this supplementary information. However, we did not audit the information and do not express an opinion on it.

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Management's Discussion and Analysis

The management of the City of Newport offers readers of the City of Newport's financial statements this narrative overview and analysis of the financial activities of the City of Newport for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with the additional information furnished in the financial statements that follow.

Financial Highlights

Net Assets - The assets of the City of Newport exceeded its liabilities at the close of the most recent fiscal year by \$70,786,560. Of this amount, \$23,638,704 may be used to meet the City's ongoing obligations to citizens and creditors.

Change in Net Assets - The City's total net assets increased by \$636,390 due to an increase in Assets. While long term debt increased by \$10,099,401, other liabilities also increased \$1,000,216. Total assets increased by \$11,735,808.

Governmental Funds - As of the close of the fiscal year, the City of Newport's governmental funds reported combined ending fund balances of \$13,217,198.

At the end of the fiscal year, unreserved fund balance for the general fund was \$775,168 down 19% from close of fiscal year 2008.

The City of Newport's total debt increased by \$10,099,401 during the fiscal year, the increase was due to procurement of capital assets and bonded debt for new Water Treatment Plant construction.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Newport's basic financial statements. The statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Newport's finances in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave). The governmental activities of the City of Newport include general government, public safety, streets, economic development, culture and recreation, facilities and acquisition, and interest paid on long term debt. The business type activities include water treatment and distribution, wastewater collection and treatment.

Fund financial statements. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Newport, 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 of Newport can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Newport maintains twenty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General fund, Airport Fund, Agate Beach Closure Fund, North Side Urban Renewal Construction Fund, North Side Urban Renewal Debt Fund, South Beach Urban Renewal Construction Fund, and South Beach Urban Renewal Debt Fund. All of these funds are considered to be major funds.

Data from the other eighteen non-major governmental funds are combined into a single aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements in the other supplementary information described below.

Proprietary Funds. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. These funds represent two segments of operations: Water and Wastewater.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Other Supplementary Information. The combining statements for the non-major governmental funds and budgetary comparison schedules for both the non-major governmental funds and the proprietary funds are presented immediately following the notes to the basic financial statements.

Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Newport, assets exceeded liabilities by \$70,786,560 at the close of the most recent fiscal year.

The largest portion of the City of Newport's net assets (56% percent) reflects its investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City of Newport uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Newport's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following summary is a comparison between the City's net assets at the end of the fiscal year as compared to the end of last fiscal year.

	Governmental Activities		Business-type Activities		Total Government	
	2008	2009	2008	2009	2008	2009
Cash and investments	\$15,816,029	\$12,848,319	\$2,544,850	\$17,939,367	\$18,360,679	\$30,787,686
Other Assets	1,837,857	3,317,068	246,427	(486,629)	2,084,284	2,830,439
Capital assets	33,903,986	41,897,724	55,485,705	46,054,813	89,389,691	87,952,537
Total Assets	\$51,557,872	\$58,063,111	\$58,276,982	\$63,507,551	\$109,834,854	\$121,570,662
Other Liabilities	\$619,489	\$1,424,104	\$775,677	\$1,009,771	\$1,395,166	\$2,433,875
Long term debt outstanding	7,434,497	8,914,207	30,816,329	39,436,020	38,250,826	48,350,227
Total liabilities	\$8,053,986	\$10,338,311	\$31,592,006	\$40,445,791	\$39,645,992	\$50,784,102
Net assets:						
Invested in capital assets, net of debt	\$26,469,489	\$32,983,517	\$24,669,376	\$6,508,792	\$51,138,865	\$39,492,309
Restricted:						
Debt Service	7,267,269	6,207,709	1,433	430,158	7,268,702	6,637,867
Systems Development	358,403	479,976	592,810	537,704	951,213	1,017,680
Unrestricted	9,408,725	8,053,598	1,382,664	15,585,106	10,791,389	23,638,704
Total net assets	\$43,503,886	\$47,724,800	\$26,646,283	\$23,061,760	\$70,150,169	\$70,786,560

Newport's net assets represent resources that are invested in capital assets, net of related debt. Of the remaining balance in net assets, \$6,637,867 is restricted for future debt service, \$1,017,680 is restricted for systems development projects, and \$23,638,704 is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors.

Governmental activities. Governmental net assets increased by \$4,220,914 this year. The largest change in governmental activities was an increase in long term debt with several new issues during the year. This resulted in an overall increase of total governmental liabilities of \$2,284,325.

Business-type activities. Business-type activities decreased the City of Newport's net assets by \$3,584,323. The decrease resulted primarily from increases in long term debt for a new water treatment facility.

A portion of the year-end net assets is restricted for specific purposes. The restrictions represent legal or contractual limitations on how the assets may be expended. Within the governmental activities category are system development charges, assessments, taxes and other collections limited to repayment of debt. Within the business-type activities are bond proceeds and debt service reserves.

Table 2
Governmental and Proprietary Activities

	Governmental Activities		Business-type Activities		Total Government	
	2008	2009	2008	2009	2008	2009
REVENUES						
Program Services						
Charges for Services	\$ 1,296,905	\$ 1,463,927	\$ 5,237,488	\$ 4,841,845	\$ 6,534,393	\$ 6,305,772
Grants and Contributions	247,219	954,380	64,640	8,000	311,859	962,380
General Revenue					-	-
Taxes	10,663,248	10,902,258	1,757,635	1,203,796	12,420,883	12,106,054
Licenses, Permits and Fees	600,064	750,076	-	-	600,064	750,076
Intergovernmental	1,260,686	696,564	-	-	1,260,686	696,564
Special Assessments	133,176	-	-	-	133,176	-
Investment Earnings	680,534	315,667	127,409	152,801	807,943	468,468
Other Revenue	453,831	929,734	107,257	69,443	561,088	999,177
Capital Contributions	-	-	141,232	-	141,232	-
Transfers	(5,064,223)	(111,491)	5,064,223	111,491	-	-
Total Revenues	\$ 10,271,440	\$15,901,115	\$ 12,499,884	\$ 6,387,376	\$ 22,771,324	\$ 22,288,491
EXPENSES						
Programs	\$ 12,714,416	\$ 15,786,875	\$ 7,740,836	\$ 5,865,226	\$ 20,455,252	\$ 21,652,101
Change in Net Assets	(2,442,976)	114,240	4,759,048	522,150	2,316,072	636,390
Prior Period Adjustment	262,154	-	-	-	262,154	0
Beginning Net Assets	\$ 45,684,708	\$ 47,610,560	\$ 21,887,235	\$ 22,539,610	\$ 67,571,943	\$ 70,150,170
Ending Net Assets	\$ 43,503,886	\$ 47,724,800	\$ 26,646,283	\$ 23,061,760	\$ 70,150,169	\$ 70,786,560

Financial Analysis of the City's funds

Governmental funds. The focus of the City of Newport'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 of Newport's financing requirements. In particular, unreserved fund balance may serve as useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the fiscal year, the City of Newport's governmental funds reported combined ending fund balances of \$13,217,198. Approximately 51% percent of this total amount (\$6,529,513) constitutes unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed. The general fund ending balance decreased by \$178,937 in 2009. The following funds changed (Better (Worse)) by these amounts; Airport Fund

(\$187,401), Agate Beach Closure Fund (\$5,134), Room Tax Fund (\$12,382), North Side Urban Renewal Construction fund (\$406,096), South Beach Urban Renewal Construction fund (\$400,534), North Side Urban Renewal Debt fund (\$1,362,166), and the South Beach Urban Renewal Debt fund changed by \$342,951. All other governmental funds experienced a net change in their fund balances of (\$929,808).

Proprietary funds. The Wastewater fund had a net increase in fund balances of \$163,068 and the Water fund had a net increase in fund balance of \$15,824,574 in preparation for new Water Treatment Plant construction.

Budgetary Highlights

The City Council approved numerous changes to the adopted budget during the year. The General Fund increased its appropriations by \$81,550 during the year. This increase was due to a donation from private citizens for our Canine Program. Other organizational units increased and decreased with out a net appropriations increase. However, the general fund spent less than appropriated due to timing of some purchases in the Police and Library organizational units.

Among the funds, the Bonded Debt Fund increased its appropriation by \$746,813 due to borrowing, the Water Fund Increased appropriations by \$25,000 with funds coming from beginning balances, The Housing Fund Increased by \$19,288 with money coming from beginning balances, Building & Equipment Capital Improvement Fund increased by \$16,600 with additional funds coming from beginning balances.

Capital Asset and Debt Administration

Capital assets. The City of Newport’s investment in capital assets for its governmental and business type activities as of June 30, 2009 amounts to \$87,952,537 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and structures, infrastructure and improvements, utility systems, equipment and vehicles, and construction in process.

Table 3

**Capital Assets at year-end
(net of depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Land	\$ 8,796,155	\$ 8,796,155	\$ 26,910	\$ 26,910	\$ 8,823,065	\$ 8,823,065
Buildings and structures	19,123,960	28,099,583	20,922,783	12,396,802	40,046,743	40,496,385
Equipment	3,121,004	3,579,765	1,451,748	1,179,566	4,572,752	4,759,331
Vehicles	2,686,103	3,094,794	668,348	497,661	3,354,451	3,592,455
Infrastructure	20,148,430	25,946,603	55,092,651	49,767,270	75,241,081	75,713,873
Construction in progress	72,820	62,129	-	440,628	72,820	502,757
Less accumulated depreciation	(20,044,486)	(27,681,305)	(22,676,733)	(18,254,024)	(42,721,219)	(45,935,329)
Total	\$ 33,903,986	\$ 41,897,724	\$55,485,707	\$46,054,813	\$ 89,389,693	\$87,952,537

Major capital asset events during the current fiscal year included the following:

- Completion of the Fire Training Tower
- Beginning work on the Water Treatment Plant Construction
- Beginning work on the Bay Boulevard Project
- Purchase and installation of KGW webcam
- Purchase of eight vehicles for various City departments including a jet fuel truck for the Airport FBO
- Completions of Intersection 101 & 40th Street project
- Purchase and repair of Wastewater pumps for pump stations

Table 4

	Change in Capital Assets					
	Governmental Activities		Business-type Activities		Total	
	2008	2009	2008	2009	2008	2009
Beginning balance	\$33,017,021	\$ 33,903,985	\$56,097,039	\$55,485,707	\$89,114,060	\$89,389,692
Additions	3,502,706	15,703,378	49,400,662	610,738	52,903,368	16,314,116
Depreciation	(1,029,285)	(7,636,819)	(2,080,399)	4,422,709	(3,109,684)	(3,214,110)
Deletions	(1,586,456)	(72,820)	(47,931,599)	(14,464,341)	(49,518,055)	(14,537,161)
Ending Balance	\$33,903,986	\$41,897,724	\$55,485,703	\$46,054,813	\$89,389,689	\$87,952,537

Long-term debt. At the end of the fiscal year, the City of Newport had total long-term debt outstanding of \$48,350,227. In governmental activity, \$1,300,000 is the balance of a 2000 loan to make improvements in the Nye Beach, Uptown, and Bay front areas of the City as well as financing the renovation of City Hall. In 2007, Bank of America loaned the Urban Renewal Agency \$900,000 to construct the 4B Storm Drain project in the South Beach Urban Renewal District. The amount currently outstanding is \$758,000. In 1991, the Urban Renewal Agency received a loan of \$500,000 to help finance the Oregon Coast Aquarium. The balance due on that loan is \$51,996. A capital lease for the purchase of three Police department vehicles has a balance of \$36,534. In 2008, a loan was made to the Urban Renewal Agency by Bank of America in the amount of \$2,530,000 with \$2,325,000 outstanding. The 2008 loan will fund infrastructure improvements in the South Beach Urban Renewal District. \$3,566,472 is the balance of loans to construct the Recreation Center, borrowed from the Oregon Department of Energy (DOE) and the State of Oregon Special Public Works Fund (SPWF). The 2007 LoCap Flex Lease Program loan was for new equipment and vehicles throughout the City; the current balance due are \$870,000.

For the City business-type activities, \$21,935,725 comprises the outstanding balance of loans to construct the Wastewater Treatment Plant. The 2008 GO refunding bonds have a balance at year end of \$7,470,000. The remaining loan balance, \$14,465,725, for the Wastewater Treatment Plant is comprised of loans from several State agencies, including the Oregon Department of Environmental Quality (DEQ), and the Oregon Economic and Community Development Department (OECDD). Water Treatment Plant improvements were funded by a general obligation bond in 1998, amount outstanding is \$780,000, and the 2009 Water Improvement Bonds issued for \$15,895,541 have a balance of \$15,895,541. The City entered into an agreement with Seal Rock Water District to take over its infrastructure and customer services in an area that is within the City's urban growth boundary. This agreement resulted in the City becoming obligated for annual payments to Seal Rock water District over 30 years. The agreement provided for fixed payments of \$60,000 per year which, when translated into a presumed principal and interest payment based on the value of the infrastructure acquired resulted in the principal balance at year's end of \$934,755.

Table 5
Outstanding Debt at Year-end

	2008	2009
Governmental		
1990 Special Public Works Fund Loan	\$87,731	\$ 51,996
Bank of America, Series 2000	3,215,000	1,300,000
Bank of America, Series 2007	833,000	758,000
Bank of America, Series 2008	2,530,000	2,325,000
Leaf Funding	0	6,161
Capital lease - Police Vehicles	35,652	36,534
2000 SPWF loan	3,519,616	3,302,827
2000 Oregon Dept of Energy loan	297,278	263,689
<u>2007 Certificates of Participation</u>	<u>733,115</u>	<u>870,000</u>
Sub-total	\$7,434,498	\$8,914,207
Business-type		
1998 WTP General Obligation Bonds	\$1,085,000	780,000
1999 Sewer General Obligation Bonds	555,000	-
2009 Water Improvement Bonds		15,895,541
2008 GO Refunding Bonds	7,470,000	7,470,000
1996 Oregon DEQ loan	6,394,964	6,058,061
1996 Oregon DEQ loan	6,243,254	4,630,584
2000 OECDD loan	2,009,686	1,888,540
2000 OECDD loan	2,009,686	1,888,540
2006 Oregon Coast Bank loan	-	
2007 Certificates of Participation	281,885	
<u>2007 Seal Rock Water District agreement</u>	<u>949,960</u>	<u>934,755</u>
Sub-total	\$30,816,329	\$39,546,021
Total	\$38,250,827	\$48,460,228

State statutes limit the amount of general obligation debt an Oregon city may issue to 3% of total real market value of all taxable property within its boundary. The current debt limitation for the City of Newport is near \$32 million. Less \$10 million of the outstanding debt is counted within the statutory limitation as the remaining debt is either wholly or partially financed by revenues other than a general tax levy.

Economic Factors and next year's Budgets and Rates. The City of Newport's unemployment rate ended the fiscal year at 9.9%. 5 building permits were issued for new residential development in fiscal 2009. In addition, permits were issued for 17 new commercial developments, and 79 building permits were issued for residential and commercial repairs and improvements to existing structures.

Requests for information. This financial report is designed to provide a general overview of the City of Newport's financial condition. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, City of Newport, 169 SW Coast Highway, Newport, Oregon 97365.

Signature: *Jim Veithey*

Title: *City Manager*

Signature: *Ross E. Shultz*

Title: *INTERIM FINANCE DIRECTOR*

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

STATEMENT OF NET ASSETS
June 30, 2009

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 12,848,319	\$ 17,939,367	\$ 30,787,686
Receivables (Net of Allowance for Uncollectibles)	1,803,943	996,525	2,800,468
Internal Balances	1,483,154	(1,483,154)	-
Land Held for Resale	9,751	-	9,751
Prepays	20,220	-	20,220
Capital Assets, Net	41,897,724	46,054,813	87,952,537
Total Assets	58,063,111	63,507,551	121,570,662
LIABILITIES			
Accounts Payable	446,528	251,371	697,899
Payroll and Payroll Taxes Payable	347,838	80,376	428,214
Interest Payable	87,107	327,959	415,066
Unearned Revenue	131,555	277,348	408,903
Accrued Vacation	311,928	72,717	384,645
OPEB Liability	99,148	-	99,148
Noncurrent Liabilities:			
Due Within One Year:	1,176,091	2,048,011	3,224,102
Due in More Than One Year:	7,738,116	37,388,009	45,126,125
Total Liabilities	10,338,311	40,445,791	50,784,102
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	32,983,517	6,508,792	39,492,309
Restricted for:			
System Development	479,976	537,704	1,017,680
Debt Service	6,207,709	430,158	6,637,867
Unrestricted	8,053,598	15,585,106	23,638,704
Total Net Assets	\$ 47,724,800	\$ 23,061,760	\$ 70,786,560

The accompanying notes are an integral part of this statement.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary Government				
Governmental Activities				
General government	\$ 3,515,074	\$ 369,989	\$ -	\$ 21,335
Public safety	4,971,158	141,154	-	239,128
Streets	651,987	13,469	-	-
Economic development	1,352,326	113,653	-	-
Culture and recreation	3,171,277	543,018	-	9,239
Airport operations	1,007,182	282,644	-	684,678
Facilities & Acquisitions	-	-	-	-
Interest on long-term debt	1,117,871	-	-	-
Total Governmental Activities	15,786,875	1,463,927	-	954,380
Business- Type Activities				
Water	2,058,968	2,056,143	-	8,000
Sewer	3,806,258	2,785,702	-	-
Total Business-Type Activities	5,865,226	4,841,845	-	8,000
Total Primary Government	\$ 21,652,101	\$ 6,305,772	\$ -	\$ 962,380

General Revenues

Taxes:

- Property
- Transient Occupancy
- Other Taxes
- Licenses, Permits & Fees
- Intergovernmental
- Investment Earnings
- Miscellaneous
- Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets - beginning of year

Net Assets - end of year

The accompanying notes are an integral part of this statement.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009

Net Revenue (Expenses) and Changes in Net Assets		
Governmental Activities	Business-Type Activities	Total
\$ (3,123,750)	\$ -	\$ (3,123,750)
(4,590,876)	-	(4,590,876)
(638,518)	-	(638,518)
(1,238,673)	-	(1,238,673)
(2,619,020)	-	(2,619,020)
(39,860)	-	-
-	-	-
(1,117,871)	-	(1,117,871)
(13,368,568)	-	(13,368,568)
-	5,175	5,175
-	(1,020,556)	(1,020,556)
-	(1,015,381)	(1,015,381)
(13,368,568)	(1,015,381)	(14,383,949)
8,616,819	1,203,796	9,820,615
2,229,833	-	2,229,833
55,606	-	55,606
750,076	-	750,076
696,564	-	696,564
315,667	152,801	468,468
929,734	69,443	999,177
(111,491)	111,491	-
13,482,808	1,537,531	15,020,339
114,240	522,150	636,390
47,610,560	22,539,610	70,150,170
\$ 47,724,800	\$ 23,061,760	\$ 70,786,560

The accompanying notes are an integral part of this statement.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	GENERAL FUND	AIRPORT FUND	AGATE BEACH CLOSURE FUND	ROOM TAX FUND
ASSETS:				
Cash & Cash Equivalents	\$ 904,374	\$ (355,059)	\$ 1,525,644	\$ 1,726,115
Receivables, net				
Taxes	402,743	-	-	-
Accounts	168,266	290,349	-	226,523
Assessments	-	-	-	-
Loans	-	-	-	-
Interfund Receivables	-	-	-	150,000
Prepays	20,220	-	-	-
Investment in Foreclosed Property	-	-	-	-
Total Assets	<u>\$ 1,495,603</u>	<u>\$ (64,710)</u>	<u>\$ 1,525,644</u>	<u>\$ 2,102,638</u>
LIABILITIES AND FUND EQUITY:				
Liabilities:				
Accounts Payable	\$ 112,621	\$ 197,457	\$ -	\$ 52,325
Payroll and Payroll Taxes Payable	270,739	10,568	-	-
Deferred Revenues	330,495	-	-	-
Customer Deposits	6,580	1,640	-	-
Total Liabilities	<u>720,435</u>	<u>209,665</u>	<u>-</u>	<u>52,325</u>
Fund Equity:				
Fund Balances:				
Reserved for				
Debt Service	-	-	-	-
System Development	-	-	-	-
Unreserved, reported in				
General Fund	775,168	-	-	-
Special Revenue Funds	-	(274,375)	1,525,644	2,050,313
Capital Projects Funds	-	-	-	-
Total Fund Equity	<u>775,168</u>	<u>(274,375)</u>	<u>1,525,644</u>	<u>2,050,313</u>
Total Liabilities and Fund Equity	<u>\$ 1,495,603</u>	<u>\$ (64,710)</u>	<u>\$ 1,525,644</u>	<u>\$ 2,102,638</u>

The accompanying notes are an integral part of this statement.

**CITY OF NEWPORT
LINCOLN COUNTY, OREGON**

**BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009**

NS URA CONSTRUCTION FUND	SB URA CONSTRUCTION FUND	NS URA DEBT FUND	SB URA DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ 773,368	\$ 4,081,681	\$ 2,054,767	\$ 2,082,466	\$ 12,793,356
429	-	236,177	151,222	-	790,571
-	-	-	-	328,234	1,013,372
-	-	-	-	-	-
-	-	-	-	-	150,000
-	-	-	-	-	20,220
-	-	-	-	9,751	9,751
<u>\$ 429</u>	<u>\$ 773,368</u>	<u>\$ 4,317,858</u>	<u>\$ 2,205,989</u>	<u>\$ 2,420,451</u>	<u>\$ 14,777,270</u>
\$ -	\$ 6,600	\$ -	\$ -	\$ 72,988	\$ 441,991
-	-	-	-	58,833	340,140
-	-	193,337	123,230	122,659	769,721
-	-	-	-	-	8,220
-	6,600	193,337	123,230	254,480	1,560,072
-	-	4,124,950	2,082,759	-	6,207,709
-	-	-	-	479,976	479,976
-	-	-	-	-	775,168
-	-	-	-	1,685,995	4,987,577
-	766,768	-	-	-	766,768
-	766,768	4,124,950	2,082,759	2,165,971	13,217,198
<u>\$ -</u>	<u>\$ 773,368</u>	<u>\$ 4,318,287</u>	<u>\$ 2,205,989</u>	<u>\$ 2,420,451</u>	<u>\$ 14,777,270</u>

The accompanying notes are an integral part of this statement.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET ASSETS
For the Year Ended June 30, 2009**

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

Fund Balances	\$	13,217,198
<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 assets includes those capital assets among the assets of the City as a whole.</p>		
Net Capital Assets		41,897,724
Internal Service Fund Net Capital Assets		(241,494)
<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. Interest on long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due.</p>		
GO Bonds, Notes and Contracts Payable		(8,914,207)
Bond Interest Payable		(87,107)
<p>Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.</p>		
Accrued Vacation		(311,928)
Internal Service Fund Accrued Vacation		8,733
<p>Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.</p>		
Deferred Revenue		646,386
OPEB Liability		(99,148)
Eliminate Internal Charges with Business-Type Funds		1,401,216
<p>Internal Service Fund Net Assets</p>		
Allocation of Public Works Fund which are attributable to governmental activities.		207,427
Total Net Assets	\$	<u><u>47,724,800</u></u>

The accompanying notes are an integral part of this statement.

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009**

	GENERAL FUND	AIRPORT FUND	AGATE BEACH CLOSURE FUND	ROOM TAX FUND
REVENUES				
Property Taxes	\$ 4,430,522	\$ -	\$ -	\$ -
Transient Room Tax	-	-	-	2,229,833
Other Taxes	55,606	-	-	-
Licenses, Permits, and Fees	1,082,377	-	10,811	-
Intergovernmental	696,564	-	-	-
Interfund Services	452,640	31,200	-	86,700
Leases & Rents	128,883	36,969	-	-
Special Assessments	-	-	-	-
Investment Earnings	29,162	-	30,076	29,922
Fines and Forfeitures	150,355	-	-	-
Grants	62,303	684,678	-	-
Insurance Proceeds	-	-	-	-
Miscellaneous	178,796	5,288	-	79
Total Revenues	<u>7,267,208</u>	<u>758,135</u>	<u>40,887</u>	<u>2,346,534</u>
EXPENDITURES				
Current:				
General Government	2,308,480	209,832	-	-
Public Safety	4,357,908	-	-	-
Streets	-	-	-	-
Economic Development	-	-	-	1,021,016
Culture and Recreation	1,448,875	-	-	-
Materials & Services	-	1,007,182	46,021	-
Capital Outlay	-	5,021	-	-
Debt Service	-	-	-	-
Total Expenditures	<u>8,115,263</u>	<u>1,222,035</u>	<u>46,021</u>	<u>1,021,016</u>
Excess of Revenues Over (Under) Expenditures	(848,055)	(463,900)	(5,134)	1,325,518
Other Financing Sources, (Uses)				
Bond/loan Proceeds	-	-	-	-
Special Payments	-	-	-	-
Transfers In/Out	669,118	276,499	-	(1,337,900)
Total Other Financing Sources, (Uses)	<u>669,118</u>	<u>276,499</u>	<u>-</u>	<u>(1,337,900)</u>
Net Change in Fund Balance	(178,937)	(187,401)	(5,134)	(12,382)
FUND BALANCE - BEGINNING OF YEAR	<u>954,105</u>	<u>(86,974)</u>	<u>1,530,778</u>	<u>2,062,695</u>
FUND BALANCE - END OF YEAR	<u>\$ 775,168</u>	<u>\$ (274,375)</u>	<u>\$ 1,525,644</u>	<u>\$ 2,050,313</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

NS URA CONSTRUCTION FUND	SB URA CONSTRUCTION FUND	NS URA DEBT SERVICE FUND	SB URA DEBT SERVICE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 2,633,785	\$ 1,764,108	\$ -	\$ 8,828,415
-	-	-	-	-	2,229,833
-	-	-	-	-	55,606
-	-	-	-	804,660	1,897,848
-	-	-	-	-	696,564
-	-	-	-	31,200	601,740
-	-	-	-	-	165,852
-	-	-	-	-	-
-	49,393	91,159	36,938	49,017	315,667
-	-	-	-	-	150,355
-	-	-	-	248,104	995,085
-	-	-	-	-	-
-	8,333	475	-	694,606	887,577
-	57,726	2,725,419	1,801,046	1,827,587	16,824,542
-	-	-	-	368,773	2,887,085
-	-	-	-	-	4,357,908
-	-	-	-	633,905	633,905
-	235,468	-	-	185,556	1,442,040
-	-	-	-	1,331,188	2,780,063
-	-	1,970	-	-	1,055,173
-	472,792	-	-	697,982	1,175,795
-	-	2,241,421	788,375	635,831	3,665,627
-	708,260	2,243,391	788,375	3,853,235	17,997,596
-	(650,534)	482,028	1,012,671	(2,025,648)	(1,173,054)
-	-	-	-	-	-
-	-	(408,952)	-	-	(408,952)
(406,096)	250,000	(1,435,242)	(669,720)	1,095,840	(1,557,501)
(406,096)	250,000	(1,844,194)	(669,720)	1,095,840	(1,966,453)
(406,096)	(400,534)	(1,362,166)	342,951	(929,808)	(3,139,507)
406,096	1,167,302	5,487,116	1,739,808	3,095,779	16,356,705
<u>\$ -</u>	<u>\$ 766,768</u>	<u>\$ 4,124,950</u>	<u>\$ 2,082,759</u>	<u>\$ 2,165,971</u>	<u>\$ 13,217,198</u>

The accompanying notes are an integral part of this statement.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2009**

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 Revenues over Expenditures \$ (3,139,507)

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 Additions	\$	1,273,044	
Capital Disposals		(72,820)	
Depreciation Expense		(1,605,739)	
Net Adjustment		(405,515)	(405,515)

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.

GO Bonds, Notes and Contracts Payable	\$	2,619,069	
Bond Interest Payable		(71,313)	
Accrued Vacation		(22,410)	
Net Adjustment		2,525,346	2,525,346

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

Property Taxes			(211,596)
OPEB Liability			(99,148)
Eliminate Internal Charges with Business-Type Funds			1,626,864
Change in Internal Service Fund attributable to governmental activities.			(182,204)
Change in Net Assets	\$		114,240

The accompanying notes are an integral part of this statement.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

as of June 30, 2009

	SEWER FUND	WATER FUND	OTHER PROPRIETARY FUNDS	TOTALS CURRENT YEAR	GOVERNMENTAL ACTIVITIES- PUBLIC WORKS
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 929,236	\$ 16,006,676	\$ 875,812	\$ 17,811,724	\$ 182,607
Interfund Receivables	-	-	-	-	-
Receivables					
Taxes	-	-	109,586	109,586	-
Accounts	412,130	366,179	108,630	886,939	-
Total Current Assets	<u>1,341,366</u>	<u>16,372,855</u>	<u>1,094,028</u>	<u>18,808,249</u>	<u>182,607</u>
Noncurrent Assets					
Capital Assets, Net	40,365,816	5,688,997	-	46,054,813	241,494
Total Noncurrent Assets	<u>40,365,816</u>	<u>5,688,997</u>	<u>-</u>	<u>46,054,813</u>	<u>241,494</u>
Total Assets	<u>41,707,182</u>	<u>22,061,852</u>	<u>1,094,028</u>	<u>64,863,062</u>	<u>424,101</u>
LIABILITIES					
Current Liabilities					
Accounts Payable	38,538	202,298	-	240,836	15,072
Interfund Payable	150,000	-	-	150,000	-
Accrued Interest Payable	263,494	64,465	-	327,959	-
Deposits		150,966		150,966	-
Compensated Absences	28,228	24,207	-	52,435	29,015
Payroll Liabilities	25,040	37,450	8	62,498	25,577
Deferred Revenue		224	126,158	126,382	-
General Obligation Bonds					
Payable, Current Portion	515,000	315,000	-	830,000	-
Loans & notes, current portion	1,202,068	15,943	-	1,218,011	-
Total Current Liabilities	<u>2,222,368</u>	<u>810,553</u>	<u>126,166</u>	<u>3,159,087</u>	<u>69,664</u>
Noncurrent Liabilities					
General Obligation Bonds Payable, Net	6,955,000	16,360,541	-	23,315,541	-
Loans & Notes, Net	13,263,657	918,812	-	14,182,469	-
Bond Premium	-	(330,108)	-	(330,108)	-
Bond Issuance Costs	-	220,107	-	220,107	-
Total Noncurrent Liabilities	<u>20,218,657</u>	<u>17,169,352</u>	<u>-</u>	<u>37,388,009</u>	<u>-</u>
Total Liabilities	<u>22,441,025</u>	<u>17,979,905</u>	<u>126,166</u>	<u>40,547,096</u>	<u>69,664</u>
Net Assets					
Invested in Capital Assets,					
Net of Related Debt	18,430,091	(11,921,299)	-	6,508,792	241,494
Retricted for					
Debt Service	-	-	430,158	430,158	-
System development	-	-	537,704	537,704	-
Unrestricted	836,066	16,003,246	-	16,839,312	112,943
Total Net Assets	<u>\$ 19,266,157</u>	<u>\$ 4,081,947</u>	<u>\$ 967,862</u>	<u>\$ 24,315,966</u>	<u>\$ 354,437</u>
				Adjustment to reflect consolidation of public works fund activity related to enterprise funds	
				Prior year	
				(310,486)	
				Current year	
				(943,720)	
				Net assets - business type	
				<u>\$ 23,061,760</u>	

The accompanying notes are an integral part of this statement.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the year ended on June 30, 2009

	SEWER FUND	WATER FUND	OTHER PROPRIETARY FUNDS	TOTALS CURRENT YEAR	GOVERNMENTAL ACTIVITIES- PUBLIC WORKS
OPERATING REVENUES					
Charges for Sales and Services	\$ 2,785,250	\$ 2,013,779	\$ -	\$ 4,799,029	\$ 602,281
Other Services	61	42,103	-	42,164	-
Total Operating Revenues	<u>2,785,311</u>	<u>2,055,882</u>	<u>-</u>	<u>4,841,193</u>	<u>602,281</u>
OPERATING EXPENSES					
Costs of Sales and Services	1,420,058	1,246,225	-	2,666,283	625,876
Administration	530,002	459,774	95,975	1,085,751	-
Depreciation	1,345,070	281,993	-	1,627,063	15,317
Total Operating Expenses	<u>3,295,130</u>	<u>1,987,992</u>	<u>95,975</u>	<u>5,379,097</u>	<u>641,193</u>
Net operating income (loss)	<u>(509,819)</u>	<u>67,890</u>	<u>(95,975)</u>	<u>(537,904)</u>	<u>(38,912)</u>
NONOPERATING REVENUES (EXPENSES)					
Property Taxes	-	-	1,203,796	1,203,796	-
Interest Income	24,492	105,641	20,070	150,203	3,717
Interest Expense	(309,980)	(101,243)	(446,762)	(857,985)	-
Systems Development Fees	-	-	39,802	39,802	-
Other Revenue	-	-	29,641	29,641	-
Grants	-	8,000	-	8,000	-
Total Nonoperating Revenues (expenses)	<u>(285,488)</u>	<u>12,398</u>	<u>846,547</u>	<u>573,457</u>	<u>3,717</u>
Income Before Contributions and Transfers	(795,307)	80,288	750,572	35,553	(35,195)
Transfer In/Out	2,529,997	305,000	(868,544)	1,966,453	-
Bond Proceeds	-	-	-	-	-
Change In Net Assets	<u>1,734,690</u>	<u>385,288</u>	<u>(117,972)</u>	<u>2,002,006</u>	<u>(35,195)</u>
Net Assets - Beginning of Year	<u>17,531,467</u>	<u>3,696,659</u>	<u>1,085,834</u>	<u>22,313,960</u>	<u>389,632</u>
Net Assets - End of Year	<u>\$ 19,266,157</u>	<u>\$ 4,081,947</u>	<u>\$ 967,862</u>	<u>\$ 24,315,966</u>	<u>\$ 354,437</u>

Adjustment to reflect consolidation of public works fund activity related to enterprise funds

Prior year	(310,486)
Current year	(943,720)
Net assets - business type	<u>\$ 23,061,760</u>

The accompanying notes are an integral part of this statement.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2009

	SEWER FUND	WATER FUND	OTHER PROPRIETARY FUNDS	TOTALS CURRENT YEAR	GOVERNMENTAL ACTIVITIES- PUBLIC WORKS
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from Customers and Users	\$ 2,629,918	\$ 1,899,163	\$ 159	\$ 4,529,240	\$ 602,281
Payments to Suppliers	(1,476,497)	(932,484)	(95,975)	(2,504,956)	(196,922)
Payments to Employees	(425,241)	(610,725)	8	(1,035,958)	(409,452)
Net Cash Provided by Operating Activities	728,180	355,954	(95,808)	988,326	(4,093)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfer To/From Other Funds	2,529,997	305,000	(868,544)	1,966,453	-
Interfund Loans	(250,000)	(135,000)	-	(385,000)	-
SDC Fees	-	-	39,802	39,802	-
Grants	-	8,000	-	8,000	-
Misc. Noncapital Financing Revenues	-	-	29,633	29,633	-
Property Taxes	-	-	1,203,796	1,203,796	-
Net Cash Provided (used) from Noncapital and Related Financing Activities	2,279,997	178,000	404,687	2,862,684	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Loan Proceeds	-	15,895,541	-	15,895,541	-
Bond Premium	-	(330,108)	-	(330,108)	-
Bond Issuance Costs	-	220,107	-	220,107	-
Purchases of Capital Assets	(232,956)	(343,776)	-	(576,732)	-
Disposal of Capital Assets	(12,179)	(21,829)	-	(34,008)	-
Principal Paid on Debt	(2,746,865)	(320,205)	-	(3,067,070)	-
Interest Expense	(240,755)	(44,794)	(446,762)	(732,311)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,232,755)	15,054,936	(446,762)	11,375,419	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from Investments	-	-	-	-	3,717
Purchase of Investments	-	-	-	-	-
Interest and Dividends Received	24,492	105,641	20,070	150,203	-
Net Cash Provided (used) by Investing Activities	24,492	105,641	20,070	150,203	3,717
Net Increase, (Decrease) in Cash and Cash Equivalents	(200,086)	15,694,531	(117,813)	15,376,632	(376)
CASH AND CASH EQUIVALENTS - BEGINNING	1,129,322	312,145	993,625	2,435,092	182,983
CASH AND CASH EQUIVALENTS - ENDING	\$ 929,236	\$ 16,006,676	\$ 875,812	\$ 17,811,724	\$ 182,607
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating Income	\$ (509,819)	\$ 67,890	\$ (95,975)	\$ (537,904)	\$ (38,912)
Adjustments					
Depreciation/Amortization	1,345,070	281,993	-	1,627,063	15,317
(Increase), Decrease in Accounts Receivable	(155,393)	(180,009)	(1,617)	(337,019)	-
Increase (Decrease) in Deferred Revenue	-	-	1,776	1,776	-
Increase, (Decrease) in Accounts Payable	27,728	139,125	-	166,853	3,684
Increase, (Decrease) in customer deposits	-	23,290	-	23,290	-
Increase, (Decrease) in Payroll Liabilities	20,594	23,666	8	44,268	15,818
Net Cash From Operations	\$ 728,180	\$ 355,955	\$ (95,808)	\$ 988,327	\$ (4,093)

The accompanying notes are an integral part of this statement.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements 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 accounting policies are described below.

THE FINANCIAL REPORTING ENTITY

The City of Newport operates under a council-manager form of government instituted by a vote of the people May 18, 1962, effective as of July 1, 1962. It provides for a mayor, six councilors and a city manager. The mayor is elected for a term of two years and three councilors for four year terms every two years. The city manager, judge and city attorney are appointive positions.

The basic financial statements present the City and its blended component unit, the Newport Urban Renewal Agency (Agency), an entity for which the City is financially accountable, in accordance with GASB 39. The Agency, although a legally separate entity, is a part of the City's operations. It was organized to construct and administer capital improvements as outlined in the City's Urban Renewal Plan. The city council serves as its governing board. All activities of the Agency are recorded in capital construction funds and debt service funds. Complete financial statements for the Agency can be obtained at City Hall, Newport, Oregon 97365.

There are various other governmental agencies and special service district which provide services within the City's boundaries. However, the City is not financially accountable for any of these entities and accordingly their financial information is not included in these financial statements.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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 and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 funds. 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 City 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 are recorded only when payment is due.

Property taxes, franchise fees, 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. 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, except those required to be accounted for in another fund. The principal revenue source is property taxes.

The Airport Fund - This fund reflects airport operations. Revenues supporting operations come primarily from transient room tax funds and receipts from fixed base operations (FBO).

Agate Beach Closure Fund – This fund accounts for financial resources and expenditures for the Agate Beach Disposal Site Closure. The primary source of revenues is collect fees charged through the disposal service company.

Room Tax Fund – This fund is for monitoring the marketing, advertising, community membership and economic development.

Blended Component Unit

The Newport Urban Renewal Agency's four funds are reported as major governmental funds. Below is a description of these funds:

North Side Urban Renewal District

The Urban Renewal Construction Fund accounts for the cost of major projects in the North Side Urban Renewal District while the Urban Renewal Debt Fund pays for the principal and interest on outstanding debt utilized to finance the projects. The major source of debt comes from property taxes.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

South Beach Urban Renewal District

The South Beach Urban Renewal Construction Fund tracks the capital projects being built in the South Beach Urban Renewal District. South Beach Urban Renewal Debt Fund Accounts for the payment on the debt obligations arising from the projects.

There are the following major proprietary funds:

Sewer Fund – This fund accounts for the resources and expenses related to collection and treatment of wastewater. The primary source of revenue is user fees.

Water Fund - This fund reports financial activity related to supply, treatment and distribution of water, with the primary revenue coming from user fees.

Public Works Fund – This fund accounts for general and public works administration primarily to the other departments.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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

Amounts reported as program revenues include leases and rent income, capital grants, and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the policy to use restricted resources to the limits of the policies and statutes governing them first, then unrestricted resources as they are needed.

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 enterprise funds, and of the internal service 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.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (CONTINUED)

BUDGETS

A budget is prepared for each governmental fund type in accordance with the modified accrual basis of accounting and legal requirements set forth in Oregon Budget Law. Expenditures cannot legally exceed appropriation levels. In June, the City adopts the annual fiscal year appropriated budget. The legally adopted budget may be amended when unexpected modifications are required in estimated revenues and appropriations. Unencumbered appropriations for annually budgeted funds lapse at the fiscal year-end.

Unexpected additional resources may be added to the budget through the use of a supplemental budget. The supplemental budget process requires public notice, publication of supplemental budget, public hearing and approval by the City Council. Original and supplemental budgets may be modified by the City Council by the use of appropriation transfers between the levels of control. In addition, Oregon Budget Law provides certain specific exceptions to the supplemental budget process to increase appropriations. Such transfers and increases require approval by the City Council by adoption of a resolution. Budget appropriation amounts shown in the financial statements include the original and revised budget appropriations as approved by the City Council. Appropriations are limited to a single fiscal year; therefore, all spending authority lapses at year end. During 2008-09, the City Council approved one supplemental budget and made several appropriation transfers.

Expenditures of the various funds were within authorized appropriations for the year ended June 30, 2009, except for the following:

<u>Fund</u>	<u>Expenditure</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Unappropriated Expenditure</u>
General Fund	City Attorney	186,153	187,028	\$ (875)
South Beach URA Construction Fund	Materials & Services	235,000	235,468	\$ (468)
Water Fund	Water Treatment	1,072,483	1,274,831	\$ (202,348)
General Debt Service Fund	Bldg/Eq Loans	223,852	225,879	(2,027)

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.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash, Cash Equivalents and Investments

The cash management policies are governed by state statutes. Statutes authorize investing in specific types of investments, including time certificates of deposit, bankers acceptance and the Oregon State Treasurer's Local Government Investment Pool. The Local Government Investment Pool (LGIP) is part of the Oregon Short-Term fund maintained by the State Treasurer of Oregon. Its policies are governed by statutes and the Oregon Investment Council. Participation by local governments is voluntary. The reported value of the pool is the same as the fair value of pool shares.

Cash equivalents represent demand deposits as well as short-term investments with a maturity date within three months of the date acquired. Investments are stated at cost which approximates fair value.

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 1st. 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 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.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

Supply Inventory

In the proprietary funds, inventory is valued at cost using the first-in/first-out (FIFO) method. In the governmental funds, no inventory is maintained as cost is expensed at the time of purchase. The exception is in the debt fund, where foreclosed land held for resale is recorded at the related lien plus cost of foreclosure.

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 of over one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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 & Structures	10-40 years
Infrastructure	20-50 years
Equipment	5-20 years
Vehicles	5 years

Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since there is no policy to pay any amounts when employees separate from service with the City. All vacation pay accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (CONTINUED)

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 assets. Bond premiums and discounts, as well as issuance costs, 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

Fund equity/Net assets

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.

Net assets comprise the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net assets are classified in the following three categories.

Invested in capital assets, net of related debt – 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 asset 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 assets – consists of all other net assets that are not included in the other categories previously mentioned.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS

Cash and Investments at June 30, 2009 (recorded at fair value) consisted of:

Deposits with Financial Institutions:			
Petty Cash	\$	839	
Demand Deposits		23,108,973	
Investments		7,677,874	
Total	\$	30,787,686	
<hr/>			
Government-Wide Presentation:			
Governmental Activities	\$	12,848,319	
Business Type Activities		17,939,367	
Total	\$	30,787,686	
<hr/>			

DEPOSITS

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of a bank failure deposits will not be recovered. There is no formal deposit policy for custodial credit risk. As of June 30, 2009, all deposits are insured.

INVESTMENTS

As of June 30, 2009, there were the following investments and maturities.

Investment Type	Fair Value	Investment Maturities (in months)		
		Less than 3	3-17	18-59
Certificates of Deposit	\$ 2,506,160	-	2,506,160	-
State Treasurer's investment pool	5,171,714	5,171,714	-	-
Total	\$ 7,677,874	5,171,714	2,506,160	-

Interest Rate Risk

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 OSTFB. There are no investments that have a maturity date past eighteen months.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty to a transaction, the value of the deposit will not be recovered.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

2. CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE.

Concentration of Credit Risk

At June 30, 2009, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in either of these instruments. 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. At June 30, 2009, investments were in compliance with all percentage restrictions.

In accordance with Governmental Accounting Standards Board (GASB) Statement No.31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments with a remaining maturity of more than one year at the time of purchase are stated at fair value at June 30, 2009. Fair value is determined at the quoted market price, if available; otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties, other than in a forced liquidation sale. As of June 30, 2009 the fair value of the position in the LGIP is 99.11% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements.

The LGIP is administered by the Oregon State Treasury. The LGIP 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 of the LGIP.

3. RECEIVABLES

Uncollected accounts receivables are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible accounts has been established.

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 payable over a period of ten years and bear interest at 6.467% to 10.1%.

The City has been involved as a conduit in a Low Income Housing Assistance grant, the purpose of which is to encourage development of affordable housing and improve deteriorated property. These loans are either being paid upon monthly or become due upon the sale or transfer of the benefitting properties. The notes are recorded in the Capital Projects and Special Revenue Funds. The additional small notes originating from the sale of properties are recorded in various funds.

Uncollected property taxes are deemed to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established. Taxes collected within approximately sixty days of the fiscal year end are recognized as revenue, the remaining balance of property taxes receivable is recorded as deferred revenue as it is not considered available to finance operations of the current period.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS

The changes in capital assets for the fiscal year ended June 30, 2009 are as follows:

GOVERNMENTAL ACTIVITIES CAPITAL ASSETS					
	June 30, 2008	Adjustments	Additions	Disposals	June 30, 2009
Capital Assets, not being depreciated					
Land	\$ 8,796,155	\$ -	\$ -	\$ -	\$ 8,796,155
Construction in Progress	72,820	-	62,129	72,820	62,129
Total, not being depreciated	8,868,975	-	62,129	72,820	8,858,284
Buildings & Structures	19,123,959	8,525,982	449,642	-	28,099,583
Equipment	3,121,004	400,564	58,197	-	3,579,765
Vehicles	2,686,103	178,407	230,284	-	3,094,794
Infrastructure	20,148,430	5,325,381	472,792	-	25,946,603
Total, being depreciated	45,079,496	14,430,334	1,210,915	-	60,720,745
Less Accumulated Depreciation					
Buildings & Structures	(11,091,051)	(1,672,763)	(853,275)	-	(13,617,089)
Equipment	(2,606,456)	(345,470)	(139,923)	-	(3,091,849)
Vehicles	(1,929,719)	(20,580)	(164,712)	-	(2,115,011)
Infrastructure	(4,417,260)	(3,976,950)	(463,146)	-	(8,857,356)
Total Accumulated Depreciation	(20,044,486)	(6,015,763)	(1,621,056)	-	(27,681,305)
Total Capital Assets being Depreciated, net	25,035,010	8,414,571	(410,141)	-	33,039,440
Governmental Activities Capital Assets, net	\$ 33,903,985	\$ 8,414,571	\$ (348,012)	\$ 72,820	\$ 41,897,724

Depreciation expense is \$1,605,739 for Governmental funds and \$15,317 for Public Works.

Depreciation expense was charged to the functions as follows:

Governmental Activities:	
General Government	\$ 383,101
Public Safety	578,271
Streets	84,116
Economic Development	206,668
Culture and Recreation	368,900
Total depreciation expense, governmental activities	\$ 1,621,056
Less Public Works	(15,317)
Depreciation expense, less Public Works	\$ 1,605,739

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

4. CAPITAL ASSETS (CONTINUED)

<u>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS</u>					
	<u>June 30, 2008</u>	<u>Adjustments</u>	<u>Additions</u>	<u>Disposals</u>	<u>June 30, 2009</u>
Capital Assets, not being depreciated					
Land	\$ 26,910	\$ -	\$ -	\$ -	\$ 26,910
Construction in Progress	-	-	440,628	-	440,628
Total, not being depreciated	<u>26,910</u>	<u>-</u>	<u>440,628</u>	<u>-</u>	<u>467,538</u>
Buildings & Structures	20,922,783	(8,525,981)	-	-	12,396,802
Equipment	1,451,748	(400,564)	128,383	-	1,179,567
Vehicles	668,348	(178,407)	41,728	(34,008)	497,661
Infrastructure	55,092,651	(5,325,381)	-	-	49,767,270
Total, being depreciated	<u>78,135,530</u>	<u>(14,430,333)</u>	<u>170,111</u>	<u>(34,008)</u>	<u>63,841,300</u>
Less Accumulated Depreciation					
Buildings & Structures	(8,324,109)	339,308	(313,033)	-	(8,297,834)
Equipment	(1,196,827)	345,470	(36,216)	-	(887,573)
Vehicles	(453,088)	20,580	(19,137)	34,008	(417,637)
Infrastructure	(12,702,709)	5,310,405	(1,258,677)	-	(8,650,981)
Total Accumulated Depreciation	<u>(22,676,733)</u>	<u>6,015,763</u>	<u>(1,627,063)</u>	<u>34,008</u>	<u>(18,254,025)</u>
Total Capital Assets being Depreciated, net	<u>55,458,797</u>	<u>(20,446,096)</u>	<u>1,797,174</u>	<u>(68,016)</u>	<u>45,587,275</u>
Business-Type Activities Capital Assets, net	<u>\$ 55,485,707</u>	<u>\$ (20,446,096)</u>	<u>\$ 2,237,802</u>	<u>\$ -</u>	<u>\$ 46,054,813</u>

Depreciation expense was charged to the functions as follows:

Business-type Activities:

Water Operations	\$ 281,993
Sewer Operations	1,345,070
Total depreciation expense, business-type activities	<u>\$ 1,627,063</u>

During the fiscal year 2008-2009 the City reclassified the Airport fund and the Recreation fund from business-type funds to governmental funds.

5. LAND HELD FOR RESALE

The City foreclosed on properties securing special assessments. When the right of redemption expired, the properties were deeded to the City. These properties are recorded at the cost of the assessment, foreclosure costs and interest expense in the Debt Service Funds. The City is marketing these properties as a means of financing the related debt service costs. As of June 30, 2009 there was \$9,751 in Land Held for Resale.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

6. INTERFUND RECEIVABLE/ PAYABLE

The composition of interfund balances as of June 30, 2009, are as follows:

	Due From Other Funds	Due To Other Funds
Sewer Fund	-	150,000
Room Tax	150,000	-
	\$ 150,000	\$ 150,000
Total Funds	\$ 150,000	\$ 150,000

The purpose of the interfund loan was to cover deficit cash positions in the receiving funds at the end of the fiscal year.

7. LONG-TERM DEBT

General obligation bonds are issued to provide funds for the acquisition and construction of major capital facilities. They have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. The original amount of bonds issued in prior years was \$21,945,000. Current bonds outstanding:

	Business-type
1998 Water System Imp., issued January 1998, rates 4% - 4.55%, maturing 2012	\$ 780,000
2008 Sewer Bonds, April 2008, rate 3.5%, maturing 2019	7,470,000
2009 Water Improvement Bonds - Series A rate 3.5% - 5%, maturing 2020	6,265,000
2009 Water Improvement Bonds - Series B rate 3.5%, maturing 2029	9,630,540
Total Funds	\$ 24,145,540

Annual debt requirements to maturity for business – type bonds are as follows:

FOR THE YEAR ENDED	PRINCIPAL	INTEREST
2010	830,000	584,307
2011	960,000	510,692
2012	1,080,000	474,217
2013	1,225,000	436,250
2014	1,325,000	395,875
2015-19	8,325,000	3,014,025
2020-24	5,818,379	19,250
2025-29	4,582,161	-
	\$ 24,145,540	\$ 5,434,616

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (CONTINUED)

The City of Newport and Newport Urban Renewal Agency have signed cooperative agreements to build or renovate properties. Below is a summary of the bonds and loans by type of fund where they are recorded:

	Governmental	Business-type
Governmental		
Series "2000" Bond from Bank of America, issued December 2000 for \$6,000,000 to finance improvements in Nye Beach, renovate city hall, uptown and the bayfront board walk. Interest rates range from 5.2% to 5.9%, with maturity in 2016.	\$ 1,300,000	
Recreation Fund		
Oregon Dept. of Energy loan of \$500,000, issued November 1999 went for the construction of the Recreation Center. The interest rate is 5.7%, with maturity October 2015.		263,689
The City of Newport was granted a Special Public Works fund loan, issued April 2000 of \$4,900,000 from the Oregon Economic Development Department to build the Recreation Center. Interest rates are 5.25% to 5.5%, maturing in December 2019.		3,302,828
Sewer Fund		
Oregon Economic & Community Development Department loan of \$2,800,000, issued March 2000 was for helping finance the Wastewater Treatment Plant. Interest rates range from 5.25% to 5.75%, with maturity December 2019.		\$ 1,888,540
Oregon Economic & Community Development Department loan of \$2,800,000 through the State's Water/Wastewater Fund issued March 2000 was for helping finance the Wastewater Treatment Plant. Interest rates range from 5.25% to 5.75%, with maturity December 2019		1,888,540
The City has a loan with the Oregon Department of Environmental Quality, issued December 1996 for \$7,900,000. Interest is at 3.84%, payable in forty semi-annual payments with the loan maturing in July 2027. Payments began as interest only for six months after the project was completed. This is a revenue secured loan, whereby net operating revenues are pledged to pay the amounts due under the loan agreement.		6,058,061
The City has an agreement with the Oregon Department of Environmental Quality, issued December 1996 for funds totaling up to \$12,169,671, payable in forty semi-annual payments beginning with an interest only payment six months after project completion. Interest is 3.84%, with the loan maturing in July 2027.		4,630,584
Total Bonds and Loans Under Cooperative Agreements	\$ 4,866,517	\$ 14,465,725

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (CONTINUED)

	Governmental	Business-type
Other/Loans Bonds		
Series "2007" Urban Renewal Bond from Bank of America, issued May 2007 for \$900,000 to finance the 4B storm drain project in the South Beach urban growth area. The interest rate is 5.25% maturing June 2017.	\$ 758,000	
Newport Urban Renewal Agency has a loan issued June 1991, with Oregon Economic Development Department for \$500,000 to help finance the Oregon Coast Aquarium. The interest rate is 5%, maturing in July 2010.	51,996	
Series "2008" Urban Renewal Bond from Bank of America, issued May 2008 for \$2,530,000 to finance projects in the South Beach urban growth area. The interest rate is 4.25% maturing June 2018.	2,325,000	
Certificates of Participation, Series 2007B from The League of Oregon Cities Cooperative Asset Financing Program, issued October 2007 for \$1,015,000 to finance various City purchases and to pay off the Municipal Airport Debt. The interest rate is 3.9% to 5.0% maturing July 2024.	870,000	
The City entered into an agreement with Seal Rock Water District to assume responsibility to provided services for an area of property. In return the City agreed to pay the District \$958,502. The interest rate is 4.75% maturing November 2037.		\$ 934,755
Total Other Loans/Bonds	4,004,996	934,755
Total Loans	\$ 8,871,513	\$ 15,400,480

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (CONTINUED)

Annual debt requirements to maturity are as follows:

GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		
YEAR	PRINCIPAL	INTEREST	YEAR	PRINCIPAL	INTEREST
2009-2010	\$ 1,165,829	\$ 434,678	2009-2010	\$ 1,218,011	\$ 648,853
2010-2011	1,195,895	375,669	2010-2011	913,949	604,836
2011-2012	1,234,811	314,513	2011-2012	951,331	565,094
2012-2013	819,519	264,032	2012-2013	989,881	523,342
2013-2014	688,474	224,295	2013-2014	1,039,591	479,883
2014-2019	3,266,084	591,584	2014-2019	5,897,628	1,673,794
2019-2024	500,901	39,225	2019-2024	3,795,630	434,514
2024-2029	-	-	2024-2029	178,864	121,136
2029-2034	-	-	2029-2034	226,707	73,293
2034-2038	-	-	2034-2038	188,888	16,114
	\$ 8,871,513	\$ 2,243,996		\$ 15,400,480	\$ 5,140,859

Capital Leases

The City has two lease purchase agreements:

	Governmental
Dell Financing Services Lease #810-0088799779-002	\$ 36,534
Leaf Funding, Inc. - Airport Copier Lease Purchase	6,162
Total Capital Leases	\$ 42,696

Annual debt requirements to maturity are as follows:

YEAR	PRINCIPAL	INTEREST
2009-2010	\$ 10,263	\$ 2,015
2010-2011	10,819	1,459
2011-2012	11,409	869
2012-2013	9,266	242
2013-2014	939	-
	\$ 42,696	\$ 4,585

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

7. LONG-TERM DEBT (CONTINUED)

Long-Term Debt activity for the year ended June 30, 2009, is as follows:

CHANGES IN LONG-TERM DEBT

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
City					
Bonds Payable	\$ 7,031,894	\$ -	\$ 2,165,377	\$ 4,866,517	\$ 674,306
Notes Payable	1,015,000	-	145,000	870,000	155,000
Capital Leases	35,652	45,762	38,720	42,694	10,263
Newport URA					
Loans & Bonds Payable	3,450,731	-	315,735	3,134,996	336,522
Governmental activities					
Long-Term Debt	<u>\$ 11,533,277</u>	<u>\$ 45,762</u>	<u>\$ 2,664,832</u>	<u>\$ 8,914,207</u>	<u>\$ 1,176,091</u>
Business-type Activities:					
Bonds Payable	8,555,000	15,895,541	305,000	24,145,541	830,000
Notes Payable	17,607,550	-	2,207,070	15,400,480	1,218,011
Bond Premium	-	(330,108)	-	(330,108)	-
Bond Issuance Costs	-	220,107	-	220,107	-
Business-type Activities					
Long-Term Debt	<u>\$ 26,162,550</u>	<u>\$ 15,785,540</u>	<u>\$ 2,512,070</u>	<u>\$ 39,436,020</u>	<u>\$ 2,048,011</u>
Total Long-Term Debt	<u>\$ 37,695,827</u>	<u>\$ 15,831,302</u>	<u>\$ 5,176,902</u>	<u>\$ 48,350,227</u>	<u>\$ 3,224,102</u>
Compensated Absences					
Governmental	287,090	155,546	130,708	311,928	152,362
Business Type	66,028	72,717	66,028	72,717	72,717
Total Compensated Absences	<u>\$ 353,118</u>	<u>\$ 228,263</u>	<u>\$ 196,736</u>	<u>\$ 384,645</u>	<u>\$ 225,079</u>

8. RISK MANAGEMENT

There is exposure 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. Commercial insurance is purchased for general, auto and property liability. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. RETIREMENT PLANS

A cost-sharing multiple-employer plan is provided that covers all fire and police employees; and a combined single-employer defined benefit contribution money purchase plan for eligible employees. Below is a summary of each plan.

PENSION- FIRE & POLICE

Plan Description

Contributions are made to the Oregon Public Employees Retirement Fund (OPERF), a cost-sharing multiple employer pension plan administered by the Oregon Public Employees Retirement System (PERS). PERS provides retirement and disability benefits, postemployment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised

Statute Chapter 238. ORS Chapter 238.620 establishes the Public Employees Retirement Board as the governing body of PERS.

The authority to establish and amend the benefit provisions of the plan rests with the Oregon Legislature. PERS issues a publicly available financial report that includes financial and required supplementary information. That report may be obtained by writing to PERS, PO Box 23700, Tigard, OR 97281-3700 or by calling 1-503-598-7377.

Funding Policy

All regular fire and police employees participate in the Plan with the City contributing 6% for the employee share. ORS 238.225 requires contributions at an actuarially determined rate which is 16.73% for PERS and 15.41% for Oregon Public Service Retirement Plan (OPSRP) for the current year. Contribution requirements for plan members and the City are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost

For the fiscal years ending June 30, 2009, 2008, and 2007, the annual pension cost of \$314,313, \$263,001, and \$260,794 respectively, was equal to the required and actual contributions. The required contributions and liabilities were determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. Because all OPERS employers are required by law to submit the contributions adopted by the Retirement Board, and the employer contributions are calculated in conformance with the standards of Statement No. 27, there is no net pension obligation. The contributions actually made are equivalent to the annual pension cost. Significant actuarial assumptions used in the valuation include (a) a rate of return of 8.0% per year, net of investment and administrative expenses (assumed earnings rate for purposes of Tier One guaranteed interest credit); (b) wage growth of 4.25% per year, excluding merit or longevity increases; (c) projected post-retirement benefit increases of 2.0% per year; (d) demographic assumptions that have been chosen to reflect the best estimate of emerging experience of the members of OPERS; (e) consumer price inflation of 3.5% per year; and (f) future interest credits of 8.5% for Tier One and 8.0% for Tier Two. Unfunded actuarial liability is amortized as a level percentage of covered payroll over a thirty-year period on an open basis.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. RETIREMENT PLANS (CONTINUED)

EMPLOYEE'S RETIREMENT PLAN

Plan Description

The City contributes to the City of Newport Employee's Retirement Plan, administered by the Retirement Board for the purpose of providing all of its eligible regular employees of the City with retirement benefits. The investments of the Plan are administered by the Board of Trustees consisting of five members. The Plan is a combined single-employer defined benefit and defined contribution money purchase plan, qualifying under Sections 401(a) of the Internal Revenue Code.

An employee's basic benefit under the Plan is a monthly pension for life equal to the sum of the following:

A Money Purchase benefit, which is an annuity equal in value to the combined balances of employee and Purchase accounts,

A Defined Benefit, which is equal to the benefit years times 1.2% of the average monthly earnings, and

A voluntary contribution benefit, which is an annuity equal in value to the balance of the voluntary contribution account.

A full time employee is eligible to become a member in the Plan the first of the month following six months of service. Effective January 1, 1983, benefits for police and fire employees are provided through the Oregon Public Employee Retirement system.

The plan provides death and disability benefits under the defined benefit portion of the plan. Disability or death also allows for full withdrawal of defined contribution (money purchase) account balances.

Authority to establish and amend the benefit provisions of the Plan rests with the Retirement Board. A separately issued actuarial report is available from the Retirement Board. That report may be obtained from the City of Newport, 169 SW Coast Hwy, Newport, Oregon 97365, 541-574-0615.

Defined Contribution – Money Purchase

The City contributes 6% of compensation into the defined contribution (money purchase) plan and members may contribute up to 10% of compensation on a voluntary basis. At retirement, this amount provides an additional annuity equal in value to the combined balances of the participant's employee and employer accounts. Conversion of accounts to annuities shall be based on actuarial equivalency. The employer's contribution met the recommended required contribution for the current and prior years.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. RETIREMENT PLANS (CONTINUED)

EMPLOYEE'S RETIREMENT PLAN

Three-Year Trend information
Defined Contribution – Money Purchase

<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>% of Annual Pension Cost Contributed</u>
6/30/07	\$ 146,620	100%
6/30/08	161,451	100%
6/30/09	179,168	100%

Defined Benefit

The defined benefit portion of the plan provides for a monthly pension equal to benefit years times 1.2% of average monthly earnings. The defined benefit portion of the normal retirement basic benefit shall not be less than the greatest retirement defined benefit the participant could have received. Average monthly earnings means the average of the participant's monthly earnings in the three consecutive plan years of highest compensation in the last ten years of employment.

The funding policy of the defined portion provides for actuarially determined periodic contributions at rates that over time provide sufficient assets available to pay benefits when due. For the current fiscal year, \$373,862 was contributed to the plan. The plan's normal cost is \$371,735, with interest plus amortization (over 30 years) of the plans unfunded actuarial accrued liability with interest. At June 30, 2009 the net pension obligation is \$25,603.

The annual required contribution to the defined benefit plan was computed as part of an actuarial valuation performed as of July 1, 2009. Significant actuarial assumptions used in the valuation include: (a) a rate of return on the investment of present and future assets of 6%, (b) projected salary increases of 3% per year in addition to salary increases due to promotions and longevity.

Assets of the plan are reported at fair market value at the beginning of the year plus receivables from the prior year. The Projected Unit Credit Cost Method was used to determine the normal cost and actuarial accrued liability for retirement, termination, and ancillary benefits.

Below is a summary of the annual pension cost recommended at the beginning of each year, contributions made and resulting obligation. Annual pension cost reflects normal cost, amortization and interest charges, and the net obligation carryover from the previous year.

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

9. RETIREMENT PLANS (CONTINUED)

Three-Year Trend information			
Defined Benefit			
<u>Fiscal Year</u>	<u>Annual Pension Cost</u>	<u>% of Annual Pension Cost Contributed</u>	<u>Net Provider Obligation</u>
6/30/07	\$ 337,031	94.6%	\$ 18,236
6/30/08	371,735	108%	(29,531)
6/30/09	399,465	93.6%	25,603

10. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Post Employment Benefits

The City provides post retirement health care benefits for retirees, with the cost of the premium 100% borne by the retiree.

Post Employment Health Insurance Subsidy

Plan Description - The City operates a single-employer retiree benefit plan that provides postemployment health, dental vision and life insurance benefits to eligible employees and their dependents. There are active and retired members in the plan.

The post-retirement healthcare plan was 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 implicit employer contribution.

An irrevocable trust (or equivalent arrangement) was not established to account for the plan.

Funding Policy - The benefits from this program are paid 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 annual other postemployment benefit cost is calculated based on the annual required contribution of the employer (ARC), and 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 projected OPEB obligation at the end of the year:

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

	2008
Annual required contribution	\$ 132,863
Interest on net pension obligation	-
Adjustment to annual required contribution	-
Annual pension cost	132,863
Contributions made	(33,715)
Increase in net pension obligation	99,148
NPO (Asset) at beginning of year	-
NPO (Asset) at end of year	\$ 99,148

Fiscal Year	Annual OPEB cost	Percentage of annual OPEB cost contributed	Net OPEB Obligation
2008	\$ 132,863	25%	\$ 99,148
2007	n/a	n/a	n/a
2006	n/a	n/a	n/a

Actuarial Methods and Assumptions – The annual required contribution (ARC) for the current year was determined as part of the July 1, 2008 actuarial valuation using the projected unit credit cost method. The objective of this method is to fund each participant’s benefits under the plans as they accrue. The unfunded accrued liability is amortized over an open period of 15 years as a percentage of payroll. The actuarial assumptions included an interest rate for discounting future liabilities of 4.5% compounded annually and a payroll growth rate of 3.75%. 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 July 1, 2008, the plan was 0% funded. The actuarial accrued liability for benefits was \$841,875, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$841,875. The covered payroll was unavailable.

11. OPERATING LEASES

There are ten operating leases for computer systems and copiers. Future minimum lease payments are as follows:

Fiscal Year	Amount
6/30/10	\$51,446
6/30/11	20,087
6/30/12	14,051
6/30/13	2,552
Total	\$88,136

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

13. SUBSEQUENT EVENTS

On September 1, 2009 the City entered into a Certificate of Participation in the amount of \$2,580,000 in order to finance the Bay Blvd project, purchase a fire apparatus and a street sweeper.

14. DEFICIT FUND BALANCE

As of June 30, 2009 the General Debt Service Fund had a deficit fund balance of \$16,420. The City intends to resolve this issue through additional transfers from the General Fund, Room Tax Fund and the Fire Reserve Fund. The Street Fund also had a deficit fund balance of \$153,838. The City intends to resolve this issue by implementing a City gas tax and limiting spending. The Airport Fund had a deficit fund balance of \$274,375. The City intends to resolve this issue through transfers from the General Fund, increasing revenues and limiting spending.

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

REQUIRED SUPPLEMENTARY INFORMATION

Individual Major Governmental Fund Statements

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF FUND PROGRESS
TREND INFORMATION *
For the Year Ended June 30, 2009

PERS

Valuation Date	Value of Assets	Actuarial Liability	Unfunded Act. Liab.	Funded Percent	Covered Payroll	Net UAL/ Payroll
12/31/2004	Pooled	Pooled	\$ (339,601)	106%	\$ 1,558,392	-22%
12/31/2005	Pooled	Pooled	(1,057,729)	0%	1,446,139	-73%
12/31/2006	Pooled	Pooled	(1,671,111)	0%	1,377,682	-1%

EMPLOYEE'S RETIREMENT PLAN

DEFINED BENEFIT - EXCLUSIVE OF MONEY PURCHASE

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Act. Liab.	Funded Percent	Covered Payroll	UAL/ Payroll
7/1/2006	\$ 2,897,816	\$ 4,407,811	\$ 1,509,995	66%	\$ 2,111,658	72%
7/1/2007	3,035,725	4,548,819	1,513,094	67%	2,426,997	62%
7/1/2008	3,343,845	5,117,414	1,773,569	72%	2,557,688	69%

DEFINED CONTRIBUTION - MONEY PURCHASE

Actuarial Valuation Date	Actuarial Value of Assets	Vested Amount	Funded Percent
7/1/2006	\$ 3,084,927	\$ 3,005,420	102%
7/1/2007	3,103,321	2,989,686	103%
7/1/2008	3,157,043	3,026,028	104%

POST EMPLOYMENT HEALTH INSURANCE SUBSIDY

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Act. Liab.	Funded Percent	Covered Payroll	UAL/ Payroll
8/1/2006	-	\$841,875	\$841,875	0%	n/a	n/a

* See Notes 9 and 10 for further information

CITY OF NEWPORT
LINCOLN COUNTY, OREGON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>GENERAL FUND</u>			VARIANCE WITH FINAL BUDGET (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Property Taxes	\$ 4,435,000	\$ 4,435,000	\$ 4,430,522	\$ (4,478)
Transient Room Tax	-	-	-	-
Other Taxes	55,000	55,000	55,606	606
Fees	1,064,000	1,064,000	1,082,377	18,377
Intergovernmental	668,000	668,000	696,564	28,564
Grants	90,900	90,900	62,303	(28,597)
Gifts & Donations	1,000	82,550	77,952	-
Fines	169,360	169,360	150,355	(19,005)
Rents and Leases	112,000	112,000	128,883	16,883
Interest	52,000	52,000	29,162	(22,838)
Services Provided	452,640	452,640	452,640	-
Insurance Proceeds	-	-	-	-
Miscellaneous	70,000	70,000	100,844	30,844
Total Revenue	7,169,900	7,251,450	7,267,208	20,356
EXPENDITURES				
City Council & Mayor	43,000	43,000 (1)	31,805	11,195
City Manager	564,999	564,999 (1)	533,864	31,135
Municipal Court	33,821	33,821 (1)	27,371	6,450
City Attorney	174,153	186,153 (1)	187,028	(875)
Finance	439,614	419,614 (1)	392,054	27,560
Police Department	2,953,221	2,929,771 (1)	2,717,296	212,475
Central Dispatch	477,420	632,420 (1)	621,266	11,154
Fire Department	932,991	932,991 (1)	930,789	2,202
Fire Marshall	95,203	95,203 (1)	88,557	6,646
Library	1,011,402	1,011,402 (1)	857,906	153,496
Building Maintenance	239,361	239,361 (1)	215,927	23,434
Community Development	389,219	359,219 (1)	294,972	64,247
Parks & Recreation	208,535	208,535 (1)	180,061	28,474
Parks Division	331,464	331,464 (1)	296,576	34,888
Senior Activity Center	149,875	149,875 (1)	114,332	35,543
Non-Departmental	551,857	639,857 (1)	625,459	14,398
Contingency	100,000	- (1)	-	-
Total Expenditures	8,696,135	8,777,685	8,115,263	662,422
Excess of Revenues				
Over (Under) Expenditures	(1,526,235)	(1,526,235)	(848,055)	678,180
OTHER FINANCING SOURCES (USES)				
Transfers In	1,136,045	1,136,045	1,019,118	(116,927)
Transfers Out	(350,000)	(350,000) (1)	(350,000)	-
Total Other Financing Sources (Uses)	786,045	786,045	669,118	(116,927)
Net Change in Fund Balance	(740,190)	(740,190)	(178,937)	561,253
PRIOR PERIOD ADJUSTMENT				
	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	922,535	922,535	954,105	31,570
FUND BALANCE - END OF YEAR	\$ 182,345	\$ 182,345	\$ 775,168	\$ 592,823

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>AIRPORT FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Services Provided	\$ 31,200	\$ 31,200	\$ 31,200	\$ 0
Leases and Rentals	35,000	35,000	36,969	1,969
Interest on Investments	1,000	1,000	-	(1,000)
Miscellaneous Income	5,000	5,000	5,288	
Grants	<u>2,703,000</u>	<u>2,703,000</u>	<u>684,678</u>	<u>(2,018,322)</u>
Total Revenues	<u>2,775,200</u>	<u>2,775,200</u>	<u>758,135</u>	<u>(2,017,353)</u>
EXPENDITURES				
Personal Services	245,469	245,469 (1)	209,832	35,637
Materials & Services	2,471,465	2,471,465 (1)	1,007,182	1,464,283
Capital Outlay	415,000	415,000 (1)	5,021	409,979
Contingency	<u>4,025</u>	<u>4,025 (1)</u>	<u>-</u>	<u>4,025</u>
Total Expenditures	<u>3,135,959</u>	<u>3,135,959</u>	<u>1,222,035</u>	<u>1,913,924</u>
Excess of Revenues Over (Under) Expenditures	(360,759)	(360,759)	(463,900)	(103,141)
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>346,206</u>	<u>346,206</u>	<u>276,499</u>	<u>(69,707)</u>
Total Other Financing Sources (Uses)	<u>346,206</u>	<u>346,206</u>	<u>276,499</u>	<u>(69,707)</u>
Net Change in Fund Balance	(14,553)	(14,553)	(187,401)	(172,848)
FUND BALANCE - BEGINNING OF YEAR	<u>14,553</u>	<u>14,553</u>	<u>(86,974)</u>	<u>(101,527)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (274,375)</u>	<u>\$ (274,375)</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

<u>AGATE BEACH CLOSURE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Agate Beach Closure Fees	\$ 50,000	\$ 50,000	\$ 10,811	\$ (39,189)
Interest on Investments	70,000	70,000	30,076	(39,924)
Total Revenues	<u>120,000</u>	<u>120,000</u>	<u>40,887</u>	<u>(79,113)</u>
EXPENDITURES				
Materials & Services	100,000	100,000 (1)	46,021	53,979
Contingency	1,582,329	1,582,329 (1)	-	1,582,329
Total Expenditures	<u>1,682,329</u>	<u>1,682,329</u>	<u>46,021</u>	<u>1,636,308</u>
Net Change in Fund Balance	(1,562,329)	(1,562,329)	(5,134)	1,557,195
FUND BALANCE - BEGINNING OF YEAR	<u>1,562,329</u>	<u>1,562,329</u>	<u>1,530,778</u>	<u>(31,551)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,525,644</u>	<u>\$ 1,525,644</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>ROOM TAX FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Transient Room Tax	\$ 2,791,983	\$ 2,791,983	\$ 2,229,833	\$ (562,150)
Payback of Waste Water Fund Loan	86,700	86,700	86,700	-
Misc. Sales & Services	-	-	79	79
Interest on Investments	45,000	45,000	29,922	(15,078)
Total Revenues	<u>2,923,683</u>	<u>2,923,683</u>	<u>2,346,534</u>	<u>(577,149)</u>
EXPENDITURES				
Tourism Promotion	1,054,500	1,129,500 (1)	994,558	134,942
Tourism Facilities	374,000	374,000 (1)	26,458	347,542
Contingency	367,527	292,527 (1)	-	292,527
Total Expenditures	<u>1,796,027</u>	<u>1,796,027</u>	<u>1,021,016</u>	<u>640,069</u>
Excess of Revenues Over (Under) Expenditures	1,127,656	1,127,656	1,325,518	197,862
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,675,190)	(1,675,190)	(1,337,900)	337,290
Net Change in Fund Balance	(547,534)	(547,534)	(12,382)	535,152
FUND BALANCE - BEGINNING OF YEAR	<u>2,023,534</u>	<u>2,023,534</u>	<u>2,062,695</u>	<u>39,161</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,476,000</u>	<u>\$ 1,476,000</u>	<u>\$ 2,050,313</u>	<u>\$ 574,313</u>

(1) Appropriation Level

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SUPPLEMENTARY INFORMATION

Combining, Individual Fund, and
Other Financial Schedules

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2009

<u>URBAN RENEWAL CONSTRUCTION FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Total Revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Total Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	(411,926)	(411,926) (1)	(406,096)	5,830
Total Other Financing Sources (Uses)	(411,926)	(411,926)	(406,096)	5,830
Net Change in Fund Balance	(411,926)	(411,926)	(406,096)	(818,022)
FUND BALANCE - BEGINNING OF YEAR	411,926	411,926	406,096	(5,830)
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2009

SOUTH BEACH URBAN RENEWAL CONSTRUCTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Interest on Investments	\$ 5,000	\$ 5,000	\$ 49,393	\$ 44,393
Aquarium Loan Repayment	100,000	100,000	8,333	(91,667)
Total Revenues	<u>105,000</u>	<u>105,000</u>	<u>57,726</u>	<u>(47,274)</u>
EXPENDITURES				
Materials & Services	225,000	235,000 (1)	235,468	(468)
Capital Outlay	1,550,000	1,540,000 (1)	472,792	1,067,208
Contingency	137,447	137,447 (1)	-	137,447
Total Expenditures	<u>1,912,447</u>	<u>1,912,447</u>	<u>708,260</u>	<u>1,204,187</u>
Excess of Revenues Over (Under) Expenditures	(1,807,447)	(1,807,447)	(650,534)	1,156,913
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	-	-	-
Transfer In	250,000	250,000	250,000	-
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Net Change in Fund Balance	(1,557,447)	(1,557,447)	(400,534)	(1,957,981)
FUND BALANCE - BEGINNING OF YEAR	<u>1,557,447</u>	<u>1,557,447</u>	<u>1,167,302</u>	<u>(390,145)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 766,768</u>	<u>\$ 766,768</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

<u>URBAN RENEWAL BOND REDEMPTION FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Property Taxes	\$ 2,496,410	\$ 2,496,410	\$ 2,633,785	\$ 137,375
Interest on Investments	200,000	200,000	91,159	(108,841)
Miscellaneous	-	-	475	475
Total Revenues	<u>2,696,410</u>	<u>2,696,410</u>	<u>2,725,419</u>	<u>29,009</u>
EXPENDITURES				
Materials & Services	3,000	3,000 (1)	1,970	1,030
Debt Service	3,891,962	3,891,962 (1)	3,676,663	215,299
Special Payments	3,040,979	3,040,979 (1)	408,952	2,632,027
Total Expenditures	<u>6,935,941</u>	<u>6,935,941</u>	<u>4,087,585</u>	<u>2,848,356</u>
Excess of Revenues Over (Under) Expenditures	(4,239,531)	(4,239,531)	(1,362,166)	2,877,365
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Net Change in Fund Balance	(4,239,531)	(4,239,531)	(1,362,166)	2,877,365
FUND BALANCE - BEGINNING OF YEAR	<u>5,385,428</u>	<u>5,385,428</u>	<u>5,487,116</u>	<u>101,688</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,145,897</u>	<u>\$ 1,145,897</u>	<u>\$ 4,124,950</u>	<u>\$ 2,979,053</u>
RECONCILIATION TO NET ASSETS				
Transfers			(1,435,242)	
Debt Service			<u>1,435,242</u>	
TOTAL NET ASSETS			<u>\$ 4,124,950</u>	

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

SOUTH BEACH URBAN RENEWAL BOND REDEMPTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Property Taxes	\$ 1,434,770	\$ 1,434,770	\$ 1,764,108	\$ 329,338
Interest on Investments	40,000	40,000	36,938	(3,062)
Miscellaneous Revenue	-	-	-	-
Total Revenues	<u>1,474,770</u>	<u>1,474,770</u>	<u>1,801,046</u>	<u>326,276</u>
EXPENDITURES				
Debt Service	<u>1,294,911</u>	<u>1,294,911</u> (1)	<u>1,208,095</u>	<u>86,816</u>
Total Expenditures	<u>1,294,911</u>	<u>1,294,911</u>	<u>1,208,095</u>	<u>86,816</u>
Excess of Revenues Over (Under) Expenditures	179,859	179,859	592,951	413,092
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(250,000)</u>	<u>(250,000)</u> (1)	<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	(70,141)	(70,141)	342,951	413,092
FUND BALANCE - BEGINNING OF YEAR	<u>1,709,033</u>	<u>1,709,033</u>	<u>1,739,808</u>	<u>30,775</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,638,892</u>	<u>\$ 1,638,892</u>	<u>\$ 2,082,759</u>	<u>\$ 443,867</u>
RECONCILIATION TO NET ASSETS				
Transfers			(419,720)	
Debt Service			<u>419,720</u>	
TOTAL NET ASSETS			<u>\$ 2,082,759</u>	

(1) Appropriation Level

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2009

	BUILDING INSPECTION FUND	GENERAL DEBT SERVICE FUND	AIRPORT FBO FUND	LIBRARY RESERVE FUND	PARKS & RECREATION RESERVE FUND
ASSETS					
Cash and Cash Equivalents	\$ 623,524	\$ (26,171)	\$ (175,517)	\$ 1,202	\$ 87,165
Investments	-	9,751	-	-	-
Receivables	(165)	51,534	67	-	-
Total Assets	<u>\$ 623,359</u>	<u>\$ 35,114</u>	<u>\$ (175,450)</u>	<u>\$ 1,202</u>	<u>\$ 87,165</u>
LIABILITIES AND FUND BALANCES:					
LIABILITIES					
Accounts Payable	\$ 5,314	\$ -	\$ 7,051	\$ -	\$ 139
Payroll and Payroll Taxes Payable	935	-	6,236	-	-
Deferred Revenue	-	51,534	-	-	-
Total Liabilities	<u>6,249</u>	<u>51,534</u>	<u>13,287</u>	<u>-</u>	<u>139</u>
FUND BALANCES					
Unreserved & undesignated	<u>617,110</u>	<u>(16,420)</u>	<u>(188,737)</u>	<u>1,202</u>	<u>87,026</u>
Total Fund Balances	<u>617,110</u>	<u>(16,420)</u>	<u>(188,737)</u>	<u>1,202</u>	<u>87,026</u>
Total Liabilities and Fund Balances	<u>\$ 623,359</u>	<u>\$ 35,114</u>	<u>\$ (175,450)</u>	<u>\$ 1,202</u>	<u>\$ 87,165</u>

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2009

DLCD GRANT FUND	WKRS. COMP/ INS. RESERVE FUND	RETIREMENT RESERVE FUND	COMBINED ARTS FUND	CAPITAL IMPROVEMENT FUND	FIRE RESERVE FUND	CAPITAL CONSTRUCTION FUND
\$ -	\$ 3,360	\$ 57	\$ 654	\$ 77,555	\$ 169,301	\$ 865,267
-	-	-	-	-	-	-
-	-	-	-	-	181,499	39,928
<u>\$ -</u>	<u>\$ 3,360</u>	<u>\$ 57</u>	<u>\$ 654</u>	<u>\$ 77,555</u>	<u>\$ 350,800</u>	<u>\$ 905,195</u>
\$ -	-	-	-	14,535	11,561	(6,501)
-	-	-	-	-	-	-
-	-	-	-	-	-	7,668
-	-	-	-	14,535	11,561	1,167
-	3,360	57	654	63,020	339,239	904,028
-	3,360	57	654	63,020	339,239	904,028
<u>\$ -</u>	<u>\$ 3,360</u>	<u>\$ 57</u>	<u>\$ 654</u>	<u>\$ 77,555</u>	<u>\$ 350,800</u>	<u>\$ 905,195</u>

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2009

RECREATION FUND	HOUSING FUND	STREETS FUND	STREET SDC FUND	PARKS SDC FUND	STORM DRAIN SDC FUND	TOTAL
\$ 105,988	\$ 3,299	\$ (134,624)	\$ 286,430	\$ 153,626	\$ 41,350	\$ 2,082,466
-	-	-	-	-	-	9,751
-	-	34,717	20,654	-	-	328,234
<u>\$ 105,988</u>	<u>\$ 3,299</u>	<u>\$ (99,907)</u>	<u>\$ 307,084</u>	<u>\$ 153,626</u>	<u>\$ 41,350</u>	<u>\$ 2,420,451</u>
\$ 10,404	\$ -	\$ 29,055	\$ -	\$ 1,675	\$ (245)	\$ 72,988
26,786	-	24,876	-	-	-	58,833
42,803	-	-	20,654	-	-	122,659
<u>79,993</u>	<u>-</u>	<u>53,931</u>	<u>20,654</u>	<u>1,675</u>	<u>(245)</u>	<u>254,480</u>
<u>25,995</u>	<u>3,299</u>	<u>(153,838)</u>	<u>286,430</u>	<u>151,951</u>	<u>41,595</u>	<u>2,165,971</u>
<u>25,995</u>	<u>3,299</u>	<u>(153,838)</u>	<u>286,430</u>	<u>151,951</u>	<u>41,595</u>	<u>2,165,971</u>
<u>\$ 105,988</u>	<u>\$ 3,299</u>	<u>\$ (99,907)</u>	<u>\$ 307,084</u>	<u>\$ 153,626</u>	<u>\$ 41,350</u>	<u>\$ 2,420,451</u>

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	BUILDING INSPECTION FUND	GENERAL DEBT SERVICE FUND	AIRPORT FBO FUND	LIBRARY RESERVE FUND	PARKS & RECREATION RESERVE FUND
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	12,672	606			1,643
License & Fees	124,193				-
Grants/Donations	-	-			10,295
Other Revenue	9,556	-	246,009	-	-
Total Revenues	<u>146,421</u>	<u>606</u>	<u>246,009</u>	<u>-</u>	<u>11,938</u>
EXPENDITURES					
Current Operation					
General Government	-	-	-	-	-
Streets	-	-	-	-	-
Culture and Recreation	-	-	260,954	-	-
Public Safety	-	-	-	-	-
Economic Development	185,556	-	-	-	-
Capital Outlay	-	-	-	-	721
Debt Service	-	635,831	-	-	-
Total Expenditures	<u>185,556</u>	<u>635,831</u>	<u>260,954</u>	<u>-</u>	<u>721</u>
Excess of Revenues Over (Under) Expenditures	(39,135)	(635,225)	(14,945)	-	11,217
OTHER FINANCING SOURCES (USES)					
Loan Proceeds	-	-	-	-	-
Transfer In	-	607,620	-	-	-
Transfer Out	-	(30,594)	(52,088)	(4,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>577,026</u>	<u>(52,088)</u>	<u>(4,000)</u>	<u>-</u>
Net Change in Fund Balance	(39,135)	(58,199)	(67,033)	(4,000)	11,217
FUND BALANCES - BEGINNING OF YEAR	<u>656,245</u>	<u>41,779</u>	<u>(121,704)</u>	<u>5,202</u>	<u>75,809</u>
FUND BALANCES - END OF YEAR	<u>\$ 617,110</u>	<u>\$ (16,420)</u>	<u>(188,737)</u>	<u>\$ 1,202</u>	<u>\$ 87,026</u>

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

DLCD GRANT FUND	WKRS. COMP/ INS. RESERVE FUND	RETIREMENT RESERVE FUND	COMBINED ARTS FUND	CAPITAL IMPROVEMENT FUND	FIRE RESERVE FUND	CAPITAL CONSTRUCTION FUND
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	3,308	-	15,371
-	-	-	-	-	-	161,002
-	-	-	-	-	236,735	-
-	-	-	-	-	6,924	-
-	-	-	-	3,308	243,659	176,373
-	-	-	-	126,000	23,926	5,367
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	325,711	315,397	23,254
-	-	-	-	-	-	-
-	-	-	-	451,711	339,323	28,621
-	-	-	-	(448,403)	(95,664)	147,752
-	-	-	-	-	-	-
-	-	-	-	210,248	-	-
(866)	(21,170)	-	(116,000)	-	(29,513)	-
(866)	(21,170)	-	(116,000)	210,248	(29,513)	-
(866)	(21,170)	-	(116,000)	(238,155)	(125,177)	147,752
866	24,530	57	116,654	301,175	464,416	756,276
\$ -	\$ 3,360	\$ 57	\$ 654	\$ 63,020	\$ 339,239	\$ 904,028

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

RECREATION FUND	HOUSING FUND	STREETS FUND	STREET SDC FUND	PARKS SDC FUND	STORM DRAIN SDC FUND	TOTAL
\$	\$	\$	\$	\$	\$	\$
2,513	-	-	-	-	-	-
502,051	3,299	-	5,806	2,929	870	49,017
1,074	-	-	7,077	7,973	2,364	804,660
20,600	-	442,717	-	-	-	248,104
<u>526,238</u>	<u>3,299</u>	<u>442,717</u>	<u>12,883</u>	<u>10,902</u>	<u>3,234</u>	<u>1,827,587</u>
-	195,198	-	-	7,072	11,210	368,773
-	-	598,620	35,285	-	-	633,905
1,070,234	-	-	-	-	-	1,331,188
-	-	-	-	-	-	-
-	-	-	-	-	-	185,556
-	-	32,899	-	-	-	697,982
-	-	-	-	-	-	635,831
<u>1,070,234</u>	<u>195,198</u>	<u>631,519</u>	<u>35,285</u>	<u>7,072</u>	<u>11,210</u>	<u>3,853,235</u>
(543,996)	(191,899)	(188,802)	(22,402)	3,830	(7,976)	(2,025,648)
-	-	-	-	-	-	-
532,203	-	-	-	-	-	1,350,071
-	-	-	-	-	-	(254,231)
<u>532,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,095,840</u>
(11,793)	(191,899)	(188,802)	(22,402)	3,830	(7,976)	(929,808)
<u>37,788</u>	<u>195,198</u>	<u>34,964</u>	<u>308,832</u>	<u>148,121</u>	<u>49,571</u>	<u>3,095,779</u>
<u>\$ 25,995</u>	<u>\$ 3,299</u>	<u>\$ (153,838)</u>	<u>\$ 286,430</u>	<u>\$ 151,951</u>	<u>\$ 41,595</u>	<u>\$ 2,165,971</u>

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

BUILDING PERMIT & INSPECTION FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Permits	\$ 300,000	\$ 300,000	\$ 124,193	\$ (175,807)
State Permit Surcharges	24,000	24,000	9,460	(14,540)
Misc. Sales & Services	2,200	2,200	96	(2,104)
Interest on Investments	27,600	27,600	12,672	(14,928)
Total Revenues	<u>353,800</u>	<u>353,800</u>	<u>146,421</u>	<u>(207,379)</u>
EXPENDITURES				
Electrial/Plumbing Inspection	129,250	129,250 (1)	80,528	48,722
Building Inspection	126,347	126,347 (1)	105,028	21,319
Contingency	200,000	200,000 (1)	-	200,000
Total Expenditures	<u>455,597</u>	<u>455,597</u>	<u>185,556</u>	<u>270,041</u>
Excess of Revenues Over (Under) Expenditures	(101,797)	(101,797)	(39,135)	62,662
FUND BALANCE - BEGINNING OF YEAR	<u>683,459</u>	<u>683,459</u>	<u>656,245</u>	<u>(27,214)</u>
FUND BALANCE - END OF YEAR	<u>\$ 581,662</u>	<u>\$ 581,662</u>	<u>\$ 617,110</u>	<u>\$ 35,448</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

<u>GENERAL DEBT SERVICE FUND</u>				
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Interest on Investments	\$ -	\$ -	\$ 606	\$ 606
Total Revenues	-	-	606	606
EXPENDITURES				
Building & Equipment Loans Debt Service	223,852	223,852 (1)	225,879	(2,027)
Recreation Center Loan Debt Service	3,040,979	3,040,979 (1)	409,952	2,631,027
Total Expenditures	3,264,831	3,264,831	635,831	2,629,000
Excess of Revenues Over (Under) Expenditures	(3,264,831)	(3,264,831)	(635,225)	2,629,606
OTHER FINANCING SOURCES (USES)				
Transfers In	3,269,159	3,269,159	607,620	(2,661,539)
Transfers Out	(30,666)	(30,666) (1)	(30,594)	72
Total Other Financing Sources (Uses)	3,238,493	3,238,493	577,026	(2,661,467)
Net Change in Fund Balance	(26,338)	(26,338)	(58,199)	(31,861)
FUND BALANCE - BEGINNING OF YEAR	30,666	30,666	41,779	11,113
FUND BALANCE - END OF YEAR	<u>\$ 4,328</u>	<u>\$ 4,328</u>	<u>\$ (16,420)</u>	<u>\$ (20,748)</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>AIRPORT FBO FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Fuel and Supplies	\$ 475,500	\$ 475,500	\$ 234,152	\$ (241,348)
Leases and Rentals	25,000	25,000	5,621	(19,379)
Miscellaneous Sales and Services	19,541	19,541	6,236	(13,305)
Total Revenues	<u>520,041</u>	<u>520,041</u>	<u>246,009</u>	<u>(274,032)</u>
EXPENDITURES				
Personal Services	132,953	132,953 (1)	61,698	71,255
Materials & Services	335,000	335,000 (1)	199,256	135,744
Total Expenditures	<u>467,953</u>	<u>467,953</u>	<u>260,954</u>	<u>206,999</u>
Excess of Revenues Over (Under) Expenditures	52,088	52,088	(14,945)	(67,033)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(52,088)	(52,088) (1)	(52,088)	-
Total Other Financing Sources (Uses)	<u>(52,088)</u>	<u>(52,088)</u>	<u>(52,088)</u>	<u>-</u>
Net Change in Fund Balance	-	-	(67,033)	(67,033)
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>(121,704)</u>	<u>(121,704)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (188,737)</u>	<u>\$ (188,737)</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

<u>LIBRARY RESERVE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
State Library Grant	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
Total Revenues	-	-	-	-
EXPENDITURES				
Materials and Services	-	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfer Out	(4,000)	(4,000) (1)	(4,000)	-
Total Other Financing Sources, (Uses)	(4,000)	(4,000)	(4,000)	-
Net Change in Fund Balance	(4,000)	(4,000)	(4,000)	-
FUND BALANCE - BEGINNING OF YEAR	<u>4,000</u>	<u>4,000</u>	<u>5,202</u>	<u>1,202</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,202</u>	<u>\$ 1,202</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

PARKS & RECREATION CAPITAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Grants, Gifts & Donations	\$ 80,000	\$ 80,000	\$ 10,295	\$ (69,705)
Interest on Investments	3,100	3,100	1,643	(1,457)
Total Revenues	<u>83,100</u>	<u>83,100</u>	<u>11,938</u>	<u>(71,162)</u>
EXPENDITURES				
Parks & Recreation Reserve	45,600	45,600 (1)	(3,038)	48,638
Senior Center Building Reserve	75,000	75,000 (1)	3,759	71,241
Contingency	33,107	33,107 (1)	-	33,107
Total Expenditures	<u>153,707</u>	<u>153,707</u>	<u>721</u>	<u>152,986</u>
Excess of Revenues Over (Under) Expenditures	(70,607)	(70,607)	11,217	81,824
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(70,607)	(70,607)	11,217	81,824
FUND BALANCE - BEGINNING OF YEAR	<u>70,607</u>	<u>70,607</u>	<u>75,809</u>	<u>5,202</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 87,026</u>	<u>\$ 87,026</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>DLCD GRANT FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
DLCD Planning Grant	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Materials & services	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	(866)	(866) (1)	(866)	-
Net Change in Fund Balance	(866)	(866)	(866)	-
FUND BALANCE - BEGINNING OF YEAR	866	866	866	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

WORKERS' COMPENSATION & GENERAL INSURANCE RESERVE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Misc. Sales & Services	\$ -	\$ -	\$ -	\$ -
Interest on Investments	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Materials and Services	-	-	-	-
Contingency	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(21,170)</u>	<u>(21,170) (1)</u>	<u>(21,170)</u>	<u>-</u>
Net Change in Fund Balance	<u>(21,170)</u>	<u>(21,170)</u>	<u>(21,170)</u>	<u>-</u>
FUND BALANCE - BEGINNING OF YEAR	<u>21,170</u>	<u>21,170</u>	<u>24,530</u>	<u>3,360</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,360</u>	<u>\$ 3,360</u>

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

RETIREMENT TRUST & RESERVE

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Misc. Sales & Services	\$ -	\$ -	\$ -	\$ -
Interest on Investments	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Materials and Services	-	-	-	-
Contingency	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	-
Net Change in Fund Balance	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>57</u>	<u>57</u>	<u>57</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 57</u>	<u>\$ 57</u>	<u>\$ 57</u>	<u>\$ -</u>

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>COMBINED ART FUNDS</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Interest on Investments	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers Out	(116,000)	(116,000) (1)	(116,000)	-
Net Change in Fund Balance	(116,000)	(116,000)	(116,000)	-
FUND BALANCE - BEGINNING OF YEAR	116,000	116,000	116,654	654
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 654	\$ 654

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

BUILDING & EQUIPMENT CAPITAL IMPROVEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Grants	10,000	10,000	-	(10,000)
Interest on Investments	8,000	8,000	3,308	(4,692)
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>3,308</u>	<u>(14,692)</u>
EXPENDITURES				
Equipment	560,400	553,600 (1)	421,999	131,601
Capital Improvements	31,000	54,400 (1)	29,712	24,688
Total Expenditures	<u>591,400</u>	<u>608,000</u>	<u>451,711</u>	<u>156,289</u>
Excess of Revenues Over (Under) Expenditures	(573,400)	(590,000)	(448,403)	141,597
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>261,050</u>	<u>261,050</u>	<u>210,248</u>	<u>50,802</u>
Total Other Financing Sources (Uses)	<u>261,050</u>	<u>261,050</u>	<u>210,248</u>	<u>50,802</u>
Net Change in Fund Balance	(312,350)	(328,950)	(238,155)	90,795
FUND BALANCE - BEGINNING OF YEAR	<u>326,480</u>	<u>343,080</u>	<u>301,175</u>	<u>(41,905)</u>
FUND BALANCE - END OF YEAR	<u>\$ 14,130</u>	<u>\$ 14,130</u>	<u>\$ 63,020</u>	<u>\$ 48,890</u>

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

<u>FIRE CAPITAL RESERVE FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES				
Grants	187,344	187,344	236,735	49,391
Interest on Investments	6,000	6,000	6,924	924
Total Revenues	<u>193,344</u>	<u>193,344</u>	<u>243,659</u>	<u>50,315</u>
EXPENDITURES				
Materials and Services	29,000	33,140 (1)	23,926	9,214
Capital Outlay	307,500	512,035 (1)	315,397	196,638
Total Expenditures	<u>336,500</u>	<u>545,175</u>	<u>339,323</u>	<u>205,852</u>
Excess of Revenues Over (Under) Expenditures	(143,156)	(351,831)	(95,664)	256,167
OTHER FINANCING SOURCES (USES)				
Transfers Out	(29,513)	(29,513) (1)	(29,513)	-
Total Other Financing Sources (Uses)	<u>(29,513)</u>	<u>(29,513)</u>	<u>(29,513)</u>	<u>-</u>
Net Change in Fund Balance	(172,669)	(381,344)	(125,177)	256,167
FUND BALANCE - BEGINNING OF YEAR	<u>408,086</u>	<u>408,086</u>	<u>464,416</u>	<u>56,330</u>
FUND BALANCE - END OF YEAR	<u>\$ 235,417</u>	<u>\$ 26,742</u>	<u>\$ 339,239</u>	<u>\$ 312,497</u>

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>CAPITAL CONTRUCTION FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>(NEGATIVE)</u>
REVENUES				
Interest on Investments	\$ 25,000	\$ 25,000	\$ 15,371	\$ (9,629)
Fees	<u>155,000</u>	<u>155,000</u>	<u>161,002</u>	<u>6,002</u>
Total Revenues	<u>180,000</u>	<u>180,000</u>	<u>176,373</u>	<u>(3,627)</u>
EXPENDITURES				
Public Parking	75,000	75,000 (1)	28,621	46,379
Contingency	<u>271,000</u>	<u>271,000 (1)</u>	<u>-</u>	<u>271,000</u>
Total Expenditures	<u>346,000</u>	<u>346,000</u>	<u>28,621</u>	<u>317,379</u>
Net Change in Fund Balance	(166,000)	(166,000)	147,752	313,752
FUND BALANCE - BEGINNING OF YEAR	<u>697,171</u>	<u>697,171</u>	<u>756,276</u>	<u>59,105</u>
FUND BALANCE - END OF YEAR	<u>\$ 531,171</u>	<u>\$ 531,171</u>	<u>\$ 904,028</u>	<u>\$ 372,857</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS

For the Year Ended June 30, 2009

	<u>RECREATION FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Programs	\$ 464,880	\$ 464,880	\$ 502,051	\$ 37,171
Grants	18,000	18,000	1,074	(16,926)
Concession Stand	15,000	15,000	16,672	1,672
Miscellaneous Income	4,250	4,250	3,928	(322)
Interest on Investments	2,500	2,500	2,513	13
Total Revenues	<u>504,630</u>	<u>504,630</u>	<u>526,238</u>	<u>21,608</u>
EXPENDITURES				
Swimming Pool	312,278	312,278 (1)	309,657	2,621
Recreation Center	519,131	529,131 (1)	518,590	10,541
Recreation Programs	254,915	244,915 (1)	241,987	2,928
Total Expenditures	<u>1,086,324</u>	<u>1,086,324</u>	<u>1,070,234</u>	<u>16,090</u>
Excess of Revenues Over (Under) Expenditures	(581,694)	(581,694)	(543,996)	37,698
OTHER FINANCING SOURCES (USES)				
Transfers In	580,339	580,339	532,203	(48,136)
Total Other Financing Sources (Uses)	<u>580,339</u>	<u>580,339</u>	<u>532,203</u>	<u>(48,136)</u>
Net Change in Fund Balance	(1,355)	(1,355)	(11,793)	(10,438)
FUND BALANCE - BEGINNING OF YEAR	<u>1,355</u>	<u>1,355</u>	<u>37,788</u>	<u>36,433</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,995</u>	<u>\$ 25,995</u>

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CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

HOUSING & URBAN DEVELOPMENT & CDBG HOUSING PROGRAM FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
Interest on Investments	\$ -	\$ -	\$ 3,299	\$ 3,299
Rehab Loan Repayments	-	-	-	-
Total Revenues	-	-	3,299	3,299
EXPENDITURES				
Housing & Urban Development	22,600	25,108 (1)	25,107	1
Housing CDBG Program	153,311	170,091 (1)	170,091	0
Total Expenditures	175,911	195,199	195,198	-
Net Change in Fund Balance	(175,911)	(195,199)	(191,899)	3,300
FUND BALANCE - BEGINNING OF YEAR	175,911	195,199	195,198	(1)
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,299</u>	<u>\$ 3,299</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>STREETS FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
State Gas Tax Proration	\$ 457,406	\$ 457,406	\$ 405,125	\$ (52,281)
State ISTEPA Entitlement	104,080	104,080	-	(104,080)
Misc. Sales & Services	3,000	3,000	6,392	3,392
Services Provided for Sewer Fund	31,200	31,200	31,200	-
Interest on Investments	3,500	3,500	-	(3,500)
Total Revenues	<u>599,186</u>	<u>599,186</u>	<u>442,717</u>	<u>(156,469)</u>
EXPENDITURES				
Personal Services	455,286	455,286 (1)	415,718	39,568
Materials & Services	213,887	213,887 (1)	182,902	30,985
Capital Projects	104,903	104,903 (1)	32,899	72,004
Total Expenditures	<u>774,076</u>	<u>774,076</u>	<u>631,519</u>	<u>142,557</u>
Net Change in Fund Balance	(174,890)	(174,890)	(188,802)	(13,912)
FUND BALANCE - BEGINNING OF YEAR	<u>174,890</u>	<u>174,890</u>	<u>34,964</u>	<u>(139,926)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (153,838)</u>	<u>\$ (153,838)</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>STREETS SDC FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
SDC Charges	\$ 60,000	\$ 60,000	\$ 5,216	\$ 54,784
Interest from SDC s	1,694	1,694	1,861	(167)
Interest on Investments	5,200	5,200	5,806	(606)
Total Revenues	<u>66,894</u>	<u>66,894</u>	<u>12,883</u>	<u>54,011</u>
EXPENDITURES				
Material and Services	35,285	35,285 (1)	35,285	-
Capital Outlay	188,000	188,000 (1)	-	188,000
Contingency	100,000	100,000 (1)	-	100,000
Total Expenditures	<u>323,285</u>	<u>323,285</u>	<u>35,285</u>	<u>288,000</u>
Excess of Revenues Over (Under) Expenditures	(256,391)	(256,391)	(22,402)	(233,989)
OTHER FINANCING SOURCES (USES)				
Transfer Out	-	- (1)	-	-
Total Other Financing Sources, (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(256,391)	(256,391)	(22,402)	233,989
FUND BALANCE - BEGINNING OF YEAR	<u>282,205</u>	<u>282,205</u>	<u>308,832</u>	<u>26,627</u>
FUND BALANCE - END OF YEAR	<u>\$ 25,814</u>	<u>\$ 25,814</u>	<u>\$ 286,430</u>	<u>\$ 260,616</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>PARKS SDC FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
SDC Charges	\$ 6,000	\$ 6,000	\$ 7,973	\$ (1,973)
Interest on Investments	4,000	4,000	2,929	1,071
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>10,902</u>	<u>(902)</u>
EXPENDITURES				
Material and Services	20,000	20,000 (1)	-	20,000
Capital Outlay	30,000	30,000 (1)	7,072	22,928
Contingency	15,000	15,000 (1)	-	15,000
Total Expenditures	<u>65,000</u>	<u>65,000</u>	<u>7,072</u>	<u>57,928</u>
Excess of Revenues Over (Under) Expenditures	(55,000)	(55,000)	3,830	(58,830)
OTHER FINANCING SOURCES (USES)				
Transfer Out		- (1)		-
Total Other Financing Sources, (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(55,000)	(55,000)	3,830	58,830
FUND BALANCE - BEGINNING OF YEAR	<u>136,212</u>	<u>136,212</u>	<u>148,121</u>	<u>11,909</u>
FUND BALANCE - END OF YEAR	<u>\$ 81,212</u>	<u>\$ 81,212</u>	<u>\$ 151,951</u>	<u>\$ 70,739</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>STORM DRAIN SDC FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
SDC Charges	\$ 25,000	\$ 25,000	\$ 2,364	\$ 22,636
Interest from SDC s	100	100		100
Interest on Investments	2,000	2,000	870	1,130
Total Revenues	<u>27,100</u>	<u>27,100</u>	<u>3,234</u>	<u>23,866</u>
EXPENDITURES				
Material and Services	64,880	64,880 (1)	11,210	53,670
Contingency	37,220	37,220 (1)	-	37,220
Total Expenditures	<u>102,100</u>	<u>102,100</u>	<u>11,210</u>	<u>90,890</u>
Excess of Revenues Over (Under) Expenditures	(75,000)	(75,000)	(7,976)	(67,024)
OTHER FINANCING SOURCES (USES)				
Transfer Out		-		-
Total Other Financing Sources, (Uses)	-	-	-	-
Net Change in Fund Balance	(75,000)	(75,000)	(7,976)	67,024
FUND BALANCE - BEGINNING OF YEAR	<u>75,000</u>	<u>75,000</u>	<u>49,571</u>	<u>(25,429)</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 41,595</u>	<u>\$ 41,595</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

<u>SEWER FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Service Charges	\$ 2,390,920	\$ 2,390,920	\$ 2,394,162	\$ 3,242
Capital Improvement Surcharge	420,000	420,000	367,521	(52,479)
Septage Revenue	15,000	15,000	23,567	8,567
Miscellaneous Income	8,000	8,000	61	(7,939)
Interest on Investments	65,000	65,000	24,492	(40,508)
Total Revenues	<u>2,898,920</u>	<u>2,898,920</u>	<u>2,809,803</u>	<u>(89,117)</u>
EXPENDITURES				
Wastewater Treatment Plant	830,982	830,982 (1)	720,495	110,487
Wastewater Collection	1,301,470	1,301,470 (1)	798,170	503,300
Customer Service	21,150	21,150 (1)	20,162	988
Wastewater General Debt Service	90,600	90,600 (1)	86,700	3,900
WWTP Loan Debt Service	611,511	611,511 (1)	611,241	270
Non-Departmental	562,325	562,325 (1)	530,002	32,323
Contingency	82,255	82,255 (1)	-	82,255
Total Expenditures	<u>3,500,293</u>	<u>3,500,293</u>	<u>2,766,770</u>	<u>733,523</u>
Excess of Revenues Over (Under) Expenditures	(601,373)	(601,373)	43,033	644,406
OTHER FINANCING SOURCES (USES)				
Transfers In	189,599	189,599	120,035	(69,564)
Transfers Out	-	- (1)	-	-
Total Other Financing Sources (Uses)	<u>189,599</u>	<u>189,599</u>	<u>120,035</u>	<u>(69,564)</u>
Net Change in Fund Balance	(411,774)	(411,774)	163,068	574,842
FUND BALANCE - BEGINNING OF YEAR	<u>1,084,864</u>	<u>1,084,864</u>	<u>964,720</u>	<u>(120,144)</u>
FUND BALANCE - END OF YEAR	<u>\$ 673,090</u>	<u>\$ 673,090</u>	<u>\$ 1,127,788</u>	<u>\$ 454,698</u>
RECONCILIATION TO NET ASSETS				
Capital Assets, Net			40,365,816	
Compensated Absences			(28,228)	
Debt Payable			(21,935,725)	
Interest Payable			(263,494)	
TOTAL NET ASSETS			<u>\$ 19,266,157</u>	

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

<u>WATER FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Service Charges	\$ 1,942,290	\$ 1,942,290	\$ 1,946,664	\$ 4,374
New Services, Meters	70,000	70,000	22,115	(47,885)
Miscellaneous Income	33,500	33,500	42,103	8,603
Services Provided	45,000	45,000	45,000	-
Grants	-	-	8,000	8,000
Interest on Investments	12,000	12,000	105,641	93,641
Total Revenues	<u>2,102,790</u>	<u>2,102,790</u>	<u>2,169,523</u>	<u>66,733</u>
EXPENDITURES				
Water Treatment	972,483	1,072,483 (1)	1,274,831	(202,348)
Water Distribution	615,613	615,613 (1)	514,106	101,507
Customer Services	21,150	21,150 (1)	18,885	2,265
Water General Debt Service	60,000	60,000 (1)	60,000	-
Water Non-Departmental	473,304	473,304 (1)	459,774	13,530
Contingency	150,000	75,000 (1)	-	75,000
Total Expenditures	<u>2,292,550</u>	<u>2,317,550</u>	<u>2,327,596</u>	<u>(10,046)</u>
Excess of Revenues Over (Under) Expenditures	(189,760)	(214,760)	(158,073)	56,687
OTHER FINANCING SOURCES (USES)				
Bond Proceeds	-	-	15,982,647	15,982,647
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>15,982,647</u>	<u>15,982,647</u>
Net Change in Fund Balance	(189,760)	(214,760)	15,824,574	16,039,334
FUND BALANCE - BEGINNING OF YEAR	<u>475,217</u>	<u>500,217</u>	<u>157,343</u>	<u>(342,874)</u>
FUND BALANCE - END OF YEAR	<u>\$ 285,457</u>	<u>\$ 285,457</u>	<u>\$ 15,981,917</u>	<u>\$ 15,696,460</u>
RECONCILIATION TO NET ASSETS				
Capital Assets, Net			5,688,997	
Compensated Absences			(24,207)	
Bond Payable			(16,675,541)	
Loan Payable			(934,755)	
Bond Issuance Costs			330,108	
Bond Premium			(220,107)	
Interest Payable			<u>(64,465)</u>	
TOTAL NET ASSETS			<u>\$ 4,081,947</u>	

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>PUBLIC WORKS FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Interest on Investments	\$ 0	\$ 0	\$ 3,717	\$ 3,717
Services Provided	601,348	601,348	601,348	0
Miscellaneous Sales	-	0	933	933
	<u>601,348</u>	<u>601,348</u>	<u>605,998</u>	<u>4,650</u>
EXPENDITURES				
Shop & Operation Division	420,440	420,440 (1)	316,926	103,514
Engineering Division	321,220	321,220 (1)	307,038	14,182
	<u>741,660</u>	<u>741,660</u>	<u>623,964</u>	<u>117,696</u>
Net Change in Fund Balance	(140,312)	(140,312)	(17,966)	122,346
FUND BALANCE - BEGINNING OF YEAR	<u>140,312</u>	<u>140,312</u>	<u>159,924</u>	<u>19,612</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,958</u>	<u>\$ 141,958</u>
RECONCILIATION TO NET ASSETS				
Capital Assets, Net			241,494	
Compensated Absences			(29,015)	
TOTAL NET ASSETS			<u>\$ 354,437</u>	

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

COMBINING BALANCE SHEET
NON-MAJOR PROPRIETARY FUNDS
June 30, 2009

	BONDED DEBT FUND	WATER SDC FUND	WASTEWATER SDC FUND	TOTAL
ASSETS				
Cash and Cash Equivalents	\$ 409,167	\$ 352,200	\$ 114,445	\$ 875,812
Receivables	109,586	57,909	50,721	218,216
Total Assets	<u>\$ 518,753</u>	<u>\$ 410,109</u>	<u>\$ 165,166</u>	<u>\$ 1,094,028</u>
LIABILITIES AND FUND BALANCES:				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Payroll and Payroll Taxes Payable	-	-	8	8
Deferred Revenue	88,595	34,220	3,343	126,158
Total Liabilities	<u>88,595</u>	<u>34,220</u>	<u>3,351</u>	<u>126,166</u>
FUND BALANCES				
Retricted for				
Debt Service	430,158	-	-	430,158
System Development	-	375,889	161,815	537,704
Total Fund Balances	<u>430,158</u>	<u>375,889</u>	<u>161,815</u>	<u>967,862</u>
Total Liabilities and Fund Balances	<u>\$ 518,753</u>	<u>\$ 410,109</u>	<u>\$ 165,166</u>	<u>\$ 1,094,028</u>

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR PROPRIETARY FUNDS
For the Year Ended June 30, 2009

	BONDED DEBT FUND	WATER SDC FUND	WASTEWATER SDC FUND	TOTAL
REVENUES				
Taxes	\$ 1,203,796	\$ -	\$ -	\$ 1,203,796
Interest	10,460	7,315	2,295	20,070
License & Fees	-	19,611	20,191	39,802
Other Revenue	29,641	-	-	29,641
Total Revenues	<u>1,243,897</u>	<u>26,926</u>	<u>22,486</u>	<u>1,293,309</u>
EXPENDITURES				
Current Operation				
General Government	-	74,804	21,171	95,975
Debt Service	1,306,762	-	-	1,306,762
Total Expenditures	<u>1,306,762</u>	<u>74,804</u>	<u>21,171</u>	<u>1,402,737</u>
Excess of Revenues Over (Under) Expenditures	(62,865)	(47,878)	1,315	(109,428)
OTHER FINANCING SOURCES (USES)				
Transfer Out	-	-	(8,544)	(8,544)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(8,544)</u>	<u>(8,544)</u>
Net Change in Fund Balance	(62,865)	(47,878)	(7,229)	(117,972)
FUND BALANCES - BEGINNING OF YEAR	<u>493,023</u>	<u>423,767</u>	<u>169,044</u>	<u>1,085,834</u>
FUND BALANCES - END OF YEAR	<u>\$ 430,158</u>	<u>\$ 375,889</u>	<u>\$ 161,815</u>	<u>\$ 967,862</u>
RECONCILIATION TO NET ASSETS				
Debt Service				860,000
Transfers				<u>(860,000)</u>
TOTAL NET ASSETS				<u>\$ 967,862</u>

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>BONDED DEBT FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES				
Property Taxes	\$ 651,276	\$ 1,240,346	\$ 1,203,796	\$ (36,550)
Miscellaneous Income	-	-	29,641	29,641
Interest on Investments	15,000	15,000	10,460	(4,540)
Total Revenues	<u>666,276</u>	<u>1,255,346</u>	<u>1,243,897</u>	<u>(11,449)</u>
EXPENDITURES				
1998 Water Bonds Principal & Interest	352,968	352,968 (1)	352,968	-
1999 Wastewater Bonds Principal & Interest	206,982	953,795 (1)	953,794	1
Total Expenditures	<u>559,950</u>	<u>1,306,763</u>	<u>1,306,762</u>	<u>1</u>
Net Change in Fund Balance	106,326	(51,417)	(62,865)	(11,448)
PRIOR PERIOD ADJUSTMENT	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	<u>539,147</u>	<u>539,147</u>	<u>493,023</u>	<u>(46,124)</u>
FUND BALANCE - END OF YEAR	<u>\$ 645,473</u>	<u>\$ 487,730</u>	<u>\$ 430,158</u>	<u>\$ (57,572)</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

	<u>WATER SDC FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
SDC Charges	\$ 60,000	\$ 60,000	\$ 16,114	\$ 43,886
Interest from SDC s	100	100	3,497	(3,397)
Interest on Investments	14,400	14,400	7,315	7,085
Total Revenues	<u>74,500</u>	<u>74,500</u>	<u>26,926</u>	<u>47,574</u>
EXPENDITURES				
Material and Services	74,804	74,804 (1)	74,804	-
Capital Outlay	400,000	400,000 (1)		400,000
Total Expenditures	<u>474,804</u>	<u>474,804</u>	<u>74,804</u>	<u>400,000</u>
Net Change in Fund Balance	(400,304)	(400,304)	(47,878)	352,426
FUND BALANCE - BEGINNING OF YEAR	<u>402,905</u>	<u>402,905</u>	<u>423,767</u>	<u>20,862</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,601</u>	<u>\$ 2,601</u>	<u>\$ 375,889</u>	<u>\$ 373,288</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2009

WASTEWATER SDC FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES				
SDC Charges	\$ 110,000	\$ 110,000	\$ 17,088	\$ 92,912
Interest from SDC s	200	200	3,103	(2,903)
Interest on Investments	4,300	4,300	2,295	2,005
Total Revenues	<u>114,500</u>	<u>114,500</u>	<u>22,486</u>	<u>92,014</u>
EXPENDITURES				
Material and Services	21,171	21,171 (1)	21,171	-
Capital Outlay	109,260	109,260 (1)		109,260
Contingency	16,570	16,570 (1)	-	16,570
Total Expenditures	<u>147,001</u>	<u>147,001</u>	<u>21,171</u>	<u>125,830</u>
Excess of Revenues Over (Under) Expenditures	(32,501)	(32,501)	1,315	(33,816)
OTHER FINANCING SOURCES (USES)				
Transfer Out	(50,000)	(50,000) (1)	(8,544)	41,456
Total Other Financing Sources, (Uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(8,544)</u>	<u>41,456</u>
Net Change in Fund Balance	(82,501)	(82,501)	(7,229)	75,272
FUND BALANCE - BEGINNING OF YEAR	<u>82,501</u>	<u>82,501</u>	<u>169,044</u>	<u>86,543</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 161,815</u>	<u>\$ 161,815</u>

(1) Appropriation Level

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2009

City of Newport	IMPOSED LEVY OR OR BALANCE		ADJUSTMENTS		CASH	BALANCE
TAX YEAR	UNCOLLECTED AT 7/1/08	DEDUCT DISCOUNTS	TO ROLLS	ADD INTEREST	COLLECTIONS BY COUNTY TREASURER	UNCOLLECTED OR UNSEGREGATED AT 6/30/09
Current:						
2008-09	\$ 5,863,272	\$ 139,844	\$ (3,914)	\$ 3,866	\$ 5,415,488	\$ 307,892
Prior Years:						
2007-08	239,551	(45)	(2,096)	7,136	124,603	120,033
2006-07	86,037	(8)	(408)	5,159	37,374	53,422
2005-06	41,347	(1)	(164)	7,260	34,180	14,264
2004-05	14,090	(1)	(163)	3,438	14,433	2,933
2003-04& prior	16,005	-	(608)	942	2,554	13,785
Total Prior	397,030	(55)	(3,439)	23,935	213,144	204,437
Total All Funds	\$ 6,260,302	\$ 139,789	\$ (7,353)	\$ 27,801	\$ 5,628,632	\$ 512,329

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above		\$ 5,628,632	
Accrual of Receivables:			
June 30, 2008		(88,231)	
June 30, 2009		93,917	
Total Revenue		\$ 5,634,318	
Fund Allocation:			
General Fund		4,430,522	402,743
Sewer Bonded Debt Fund		1,203,796	109,586
Total		\$ 5,634,318	\$ 512,329

Urban Renewal - North Side

Current:						
2008-09	\$ 2,744,184	\$ 65,451	\$ (1,832)	\$ 1,809	\$ 2,534,608	\$ 144,102
Prior Years:						
2007-08	107,421	(20)	(861)	3,203	55,917	53,866
2006-07	38,054	(3)	(172)	2,282	16,534	23,633
2005-06	18,231	(1)	(71)	3,202	15,072	6,291
2004-05	6,275	(1)	(73)	1,531	6,428	1,306
2003-04&prior	8,602	-	(756)	506	1,373	7,408
Total Prior	178,583	(25)	(1,933)	10,724	95,324	92,504
Total All Funds	\$ 2,922,767	\$ 65,426	\$ (3,765)	\$ 12,533	\$ 2,629,932	\$ 236,606

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above		\$ 2,629,932	
Accrual of Receivables:			
June 30, 2008		(39,417)	
June 30, 2009		43,270	
Total Revenue in Urban Renewal Debt Fund		\$ 2,633,785	
Fund Allocation:			
NS URA Construction Fund		0	429
NS URA Debt Fund		2,633,785	236,177
Total		\$ 2,633,785	\$ 236,606

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
 OF TAXES UNCOLLECTED
 For the Year Ended June 30, 2009

Urban Renewal - South Side												
Current:												
2008-09	\$	1,843,611	\$	43,972	\$	(1,231)	\$	1,216	\$	1,702,813	\$	96,811
Prior Years:												
2007-08		68,194		(13)		(546)		2,033		35,498		34,196
2006-07		21,673		(2)		(98)		1,300		9,417		13,460
2005-06		10,192		-		(40)		1,790		8,425		3,517
2004-05		3,384		-		(39)		826		3,466		705
2003-04 & prior		2,942		-		(112)		173		470		2,533
Total Prior		106,385		(15)		(835)		6,122		57,276		54,411
Total All Funds												
	\$	1,949,996	\$	43,957	\$	(2,066)	\$	7,338	\$	1,760,089	\$	151,222

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$	1,760,089
Accrual of Receivables:		
June 30, 2008		(23,973)
June 30, 2009		27,992
Total Revenue	\$	1,764,108

CITY OF NEWPORT
LINCOLN COUNTY, OREGON

2008-2009 AUDITORS' COMMENTS AND DISCLOSURES

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
 - (503) 620-2632 • FAX (503) 684-7523

January 25, 2010

2008-2009 AUDITORS' COMMENTS AND DISCLOSURES

Oregon Administrative Rules 162-10-000 through 162-16-000, the Minimum Standards for Audits of Oregon Municipal Corporations, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in preceding pages of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth as follows:

REPORT ON INTERNAL ACCOUNTING CONTROL

We have audited the Basic financial statements of the City of Newport, Oregon, as of and for the year ended June 30, 2009, and have issued our report thereon dated January 25, 2010.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement.

The management of the City of Newport, Oregon, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of basic financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the basic financial statements of City of Newport, Oregon, for the year ended June 30, 2009, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the financial statements that is more than inconsequential will not be prevented or detected by the internal control.

2008-2009 AUDITORS' COMMENTS AND DISCLOSURES (CONTINUED)

REPORT ON INTERNAL ACCOUNTING CONTROL (CONTINUED)

A material weakness is a significant deficiency in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operations that we consider to be material weaknesses as defined above.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses as defined above. We have issued a report on significant deficiencies dated January 25, 2010.

These factors were considered in determining the nature, timing and extent of the audit tests to be applied in our audit of the basic financial statements, and this report does not affect our report on the basic financial statements dated January 25, 2010.

This report is intended solely for the information and use of the council, management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

ACCOUNTING RECORDS

The accounting records were adequate for audit, except as noted in the management letter.

INDEPENDENT ELECTED OFFICIALS

No elected official collected or received funds on behalf of the City.

2008-09 AND 2009-10 BUDGETS

The budgets adopted for the current and ensuing fiscal year were examined during the audit. Based on our testing, it appeared that budget preparation and adoption procedures followed were in compliance with the Oregon Local Budget Law.

BUDGET TRANSACTIONS

Expenses of the various funds were within authorized appropriations, except as noted on page 22.

STATE HIGHWAY FUNDS

Compliance with requirements of Article IX, Section 3a of the Oregon Constitution and ORS 294 and 373 was reviewed, and based upon our testing, appeared to comply with the restrictions on the use of revenue from taxes on motor vehicle use and fuel.

COLLATERAL SECURING BANK DEPOSITS

Deposits throughout the year appeared to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury based upon our testing. Deposits in the State Local Government Investment Pool are not required to be collateralized.

2008-2009 AUDITORS' COMMENTS AND DISCLOSURES (CONTINUED)

INVESTMENTS

The investments for the year ending June 30, 2009, were reviewed and based upon our testing, appeared to comply with the legal requirements pertaining to the investment of public funds contained in ORS 294.035.

PUBLIC CONTRACTS AND PURCHASING

The procedures for awarding public contracts were reviewed, and based upon our testing, we found no instances of non-compliance with ORS Chapter 279 during 2008-2009.

INSURANCE AND FIDELITY BONDS

We are not aware of any failure to comply with legal requirements relating to insurance and fidelity bonds, however, we are not competent by training and experience to comment on the adequacy of insurance coverage.

STATUTORY BONDED DEBT LIMITATION

Bonded debt outstanding appeared to be within the limitation established by Oregon Law.

PROGRAMS FUNDED FROM OUTSIDE SOURCES

We reviewed and tested, to the extent we considered necessary in the circumstances, transactions and reports relative to federal and state grant programs. Since expenditures in Federal Financial assistance were not greater than \$500,000 for the year ended June 30, 2009, it was not necessary to perform, nor did we perform, tests in accordance with the Federal Single Audit Act, as amended (U.S. Office of Management and Budget Circular A-133).

Pauly, Rogers and Co. P.C.
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