

Vaughan

For: Monday, **January 10, 2011**, City Council Meeting

Advance Packet Information

Dated: January 3, 2011

Included in this packet is documentation to support the following Agenda items:

PUBLIC HEARINGS/ORDINANCES

- Continuation of the hearing, CP-2-10, revising Goal 11, Public Facilities Plan and Goal 14, Urbanization, of the Brookings Comprehensive Plan. [Pg. 2]
 - a. Goal 11, Public Facilities and Services. [Pg. 6]
 - b. Goal 14, Urbanization. [Pg. 12]
 - c. Public Facilities Plan (Draft). [Pg. 18]
- Ordinance amending Brookings Municipal Code Sections 17.170.020 and 17.170.060 of Chapter 17.170, Street Standards, of the Land Development Code. [Pg. 28]
 - a. Ordinance 11-O-675. [Pg. 29]

*Obtain Public Comment Forms and view the agenda and packet information on-line at www.brookings.or.us, or at City Hall. Return completed Public Comment Forms to the City Recorder before the start of meeting or during regular business hours.

All public meetings are held in accessible locations. Auxiliary aids will be provided upon request with advance notification. Please contact 541-469-1102 if you have any questions regarding this notice.

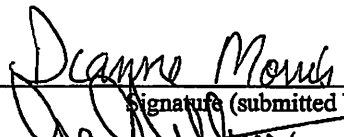
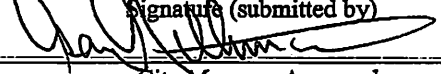
Advance Packet information is distributed separately, but later appears of the regular agenda.

CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: January 10, 2011

Originating Dept: Planning


Signature (submitted by)

City Manager Approval

Subject: A continuation of the hearing, CP-2-10, for revisions to Goal 11, Public Facilities Plan, and Goal 14, Urbanization, of the Brookings Comprehensive Plan, and replacement of the Public Facilities Plan to reflect changes resulting from the recently adopted City/ County Joint Management Agreement and other housekeeping matters.

Recommended Motion: Motion approving revisions to Goal 11, and Goal 14 of the Comprehensive Plan and approving the Public Facilities Plan replacement document. Direct staff to prepare an adopting ordinance.

Financial Impact: None

Background/Discussion: The Council conducted a hearing on this matter at their Dec.13, 2010 meeting. Public comments were received at that meeting. A continuation was requested and further time was provided for additional written comments. Exhibit E was distributed to the Council with comments and staff responses. Exhibit F has also been distributed. In this document, Exhibit G, staff concludes responses to comments found in both E and F as follows:

EXHIBIT E-2 – L. Blodgett comments

Previously staff responded to part of Mr. Blodgett's comments. After conferring with City staff and the Districts, there are these additional responses:

Concern: Why are Brookings and Harbors fire flow requirements different?

Response: After reviewing the Oregon Fire Code, City staff proposes to use the fire flow of 1,500 gpm for a two hour duration. This will be in keeping with the Harbor Water PUD fire flow information. Harbor Water PUD proposes to remove the reference to the Oregon Fire Code, however, as the Harbor Fire Dept. has not adopted that Code. These further revisions can be seen in the attached draft PFP.

Concern: Why are Harbors water demand numbers the same as the previous version of the PFP?

Response: Harbor Water PUD stated these figures are accurate. Possible reasons may be individuals are making efforts to conserve water and there are more empty homes than in past years.

Concern: Harbor Water PUD total storage capacity should be 2,060,000 gallons instead of 2,080,000.

Response: This is accurate and the correction will be made.

Concern: Harbor Sanitary Districts population chart shows 3,555 people in the year 2000 and only 2,770 in 2010.

Response: The District said they don't know where the 2000 figure came from and believe it is too high. The Districts engineer used the 2,770 figure in a recent application and believe this is accurate.

EXHIBIT E-4 – T. Huxley comments

Concern: The current PFP shouldn't be eliminated as it has as it has detailed infrastructure costing information and their funding sources, which identify the developer as the responsible party for new infrastructure costs.

Response: Each of the utility Master Plans, made a part of the proposed PFP by reference, have sections dealing with infrastructure costs. The Land Development Code, an implementing ordinance for the PFP, states in several places the developer will be responsible for the cost of new infrastructure.

EXHIBIT E-5 – Y. Maitland, Harbor Community Action Committee comments

Concern: The area of Special Environmental Concern needs to be mapped now.

Response: This has been addressed by staff previously

Concern: There are problems with the Storm and Surface Water Facilities Plan.

Response: As discussed previously, this Plan is approved and review of it is not part of this hearing process.

EXHIBIT F-1 – Y. Maitland comments

Concern: The text staff quotes from the City/ County's Findings document stating ... "slopes may be found to be unbuildable after detailed technical studies are completed while some of the "unbuildable" land may actually be suitable and can compensate." is not found in the 1998 Court of Appeals document.

Response: The Findings document submitted in 1995, where this language is found, was deemed adequate to address Goal 14, Urbanization, and no further action by the City/ County was determined to be necessary by the Court of Appeals in 1998. To provide further confirmation that any development on the Harbor Hills western slopes will be adequately addressed, Staff proposes this additional language in Goal 14 following the sentence, "The remaining acreage is either steep hillsides or located within the Chetco River flood plain and has constraints that must be dealt with prior to development. *This includes, but is not limited to, compliance with the Brookings Municipal Code, Chapter 15.15, Flood Damage Prevention, and Chapter 17.100, Hazardous Building Site Protection, Hillside Development Standards, and riparian vegetation setbacks along streams and rivers. The County also has an adopted Flood Damage Prevention Ordinance which must be complied with when developing in the floodplain. The County's Zoning Ordinance, CCZO Sec. 3.250-3.253, Natural Hazards Overlay Zone; Sec. 3.301-3.324, Erosion Prevention and Sediment Control; Sec. 3.401- 3.450, Storm and Surface Water Management Standards have requirements for development of steep slopes which must be met.*"

The issue of the term "unbuildable" applied to the Harbor Hills western slopes has been the source of confusion and debate for many years. Staff has done intense research to clarify this issue. This is the chronology:

- The City/ County 1995 Findings document, provided in support of the expansion of the Urban Growth Boundary (UGB), includes the sentence, "At the same time, some "buildable" land in the range of 20-25% slope may be found to be unbuildable after detailed technical studies are completed, while some of the "unbuildable" land may actually be suitable and can compensate."
- This Finding was objected to and the Dept. of Land Conservation and Development (DLCD) reviewed it. DLCD remanded several issues back to the City/ County for more work, **but this Finding was upheld.**
- DLCD's decision was appealed to the Land Conservation and Development Commission, the Court of Appeals, and the Supreme Court and **DLCD's decision was upheld in every appeal.**

Concern: Please provide the City's percentages limiting construction of housing on steep slopes.

Response: The City does not have a slope percentage above which construction is not allowed. The City does have an ordinance provision which requires site-specific geologic hazard reports and engineered plans for all properties with slopes in excess of 15% prior to construction (provision found in Chap. 17.100, BMC). These reports are peer reviewed by the City Engineer and must be approved prior to issuing development permits.

Concern: Why were the Harbor Hills drainage basins removed from the 1999 PFP?

Response: The Storm and Surface Facilities Plan approved in 2009 and made a part of the PFP by reference, has new drainage basins, therefore the old drawings in the 1999 PFP needed to be removed. **Staff has responded to this in hopes of clarifying this issue, although removing of these drawings was part of a previous hearing and explanations were given at that time. This issue is not part of this hearing.**

Concern: Are there correct calculations available for pre-development and post-development peak flows from Harbor Hills?

Response: This calculation will be a part of the Comprehensive Surface Water Management Plan (CSWMP) that developers must provide and get approved by the City/ County prior to approval of a Master Plan. Language in the proposed PFP, the JMA, and the Storm and Surface Water Facilities Plan, all state the requirement for a CSWMP prior to development in the Harbor Hills Master Plan area.

EXHIBIT F-2 – T. Huxley comments

Concern: The Storm and Surface Water Facilities Plan is under review in this hearing.

Response: A hearing was conducted to review and approve this document, which occurred in Jan. 2009. This drainage Master Plan is not being re-reviewed in this hearing.

Concern: The process provided for public comment is not adequate.

Response: There is no provision in the City's Code or State law stating a process for submission of public comments in a Legislative hearing. State law does provide a process for Quasi-judicial hearing comments. It requires the staff report to be available 7 days ahead of the hearing for

public review, and comments may be submitted during that time or at the hearing. The next 7 days is provided for additional written comments. Then an additional 7 day period is provided for rebuttals to anything already in the record of the hearing. A final 7 day period is given for the applicant to respond to anything in the record. Staff followed this procedure to be sure adequate opportunity for public comments was allowed.

This concludes the public input portion of the hearing on these revisions. Staff has incorporated the additional revisions as recommended in response to this input and the final draft Comprehensive Plan Goals 11 and 14, and the PFP are attached. The Council will deliberate at this continued hearing.

Policy Considerations: N/A

Attachment(s):

- A. Goal 11, Public Facilities and Services
- B. Goal 14, Urbanization
- C. Public Facilities Plan

Attachment A

DRAFT

Proposed text in ***bold and italicized*** type.

Text to be omitted has ~~strikethroughs~~.

July 20, 2010

GOAL 11 PUBLIC FACILITIES AND SERVICES

GOAL:

To plan and develop a timely, orderly and efficient arrangement of public facilities and services to provide a framework for urban and rural development.

FINDINGS:

1. The City has adopted a Public Facilities and Services Plan that establishes the framework for the distribution of water and sanitary sewer services and storm drainage systems throughout the expanded Urban Growth Boundary.
2. The City has adopted a Water Master Plan/Conservation Management Plan.
3. The City has adopted a Water Curtailment ordinance that provides the city with the mechanisms to curtail water use in emergencies, including low surface water flows in the Chetco River.
4. On January 12, 2009, the City adopted the "Storm and Surface Water Facilities Plan for Brookings-Harbor Area." New policies from this Plan are found in the "Public Facilities Plan for Urban Growth Expansion."
5. ***In March, 2008, the City adopted a Wastewater Facility Plan.***
6. The city currently provides the following facilities and services within the City Limits:

A. Public Works

- 1) Water Treatment - ~~2 2.2 to 2.6~~ mgd capacity.
- 2) Water Distribution, Pumping and Storage - (Total connections ~~2,686 3,131; 2,398 2,711~~ within the city limits and ~~288 420~~ out side city limits, ~~March 14, 2000 June 30, 2010~~).
- 3) Wastewater Treatment – 15.4 mgd peak wet weather capacity. The yearly average flow is ~~2.48 1.42~~ mgd. The service area includes the incorporated area of Brookings plus the Harbor Sanitary District to the South. (Total of 2,228 connections within the city limits. The Harbor Sanitary District has approximately ~~850 895~~ connections, which are pumped to the city's treatment plant, ~~March 14, 2000 July 8, 2010~~).

- 4) Wastewater Collection and Pumping - All **public** facilities within the city limits are the responsibility of the City of Brookings. All such facilities in the Harbor Sanitary District are owned, operated and maintained by that district.
- 5) Street and Infrastructure Maintenance - The City's Public Works Department provides maintenance of city streets, water mains, sewer mains, storm drains, and other infrastructure systems.

B. Solid Waste Removal - is presently done by franchised contract

C. Fire Prevention and Protection Services

These services are provided with ~~one~~ **two** paid employees (Chief **and Assistant Chief**) and ~~30~~ **40** volunteers. Ratings outlined in the Inventory document show an adequate program with primary need being in the area of improved water system.

D. Police Protection

- 1) Existing police facilities in the city hall are presently adequate as a base of operations.
- 2) If population growth exceeded significantly the number projected or if the city boundaries were considerably expanded through annexation, or if the incident of crime jumped radically, it is conceivable that new facilities and additional manpower might be required.

E. Parks and Recreation Facilities and Services

- 1) One state park, Harris Beach State Park, is located within the City of Brookings. See ~~Goal 8~~ **adopted Harris Beach Master Plan, 2003.**
- 2) The city owns and maintains approximately 54.4 acres of parkland.
 - a. Azalea Park (formally Azalea State Park)

- 33.2 acres	-4 Horseshoe pits
- 2 Softball fields	-2 Bar-ba-que grills
- Outdoor amphitheater/ bandshell	-11 Picnic tables
- 2 Volleyball Courts	-Flower garden/natural area
- Kidtown (.25 ac.)	-Restroom facilities
- Walking and biking trails	-Snack shack
- Capella by the Sea (weddings and passive meditation)	
- Gazebo	
 - b. Bud Cross Park

- 7+/- 6.4 acres	-Skate park
- 2-3 lighted tennis courts	-3 Picnic tables
- 2 baseball fields	-Basketball courts
- swimming pool and bathhouse	
- restroom facilities	
- concession stand	

~~This facility is planned for expansion with the construction of:~~

- ~~- 1 unlighted tennis court~~
- ~~- 1 multi-purpose court~~
- ~~- 1 large landscaped picnic area~~
- ~~- additional parking facilities~~

- c. Chetco Point Park
 - ~~9±~~ 8.9 acres
 - walking trails
 - 5 picnic tables
 - ocean access/ beach access
 - 4 Horseshoe pits
 - Fire pit
 - Restroom facilities
 - 4 Seating benches
- d. Easy Manor Park
 - 1 +/- .8 acres
 - playground facilities (remodeled in 2010)
 - 4 Picnic tables
 - 4 Seating benches
 - 2 Bar-ba-que grills
 - Restroom facilities
- e. Stout Park
 - 3 +/- 3.3 acres
 - walking paths
 - ~~picnic tables~~ 8 Seating benches
 - Model railroad garden
 - Manley Arts Center
- f. Numerous ~~neighborhood play areas~~ mini parks around the City (pocket parks).

3) The City adopted a Parks Master Plan in Aug., 2002. This Plan is incorporated herein by reference.

F. Other facilities and services provided in the City of Brookings are

- 1) Schools
- 2) Transportation for the elderly.
- 3) Regional recreational facilities such as state parks and harbor facilities.

7. The following entities will provide services outside of the city limits within the Urban Growth Boundary.

A. Wastewater Collection

- 1) The Harbor Sanitary District.
 - a. Collects wastewater within their district south of the Chetco River and pumps to the City's wastewater treatment plant.
 - b. ~~District does not extend into the expanded area of the Urban Growth Boundary.~~
 - c. ~~Has stated, for purposes of the Public Facilities and Services Plan, that it does not want to expand the boundaries of the district to include the new Urban Growth Boundary land.~~ expansion of the District will only occur when it is in compliance with the Districts adopted Growth Management Policy (Resolution 07-18-R).
- 2) The City of Brookings
 - a. Will provide wastewater collection in the Urban Growth Boundary,

south of the Chetco River outside of the Harbor Sanitary District boundaries when land is annexed to the city.

- b. Will provide wastewater collection in the Urban Growth Boundary north of the Chetco River when land is annexed to the city.

B. Water Distribution

- 1) The Harbor Water District People's Utility District
 - a. Pumps from an intake on the south bank of the Chetco River.
 - b. District boundaries include the entire Urban Growth Boundary expansion south of the Chetco River except for the areas north of its intake facility and the top of the Harbor Hills.
 - c. Is willing to expand its boundaries to include the entire Urban Growth Boundary south of the Chetco River.
- 2) The City of Brookings
 - a. The City currently provides water service to some areas of the Urban Growth Boundary north of the Chetco River.
 - b. The City will provide service to the entire Urban Growth Boundary north of the Chetco River.
 - c. *Due to City Charter language, the City must provide water service to properties in the Urban Growth Area that want to annex unless the legal voters of the City authorize another water provider to serve.*

C. Fire Protection

- 1) ~~Suburban~~ **Brookings** Rural Fire Protection District.
 - a. Is located around the City in the area north of the Chetco River.
 - b. Is served under contract by the Brookings Fire Department
- 2) ~~Cape Ferrelo Fire Protection District.~~
 - ~~a. The north end of the Urban Growth Boundary is within its jurisdiction.~~
 - ~~b. The fire station is located on Cape Ferrelo Road.~~
- 2) Harbor Volunteer **Rural Fire Department Protection District**
 - a. Provides service to the entire Urban Growth Boundary south of the Chetco River.
 - b. Fire station is located on Benham Lane.

D. Police protection

All of the Urban Growth Boundary outside of the city limits is provided police protection by the Curry County Sheriff's Department.

E. Storm Drain Maintenance

- 1) The Oregon Department of Transportation maintains all drainage facilities within a state road or highway rights-of-way.
- 2) The Curry County Road Department maintains all drainage facilities within county road or street rights-of-way.
- 3). Drainage facilities on private property are maintained by the property owner.

POLICIES:

To insure timely, orderly and efficient arrangement of public facilities and services the following policies will be implemented by the City of Brookings.

1. Public Works

- A. Water treatment facilities. Facilities will be maintained with the proper observation and planning to expand facilities on a timely basis to provide continued service to existing customers and projected growth. Expansion programs will be funded through the most cost-effective methods utilizing all available federal, state and local funds.
- B. Water distribution, pumping and storage. New development requiring extension of water mains, pumping and storage facilities will be paid for and constructed by the developer pursuant to the provisions of the *current* City of Brookings Standard Specifications document ~~dated August 1988~~.
- C. Water Master Plan/Conservation Management Plan. The City will maintain a Water Master Plan/Water Conservation Management Plan, which will be updated as required.
- D. Wastewater treatment facility. Expansion programs will be funded through the most cost-effective methods utilizing all available federal, state and local funds.
- E. Wastewater collection facilities. New development requiring extension of sewer mains and new pumping stations will be paid for and constructed by the developer *pursuant to the provisions of the current* City of Brookings Standard Specifications document ~~dated August 1988~~.
- F. Streets and other infrastructure facilities. The City's Public Works Department will inspect and maintain all public street and subsurface infrastructure facilities. The extension of existing streets for new development shall be paid for and constructed by the developer pursuant to the provisions of the *current* City of Brookings Standard Specifications document ~~dated August 1988~~.
- G. Storm drain facilities. New development requiring new storm drain systems or the extension of existing systems including provision of detention basins, will be paid for and constructed by the developer pursuant to the provision of the *current* City of Brookings Standard Specifications document ~~dated August 1988~~.

~~On January 12, 2009, the City adopted the "Storm and Surface Water Facilities Plan for Brookings Harbor Area." New policies from this Plan are~~

~~found in the "Public Facilities Plan for Urban Growth Expansion."~~

2. Fire Prevention and Protection

The Fire Chief will continue to serve as the head of prevention and protection services. He will continue to maintain the high level of training and service that the community has come to expect through the conduct of local and regional training sessions and a continued education for himself.

3. Police Protection

The Chief of Police shall be responsible for continually monitoring the department's facility requirements and operations. In conjunction with the annual preparation of his budget request, a written evaluation shall be prepared for the City Manager, who in turn, may call attention to specific items for consideration by Planning Commission, Council or staff.

Attachment B

DRAFT

Proposed text in ***bold and italicized*** type.

Text to be omitted has ~~striketroughs~~.

December 27, 2010

GOAL 14 URBANIZATION

GOAL:

To provide for the orderly and efficient transition of land within the Urban Growth Boundary from rural to urban uses.

FINDINGS:

1. The city expanded its Urban Growth Boundary in 1995 to include land needed to accommodate projected growth through the year 2015. The boundary expansion consisted of a total of 3,491 acres, of which 1,263 acres is developable land. The remaining acreage is either steep hillsides or located within the Chetco River flood plain and ~~cannot be developed~~. ***has constraints that must be dealt with prior to development.*** (See Urban Growth Boundary Map) ***This includes, but is not limited to, compliance with the Brookings Municipal Code, Chapter 15.15, Flood Damage Prevention, and Chapter 17.100, Hazardous Building Site Protection, Hillside Development Standards, and riparian vegetation setbacks along streams and rivers. The County also has an adopted Flood Damage Prevention Ordinance which must be complied with when developing in the floodplain. The County's Zoning Ordinance, CCZO Sec. 3.250-3.253, Natural Hazards Overlay Zone; Sec. 3.301-3.324, Erosion Prevention and Sediment Control; Sec. 3.401- 3.450, Storm and Surface Water Management Standards have requirements for development of steep slopes which must be met.***
2. Pursuant to Oregon Administrative Rules and Goal 14 of the State planning law, a need's assessment based on 1993 data, analyzing projected population growth and the amount of residential, commercial and industrial land needed to accommodate growth to the year 2015, was completed and adopted by the City Council and County Commissioners.
3. A ~~new City/County~~ ***City/County Urban Growth Boundary Area*** Joint Management Agreement (JMA) has been adopted by both the City and County. Provisions of this document include:
 - A. The ability of the City to comment on all land use actions within the Urban

Growth Boundary under application to the County, prior to any decision on that application.

- B. Lots within the Urban Growth Boundary cannot be divided *to urban densities* until both water and sewer services are available to the lot.
- C. Street standards within both the city and Urban Growth Boundary will be compatible.
- D. ~~Until a public facilities plan is adopted, no land will be rezoned from the existing designation to an urban land use designation.~~ Uses shall be permitted to develop under current county plan and zoning designations in the same manner that they were permitted prior to being included within the UGB. *The City and County may agree to and adopt ordinance provisions to preserve the UGB's potential for future urbanization.*
- E. Areas designated as "Master Plan Areas," on the Urban Growth Boundary map, shall be required to prepare a master plan prior to development (other than allowed by the present zoning designation) that sets forth the land use, road circulation system, and plans for municipal water, sanitary sewer, and management of surface runoff. Master plans shall be developed in coordination with and be approved by the special service providers of these services. Master Plans shall be adopted as post acknowledgment plan amendments pursuant ORS 197.610 by the City ~~and~~ *or* County before any development permits are issued ~~by the County~~ for construction within the Master Planned Areas. Compliance with the master plan shall be a condition of development permit approval by the city or county.
- F. ~~Prior to developing a master plan as required by "b" above, property owners shall enter into a collaborative process with the city and county to establish development goals and formalize, by written agreement, procedural and financial considerations for developing and carrying out the master plan. Development goals shall address the mix of housing (type, density and income levels), and non-residential uses, which should be encouraged to provide local services and decrease auto use.~~ *The County shall adopt a Master Plan Zone defining standards and criteria to be used within the designated Master Plan Areas as shown on the Brookings Urban Growth Boundary Area Map (Harbor Hills Master Plan Area and Jacks Creek Master Plan Area). These Master Plan Zones must be adopted by the County prior to submission of a proposed specific master plan for the Harbor Hills or Jacks Creek Master Plan areas. The City has an adopted Master Plan of Development Zone. The City and County will review the proposed County Master Plan Zone as described in Section VI. "Coordination of Legislative Land Use Decisions", JMA.*

G. All new development shall be required to obtain sanitary sewer service from either the City of Brookings or Harbor Sanitary District depending upon agreed service areas. If wastewater treatment capacity is not available, ~~or not legally or physically available,~~ at the time of development, an interim onsite sewage disposal system that meets all state and local requirements may be approved. Use of an interim on-site sewage disposal system is limited to a rural level of development or is specifically allowed by the Public Facilities Plan. ~~This interim development approval shall be conditioned to require connection to a public system when capacity becomes legally and physically available.~~ *For interim development after June 30, 2010, approval shall require a condition that connection to a public sewer system shall occur when service is within 300 ft. of any building requiring services and the existing septic system fails as determined by the appropriate authority.*

H. All new development shall be required to obtain public water service from either the City of Brookings or the Harbor Water Public Utility District, depending on agreed service areas. If public water capacity is not available, ~~or not legally or physically available,~~ at the time of development and an interim on-site water system that meets all state and local requirements may be approved. Use of an interim on-site water system is limited to a rural level of development or is specifically allowed by the Public Facilities Plan. ~~This interim development approval shall be conditioned to require connection to a public system when water service becomes legally and physically available.~~ *For interim development after June 30, 2010, approval shall require a condition to connect to a public water system when water service is contiguous to the subject property and the existing water system fails or is identified as a public health hazard and no other alternate approved water source is available.*

I. Provisions to amend the Agreement.

J. Provisions to terminate the Agreement

4. The population within the new Urban Growth Boundary is projected to grow from 8,655 in 1993 to 16,440 in 2015 based on a 3% growth rate through 2013 and a 2% growth rate there after.

	1993	2015
Brookings City limits	4,970	9,067
North of Chetco River in Urban Growth Boundary	757	1,871
South of Chetco River in Urban Growth Boundary	2,928	5,502
Total	8,655	16,440

5. Based on population growth

- A. The following figures summarize residential housing needs within the Urban Growth Boundary including the City of Brookings, based on 1993 data.

North of Chetco River	5,135 D.U. (Dwelling
Units)	
South of Chetco River	3,335
Total	8,470
Existing D.U. North and South of River (1993)	4,508
Total additional D.U. needed by 2015	3,962 D.U.

- B. Land available and suitable for residential development, based on 1993 data.

North of Chetco River	662 acres
South of Chetco River	236
Total	898
Vacant residential land available (1993)	465
Total additional residential land needed by 2015	433 acres

This needed residential land was accommodated by the expansion of the Urban Growth Area.

- C. ~~Commercial and industrial land needs are shown on Table 7, Commercial and Industrial Land Needs in the Inventory, page 10. Commercial and industrial land needs within the Urban Growth Boundary are summarized as follows:~~

Com. Ind. North South				
Commercial/Industrial land, existing	305	180	291	194
acres				
Factor for additional land (20%)*	61	36	58	39
Additional vacant land need 2015	37	22	35	23
Total vacant land need	403	238	384	256
Vacant land available (1993)	68	106	144	30
Total vacant land needed by 2015	335	132	240	226
acres				
20% additional land for infrastructure				

An Economic Opportunity Analysis (EOA) was completed and adopted in June of 2009. Based on the information found in the EOA, the City of Brookings, including the Urban Growth Area, has 564 acres of Commercial land and 358 acres of Industrial land. The Study demonstrates there is enough employment land (commercial and industrial land) to meet needs for the next 20 years (2009-2029) although there is a deficit of some of the larger sites needed. This can be accommodated due to a surplus of smaller sites and strategies such as downtown redevelopment, parcel assembly, creation of small industrial parks, and through other means described in detail in the Study.

POLICIES:

1. City shall maintain the livability of Brookings while providing appropriate land-use designation and adequate areas to accommodate expected growth.
2. City shall encourage the orderly outward growth of the community in order to maintain costs of construction, maintenance, and extension of streets, utilities and public facilities at the lowest level possible.
3. Upon annexation of any land within the Curry County Harbor Bench Farm district, the city shall amend its Comprehensive Plan and land Development Code to adopt the Harbor Bench Farm District and the Curry County Harbor Bench Farm Overlay Zone (HBFO) as a city zoning district.
4. The extension of water and sewer mains to support future growth shall be funded by the development served by the mains or by the formation of "Local Improvement Districts" which agree to assess property owners within the district for the extension of service.
5. City shall encourage the development of industrial and commercial lands in such a way as to insure a proper diversification of the local and regional economy.
6. The City has adopted a Master Plan Development (MPD) Zone, which will be placed over any area of the UGB designated as a Master Plan Area, when that area is annexed to the City. To accommodate the MPD Zone, a land use designation of "Master Plan Area" is created and will be applied to any area zoned as MPD. No development can occur within an area designated as Master Plan Area or zoned MPD until there is a Master Plan of Development approved and adopted by the City Council. Adoption of a Master Plan of Development shall be by ordinance to incorporate the approved master plan as a separately bound document as a supplement to all applicable goals of the Comprehensive Plan.
7. City shall work closely with the Harbor Sanitary District recognizing that the sewage system and related expenses will be a major element in the area's growth management.
8. City shall work closely with Curry County in land use issues within the Urban Growth Boundary pursuant to the provisions of the *City/ County Urban Growth Boundary Area* Joint Management Agreement.
9. The conversion of land from urbanizable to urban within the Urban Growth Area must occur in an orderly and well planned manner that considers the economic and environmental issues identified as a part of the Urban Growth Boundary amendment and pursuant to the provisions of Section 10, Policies Related to Conversion of Urbanizable Land To Urban Land within the Urban Growth Area,

of the **City/ County** Urban Growth ~~Boundary~~ **Area** Joint Management Agreement. The provisions cited in Finding number 3 above are considered to be policies of this plan.

10. City shall work closely with the Port District to insure orderly, economic development and appropriate utilization of the Chetco River Estuary resources.

11. City shall encourage improvement to airport facilities and insure that airport approach zones are protected.

12. ~~With regard to the Brookings UGB the City and County agree that the conversion of land from urbanizable to urban within the UGA must occur in an orderly and well planned manner that considers the economic and environmental issues identified as part of the UGB amendment. With that interest in mind, the provisions cited in finding number 3 above are considered to be policies of this plan.~~

~~13.~~12. The City of Brookings, in conjunction with the Curry County and the Harbor Water District will develop alternatives to water withdrawals from the Chetco River during the later summer months to address the needs of the fish resources in the development of the Public Facilities and Services Plan for the City of Brookings Urban Growth Boundary. The development of the alternatives to water withdrawals will include the following items.

A. Findings that recognizes that the fish resource of the Chetco River is significant; the planned population growth and development within the UGB and its planned water withdrawals are uses which conflict with the resource; and the county, city, and special district will consider alternatives and develop a program which will limit the conflicting uses to the extent that they will not negatively impact the fish resource.

B. The City has completed an Economic, Social, Environmental and Energy analysis of water withdrawal from the Chetco River and have adopted an ordinance providing the city with the mechanisms and implementing measures to curtail the use of water during emergencies, including the time of surface water flows of 80 cfs and below.

IMPLEMENTATION:

1. Refer to the Urban Growth ~~Boundary~~ **Area** Joint Management Agreement, between the City of Brookings and Curry County.

2. Brookings recognizes the Lone Ranch Master Plan and has adopted it as a separately bound document of the Comprehensive Plan.

Attachment C

PUBLIC FACILITIES PLAN

DRAFT Dec. 27, 2010

CITY OF BROOKINGS WATER SYSTEM

The City of Brookings acquired the water system serving property within the City in 1973 and operates the water system as a City business enterprise. The City has made substantial improvements to the water system over the years.

The water enterprise consists of the following operating systems:

Source of Supply: The locations where the City takes or has the right to take water for municipal purposes, and the system for transmission of the water taken from these locations to the water treatment plant and distribution system.

Treatment: Filtering and chemically treating water from the sources of supply to assure that the water meets safe drinking water standards.

Distribution: A system of pipes that delivers water from the treatment plant to storage reservoirs, fire hydrants and individual properties for domestic and industrial use. Distribution includes operation and maintenance of water usage meters.

Management and Customer Service: Overall management of the water enterprise, engineering, planning, meter reading, billing/collections and customer service (new connections, turn-on/turn off, etc).

WATER SOURCE

Following is the current status of the City's various water right development applications and certificates.

January 27, 2010

City of Brookings Water Rights Summary

City of Brookings Municipal Supply Water Rights

Application	Permit / Certificate	Type of Use	Source	Priority Date	Rate (cfs)	Volume (AF)	Point of Diversion (POD) Location	Status
S-41805	S-31293 N/A	Municipal	Chetco River	1/22/1966	6.61		Ranney Collector Well	Development timeline expired 10/1/1999; currently in extension process at OWRD.
S-37091	S-27610 83682	Municipal	Chetco River	9/14/1961	4.00		Ranney Collector Well	In use.
G-5869	G-5601 64614	Municipal		8/14/1972	6.00		River Well #1	Currently not in use.
R-41870	R-4720 46860	Municipal	Ferry Creek	2/10/1966		167.40	Ferry Creek	Water being stored.
S-41871	S-31224 46861	Municipal	Ferry Creek Reservoir	2/10/1966		167.40	Ferry Creek Reservoir	Water released from reservoir, not currently being used for potable supply.
S-22928	S-18123 20734	Municipal	Ransom Creek	2/24/1948	0.53			Currently not in use.
Total:					17.14	334.80		

City of Brookings Irrigation Water Rights

Application	Permit / Certificate	Type of Use	Source	Priority Date	Rate (cfs)	Volume (AF)	POD Location	Status
S-71042	S-51383 N/A	Primary irrigation of 180.3 acres on golf course	Chetco River	12/12/1990	1.00		S. bank Chetco River near Freeman property	Use is limited by permit to March 1 through June 30. Development timeline expired 10/1/2002; no extension application pending. Currently not in use and no POD constructed.
R-73396	R-11535 N/A	Storage of water in ten reservoirs for supplemental irrigation on golf course	Chetco River	5/13/1993		62.30	S. bank Chetco River near Freeman property	Development timeline expired 10/1/2002; no extension application pending. Currently not in use and no POD constructed. Numerous permit conditions.
S-73397	S-51595 N/A	Use of stored water from ten reservoirs for supplemental irrigation on golf course	Ten Reservoirs, tributaries of Chetco River	5/13/1993		62.30	Reservoirs on golf course	Development timeline expired 10/1/2002; no extension application pending. Currently not in use and no POD constructed. Numerous permit conditions.
Total:					1.00	124.60		

Additional Water Rights Identified in October 2007 HGE 'Water System Master Plan Update'

Application	Permit / Certificate	Type of Use	Source	Priority Date	Rate (cfs)	Volume (AF)	POD Location	Status
S-3151	S-1740 2078	Domestic and Industrial / Manufacturing	Ferry Creek	8/22/1913	3.00			Currently not in use.
R-5114	R-372 1407	Domestic	Ferry Creek	8/9/1916		1680.00		Currently not in use.
R-5705	R-408 2071	Domestic	Ferry Creek	8/25/1917		28.00		Currently not in use.
S-7364	S-4674 4953	Domestic and Industrial / Manufacturing	Joe Hall Creek	6/23/1920	2.50			Currently not in use.
Total:					5.50	1708.00		

Currently, the Chetco River supplies 100 per cent of the City's water needs through a Ranney type intake collector located approximately 4 miles upstream from the Highway 101 bridge. The pump station at this point of diversion has a rated capacity of 5.4 million gallons per day (mgd). The City installed a new 16-inch raw water line from the point of diversion to the treatment plant in 2008. With this addition, the system now has the capacity to deliver 3.6 mgd to the treatment plant.

In 2008, the City received Certificate of Water Right (Permit 27610) for 4.0 cfs at the above referenced intake. In 2010, the City submitted a claim of beneficial use to support its partial perfection application (Permit S-31293) for 1.54 cfs at the above referenced intake.

WATER TREATMENT

The water treatment plant, installed in 1976, is a Neptune Microfloc Aquarius Model AQ-300 that utilizes the conventional rapid sand filtration treatment process. The plant consists of two identical, side-by-side units with a combined capacity of approximately 2.6 mgd.

WATER DISTRIBUTION

The main line distribution system consists of approximately 26.5 miles of pipe ranging in size from 2 to 16 inches. Pipe materials vary with the most common types being asbestos cement (AC) and polyvinyl chloride (PVC). The distribution system is over-extended in the higher elevation portions of the service area and is not capable of delivering fire flows in some areas.

WATER USAGE

Calendar 2009 water production data shows that the average daily water demand is 1,059,000 gallons with the peak day demand being 2,055,000 gallons. Using an estimate of 6,470 persons for the current population, the average daily water usage per person would be 164 gallons, with a peak demand of 318 gallons per person.

The City began offering water conservation incentives to customers in 2007, and has reduced its unaccounted-for water usage from 17% in 2007 to 13.5% in 2009.

FIRE FLOWS

The water system must offer sufficient capacity to furnish water for firefighting while maintaining adequate flows for domestic, commercial and industrial demands. In addition, the required fire flow must be delivered at an accepted residual pressure, which is 20 psi. ~~Based on the 1995 assessment of fire needs, the maximum fire demand was found to be 3,500 gpm for three hours. This equates to a storage volume of 0.63 million gallons.~~ ***The City of Brookings has adopted the Oregon Fire Code. The Oregon Fire Code provides the minimum fire flow standard applied to new development. A matrix used to determine fire flow requirements can be found in Oregon Fire Code, Appendix B, Table 105.1- Minimum required fire flow and flow duration for buildings. There is no community-wide standard, although a basic fire flow of 1,500 gpm for a two hour duration is a minimum in the Oregon Fire Code.***

WATER STORAGE

With the completion of the 1.6 million gallon Seacrest reservoir in 2009, the current available storage is 3.6656 million gallons, or 1.78 times the peak day demand. The sizing of the Seacrest reservoir was reduced from a proposed 2.0 mg due to site constraints. The City plans to include the remaining 400,000 gallon capacity in a future project near the Brookings airport.

WATER SYSTEM MASTER PLAN

The City adopted a Water System Master Plan Update in 2007, which also serve as the City's Water Conservation Management Plan. These Plans are incorporated herein by reference.

Harbor Water People's Utility District

WATER SOURCE

Currently the Chetco River supplies the Harbor Water Peoples Utility District (HWPUD) water needs. The river intake is a Ranney collector with a rated capacity of 6 million gallons per day. Four pumps serve the intake; each rated at 2.4 mgd capacity. The pumps alternate, with two operating together to handle peak demands.

The HWPUD currently holds two surface water rights from the Chetco River and has two ground water sources. These are summarized in the following table.

Harbor Rural Water District Water Rights			
Source	Priority Date	Amount	Amount
Chetco River	1966	3.500 cfs	2.26 mgd
Chetco River	1980	7.00 cfs	4.53 mgd
Well G3240	1966	3.50 cfs	2.26 mgd
Well G9438	1980	7.00 cfs	4.53 mgd
Total		21.00 cfs	13.58 mgd

WATER TREATMENT

The Ranney intake is considered equivalent to a ground water system. For this reason, water treatment is not practiced.

WATER DISTRIBUTION

The distribution system is an extensive loop system that extends from the Chetco River to the California border, and consists of approximately 50-55 miles of pipe ranging in size from 2 to 16 inches. Pipe materials vary with the most common types being asbestos cement (AC) and polyvinyl chloride (PVC), and ductile pipe.

WATER USAGE

Current water production data shows that the average daily water demand is 700,000 gallons with the peak day demand being 1,700,000 gallons. Serving an estimated 2,500 persons, the current population, the average daily water usage per person is approximately 280 gallons, with a peak demand of 680 gallons.

FIRE FLOWS

The water system must offer sufficient capacity to furnish water for fire fighting while maintaining adequate flows for domestic, commercial, and industrial demands. Also the required fire flow must be delivered at an accepted residual pressure which is 20 psi. ~~The Uniform Fire Code requires that~~ The HWPUD has sufficient storage to meet a demand of 1500 gpm for two hours

where necessary. The necessary storage to meet that requirement would be 180,000 gallons. With the looped 10-inch and 12-inch distribution system, HWPUD has the capacity to deliver fire flows.

WATER STORAGE

There are eleven water storage reservoirs in the HWPUD, which give a total storage capacity of 2,060,000 gallons. The following table summarizes the current water storage for the district.

Harbor Water District Storage			
Reservoir	Bottom Elevation	Overflow Elevation	Storage Capacity
Crown Terrace 1	525.5'	537.5'	10,000 gal
Crown Terrace 2	525.5'	537.5'	10,000 gal
Crown Terrace 3	795'	807'	10,000 gal
Crown Terrace 4	795'	807'	10,000 gal
Crown Terrace 5	1,025'	1,037'	10,000 gal
Crown Terrace 6	1,025'	1,037'	10,000 gal
Hallway 1	201.36'	234.81'	750,000 gal
Hallway 2	203.62'	234.81'	500,000 gal
Coleman	355.18'	388.60'	300,000 gal
Benham	355.18'	386.60'	200,000 gal
Freeman	203.32'	234.74'	250,000 gal
TOTAL			2,060,000 gal

The required storage for the HWPUD is shown in the following table.

Harbor Water Storage Estimate		
Peak Day Demand	1,700,000 gallons	
Twice the Ave Day Demand	1,400,000 gallons	
Larger of the above two		1,700,000 gallons
Fire Storage	1500 gpm x 2hrs	180,000 gallons
Equalization Storage	20% peak	340,000 gallons
Required Storage		2,220,000 gallons

HARBOR WATER PUD MASTER PLAN

Harbor Water PUD adopted a Master Plan in December, 2000 that is incorporated herein by this reference.

CITY OF BROOKINGS WASTEWATER SYSTEM

The original Brookings sewer system was constructed about 1916 and service was initially limited to the downtown area. The City assumed operation of the sewer system soon after incorporation in 1951. The City operates the wastewater system as a City business enterprise. The wastewater enterprise consists of the following operating systems:

COLLECTION

The City accepts domestic sewage from property in the service area that is connected to the sanitary collection system, and transmits the sewage to the wastewater treatment plant. The collection function includes the operation of sewage lift stations installed at various locations within the collection system to assist the flow of sewage to the treatment plant.

Currently, the collection system consists of a network of 6, 8, 10 and 12-inch mains connected to 18 and 21-inch interceptors and lift stations. There are approximately 32.7 miles of 6-inch to 21-inch gravity mains and 2.75 miles of 4-inch to 14-inch diameter force mains in the collection system. The system provides service connections to individual properties within the service area. The interconnection with the HSD also functions as a part of the collection system.

LIFT STATIONS

The City currently operates 13 lift/pump stations located to serve areas which cannot be served with gravity-fed sewer mains.

TREATMENT

Treatment involves removal of solids from the sewage received at the wastewater treatment plant, and clarification of processed solids after biological treatment and disinfect using U.V. bulbs in the effluent stream, to meet federal and state standards prior to discharge into the ocean. Treatment includes the processing, reprocessing and disposal of solids removed from the sewage.

The wastewater treatment plant has been located at Chetco Point since the early 1950's. Major modifications to the plant were made in 1973, 1991, and 2000.

Treated water, or effluent, produced by the wastewater treatment plant is discharged to the Pacific Ocean. The Oregon Department of Environmental Quality establishes discharge limitations for discharge to ocean waters. The residual of the solids removal process, or sludge, is currently taken from the bio-solids storage tank and transported to a processing facility in Grants Pass during the summer months. Approximately 1,598,040 gallons of sludge was transported for disposal in 2009. A new Class B sludge dewatering facility is planned for construction during 2010-11 which will eliminate the need for sludge trucking to Grants Pass.

RELATIONSHIP TO HARBOR SANITARY DISTRICT

In 1976, the Harbor Sanitary District was formed to serve an area just south of the City. The City and HSD have entered into a series of intergovernmental agreements whereby the City accepts sewage from HSD for treatment. See below for a description of the HSD system.

BROOKINGS WASTEWATER MASTER PLAN

The City adopted a Wastewater Facilities Master Plan in March, 2008. That Master Plan is incorporated herein by reference. A detailed discussion of the treatment system and plant capacity can be found in the Plan. ***Until sewer service can be extended to properties, interim urban-level treatment systems may be allowed only if specifically provided for in master plans which set forth appropriate standards and conditions and which have been adopted as post-acknowledgement plan amendments or periodic review work task elements.***

HARBOR SANITARY DISTRICT WASTE WATER SYSTEM

The community of Harbor is an unincorporated residential, commercial, and industrial area south of the Chetco River and the City of Brookings. The Harbor Sanitary District (HSD) has served this area since June 1976. The HSD operates only a collection system. Wastewater is piped to the Brookings wastewater treatment plant for treatment. The area's land use is predominantly residential, but a regional shopping center and an extensive commercial and industrial complex surround the Brookings-Harbor Boat Basin. The Harbor Bench area south of Harbor, an area experiencing steady growth, currently is out of the sewer service area; however, it is an area that potentially may become part of the service area. In 1979 the Oregon Health Division directed the HSD to annex an adjoining area, the Oceanview Mobile Home Estates, due to wastewater treatment concerns.

POPULATION

The following population data was taken from the "City of Brookings Comprehensive Utilities Plan" dated September 1981. Population projections were based on the 1970s, a growth period.

Harbor Sanitary District Population Growth				
Year	1980	1990	2000	2010
Population	1,968	2,645	3,555	2,770

COLLECTION SYSTEM

In 1976, the HSD was formed. The collection system consists of four pump stations and a network of gravity lines. Wastewater is pumped across the Chetco River to the south portion of the City of Brookings service area. There a 20-inch gravity main conveys the wastewater to the Brookings treatment plant. The daily flow rate is approximately 0.28 mgd.

The collection system consists of 16.5 miles of 8-inch and 12-inch transite pipe.

PUMP STATIONS

Flows from the entire Harbor collection system enter HSD pump station No. 14. Discharge from this station is to the Brookings WWTP by means of an 8-inch force main over the Chetco River or a 12-inch force main under the Chetco River. Space for additional force mains is available. Pump station No. 14 is rated at 2,000 gpm and 125 feet. The other three pump stations are small and serve limited areas.

HARBOR SANITARY DISTRICT MASTER PLAN

HSD plans to complete a Master Plan during the winter of 2010.

Until sewer service can be extended to properties, interim urban-level treatment systems may be allowed only if specifically provided for in master plans which set forth appropriate standards and conditions and which have been adopted as post-acknowledgement plan amendments or periodic review work task elements.

CITY OF BROOKINGS STORM DRAINAGE

The City of Brookings operates a storm drainage system within the city boundaries. Drainage basins flow to the ocean or the Chetco River. Generally local area flows are conveyed via pipes to discharge points at surface drainage ways. The majority of the existing piping system is located in the western old portions of the city draining to the Chetco. Highway 101 presents a major flow obstruction to natural drainage pattern, requiring culvert crossings. Some limited historical flooding has occurred, but the problems are related to site-specific causes.

CURRY COUNTY

Curry County services all public storm drainage in the study areas north and south of the Chetco outside City limits. The service level is mainly rural road maintenance that consists of ditch culvert cleaning associated with road maintenance. All other drainage features are privately owned. The Harbor Bench area, which is outside the urban growth area, has experienced flooding and erosion due to upstream growth and diversion of flows due to culvert placement.

CITY/ COUNTY STORM DRAINAGE MASTER PLAN

On January 12, 2009, the City and the County adopted the "Storm and Surface Water Facilities Plan for Brookings-Harbor Area." In the Plan are design and development standards and proposed improvements to the storm drainage facility. There are also maps depicting the various basin areas in City limits and the Urban Growth Area, hydrologic/ hydraulic analysis, and the discussion of the effects on specific areas in the Plan. The Plan is hereby incorporated by this reference.

The Storm and Surface Water facilities Plan for Brookings Harbor Area" contains the following policies:

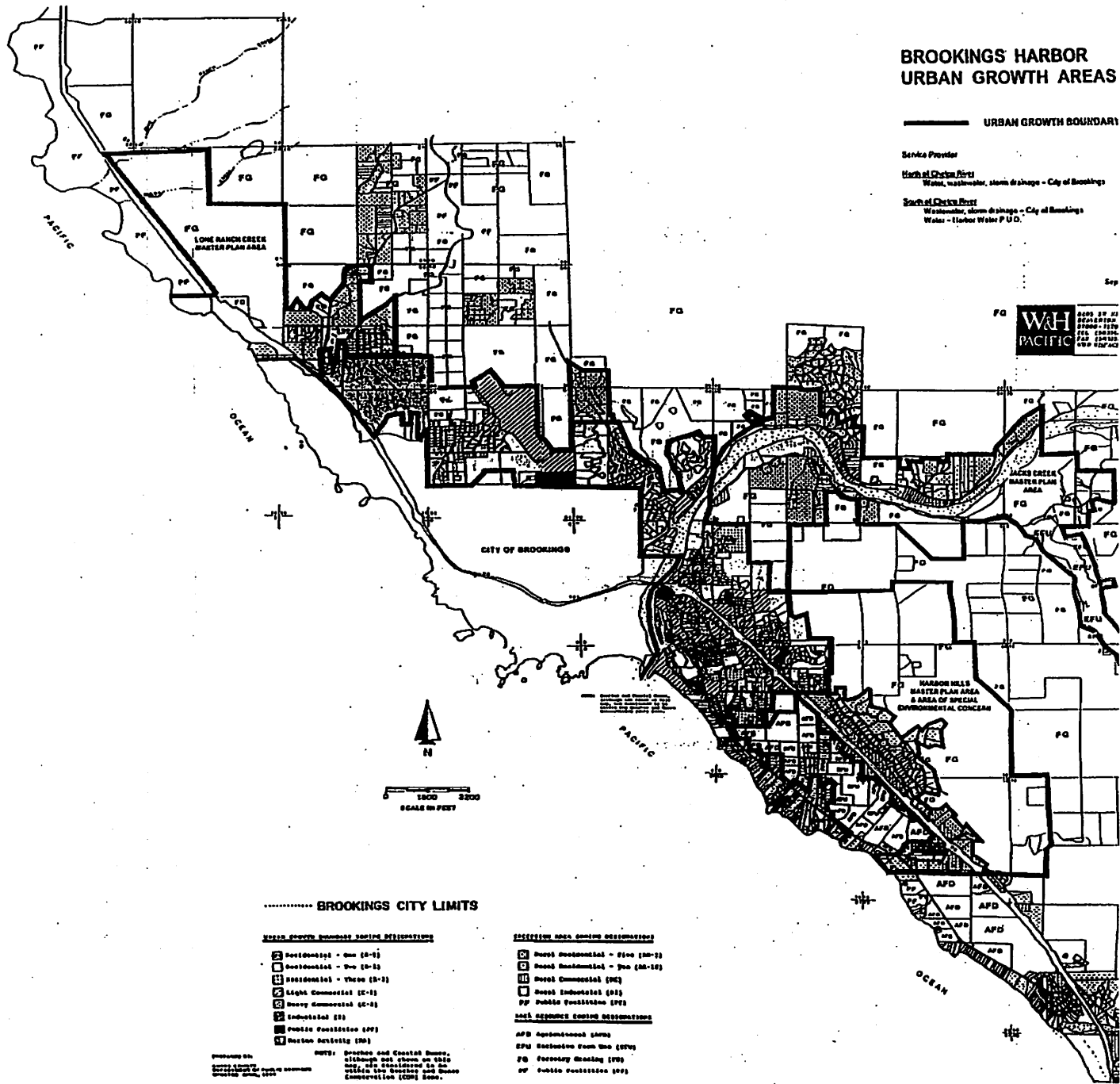
- Low impact development is preferred.
- Negative impacts to natural watercourses are to be avoided.

- Piping of a natural watercourses is to be avoided, where practicable.
- Protection of ground water sources is critical.
- Proposed facilities should address water quality impacts and mitigation measures.
- Erosion and sediment must be controlled using the City, County, and Department of Environmental Quality requirements.
- Stormwater discharges shall be maintained at current levels.
- A public education program is recommended to disseminate information on the importance of preventing negative impacts from stormwater.

The "Storm and Surface Water Facilities Plan for Brookings-Harbor Area" contains specific design and development standards and proposed improvements to the storm drainage facility. To avoid adverse impacts created by development, the Plan contains five strategies to be generally utilized:

1. There should be no post-development net increase in storm drainage discharge downstream.
2. Low impact development practices as described in the 2007 "Storm and Surface Water Facilities Plan" shall be implemented.
3. The capacity of the downstream drainage infrastructure is improved to convey the increased flow. Usually this means constructing larger culverts and storm drains. Generally, the natural drainage channels are improved, but because of the study area's proximity to the ocean and the steep rocky terrain, these channel improvements may not be necessary.
4. A regional detention facility is constructed to capture the additional runoff and release the flow at a slower natural rate. A regional facility is normally associated with a single drainage way or creek.
5. An onsite detention facility is constructed for each individual development. The goal for a regional or onsite detention facility is that the runoff from the post-development condition be reduced to flow equaling the pre-development condition.

The Harbor Hills Master Plan Area within the UGA is required to prepare a comprehensive surface water management plan prior to any land use approvals. The details required and the review and approval process are described in the "City of Brookings and Curry County Joint Management Agreement", dated June 30, 2010.

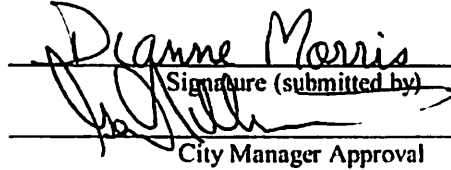



CITY OF BROOKINGS

COUNCIL AGENDA REPORT

Meeting Date: January 10, 2011

Originating Dept: Planning


Signature (submitted by)

City Manager Approval

Subject: Ordinance revising Sections 17.170.020 and 17.170.060, Street Standards, Brookings Municipal Code.

Recommended Motion: Motion to adopt Ordinance 11-O-675

Financial Impact: None

Background/Discussion: Revisions to this section were approved by the City Council at their December 13, 2010 meeting.

Policy Considerations: N/A

Attachment(s): A. Adopting Ordinance 11-O-675.

**IN AND FOR THE CITY OF BROOKINGS
STATE OF OREGON**

ORDINANCE 11-O-675

AN ORDINANCE AMENDING BROOKINGS MUNICIPAL CODE SECTIONS 17.170.020 AND 17.170.060 OF CHAPTER 17.170, STREET STANDARD, OF THE LAND DEVELOPMENT CODE.

Section 1. Ordinance identified.

Section 2. Amends Sections 17.170.020 and 17.170.060

The City of Brookings ordains as follows:

Section 1. Ordinance Identified. This ordinance amends Brookings Municipal Code Sections 17.170.020 and 17.170.060 of Chapter 17.170, Street Standards, of the Land Development Code.

Section 2. Amends Sections 17.170.020 and 17.170.060. Sections 17.170.020 and 17.170.060 are amended as follows:

17.170.020 Definitions.

The following definitions apply for the purpose of this chapter. Also see definitions in Chapter 17.08 BMC.

“Access” means a way or means of approach to provide pedestrian, bicycle, or motor vehicular entrance or exit to a property.

“Access classification” means a ranking system for roadways used to determine the appropriate degree of access management. Factors considered include functional classification, the appropriate local government’s adopted plan for the roadway, subdivision of abutting properties, and existing level of access control.

“Access management” means the process of providing and managing access to land development while preserving the regional flow of traffic in terms of safety, capacity, and speed.

“Bicycle facilities” is a general term denoting improvements and provisions made to accommodate or encourage bicycling, including parking facilities and all bikeways. Wherever bicycle facilities are provided, proper signage must be installed including the use of “sharrows”, if appropriate.

“Bikeway” means any road, path, or way that is in some manner specifically open to bicycle travel, regardless of whether such facilities are designated for the exclusive use of bicycles or are shared with other transportation modes. The five types of bikeways are:

1. "Multi-use path" means a paved 10- to 12-foot-wide way that is physically separated from motorized vehicular traffic; typically shared with pedestrians, skaters, and other nonmotorized users.

2. "Bike lane" means a four- to six-foot-wide portion of the roadway that has been designated by permanent striping and pavement markings for the exclusive use of bicycles.

3. "Shoulder bikeway" means the paved shoulder of a roadway that is four feet or wider; typically shared with pedestrians in rural areas.

4. "Shared roadway" means a travel lane that is shared by bicyclists and motor vehicles. Designating a street as a "bicycle boulevard" or "sharrow" will require appropriate signage and modifications. These should only be considered on residential, low traffic volume, interconnected streets.

5. "Multi-use trail" means an unpaved path that accommodates all-terrain bicycles; typically shared with pedestrians.

"Corner clearance" means the distance from an intersection of a public or private road to the nearest driveway or street measured from the closest edge of the pavement of the intersecting road to the closest edge of the pavement of the connection along the traveled way.

"Cross access" means a commercial or industrial service drive providing vehicular access between two or more contiguous sites so the driver need not enter the public street system.

"Frontage road" means a public or private drive which generally parallels a public street between the right-of-way and the front building setback line. The frontage road provides access to private properties while separating them from the arterial street.

"Functional area (intersection)" means that area beyond the physical intersection of two roads that comprises decision and maneuver distance, plus any required vehicle storage length.

"Functional classification" means a system used to group public roadways into classes according to their purpose in moving vehicles and providing access.

"Joint access (or shared access)" means a driveway connecting two or more contiguous sites to the public street system.

"Lot" means a parcel, tract, or area of land whose boundaries have been established by some legal instrument, which is recognized as a separate legal entity for purposes of transfer of title, has frontage upon a public or private street, and complies with the dimensional requirements of this code.

"Lot, corner" means any lot having at least two contiguous sides abutting upon one or more streets; provided, that the interior angle at the intersection of such two sides is less than 135 degrees.

"Lot depth" means the average distance measured from the front lot line to the rear lot line.

"Lot frontage" means that portion of a lot extending along a street right-of-way line.

"Nonconforming access features" means features of the property access that existed prior to the date of the ordinance codified in this chapter adopting and do not conform to the requirements of this chapter.

"Off-site improvements" means street facilities not on the subject property.

"On-site improvements" means street facilities installed on the subject property.

"Pedestrian facilities" is a general term denoting improvements and provisions made to accommodate or encourage walking, including sidewalks, accessways, crosswalks, ramps, paths, and trails.

"Plat" means an exact and detailed map of the subdivision of land.

"Private road" means a local access road that is built to city standards and that the city has not officially accepted for purposes of jurisdiction, or an existing local access road that was not constructed to city standards and was never intended to be dedicated to the public.

"Public road" means a road over which the public has a right of use that is a matter of public record.

"Reasonable access" means the minimum number of access points, direct or indirect, necessary to provide safe access to and from the roadway.

"Right-of-way" means land reserved, used, or to be used for a highway, street, alley, walkway, drainage facility, or other public purpose.

"Significant change in trip generation" means a change in the use of the property, including land, structures or facilities, or an expansion of the size of the structures or facilities causing an increase in the trip generation of the property exceeding: (1) local – 10 percent more trip generation (either peak or daily) and 100 vehicles per day more than the existing use for all roads under local jurisdiction; or (2) state – 25 percent more trip generation (peak volume) and 100 vehicles per day more than the existing use for all roads under state jurisdiction.

"Stub-out (street stub)" means a portion of a street or cross access drive used as an extension to an abutting property that may be developed in the future.

"Through-connector" means a short spur that provides through-connectivity for bicycle circulation between adjoining streets, between abutting dead-end roads, through a multiple-family dwelling cluster, or through a park.

"Walkway" means a hard-surfaced area intended and suitable for pedestrians, including sidewalks and the surfaced portions of accessways. [Ord. 07-O-595.]

17.170.060 Street standards.

A. All parcels of land subject to the issuance of a development permit shall be provided access to a public or private street as follows:

1. Street improvements are required along the street frontage of all newly created lots and of new development on an existing vacant lot. Improvements shall be to the standards as shown in Table 17.170.060 or as in an approved neighborhood circulation plan, planned unit development or master plan. Deferment of street improvements may be allowed when authorized by the site plan committee as described in BMC 17.170.070. Some development is exempt from street improvements as described in BMC 17.04.050.

2. Newly created lots must have access from the street on which they front.

3. Existing residential, commercial or industrial lots must take access from the street on which they front. Easement access is acceptable if no street frontage exists or topography or other circumstance, not in applicant's control, prohibits access from the fronting street.

B. Street classification and location shall conform to the transportation systems plan, or to an adopted neighborhood circulation plan. Where street classification or location is not shown in the transportation systems plan, the arrangement of public streets shall provide for connectivity and alignment with existing streets in the surrounding area.

C. Standard Minimum Right-of-Way and Roadway Width. Unless otherwise indicated in an adopted neighborhood circulation plan, planned unit development, or authorized by the planning commission as stated in subsection (C)(1) of this section, the street right-of-way and roadway widths shall not be less than the standard shown in Table 17.170.060. Additional width on Hillside streets may be required in curves. The City Engineer will determine when such additional width is required.

Table 17.170.060
Standard Minimum Right-of-Way and Roadway Width For New Streets –
Guidance for Existing Streets

Type of Street**	Minimum ROW (Feet)	Minimum Road Surface Width (Feet)	Pedestrian Improvements
State Highway Arterial ¹	84	70	5 – 12 feet, both sides
Residential Collector	50	36	10 foot multi-use path (in lieu of bike lanes and sidewalk)
Residential (Local)-***	42	28	5 feet, both sides
Residential (Local)*** ⁶ Maximum of 12 dwelling units taking access	38	24	5 feet, both sides

Residential (Local) *** Maximum of 8 dwelling units taking access and on-street parking available within 400 feet of this street. ²	29	20	5 feet, one side
Downtown Core Area ¹ (See Map 17.92.030-1)	50	36	5 – 8 feet, both sides
Residential One-Way Street ²	34	20	5 feet, both sides
Half Street ^{2, 5}	½ of accepted standard	½ of accepted standard	5 feet, one side
Access Road Turn-Around	See public works document “General Engineering Requirements and Standard Specifications”		To be determined based on type of turn-around
Commercial/Industrial ¹	58	44	5 – 8 feet, both sides
Commercial One-Way Street	50	36	5 – 8 feet, both sides
Hillside Collector St. ^{2,3,4,9}	27	20	4 foot paved shoulder, one side
Hillside Local St. ^{2,3,4,9} Maximum of 12 dwelling units taking access	23	20	None.
Hillside One-Way Street ^{2, 3, 4, 7,9}	23	16	4-foot paved shoulder, one side
Alley	20	20	None

The following standard is the minimum standard for existing streets. This standard can only be used when the street is serving a limited area and approved by the City Council.

Existing residential streets	Minimum ROW	Minimum Road Surface Width	Pedestrian Improvements
Must be approved by the City Council in a Local Improvement District process. ^{8, 2}	30	16	Proposal by applicants

**** If bike lanes are proposed, an additional 10 feet of right-of-way will be needed.**

***** See layout guidelines in “Neighborhood Street Design Guidelines” document. Low impact development techniques such as landscaped buffers, vegetated swales, parking pavers, etc. are encouraged.**

¹Sidewalks must be the maximum possible when adequate right-of-way is available.

²No parking on either side on pavement.

³Requires documentation that topographical constraints warrant use of hillside streets. Site plan committee approval required.

⁴Alternative engineered designed standards may be considered and right-of-way width may vary depending on topography.

⁵Only used when easement for second half width is secured on adjacent property. Must be approved by planning commission.

⁶Parking on one side only.

⁷Paved shoulder must be constructed to meet paved roadway standards.

⁸Parking facilities to be proposed by applicant

⁹-Curbs may be required depending on City Engineer's recommendation.

1. The planning commission may accept a narrower right-of-way width and/or alternate construction standard than those set forth in Table 17.170.060 where it can be shown by the applicant, to the satisfaction of the commission, and to the fire chief having jurisdiction, that the topography or the small number of lots served and the probable future traffic development are such that the proposal is justified.

2. Slope Easements. The planning commission may require a perpetual, unobstructed easement adjacent to a public right-of-way where the slope of the land is such that earth movements might damage a public right-of-way. Within this easement area, the natural vegetative cover shall not be disturbed.

3. In areas where a neighborhood circulation plan has been adopted, the right-of-way and roadway width can be constructed to the standards of Table 17.170.060 or at the standards of the adopted neighborhood circulation plan. Once a standard has been determined for any street segment, the remaining portion of the segment will be constructed at that standard at the discretion of the Planning Commission.

The existing collector streets listed below are not physically able to meet adopted collector standards as stated in the Table above. Any future improvements to these streets must meet the following standards.

These streets are in the County's jurisdiction as of the date of this revision. When the existing street pavement is equivalent to the City's construction standards, the City will accept jurisdiction.

Specific Standards for Certain Streets	Right of Way (feet)	Minimum Road Surface Width (feet)	Sidewalk Improvements
Old County Road ^{1, 2}	As needed	20 ft. and 4 ft. paved shoulder one side adjacent to the north-bound travel lane.	None
Parkview Dr. ^{1,2}	As needed	20 ft. and multi-use path on the predominantly western side	None
North Bank Chetco River Rd. ²	As needed	Future improvements to match existing pavement.	None

1. When applicants engineer demonstrates there are constraints that make this standard impracticable, the 4 ft. paved shoulder or multi-use path may be eliminated. The City must review and agree with the analysis prior to Planning Commission review.

2. Parking prohibited on paved shoulder.

D. Bikeways. See 17.170.020, Definitions, for descriptions of various bikeways. These provisions require consideration of bicycle circulation while providing for flexibility in street design. The City of Brookings encourages this mode of transportation

- Bicycle circulation must be considered on all new streets. Depending on street standard employed, a street must be designated as a shared roadway, or other type of bikeway as described in Definitions.
- Where sidewalks are required by street design standards, one 10 ft. shared bicycle/ pedestrian pathway may be substituted for bike lanes and sidewalk on one side. If the street standard requires sidewalks on both sides, the ten foot shared pathway on one side does not eliminate the required sidewalk on the opposite side, unless the Planning Commission eliminates that requirement.

E. Low Impact Designs. Use of low impact designs including permeable pavement and storm drainage system utilizing engineered bio-swales, or other techniques/ best management practices reviewed and approved by the City, are encouraged and may be required in some areas. Additional right-of-way may be needed to accommodate the designs. A refund equal to a percentage of the storm drain component of the system development charge may be given by implementing these low impact techniques. See examples in document titled, "Portland Stormwater Manuel".

F. All development proposals, plan amendments or zone changes shall be in conformance with the adopted transportation systems plan.

G. Frontage Roads. When any parcels front on an arterial street, the planning commission may require the developer to dedicate and improve a frontage road at the front of the parcel to serve the resulting lot(s).

H. Planting Strips. When a lot borders an arterial street, the planning commission may require the developer to dedicate and improve a planting strip adjacent to said highway or arterial street.

I. Alleys. When any lots are proposed for commercial or industrial usage, alleys at least 20 feet in width may be required at the rear thereof with adequate ingress and egress for truck traffic unless alternative commitments for off-street service truck facilities without alleys are approved by the planning commission.

J. Street Alignment. As far as practical, streets other than minor streets shall be in alignment with existing streets by continuation of the centerline thereof. Staggered street alignment resulting in "T" intersections shall, wherever practical, leave a minimum distance of 200 feet between the centerlines of streets having approximately the same direction and otherwise shall not be less than 125 feet. In areas with an adopted neighborhood circulation plan, alignment shall conform to the adopted plan.

K. Future Extension of Streets. When necessary to give access to or permit a satisfactory future division or development of adjoining land, a public street shall be extended to the boundary of the development and the resulting dead-end street may be approved without a permanent turn-around provided a temporary turn-around is constructed in a manner approved by the city fire chief.

L. Street Intersection Angles. All streets within or abutting a development shall intersect one another at an angle as near to a right angle as is practicable in each specific case unless otherwise necessitated by topographical conditions or other pre-existing conditions and approved by the city.

M. Cul-de-Sacs. A cul-de-sac shall be as short as possible. Cul-de-sacs shall have a maximum length of 400 feet, although where unusual circumstances exist the planning

commission may authorize a longer street. A cul-de-sac shall terminate with a turn-around as specified in Table 17.170.060, and a minimum corner radius of 20 feet is required at curb returns. In areas with an adopted neighborhood circulation plan, cul-de-sac length and design shall conform to the adopted plan.

N. Private Streets. A private street is permitted only if provisions are made to assure private responsibility for future maintenance. Unless otherwise specifically authorized as part of a street plan or adopted neighborhood circulation plan, a private street shall comply with the same standards as a public street. A street held for private use shall be distinguished from public streets and any reservations or restrictions relating to the private street shall be described in the land division documents and the deed records.

O. Street Grades.

- A Collector shall not exceed 10% grade.
- A Local Street shall not exceed 15% grade.
- The Planning Commission may approve an alternative street grade standard if deemed appropriate and the Fire Chief is in agreement.
- Streets are to follow the natural terrain whenever feasible. Travel ways, walkways, and parking areas are to be designed to parallel the natural contours of the site.

P. Fire Suppression Sprinkler Systems. If the driveway or street is deemed inaccessible for fire fighting purposes by the Fire Chief, any dwelling units must have an automatic fire suppression sprinkler system. Other structures may also be required to install sprinkler systems, at the discretion of the Fire Chief.

First reading: _____

Second reading: _____

Passage: _____

Effective date _____

Signed by me in authentication of its passage this _____ day of _____, 2011.

Mayor Larry Anderson

ATTEST:

City Recorder Joyce Heffington

CITY OF BROOKINGS
CURRY COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2010

CITY OF BROOKINGS OREGON

FINANCIAL REPORT

For the year ended June 30, 2010

Prepared by:

Janell K. Howard
Administrative Services Director
898 Elk Drive
Brookings, OR 97415

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**CITY OF BROOKINGS
898 ELK DRIVE, BROOKINGS, OR 97415**

**CITY OFFICIALS
AS OF JUNE 30, 2010**

ELECTED OFFICIALS

MAYOR

Larry Anderson
Appointed 3/10/08
Term Expires 1/10/11

COUNCIL MEMBERS

Term Expires

Position 1: Dave Gordon	1/14/13
Position 2: Brent Hodges	1/14/13
Position 3: Jake Pieper	1/10/11
Position 4: Ron Hedenskog	1/10/11

APPOINTED OFFICIALS

City Manager	Gary Millman
City Recorder	Joyce Heffington
Legal Council	Martha Rice
Municipal Judge	Richard Harper

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CITY OF BROOKINGS, OREGON

FISCAL YEAR ENDING JUNE 30, 2010

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CITY OF BROOKINGS, OREGON

FISCAL YEAR ENDING JUNE 30, 2010

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CITY OF BROOKINGS, OREGON

FISCAL YEAR ENDING JUNE 30, 2010

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

November 19, 2010

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Brookings, Oregon, as of and for the year ended June 30, 2010, which collectively comprise the basic financial statements as listed in the table of contents. The basic financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the City of Brookings, Oregon, at June 30, 2010, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 19, 2010, on our consideration of the City of Brookings, Oregon's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the result of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Brookings' basic financial statement. The required supplementary information and supplementary information, including major fund budgetary comparison schedules and combining and individual nonmajor fund financial statements, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The required supplementary information and supplementary information, as listed in the table of contents, has been subjected to the auditing procedures applied in audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Pauly, Rogers and Co. P.C.
PAULY, ROGERS AND CO., P.C.



City of Brookings

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, 2010

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

- The total assets of the City of Brookings exceeded its liabilities at June 30, 2010, by \$38.1 million. Of this amount, \$5.4 million may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$900,000 during the fiscal year. The majority of the increase was due to current revenues exceeding expenditures. The current fee structure was set up to begin to make payments toward the Water and Wastewater Fund's Major Capital Projects. However, delays by engineers and funding sources have caused these projects start up to be delayed.
- The General Fund's fund balance is approximately \$1,370,000 at the end of the fiscal year, or 29.6 of total General Fund revenues.
- The City completed two financings during the fiscal year - \$540,000 for the communications tower, of which the expenditures occurred in the prior year; and \$365,000 for a new fire truck.
- The System Development Charge (SDC) revenues increased \$143,000 during the fiscal year. This was primarily due to the Curry Health District Project.
- The 1.6 million gallon water tank was completed during the fiscal year. This was paid for from System Replacement Fees and loan proceeds. A loan, for up to 80% of this project and other water projects, will come from Oregon Economic and Community Development Department. A total of \$4.0 million has been authorized, of which \$2.7 million of loan proceeds has been recognized through June 30, 2010.

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

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

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

The government activities of the City include the following:

- General Government
- Public Safety
- Public Works
- Culture and Recreation

The business type activities of the City include the following:

- Water Treatment and Distribution
- Wastewater Collection and Treatment
- Debt Service
- Systems Replacement
- Systems Development

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 of the funds of the City can be divided into two categories: governmental funds and 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 8 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. 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 seven 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 assets, statement of revenues, expenses and changes in fund net assets 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 Assets at Fiscal Year End
(in thousands)

	Government Activities		Business-Type Activities		Total
	2010	2009	2010	2009	2010
Cash and Investments	\$4,220	\$4,180	\$5,988	\$5,531	\$10,208
Capital Assets	23,974	22,449	20,118	20,868	44,092
Other Assets	1,377	1,540	1,300	1,243	2,677
Total Assets	29,571	28,169	27,406	27,642	56,977
Long-Term Liabilities	5,455	4,008	11,653	13,341	17,108
Other Liabilities	489	510	1,263	1,160	1,752
Total Liabilities	5,944	4,518	12,916	14,501	18,860
Net Assets:					
Invested in Capital Assets					
Net of Related Debt	18,519	18,757	8,461	8,424	26,980
Restricted	746	581	4,966	4,451	5,712
Unrestricted	4,362	4,313	1,062	266	5,424
Total Net Assets	\$23,627	\$23,651	\$14,489	\$13,141	\$38,116

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$38.1 million as of June 30, 2010.

The largest portion of the City's net assets 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 investments 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 assets invested in capital assets net of related debt was \$27.0 million at June 30, 2010.

An additional portion of the City's net assets represents resources that are subject to external restrictions on how they may be used. The restricted net assets balance at June 30, 2010 was \$5.7 million. The remaining balance of unrestricted net assets, \$5.4 million, may be used to meet the government's 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 assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental and Proprietary Activities For Fiscal Year Ending
(in thousands)

	Government Activities		Business-Type Activities		Total
	2010	2009	2010	2009	2010
REVENUES					
Program Revenues					
Charges for Services	327	145	4,287	4,048	\$4,614
Grants and Contributions	685	650	0	0	685
General Revenues					
Taxes	3,580	2,858	0	0	3,580
Other	121	98	177	168	298
Total Revenues	<u>4,713</u>	<u>3,751</u>	<u>4,464</u>	<u>4,216</u>	<u>9,177</u>
EXPENSES					
Governmental Activities	4,198	4,671	0	0	4,198
Business-Type Activities	0	0	4,089	4,047	4,089
Total Expenses	<u>4,198</u>	<u>4,671</u>	<u>4,089</u>	<u>4,047</u>	<u>8,287</u>
Operating Income (loss)	515	(920)	375	169	890
Transfers	487	581	(487)	(581)	0
Increase (decrease) in Net Assets	1,002	(339)	(112)	(412)	890
Prior Period Adjustment	0	585	0	637	0
Beginning Net Assets	22,625*	23,405	14,601*	12,916	37,226
Ending Net Assets	<u>\$23,627</u>	<u>\$23,651</u>	<u>\$14,489</u>	<u>\$13,141</u>	<u>\$38,116</u>

* Reclassified the Debt Service Bond Series 2003 Fund From Business-type to Governmental Activities, Net Assets were \$(1,025,924).

Governmental Activities. Governmental activities increased the City's net assets by \$1,017,000 primarily due to loan proceeds received of \$905,000. Tax revenue increased \$440,000, of which \$84,000 was General Fund, \$71,000 was Urban Renewal, and \$285,000 was a general obligation bond. 2009-10 was the first year that the City levied the full amount that the taxpayers authorized for the 2003 general obligation bonds. In addition, expenditures decreased by \$473,000 compared to prior year.

Business-type Activities. Business-type activities decreased the City's net assets by \$111,000. Expenditures and transfers to other funds exceeded revenues, although, the decrease in net assets was not as large as the prior year due to increased SDC revenues.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's General Fund Appropriations decreased slightly to \$3.7 million. The General Fund Revenues were \$22,000 more than the budget for the General Fund primarily due to building permit revenue. Actual operating costs within the General Fund were 93% of the final budget. The overall increase in the fund balance was \$803,000 primarily due to loan proceeds received in the current year and some related expenditures incurred in the prior year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of June 30, 2010, the City has invested \$44.1 million in capital assets as reflected in the following table. This represents a net increase for current year activity (additions, retirements, and depreciation) of \$0.8 million.

Capital Assets at Fiscal Year-End
(Net of Depreciation)
(in millions)

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Land & Non-Depreciable Assets	\$16.0	\$16.0	\$0.6	\$0.6	\$16.6	\$16.6
Building and Improvements	2.5	2.6	3.9	4.2	6.4	6.8
Vehicles and Equipment	1.1	0.8	0.2	0.2	1.3	1.0
Infrastructure	3.2	3.0	15.4	13.0	18.6	16.0
Construction In Progress	1.2	0.0	0.0	2.9	1.2	2.9
Total	\$24.0	\$22.4	\$20.1	\$20.9	\$44.1	\$43.3

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.

Change in Capital Assets
(in millions)

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$22.4	\$20.9	\$43.3
Additions	2.0	3.5	5.5
Retirement	0.0	(3.0)	(3.0)
Depreciation	(0.4)	(1.3)	(1.7)
Ending Balance	\$24.0	\$20.1	\$44.1

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 23 and 24 of the notes to the financial statements.

Debt Outstanding. As of year end, the City had \$17.1 million in debt outstanding compared to \$17.3 million last year. \$1.3 million is due within one year.

Outstanding Debt at Fiscal Year End
(in millions)

	2010	2009
Governmental:		
General obligations	\$1.1	\$0.2
Special assessment bonds	1.1	0.2
Revenue bonds	3.2	3.3
Sub-total	5.4	3.7
Business-Type		
Bond Payable	0.0	1.2
Notes Payable – DEQ	9.0	9.7
Loan Payable – OECDD	2.7	2.5
Loan Payable – Other	0.0	0.2
Sub-total	11.7	13.6
Total	\$17.1	\$17.3

For more detailed information on the City's debt and amortization terms, refer to pages 26-29 of the notes to the financial statements.

ECONOMIC FACTORS

Like all cities in Oregon, the City is operated 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. On July 1, 2009, the City implemented a wastewater rate increase of 8.6% and a water rate increase of 5.25%. 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 City Council did not implement a water or wastewater increase for 2010-11. 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
Administrative Services Director
City of Brookings
898 Elk Drive
Brookings, Oregon 97415
jhoward@brookings.or.us.

CITY OF BROOKINGS
CURRY COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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CITY OF BROOKINGS, OREGON
Statement of Net Assets
June 30, 2010

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments			
Unrestricted	\$ 4,219,758	\$ 5,988,347	\$ 10,208,105
Receivables			
Accounts	405,728	2,009,991	2,415,719
Taxes	246,971	-	246,971
Investment earnings	15,156	-	15,156
Internal Balances	709,961	(709,961)	-
Capital assets			
Non-depreciable	17,212,608	551,507	17,764,115
Depreciable, net of accumulated depreciation	6,761,365	19,565,880	26,327,245
Total assets	29,571,547	27,405,764	56,977,311
LIABILITIES			
Accounts payable	122,262	246,819	369,081
Payroll and payroll taxes payable	72,498	26,816	99,314
Accrued interest	32,083	139,465	171,548
Deposits	16,197	199,908	216,105
Unearned revenue	62,664	646,889	709,553
Accrued compensated absences	183,564	-	183,564
Noncurrent liabilities			
Due within one year	639,011	676,696	1,315,707
Due in more than one year, net	4,816,153	10,979,573	15,795,726
Total liabilities	5,944,432	12,916,166	18,860,598
NET ASSETS			
Invested in capital assets, net of related debt	18,518,809	8,461,118	26,979,927
Restricted for:			
Capital projects	21,544	3,950,965	3,972,509
Debt services	724,562	1,015,182	1,739,744
Unrestricted	4,362,200	1,062,333	5,424,533
Total net assets	\$ 23,627,115	\$ 14,489,598	\$ 38,116,713

The notes to the basic financial statements are an integral part of this statement.

CITY OF BROOKINGS, OREGON
Statement of Activities
For the Year Ended June 30, 2010

	Program Revenues		
	Expenses	Charges for Services	Operating Grants/Contributions
Functions/programs			
Primary government			
Governmental activities			
General government	\$ 1,128,343	\$ 156,801	\$ 42,187
Public safety	2,111,025	169,772	186,772
Public works	622,681	-	456,518
Culture and recreation	236,445	-	-
Interest expense	99,179	-	-
Total government activities	4,197,673	326,573	685,477
Business-type activities			
Water	1,195,754	1,210,776	-
Wastewater	2,792,844	2,392,774	-
System replacement	31,151	468,148	-
System development	69,261	215,837	-
Total business-type activities	4,089,010	4,287,535	-
Total primary government	\$ 8,286,683	\$ 4,614,108	\$ 685,477

General revenues

Taxes
 Property
 Franchise
 Transient Room Tax
 Intergovernmental Taxes
 Miscellaneous
Transfers

Total general revenues and transfers

Change in net assets

NET ASSETS - BEGINNING OF YEAR *

NET ASSETS - END OF YEAR

* Reclassified the Debt Service Bond Series 2003 Fund from Business-type to Governmental Activities, Net Assets were \$(1,025,924).

The notes to the basic financial statements are an integral part of this statement.

**Net (Expense) Revenue
and Changes in Net Assets**

Governmental Activities	Business-Type Activities	Total
\$ (929,355)	\$ -	\$ (929,355)
(1,754,481)	-	(1,754,481)
(166,163)	-	(166,163)
(236,445)	-	(236,445)
(99,179)	-	(99,179)
(3,185,623)	-	(3,185,623)
-	15,022	15,022
-	(400,070)	(400,070)
-	436,997	436,997
-	146,576	146,576
-	198,525	198,525
(3,185,623)	198,525	(2,987,098)
3,090,764	-	3,090,764
98,917	-	98,917
141,807	-	141,807
248,622	-	248,622
121,155	177,023	298,178
486,657	(486,657)	-
4,187,922	(309,634)	3,878,288
1,002,299	(111,109)	891,190
22,624,816	14,600,707	37,225,523
<u>\$ 23,627,115</u>	<u>\$ 14,489,598</u>	<u>\$ 38,116,713</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF BROOKINGS, OREGON
Balance Sheet
GOVERNMENTAL FUNDS
June 30, 2010

	<u>General Fund</u>	<u>Dawson Bancroft Bond Fund</u>	<u>General Reserve Fund</u>	<u>Urban Renewal Agency</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
ASSETS						
Cash and investments	\$ 720,519	\$ 123,856	\$ 684,510	\$ 2,009,303	\$ 681,570	\$ 4,219,758
Receivables, net						
Accounts	88,857	38,352	-	-	278,519	405,728
Interfund receivables	709,961	-	-	-	-	709,961
Taxes	207,029	-	-	38,274	1,668	246,971
Interest receivable	-	12,808	-	2,348	-	15,156
Total assets	<u>\$ 1,726,366</u>	<u>\$ 175,016</u>	<u>\$ 684,510</u>	<u>\$ 2,049,925</u>	<u>\$ 961,757</u>	<u>\$ 5,597,574</u>
LIABILITIES						
Accounts payable	\$ 65,464	\$ -	\$ -	\$ 56,798	\$ -	\$ 122,262
Payroll and payroll taxes payable	72,498	-	-	-	-	72,498
Deposits	16,197	-	-	-	-	16,197
Deferred revenue	11,504	51,160	-	-	-	62,664
Deferred taxes	189,715	-	-	35,206	-	224,921
Total liabilities	<u>355,378</u>	<u>51,160</u>	<u>-</u>	<u>92,004</u>	<u>-</u>	<u>498,542</u>
FUND BALANCES						
Reserved for:						
Capital projects	-	-	-	-	21,544	21,544
Debt service	-	123,856	-	-	600,706	724,562
Unreserved, reported in:						
General fund	1,370,988	-	-	-	-	1,370,988
Special revenue funds	-	-	-	1,957,921	339,507	2,297,428
Capital project funds	-	-	684,510	-	-	684,510
Total fund balances	<u>1,370,988</u>	<u>123,856</u>	<u>684,510</u>	<u>1,957,921</u>	<u>961,757</u>	<u>5,099,032</u>
Total liabilities and fund balances	<u>\$ 1,726,366</u>	<u>\$ 175,016</u>	<u>\$ 684,510</u>	<u>\$ 2,049,925</u>	<u>\$ 961,757</u>	<u>\$ 5,597,574</u>

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

- Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds (net of accumulated depreciation). \$ 23,973,973
- Accrued Vacation (183,564)
- Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:
 - Property taxes earned but unavailable, net 224,921

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, they are not reported in the funds (includes accrued interest), net of discounts, issuance costs, and premiums.

Long-Term Debt	(5,455,164)	
Accrued Interest	(32,083)	
		(5,487,247)
		<u>\$ 23,627,115</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF BROOKINGS, OREGON
Statement of Revenues, Expenditures and Changes in Fund Balances
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	General Fund	Dawson Bancroft Bond Fund	General Reserve Fund	Urban Renewal Agency	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 2,191,621	\$ -	\$ -	\$ 457,022	\$ 393,162	\$ 3,041,805
Franchise taxes	98,917	-	-	-	-	98,917
Other taxes	129,953	-	-	-	11,854	141,807
Special assessments	-	12,454	-	-	-	12,454
Assessment interest	-	29,733	-	-	-	29,733
Licenses and permits	156,801	-	-	-	-	156,801
Intergovernmental	247,439	-	-	-	644,473	891,912
Charges for services	128,710	-	-	-	-	128,710
Fines and forfeits	41,062	-	-	-	-	41,062
Other revenues	53,099	1,086	2,939	37,985	40,561	135,670
Total revenues	3,047,602	43,273	2,939	495,007	1,090,050	4,678,871
EXPENDITURES						
Current						
General government	1,045,594	425	-	-	-	1,046,019
Public safety	1,933,874	-	-	-	23,130	1,957,004
Public works	-	-	-	345,025	232,225	577,250
Culture and recreation	199,831	-	-	-	19,363	219,194
Capital outlay	595,209	-	-	973,792	245,197	1,814,198
Debt service						
Principal	-	60,000	-	-	415,000	475,000
Interest	-	7,895	-	-	199,301	207,196
Total expenditures	3,774,508	68,320	-	1,318,817	1,134,216	6,295,861
Excess (deficiency) of revenues over (under) expenditures	(726,906)	(25,047)	2,939	(823,810)	(44,166)	(1,616,990)
OTHER FINANCING SOURCES (USES)						
Proceeds from loans	905,001	-	-	-	-	905,001
Transfers in	663,332	-	40,000	-	439,301	1,142,633
Transfers out	(32,000)	-	(71,000)	(290,314)	(262,662)	(655,976)
Total other financing sources (uses)	1,536,333	-	(31,000)	(290,314)	176,639	1,391,658
Net change in fund balances	809,427	(25,047)	(28,061)	(1,114,124)	132,473	(225,332)
FUND BALANCES - BEGINNING OF YEAR	561,561	148,903	712,571	3,072,045	829,284 *	5,324,364
FUND BALANCES - END OF YEAR	\$ 1,370,988	\$ 123,856	\$ 684,510	\$ 1,957,921	\$ 961,757	\$ 5,099,032

* Reclassified the Debt Service Bond Series 2003 Fund from an Enterprise fund to a Governmental fund, Net Assets were \$116,882.

The notes to the basic financial statements are an integral part of this statement.

CITY OF BROOKINGS, OREGON
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2010

Net Change in fund balances-total governmental funds **\$ (225,332)**

Amounts reported for governmental activities in the Statement of Activities and Statement of Revenues, Expenditures and Changes in Fund Balances are different because:

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

Expenditures for capital assets - governmental funds	1,943,910	
Less current year depreciation	<u>(418,852)</u>	1,525,058

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

Property taxes	(48,960)	
Other deferred revenues, special assessments	<u>48,380</u>	(580)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the State of Net Assets. This is the amount by which proceeds exceeded repayments.

New loan proceeds		(905,001)
Principal payments on long-term debt		598,135

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

19,906

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.

Change in compensated absences		<u>(9,887)</u>
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Change in Net Assets of Governmental Activities		<u><u>\$ 1,002,299</u></u>
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The notes in the basic financial statement are an integral part of this statement.

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CITY OF BROOKINGS, OREGON
Statement of Net Assets
PROPRIETARY FUNDS
June 30, 2010

	Business-type Activities - Enterprise Funds		
	Major		
	Water Fund	Wastewater Fund	Wastewater Loan Fund
ASSETS			
Current assets			
Cash and investments	\$ -	\$ 930,752	\$ 1,149,139
Receivables			
Accounts receivable, net	1,088,031	225,484	5,508
Total current assets	1,088,031	1,156,236	1,154,647
Capital assets, net of accumulated depreciation	6,579,191	12,290,857	-
Total assets	<u>\$ 7,667,222</u>	<u>\$ 13,447,093</u>	<u>\$ 1,154,647</u>
LIABILITIES			
Current liabilities			
Deposits	\$ 199,908	\$ -	\$ -
Accounts payable	152,192	93,057	-
Payroll Liabilities	10,105	16,711	-
Interfund Loan	706,903	3,058	-
Deferred Revenues	-	-	-
Accrued interest payable	-	-	139,465
Current Portion of Long-term Liabilities	-	-	676,696
Total current liabilities	1,069,108	112,826	816,161
Long-term liabilities			
Long-term debt payable	2,659,579	-	8,319,994
Total long-term liabilities	2,659,579	-	8,319,994
Total liabilities	<u>3,728,687</u>	<u>112,826</u>	<u>9,136,155</u>
NET ASSETS			
Invested in capital assets, net of related debt	3,919,612	12,290,857	(8,319,994)
Restricted			
Capital projects	-	-	-
Debt service	-	-	338,486
Unrestricted	18,923	1,043,410	-
Total net assets	<u>3,938,535</u>	<u>13,334,267</u>	<u>(7,981,508)</u>
Total liabilities and net assets	<u>\$ 7,667,222</u>	<u>\$ 13,447,093</u>	<u>\$ 1,154,647</u>

The notes to the basic financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds		
	Major	
System Replacement Fund	System Development Fund	Total Proprietary Funds
\$ 1,791,724	\$ 2,116,732	\$ 5,988,347
44,080	646,888	2,009,991
1,835,804	2,763,620	7,998,338
618,063	629,276	20,117,387
<u>\$ 2,453,867</u>	<u>\$ 3,392,896</u>	<u>\$ 28,115,725</u>
\$ -	\$ -	\$ 199,908
-	1,570	246,819
-	-	26,816
-	-	709,961
-	646,889	646,889
-	-	139,465
-	-	676,696
-	648,459	2,646,554
-	-	10,979,573
-	-	10,979,573
-	648,459	13,626,127
618,063	629,276	9,137,814
1,835,804	2,115,161	3,950,965
-	-	338,486
-	-	1,062,333
<u>2,453,867</u>	<u>2,744,437</u>	<u>14,489,598</u>
<u>\$ 2,453,867</u>	<u>\$ 3,392,896</u>	<u>\$ 28,115,725</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF BROOKINGS, OREGON
Statement of Revenues, Expenses and Changes in Fund Net Assets
PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds		
	Major		
	Water Fund	Wastewater Fund	Wastewater Loan Fund
OPERATING REVENUES			
Charges for services	\$ 1,210,776	\$ 2,392,774	\$ -
Other revenues	99,523	-	-
Total operating revenues	1,310,299	2,392,774	-
OPERATING EXPENSES			
Personal services	414,152	681,062	-
Materials and services	416,334	820,369	46,629
Capital outlay	25,849	8,715	-
Depreciation expense	339,419	891,863	-
Total operating expenses	1,195,754	2,402,009	46,629
Operating income (loss)	114,545	(9,235)	(46,629)
NON-OPERATING REVENUES (EXPENSES)			
Interest on investments	-	9,552	47,493
Interest and fees expense	-	-	(344,206)
Total non-operating revenues (expenses)	-	9,552	(296,713)
Net income (loss) before transfers	114,545	317	(343,342)
TRANSFERS			
Transfers in	-	-	931,605
Transfers out	(238,348)	(1,179,914)	-
Net transfers	(238,348)	(1,179,914)	931,605
Change in net assets	(123,803)	(1,179,597)	588,263
PRIOR PERIOD ADJUSTMENT	-	-	-
TOTAL NET ASSETS - BEGINNING OF YEAR	<u>4,062,338</u>	<u>14,513,864</u>	<u>(8,569,771)</u>
TOTAL NET ASSETS - END OF YEAR	<u>\$ 3,938,535</u>	<u>\$ 13,334,267</u>	<u>\$ (7,981,508)</u>

The notes to the basic financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds		
Major		
System Replacement Fund	System Development Fund	Total Proprietary Funds
\$ 468,148	\$ 215,837	\$ 4,287,535
-	-	99,523
468,148	215,837	4,387,058
-	-	1,095,214
-	9,504	1,292,836
-	916	35,480
31,151	58,841	1,321,274
31,151	69,261	3,744,804
436,997	146,576	642,254
8,191	12,264	77,500
-	-	(344,206)
8,191	12,264	(266,706)
445,188	158,840	375,548
-	-	931,605
-	-	(1,418,262)
-	-	(486,657)
445,188	158,840	(111,109)
-	-	-
2,008,679	2,585,597	14,600,707
<u>\$ 2,453,867</u>	<u>\$ 2,744,437</u>	<u>\$ 14,489,598</u>

The notes to the basic financial statements are an integral part of this statement.

CITY OF BROOKINGS, OREGON
Statement of Cash Flows
PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds		
	Major		
	Water Fund	Wastewater Fund	Wastewater Loan Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 2,046,548	\$ 2,380,962	\$ -
Payment suppliers	(1,088,078)	(739,835)	(46,629)
Payment to employees	(404,047)	(664,351)	-
Other receipts	99,523	-	29,829
Net cash provided (used) by operating activities	653,946	976,776	(16,800)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfer from other funds	-	-	931,605
Transfers to other funds	(238,348)	(1,179,914)	-
Net cash provided (used) by capital and related financing activities	(238,348)	(1,179,914)	931,605
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Loan Proceeds	108,466	-	-
Acquisition and construction of capital assets	(524,064)	(46,525)	-
Principal paid on long-term debt	-	-	(652,400)
Interest paid on long-term debt	-	-	(350,088)
Net cash provided (used) by capital and related financing activities	(415,598)	(46,525)	(1,002,488)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	-	9,552	47,493
Net increase (decrease) in cash and cash equivalents	-	(240,111)	(40,190)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	-	1,170,863	1,189,329
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -	\$ 930,752	\$ 1,149,139
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 114,545	\$ (9,235)	\$ (46,629)
Adjustments to reconcile operating income to net cash provided (used) by operating activities			
Depreciation	339,419	891,863	-
Changes in assets and liabilities			
Accounts receivable	835,772	(11,812)	29,829
Accounts payable	(651,393)	89,249	-
Payroll liabilities	10,105	16,711	-
Deposits	5,498	-	-
Net cash provided (used) by operating activities	\$ 653,946	\$ 976,776	\$ (16,800)

The notes to the basic financial statements are an integral part of this statement.

Business-type Activities - Enterprise Funds		
Major		
System Replacement Fund	System Development Fund	Total Proprietary Funds
\$ 468,148	\$ 206,333	\$ 5,101,991
-	654	(1,873,888)
-	-	(1,068,398)
159,327	-	288,679
627,475	206,987	2,448,384
-	-	931,605
-	-	(1,418,262)
-	-	(486,657)
-	-	108,466
-	-	(570,589)
-	-	(652,400)
-	-	(350,088)
-	-	(1,464,611)
8,191	12,264	77,500
635,666	219,251	574,616
1,156,058	1,897,481	5,413,731
<u>\$ 1,791,724</u>	<u>\$ 2,116,732</u>	<u>\$ 5,988,347</u>
\$ 436,997	\$ 146,576	\$ 642,254
31,151	58,841	1,321,274
159,327	-	1,013,116
-	1,570	(560,574)
-	-	5,498
<u>\$ 627,475</u>	<u>\$ 206,987</u>	<u>\$ 2,421,568</u>

The notes to the basic financial statements are an integral part of this statement.

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CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

REPORTING ENTITY

The City of Brookings is a municipal corporation, incorporated July 13, 1951. The city presently operates under a charter, which was approved by the voters in November 1992 and effective on January 1, 1993. The Charter provides for a Council-Manager form of government and provides such services as are authorized by the Charter. The city is governed by the City Council consisting of four members elected at large and an elected mayor. Appointed officers provided by the Charter are the City Manager, Finance Director/Recorder, City Attorney and Municipal Court Judge.

The basic financial statements include all financial activities, organizations, and functions for which the City Council has financial accountability as defined by GASB Statement No. 39.

In evaluating how to define the City for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria as established by GASB. The accompanying financial statements present the government and its component unit, The Brookings Urban Renewal Agency, for which the government is considered to be financially accountable.

Blended component unit

The Brookings Urban Renewal Agency (Agency) was formed in July of 2003. The Agency is presented as a major governmental fund. The primary purpose of the Agency is to revitalize the commercial area of the City and to attract new businesses and jobs to the commercially zoned areas of Brookings. The Agency is governed by a five member board made up of the City of Brookings Mayor and Council members. A five member Downtown Development Committee is responsible for making recommendations to the Board. The Urban Renewal Agency Budget Committee consists of the same members as the City of Brookings Budget Committee.

The fiscal year 2009-2010 budget includes revenues from tax increment financing and interest. Expenditures include street amenities, improvements for Chetco Avenue and downtown façade improvement projects. Complete financial statements for the individual component unit may be obtained at the City's Administrative Offices.

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIC FINANCIAL STATEMENTS

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

Government-wide financial statements display information about the City as a whole. These statements focus on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities.

The *Statement of Net Assets* presents information on all of the assets and liabilities, with the difference between the two reported as *net assets*.

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

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental and proprietary. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and detailed in the supplemental information.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the business-type activities funds and the General Fund where interfund services provided and used are not eliminated in the consolidation process. The City allocates charges as reimbursement for services provided by the General Fund in support of those functions based on levels of service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

Basis of Presentation

The financial transactions are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

There are stated minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. Non-major funds are combined in a column in the fund financial statements titled "Other Governmental" and detailed in the combining section.

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The following major governmental funds are reported:

- *General Fund*
This is the primary operating fund. It accounts for all financial operations, except those required to be accounted for in another fund. Principal sources of revenues are property taxes, licenses and permits, state shared revenues, and charges for administrative services from other funds. Primary expenditures in the general fund are made for police and fire protection, culture and recreation and general government.
- *Dawson Bancroft Bond Fund*
This debt service fund was established to account for bond principal and interest payments on special assessment bonds payable. Assessment payments from property owners benefited by improvements are used to retire this debt. Property tax levies will be made if the special assessment payments are insufficient for debt service.
- *General Reserve Fund*
This capital projects fund was established to accumulate funds for the future acquisition of capital assets and construction of capital projects. Resources are provided by operating transfers in from various funds.
- *Urban Renewal Agency Fund*
This fund accounts for all financial resources and expenditures for the Component Unit, except those required to be accounted for in the URA Debt Fund. The principal revenue sources are property taxes and interest revenue.

Additionally, there are non-major funds within the governmental fund type.

- *Debt Service Bond Fund*
This fund was established to account for property taxes and other resources used to pay bond principal and interest payments on a general obligation refunding bond issue.
- *Special Revenue Funds*
These funds account for revenues from specific taxes or ear-marked revenues that are legally restricted to expenditures for specific purposes
 - *Street Fund* - Used to account for specific intergovernmental revenues from the State of Oregon's gasoline tax. Expenditures are generally earmarked for street maintenance and minor capital improvements.
 - *911 Fund* - Primary revenue source is the City's apportionment of the State of Oregon's telephone tax revenues. Primary expenditures are for the emergency communications services provided for the Brookings-Harbor area.
 - *Azalea Park Fund* - Used to account for the assets and financial activity only for Azalea Park within the City. Revenue to support the tax is from transient room tax and 75% of these taxes collected from Harris Beach State Park are allocated to Azalea Park.

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- *Stout Park Fund* - An individual deeded property to the City and also established a fund, with certain stipulations and restrictions thereon for the earnings to maintain and enhance a City Park on the donated property.
- *Donations Fund* – This fund was established during fiscal year 2007 – 2008 to account for donations received designated specifically either for direct use or activity.
- *Urban Renewal Agency Debt* – This debt service fund was established to account for bond principal and interest payments.

The City reports each of its five proprietary funds as major funds. Three funds are used to account for the acquisition, operation, and maintenance of water and wastewater facilities and are entirely or predominantly self-supported through user charges to customers. These are the following proprietary funds:

- *Water Fund*
This fund accounts for operating the water system. Revenue is derived from charges for services to water users, permit fees for new service connections, and miscellaneous revenue. Expenditures are for costs of operations, salaries of personnel, and capital expenditures for a portion of system replacement costs.
- *Wastewater Fund*
This fund accounts for operating the sewer system and treatment facility. Revenue is derived from charges for services to sewer users, permit fees for new service connections and miscellaneous revenues. Expenditures are for costs of operations, salaries of personnel, and capital expenditures for a portion of system replacement costs.
- *Wastewater Loan Fund*
This fund was created to make principal and interest debt service payments to the Department of Environmental Quality (D.E.Q.) on the revenue-secured loan whose proceeds were utilized to pay for the new Wastewater Treatment Plant Project. Transfers in from the three Wastewater Funds will fund the debt service expenditures and meet the loan reserve requirements. This is considered an enterprise fund because the debt is backed solely by fees and charges which are transferred in from the three Wastewater funds, rather than a direct revenue allocation, in accordance with Oregon Budget Law.
- *System Replacement Fund*
This fund was established to provide resources for future replacements of the major infrastructure systems. Resources are provided by the current utility system users through a portion of their monthly utility fee. The fund accounts for system replacement resources for the Street system, the Water system, and the Wastewater system.
- *System Development Fund*
This fund was established to provide resources for future expansion of the major infrastructure systems due to increasing demand for services as the City grows in terms of population and land area. This fund accounts for system development for the Street system, the Water system, the Wastewater system, the Parks and Recreation system and the Storm Drain system.

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe *which* transactions are recorded within the various financial statements. Basis of accounting refers to *when* transactions are recorded regardless of the measurement focus.

The government-wide financial statements and the proprietary funds financial statements are presented on a *full accrual* basis of accounting with an *economic resource* measurement focus. An economic resource focus concentrates on an entity or fund's net assets. All transactions and events that affect the total economic resources (net assets) during the period are reported. An economic resources measurement focus is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash inflows and outflows.

Governmental fund financial statements are presented on a *modified accrual* basis of accounting with a *current financial resource* measurement focus. This measurement focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources during the period are reported. Similar to the connection between an economic resource measurement focus and full accrual basis of accounting, a current financial resources measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. *Measurable* means the amount of the transaction can be determined and revenues are considered *available* when they are collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

A deferred revenue liability arises on the balance sheets of the governmental funds when potential revenue does not meet both the *measurable* and *available* criteria for recognition in the current period. This *unavailable* deferred revenue consists primarily of uncollected property taxes and assessments not deemed available to finance operation of the current period. In the government-wide Statement of Activities, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the balance sheets of the governmental funds for unavailable deferred revenue is eliminated. Note that deferred revenues also arise outside the scope of measurement focus and basis of accounting, such as when the City receives resources before it has a legal claim to them. For instance, when grant monies are received prior to the incurrence of qualifying expenditures.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. Vested compensated absences

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

are recorded as expenditures only to the extent that they are expected to be liquidated with expendable financial resources and are reported in governmental funds only if they have matured. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status of the government must be recognized. Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the City's Water, Sewer, Storm Water, and Public Services Funds are charges to customers for sales and services. The Water, Sewer, and Storm Water Funds also recognize fees intended to recover the cost of connecting new customers to the utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and overhead charges, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, cash with fiscal agent, and amounts in investment pools that have the general characteristics of demand deposit accounts. Investments are stated at fair value.

Receivables and Payables

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

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Assessments are recognized as receivables at the time the property owners are assessed for property improvement. These receivables are offset by deferred revenue and, accordingly, have not been recognized as revenue.

In the government-wide financial statements, property taxes and assessment receivables are recognized as revenue when earned.

Receivables of the proprietary funds are recognized as revenue when earned, including services provided but not billed.

Supply Inventories

Inventories of materials and supplies in all funds are stated at cost on a first-in, first-out basis and charged to expenses as used. There were no Material Inventories as of June 30, 2010.

Restricted Assets

Cash and investments which may only be used for construction of capital assets or debt service principal and interest payments in accordance with applicable laws and regulations have been reported as restricted cash and investments on the Government-wide Statement of Net Assets and the Proprietary Fund Statement of Net Assets.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure (e.g., streets, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements.

Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of greater than five years. Capital assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at estimated fair market value as of the date of the donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

<u>Asset</u>	<u>Years</u>
Land improvements	10 – 50
Buildings	25 – 50
Building improvements	20 – 40
Equipment	5 – 15
Infrastructure	
Roads	40
Sidewalks	25 – 40
Water and Wastewater systems	25
Storm Drains	25

Capital assets include contribution of capital assets from outside developers. Revenue from these capital contributions is reflected in general revenues on the Statement of Activities.

Accrued Compensated Absences

Accumulated vested vacation and comp-time pay is accrued as it is earned. For governmental funds, only the portion in connection with terminated employees is reported. The non-current portion (the amount estimated to be used in subsequent fiscal years) is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. In business-type/enterprise funds, both the current and long-term liabilities are recorded.

Long-Term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts 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 treated as period costs in the year of issue and are shown as other financing uses.

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.

Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Tentative plans for utilization of fund balances in future periods are recorded as designations of fund balance in the fund-level financial statements. Planned expenditures include future capital projects, debt service, equipment reserves and other commitments for which fund balances have not been appropriated or specifically segregated.

Use of Estimates

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

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Local Emergency Communications Jurisdiction

The City is acting as lead agency in the local emergency communication jurisdiction for the 911 emergency telephone and dispatch service. As the lead agency, the City provides the staff dispatchers, maintains the communications equipment purchased by the jurisdiction, and exercises management control. Fiscal accountability for operations is in the General Fund Police Department and the 911 Fund. Revenues are provided by the State of Oregon 911 tax distribution to member agencies.

The local jurisdiction consists of the City, Harbor Rural Fire Protection District, Suburban Rural Fire District, Curry County, Coos-Curry Fire Protection District, Upper Chetco Rural Fire Protection District (Note 12), Cape Ferello Rural Fire Protection District, Winchuk Fire District and Cal-Ore Life Flights. The local jurisdiction acts in an advisory capacity only.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

An annual budget is adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budgets Law). The process under which the budget is adopted is described in the following paragraphs. The level of budgetary control for the General Fund is departmental, and for all others funds is by object (personal services, materials and services, capital outlay, contingencies, and transfers out).

Each April or May, the City Administrator submits a proposed budget to the Budget Committee (consisting of the City Council and an equal number of citizens of the City). The City is required to budget all funds. The City's budget is prepared on the modified accrual basis of accounting. Interfund loans are budgeted as sources and uses in accordance with state budget laws. Estimated receipts and expenditures are budgeted for by fund and object. Information on the past two years' actual receipts and expenditures and current-year estimates are included in the budget document.

The Budget Committee receives public comments for the purpose of obtaining citizens' comments, and then approves a budget to be submitted to the City Council for final adoption. The approved expenditures for each fund may not be increased by more than 10% by Council without returning to the Budget Committee for a second approval. After the Council adopts the budget and certifies the total of ad valorem taxes to be levied, no additional tax levy may be made for that fiscal year.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issued during the budget year. Management may modify original and supplemental budgets by the use of appropriation transfers between the levels of control within a fund. During the fiscal year ended June 30, 2010, City Council approved a supplemental budget resolution, recognizing additional resources carried over from the prior year and appropriating additional, unanticipated monies received after the budget was adopted.

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures over Appropriations

Expenditures of the various funds were within authorized appropriations, except for the Systems Development Fund (overspent Materials and Services by \$2,004).

3. CASH AND INVESTMENTS

Cash and investment balances are maintained in a common pooled account. Investment income is allocated monthly based on each fund's average cash balance.

Cash and investments are comprised of the following at June 30, 2010:

Cash on hand	\$ 400
Deposits with financial institutions	10,190,541
Oregon State Treasurer's Local Government Investment Pool	17,164
	<u>\$ 10,208,105</u>

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

Governmental Activities	\$ 4,219,758
Business-Type Activities	5,988,347
Total cash and investments	<u>\$ 10,208,105</u>

DEPOSITS

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

CREDIT RISK - DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2010, the bank balance was \$7,178,500. Of this amount, \$6,833,077 was exposed to custodial credit risk because it was uninsured. At June 30, 2010, the credit union balance totaled \$105,087 which was insured by NCUA.

INVESTMENTS

The City's investment policy is to follow the State statutes governing cash management. Oregon Revised Statutes authorize investing in obligations of the U.S. Treasury, U.S. government agencies and instrumentalities, bankers' acceptances guaranteed by an Oregon financial institution, repurchase agreements, State of Oregon Treasury Local Government Investment Pool, various interest bearing bonds of Oregon municipalities, certificates of deposit, and certain commercial paper among others.

The City participates in the Oregon State Treasurer's Local Government Investment Pool (LGIP or Pool), an open-ended; no-load diversified portfolio created under ORS 294.805 to 294.895. The Pool is not registered with the U.S. Securities and Exchange Commission as an investment

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

3. CASH AND INVESTMENTS (CONTINUED)

company and is not rated. The State's investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establishes diversification percentages and specifies the types and maturities of investments. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. A copy of the State's Comprehensive Annual Financial Report may be obtained at the Oregon State Treasury, 350 Winter St. NE, Salem, Oregon 97310-0840.

Amounts in the Pool are not required to be collateralized. As of June 30, 2010 the fair value of the position in the LGIP is 99.56% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. There is no material difference between fair value of the City's position in the Pool and the value of the pool shares at June 30, 2010.

As of June 30, 2010 the City had the following investments:

<u>Investment type</u>	<u>Maturities</u>	<u>Fair value</u>
Oregon State Treasury's Local Government Investment Pool	Avg 3 months	<u>\$17,164</u>

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. The City manages exposure to declines in fair values by limiting the weighted average maturity of the investment portfolio to levels required by State statute.

Credit Risk

The Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies. The investments in U.S. Government Agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investor Service. The State Pool is unrated.

Oregon Revised Statutes require banker's acceptances to be guaranteed by and carried on the books of a qualified financial institution, eligible for discount by Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

Concentration of Credit Risk

At June 30, 2010, 100% of total investments were in the Oregon State Treasury's Local Government Investment Pool. State statutes do not limit the percentage of investment in the Pool.

4. RECEIVABLES

Receivables represent uncollected property tax, state shared revenues, interest, uncollected water and sewer service fees, grants earned but not yet received and various other small billings for services. No allowance for doubtful accounts has been considered necessary at year end by management.

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

4. RECEIVABLES (CONTINUED)

Assessments receivable represent uncollected amounts levied against benefited property for the cost of local improvements. An allowance for uncollectible amounts is not deemed necessary by management because substantially all amounts, including delinquent assessments are payable over a period of ten years and the City can attach a lien against the property ensuring eventual collection.

The assessment bears a 6.50% interest, depending on the local improvement district. All assessments are reported as deferred revenue until paid. The State of Oregon sponsors a program whereby senior citizens can defer payment of their special assessments. After a senior citizen's application for deferral is accepted by the State, the State pays their assessments when due. When the senior citizen dies or disposes of his home, the assessment is paid in full to the City, which then pays the amounts advanced by the State.

Governmental funds report deferred revenue in the fund financial statements in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Property taxes are assessed as of January 1 and attach as an enforceable lien on property as of July 1. Taxes are levied on July 1 and are payable on November 15. They may be paid in installments due November 15, February 15, and May 15. Taxes are billed and collected by the County of Coos and remittance to the City is made at periodic intervals.

5. CAPITAL ASSETS

Capital asset activity for governmental activities of the primary government for the year ended the fiscal year ended June 30, 2010 was as follows:

	Balance Beginning of Year	Additions	(Deletions)	Balance End of Year
Non-Depreciable				
Land	2,649,697	-	-	2,649,697
Rights of Way	13,360,659	-	-	13,360,659
CIP	48,175	1,202,252	(48,175)	1,202,252
Total Non-Depreciable	16,058,531	1,202,252	(48,175)	17,212,608
Depreciable				
Buildings and Improvements	3,513,052	6,675	-	3,519,727
Vehicles and Equipment	2,109,878	556,660	-	2,666,538
Infrastructure	5,174,967	226,498	-	5,401,465
Total	10,797,897	789,833	-	11,587,730
Accumulated Depreciation				
Buildings and Improvements	909,191	139,255	-	1,048,446
Vehicles and Equipment	1,267,028	255,527	-	1,522,555
Infrastructure	2,231,294	24,070	-	2,255,364
Total	4,407,513	418,852	-	4,826,365
Depreciable, net	6,390,384			6,761,365
Total Capital Assets, net	22,448,915			23,973,973

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

5. CAPITAL ASSETS (CONTINUED)

Changes in capital assets per the above table are net of transfers between functional programs. Depreciation expense for governmental activities is charged to functions as follows:

General Government	\$115,313
Public Safety	215,739
Public Works	63,636
Culture and Recreation	<u>24,164</u>
Total	<u>\$418,852</u>

Capital asset activity for business-type activities of the primary government for the fiscal year ended June 30, 2010 was as follows:

	Balance Beginning of Year	Additions	(Deletions)	Balance End of Year
Not Depreciated				
Land	551,507	-	-	551,507
CIP	2,927,793	-	(2,927,793)	-
Total Not Depreciated	<u>3,479,300</u>	<u>-</u>	<u>(2,927,793)</u>	<u>551,507</u>
Capital assets, depreciated				
Infrastructure	25,896,267	3,421,449	-	29,317,716
Buildings and Improvements	6,486,898	-	-	6,486,898
Equipment and Vehicles	471,689	76,934	-	548,623
Total	<u>32,854,854</u>	<u>3,498,383</u>	<u>-</u>	<u>36,353,237</u>
Accumulated Depreciation				
Infrastructure	12,903,513	1,007,362	-	13,910,875
Buildings and Improvements	2,312,106	259,784	-	2,571,890
Equipment and Vehicles	250,464	54,128	-	304,592
Total	<u>15,466,083</u>	<u>1,321,274</u>	<u>-</u>	<u>16,787,357</u>
Depreciable, net	<u>17,388,771</u>			<u>19,565,880</u>
Total Capital Assets, net	<u>20,868,071</u>			<u>20,117,387</u>

Changes in capital assets per the above table are net of transfers between functional programs. Depreciation expense for business-type activities is charged to funds as follows:

Water Fund	\$339,419
Wastewater Fund	891,863
System Replacement Fund	31,151
System Development Fund	<u>58,841</u>
Total	<u>\$1,321,274</u>

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

6. DEPOSITS

Deposits consist of developer and utility customer deposits. The developers' deposits may be returned to the developers upon completion of the various projects or earned by the City as engineering fees, if such services are required. The utility customer's deposits may be returned when utility services are terminated and all utility service billings have been paid. Deposits on hand at June 30, 2010 are as follows:

<u>Source</u>	<u>General Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Developers	\$ 16,197	\$ -	\$ 16,197
Utility customers	-	199,908	199,908
Total	\$ 16,197	\$ 199,908	\$ 216,105

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers between governmental and business-type activities are reported as net transfers in the Statement of Activities. Net transfers in the Statement of Activities are reported as zero for the fiscal year ended June 30, 2010. Transfers between funds provide support for various City programs in accordance with budgetary authorizations. Interfund transfers are used to pay administrative services, provide funds for debt service, contribute toward the cost of capital projects, and provide operational resources.

The interfund transfer activity for fiscal year ended June 30, 2010 is as follows:

	<u>TRANSFERS FROM</u>	<u>TRANSFERS TO</u>
Governmental Activities		
General Fund	\$ 32,000	\$ 663,332
General Reserve Fund	71,000	40,000
Urban Renewal Agency	290,314	-
Other Governmental Funds	262,662	439,301
Total Governmental Activities	655,976	1,142,633
Business-type Activities		
Wastewater Loan Fund	-	931,605
System Replacement Fund	-	-
Water Fund	238,348	-
Wastewater Fund	1,179,914	-
System Development Fund	-	-
Total Business-type Activities	1,418,262	931,605
Total Interfund Transfers	\$ 2,074,238	\$ 2,074,238
	<u>RECEIVABLES</u>	<u>PAYABLES</u>
Governmental Activities		
General Fund	\$ 709,961	\$ -
Total Governmental Activities	\$ 709,961	\$ -
Business-type Activities		
Wastewater Fund	\$ -	\$ 3,058
Water Fund	-	706,903
Total Business-type Activities	\$ -	\$ 709,961

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

8. LONG-TERM DEBT

The City issues a variety of debt types for the purpose of carrying out its capital financing activities. The various types of debt are discussed below. Outstanding debt amounts are as of June 30, 2010.

The following table presents current year changes in long-term debt outstanding, along with the current portions due for each issue.

Bonds Payable

*Bonds Payable are allocated to Governmental and Business-type below based on intended use of funds and revenue repayment.

<u>Issue Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding 7/1/09</u>	<u>Issued</u>	<u>Matured and Redeemed</u>	<u>Outstanding 6/30/10</u>
September 1, 1998	3.25-4.75	1,140,000	170,000	-	60,000	110,000
October 15, 2003	2.00-3.75	3,215,000	1,435,000	-	305,000	1,130,000
July 22, 2008	4.66	3,400,000	3,280,000	-	110,000	3,180,000
			<u>4,895,000</u>	<u>-</u>	<u>475,000</u>	<u>4,420,000</u>

BUSINESS-TYPE ACTIVITIES

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable	1,148,000	-	1,148,000	-	-
Notes Payable - DEQ	9,649,090	-	652,400	8,996,690	676,696
Loan Payable	2,551,113	108,466	-	2,659,579	-
Premium/Discount	(7,546)		(7,546)	-	-
Total Long-term Liabilities	<u>13,340,657</u>	<u>108,466</u>	<u>1,792,854</u>	<u>11,656,269</u>	<u>676,696</u>

GOVERNMENTAL ACTIVITIES

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable	3,747,000	1,148,000	475,000	4,420,000	505,000
Notes Payable - Vector Truck	123,397	-	48,906	74,491	52,835
Note Payable - Police Car	137,447	-	34,084	103,363	34,883
Note Payable - Fire Truck	-	365,000	-	365,000	20,019
Note Payable - 911 Tower	-	540,000	47,690	492,310	26,274
Total Long-term Liabilities	<u>4,007,844</u>	<u>2,053,000</u>	<u>605,680</u>	<u>5,455,164</u>	<u>639,011</u>

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

8. LONG-TERM DEBT (CONTINUED)

Advance Refundings

The City of Brookings issued \$3,190,000 of limited tax full faith and credit refunding obligation bonds on October 23, 2003, to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of previous obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities columns of the Statement of Net Assets. The reacquisition price exceeded the net carrying amount of the old debt by \$183,450. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The balance of defeased debt to be retired by the bond escrow agent at June 30, 2004 was zero as the call date of the bonds was December 1, 2003. This advance refunding was undertaken to reduce total debt service payments over the next 20 years by \$501,547 and resulted in an economic gain of \$584,209.

The future debt maturity requirements are as follows at June 30, 2010:

Year Ending June 30,	Total	Principal	Interest
2011	351,547	315,000	36,547
2012	241,788	215,000	26,788
2013	238,100	220,000	18,100
2014	239,938	230,000	9,938
2015	152,813	150,000	2,813
Totals	<u>\$ 1,224,186</u>	<u>\$ 1,130,000</u>	<u>\$ 94,186</u>

Special Assessment Bonds

\$1,140,000 was issued during 1998 to refinance bonds issued in 1992 for assessed public improvements. Interest payments are required semi-annually on December 1 and June 1 of each year, with principal payments required each June 1 until 2012.

Year Ending June 30,	Total	Principal	Interest
2011	65,165	60,000	5,165
2012	52,375	50,000	2,375
Totals	<u>\$ 117,540</u>	<u>\$ 110,000</u>	<u>\$ 7,540</u>

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

8. LONG-TERM DEBT (CONTINUED)

Urban Renewal Revenue Bond Series 2008

\$3,400,000 was issued during 2008 to finance projects within the Brookings Urban Renewal Area. Interest payments are required semi-annually on December 1 and June 1 of each year, with principal payments required each June 1 until 2020.

The future debt maturity requirements are as follows at June 30, 2010:

Year Ending June 30,	Total	Principal	Interest
2011	278,188	130,000	148,188
2012	307,130	165,000	142,130
2013	334,441	200,000	134,441
2014	365,121	240,000	125,121
2015	403,937	290,000	113,937
2016-2020	2,468,618	2,155,000	313,618
Totals	<u>\$ 4,157,435</u>	<u>\$ 3,180,000</u>	<u>\$ 977,435</u>

Revenue Secured Loan

Funds for repayment of the DEQ Loan are derived from sewer charges paid by customers. The remainder of the loan is to be paid in 30 semi-annual payments at an interest rate of 3.69%, due on August 1 and February 1 each year until 2021. An additional 0.5% of the outstanding loan balance is due annually as a loan servicing fee.

The future debt maturity requirements are as follows at June 30, 2010:

Year Ending June 30,	Total	Principal	Interest	Processing & Service Fees
2011	1,045,795	676,696	325,792	43,307
2012	1,042,349	701,896	300,592	39,861
2013	1,038,775	728,035	274,453	36,287
2014	1,035,068	755,147	247,341	32,580
2015	1,031,222	783,269	219,219	28,734
2016-2020	5,093,228	4,376,225	636,215	80,788
2021	1,004,961	975,422	27,078	2,461
Totals	<u>\$ 11,291,398</u>	<u>\$ 8,996,690</u>	<u>\$ 2,030,690</u>	<u>\$ 264,018</u>

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

8. LONG-TERM DEBT (CONTINUED)

Loan Payable

During 2006-2007, the City entered into a loan agreement in the amount of \$4,000,000 with the State of Oregon Department of Oregon Economic & Community Development to fund construction of water improvements and has borrowed \$2,659,579 under the agreement. The loan currently has no amortization table available for repayment. The Loan includes an interest rate of 3.46% per annum. The City has pledged net operating revenues from the water system to pay the amounts due under the loan agreement.

Notes Payable

Notes payable were issued during 2008-09 in the amount of \$207,610 for a vector truck and \$174,083 for a police vehicle. During 2009-10 Note payables were issued in the amount of \$540,000 for a 911 Tower and \$365,000 for a Fire Truck.

Year Ending June 30,	Total	Vector Truck	Police Vehicle	Fire Truck	911 Tower
2011	136,004	54,828	34,883	20,019	26,274
2012	102,833	19,663	35,523	20,230	27,417
2013	82,377	-	32,957	20,810	28,610
2014	51,315	-	-	21,461	29,854
2015	53,258	-	-	22,105	31,153
2016-2020	298,167	-	-	120,856	177,311
2021-2025	311,210	-	-	139,519	171,691
Totals	<u>\$ 1,035,164</u>	<u>\$ 74,491</u>	<u>\$ 103,363</u>	<u>\$ 365,000</u>	<u>\$ 492,310</u>

9. COMPENSATED ABSENCES

Activity for compensated absences, all of which are considered due within one year, for the year ended June 30, 2010 as follows:

Balance July 1, 2009	173,677
Additions	183,564
Deletions	<u>(173,677)</u>
Balance June 30, 2010	<u>\$ 183,564</u>

10. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of City-County Insurance Services (CCIS), a public entity risk pool currently operating a common risk management and insurance program. An annual premium is paid to CCIS for insurance coverage. Based on the experience of the City and the pool, the City may be liable for an additional premium of up to approximately 20% of its initial premium or it may receive a refund. The City has never had to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. The City continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

11. CONTINGENT LIABILITIES

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Management intends to vigorously contest these matters and does not believe their ultimate resolution will have a material effect upon the City's financial position, results of operations or cash flows.

Federal grants are subject to audit by the grantor agency and any adjustments may become a liability of the appropriate fund. Management believes that adjustments, if any, will not materially affect the City's financial position.

Amounts received or receivable from loaning agencies are subject to audit and adjustment by loaning agencies, principally the State government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the loaner cannot be determined at this time although the city expects such amounts, if any, to be immaterial.

12. INTERGOVERNMENTAL AGREEMENT

The City of Brookings has an intergovernmental agreement with the Upper Chetco Rural Fire Protection District (District), also known as the Upper Chetco Volunteer Fire Department, to provide fire protection to the District, effective July 1, 2000. The term of the Agreement is approximately ten years, ending on the 30th day of June, 2010; the term was renewed until June 30, 2013. 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 each year an annual fee equal to 90% of the property taxes collected for the Upper Chetco Rural Fire Protection District.

13. PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description

Contributions are made to two pension plans administered by the Oregon Public Employees Retirement System (PERS). The Oregon Public Retirement Funds (OPERF) applies to the City's contribution for qualifying employees who were hired before August 29, 2003, and is a cost-sharing multiple-employer defined benefit pension plan. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor to the OPERF and consists of two programs: The Pension Program, the defined benefit program of the plan, applies to qualifying City employees hired after August 29, 2003, and to inactive employees who return to employment following a six-month or greater break in service. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. Beginning January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Substantially all City employees are participants in the State of Oregon Public Employees Retirement System (OPERS), an agent multiple-employer defined benefit pension plan that acts as a common investment and administrative agent for government units in the State of Oregon. Benefits generally vest after contributions are made in five consecutive calendar years.

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

13. PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

Retirement is allowed at age 58 with unreduced benefits, but retirement is generally available after age 55 with reduced benefits. Compulsory withdrawals must begin by age 70½. Retirement benefits are payable in lump sum or monthly amounts using several payment options. OPERS also provides death and disability benefits. These benefit provisions and other requirements are established by Chapter 238, Oregon Revised Statutes (ORS). The Board of Directors of OPERS has the authority under state statutes to amend the Plan's benefit and contribution rates. OPERS issues publicly available financial reports that include financial statements and required supplementary information. The reports may be obtained from the Oregon Public Employees Retirement System, PO Box 23700, Tigard, Oregon 97281-3700.

Funding Policy

Employer contributions are required by state statute and are made at actuarially determined rates as adopted by the Oregon Public Employees Retirement Board (OPERB). Covered employees are required to contribute 6% of their salary to the Plan, which is invested in the OPSRP Individual Account Program. The OPERB and OPSRP rates in effect for the year ended June 30, 2010 were calculated by the City at 7.96% for OPSRP General, 10.67% for OPSRP Police and Fire, and 10.10% for PERS 238.

Annual Pension Cost

All OPERS participating employers are required by law to submit the contributions as adopted by the Retirement Board. The contribution to PERS for the years ending June 30, 2010, 2009, and 2008 were \$426,380, \$429,175, and \$404,108, respectively, which equaled the required contribution for each fiscal year.

The following table presents three –year trend information for the employee pension plan costs:

	Fiscal Year Ending		
	2010	2009	2008
City contribution rate: PERS Tier I & II	10.10%	12.44%	17.19%
City contribution rate: OPSRP			
General Services	7.96%	12.56%	12.30%
Police & Fire	10.67%	15.83%	15.57%
Employee contribution	6.00%	6.00%	6.00%

The pension liability and the annual required contribution rate were determined as part of the December 31, 2009 actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation include (a) a rate of return on investment of 8% per year; (b) projected salary increases due to general wage adjustments of 3.75% per year; (c) cost of living increases of 2.75% per year; (d) projected automatic post-retirement benefit increases of 2.75% per year; and (e) certain demographic assumptions. The unfunded actuarial liability is amortized as a level percentage of covered payrolls over a twenty year period on an open basis. The actuarial value of plan assets is based on market value.

The Oregon Legislature Assembly created a second level or "Tier" of PERS benefits that modified service and disability retirement allowances payable to person who established PERS membership on or after January 1, 1996 ("Tier II" members). Future interest credits are assumed at 8.0% for Tier I and Tier II members.

CITY OF BROOKINGS, OREGON
Notes to Basic Financial Statements
June 30, 2010

13. PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONTINUED)

Effective August 29, 2003, the Oregon Legislative Assembly passed HB 2020 which creates a successor retirement plan to PERS, effective for all new hires after passage of the bill, and to any inactive PERS Tier I or Tier II members who return to employment following a six month or greater break in service. The new plan, named the Oregon Public Service Retirement Plan (OPSRP), is administered by the PERS Board and incorporates both a defined benefit and a defined contribution portion within the same plan.

Trend Information

Trend information is designed to give an indication of the progress made in accumulating sufficient assets to pay benefits when due. It is required by Statement No. 27 of the GASB and is presented in the following table. Actuarial information for calendar year 2009 is the most recent available.

Actuarial Valuation Date Dec. 31	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Accrued Liability (UAAL)	Percent Funded	Covered Payroll	UAAL as a Percentage of Covered Payroll
2007	\$ 26,674,200	\$ 26,883,100	\$ 208,900	99%	\$ 4,264,200	5%
2008	19,859,000	27,551,800	7,892,800	72%	4,521,300	170%
2009	22,476,000	29,029,100	6,553,100	77%	4,850,100	135%

Effective with the December 31, 2009 actuarial valuation the following methods and assumptions were used: (a) the actuarial cost method was the Projected Unit Credit cost method; (b) the asset valuation method was the market value of assets; and (c) a rate collar was established to stabilize contribution rates that limits changes in employer contribution rates to the greater of 20% of the current rate or 3 percentage points. The 2009 actuarial valuation reflects the legislation effective on December 31, 2009, and estimates of the impacts of subsequent court decisions made during 2009 on both the plan assets and liabilities.

The actuary determined there is no liability to record for postemployment benefits under GASB 45.

14. DEFERRED COMPENSATION PLANS

The City has two deferred compensation trust plans created in accordance with Internal Revenue Code Section 457. The trusts hold the assets for the exclusive benefit of plan participants and their beneficiaries. Plan assets are not the property of the City, or subject to the claims of the City's general creditors.

15. PROPERTY TAX LIMITATION

The State of Oregon has a constitutional limit on property taxes for governmental operations. Under the limitation, tax revenue is separated into those for public schools and those for local governments other than public schools. The limitation specifies a maximum rate for all local government operations of \$10.00 per \$1,000 of real market value, while schools are similarly limited to a \$5.00 maximum rate. Local government taxes in the City currently do not exceed the \$10.00 rate limit; however, this limitation may affect the availability of future tax revenues for the City.

In May 1997, voters approved Measure 50 which rolled back assessed values to 90% of 1995-96 and limits future increases of taxable assessed values to 3% per year, exclusive of new construction and property that is improved, rezoned, subdivided, or ceases to qualify for exemption. Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed rate provided a majority approves at either (i) a general election in an even numbered year, or (ii) at any other election in which at least 50% of registered voters cast a ballot.

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**CITY OF BROOKINGS
CURRY COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

1. No budgetary expenditures in excess of appropriations occurred during the year.
2. The budgetary basis of accounting for all funds is substantially the same as accounting principles generally accepted in the United States of America, except as noted on note 2, page 21. Accordingly, no reconciliation of budgetary to generally accepted accounting principles activity is required.

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CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
GENERAL FUND
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(budgetary basis)	Final Budget
REVENUES				
Taxes	\$ 2,380,366	\$ 2,380,366	\$ 2,420,492	\$ 40,126
Licenses and permits	87,000	87,000	156,801	69,801
Intergovernmental	196,800	285,391	247,439	(37,952)
Charges for services	162,000	162,000	128,710	(33,290)
Miscellaneous	101,000	105,128	94,160	(10,968)
Total revenues	\$ 2,927,166	\$ 3,019,885	\$ 3,047,602	\$ 27,717
EXPENDITURES				
Judicial	5,850	5,850 (1)	\$ 3,780	\$ 2,070
Legislative	356,757	356,757 (1)	309,884	46,873
Police	1,769,280	1,769,280 (1)	1,692,190	77,090
Fire	372,299	809,127 (1)	793,620	15,507
Planning	377,785	377,785 (1)	333,959	43,826
Parks & Recreation	206,025	209,325 (1)	154,343	54,982
Administrative	286,816	286,816 (1)	276,075	10,741
Swimming Pool	104,291	104,291 (1)	88,737	15,554
Non-Departmental (2)	550,395	588,986 (1)	121,920	467,066
Total expenditures	4,029,498	4,508,217	3,774,508	733,709
Excess (deficiency) of revenues over (under) expenditures	(1,102,332)	(1,488,332)	(726,906)	761,426
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	-	365,000	905,001	540,001
Transfers in	642,332	663,332	663,332	-
Transfers out	(110,000)	(110,000) (1)	(32,000)	78,000
Total other financing sources (uses)	532,332	918,332	1,536,333	618,001
Net change in fund balance	(570,000)	(570,000)	809,427	1,379,427
FUND BALANCE, BEGINNING OF YEAR	570,000	570,000	561,561	(8,439)
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 1,370,988	\$ 1,370,988

(1) Appropriation Level

(2) Non-Departmental includes Contingencies and Other Miscellaneous Expenditures

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CITY OF BROOKINGS
CURRY COUNTY, OREGON

SUPPLEMENTARY INFORMATION

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CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
WATER FUND
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(budgetary basis)	Final Budget
REVENUES				
Charges for services	\$ 1,252,700	\$ 1,252,700	\$ 1,210,776	\$ (41,924)
Investment earnings	6,000	6,000	-	(6,000)
Miscellaneous	-	-	207,989	207,989
Total revenues	\$ 1,258,700	\$ 1,258,700	\$ 1,418,765	\$ 160,065
EXPENDITURES				
Personal services				
Distribution	\$ 218,582	\$ 218,582	\$ 241,466	\$ (22,884)
Treatment	196,787	196,787	172,686	24,101
Total personal services	415,369	415,369 (1)	414,152	1,217
Material and services				
Distribution	265,230	265,230	268,226	(2,996)
Treatment	193,400	193,400	145,050	48,350
Total materials and services	458,630	458,630 (1)	413,276	45,354
Capital outlay				
Distribution	2,104,900	2,104,900	341,910	1,762,990
Treatment	182,400	182,400	208,003	(25,603)
Total capital outlay	2,287,300	2,287,300 (1)	549,913	1,737,387
Total expenditures	3,161,299	3,161,299	1,377,341	1,783,958
Excess (deficiency) of revenues over (under) expenditures	(1,902,599)	(1,902,599)	41,424	1,944,023
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	2,000,000	2,000,000	54,000	(1,946,000)
Transfers out				
Distribution	(591,376)	(591,376)	(238,348)	353,028
Total Transfers out	(591,376)	(591,376) (1)	(238,348)	353,028
Contingency				
Treatment	(106,025)	(106,025) (1)	-	106,025
Total other financing sources (uses)	1,302,599	1,302,599	(184,348)	(1,486,947)
Net change in fund balance	(600,000)	(600,000)	(142,924)	457,076
FUND BALANCE, BEGINNING OF YEAR	600,000	600,000	218,906	(381,094)
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 75,982	\$ 75,982
(1) Appropriations Level				
Reconciliation to GAAP Net Assets				
			Capital Assets (Net)	\$ 6,579,191
			Payables (Net)	(3,058)
			Long-Term Debt (Net)	(2,713,580)
				<u>\$ 3,938,535</u>

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
WASTEWATER FUND
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(budgetary basis)</u>	<u>Final Budget</u>
REVENUES				
Charges for services	\$ 2,676,000	\$ 2,676,000	\$ 2,392,774	\$ (283,226)
Investment earnings	8,000	8,000	9,552	1,552
Total revenues	\$ 2,684,000	\$ 2,684,000	\$ 2,402,326	\$ (281,674)
EXPENDITURES				
Public works				
Personal services				
Collection	\$ 331,621	\$ 331,621	\$ 311,628	\$ 19,993
Treatment	400,821	400,821	369,434	31,387
Total personal services	732,442	732,442 (1)	681,062	51,380
Materials and services				
Collection	214,480	214,480	135,546	78,934
Treatment	693,300	693,300	681,765	11,535
Total materials and services	907,780	907,780 (1)	817,311	90,469
Total public works	1,640,222	1,640,222	1,498,373	141,849
Capital outlay				
Collection	27,900	27,900	37,734	(9,834)
Treatment	156,275	156,275	17,505	138,770
Total capital outlay	184,175	184,175 (1)	55,239	128,936
Total expenditures	1,824,397	1,824,397	1,553,612	270,785
Excess (deficiency) of revenues over (under) expenditures	859,603	859,603	848,714	(10,889)
OTHER FINANCING SOURCES (USES)				
Transfers out				
Collection	(1,185,942)	(1,185,942)	-	1,185,942
Treatment	-	-	(1,179,914)	(1,179,914)
Total Transfers out	(1,185,942)	(1,185,942) (1)	(1,179,914)	6,028
Loan Proceeds	-	-	54,000	54,000
Contingency				
Treatment	(423,661)	(423,661) (1)	-	423,661
Total other financing sources (uses)	(1,609,603)	(1,609,603)	(1,125,914)	483,689
Net change in fund balance	(750,000)	(750,000)	(277,200)	472,800
FUND BALANCE, BEGINNING OF YEAR	<u>750,000</u>	<u>750,000</u>	<u>1,377,669</u>	<u>627,669</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,100,469</u>	<u>\$ 1,100,469</u>
(1) Appropriations Level				
Reconciliation to GAAP Net Assets				
	Capital Assets (Net)		\$ 12,290,857	
	Payables (Net)		(57,059)	
			<u>\$ 13,334,267</u>	

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
WASTEWATER LOAN FUND
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(budgetary basis)	Final Budget
REVENUES				
Investment earnings	\$ 20,000	\$ 20,000	\$ 47,493	\$ 27,493
EXPENDITURES				
Materials and services	\$ 46,629	\$ 46,629 (1)	\$ 46,629	\$ -
Debt service				
Principal	652,400	652,400	652,400	-
Interest	350,088	350,088	350,088	-
Total Debt Service	1,002,488	1,002,488 (1)	1,002,488	-
Total expenditures	1,049,117	1,049,117	1,049,117	-
Excess (deficiency) of revenues over (under) expenditures	(1,029,117)	(1,029,117)	(1,001,624)	27,493
OTHER FINANCING SOURCES (USES)				
Transfers in	931,605	931,605	931,605	-
Transfers out	-	-	-	-
DEQ reserves	(1,002,488)	(1,002,488) (1)	-	1,002,488
Contingency	-	-	-	-
Total other financing sources (uses)	(70,883)	(70,883)	931,605	1,002,488
Net change in fund balance	(1,100,000)	(1,100,000)	(70,019)	1,029,981
FUND BALANCE, BEGINNING OF YEAR	1,100,000	1,100,000	1,224,666	124,666
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 1,154,647	\$ 1,154,647
(1) Appropriations Level				
Reconciliation to GAAP Net Assets	Payables		\$ (139,465)	
	Long-Term Debt		(8,996,690)	
			<u>\$ (7,981,508)</u>	

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
SYSTEM REPLACEMENT FUND
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(budgetary basis)</u>	<u>Final Budget</u>
REVENUES				
System replacement fees				
Street system	\$ 120,000	\$ 120,000	\$ 120,530	\$ 530
Stormwater system	85,000	85,000	118,587	33,587
Water system	120,000	120,000	120,424	424
Wastewater system	100,000	100,000	108,607	8,607
Total system replacement fees	425,000	425,000	468,148	43,148
Investment earnings				
Street system	8,000	8,000	3,649	(4,351)
Stormwater system	-	-	520	520
Water system	2,000	2,000	98	(1,902)
Wastewater system	12,000	12,000	3,924	(8,076)
Total investment earnings	22,000	22,000	8,191	(13,809)
Total revenues	\$ 447,000	\$ 447,000	\$ 476,339	\$ 29,339
EXPENDITURES				
Capital outlay				
Construction projects				
Street system	\$ 648,000	\$ 648,000 (1)	\$ -	\$ 648,000
Stormwater system	105,000	105,000 (1)	-	105,000
Water system	262,000	262,000 (1)	-	262,000
Wastewater system	554,150	554,150 (1)	-	554,150
Total construction projects	1,569,150	1,569,150	-	1,569,150
B-H interceptor line				
Wastewater system	112,350	112,350 (1)	-	112,350
Total expenditures	1,681,500	1,681,500	-	1,681,500
Excess (deficiency) of revenues over (under) expenditures	(1,234,500)	(1,234,500)	476,339	1,710,839
OTHER FINANCING SOURCES (USES)				
Transfers in (wastewater system)	4,500	4,500	-	(4,500)
Net change in fund balance	(1,230,000)	(1,230,000)	476,339	1,706,339
FUND BALANCE, BEGINNING OF YEAR	1,230,000	1,230,000	1,359,465	129,465
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 1,835,804	\$ 1,835,804
(1) Appropriations Level				
Reconciliation to GAAP Net Assets		Capital Assets (Net)	618,063	
			\$ 2,453,867	

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
SYSTEM DEVELOPMENT FUND
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(budgetary basis)</u>	<u>Final Budget</u>
REVENUES				
SDC Improvement fees				
Street system	\$ 3,000	\$ 3,000	\$ 6,345	\$ 3,345
Water system	5,000	5,000	9,931	4,931
Wastewater system	10,000	10,000	59,726	49,726
Parks/recreation system	1,000	1,000	9,144	8,144
Storm drain system	1,000	1,000	2,656	1,656
Total SDC Improvement fees	20,000	20,000	87,802	67,802
SDC Reimbursement fees				
Street system	1,000	1,000	1,619	619
Water system	500	500	2,036	1,536
Wastewater system	5,000	5,000	118,948	113,948
Parks/recreation system	500	500	1,608	1,108
Storm drain system	1,000	1,000	3,824	2,824
Total SDC Reimbursement fees	8,000	8,000	128,035	120,035
Investment earnings				
Street system	5,000	5,000	1,970	(3,030)
Water system	12,000	12,000	4,973	(7,027)
Wastewater system	5,500	5,500	3,996	(1,504)
Parks/recreation system	2,600	2,600	839	(1,761)
Storm drain system	1,100	1,100	486	(614)
Total investment earnings	26,200	26,200	12,264	(13,936)
Total revenues	\$ 54,200	\$ 54,200	\$ 228,101	\$ 173,901
EXPENDITURES				
Materials and services	\$ 7,500	\$ 7,500 (1)	\$ 9,504	\$ (2,004)
Capital outlay				
Street system	306,500	306,500 (1)	266	306,234
Water system	782,500	782,500 (1)	217	782,283
Wastewater system	573,150	573,150 (1)	217	572,933
Parks/recreation system	129,100	129,100 (1)	-	129,100
Storm drain system	78,100	78,100 (1)	216	77,884
Total expenditures	1,876,850	1,876,850	10,420	1,866,430
Excess (deficiency) of revenues over (under) expenditures	(1,822,650)	(1,822,650)	217,681	2,040,331
OTHER FINANCING SOURCES (USES)				
Transfers out				
Wastewater system	-	-	-	-
Contingency	(7,350)	(7,350) (1)	-	7,350
Total other financing sources (uses)	(7,350)	(7,350)	-	7,350
Net change in fund balance	(1,830,000)	(1,830,000)	217,681	2,047,681
FUND BALANCE, BEGINNING OF YEAR	1,830,000	1,830,000	1,897,480	67,480
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 2,115,161	\$ 2,115,161
(1) Appropriations Level				
Reconciliation to GAAP Net Assets	Capital Assets (Net)		\$ 629,276	
			\$ 2,744,437	

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
GENERAL RESERVE FUND
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(budgetary basis)</u>	<u>Final Budget</u>
REVENUES				
Investment earnings	\$ 12,000	\$ 12,000	\$ 2,939	\$ (9,061)
EXPENDITURES				
Capital outlay	\$ 561,000	\$ 490,000 (1)	\$ -	\$ 490,000
Excess (deficiency) of revenues over (under) expenditures	(549,000)	(478,000)	2,939	480,939
OTHER FINANCING SOURCES (USES)				
Transfers in	40,000	40,000	40,000	-
Transfers out	-	(71,000) (1)	(71,000)	-
Contingency	(176,000)	(176,000) (1)	-	176,000
Total other financing sources (uses)	(136,000)	(207,000)	(31,000)	176,000
Net change in fund balance	(685,000)	(685,000)	(28,061)	656,939
FUND BALANCE, BEGINNING OF YEAR	<u>685,000</u>	<u>685,000</u>	<u>712,571</u>	<u>27,571</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 684,510</u>	<u>\$684,510</u>

(1) Appropriations Level

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
DAWSON BANCROFT BOND FUND
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(budgetary basis)	Final Budget
REVENUES				
Special assessments	\$ 12,000	\$ 12,000	\$ 12,454	\$ 454
Assessment interest	3,000	3,000	29,733	26,733
Investment earnings	4,000	4,000	1,086	(2,914)
Total revenues	\$ 19,000	\$ 19,000	\$ 43,273	\$ 24,273
EXPENDITURES				
General government				
Materials and services	\$ 775	\$ 775 (1)	\$ 425	\$ 350
Debt service				
Principal	60,000	60,000	60,000	-
Interest	7,895	7,895	7,895	-
Total Debt Service	67,895	67,895 (1)	67,895	-
Total expenditures	68,670	68,670	68,320	350
Excess (deficiency) of revenues over (under) expenditures	(49,670)	(49,670)	(25,047)	24,623
OTHER FINANCING SOURCES (USES)				
Transfers in	12,056	12,056	-	(12,056)
Transfers out	-	-	-	-
Net change in fund balance	(37,614)	(37,614)	(25,047)	11,867
FUND BALANCE, BEGINNING OF YEAR	140,000	140,000	148,903	8,903
FUND BALANCE, END OF YEAR	\$ 102,386	\$ 102,386	\$ 123,856	\$ 21,470

(1) Appropriations Level

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
URBAN RENEWAL AGENCY
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(budgetary basis)</u>	<u>Final Budget</u>
REVENUES				
Investment earnings				
Property taxes - current year	\$ 344,500	\$ 344,500	\$ 439,781	\$ 95,281
Property taxes - prior years	4,000	4,000	17,241	13,241
Total taxes	348,500	348,500	457,022	108,522
Miscellaneous				
Investment earnings	5,000	5,000	37,985	32,985
Grant revenue	-	-	-	-
Total miscellaneous	5,000	5,000	37,985	32,985
Total revenues	\$ 353,500	\$ 353,500	\$ 495,007	\$ 141,507
EXPENDITURES				
General government				
Materials and supplies	\$ 50,000	\$ 413,591 (1)	\$ 345,025	\$ 68,566
Capital outlay	3,213,186	2,899,595 (1)	973,792	1,925,803
Total expenditures	3,263,186	3,313,186	1,318,817	1,994,369
Excess (deficiency) of revenues over (under) expenditures	(2,909,686)	(2,959,686)	(823,810)	2,135,876
OTHER FINANCING SOURCES (USES)				
Transfers out	(340,314)	(290,314) (1)	(290,314)	-
Net change in fund balance	(3,250,000)	(3,250,000)	(1,114,124)	2,135,876
FUND BALANCE, BEGINNING OF YEAR	3,250,000	3,250,000	3,072,045	(177,955)
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 1,957,921	\$ 1,957,921

(1) Appropriations Level

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CITY OF BROOKINGS, OREGON
Combining Balance Sheet
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

	<u>Debt Service Fund</u>	<u>Debt Service Bond Series 2003 Fund</u>	<u>Street Fund</u>	<u>911 Fund</u>	<u>Azalea Park Fund</u>
ASSETS					
Cash and investments	\$ 268,053	\$ -	\$ (149,523)	\$ 120,428	\$ 42,180
Receivables					
Accounts	-	-	211,467	67,052	-
Interest	-	-	-	-	-
Taxes	1,668	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 269,721</u>	<u>\$ -</u>	<u>\$ 61,944</u>	<u>\$ 187,480</u>	<u>\$ 42,180</u>
LIABILITIES					
Deferred revenue	\$ -	\$ -	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	-	-	-	-	-
FUND BALANCES					
Reserved for					
Capital projects	-	-	-	-	-
Debt service	269,721	-	-	-	-
Unreserved	-	-	61,944	187,480	42,180
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>269,721</u>	<u>-</u>	<u>61,944</u>	<u>187,480</u>	<u>42,180</u>
Total liabilities and fund balances	<u>\$ 269,721</u>	<u>\$ -</u>	<u>\$ 61,944</u>	<u>\$ 187,480</u>	<u>\$ 42,180</u>

Stout Park Fund	Donation Funds	URA Debt	Total Nonmajor Governmental Funds
\$ 21,544	\$ 47,903	\$ 330,985	\$ 681,570
-	-	-	278,519
-	-	-	-
-	-	-	1,668
<u>\$ 21,544</u>	<u>\$ 47,903</u>	<u>\$ 330,985</u>	<u>\$ 961,757</u>
\$ -	\$ -	\$ -	\$ -
-	-	-	-
21,544	-	-	21,544
-	-	330,985	600,706
-	47,903	-	339,507
<u>21,544</u>	<u>47,903</u>	<u>330,985</u>	<u>961,757</u>
<u>\$ 21,544</u>	<u>\$ 47,903</u>	<u>\$ 330,985</u>	<u>\$ 961,757</u>

CITY OF BROOKINGS, OREGON
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	Debt Service Fund	Debt Service Bond Series 2003 Fund	Street Fund	911 Fund	Azalea Park Fund
REVENUES					
Property taxes	\$ 393,162	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-	11,854
Intergovernmental revenues	-	-	456,518	186,772	-
Investment earnings	1,447	-	192	1,081	244
Other revenues	-	-	7,006	-	1,712
Total revenues	\$ 394,609	\$ -	\$ 463,716	\$ 187,853	\$ 13,810
EXPENDITURES					
Current					
Public safety	\$ -	\$ -	\$ -	\$ 23,130	\$ -
Public works	-	-	232,225	-	-
Culture and recreation	-	-	-	-	7,050
Capital outlay	-	-	215,757	29,440	-
Debt service					
Principal	305,000	-	-	-	-
Interest	46,044	-	-	-	-
Total expenditures	351,044	-	447,982	52,570	7,050
Excess (deficiency) of revenues over (under) expenditures	43,565	-	15,734	135,283	6,760
OTHER FINANCING SOURCES (USES)					
Transfers in	116,882	-	32,000	-	-
Transfers out	-	(116,882)	(45,675)	(100,000)	-
Net change in fund balance	160,447	(116,882)	2,059	35,283	6,760
FUND BALANCES, BEGINNING OF YEAR	109,274	116,882	59,885	152,197	35,420
FUND BALANCES, END OF YEAR	\$ 269,721	\$ -	\$ 61,944	\$ 187,480	\$ 42,180

Stout Park Fund	Donation Funds	URA Debt	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 393,162
-	-	-	11,854
-	1,183	-	644,473
119	3,329	1,637	8,049
1,550	22,244	-	32,512
<u>\$ 1,669</u>	<u>\$ 26,756</u>	<u>\$ 1,637</u>	<u>\$ 1,090,050</u>
\$ -	\$ -	\$ -	\$ 23,130
-	-	-	232,225
-	12,313	-	19,363
-	-	-	245,197
-	-	110,000	415,000
-	-	153,257	199,301
<u>-</u>	<u>12,313</u>	<u>263,257</u>	<u>1,134,216</u>
1,669	14,443	(261,620)	(44,166)
-	105	290,314	439,301
-	(105)	-	(262,662)
<u>1,669</u>	<u>14,443</u>	<u>28,694</u>	<u>132,473</u>
<u>19,875</u>	<u>33,460</u>	<u>302,291</u>	<u>829,284</u>
<u>\$ 21,544</u>	<u>\$ 47,903</u>	<u>\$ 330,985</u>	<u>\$ 961,757</u>

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
DEBT SERVICE BOND FUND
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(budgetary basis)</u>	<u>Final Budget</u>
REVENUES				
Taxes				
Property taxes - current year	\$ 385,000	\$ 385,000	\$ 387,975	\$ 2,975
Property taxes - prior years	2,000	2,000	5,187	3,187
Investment earnings	1,000	1,000	1,447	447
Total revenues	\$ 388,000	\$ 388,000	\$ 394,609	\$ 6,609
EXPENDITURES				
Debt service				
Principal	\$ 305,000	\$ 305,000	\$ 305,000	\$ -
Interest	46,044	46,044	46,044	-
Total debt service	351,044	351,044	(1) 351,044	-
Total expenditures	351,044	351,044	351,044	-
Excess (deficiency) of revenues over (under) expenditures	36,956	36,956	43,565	6,609
OTHER FINANCING SOURCES (USES)				
Transfers in	116,000	116,000	116,882	882
Transfers out	-	-	-	-
Net change in fund balance	152,956	152,956	160,447	7,491
FUND BALANCE, BEGINNING OF YEAR	104,000	104,000	109,274	5,274
FUND BALANCE, END OF YEAR	\$ 256,956	\$ 256,956	\$ 269,721	\$ 12,765

(1) Appropriations Level

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
DEBT SERVICE BOND SERIES 2003 FUND
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(budgetary basis)	Final Budget
REVENUES				
Investment earnings	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current				
Materials and services	\$ -	\$ -	\$ -	\$ -
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total debt service	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfers out	(116,000)	(117,000) (1)	(116,882)	118
Transfers in	-	-	-	-
Net change in fund balance	(116,000)	(117,000)	(116,882)	118
FUND BALANCE, BEGINNING OF YEAR	116,000	117,000	116,882	(118)
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ -	\$ -

(1) Appropriations Level

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
STREET FUND
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(budgetary basis)	Final Budget
REVENUES				
Intergovernmental				
State highway fund	\$ 249,000	\$ 497,000	\$ 456,518	\$ (40,482)
Investment earnings	1,200	1,200	192	(1,008)
Other revenues	-	-	7,006	7,006
Total revenues	\$ 250,200	\$ 498,200	\$ 463,716	\$ (34,484)
EXPENDITURES				
Public works				
Personal services	\$ 90,157	\$ 90,157 (1)	\$ 66,254	\$ 23,903
Materials and services	180,740	180,740 (1)	165,971	14,769
Total public works	270,897	270,897	232,225	38,672
Capital outlay	18,300	266,300 (1)	215,757	50,543
Contingency	42,328	42,328 (1)	-	42,328
Total expenditures	331,525	579,525	447,982	131,543
Excess (deficiency) of revenues over (under) expenditures	(81,325)	(81,325)	15,734	97,059
OTHER FINANCING SOURCES (USES)				
Transfers in	32,000	32,000	32,000	-
Transfers out	(45,675)	(45,675) (1)	(45,675)	-
Net change in fund balance	(95,000)	(95,000)	2,059	97,059
FUND BALANCE, BEGINNING OF YEAR	95,000	95,000	59,885	(35,115)
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 61,944	\$ 61,944

(1) Appropriations Level

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
911 FUND
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(budgetary basis)	Final Budget
REVENUES				
Intergovernmental				
Allocation of state 911 telephone tax				
County	\$ 179,000	\$ 179,000	\$ 186,772	\$ 7,772
Investment earnings	5,000	5,000	1,081	(3,919)
Total revenues	<u>\$ 184,000</u>	<u>\$ 184,000</u>	<u>\$ 187,853</u>	<u>\$ 3,853</u>
EXPENDITURES				
Public safety				
Materials and services	\$ 33,570	\$ 33,570 (1)	\$ 23,130	\$ 10,440
Capital outlay	79,000	79,000 (1)	29,440	49,560
Total expenditures	<u>112,570</u>	<u>112,570</u>	<u>52,570</u>	<u>60,000</u>
Excess (deficiency) of revenues over (under) expenditures	71,430	71,430	135,283	63,853
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	(100,000) (1)	(100,000)	-
Contingency	(71,430)	(71,430) (1)	-	71,430
Total other financing sources (uses)	<u>(171,430)</u>	<u>(171,430)</u>	<u>(100,000)</u>	<u>71,430</u>
Net change in fund balance	(100,000)	(100,000)	35,283	135,283
FUND BALANCE, BEGINNING OF YEAR	<u>100,000</u>	<u>100,000</u>	<u>152,197</u>	<u>52,197</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,480</u>	<u>\$ 187,480</u>

(1) Appropriations Level

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
AZALEA PARK FUND
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(budgetary basis)</u>	<u>Final Budget</u>
REVENUES				
Taxes				
Transient room taxes	\$ 19,700	\$ 19,700	\$ 11,854	\$ (7,846)
Donations	-	-	1,133	1,133
Miscellaneous	-	-	579	579
Investment earnings	500	500	244	(256)
Total revenues	<u>\$ 20,200</u>	<u>\$ 20,200</u>	<u>\$ 13,810</u>	<u>\$ (6,390)</u>
EXPENDITURES				
Culture and recreation				
Materials and services	\$ 24,400	\$ 24,400 (1)	\$ 7,050	\$ 17,350
Capital Outlay	78,000	78,000 (1)	-	78,000
Excess (deficiency) of revenues over (under) expenditures	(82,200)	(82,200)	6,760	88,960
OTHER FINANCING SOURCES (USES)				
Transfers in	78,000	78,000	-	(78,000)
Transfers out	-	-	-	-
Contingency	(15,000)	(15,000) (1)	-	15,000
Total other financing sources (uses)	<u>63,000</u>	<u>63,000</u>	<u>-</u>	<u>(63,000)</u>
Net change in fund balance	(19,200)	(19,200)	6,760	25,960
FUND BALANCE, BEGINNING OF YEAR	<u>19,200</u>	<u>19,200</u>	<u>35,420</u>	<u>16,220</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,180</u>	<u>\$ 42,180</u>

(1) Appropriations Level

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
STOUT PARK FUND
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(budgetary basis)	Final Budget
REVENUES				
Investment earnings	\$ 200	\$ 200	\$ 119	\$ (81)
Donations	-	-	1,550	1,550
Total revenues	\$ 200	\$ 200	\$ 1,669	\$ (1,469)
EXPENDITURES				
Culture and recreation				
Park maintenance	\$ 4,200	\$ 4,200 (1)	\$ -	\$ 4,200
Excess (deficiency) of revenues over (under) expenditures	(4,000)	(4,000)	1,669	5,669
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Net change in fund balance	(4,000)	(4,000)	1,669	5,669
FUND BALANCE, BEGINNING OF YEAR	19,000	19,000	19,875	875
FUND BALANCE, END OF YEAR	\$ 15,000	\$ 15,000	\$ 21,544	\$ 6,544

(1) Appropriations Level

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
DONATION FUNDS
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(budgetary basis)	Final Budget
REVENUES				
Donations				
K9	\$ 20,000	\$ 20,000	\$ 18,489	\$ (1,511)
Health Fair	750	750	695	(55)
Safe City	1,500	1,500	3,060	1,560
Total donations	22,250	22,250	22,244	(6)
Charges for Services				
Health Fair	800	800	-	(800)
Intergovernmental				
Safety City	-	-	1,183	1,183
Investment earnings				
K9	500	500	3,294	2,794
Health Fair	30	30	16	(14)
Safe City	50	50	19	(31)
Total investment earnings	580	580	3,329	2,749
Total revenues	\$ 23,630	\$ 23,630	\$ 26,756	\$ 1,943
EXPENDITURES				
Materials and services				
K9	\$ 30,605	\$ 30,605 (1)	\$ 9,549	\$ 21,056
Health Fair	1,500	1,500 (1)	285	1,215
Safe City	4,050	4,050 (1)	2,479	1,571
Total expenditures	36,155	36,155	12,313	23,842
Excess (deficiency) of revenues over (under) expenditures	(12,525)	(12,525)	14,443	26,968
OTHER FINANCING SOURCES (USES)				
Transfers in	105	105	105	-
Transfers out	(105)	(105) (1)	(105)	-
Contingency (K9)	(20,000)	(20,000) (1)	-	20,000
Contingency (Health Fair)	(2,380)	(2,380) (1)	-	2,380
Total other financing sources	(22,380)	(22,380)	-	22,380
Net change in fund balance	(34,905)	(34,905)	14,443	49,348
FUND BALANCE, BEGINNING OF YEAR	34,905	34,905	33,460	(1,445)
FUND BALANCE, END OF YEAR	\$ -	\$ -	\$ 47,903	\$ 47,903

(1) Appropriations Level

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
URBAN RENEWAL AGENCY DEBT
For the Year Ended June 30, 2010

	Budgeted Amounts		Actual Amounts	Variance with
	Original	Final	(budgetary basis)	Final Budget
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,637	\$ (1,637)
EXPENDITURES				
Materials and services	\$ 2,000	\$ 2,000 (1)	\$ -	\$ 2,000
Debt Service				
Principal	110,000	110,000	110,000	-
Interest	153,314	153,314	153,257	57
Total Debt Service	263,314	263,314 (1)	263,257	57
Total expenditures	265,314	265,314	263,257	2,057
Excess (deficiency) of revenues over (under) expenditures	(265,314)	(265,314)	(261,620)	3,694
OTHER FINANCING SOURCES (USES)				
Transfers in	340,314	340,314	290,314	(50,000)
Net change in fund balance	75,000	75,000	28,694	(46,306)
FUND BALANCE, BEGINNING OF YEAR	265,000	265,000	302,291	37,291
FUND BALANCE, END OF YEAR	\$ 340,000	\$ 340,000	\$ 330,985	\$ (9,015)

(1) Appropriations Level

CITY OF BROOKINGS, OREGON
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
WATER LOAN FUND
For the Year Ended June 30, 2010

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>(budgetary basis)</u>	<u>Final Budget</u>
REVENUES				
Investment earnings	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
EXPENDITURES				
Materials and services	\$ 1,000	\$ 1,000 (1)	\$ -	\$ 1,000
Debt service				
Principal	152,000	152,000 (1)	-	152,000
Interest	195,000	195,000 (1)	-	195,000
Total expenditures	348,000	348,000	-	348,000
Excess (deficiency) of revenues over (under) expenditures	(347,000)	(347,000)	-	347,000
OTHER FINANCING SOURCES (USES)				
Transfers in	347,000	347,000	-	(347,000)
Net change in fund balance	-	-	-	-
FUND BALANCE, BEGINNING OF YEAR	-	-	-	-
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Appropriations Level

CITY OF BROOKINGS, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES OF TAXES UNCOLLECTED For the Year Ended June 30, 2010

City of Brookings						
TAX YEAR	IMPOSED LEVY OR OR BALANCE UNCOLLECTED AT 7/1/09	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/10
Current:						
2009-10	\$ 2,686,587	\$ 63,440	\$ (4,951)	\$ 1,236	\$ 2,492,619	\$ 126,813
Prior Years:						
2008-09	108,928	(2)	(4,099)	3,809	59,646	48,994
2007-08	34,164	(3)	(2,275)	2,049	12,774	21,167
2006-07	15,183	(3)	(1,969)	1,770	6,587	8,400
2005-06	5,679	-	(1,245)	1,224	3,759	1,899
2004-05 & prior	1,471	-	403	142	592	1,424
Total Prior	165,425	(8)	(9,185)	8,994	83,358	81,884
Total All Funds	\$ 2,852,012	\$ 63,432	\$ (14,136)	\$ 10,230	\$ 2,575,977	\$ 208,697

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 2,575,977	
Accrual of Receivables:		
June 30, 2009	(16,388)	
June 30, 2010	18,981	
Property Taxes in Lieu	6,213	
Total Revenue	\$ 2,584,783	
Fund Allocation:		
General Fund	REVENUE 2,191,621	RECEIVABLE 207,029
Debt Service Bond Fund	393,162	1,668
Total	\$ 2,584,783	\$ 208,697

Urban Renewal						
Current:						
2009-10	\$ 456,358	\$ 10,776	\$ (631)	\$ 210	\$ 423,409	\$ 21,752
Prior Years:						
2008-09	18,375	-	(49)	642	10,061	8,907
2007-08	6,096	(1)	(40)	366	2,279	4,144
2006-07	3,023	(1)	(39)	352	1,312	2,025
2005-06	1,392	-	(5)	300	922	765
2004-05 & prior	640	-	69	62	90	681
Total Prior	29,526	(2)	(64)	1,722	14,664	16,522
Total All Funds	\$ 485,884	\$ 10,774	\$ (695)	\$ 1,932	\$ 438,073	\$ 38,274

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 438,073	
Accrual of Receivables:		
June 30, 2009	(2,601)	
June 30, 2010	3,087	
Property Taxes in Lieu	18,483	
Total Revenue	\$ 457,022	
Fund Allocation:		
Urban Renewal Construction Fund	457,022	
Total	\$ 457,022	

CITY OF BROOKINGS
Schedule of Bond, Loan and Contract Principal and Interest Transactions
For the Year Ended June 30, 2010

	<u>Interest Rate</u>	<u>Maturity Dates</u>	<u>Original Amount of Issue</u>
Revenue secured			
Wastewater construction loan	<u>3.69%</u>	<u>8/1/01 - 2/1/21</u>	<u>\$ 13,100,000</u>
Special assessment bonds			
Dawson Bancroft 1998 refunding issue	<u>3.25 to 4.75%</u>	<u>9/1/99 - 2012</u>	<u>1,140,000</u>
Advance refunding limited tax full faith and credit 2003 refunding issue	<u>2.00 to 3.75%</u>	<u>12/1/03 - 2015</u>	<u>3,190,000</u>
Urban Renewal Revenue Bond Series 2008	<u>4.66%</u>	<u>6/1/2020</u>	<u>3,400,000</u>
Notes Payable			
Fire Truck			365,000
911 Tower			540,000
Vactor Truck			207,610
Police Vehicle			<u>174,083</u>

Revenue secured
Wastewater construction loan

Total revenue secured

Special assessment bonds
Dawson Bancroft 1998 refunding issue

Total special assessment bonds

Advance refunding bonds

Total general obligation bonds

Urban Renewal Revenue Bond Series 2008

Total Urban Renewal Revenue Bond

Notes Payable
Vactor Truck & Police Vehicle & Fire Truck & 911 Tower

Total lease purchase contract

Outstanding at July 1, 2009	Principal Transactions Issued	Redeemed	Outstanding at June 30, 2010
\$ 9,649,090	\$ -	\$ 652,400	\$ 8,996,690
170,000	-	60,000	\$ 110,000
1,435,000	-	305,000	\$ 1,130,000
3,290,000	-	110,000	\$ 3,180,000
-	365,000	-	365,000
-	540,000	47,690	492,310
123,397	-	48,906	74,491
137,447	-	34,084	103,363

Interest Transactions			
Interest Due July 1, 2009	Matured	Paid	Interest Due June 30, 2010
	\$ 350,088	\$ 350,088	
	\$ 350,088	\$ 350,088	
	\$ 7,895	\$ 7,895	
	\$ 7,895	\$ 7,895	
	\$ 46,044	\$ 46,044	
	\$ 46,044	\$ 46,044	
	\$ 153,314	\$ 153,314	
	\$ 153,314	\$ 153,314	
	\$ 7,795	\$ 7,795	
	\$ 7,795	\$ 7,795	

CITY OF BROOKINGS
LIMITED TAX FULL FAITH AND CREDIT ADVANCE REFUNDING BONDS - 2003 ISSUE
Schedule of Future Cash Requirement for Bond Principal and Interest
June 30, 2010

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010-11	315,000	36,547	351,547
2011-12	215,000	26,788	241,788
2012-13	220,000	18,100	238,100
2013-14	230,000	9,938	239,938
2014-15	<u>150,000</u>	<u>2,813</u>	<u>152,813</u>
Total	<u>\$ 1,130,000</u>	<u>\$ 94,186</u>	<u>\$ 1,224,186</u>

CITY OF BROOKINGS
SPECIAL ASSESSMENT BONDS WITH GOVERNMENT COMMITMENT
Schedule of Future Cash Requirement for Bond Principal and Interest
June 30, 2010

1998 Refunding Issue

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010-11	60,000	5,165	65,165
2011-12	<u>50,000</u>	<u>2,375</u>	<u>52,375</u>
Total	<u>\$ 110,000</u>	<u>\$ 7,540</u>	<u>\$ 117,540</u>

CITY OF BROOKINGS
 URBAN RENEWAL BOND - TAX INCREMENT INDEBTEDNESS - 2008 ISSUE
 Schedule of Future Cash Requirement for Bond Principal and Interest
June 30, 2010

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010-11	130,000	148,188	278,188
2011-12	165,000	142,130	307,130
2012-13	200,000	134,441	334,441
2013-14	240,000	125,121	365,121
2014-15	290,000	113,937	403,937
2015-16	345,000	100,423	445,423
2016-17	400,000	84,346	484,346
2017-18	465,000	65,706	530,706
2018-19	535,000	44,037	579,037
2019-20	410,000	19,106	429,106
Total	<u>\$ 3,180,000</u>	<u>\$ 977,435</u>	<u>\$ 4,157,435</u>

CITY OF BROOKINGS
REVENUE SECURED LOAN-WASTEWATER FEES
Schedule of Future Cash Requirements for Loan Principal, Interest and Loan Servicing Fees
June 30, 2010

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>DEQ Loan Processing and Servicing Fees</u>	<u>Total</u>
2010-11	676,696	325,792	43,307	1,045,795
2011-12	701,896	300,592	39,861	1,042,349
2012-13	728,035	274,453	36,287	1,038,775
2013-14	755,147	247,341	32,580	1,035,068
2014-15	783,269	219,219	28,734	1,031,222
2015-16	812,438	190,050	24,746	1,027,234
2016-17	842,694	159,794	20,609	1,023,097
2017-18	874,076	128,412	16,317	1,018,805
2018-19	906,627	95,861	11,866	1,014,354
2019-20	940,390	62,098	7,250	1,009,738
2020-21	975,422	27,078	2,461	1,004,961
Total	<u>\$ 8,996,690</u>	<u>\$ 2,030,690</u>	<u>\$ 264,018</u>	<u>\$ 11,291,398</u>

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**CITY OF BROOKINGS
CURRY COUNTY, OREGON**

2009-2010 Independent Auditors' Report Required by Oregon State Regulations

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Brookings as of and for the year ended June 30, 2010, and have issued our report thereon dated November 19, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Brookings' 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 statements 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.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

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

1. Expenditures of the various funds were within authorized appropriations except as noted on page 21.

OAR 162-10-0230 Internal Control

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

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in the Schedule of Findings and Responses on pg 63.

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

Pauly, Rogers and Co. P.C.
PAULY, ROGERS AND CO., P.C.

CITY OF BROOKINGS
CURRY COUNTY, OREGON

**Independent Auditors' Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards* as Required by the Oregon Department of
Environmental Quality**

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
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 - (503) 620-2632 • FAX (503) 684-7523

November 19, 2010

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

**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements Performed in
Accordance With *Government Auditing Standards***

We have audited the financial statements of the City of Brookings as of and for the year ended June 30, 2010, and have issued our report thereon dated November 19, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompany schedule of findings and questioned costs to be significant deficiencies.

Compliance and Other Matters

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

We noted a matter that we reported to management on the Schedule of Findings and Responses on page 63.

The responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the responses and, accordingly, we express no opinion on them.

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

Pauly, Rogers and Co. P.C.
PAULY, ROGERS AND CO., P.C.

CITY OF BROOKINGS
CURRY COUNTY, OREGON

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2010

FINANCIAL STATEMENT FINDINGS

2010-FS-1

Condition: During our testing of closing entries (eight), we found no evidence of review and approval of these entries. Entries should be approved before and not after being made. We also noted a lack of segregation of duties within the Journal entry function due to multiple staff members having access to the journal entry module of the accounting system.

Criteria: Journal entries should be documented as being reviewed and approved by someone other than the preparer. Proper segregation of duties should not allow one employee to have access to the related accounting records or to all phases of the transaction.

Effect: Without review and approval of closing journal entries and without appropriately limited access to the journal entry module, there is the possibility of intentional errors or irregularities existing and not being detected which over time could result in a material misstatement in the financial statements.

Cause: The closing entries were not prepared prior to the auditor's final field work, so there wasn't time to obtain documentation of review and approval. The City has a limited number of available staff, and needs backup staff with access to modules in cases where the employee normally performing the duties is absent.

Recommendation: We recommend that closing entries be prepared and approved prior to final audit field work. We recommend that controls and access to the accounting system be further segregated in the Journal entry function to ensure that no employee has access to the related accounting records and all phases of the transaction.

Management's Response: We agree that the City has a limited number of staff, we believe we have maintained appropriate internal controls. The design and operation of those controls allows management or employees to prevent, or detect and correct misstatements on a timely basis. Monthly financial reports are distributed to the City Council, as well as to departments, for appropriate oversight and review. All journal entries are reviewed and approved by a separate, knowledgeable person, on a timely basis. Closing entries were reviewed and approved within a few days of being created, during the week of the audit. In our opinion, there is no further segregation necessary, nor is it possible.

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BROOKINGS URBAN RENEWAL AGENCY
(A COMPONENT UNIT OF CITY OF BROOKINGS)
CURRY COUNTY, OREGON

FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2010



12700 SW 72nd Ave.
Tigard, OR 97223

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of The City of Brookings)
CURRY COUNTY, OREGON

For the Year Ended June 30, 2010

ANNUAL FINANCIAL REPORT

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BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of The City of Brookings)
CURRY COUNTY, OREGON

AGENCY OFFICIALS	TERM EXPIRES
Larry Anderson, Chair	January 2011
Dave Gordon	January 2013
Brent Hodges	January 2013
Jake Pieper	January 2011
Ron Hedenskog	January 2011

All directors receive mail at the address listed below.

ADMINISTRATION

Janell K. Howard, Director
Brookings Urban Renewal Agency
898 Elk Avenue
Brookings, OR 97459

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BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of The City of Brookings)
CURRY COUNTY, OREGON

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November 22, 2010

To the Agency Board
Brookings Urban Renewal Agency
Brookings, Oregon

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities and each major fund of the Brookings Urban Renewal Agency, as of and for the year ended June 30, 2010 which collectively comprise the basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activity and each major fund of the Brookings Urban Renewal Agency, as of June 30, 2010, and the results of its operations for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming opinions on the basic financial statements taken as a whole. The supplementary data, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis, as listed on the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Pauly, Rogers and Co., P.C.
PAULY, ROGERS AND CO., P.C.

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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, 2010

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 6).

FINANCIAL HIGHLIGHTS

- The net assets of the Agency decreased by \$966,742 from \$99,080 to (\$867,662) at June 30, 2010, of which \$330,985 is restricted.
- Governmental activities revenue increased by \$81,343 (19.2%) to \$504,925, the majority of which is tax increment revenue.
- Overall Agency expenditures increased by \$906,277 to \$1,471,667. Major capital expenditures for 2009-10 included \$1,221,919 on the downtown improvement project.

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 Assets, Statement of Activities, and Changes in Net Assets, fund financial statements, and notes to the financial statements. Statements of Net Assets 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 Assets 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 owes and the net difference. The net differences if 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.

Net 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 one of two funds, and it 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

Table 1
Net Assets at Fiscal Year End
Governmental Activities

	<u>2010</u>	<u>2009</u>
Cash and Investments	\$2,340,289	\$3,360,783
Other Assets	40,621	40,478
Total Assets	<u>2,380,910</u>	<u>3,401,261</u>
Long-Term Liabilities	3,180,000	3,290,000
Other Liabilities	68,572	12,181
Total Liabilities	<u>3,248,572</u>	<u>3,302,181</u>
Net Assets:		
Restricted	330,985	302,291
Unrestricted	<u>(1,198,647)</u>	<u>(203,211)</u>
Total Net Assets	<u>(\$867,662)</u>	<u>\$99,080</u>

Statement of Net Assets at June 30, 2010:

As of June 30, 2010, the Agency had current liabilities of \$68,572, and long-term liabilities of \$3,180,000. \$330,985 of the Agency's net assets is restricted for debt service.

Governmental Activities

The Agency's net assets decreased by \$966,742 from \$99,080 to (\$867,662) primarily due to the Agency making significant progress on the downtown improvement project. In addition, 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 will decrease to a negative amount, approaching that of the debt outstanding.

Business-type Activities

There are no business-type activities during the year.

Statement of Activities for the Year Ended June 30, 2010:

Table 2
Governmental Activities For Fiscal Year Ending

	<u>2010</u>	<u>2009</u>
REVENUES		
General Revenues		
Taxes	465,303	396,252
Other	39,622	27,330
Total Revenues	<u>504,925</u>	<u>423,582</u>
EXPENSES		
Governmental Activities	1,471,667	565,390
Operating Income (loss)	(966,742)	(141,808)
Transfers	0	0
Increase (decrease) in Net Assets	(966,742)	(141,808)
Beginning Net Assets	99,080	240,888
Ending Net Assets	<u>(\$867,662)</u>	<u>\$99,080</u>

Nearly all of the governmental activities revenue (92.2%) was tax increment funding. The remaining 7.8% was interest revenue.

Governmental activity public works expenditures included \$1,221,919 on the downtown improvement project.

BUDGETARY HIGHLIGHTS

The Agency's General Fund appropriations decreased to \$2,891,583. The General Fund revenues increased by \$81,343 (19.2%). Actual expenditures in the General Fund were 57% of the final budget. This is due to Urban Renewal projects not being completed during the fiscal year; which is typical with large, multi-year projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

As of June 30, 2010, the Agency had no capital assets.

Debt Outstanding:

As of June 30, 2010, the Agency had \$3,180,000 in debt outstanding compared to none in the prior year. \$130,000 is due within one year. On July 22, 2008, the Agency sold \$3.4 million in bonds at 4.66% interest, maturing on June 1, 2020.

**Table 3
Outstanding Debt at Fiscal Year End**

	2010	2009
Governmental:		
Tax Increment Bonds	\$3,180,000	\$3,290,000
Total	<u>\$3,180,000</u>	<u>\$3,290,000</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, Administrative Services Director
City of Brookings
898 Elk Drive
Brookings, OR 97415
(541) 469-2163
jhoward@brookings.or.us

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of The City of Brookings)
CURRY COUNTY, OREGON

COMPONENT UNIT BASIC FINANCIAL STATEMENTS

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BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of the City of Brookings, Oregon)
CURRY COUNTY, OREGON

STATEMENT OF NET ASSETS
June 30, 2010

ASSETS	
Cash and Cash Equivalents	\$ 2,340,289
Taxes Receivable	38,273
Interest Receivable	<u>2,348</u>
Total Assets	<u>2,380,910</u>
LIABILITIES	
Accounts Payable	56,798
Accrued Interest Payable	11,774
Long-Term Debt	
Due within one year	130,000
Due in more than one year	<u>3,050,000</u>
Total Liabilities	<u>3,248,572</u>
NET ASSETS	
Restricted for	
Debt Service	330,985
Unrestricted	<u>(1,198,647)</u>
Total Net Assets	<u>\$ (867,662)</u>

See accompanying notes to the basic financial statements

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of the City of Brookings, Oregon)
CURRY COUNTY, OREGON

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

General Revenues	
Property Taxes	\$ 465,303
Interest Income	<u>39,622</u>
Total General Revenues	<u>504,925</u>
Expenses	
Public Works	<u>1,471,667</u>
Total Governmental Activities	<u>1,471,667</u>
Change in Net Assets	(966,742)
Net Assets - Beginning of the Year	<u>99,080</u>
Net Assets - End of the Year	<u><u>\$ (867,662)</u></u>

See accompanying notes to the basic financial statements

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of the City of Brookings, Oregon)
CURRY COUNTY, OREGON

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2010

	<u>GENERAL FUND</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL GOVERNMENTAL</u>
ASSETS			
Cash and Investments	\$ 2,009,304	\$ 330,985	\$ 2,340,289
Taxes Receivable	38,273	-	38,273
Interest Receivable	2,348	-	2,348
Total Assets	<u>\$ 2,049,925</u>	<u>\$ 330,985</u>	<u>\$ 2,380,910</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 56,798	\$ -	\$ 56,798
Deferred Revenue	35,206	-	35,206
Total Liabilities	<u>92,004</u>	<u>-</u>	<u>92,004</u>
FUND BALANCE			
Reserved for Debt Service	<u>-</u>	<u>330,985</u>	<u>330,985</u>
Total Fund Balance	<u>1,957,921</u>	<u>330,985</u>	<u>2,288,906</u>
Total Liabilities and Fund Balance	<u>\$ 2,049,925</u>	<u>\$ 330,985</u>	<u>\$ 2,380,910</u>

See accompanying notes to basic financial statements

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of the City of Brookings, Oregon)
CURRY COUNTY, OREGON

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET ASSETS**

June 30, 2010

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

Fund Balances	\$ 2,288,906
Long-term liabilities not payable in the current year are not reported as governmental fund liabilities. Interest in long-term debt is not accrued in the governmental funds, but rather is recognized as an expenditure when due. These liabilities consist of:	
Accrued interest payable	(11,774)
Bonds payable	(3,180,000)
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	
Deferred Revenue	<u>35,206</u>
Total Net Assets	<u><u>\$ (867,662)</u></u>

See accompanying notes to the basic financial statements

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of the City of Brookings, Oregon)
CURRY COUNTY, OREGON

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2010

	GENERAL FUND	DEBT SERVICE FUND	TOTAL GOVERNMENTAL
REVENUES			
Investment Earnings	\$ 37,985	\$ 1,637	\$ 39,622
Taxes			
Property Taxes - Current Year	439,781	-	439,781
Property Taxes - Prior Years	17,241	-	17,241
Total Taxes	457,022	-	457,022
Total Revenues	495,007	1,637	496,644
EXPENDITURES			
General Government			
Materials and Supplies	345,025	-	345,025
Capital Outlay	973,792	-	973,792
Debt Service			
Principal	-	110,000	110,000
Interest	-	153,257	153,257
Total Expenditures	1,318,817	263,257	1,582,074
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(823,810)	(261,620)	(1,085,430)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	290,314	290,314
Transfers Out	(290,314)	-	(290,314)
Total Other Financing Sources (Uses)	(290,314)	290,314	-
Net Change in Fund Balance	(1,114,124)	28,694	(1,085,430)
Beginning Fund Balance	3,072,045	302,291	3,374,336
Ending Fund Balance	\$ 1,957,921	\$ 330,985	\$ 2,288,906

See accompanying notes to basic financial statements.

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of the City of Brookings, Oregon)
CURRY COUNTY, OREGON

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES**
For the year ended June 30, 2010

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

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

Net change in fund balance - governmental fund	\$ (1,085,430)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. This is the amount by which proceeds exceeded repayments.	
Principal payments on long-term debt	110,000
Interest Payable	407
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	<u>8,281</u>
Change in Net Assets	<u><u>\$ (966,742)</u></u>

See accompanying notes to basic financial statements

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of The City of Brookings)

CURRY COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Brookings Urban Renewal Agency of Brookings, Oregon (Agency) financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

A. ORGANIZATION AND OPERATION

The Agency was formed July 2003, under the provisions of the Oregon Revised Statutes (ORS). The Agency operates under a Board-Manager form of government and provides specific projects located in the Urban Renewal District.

B. DESCRIPTION OF THE REPORTING ENTITY

The Agency is a component unit of the City of Brookings and is a municipal corporation governed by an appointed five member board. Generally accepted accounting principles, in the United States of America, require that these basic financial statements present the Agency and all component units, if any. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement No. 39, are separate organizations that are included in the Agency's reporting entity because of the significance of their operational or financial relationships with the Agency. All significant activities and organizations with which the Agency exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units. The Agency is a component unit of the City of Brookings because the Brookings City Council exercises oversight authority over the Agency as demonstrated by the designation of the Agency's Board Members and economic dependency.

C. BASIS OF PRESENTATION

GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)

The government-wide statements report information irrespective of fund activity, and the fund financial statements report information using funds. The government-wide statements focus on the sustainability as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities. These statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. General receipts are from property and related taxes, and interest. All disbursements are categorized as program disbursements and interest on long-term debt.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. There are no program revenue. Taxes and other items not properly included among program revenues are reported instead as general revenues.

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of The City of Brookings)

CURRY COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF PRESENTATION (CONTINUED)

FUND FINANCIAL STATEMENTS

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions.

The minimum number of funds is maintained consistent with legal and managerial requirements.

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 Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for property taxes which are accrued if collected within 30 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

These are the following major governmental funds:

GENERAL FUND

This fund accounts for all financial resources and expenditures, except those required to be accounted for in another fund. The principal revenue sources are property taxes and interest revenue.

DEBT SERVICE

This fund accounts for transfers from the General Fund used to pay bond principal and interest payments.

D. BUDGETS

A budget is prepared for the governmental funds in accordance with the legal requirements set forth in the Oregon Local Budget Law. The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in early spring with a public hearing being held approximately three weeks later. The budget may be amended prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30.

The expenditure budget is appropriated at the following levels:

LEVEL OF CONTROL

- Personal Services
- Materials and Services
- Capital Outlay
- Debt Service
- Operating Contingency

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of The City of Brookings)

CURRY COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. BUDGETS (CONTINUED)

Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original and final budget amounts. Expenditures were within authorized appropriations.

E. PROPERTY TAXES AND PROPERTY TAXES RECEIVABLE

Property taxes receivable is recorded to indicate the amount of uncollected taxes that can be expected to received in the future. Such taxes are offset by a liability to indicate that these amounts have to been recorded as receipts. Ad valorem property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are levied on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Taxes are billed and collected by Curry County and remittance is made at periodic intervals.

F. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

G. RECEIVABLES AND PAYABLES

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

Investment earnings (e.g., accrued interest receivable) are recorded as revenue is earned on investments.

H. NET ASSETS

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

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

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

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of The City of Brookings)

CURRY COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. NET ASSETS (CONTINUED)

Unrestricted net assets – consists of all other assets that are not included in the other categories previously mentioned.

I. CAPITAL ASSETS

Capital assets are reported as expenditures in capital outlay for the Agency and are capitalized for the city of Brookings.

2. BUDGET/GAAP REPORTING DIFFERENCES

Financial position, results of operations, and changes in fund balance/net assets are reported on the basis of accounting principles generally accepted in the United States of America (GAAP). The budgetary basis of accounting differs from generally accepted accounting principles. The budgetary statements provided as part of supplementary information elsewhere in this report are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The budgetary basis of accounting is substantially the same as generally accepted accounting principles in the United States of America with the exceptions that capital outlay expenditures are expensed when purchased and depreciation and amortization are not calculated, property taxes are recorded as revenue when received, inventories of supplies are budgeted as expenditures when purchased and debt is expensed as paid instead of when incurred and debt is recorded as a revenue when borrowed.

3. CASH AND INVESTMENTS

DEPOSITS

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

CREDIT RISK - DEPOSITS

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. No bank deposits were exposed to custodial credit risk because they were held at an approved depository as identified by Oregon State Treasury.

Cash is pooled with the City of Brookings. Please refer to the City's financial report, issued under separate cover, for additional information pertaining to the nature and collateralization of the City's cash and investments.

Cash at June 30, 2010 consisted of:

Pooled Cash	<u>\$ 2,340,289</u>
Total	<u>\$ 2,340,289</u>

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of The City of Brookings)

CURRY COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

INVESTMENTS

The State Treasurer's Local Government Investment Pool is not registered with the U.S. Securities and Exchange Commission as an investment company. The Oregon Revised Statutes and the Oregon Investment Council govern the State's investment policies. The State Treasurer is the investment officer for the Council and is responsible for all funds in the State Treasury. These funds must be invested, and the investments managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Fund are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund was in compliance with all portfolio guidelines at June 30, 2010.

Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. As of June 30, 2010 the fair value of the position in the LGIP is 99.56% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. There were no known violations of legal or contractual provisions for deposits and investments during the fiscal year.

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date, beyond 3 months at June 30, 2010.

Credit Risk

Neither the Oregon Revised Statutes or the City's investment policy limits investments as to credit rating for securities purchased from U.S. Government Agencies. The investments in U.S. Government Agencies were rated AAA by Standard & Poor's and Aaa by Moody's Investor Service. The State Pool is unrated.

Oregon Revised Statutes require banker's acceptances to be guaranteed by and carried on the books of a qualified financial institution, eligible for discount by Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations.

Concentration of Credit Risk

At June 30, 2010, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

4. RISK MANAGEMENT

There is exposure to various risks of loss related to torts; errors and omissions; and natural disasters. The Agency is covered by the City of Brookings commercial insurance to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage.

5. PROPERTY TAX LIMITATIONS

The State of Oregon imposes a constitutional limit on property taxes for schools and nonschool government operations. School operations include community colleges, local school districts, and education service districts. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of The City of Brookings)

CURRY COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

5. PROPERTY TAX LIMITATIONS (CONTINUED)

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues, and requires the State to minimize the impact to school districts from the impact of the tax cuts.

6. LONG-TERM DEBT

The changes in and balances of long-term debt is comprised of the following:

<u>Bonds Payable</u>						
<u>Issue Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Outstanding 7/1/09</u>	<u>Issued</u>	<u>Matured and Redeemed</u>	<u>Outstanding 6/30/10</u>
July 22, 2008	4.66	\$ 3,400,000	\$ 3,290,000	\$ -	\$ 110,000	\$ 3,180,000
			<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ 3,180,000</u>
		<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds Payable		\$ 3,290,000	\$ -	\$ 110,000	\$ 3,180,000	\$ 130,000
Total Long-term Liabilities		<u>\$ 3,290,000</u>	<u>\$ -</u>	<u>\$ 110,000</u>	<u>\$ 3,180,000</u>	<u>\$ 130,000</u>

Urban Renewal Revenue Bond Series 2008

\$3,400,000 in bond proceeds were received during 2008-09 to finance projects within the Brookings Urban Renewal Area. Interest payments are required semi-annually on December 1 and June 1 of each year, with principal payments required each June 1 until 2020.

<u>Year Ending June 30,</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 278,188	\$ 130,000	\$ 148,188
2012	307,130	165,000	142,130
2013	334,441	200,000	134,441
2014	365,121	240,000	125,121
2015	403,937	290,000	113,937
2016-2020	<u>2,468,618</u>	<u>2,155,000</u>	<u>313,618</u>
Totals	<u>\$ 4,157,435</u>	<u>\$ 3,180,000</u>	<u>\$ 977,435</u>

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of The City of Brookings)
CURRY COUNTY, OREGON

SUPPLEMENTARY DATA

Individual Funds
& Other Financial Schedules

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BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of the City of Brookings, Oregon)
CURRY COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
For the Year Ended June 30, 2010

	<u>GENERAL FUND</u>			
	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Property Taxes - Current Year	\$ 344,500	\$ 344,500	\$ 439,781	\$ 95,281
Property Taxes - Prior Years	4,000	4,000	17,241	13,241
Total Taxes	<u>348,500</u>	<u>348,500</u>	<u>457,022</u>	<u>108,522</u>
Miscellaneous Income				
Grant Revenue	-	-	-	-
Investment Earnings	5,000	5,000	37,985	32,985
Total Miscellaneous Income	<u>5,000</u>	<u>5,000</u>	<u>37,985</u>	<u>32,985</u>
Total Revenues	<u>353,500</u>	<u>353,500</u>	<u>495,007</u>	<u>141,507</u>
EXPENDITURES				
General Government				
Materials and Services	50,000	413,591 (1)	345,025	68,566
Capital Outlay	3,213,186	2,899,595 (1)	973,792	1,925,803
Total Expenditures	<u>3,263,186</u>	<u>3,313,186</u>	<u>1,318,817</u>	<u>1,994,369</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,909,686)	(2,959,686)	(823,810)	2,135,876
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(340,314)</u>	<u>(290,314) (1)</u>	<u>(290,314)</u>	<u>-</u>
Net Change in Fund Balance	(3,250,000)	(3,250,000)	(1,114,124)	2,135,876
FUND BALANCE, BEGINNING OF YEAR	<u>3,250,000</u>	<u>3,250,000</u>	<u>3,072,045</u>	<u>(177,955)</u>
FUND BALANCE, END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,957,921</u>	<u>\$ 1,957,921</u>

(1) Appropriation Level

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of the City of Brookings, Oregon)
CURRY COUNTY, OREGON

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET TO ACTUAL
For the Year Ended June 30, 2010

	<u>DEBT SERVICE FUND</u>			
	Budgeted Amounts		Actual Amounts (budgetary basis)	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment Earnings	\$ -	\$ -	\$ 1,637	\$ 1,637
Total Revenues	-	-	1,637	1,637
EXPENDITURES				
Materials and Services	2,000	2,000 (1)	-	2,000
Debt Service				
Principal	110,000	110,000 (1)	110,000	-
Interest	153,314	153,314 (1)	153,257	57
Total Expenditures	265,314	265,314	263,257	2,057
Excess (Deficiency) of Revenues Over (Under) Expenditures	(265,314)	(265,314)	(261,620)	3,694
OTHER FINANCING SOURCES (USES)				
Transfers In	340,314	340,314	290,314	(50,000)
Net Change in Fund Balance	75,000	75,000	28,694	(46,306)
FUND BALANCE, BEGINNING OF YEAR	265,000	265,000	302,291	37,291
FUND BALANCE, END OF YEAR	<u>\$ 340,000</u>	<u>\$ 340,000</u>	<u>\$ 330,985</u>	<u>\$ (9,015)</u>

(1) Appropriation Level

BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of the City of Brookings, Oregon)
CURRY COUNTY, OREGON

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND
BALANCES OF TAXES UNCOLLECTED**
For the Year Ended June 30, 2010

<u>TAX YEAR</u>	<u>ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 07/01/09</u>	<u>DEDUCT DISCOUNTS</u>	<u>ADJUSTMENTS TO ROLLS</u>	<u>INTEREST</u>	<u>CASH COLLECTIONS BY COUNTY TREASURER</u>	<u>BALANCE UNCOLLECTED OR UNSEGREGATED AT 06/30/10</u>
Current						
2009-2010	\$ 456,358	\$ 10,776	\$ (631)	\$ 210	\$ 423,409	\$ 21,752
Prior Years						
2008-2009	18,375	-	(49)	642	10,061	8,907
2007-2008	6,097	(1)	(40)	366	2,279	4,145
2006-2007	3,022	(1)	(39)	352	1,312	2,024
2005-2006	1,392	-	(5)	300	922	765
2004-2005 & Prior	640	-	69	61	90	680
Total Prior	29,526	(2)	(64)	1,721	14,664	16,521
Total	\$ 485,884	\$ 10,774	\$ (695)	\$ 1,931	\$ 438,073	\$ 38,273

**Prior year numbers were different from County Summary Tax Report

Reconciliation of Turnovers to Revenue

Collections	\$ 438,073
June 30, 2009 Accrual	(2,601)
June 30, 2010 Accrual	3,067
Property Tax in Lieu	18,483

Total Revenue per Statement of Revenues,
Expenses and Changes in Fund Balance

\$ 457,022

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BROOKINGS URBAN RENEWAL AGENCY
(A Component Unit of The City of Brookings)
CURRY COUNTY, OREGON

Independent Auditors' Report Required by Oregon State Regulations

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the Brookings Urban Renewal Agency as of and for the year ended June 30, 2010, and have issued our report thereon dated November 22, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Brookings Urban Renewal Agencies' 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 statements 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).**

In connection with our testing nothing came to our attention that caused us to believe the Brookings Urban Renewal 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 162-10-000 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, we considered the internal controls over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

We noted a matter involving the internal control structure and its operation that we consider to be a significant deficiency under standards established by the American Institute of Certified Public Accountants, which is noted in the management letter.

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

Pauly, Rogers and Co., P.C.
PAULY, ROGERS AND CO., P.C.