

City of Brookings **WORKSHOP Agenda**

CITY COUNCIL

Monday December 2, 2013, 4:00pm

City Hall Council Chambers, 898 Elk Drive, Brookings, OR 97415

A. Call to Order

B. Roll Call

C. Topics

1. Annual Audit Reports. [F&HR, pg. 1]
 - a. City Report [pg. 3]
 - b. URA Report [pg. 93]
2. Ownership of Buena Vista Loop Spurs. [Planning, pg. 124]
 - a. Legal opinion [pg. 125]
3. Update on Brookings Transportation System Plan. [PWDS, pg. 130]
 - a. ODOT funded TSP scope of work [pg. 132]
 - b. Additional biking scope of work and fee proposal [pg. 153]
4. Stout Park Lighting Project [Parks, pg. 157]
 - a. Budget [pg. 158]
5. Fleet Street Parking Lot Lighting. [Parks, pg. 159]
 - a. Cost estimate [pg. 160]
 - b. Drawing showing proposed lighting locations [pg. 161]

D. Council Member Requests for Workshop Topics

E. Adjournment


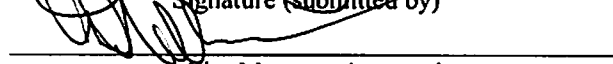
All public City meetings are held in accessible locations. Auxiliary aids will be provided upon request with advance notification. Please contact 469-1102 if you have any questions regarding this notice.

CITY OF BROOKINGS

COUNCIL WORKSHOP REPORT

Meeting Date: December 2, 2013

Originating Dept: Finance & HR


Signature (submitted by)

City Manager Approval

Subject:

Annual Audit

Background/Discussion:

Boldt Carlisle and Smith completed the June 30, 2013 annual financial audit of the City of Brookings and the Brookings Urban Renewal Agency. Brad Bingenheimer, partner with Boldt Carlisle and Smith, will join us via telephone conference call to discuss highlights of the audit and answer questions that the Council and Budget Committee might have.

Attachments:

The Audits will be sent electronically to your email addresses. Hard copies should also be available at the meeting.

CITY OF BROOKINGS



**Brookings, Oregon
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2013**

CITY OF BROOKINGS
OFFICERS AND MEMBERS OF THE GOVERNING BODY
For the Year Ended June 30, 2013

	<u>Term Expires</u> <u>January,</u>
<u>MAYOR</u>	
Ron Hedenskog 16956 Old County Brookings, OR 97415	2015
<u>CITY COUNCIL</u>	
Bill Hamilton 417 Fern St. 101 Brookings OR 97415	2017
Brent Hodges Po Box 4970 Brookings OR 97415	2017
Jake Pieper Po Box 7441 Brookings OR 97415	2015
Kelly McClain 867 Jodee Ln Brookings OR 97415	2015

CITY MANAGER

Gary Milliman

FINANCE AND HUMAN RESOURCES DIRECTOR

Janell Howard

CITY OF BROOKINGS
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
CITY OF BROOKINGS
Brookings, Oregon

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of **CITY OF BROOKINGS** as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 BROOKINGS**, as of June 30, 2013, the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparisons for the General and Urban Renewal Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITOR'S REPORT (Continued)

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 27, 2013, on our consideration of the **CITY OF BROOKINGS'** compliance with certain provisions of laws and regulation, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
November 27, 2013

By:



Bradley G. Bingenheimer, Member

MANAGEMENT'S DISCUSSION AND ANALYSIS



City of Brookings

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2013

This discussion and analysis presents the highlights of financial activities and financial position for the City of Brookings (City). The analysis focuses on significant issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and the economic factors affecting the City. Please read it in conjunction with the City's financial statements.

FINANCIAL HIGHLIGHTS

- Total assets exceeded liabilities at June 30, 2013, by \$41.7 million. Of this amount, \$6.1 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$519,000 during the fiscal year due to an increase in capital assets and a decrease in expenditures.
- The General Fund's fund balance is approximately \$1.43 million at the end of the fiscal year, or 40% of General Fund expenditures.
- The Oregon Economic and Community Development Department (OECD) approved a \$4.0 million loan with \$1.0 million local match in 2007. This was for a 1.6 million gallon water tank, the North Bank water line, and other miscellaneous water improvement projects. OECD has provided interim financing during construction. Long-term financing is awaiting the State's next bond sale.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements and other required supplementary information. The City's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements.

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

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

The *Statement of Activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Examples of such items include earned, but uncollected property taxes, and earned, but unused, compensated absences.

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

The government activities include the following:

- General Government
- Public Safety
- Highways and Streets
- Culture and Recreation

The business-type activities include the following:

- Water
- Wastewater

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance – related legal requirement. All funds can be divided into two categories: governmental or proprietary funds.

Governmental Funds. Governmental fund statements follow the more traditional presentation of financial statements. The City’s major governmental funds are presented in their own column and the remaining funds are combined into a column titled “Other Governmental Funds.” Page 13 presents a reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities.

The City adopts an annual appropriated budget for all its funds, except agency funds. To demonstrate compliance, budgetary comparison statements have been provided for all of the funds.

Proprietary Funds. The proprietary fund financial statements immediately follow the governmental fund financial statements. The City maintains two major propriety funds which are used to report the same functions presented as business type activities in the governmental-wide financial statements, only in more detail. Proprietary fund reports include statement of net position, statement of revenues, expenses and changes in net position and statement of cash flows.

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

Other Supplementary Information. Readers desiring additional information on non-major Funds can find it in the Combining Statements of Non-major Funds and the Budgetary Comparison Schedules.

Net Position at Fiscal Year End
(in thousands)

	Governmental Activities		Business-Type Activities		Totals
	2013	2012	2013	2012	2013
Assets					
Cash and investments	\$ 3,946	\$ 3,620	\$ 5,606	\$ 4,561	\$ 9,552
Capital assets, net	29,159	27,988	18,496	19,545	47,655
Other assets	1,518	1,691	509	1,236	2,027
Total assets	<u>34,623</u>	<u>33,299</u>	<u>24,611</u>	<u>25,342</u>	<u>59,234</u>
Liabilities					
Long-term liabilities	4,498	4,470	12,011	12,004	16,509
Other liabilities	240	164	765	802	1,005
Total liabilities	<u>4,738</u>	<u>4,634</u>	<u>12,776</u>	<u>12,806</u>	<u>17,514</u>
Net Position					
Net investment capital assets	24,849	23,707	6,854	7,587	31,703
Restricted	1,872	2,829	2,036	3,991	3,908
Unrestricted	<u>3,164</u>	<u>2,129</u>	<u>2,946</u>	<u>958</u>	<u>6,110</u>
Total net position	<u>\$ 29,885</u>	<u>\$ 28,665</u>	<u>\$ 11,836</u>	<u>\$ 12,536</u>	<u>\$ 41,721</u>

Net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$41.7 million as of June 30, 2013.

The largest portion of the City's net position reflects its investment in capital assets (e.g., land, building and improvements, equipment, and infrastructure); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The balance of total net position, net investment in capital assets, was \$31.7 million at June 30, 2013.

An additional portion of net position represents resources that are subject to external restrictions on how they may be used. Restricted net position at June 30, 2013 was \$3.9 million. The remaining balance of unrestricted net position, \$6.1 million, may be used to meet ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

Statement of Activities For Fiscal Year Ending
(in thousands)

	Governmental Activities		Business-type Activities		Totals
	2013	2012	2013	2012	2013
REVENUES					
Program revenues					
Charges for services	\$ 756	\$ 717	\$ 4,851	\$ 4,482	\$ 5,607
Grants and contributions	717	557	-	-	717
General revenues					
Taxes	3,275	3,179	-	-	3,275
Other	691	589	113	132	804
Total revenues	<u>5,439</u>	<u>5,042</u>	<u>4,964</u>	<u>4,614</u>	<u>10,403</u>
EXPENSES					
Governmental activities	4,329	4,896	-	-	4,329
Business-type activities	<u>-</u>	<u>-</u>	<u>4,373</u>	<u>4,110</u>	<u>4,373</u>
Total expenses	<u>4,329</u>	<u>4,896</u>	<u>4,373</u>	<u>4,110</u>	<u>8,702</u>
Net (expense) revenue	1,110	146	591	504	1,701
Transfers	<u>110</u>	<u>421</u>	<u>(110)</u>	<u>(421)</u>	<u>-</u>
Change in net position	1,220	567	481	83	1,701
Prior period adjustment	-	-	(1,181)	-	(1,181)
Beginning net position	<u>28,665</u>	<u>28,098</u>	<u>12,536</u>	<u>12,453</u>	<u>41,201</u>
Ending net position	<u>\$ 29,885</u>	<u>\$ 28,665</u>	<u>\$ 11,836</u>	<u>\$ 12,536</u>	<u>\$ 41,721</u>

Governmental Activities. Governmental activities increased the City's net position by \$1,220,000 primarily due to net investment in capital assets. Tax revenue increased \$96,000, which is property taxes from the General, Urban Renewal, and Debt Service Funds. In addition, expenses decreased by \$567,000 compared to prior year. This was primarily due to capital expenditures related to the city hall sink hole in the prior year.

Business-type Activities. Business-type activities increased the City's net position by \$481,000, with charges for services increasing \$369,000. Expenditures increased \$263,000 and transfers out decreased \$371,000 due to a change in allocating administrative salaries directly rather than through a transfer.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's General Fund appropriations decreased to \$4.5 million. The General Fund revenues were \$21,000 more than the budget. Actual expenditures within the General Fund were 79% of the final budget. The overall increase in the fund balance was \$56,000 due to revenues and transfers in being slightly greater than expenditures and transfers out.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2013, the City has invested \$47.7 million in capital assets as reflected in the following table. This represents a net increase for current year activity (additions, retirements, and depreciation) of \$200,000.

Capital Assets at Fiscal Year-End

(Net of Depreciation)

(in millions)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Land and non-depreciable assets	\$ 16.3	\$ 16.3	\$ 0.6	\$ 0.6	\$ 16.9	\$ 16.9
Building and improvements	2.6	2.3	4.6	4.9	7.2	7.2
Vehicles and equipment	0.9	1.0	0.2	0.1	1.1	1.1
Infrastructure	9.3	8.2	13.0	13.7	22.3	21.9
Construction in progress	0.1	0.2	0.1	0.2	0.2	0.4
Total	<u>\$ 29.2</u>	<u>\$ 28.0</u>	<u>\$ 18.5</u>	<u>\$ 19.5</u>	<u>\$ 47.7</u>	<u>\$ 47.5</u>

The following table reconciles the changes in capital assets. Additions include assets acquired or under construction at year-end. Reductions are for retirements and depreciation.

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Totals</u>
Beginning balance	\$ 28.0	\$ 19.5	\$ 47.5
Additions	2.0	0.5	2.5
Retirement	(0.2)	(0.2)	(0.4)
Depreciation	(0.6)	(1.3)	(1.9)
Ending balance	<u>\$ 29.2</u>	<u>\$ 18.5</u>	<u>\$ 47.7</u>

For more information on the City's capital assets, including a breakdown of the major asset categories by governmental and business-type activities, refer to pages 21 and 22 of the notes to the financial statements.

Debt Outstanding. As of year end, the City had \$16.5 million in debt outstanding compared to \$16.5 million last year. \$1.7 million is due within one year.

Outstanding Debt at Fiscal Year End
(in millions)

	2013	2012
Governmental		
General obligation bonds	\$ 0.4	\$ 0.6
Revenue bonds	2.7	2.9
Notes payable	0.7	0.8
Loan payable	0.5	-
Compensated absences	0.2	0.2
Sub-total	4.5	4.5
Business-type		
Notes payable - DEQ	-	7.6
Loan payable - OECDD	2.7	2.7
Loan payable - bank	9.3	1.7
Sub-total	12.0	12.0
Total	<u>\$ 16.5</u>	<u>\$ 16.5</u>

For more detailed information on the City's debt and amortization terms, refer to pages 24-28 of the notes to the financial statements.

ECONOMIC FACTORS

Like all cities in Oregon, the City operates under Measure 50, the tax limitation measure approved by voters on May 20, 1997. This measure rolled back assessed values to 1995-96 levels and effectively limited increased property tax revenues the City could anticipate in future years to a maximum of 3%, with permitted allowances for increasing valuations based on new construction and annexations. No substantive changes to the basic provisions of Measure 50 have been enacted during subsequent Oregon Legislative sessions. The City management team and staff continue to meet the challenge of quality service delivery with limited increases in property tax revenue.

The City's business-type activities are funded by utility charges for water and sewer services. Past revenue increases are needed to make the debt service payments on the City's revenue secured loan which was used to upgrade the wastewater plant and construction and financing of a new sludge treatment process. In 2012-13, the City implemented a wastewater rate increase of 8.5% and a water rate increase of 9.8%. On July 1, 2013, the City implemented a wastewater rate increase of 4.9% and a water rate increase of 3.96%. The financial methodology is to be proactive instead of reactionary for vital capital improvement projects. The additional revenue was used to cover operating and maintenance costs and pay related debt payments. The system replacement fees are structured to and have increased by an inflationary factor each year.

REQUESTS FOR INFORMATION

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed:

Janell K. Howard
Finance and Human Resources Director
City of Brookings
898 Elk Drive
Brookings, Oregon 97415
jhoward@brookings.or.us.

BASIC FINANCIAL STATEMENTS

CITY OF BROOKINGS

STATEMENT OF NET POSITION

June 30, 2013

	Governmental Activities	Business-type Activities	Totals
<u>ASSETS</u>			
Cash and investments	\$ 3,945,697	5,605,739	\$ 9,551,436
Receivables, net	1,067,371	742,505	1,809,876
Inventory	-	159,846	159,846
Prepaid items	47,560	10,000	57,560
Internal balances	402,863	(402,863)	-
Capital assets:			
Land, rights of way and construction in progress	16,350,194	662,737	17,012,931
Other capital assets, net	12,809,431	17,833,371	30,642,802
TOTAL ASSETS	34,623,116	24,611,335	59,234,451
<u>LIABILITIES</u>			
Accounts payable and accrued expenses	164,166	176,795	340,961
Payroll and related liabilities	14,427	-	14,427
Accrued interest payable	33,382	366,497	399,879
Deposits	27,813	221,080	248,893
Long-term liabilities:			
Due within one year	762,436	973,432	1,735,868
Due in more than one year	3,736,114	11,037,762	14,773,876
TOTAL LIABILITIES	4,738,338	12,775,566	17,513,904
<u>NET POSITION</u>			
Net investment in capital assets	24,849,515	6,853,865	31,703,380
Restricted for:			
Highways and streets	130,231	-	130,231
Capital projects	636,173	2,036,381	2,672,554
Debt service	639,411	-	639,411
Other purposes	465,809	-	465,809
Unrestricted	3,163,639	2,945,523	6,109,162
TOTAL NET POSITION	\$ 29,884,778	\$ 11,835,769	\$ 41,720,547

See accompanying notes

CITY OF BROOKINGS

STATEMENT OF ACTIVITIES For the Year Ended June 30, 2013

Functions/Programs	Program Revenue			Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities
Governmental activities:					
General government	\$ 790,267	\$ 116,249	\$ -	\$ (674,018)	\$ (674,018)
Public safety	2,258,361	214,153	154,203	(1,890,005)	(1,890,005)
Highways and streets	737,846	365,658	526,124	153,936	153,936
Culture and recreation	359,051	59,333	36,945	(262,773)	(262,773)
Interest on long-term obligations	183,158	-	-	(183,158)	(183,158)
TOTAL GOVERNMENTAL ACTIVITIES	4,328,683	755,393	717,272	(2,856,018)	(2,856,018)
Business-type activities:					
Water	1,491,520	1,517,294	-		\$ 25,774
Wastewater	2,881,832	3,333,279	-		451,447
TOTAL BUSINESS-TYPE ACTIVITIES	4,373,352	4,850,573	-		477,221
TOTALS	\$ 8,702,035	\$ 5,605,966	\$ 717,272	(2,856,018)	477,221
General revenues:					
Taxes levied for:					
General purposes				2,851,469	-
Debt service				255,085	-
Miscellaneous taxes				167,823	-
Franchise fees				91,257	-
Grants and contributions not restricted to specific programs				495,570	-
Unrestricted investment earnings				31,953	44,472
Miscellaneous				72,328	68,369
Transfers				109,756	(109,756)
TOTAL GENERAL REVENUES AND TRANSFERS				4,075,241	3,085
Change in net position				1,219,223	480,306
Net position - beginning				28,665,555	12,536,038
Prior period adjustment				-	(1,180,575)
Net position - ending				\$ 29,884,778	\$ 11,835,769
					\$ 41,720,547

See accompanying notes

CITY OF BROOKINGS
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	General	Urban Renewal	Total Nonmajor Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 817,054	\$ 317,864	\$ 2,810,779	\$ 3,945,697
Receivables	504,487	51,973	510,911	1,067,371
Due from other funds	402,863	-	70,002	472,865
Prepaid items	11,800	-	35,760	47,560
TOTAL ASSETS	\$ 1,736,204	\$ 369,837	\$ 3,427,452	\$ 5,533,493
<u>LIABILITIES</u>				
Accounts payable and accrued items	61,657	-	102,509	164,166
Payroll and related liabilities	14,427	-	-	14,427
Due to other funds	-	70,002	-	70,002
Consumer deposits	27,813	-	-	27,813
TOTAL LIABILITIES	103,897	70,002	102,509	276,408
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	203,292	43,521	409,771	656,584
<u>FUND BALANCES</u>				
Nonspendable	11,800	-	35,760	47,560
Restricted for:				
Highways and streets	-	-	130,231	130,231
Urban renewal projects	-	256,314	-	256,314
911 services	-	-	209,495	209,495
Debt service	-	-	639,411	639,411
Capital projects	-	-	636,173	636,173
Committed for:				
Capital projects	-	-	1,206,205	1,206,205
Police programs	-	-	51,743	51,743
Current and future health care programs	-	-	2,350	2,350
Fire equipment and training	-	-	3,804	3,804
Unassigned	1,417,215	-	-	1,417,215
TOTAL FUND BALANCES	1,429,015	256,314	2,915,172	4,600,501
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,736,204	\$ 369,837	\$ 3,427,452	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	29,159,625
Other long-term assets are not available for current period expenditures and, therefore, are deferred in the funds.	656,584
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(4,531,932)

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 29,884,778**

See accompanying notes

CITY OF BROOKINGS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS

For the Year Ended June 30, 2013

	General	Urban Renewal	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 2,349,620	\$ 530,767	\$ 250,681	\$ 3,131,068
Transient tax	167,823	-	-	167,823
Franchise fees	91,257	-	-	91,257
Licenses, permits and fees	120,834	-	1,235	122,069
Fines and forfeitures	81,067	-	-	81,067
Charges for services	136,456	-	-	136,456
Assessments	-	-	1,574	1,574
System development charges	-	-	167,906	167,906
System replacement charges	-	-	282,115	282,115
Intergovernmental	475,932	-	515,755	991,687
Interest	6,340	2,266	23,328	31,934
Miscellaneous	75,207	-	32,005	107,212
TOTAL REVENUES	<u>3,504,536</u>	<u>533,033</u>	<u>1,274,599</u>	<u>5,312,168</u>
EXPENDITURES				
Current				
General government	723,212	69,372	17,671	810,255
Public safety	2,156,645	-	47,245	2,203,890
Highways and streets	-	-	269,624	269,624
Culture and recreation	254,862	-	-	254,862
Debt service	-	-	572,541	572,541
Capital outlay	455,476	176,881	1,241,706	1,874,063
TOTAL EXPENDITURES	<u>3,590,195</u>	<u>246,253</u>	<u>2,148,787</u>	<u>5,985,235</u>
Excess (deficiency) of revenues over expenditures	<u>(85,659)</u>	<u>286,780</u>	<u>(874,188)</u>	<u>(673,067)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term obligations	-	-	525,000	525,000
Transfers in	223,643	9,998	459,439	693,080
Transfers out	(82,000)	(344,439)	(166,422)	(592,861)
TOTAL OTHER FINANCING SOURCES (USES)	<u>141,643</u>	<u>(334,441)</u>	<u>818,017</u>	<u>625,219</u>
Net change in fund balances	55,984	(47,661)	(56,171)	(47,848)
Fund balances at beginning of year	<u>1,373,031</u>	<u>303,975</u>	<u>2,971,343</u>	<u>4,648,349</u>
Fund balance at end of year	<u>\$ 1,429,015</u>	<u>\$ 256,314</u>	<u>\$ 2,915,172</u>	<u>\$ 4,600,501</u>

See accompanying notes

CITY OF BROOKINGS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2013

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (47,848)

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. The difference between those two amounts is:

Capital outlay	\$ 1,776,073	
Depreciation	<u>(604,886)</u>	1,171,187

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds as follows:

Taxes	(24,514)	
System development charges	(25,030)	
Grants	124,510	
Assessments	<u>51,016</u>	125,982

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

Accrued interest	(1,375)	
Compensated absences	<u>(6,160)</u>	(7,535)

The issuance of long term obligations provides current financial resources to governmental funds, however, issuing debt increases long-term liabilities in the Statement of Net Position. (525,000)

Additional transfer from Business-type activities repayment of long-term obligations in the water and wastewater funds for the Governmental Activities. 9,537

Repayment of long-term obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position. 492,900

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,219,223

See accompanying notes

CITY OF BROOKINGS

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	Budget		Actual	Variance
	Original	Final		
REVENUES				
Property taxes	\$ 2,333,268	\$ 2,333,268	\$ 2,349,620	\$ 16,352
Transient tax	138,000	138,000	167,823	29,823
Franchise fees	66,000	66,000	91,257	25,257
Licenses, permits and fees	94,500	94,500	120,834	26,334
Fines and forfeitures	39,000	39,000	81,067	42,067
Charges for services	137,500	137,500	136,456	(1,044)
Intergovernmental	589,500	622,396	475,932	(146,464)
Interest	10,000	10,000	6,340	(3,660)
Miscellaneous	37,000	42,635	75,207	32,572
TOTAL REVENUES	<u>3,444,768</u>	<u>3,483,299</u>	<u>3,504,536</u>	<u>21,237</u>
EXPENDITURES				
Judicial	24,348	24,348	17,236	7,112
Legislative	240,173	265,173	251,678	13,495
Police	2,331,207	2,343,903	2,326,752	17,151
Fire	370,705	370,705	261,492	109,213
Planning	257,352	257,352	181,603	75,749
Parks and recreation	143,754	174,389	172,497	1,892
Administrative	146,828	181,828	174,256	7,572
Swimming pool	107,629	107,629	106,242	1,387
Non-departmental	157,500	167,700	98,439	69,261
Contingency and reserves	675,201	635,201	-	635,201
TOTAL EXPENDITURES	<u>4,454,697</u>	<u>4,528,228</u>	<u>3,590,195</u>	<u>938,033</u>
Excess (deficiency) of revenues over expenditures	<u>(1,009,929)</u>	<u>(1,044,929)</u>	<u>(85,659)</u>	<u>959,270</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term obligations	40,000	40,000	-	(40,000)
Transfers in	193,929	228,929	223,643	(5,286)
Transfers out	(82,000)	(82,000)	(82,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>151,929</u>	<u>186,929</u>	<u>141,643</u>	<u>(45,286)</u>
Net change in fund balance	(858,000)	(858,000)	55,984	913,984
Fund balance at beginning of year	<u>873,000</u>	<u>873,000</u>	<u>1,373,031</u>	<u>500,031</u>
Fund balance at end of year	<u>\$ 15,000</u>	<u>\$ 15,000</u>	<u>\$ 1,429,015</u>	<u>\$ 1,414,015</u>

See accompanying notes

CITY OF BROOKINGS

URBAN RENEWAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - BUDGET TO ACTUAL

For the Year Ended June 30, 2013

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property taxes	\$ 509,838	\$ 509,838	\$ 530,767	\$ 20,929
Interest	500	500	2,266	1,766
TOTAL REVENUES	<u>510,338</u>	<u>510,338</u>	<u>533,033</u>	<u>22,695</u>
EXPENDITURES				
Materials and services	70,000	90,000	69,372	20,628
Capital outlay	<u>1,372,397</u>	<u>1,352,397</u>	<u>176,881</u>	<u>1,175,516</u>
TOTAL EXPENDITURES	<u>1,442,397</u>	<u>1,442,397</u>	<u>246,253</u>	<u>1,196,144</u>
Excess (deficiency) of revenues over expenditures	<u>(932,059)</u>	<u>(932,059)</u>	<u>286,780</u>	<u>1,218,839</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term obligations	1,000,000	1,000,000	-	(1,000,000)
Transfers out	<u>(417,941)</u>	<u>(417,941)</u>	<u>(344,439)</u>	<u>73,502</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>582,059</u>	<u>582,059</u>	<u>(344,439)</u>	<u>(926,498)</u>
Net change in fund balance	(350,000)	(350,000)	(57,659)	292,341
Fund balance at beginning of year	<u>350,000</u>	<u>350,000</u>	<u>383,975</u>	<u>33,975</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	326,316	<u>\$ 326,316</u>
Reconciliation to generally accepted accounting principles				
Advances from other funds			<u>(70,002)</u>	
Fund balances at end of year			<u>\$ 256,314</u>	

See accompanying notes

CITY OF BROOKINGS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013

	Business-type Activities			
	Water	Wastewater	Total Nonmajor Enterprise Funds	Total Enterprise Funds
<u>ASSETS</u>				
Current assets				
Cash and investments	\$ -	\$ 1,371,156	\$ 4,234,583	\$ 5,605,739
Receivables, net	132,286	245,358	364,861	742,505
Inventory	114,963	44,883	-	159,846
Prepaid items	-	-	10,000	10,000
Total current assets	247,249	1,661,397	4,609,444	6,518,090
Capital assets				
Land	258,658	292,849	-	551,507
Construction in progress	24,352	86,878	-	111,230
Other capital assets, net	6,261,062	11,572,309	-	17,833,371
Total capital assets	6,544,072	11,952,036	-	18,496,108
TOTAL ASSETS	6,791,321	13,613,433	4,609,444	25,014,198
<u>LIABILITIES</u>				
Current liabilities				
Accounts payable and accrued items	19,567	52,525	104,703	176,795
Consumer deposits	221,080	-	-	221,080
Due to other funds	402,863	-	-	402,863
Accrued interest payable	354,590	9,357	2,550	366,497
Compensated absences payable	14,340	29,611	-	43,951
Long-term obligations due within one year	-	900,683	28,798	929,481
Total current liabilities	1,012,440	992,176	136,051	2,140,667
Long-term obligations due in more than one year	2,659,579	8,081,981	296,202	11,037,762
TOTAL LIABILITIES	3,672,019	9,074,157	432,253	13,178,429
<u>NET POSITION</u>				
Net investment in capital assets	3,884,493	2,969,372	-	6,853,865
Restricted for capital projects	-	-	2,036,381	2,036,381
Unrestricted	(765,191)	1,569,904	2,140,810	2,945,523
TOTAL NET POSITION	\$ 3,119,302	\$ 4,539,276	\$ 4,177,191	\$ 11,835,769

See accompanying notes

CITY OF BROOKINGS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended June 30, 2013

	Business-type Activities			
	Water	Wastewater	Total Nonmajor Enterprise Funds	Totals Enterprise Funds
OPERATING REVENUES				
Charges for services	\$ 1,360,508	\$ 2,770,564	\$ -	\$ 4,131,072
OPERATING EXPENSES				
Personal services	547,809	887,700	-	1,435,509
Materials and services	315,146	553,969	356,387	1,225,502
Depreciation	372,949	966,745	-	1,339,694
Total operating expenses	1,235,904	2,408,414	356,387	4,000,705
Operating income (loss)	124,604	362,150	(356,387)	130,367
NONOPERATING REVENUES (EXPENSES)				
Interest	-	6,089	38,383	44,472
Miscellaneous	52,455	988	(20)	53,423
Interest	(92,021)	(37,663)	(228,017)	(357,701)
Total nonoperating revenue (expenses)	(39,566)	(30,586)	(189,654)	(259,806)
Income before capital contributions and transfers	85,038	331,564	(546,041)	(129,439)
Capital contributions	-	-	719,501	719,501
Transfers in	24,352	10,469,468	10,584,213	21,078,033
Transfers out	(61,771)	(10,432,198)	(10,693,820)	(21,187,789)
Change in net position	47,619	368,834	63,853	480,306
Total net position at beginning of year	4,297,141	4,125,559	4,113,338	12,536,038
Prior period adjustment	(1,225,458)	44,883	-	(1,180,575)
Total net position - ending	\$ 3,119,302	\$ 4,539,276	\$ 4,177,191	\$ 11,835,769

See accompanying notes

CITY OF BROOKINGS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2013

	Business-type Activities			
	Water	Wastewater	Total Nonmajor Enterprise Funds	Total Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,357,761	\$ 2,734,973	\$ -	\$ 4,092,734
Payments to suppliers	(317,414)	(555,943)	(395,810)	(1,269,167)
Payments to employees	(555,043)	(882,688)	-	(1,437,731)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>485,304</u>	<u>1,296,342</u>	<u>(395,810)</u>	<u>1,385,836</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments on interfund loan	(413,646)	-	-	(413,646)
Transfers in	-	-	1,122,717	1,122,717
Transfers out	(57,002)	(965,934)	(200,000)	(1,222,936)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	<u>(470,648)</u>	<u>(965,934)</u>	<u>922,717</u>	<u>(513,865)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
System development charges received	-	-	739,615	739,615
Other	52,455	988	(20)	53,423
Issuance of long-term obligations	-	418,504	9,786,496	10,205,000
Acquisition of capital assets	(62,342)	(78,934)	(149,934)	(291,210)
Principal paid on long-term obligations	(4,769)	(4,768)	(10,343,886)	(10,353,423)
Interest paid on long-term obligations	-	-	(225,467)	(225,467)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(14,656)</u>	<u>335,790</u>	<u>(193,196)</u>	<u>127,938</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	-	6,089	38,383	44,472
Net increase in cash	-	672,287	372,094	1,044,381
Cash - beginning of year	-	698,869	3,862,489	4,561,358
Cash - end of year	<u>\$ -</u>	<u>\$ 1,371,156</u>	<u>\$ 4,234,583</u>	<u>\$ 5,605,739</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 124,604	\$ 362,150	\$ (356,387)	\$ 130,367
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation	372,949	966,745	-	1,339,694
(Increase) in assets				
Receivables, net	(15,413)	(35,591)	-	(51,004)
Prepaid items	-	-	(10,000)	(10,000)
Increase (decrease) in liabilities				
Accounts payable and accrued items	(2,268)	(1,974)	(29,423)	(33,665)
Consumer deposits	12,666	-	-	12,666
Compensated absences payable	(7,234)	5,012	-	(2,222)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 485,304</u>	<u>\$ 1,296,342</u>	<u>\$ (395,810)</u>	<u>\$ 1,385,836</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS				
Transfers in	\$ 24,352	\$ 10,469,468	\$ 9,461,496	\$ 19,955,316
Transfers out	(4,769)	(9,466,264)	(10,493,820)	(19,964,853)
Total noncash transactions	<u>\$ 19,583</u>	<u>\$ 1,003,204</u>	<u>\$ (1,032,324)</u>	<u>\$ (9,537)</u>

See accompanying notes

CITY OF BROOKINGS

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2013

1. Summary of significant accounting policies

A. Financial reporting entity

The **CITY OF BROOKINGS** (City) was organized under the general laws of the State of Oregon. Control of the City is vested in its Mayor and Council Members who are elected to office by voters within the City. Administrative functions are delegated to individuals who report to and are responsible to the Mayor and Council. The chief administrative officer is the City Manager.

The accompanying financial statements present all activities, funds and the component unit for which the City is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government.

The City Council serves as the governing board of the Brookings Urban Renewal Agency. Therefore, the accounts of the agency are included in the financial statements of the City.

Complete financial statements for the Brookings Urban Renewal Agency may be obtained from the City's finance department.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City (the primary government) and its component unit. 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 segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. 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, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

C. Measurement Focus, basis of accounting and financial statement presentation

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct costs and program revenues reported for the various functions concerned.

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 are charges to customers for sales and services. Operating expenses for proprietary 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

C. Measurement Focus, basis of accounting and financial statement presentation (continued)

The basis of accounting described above is in accordance with accounting principles generally accepted in the United States of America.

The City reports the following major governmental funds:

- *General* - accounts for all financial resources of the City, except those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise fees, and state shared revenues. Expenditures are primarily for general government operations, public safety (police), and culture and recreation.
- *Urban Renewal* – accounts for general administration of the Urban Renewal Agency's urban renewal areas and for acquisition and rehabilitation of blighted and deteriorated areas within the designated urban renewal areas.

The City reports the following major proprietary funds:

- *Water* - accounts for the operation of the City's water system.
- *Wastewater* - accounts for the operation of the City's wastewater system.

The City also includes the following fund types as nonmajor governmental funds and nonmajor enterprise funds:

Special revenue - account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating fund authorized to make expenditures.

Debt service - account for the resources accumulated and payments made for principal and interest on long-term debt of governmental funds.

Capital projects - account for expenditures on major construction projects or equipment acquisition. The principal sources of revenues are proceeds from long-term obligations issued to finance capital acquisitions and improvements.

Enterprise - accounts for the operations of predominantly self-supporting activities. Enterprise funds account for services rendered to the public on a user charge basis.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

D. Budget policies and budgetary control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year end.

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over-expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The City established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

E. Use of estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

F. Cash and cash equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, checking, savings and money market accounts, and any highly-liquid debt instruments purchased with a maturity of three months or less.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

G. User charges and fines receivable

User charges and fines receivable are reported at the amount management expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that have not been collected by the time the financial statements are issued.

H. Inventories

Inventories are valued at the lower of cost (first-in, first-out method) or market. Inventories consist of expendable supplies held for consumption.

I. Capital assets

Capital assets are recorded in the Statement of Net Position at cost or estimated historical cost if purchased or constructed. Donated items are recorded at their estimated fair value at the date of donation. The City records capital assets for items with original cost, or estimated fair value if donated, of \$5,000 or more and an expected economic useful life of 3 years or more.

Public domain (infrastructure) capital assets (e.g., roads, bridges, sidewalks, storm sewers, and other assets that are immovable and of value to the City) that have been acquired or significantly reconstructed have been capitalized at estimated historical cost.

Upon disposal of capital assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in the change in net position. Depreciation taken on contributed capital assets is recorded as an expense of operations and charged to retained earnings.

Capital assets are depreciated using the straight-line method over the following estimated useful lives with prorated depreciation in the year of acquisition and prorated depreciation in the year of disposal.

<u>Assets</u>	<u>Years</u>
Land improvements	10 - 50
Buildings	25 - 50
Building improvements	20 - 40
Equipment	5 - 15
Infrastructure	25 - 40
Water and wastewater systems	25
Storm drains	25

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

J. Long-term obligations

Long-term obligations consist of notes, bonds, and compensated absences.

Long-term obligations expected to be repaid from Proprietary Funds are accounted for in the business-type activities and Proprietary Funds. Long-term obligations expected to be repaid from Governmental Funds are accounted for in the governmental activities.

K. Compensated absences

Vacation and comp-time leave amounts are accrued as they are earned.

L. Equity classification

In the government-wide and proprietary fund financial statements equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

In the government-wide and proprietary fund financial statements, when both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

Governmental Fund Type Fund Balance Reporting

Governmental type fund balances are to be properly reported within one of the fund balance categories list below:

Non-spendable — Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of significant accounting policies (continued)

L. Equity classification (continued)

Committed — Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

Assigned — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the Administrative Services Director to assign fund balance amounts.

Unassigned — The residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

M. Risk management

The City is exposed to various risks of loss related to errors and omissions, automobile, damage to and destruction of assets, bodily injury, and worker's compensation for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the prior year and settled claims have not reached the level of commercial coverage in any of the past three fiscal years.

2. Deposits and Investments

The City maintains a pool of cash and investments that are available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as cash and investments. Additionally, several funds hold separate cash and investment accounts. Interest earned on pooled cash and investments is allocated to participating funds based upon their combined cash and investment balances.

Investments, including amounts held in pooled cash and investments are stated at fair value. 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. 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 a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Deposits and Investments (continued)

The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the City's position in the LGIP is the same as the value of the pool shares.

Credit risk: Oregon statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

As of June 30, 2013, the City had the following investments:

	<u>Maturities</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	N/A	<u>\$ 4,821,406</u>

Interest Rate Risk: The City does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Concentration of Credit Risk: The City does not have a formal policy that places a limit on the amount that may be invested in any one issuer.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy which limits the amount of investments that can be held by counterparties.

Custodial Credit Risk – Deposits: This is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depositary Insurance Corporation (FDIC) provides insurance for the City's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are collateralized with securities held by the Federal Home Loan Bank of Seattle in the name of the institution. As of June 30, 2013, \$4,532,357 of the City's bank balances were exposed to custodial risk.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Deposits and Investments (continued)

A. The City's deposits and investments at June 30, 2013 are as follows:

Total investments	\$ 4,821,406
Cash on hand	2,900
Deposits with financial institutions	<u>4,727,130</u>
Total deposits and investments	<u><u>\$ 9,551,436</u></u>

B. Cash and investments by fund:

Governmental activities/funds

Unrestricted	
General	\$ 817,054
Urban renewal	317,864
Nonmajor governmental	<u>2,810,779</u>
Total governmental activities/funds	<u>3,945,697</u>

Business-type activities/proprietary funds

Wastewater	1,371,156
Nonmajor enterprise	<u>4,234,583</u>
Total business-type activities/proprietary funds	<u>5,605,739</u>

Total cash and investments	<u><u>\$ 9,551,436</u></u>
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3. Receivables

A. The City's receivables at June 30, 2013 are shown below:

	Governmental Activities / Funds				Business-type Activities / Enterprise Funds			
	General	Urban Renewal	Nonmajor Governmental	Totals	Water	Wastewater	Nonmajor Enterprise	Totals
User charges	\$ -	\$ -	\$ -	\$ -	\$ 132,286	\$ 208,598	\$ -	\$ 340,884
Assessments	-	-	80,842	80,842	-	-	-	-
Property taxes	232,450	51,973	30,205	314,628	-	-	-	-
Accounts	95,933	-	68,324	164,257	-	36,760	-	36,760
System replacement charges	-	-	28,100	28,100	-	-	40,113	40,113
System development charges	9,315	-	178,930	188,245	-	-	324,748	324,748
Grants	166,789	-	124,510	291,299	-	-	-	-
	<u>\$ 504,487</u>	<u>\$ 51,973</u>	<u>\$ 510,911</u>	<u>\$ 1,067,371</u>	<u>\$ 132,286</u>	<u>\$ 245,358</u>	<u>\$ 364,861</u>	<u>\$ 742,505</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Receivables (continued)

B. Property taxes receivable (continued)

i. Collection procedures

Taxes are levied on July 1 and are payable in three installments due November 15, February 15 and May 15. Curry County bills and collects property taxes for the City.

ii. 2012-13 property tax transactions

	Balances July 1, 2012	2012-13 Levy	Adjust- ments	Net Interest (Discounts)	Collec- tions	Balances June 30, 2013
2012-13	\$ -	\$ 3,201,612	\$ (7,935)	\$ (73,815)	\$ 2,956,061	\$ 163,801
2011-12	159,383	-	(606)	4,827	85,978	77,626
2010-11	93,785	-	(15,795)	5,240	39,726	43,504
2009-10	51,430	-	(1,589)	6,601	34,357	22,085
2008-09	13,138	-	(526)	4,053	14,087	2,578
2007-08	2,050	-	(384)	238	769	1,135
Prior	<u>6,587</u>	<u>-</u>	<u>(2,316)</u>	<u>199</u>	<u>571</u>	<u>3,899</u>
	<u>\$ 326,373</u>	<u>\$ 3,201,612</u>	<u>\$ (29,151)</u>	<u>\$ (52,657)</u>	<u>\$ 3,131,549</u>	<u>\$ 314,628</u>

iii. Ensuing year's levy

The City's permanent tax rate is \$3.763 per \$1,000 assessed value as limited by the Constitution of the State of Oregon.

The Urban Renewal Agency will levy 100 percent of the amount of its authority under option one of ORS 457.435(2)(a) for the retirement of long-term obligations principal and interest without making a special levy in 2013-14.

The tax rate limit of \$10.00 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect these levies.

In addition, the City will levy \$167,748 for payment of long-term debt principal and interest due in 2013-14.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Capital assets

A. Capital asset activity for the year ended June 30, 2013 was as follows:

	Balances July 1, 2012	Additions	Deletions	Balances June 30, 2013
<i>Governmental Activities</i>				
Capital assets not being depreciated				
Land	\$ 2,923,798	\$ -	\$ -	\$ 2,923,798
Right of way	13,360,659	-	-	13,360,659
Construction in progress	<u>167,416</u>	<u>65,737</u>	<u>(167,416)</u>	<u>65,737</u>
Total capital assets not being depreciated	<u>16,451,873</u>	<u>65,737</u>	<u>(167,416)</u>	<u>16,350,194</u>
Capital assets being depreciated				
Buildings and improvements	3,608,819	479,874	-	4,088,693
Equipment	2,732,914	30,203	(19,408)	2,743,709
Infrastructure	<u>13,092,607</u>	<u>1,367,675</u>	<u>-</u>	<u>14,460,282</u>
Total capital assets being depreciated	<u>19,434,340</u>	<u>1,877,752</u>	<u>(19,408)</u>	<u>21,292,684</u>
Less accumulated depreciation for:				
Buildings and improvements	1,318,637	139,228	-	1,457,865
Equipment	1,751,929	110,794	(19,408)	1,843,315
Infrastructure	<u>4,827,209</u>	<u>354,864</u>	<u>-</u>	<u>5,182,073</u>
Total accumulated depreciation	<u>7,897,775</u>	<u>604,886</u>	<u>(19,408)</u>	<u>8,483,253</u>
Total capital assets being depreciated, net	<u>11,536,565</u>	<u>1,272,866</u>	<u>-</u>	<u>12,809,431</u>
Governmental activities capital assets, net	<u>\$ 27,988,438</u>	<u>\$ 1,338,603</u>	<u>\$ (167,416)</u>	<u>\$ 29,159,625</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

4. Capital assets (continued)

A. Capital asset activity for the year ended June 30, 2013 was as follows (continued):

	Balances July 1, 2012	Additions	Deletions	Balances June 30, 2013
<i>Business-type Activities</i>				
Capital assets not being depreciated				
Land	\$ 551,507	\$ -	\$ -	\$ 551,507
Construction in progress	<u>197,680</u>	<u>111,230</u>	<u>(197,680)</u>	<u>111,230</u>
Total capital assets not being depreciated	<u>749,187</u>	<u>111,230</u>	<u>(197,680)</u>	<u>662,737</u>
Capital assets being depreciated				
Infrastructure	27,518,202	253,752	-	27,771,954
Buildings and improvements	8,009,984	66,485	-	8,076,469
Equipment and vehicles	<u>561,702</u>	<u>57,423</u>	<u>-</u>	<u>619,125</u>
Total capital assets being depreciated	<u>36,089,888</u>	<u>377,660</u>	<u>-</u>	<u>36,467,548</u>
Less accumulated depreciation for:				
Infrastructure	13,798,492	984,642	-	14,783,134
Buildings and improvements	3,106,937	322,870	-	3,429,807
Equipment and vehicles	<u>389,054</u>	<u>32,182</u>	<u>-</u>	<u>421,236</u>
Total accumulated depreciation	<u>17,294,483</u>	<u>1,339,694</u>	<u>-</u>	<u>18,634,177</u>
Total capital assets being depreciated, net	<u>18,795,405</u>	<u>(962,034)</u>	<u>-</u>	<u>17,833,371</u>
Business-type activities capital assets, net	<u>\$ 19,544,592</u>	<u>\$ (850,804)</u>	<u>\$ (197,680)</u>	<u>\$ 18,496,108</u>
<i>Governmental activities</i>				
General government		\$ 27,031		
Public safety		96,907		
Highways and streets		409,333		
Culture and recreation		<u>71,615</u>		
Total depreciation expense - governmental activities		<u>\$ 604,886</u>		
<i>Business-type activities</i>				
Water		\$ 372,949		
Wastewater		<u>966,745</u>		
Total depreciation expense - business-type activities		<u>\$ 1,339,694</u>		

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. Unavailable revenue

	Governmental Funds			
	General	Urban Renewal	Nonmajor Governmental	Totals
Property taxes	\$ 193,977	\$ 43,521	\$ 25,489	\$ 262,987
Assessments	9,315	-	80,842	90,157
Grants	-	-	124,510	124,510
System development charges	-	-	178,930	178,930
	<u>\$ 203,292</u>	<u>\$ 43,521</u>	<u>\$ 409,771</u>	<u>\$ 656,584</u>

6. Interfund transactions

The interfund transfers during the year ended June 30, 2013 were as follows:

	In	Out
<u>Governmental Funds</u>		
General	\$ 223,643	\$ 82,000
Urban renewal	-	344,439
Urban renewal - non-cash	9,998	-
Nonmajor	459,439	156,424
Nonmajor - non-cash	-	9,998
Governmental activities - non-cash	9,537	-
<u>Enterprise</u>		
Water	-	57,002
Water - non-cash	24,352	4,769
Wastewater	-	965,934
Wastewater - non-cash	10,469,468	9,466,264
Nonmajor	1,122,717	200,000
Nonmajor - non-cash	9,461,496	10,493,820
Totals	<u>\$ 21,780,650</u>	<u>\$ 21,780,650</u>

As part of the budget, the City anticipates making interfund transfers to move resources between funds to provide resources for specific expenditures that are not supported by other revenues.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

6. Interfund transactions (continued)

Non-cash transfers occur when a fund acquires capital assets which will be used in the operation of a different fund's activities, issues long-term obligations which will be repaid out of a different fund's resources or pays principal on long-term obligations reported in a different fund.

The General Fund provided operating capital to the Water Fund in the amount of \$402,863 during the year which is shown as a due to/due from in the fund financial statements and as internal balances in the government-wide financial statements.

During 2010-11, the Urban Renewal Fund borrowed \$80,000 from the City's Capital Projects Reserve Fund in order to purchase land from the City which was subsequently sold by the Urban Renewal Agency. This amount is to be repaid in annual installments equal to the tax increment that the City receives from the property sold at 220 Wharf Street Brookings, Oregon. At June 30, 2013, the balance is \$70,002.

7. Long-term obligations

A. Transactions for the governmental activities for the year ended June 30, 2013 were as follows:

				Balances	
	Outstanding			Outstanding	Due Within
	July 1, 2012	Additions	Reductions	June 30, 2013	One Year
General Obligation Refunding Bond, Series 2003 -					
original issue \$3,190,000, due over 12 years, in semi-annual installments of interest at 2.00 to 3.75 percent payable on June 1 and December 1 with principal payments annually on December 1					
Principal	\$ 600,000	\$ -	\$ 220,000	\$ 380,000	\$ 230,000
Interest and Fees	1,434	17,453	18,100	787	
	<u>601,434</u>	<u>17,453</u>	<u>238,100</u>	<u>380,787</u>	
Urban Renewal Revenue Bond, Series 2008 - original					
issue \$3,400,000, due over 12 years, in semi-annual installments of interest at 4.66 percent payable on June 1 and December 1 with principal payments annually on June 1					
Principal	2,885,000	-	200,000	2,685,000	240,000
Interest and Fees	10,652	133,703	134,441	9,914	
	<u>2,895,652</u>	<u>133,703</u>	<u>334,441</u>	<u>2,694,914</u>	
NP - Police Cars- Chetco Federal Credit Union, original					
issue \$174,083, due over 5 years in monthly installments, including interest at 2.00 percent					
Principal	33,017	-	33,017	-	
Interest and Fees	30	363	393	-	
	<u>33,047</u>	<u>363</u>	<u>33,410</u>	<u>-</u>	

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Long-term obligations (continued)

A. Transactions for the governmental activities for the year ended June 30, 2013 were as follows (continued):

	Outstanding July 1, 2012	Additions	Reductions	Outstanding June 30, 2013	Balances Due Within One Year
Note payable - Fire Truck Chetco Federal Credit Union, original issue \$365,000, due over 15 years in annual installments payable on December 1, including interest at 3.00 percent					
Principal	\$ 324,751	\$ -	\$ 20,810	\$ 303,941	\$ 21,461
Interest and Fees	<u>5,659</u>	<u>9,381</u>	<u>9,769</u>	<u>5,271</u>	
	<u>330,410</u>	<u>9,381</u>	<u>30,579</u>	<u>309,212</u>	
NP 911 Tower - Umpqua Bank, original issue \$540,000, due over 15 years in annual installments payable on October 1, including interest at 4.35 percent					
Principal	438,619	-	28,610	410,009	29,854
Interest and Fees	<u>14,232</u>	<u>18,139</u>	<u>19,080</u>	<u>13,291</u>	
	<u>452,851</u>	<u>18,139</u>	<u>47,690</u>	<u>423,300</u>	
Loan payable Storm System - Umpqua Bank, original issue \$850,000 due over 10 years in semi-annual installments payable on March 15 and September 15, including interest at 2.58 percent (of the original issue, \$525,000 was allocated to the governmental activities and \$325,000 was allocated to the business-type activities).					
Principal	-	525,000	-	525,000	46,521
Interest and Fees	<u>-</u>	<u>4,119</u>	<u>-</u>	<u>4,119</u>	
	<u>-</u>	<u>529,119</u>	<u>-</u>	<u>529,119</u>	
Compensated absences	<u>188,440</u>	<u>194,600</u>	<u>188,440</u>	<u>194,600</u>	<u>194,600</u>
Total governmental activities long-term obligations	4,501,834	902,758	872,660	4,531,932	<u>762,436</u>
Accrued interest payable	<u>32,007</u>	<u>183,158</u>	<u>181,783</u>	<u>33,382</u>	
Principal	<u>\$ 4,469,827</u>	<u>\$ 719,600</u>	<u>\$ 690,877</u>	<u>\$ 4,498,550</u>	

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Long-term obligations (continued)

B. Transactions for the business-type activities for the year ended June 30, 2013 were as follows:

	Outstanding July 1, 2012	Additions	Reductions	Outstanding June 30, 2013	Balances Due Within One Year
Loan payable - Department of Environmental Quality, original issue \$13,100,000, due over 20 years in semi- annual installments payable on May 1 and November 1, including interest at 3.69 percent					
Principal	\$ 7,618,098	\$ -	\$ 7,618,098	\$ -	
Interest and Fees	115,841	10,888	126,729	-	
	<u>7,733,939</u>	<u>10,888</u>	<u>7,744,827</u>	<u>-</u>	
Loan payable - Department of Oregon Economic and Community Development, maximum principal amount of loan \$4,000,000, full amount due 2.5 years from the loan closing date, interest accumulates at a rate of 3.46 percent per annum					
Principal	2,659,579	-	-	2,659,579	-
Interest and Fees	262,569	92,021	-	354,590	
	<u>2,922,148</u>	<u>92,021</u>	<u>-</u>	<u>3,014,169</u>	
Loan payable - Umpqua Bank, original issue \$1,800,000, due over 15 years in semi-annual installments payable on March 1 and September 1, including interest at 4.90 percent					
Principal	1,680,000	-	1,680,000	-	
Interest and Fees	4,305	17,418	21,723	-	
	<u>1,684,305</u>	<u>17,418</u>	<u>1,701,723</u>	<u>-</u>	
Loan payable - Umpqua Bank, original issue \$9,880,000, due over 10 years in semi-annual installments payable on June 15 and December 15, including interest at 2.50 percent					
Principal	-	9,880,000	897,336	8,982,664	900,683
Interest and Fees	-	234,824	225,467	9,357	
	<u>-</u>	<u>10,114,824</u>	<u>1,122,803</u>	<u>8,992,021</u>	

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Long-term obligations (continued)

B. Transactions for the business-type activities for the year ended June 30, 2013 were as follows (continued):

	Outstanding July 1, 2012	Additions	Reductions	Outstanding June 30, 2013	Balances Due Within One Year
Loan payable - Umpqua Bank, original issue \$850,000, due over 10 years in semi-annual installments payable on March 15 and September 15, including interest at 2.58 percent (of the original issue, \$525,000 was allocated to the governmental activities and \$325,000 was allocated to the business-type activities).					
Principal	\$ -	\$ 325,000	\$ -	\$ 325,000	\$ 28,798
Interest and Fees	-	2,550	-	2,550	
	-	327,550	-	327,550	
Compensated absences	46,173	43,951	46,173	43,951	43,951
Total business-type activities long-term obligations	12,386,565	10,371,828	10,390,059	12,377,691	\$ 973,432
Accrued interest payable	382,715	357,701	373,919	366,497	
Principal	<u>\$ 12,003,850</u>	<u>\$ 10,014,127</u>	<u>\$ 10,016,140</u>	<u>\$ 12,011,194</u>	

C. The future maturities of governmental activities long-term obligations are as follows:

Fiscal Year	General Obligation Bonds		Master Urban Renewal Tax Increment Revenue		Fire Truck	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 230,000	\$ 9,938	\$ 240,000	\$ 125,121	\$ 21,461	\$ 9,118
2015	150,000	2,813	290,000	113,937	22,105	8,474
2016	-	-	345,000	100,423	22,768	7,811
2017	-	-	400,000	84,346	23,431	7,148
2018	-	-	465,000	65,706	24,154	6,425
2019-23	-	-	945,000	63,143	132,070	20,825
2024-28	-	-	-	-	57,952	2,615
	<u>\$ 380,000</u>	<u>\$ 12,751</u>	<u>\$ 2,685,000</u>	<u>\$ 552,676</u>	<u>\$ 303,941</u>	<u>\$ 62,416</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

7. Long-term obligations (continued)

C. The future maturities of governmental activities long-term obligations are as follows (continued):

	Notes Payable Umpqua Bank							
Fiscal	911 Tower		Storm System		Compensated	Totals		
Year	Principal	Interest	Principal	Interest	Absences	Principal	Interest	
2014	\$ 29,854	\$ 17,835	\$ 46,521	\$ 13,399	\$ 194,600	\$ 762,436	\$ 175,411	
2015	31,153	16,537	47,879	12,041	-	541,137	153,802	
2016	32,508	15,182	49,093	10,827	-	449,369	134,243	
2017	33,922	13,768	50,397	9,523	-	507,750	114,785	
2018	35,398	12,292	51,705	8,214	-	576,257	92,637	
2019-23	201,471	36,978	279,405	20,238	-	1,557,946	141,184	
2024-28	45,703	1,988	-	-	-	103,655	4,603	
	<u>\$ 410,009</u>	<u>\$ 114,580</u>	<u>\$ 525,000</u>	<u>\$ 74,242</u>	<u>\$ 194,600</u>	<u>\$ 4,498,550</u>	<u>\$ 816,665</u>	

C. The future maturities of business-type activities long-term obligations are as follows:

	Notes Payable Umpqua Bank						
Fiscal	Wastewater		Storm System		Compensated	Totals	
Year	Principal	Interest	Principal	Interest	Absences	Principal	Interest
2014	\$ 900,683	\$ 222,033	\$ 28,798	\$ 8,295	\$ 43,951	\$ 973,432	\$ 230,328
2015	923,657	199,059	29,639	7,454	-	953,296	206,513
2016	946,753	175,963	30,391	6,702	-	977,144	182,665
2017	971,367	151,349	31,198	5,895	-	1,002,565	157,244
2018	996,145	126,571	32,008	5,085	-	1,028,153	131,656
2019-23	4,244,059	245,823	172,966	12,528	-	4,417,025	258,351
	<u>\$ 8,982,664</u>	<u>\$ 1,120,798</u>	<u>\$ 325,000</u>	<u>\$ 45,959</u>	<u>\$ 43,951</u>	\$ 9,351,615	\$ 1,166,757
	*Oregon Economic and Community Development Loan					2,659,579	354,590

\$ 12,011,194 \$ 1,521,347

* The future maturities of the loan from the Department of Oregon Economic and Community Development will be established once the loan has been fully disbursed.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

8. Defined benefit pension plan

The City contributes to the Oregon Public Employees' Retirement System (PERS); a cost-sharing, multiple-employer, defined benefit pension plan and the Oregon Public Service Retirement Plan (OPSRP); a cost-sharing, multiple-employer, hybrid pension plan. Both PERS and OPSRP are governed by the Public Employees' Retirement Board (PERB) under the provisions of Oregon Revised Statutes 238. PERS provides retirement benefits under a variety of benefit options, as selected by retiring employees, and provides death and disability benefits. OPSRP provides a combination of retirement benefits under a defined benefit plan and an individual account program (IAP), the balance of which will be paid out in either a lump sum or over a 5, 10, 15, or 20 year period. Employees hired on or after August 29, 2003, participate only in OPSRP. Beginning January 1, 2004, active PERS members hired before August 29, 2003, became members of the IAP of OPSRP. These members retain their existing PERS account; however, any future member contributions will be placed in the IAP. A copy of the Oregon Public Employees' Retirement System annual financial report may be obtained by writing to Public Employees' Retirement System, P.O. Box 23700, Tigard, OR 97281-3700, by calling (503) 598-7377 or at www.oregon.gov/PERS.

City employees are eligible to participate after completing six months of service. Covered employees are required by state statute to contribute 6 percent of their compensation to the plan. Current law permits the City to pay this amount on behalf of the employees. The City's contribution rate is set by PERB and is periodically adjusted based upon actuarial computations of the amount needed to provide retirement benefits. For employees hired before August 29, 2003, the City's contribution rate is 14.78 percent of covered compensation. For employees hired on or after August 29, 2003, the City's contribution rate for police officers is 12.91 percent of covered compensation and 10.20 percent of covered compensation for all other employees.

The City's contribution to the plan for the years ending June 30, 2013, 2012, and 2011, were equal to the City's required contributions for each year as follows:

Year Ended June 30,	City Contribution	City paid Member Contribution	Totals
2013	\$ 320,170	\$ 151,103	\$ 471,273
2012	289,334	181,029	470,363
2011	231,283	143,754	375,037

9. Intergovernmental agreement

The City of Brookings has an intergovernmental agreement with the Upper Chetco Rural Fire Protection District (District), to provide fire protection to the District effective July 1, 2000. The Agreement has been renewed until June 30, 2016. The Agreement must be evaluated at the end of each 12 month period. Following the evaluation either the City or District may cancel the Agreement by giving one year written notice of termination.

The City agrees to provide fire protection to the District, including the use of available pumpers, tankers and sufficient personnel to operate that apparatus. The District pays the City an annual fee each year equal to 90% of the property taxes collected by the District.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

10. Net position restricted through enabling legislation

The amount of net position restricted by enabling legislation is as follows:

Governmental Activities

Highways and streets – Article IX, Section 3a of the Oregon State Constitution restricts the use of revenue from taxes on motor vehicle fuel use	\$ 130,231
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Capital Projects – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	636,173
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Business-type Activities

Capital Projects – Ordinances imposing System Development Charges (SDC) restrict the use to capital improvements which expand the capacity of the system for which the charge was made	2,036,381
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11. Contingencies - accumulated sick leave

Portions of accumulated sick leave can be expected to be redeemed before termination of employment; however, such redemptions cannot be reasonably estimated. As of June 30, 2013, City employees had accumulated 1,617 days of sick leave.

12. Risk management

The City is exposed to various risks of loss related to theft of, damage to, and destruction of assets; torts; errors and omissions; injuries to employees; and natural disasters. The City purchases commercial insurance for such risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. Segment information for Enterprise Funds

The City has issued revenue bonds to finance sewer and water systems. The two systems are accounted for in seven funds.

Summary financial information for the sewer and water systems for the year ended June 30, 2013 is as follows:

Condensed statement of net position	Water	Wastewater
Assets		
Current	\$ 1,536,868	\$ 4,981,222
Capital	<u>6,544,072</u>	<u>11,952,036</u>
Total assets	<u>8,080,940</u>	<u>16,933,258</u>
Liabilities		
Current	1,047,224	1,093,443
Noncurrent	<u>2,682,364</u>	<u>8,355,398</u>
Total liabilities	<u>3,729,588</u>	<u>9,448,841</u>
Net position		
Net investment in capital assets	3,884,493	2,969,372
Restricted	821,306	1,215,075
Unrestricted	<u>(354,447)</u>	<u>3,299,970</u>
Total net position	<u>\$ 4,351,352</u>	<u>\$ 7,484,417</u>
Condensed statement of revenues, expenses and changes in fund net position		
Operating revenue	\$ 1,360,508	\$ 2,770,564
Depreciation expense	372,949	966,745
Other operating expenses	<u>1,026,354</u>	<u>1,649,603</u>
Operating income (loss)	(38,795)	154,216
Nonoperating revenues (expenses)	<u>(35,439)</u>	<u>(209,421)</u>
Income before transfers	(74,234)	(55,205)
Capital contributions	156,786	562,715
Transfers in	24,352	21,053,681
Transfers out	<u>(86,123)</u>	<u>(21,101,666)</u>
Change in net position	20,781	459,525
Net position – beginning	5,556,029	6,980,009
Prior period adjustment	<u>(1,225,458)</u>	<u>44,883</u>
Net position – ending	<u>\$ 4,351,352</u>	<u>\$ 7,484,417</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

13. Segment information for Enterprise Funds (continued)

Condensed statement of cash flows	Water	Wastewater
Net cash provided by (used in):		
Operating activities	\$ 337,004	\$ 1,033,886
Non-capital financing activities	(470,648)	(43,217)
Capital and related financing activities	145,629	(2,745)
Investing activities	<u>4,323</u>	<u>40,149</u>
Net increase in cash	16,308	1,028,073
Cash and cash equivalents - beginning	<u>1,230,184</u>	<u>3,331,174</u>
Cash and cash equivalents - ending	<u>\$ 1,246,492</u>	<u>\$ 4,359,247</u>

14. Subsequent event

In July 2013, the City refinanced the Master Urban Renewal Tax Increment Revenue Bond into a new loan at Umpqua Bank. By doing this, the City was able to decrease the interest rate on these loans from 4.66 to 2.53 percent. As a result, the future maturities schedule for the governmental activities will change.

In July 2013, the City borrowed \$264,000 from Umpqua Bank to purchase 5 new police cars and 2 SUVs for the fire department. This loan has an interest rate of 2 percent and matures June 15, 2018.

In August 2013, the City reduced the principal amount Curry Health Network (CHN) owes for System Development Charges (SDC's) by \$111,659 and reduced the interest rate on the Charges by 6 percent. The interest paid by CHN on the SDC indebtedness was then recalculated at the reduced rate from the date of inception, and that portion of interest paid above the new interest rate was credited against the remaining principal amount due.

In July 2013, the City received loan proceeds of \$1,340,421 from the Oregon Economic and Community Development Department.

15. Prior period adjustment

The beginning net position of the Water and Wastewater Funds have been adjusted for inventory which previously has not been reported. The beginning net position has been increased by \$114,963 and \$44,883, respectively.

The beginning fund balance of the Water Fund has also been adjusted for accounts receivable relating to long-term debt proceeds that should not have been recorded until they were received in July 2013. The beginning fund balance has been decreased by \$(1,340,421).

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

16. Expenditures in excess of appropriation

Oregon law prohibits expenditures or expenses of a fund in excess of board-approved appropriations.

Expenditures in excess of appropriations occurred as follows:

<u>Fund/Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
Water			
Materials and services	\$ 325,250	\$ 338,843	\$ (13,593)

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF BROOKINGS

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS June 30, 2013

	Special Revenue	Debt Service	Capital Projects	Totals
<u>ASSETS</u>				
Cash and investments	\$ 364,962	\$ 634,695	\$ 1,811,122	\$ 2,810,779
Receivables	192,834	46,444	271,633	510,911
Due from other funds	-	-	70,002	70,002
Prepaid items	-	-	35,760	35,760
TOTAL ASSETS	<u>\$ 557,796</u>	<u>\$ 681,139</u>	<u>\$ 2,188,517</u>	<u>\$ 3,427,452</u>
<u>LIABILITIES</u>				
Accounts payable and accrued items	\$ 35,663	\$ -	\$ 66,846	\$ 102,509
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	124,510	41,728	243,533	409,771
<u>FUND BALANCES</u>				
Nonspendable	-	-	35,760	35,760
Restricted for:				-
Highways and streets	130,231	-	-	130,231
911 services	209,495	-	-	209,495
Debt service	-	639,411	-	639,411
Capital projects	-	-	636,173	636,173
Committed for:				
Capital projects	-	-	1,206,205	1,206,205
Police programs	51,743	-	-	51,743
Current and future health care programs	2,350	-	-	2,350
Fire equipment and training	3,804	-	-	3,804
TOTAL FUND BALANCES	<u>397,623</u>	<u>639,411</u>	<u>1,878,138</u>	<u>2,915,172</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 557,796</u>	<u>\$ 681,139</u>	<u>\$ 2,188,517</u>	<u>\$ 3,427,452</u>

CITY OF BROOKINGS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended June 30, 2013

	Special Revenue	Debt Service	Capital Projects	Totals
REVENUES				
Property taxes	\$ -	\$ 250,681	\$ -	\$ 250,681
Licenses, permits and fees	1,235	-	-	1,235
Assessments	-	1,574	-	1,574
System development charges	-	-	167,906	167,906
System replacement charges	-	-	282,115	282,115
Intergovernmental	515,755	-	-	515,755
Interest	1,911	2,335	19,082	23,328
Miscellaneous	29,455	-	2,550	32,005
TOTAL REVENUES	<u>548,356</u>	<u>254,590</u>	<u>471,653</u>	<u>1,274,599</u>
EXPENDITURES				
Current				
General government	-	-	17,671	17,671
Public safety	47,245	-	-	47,245
Highways and streets	269,624	-	-	269,624
Debt service	-	572,541	-	572,541
Capital outlay	162,350	-	1,079,356	1,241,706
TOTAL EXPENDITURES	<u>479,219</u>	<u>572,541</u>	<u>1,097,027</u>	<u>2,148,787</u>
Excess (deficiency) of revenues over expenditures	<u>69,137</u>	<u>(317,951)</u>	<u>(625,374)</u>	<u>(874,188)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term obligations	-	-	525,000	525,000
Transfers in	-	344,439	115,000	459,439
Transfers out	(126,710)	(9,998)	(29,714)	(166,422)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(126,710)</u>	<u>334,441</u>	<u>610,286</u>	<u>818,017</u>
Net change in fund balances	(57,573)	16,490	(15,088)	(56,171)
Fund balances at beginning of year	<u>455,196</u>	<u>622,921</u>	<u>1,893,226</u>	<u>2,971,343</u>
Fund balances at end of year	<u>\$ 397,623</u>	<u>\$ 639,411</u>	<u>\$ 1,878,138</u>	<u>\$ 2,915,172</u>

CITY OF BROOKINGS

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
June 30, 2013**

	<u>911</u>	<u>Street</u>
<u>ASSETS</u>		
Cash and investments	\$ 172,698	\$ 132,074
Receivables	<u>37,740</u>	<u>155,094</u>
 TOTAL ASSETS	 <u>\$ 210,438</u>	 <u>\$ 287,168</u>
<u>LIABILITIES</u>		
Accounts payable and accrued items	<u>\$ 943</u>	<u>\$ 32,427</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Unavailable revenue	<u>\$ -</u>	<u>\$ 124,510</u>
<u>FUND BALANCES</u>		
Restricted for:		
Highways and streets	-	130,231
911 services	209,495	-
Committed for:		
Police programs	-	-
Current and future health care programs	-	-
Fire equipment and training	<u>-</u>	<u>-</u>
 TOTAL FUND BALANCES	 <u>209,495</u>	 <u>130,231</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 210,438</u>	 <u>\$ 287,168</u>

<u>Special Police</u>	<u>Health Fair</u>	<u>Special Fire</u>	<u>Totals</u>
\$ 54,036	\$ 2,350	\$ 3,804	\$ 364,962
<u>-</u>	<u>-</u>	<u>-</u>	<u>192,834</u>
<u>\$ 54,036</u>	<u>\$ 2,350</u>	<u>\$ 3,804</u>	<u>\$ 557,796</u>
\$ 2,293	\$ -	\$ -	\$ 35,663
\$ -	\$ -	\$ -	\$ 124,510
-	-	-	130,231
-	-	-	209,495
51,743	-	-	51,743
-	2,350	-	2,350
<u>-</u>	<u>-</u>	<u>3,804</u>	<u>3,804</u>
<u>51,743</u>	<u>2,350</u>	<u>3,804</u>	<u>397,623</u>
<u>\$ 54,036</u>	<u>\$ 2,350</u>	<u>\$ 3,804</u>	<u>\$ 557,796</u>

CITY OF BROOKINGS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2013**

	911	Street
	<u> </u>	<u> </u>
REVENUES		
Licenses, permits and fees	\$ -	\$ -
Intergovernmental	149,598	349,043
Interest	805	895
Miscellaneous	<u>-</u>	<u>1,463</u>
 TOTAL REVENUES	 <u>150,403</u>	 <u>351,401</u>
 EXPENDITURES		
Current		
Public safety	14,802	-
Highways and streets	-	269,624
Capital outlay	<u>25,903</u>	<u>136,447</u>
 TOTAL EXPENDITURES	 <u>40,705</u>	 <u>406,071</u>
 Excess (deficiency) of revenues over expenditures	 109,698	 (54,670)
 OTHER FINANCING SOURCES (USES)		
Transfers out	<u>(102,100)</u>	<u>(24,610)</u>
 Net change in fund balances	 7,598	 (79,280)
Fund balances at beginning of year	<u>201,897</u>	<u>209,511</u>
 Fund balances at end of year	 <u>\$ 209,495</u>	 <u>\$ 130,231</u>

Special Police	Health Fair	Special Fire	Totals
\$ -	\$ -	\$ 1,235	\$ 1,235
17,114	-	-	515,755
192	8	11	1,911
<u>27,992</u>	<u>-</u>	<u>-</u>	<u>29,455</u>
 45,298	 8	 1,246	 548,356
 32,443	 -	 -	 47,245
-	-	-	269,624
<u>-</u>	<u>-</u>	<u>-</u>	<u>162,350</u>
 32,443	 -	 -	 479,219
 12,855	 8	 1,246	 69,137
 -	 -	 -	 (126,710)
12,855	8	1,246	(57,573)
<u>38,888</u>	<u>2,342</u>	<u>2,558</u>	<u>455,196</u>
 \$ 51,743	 \$ 2,350	 \$ 3,804	 \$ 397,623

CITY OF BROOKINGS

**COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
June 30, 2013**

	Bonded Debt Service	Dawson Bancroft Bond	Urban Renewal Debt Service	Totals
<u>ASSETS</u>				
Cash and investments	\$ 260,660	\$ 31,716	\$ 342,319	\$ 634,695
Receivables	<u>30,205</u>	<u>16,239</u>	<u>-</u>	<u>46,444</u>
TOTAL ASSETS	<u>\$ 290,865</u>	<u>\$ 47,955</u>	<u>\$ 342,319</u>	<u>\$ 681,139</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	\$ 25,489	\$ 16,239	\$ -	\$ 41,728
<u>FUND BALANCES</u>				
Restricted for debt service	<u>265,376</u>	<u>31,716</u>	<u>342,319</u>	<u>639,411</u>
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 290,865</u>	<u>\$ 47,955</u>	<u>\$ 342,319</u>	<u>\$ 681,139</u>

CITY OF BROOKINGS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended June 30, 2013**

	Bonded Debt Service	Dawson Bancroft Bond	Urban Renewal Debt Service	Totals
REVENUES				
Property taxes	\$ 250,681	\$ -	\$ -	\$ 250,681
Assessments	-	1,574	-	1,574
Interest	1,013	132	1,190	2,335
TOTAL REVENUES	251,694	1,706	1,190	254,590
EXPENDITURES				
Debt service	238,100	-	334,441	572,541
Excess (deficiency) of revenues over expenditures	13,594	1,706	(333,251)	(317,951)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	344,439	344,439
Transfer out	-	-	(9,998)	(9,998)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	334,441	334,441
Net change in fund balances	13,594	1,706	1,190	16,490
Fund balances at beginning of year	251,782	30,010	341,129	622,921
Fund balances at end of year	\$ 265,376	\$ 31,716	\$ 342,319	\$ 639,411

CITY OF BROOKINGS

**COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
June 30, 2013**

	Technology Reserve	Street System Replacement	Stormwater System Replacement
<u>ASSETS</u>			
Cash and investments	\$ 62,649	\$ 114,789	\$ 703,303
Receivables	-	76,540	16,163
Due from other funds	-	-	-
Prepaid expenses	-	35,760	-
	<hr/>	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 62,649</u>	<u>\$ 227,089</u>	<u>\$ 719,466</u>
<u>LIABILITIES</u>			
Accounts payable and accrued items	<u>\$ 4,273</u>	<u>\$ 7,150</u>	<u>\$ 54,773</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	<hr/> -	<hr/> 64,603	<hr/> -
<u>FUND BALANCES</u>			
Nonspendable	-	35,760	-
Restricted for capital projects	-	-	-
Committed for capital projects	<hr/> 58,376	<hr/> 119,576	<hr/> 664,693
	<hr/>	<hr/>	<hr/>
TOTAL FUND BALANCES	<hr/> 58,376	<hr/> 155,336	<hr/> 664,693
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 62,649</u></u>	<u><u>\$ 227,089</u></u>	<u><u>\$ 719,466</u></u>

Street System Development	Parks and Recreation System Development	Stormwater System Development	Capital Projects Reserve	Totals
\$ 395,610	\$ 156,778	\$ 84,435	\$ 293,558	\$ 1,811,122
133,330	5,440	40,160	-	271,633
-	-	-	70,002	70,002
-	-	-	-	35,760
<u>\$ 528,940</u>	<u>\$ 162,218</u>	<u>\$ 124,595</u>	<u>\$ 363,560</u>	<u>\$ 2,188,517</u>
\$ -	\$ 650	\$ -	\$ -	\$ 66,846
<u>133,330</u>	<u>5,440</u>	<u>40,160</u>	<u>-</u>	<u>243,533</u>
-	-	-	-	35,760
395,610	156,128	84,435	-	636,173
-	-	-	363,560	1,206,205
<u>395,610</u>	<u>156,128</u>	<u>84,435</u>	<u>363,560</u>	<u>1,878,138</u>
<u>\$ 528,940</u>	<u>\$ 162,218</u>	<u>\$ 124,595</u>	<u>\$ 363,560</u>	<u>\$ 2,188,517</u>

CITY OF BROOKINGS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2013**

	Technology Reserve	Street System Replacement	Stormwater System Replacement
REVENUES			
System development charges	\$ -	\$ -	\$ -
System replacement charges	-	131,202	150,913
Interest	-	854	994
Miscellaneous	-	2,550	-
	<u>-</u>	<u>134,606</u>	<u>151,907</u>
TOTAL REVENUES	<u>-</u>	<u>134,606</u>	<u>151,907</u>
EXPENDITURES			
Current			
General government	17,671	-	-
Capital outlay	31,816	486,723	266,164
	<u>49,487</u>	<u>486,723</u>	<u>266,164</u>
TOTAL EXPENDITURES	<u>49,487</u>	<u>486,723</u>	<u>266,164</u>
Excess (deficiency) of revenues over expenditures	<u>(49,487)</u>	<u>(352,117)</u>	<u>(114,257)</u>
OTHER FINANCING SOURCES (USES)			
Issuance of long-term obligations	-	43,050	481,950
Transfers in	100,000	-	-
Transfers out	(29,714)	-	-
	<u>70,286</u>	<u>43,050</u>	<u>481,950</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>70,286</u>	<u>43,050</u>	<u>481,950</u>
Net change in fund balances	20,799	(309,067)	367,693
Fund balances at beginning of year	37,577	464,403	297,000
	<u>37,577</u>	<u>464,403</u>	<u>297,000</u>
Fund balances at end of year	<u>\$ 58,376</u>	<u>\$ 155,336</u>	<u>\$ 664,693</u>

Street System Development	Parks and Recreation System Development	Stormwater System Development	Capital Projects Reserve	Totals
\$ 62,242	\$ 71,237	\$ 34,427	\$ -	\$ 167,906
-	-	-	-	282,115
13,076	661	3,497	-	19,082
-	-	-	-	2,550
<u>75,318</u>	<u>71,898</u>	<u>37,924</u>	<u>-</u>	<u>471,653</u>
-	-	-	-	17,671
<u>227,178</u>	<u>51,488</u>	<u>-</u>	<u>15,987</u>	<u>1,079,356</u>
<u>227,178</u>	<u>51,488</u>	<u>-</u>	<u>15,987</u>	<u>1,097,027</u>
<u>(151,860)</u>	<u>20,410</u>	<u>37,924</u>	<u>(15,987)</u>	<u>(625,374)</u>
-	-	-	-	525,000
-	-	-	15,000	115,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,714)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>610,286</u>
(151,860)	20,410	37,924	(987)	(15,088)
<u>547,470</u>	<u>135,718</u>	<u>46,511</u>	<u>364,547</u>	<u>1,893,226</u>
<u>\$ 395,610</u>	<u>\$ 156,128</u>	<u>\$ 84,435</u>	<u>\$ 363,560</u>	<u>\$ 1,878,138</u>

CITY OF BROOKINGS

**911 - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 148,000	\$ 149,598	\$ 1,598
Interest	<u>800</u>	<u>805</u>	<u>5</u>
 TOTAL REVENUES	 <u>148,800</u>	 <u>150,403</u>	 <u>1,603</u>
 EXPENDITURES			
Materials and services	29,200	14,802	14,398
Capital outlay	117,000	25,903	91,097
Contingency	<u>100,000</u>	<u>-</u>	<u>100,000</u>
 TOTAL EXPENDITURES	 <u>246,200</u>	 <u>40,705</u>	 <u>205,495</u>
 Excess (deficiency) of revenues over expenditures	 (97,400)	 109,698	 207,098
 OTHER FINANCING (USES)			
Transfers out	<u>(102,100)</u>	<u>(102,100)</u>	<u>-</u>
 Net change in fund balance	 (199,500)	 7,598	 207,098
Fund balance at beginning of year	<u>199,500</u>	<u>201,897</u>	<u>2,397</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ 209,495</u></u>	 <u><u>\$ 209,495</u></u>

CITY OF BROOKINGS

**STREET - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ 510,000	\$ 349,043	\$ (160,957)
Interest	300	895	595
Miscellaneous	<u>2,494</u>	<u>1,463</u>	<u>(1,031)</u>
 TOTAL REVENUES	 <u>512,794</u>	 <u>351,401</u>	 <u>(161,393)</u>
 EXPENDITURES			
Personal services	121,992	137,051	(15,059)
Materials and services	198,094	132,573	65,521
Capital outlay	208,300	136,447	71,853
Contingency	<u>65,798</u>	<u>-</u>	<u>65,798</u>
 TOTAL EXPENDITURES	 <u>594,184</u>	 <u>406,071</u>	 <u>188,113</u>
 Excess (deficiency) of revenues over expenditures	 (81,390)	 (54,670)	 26,720
 OTHER FINANCING (USES)			
Transfers out	<u>(24,610)</u>	<u>(24,610)</u>	<u>-</u>
 Net change in fund balance	 (106,000)	 (79,280)	 26,720
Fund balance at beginning of year	<u>106,000</u>	<u>209,511</u>	<u>103,511</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 130,231</u>	 <u>\$ 130,231</u>

CITY OF BROOKINGS

**SPECIAL POLICE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Intergovernmental	\$ -	\$ 17,114	\$ 17,114
Interest	-	192	192
Miscellaneous	<u>27,344</u>	<u>27,992</u>	<u>648</u>
 TOTAL REVENUES	 27,344	 45,298	 17,954
 EXPENDITURES			
Materials and services	<u>64,100</u>	<u>32,443</u>	<u>31,657</u>
 Net change in fund balance	 (36,756)	 12,855	 49,611
Fund balance at beginning of year	<u>36,756</u>	<u>38,888</u>	<u>2,132</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ 51,743</u></u>	 <u><u>\$ 51,743</u></u>

CITY OF BROOKINGS

**HEALTH FAIR - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Rentals	\$ 1,500	\$ -	\$ (1,500)
Interest	<u>-</u>	<u>8</u>	<u>8</u>
 TOTAL REVENUES	 <u>1,500</u>	 <u>8</u>	 <u>(1,492)</u>
 EXPENDITURES			
Materials and services	2,000	-	2,000
Contingency	<u>1,800</u>	<u>-</u>	<u>1,800</u>
 TOTAL EXPENDITURES	 <u>3,800</u>	 <u>-</u>	 <u>3,800</u>
 Net change in fund balance	 (2,300)	 8	 2,308
Fund balance at beginning of year	<u>2,300</u>	<u>2,342</u>	<u>42</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ 2,350</u></u>	 <u><u>\$ 2,350</u></u>

CITY OF BROOKINGS

**SPECIAL FIRE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Licenses and permits	\$ 2,000	\$ 1,235	\$ (765)
Interest	-	11	11
Miscellaneous	<u>4,200</u>	<u>-</u>	<u>(4,200)</u>
 TOTAL REVENUES	 <u>6,200</u>	 <u>1,246</u>	 <u>(4,954)</u>
 EXPENDITURES			
Materials and services	1,000	-	1,000
Capital outlay	<u>7,200</u>	<u>-</u>	<u>7,200</u>
 TOTAL EXPENDITURES	 <u>8,200</u>	 <u>-</u>	 <u>8,200</u>
 Excess (deficiency) of revenues over expenditures	 (2,000)	 1,246	 3,246
 OTHER FINANCING SOURCES (USES)			
Transfers in	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
 Net change in fund balance	 -	 1,246	 1,246
Fund balance at beginning of year	<u>-</u>	<u>2,558</u>	<u>2,558</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 3,804</u>	 <u>\$ 3,804</u>

CITY OF BROOKINGS

**BONDED DEBT SERVICE - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Property taxes	\$ 235,025	\$ 250,681	\$ 15,656
Interest	<u>200</u>	<u>1,013</u>	<u>813</u>
 TOTAL REVENUES	 235,225	 251,694	 16,469
 EXPENDITURES			
Debt service	<u>238,100</u>	<u>238,100</u>	<u>-</u>
 Net change in fund balance	 (2,875)	 13,594	 16,469
Fund balance at beginning of year	<u>240,000</u>	<u>251,782</u>	<u>11,782</u>
 Fund balance at end of year	 <u><u>\$ 237,125</u></u>	 <u><u>\$ 265,376</u></u>	 <u><u>\$ 28,251</u></u>

CITY OF BROOKINGS

**DAWSON BANCROFT BOND - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Assessments	\$ -	\$ 1,555	\$ 1,555
Interest	<u>-</u>	<u>151</u>	<u>151</u>
 TOTAL REVENUES	 -	 1,706	 1,706
 EXPENDITURES			
Contingency and reserves	<u>44,000</u>	<u>-</u>	<u>44,000</u>
 Net change in fund balance	 (44,000)	 1,706	 45,706
Fund balance at beginning of year	<u>44,000</u>	<u>30,010</u>	<u>(13,990)</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 31,716</u>	 <u>\$ 31,716</u>

CITY OF BROOKINGS

**URBAN RENEWAL DEBT SERVICE - DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 500	\$ 1,190	\$ 690
EXPENDITURES			
Debt service	<u>418,441</u>	<u>344,439</u>	<u>74,002</u>
Excess (deficiency) of revenues over expenditures	(417,941)	(343,249)	74,692
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>417,941</u>	<u>344,439</u>	<u>(73,502)</u>
Net change in fund balance	-	1,190	1,190
Fund balance at beginning of year	<u>340,000</u>	<u>341,129</u>	<u>1,129</u>
Fund balance at end of year	<u>\$ 340,000</u>	<u>\$ 342,319</u>	<u>\$ 2,319</u>

CITY OF BROOKINGS

**TECHNOLOGY RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Materials and services	\$ 20,000	\$ 17,671	\$ 2,329
Capital outlay	50,000	31,816	18,184
Contingency	<u>10,000</u>	<u>-</u>	<u>10,000</u>
 TOTAL EXPENDITURES	 <u>80,000</u>	 <u>49,487</u>	 <u>30,513</u>
 Excess (deficiency) of revenues over expenditures	 <u>(80,000)</u>	 <u>(49,487)</u>	 <u>30,513</u>
 OTHER FINANCING SOURCES (USES)			
Transfers in	115,000	100,000	(15,000)
Transfers out	<u>(35,000)</u>	<u>(29,714)</u>	<u>5,286</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>80,000</u>	 <u>70,286</u>	 <u>(9,714)</u>
 Net change in fund balance	 -	 20,799	 20,799
Fund balance at beginning of year	<u>-</u>	<u>37,577</u>	<u>37,577</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ 58,376</u></u>	 <u><u>\$ 58,376</u></u>

CITY OF BROOKINGS

**STREET SYSTEM REPLACEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System replacement fees	\$ 125,000	\$ 131,202	\$ 6,202
Interest	2,000	854	(1,146)
Miscellaneous	<u>-</u>	<u>2,550</u>	<u>2,550</u>
 TOTAL REVENUES	 127,000	 134,606	 7,606
EXPENDITURES			
Capital outlay	<u>630,302</u>	<u>486,723</u>	<u>143,579</u>
 Excess (deficiency) of revenues over expenditures	 (503,302)	 (352,117)	 151,185
OTHER FINANCING SOURCES (USES)			
Proceeds from long-term debt	<u>43,302</u>	<u>43,050</u>	<u>(252)</u>
 Net change in fund balance	 (460,000)	 (309,067)	 150,933
Fund balance at beginning of year	<u>460,000</u>	<u>464,403</u>	<u>4,403</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 155,336</u>	 <u>\$ 155,336</u>

CITY OF BROOKINGS

**STORMWATER SYSTEM REPLACEMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System replacement fees	\$ 124,000	\$ 150,913	\$ 26,913
Interest	<u>-</u>	<u>994</u>	<u>994</u>
 TOTAL REVENUES	 124,000	 151,907	 27,907
 EXPENDITURES			
Capital outlay	<u>623,795</u>	<u>266,164</u>	<u>357,631</u>
 Excess (deficiency) of revenues over expenditures	 (499,795)	 (114,257)	 385,538
 OTHER FINANCING SOURCES			
Issuance of long-term obligations	<u>479,795</u>	<u>481,950</u>	<u>2,155</u>
 Net change in fund balance	 (20,000)	 367,693	 387,693
Fund balance at beginning of year	<u>20,000</u>	<u>297,000</u>	<u>277,000</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ 664,693</u></u>	 <u><u>\$ 664,693</u></u>

CITY OF BROOKINGS

**STREET SYSTEM DEVELOPMENT - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Improvement fees	\$ 5,000	\$ 49,992	\$ 44,992
Reimbursement fees	2,000	12,250	10,250
Interest	<u>2,000</u>	<u>13,076</u>	<u>11,076</u>
 TOTAL REVENUES	 <u>9,000</u>	 <u>75,318</u>	 <u>66,318</u>
 EXPENDITURES			
Materials and services	10,000	-	10,000
Capital outlay	<u>509,000</u>	<u>227,178</u>	<u>281,822</u>
 TOTAL EXPENDITURES	 <u>519,000</u>	 <u>227,178</u>	 <u>291,822</u>
 Net change in fund balance	 (510,000)	 (151,860)	 358,140
Fund balance at beginning of year	<u>510,000</u>	<u>547,470</u>	<u>37,470</u>
 Fund balance at end of year	 <u>\$ -</u>	 <u>\$ 395,610</u>	 <u>\$ 395,610</u>

CITY OF BROOKINGS

PARKS AND RECREATION SYSTEM DEVELOPMENT - CAPITAL PROJECTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**

For the Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Improvement fees	\$ 3,000	\$ 59,129	\$ 56,129
Reimbursement fees	1,200	12,108	10,908
Interest	<u>800</u>	<u>661</u>	<u>(139)</u>
 TOTAL REVENUES	 5,000	 71,898	 66,898
 EXPENDITURES			
Capital outlay	<u>150,500</u>	<u>51,488</u>	<u>99,012</u>
 Net change in fund balance	 (145,500)	 20,410	 165,910
Fund balance at beginning of year	<u>145,500</u>	<u>135,718</u>	<u>(9,782)</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ 156,128</u></u>	 <u><u>\$ 156,128</u></u>

CITY OF BROOKINGS

STORMWATER SYSTEM DEVELOPMENT - CAPITAL PROJECTS FUND

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL**

For the Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Improvement fees	\$ 2,000	\$ 14,382	\$ 12,382
Reimbursement fees	3,000	20,045	17,045
Interest	<u>-</u>	<u>3,497</u>	<u>3,497</u>
 TOTAL REVENUES	 5,000	 37,924	 32,924
 EXPENDITURES			
Capital outlay	<u>10,000</u>	<u>-</u>	<u>10,000</u>
 Net change in fund balance	 (5,000)	 37,924	 42,924
Fund balance at beginning of year	<u>5,000</u>	<u>46,511</u>	<u>41,511</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ 84,435</u></u>	 <u><u>\$ 84,435</u></u>

CITY OF BROOKINGS

**CAPITAL PROJECTS RESERVE - CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 1,000	\$ -	\$ (1,000)
Miscellaneous	<u>-</u>	<u>9,998</u>	<u>9,998</u>
TOTAL REVENUES	<u>1,000</u>	<u>9,998</u>	<u>8,998</u>
EXPENDITURES			
Materials and services	20,000	-	20,000
Capital outlay	<u>591,000</u>	<u>15,987</u>	<u>575,013</u>
TOTAL EXPENDITURES	<u>611,000</u>	<u>15,987</u>	<u>595,013</u>
Excess (deficiency) of revenues over expenditures	(610,000)	(5,989)	604,011
OTHER FINANCING SOURCES			
Transfers in	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Net change in fund balance	(595,000)	9,011	604,011
Fund balance at beginning of year	<u>595,000</u>	<u>284,547</u>	<u>(310,453)</u>
Fund balance at end of year	<u>\$ -</u>	293,558	<u>\$ 293,558</u>
Reconciliation to generally accepted accounting principles			
Advances to other funds		<u>70,002</u>	
Fund balances at end of year		<u>\$ 363,560</u>	

CITY OF BROOKINGS

**WATER - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	Budget	Actual	Variance
REVENUES			
Charges for services	\$ 1,395,000	\$ 1,360,508	\$ (34,492)
Interest	2,000	-	(2,000)
Other	<u>-</u>	<u>52,455</u>	<u>52,455</u>
TOTAL REVENUES	<u>1,397,000</u>	<u>1,412,963</u>	<u>15,963</u>
EXPENDITURES			
Personal services	596,281	555,043	41,238
Materials and services	325,250	338,843	(13,593)
Capital outlay	68,300	43,414	24,886
Contingency	<u>138,667</u>	<u>-</u>	<u>138,667</u>
TOTAL EXPENDITURES	<u>1,128,498</u>	<u>937,300</u>	<u>191,198</u>
Excess (deficiency) of revenues over expenditures	268,502	475,663	207,161
OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(379,002)</u>	<u>(57,002)</u>	<u>322,000</u>
Net change in fund balance	(110,500)	418,661	529,161
Fund balance at beginning of year	110,500	410,536	300,036
Prior period adjustment	<u>-</u>	<u>(1,340,421)</u>	<u>(1,340,421)</u>
Fund balance at end of year	<u>\$ -</u>	<u>(511,224)</u>	<u>\$ (511,224)</u>
Reconciliation to generally accepted accounting principles			
Inventory		114,963	
Capital assets, net		6,544,072	
Accrued interest payable		(354,590)	
Compensated absences payable		(14,340)	
Long-term obligations		<u>(2,659,579)</u>	
Net position at end of year		<u>\$ 3,119,302</u>	

CITY OF BROOKINGS

**WASTEWATER - ENTERPRISE FUND (MAJOR FUND)
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Charges for services	\$ 2,650,500	\$ 2,770,564	\$ 120,064
Interest	3,000	6,089	3,089
Other	<u>-</u>	<u>988</u>	<u>988</u>
 TOTAL REVENUES	 <u>2,653,500</u>	 <u>2,777,641</u>	 <u>124,141</u>
 EXPENDITURES			
Personal services	942,416	882,688	59,728
Materials and services	716,700	565,702	150,998
Capital outlay	247,300	71,969	175,331
Contingency	<u>239,379</u>	<u>-</u>	<u>239,379</u>
 TOTAL EXPENDITURES	 <u>2,145,795</u>	 <u>1,520,359</u>	 <u>625,436</u>
 Excess (deficiency) of revenues over expenditures	 <u>507,705</u>	 <u>1,257,282</u>	 <u>749,577</u>
 OTHER FINANCING SOURCES (USES)			
Issuance of long-term obligations	-	418,504	418,504
	<u>(1,075,705)</u>	<u>(965,934)</u>	<u>109,771</u>
 TOTAL OTHER FINANCING SOURCES (USES)	 <u>(1,075,705)</u>	 <u>(547,430)</u>	 <u>528,275</u>
 Net change in fund balance	 (568,000)	 709,852	 1,277,852
Fund balance at beginning of year	<u>568,000</u>	<u>854,137</u>	<u>286,137</u>
 Fund balance at end of year	 <u>\$ -</u>	 1,563,989	 <u>\$ 1,563,989</u>
 Reconciliation to generally accepted accounting principles			
Inventory		44,883	
Capital assets, net		11,952,036	
Accrued interest payable		(9,357)	
Compensated absences payable		(29,611)	
Long-term obligations		<u>(8,982,664)</u>	
 Net position at end of year		 <u>\$ 4,539,276</u>	

CITY OF BROOKINGS

**COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2013**

	Wastewater Loan	Water System Replacement	Wastewater System Replacement	Water System Development	Wastewater System Development	Totals
<u>ASSETS</u>						
Current assets						
Cash and investments	\$ 1,128,057	\$ 418,151	\$ 943,998	\$ 828,341	\$ 916,036	\$ 4,234,583
Receivables	-	11,762	28,351	21,365	303,383	364,861
Prepaid items	-	10,000	-	-	-	10,000
TOTAL ASSETS	<u>1,128,057</u>	<u>439,913</u>	<u>972,349</u>	<u>849,706</u>	<u>1,219,419</u>	<u>4,609,444</u>
<u>LIABILITIES</u>						
Current liabilities						
Accounts payable and accrued items	-	3,973	67,986	28,400	4,344	104,703
Accrued interest payable	-	196	2,354	-	-	2,550
Long-term obligations due within one year	-	2,215	26,583	-	-	28,798
Total current liabilities	-	6,384	96,923	28,400	4,344	136,051
Long-term obligations due in more than one year	-	22,785	273,417	-	-	296,202
TOTAL LIABILITIES	<u>-</u>	<u>29,169</u>	<u>370,340</u>	<u>28,400</u>	<u>4,344</u>	<u>432,253</u>
<u>NET POSITION</u>						
Restricted for capital projects	-	-		821,306	1,215,075	2,036,381
Unrestricted	1,128,057	410,744	602,009	-	-	2,140,810
TOTAL NET POSITION	<u>\$ 1,128,057</u>	<u>\$ 410,744</u>	<u>\$ 602,009</u>	<u>\$ 821,306</u>	<u>\$ 1,215,075</u>	<u>\$ 4,177,191</u>

CITY OF BROOKINGS

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2013**

	Wastewater Loan	Water System Replacement	Wastewater System Replacement	Water System Development	Wastewater System Development	Totals
OPERATING EXPENSES						
Materials and services	\$ -	\$ 100,386	\$ 186,881	\$ 63,013	\$ 6,107	\$ 356,387
Operating (loss)	-	(100,386)	(186,881)	(63,013)	(6,107)	(356,387)
NONOPERATING REVENUES (EXPENSES)						
Interest	3,212	-	3,702	4,323	27,146	38,383
Miscellaneous	(14,946)	-	14,926	-	-	(20)
Interest	(225,467)	(196)	(2,354)	-	-	(228,017)
Total nonoperating revenues (expenses)	(237,201)	(196)	16,274	4,323	27,146	(189,654)
Income (loss) before capital contributions and transfers	(237,201)	(100,582)	(170,607)	(58,690)	21,039	(546,041)
Capital contributions	-	130,234	130,718	26,552	431,997	719,501
Transfers in	10,584,213	-	-	-	-	10,584,213
Transfers out	(10,343,886)	-	(125,582)	(24,352)	(200,000)	(10,693,820)
Change in net position	3,126	29,652	(165,471)	(56,490)	253,036	63,853
Total net position at beginning of year	1,124,931	381,092	767,480	877,796	962,039	4,113,338
Total net position at end of year	\$ 1,128,057	\$ 410,744	\$ 602,009	\$ 821,306	\$ 1,215,075	\$ 4,177,191

CITY OF BROOKINGS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended June 30, 2013

	Wastewater Loan	Water System Replacement	Wastewater System Replacement	Water System Development	Wastewater System Development	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Payments to suppliers	\$ -	\$ (113,687)	\$ (245,747)	\$ (34,613)	\$ (1,763)	\$ (395,810)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in	1,122,717	-	-	-	-	1,122,717
Transfers out	-	-	-	-	(200,000)	(200,000)
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES	<u>1,122,717</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>922,717</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
System development charges received	-	130,671	112,919	28,966	467,059	739,615
Other	(14,946)	-	14,926	-	-	(20)
Issuance of long-term obligations	9,461,496	25,000	300,000	-	-	9,786,496
Acquisition of capital assets	-	-	(125,582)	(24,352)	-	(149,934)
Principal paid on long-term obligations	(10,343,886)	-	-	-	-	(10,343,886)
Interest paid on long-term obligations	(225,467)	-	-	-	-	(225,467)
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(1,122,803)</u>	<u>155,671</u>	<u>302,263</u>	<u>4,614</u>	<u>467,059</u>	<u>(193,196)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	3,212	-	3,702	4,323	27,146	38,383
Net increase (decrease) in cash	<u>3,126</u>	<u>41,984</u>	<u>60,218</u>	<u>(25,676)</u>	<u>292,442</u>	<u>372,094</u>
Cash - beginning of year	<u>1,124,931</u>	<u>376,167</u>	<u>883,780</u>	<u>854,017</u>	<u>623,594</u>	<u>3,862,489</u>
Cash - end of year	<u>\$ 1,128,057</u>	<u>\$ 418,151</u>	<u>\$ 943,998</u>	<u>\$ 828,341</u>	<u>\$ 916,036</u>	<u>\$ 4,234,583</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES						
Operating (loss)	\$ -	\$ (100,386)	\$ (186,881)	\$ (63,013)	\$ (6,107)	\$ (356,387)
Adjustments to reconcile operating (loss) to net cash (used in) operating activities						
(Increase) in assets						
Prepaid items	-	(10,000)	-	-	-	(10,000)
Increase (decrease) in liabilities						
Accounts payable and accrued items	-	(3,301)	(58,866)	28,400	4,344	(29,423)
NET CASH (USED IN) OPERATING ACTIVITIES	<u>\$ -</u>	<u>\$ (113,687)</u>	<u>\$ (245,747)</u>	<u>\$ (34,613)</u>	<u>\$ (1,763)</u>	<u>\$ (395,810)</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH TRANSACTIONS						
Transfers in	\$ 9,461,496	\$ -	\$ -	\$ -	\$ -	\$ 9,461,496
Transfers out	(10,343,886)	-	(125,582)	(24,352)	-	(10,493,820)
Total noncash transactions	<u>\$ (882,390)</u>	<u>-</u>	<u>(125,582)</u>	<u>(24,352)</u>	<u>-</u>	<u>\$ (1,032,324)</u>

CITY OF BROOKINGS

**WASTEWATER LOAN - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Interest	\$ 3,000	\$ 3,212	\$ 212
EXPENDITURES			
Debt service	<u>1,236,000</u>	<u>1,122,803</u>	<u>113,197</u>
Excess (deficiency) of revenues over expenditures	<u>(1,233,000)</u>	<u>(1,119,591)</u>	<u>113,409</u>
OTHER FINANCING SOURCES (USES)			
Issuance of long-term obligations	-	9,461,496	9,461,496
Refinancing of long-term obligations	-	(9,461,496)	(9,461,496)
Transfers in	<u>1,232,488</u>	<u>1,122,717</u>	<u>(109,771)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>1,232,488</u>	<u>1,122,717</u>	<u>(109,771)</u>
Net change in fund balance	(512)	3,126	3,638
Fund balance at beginning of year	<u>1,003,000</u>	<u>1,124,931</u>	<u>121,931</u>
Fund balance at end of year	<u><u>\$ 1,002,488</u></u>	<u><u>\$ 1,128,057</u></u>	<u><u>\$ 125,569</u></u>

CITY OF BROOKINGS

**WATER SYSTEM REPLACEMENT - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System replacement fees	\$ 125,000	\$ 130,234	\$ 5,234
Interest	<u>300</u>	<u>-</u>	<u>(300)</u>
 TOTAL REVENUES	 125,300	 130,234	 4,934
 EXPENDITURES			
Capital outlay	<u>525,446</u>	<u>100,386</u>	<u>425,060</u>
 Excess (deficiency) of revenues over expenditures	 (400,146)	 29,848	 429,994
 OTHER FINANCING SOURCES (USES)			
Issuance of long-term obligations	<u>25,146</u>	<u>25,000</u>	<u>(146)</u>
 Net change in fund balance	 (375,000)	 54,848	 429,848
Fund balance at beginning of year	<u>375,000</u>	<u>381,092</u>	<u>6,092</u>
 Fund balance at end of year	 <u>\$ -</u>	 435,940	 <u>\$ 435,940</u>
 Reconciliation to generally accepted accounting principles			
Accrued interest payable		(196)	
Long-term obligations		<u>(25,000)</u>	
 Net position at end of year		 <u>\$ 410,744</u>	

CITY OF BROOKINGS

**WASTEWATER SYSTEM REPLACEMENT - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
System replacement fees	\$ 112,500	\$ 130,718	\$ 18,218
Interest	2,000	3,702	1,702
Miscellaneous	<u>-</u>	<u>14,926</u>	<u>14,926</u>
 TOTAL REVENUES	 114,500	 149,346	 34,846
EXPENDITURES			
Capital outlay	<u>1,311,257</u>	<u>312,463</u>	<u>998,794</u>
 Excess (deficiency) of revenues over expenditures	 (1,196,757)	 (163,117)	 1,033,640
OTHER FINANCING SOURCES (USES)			
Issuance of long-term obligations	<u>301,757</u>	<u>300,000</u>	<u>(1,757)</u>
 Net change in fund balance	 (895,000)	 136,883	 1,031,883
Fund balance at beginning of year	<u>895,000</u>	<u>767,480</u>	<u>(127,520)</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 904,363	 <u><u>\$ 904,363</u></u>
Reconciliation to generally accepted accounting principles			
Accrued interest payable		(2,354)	
Long-term obligations		<u>(300,000)</u>	
 Net position at end of year		 <u><u>\$ 602,009</u></u>	

CITY OF BROOKINGS

**WATER SYSTEM DEVELOPMENT - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Improvement fees	\$ 8,000	\$ 24,344	\$ 16,344
Reimbursement fees	1,500	4,622	3,122
Interest	<u>3,000</u>	<u>4,323</u>	<u>1,323</u>
 TOTAL REVENUES	 <u>12,500</u>	 <u>33,289</u>	 <u>20,789</u>
 EXPENDITURES			
Materials and services	5,000	2,652	2,348
Capital outlay	<u>852,500</u>	<u>84,713</u>	<u>767,787</u>
 TOTAL EXPENDITURES	 <u>857,500</u>	 <u>87,365</u>	 <u>770,135</u>
 Net change in fund balance	 (845,000)	 (54,076)	 790,924
Fund balance at beginning of year	<u>845,000</u>	<u>854,017</u>	<u>9,017</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 799,941	 <u><u>\$ 799,941</u></u>
 Reconciliation to generally accepted accounting principles			
Unavailable revenue		<u>21,365</u>	
 Net position at end of year		 <u><u>\$ 821,306</u></u>	

CITY OF BROOKINGS

**WASTEWATER SYSTEM DEVELOPMENT - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Improvement fees	\$ 15,000	\$ 146,545	\$ 131,545
Reimbursement fees	15,000	320,514	305,514
Interest	<u>3,000</u>	<u>27,146</u>	<u>24,146</u>
 TOTAL REVENUES	 33,000	 494,205	 461,205
 EXPENDITURES			
Capital outlay	<u>323,000</u>	<u>6,107</u>	<u>316,893</u>
 Excess (deficiency) of revenues over expenditures	 (290,000)	 488,098	 778,098
 OTHER FINANCING SOURCES (USES)			
Transfers out	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
 Net change in fund balance	 (490,000)	 288,098	 778,098
Fund balance at beginning of year	<u>490,000</u>	<u>623,594</u>	<u>133,594</u>
 Fund balance at end of year	 <u>\$ -</u>	 911,692	 <u>\$ 911,692</u>
 Reconciliation to generally accepted accounting principles			
Unavailable revenue		<u>303,383</u>	
 Net position at end of year		 <u>\$ 1,215,075</u>	

CITY OF BROOKINGS

**WATER LOAN - ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
Materials and services	\$ 1,000	\$ -	\$ 1,000
Debt service	<u>321,000</u>	<u>-</u>	<u>321,000</u>
 TOTAL EXPENDITURES	 <u>322,000</u>	 <u>-</u>	 <u>322,000</u>
 Excess (deficiency) of revenues over expenditures	 (322,000)	 -	 322,000
 OTHER FINANCING SOURCES (USES)			
Transfers in	<u>322,000</u>	<u>-</u>	<u>(322,000)</u>
 Net change in fund balance	 -	 -	 -
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
 Fund balance at end of year	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY THE
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS**



**INDEPENDENT AUDITOR'S REPORT REQUIRED BY THE
MINIMUM STANDARDS FOR AUDITS OF OREGON MUNICIPAL CORPORATIONS**

Honorable Mayor and Members of the City Council
CITY OF BROOKINGS
Brookings, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the **CITY OF BROOKINGS** as of and for the year ended June 30, 2013, and have issued our report thereon dated November 27, 2013.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-240 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. As such, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

Honorable Mayor and Members of the City Council
CITY OF BROOKINGS
Brookings, Oregon

In connection with our testing nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-240 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations except as follows:

Expenditures in excess of appropriations (which is prohibited by ORS 294.435) occurred as follows:

<u>Fund/Category</u>	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
Street			
Personal services	\$ 121,992	\$ 137,051	\$ (15,059)
Water			
Materials and services	325,250	338,843	(13,593)

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control. Deficiencies in internal control, if any, were communicated separately.

Restriction on Use

This report is intended solely for the information and use of the board of directors/council members/commissioners and management of the **CITY OF BROOKINGS** and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
November 27, 2013

By:



Bradley G. Bingenheimer, Member

BROOKINGS URBAN RENEWAL AGENCY
Brookings, Oregon
ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 2013

BROOKINGS URBAN RENEWAL AGENCY
OFFICERS AND MEMBERS OF THE GOVERNING BODY
For the Year Ended June 30, 2013

	<u>Term Expires</u> <u>January,</u>
Ron Hedenskog 16956 Old County Brookings OR 97415	2015
Bill Hamilton 417 Fern St 101 Brookings OR 97415	2017
Brent Hodges Po Box 4970 Brookings OR 97415	2017
Jake Pieper Po Box 7441 Brookings OR 97415	2015
Kelly McClain 867 Jodee Ln Brookings OR 97415	2015

REGISTERED AGENT

None designated

REGISTERED ADRESS

898 Elk Drive
Brookings, OR 97145

BROOKINGS URBAN RENEWAL AGENCY

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INDEPENDENT AUDITOR'S REPORT

Agency Officials
BROOKINGS URBAN RENEWAL AGENCY
Brookings, Oregon

We have audited the accompanying financial statements of the governmental activities and each major fund of **BROOKINGS URBAN RENEWAL AGENCY**, *component unit of the CITY OF BROOKINGS*, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the **BROOKINGS URBAN RENEWAL AGENCY**, as of June 30, 2013, the respective changes in financial position, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The individual fund schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 27, 2013, on our consideration of the Agency's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

Boldt Carlisle + Smith

Certified Public Accountants

Salem, Oregon

November 27, 2013

By:



Bradley G. Bingenheimer, Member

MANAGEMENT'S DISCUSSION AND ANALYSIS



Brookings Urban Renewal Agency

898 Elk Drive, Brookings, OR 97415

(541) 469-2163 Fax (541) 469-3650

www.brookings.or.us

MANAGEMENT'S DISCUSSION AND ANALYSIS

Fiscal Year Ended June 30, 2013

This discussion and analysis presents the highlights of financial activities and financial position for the Brookings Urban Renewal Agency (Agency), component unit of the City of Brookings, Oregon. The analysis focuses on significant issues, major financial activities and resulting changes in financial position, budget changes, and variances from the budget, and specific issues related to funds and the economic factors affecting the Agency.

Management's Discussion and Analysis (MD&A) focuses on the current year activities and resulting changes from the prior year. Please read it in conjunction with the Agency's financial statements (beginning on page 1).

FINANCIAL HIGHLIGHTS

- The net position of the Agency increased by \$149,800 from (\$2,202,560) to (\$2,052,760) at June 30, 2013.
- Governmental activities revenue increased by \$20,897 (4.1%) to \$529,756. This is primarily due to an increase in tax increment revenues.
- Overall, expenditures increased by \$211,595 to \$379,956. The primary expenditures for 2012-13 was the interest paid on long-term debt obligations and the Cove Road capital improvements.

REPORT LAYOUT

The Agency's annual financial report consists of several sections. Taken together they provide a comprehensive look at the Agency. The components of the report include the following:

Management's Discussion and Analysis. This section of the report provides financial highlights, overview, and economic factors affecting the Agency.

Basic Financial Statements. Includes statement of net position, statement of activities, fund financial statements, and notes to the financial statements. Statements of net position and activities focus on entity-wide presentation using the accrual basis of accounting. They are designed to be more corporate-like in that all activities are consolidated into a total for the Agency.

The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the Agency owns, the liabilities it owns and the net difference. The net differences are further separated into amounts restricted for specific purposes and unrestricted amounts.

The Statement of Activities presents information showing how the Agency'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. The focus is on Agency revenues and expenditures, the net of which equals change in net assets.

Fund financial statements focus separately on major governmental funds. Governmental fund statements follow the more traditional presentation of financial statements. The Agency's General Fund is presented here along with budgetary comparisons.

The notes to the basic financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Agency's financial condition.

Other Supplementary Information. The report includes other financial information, comments, and disclosures from the independent certified public accountants, as required by Oregon Statutes.

AGENCY AS A WHOLE

Government-Wide Financial Statements

Statement of Net Position at June 30, 2013:

Table 1
Net Position at Fiscal Year End
Governmental Activities

	<u>2013</u>	<u>2012</u>
Assets:		
Cash and investments	\$ 660,183	\$ 718,954
Other assets	<u>51,973</u>	<u>54,138</u>
Total Assets	<u>712,156</u>	<u>773,092</u>
Liabilities:		
Long-term liabilities	2,755,002	2,965,000
Other liabilities	<u>9,914</u>	<u>10,652</u>
Total Liabilities	<u>2,764,916</u>	<u>2,975,652</u>
Net Position:		
Restricted	-	-
Unrestricted	<u>(2,052,760)</u>	<u>(2,202,560)</u>
Total Net Position (Deficit)	<u><u>\$ (2,052,760)</u></u>	<u><u>\$ (2,202,560)</u></u>

As of June 30, 2013, the Agency had current liabilities of \$9,914, and long-term liabilities of \$2,755,002. Projects completed and assets purchased by the Agency become assets of the City; however, the debt remains with the Agency. Therefore, as proceeds from the bond sale are expended, the net assets have decreased to a negative amount, approaching that of the debt outstanding.

Governmental Activities

The Agency's net position increased by \$149,800 from (\$2,202,560) to (\$2,052,760) due to taxes exceeding debt and capital expenditures.

Statement of Activities for the Year Ended June 30, 2013:

Table 2
Governmental Activities For Fiscal Year Ending

	<u>2013</u>	<u>2012</u>
REVENUES		
General revenues		
Taxes	\$ 526,300	\$ 504,690
Investment earnings	<u>3,456</u>	<u>4,169</u>
Total revenues	529,756	508,859
EXPENSES		
Program	<u>379,956</u>	<u>168,361</u>
Change in net position	149,800	340,498
Beginning net position	<u>(2,202,560)</u>	<u>(2,543,058)</u>
Ending net position	<u>\$ (2,052,760)</u>	<u>\$ (2,202,560)</u>

Nearly all of the general revenue was tax increment funding. The remainder was from investment earnings and loss on sale of assets.

Program expenses included \$133,703 for interest on long term debt obligations.

BUDGETARY HIGHLIGHTS

No changes were made from the original 2012-13 adopted budget.

DEBT ADMINISTRATION

As of June 30, 2013, the Agency had \$2,755,002 of outstanding debt compared to \$2,965,000 in the prior year. \$249,998 is due within one year. On July 22, 2008, the Agency sold \$3.4 million in bonds at 4.66% interest. The agency refinanced this debt in July 2013 at 2.53%, maturing June 2020.

Table 3
Outstanding Debt at Fiscal Year End

	<u>2013</u>	<u>2012</u>
Governmental		
Tax Increment Bonds	\$ 2,685,000	\$ 2,885,000
City of Brookings	<u>70,002</u>	<u>80,000</u>
	<u>\$ 2,755,002</u>	<u>\$ 2,965,000</u>

ECONOMIC FACTORS

Like all municipalities in Oregon, the Agency is operating under Measure 50, the tax limitation measure approved by voters on May 20, 1997. This measure rolled back assessed values to 1995-96 levels and effectively limited increased property tax revenues the City could anticipate in future years to a maximum of 3%, with permitted allowances for increasing valuations based on new construction and annexations. No substantive changes to the basic provisions of Measure 50 have been enacted during subsequent Oregon Legislative sessions.

As an urban renewal agency, the Agency receives tax increment revenues; calculated on the assessed value over the frozen base, which was set at the time the urban renewal district was formed. When the Agency completes projects, it is actually investing in itself; as the value of property increases in the district, the tax increment revenues increases.

REQUEST FOR INFORMATION

The Agency's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with the general overview of the Agency's finances and to demonstrate the Agency's accountability. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Janell K. Howard, Finance and Human Resources Director
City of Brookings
898 Elk Drive
Brookings, OR 97415
(541) 469-2163
jhoward@brookings.or.us

BASIC FINANCIAL STATEMENTS

BROOKINGS URBAN RENEWAL AGENCY

STATEMENT OF NET POSITION

June 30, 2013

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and investments	\$ 660,183
Receivables	<u>51,973</u>
 TOTAL ASSETS	 <u>712,156</u>
 <u>LIABILITIES</u>	
Accrued interest payable	9,914
Long-term obligations:	
Due within one year	249,998
Due in more than one year	<u>2,505,004</u>
 TOTAL LIABILITIES	 <u>2,764,916</u>
 <u>NET POSITION (DEFICIT)</u>	
Unrestricted	<u><u>\$ (2,052,760)</u></u>

See accompanying notes

BROOKINGS URBAN RENEWAL AGENCY

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

	<u>Governmental Activities</u>
Program expenses	
General government	\$ 246,253
Interest on long-term obligations	<u>133,703</u>
 TOTAL PROGRAM EXPENSES	 <u>379,956</u>
 General revenues	
Property taxes, levied for debt service	526,300
Unrestricted investment earnings	<u>3,456</u>
 TOTAL GENERAL REVENUES	 <u>529,756</u>
 Change in net position	149,800
NET POSITION (DEFICIT) - beginning	<u>(2,202,560)</u>
 NET POSITION (DEFICIT) - ending	 <u><u>\$ (2,052,760)</u></u>

See accompanying notes

BROOKINGS URBAN RENEWAL AGENCY

BALANCE SHEET GOVERNMENTAL FUNDS June 30, 2013

	General	Debt Service	Totals
<u>ASSETS</u>			
Cash and investments	\$ 317,864	\$ 342,319	\$ 660,183
Receivables	<u>51,973</u>	<u>-</u>	<u>51,973</u>
 TOTAL ASSETS	 <u>\$ 369,837</u>	 <u>\$ 342,319</u>	 <u>\$ 712,156</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	<u>43,521</u>	<u>-</u>	<u>43,521</u>
<u>FUND BALANCES</u>			
Restricted for:			
Urban renewal projects	326,316	-	326,316
Debt service	<u>-</u>	<u>342,319</u>	<u>342,319</u>
 TOTAL FUND BALANCES	 <u>326,316</u>	 <u>342,319</u>	 <u>668,635</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u>\$ 369,837</u>	 <u>\$ 342,319</u>	 <u>\$ 712,156</u>

Amounts reported for governmental activities in the statement net position are different because:

Fund Balances	\$ 668,635
Some liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(2,764,916)
Long-term assets which are not available for current-period expenditures are deferred in the funds. However, such amounts are recognized as revenue in the government-wide financial statements	<u>43,521</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ (2,052,760)</u>

See accompanying notes

BROOKINGS URBAN RENEWAL AGENCY

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013**

	General	Debt Service	Totals
REVENUES			
Property taxes	\$ 530,767	\$ -	\$ 530,767
Interest	<u>2,266</u>	<u>1,190</u>	<u>3,456</u>
TOTAL REVENUES	<u>533,033</u>	<u>1,190</u>	<u>534,223</u>
EXPENDITURES			
Current			
General government	69,372	-	69,372
Debt service	-	344,439	344,439
Capital outlay	<u>176,881</u>	<u>-</u>	<u>176,881</u>
TOTAL EXPENDITURES	<u>246,253</u>	<u>344,439</u>	<u>590,692</u>
Excess (deficiency) of revenues over expenditures	<u>286,780</u>	<u>(343,249)</u>	<u>(56,469)</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	-	344,439	344,439
Transfer out	<u>(344,439)</u>	<u>-</u>	<u>(344,439)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(344,439)</u>	<u>344,439</u>	<u>-</u>
Net change in fund balance	(57,659)	1,190	(56,469)
Fund balance at beginning of year	<u>383,975</u>	<u>341,129</u>	<u>725,104</u>
Fund balance at end of year	<u><u>\$ 326,316</u></u>	<u><u>\$ 342,319</u></u>	<u><u>\$ 668,635</u></u>

See accompanying notes

BROOKINGS URBAN RENEWAL AGENCY

**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013**

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (56,469)
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*Amounts reported for governmental activities in the Statement of Activities are different
because of the following:*

Revenues in the Statement of Activities that do not provide current financial resources
are not reported as revenues in the funds as follows:

Taxes	(4,467)
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Repayment of long-term obligations principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Position.	209,998
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Interest accrued on long-term obligations is an expense on the Statement of Activities however only amounts actually paid are expenditures in the funds	<u>738</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 149,800</u></u>
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See accompanying notes

BROOKINGS URBAN RENEWAL AGENCY**GENERAL (SPECIAL REVENUE) FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	Budget			
	Original	Final	Actual	Variance
REVENUES				
Property taxes	\$ 509,838	\$ 509,838	\$ 530,767	\$ 20,929
Interest	500	500	2,266	1,766
TOTAL REVENUES	<u>510,338</u>	<u>510,338</u>	<u>533,033</u>	<u>22,695</u>
EXPENDITURES				
Materials and services	70,000	90,000	69,372	20,628
Capital outlay	<u>1,372,397</u>	<u>1,352,397</u>	<u>176,881</u>	<u>1,175,516</u>
TOTAL EXPENDITURES	<u>1,442,397</u>	<u>1,442,397</u>	<u>246,253</u>	<u>1,196,144</u>
Excess (deficiency) of revenues over expenditures	<u>(932,059)</u>	<u>(932,059)</u>	<u>286,780</u>	<u>1,218,839</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term obligations	1,000,000	1,000,000	-	(1,000,000)
Transfers out	<u>(417,941)</u>	<u>(417,941)</u>	<u>(344,439)</u>	<u>73,502</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>582,059</u>	<u>582,059</u>	<u>(344,439)</u>	<u>(926,498)</u>
Net change in fund balance	(350,000)	(350,000)	(57,659)	292,341
Fund balance at beginning of year	<u>350,000</u>	<u>350,000</u>	<u>383,975</u>	<u>33,975</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326,316</u>	<u>\$ 326,316</u>

See accompanying notes

BROOKINGS URBAN RENEWAL AGENCY
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2013

1. Summary of Significant Accounting Policies

A. Organization

The Agency, a component unit of the City of Brookings, was organized in July 2003 under ORS 457 and is a municipal corporation created by the City of Brookings to facilitate urban renewal within the boundaries of the City. The City Council serves as the governing body and is accountable for the fiscal matters of the Agency.

B. Urban Renewal Areas

Tax Allocation Bonds for urban renewal plan areas are authorized by state law to 1) "...eliminate and prevent the development or spread of urban blight and deterioration; and 2) encourage needed urban conservation and rehabilitation and provide for redevelopment of blighted or deteriorated areas."

Projects are financed in urban renewal plan areas as follows:

- The Agency (City Council) selects an urban renewal plan area and defines its boundaries.
- The County Assessor "freezes" the assessed value of property within the urban renewal area. This is referred to as the "frozen" value.
- Any increase in assessed value above the frozen value is called the "incremental value." The tax revenue generated by the tax rate times the incremental value is provided for use in paying the principal and interest on any indebtedness incurred to finance Urban Renewal Projects.
- Urban Renewal Tax Increment revenues are used to repay the indebtedness of the Agency. The proceeds of the indebtedness finance the Agency's activities.

As required by ORS 457.190(3)(a), the Agency has included in its current plan the maximum amount of indebtedness that may be issued or incurred under the plan in the amount of \$15,825,000.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation, Measurement Focus, and Basis of Accounting

Government-wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the Agency, including all of its financial activities. Governmental activities are financed primarily through property taxes and proceeds from borrowings.

The Statement of Activities presents a comparison between direct expenses and program revenues for the Agency's program. The Agency does not allocate indirect expenses. Program revenues include grants and contributions that are restricted to meeting operational requirements. Revenues that are not classified as program revenues, including property taxes, earnings on investments and the gain on sale of property, are presented as general revenues.

Fund Financial Statements

The fund financial statements provide information about the Agency's funds. The emphasis of fund financial statements is on major funds, each displayed in a separate column.

The General Fund accounts for general administration of the Agency's urban renewal areas, for acquisition and rehabilitation of blighted and deteriorated areas within the designated urban renewal areas.

The Debt Service Fund accounts for repayment of debt incurred by the Agency.

Measurement Focus and Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Agency receives value without giving equal value in exchange, include property taxes, grants, entitlements and donations. On the accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation, Measurement Focus, and Basis of Accounting (continued)

Measurement Focus and Basis of Accounting (continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Agency considers all revenues reported in the governmental funds to be available if they are collected within sixty days after year end. Property taxes and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for claims and judgments, which are recognized as expenditures to the extent they have been incurred. Capital asset acquisitions are reported as expenditures in the governmental funds and proceeds from general long-term debt are reported as other financing sources.

D. Equity classification

In the government-wide and proprietary fund financial statements equity is classified as net position and displayed in three components:

Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the government-wide financial statements when both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

The Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) requires governmental type fund balance amounts to be properly reported within one of the fund balance categories list below:

Non-spendable — Amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted — Amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

D. Equity classification (continued)

Committed — Amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by the City Council.

Assigned — Amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The City Council has granted authority to the Administrative Services Director to assign fund balance amounts.

Unassigned — The residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications. Additionally, other funds may report negative unassigned fund balance in certain circumstances.

In the governmental fund financial statements, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Agency considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Agency considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

E. Budget Policies and Budgetary Control

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at fiscal year end.

The Agency begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The governing body adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally overexpended.

The resolution authorizing appropriations for each fund sets the level at which expenditures cannot legally exceed appropriations. The governing body established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirement levels for all funds.

Budget amounts shown in the financial statements have been revised since the original budget amounts were adopted. The governing body must authorize all appropriation transfers and supplementary budgetary appropriations.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

1. Summary of Significant Accounting Policies (continued)

F. Long-term Obligations

In the government-wide financial statements' long-term obligations are reported as liabilities in the governmental activities' Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are deferred and amortized over the life of the bond.

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

G. Use of Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

2. Deposits and Investments

Investments are stated at fair value. 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. 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 a forced liquidation sale. Investments in the State of Oregon Local Government Investment Pool (LGIP) are stated at fair value.

The Oregon State Treasury administers the LGIP. The LGIP is an unrated, open-ended, no-load, diversified portfolio offered to any agency, political subdivision or public corporation of the state who by law is made the custodian of, or has control of, any fund. The LGIP is commingled with the State's short-term funds. To provide regulatory oversight, the Oregon Legislature established the Oregon Short-Term Fund Board and LGIP investments are approved by the Oregon Investment Council. The fair value of the Agency's position in the LGIP is the same as the value of the pool shares.

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

2. Deposits and Investments (continued)

Credit risk: Oregon statutes authorize the Agency to invest in obligations of the U.S. Treasury and U.S. agencies, bankers' acceptances, repurchase agreements, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, and the state treasurer's investment pool.

As of June 30, 2013, the Agency had the following investments:

	<u>Maturities</u>	<u>Fair Value</u>
State Treasurer's Investment Pool	N/A	<u>\$ 333,351</u>

Interest Rate Risk: The Agency does not have a formal policy that limits investment maturities as a means of managing its exposure to fair-value losses arising from increases in interest rates.

Concentration of Credit Risk: The Agency does not have a formal policy that places a limit on the amount that may be invested in any one insurer.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City does not have a policy which limits the amount of investments that can be held by counterparties.

Custodial credit risk – Deposits: This is the risk that in the event of a bank failure, the Agency's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the Agency's deposits with financial institutions up to \$250,000 each for the aggregate of all non-interest bearing accounts and the aggregate of all interest bearing accounts at each institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2013, \$313,366 of the Agency's bank balances were exposed to custodial risk.

A. The Agency's deposits at June 30, 2013 are as follows:

Total investments	\$ 333,351
Deposits with financial institutions	<u>326,832</u>
Total deposits and investments	<u>\$ 660,183</u>

B. Cash and investments by fund:

General	\$ 317,864
Debt service	<u>342,319</u>
Total cash and investments	<u>\$ 660,183</u>

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

3. Receivables

A. The Agency's receivables at June 30, 2013 are shown below:

Property taxes \$ 51,973

B. Property taxes

i. Collection procedures

Taxes are levied on July 1 and are payable in three installments due November 15, February 15, and May 15. Curry County bills and collects property taxes for the Agency.

ii. Transactions

	Balances July 1, 2012	2012-13 Levy	Adjust- ments	Net Interest (Discounts)	Collec- tions	Balances June 30, 2013
2012-13	\$ -	\$ 542,627	\$ (1,339)	\$ (12,511)	\$ (501,016)	\$ 27,761
2011-12	26,479	-	(101)	802	(14,284)	12,896
2010-11	14,885	-	(2,507)	832	(6,305)	6,905
2009-10	7,746	-	(239)	994	(5,174)	3,327
2008-09	1,956	-	(78)	603	(2,097)	384
2007-08	278	-	(52)	32	(104)	154
Prior	<u>2,794</u>	<u>-</u>	<u>(2,203)</u>	<u>23</u>	<u>(68)</u>	<u>546</u>
	<u>\$ 54,138</u>	<u>\$ 542,627</u>	<u>\$ (6,519)</u>	<u>\$ (9,225)</u>	<u>\$ (529,048)</u>	<u>\$ 51,973</u>

iii. Ensuing year's levy

The Agency will levy 100 percent of the amount of its authority under option one of ORS 457.435(2)(a) for the retirement of long-term obligations principal and interest without making a special levy in 2013-14.

The tax rate limit of \$10 per thousand of assessed value imposed by the Oregon Constitution is not expected to affect this levy.

4. Unavailable Revenue

Resources owned by the Agency, which are measurable, but not available, and therefore, deferred in the funds, consist of the following:

Property taxes \$ 43,521

NOTES TO BASIC FINANCIAL STATEMENTS (Continued)

5. Long-term obligations

A. Transactions for the Governmental activities for the year ended June 30, 2013 were as follows:

	Outstanding June 30, 2012	Additions	Reductions	Outstanding June 30, 2013	Balances Due Within One Year
Master Urban Renewal Tax Increment Revenue Bond Series 2008, original issue of \$3,400,000, due in annual principal payments and semi-annual interest payments of varying amounts over 12 years of various amounts payable on December 1 and June 1 including interest at 4.66 percent					
Principal	\$ 2,885,000	\$ -	\$ 200,000	\$ 2,685,000	\$ 240,000
Interest	<u>10,652</u>	<u>133,703</u>	<u>134,441</u>	<u>9,914</u>	
	2,895,652	133,703	334,441	2,694,914	
City of Brookings, original amount \$80,000, due in annual installments equal to the tax increment on the increased assessed value of specific property with no interest.					
Principal	<u>80,000</u>	<u>-</u>	<u>9,998</u>	<u>70,002</u>	<u>9,998</u>
Total long-term obligations	2,975,652	133,703	344,439	2,764,916	<u>\$ 249,998</u>
Interest	<u>10,652</u>	<u>133,703</u>	<u>134,441</u>	<u>9,914</u>	
Principal	<u>\$ 2,965,000</u>	<u>\$ -</u>	<u>\$ 209,998</u>	<u>\$ 2,755,002</u>	

B. Future matures of long-term obligations are as follows:

Fiscal Year	Master Urban Renewal Tax Increment Revenue Bond Series 2008		City of Brookings*	Total	
	Principal	Interest	Principal	Principal	Interest
2014	\$ 240,000	\$ 125,121	\$ 9,998	\$ 249,998	\$ 125,121
2015	290,000	113,937	9,998	299,998	113,937
2016	345,000	100,423	9,998	354,998	100,423
2017	400,000	84,346	9,998	409,998	84,346
2018	465,000	65,706	9,998	474,998	65,706
2019-20	<u>945,000</u>	<u>63,143</u>	<u>20,012</u>	<u>965,012</u>	<u>63,143</u>
	<u>\$ 2,685,000</u>	<u>\$ 552,676</u>	<u>\$ 70,002</u>	<u>\$ 2,755,002</u>	<u>\$ 552,676</u>

* Estimated based on current tax increment

6. Subsequent event

In July 2013, the Agency refinanced the Master Urban Renewal Tax Increment Revenue Bond into a new loan at Umpqua Bank. By doing this, the Agency was able to decrease the interest rate on these loans from 4.66 to 2.53 percent. Due to this, the future maturities schedule for the governmental activities has changed.

INDIVIDUAL FUND SCHEDULE

BROOKINGS URBAN RENEWAL AGENCY

**DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
For the Year Ended June 30, 2013**

	Original and Final Budget	Actual	Variance
REVENUES			
Interest	\$ 500	\$ 1,190	\$ 690
EXPENDITURES			
Debt service	<u>418,441</u>	<u>344,439</u>	<u>74,002</u>
Excess (deficiency) of revenues over expenditures	(417,941)	(343,249)	74,692
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>417,941</u>	<u>344,439</u>	<u>(73,502)</u>
Net change in fund balance	-	1,190	1,190
Fund balance at beginning of year	<u>340,000</u>	<u>341,129</u>	<u>1,129</u>
Fund balance at end of year	<u>\$ 340,000</u>	<u>\$ 342,319</u>	<u>\$ 2,319</u>

**INDEPENDENT AUDITOR'S REPORT REQUIRED BY THE
MINIMUM STANDARDS FOR AUDITS OF MUNICIPAL CORPORATIONS**



INDEPENDENT AUDITOR'S REPORT REQUIRED BY THE MINIMUM STANDARDS FOR AUDITS OF MUNICIPAL CORPORATIONS

Agency Officials
BROOKINGS URBAN RENEWAL AGENCY
Brookings, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the **BROOKINGS URBAN RENEWAL AGENCY** as of and for the year ended June 30, 2013 and have issued our report thereon dated November 27, 2013.

Compliance

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

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

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

Agency Officials
BROOKINGS URBAN RENEWAL AGENCY
Brookings, Oregon

In connection with our testing nothing came to our attention that caused us to believe the Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-240 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations.

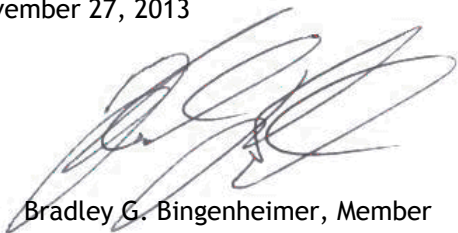
OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control. Deficiencies in internal control were communicated separately.

Restriction on Use

This report is intended solely for the information and use of the agency officials and management of BROOKINGS URBAN RENEWAL AGENCY and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

Boldt Carlisle + Smith
Certified Public Accountants
Salem, Oregon
November 27, 2013
By:

A handwritten signature in dark ink, appearing to read 'Bradley G. Bingenheimer', is written over a light blue circular stamp. The signature is fluid and cursive.

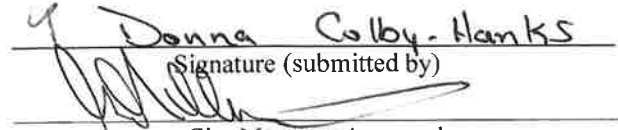
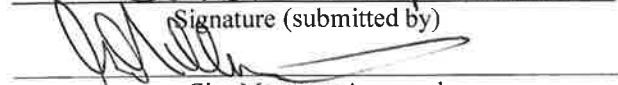
Bradley G. Bingenheimer, Member

CITY OF BROOKINGS

Council WORKSHOP Report

Workshop Date: December 2, 2013

Originating Dept: PWDS


Signature (submitted by)

City Manager Approval

Subject: Ownership of Buena Vista Loop spurs.

Recommendation: Information only.

Financial Impact: None.

Background/Discussion: There has been an ongoing question of ownership of two Buena Vista Loop spurs. The right of way for these spurs is 20 feet which is less than any current standard. In reviewing the Pacific View Subdivision which created the spurs, the issue of ownership arose due to lot lines for Lot 21 and Lot 23 being omitted from the recorded plat map.

James Spickerman, Gleaves Swearingen, Attorneys at Law, who specializes in land use law, was contacted and provided with all the available information to make a determination. In Spickerman's opinion (Attachment), the lot lines are in the location shown on the current assessor's map and the spurs are under the jurisdiction of the City.

Policy Considerations: None.

Attachment(s): Opinion from James Spickerman



GLEAVES
SWEARINGEN
LLP

(541) 686-8833 | Fax (541) 345-2034 | gleaveslaw.com

James W. Spickerman
spickerman@gleaveslaw.com

By Email: dcolbyhanks@brookings.or.us
Hard Copy to Follow

October 31, 2013

Donna Colby-Hanks
Planning Manager
City of Brookings
898 Elk Drive
Brookings, OR 97415

Re: Pacific View Subdivision Lot Lines

Dear Donna:

You have consulted me concerning the ambiguity created by the absence of lot lines between the two spurs extending south of Buena Vista Loop and the main body of lots 21 and 23.

Attached as exhibits to this letter are the following:

- A. The "Dedication" filed with the plat for Pacific View Subdivision in 1964.
- B. The plat for Pacific View Subdivision
- C. The assessor's map for the subdivision with the location of pins recently found at the ends of the spurs.

I reviewed the Oregon statutes in effect at the time of the filing of this subdivision and they were of no assistance. I have also researched Oregon case law to determine if this particular factual situation had ever been before the Oregon Courts. I could not find any decisions involving similar facts but there is some case authority that is instructive in resolving the ambiguity.

The first question the courts examine in determining whether a dedication has occurred is the intent of the purported dedicator. This intent can be express or implied. Here, the configuration of the extensions of Buena Vista Loop are consistent with the street ending at the logical boundary of each of the two lots.

MAILING ADDRESS
PO Box 1147
EUGENE OREGON 97440-1147

OFFICES
975 OAK STREET | SUITE 800
EUGENE OREGON 97401-3156

Perhaps decisive is the fact that the alternative to a determination that the street terminates at the point of the pins depicted on Exhibit C would be that lots 21 and 23 include all that which is depicted as Buena Vista Loop and there were no public streets in the plat. There is no reason to construe the plat to establish two panhandle lots which extend north to the east and west portion of Buena Vista Loop. Obviously, there exists no line between the panhandle and the main street. This would mean that Buena Vista Loop was not intended to be dedicated as a public street. The absence of public streets would be inconsistent with the language of the dedication stating "... we hereby do dedicate to the public the streets and roadways shown on said plat."

I am advised that the assessor's map in existence in 1966 showed the property lines dividing the arms of the spur from lots 21 and 23, as does Exhibit C. This would indicate that the owners of the respective lots have not paid property taxes on real property beyond the property lines the assessor added. Whether property taxes have been paid on a portion of the property contended to have been dedicated can be an additional factor in determining if the disputed properties should be dedicated.

Considering all of the factors and particularly the configuration of streets and language of the dedication, it is my opinion that the property lines are as shown on the assessor's map and indicated by the pins found on site.

Please advise me if there are additional questions.

Very truly yours,

A handwritten signature in dark ink, appearing to read "J. Spickerman", with a long horizontal line extending to the right.

James W. Spickerman

jca
Attachments: Exhibits A - C

Exhibit A

PACIFIC VIEW SUBDIVISION

IN THE CITY OF BROOKINGS, CURRY COUNTY, OREGON

Sec 8, T.41S, R.13 W.W.M.

Scale 1 in = 50 ft.

from
Sec. 8

DEDICATION

KNOW all men by these present that we, Merrill Bullock and Frances Bullock, husband and wife are owners in fee simple of the lands described here in the Surveyor's Affidavit, that we have caused such lands to be subdivided and platted as PACIFIC VIEW Subdivision and we hereby do dedicate to the public the streets and roadways shown on said plat. IN TESTIMONY WHEREOF we have set our hands and seals this 17 day of July 1964.

Merrill Bullock

Frances Bullock

STATE OF OREGON }
County of Curry } S.S.

BE IT REMEMBERED that on this 17 day of July 1964 before me the undersigned, a Notary Public, in and for said County and State, appeared Merrill Bullock and Frances Bullock, his wife to me personally known to be the identical individuals named and described herein and who have executed the within instrument and acknowledged to me that they executed same freely and voluntarily.

IN TESTIMONY WHEREOF I have set my hand and affixed my official seal this day and year above written.

J. D. Martin

NOTARY PUBLIC FOR OREGON
My commission expires Oct-18-1965

APPROVED FOR CITY OF BROOKINGS, OREGON

Approved by the Planning Commission of the City
of Brookings as recommended by the City Council

Exhibit B

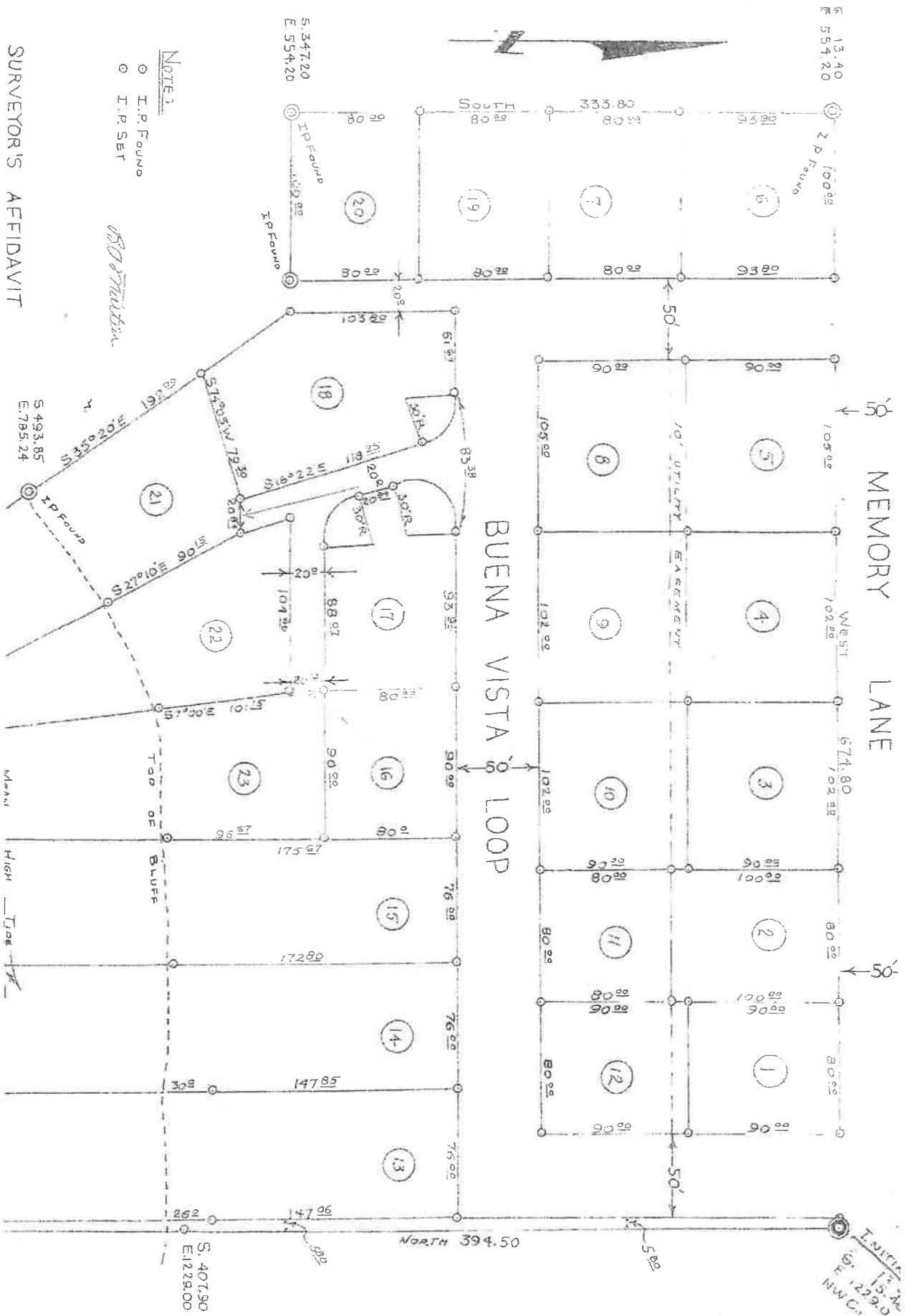


Exhibit C

.8 T.41S. R.13W. W.M.
COUNTY
100'

41S13W08BB
BROOKINGS

CANCELLED

105
200
300
301
302
401
402
902
903
1802
1999
2201
2302
2304



OCEAN

Pins Located

PACIFIC

CITY MAINT. IN
PAST 5/0 @ 429 & 431
A NEGOTIATION

Revised: RAA
3/6/2012


BROOKINGS
41S13W08BB


CITY OF BROOKINGS

Council WORKSHOP Report

Workshop Date: December 2, 2013

Originating Dept: PWDS



Signature (submitted by)


City Manager Approval

Subject: Update on Brookings Transportation System Plan (TSP).

Recommendation: City Council discussion on level of support to create a comprehensive TSP document.

Financial Impact: Department of Land Conservation and Development originally funded \$95,000 with a City match of \$10,000. Since the original TSP only addressed vehicular transportation, updating the City of Brookings TSP for a more bike/pedestrian friendly comprehensive study increased the scope of services beyond this original budget. After several series of negotiations between ODOT and the selected firm Parametrics and the Alta Planning team, the current proposal is \$225,000. ODOT has increased their financial participation to \$190,000. A remaining \$35,000 is requested from the City to award the contract, paid through unbudgeted streets system development (SDC) funds. There are adequate SDC funds to pay for this match.

The following discussion will outline the advantages of funding the additional \$35,000 for this TSP update. There will also be additional recommendations for contracting directly with Parametrics/Alta Planning for additional “bells and whistles” biking and pedestrian amenities above and beyond the current TSP scope.

Background/Discussion: The data for the City’s original TSP was collected in 1996 and the document was adopted as a requirement of the Urban Growth Boundary expansion and State law in 2002. The document provided a list of prioritized projects as well as funding opportunities. A TSP typically covers a 20 year planning period which will expire in 2016. With this date fast approaching, the City applied for and received a Transportation Growth Management (TGM) Grant sponsored by the Department of Land Conservation and Development and the Oregon Department of Transportation (ODOT) to update the TSP before its expiration.

An updated TSP will provide guidance for a safe and efficient transportation plan, based on the needs of existing and future land uses. It will provide a list of prioritized improvement projects for existing transportation facilities considering future residential and commercial growth. One goal of the grant application was a multi-modal system with a focus on safety and enhanced with multi-use paths to encourage walking and bicycling for transportation and recreation. A comprehensive TSP is the key document to plan for future biking, bus and pedestrian amenities and obtain grant funding. The TSP will evaluate ways to develop these amenities.

The original TSP focused primarily on vehicle mobility. The new generation of TSP updates focus on multi modal transportation; vehicle, bicycle, pedestrian, bus, rail, etc. Several years ago, Staff developed a very basic bicycle masterplan. This plan needs to be evaluated by professionals to provide for maximum grant opportunities. City staff assisted ODOT in the selection of a consultant that has a proven track record for developing TSPs in City's with vibrant and successful multi modal amenities such Sisters, and Ashland as well as several coastal cities of much the same size as Brookings. After evaluating many competing pre approved transportation planning/engineering firms, ODOT and City staff selected the Parametrix and Alta Planning team based out of Portland.

The scope of work for the project has been developed into two phases and includes a strong bicycle/pedestrian component. The first phase would include a summary of the existing conditions as well as analysis of the current transportation system operations, develop future baseline conditions, and existing and future deficiencies. This would identify existing and potential problems for 15 vehicular issues and 20 bicycle issues. A workshop would then be conducted for City Council to provide direction on which problem areas are most important and deserve the most consideration. At this point the second phase of the project would begin. Phase 2 includes development of potential solutions and City Council direction of funding options and the capital improvement list. City Council would review the draft TSP update and provide direction on policies. The final step would be hearings and adoption of the updated TSP as well as any ordinance revisions needed for implementation.

Both phases of the project would involve a Technical Advisory Committee and a Citizens Advisory Committee as well as several public meetings. All meetings would provide opportunities for participants to comment. Due to the complexity of the project, TGM has extended the date for completion from June 30, 2014 to June 30, 2015. The grant award will be made through an Intergovernmental Agreement (IGA) between the City and ODOT once complete funding is secured. The chosen consultants, Parametrix and Alta Planning will contract directly with ODOT. John McDonald, ODOT Southwest Region Transportation Planner, will be attending the December 2, 2013 workshop to answer questions.

Staff asked the transportation planning team to provide additional costs estimates to contract directly with Parametrix and Alta Planning for the following concepts; road diet along Chetco Avenue, a bike safety class and educational video to be used on the public access channel, and expand bike path 6 to 10 miles beyond the City per attachment b. Staff will look for local donations and grants to supplement the extra costs for these studies. The benefit of studying a traffic diet along 101 is that the current configuration with 4 lanes and uncontrolled turning movements could provide the same level of service with 3 lanes of vehicular traffic and controlled turning movements, thus widening the buffer zone between bikes and pedestrians in downtown.

Policy Considerations: Staff cannot under emphasize the importance of this TSP document in obtaining the following City Council strategic plan goals; "Attract tourists to stop in downtown," "Expand bike paths 6-10 miles beyond the City," "Develop business and resident attraction program" "Develop bicycle plan and pursue funding for improvements," "Improve pedestrian/vehicular safety," and "Make pedestrian facilities more accessible." A good plan is the key to moving forward and the mechanism to obtain grant funding.

Attachment(s):

- a) ODOT funded TSP scope of work
- b) Additional biking scope of work and fee proposal

Attachment A

TGM 3A-12

City of Brookings Transportation System Plan

STATEMENT OF WORK

Acronyms/Definitions

Agency/ODOT	Oregon Department of Transportation
CAC	Citizen's Advisory Committee
City	City of Brookings
HSM	Highway Safety Manual
LOS	Level of Service
LTS	Level of Traffic Stress
MMLOS	Multi-Modal Level of Service
OAR	Oregon Administrative Rule
OHP	Oregon Highway Plan
Project	City of Brookings Transportation System Plan Update
TAC	Technical Advisory Committee
TM	Technical Memorandum
TPAU	Transportation Planning and Analysis Unit
TSP	Transportation System Plan
V/C	Volume to Capacity
WOCPM	Work Order Contract Project Manager

Project Purpose/Transportation Relationship and Benefits

In 2002, the City of Brookings (City) adopted their Transportation System Plan (TSP) as the Transportation Element of the City's Comprehensive Plan. The 2002 TSP established a plan for transportation facilities and services to meet local, regional, and state needs and provided direction for allocation of resources to various types of transportation projects.

Since the adoption of the 2002 TSP, the City has experienced many changes:

- the 2002 TSP provided data for future facilities only through 2017, and most of the recommended street system projects have been completed or are no longer appropriate,
- several studies and code revisions have occurred that must be incorporated into an updated TSP,
- large-scale developments have occurred, including Southwestern Oregon Community College campus; Curry General Hospital medical facility; and a new Bi-Mart store,
- City has adopted a Bicycle Master Plan, outpacing the 2002 TSP.
- City has been awarded a Safe Routes to Schools grant to construct facilities near the elementary school, however many segments connecting the school to nearby residential areas are missing.

Other issues call for a TSP update. A potential expansion of the airport may impact the intersection of Parkview Drive and US 101. US 101 serves as the City's main street, but a lack of bicycle and pedestrian amenities render US 101 problematic for those movements. Further, Railroad Street has the potential to serve as a parallel alternative to US 101, relieving congestion and improving safety on the state facility.

Project Objectives

The objectives of the City of Brookings TSP Update (Project) are to:

- Provide for a safe and efficient transportation system based on existing and future land uses;
- Prioritize improvement projects for existing transportation facilities;
- Establish a document that is easier to understand for developers and the community;
- Identify projects for Railroad Street to serve as a parallel alternative route to US 101, to improve safety and reduce congestion on both streets;
- Include a safe routes to school component [that](#) provides a plan to construct missing portions of bicycle and pedestrian infrastructure; and
- Comply with applicable state and local laws, rules, and regulations including the Oregon Highway Plan (OHP) and applicable modal plans, Highway Design Manual, Oregon Administrative Rules (OAR) chapter 734 division 051, the Transportation Planning Rule (OAR 660-012) and all other applicable laws, rules, and regulations.

Project Area

City of Brookings Urban Growth Boundary and the Harbor Unincorporated Urban Area.

Expectations about Written and Graphic Deliverables

Updated TSP must be written concisely and use a simple and direct style, both to minimize the length of the final document and to make it understandable to as large an audience as is reasonable. Where possible, information must be presented in tabular or graphic format, with a simple and concise accompanying narrative (e.g. system inventories, traffic conditions). Electronic documents must be in a format easily translated by a screen reader or text-to-voice software.

Consultant shall provide copies of written deliverables to City and Work Order Contract Project Manager (WOCPM) in electronic formats. Electronic versions must be in Microsoft Word format, or an editable format agreed upon by City and WOCPM.

Draft Deliverables: City shall submit one set of consolidated, non-conflicting comments on draft deliverables to Consultant. WOCPM shall submit one set of comments to Consultant. [Revisions to Draft Technical Memoranda #6 and to the Prioritized Project List other than factual errors are not included in this WOC. City and WOCPM comments on TM #6 and the Prioritized Project List would be noted and addressed in the Draft Updated TSP in Task 6. Comments regarding extensive reorganization and/or revisions to Draft TMs or the Draft Updated TSP may require a contract amendment.](#)

Consultant shall provide maps and graphic deliverables in JPEG or an editable electronic format (Auto Cad for engineered graphics and Geographic Information System (GIS) format for maps) to City and WOCPM. Electronic versions must be either in JPEG or Adobe Acrobat format, or a format agreed upon by City and WOCPM. Maps and graphics must include details necessary to ensure usability. Maps must include, at a minimum: a scale; a direction indicator indicating north; a color scheme that ensures readability in black and white; a legend; source; and date for the underlying information.

The following text must appear in Project's final products:

“This project is partially funded by a grant from the Transportation and Growth Management (TGM) Program, a joint program of the Oregon Department of Transportation and the Oregon Department of Land Conservation and Development. This TGM grant is financed, in part, by federal Moving Ahead for Progress in the 21st Century (MAP-21), local government, and the State of Oregon funds.

The contents of this document do not necessarily reflect views or policies of the State of Oregon.”

Expectations About Public Involvement

The Public Involvement program must comply with Statewide Planning Goal 1 (Citizen Involvement), which calls for “the opportunity for citizens to be involved in all phases of the planning process.”

City shall consider environmental justice issues, which is the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income with respect to the development, implementation, and enforcement of environmental laws, regulations, and policies. **Fair treatment** means that no group of people, including a racial, ethnic, or a socioeconomic group, should bear a disproportionate share of the negative environmental consequences resulting from industrial, municipal, and commercial operations or the execution of federal, state, local, and tribal programs and policies. **Meaningful involvement** means that: (1) potentially affected community residents have an appropriate opportunity to participate in decisions about a proposed activity that will affect their environment and health; (2) the public's contribution can influence the regulatory agency's decision; (3) the concerns of all participants involved will be considered in the decision making process; and (4) the decision makers seek out and facilitate the involvement of those potentially affected.

City shall consider Title VI regarding outreach to minorities, women, and low-income populations. Special efforts shall be directed to ensuring outreach to and representation of minorities, women, and low income populations.

The primary aspect of Public Involvement is through the Citizens Advisory Committee (CAC). City shall ensure that meetings include outreach to and opportunity for representatives of the following interests to be heard: freight, business, residents-at-large, property development, and environmental justice.

Specific information regarding the deliverable and responsibility of Public Involvement tasks is listed under the appropriate task.

Expectations About Traffic Analysis

An Oregon-registered professional engineer (civil or traffic) shall perform or oversee all traffic analysis work. **Final Technical Memoranda (TM) containing transportation analysis must be stamped; these memoranda are: Revised TMs #3, #4, and #5, and #6.** In addition, Consultant shall have a professional transportation planner on the project team.

Traffic analysis software must follow Highway Capacity Manual 2010 procedures. Traffic analysis must comply with Oregon Department of Transportation's (ODOT) Analysis Procedures Manual available at <http://www.oregon.gov/ODOT/TD/TP/Pages/APM.aspx>. Consultant shall coordinate all analysis with ODOT's Transportation Planning Analysis Unit (TPAU) and Region 3 Traffic. Consultant shall get approval of existing and future analysis methodology from TPAU and Region 3 Traffic via a Methodology Memorandum prior to beginning analysis. Consultant shall obtain approval of analysis and conclusions from TPAU and Region 3 Traffic Section prior to submitting Draft TMs.

Consultant shall provide all traffic analysis work in electronic format (as Synchro, HCS+, or Micro Station, etc. files).

The planning horizon year for future scenarios is **2034** to provide consistency with other local and regional planning efforts.

Expectations About Meetings

City shall arrange meetings including setting the time and location, arrange facilities, and provide notification to interested persons.

Consultant shall present materials and answer questions at meetings. No more than two total Consultant staff members may attend each meeting.

Technical Advisory Committee (TAC) meetings are expected to be two (2) hours or less. Citizens Advisory Committee (CAC) meetings are expected to be two (2) hours or less. Public Meetings are expected to last four (4) hours or less. Whenever possible, TAC and CAC meetings must be scheduled on the same or adjacent days to minimize travel costs

ODOT and/or the City shall be responsible for printing all written meeting materials (Technical Memorandums, agendas and handouts) required for distribution prior to or at the meetings (CAC, TAC, Public, and City Council/Planning Commission). Consultant shall print presentation boards for CAC, TAC, Public, and City Council/Planning Commission meetings.

PROJECT WORKSCOPE

TASK 1 PROJECT MANAGEMENT

1.1 Project Management

Consultant shall be responsible for Project Management throughout the duration of Project. Consultant shall manage the analysis and production efforts, and in coordination with ODOT, monitor progress and quality control activities. Consultant's specific Project management duties include, but are not limited to:

- Program, supervise, and coordinate Project work and Consultant staff.
- Communicate regularly with WOCPM via ~~bi-~~monthly phone conference call (approximately ~~twenty-four~~eighteen (2418) teleconferences with 2 hours budgeted per teleconference, one (1) hour for the teleconference and one (1) hour for preparation and documentation).
- Prepare, maintain and update Working Schedule. Initial Working Schedule must be submitted within two (2) weeks of Notice To Proceed.
- Prepare and submit monthly invoice and progress report to WOCPM by the 15th of each month.
- Set up and maintain Project files.
- Conduct management level review of work-in-progress and final products.
- Kick-off Meeting (Telconference).
- City will be responsible for organizing TAC and CAC participants and providing Consultant with contact information.

~~1.2 Comment Matrix~~

~~Consultant shall prepare and maintain throughout the duration of the Project a Comment Matrix. Comment Matrix must include all comments received from the City, WOCPM, TAC and CAC during the project and how each comment was addressed. Consultant shall submit Comment Matrix to City and WOCPM with each Revised TM.~~

City Deliverables

- 1A Project Management Teleconferences
- 1B Review and comment on Consultant deliverables

Consultant Deliverables

- ~~1A Project Management Teleconferences~~
- ~~1B1A Project Management Teleconferences Initial Working Schedule~~
- ~~1C1B ScheduleComment Matrix~~

TASK 2 POLICY BACKGROUND, GOAL SETTING, AND EXISTING CONDITIONS

2.1 Draft TM #1

Consultant shall prepare Draft TM #1, to define goals and context for preparing the Updated TSP and to establish the baseline assumptions for the Project. At a minimum, TM #1 must include:

a. Policy Review

A review of existing plans, policies, strategies, and codes applicable to the Project to understand and document their relationship and identify any potential conflicts with

transportation system planning in the area. The City and ODOT will provide existing plans, policies, strategies, and codes applicable to the Project to the Consultant team. Consultant's review must include the following:

- City Comprehensive Plan
- City 2002 TSP
- City Bicycle Master Plan
- City zoning and subdivision ordinances and associated street standards
- Constitution Area Refinement Study
- City Urban Renewal Plan
- US 101: Thomas Creek to Chetco River Access Management Plan
- Downtown Brookings – Highway 101 Transportation Solutions Project
- Brookings Pavement Management Plan
- Oregon Transportation Plan
- Transportation Planning Rule (OAR 660-012) with amendments
- Access Management Rule (OAR 734-051) with amendments
- OHP
- Highway Design Manual
- State Modal Plans (Bicycle and Pedestrian, Freight, Public Transportation, Aviation, Transportation Safety)
- City Economic Opportunity Analysis
- Statewide Transportation System Improvement Program
- US 101 Corridor Plan (or TMs if plan not yet adopted)

b. Goals and Objectives

At a minimum, goals and objectives must contain the following:

- Purpose and Introduction – states the reasons and context for the Project.
- Goals and Objectives- reflect the goals of City, ODOT, and other key stakeholders for the transportation system in the area.
- Evaluation Criteria associated with goals and objectives to compare and select preferred projects. Decision criteria for selecting the preferred alternative will be developed in consultation with ODOT and City, but will likely include, at a minimum: mobility, cost, likelihood of being funded, safety, land use, environmental effects, and effect on Title VI and Environmental Justice populations.
- Project Area depicting City limits, Urban Growth Boundary, and urbanized areas likely to impact City transportation system.

2.2 Methodology Memorandum

Consultant shall prepare and submit a Methodology Memorandum for existing conditions, future conditions, and alternative analysis to TPAU and Region 3 Traffic Section. Consultant shall obtain approval of methodology from TPAU and Region 3 Traffic Section prior to beginning analysis.

2.3 Draft TM #2

Consultant shall prepare Draft TM #2, a summary of the existing conditions affecting the transportation system. TM #2 must include an inventory of the transportation facilities in the

Project Area. Consultant shall use available data (from City, 2002 TSP, ODOT, etc.) to develop inventories. All inventories must be presented in a tabular and map format, with a simple and concise accompanying narrative in electronic file(s) for inclusion in Updated TSP.

a. Existing Land Uses

- Summarize existing land uses and vacant and developable land.
- Create and provide maps showing the comprehensive plan designation, zoning designation, and any special overlay areas.

b. Existing Street Network

- Location and jurisdictional responsibility
- Roadway functional classification, including differentiation between state and local arterials, minor collectors, and major collectors
- Freight routes
- For collectors and above
 - pavement and shoulder width, number of lanes, lane width
 - Right-of-way width
 - Pavement type and condition
 - Medians
 - On street parking locations
 - Posted speed limits
 - Stop control devices
 - Bridges and condition (per ODOT Bridge Management System)
 - Culverts (per ODOT's inventory)
 - OHP classification

c. Existing Bicycle/Pedestrian Network

- Bicycle facility types, locations, width, surface type, ownership, geometry, and conditions.
- Pedestrian facility types, locations, geometry, conditions, provided by City of Brookings or ODOT.
- Crosswalk locations, and conditions.
- Americans with Disability Act curb ramp inventory and inventory of substandard sidewalk widths provided by City of Brookings or ODOT.
- Arterials and collector streets currently lacking bicycle and/or pedestrian facilities.
- Activity centers likely to draw bicyclists and pedestrians, such as schools and commercial centers.

d. Existing Public Transit Services Inventory

- Existing and planned public transportation facilities and services.
- Major transit stops and fixed-routes for geographic areas and populations served.
- Limitations to service, including service to other communities or problems with accessing the services.
- Para-transit and dial-a-ride coverage, demand and cost.

e. Existing Air, Water, Rail and Pipeline Inventories

- A brief summary of existing air, water, rail and pipelines from existing inventory sources.

f. Natural Resources and Environmental Barriers

- Goal 5 Resource mapping.
- Federal Emergency Management Agency floodplain mapping.
- Tsunami inundation zone mapping.
- Potential wetlands.
- Threatened and Endangered listed species.
- Known hazardous materials spill locations.
- Historic resources.
- Potential archaeology sites.

g. Demographic Data

- Existing demographic and employment data using available information from 2010 United States census data, City Staff, Curry County Staff, CAC and TAC team members.
- Title VI and Environmental Justice populations, including minority populations, elderly, low-income, and other protected groups, must be identified and mapped using information from the most recent United States Census data available, TAC, CAC, and City

2.4 Draft TM #3

Consultant shall prepare Draft TM #3 to describe current transportation system operations and turning movements in the Project Area. Consultant shall use ODOT provided counts and all volumes must be the 2012 30th highest hour. Signalized intersections must use Highway Capacity Manual 2000 methods for obtaining intersection volume-to-capacity (v/c) ratios. Draft TM #3 must include:

a. Traffic Counts

- i. Counts north of the Chetco River:*
 - 16-hour classification counts
 - US101 @ Constitution Way
 - US101 @ Parkview Drive (Co Hwy 752)
 - US101 @ Carpenterville Road
 - 6-hour (12-6 PM) volume only counts
 - US101 @ Alder Street
 - US101 @ Oak Street
 - US101 @ Fern Avenue
 - US101 @ Center Street
 - US101 @ Mill Street
 - US101 @ Pacific Avenue
 - US101 @ Fifth Street
 - US101 @ Easy Street / Crissey Circle (south)
 - US101 @ Lone Ranch Parkway
 - Easy Street @ Fifth Street
 - Easy Street @ Pioneer Road
 - Fifth Street @ Elk Drive
 - Railroad Street @ Fifth Street

- Railroad Street @ Center Street
- Railroad Street @ Wharf Street / Cove Road / Memory Lane
- Railroad Street @ Oak Street

ii. *Counts south of the Chetco River*

- 6-hour ~~volume~~ (12-6 PM) volume only counts
 - Benham Lane / Lower Harbor Road (Co Hwy 817) @ Oceanview Drive (Co Hwy 872)
 - Benham Lane @ Wenbourne Lane
 - Shopping Center Avenue @ Lower Harbor Road (Co Hwy 816)
 - Shopping Center Avenue @ W. Hoffeldt Lane

iii. *Counts south of the Chetco River (from US 101 Corridor Plan):*

- US101 @ East Benham Lane / West Benham Lane
- US101 @ Hoffeldt Lane
- US101 @ Zimmerman Lane (Connection to Shopping Center Drive)

Counts in iii will be the technical results (i.e. developed volumes) from the US 101 Corridor Plan.

iv. *Tube Counts*

- US 101 @ Fifth Street (north of US101)
- US 101 @ Fifth Street (south of US 101)
- Fifth Street @ Easy Street (north of Easy Street)
- Easy Street @ Fifth Street (west of Fifth Street)
- Easy Street @ Fifth Street (east of Fifth Street)
- Pacific Avenue @ Hillside Avenue (west of Hillside Avenue)
- Pacific Avenue @ Hillside Avenue (east of Hillside Avenue)
- Pioneer Road @ Easy Street (south of Easy Street)
- US 101 @ Oak Street (north of US 101)
- US 101 @ Oak Street (south of US 101)
- Del Norte Road @ Oak Street (east of Oak Street)
- Memory Lane @ Railroad Street (south of Railroad Street)
- Railroad Street @ Fifth Street (west of Fifth Street)
- Railroad Street @ Fifth Street (east of Fifth Street)
- Railroad Street @ Center Street (east of Center Street)
- Railroad Street @ Memory Lane (east of Memory Lane)
- Center Street @ US 101 (south of US 101)
- Hillside Avenue @ US 101 (north of US 101)
- Shopping Center Avenue @ Lower Harbor Drive (south of Lower Harbor Drive)
- Lower Harbor Road @ Shopping Center Avenue (south of Shopping Center Avenue)
- Benham Lane @ Oceanview Drive (between Oceanview Drive and Weinborne Lane)
- Benham Lane @ Weinborne Lane (east of Weinborne Lane)
- Oceanview Drive @ Weinborne Lane (north of Weinborne Lane)
- Oceanview Drive @ Weinborne Lane (south of Weinborne Lane)

All counts have 15-minute breakdowns. All traffic counts include non-vehicular counts (ie, bicycles and pedestrians, etc) and turning movements.

b. Current Transportation System Operation Analysis

Consultant shall perform traffic analysis for a.i. and a.ii. traffic count locations. Consultant shall summarize traffic analysis for all a.iii. traffic count locations from traffic analysis developed for the US 101 Corridor Plan. Tube traffic count locations a.iiii will be summarized on map. All traffic count analysis must be submitted to TPAU, WOCPM, and City. Operational analysis must include:

- v/c ratio,
- Vehicular Level of Service (LOS),
- Turning movements shown on figures.

Consultant shall summarize non-motorized transportation movements for all count locations. Summary must include:

- Volume
- Type
- Direction

c. Qualitative Multimodal Assessment

e. ~~Multi Modal Level of Service (MMLOS) Analysis~~

Consultant shall conduct a qualitative ("Good, Fair, Poor") multimodal assessment~~MMLOS analysis using Complete Streets LOS~~ for the Project Area roadways classified as collectors and above. The assessment~~MMLOS~~ analysis must include bicycle, pedestrian, and transit (if applicable) operations. Agency guidance about the qualitative multimodal assessment~~MMLOS~~ methodology is available in the "Qualitative MMLOS Supplement" from the WOCPM.

d. Level of Traffic Stress (Bicycles Only)

Consultant shall conduct Level of Traffic Stress (LTS) analysis for all roadways in the Project Area. As much as possible, data should be obtained from current aerial photography and (TSP) roadway inventories before field data collection for bicycles only in the Project Area. Bicycle LTS will be evaluated and results graphically displayed for the existing conditions. The methodology is explained in the paper, "Low Stress Bicycling and Network Connectivity", available at: <http://transweb.sjsu.edu/project/1005.html>. Agency guidance about the LTS methodology is available in the "Bicycle Level of Traffic Stress Supplement" from the WOCPM.

e. Crash Analysis

Consultant shall obtain the past five (5) years (2008-2012) of crash data from Agency's Crash Data & Reporting Unit for both state and non-state roadways and perform crash analysis. For state highway intersection approaches, 2012 Transportation Volume table AADT data or converted AADT's from 16-hour count data shall be used. For local street approaches, the tube count data in Section 2.4.a.iii shall be used (converted to AADT). Consultant's data for state highways must include locations of Safety Priority Index System (SPIS). -Consultant shall use the Highway Safety Manual (HSM) Part B Network Screening Critical Crash Rate method for intersections to determine safety issue areas. Each reference population used in the critical crash rate method must have at least 5 (five) sites. If this is not

met, ~~intersection crash rates need to be contact TPAU for alternate methodologies.~~ Segment data must be compared with ~~the official~~ published 90th percentile crash rates (See ODOT ~~Analysis Procedure Manual Chapter 4~~) . ~~For Crash Tables—Table II) for similar facilities. For segments that exceed the published crash rate and~~ intersections that exceed the identified critical crash rate and/or the published 90th percentile rate, crash patterns, evaluation of causes and potential countermeasures must be identified for each site. Consultant shall map locations of these safety issue areas and the Safety Priority Index System sites. Consultant shall utilize the Crash Data and MMLOS/LTS to identify potential countermeasures and safety improvement alternatives.

2.5 Revised TM #1, TM #2 and TM #3

Within ten (10) days of receiving comments from City, WOCPM, TAC and CAC, Consultant shall revise TMs #1, TM #2 and TM #3 and submit to WOCPM and City.

City Deliverables

2C Review and comment on Consultant deliverables

Consultant Deliverables

2A Draft TM #1
2B Methodology Memorandum
2C Draft TM #2
2D Draft TM #3
2E Revised TM #1
2F Revised TM #2
2G Revised TM #3

TASK 3 FUTURE BASELINE (NO BUILD) CONDITIONS, AND EXISTING AND FUTURE DEFICIENCIES

3.1 Draft TM #4

Consultant shall develop Draft TM #4 to describe the future baseline (no-build) land-use and traffic volume forecasts and analyze operations. TM #4 must include all fiscally constrained projects listed in the Statewide Transportation System Improvement Program and City and Curry County Capital Improvement Programs. All data must be presented in tabular and mapped formats and include a narrative.

a. Future Land Use Analysis

Projected future land use will be for the planning horizon (2034), accounting for projected population and employment changes, and City Comprehensive Plan.

b. Future Transportation System Operations Analysis

Traffic analysis under a no-build scenario for both automobile and non-automobile transportation. The no-build scenarios must follow the same format as in TM #3 and contain v/c ratio, LOS, and turning movements, shown on figures. Future no-build traffic volumes will be generated by the Brookings travel demand model and supplied

to the Consultant by TPAU. Consultant shall submit a completed TPAU model request form available at: <http://www.oregon.gov/ODOT/TD/TP/Pages/Tools.aspx>. Consultant shall allow at least three (3) weeks for between the time that the request is submitted and when the information is needed. Consultant shall post-process the data.

In developing the no-build scenarios, Consultant must rely only on planned transportation improvements that have an identified and committed funding source (e.g. are in the Statewide Transportation Improvement Program or City Capital Improvement Plan).

c. **Future MMLOS Analysis**

Consultant shall conduct a qualitative MMLOS analysis for the Project Area similar to TM #3. MMLOS analysis must include bicycle, and pedestrian, ~~and transit~~ (if applicable) operations.

d. **Future Level of Traffic Stress Analysis**

Future Bicycle LTS will be evaluated and results graphically displayed for the future conditions (based on planned future projects) similarly to in TM #3.

3.2 Draft TM #5

Consultant shall prepare Draft TM #5, describing existing and future transportation system deficiencies and needs. Based on standards and goals identified in TM #1, Consultant shall identify deficiencies in the system and describe overall system needs for both vehicular and non-vehicular traffic. Data must be presented in tabular and mapped formats, and include a narrative.

TM #5 must clearly describe:

- What level of service constitutes a deficiency for bicycle and/or pedestrian access
- each deficiency ~~and the year it is expected to occur,~~
- areas with specific safety concerns and other deficiencies related to pavement preservation and bicycle and pedestrian connections,
- deficiencies related to Title VI and Environmental Justice populations.

3.3 TAC Meeting #1

City shall arrange and Consultant shall conduct TAC Meeting #1 to solicit input on Draft TMs. Consultant shall provide agenda and meeting materials to City, WOCPM and TAC members at least two weeks prior to meeting to allow sufficient time for review and comment. Consultant shall distribute meeting summaries to City, WOCPM and TAC within one week of meeting.

Consultant may use time in Brookings prior or after TAC meeting to gather or review transportation system data and analysis.

3.4 CAC Meeting #1

City shall arrange and Consultant shall conduct CAC Meeting #1 to solicit input on Draft TMs. Consultant shall provide agenda and meeting materials to City, WOCPM and CAC members at least two weeks prior to meeting to allow sufficient time for review and comment. Consultant shall distribute meeting summaries to City, WOCPM and CAC within one week of meeting.

3.5 Public Meeting #1

City shall arrange and Consultant shall conduct Public Meeting #1 to introduce the Project and to receive public input on existing and future conditions and identified deficiencies. Consultant shall provide presentation materials and comment cards and provide summary of input, including a brief written response to each comment to City and WOCPM within two (2) weeks of meeting.

~~3.63.65 Revised TM #4 and TM #5~~

~~Within ten (10) days of receiving comments from City, WOCPM, TAC and CAC, Consultant shall revise TMs and submit Revised TMs to WOCPM and City.~~

3.5 Joint City Council / Planning Commission Workshop

City shall arrange and Consultant shall present to a Joint City Council / Planning Commission Workshop information on all identified deficiencies. The purpose of the Workshop is for the City Council and Planning Commission to provide direction to city staff and the Consultant regarding the priority of the deficiencies. Consultant shall draft a Joint City Council / Planning Commission Summary, identifying the prioritized list of deficiencies, and submit the Summary to the City and WOCPM.

3.7 Revised TM #4 and TM #5

Within ten (10) days of receiving comments from City, WOCPM, TAC and CAC, Consultant shall revise TMs and submit Revised TMs to WOCPM and City.

City Deliverables

- 3A TAC Meeting #1
- 3B CAC Meeting #1
- 3C Public Meeting #1
- 3D Review and comment on Consultant deliverables

Consultant Deliverables

- 3A Draft TM #4
- 3B Draft TM #5
- 3C TAC Meeting #1
- 3D CAC Meeting #1
- 3E Public Meeting #1
- 3F Revised TM #4
- 3G Revised TM #5
- 3H Joint City Council / Planning Commission Workshop Summary

TASK 4 ALTERNATIVES EVALUATION

4.1 Draft TM #6

Consultant shall prepare Draft TM #6, Alternatives Analysis to develop potential system alternatives and analyze their impacts.

a. Develop System Alternatives

Based on work in previous tasks, Consultant shall develop and evaluate one or two strategies improvement alternatives to address each identified deficiency for up to fifteen (15) motorized deficiency locations and up to 10 bicycle and pedestrian deficiency locations. The total number of motorized alternatives will not exceed thirty (30) and the total number of bicycle and pedestrian alternatives will not exceed twenty (20). Consultant shall consult with TPAU and Agency to ensure that ~~strategies~~ improvement alternatives affecting State roads are compatible with ODOT standards. ~~Strategies~~ Improvement alternatives must be compliant with the Transportation Planning Rule and OHP. ~~Strategies~~ Improvement alternatives must not be limited to construction projects, but must include access management (on all ODOT facilities and City collectors and above), ~~potential land use changes~~ and Transportation Demand Management recommendations. ~~One of the alternatives~~ alternatives on Chetco Ave (US-101) that will be examined is changing the existing 4 lane section in downtown Brookings to a 3 lane configuration to improve vehicle, bicycle and pedestrian safety. A road diet alternative on Chetco Ave, in downtown Brookings, will not be considered in the TSP update. Changing the lane configuration at individual intersections on Chetco Ave, in downtown Brookings, may be considered.

For each ~~alternative~~ improvement alternative, the Consultant shall:

- Design concept level diagrams with a narrative description.
- Review the natural resources and environmental barriers inventory from prior tasks and identify any potential conflicts.
- Develop a Rough Order Magnitude concept cost opinion.
- Identify impacts/benefits to bicycle and pedestrian facilities and network.
- Identify impacts/benefits to Transit system.
- Identify any impacts/benefits to the freight network.
- Identify impacts/benefits to identified Title VI and Environmental Justice populations.

b. Future Traffic Operations

In consultation with TPAU and Region 3 traffic, consultant shall identify which alternatives require further traffic operations analysis. ~~No New~~ alternatives generally will require a new travel demand model scenario to be created unless changes are operational in nature. This will include v/c, LOS, MMLOS, and LTS procedures as in previous tasks. No transit MMLOS will be conducted.

c. Future Safety

For each alternative developed to specifically address a safety concern, Consultant shall summarize safety impacts of each design. Consultant shall use HSM Crash Modification Factors for summarizing the potential crash reduction of each alternative. All Crash Modification Factors shall have a star rating of 3 or better from the HSM Crash Modification Factors Clearinghouse and must have consistent volumes/parameters with the TSP analysis.

d. Roadway System Classification Changes

Consultant shall evaluate the need for other roadway changes, and identify changes in road functional classification that may occur from changes in travel patterns.

e. Transportation Funding Forecast

Consultant shall prepare a future transportation funding forecast based on current and historic funding sources. Other potential sources for future consideration must be included. Funding sources for non-vehicular traffic must be listed separately in the forecast.

f. Evaluation Matrix

Consultant shall use Evaluation Criteria developed in TM #2-1 to compare the alternatives. Comparison must be presented in text and tabular formats. Matrix must include MMLOS and LTS criteria to assess each alternative's impact on bicycle and pedestrian facilities.

4.2 TAC Meeting #2

City shall arrange and Consultant shall conduct TAC Meeting #2 to solicit input on Draft TM #6. Consultant shall provide agenda and meeting materials to City, WOCPM and TAC members at least two weeks prior to meeting to allow sufficient time for review and comment. Consultant shall distribute meeting summaries to City, WOCPM and TAC within one week of meeting.

Consultant may use time in Brookings prior or after TAC meeting to gather or review transportation system data and analysis.

4.3 CAC Meeting #2

City shall arrange and Consultant shall conduct CAC Meeting #2 to solicit input on Draft TM #6. Consultant shall provide agenda and meeting materials to City, WOCPM and CAC members at least two weeks prior to meeting to allow sufficient time for review and comment. Consultant shall distribute meeting summaries to City, WOCPM and CAC within one week of meeting

4.4 Public Meeting #2

City shall arrange and Consultant shall conduct Public Meeting #2 to provide an opportunity for the public to review and provide comment on proposed alternatives developed in Draft TM #6. Consultant shall provide presentation materials and comment cards and provide summary of input, including a brief written response to each comment, to City and WOCPM within two (2) weeks of meeting.

4.5

~~Revised TM #6~~

~~Within ten (10) days of receiving comments from City, WOCPM, TAC and CAC, Consultant shall revise TM #6 and submit to WOCPM and City.~~

City Deliverables

- 4A TAC Meeting #2
- 4B CAC Meeting #2
- 4C Public Meeting #2
- 4D Review and comment on Consultant deliverables

Consultant Deliverables

- 4A Draft TM #6
- 4B TAC Meeting #2

- 4C CAC Meeting #2
- 4D Public Meeting #2
- 4E ~~Revised TM #6~~

TASK 5 PREFERRED SYSTEM PLAN

5.1 Prioritized Project List

Consultant shall prepare a two-tier prioritized project list based on input from the City on the priority order of improvement alternatives to address transportation system deficiencies submitted in Draft TM #6 and the priority order of transportation system alternatives earlier tasks. The first tier must include a fiscally constrained list of planned transportation improvements based on revenues expected to be available per the Transportation Funding Forecast. Consultant must summarize why each was selected and include a general estimate of the timing for each project. For each project (or related set of projects), Consultant must develop a one-page, two-sided project prospectus sheet for each project in the constrained list. Project prospectus must include, at a minimum, need, project costs, location map, and cross-section.

The second tier must include a non-fiscally constrained list of projects along with a general estimate of the timing for each improvement (short, medium, or long term).

Consultant shall submit Draft Prioritized Project List to WOCPM and City for review.

5.2 ~~Revised Priority List~~

~~Within ten (10) days of receiving comments from WOCPM and City, Consultant shall revise and submit Revised Prioritized Project List to WOCPM and City.~~

City Deliverables

- 5A Review and comment on Consultant deliverables

Consultant Deliverables

- 5A Prioritized Project List
- ~~5B Revised Prioritized Project List~~

TASK 6 UPDATED TSP PREPARATION

Subtask 6.1 Draft Implementing Ordinances and Code Changes

Consultant shall make recommendations to the WOCPM and the City on ~~prepare an adoption-ready Draft Implementing Ordinances and Code Changes with~~ code changes and supporting ordinances for implementation of the Updated TSP. The City will prepare an adoption-ready Draft Implementing Ordinances and Code Changes. Draft Implementing Ordinances and Code Changes must be prepared using strikeout to show deletions to code and underline to show additions. Consultants shall ~~design~~ make recommendations on ordinances and code changes to enable plan implementation and protect facility and corridor function. Consultant's recommendations on TSP policies and ordinances must ensure that the city codes provide for the

coordination of land use and the transportation system and allow for proper application of the Updated TSP. Ordinances must include the following:

- Access management ordinances and policies such as driveway and public road spacing, median control and signal spacing standards.
- Standards to protect future operations of roads and transit corridors.
- Regulations ensuring safe and convenient bicycle facilities and sidewalks.
- A process for Agency notification and coordinated review of future land use decisions affecting transportation facilities.
- Regulations ensuring that amendments to land use designations, densities, and design standards are consistent with function, capacity and level of service of facilities identified in the Updated TSP.

Subtask 6.2 Draft Updated TSP

Consultant shall prepare a Draft Updated TSP, which includes, at a minimum, the following elements:

- Executive summary, that serves as a stand alone summary of the most important aspects of the Updated TSP
- Goals, Policies and Objectives
- Existing conditions, including demographics
- A detailed description of planned transportation facilities, services, and improvements, including the type, classification, capacity, mobility, right-of-way width, number of lanes, and planned locations, including a map showing the general location of planned improvements
- Project prospectus sheets
- Road plan
- Public transportation plan
- Bicycle and pedestrian plan
- Air, water, rail, and pipeline plan
- Parking Plan
- Implementation and finance plan
- Revised Prioritized Project List
- Ordinance revisions of Section X – Transportation of the Comprehensive Plan, and Land Development Code
- Title 6 summary and documentation

All supporting documentation, including the Final ~~TM~~TM #1-5, Draft TM #6, and the ~~Draft~~ Prioritized Project List must be included as an appendix.

6.3 TAC Meeting #3

City shall arrange and Consultant shall conduct TAC Meeting #3 to solicit input on Draft Updated TSP and Draft Implementing Ordinances and Code Changes. Consultant shall provide agenda and meeting materials to City, WOCPM and TAC members at least two weeks prior to meeting to allow sufficient time for review and comment. Consultant shall distribute meeting summaries to City, WOCPM and TAC within one week of meeting

6.4 CAC Meeting #3

City shall arrange and Consultant shall conduct CAC Meeting #3 to solicit input on Draft Updated TSP and Draft Implementing Ordinances and Code Changes. Consultant shall provide agenda and meeting materials to City, WOCPM and CAC members at least two weeks prior to meeting to allow sufficient time for review and comment. Consultant shall distribute meeting summaries to City, WOCPM and CAC within one week of meeting

~~6.5 Revised Implementing Ordinances and Code Changes and Revised Updated TSP~~
~~Within ten (10) days of receiving comments from City, WOCPM, TAC and CAC, Consultant shall revise drafts of Implementing Ordinances and Code Changes and Updated the TSP, and submit to WOCPM and City.~~

6.6 Joint Planning Commission / City Council Workshop

City shall arrange and conduct and Consultant shall attend, present information, and receive feedback on Draft Updated TSP and Draft Implementing Ordinances and Code Changes ~~the Revised Implementing Ordinances and Code Changes and Revised Updated TSP~~ to a Joint Planning Commission / City Council Workshop. It is anticipated that the Joint Planning Commission / City Council Workshop will last three (3) hours. It is anticipated that the Joint Planning Commission / City Council Workshop will ~~not~~ be held on the same trip as the TAC and CAC Meetings.

~~6.7~~ 6.6 Adoption Draft Implementing Ordinances and Code Changes and Adoption Draft Updated TSP

Within ten (10) days of receiving comments from Joint Planning Commission / City Council Workshop, ~~Consultant the City~~ shall ~~again~~ revise Implementing Ordinances and Code Changes and ~~the Consultant Updated shall updated the~~ TSP as a final document, and submit to WOCPM and City. The City shall be responsible for printing the Final TSP.

City Deliverables

- 6A TAC Meeting #3
- 6B CAC Meeting #3
- 6C Joint Planning Commission / City Council Workshop
- 6D Review and comment on Consultant deliverables
- 6E Adoption Draft Implementing Ordinances and Code Changes

Consultant Deliverables

- 6A Draft Implementing Ordinances and Code Changes
- 6B Draft Updated TSP
- 6C TAC Meeting #3
- 6D CAC Meeting #3
- ~~6E Revised Implementing Ordinances and Code Changes~~
- ~~6F Revised Updated TSP~~
- ~~6G~~6E Joint Planning Commission / City Council Workshop
- ~~6H Adoption Draft Implementing Ordinances and Code Changes~~
- ~~6I~~6F Adoption Draft Updated TSP (Final TSP)

~~TASK 7 — ADOPTION~~

~~Subtask 7.1 — Planning Commission Adoption Hearing~~

~~City shall arrange and present the Adoption Draft Updated TSP and Adoption Draft Implementing Ordinances and Code Changes to the City Planning Commission.~~

~~Subtask 7.2 — City Council Adoption Hearing~~

~~City shall arrange and present the Adoption Draft Updated TSP and Adoption Draft Implementing Ordinances and Code Changes to the City Council.~~

~~Subtask 7.3 — Final Documents —~~

~~Consultant shall provide WOCPM and City each with two (2) hard bound copies of Final Updated TSP and Final Implementing Ordinances and Code Changes, and digital copies in PDF and Word formats. Consultant shall provide to City and WOCPM copies of all Project documents in electronic format.~~

~~City Deliverables~~

~~7A — Planning Commission Adoption Hearing~~

~~7B — City Council Adoption Hearing~~

~~Consultant Deliverables~~

~~7A — Final Documents~~

Consultant Deliverables

<i>Task</i>	<i>Description</i>	<i>Total Fixed Amount Payable to Consultant Per Deliverable</i>	<i>Schedule (months following NTP)</i>
1	Project Management		
1A	Project Management Teleconferences (24 @ \$ per meeting)		Ongoing
1B	Initial Working Schedule		1
1C	Comment Matrix		Ongoing
	Task Total		
2	Policy Background, Goal Setting, and Existing Conditions		
2A	Draft TM #1		1
2B	Methodology Memorandum		1
2C	Draft TM #2		2
2D	Draft TM #3		2
2G	Revised TM #1		3
2H	Revised TM #2		3
2I	Revised TM #3		3
	Task Total		
3	Future Baseline (No Build) Conditions and Existing and Future Deficiencies		
3A	Draft TM #4		4
3B	Draft TM #5		4
3C	TAC Meeting #1		5
3D	CAC Meeting #1		5
3E	Public Meeting #1		5
3F	Revised TM #4		6
3G	Revised TM #5		6
3H	Joint City Council / Planning Commission Workshop Summary		7
	Task Total		
4	Alternatives Evaluation		
4A	Draft TM #6		8
4B	TAC Meeting #2		8
4C	CAC Meeting #2		8
4D	Public Meeting #2		8
4E	Revised TM #6		9
	Task Total		
5	Preferred System Plan		
5A	Prioritized Project List		9
5B	Revised Prioritized Project List		10

	Task Total		
6	Updated TSP Preparation		
6A	Draft Implementing Ordinances and Code Changes		11
6B	Draft Updated TSP		11
6C	TAC Meeting #3		11
6D	CAC Meeting #3		11
6E	Revised Implementing Ordinances and Code Changes		12
6F	Revised Updated TSP		12
6G	Joint Planning Commission / City Council Workshop		12
6H	Adoption Draft Implementing Ordinances and Code Changes		13
6I	Adoption Draft Updated TSP		13
	Task Total		
7	Adoption		
7C	Final Documents		13
	Task Total		
	PROJECT TOTAL		

The Brookings 2002 Transportation System Plan does not reflect the current goals of the City Council and community. Therefore, this update calls for enhanced consideration of bicycle, pedestrian and sustainability elements in order to assist the community in providing infrastructure and other amenities that complement the need

Specifically, related to transportation planning, the Council priority actions include:

- Develop a bicycle plan and pursue funding for improvements
- Improve pedestrian/ vehicle safety
- Replace hazardous storm drain grates
- Make pedestrian facilities more accessible
- Significantly reduce vehicle fuel consumption (for fleet)
- Expand bike paths 6-10 miles beyond city
- Attract tourists to stop in downtown Brookings
- Downtown beautification

With the city's safety and other goals in mind, the following tasks have been identified the following contingency items for completion as a complement to the TSP:

Parks Connectivity Plan

1. Amend Parks Master Plan by:
 - a. Recommending a trail plan to connect town with hiking and recreational activities
 - b. Developing hiking and trail map Parks Department (60 hours)

Enhanced bicycling component

Engineering

1. Recommend a low stress bicycle network based on the evaluation of local streets
2. Enhanced system inventory to include trails within 10 miles of the city boundary
3. Inventory drainage grates and recommend locations for replacement to bicycle friendly grates
4. As a separate deliverable, Consultant shall prepare Bicycle/Pedestrian Facility GIS Map of the bicycle/pedestrian network using GIS software approved by City. Bicycle/Pedestrian Facility GIS Map must be easily portable to a web site.
5. GIS mapping of trailheads within 10 miles of the city boundary
6. Bike Routes Connectivity/Boulevards: Drawing from the work conducted within the Urban Growth Boundary for the TSP, the consultant will recommend improvements that connect the City's bike routes and recommend future bike route extensions to trailheads within 10 miles of the city boundary, will
7. Multi-Use Trails: Drawing from the work conducted within the Urban Growth Boundary for the TSP, the consultant will provide recommendations to improve connectivity to the existing and proposed Multi-Use Trails system and City identified destinations within ten miles of the Project Area.
8. Produce wayfinding plan for connection of local trails with city points of interest, within the study area.
9. Evaluate feasibility of a Highway 101 crossing at Carpinterville Road or Dawson to connect to Harris Beach trail

10. Produce a design toolkit with design guidance to assist in selection of appropriate bicycle and pedestrian elements during project development and land development review
11. Draft Project Description sheets for five high priority locations, suitable for use in grant applications.

Encouragement

1. Develop tourism promotion materials to encourage trail users and Oregon Coast bicycle tourists to visit and stay in Brookings
2. Safe Routes To Schools: Consultant shall review the "Safe Routes to Schools" plans and activities completed by the City provide recommendations for evaluation, encouragement, and enforcement activities that would improve student safety when walking or biking to school.
3. Conduct Bicycle Friendly and Walk friendly inventories suitable for submission to the League of American Bicyclists and Walk Friendly Communities.

Education

1. Bicycle Rodeo Toolkit: Alta would develop station a set of outdoor station activities, including plan layout and script for teaching basic information on how to be safe, and avoid hazards as a bicycle and pedestrian, for children, and with adults accompanying. The activities would include on bike fun games, but not on-street cycling.
2. Safety Instruction: Alta would develop curriculum using the League of American Bicyclists need to know checklist for use in teaching to adults and children over 10 that would begin in the classroom and end with an on-street bike ride. The material would include information on how to be safe and avoid hazards as a bicycle, focusing on lane positioning, understanding pavement markings (including sharrows), and traffic control. I can teach this class in person and have it recorded by your city TV station, for ongoing use, or we can produce it as a powerpoint for delivery and use locally.

Enforcement – doesn't take time but gets you to where you want to be

1. Consultant to provide training materials on bicycle, pedestrian and motor vehicle regulations affecting the safety of road users
2. Consultant to provide promotional material for distribution to the community through various media specifying legal rights and responsibilities of all road users.

Evaluation and Planning

1. Draft sample code language for eventual adoption related to pedestrian, bicycle and transit amenities to consider during land development review, including the requirement to look at multimodal issues immediately adjacent to the facility during development review.
2. Recommend updated facility development charges and/or criteria for multimodal access review and improvements.

Sustainability Memo lower priority

Consultant shall prepare a Draft Tech Memo to provide a single reference for City sustainability programs related to transportation, reduction of reliance on the automobile, reduction of the City's carbon footprint, and other relevant sustainability policies, goals, and objectives.

1. The memo will include the following elements:
 - a. Transportation Demand Management: Consultant shall prepare a Transportation Demand Management program for the City that meets the requirements of the TPR, and furthers City's goals and objectives.

- b. Fleet Management Strategy: Develop recommendations for reducing vehicle fuel consumption for city vehicles, including electric charging stations, promotion of electric or other alternative fuel vehicles, and reduction in fleet size.
 - c. Reduction of the Carbon Footprint: Consultant shall prepare a set of policies for reducing the City's carbon footprint.
 - d. Climate Change: Consultant shall identify impacts and potential multi-modal system solutions to climate change.
 - e. Environmental Impact – to – Transportation Benefit Matrix: Consultant shall prepare a matrix identifying current and potential transportation options, and ratios of their environmental impacts to the transportation benefits.
 - f. Private Sector Sustainability Solutions: Consultant shall identify existing and potential private sector solutions to sustainability (e.g. Carsharing, Vanpool rentals, hotel shuttles), and policies City can implement to promote private sector solutions.
 - g. Other Relevant Policies, Goals, and Objectives: Consultant shall prepare a set of policies, goals, and objectives relevant to reduction of reliance on the automobile that are not already addressed in the Transportation Demand Management or Reduction of the Carbon Footprint sections of the Tech Memo 8.
2. The consultant will revise the memo based on the city's submittal of one set of consolidated, non-conflicting comments.

The purpose of this memorandum is to describe costs for contingency services related to the Brookings Transportation System Plan update. These services allow for the enhanced consideration of bicycle and pedestrian elements in order to assist the community in providing infrastructure and other amenities that reflect current City Council and community goals.

Specifically, related to transportation planning, the Council priority actions include:

- Develop a bicycle plan and pursue funding for improvements
- Improve pedestrian/ vehicle safety
- Replace hazardous storm drain grates
- Make pedestrian facilities more accessible
- Significantly reduce vehicle fuel consumption (for fleet)
- Expand bike paths 6-10 miles beyond city
- Attract tourists to stop in downtown Brookings
- Downtown beautification

The following tasks have been identified as a complement to the TSP.

Enhanced bicycling component

Connecting Neighboring Assets to Brookings

1. Road and Trail system inventory to trailheads or other city identified destinations within 10 miles of city
2. GIS mapping of trailheads within 10 miles of the city boundary
3. Bike Routes Connectivity/Boulevards: Drawing from the work conducted within the Urban Growth Boundary for the TSP, the consultant will recommend on-street and multi-use trail improvements to improve connectivity to trailheads, city-identified destinations and the multi-use trails system within ten miles of the Project Area.
4. Produce wayfinding plan for connection of local trails with city points of interest, within the study area.

Encouragement

1. Develop tourism promotion materials and Map to encourage trail users and Oregon Coast bicycle tourists to visit and stay in Brookings

Education

1. Bicycle Rodeo Toolkit: Alta would develop station a set of outdoor station activities, including plan layout and script for teaching basic information on how to be safe, and avoid hazards as a bicycle and pedestrian, for children, and with adults accompanying. The activities would include on bike fun games, but not on-street cycling.
2. Safety Instruction: Alta would develop curriculum using the League of American Bicyclists need to know checklist for use in teaching to adults and children over 10 that would begin in the classroom and end with an on-street bike ride. The material would include information on how to be safe and avoid hazards as a bicycle, focusing on lane positioning, understanding pavement markings (including sharrows), and traffic control. I can teach this class in person and have it recorded by your city TV station, for ongoing use, or we can produce it as a powerpoint for delivery and use locally.

CITY OF BROOKINGS

COUNCIL WORKSHOP REPORT

Meeting Date: December 2, 2013

Originating Dept: City Manager/Parks



Signature (submitted by)

City Manager Approval

Subject: Stout Park Lighting Project

Recommended Action:
Discussion.

Financial Impact:
Estimated cost of \$29,000 if all 10 poles are installed. Not budgeted.

Background/Discussion:
The City Council requested information on the cost of installing lighting at Stout Park.

Parks and Technical Services Supervisor Tony Baron has prepared a three-phase project for installing lighting at the park; see attached. All presume that the light poles would be the same as the green downtown street light poles, except that the park poles would also have electrical outlet boxes that would be available to support events in the park. A total of 10 poles would be included in all three phases.

Attachment(s):
a. Stout Park Lighting Project budget.

City of Brookings
Stout Park Lighting Project

October 7 2013

<i>Description</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Item Cost</i>
<u>Phase 1 - Pine Street Path</u>				
decorative light poles	3		\$1,700.00	\$5,100
concrete pole base	3	LS	\$150.00	\$450
conduit & wire (from meter & along path)	300	LF	\$6.00	\$1,800
electrician - labor	12	HR	\$150.00	\$1,800
Total phase 1				\$9,150
<u>Phase 2 - Pathway Lighting Through Park</u>				
decorative light poles	6		\$1,700.00	\$10,200
concrete pole base	6	LS	\$150.00	\$900
conduit & wire (extended from phase 1)	500	LF	\$6.00	\$3,000
electrician - labor	18	HR	\$150.00	\$2,700
Total phase 2				\$16,800
<u>Phase 3 - Light pole at Stout Mountain Railway</u>				
decorative light poles	1		\$1,700.00	\$1,700
concrete pole base	1	LS	\$150.00	\$150
conduit & wire (extended from phase 2)	100	LF	\$6.00	\$600
electrician - labor	4	HR	\$150.00	\$600
Total phase 3				\$3,050
Combined Total				\$29,000

Note: Light poles will have electrical receptacles in base for vendors

CITY OF BROOKINGS

COUNCIL WORKSHOP REPORT

Meeting Date: December 2, 2013

Originating Dept: City Manager

Signature (submitted by)

City Manager Approval

Subject: Fleet Street Parking Lot Lighting

Recommended Action:

Discussion

Financial Impact:

\$4,660-5,405; could be paid for from Urban Renewal funding.

Background/Discussion:

When the parking lot was developed adjacent to Fleet Street, wiring was installed to accommodate two parking lot light poles. The poles were never installed. The City is currently negotiating a new lease agreement with the property owner of the adjacent parking lot (Rush) to continue the past practice of utilizing both the City and the Rush property for public parking. Rush has requested that the City install street lights, citing safety concerns for downtown business patrons using the parking lot at night.

The estimated cost of installing two fiberglass street light poles is \$4,660, and the cost of installing decorative poles (to match downtown street light poles) would be \$5,405.

Attachment(s):

- a. Fleet Street Parking Lot Lighting cost estimate
- b. Drawing showing proposed street light locations.

City of Brookings
Fleet Street Parking Lot Lighting

October 7 2013

<i>Description</i>	<i>Quantity</i>	<i>Unit</i>	<i>Unit Cost</i>	<i>Item Cost</i>
fiberglass direct bury pole	2		\$1,330.00	\$2,660
200 watt light fixtures	2		\$250.00	\$500
wire	150	LF	\$2.00	\$300
electrician - labor (wiring)	8	Hourly	\$150.00	\$1,200
Total (option a)				<u>\$4,660</u>
decorative poles (option b) upcharge	2			<u>\$745</u>
Total (with option b)				<u>\$5,405</u>

(e) conduit

(e) meter

