



**CITY OF NEWPORT
REGULAR COUNCIL MEETING
NEWPORT CITY HALL
APRIL 16, 2015 – 5:30 P.M.**

MAYOR: Tim Geraghty
COUNCIL: Tom Ingemann
Bill Sumner
Tracy Rahm
Dan Lund

City Administrator: Deb Hill
Supt. of Public Works: Bruce Hanson
Chief of Police: Curt Montgomery
Fire Chief: Steven Wiley
Executive Analyst: Renee Eisenbeisz

AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. ROLL CALL
4. ADOPT AGENDA
5. ADOPT CONSENT AGENDA – All items listed under this section are considered routine and non-controversial by the Council and will be approved by a single motion. An item may be removed from the consent agenda and discussed if a Council member, staff member, or citizen so requests.
 - A. Minutes of the April 2, 2015 Regular City Council Meeting
 - B. List of Bills in the Amount of \$149,386.64
 - C. Approval of the Park Board's 2015 Goals
6. VISITORS PRESENTATIONS/PETITIONS/CORRESPONDENCE
7. MAYOR'S REPORT
 - A. Proclaiming May 2015 as Preservation Month
8. COUNCIL REPORTS
9. ADMINISTRATOR'S REPORT
 - A. Approval of Annual Financial Report for Year Ended December 31, 2014
 - B. Ordinance No. 2015-2 - Amending Section 1325, Antennas and Towers
10. ATTORNEY'S REPORT
11. POLICE CHIEF'S REPORT
12. FIRE CHIEF'S REPORT
13. ENGINEER'S REPORT
14. SUPERINTENDENT OF PUBLIC WORKS REPORT

Agenda for 04-16-15

15. NEW / OLD BUSINESS

16. CLOSE THE MEETING TO THE PUBLIC TO DISCUSS DEB HILL'S PERFORMANCE EVALUATION

17. ADJOURNMENT

Upcoming Meetings and Events:

- | | | |
|--------------------------------|----------------|-----------|
| 1. Park Board Meeting | April 23, 2015 | 7:00 p.m. |
| 2. City Council Meeting | May 7, 2015 | 5:30 p.m. |
| 3. Planning Commission Meeting | May 14, 2015 | 6:00 p.m. |
| 4. City Council Meeting | May 21, 2015 | 5:30 p.m. |



**City of Newport
City Council Minutes
April 2, 2015**

1. CALL TO ORDER

Mayor Geraghty called the meeting to order at 5:30 P.M.

2. PLEDGE OF ALLEGIANCE

3. ROLL CALL -

Council Present – Tim Geraghty; Tom Ingemann; Bill Sumner; Tracy Rahm; Dan Lund

Council Absent –

Staff Present – Deb Hill, City Administrator; Bruce Hanson, Supt. of Public Works; Curt Montgomery, Police Chief; Renee Eisenbeisz, Executive Analyst; Fritz Knaak, City Attorney; Jon Herdegen, City Engineer;

Staff Absent – Steve Wiley, Fire Chief;

4. ADOPT AGENDA

Motion by Sumner, seconded by Ingemann, to adopt the Agenda as presented. With 5 Ayes, 0 Nays, the motion carried.

5. ADOPT CONSENT AGENDA

Councilman Sumner - I have a comment and question on the list of bills. I just talked to Deb and I see the Gerlach Outdoor Power Equipment for \$16,908.60 is for a new mower, not repair. Also, the League of MN Cities Insurance Trust, is the \$74,417 annual?

Admin. Hill - Yes.

Motion by Ingemann, seconded by Sumner, to approve the Consent Agenda as presented, which includes the following items:

- A. Minutes of the March 19, 2015 Regular City Council Meeting
- B. List of Bills in the Amount of \$178,541.80

With 5 Ayes, 0 Nays, the motion carried.

6. VISITORS PRESENTATIONS/PETITIONS/CORRESPONDENCE

Paul Hansen, 1925 10th Avenue - I have a few things to say. Our street is cracking up again, it's not even two years old, it's not going to last ten years. It's an absolute mess and rip off. I'm concerned in the direction the City is going in terms of lawsuits. I would like to know, and I'm not the only one, how many lawsuits have been filed against the City and its employees. I'm also questioning this undercover deal that goes on between the City Attorney and Council. I need to know if that's private or public data. I'm also asking for all employee salaries and benefits, any and all contracts and the like, and if the \$74,000 annual for the League to protect everybody that's insured, if lawsuits cause that to go up, down or sideways. Finally, hold on to your hats, the wind will blow harder.

Mayor Geraghty - We got that listed so we can respond?

Admin. Hill - Yes.

7. MAYOR'S REPORT –

Mayor Geraghty - I was able to attend Newport Elementary on March 20 when Governor Dayton appeared to promote his pre-k program. On March 24, I attended the Chamber breakfast.

8. COUNCIL REPORTS –

Councilman Lund - Nothing to report.

Councilman Sumner - I will remind people to attend the Stone Soup Soup-Er bowl on Saturday, April 18th all day. You get free bowling, food, t-shirts, prizes and fun. You can go to stonessoupthriftshop.org or contact me for more info.

Councilman Ingemann - Nothing to report.

Councilman Rahm - Last Thursday I attended both the Red Rock Corridor Commission meeting and the South Washington County Telecommunications meeting. Nothing new with the Telecommunications side but we did hold the Red Rock Corridor meeting at the transit station. It's grand opening will be April 27th at 4:00 p.m. There have been some VIP's that were invited to it.

9. ADMINISTRATOR'S REPORT –

Admin. Hill - Just a reminder that we'll be having a meeting on the strategic plan on April 15th from 1:00 to 4:00 p.m.

10. ATTORNEY'S REPORT - Nothing to report

11. POLICE CHIEF'S REPORT - Nothing to report.

12. FIRE CHIEF'S REPORT – Nothing to report.

13. ENGINEER'S REPORT –

A. Public Hearing - To consider and possibly adopt amendments to Chapter 10, Water and Sewer Systems

The Public Hearing opened at 5:36 p.m.

Engineer Herdegen and Doug Borglund (MSA) presented on this item as outlined in the April 2, 2015 City Council packet.

Councilman Sumner - Last time I did ask a question about sprinklers, did that get incorporated?

Mr. Borglund - Yes.

Councilman Sumner - I started reading through the draft and in my mind there are grammatical and contextual questions in here. I can give you some examples, I got about half way through. Right in the beginning, Section 1000.02, Management of Public Utility Systems, point B, it says "The City Council shall have charge and management of the water and sewer systems, subject to such delegation of the authority to the Public Works Supervisor or its designee, City Engineer, City Administrator its designee." Shouldn't it be "City Administrator or its designee?"

Mr. Borglund - Yes.

Councilman Sumner - Ok, in Section 1000.04, MN Plumbing Code, last sentence "shall be a part of this Chapter as if set forth in full, except as the same may be inconsistent with any provision of this Chapter or inapplicable." So we don't have to follow certain parts of the MN Plumbing Code?

Mr. Borglund - You do have to follow it but in some cases it may not apply.

Councilman Sumner - How can we override the Plumbing Code?

Mr. Borglund - This was existing language.

Councilman Sumner - Wouldn't we be looking for clarifications when reviewing it? Am I reading that correctly?

Attorney Knaak - There's two points that he's making. "Or inapplicable" should be "Or as otherwise inapplicable." There's some language missing here. Here, the plumbing code is adopted by reference except as may be inconsistent with a provision of the Chapter. In those certain instances, the plumbing code would trump. I don't think that contradicts what I just told you. We do need to add "Or as otherwise inapplicable" to the end.

Councilman Lund - Do you have quite a few comments?

Councilman Sumner - Yes.

Councilman Lund - For purposes of completeness and expediency, do you think it would make sense to not vote on it today and submit written comments?

Councilman Sumner - Yes.

Councilman Lund - I have something and we've talked about repairing our leaking sewer lines in length. Section 1000.14, Subd. 1, part A was new right?

Supt. Hanson - No.

Councilman Lund - Where we say "The owner, occupant, or user of the premises shall be responsible for all maintenance and repair from the structure up to the sanitary sewer main and including the service wye, tap, or break-in."

Supt. Hanson - That language was existing.

Mr. Borglund - It was just relocated.

Councilman Lund - The way I understand it is that the long-term plan is to line the service line because we have leaking in our liner everywhere that we punched a hole. But that leaking is in the main line right? It's inside the cast iron section of the main line. It doesn't mean that there's leaking at the t between the service line and main line. We're hoping to charge them for lining our main line because our original repair didn't work.

Supt. Hanson - There are both issues, where the service line is leaking and where it's following the liner.

Councilman Lund - But if we say that the resident owns the service line we need to prove that there's something wrong with each case, which is a very hard thing to do and we'll need to run a liner up each service line even if there isn't an issue.

Councilman Ingemann - No, only the ones that are leaking.

Councilman Lund - No because the water gets in no matter what. The water runs between the cast iron line and liner and then everywhere you punch a hole, it gets in. It doesn't mean that there's anything wrong with the metal part.

Councilman Ingemann - If we see a root problem or leaking problem on the service line, the homeowner is responsible for paying for it.

Councilman Lund - We'll need a liner on every line.

Supt. Hanson - There are three different things. In the issues, where we've already done the line, the property owner owns it all the way to the main and they need to repair it. We've got about 25% of the City lined so far. We have both issues to where the service is leaking or where it's following the liner and coming in at the service. I have videos that separates that out. We also have additional root problems. We could single out the very few that don't have any issues.

Councilman Lund - Wouldn't they always need something though?

Supt. Hanson - Not if the main line isn't lined.

Councilman Lund - But in the ones that we're going to do in the near term where the main line is lined, we need to line every service line?

Supt. Hanson - Right.

Councilman Lund - And if we say that it's owned by the resident we're not going to be able to charge them unless we can prove there's something wrong right?

Supt. Hanson - That's a question for the Council.

Councilman Lund - Well it's leaking in on the main line not at the service line.

Mayor Geraghty - What are you proposing?

Councilman Lund - We have to be careful about what we define as where the public line stops and the private line starts. Now that we already have a liner down the main line that entire liner is within the public domain including the hole we punched through it.

Supt. Hanson - The other main issue is if a resident has trouble with their sewer line, we don't have the right to go into their house to rod to the main. It's their responsibility to make sure it's clean out to the main. That's where the ordinance came from. It's more the norm than not.

Councilman Lund - The issue we get to with charging cost is if we can't show that it was a nuisance to the City than we can't do anything right?

Councilman Ingemann - A fine from the MPCA because we're throwing too much clear water is not a problem?

Councilman Lund - The problem is not with their line but with the hole we punched.

Councilman Ingemann - They're a contributing factor.

Councilman Lund - No, it's with the hole we punched. They could have a perfect line but we could have a hole in the liner and water is still getting in there.

Councilman Rahm - You're saying where the hole is located?

Councilman Lund - We have to punch a hole in the liner so their service line works and water gets in there whether their service line is perfect or not because our main line isn't perfect. If we define it as public property and we fix it, we're allowed to assess them up to the value of the improvement of the property. If we define it as private property and fix it, we have to show that it's broken right?

Attorney Knaak - Not necessarily. If you're looking at this as a shared responsibility for overall sewer costs and responsibility to and from the line up to the connection point is the owner's responsibility. If there's a leak there, regardless of whether or not it's something you can argue belongs to the City or not, it's their responsibility as a matter of what the ordinance provides.

Councilman Lund - But the leak is inside the main line.

Attorney Knaak - I agree and I understand but by defining it this way, that owner is responsible because it's their connection. You can say that's not fair but it's actually more defensible if you define that across the board.

Councilman Lund - Did the line between the private and public property change when we ran the liner down the main line?

Attorney Knaak - I would say no.

Councilman Lund - Then the entire liner is in the public.

Attorney Knaak - It depends on how you want to define it. If you want to define the connection point as something that's inside where the old one is you've extended in essence what the private line is.

Councilman Lund - Am I right that they need to have something wrong with their line?

Attorney Knaak - You can insist that they are responsible for anything up to the connection point and if there's a hole and it's leaking, there's no connection point.

Councilman Lund - So it did move inside with the liner?

Attorney Knaak - That's what I would suggest.

Councilman Lund - Ok. This is important.

Mayor Geraghty - Or you charge it to the enterprise and everyone's rates go up.

Councilman Lund - It would be my preference for it to be a shared cost. I just wanted to talk about it if we were changing something.

Councilman Rahm - Nothing's changed in how we define things is my understanding. The whole thing about water infiltration is a big issue.

Councilman Sumner - I have a general question on the section where we talk about liability and sanitary sewer lines where it says "The owner, occupant, or user is responsible for the repair." Shouldn't the owner be the only one responsible? If someone is renting, they can't be responsible for this.

Attorney Knaak - Realistically, this is a problem that utilities have. As part of their lease, they could be responsible for utilities. It makes sense to address it in your ordinance than going straight to the owner. What you're saying is true for a residential property. If you have a remote landlord, the City will want to know who the responsible party is. If the renter is, then that would be the point of contact not the owner who is down in Florida. It offers the City the flexibility to deal with the person who is contractually responsible.

Councilman Sumner - I just want to make sure that we're not targeting the wrong person but you're saying that it could fall on the lease agreement?

Attorney Knaak - Yes in most cases. You want something in your ordinance that allows you to deal with the renter.

The Public Hearing closed at 5:57 p.m.

Councilman Ingemann - If we make enough changes won't we need to have another public hearing? You should just keep it going because Bill has a lot of issues.

Mayor Geraghty - Are they major substantive or grammatical issues?

Councilman Sumner - I think some of it is content. "Any building used for human use or habitation and located on property adjacent to a sewer main, or in a block through which the system extends within one hundred feet (100') of the property line, shall be connected to the municipal sanitary sewer system within two (2) years from the time a connection is available to any such property." What is for human use that's not habitation? If there's a garage, that's for human use isn't it?

Supt. Hanson - They can't have just a garage. It would be a restaurant, service station, etc.

Councilman Sumner - Is that human use is or should you say commercial?

Attorney Knaak - Maybe it would be easier to think about it in terms of what's not human use, that would be a barn, chicken coop, etc.

Councilman Sumner - I just didn't know why that was included and if it would force the connection of every building but your point that garages cannot be independent of a dwelling that makes sense.

Supt. Hanson - That's old language as well.

Councilman Sumner - Again, if we're going to be putting this into effect it needs to be cleaned up and now is the time to do it.

Councilman Lund - I propose we push it to the next meeting and submit written comments.

Attorney Knaak - I believe that's a motion to table and extend the public hearing.

Mayor Geraghty - I did say it was closed.

Attorney Knaak - You can re-open it. I think if the wish of the Council is to extend the public hearing in case any changes are proposed or substantive, that would be the way to do it.

Motion by Geraghty, seconded by Ingemann to continue the public hearing on May 7, 2015 and to table Ordinance No. 2015-1. With 5 Ayes, 0 Nays, the motion carried.

14. SUPERINTENDENT OF PUBLIC WORKS REPORT - Nothing to report.

15. NEW/OLD BUSINESS

Mayor Geraghty - I just wanted to announce that it's time to do Deb's annual performance review. We will have a closed session at our next meeting, April 16th. We'll make sure we report it at the first meeting in May as well.

16. ADJOURNMENT

Motion by Ingemann, seconded by Geraghty, to adjourn the regular Council Meeting at 6:03 P.M. With 5 Ayes, 0 Nays, the motion carried.

Signed: _____

Tim Geraghty, Mayor

Respectfully Submitted,

Renee Eisenbeisz
Executive Analyst

Recurring bills

Paid Chk# 000433E	DELTA DENTAL OF MN	4/2/2015	\$1,237.46	Dental insurance
Paid Chk# 000434E	FEDERAL TAXES	4/2/2015	\$9,123.16	SS, Med & Federal
Paid Chk# 000435E	MN REVENUE	4/2/2015	\$1,837.14	State taxes
Paid Chk# 000436E	MN REVENUE	4/2/2015	\$709.00	Water sales and use tax
Paid Chk# 000437E	MSRS	4/2/2015	\$2,781.33	MSRS HCSP & Vol. Retirement
Paid Chk# 000438E	SELECTACCOUNT	4/2/2015	\$1,190.09	HSPA
Paid Chk# 000440E	PSN	4/9/2015	\$66.77	Electronic payment fees
Paid Chk# 017352	DEBORA HILL	3/31/2015	\$95.94	Mileage reimbursement
Paid Chk # 017353	HOLSTAD & KNAAK	3/31/2015	\$5,200.00	City Attorney Legal fees
Paid Chk# 017355	COMCAST	4/2/2015	\$138.03	
Paid Chk# 017356	RENEE EISENBEISZ	4/2/2015	\$35.82	Mileage reimbursement
Paid Chk# 017357	ING LIFE INSURANCE & ANNUITY	4/2/2015	\$150.00	
Paid Chk# 017358	PERA	4/2/2015	\$8,981.46	
Paid Chk# 017360	SW/WC SERVICES COOPERATIVES	4/2/2015	\$15,559.00	
Paid Chk# 017361	TENNIS SANITATION LLC	4/2/2015	\$20.80	Garbage for PW and City Hall b
Paid Chk# 017363	JASON JOA	4/7/2015	\$28.85	Postage for mailing water samp
Paid Chk# 017364	MATT YOKIEL	4/7/2015	\$57.18	Shop supplies
Paid Chk# 017365	ATOMIC-COLO, LLC	4/9/2015	\$2,095.04	
Paid Chk# 017366	CENTURY LINK	4/9/2015	\$160.35	Phone lines
Paid Chk# 017367	COMCAST	4/9/2015	\$308.11	
Paid Chk# 017368	Metropolitan Council	4/9/2015	\$17,175.25	
Paid Chk# 017369	XCEL ENERGY	4/9/2015	\$2,325.58	
	Staff		\$29,739.66	

Non-Recurring

Paid Chk# 017359	SAMS CLUB/SYNCHRONY BANK	4/2/2015	\$33.49	Building Sup.
Paid Chk# 017362	FLEET ONE LLC	4/7/2015	\$1,193.04	Petrol
Paid Chk# 017370	ARAMARK REFRESHMENT SERV.	4/16/2015	\$172.91	
Paid Chk# 017371	ATOMIC-COLO, LLC	4/16/2015	\$5,872.50	
Paid Chk# 017372	Cardmember Services	4/16/2015	\$1,763.53	Visa card
Paid Chk# 017373	DEPT OF EMPLOYMENT & ECON DEV	4/16/2015	\$380.00	Unemployment charges
Paid Chk# 017374	DONALD SALVERDA & ASSOC.	4/16/2015	\$600.00	Leadership growth
Paid Chk# 017375	FLEET ONE LLC	4/16/2015	\$1,720.87	Petrol
Paid Chk# 017376	FLEXIBLE PIPE & TOOL CO.	4/16/2015	\$3,055.00	Sewer rod
Paid Chk# 017377	G & K SERVICES	4/16/2015	\$221.92	
Paid Chk# 017378	GERLACH OUTDOOR POWER EQUIP.	4/16/2015	\$619.26	Roller repair
Paid Chk# 017379	GOPHER STATE ONE-CALL	4/16/2015	\$52.30	
Paid Chk# 017380	HAWKINS	4/16/2015	\$1,587.24	Chemicals and cylinders
Paid Chk# 017381	INSTRUMENTAL RESEARCH, INC.	4/16/2015	\$36.00	Coliform bacteria test
Paid Chk# 017382	INVER GROVE FORD	4/16/2015	\$194.69	Inspection crane and hoist
Paid Chk# 017383	J & B EQUIPMENT COMPANY	4/16/2015	\$200.00	Inspection crane and hoist
Paid Chk# 017384	JOBSHQ	4/16/2015	\$86.40	Advertise jobs
Paid Chk# 017385	KAZA FIRE EQUIPMENT LLC	4/16/2015	\$224.87	Helmet
Paid Chk# 017386	LIBERTY NAPA OF NEWPORT	4/16/2015	\$73.96	Parts rodder
Paid Chk# 017387	LUBE TECH ESI	4/16/2015	\$270.00	Lift inspection
Paid Chk# 017388	MED COMPASS	4/16/2015	\$1,956.00	Medical exams & tests
Paid Chk# 017389	MN DEPT OF LABOR AND INDUSTRY	4/16/2015	\$195.74	Quarterly building permits
Paid Chk# 017390	MSA PROFESSIONAL SERVICES, INC	4/16/2015	\$8,636.50	City Engineering
Paid Chk# 017391	NEOPOST	4/16/2015	\$628.39	Postage and quarterly fee
Paid Chk# 017392	OXYGEN SERVICE CO.	4/16/2015	\$43.40	Oxygen supply
Paid Chk# 017393	PATHFINDER CRM, LLC	4/16/2015	\$1,125.00	Heritage Preservation Brown Ho
Paid Chk# 017394	RIVERTOWN MULTIMEDIA	4/16/2015	\$184.58	Notice postings
Paid Chk# 017395	SO. WASHINGTON CO. BULLETIN	4/16/2015	\$86.00	Newspaper subscription
Paid Chk# 017396	ST. PAUL PARK REFINING CO. LLC	4/16/2015	\$1,134.98	

Paid Chk# 017397	STREICHERS	4/16/2015	\$430.88	Uniforms
Paid Chk# 017398	TKDA	4/16/2015	\$4,059.44	City Planning
Paid Chk# 017399	TWW LLC	4/16/2015	\$300.00	Pioneer Day band contract depo
Paid Chk# 017400	UNIFORMS UNLIMITED, INC.	4/16/2015	\$955.79	Uniforms
Paid Chk# 017401	VEGO PROPERTIES	4/16/2015	\$349.12	Escrow reimbursement
Paid Chk# 017402	VISU-SEWER	4/16/2015	\$1,792.50	Manhole repair
Paid Chk# 017403	WASHINGTON CTY PROPERTY RECORD	4/16/2015	\$46.00	Variance register
Paid Chk# 017404	WASHINGTON CTY SHERIFF	4/16/2015	\$9,578.32	Alerts and records
Paid Chk# 017405	WATER CONSERVATION SERVICE	4/16/2015	\$273.00	Leak locate
Paid Chk# 017406	ZARNOTH BRUSH WORKS, INC.	4/16/2015	\$237.00	Gutter brooms
			\$149,386.64	

Cardmember Services

Hanson	HL Supply	Fuel cap	\$ 9.75	yes
Montgomery	Cabelas	Bullets	\$ 1,538.60	yes
Eisenbeisz	Comcast Upware	Monthly virus protection for the library	\$ 5.30	yes
	Best Buy	Chargers	\$ 32.97	yes
	Target	I-Pad cover and lunchroom supply	\$ 49.16	yes
Wiley	Office Max	Office supplies	\$ 47.75	yes
	Minn-Fire SVC Cert	Certification board	\$ 80.00	yes



City of Newport, MN

Financial Status Report

Period ended March 31, 2015

(Un-Audited)

Prepared by:
Administration Department



Table of Contents

Section 1 – Cash & Investment Report

Section 2 – Budget Control Summary

Section 3 – Cash Balances

Section 4 – Revenue Summary

Section 5 – Expenditure Summary

Section 6 – Balance Sheets

Section 1 – Cash & Investment

Purpose:

This report provides a detailed view of current cash, investments and rates of return for the specified time period. City funds are maintained in accordance with the City's Investment Policy which defines the manner in which the City accounts for and protects cash and investments.

NEWPORT, MN

04/08/15 12:06 PM

Page 1

***Check Reconciliation©**

Central Bank

10100 CASH

March 2015

5000	All \$ in thousands															
4000																
3000																
2000																
1000																
0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
2015	4134	3883	3355	0	0	0	0	0	0	0	0	0	0	0	0	

Account Summary

Beginning Balance on	3/1/2015	\$3,649,072.15	Cleared	\$3,480,202.47
+ Receipts/Deposits		\$297,081.26	Statement	\$3,480,202.47
- Payments (Checks and Withdrawals)		\$465,950.94	Difference	\$0.00
Ending Balance as of	3/28/2015	\$3,480,202.47		

Check Book Balance

Active	G 101-10100	GENERAL FUND	\$234,227.63
Active	G 201-10100	PARKS SPECIAL FUND	\$62,440.63
Active	G 204-10100	HERITAGE PRESERVATIO	\$4,975.03
Active	G 205-10100	RECYCLING	\$31,773.40
Active	G 206-10100	FIRE ENGINE	\$0.00
Active	G 208-10100	BUY FORFEITURE	\$1,307.22
Active	G 225-10100	PIONEER DAY	\$20,470.76
Active	G 270-10100	EDA	\$627,003.19
Active	G 301-10100	2010A G.O. CAPITAL IMP.	-\$114,964.28
Active	G 303-10100	2012 STREET NORTH RAV	\$3,268.36
Active	G 305-10100	2013 STREET ASSESSME	\$112,065.73
Active	G 306-10100	2014 STREET ASSESSME	\$274,938.94
Active	G 307-10100	GO TIF 1994B	\$0.00
Active	G 308-10100	CERIFICATES OF INDEBT	\$0.00
Active	G 313-10100	2000B GO IMP BOND	\$0.00
Active	G 315-10100	2002A \$690,000 BOND	-\$89,387.51
Active	G 316-10100	PFA/TRLF REVENUE NOT	\$199,724.60
Active	G 321-10100	2006A EQUIP CERTIFICAT	\$0.00
Active	G 322-10100	2011A GO BONDS	\$12,817.68

Active	G 401-10100	EQUIPMENT REVOLVING	\$300,923.44
Active	G 402-10100	TAX INC DIST 1	-\$0.23
Active	G 405-10100	T.H. HWY 61	\$148,965.16
Active	G 409-10100	2013 STREET RECON.	-\$340,919.11
Active	G 410-10100	2014 STREET RECON.	\$517,807.11
Active	G 411-10100	BUILDING FUND	\$138,010.78
Active	G 416-10100	4TH AVENUE RAVINE	\$12,772.83
Active	G 417-10100	NORTH RAVINE	\$53,774.03
Active	G 422-10100	2011A UTILITY CAPITAL	\$0.00
Active	G 423-10100	2011A EQUIPMENT CAPIT	-\$15,925.00
Active	G 601-10100	WATER FUND	\$437,181.57
Active	G 602-10100	SEWER FUND	\$680,866.53
Active	G 603-10100	STREET LIGHT FUND	\$27,989.32
Active	G 604-10100	STORM WATER FUND	\$13,352.97
		Cash Balance	\$3,355,460.78

Beginng Balance	\$3,649,072.15	
+ Total Deposits	\$297,355.57	
- Checks Written	\$590,966.94	
		Check Book Balance
		\$3,355,460.78
		Difference
		\$0.00

City of Newport
INVESTMENTS
Mar-15

<u>TYPE</u>	<u>BOUGHT DATE</u>	<u>MATURITY DATE</u>	<u># OF DAYS</u>	<u>COST</u>	<u>RATE</u>	<u>GASB #40 Value</u>	
MORGAN STANLEY							
BMW CD	6/28/2013	6/29/2015	728	120,000	0.75%	120,099.60	
BANK BARODA	3/20/2015	6/22/2015	92	65,000	0.30%	65,008.45	
FIRST BANK	12/9/2014	12/11/2015	366	100,000	0.55%	100,055.00	
AMEX Cent.	7/5/2013	7/5/2016	1,092	120,000	1.10%	120,530.40	
GOLDMAN SACHS	3/18/2015	3/20/2017	730	90,000	0.95%	90,059.40	
BMW CD	6/28/2013	6/28/2017	1,456	125,000	1.30%	125,458.75	
GOLDMAN SACHS	3/18/2015	3/19/2018	1,093	90,000	1.30%	90,303.30	
AMEX Cent.	7/5/2013	7/5/2018	1,820	125,000	1.71%	124,938.75	
SALLIE MAE BANK	11/5/2014	11/5/2018	1,456	129,000	1.85%	129,534.06	
BARCLAYS BANK	7/6/2014	7/23/2019	1,820	125,000	2.11%	125,926.25	
Wells Fargo BK	4/8/2014	4/16/2021	2,548	120,000	1.29%	120,864.00	
Accrued Interest	all CDs above						3,751.03
Sub-total Investments GASB 40						<u>1,216,528.99</u>	
CENTRAL BANK							
Checking						<u>3,480,202.47</u>	
Total Cash, Investments and CD's						<u>4,696,731.46</u>	

Section 2 – Budget Control Summary

Purpose:

This section provides a detailed summary on the General Fund and Enterprise Fund accounts as it corresponds to the annual budget. The variance provides a percentage of the amount of the budget that remains in each account.



NEWPORT, MN

***Budget Control Summary**

Current Period: March 2015

Account Descr	2015 Cumulative Budget	2015 Cumulative Actuals	2015 Cumulative Variance	2015 % Varianc	2015 Adopted Budget	2015 Forecast	Variance at Completion	2015 YTD Perf	2015 Est to Complete
FUND 101 GENERAL FUND									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$2,344,147.00	\$337,558.37	\$2,006,588.63	85.60%	\$0.00	\$2,344,147.00	-\$2,344,147.00	0.54	0.28
DEPT 45000 Parks (GENERAL)	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
DEPT 45100 Recreation (GENERAL)	\$0.00	\$392.78	-\$392.78	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$2,344,147.00	\$337,951.15	\$2,006,195.85	85.58%	\$0.00	\$2,344,147.00	-\$2,344,147.00	0.51	0.27
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$560,000.00	\$441,155.92	\$118,844.08	21.22%	\$0.00	\$560,000.00	-\$560,000.00	0.40	-0.11
DEPT 41000 Administration (GENERAL)	\$269,730.00	\$59,843.56	\$209,886.44	77.81%	\$0.00	\$269,730.00	-\$269,730.00	0.12	-0.64
DEPT 41110 Mayor and Council	\$22,822.00	\$6,484.58	\$16,337.42	71.59%	\$0.00	\$22,822.00	-\$22,822.00	0.21	-0.51
DEPT 41410 Elections	\$1,750.00	\$300.00	\$1,450.00	82.86%	\$0.00	\$1,750.00	-\$1,750.00	0.12	-0.48
DEPT 41600 Professional Services	\$315,500.00	\$130,603.46	\$184,896.54	58.60%	\$0.00	\$315,500.00	-\$315,500.00	0.27	-0.54
DEPT 41910 Planning and Zoning	\$35,438.00	\$6,508.17	\$28,929.83	81.64%	\$0.00	\$35,438.00	-\$35,438.00	0.01	-0.32
DEPT 41940 City Hall Bldg	\$17,350.00	\$11,700.41	\$5,649.59	32.56%	\$0.00	\$17,350.00	-\$17,350.00	0.73	-0.28
DEPT 42000 Police Department(GENERAL)	\$856,400.00	\$200,653.65	\$655,746.35	76.57%	\$0.00	\$856,400.00	-\$856,400.00	0.17	-0.65
DEPT 42100 Civil Defense	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
DEPT 42260 Fire Protection	\$183,436.00	\$12,176.99	\$171,259.01	93.36%	\$0.00	\$183,436.00	-\$183,436.00	0.10	-0.67
DEPT 42280 Fire Stations No. 1	\$10,200.00	\$3,915.84	\$6,284.16	61.61%	\$0.00	\$10,200.00	-\$10,200.00	0.24	-0.77
DEPT 42290 Fire Station No. 2	\$3,000.00	\$1,029.62	\$1,970.38	65.68%	\$0.00	\$3,000.00	-\$3,000.00	0.10	-0.65
DEPT 43000 PW Street (GENERAL)	\$385,395.00	\$74,934.39	\$310,460.61	80.56%	\$0.00	\$385,395.00	-\$385,395.00	0.14	-0.63
DEPT 43100 Public Works Garage	\$17,200.00	\$17,050.79	\$149.21	0.87%	\$0.00	\$17,200.00	-\$17,200.00	1.53	0.53
DEPT 43160 Street Lighting	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
DEPT 43260 Composting	\$5,620.00	\$207.27	\$5,412.73	96.31%	\$0.00	\$5,620.00	-\$5,620.00	0.02	-0.65
DEPT 45000 Parks (GENERAL)	\$332,800.00	\$108,656.45	\$224,143.55	67.35%	\$0.00	\$332,800.00	-\$332,800.00	0.19	-0.49
DEPT 45100 Recreation (GENERAL)	\$3,200.00	\$0.00	\$3,200.00	100.00%	\$0.00	\$3,200.00	-\$3,200.00	0.00	-0.44
DEPT 45206 Parks Bldgs. & Warming Houses	\$14,280.00	\$9,542.58	\$4,737.42	33.18%	\$0.00	\$14,280.00	-\$14,280.00	0.49	-0.39
DEPT 45501 Library Bldg	\$24,200.00	\$3,663.76	\$20,536.24	84.86%	\$0.00	\$24,200.00	-\$24,200.00	0.19	-0.81
DEPT 45550 Heritage Pres. Committee	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
DEPT 49470 Street Lights	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
DEPT 49754 Railroad Tower	\$800.00	\$99.82	\$700.18	87.52%	\$0.00	\$800.00	-\$800.00	0.04	-0.46
DEPT 49985 Special Contributions	\$750.00	\$0.00	\$750.00	100.00%	\$0.00	\$750.00	-\$750.00	0.00	-1.00
DEPT 49995 Miscellaneous Contingency	\$10,000.00	\$3,253.01	\$6,746.99	67.47%	\$0.00	\$10,000.00	-\$10,000.00	0.17	-0.34
Total Expenditure Accounts	\$3,069,871.00	\$1,091,780.27	\$1,978,090.73	64.44%	\$0.00	\$3,069,871.00	-\$3,069,871.00	0.18	-0.53
Total FUND 101 GENERAL FUND	-\$725,724.00	-\$753,829.12	\$28,105.12	-3.87%	\$0.00	-\$725,724.00	\$725,724.00		



NEWPORT, MN

*Budget Control Summary

Current Period: March 2015

Account Descr	2015 Cumulative Budget	2015 Cumulative Actuals	2015 Cumulative Variance	2015 % Variance	2015 Adopted Budget	2015 Forecast	Variance at Completion	2015 YTD Perf	2015 Est to Complete
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$2,329.00	-\$2,329.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$2,329.00	\$2,329.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 205 RECYCLING	\$0.00	-\$2,321.55	\$2,321.55	0.00%	\$0.00	\$0.00	\$0.00		
FUND 206 FIRE ENGINE									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 206 FIRE ENGINE	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00		
FUND 208 BUY FORFEITURE									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$1.82	-\$1.82	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$1.82	-\$1.82	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 208 BUY FORFEITURE	\$0.00	\$1.82	-\$1.82	0.00%	\$0.00	\$0.00	\$0.00		
FUND 225 PIONEER DAY									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$3.03	-\$3.03	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$3.03	-\$3.03	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 225 PIONEER DAY	\$0.00	\$3.03	-\$3.03	0.00%	\$0.00	\$0.00	\$0.00		



NEWPORT, MN

***Budget Control Summary**

Current Period: March 2015

Account Descr	2015 Cumulative Budget	2015 Cumulative Actuals	2015 Cumulative Variance	2015 % Variance	2015 Adopted Budget	2015 Forecast	Variance at Completion	2015 YTD Perf	2015 Est to Complete
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$68,722.06	-\$68,722.06	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$68,722.06	-\$68,722.06	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$91,891.25	-\$91,891.25	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$91,891.25	\$91,891.25	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 305 2013 STREET ASSESSMENT	\$0.00	-\$23,169.19	\$23,169.19	0.00%	\$0.00	\$0.00	\$0.00		
FUND 306 2014 STREET ASSESSMENT									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$5,165.84	-\$5,165.84	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$5,165.84	-\$5,165.84	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$450.00	-\$450.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$450.00	\$450.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 306 2014 STREET ASSESSMENT	\$0.00	\$4,715.84	-\$4,715.84	0.00%	\$0.00	\$0.00	\$0.00		
FUND 307 GO TIF 1994B									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 307 GO TIF 1994B	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00		
FUND 308 CERIFICATES OF INDEBTEDNESS									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00



NEWPORT, MN

*Budget Control Summary

Current Period: March 2015

Account Descr	2015 Cumulative Budget	2015 Cumulative Actuals	2015 Cumulative Variance	2015 % Variance	2015 Adopted Budget	2015 Forecast	Variance at Completion	2015 YTD Perf	2015 Est to Complete
Total Revenue Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 308 CERIFICATES OF INDEBTEDNES	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00		
FUND 313 2000B GO IMP BOND									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 313 2000B GO IMP BOND	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00		
FUND 315 2002A \$690,000 BOND									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 315 2002A \$690,000 BOND	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00		
FUND 316 PFA/TRLF REVENUE NOTE									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$404.32	-\$404.32	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00



NEWPORT, MN

*Budget Control Summary

Current Period: March 2015

Account Descr	2015 Cumulative Budget	2015 Cumulative Actuals	2015 Cumulative Variance	2015 % Varianc	2015 Adopted Budget	2015 Forecast	Variance at Completion	2015 YTD Perf	2015 Est to Complete
Total Revenue Accounts	\$0.00	\$404.32	-\$404.32	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$854.85	-\$854.85	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$854.85	\$854.85	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 316 PFA/TRLF REVENUE NOTE	\$0.00	-\$450.53	\$450.53	0.00%	\$0.00	\$0.00	\$0.00		
FUND 321 2006A EQUIP CERTIFICATE									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 321 2006A EQUIP CERTIFICATE	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00		
FUND 322 2011A GO BONDS									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$87,518.52	-\$87,518.52	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$87,518.52	-\$87,518.52	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$70,435.00	-\$70,435.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$70,435.00	\$70,435.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 322 2011A GO BONDS	\$0.00	\$17,083.52	-\$17,083.52	0.00%	\$0.00	\$0.00	\$0.00		
FUND 401 EQUIPMENT REVOLVING									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$42,561.04	-\$42,561.04	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00



NEWPORT, MN

*Budget Control Summary

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Account Descr	2015 Cumulative Budget	2015 Cumulative Actuals	2015 Cumulative Variance	2015 % Varianc	2015 Adopted Budget	2015 Forecast	Variance at Completion	2015 YTD Perf	2015 Est to Complete
Total Revenue Accounts	\$0.00	\$42,561.04	-\$42,561.04	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 401 EQUIPMENT REVOLVING	\$0.00	\$42,561.04	-\$42,561.04	0.00%	\$0.00	\$0.00	\$0.00		
FUND 402 TAX INC DIST 1									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
DEPT 49995 Miscellaneous Contingency	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 402 TAX INC DIST 1	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00		
FUND 405 T.H. HWY 61									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$33.23	-\$33.23	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$33.23	-\$33.23	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 405 T.H. HWY 61	\$0.00	\$33.23	-\$33.23	0.00%	\$0.00	\$0.00	\$0.00		
FUND 409 2013 STREET RECON.									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00



NEWPORT, MN

*Budget Control Summary

Current Period: March 2015

Account Descr	2015 Cumulative Budget	2015 Cumulative Actuals	2015 Cumulative Variance	2015 % Varianc	2015 Adopted Budget	2015 Forecast	Variance at Completion	2015 YTD Perf	2015 Est to Complete
Total Revenue Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$433.00	-\$433.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$433.00	\$433.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 409 2013 STREET RECON.	\$0.00	-\$433.00	\$433.00	0.00%	\$0.00	\$0.00	\$0.00		
FUND 410 2014 STREET RECON.									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$122.98	-\$122.98	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$122.98	-\$122.98	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$139,240.62	-\$139,240.62	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$139,240.62	\$139,240.62	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 410 2014 STREET RECON.	\$0.00	-\$139,117.64	\$139,117.64	0.00%	\$0.00	\$0.00	\$0.00		
FUND 411 BUILDING FUND									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$32,526.13	-\$32,526.13	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$32,526.13	-\$32,526.13	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$4,629.76	-\$4,629.76	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$4,629.76	\$4,629.76	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 411 BUILDING FUND	\$0.00	\$27,896.37	-\$27,896.37	0.00%	\$0.00	\$0.00	\$0.00		
FUND 416 4TH AVENUE RAVINE									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$2.85	-\$2.85	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00



NEWPORT, MN

*Budget Control Summary

Current Period: March 2015

Account Descr	2015 Cumulative Budget	2015 Cumulative Actuals	2015 Cumulative Variance	2015 % Varianc	2015 Adopted Budget	2015 Forecast	Variance at Completion	2015 YTD Perf	2015 Est to Complete
Total Revenue Accounts	\$0.00	\$2.85	-\$2.85	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 416 4TH AVENUE RAVINE	\$0.00	\$2.85	-\$2.85	0.00%	\$0.00	\$0.00	\$0.00		
FUND 417 NORTH RAVINE									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$12.00	-\$12.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$12.00	-\$12.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 417 NORTH RAVINE	\$0.00	\$12.00	-\$12.00	0.00%	\$0.00	\$0.00	\$0.00		
FUND 422 2011A UTILITY CAPITAL									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Revenue Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total Expenditure Accounts	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
Total FUND 422 2011A UTILITY CAPITAL	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00		
FUND 423 2011A EQUIPMENT CAPITAL									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00



NEWPORT, MN

***Budget Control Summary**

Current Period: March 2015

Account Descr	2015 Cumulative Budget	2015 Cumulative Actuals	2015 Cumulative Variance	2015 % Varianc	2015 Adopted Budget	2015 Forecast	Variance at Completion	2015 YTD Perf	2015 Est to Complete
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$6.71	-\$6.71	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
DEPT 43160 Street Lighting	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
DEPT 49470 Street Lights	\$72,765.00	\$13,860.67	\$58,904.33	80.95%	\$0.00	\$72,765.00	-\$72,765.00	0.06	-0.27
Total Revenue Accounts	\$72,765.00	\$13,867.38	\$58,897.62	80.94%	\$0.00	\$72,765.00	-\$72,765.00	0.02	-0.07
Expenditure Accounts									
DEPT 43160 Street Lighting	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
DEPT 49470 Street Lights	\$56,452.00	\$13,440.83	\$43,011.17	76.19%	\$0.00	\$56,452.00	-\$56,452.00	0.22	-0.64
Total Expenditure Accounts	\$56,452.00	\$13,440.83	-\$43,011.17	76.19%	\$0.00	\$56,452.00	-\$56,452.00	0.19	-0.56
Total FUND 603 STREET LIGHT FUND	\$16,313.00	\$426.55	\$15,886.45	97.39%	\$0.00	\$16,313.00	-\$16,313.00		
FUND 604 STORM WATER FUND									
Revenue Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$3.00	-\$3.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
DEPT 49460 Storm Water	\$62,175.00	\$8,074.40	\$54,100.60	87.01%	\$0.00	\$62,175.00	-\$62,175.00	0.03	-0.17
Total Revenue Accounts	\$62,175.00	\$8,077.40	\$54,097.60	87.01%	\$0.00	\$62,175.00	-\$62,175.00	0.02	-0.12
Expenditure Accounts									
DEPT 00000 ALL DEPARTMENTS	\$0.00	\$0.00	\$0.00	0.00%	\$0.00	\$0.00	\$0.00	0.00	0.00
DEPT 49460 Storm Water	\$20,642.00	\$6,187.77	\$14,454.23	70.02%	\$0.00	\$20,642.00	-\$20,642.00	0.09	-0.64
Total Expenditure Accounts	\$20,642.00	\$6,187.77	-\$14,454.23	70.02%	\$0.00	\$20,642.00	-\$20,642.00	0.08	-0.59
Total FUND 604 STORM WATER FUND	\$41,533.00	\$1,889.63	\$39,643.37	95.45%	\$0.00	\$41,533.00	-\$41,533.00		
	-\$752,046.00	-\$708,898.22	-\$43,147.78	5.74%	\$0.00	-\$752,046.00	\$752,046.00		

FILTER: None

Section 3 – Cash Balances

Purpose:

This section provides a summary of the beginning cash balances for the year and ending cash balances at the end of each period, after receipts and disbursements. The funds listed in cash balances lists all City funds.



NEWPORT, MN
***Cash Balances**

04/08/15 12:18 PM

Page 1

Current Period March 2015

Fund	2015 Begin Balance	Receipts	Disbursements	-----Transfers-----		JE Payroll	Balance	
				Rec/Disb	Journal Entry			
10100 Central Bank								
101 GENERAL FUND	\$1,223,275.08	\$348,781.98	\$765,912.61	\$0.00	(\$438,722.60)	(\$133,194.22)	\$234,227.63	In Bal
201 PARKS SPECIAL F	\$42,456.78	\$86.06	\$102.21	\$0.00	\$20,000.00	\$0.00	\$62,440.63	In Bal
204 HERITAGE PRESE	\$6,583.63	\$0.40	\$10,609.00	\$0.00	\$9,000.00	\$0.00	\$4,975.03	In Bal
205 RECYCLING	\$34,094.95	\$2,009.27	\$2,329.00	\$0.00	(\$2,001.82)	\$0.00	\$31,773.40	In Bal
206 FIRE ENGINE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	In Bal
208 BUY FORFEITURE	\$1,305.40	\$1.82	\$0.00	\$0.00	\$0.00	\$0.00	\$1,307.22	In Bal
225 PIONEER DAY	\$20,467.73	\$3.03	\$0.00	\$0.00	\$0.00	\$0.00	\$20,470.76	In Bal
270 EDA	\$457,092.66	\$6,131.71	\$16,721.18	\$0.00	\$180,500.00	\$0.00	\$627,003.19	In Bal
301 2010A G.O. CAPIT	(\$112,404.28)	\$0.00	\$2,560.00	\$0.00	\$0.00	\$0.00	(\$114,964.28)	In Bal
303 2012 STREET NO	\$3,224.20	\$44.16	\$0.00	\$0.00	\$0.00	\$0.00	\$3,268.36	In Bal
305 2013 STREET ASS	\$74,930.88	\$60,319.18	\$91,891.25	\$0.00	\$68,706.92	\$0.00	\$112,065.73	In Bal
306 2014 STREET ASS	\$270,223.10	\$5,165.84	\$37,719.26	\$0.00	\$37,269.26	\$0.00	\$274,938.94	In Bal
307 GO TIF 1994B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	In Bal
308 CERIFICATES OF I	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	In Bal
313 2000B GO IMP BO	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	In Bal
315 2002A \$690,000 B	(\$89,387.51)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$89,387.51)	In Bal
316 PFA/TRLF REVEN	\$200,175.13	\$404.32	\$854.85	\$0.00	\$0.00	\$0.00	\$199,724.60	In Bal
321 2006A EQUIP CER	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	In Bal
322 2011A GO BONDS	(\$4,265.84)	\$1.02	\$70,435.00	\$0.00	\$87,517.50	\$0.00	\$12,817.68	In Bal
401 EQUIPMENT REV	\$258,362.40	\$61.04	\$0.00	\$0.00	\$42,500.00	\$0.00	\$300,923.44	In Bal
402 TAX INC DIST 1	(\$0.23)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.23)	In Bal
405 T.H. HWY 61	\$148,931.93	\$33.23	\$0.00	\$0.00	\$0.00	\$0.00	\$148,965.16	In Bal
409 2013 STREET REC	(\$340,486.11)	\$0.00	\$433.00	\$0.00	\$0.00	\$0.00	(\$340,919.11)	In Bal
410 2014 STREET REC	\$656,924.75	\$122.98	\$101,971.36	\$0.00	(\$37,269.26)	\$0.00	\$517,807.11	In Bal
411 BUILDING FUND	\$110,114.41	\$26.13	\$4,629.76	\$0.00	\$32,500.00	\$0.00	\$138,010.78	In Bal
416 4TH AVENUE RAV	\$12,769.98	\$2.85	\$0.00	\$0.00	\$0.00	\$0.00	\$12,772.83	In Bal
417 NORTH RAVINE	\$53,762.03	\$12.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53,774.03	In Bal
422 2011A UTILITY CA	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	In Bal
423 2011A EQUIPMEN	\$0.00	\$0.00	\$15,925.00	\$0.00	\$0.00	\$0.00	(\$15,925.00)	In Bal
601 WATER FUND	\$468,097.24	\$57,679.27	\$65,586.79	\$0.00	\$0.00	(\$23,008.15)	\$437,181.57	In Bal
602 SEWER FUND	\$703,722.33	\$137,028.15	\$137,037.93	\$0.00	\$0.00	(\$22,846.02)	\$680,866.53	In Bal
603 STREET LIGHT FU	\$27,562.77	\$13,867.38	\$11,655.95	\$0.00	\$0.00	(\$1,784.88)	\$27,989.32	In Bal
604 STORM WATER F	\$11,463.34	\$8,077.40	\$4,403.01	\$0.00	\$0.00	(\$1,784.76)	\$13,352.97	In Bal
	\$4,238,996.75	\$639,859.22	\$1,340,777.16	\$0.00	\$0.00	(\$182,618.03)	\$3,355,460.78	

Section 4 – Revenue Summary

Purpose:

This section provides a summary view of revenues for the specified period compared to the current year budget as amended. Revenues are reported on a cash basis. Adjustments are required at the end of the fiscal year for audit purposed and are not reflected in the report.



NEWPORT, MN

*Revenue Summary

FUND	Description	2015 YTD Budget	March 2015 Amt	2015 YTD Amt	YTD Balance	% of YTD Budget
101	GENERAL FUND	\$2,344,147.00	\$32,682.54	\$337,951.15	\$2,006,195.85	14.42%
201	PARKS SPECIAL FUND	\$0.00	\$20,079.97	\$20,086.06	-\$20,086.06	0.00%
202	POLICE FORFEITURE FUND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
204	HERITAGE PRESERVATION C	\$0.00	\$9,000.40	\$9,000.40	-\$9,000.40	0.00%
205	RECYCLING	\$0.00	\$2.53	\$7.45	-\$7.45	0.00%
206	FIRE ENGINE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
208	BUY FORFEITURE	\$0.00	\$1.63	\$1.82	-\$1.82	0.00%
225	PIONEER DAY	\$0.00	\$0.10	\$3.03	-\$3.03	0.00%
270	EDA	\$0.00	\$184,352.89	\$186,631.71	-\$186,631.71	0.00%
301	2010A G.O. CAPITAL IMP. PLA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
303	2012 STREET NORTH RAVINE	\$0.00	\$0.26	\$44.16	-\$44.16	0.00%
305	2013 STREET ASSESSMENT	\$0.00	\$8.92	\$68,722.06	-\$68,722.06	0.00%
306	2014 STREET ASSESSMENT	\$0.00	\$21.88	\$5,165.84	-\$5,165.84	0.00%
307	GO TIF 1994B	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
308	CERIFICATES OF INDEBTEDN	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
313	2000B GO IMP BOND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
315	2002A \$690,000 BOND	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
316	PFA/TRLF REVENUE NOTE	\$0.00	\$15.89	\$404.32	-\$404.32	0.00%
321	2006A EQUIP CERTIFICATE	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
322	2011A GO BONDS	\$0.00	\$1.02	\$87,518.52	-\$87,518.52	0.00%
401	EQUIPMENT REVOLVING	\$0.00	\$42,523.95	\$42,561.04	-\$42,561.04	0.00%
402	TAX INC DIST 1	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
405	T.H. HWY 61	\$0.00	\$11.85	\$33.23	-\$33.23	0.00%
409	2013 STREET RECON.	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
410	2014 STREET RECON.	\$0.00	\$41.20	\$122.98	-\$122.98	0.00%
411	BUILDING FUND	\$0.00	\$32,510.98	\$32,526.13	-\$32,526.13	0.00%
416	4TH AVENUE RAVINE	\$0.00	\$1.02	\$2.85	-\$2.85	0.00%
417	NORTH RAVINE	\$0.00	\$4.28	\$12.00	-\$12.00	0.00%
422	2011A UTILITY CAPITAL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
423	2011A EQUIPMENT CAPITAL	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
601	WATER FUND	\$250,385.00	\$4,483.23	\$57,106.72	\$193,278.28	22.81%
602	SEWER FUND	\$404,478.00	\$5,901.99	\$137,028.15	\$267,449.85	33.88%
603	STREET LIGHT FUND	\$72,765.00	\$736.50	\$13,867.38	\$58,897.62	19.06%
604	STORM WATER FUND	\$62,175.00	\$366.59	\$8,077.40	\$54,097.60	12.99%
		\$3,133,950.00	\$332,749.62	\$1,006,874.40	\$2,127,075.60	32.13%

FILTER: None

Section 5 – Expenditure Summary

Purpose:

This section provides a summary and detailed view of expenses for the specified period compared to the current budget as emended. Expenses are reported on a cash basis and do not reflect any outstanding encumbrances. Adjustments are required at the end of the fiscal year for audit purposes and are not reflected in the report.



NEWPORT, MN
***Expenditure Summary**

FUND	Description	2015 YTD Budget	March 2015 Amt	2015 YTD Amt	Enc Current	YTD Balance	% YTD Budget
101	GENERAL FUND	\$3,069,871.00	\$520,880.31	\$1,091,780.27	\$0.00	\$1,978,090.73	35.56%
201	PARKS SPECIAL FUND	\$0.00	\$0.00	\$102.21	\$0.00	-\$102.21	0.00%
204	HERITAGE PRESERVATION C	\$0.00	\$985.00	\$10,609.00	\$0.00	-\$10,609.00	0.00%
205	RECYCLING	\$0.00	\$909.00	\$2,329.00	\$0.00	-\$2,329.00	0.00%
208	BUY FORFEITURE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
225	PIONEER DAY	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
270	EDA	\$0.00	\$15,598.89	\$16,721.18	\$0.00	-\$16,721.18	0.00%
301	2010A G.O. CAPITAL IMP. PLA	\$0.00	\$2,560.00	\$2,560.00	\$0.00	-\$2,560.00	0.00%
303	2012 STREET NORTH RAVINE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
305	2013 STREET ASSESSMENT	\$0.00	\$0.00	\$91,891.25	\$0.00	-\$91,891.25	0.00%
306	2014 STREET ASSESSMENT	\$0.00	\$0.00	\$450.00	\$0.00	-\$450.00	0.00%
307	GO TIF 1994B	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
308	CERIFICATES OF INDEBTEDN	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
313	2000B GO IMP BOND	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
315	2002A \$690,000 BOND	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
316	PFA/TRLF REVENUE NOTE	\$0.00	\$0.00	\$854.85	\$0.00	-\$854.85	0.00%
321	2006A EQUIP CERTIFICATE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
322	2011A GO BONDS	\$0.00	\$0.00	\$70,435.00	\$0.00	-\$70,435.00	0.00%
401	EQUIPMENT REVOLVING	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
402	TAX INC DIST 1	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
405	T.H. HWY 61	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
409	2013 STREET RECON.	\$0.00	\$0.00	\$433.00	\$0.00	-\$433.00	0.00%
410	2014 STREET RECON.	\$0.00	\$1,903.00	\$139,240.62	\$0.00	-\$139,240.62	0.00%
411	BUILDING FUND	\$0.00	\$0.00	\$4,629.76	\$0.00	-\$4,629.76	0.00%
416	4TH AVENUE RAVINE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
417	NORTH RAVINE	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
422	2011A UTILITY CAPITAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
423	2011A EQUIPMENT CAPITAL	\$0.00	\$15,925.00	\$15,925.00	\$0.00	-\$15,925.00	0.00%
601	WATER FUND	\$299,717.00	\$25,627.69	\$88,298.93	\$0.00	\$211,418.07	29.46%
602	SEWER FUND	\$439,314.00	\$34,358.77	\$159,883.95	\$0.00	\$279,430.05	36.39%
603	STREET LIGHT FUND	\$56,452.00	\$4,193.80	\$13,440.83	\$0.00	\$43,011.17	23.81%
604	STORM WATER FUND	\$20,642.00	\$1,163.71	\$6,187.77	\$0.00	\$14,454.23	29.98%
		\$3,885,996.00	\$624,105.17	\$1,715,772.62	\$0.00	\$2,170,223.38	44.15%

FILTER: None

Section 6 – Balance Sheets

Purpose:

The purpose of the GL Yearly Report is to provide a monthly snapshot of the funds' various assets, liabilities, and equity. Please note that the basic formula is:

$$\text{Assets} = \text{Liabilities} + \text{Equity}$$



NEWPORT, MN

04/08/15 12:20 PM

Page 1

GL Yearly

Current Period: March 2015

FUND 101 GENERAL FUND

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 101-10100 Cash	\$1,223,275.08	\$46,241.73	\$769,579.00	\$358,530.21	\$1,347,577.66	\$234,227.63
G 101-10200 Petty Cash	\$74.73	\$0.00	\$0.00	\$0.00	\$0.00	\$74.73
G 101-10300 Bond Street Account	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 101-10400 Investments	(\$0.48)	\$240,000.00	\$0.00	\$240,000.00	\$0.00	\$239,999.52
G 101-10401 Northland Securities	\$343,660.26	\$0.00	\$0.00	\$0.00	\$0.00	\$343,660.26
G 101-10402 CDARS/Central Bank	\$0.07	\$0.00	\$0.00	\$0.00	\$0.00	\$0.07
G 101-10406 Smith Barney	\$848,204.27	\$0.00	\$0.00	\$0.00	\$0.00	\$848,204.27
G 101-10410 Smith Barney MM	\$1,806.17	\$0.00	\$0.00	\$0.00	\$0.00	\$1,806.17
G 101-10450 Interest Receivable	\$5,313.53	\$0.00	\$0.00	\$0.00	\$0.00	\$5,313.53
G 101-10500 Taxes Receivable-Current	\$32,165.41	\$0.00	\$0.00	\$0.00	\$0.00	\$32,165.41
G 101-10700 Taxes Receivable-Delinquent	\$102,021.12	\$0.00	\$0.00	\$0.00	\$0.00	\$102,021.12
G 101-12300 Special Assess Rec-Deferred	\$622.00	\$0.00	\$0.00	\$0.00	\$0.00	\$622.00
G 101-13100 Due From Other Funds	(\$1.25)	\$0.00	\$0.00	\$0.00	\$0.00	(\$1.25)
G 101-13200 Due From Other Government	\$3,768.76	\$0.00	\$0.00	\$0.00	\$0.00	\$3,768.76
G 101-15500 Prepaid Items	\$16,866.42	\$0.00	\$0.00	\$0.00	\$0.00	\$16,866.42
Total Asset	\$2,577,776.09	\$286,241.73	\$769,579.00	\$598,530.21	\$1,347,577.66	\$1,828,728.64
Liability						
G 101-20200 Accounts Payable	(\$71,115.25)	\$0.00	\$0.00	\$0.00	\$0.00	(\$71,115.25)
G 101-20800 Due to Other Governments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 101-21600 Accrued Wages & Salaries P	(\$27,389.21)	\$0.00	\$0.00	\$0.00	\$0.00	(\$27,389.21)
G 101-21701 Federal W/H Payable	(\$1,519.71)	\$8,969.68	\$8,969.68	\$28,713.64	\$28,713.64	(\$1,519.71)
G 101-21702 State Withholding Payable	\$12.55	\$3,704.75	\$3,704.75	\$11,701.95	\$11,701.95	\$12.55
G 101-21703 FICA Tax Withholding	\$611.53	\$6,575.74	\$6,575.74	\$21,464.62	\$21,464.62	\$611.53
G 101-21704 PERA	(\$2,818.88)	\$17,998.36	\$17,998.36	\$54,608.08	\$54,608.07	(\$2,818.87)
G 101-21705 Medica payable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 101-21706 Garnishment	\$0.40	\$0.00	\$0.00	\$0.00	\$0.00	\$0.40
G 101-21707 Union Dues	(\$418.33)	\$414.00	\$447.00	\$1,242.00	\$1,341.00	(\$517.33)
G 101-21708 United Way	(\$0.45)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.45)
G 101-21709 Medicare	(\$396.48)	\$2,704.70	\$2,704.70	\$8,550.84	\$8,550.84	(\$396.48)
G 101-21710 Other Deductions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 101-21711 NPERS - Life	\$2,487.50	\$172.38	\$478.95	\$709.14	\$574.95	\$2,621.69
G 101-21712 HSA Employee	\$4,516.88	\$1,913.52	\$1,913.52	\$12,390.56	\$12,390.56	\$4,516.88
G 101-21713 Dental Family	(\$301.12)	\$561.00	\$552.94	\$1,114.98	\$1,095.80	(\$281.94)
G 101-21714 LTD Employee	\$370.02	\$357.46	\$357.52	\$1,086.64	\$1,087.04	\$369.62
G 101-21715 MSRS Employee	\$10.24	\$862.52	\$862.52	\$2,578.48	\$2,578.48	\$10.24
G 101-21716 Health Insurance	\$257.97	\$738.99	\$645.28	\$2,191.07	\$1,937.84	\$511.20
G 101-21717 MNBA Life Ins.	(\$2,350.58)	\$344.76	\$86.19	\$344.76	\$430.95	(\$2,436.77)
G 101-21719 ING Employee	\$0.42	\$2,476.14	\$2,476.14	\$8,278.42	\$8,278.42	\$0.42
G 101-21720 Online fee payable	\$179.40	\$0.00	\$0.00	\$0.00	\$0.00	\$179.40
G 101-21721 Child Support	\$0.43	\$0.00	\$0.00	\$0.00	\$0.00	\$0.43
G 101-21722 Cobra Payment	(\$548.66)	\$2,291.40	\$3,508.30	\$6,626.20	\$7,929.90	(\$1,852.36)
G 101-21723 Insurance Recovery	\$0.00	\$0.00	\$3,737.60	\$0.00	\$3,737.60	(\$3,737.60)
G 101-21724 Roth Vol. Ret.-Employee	\$0.00	\$2,524.00	\$2,524.00	\$7,572.00	\$7,572.00	\$0.00
G 101-22100 Escrow	\$2,335.53	\$75.79	\$0.00	\$1,000.50	\$1,000.00	\$2,336.03
G 101-22101 Library Sales	(\$406.23)	\$2.50	\$5.00	\$58.36	\$20.25	(\$368.12)
G 101-22200 Deferred Revenues	(\$102,643.13)	\$0.00	\$0.00	\$0.00	\$0.00	(\$102,643.13)
Total Liability	(\$199,125.16)	\$52,687.69	\$57,548.19	\$170,232.24	\$175,013.91	(\$203,906.83)
Equity						
G 101-25300 Unreserved Fund Balance	(\$2,378,650.93)	\$526,919.10	\$38,721.33	\$1,099,632.08	\$345,802.96	(\$1,624,821.81)



NEWPORT, MN

GL Yearly

Current Period: March 2015

FUND 101 GENERAL FUND

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Total Equity	(\$2,378,650.93)	\$526,919.10	\$38,721.33	\$1,099,632.08	\$345,802.96	(\$1,624,821.81)
Total 101 GENERAL FUND	\$0.00	\$865,848.52	\$865,848.52	\$1,868,394.53	\$1,868,394.53	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 201 PARKS SPECIAL FUND

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 201-10100 Cash	\$42,456.78	\$20,079.97	\$0.00	\$20,086.06	\$102.21	\$62,440.63
Total Asset	\$42,456.78	\$20,079.97	\$0.00	\$20,086.06	\$102.21	\$62,440.63
Equity						
G 201-25300 Unreserved Fund Balance	(\$42,456.78)	\$0.00	\$20,079.97	\$102.21	\$20,086.06	(\$62,440.63)
Total Equity	(\$42,456.78)	\$0.00	\$20,079.97	\$102.21	\$20,086.06	(\$62,440.63)
Total 201 PARKS SPECIAL FUND	\$0.00	\$20,079.97	\$20,079.97	\$20,188.27	\$20,188.27	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 204	HERITAGE PRESERVATION COMM	March 2015					Balance
		Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	
Asset							
	G 204-10100 Cash	\$6,583.63	\$9,000.40	\$985.00	\$9,000.40	\$10,609.00	\$4,975.03
	Total Asset	\$6,583.63	\$9,000.40	\$985.00	\$9,000.40	\$10,609.00	\$4,975.03
Equity							
	G 204-25300 Unreserved Fund Balance	(\$6,583.63)	\$985.00	\$9,000.40	\$10,609.00	\$9,000.40	(\$4,975.03)
	Total Equity	(\$6,583.63)	\$985.00	\$9,000.40	\$10,609.00	\$9,000.40	(\$4,975.03)
Total 204 HERITAGE PRESERVATION COMM		\$0.00	\$9,985.40	\$9,985.40	\$19,609.40	\$19,609.40	\$0.00



NEWPORT, MN

GL Yearly

Current Period: March 2015

FUND 205 RECYCLING

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 205-10100 Cash	\$34,094.95	\$2.53	\$909.00	\$2,009.27	\$4,330.82	\$31,773.40
Total Asset	\$34,094.95	\$2.53	\$909.00	\$2,009.27	\$4,330.82	\$31,773.40
Equity						
G 205-25300 Unreserved Fund Balance	(\$34,094.95)	\$909.00	\$2.53	\$4,330.82	\$2,009.27	(\$31,773.40)
Total Equity	(\$34,094.95)	\$909.00	\$2.53	\$4,330.82	\$2,009.27	(\$31,773.40)
Total 205 RECYCLING	\$0.00	\$911.53	\$911.53	\$6,340.09	\$6,340.09	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 208 BUY FORFEITURE

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 208-10100 Cash	\$1,305.40	\$1.63	\$0.00	\$1.82	\$0.00	\$1,307.22
Total Asset	\$1,305.40	\$1.63	\$0.00	\$1.82	\$0.00	\$1,307.22
Equity						
G 208-25300 Unreserved Fund Balance	(\$1,305.40)	\$0.00	\$1.63	\$0.00	\$1.82	(\$1,307.22)
Total Equity	(\$1,305.40)	\$0.00	\$1.63	\$0.00	\$1.82	(\$1,307.22)
Total 208 BUY FORFEITURE	\$0.00	\$1.63	\$1.63	\$1.82	\$1.82	\$0.00



NEWPORT, MN

GL Yearly

Current Period: March 2015

FUND 225 PIONEER DAY

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 225-10100 Cash	\$20,467.73	\$0.10	\$0.00	\$3.03	\$0.00	\$20,470.76
Total Asset	\$20,467.73	\$0.10	\$0.00	\$3.03	\$0.00	\$20,470.76
Liability						
G 225-20200 Accounts Payable	\$0.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03
Total Liability	\$0.03	\$0.00	\$0.00	\$0.00	\$0.00	\$0.03
Equity						
G 225-25300 Unreserved Fund Balance	(\$20,467.76)	\$0.00	\$0.10	\$0.00	\$3.03	(\$20,470.79)
Total Equity	(\$20,467.76)	\$0.00	\$0.10	\$0.00	\$3.03	(\$20,470.79)
Total 225 PIONEER DAY	\$0.00	\$0.10	\$0.10	\$3.03	\$3.03	\$0.00



NEWPORT, MN

GL Yearly

Current Period: March 2015

FUND 270 EDA

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 270-10100 Cash	\$457,092.66	\$184,352.89	\$15,598.89	\$186,733.87	\$16,823.34	\$627,003.19
G 270-10500 Taxes Receivable-Current	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Asset	\$457,092.66	\$184,352.89	\$15,598.89	\$186,733.87	\$16,823.34	\$627,003.19
Liability						
G 270-20200 Accounts Payable	(\$609.93)	\$0.00	\$0.00	\$0.00	\$0.00	(\$609.93)
Total Liability	(\$609.93)	\$0.00	\$0.00	\$0.00	\$0.00	(\$609.93)
Equity						
G 270-25300 Unreserved Fund Balance	(\$456,482.73)	\$15,598.89	\$184,352.89	\$16,823.34	\$186,733.87	(\$626,393.26)
Total Equity	(\$456,482.73)	\$15,598.89	\$184,352.89	\$16,823.34	\$186,733.87	(\$626,393.26)
Total 270 EDA	\$0.00	\$199,951.78	\$199,951.78	\$203,557.21	\$203,557.21	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 301 2010A G.O. CAPITAL IMP. PLAN	March 2015					
	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 301-10100 Cash	(\$112,404.28)	\$0.00	\$2,560.00	\$0.00	\$2,560.00	(\$114,964.28)
G 301-10500 Taxes Receivable-Current	\$1,806.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,806.00
Total Asset	(\$110,598.28)	\$0.00	\$2,560.00	\$0.00	\$2,560.00	(\$113,158.28)
Equity						
G 301-25300 Unreserved Fund Balance	\$110,598.28	\$2,560.00	\$0.00	\$2,560.00	\$0.00	\$113,158.28
Total Equity	\$110,598.28	\$2,560.00	\$0.00	\$2,560.00	\$0.00	\$113,158.28
Total 301 2010A G.O. CAPITAL IMP. PLAN	\$0.00	\$2,560.00	\$2,560.00	\$2,560.00	\$2,560.00	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 303 2012 STREET NORTH RAVINE

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 303-10100 Cash	\$3,224.20	\$0.26	\$0.00	\$44.16	\$0.00	\$3,268.36
G 303-10400 Investments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 303-10450 Interest Receivable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Asset	\$3,224.20	\$0.26	\$0.00	\$44.16	\$0.00	\$3,268.36
Equity						
G 303-25300 Unreserved Fund Balance	(\$3,224.20)	\$0.00	\$0.26	\$0.00	\$44.16	(\$3,268.36)
Total Equity	(\$3,224.20)	\$0.00	\$0.26	\$0.00	\$44.16	(\$3,268.36)
Total 303 2012 STREET NORTH RAVINE	\$0.00	\$0.26	\$0.26	\$44.16	\$44.16	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 305 2013 STREET ASSESSMENT

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 305-10100 Cash	\$74,930.88	\$8.92	\$0.00	\$129,026.10	\$91,891.25	\$112,065.73
G 305-10400 Investments	\$60,000.00	\$0.00	\$0.00	\$0.00	\$60,000.00	\$0.00
G 305-10450 Interest Receivable	(\$32.19)	\$0.00	\$0.00	\$0.00	\$304.04	(\$336.23)
Total Asset	\$134,898.69	\$8.92	\$0.00	\$129,026.10	\$152,195.29	\$111,729.50
Liability						
G 305-22200 Deferred Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Liability	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Equity						
G 305-25300 Unreserved Fund Balance	(\$134,898.69)	\$0.00	\$8.92	\$91,891.25	\$68,722.06	(\$111,729.50)
Total Equity	(\$134,898.69)	\$0.00	\$8.92	\$91,891.25	\$68,722.06	(\$111,729.50)
Total 305 2013 STREET ASSESSMENT	\$0.00	\$8.92	\$8.92	\$220,917.35	\$220,917.35	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 306 2014 STREET ASSESSMENT

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 306-10100 Cash	\$270,223.10	\$21.88	\$0.00	\$128,881.98	\$124,166.14	\$274,938.94
G 306-10400 Investments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 306-10450 Interest Receivable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Asset	\$270,223.10	\$21.88	\$0.00	\$128,881.98	\$124,166.14	\$274,938.94
Liability						
G 306-22200 Deferred Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Liability	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Equity						
G 306-25300 Unreserved Fund Balance	(\$270,223.10)	\$0.00	\$21.88	\$124,166.14	\$128,881.98	(\$274,938.94)
Total Equity	(\$270,223.10)	\$0.00	\$21.88	\$124,166.14	\$128,881.98	(\$274,938.94)
Total 306 2014 STREET ASSESSMENT	\$0.00	\$21.88	\$21.88	\$253,048.12	\$253,048.12	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 316 PFA/TRLF REVENUE NOTE

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 316-10100 Cash	\$200,175.13	\$15.89	\$0.00	\$404.32	\$854.85	\$199,724.60
G 316-12100 SA Recievable -Current	\$4,420.28	\$0.00	\$0.00	\$0.00	\$0.00	\$4,420.28
G 316-12200 Special Assess Rec-Delinque	\$11,812.12	\$0.00	\$0.00	\$0.00	\$0.00	\$11,812.12
G 316-12300 Special Assess Rec-Deferred	\$52,937.68	\$0.00	\$0.00	\$0.00	\$0.00	\$52,937.68
Total Asset	\$269,345.21	\$15.89	\$0.00	\$404.32	\$854.85	\$268,894.68
Liability						
G 316-22200 Deferred Revenues	(\$64,749.80)	\$0.00	\$0.00	\$0.00	\$0.00	(\$64,749.80)
Total Liability	(\$64,749.80)	\$0.00	\$0.00	\$0.00	\$0.00	(\$64,749.80)
Equity						
G 316-25300 Unreserved Fund Balance	(\$204,595.41)	\$0.00	\$15.89	\$854.85	\$404.32	(\$204,144.88)
Total Equity	(\$204,595.41)	\$0.00	\$15.89	\$854.85	\$404.32	(\$204,144.88)
Total 316 PFA/TRLF REVENUE NOTE	\$0.00	\$15.89	\$15.89	\$1,259.17	\$1,259.17	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 322 2011A GO BONDS

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 322-10100 Cash	(\$4,265.84)	\$1.02	\$0.00	\$87,518.52	\$70,435.00	\$12,817.68
G 322-10500 Taxes Receivable-Current	\$1,274.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,274.00
Total Asset	(\$2,991.84)	\$1.02	\$0.00	\$87,518.52	\$70,435.00	\$14,091.68
Equity						
G 322-25300 Unreserved Fund Balance	\$2,991.84	\$0.00	\$1.02	\$70,435.00	\$87,518.52	(\$14,091.68)
Total Equity	\$2,991.84	\$0.00	\$1.02	\$70,435.00	\$87,518.52	(\$14,091.68)
Total 322 2011A GO BONDS	\$0.00	\$1.02	\$1.02	\$157,953.52	\$157,953.52	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 401 EQUIPMENT REVOLVING

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 401-10100 Cash	\$258,362.40	\$42,523.95	\$0.00	\$42,561.04	\$0.00	\$300,923.44
Total Asset	\$258,362.40	\$42,523.95	\$0.00	\$42,561.04	\$0.00	\$300,923.44
Equity						
G 401-25300 Unreserved Fund Balance	(\$258,362.40)	\$0.00	\$42,523.95	\$0.00	\$42,561.04	(\$300,923.44)
Total Equity	(\$258,362.40)	\$0.00	\$42,523.95	\$0.00	\$42,561.04	(\$300,923.44)
Total 401 EQUIPMENT REVOLVING	\$0.00	\$42,523.95	\$42,523.95	\$42,561.04	\$42,561.04	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 405 T.H. HWY 61

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 405-10100 Cash	\$148,931.93	\$11.85	\$0.00	\$33.23	\$0.00	\$148,965.16
G 405-13200 Due From Other Government	(\$0.18)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.18)
Total Asset	\$148,931.75	\$11.85	\$0.00	\$33.23	\$0.00	\$148,964.98
Equity						
G 405-25300 Unreserved Fund Balance	(\$148,931.75)	\$0.00	\$11.85	\$0.00	\$33.23	(\$148,964.98)
Total Equity	(\$148,931.75)	\$0.00	\$11.85	\$0.00	\$33.23	(\$148,964.98)
Total 405 T.H. HWY 61	\$0.00	\$11.85	\$11.85	\$33.23	\$33.23	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 409 2013 STREET RECON.

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 409-10100 Cash	(\$340,486.11)	\$0.00	\$0.00	\$0.00	\$433.00	(\$340,919.11)
G 409-10400 Investments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 409-10406 Smith Barney	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 409-10450 Interest Receivable	(\$913.55)	\$0.00	\$0.00	\$0.00	\$0.00	(\$913.55)
G 409-12300 Special Assess Rec-Deferred	\$276,830.00	\$0.00	\$0.00	\$0.00	\$0.00	\$276,830.00
Total Asset	(\$64,569.66)	\$0.00	\$0.00	\$0.00	\$433.00	(\$65,002.66)
Liability						
G 409-20200 Accounts Payable	(\$57,561.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$57,561.00)
G 409-22200 Deferred Revenues	(\$276,830.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$276,830.00)
Total Liability	(\$334,391.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$334,391.00)
Equity						
G 409-25300 Unreserved Fund Balance	\$398,960.66	\$0.00	\$0.00	\$433.00	\$0.00	\$399,393.66
Total Equity	\$398,960.66	\$0.00	\$0.00	\$433.00	\$0.00	\$399,393.66
Total 409 2013 STREET RECON.	\$0.00	\$0.00	\$0.00	\$433.00	\$433.00	\$0.00



NEWPORT, MN

GL Yearly

Current Period: March 2015

FUND 410 2014 STREET RECON.

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 410-10100 Cash	\$656,924.75	\$41.20	\$1,903.00	\$53,784.78	\$192,902.42	\$517,807.11
G 410-10400 Investments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 410-10450 Interest Receivable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Asset	\$656,924.75	\$41.20	\$1,903.00	\$53,784.78	\$192,902.42	\$517,807.11
Liability						
G 410-20200 Accounts Payable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Liability	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Equity						
G 410-25300 Unreserved Fund Balance	(\$656,924.75)	\$1,903.00	\$41.20	\$192,902.42	\$53,784.78	(\$517,807.11)
Total Equity	(\$656,924.75)	\$1,903.00	\$41.20	\$192,902.42	\$53,784.78	(\$517,807.11)
Total 410 2014 STREET RECON.	\$0.00	\$1,944.20	\$1,944.20	\$246,687.20	\$246,687.20	\$0.00



NEWPORT, MN

GL Yearly

Current Period: March 2015

FUND 411 BUILDING FUND

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 411-10100 Cash	\$110,114.41	\$32,510.98	\$0.00	\$32,526.13	\$4,629.76	\$138,010.78
Total Asset	\$110,114.41	\$32,510.98	\$0.00	\$32,526.13	\$4,629.76	\$138,010.78
Equity						
G 411-25300 Unreserved Fund Balance	(\$110,114.41)	\$0.00	\$32,510.98	\$4,629.76	\$32,526.13	(\$138,010.78)
Total Equity	(\$110,114.41)	\$0.00	\$32,510.98	\$4,629.76	\$32,526.13	(\$138,010.78)
Total 411 BUILDING FUND	\$0.00	\$32,510.98	\$32,510.98	\$37,155.89	\$37,155.89	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 416 4TH AVENUE RAVINE

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 416-10100 Cash	\$12,769.98	\$1.02	\$0.00	\$2.85	\$0.00	\$12,772.83
G 416-13200 Due From Other Government	\$0.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.47
Total Asset	\$12,770.45	\$1.02	\$0.00	\$2.85	\$0.00	\$12,773.30
Liability						
G 416-20700 Due to Other Funds	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25
Total Liability	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25
Equity						
G 416-25300 Unreserved Fund Balance	(\$12,770.70)	\$0.00	\$1.02	\$0.00	\$2.85	(\$12,773.55)
Total Equity	(\$12,770.70)	\$0.00	\$1.02	\$0.00	\$2.85	(\$12,773.55)
Total 416 4TH AVENUE RAVINE	\$0.00	\$1.02	\$1.02	\$2.85	\$2.85	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 417 NORTH RAVINE

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 417-10100 Cash	\$53,762.03	\$4.28	\$0.00	\$12.00	\$0.00	\$53,774.03
G 417-12300 Special Assess Rec-Deferred	\$21,107.00	\$0.00	\$0.00	\$0.00	\$0.00	\$21,107.00
G 417-13200 Due From Other Government	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Asset	\$74,869.03	\$4.28	\$0.00	\$12.00	\$0.00	\$74,881.03
Liability						
G 417-20200 Accounts Payable	\$0.18	\$0.00	\$0.00	\$0.00	\$0.00	\$0.18
G 417-20700 Due to Other Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 417-22200 Deferred Revenues	(\$21,107.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$21,107.00)
Total Liability	(\$21,106.82)	\$0.00	\$0.00	\$0.00	\$0.00	(\$21,106.82)
Equity						
G 417-24400 Fund Balance For Encumbra	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25
G 417-25300 Unreserved Fund Balance	(\$53,762.46)	\$0.00	\$4.28	\$0.00	\$12.00	(\$53,774.46)
Total Equity	(\$53,762.21)	\$0.00	\$4.28	\$0.00	\$12.00	(\$53,774.21)
Total 417 NORTH RAVINE	\$0.00	\$4.28	\$4.28	\$12.00	\$12.00	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 423 2011A EQUIPMENT CAPITAL

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 423-10100 Cash	\$0.00	\$0.00	\$15,925.00	\$0.00	\$15,925.00	(\$15,925.00)
Total Asset	\$0.00	\$0.00	\$15,925.00	\$0.00	\$15,925.00	(\$15,925.00)
Equity						
G 423-25300 Unreserved Fund Balance	\$0.00	\$15,925.00	\$0.00	\$15,925.00	\$0.00	\$15,925.00
Total Equity	\$0.00	\$15,925.00	\$0.00	\$15,925.00	\$0.00	\$15,925.00
Total 423 2011A EQUIPMENT CAPITAL	\$0.00	\$15,925.00	\$15,925.00	\$15,925.00	\$15,925.00	\$0.00



NEWPORT, MN

04/08/15 12:20 PM

Page 31

GL Yearly

Current Period: March 2015

FUND 601 WATER FUND

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 601-10100 Cash	\$468,097.24	\$5,426.34	\$27,677.03	\$64,670.41	\$95,586.08	\$437,181.57
G 601-11500 Accounts Receivable	\$47,268.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,268.00
G 601-12300 Special Assess Rec-Deferred	\$11,950.38	\$0.00	\$0.00	\$0.00	\$0.00	\$11,950.38
G 601-15500 Prepaid Items	\$646.13	\$0.00	\$0.00	\$0.00	\$0.00	\$646.13
G 601-16100 Land	(\$0.50)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.50)
G 601-16200 Building and Improvements	\$123,291.00	\$0.00	\$0.00	\$0.00	\$0.00	\$123,291.00
G 601-16300 Improvements other building	\$2,962,267.40	\$0.00	\$0.00	\$0.00	\$0.00	\$2,962,267.40
G 601-16400 Equipment	\$294,264.08	\$0.00	\$0.00	\$0.00	\$0.00	\$294,264.08
G 601-16410 Accumulated dep. Equip.	(\$1,798,636.19)	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,798,636.19)
G 601-21720 Online fee payable	(\$253.71)	\$245.18	\$170.43	\$418.60	\$373.75	(\$208.86)
G 601-26100 Contributions From City	(\$0.15)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.15)
Total Asset	\$2,108,893.68	\$5,671.52	\$27,847.46	\$65,089.01	\$95,959.83	\$2,078,022.86
Liability						
G 601-20200 Accounts Payable	(\$8,135.33)	\$0.00	\$0.00	\$0.00	\$0.00	(\$8,135.33)
G 601-21500 Accrued Interest Payable	(\$3,389.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$3,389.00)
G 601-21600 Accrued Wages & Salaries P	(\$11,141.09)	\$0.00	\$0.00	\$0.00	\$0.00	(\$11,141.09)
G 601-21701 Federal W/H Payable	(\$0.22)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.22)
G 601-21702 State Withholding Payable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 601-21703 FICA Tax Withholding	(\$111.28)	\$0.00	\$0.00	\$0.00	\$0.00	(\$111.28)
G 601-21704 PERA	(\$129.92)	\$0.00	\$0.00	\$0.00	\$0.00	(\$129.92)
G 601-21707 Union Dues	(\$0.17)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.17)
G 601-21708 United Way	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 601-21709 Medicare	(\$25.78)	\$0.00	\$0.00	\$0.00	\$0.00	(\$25.78)
G 601-21711 NPERS - Life	(\$0.30)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.30)
G 601-21712 HSA Employee	(\$0.11)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.11)
G 601-21714 LTD Employee	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25
G 601-21715 MSRS Employee	(\$0.08)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.08)
G 601-21718 Water sales tax payable	(\$302.12)	\$0.00	\$0.00	\$0.00	\$0.00	(\$302.12)
G 601-22510 General Obligation Bonds Pa	(\$220,600.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$220,600.00)
G 601-99999 Utility Overpayments	(\$556.79)	\$1,774.21	\$742.73	\$1,774.21	\$2,095.60	(\$878.18)
Total Liability	(\$244,391.94)	\$1,774.21	\$742.73	\$1,774.21	\$2,095.60	(\$244,713.33)
Equity						
G 601-25300 Unreserved Fund Balance	(\$1,864,501.74)	\$25,657.64	\$4,513.18	\$93,393.27	\$62,201.06	(\$1,833,309.53)
Total Equity	(\$1,864,501.74)	\$25,657.64	\$4,513.18	\$93,393.27	\$62,201.06	(\$1,833,309.53)
Total 601 WATER FUND	\$0.00	\$33,103.37	\$33,103.37	\$160,256.49	\$160,256.49	\$0.00



NEWPORT, MN

04/08/15 12:20 PM

Page 32

GL Yearly

Current Period: March 2015

FUND 602 SEWER FUND

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 602-10100 Cash	\$703,722.33	\$6,017.65	\$34,474.43	\$146,099.77	\$168,955.57	\$680,866.53
G 602-11500 Accounts Receivable	\$73,682.40	\$0.00	\$0.00	\$0.00	\$0.00	\$73,682.40
G 602-12300 Special Assess Rec-Deferred	\$11,950.30	\$0.00	\$0.00	\$0.00	\$0.00	\$11,950.30
G 602-13100 Due From Other Funds	\$0.29	\$0.00	\$0.00	\$0.00	\$0.00	\$0.29
G 602-15500 Prepaid Items	\$733.13	\$0.00	\$0.00	\$0.00	\$0.00	\$733.13
G 602-16100 Land	\$0.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.50
G 602-16200 Building and Improvements	\$417,170.00	\$0.00	\$0.00	\$0.00	\$0.00	\$417,170.00
G 602-16300 Improvements other building	\$1,950,830.15	\$0.00	\$0.00	\$0.00	\$0.00	\$1,950,830.15
G 602-16400 Equipment	\$56,342.75	\$0.00	\$0.00	\$0.00	\$0.00	\$56,342.75
G 602-16410 Accumulated dep. Equip.	(\$1,170,913.22)	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,170,913.22)
G 602-16500 Construction in Progress	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 602-26100 Contributions From City	(\$0.36)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.36)
Total Asset	\$2,043,518.27	\$6,017.65	\$34,474.43	\$146,099.77	\$168,955.57	\$2,020,662.47
Liability						
G 602-20200 Accounts Payable	(\$608.70)	\$0.00	\$0.00	\$0.00	\$0.00	(\$608.70)
G 602-21500 Accrued Interest Payable	(\$4,313.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$4,313.00)
G 602-21600 Accrued Wages & Salaries P	(\$11,141.24)	\$0.00	\$0.00	\$0.00	\$0.00	(\$11,141.24)
G 602-21701 Federal W/H Payable	\$0.08	\$0.00	\$0.00	\$0.00	\$0.00	\$0.08
G 602-21702 State Withholding Payable	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
G 602-21703 FICA Tax Withholding	(\$111.28)	\$0.00	\$0.00	\$0.00	\$0.00	(\$111.28)
G 602-21704 PERA	(\$130.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$130.00)
G 602-21707 Union Dues	\$0.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.25
G 602-21709 Medicare	(\$25.75)	\$0.00	\$0.00	\$0.00	\$0.00	(\$25.75)
G 602-21711 NPERS - Life	(\$0.28)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.28)
G 602-21712 HSA Employee	\$0.47	\$0.00	\$0.00	\$0.00	\$0.00	\$0.47
G 602-21714 LTD Employee	(\$0.35)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.35)
G 602-21715 MSRS Employee	(\$0.08)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.08)
G 602-22510 General Obligation Bonds Pa	(\$284,400.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$284,400.00)
Total Liability	(\$300,729.88)	\$0.00	\$0.00	\$0.00	\$0.00	(\$300,729.88)
Equity						
G 602-25300 Unreserved Fund Balance	(\$1,742,788.39)	\$34,474.43	\$6,017.65	\$168,955.57	\$146,099.77	(\$1,719,932.59)
Total Equity	(\$1,742,788.39)	\$34,474.43	\$6,017.65	\$168,955.57	\$146,099.77	(\$1,719,932.59)
Total 602 SEWER FUND	\$0.00	\$40,492.08	\$40,492.08	\$315,055.34	\$315,055.34	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 603 STREET LIGHT FUND

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 603-10100 Cash	\$27,562.77	\$741.84	\$4,199.14	\$13,902.51	\$13,475.96	\$27,989.32
G 603-11500 Accounts Receivable	\$11,309.47	\$0.00	\$0.00	\$0.00	\$0.00	\$11,309.47
G 603-12200 Special Assess Rec-Delinque	(\$0.24)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.24)
Total Asset	\$38,872.00	\$741.84	\$4,199.14	\$13,902.51	\$13,475.96	\$39,298.55
Liability						
G 603-20200 Accounts Payable	(\$1,497.24)	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,497.24)
G 603-20700 Due to Other Funds	(\$0.48)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.48)
Total Liability	(\$1,497.72)	\$0.00	\$0.00	\$0.00	\$0.00	(\$1,497.72)
Equity						
G 603-25300 Unreserved Fund Balance	(\$37,374.28)	\$4,199.14	\$741.84	\$13,475.96	\$13,902.51	(\$37,800.83)
Total Equity	(\$37,374.28)	\$4,199.14	\$741.84	\$13,475.96	\$13,902.51	(\$37,800.83)
Total 603 STREET LIGHT FUND	\$0.00	\$4,940.98	\$4,940.98	\$27,378.47	\$27,378.47	\$0.00



NEWPORT, MN
GL Yearly

Current Period: March 2015

FUND 604 STORM WATER FUND

March 2015

	Begin Yr	MTD Debits	MTD Credits	YTD Debits	YTD Credits	Balance
Asset						
G 604-10100 Cash	\$11,463.34	\$376.06	\$1,173.18	\$11,383.37	\$9,493.74	\$13,352.97
G 604-11500 Accounts Receivable	\$3,038.80	\$0.00	\$0.00	\$0.00	\$0.00	\$3,038.80
G 604-12100 SA Recievable -Current	(\$0.07)	\$0.00	\$0.00	\$0.00	\$0.00	(\$0.07)
G 604-12200 Special Assess Rec-Delinque	\$1,912.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,912.00
Total Asset	\$16,414.07	\$376.06	\$1,173.18	\$11,383.37	\$9,493.74	\$18,303.70
Liability						
G 604-20200 Accounts Payable	(\$20,000.00)	\$0.00	\$0.00	\$0.00	\$0.00	(\$20,000.00)
G 604-20700 Due to Other Funds	\$0.19	\$0.00	\$0.00	\$0.00	\$0.00	\$0.19
Total Liability	(\$19,999.81)	\$0.00	\$0.00	\$0.00	\$0.00	(\$19,999.81)
Equity						
G 604-25300 Unreserved Fund Balance	\$3,585.74	\$1,173.18	\$376.06	\$9,493.74	\$11,383.37	\$1,696.11
Total Equity	\$3,585.74	\$1,173.18	\$376.06	\$9,493.74	\$11,383.37	\$1,696.11
Total 604 STORM WATER FUND	\$0.00	\$1,549.24	\$1,549.24	\$20,877.11	\$20,877.11	\$0.00
Report Total	\$0.00	\$1,272,393.85	\$1,272,393.85	\$3,620,254.29	\$3,620,254.29	\$0.00

Newport Park Board - 2015 Goals

Project	New / Remaining Work	Board or Staff Leads	Involved Volunteers	Accomplished
Program Goals				
Winter Family Fun Night	Saturday, February 07, 2015		NOTM, Fire Fighters	Yes, 30 participants. Beautiful weather. Need to flyer school.
Adopt A Park Volunteer Recruiting		Whole Board		Two families expressed interest at Pioneer days. Asked to contact City Hall. Next year have application forms at table.
Adopt A Park Volunteer Thank You notes	Sunday, May 18, 2014	Perkins		Completed
Pioneer Day	Sunday, August 09, 2015	Aguilar-Downing		Completed. Traffic lower than usual since tent was farther back.
Fun Walk to the 4 Pedestrian Parks with a Program at the destination	Sept 26, 2015	White		Completed. About a dozen people and five dogs.
Buckthorn Pull	Saturday, October 24, 2015 - Continued eradication of buckthorn in City parks - Educating and assisting homeowners in controlling noxious/invasive plants		Newman	Completed. Well attended. High school participants pre-trained.
Creation of Loveland Park Interpretive piece				Still pending.
Garlic Mustard Pull at Bailey School Forest		Perkins	Susan Lindoo	April/May?
Loveland Park Invasive Survey			Susan Lindoo	2015
Community Tree Trek	Bailey School Forest		Susan Lindoo	New
Facility Goals				
Signage at Frances & Henry James pocket park and other pocket parks	Ownership (MNDOT / City) Funding for signs	Matt		Pending
Solar Panels at Phillips Pavilion	Place Interpretive signage in pavillion	Matt		In place. Signage still pending.
Administrative Goals.				
Continue Meetings of Joint Governance Committee per DNR's School Forest regulations	- Receive the School District's School Forest Annual usage report - Discern most involved teachers	Meconis, Matt	Geraghty	No meetings took place this year.

NATIONAL PRESERVATION MONTH PROCLAMATION

WHEREAS, historic preservation is an effective tool for managing growth and sustainable development, revitalizing neighborhoods, fostering local pride and maintaining community character while enhancing livability; and

WHEREAS, historic preservation is relevant for communities across the nation, both urban and rural, and for Americans of all ages, all walks of life, and all ethnic backgrounds; and

WHEREAS, it is important to celebrate the role of history in our lives and the contributions made by dedicated individuals in helping to preserve the tangible aspects of the heritage that has shaped us as a people;

NOW, THEREFORE, I, Tim Geraghty, Mayor of the City of Newport, do proclaim May 2015 as Preservation Month, and call upon the people of Newport to join their fellow citizens across the United States in recognizing and participating in this special observance.

Dated this 16th day of April, 2015.

Mayor: _____
Timothy M. Geraghty

Attest: _____
Deb Hill, Administrator

CITY OF NEWPORT
WASHINGTON COUNTY, MINNESOTA

Financial Statements and
Supplemental Information

Year Ended
December 31, 2014

PRELIMINARY

CITY OF NEWPORT
WASHINGTON COUNTY, MINNESOTA

Table of Contents

	Page
INTRODUCTORY SECTION	
CITY COUNCIL AND OTHER OFFICIALS	1
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	2-4
MANAGEMENT'S DISCUSSION AND ANALYSIS	5-15
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	16
Statement of Activities	17-18
Fund Financial Statements	
Governmental Funds	
Balance Sheet	19-20
Reconciliation of the Balance Sheet to the Statement of Net Position	21
Statement of Revenue, Expenditures, and Changes in Fund Balances	22-23
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	24
Statement of Revenue, Expenditures, and Changes in Fund Balances – General Fund – Budget and Actual	25
Proprietary Funds	
Statement of Net Position	26
Statement of Revenue, Expenses, and Changes in Net Position	27
Statement of Cash Flows	28
Notes to Basic Financial Statements	29-49
REQUIRED SUPPLEMENTARY INFORMATION	
Other Post-Employment Benefits Plan	
Schedule of Funding Progress	50
SUPPLEMENTAL INFORMATION	
Combining and Individual Fund Statements and Schedules	
Nonmajor Governmental Funds	
Combining Balance Sheet	51
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	52
Nonmajor Special Revenue Funds	
Combining Balance Sheet	53
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	54

CITY OF NEWPORT
WASHINGTON COUNTY, MINNESOTA

Table of Contents (continued)

	Page
SUPPLEMENTAL INFORMATION (CONTINUED)	
Combining and Individual Fund Statements and Schedules (continued)	
Nonmajor Governmental Funds (continued)	
Nonmajor Debt Service Funds	
Combining Balance Sheet	55–56
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	57–58
Nonmajor Capital Project Funds	
Combining Balance Sheet	59–60
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	61–62
Schedule of Revenue, Expenditures, and Changes in Fund Balances – General Fund – Budget and Actual	63–70
Nonmajor Proprietary Funds	
Combining Statement of Net Position	71
Combining Statement of Revenue, Expenses, and Changes in Net Position	72
Comparative Schedule of Revenue, Expenses, and Changes in Net Position	
Water Fund	73
Sewer Fund	74
Street Light Fund	75
Storm Sewer Fund	76
 OTHER INFORMATION SECTION	
General Fund Revenue by Source	77
General Fund Expenditures by Function	78
Property Tax Levies and Receivables	79
Tax Capacities	80
 OTHER REQUIRED REPORTS	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	81–82
Independent Auditor’s Report on Minnesota Legal Compliance	83
Schedule of Findings and Responses	84–86

INTRODUCTORY SECTION

CITY OF NEWPORT
WASHINGTON COUNTY, MINNESOTA

City Council and Other Officials
As of December 31, 2014

CITY COUNCIL

Tim Geraghty
Steven Gallagher
Thomas Ingemann
Tracy Rahm
William Sumner

Mayor
Councilmember
Councilmember
Councilmember
Councilmember

OTHER OFFICIALS

Debora Ann Hill

City Administrator

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the City Council and Management
City of Newport, Minnesota

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newport, Minnesota (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(continued)

OPINIONS

In our opinion, the financial statements referred to on the previous page present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

OTHER MATTERS

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the supplemental information, and other information section, as listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

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

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

(continued)

Prior Year Comparative Information

We have previously audited the City’s 2013 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information in our report dated April 23, 2014. In our opinion, the partial comparative information presented herein as of and for the year ended December 31, 2013 is consistent, in all material respects, with the audited financial statements from which it has been derived.

OTHER REPORTING REQUIRED BY *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, we have also issued our report dated **INSERT DATE** on our consideration of the City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

Minneapolis, Minnesota
INSERT DATE

INSERT MD&A

CITY OF NEWPORT

Management's Discussion and Analysis Year Ended December 31, 2014

As management of the City of Newport, Minnesota (the City), we have provided readers of the City's financial statements with this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2014.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis (MD&A) is intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to basic financial statements. This report also contains other information in addition to the basic financial statements.

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

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

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, delinquent taxes and special assessments).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by property taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, public works, parks and recreation, and interest and fiscal charges. The business-type activities of the City include enterprises for water, sewer, street light, and storm sewer utilities.

The government-wide financial statements include the City itself (known as the primary government) and any component units. The City does have a component unit, the Newport Economic Development Authority, that is required to be included in the City's financial statements. The activities of the component unit have been blended with the activities of the City.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City are divided into two categories—governmental funds and proprietary funds.

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental funds Balance Sheet and the Statement of Revenue, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The fund financial statements present information for each major governmental fund in separate columns. Data from the nonmajor governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report. The City adopts an annual appropriated budget for the General Fund. Budget-to-actual comparisons are provided in this financial report for this fund.

Proprietary Funds – All of the City’s proprietary funds are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City’s enterprise funds include the Water, Sewer, Storm Sewer, and Street Light Enterprise Funds.

The fund financial statements present information for each major enterprise fund in separate columns. Data from the nonmajor enterprise funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor enterprise funds is provided in the form of combining statements elsewhere in this report.

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

Other Information – Combining statements for nonmajor funds and certain individual fund schedules are presented following the required supplementary information on the funding of the Other Post-Employment Benefits (OPEB) Plan.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the City's net position:

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 5,399,486	\$ 4,754,435	\$ 1,436,883	\$ 1,445,961	\$ 6,836,369	\$ 6,200,396
Capital assets, net	12,825,531	10,940,947	3,613,240	2,834,616	16,438,771	13,775,563
Total assets	<u>\$ 18,225,017</u>	<u>\$ 15,695,382</u>	<u>\$ 5,050,123</u>	<u>\$ 4,280,577</u>	<u>\$ 23,275,140</u>	<u>\$ 19,975,959</u>
Liabilities						
Long-term liabilities outstanding	\$ 4,890,243	\$ 2,912,611	\$ 1,505,130	\$ 543,694	\$ 6,395,373	\$ 3,456,305
Other liabilities	243,748	180,236	79,575	43,088	323,323	223,324
Total liabilities	<u>\$ 5,133,991</u>	<u>\$ 3,092,847</u>	<u>\$ 1,584,705</u>	<u>\$ 586,782</u>	<u>\$ 6,718,696</u>	<u>\$ 3,679,629</u>
Net position						
Net investment in capital assets	\$ 8,149,524	\$ 9,043,246	\$ 2,130,300	\$ 2,309,616	\$ 10,279,824	\$ 11,352,862
Restricted	1,844,089	1,142,379	—	—	1,844,089	1,142,379
Unrestricted	3,097,413	2,416,910	1,335,118	1,384,179	4,432,531	3,801,089
Total net position	<u>\$ 13,091,026</u>	<u>\$ 12,602,535</u>	<u>\$ 3,465,418</u>	<u>\$ 3,693,795</u>	<u>\$ 16,556,444</u>	<u>\$ 16,296,330</u>

The increase in capital assets and long-term liabilities relate to the issuance of debt for the City's Street Improvement Program.

The City's financial position is the product of many factors. For example, the determination of the City's net investment in capital assets involves many assumptions and estimates, such as current and accumulated depreciation amounts. A conservative versus liberal approach to depreciation estimates, as well as capitalization policies, will produce a significant difference in the calculated amounts.

Over the past several years, the City has taken a conservative financial approach, carefully analyzing revenues and expenditures/expenses to assure operation of a balanced budget. The ongoing management of revenue and expenditures/expenses has allowed the City to maintain a stable net position balance.

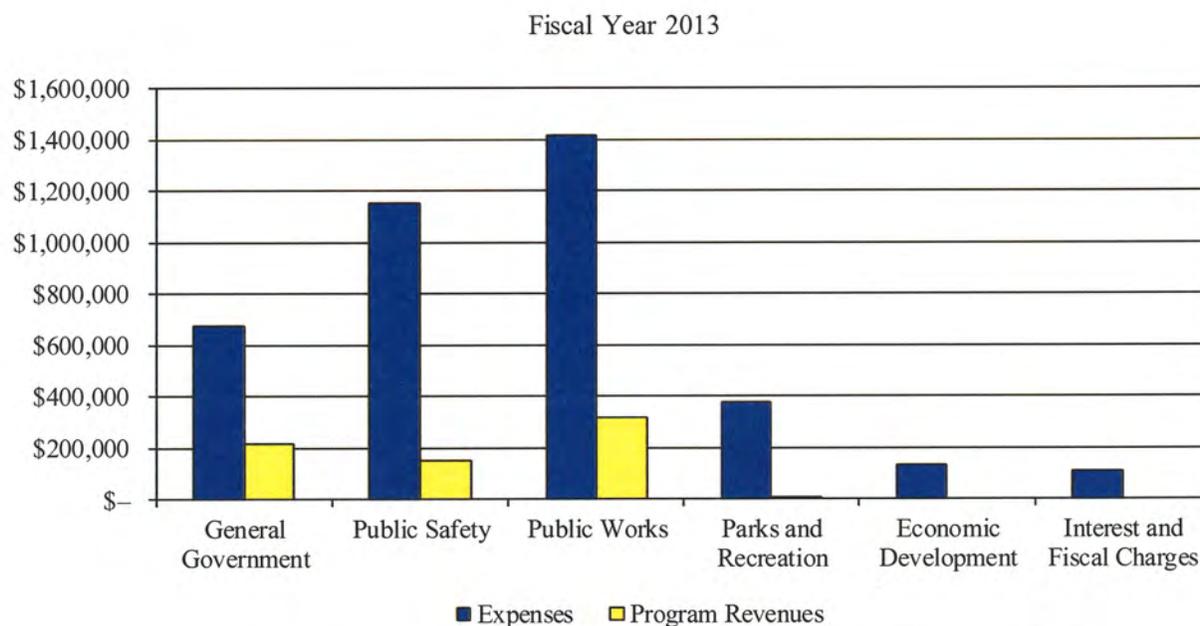
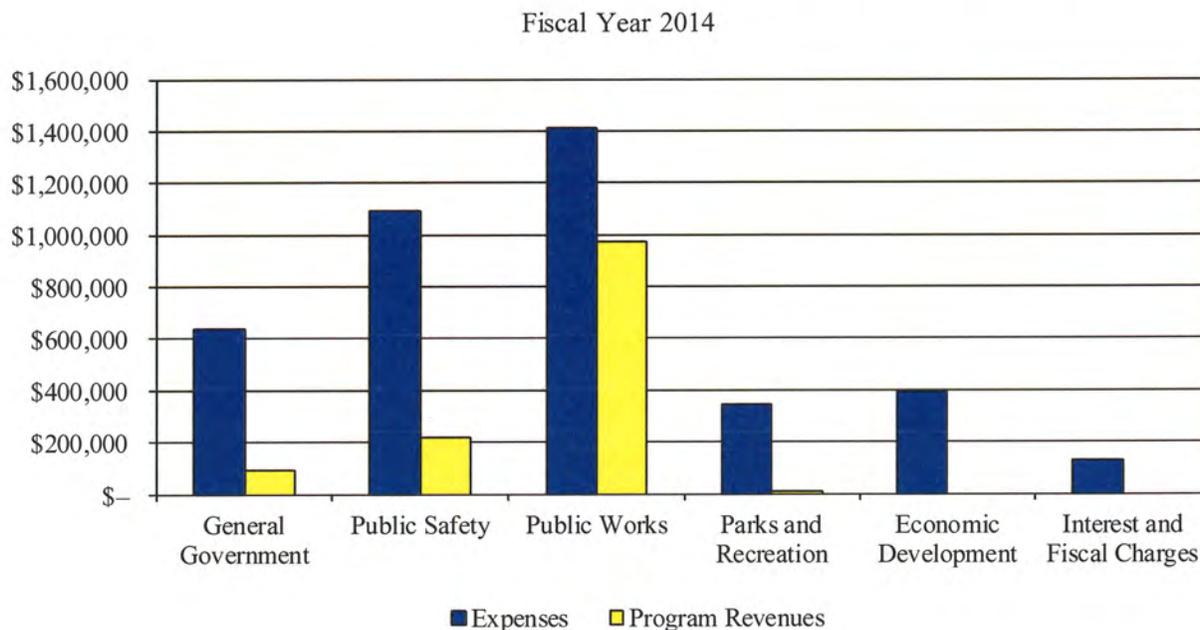
The following is a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 170,738	\$ 188,639	\$ 749,499	\$ 706,627	\$ 920,237	\$ 895,266
Operating grants and contributions	154,938	81,541	—	—	154,938	81,541
Capital grants and contributions	977,381	410,400	7,450	1,500	984,831	411,900
General revenues						
Property taxes	2,345,945	2,361,926	—	—	2,345,945	2,361,926
General grants and contributions	671,752	716,372	—	—	671,752	716,372
Other general revenues	129,785	153,225	—	—	129,785	153,225
Investment earnings	32,172	7,425	1,573	1,044	33,745	8,469
Transfers	22,382	—	(22,382)	—	—	—
Total revenues	<u>4,505,093</u>	<u>3,919,528</u>	<u>736,140</u>	<u>709,171</u>	<u>5,241,233</u>	<u>4,628,699</u>
Expenses						
General government	639,285	677,193	—	—	639,285	677,193
Public safety	1,097,034	1,150,672	—	—	1,097,034	1,150,672
Public works	1,411,514	1,414,583	—	—	1,411,514	1,414,583
Parks and recreation	345,542	375,109	—	—	345,542	375,109
Economic development	395,371	129,572	—	—	395,371	129,572
Water	—	—	338,499	287,424	338,499	287,424
Sewer	—	—	533,085	328,992	533,085	328,992
Other	—	—	92,933	75,338	92,933	75,338
Interest and fiscal charges	127,856	107,394	—	—	127,856	107,394
Total expenses	<u>4,016,602</u>	<u>3,854,523</u>	<u>964,517</u>	<u>691,754</u>	<u>4,981,119</u>	<u>4,546,277</u>
Changes in net position	<u>\$ 488,491</u>	<u>\$ 65,005</u>	<u>\$ (228,377)</u>	<u>\$ 17,417</u>	<u>\$ 260,114</u>	<u>\$ 82,422</u>

The table shows an increase in total net position of \$260,114. Governmental activities increased its net position while business-type activities decreased \$228,377, mainly due to increased expenses in those funds for salaries and benefits, sewer service charges, and depreciation.

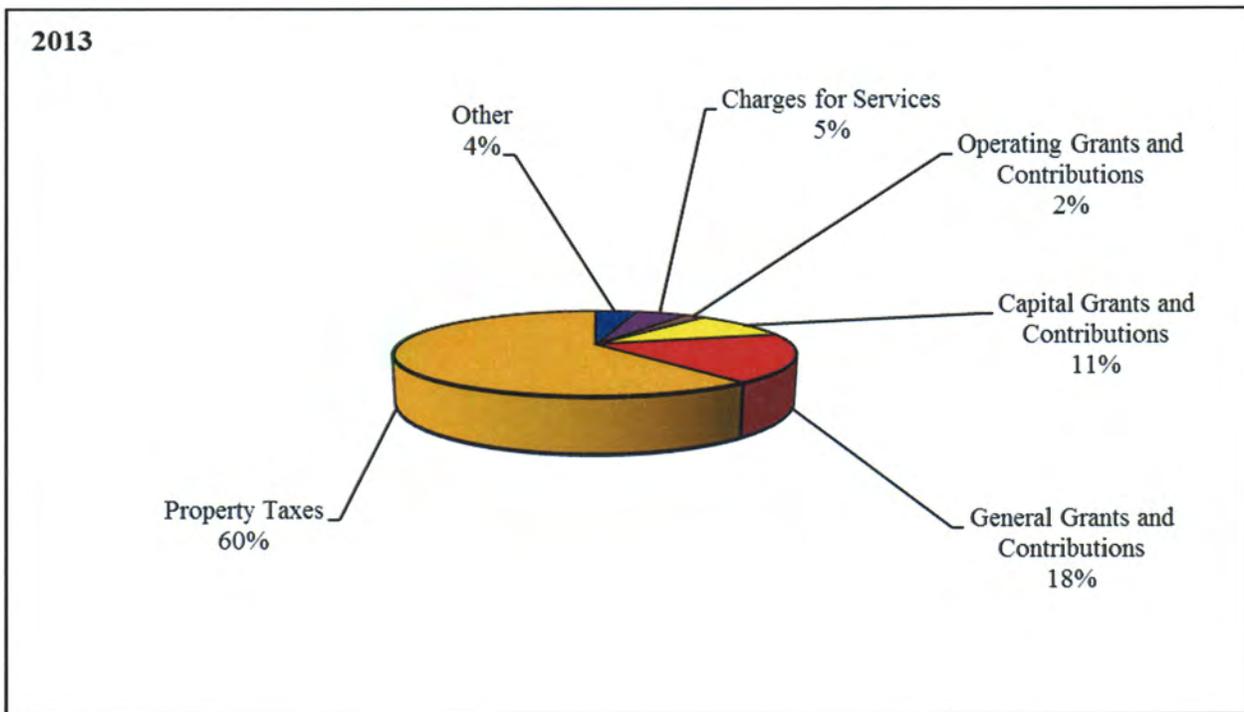
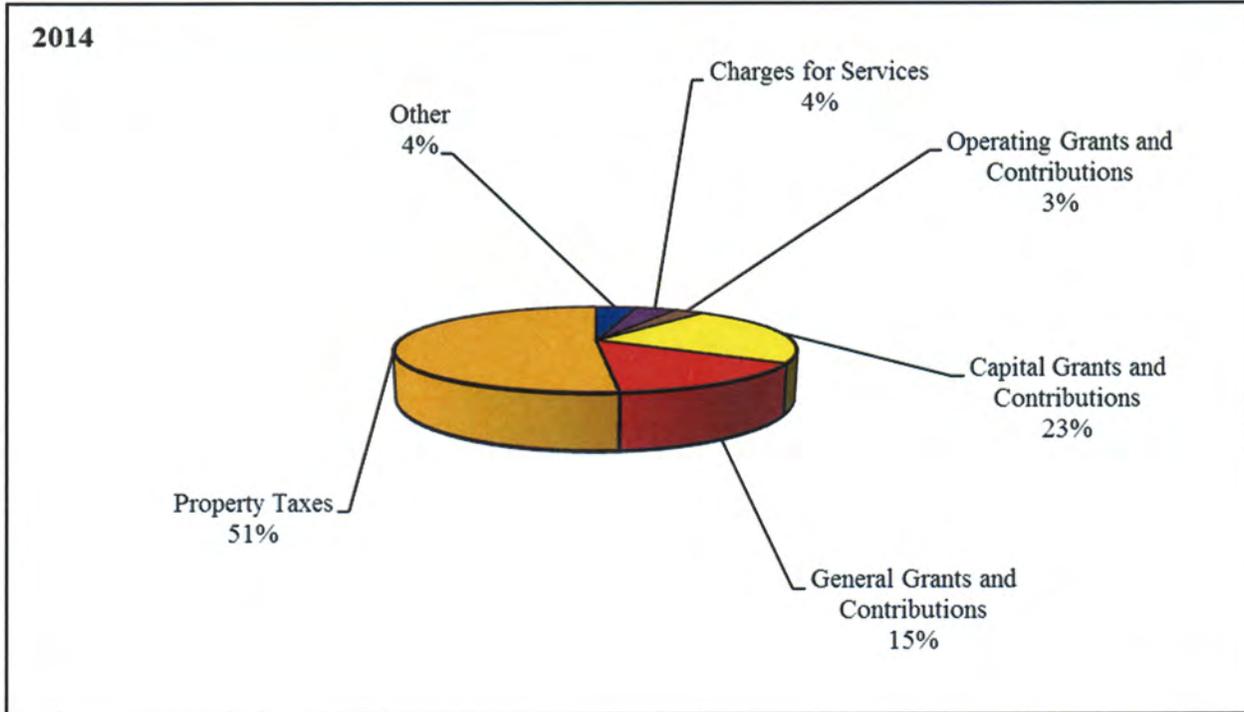
Governmental Activities – The following graphs illustrate the City’s governmental activities:

Expenses and Program Revenues – Governmental Activities for Fiscal Years 2014 and 2013



The governmental activities expenses and program revenues, shown in the above graph, clearly reflect the need for property taxes and general grants to supplement the activities of the City.

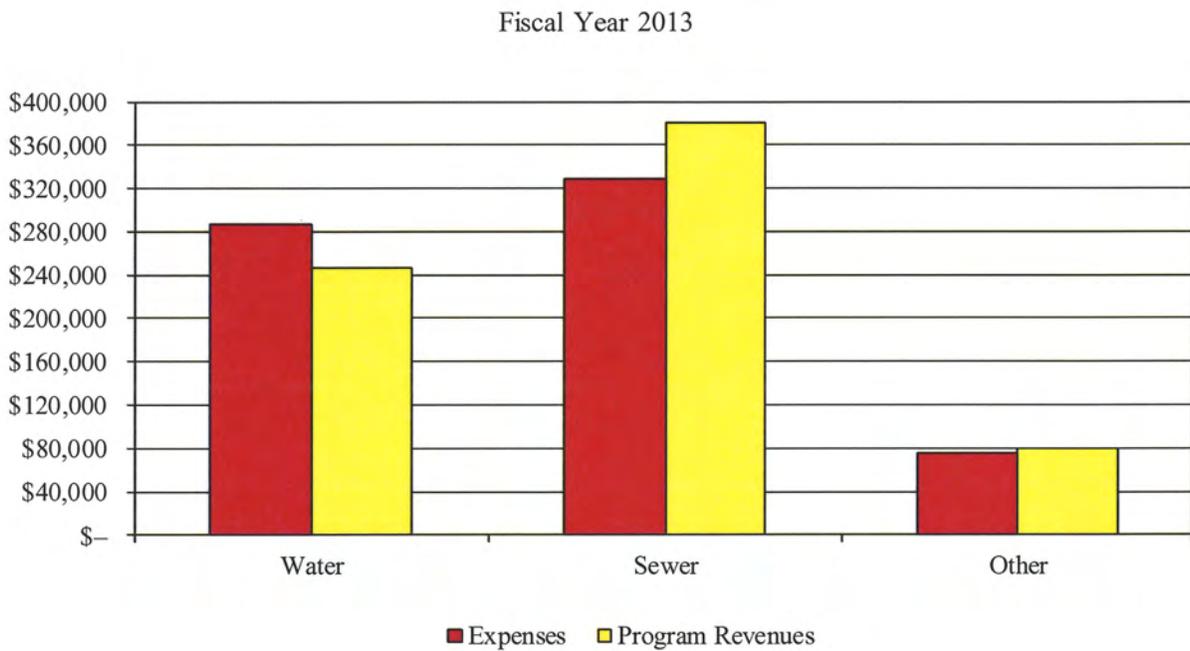
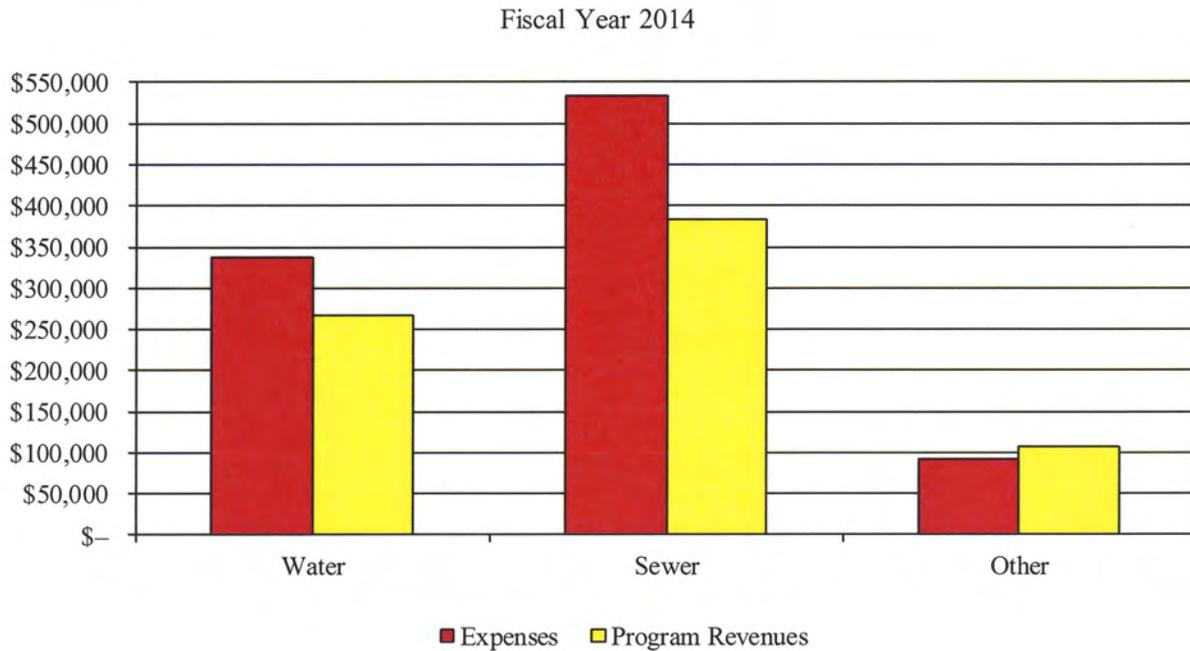
Revenue by Source – Governmental Activities for Fiscal Years 2014 and 2013



As is common with most cities, the governmental-type activities are primarily funded with taxes and general grants, including local government aid and tax credits, rather than with program revenues.

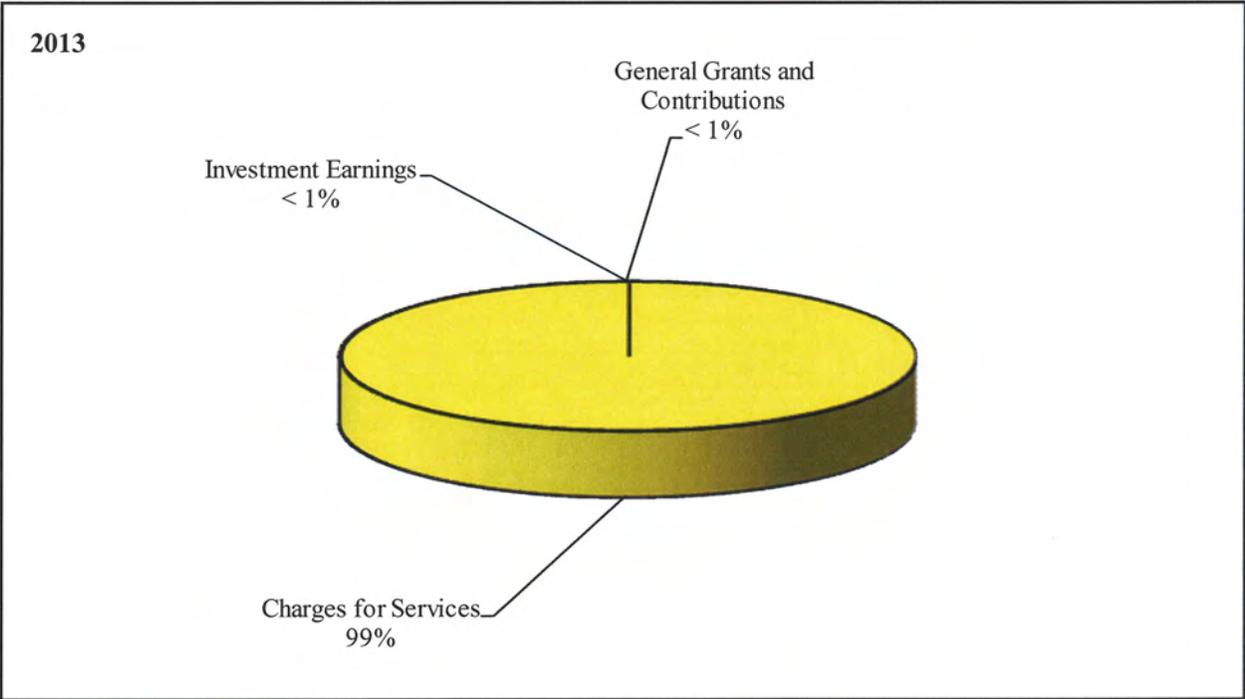
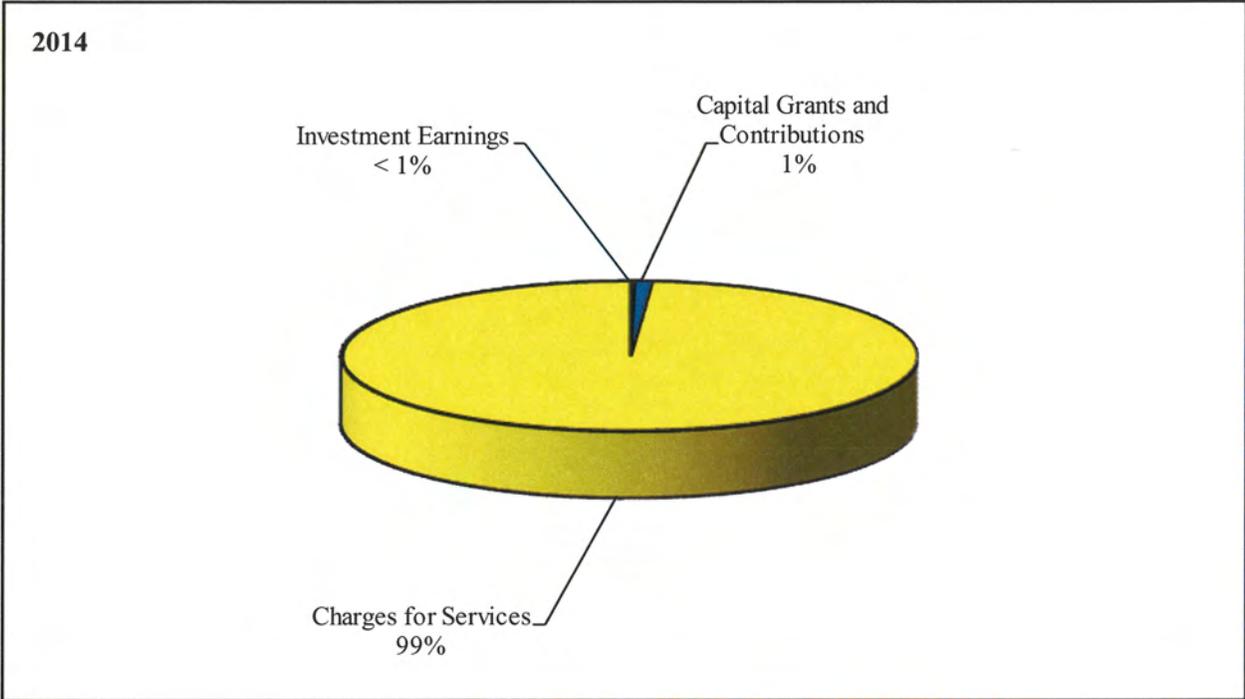
Business-Type Activities – The following graphs illustrate the City’s business-type activities:

Expenses and Program Revenues – Business-Type Activities for Fiscal Years 2014 and 2013



Unlike governmental activities, these activities are mostly funded through program revenues such as sales and user charges.

Revenues by Source – Business-Type Activities for Fiscal Years 2014 and 2013



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds – At the end of the fiscal year, the City's governmental funds reported combined ending fund balances of \$3,169,017, a decrease of \$959,289 in comparison with the prior year.

General Fund – The General Fund operating results can be summarized as follows:

	Original and Final Budget	Actual	Over (Under) Budget	Prior Year Actual
Revenue	\$ 3,078,688	\$ 3,169,034	\$ 90,346	\$ 3,135,930
Expenditures	<u>2,472,025</u>	<u>2,389,539</u>	<u>(82,486)</u>	<u>2,480,164</u>
Excess of revenue over expenditures	606,663	779,495	172,832	655,766
Other financing sources (uses)				
Transfers (out)	<u>(605,700)</u>	<u>(605,700)</u>	<u>–</u>	<u>(425,450)</u>
Net change in fund balances	<u>\$ 963</u>	173,795	<u>\$ 172,832</u>	230,316
Fund balances				
Beginning of year		<u>1,919,091</u>		<u>1,688,775</u>
End of year		<u>\$ 2,092,886</u>		<u>\$ 1,919,091</u>

General Fund Budgetary Highlights – The majority of the City's revenue stream happens twice a year with the receipt of tax settlement dollars and it is the intent of the City Council to cover revenue downturns with General Fund savings or fund balance monies.

Actual financial results were better than projected due to higher than anticipated revenue, mainly in fines and forfeits (\$14,381), investment earnings (\$16,376), and miscellaneous revenue (\$33,879). Most of the other revenue sources were from donations and other reimbursements that were not anticipated in fiscal 2014. Expenditures were under budget by \$82,486, mainly in general government by \$76,273.

Other Governmental Funds – The other major funds of the City include the Economic Development Authority Special Revenue Fund, the Street Reconstruction Capital Project Fund, and the G.O. Improvement Bonds of 2014A Debt Service Fund. The Street Reconstruction Fund balance decreased due to the street improvement projects taking place in 2014. The G.O. Improvement Bonds of 2014A fund balance increased due to issuance of bonds for the financing of the street projects.

Proprietary Funds – The City's proprietary funds had a combined net position of \$3,465,418 at December 31, 2014. The financial activities are the same as the business-type information summarized in previous charts within this MD&A. The proprietary funds consist of the Water, Sewer, Storm Sewer, and Street Light Enterprise Funds.

Capital Assets – The City’s investment in capital assets (net of accumulated depreciation) for its governmental and business-type activities as of December 31, 2014 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 3,225,160	\$ 3,225,160	\$ –	\$ –	\$ 3,225,160	\$ 3,225,160
Buildings and improvements	1,960,400	1,960,400	540,461	540,461	2,500,861	2,500,861
Machinery and equipment	394,553	319,532	350,607	350,607	745,160	670,139
Vehicles	1,554,328	1,545,838	–	–	1,554,328	1,545,838
Infrastructure	13,508,737	12,539,308	4,913,097	4,913,097	18,421,834	17,452,405
Construction in progress	2,372,594	459,589	940,000	–	3,312,594	459,589
Total capital assets	23,015,772	20,049,827	6,744,165	5,804,165	29,759,937	25,853,992
Accumulated depreciation	(10,190,141)	(9,108,880)	(3,130,925)	(2,969,549)	(13,321,066)	(12,078,429)
Total capital assets, net of depreciation	\$ 12,825,631	\$ 10,940,947	\$ 3,613,240	\$ 2,834,616	\$ 16,438,871	\$ 13,775,563
Depreciation expense	\$ 1,125,005	\$ 737,326	\$ 161,376	\$ 108,013	\$ 1,286,381	\$ 845,339

Additional details of capital asset activity for the year can be found in the notes to basic financial statements.

Long-Term Liabilities – The enterprise funds and governmental debt service funds account for the accumulation of resources to finance all of the City’s general obligation bonds. The revenue sources for these funds include annual tax levies, special assessments, and water and sewer fund revenue. Compensated absences and OPEB obligations are paid for by the General Fund and respective enterprise funds. The following table summarizes the City’s long-term liabilities:

	2014	2013
Governmental activities		
General obligation bonds	\$ 4,518,000	\$ 2,619,000
Premiums on debt issued	158,007	64,570
Compensated absences	214,236	201,109
Net OPEB obligation	–	27,932
Business-type activities		
General obligation bonds	1,445,000	525,000
Premiums on debt issued	37,940	–
Compensated absences	22,190	18,694
Total	\$ 6,395,373	\$ 3,456,305

The City has sufficient funds on hand to make all required bond payments, and anticipates an ongoing stream of revenue to make future bond payments.

Additional details of long-term debt activity for the year can be found in the notes to basic financial statements.

ECONOMIC FACTORS AND OTHER FINANCIAL ANALYSIS

Budget management has been and remains a high priority for the City Council. Efforts to maintain cost constraints include staggering the purchase of capital equipment, negotiating long-term union contracts, and forestalling long-term general obligation debt. The City has struggled under the burden of a loss of taxable property, decreased building starts, and very low interest rates on investments.

The City will continue to utilize conservative financial budgeting.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided in these financial statements or requests for additional information should be addressed by writing to the City of Newport, 596 – 7th Avenue, Newport, Minnesota 55055 or by calling (651) 459-5677.

BASIC FINANCIAL STATEMENTS

CITY OF NEWPORT

Statement of Net Position
as of December 31, 2014

	Governmental Activities	Business-Type Activities	Totals
Assets			
Cash and temporary investments	\$ 4,271,235	\$ 1,228,810	\$ 5,500,045
Receivables			
Accounts	—	206,305	206,305
Accrued interest	5,313	—	5,313
Current taxes	14,374	—	14,374
Delinquent taxes	85,897	—	85,897
Delinquent special assessments	12,394	—	12,394
Deferred special assessments	986,289	—	986,289
Due from other governmental units	3,034	—	3,034
Negative net OPEB obligation	6,181	—	6,181
Prepaid items	14,769	1,768	16,537
Capital assets			
Not depreciated	5,597,754	940,000	6,537,754
Depreciated, net of accumulated depreciation	7,227,777	2,673,240	9,901,017
Total capital assets, net of accumulated depreciation	<u>12,825,531</u>	<u>3,613,240</u>	<u>16,438,771</u>
Total assets	<u>\$ 18,225,017</u>	<u>\$ 5,050,123</u>	<u>\$ 23,275,140</u>
Liabilities			
Accounts and contracts payable	\$ 164,638	\$ 56,661	\$ 221,299
Salaries payable	35,633	6,573	42,206
Accrued interest payable	43,477	16,039	59,516
Due to other governmental units	—	302	302
Long-term liabilities			
Due within one year	495,207	42,190	537,397
Due in more than one year	4,395,036	1,462,940	5,857,976
Total long-term liabilities	<u>4,890,243</u>	<u>1,505,130</u>	<u>6,395,373</u>
Total liabilities	5,133,991	1,584,705	6,718,696
Net position			
Net investment in capital assets	8,149,524	2,130,300	10,279,824
Restricted for			
Debt service	1,324,419	—	1,324,419
Capital acquisition	493,308	—	493,308
Other purposes	26,362	—	26,362
Unrestricted	3,097,413	1,335,118	4,432,531
Total net position	<u>13,091,026</u>	<u>3,465,418</u>	<u>16,556,444</u>
Total liabilities and net position	<u>\$ 18,225,017</u>	<u>\$ 5,050,123</u>	<u>\$ 23,275,140</u>

See notes to basic financial statements

CITY OF NEWPORT

Statement of Activities
Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities				
General government	\$ 639,285	\$ 82,078	\$ 10,970	\$ -
Public safety	1,097,034	84,560	137,179	-
Public works	1,411,514	-	-	977,381
Parks and recreation	345,542	4,100	6,789	-
Economic development	395,371	-	-	-
Interest and fiscal charges	127,856	-	-	-
Total governmental activities	<u>4,016,602</u>	<u>170,738</u>	<u>154,938</u>	<u>977,381</u>
Business-type activities				
Water	338,499	266,890	-	-
Sewer	533,085	375,430	-	7,450
Other	92,933	107,179	-	-
Total business-type activities	<u>964,517</u>	<u>749,499</u>	<u>-</u>	<u>7,450</u>
Total governmental and business-type activities	<u>\$ 4,981,119</u>	<u>\$ 920,237</u>	<u>\$ 154,938</u>	<u>\$ 984,831</u>
		General revenues		
		Property taxes		
		General grants and contributions		
		Other general revenues		
		Investment earnings		
		Transfers		
		Total general revenues and transfers		
		Change in net position		
		Net position – beginning		
		Net position – ending		

See notes to basic financial statements

Net (Expenses)
Revenue and Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ (546,237)	\$ —	\$ (546,237)
(875,295)	—	(875,295)
(434,133)	—	(434,133)
(334,653)	—	(334,653)
(395,371)	—	(395,371)
<u>(127,856)</u>	<u>—</u>	<u>(127,856)</u>
(2,713,545)	—	(2,713,545)
—	(71,609)	(71,609)
—	(150,205)	(150,205)
—	14,246	14,246
<u>—</u>	<u>(207,568)</u>	<u>(207,568)</u>
(2,713,545)	(207,568)	(2,921,113)
2,345,945	—	2,345,945
671,752	—	671,752
129,785	—	129,785
32,172	1,573	33,745
<u>22,382</u>	<u>(22,382)</u>	<u>—</u>
<u>3,202,036</u>	<u>(20,809)</u>	<u>3,181,227</u>
488,491	(228,377)	260,114
<u>12,602,535</u>	<u>3,693,795</u>	<u>16,296,330</u>
<u>\$ 13,091,026</u>	<u>\$ 3,465,418</u>	<u>\$ 16,556,444</u>

CITY OF NEWPORT

Balance Sheet
Governmental Funds
as of December 31, 2014

	<u>General Fund</u>	<u>Special Revenue Economic Development Authority</u>	<u>Capital Project Street Reconstruction</u>
Assets			
Cash and temporary investments	\$ 2,149,495	\$ 457,093	\$ 344,769
Receivables			
Accrued interest	5,313	-	-
Current taxes	13,398	-	-
Delinquent taxes	85,897	-	-
Delinquent special assessments	-	-	-
Deferred special assessments	-	-	249,844
Due from other governmental units	3,034	-	-
Prepaid items	14,769	-	-
	<u>\$ 2,271,906</u>	<u>\$ 457,093</u>	<u>\$ 594,613</u>
Liabilities			
Accounts and contracts payable	\$ 57,490	\$ 1,111	\$ 101,305
Salaries payable	35,633	-	-
Total liabilities	<u>93,123</u>	<u>1,111</u>	<u>101,305</u>
Deferred inflows of resources			
Unavailable revenue – taxes	85,897	-	-
Unavailable revenue – special assessments	-	-	249,844
Total deferred inflows of resources	<u>85,897</u>	<u>-</u>	<u>249,844</u>
Fund balances			
Nonspendable	14,769	-	-
Restricted	-	455,982	243,464
Assigned	-	-	-
Unassigned	2,078,117	-	-
Total fund balances	<u>2,092,886</u>	<u>455,982</u>	<u>243,464</u>
	<u>\$ 2,271,906</u>	<u>\$ 457,093</u>	<u>\$ 594,613</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,271,906</u>	<u>\$ 457,093</u>	<u>\$ 594,613</u>

See notes to basic financial statements

<u>Debt Service</u>		
<u>G.O. Improvement Bonds of 2014A</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
\$ 388,461	\$ 931,417	\$ 4,271,235
-	-	5,313
(504)	1,480	14,374
-	-	85,897
-	12,394	12,394
699,623	36,822	986,289
-	-	3,034
-	-	14,769
<u>\$ 1,087,580</u>	<u>\$ 982,113</u>	<u>\$ 5,393,305</u>
\$ -	\$ 4,732	\$ 164,638
-	-	35,633
-	4,732	200,271
-	-	85,897
699,663	48,613	998,120
699,663	48,613	1,084,017
-	-	14,769
387,917	276,806	1,364,169
-	651,962	651,962
-	-	2,078,117
<u>387,917</u>	<u>928,768</u>	<u>4,109,017</u>
<u>\$ 1,087,580</u>	<u>\$ 982,113</u>	<u>\$ 5,393,305</u>

CITY OF NEWPORT

Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
as of December 31, 2014

Total fund balances – governmental funds	\$ 4,109,017
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets are included in net position, but are excluded from fund balances because they do not represent financial resources.	
Cost of capital assets	23,955,672
Less accumulated depreciation	(11,130,141)
Long-term liabilities are included in net position, but are excluded from fund balances until due and payable.	
General obligation bonds payable	(4,518,000)
Premiums on debt issued	(158,007)
Compensated absences payable	(214,236)
(Negative) net other post-employment benefit obligations	6,181
Certain revenues (including delinquent and deferred taxes and special assessments) are included in net position, but are excluded from fund balances until they are available to liquidate liabilities of the current period.	1,084,017
Accrued interest payable is included in net position, but is excluded from fund balances until due and payable.	<u>(43,477)</u>
Total net position – governmental activities	<u>\$ 13,091,026</u>

See notes to basic financial statements

CITY OF NEWPORT

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Governmental Funds
 Year Ended December 31, 2014

	<u>General Fund</u>	<u>Special Revenue Economic Development Authority</u>	<u>Capital Project Street Reconstruction</u>
Revenue			
Property taxes	\$ 2,132,461	\$ 6,681	\$ -
Licenses and permits	77,636	-	-
Special assessments	-	-	-
Intergovernmental	719,396	23,858	-
Charges for services	92,905	-	-
Fines and forfeits	66,381	-	-
Investment earnings	24,376	561	1,161
Miscellaneous	55,879	5,663	-
Total revenue	<u>3,169,034</u>	<u>36,763</u>	<u>1,161</u>
Expenditures			
Current			
General government	613,775	-	-
Public safety	1,017,606	-	-
Public works	395,326	-	-
Parks and recreation	320,040	-	-
Economic development	-	395,371	-
Capital outlay	42,792	-	2,781,005
Debt service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>2,389,539</u>	<u>395,371</u>	<u>2,781,005</u>
Excess (deficiency) of revenue over expenditures	779,495	(358,608)	(2,779,844)
Other financing sources (uses)			
Debt issued	-	-	2,295,000
Premium on debt issued	-	-	-
Transfers in	-	218,500	-
Transfers (out)	(605,700)	-	-
Total other financing sources (uses)	<u>(605,700)</u>	<u>218,500</u>	<u>2,295,000</u>
Net change in fund balances	173,795	(140,108)	(484,844)
Fund balances			
Beginning of year	<u>1,919,091</u>	<u>596,090</u>	<u>728,308</u>
End of year	<u>\$ 2,092,886</u>	<u>\$ 455,982</u>	<u>\$ 243,464</u>

See notes to basic financial statements

<u>Debt Service</u>		
<u>G.O. Improvement Bonds of 2014A</u>	<u>Nonmajor Funds</u>	<u>Totals</u>
\$ 68,711	\$ 218,231	\$ 2,426,084
-	-	77,636
270,093	71,855	341,948
-	15,464	758,718
-	-	92,905
-	-	66,381
130	5,944	32,172
-	6,638	68,180
<u>338,934</u>	<u>318,132</u>	<u>3,864,024</u>
-	11,239	625,014
-	-	1,017,606
-	-	395,326
-	16,840	336,880
-	-	395,371
-	200,322	3,024,119
-	396,000	396,000
51,901	59,362	111,263
<u>51,901</u>	<u>683,763</u>	<u>6,301,579</u>
287,033	(365,631)	(2,437,555)
-	-	2,295,000
100,884	-	100,884
-	498,970	717,470
-	(89,388)	(695,088)
<u>100,884</u>	<u>409,582</u>	<u>2,418,266</u>
387,917	43,951	(19,289)
-	884,817	4,128,306
<u>\$ 387,917</u>	<u>\$ 928,768</u>	<u>\$ 4,109,017</u>

CITY OF NEWPORT

Reconciliation of the Statement of
Revenue, Expenditures, and Changes in Fund Balances
to the Statement of Activities
Governmental Funds
Year Ended December 31, 2014

Total net change in fund balances – governmental funds \$ (19,289)

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

Capital outlays are recorded in net position and the cost is allocated over their estimated useful lives as depreciation expense. However, fund balances are reduced for the full cost of capital outlays at the time of purchase.

Capital outlays	3,009,589
Depreciation expense	(1,125,005)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities. The amounts below are the effects of these differences in the treatment of long-term debt and related items.

Bonds issued	(2,295,000)
Add premium on bonds issued	(100,884)
Principal repayments	396,000
Amortization of bond premium	7,447

Interest on long-term debt is included in the change in net position as it accrues, regardless of when payment is due. However, it is included in the change in fund balances when due. (24,040)

Net other post-employment benefit obligations payable reported in the Statement of Activities do not require the use of current financial resources and are not reported as expenditures in governmental funds until actually due. 34,113

Compensated absences are included in the change in net position, but do not require the use of current funds, and are not included in the change in fund balances. (13,127)

Certain revenues (including delinquent taxes and special assessments) are included in the change in net position, but are excluded from the change in fund balances until they are available to liquidate liabilities of the current period. 618,687

Change in net position – governmental activities \$ 488,491

See notes to basic financial statements

CITY OF NEWPORT

Statement of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 General Fund
 Year Ended December 31, 2014

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Over (Under) Final Budget</u>
Revenue			
Property taxes	\$ 2,128,900	\$ 2,132,461	\$ 3,561
Licenses and permits	66,300	77,636	11,336
Intergovernmental	717,138	719,396	2,258
Charges for services	84,350	92,905	8,555
Fines and forfeits	52,000	66,381	14,381
Investment earnings	8,000	24,376	16,376
Miscellaneous	22,000	55,879	33,879
Total revenue	<u>3,078,688</u>	<u>3,169,034</u>	<u>90,346</u>
Expenditures			
Current			
General government	690,048	613,775	(76,273)
Public safety	1,012,914	1,017,606	4,692
Public works	381,823	395,326	13,503
Parks and recreation	331,340	320,040	(11,300)
Capital outlay	55,900	42,792	(13,108)
Total expenditures	<u>2,472,025</u>	<u>2,389,539</u>	<u>(82,486)</u>
Excess of revenue over expenditures	606,663	779,495	172,832
Other financing (uses)			
Transfers (out)	<u>(605,700)</u>	<u>(605,700)</u>	<u>—</u>
Net change in fund balances	<u>\$ 963</u>	<u>173,795</u>	<u>\$ 172,832</u>
Fund balances			
Beginning of year		<u>1,919,091</u>	
End of year		<u>\$ 2,092,886</u>	

See notes to basic financial statements

CITY OF NEWPORT

Statement of Net Position
 Proprietary Funds
 as of December 31, 2014

	Business-Type Activities – Enterprise Funds			
	Water	Sewer	Nonmajor	Total
Assets				
Current assets				
Cash and temporary investments	\$ 473,465	\$ 712,740	\$ 42,605	\$ 1,228,810
Receivables				
Accounts	89,056	92,956	24,293	206,305
Prepaid items	774	774	220	1,768
Total current assets	<u>563,295</u>	<u>806,470</u>	<u>67,118</u>	<u>1,436,883</u>
Capital assets				
Buildings and improvements	123,291	417,170	–	540,461
Machinery and equipment	294,264	56,343	–	350,607
Infrastructure	2,962,267	1,950,830	–	4,913,097
Construction in progress	282,000	470,000	188,000	940,000
	<u>3,661,822</u>	<u>2,894,343</u>	<u>188,000</u>	<u>6,744,165</u>
Less accumulated depreciation	1,864,487	1,266,438	–	3,130,925
Net capital assets	<u>1,797,335</u>	<u>1,627,905</u>	<u>188,000</u>	<u>3,613,240</u>
Total assets	<u><u>\$ 2,360,630</u></u>	<u><u>\$ 2,434,375</u></u>	<u><u>\$ 255,118</u></u>	<u><u>\$ 5,050,123</u></u>
Liabilities and net position				
Current liabilities				
Accounts payable	\$ 13,599	\$ 39,093	\$ 3,969	\$ 56,661
Salaries payable	3,226	3,347	–	6,573
Accrued interest payable	5,855	8,467	1,717	16,039
Due to other governments	302	–	–	302
Long-term liabilities – current	19,895	22,295	–	42,190
Total current liabilities	<u>42,877</u>	<u>73,202</u>	<u>5,686</u>	<u>121,765</u>
Long-term liabilities				
Due in more than one year	<u>505,182</u>	<u>762,169</u>	<u>195,589</u>	<u>1,462,940</u>
Total liabilities	<u>548,059</u>	<u>835,371</u>	<u>201,275</u>	<u>1,584,705</u>
Net position				
Net investment in capital assets	1,283,353	854,536	(7,589)	2,130,300
Unrestricted	529,218	744,468	61,432	1,335,118
Total net position	<u>1,812,571</u>	<u>1,599,004</u>	<u>53,843</u>	<u>3,465,418</u>
Total liabilities and net position	<u><u>\$ 2,360,630</u></u>	<u><u>\$ 2,434,375</u></u>	<u><u>\$ 255,118</u></u>	<u><u>\$ 5,050,123</u></u>

See notes to basic financial statements

CITY OF NEWPORT

Statement of Revenue, Expenses, and Changes in Net Position
 Proprietary Funds
 Year Ended December 31, 2014

	Business-Type Activities – Enterprise Funds			
	Water	Sewer	Nonmajor	Total
Operating revenue				
Water sales	\$ 266,575	\$ –	\$ –	\$ 266,575
Sewer charges	–	375,115	–	375,115
Street light charges	–	–	65,440	65,440
Storm sewer charges	–	–	41,739	41,739
Permits and licenses	315	315	–	630
Total operating revenue	<u>266,890</u>	<u>375,430</u>	<u>107,179</u>	<u>749,499</u>
Operating expenses				
Salaries	91,579	91,540	12,698	195,817
Employee benefits	18,657	18,685	1,888	39,230
MCES sewer charges	–	249,564	–	249,564
Insurance	14,540	18,725	2,166	35,431
Supplies	30,678	7,546	–	38,224
Utilities	29,618	12,255	43,458	85,331
Depreciation	65,851	95,525	–	161,376
Other	77,468	14,885	26,997	119,350
Total operating expenses	<u>328,391</u>	<u>508,725</u>	<u>87,207</u>	<u>924,323</u>
Operating income (loss)	(61,501)	(133,295)	19,972	(174,824)
Nonoperating revenue (expense)				
State grant and aids	–	7,450	–	7,450
Investment earnings	591	911	71	1,573
Interest and fiscal charges	(10,108)	(24,360)	(5,726)	(40,194)
Total nonoperating revenue (expense)	<u>(9,517)</u>	<u>(15,999)</u>	<u>(5,655)</u>	<u>(31,171)</u>
Income (loss) before transfers	(71,018)	(149,294)	14,317	(205,995)
Transfers (out)	<u>(2,748)</u>	<u>(16,731)</u>	<u>(2,903)</u>	<u>(22,382)</u>
Change in net position	(73,766)	(166,025)	11,414	(228,377)
Net position				
Beginning of year	<u>1,886,337</u>	<u>1,765,029</u>	<u>42,429</u>	<u>3,693,795</u>
End of year	<u>\$ 1,812,571</u>	<u>\$ 1,599,004</u>	<u>\$ 53,843</u>	<u>\$ 3,465,418</u>

See notes to basic financial statements

CITY OF NEWPORT

Statement of Cash Flows
 Proprietary Funds
 Year Ended December 31, 2014

	Business-Type Activities – Enterprise Funds			
	Water	Sewer	Nonmajor	Total
Cash flows from operating activities				
Cash received from customers	\$ 237,052	\$ 368,106	\$ 99,146	\$ 704,304
Cash paid to suppliers	(147,689)	(264,532)	(90,369)	(502,590)
Cash paid to employees	(107,322)	(107,191)	(14,586)	(229,099)
Net cash provided by operating activities	(17,959)	(3,617)	(5,809)	(27,385)
Cash flows from noncapital financing activities				
Cash paid to other funds	(2,748)	(16,731)	(2,903)	(22,382)
Cash flows from capital and related financing activities				
State aid and grants	–	7,450	–	7,450
Capital asset purchases	(282,000)	(470,000)	(188,000)	(940,000)
Bond proceeds received	293,740	489,567	195,827	979,134
Principal paid on debt	(8,800)	(11,200)	–	(20,000)
Interest paid on debt	(8,001)	(20,804)	(4,247)	(33,052)
Net cash provided by capital financing activities	(5,061)	(4,987)	3,580	(6,468)
Cash flows from investing activities				
Interest received	591	911	71	1,573
Net change in cash and cash equivalents	(25,177)	(24,424)	(5,061)	(54,662)
Cash and cash equivalents				
Beginning of year	498,642	737,164	47,666	1,283,472
End of year	\$ 473,465	\$ 712,740	\$ 42,605	\$ 1,228,810
Reconciliation of operating income (loss) to net cash provided by operating activities				
Operating income (loss)	\$ (61,501)	\$ (133,295)	\$ 19,972	\$ (174,824)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	65,851	95,525	–	161,376
Change in assets and liabilities				
Accounts receivable	(29,838)	(7,324)	(8,033)	(45,195)
Prepaid items	(128)	(41)	(220)	(389)
Accounts payable	5,411	38,484	(17,528)	26,367
Salaries and compensated absences payable	2,914	3,034	–	5,948
Due to other governmental units	(668)	–	–	(668)
Net cash provided by operating activities	\$ (17,959)	\$ (3,617)	\$ (5,809)	\$ (27,385)

See notes to basic financial statements

CITY OF NEWPORT

Notes to Basic Financial Statements December 31, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The City of Newport, Minnesota (the City) operates under the “Optional Plan A” form of government as defined in Minnesota Statutes, Chapter 412. Under this plan, the government of the City is run by a council composed of an elected mayor and four councilmembers. The City Council exercises legislative authority and determines all matters of policy.

The accounting policies of the City conform to accounting principles generally accepted in the United States of America as applicable to governmental units.

B. Reporting Entity

As required by accounting principles generally accepted in the United States of America, these financial statements include the City (the primary government) and its component units. Component units are legally separate entities for which the primary government is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit’s board, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit.

The Newport Economic Development Authority (EDA) is fiscally dependent upon the City and its governing body consists of City Council members. Therefore, the EDA is included as a component unit of the City. The EDA’s financial data has been blended with that of the City (reported as though its funds were funds of the City).

C. Government-Wide Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) display information about the reporting government as a whole. These statements include all of the financial activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on sales, fees, and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other internally-directed revenues are reported as general revenues.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. However, charges between the City's enterprise funds and other functions are not eliminated, as that would distort the direct costs and program revenues reported in those functions. The City applies restricted resources first when an expense is incurred for which both restricted and unrestricted resources are available. Depreciation expense is included in the direct expenses of each function. Interest on long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

D. Fund Financial Statement Presentation

Separate fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements. Aggregated information for the remaining nonmajor governmental and proprietary funds are reported in a single column in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the City considers revenues to be available if collected within 60 days after year-end.

Major revenue that is susceptible to accrual includes property taxes, intergovernmental revenue, charges for services, and interest earned on investments. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Revenue that is not susceptible to accrual includes licenses and permits, fees, and miscellaneous revenue. Such revenue is recorded only when received because it is not measurable until collected. Grants and similar items are recognized when all eligibility requirements imposed by the provider have been met.

Expenditures are generally recorded when a liability is incurred, except for principal and interest on long-term debt, compensated absences, and other post-employment benefit (OPEB) obligations, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as capital outlay expenditures in the governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Description of Funds

The City reports the following major governmental funds:

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Economic Development Authority Special Revenue Fund – This fund is used to account for the financial resources of the EDA.

Street Reconstruction Capital Project Fund – This fund is used to account for the financial resources for the 2013 and 2014 street improvement projects.

G.O. Improvement Bonds of 2014A – This fund is used to account for the financial resources for the 2014 general obligation improvement bonds.

The City reports the following major proprietary funds:

Water Enterprise Fund – The Water Enterprise Fund is used to account for the operation, maintenance, and improvement of the City's water utility system.

Sewer Enterprise Fund – The Sewer Enterprise Fund is used to account for the operation, maintenance, and improvement of the City's sewer utility system.

E. Cash and Investments

Cash and temporary investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the respective funds on the basis of applicable cash balance participation by each fund.

Investments are generally stated at fair value, except for investments in 2a-7 like external investment pools, which are stated at amortized cost. Short-term, highly liquid debt instruments (including commercial paper, bankers' acceptance, and U.S. treasury and agency obligations) purchased with a remaining maturity of one year or less are also reported at amortized cost. Investment income is accrued at the Balance Sheet date.

F. Receivables

Utility and miscellaneous accounts receivable are reported at gross. Since the City is generally able to certify delinquent amounts to the county for collection as special assessments, no allowance for uncollectible accounts has been provided on current receivables. All receivables are expected to be collected within one year with the exception of deferred special assessments.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Property Taxes

Property tax levies are set by the City Council by December of each year, and are certified to Washington County for collection in the following year. In Minnesota, counties act as collection agents for all property taxes.

The county spreads all levies over taxable property. Such taxes become a lien on January 1 and are recorded as receivables by the City on that date. Real property taxes may be paid by taxpayers in two equal installments on May 15 and October 15. Personal property taxes are due in full on May 15. The county provides tax settlements to cities and other taxing districts several times a year. Taxes which remain unpaid at December 31 are classified as delinquent taxes receivable.

H. Special Assessments

Special assessments represent the financing for public improvements paid for by benefiting property owners. These assessments are recorded as delinquent (levied, but unremitted) or deferred (certified, but not yet levied) special assessments receivable.

I. Prepaid Items

The inventories of the City's proprietary funds are recorded in prepaid items at the lower of cost or market on the first-in, first-out basis. Prepaid items in all funds are reported using the consumption method and recorded as an expense or expenditure at the time of consumption.

J. Capital Assets

Capital assets, which include property, buildings, equipment, and improvements (infrastructure assets such as roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are capitalized at historical cost or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The City defines capital assets as those with an initial, individual cost of \$5,000 or more with an estimated useful life in excess of one year. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets are recorded in the government-wide and proprietary fund financial statements, but are not reported in the governmental fund financial statements. Interest incurred during the construction phase of capital assets for business-type activities is included as part of the capitalized value of the assets constructed. Capital assets are depreciated using the straight-line method over their estimated useful lives. Land and construction in progress are not depreciated. Useful lives vary from 10 to 50 years for buildings and improvements; 4 to 20 years for machinery, equipment, and vehicles; and 10 to 65 years for infrastructure.

The City has chosen to report infrastructure beginning with capital assets acquired after 1980. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Compensated Absences Payable

All employees of the City are eligible for certain severance benefits. The severance calculation is dependent upon employee type, as well as years of service. Non-union employees receive severance pay for unused vacation days and one-half of their unused sick leave benefits to a maximum of 60 days of additional severance pay. Severance pay for all full-time employees of the police department who are members of Minnesota Teamsters, Local 320, Public and Law Enforcement Employees Union are paid in accordance with the terms of their contract. All full-time employees who are members of International Union of Operating Engineers, Local 49, AFL-CIO are also paid in accordance with the terms of their contract. These compensated absences are paid to an employee leaving in good standing, at their current rate of pay, by the governmental or proprietary fund that paid the largest portion of the employee's salary. The amount of severance that is based on convertible sick leave is recorded as a liability in the government-wide financial statements and proprietary funds as it is earned and it becomes probable that it will vest at some point in the future. Severance pay is accrued in the governmental fund financial statements only when it becomes due and payable.

L. Other Post-Employment Benefits

Under Minnesota Statute § 471.61, Subd. 2b, public employers must allow retirees and their dependants to continue coverage indefinitely in an employer-sponsored healthcare plan, under the following conditions: 1) retirees must be receiving (or be eligible to receive) an annuity from a Minnesota public pension plan; 2) coverage must continue in a group plan until age 65, and retirees must pay no more than the group premium; and 3) retirees may obtain dependant coverage immediately before retirement. All premiums are funded on a pay-as-you-go basis. The liability was actuarially determined, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 45, at January 1, 2012.

M. Long-Term Liabilities

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. If they are material, bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the governmental fund financial statements, long-term debt and other long-term obligations are not reported as liabilities. The face amount of debt issued is reported as other financing sources. Premiums or discounts on debt issuances are reported as other financing sources or uses, respectively.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Financial Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, statements of financial position or balance sheets will sometimes report a separate section of deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items which qualify for reporting in this category.

These two items are unavailable revenue from property taxes and special assessments, which arise under a modified accrual basis of accounting and are reported only in the governmental funds Balance Sheet. Property taxes and special assessments not collected within 60 days of year-end are deferred and recognized as an inflow of resources in the governmental funds in the period the amounts become available.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Net Position

In the government-wide and proprietary fund financial statements, net position represents the differences between assets and liabilities and deferred inflow of resources. Net position is displayed in three components:

- **Net Investment in Capital Assets** – Consists of capital assets, net of accumulated depreciation, reduced by any outstanding debt attributable to acquire capital assets.
- **Restricted Net Position** – Consists of net position restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- **Unrestricted Net Position** – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

P. Fund Balance Classifications

In the fund financial statements, governmental funds report fund balance in classifications that disclose constraints for which amounts in those funds can be spent. These classifications are as follows:

- **Nonspendable** – Consists of amounts that are not in spendable form, such as prepaid items, inventory, and other long-term assets.
- **Restricted** – Consists of amounts related to externally imposed constraints established by creditors, grantors, or contributors; or constraints imposed by state statutory provisions.
- **Committed** – Consists of internally imposed constraints that are established by resolution of the City Council. Those committed amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts.
- **Assigned** – Consists of internally imposed constraints. These constraints consist of amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, assigned amounts represent intended uses established by the governing body itself or by an official to which the governing body delegates the authority.
- **Unassigned** – The residual classification for the General Fund, which also reflects negative residual amounts in other funds.

When both restricted and unrestricted resources are available for use, it is the City’s policy to first use restricted resources, then use unrestricted resources as they are needed.

When committed, assigned, or unassigned resources are available for use, it is the City’s policy to use resources in the following order: 1) committed, 2) assigned, and 3) unassigned.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Budgets and Budgetary Accounting

Budget amounts are presented on the modified accrual basis of accounting. Each fall the City Council adopts a General Fund budget for the following fiscal year beginning January 1. The City has established budgetary control at the fund level. Budget appropriations lapse at year-end.

R. Statement of Cash Flows

For purposes of the Statement of Cash Flows, the City considers all highly liquid debt instruments with an original maturity from the time of purchase by the City of three months or less to be cash equivalent. The proprietary funds' portion in the government-wide cash and investment management pool is considered to be cash equivalent.

S. Risk Management

The City is exposed to various risks of loss related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool for its general property and casualty, workers' compensation, and other miscellaneous insurance coverage. LMCIT operates as a common risk management and insurance program for a large number of cities in Minnesota. The City pays an annual premium to LMCIT for insurance coverage. The LMCIT agreement provides that the trust will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain limits. The City also carries commercial insurance for certain other risks of loss. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage in 2014.

T. Use of Estimates

The preparation of financial statements, in accordance with accounting principles generally accepted in the United States of America, requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

U. Prior Period Comparative Financial Information/Reclassification

The basic financial statements include certain prior year partial comparative information in total but not at the level of detail required for a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended June 30, 2013, from which the summarized information was derived. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

NOTE 2 – CASH AND INVESTMENTS

A. Components of Cash and Investments

Cash and investments at year-end consist of the following:

Deposits	\$	4,299,236
Investments		1,200,734
Cash on hand		<u>75</u>
Total	\$	<u><u>5,500,045</u></u>

B. Deposits

In accordance with applicable Minnesota Statutes, the City maintains deposits at depository banks authorized by the City Council, including checking accounts and certificates of deposit.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may be lost.

Minnesota Statutes require that all deposits be protected by federal deposit insurance, corporate surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the deposits not covered by federal deposit insurance or corporate surety bonds. Authorized collateral includes treasury bills, notes, and bonds; issues of U.S. government agencies; general obligations rated “A” or better; revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution that is not owned or controlled by the financial institution furnishing the collateral. The City has no additional deposit policies addressing custodial credit risk.

At year-end, the carrying amount of the City’s deposits was \$4,299,236 while the balance on the bank records was \$4,304,724. At December 31, 2014, all deposits were fully covered by federal depository insurance, surety bonds, or by collateral held by the City’s agent in the City’s name.

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

C. Investments

The City has the following investments at year-end:

Investment Type	Credit Risk		Concentration Risk	Interest Risk – Maturity Duration in Years			Total
	Rating	Agency	Over 5% of Portfolio	Less Than 1	1 to 5	5 to 10	
Municipal bonds							
Kenosha County, Wisconsin	AA	Moody's	20.0%	\$ -	\$ 240,660	\$ -	\$ 240,660
Negotiable certificates of deposit							
First Bank – Santurce, PR	N/R	N/A	8.3%	\$ 99,926	\$ -	\$ -	99,926
BMW Bank – Salt Lake City, UT	N/R	N/A	20.4%	\$ 120,064	\$ 124,526	\$ -	244,590
Amex Centurion – Salt Lake City, UT	N/R	N/A	20.3%	\$ -	\$ 243,239	\$ -	243,239
Wells Fargo – Sioux Falls, SD	N/R	N/A	10.0%	\$ -	\$ -	\$ 119,537	119,537
Sallie Mae – Salt Lake City, UT	N/R	N/A	10.6%	\$ -	\$ 127,288	\$ -	127,288
Barclays Bank – Wilmington, DE	N/R	N/A	10.3%	\$ -	\$ 123,661	\$ -	123,661
Investment pools/mutual funds							
Money market funds	Aaa	Moody's	N/A	N/A	N/A	N/A	<u>1,833</u>
Total investments							<u>\$ 1,200,734</u>

N/R – Not Rated
N/A – Not Applicable

Investments are subject to various risks, the following of which are considered the most significant:

Custodial Credit Risk – For investments, this is the risk that in the event of a failure of the counterparty to an investment transaction (typically a broker-dealer), the City would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy addresses credit risk. It states the City will minimize deposit custodial risk by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law.

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Credit Risk – This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Minnesota Statutes limit the City’s investments to direct obligations or obligations guaranteed by the United States or its agencies; shares of investment companies registered under the Federal Investment Company Act of 1940 that receive the highest credit rating, are rated in one of the two highest rating categories by a statistical rating agency, and all of the investments have a final maturity of 13 months or less; general obligations rated “A” or better; revenue obligations rated “AA” or better; general obligations of the Minnesota Housing Finance Agency rated “A” or better; bankers’ acceptances of United States banks eligible for purchase by the Federal Reserve System; commercial paper issued by United States corporations or their Canadian subsidiaries, rated of the highest quality category by at least two nationally recognized rating agencies, and maturing in 270 days or less; Guaranteed Investment Contracts guaranteed by a United States commercial bank, domestic branch of a foreign bank, or a United States insurance company, and with a credit quality in one of the top two highest categories; repurchase or reverse purchase agreements and securities lending agreements with financial institutions qualified as a “depository” by the government entity, with banks that are members of the Federal Reserve System with capitalization exceeding \$10,000,000; that are a primary reporting dealer in U.S. government securities to the Federal Reserve Bank of New York; or certain Minnesota securities broker-dealers. The City’s investment policy addresses this risk. It states that designated depositories shall have insurance through the Federal Deposit Insurance Corporation or the Securities Investor Protection Corporation. To ensure safety, it is the policy of the City that when considering an investment, all depositories under consideration be cross-checked against existing investments to make certain that funds in excess of insurance limits are not made in the same institution unless collateralized as outlined below. Furthermore, the City Council will approve all financial institutions, brokers, and advisors with which the City will do business.

Concentration Risk – This is the risk associated with investing a significant portion of the City’s investments (considered 5 percent or more) in the securities of a single issuer, excluding U.S. guaranteed investments (such as treasuries), investment pools, and mutual funds. The City’s investment policy addresses concentration risk. It states the City’s investments shall be diversified as to specific maturity, issuer, and institution in order to minimize risk to the portfolio. Investments should be purchased to match expected cash flow needs, minimizing the market risk associated with the early sale of investments. Investments beyond two years should be related to debt payments, or other known expenditures. Up to 20 percent of the portfolio may be invested beyond five years, but no more than 10 years in maturity. Securities with a maturity of more than five years shall be fixed term securities and not securities whose term can be extended by changes in market conditions. No more than 50 percent of the portfolio should be invested in any one security issuer, with the exception of U.S. treasury obligations, which could represent 100 percent of the portfolio. Commercial paper is limited to 20 percent of the portfolio and no more than 2.5 percent of the portfolio should be invested in any one commercial paper issuer. No more than 50 percent of the portfolio shall be purchased from any one investment institution.

Interest Rate Risk – This is the risk of potential variability in the fair value of fixed rate investments resulting from changes in interest rates (the longer the period for which an interest rate is fixed, the greater the risk). The City’s investment policy addresses interest rate risk. It states that the City will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market to maturity.

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

A. Changes in Capital Assets Used in Governmental Activities

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year
Capital assets, not depreciated				
Land	\$ 3,225,160	\$ –	\$ –	\$ 3,225,160
Construction in progress	459,589	2,882,434	(969,429)	2,372,594
Total capital assets, not depreciated	<u>3,684,749</u>	<u>2,882,434</u>	<u>(969,429)</u>	<u>5,597,754</u>
Capital assets, depreciated				
Buildings and improvements	1,960,400	–	–	1,960,400
Machinery and equipment	319,532	84,950	(10,029)	394,453
Vehicles	1,545,838	42,205	(33,715)	1,554,328
Infrastructure	12,539,308	969,429	–	13,508,737
Total capital assets, depreciated	<u>16,365,078</u>	<u>1,096,584</u>	<u>(43,744)</u>	<u>17,417,918</u>
Less accumulated depreciation for				
Buildings and improvements	(700,599)	(41,086)	–	(741,685)
Machinery and equipment	(205,832)	(34,074)	11,276	(228,630)
Vehicles	(646,627)	(130,372)	32,468	(744,531)
Infrastructure	(7,555,822)	(919,473)	–	(8,475,295)
Total accumulated depreciation	<u>(9,108,880)</u>	<u>(1,125,005)</u>	<u>43,744</u>	<u>(10,190,141)</u>
Net capital assets, depreciated	<u>7,256,198</u>	<u>(28,421)</u>	<u>–</u>	<u>7,227,777</u>
Net capital assets	<u>\$ 10,940,947</u>	<u>\$ 2,854,013</u>	<u>\$ (969,429)</u>	<u>\$ 12,825,531</u>

NOTE 3 – CAPITAL ASSETS (CONTINUED)

B. Changes in Capital Assets Used in Business-Type Activities

	Balance – Beginning of Year	Additions	Deletions	Balance – End of Year
Capital assets, not depreciated				
Construction in progress	\$ –	\$ 940,000	\$ –	\$ 940,000
Capital assets, depreciated				
Buildings and improvements	540,461	–	–	540,461
Machinery and equipment	350,607	–	–	350,607
Infrastructure	4,913,097	–	–	4,913,097
Total capital assets, depreciated	<u>5,804,165</u>	<u>–</u>	<u>–</u>	<u>5,804,165</u>
Less accumulated depreciation for				
Buildings and improvements	(383,601)	(11,069)	–	(394,670)
Machinery and equipment	(211,017)	(21,204)	–	(232,221)
Infrastructure	(2,374,931)	(129,103)	–	(2,504,034)
Total accumulated depreciation	<u>(2,969,549)</u>	<u>(161,376)</u>	<u>–</u>	<u>(3,130,925)</u>
Net capital assets, depreciated	<u>2,834,616</u>	<u>(161,376)</u>	<u>–</u>	<u>2,673,240</u>
Net capital assets	<u>\$ 2,834,616</u>	<u>\$ 778,624</u>	<u>\$ –</u>	<u>\$ 3,613,240</u>

C. Depreciation Expense by Function

Governmental activities	
General government	\$ 31,281
Public safety	80,540
Public works	1,004,809
Parks and recreation	<u>8,375</u>
Total depreciation expense – governmental activities	<u>\$ 1,125,005</u>
Business-type activities	
Water	\$ 65,851
Sewer	<u>95,525</u>
Total depreciation expense – business-type activities	<u>\$ 161,376</u>

NOTE 4 – LONG-TERM LIABILITIES

A. Changes in Long-Term Liabilities

	December 31, 2013	Additions	Retirements	December 31, 2014	Due Within One Year
Governmental activities					
General obligation bonds payable	\$ 2,619,000	\$ 2,295,000	\$ 396,000	\$ 4,518,000	\$ 383,000
Premiums on debt issued	64,570	100,884	7,447	158,007	–
Compensated absences payable	201,109	112,207	99,080	214,236	112,207
Net OPEB obligation	27,932	21,521	49,453	–	–
	<u>2,912,611</u>	<u>2,529,612</u>	<u>551,980</u>	<u>4,890,243</u>	<u>495,207</u>
Business-type activities					
General obligation revenue bonds payable	525,000	940,000	20,000	1,445,000	20,000
Premiums on debt issued	–	39,134	1,194	37,940	–
Compensated absences payable	18,694	14,724	11,228	22,190	22,190
	<u>543,694</u>	<u>993,858</u>	<u>32,422</u>	<u>1,505,130</u>	<u>42,190</u>
Total long-term liabilities	<u>\$ 3,456,305</u>	<u>\$ 3,523,470</u>	<u>\$ 584,402</u>	<u>\$ 6,395,373</u>	<u>\$ 537,397</u>

Net OPEB obligation retirements include an additional \$6,181 related to this balance being reported as an asset on the Statement of Net Position as of December 31, 2014.

B. Details on Bonds Payable

	Original Issue	Interest Rate	Issue Date	Final Maturity Date	Balance – End of Year
Governmental activities					
Public Facilities Authority					
G.O. Bonds	\$ 1,625,000	1.39%	11/28/2001	08/20/2015	\$ 123,000
G.O. Capital Improvement Plan Refunding Bonds of 2010A	\$ 685,000	0.85–2.35%	07/06/2010	10/01/2016	235,000
G.O. Improvement Bonds of 2011A	\$ 645,000	3.00%	11/01/2011	02/01/2021	515,000
G.O. Improvement Bonds of 2013A	\$ 1,350,000	0.45–3.50%	10/15/2013	02/01/2029	1,350,000
G.O. Improvement Bonds of 2014A	\$ 2,295,000	3.00–3.50%	07/15/2014	02/01/2030	<u>2,295,000</u>
Total governmental activity bonds payable					<u>\$ 4,518,000</u>
Business-type activities					
G.O. Improvement Bonds of 2011A	\$ 540,000	3.00–4.10%	11/01/2011	02/01/2032	\$ 505,000
G.O. Improvement Bonds of 2014A	\$ 940,000	3.00–3.50%	07/15/2014	02/01/2030	<u>940,000</u>
Total business-type activity bonds payable					<u>\$ 1,445,000</u>

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

C. Minimum Debt Payments

Minimum annual principal and interest payments required to retire bonds payable are as follows:

Year Ending December 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2015	\$ 383,000	\$ 127,837	\$ 20,000	\$ 47,534
2016	330,000	117,478	80,000	44,760
2017	450,000	106,908	85,000	42,285
2018	335,000	97,024	85,000	39,735
2019	340,000	88,448	85,000	37,185
2020–2024	1,545,000	300,146	465,000	145,080
2025–2029	995,000	103,081	455,000	71,420
2030–2034	140,000	2,450	170,000	7,595
	<u>\$ 4,518,000</u>	<u>\$ 943,372</u>	<u>\$ 1,445,000</u>	<u>\$ 435,594</u>

D. Descriptions and Restrictions of Long-Term Debt

- **General Obligation Improvement Bonds** – These bonds were issued to finance various improvements and capital purchases. The governmental activity bonds will be repaid primarily from either general property taxes or special assessments levied on the properties benefiting from the improvements. The business-type activity bonds will be repaid from Water, Sewer, and Storm Sewer Enterprise Fund operating revenues pledged for the payment of these bonds.
- **Public Facilities Authority General Obligation Bonds** – These bonds were issued by the City with the Minnesota Public Facilities Authority (PFA) for the construction associated with the City’s local share of the Wakota Bridge Replacement Project. These bonds will be repaid primarily from either property taxes or special assessments levied on the properties benefiting from the improvements.

E. Ultimate Responsibility of Debt

All long-term debt is backed by the full faith and credit of the City.

F. OPEB and Compensated Absences Payable

Long-term liabilities for personal time off, vacation, compensation time, sick leave, and OPEB will be paid by the General Fund and Water and Sewer Enterprise Funds.

NOTE 4 – LONG-TERM LIABILITIES (CONTINUED)

G. Revenue Pledged

Future revenue pledged for the payment of long-term debt is as follows:

Bond Issue	Use of Proceeds	Revenue Pledged			Remaining Principal and Interest	Current Year	
		Type	Percent of Total Debt Service	Term of Pledge		Principal and Interest Paid	Pledged Revenue Received
G.O. Improvement Bonds of 2011A	Water meters and sewer infrastructure	Utility charges	100%	2012–2032	\$ 692,408	\$ 38,185	\$ 641,690
G.O. Improvement Bonds of 2014A	Water, sewer, and storm sewer improvements	Utility charges	100%	2015–2030	\$ 1,188,187	\$ –	\$ 683,429

NOTE 5 – FUND BALANCES

The following is a breakdown of equity components of governmental funds which are defined earlier in the report:

	General Fund	Economic Development Authority Special Revenue Fund	Street Reconstruction Capital Project Fund	G.O. Improvement Bonds of 2014A	Nonmajor Funds	Total
Nonspendable						
Prepaid items	\$ 14,769	\$ –	\$ –	\$ –	\$ –	\$ 14,769
Restricted						
Economic Development Authority	\$ –	\$ 455,982	\$ –	\$ –	\$ –	\$ 455,982
Street Reconstruction	–	–	243,464	–	–	243,464
Special revenue funds						
Recycling	–	–	–	–	25,057	25,057
Buy Forfeiture	–	–	–	–	1,305	1,305
Debt service						
PFA G.O. Bonds of 2002	–	–	–	–	105,879	105,879
G.O. Refunding Bonds of 2010	–	–	–	–	17,873	17,873
G.O. Improvement Bonds of 2011A	–	–	–	–	86,768	86,768
G.O. Improvement Bonds of 2013A	–	–	–	–	39,924	39,924
G.O. Improvement Bonds of 2014A	–	–	–	387,917	–	387,917
Total restricted	\$ –	\$ 455,982	\$ 243,464	\$ 387,917	\$ 276,806	\$ 1,364,169
Assigned						
Heritage Preservation	\$ –	\$ –	\$ –	\$ –	\$ 6,584	\$ 6,584
Pioneer Days	–	–	–	–	20,468	20,468
Capital projects						
Parks	–	–	–	–	42,355	42,355
Equipment Revolving	–	–	–	–	258,362	258,362
Capital Projects	–	–	–	–	218,709	218,709
Buildings	–	–	–	–	105,484	105,484
Total assigned	\$ –	\$ –	\$ –	\$ –	\$ 651,962	\$ 651,962

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE

A. Plan Description

All full-time and certain part-time employees of the City are covered by defined benefit plans administered by the Public Employees' Retirement Association (PERA) of Minnesota. PERA administers the General Employees' Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

GERF members belong to either the Coordinated or Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters, and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after five years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service. For all PEPFF and GERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF members and 65 for Basic and Coordinated Plan members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree—no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives. Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF and PEPFF. That report may be obtained at mnpera.org; by writing to PERA at 60 Empire Drive, Suite 200, St. Paul, Minnesota 55103-2088; or by calling (651) 296-7460 or (800) 652-9026.

NOTE 6 – DEFINED BENEFIT PENSION PLANS – STATE-WIDE (CONTINUED)

B. Funding Policy

Minnesota Statutes, Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the State Legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Basic and Coordinated Plan members were required to contribute 9.1 percent and 6.25 percent, respectively, of their annual covered salary in 2014. PEPFF members were required to contribute 10.2 percent of their annual covered salary in 2014. In 2014, the City was required to contribute the following percentages of annual covered payroll: 11.78 percent for Basic Plan members, 7.25 percent for Coordinated Plan members, and 15.3 percent for PEPFF members. The City's contributions for the past three years ending December 31, which were equal to the contractually required contributions for each year as set by state statutes, were as follows:

	<u>GERP</u>	<u>PEPFF</u>
2014	\$ 48,312	\$ 80,364
2013	\$ 46,340	\$ 72,018
2012	\$ 46,611	\$ 69,617

Contribution rates will increase on January 1, 2015 in the Coordinated Plan (6.5 percent for members and 7.5 percent for employers) and the PEPFF (10.8 percent for members and 16.2 percent for employers).

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS PLAN

A. Plan Description

The City provides post-employment benefits to certain eligible employees through the City's Other Post-Employment Benefits Plan, a single-employer defined benefit plan administered by the City. All post-employment benefits are based on contractual agreements with employee groups. As of January 1, 2012, the plan had 17 active participants, 3 retired participants, and 1 spouse receiving payments. Eligibility for these benefits is based on years of service and/or minimum age requirements. These contractual agreements do not include any specific contribution or funding requirements. The plan does not issue a publicly available financial report. These benefits are summarized as follows:

Post-Employment Insurance Benefits – All retirees of the City have the option under state law to continue their medical insurance coverage through the City from the time of retirement until the employee reaches the age of eligibility for Medicare. For one employee, the City pays for all of the eligible retiree's premiums for medical insurance from the time of retirement until the employee reaches the age of eligibility for Medicare. Retirees not eligible for these city-paid premium benefits must pay the full city premium rate for their coverage.

The City is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the City or the retiree. Consequently, participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy." This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the City's younger and statistically healthier active employees.

B. Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to pre-fund benefits as determined annually by the City. There is no invested plan assets accumulated for payment of future benefits.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

C. Annual OPEB Cost and Net OPEB Obligation

The City’s annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the City, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement No. 45. The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the City’s net OPEB obligation to the plan:

ARC	\$ 21,566
Interest on net OPEB obligation	47
Adjustment to ARC	<u>(26,972)</u>
Annual OPEB cost	(5,359)
Contributions made	<u>28,754</u>
Increase in net OPEB obligation	(34,113)
Net OPEB obligation – beginning of year	<u>27,932</u>
(Negative) Net OPEB obligation – end of year	<u><u>\$ (6,181)</u></u>

The City’s annual OPEB cost (benefit), the percentage of annual OPEB cost contributed to the plan, and the (negative) net OPEB obligation for the year are as follows:

<u>Year Ended December 31,</u>	<u>Annual OPEB Cost (Benefit)</u>	<u>Employer Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>(Negative) Net OPEB Obligation</u>
2012	\$ 34,996	\$ 22,851	65.3%	\$ 19,573
2013	\$ 34,780	\$ 26,421	76.0%	\$ 27,932
2014	\$ (5,359)	\$ 28,754	(536.6%)	\$ (6,181)

D. Funded Status and Funding Progress

As of January 1, 2012, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$223,699, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$223,699. The covered payroll (annual payroll of active employees covered by the plan) was \$1,079,874, and the ratio of the UAAL to the covered payroll was 20.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress immediately following the notes to basic financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included: a 4.5 percent investment rate of return (net of administrative expenses) based on the City’s own investments; a 2.5 percent rate of projected salary increases; a general inflation rate of 2.5 percent; and an annual healthcare cost trend rate of 8.0 percent initially, reduced by decrements to an ultimate rate of 5.0 percent after six years. The UAAL is being amortized on a level dollar basis over a closed period. The remaining amortization base periods at January 1, 2012 range from 27 to 30 years.

NOTE 8 – DEFINED BENEFIT PENSION PLAN – FIRE RELIEF ASSOCIATION

A. Plan Description

The Newport Firemen’s Relief Association (the Association) is the administrator of a single-employer defined benefit pension plan established to provide retirement, disability, and death benefits to plan members and beneficiaries of the Newport Fire Department.

The Association was incorporated under the provisions of Minnesota Laws 1951, Chapter 550, Minnesota Statute § 317, as amended. It is governed by a Board of Trustees of nine members. Six of the boardmembers are elected by the members of the Association and three are appointed by the City. The mayor, fire chief, and City Administrator of the City are ex-officio members of the Board of Trustees. The Association issues a publicly available financial report that includes financial statements and required supplementary information for the Association. That report may be obtained by writing to Newport Firemen’s Relief Association, 155 – 20th Street, Newport, Minnesota 55055.

For financial reporting purposes, the Association’s financial statements are not included in the City’s financial statements as the Association is not a component unit of the City.

B. Funding Requirements

Minnesota Statute, Chapter 424A.092 specifies minimum contributions required on an annual basis. The minimum contribution from the City and state aid is determined as follows:

	Normal cost
+	Amortization payment on unfunded actuarial liability/surplus
+	Administrative expenses
-	<u>Projected investment earnings</u>
=	<u><u>Total contribution required</u></u>

The plan members are volunteers with no contribution requirements.

**NOTE 8 – DEFINED BENEFIT PENSION PLAN – FIRE RELIEF ASSOCIATION
(CONTINUED)**

C. Accrued Pension Liability

The accrued pension liability at December 31, 2014 has been determined in accordance with Minnesota Statute, Chapter 424A.092 for lump sum pension benefits.

With the exception of calculating and disclosing the accrued pension liability under Minnesota Statute, Chapter 424A, rather than actuarially determining the pension liability as required by GASB Statement No. 67, the accounting policies of the Association conform to accounting principles generally accepted in the United States of America applicable to governmental units.

D. Contributions Required and Contributions Made

Minnesota Statute, Chapter 424A.092 specifies minimum support rates required on an annual basis. The minimum support rates from the municipality and from state aid are determined as the amount required to meet the normal cost plus amortizing any existing prior service costs over a 10-year period. The Association is comprised of volunteers; therefore, there are no payroll expenditures (i.e. there are no covered payroll percentage calculations).

Contributions totaling \$81,654 (\$63,988 [the City] and \$17,656 [state of Minnesota]) were made in accordance with state statute requirements for the year ended December 31, 2014. The contributions from the City and the state were intended to cover normal costs.

Based on the most recent available audit report of the Association as of December 31, 2014, the Association's accrued pension liability is \$1,013,459. The Association's Special Pension Trust Fund had net assets (accrual basis) at December 31, 2014 of \$1,042,514 (at fair value), resulting in assets in excess of accrued liability of \$29,055.

NOTE 9 – INTERFUND TRANSFERS

Transfers

The following interfund transfers were made during the year ended December 31, 2014:

Transfers Out	Transfers In		Total
	Economic Development Authority	Nonmajor Governmental Funds	
General Fund	\$ 218,500	\$ 387,200	\$ 605,700
Nonmajor governmental funds	–	89,388	89,388
Water Fund	–	2,748	2,748
Sewer Fund	–	16,731	16,731
Storm Sewer Fund	–	2,903	2,903
	<u>\$ 218,500</u>	<u>\$ 498,970</u>	<u>\$ 717,470</u>

Transfers are used to finance operations of other funds, to finance capital project purchases, and to fund bond payments.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Receivables

Amounts recorded or receivable from federal and state agencies are subject to agency audit and adjustment. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of claims which may be disallowed by the grantor agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

B. Construction Contracts

During fiscal 2014, the City awarded contracts for street improvement projects. The City's commitment for uncompleted work on these contracts at December 31, 2014 is approximately \$200,000.

C. Commitments

The City entered into an agreement with the South Washington Watershed District (the District) to share in the costs of a project for drainage improvements that benefit the City. The District is responsible for the financing of this project that benefits multiple communities. The District issued debt to finance this project. The City is not responsible for payments on this debt service; only the cost participation agreed to by the City. The City's share of this project, as required in this agreement, will be paid annually to the District as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>
2015	\$ 20,000
2016	20,000
2017	20,000
2018	20,000
2019	20,000
2020–2024	100,000
2025–2029	100,000
2030–2031	<u>40,000</u>
	<u>\$ 340,000</u>

D. Legal Claims

The City has the usual and customary type of miscellaneous legal claims pending at year-end. Although the outcome of these lawsuits is not presently determinable, the City's management believes that the City will not incur any material monetary loss resulting from these claims. No loss has been recorded on the City's financial statements relating to these claims.

NOTE 11 – FUTURE CHANGE IN ACCOUNTING STANDARDS

GASB Statement No. 68 replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Government Employers*, and GASB Statement No. 50, *Pension Disclosures*, as they relate to employer governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This statement will be effective for fiscal years beginning after June 15, 2014. The City has not yet determined the financial impact of adopting this new standard.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NEWPORT

Other Post-Employment Benefits Plan
 Schedule of Funding Progress
 December 31, 2014

Actuarial Valuation Date	Actuarial Accrued Liability	Actuarial Value of Plan Assets	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Liability as a Percentage of Payroll
January 1, 2009	\$ 303,132	\$ -	\$ 303,132	- %	\$ 1,056,643	28.7 %
January 1, 2012	\$ 223,699	\$ -	\$ 223,699	- %	\$ 1,079,874	20.7 %

SUPPLEMENTAL INFORMATION

CITY OF NEWPORT

Combining Balance Sheet
 Nonmajor Governmental Funds
 as of December 31, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Totals</u>
Assets				
Cash and temporary investments	\$ 53,414	\$ 248,382	\$ 629,621	\$ 931,417
Receivables				
Current taxes	-	1,480	-	1,480
Delinquent special assessments	-	12,394	-	12,394
Deferred special assessments	-	18,060	18,762	36,822
	<u>53,414</u>	<u>280,316</u>	<u>648,383</u>	<u>982,113</u>
Total assets	<u>\$ 53,414</u>	<u>\$ 280,316</u>	<u>\$ 648,383</u>	<u>\$ 982,113</u>
Liabilities				
Accounts payable	\$ -	\$ -	\$ 4,732	\$ 4,732
Deferred inflows of resources				
Unavailable revenue – special assessments	-	29,872	18,741	48,613
Fund balances				
Restricted	26,362	250,444	-	276,806
Assigned	27,052	-	624,910	651,962
Total fund balances	<u>53,414</u>	<u>250,444</u>	<u>624,910</u>	<u>928,768</u>
	<u>\$ 53,414</u>	<u>\$ 280,316</u>	<u>\$ 648,383</u>	<u>\$ 982,113</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 53,414</u>	<u>\$ 280,316</u>	<u>\$ 648,383</u>	<u>\$ 982,113</u>

CITY OF NEWPORT

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2014

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>	<u>Totals</u>
Revenue				
Property taxes	\$ —	\$ 218,231	\$ —	\$ 218,231
Special assessments	—	68,666	3,189	71,855
Intergovernmental	11,464	—	4,000	15,464
Investment earnings	52	5,262	630	5,944
Miscellaneous	6,213	—	425	6,638
Total revenue	<u>17,729</u>	<u>292,159</u>	<u>8,244</u>	<u>318,132</u>
Expenditures				
Current				
General government	10,914	325	—	11,239
Parks and recreation	14,138	—	2,702	16,840
Capital outlay	—	—	200,322	200,322
Debt service				
Principal retirement	—	396,000	—	396,000
Interest and fiscal charges	—	59,362	—	59,362
Total expenditures	<u>25,052</u>	<u>455,687</u>	<u>203,024</u>	<u>683,763</u>
Excess (deficiency) of revenue over expenditures	(7,323)	(163,528)	(194,780)	(365,631)
Other financing sources (uses)				
Transfers in	7,200	111,770	380,000	498,970
Transfers out	—	(89,388)	—	(89,388)
Total other financing sources (uses)	<u>7,200</u>	<u>22,382</u>	<u>380,000</u>	<u>409,582</u>
Net change in fund balances	(123)	(141,146)	185,220	43,951
Fund balances				
Beginning of year	<u>53,537</u>	<u>391,590</u>	<u>439,690</u>	<u>884,817</u>
End of year	<u>\$ 53,414</u>	<u>\$ 250,444</u>	<u>\$ 624,910</u>	<u>\$ 928,768</u>

CITY OF NEWPORT

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 as of December 31, 2014

	Heritage Preservation	Recycling	Buy Forfeiture	Pioneer Days	Total
Assets					
Cash and temporary investments	\$ 6,584	\$ 25,057	\$ 1,305	\$ 20,468	\$ 53,414
Fund balances					
Restricted	\$ -	\$ 25,057	\$ 1,305	\$ -	\$ 26,362
Assigned	6,584	-	-	20,468	27,052
Total fund balances	\$ 6,584	\$ 25,057	\$ 1,305	\$ 20,468	\$ 53,414

CITY OF NEWPORT

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 Year Ended December 31, 2014

	Heritage Preservation	Recycling	Buy Forfeiture	Pioneer Days	Total
Revenue					
Intergovernmental	\$ 5,100	\$ 6,364	\$ -	\$ -	\$ 11,464
Investment earnings	5	27	1	19	52
Miscellaneous					
Donations	-	-	-	6,213	6,213
Total revenue	<u>5,105</u>	<u>6,391</u>	<u>1</u>	<u>6,232</u>	<u>17,729</u>
Expenditures					
Current					
General government	-	5,440	-	5,474	10,914
Parks and recreation	14,138	-	-	-	14,138
Total expenditures	<u>14,138</u>	<u>5,440</u>	<u>-</u>	<u>5,474</u>	<u>25,052</u>
Excess (deficiency) of revenue over expenditures	(9,033)	951	1	758	(7,323)
Other financing sources					
Transfers in	7,200	-	-	-	7,200
Net change in fund balances	(1,833)	951	1	758	(123)
Fund balances					
Beginning of year	8,417	24,106	1,304	19,710	53,537
End of year	<u>\$ 6,584</u>	<u>\$ 25,057</u>	<u>\$ 1,305</u>	<u>\$ 20,468</u>	<u>\$ 53,414</u>

CITY OF NEWPORT

Combining Balance Sheet
 Nonmajor Debt Service Funds
 as of December 31, 2014

	<u>G.O. Improvement Bonds of 2002A</u>	<u>PFA G.O. Bonds of 2002</u>	<u>G.O. Refunding Bonds of 2010</u>
Assets			
Cash and temporary investments	\$ —	\$ 105,297	\$ 17,009
Receivables			
Current taxes	—	—	864
Delinquent special assessments	—	12,394	—
Deferred special assessments	—	18,060	—
	<u>—</u>	<u>135,751</u>	<u>17,873</u>
Total assets	<u>\$ —</u>	<u>\$ 135,751</u>	<u>\$ 17,873</u>
Deferred inflows of resources			
Unavailable revenue – special assessments	\$ —	\$ 29,872	\$ —
Fund balances			
Restricted	<u>—</u>	<u>105,879</u>	<u>17,873</u>
Total deferred inflows of resources and fund balances	<u>\$ —</u>	<u>\$ 135,751</u>	<u>\$ 17,873</u>

<u>G.O. Improvement Bonds of 2011A</u>	<u>G.O. Improvement Bonds of 2013A</u>	<u>Total</u>
\$ 86,152	\$ 39,924	\$ 248,382
616	—	1,480
—	—	12,394
—	—	18,060
<u>\$ 86,768</u>	<u>\$ 39,924</u>	<u>\$ 280,316</u>
\$ —	\$ —	\$ 29,872
<u>86,768</u>	<u>39,924</u>	<u>250,444</u>
<u>\$ 86,768</u>	<u>\$ 39,924</u>	<u>\$ 280,316</u>

CITY OF NEWPORT

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Nonmajor Debt Service Funds
 Year Ended December 31, 2014

	G.O. Improvement Bonds of 2002A	PFA G.O. Bonds of 2002	G.O. Refunding Bonds of 2010
Revenue			
Property taxes	\$ —	\$ —	\$ 128,471
Special assessments	2,659	21,370	—
Investment earnings	46	4,239	2
Total revenue	<u>2,705</u>	<u>25,609</u>	<u>128,473</u>
Expenditures			
Miscellaneous	—	325	—
Debt service			
Principal retirement	90,000	121,000	115,000
Interest and fiscal charges	2,093	3,392	7,742
Total expenditures	<u>92,093</u>	<u>124,717</u>	<u>122,742</u>
Excess (deficiency) of revenue over expenditures	(89,388)	(99,108)	5,731
Other financing sources (uses)			
Transfers in	89,388	—	—
Transfers out	—	(89,388)	—
Total other financing sources (uses)	<u>89,388</u>	<u>(89,388)</u>	<u>—</u>
Net change in fund balances	—	(188,496)	5,731
Fund balances			
Beginning of year	—	294,375	12,142
End of year	<u>\$ —</u>	<u>\$ 105,879</u>	<u>\$ 17,873</u>

<u>G.O. Improvement Bonds of 2011A</u>	<u>G.O. Improvement Bonds of 2013A</u>	<u>Total</u>
\$ 89,760	\$ —	\$ 218,231
—	44,637	68,666
—	975	5,262
<u>89,760</u>	<u>45,612</u>	<u>292,159</u>
—	—	325
70,000	—	396,000
<u>16,995</u>	<u>29,140</u>	<u>59,362</u>
<u>86,995</u>	<u>29,140</u>	<u>455,687</u>
2,765	16,472	(163,528)
—	22,382	111,770
<u>—</u>	<u>—</u>	<u>(89,388)</u>
<u>—</u>	<u>22,382</u>	<u>22,382</u>
2,765	38,854	(141,146)
<u>84,003</u>	<u>1,070</u>	<u>391,590</u>
<u>\$ 86,768</u>	<u>\$ 39,924</u>	<u>\$ 250,444</u>

CITY OF NEWPORT

Combining Balance Sheet
 Nonmajor Capital Project Funds
 as of December 31, 2014

	<u>Parks</u>	<u>Equipment Revolving</u>	<u>4th Avenue Ravine</u>
Assets			
Cash and temporary investments	\$ 42,457	\$ 258,362	\$ 12,770
Receivables			
Deferred special assessments	—	—	—
Total assets	<u>\$ 42,457</u>	<u>\$ 258,362</u>	<u>\$ 12,770</u>
Liabilities			
Accounts payable	\$ 102	\$ —	\$ —
Deferred inflows of resources			
Unavailable revenue – special assessments	—	—	—
Fund balances			
Assigned	<u>42,355</u>	<u>258,362</u>	<u>12,770</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 42,457</u>	<u>\$ 258,362</u>	<u>\$ 12,770</u>

<u>North Ravine</u>	<u>Highway 61 Project</u>	<u>Buildings</u>	<u>Total</u>
\$ 56,986	\$ 148,932	\$ 110,114	\$ 629,621
<u>18,762</u>	<u>—</u>	<u>—</u>	<u>18,762</u>
<u>\$ 75,748</u>	<u>\$ 148,932</u>	<u>\$ 110,114</u>	<u>\$ 648,383</u>
\$ —	\$ —	\$ 4,630	\$ 4,732
18,741	—	—	18,741
<u>57,007</u>	<u>148,932</u>	<u>105,484</u>	<u>624,910</u>
<u>\$ 75,748</u>	<u>\$ 148,932</u>	<u>\$ 110,114</u>	<u>\$ 648,383</u>

CITY OF NEWPORT

Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 Nonmajor Capital Project Funds
 Year Ended December 31, 2014

	<u>Parks</u>	<u>Equipment Revolving</u>	<u>4th Avenue Ravine</u>
Revenue			
Special assessments	\$ -	\$ -	\$ -
Intergovernmental	4,000	-	-
Investment earnings	41	198	12
Miscellaneous			
Donations	425	-	-
Total revenue	<u>4,466</u>	<u>198</u>	<u>12</u>
Expenditures			
Current			
Parks and recreation	2,702	-	-
Capital outlay	<u>2,817</u>	<u>107,630</u>	<u>-</u>
Total expenditures	<u>5,519</u>	<u>107,630</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	(1,053)	(107,432)	12
Other financing sources			
Transfers in	<u>32,000</u>	<u>278,000</u>	<u>-</u>
Net changes in fund balances	30,947	170,568	12
Fund balances			
Beginning of year	<u>11,408</u>	<u>87,794</u>	<u>12,758</u>
End of year	<u>\$ 42,355</u>	<u>\$ 258,362</u>	<u>\$ 12,770</u>

<u>North Ravine</u>	<u>Highway 61 Project</u>	<u>Buildings</u>	<u>Total</u>
\$ 3,189	\$ —	\$ —	\$ 3,189
—	—	—	4,000
95	179	105	630
—	—	—	425
<u>3,284</u>	<u>179</u>	<u>105</u>	<u>8,244</u>
—	—	—	2,702
—	85,244	4,631	200,322
—	<u>85,244</u>	<u>4,631</u>	<u>203,024</u>
3,284	(85,065)	(4,526)	(194,780)
—	—	70,000	380,000
3,284	(85,065)	65,474	185,220
<u>53,723</u>	<u>233,997</u>	<u>40,010</u>	<u>439,690</u>
<u>\$ 57,007</u>	<u>\$ 148,932</u>	<u>\$ 105,484</u>	<u>\$ 624,910</u>

CITY OF NEWPORT

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual
 Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014		2013	
	Final Budget	Actual	Over (Under) Budget	Actual
Revenue				
Property taxes				
Current ad valorem	\$ 1,735,559	\$ 1,780,332	\$ 44,773	\$ 1,798,043
Fiscal disparities	329,444	288,232	(41,212)	254,961
Fire relief	63,897	63,897	—	65,000
Total property taxes	2,128,900	2,132,461	3,561	2,118,004
Licenses and permits				
Conditional use permits	4,500	2,950	(1,550)	2,050
Licenses and permits	—	1,450	1,450	1,650
Alcoholic beverages	8,300	8,660	360	10,690
Cigarette licenses	500	500	—	1,250
Building permit fees	50,000	60,321	10,321	70,217
Animal licenses/citations	2,000	2,255	255	1,810
Recycling/sanitation	1,000	1,500	500	2,100
Total licenses and permits	66,300	77,636	11,336	89,767
Intergovernmental				
State				
Local governmental aid	627,338	627,489	151	589,360
Police town aid	45,000	53,312	8,312	47,653
Police training reimbursement	2,300	2,314	14	2,771
State fire relief aid	12,500	17,656	5,156	13,776
Other/miscellaneous grants	30,000	18,625	(11,375)	21,262
Total intergovernmental	717,138	719,396	2,258	674,822
Charges for services				
Planning and zoning	1,000	—	(1,000)	—
Accident reports	100	197	97	150
Franchise fees	83,000	80,869	(2,131)	81,904
Miscellaneous	250	11,839	11,589	16,875
Total charges for services	84,350	92,905	8,555	98,929
Fines and forfeits	52,000	66,381	14,381	68,193
Investment earnings	8,000	24,376	16,376	5,598

(continued)

CITY OF NEWPORT

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014		2013	
	Final Budget	Actual	Over (Under) Budget	Actual
Revenue (continued)				
Miscellaneous				
Rent or sale of property	—	5,611	5,611	5,279
Donations	8,000	4,757	(3,243)	6,045
Other	14,000	45,511	31,511	69,293
Total miscellaneous	22,000	55,879	33,879	80,617
Total revenue	3,078,688	3,169,034	90,346	3,135,930
Expenditures				
Current				
General government				
Mayor and City Council				
Personal services	21,314	21,367	53	21,338
Travel/conferences	300	312	12	—
Memberships	100	75	(25)	15
Education	1,000	325	(675)	95
Total Mayor and City Council	22,714	22,079	(635)	21,448
Administration				
Personal services	187,652	181,257	(6,395)	179,588
Insurance	29,399	26,448	(2,951)	23,729
Office supplies	7,500	4,933	(2,567)	6,247
Communications	2,000	1,167	(833)	2,394
Equipment, repairs, and maintenance	14,000	—	(14,000)	—
Travel	1,500	2,297	797	1,281
Printing and publishing	9,000	7,657	(1,343)	6,200
Postage	4,400	3,648	(752)	4,795
Dues and subscriptions	6,600	6,988	388	7,619
Education	4,500	3,774	(726)	2,718
Contractual services	10,000	1,833	(8,167)	7,365
Capital outlay	2,000	4,812	2,812	3,574
Miscellaneous	5,000	7,209	2,209	6,778
Total administration	283,551	252,023	(31,528)	252,288

(continued)

CITY OF NEWPORT

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014		Over (Under) Budget	2013
	Final Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
General government (continued)				
Elections				
Temporary employees	3,000	2,774	(226)	960
Operating supplies	1,300	474	(826)	—
Miscellaneous	750	563	(187)	564
Total elections	<u>5,050</u>	<u>3,811</u>	<u>(1,239)</u>	<u>1,524</u>
Professional services				
Accounting/audit	60,000	61,560	1,560	64,254
Engineering	28,000	2,888	(25,112)	17,534
Legal	72,000	65,414	(6,586)	66,790
IT, phone support, and hardware	45,000	34,710	(10,290)	34,349
Building inspection	15,000	14,442	(558)	23,778
Insurance	64,000	70,937	6,937	70,963
Miscellaneous contracted services	10,000	11,722	1,722	12,973
Total professional services	<u>294,000</u>	<u>261,673</u>	<u>(32,327)</u>	<u>290,641</u>
Planning and zoning				
Personal services	1,938	664	(1,274)	35,031
Operating supplies	700	18	(682)	412
Professional services	30,000	37,447	7,447	21,133
Miscellaneous	1,750	316	(1,434)	676
Capital outlay	—	—	—	589
Total planning and zoning	<u>34,388</u>	<u>38,445</u>	<u>4,057</u>	<u>57,841</u>
Composting				
Personal services	4,500	4,373	(127)	4,364
Operating supplies	50	80	30	30
Miscellaneous	600	473	(127)	4,483
Total composting	<u>5,150</u>	<u>4,926</u>	<u>(224)</u>	<u>8,877</u>
Special projects				
Special contributions	2,000	309	(1,691)	1,621
Miscellaneous				
Contingency	10,000	9,150	(850)	4,200

(continued)

CITY OF NEWPORT

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014		2013	
	Final Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
General government (continued)				
Government buildings				
City Hall				
Operating supplies	100	165	65	318
Repairs and maintenance	6,500	156	(6,344)	2,014
Utilities	8,000	8,333	333	8,269
Capital outlay	4,000	670	(3,330)	1,301
Total City Hall	18,600	9,324	(9,276)	11,902
Library				
Personnel	13,145	12,445	(700)	15,477
Operating supplies	500	717	217	808
Repairs and maintenance	750	26	(724)	903
Utilities	5,100	3,949	(1,151)	3,979
Capital outlay	4,900	519	(4,381)	4,051
Total library	24,395	17,656	(6,739)	25,218
Railroad tower				
Repairs and maintenance	300	—	(300)	—
Utilities	800	380	(420)	567
Total railroad tower	1,100	380	(720)	567
Total government buildings	44,095	27,360	(16,735)	37,687
Total general government	700,948	619,776	(81,172)	676,127
Public safety				
Police department				
Personal services	636,519	658,241	21,722	618,878
Insurance	86,448	86,940	492	74,688
Office supplies	3,300	3,243	(57)	5,250
Communications – telephones and pagers	3,000	4,070	1,070	3,374
Vehicle supplies	6,000	3,040	(2,960)	5,876
Tools and equipment	1,000	941	(59)	807
Fuel	27,500	26,155	(1,345)	26,818

(continued)

CITY OF NEWPORT

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014		Over (Under) Budget	2013
	Final Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Public safety (continued)				
Police department (continued)				
Uniforms	8,500	6,156	(2,344)	7,501
Travel	—	264	264	—
Departmental services	8,500	8,126	(374)	7,257
Memberships and conferences	450	275	(175)	207
Education	5,500	5,811	311	5,203
Vehicle repair and maintenance	4,000	2,976	(1,024)	5,080
Dispatch	35,200	40,141	4,941	32,042
MDT lease – Washington County	6,000	6,000	—	5,625
Capital outlay	7,500	7,598	98	—
Total police department	839,417	859,977	20,560	798,606
Fire Station No. 1				
Operating supplies	500	—	(500)	—
Repairs and maintenance	1,000	971	(29)	1,251
Utilities	7,500	8,391	891	8,167
Capital outlay	1,500	—	(1,500)	6,539
Total Fire Station No. 1	10,500	9,362	(1,138)	15,957
Fire Station No. 2				
Operating supplies	500	—	(500)	63
Utilities	1,800	2,542	742	2,489
Capital outlay	—	185	185	—
Total Fire Station No. 2	2,300	2,727	427	2,552
Fire protection				
Personal services	42,900	30,698	(12,202)	32,721
Insurance	6,300	8,068	1,768	8,309
Office supplies	2,500	173	(2,327)	826
Vehicle supplies	15,800	10,073	(5,727)	13,758
Tools and equipment	4,000	3,258	(742)	1,588
Fuel	2,300	3,236	936	5,656
Uniforms	1,000	195	(805)	—
Communication	1,550	1,596	46	1,507
Travel and conferences	800	389	(411)	587

(continued)

CITY OF NEWPORT

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014		2013	
	Final Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Public safety (continued)				
Fire protection (continued)				
Memberships and subscriptions	800	534	(266)	809
Education	8,000	2,280	(5,720)	6,691
Repairs and maintenance	850	25	(825)	315
Contractual	6,500	8,060	1,560	2,869
Fire relief	63,897	63,897	–	69,213
State fire relief aid	12,500	20,656	8,156	19,687
Capital outlay	15,000	14,808	(192)	21,172
Total fire protection	<u>184,697</u>	<u>167,946</u>	<u>(16,751)</u>	<u>185,708</u>
Total public safety	1,036,914	1,040,012	3,098	1,002,823
Public works				
Streets				
Personal services	132,181	144,286	12,105	139,092
Insurance	37,242	56,000	18,758	44,949
Materials and supplies	50,000	46,904	(3,096)	52,545
Vehicle supplies	15,000	13,450	(1,550)	10,805
Small tools and equipment	2,000	2,752	752	1,114
Fuel	15,000	14,010	(990)	17,745
Uniforms	4,000	1,014	(2,986)	1,496
Communications	9,000	1,551	(7,449)	1,385
Rentals	3,000	–	(3,000)	51
Seal coat	80,000	79,379	(621)	96,731
Repairs and maintenance	5,000	3,942	(1,058)	231
Miscellaneous contractual	10,000	9,233	(767)	6,213
Miscellaneous	4,400	855	(3,545)	3,049
Capital outlay	2,000	–	(2,000)	11,060
Total streets	<u>368,823</u>	<u>373,376</u>	<u>4,553</u>	<u>386,466</u>

(continued)

CITY OF NEWPORT

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014		Over (Under) Budget	2013
	Final Budget	Actual		Actual
Expenditures (continued)				
Current (continued)				
Public works (continued)				
Public works garage				
Operating supplies	1,000	2,076	1,076	4,046
Repairs and maintenance	1,500	1,399	(101)	1,702
Utilities	12,500	18,475	5,975	19,140
Capital outlay	2,000	10,776	8,776	—
Total public works garage	<u>17,000</u>	<u>32,726</u>	<u>15,726</u>	<u>24,888</u>
Total public works	385,823	406,102	20,279	411,354
Parks and recreation				
Parks				
Personal services	235,674	233,424	(2,250)	295,221
Insurance	45,966	46,710	744	48,232
Operating supplies	10,000	5,454	(4,546)	4,415
Vehicle supplies	5,000	4,088	(912)	4,731
Tools and minor equipment	3,000	1,636	(1,364)	—
Fuel	7,500	7,906	406	5,586
Uniforms	1,500	1,205	(295)	2,690
Rental	1,500	—	(1,500)	—
Communications	1,500	572	(928)	743
Miscellaneous	500	464	(36)	1,525
Miscellaneous contractual	10,000	9,681	(319)	8,790
Capital outlay	17,000	3,609	(13,391)	8,018
Total parks	<u>339,140</u>	<u>314,749</u>	<u>(24,391)</u>	<u>379,951</u>
Park buildings				
Operating supplies	500	—	(500)	—
Repairs and maintenance	500	467	(33)	1,871
Utilities	5,000	5,636	636	4,963
Total park buildings	<u>6,000</u>	<u>6,103</u>	<u>103</u>	<u>6,834</u>

(continued)

CITY OF NEWPORT

General Fund
 Schedule of Revenue, Expenditures, and Changes in Fund Balances
 Budget and Actual (continued)
 Year Ended December 31, 2014
 (With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014		2013	
	Final Budget	Actual	Over (Under) Budget	Actual
Expenditures (continued)				
Current (continued)				
Parks and recreation (continued)				
Recreation				
Personal services	2,700	2,486	(214)	2,733
Supplies	500	311	(189)	342
Total recreation	<u>3,200</u>	<u>2,797</u>	<u>(403)</u>	<u>3,075</u>
Total parks and recreation	<u>348,340</u>	<u>323,649</u>	<u>(24,691)</u>	<u>389,860</u>
Total expenditures	<u>2,472,025</u>	<u>2,389,539</u>	<u>(82,486)</u>	<u>2,480,164</u>
Excess of revenue over expenditures	606,663	779,495	172,832	655,766
Other financing (uses)				
Transfers (out)				
Economic Development Authority	(218,500)	(218,500)	—	(246,250)
Heritage Preservation Fund	(7,200)	(7,200)	—	(7,200)
Building Fund	(70,000)	(70,000)	—	(40,000)
Equipment Revolving Fund	(278,000)	(278,000)	—	(75,000)
Parks Fund	(32,000)	(32,000)	—	(57,000)
Total other financing (uses)	<u>(605,700)</u>	<u>(605,700)</u>	<u>—</u>	<u>(425,450)</u>
Net change in fund balances	<u>\$ 963</u>	173,795	<u>\$ 172,832</u>	230,316
Fund balances				
Beginning of year		<u>1,919,091</u>		<u>1,688,775</u>
End of year		<u>\$ 2,092,886</u>		<u>\$ 1,919,091</u>

CITY OF NEWPORT

Combining Statement of Net Position
 Nonmajor Proprietary Funds
 as of December 31, 2014

	Business-Type Activities – Enterprise Funds		
	Street Light	Storm Sewer	Total
Assets			
Current assets			
Cash and temporary investments	\$ 27,563	\$ 15,042	\$ 42,605
Receivables			
Accounts	15,580	8,713	24,293
Prepaid items	77	143	220
Total current assets	<u>43,220</u>	<u>23,898</u>	<u>67,118</u>
Capital assets			
Construction in progress	<u>–</u>	<u>188,000</u>	<u>188,000</u>
Total assets	<u>\$ 43,220</u>	<u>\$ 211,898</u>	<u>\$ 255,118</u>
Current liabilities			
Current liabilities			
Accounts payable	\$ 3,969	\$ –	\$ 3,969
Accrued interest	<u>–</u>	<u>1,717</u>	<u>1,717</u>
Total current liabilities	<u>3,969</u>	<u>1,717</u>	<u>5,686</u>
Noncurrent liabilities			
Bonds payable	<u>–</u>	<u>188,000</u>	<u>188,000</u>
Premium on bonds	<u>–</u>	<u>7,589</u>	<u>7,589</u>
Total noncurrent liabilities	<u>–</u>	<u>195,589</u>	<u>195,589</u>
Total liabilities	3,969	197,306	201,275
Net position			
Net investment in capital assets	<u>–</u>	<u>(7,589)</u>	<u>(7,589)</u>
Unrestricted	<u>39,251</u>	<u>22,181</u>	<u>61,432</u>
Total net position	<u>39,251</u>	<u>14,592</u>	<u>53,843</u>
Total liabilities and net position	<u>\$ 43,220</u>	<u>\$ 211,898</u>	<u>\$ 255,118</u>

CITY OF NEWPORT

Combining Statement of Revenue, Expenses, and Changes in Net Position
 Nonmajor Proprietary Funds
 Year Ended December 31, 2014

	Business-Type Activities – Enterprise Funds		
	Street Light	Storm Sewer	Total
Operating revenue			
Street light charges	\$ 65,440	\$ –	\$ 65,440
Storm sewer charges	–	41,739	41,739
Total operating revenue	65,440	41,739	107,179
Operating expenses			
Salaries	6,349	6,349	12,698
Employee benefits	944	944	1,888
Insurance	1,083	1,083	2,166
Utilities	43,458	–	43,458
Professional services	–	22,457	22,457
Miscellaneous	16	4,524	4,540
Total operating expenses	51,850	35,357	87,207
Operating income	13,590	6,382	19,972
Nonoperating revenue (expenses)			
Investment earnings	39	32	71
Interest and fiscal charges	–	(5,726)	(5,726)
Total nonoperating revenue (expenses)	39	(5,694)	(5,655)
Income (loss) before transfers	13,629	688	14,317
Transfers out	–	(2,903)	(2,903)
Change in net position	13,629	(2,215)	11,414
Net position			
Beginning of year	25,622	16,807	42,429
End of year	\$ 39,251	\$ 14,592	\$ 53,843

CITY OF NEWPORT

Comparative Schedule of Revenue, Expenses, and Changes in Net Position
 Water Fund
 Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenue		
Water sales	\$ 266,575	\$ 245,452
Permits and licenses	315	1,620
Total operating revenue	<u>266,890</u>	<u>247,072</u>
Operating expenses		
Salaries	91,579	77,159
Employee benefits	18,657	15,968
Insurance	14,540	12,596
Supplies	30,678	19,274
Utilities	29,618	33,267
Depreciation	65,851	74,999
Other	77,468	46,138
Total operating expenses	<u>328,391</u>	<u>279,401</u>
Operating income (loss)	(61,501)	(32,329)
Nonoperating revenue (expenses)		
Investment earnings	591	416
Interest and fiscal charges	(10,108)	(8,023)
Total nonoperating revenue (expenses)	<u>(9,517)</u>	<u>(7,607)</u>
Income (loss) before transfers	(71,018)	(39,936)
Transfers (out)	<u>(2,748)</u>	<u>-</u>
Change in net position	(73,766)	(39,936)
Net position		
Beginning of year	<u>1,886,337</u>	<u>1,926,273</u>
End of year	<u>\$ 1,812,571</u>	<u>\$ 1,886,337</u>

CITY OF NEWPORT

Comparative Schedule of Revenue, Expenses, and Changes in Net Position
Sewer Fund
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenue		
Sewer charges	\$ 375,115	\$ 379,223
Permits and licenses	315	315
Total operating revenue	<u>375,430</u>	<u>379,538</u>
Operating expenses		
Salaries	91,540	78,224
Employee benefits	18,685	16,339
MCES sewer charges	249,564	156,338
Insurance	18,725	15,496
Supplies	7,546	5,300
Utilities	12,255	10,225
Depreciation	95,525	33,014
Other	14,885	3,523
Total operating expenses	<u>508,725</u>	<u>318,459</u>
Operating income (loss)	(133,295)	61,079
Nonoperating revenue (expense)		
State grant and aids	7,450	1,500
Interest earnings	911	598
Interest and fiscal charges	(24,360)	(10,533)
Total nonoperating revenue (expense)	<u>(15,999)</u>	<u>(8,435)</u>
Income (loss) before transfers	(149,294)	52,644
Transfers (out)	<u>(16,731)</u>	<u>—</u>
Change in net position	(166,025)	52,644
Net position		
Beginning of year	<u>1,765,029</u>	<u>1,712,385</u>
End of year	<u>\$ 1,599,004</u>	<u>\$ 1,765,029</u>

CITY OF NEWPORT

Comparative Schedule of Revenue, Expenses, and Changes in Net Position
 Street Light Fund
 Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenue		
Street light charges	\$ 65,440	\$ 57,470
Operating expenses		
Salaries	6,349	-
Employee benefits	944	-
Insurance	1,083	-
Utilities	43,458	48,400
Miscellaneous	16	5
Total operating expenses	<u>51,850</u>	<u>48,405</u>
Operating income	13,590	9,065
Nonoperating revenue		
Interest earnings	<u>39</u>	<u>12</u>
Change in net position	13,629	9,077
Net position		
Beginning of year	<u>25,622</u>	<u>16,545</u>
End of year	<u>\$ 39,251</u>	<u>\$ 25,622</u>

CITY OF NEWPORT

Comparative Schedule of Revenue, Expenses, and Changes in Net Position
 Storm Sewer Fund
 Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenue		
Storm sewer charges	\$ 41,739	\$ 22,547
Operating expenses		
Salaries	6,349	-
Employee benefits	944	-
Insurance	1,083	-
Professional services	22,457	20,000
Miscellaneous	4,524	6,933
Total operating expenses	<u>35,357</u>	<u>26,933</u>
Operating income (loss)	6,382	(4,386)
Nonoperating revenue (expenses)		
Interest earnings	32	18
Interest and fiscal charges	(5,726)	-
Total nonoperating revenue (expenses)	<u>(5,694)</u>	<u>18</u>
Income (loss) before transfers	688	(4,368)
Transfers out	<u>(2,903)</u>	<u>-</u>
Change in net position	(2,215)	(4,368)
Net position		
Beginning of year	<u>16,807</u>	<u>21,175</u>
End of year	<u>\$ 14,592</u>	<u>\$ 16,807</u>

OTHER INFORMATION SECTION

CITY OF NEWPORT

General Fund Revenue by Source
Last Ten Fiscal Years

Fiscal Year	Taxes Ad Valorem	Licenses and Permits	Intergovernmental Revenue	Charges for Services	Fines and Forfeits	Other	Total
2005	\$ 1,420,722	\$ 87,093	\$ 566,896	\$ 28,611	\$ 71,065	\$ 35,713	\$ 2,210,100
2006	1,439,535	83,106	735,158	47,161	67,983	35,074	2,408,017
2007	1,567,725	127,610	775,644	65,820	92,431	41,611	2,670,841
2008	1,605,806	49,556	735,823	74,150	68,970	27,851	2,562,156
2009	1,621,491	58,189	960,484	77,659	44,362	19,105	2,781,290
2010	1,770,305	95,967	681,760	65,760	52,659	29,037	2,695,488
2011	2,014,552	83,258	714,480	79,732	70,006	126,871	3,088,899
2012	2,113,254	75,652	692,136	93,339	58,234	194,075	3,226,690
2013	2,118,004	89,767	674,822	98,929	68,193	86,215	3,135,930
2014	2,132,461	77,636	719,396	92,905	66,381	80,255	3,169,034

CITY OF NEWPORT

General Fund Expenditures by Function
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Public Works</u>	<u>Parks and Recreation</u>	<u>Capital Outlay</u>	<u>Total</u>
2005	\$ 595,325	\$ 823,174	\$ 358,418	\$ 226,317	\$ -	\$ 2,003,234
2006	646,651	889,690	324,662	211,530	-	2,072,533
2007	723,768	933,206	448,252	206,695	-	2,311,921
2008	757,078	962,786	539,004	246,688	-	2,505,556
2009	897,309	972,500	400,331	280,417	215,215	2,765,772
2010	740,140	930,242	399,078	284,025	46,031	2,399,516
2011	809,100	989,367	449,533	336,573	26,930	2,611,503
2012	700,253	964,427	503,054	260,114	51,169	2,479,017
2013	666,612	975,112	400,294	381,842	56,304	2,480,164
2014	613,775	1,017,606	395,326	320,040	42,792	2,389,539

Note: In fiscal 2009, the City started to separate certain capital outlay into a separate category in the General Fund.

CITY OF NEWPORT

Property Tax Levies and Receivables
Last Ten Fiscal Years

For Taxes Collectible	Original Levy Certified			Uncollected Taxes Receivable as of December 31, 2014	
	Local Levy	Fiscal Disparities	Total Levy	Amount	Percent
2005	\$ 1,290,229	\$ 200,573	\$ 1,490,802	\$ -	- %
2006	1,414,587	194,774	1,609,361	3,758	0.2
2007	1,470,699	229,301	1,700,000	699	0.0
2008	1,549,222	223,628	1,772,850	2,872	0.2
2009	1,524,176	256,261	1,780,437	3,292	0.2
2010	1,714,828	257,472	1,972,300	4,327	0.2
2011	1,972,163	318,837	2,291,000	6,355	0.3
2012	1,999,196	311,804	2,311,000	19,674	0.9
2013	2,063,428	287,572	2,351,000	17,324	0.7
2014	2,086,247	329,444	2,415,691	27,596	1.1
				<u>85,897</u>	
Tax Increments Collectible					
2005	\$ 329,403	\$ -	\$ 329,403	\$ -	- %
2006	315,439	-	315,439	-	-
2007	349,612	-	349,612	-	-
2008	362,676	-	362,676	-	-
2009	368,366	-	368,366	-	-
2010	412,015	-	412,015	-	-
2011	-	-	-	-	-
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
				<u>-</u>	
				<u>-</u>	
				<u>\$ 85,897</u>	

Source: Washington County

CITY OF NEWPORT

Tax Capacities
Last Ten Fiscal Years

Taxes Payable Year	Tax Capacities		Fiscal Disparities Adjustment to Tax Capacity	Tax Increment Adjustment to Tax Capacity	Taxable Tax Capacity
	Real Property	Personal Property			
2005	\$ 3,313,869	\$ 106,236	\$ (396,056)	\$ (300,152)	\$ 2,723,897
2006	3,484,558	116,422	(414,502)	(293,452)	2,893,026
2007	3,819,541	120,052	(409,985)	(328,501)	3,201,107
2008	3,972,247	117,824	(469,114)	(339,552)	3,281,405
2009	4,195,052	120,186	(503,975)	(350,780)	3,460,483
2010	4,026,435	113,498	(592,742)	(350,453)	3,196,738
2011	3,741,949	125,202	(594,438)	–	3,272,713
2012	3,507,580	136,990	(552,806)	–	3,091,764
2013	3,360,643	137,604	(583,921)	–	2,914,326
2014	3,340,253	141,958	(586,835)	–	2,895,376

Note: Tax capacity is calculated by applying class rate (for specific property classifications such as residential, commercial, etc.) to the assessed market value. Class rates are periodically changed by the state.

Source: Washington County

OTHER REQUIRED REPORTS

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the City Council and Management
City of Newport, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newport, Minnesota (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated **INSERT DATE**.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City’s financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2014-001 and 2014-002 to be material weaknesses.

(continued)

COMPLIANCE AND OTHER MATTERS

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

CITY'S RESPONSES TO FINDINGS

The City's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The City's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

Minneapolis, Minnesota

INSERT DATE

INDEPENDENT AUDITOR'S REPORT
ON MINNESOTA LEGAL COMPLIANCE

To the City Council and Management
City of Newport, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Newport, Minnesota (the City) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated INSERT DATE.

MINNESOTA LEGAL COMPLIANCE

The *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, promulgated by the Office of the State Auditor pursuant to Minnesota Statute § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Political Subdivisions*, except as described in the Schedule of Findings and Responses as item 2014-003. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions.

The City's response to the legal compliance finding identified in our audit has been included in the Schedule of Findings and Responses. The City's response was not subject to the auditing procedures applied in our audit of the financial statements and, accordingly, we express no opinion on it.

PURPOSE OF THIS REPORT

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

Minneapolis, Minnesota
INSERT DATE

CITY OF NEWPORT

Schedule of Findings and Responses
Year Ended December 31, 2014

A. FINDINGS – FINANCIAL STATEMENT AUDIT

MATERIAL WEAKNESSES

2014-001 Segregation of Duties

Criteria – Internal control over financial reporting.

Condition – The City of Newport, Minnesota (the City) has limited segregation of duties over processing of cash receipts, cash disbursements, payroll, general journal entries, and utility billing transactions.

Context – This is a current year and prior year finding.

Cause – The limited segregation of duties is primarily caused by the limited size of the City's office staff.

Effect – One important element of internal accounting controls is an adequate segregation of duties such that no individual has responsibility to execute a transaction, have physical access to the related assets, and have responsibility or authority to record the transaction. A lack of segregation of duties subjects the City to a higher risk that errors or fraud could occur and not be detected in a timely manner in the normal course of business.

Recommendation – We recommend that the City continue its efforts to segregate duties as best it can within the limits of what the City considers to be cost beneficial.

Corrective Action Plan

Actions Planned – The City intends to review the transaction cycles identified above and work with the City's financial auditors to review specific weaknesses identified during the annual audit and actions needed to eliminate or mitigate this internal control weakness. Upon completion of this review, the City will weigh the related costs and benefits associated with implementation changes needed to eliminate this condition.

Official Responsible – City Administrator.

Planned Completion Date – December 31, 2015.

Disagreement With or Explanation of Finding – The City is in agreement with this finding.

Plan to Monitor – The City Administrator will make the entire business office aware of its objective to address this condition and supervise the progress of planned actions during the year.

CITY OF NEWPORT

Schedule of Findings and Reponses (continued)
Year Ended December 31, 2014

A. FINDINGS – FINANCIAL STATEMENT AUDIT (CONTINUED)

MATERIAL WEAKNESSES (CONTINUED)

2014-002 Preparation of Financial Statements

Criteria – Management is responsible for establishing and maintaining effective internal controls. These controls include the responsibility for preparation, or oversight of the preparation, of the financial statements in accordance with accounting principles generally accepted in the United States of America.

Condition – Other than the Management’s Discussion and Analysis, the City had our firm prepare the accompanying annual financial statements. Like many similarly-sized organizations, the City requested assistance from us with the drafting of the annual financial statements and related notes. Although this is common practice and may be the most practical and cost-effective method to complete this task, the fact that the City does not have the internal resources available to prepare the annual financial statements is considered a deficiency.

Context – This is a current year and prior year finding.

Cause – The City does not have the internal resources available to prepare its own annual financial statements, and has made the decision that from a cost-benefit perspective, it is more efficient to have the auditor prepare them than to contract with another outside party.

Effect – The auditor prepared the draft of the City’s annual financial statements and disclosures.

Recommendation – We recommend that the City consider whether it is cost-beneficial to either provide training to its internal staff that would enable the City to prepare its own financial statements, or contract with another outside party to prepare them.

Corrective Action Plan

Actions Planned – The City will determine as to whether it is practical and cost-effective for the City or an outside contractor to prepare its financial statements in the future.

Official Responsible – City Administrator.

Planned Completion Date – December 31, 2015.

Disagreement With or Explanation of Finding – The City is in agreement with this finding.

Plan to Monitor – The City Administrator will continue to monitor this deficiency and establish policies and procedures within the limits of the staff available.

CITY OF NEWPORT

Schedule of Findings and Reponses (continued)
Year Ended December 31, 2014

B. FINDINGS – MINNESOTA LEGAL COMPLIANCE AUDIT

2014-003 Withholding Affidavit

Criteria – Minnesota Statute § 270C.66.

Condition – Minnesota Statutes requires political subdivision before making final settlement with any contractor under a contract requiring the employment of employees for wages by said contractor and by subcontractors to obtain a certificate by the Commissioner of Revenue that the contractor or subcontractor has complied with the withholding requirements of Minnesota Statute § 290.92.

Context – One contract we tested was not in compliance with this statute. This is a current year finding.

Cause – This was an oversight by city personnel.

Effect – One contract undertaken in 2014 was not in compliance with this statute.

Recommendation – We recommend that the City review current procedures in place to ensure that certificates are obtained prior to making final settlements.

Corrective Action Plan

Actions Planned – The City will review its procedures to ensure that certificates are obtained in the future.

Official Responsible – City Administrator.

Planned Completion Date – December 31, 2015.

Disagreement With or Explanation of Finding – The City is in agreement with this finding.

Plan to Monitor – The City Administrator will make the entire business office aware of its objective to address this condition and supervise the progress of planned actions during the year.

Management Report
for
City of Newport, Minnesota
December 31, 2014

PRELIMINARY

To the City Council and Management
City of Newport, Minnesota

We have prepared this management report in conjunction with our audit of the City of Newport, Minnesota's (the City) financial statements for the year ended December 31, 2014. The purpose of this report is to provide comments resulting from our audit process and to communicate information relevant to city finances in Minnesota. We have organized this report into the following sections:

- Audit Summary
- Governmental Funds Overview
- Enterprise Funds Overview
- Government-Wide Financial Statements
- Legislative Updates
- Accounting and Auditing Updates

We would be pleased to further discuss any of the information contained in this report or any other concerns that you would like us to address. We would also like to express our thanks for the courtesy and assistance extended to us during the course of our audit.

The purpose of this report is solely to provide those charged with governance of the City, management, and those who have responsibility for oversight of the financial reporting process comments resulting from our audit process and information relevant to city finances in Minnesota. Accordingly, this report is not suitable for any other purpose.

Minneapolis, Minnesota
INSERT DATE

AUDIT SUMMARY

The following is a summary of our audit work, key conclusions, and other information that we consider important or that is required to be communicated to the City Council, administration, or those charged with governance of the City.

OUR RESPONSIBILITY UNDER AUDITING STANDARDS GENERALLY ACCEPTED IN THE UNITED STATES OF AMERICA AND *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2014, and the related notes to the financial statements. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you verbally and in our audit engagement letter. Professional standards also require that we communicate the following information related to our audit.

PLANNED SCOPE AND TIMING OF THE AUDIT

We performed the audit according to the planned scope and timing previously discussed and coordinated in order to obtain sufficient audit evidence and complete an effective audit.

AUDIT OPINION AND FINDINGS

Based on our audit of the City's financial statements for the year ended December 31, 2014:

- We have issued an unmodified opinion on the City's basic financial statements.
- We reported two matters involving the City's internal controls over financial reporting that we consider to be material weaknesses:
 - 1) Due to the limited size of the City's office staff, the City has limited segregation of duties in certain areas.
 - 2) Like many similarly-sized organizations, the City requested assistance from us with the drafting of the annual financial statements and related notes.
- The results of our testing disclosed no instances of noncompliance required to be reported under *Government Auditing Standards*.
- We reported one finding based on our testing of the City's compliance with Minnesota laws and regulations:
 - 1) For one contract we tested, the City did not obtain certification that the contractors complied with the withholding requirements of Minnesota Statutes.

SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 of the notes to basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended December 31, 2014.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

ACCOUNTING ESTIMATES AND MANAGEMENT JUDGMENTS

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

- **Depreciation** – Management's estimates of depreciation expense are based on the estimated useful lives of the assets.
- **Net Other Post-Employment Benefit (OPEB) Liabilities** – Actuarial estimates of the net OPEB obligation is based on eligible participants, estimated future health insurance premiums, and estimated retirement dates.
- **Compensated Absences** – Management's estimate is based on current rates of pay, vacation, and sick leave balances estimated to be paid out as future termination pay.

We evaluated the key factors and assumptions used by management to develop these accounting estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

CORRECTED AND UNCORRECTED MISSTATEMENTS

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Where applicable, management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management, when applicable, were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

DIFFICULTIES ENCOUNTERED IN PERFORMING THE AUDIT

We encountered no significant difficulties in dealing with management in performing and completing our audit.

DISAGREEMENTS WITH MANAGEMENT

For purposes of this report, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

MANAGEMENT REPRESENTATIONS

We have requested certain representations from management that are included in the management representation letter dated **INSERT DATE**.

MANAGEMENT CONSULTATIONS WITH OTHER INDEPENDENT ACCOUNTANTS

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the City’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

OTHER AUDIT FINDINGS OR ISSUES

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

OTHER MATTERS

We applied certain limited procedures to Management’s Discussion and Analysis and the Schedule of Funding Progress for the OPEB Plan, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were not engaged to report on the supplemental information accompanying the financial statements, which are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplemental information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

We were not engaged to report on the introductory section and other information section, which accompany the financial statements, but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

GOVERNMENTAL FUNDS OVERVIEW

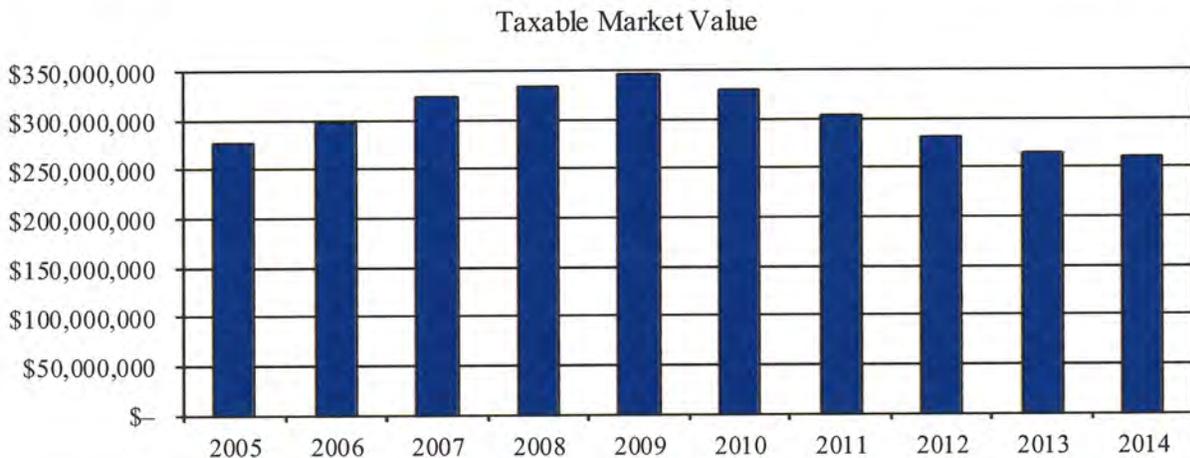
This section of the report provides you with an overview of the financial trends and activities of the City's governmental funds, which includes the General, special revenue, debt service, and capital project funds. These funds are used to account for the basic services the City provides to all of its citizens, which are financed primarily with property taxes. The governmental fund information in the City's financial statements focuses on budgetary compliance, and the sufficiency of each governmental fund's current assets to finance its current liabilities.

PROPERTY TAXES

Minnesota cities rely heavily on local property tax levies to support their governmental fund activities. For the 2013 fiscal year, local property tax levies provided 41.1 percent of the total governmental fund revenues for cities over 2,500 in population, and 35.5 percent for cities under 2,500 in population. Property tax levies certified by Minnesota cities for 2014 increased about 1.6 percent over 2013, compared to an increase of 2.3 percent the prior year. This moderate increase was due in part to a one-year levy limit for 2014 imposed on cities over 2,500 in population.

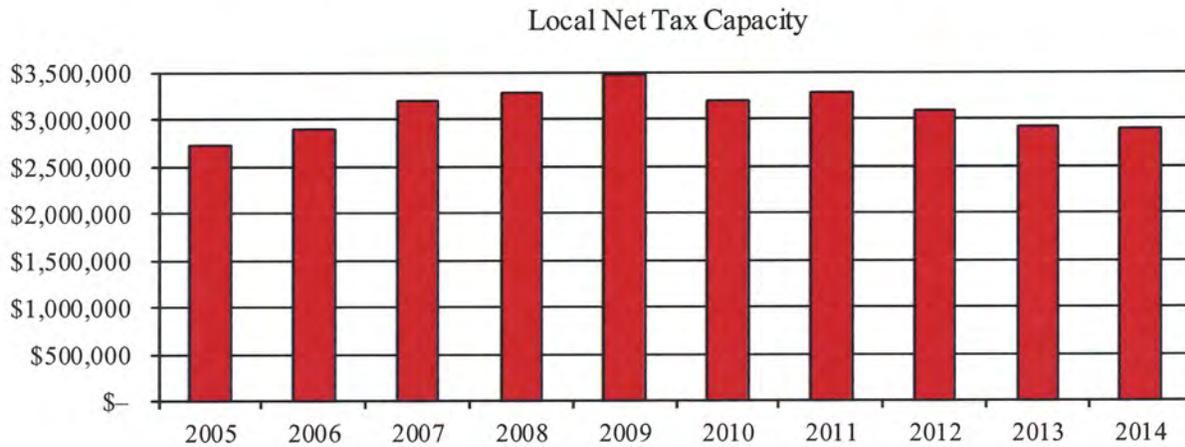
The total market value of Minnesota cities increased about 1.1 percent for the 2014 levy year, ending a four-year trend of declining market values that began in 2010 and peaked with a state-wide decline of about 8.8 percent for levy year 2012. Market values showed modest increases in all property categories for 2014, with the largest gains in agricultural and non-homestead residential properties. Because the assessed valuation used for levying property taxes is based on values from the previous fiscal year (e.g. the market value for taxes payable in 2014 is based on estimated values as of January 1, 2013), market value improvement has lagged behind recent upturns in the housing market and the economy in general.

The City's taxable market value decreased 5.5 percent for taxes payable in 2013 and 1.3 percent for taxes payable in 2014. The following graph shows the City's changes in taxable market value over the past 10 years:



Tax capacity is considered the actual base available for taxation. It is calculated by applying the state’s property classification system to each property’s market value. Each property classification, such as commercial or residential, has a different calculation and uses different rates. Consequently, a city’s total tax capacity will change at a different rate than its total market value, as tax capacity is affected by the proportion of the City’s tax base that is in each property classification from year-to-year, as well as legislative changes to tax rates. The City’s tax capacity decreased 5.7 percent and 0.7 percent for taxes payable in 2013 and 2014, respectively.

The following graph shows the City’s change in tax capacities over the past 10 years:



The following table presents the average tax rates applied to city residents for each of the last two levy years, along with comparative state-wide and metro area rates.

Rates expressed as a percentage of net tax capacity						
	All Cities State-Wide		Seven-County Metro Area		City of Newport	
	2013	2014	2013	2014	2013	2014
Average tax rate						
City	48.8	48.8	46.1	46.0	70.8	72.1
County	48.5	47.6	47.1	46.6	34.2	32.8
School	28.5	28.9	30.3	30.9	41.3	39.2
Special taxing	7.2	7.3	9.4	9.5	5.6	5.4
Total	133.0	132.6	132.9	133.0	151.9	149.5

The City’s portion of the tax rate has been higher than average in recent years, primarily due to the levies financing the City’s street improvement program debt.

GOVERNMENTAL FUND BALANCES

The following table summarizes the changes in the fund balances of the City's governmental funds during the year ended December 31, 2014, presented both by fund balance classification and by fund:

Governmental Funds Change in Fund Balance			
	Fund Balance as of December 31,		Increase (Decrease)
	2014	2013	
Fund balances of governmental funds			
Total by classification			
Nonspendable	\$ 14,769	\$ 16,866	\$ (2,097)
Restricted	1,364,169	1,847,889	(483,720)
Assigned	651,962	361,326	290,636
Unassigned	<u>2,078,117</u>	<u>1,902,225</u>	<u>175,892</u>
 Total – governmental funds	 <u>\$ 4,109,017</u>	 <u>\$ 4,128,306</u>	 <u>\$ (19,289)</u>
Total by fund			
General	\$ 2,092,886	\$ 1,919,091	\$ 173,795
Economic Development Authority	455,982	596,090	(140,108)
Debt service funds	638,361	391,590	246,771
Capital project funds	868,374	1,167,998	(299,624)
Special revenue funds	<u>53,414</u>	<u>53,537</u>	<u>(123)</u>
 Total – governmental funds	 <u>\$ 4,109,017</u>	 <u>\$ 4,128,306</u>	 <u>\$ (19,289)</u>

In total, the fund balances of the City's governmental funds decreased by \$19,289 during the year ended December 31, 2014.

GOVERNMENTAL FUNDS REVENUE AND EXPENDITURES

The following table presents the per capita revenue of the City's governmental funds for the past three years, along with state-wide averages.

We have included the most recent comparative state-wide averages available from the Office of the State Auditor to provide a benchmark for interpreting your City's data. The amounts received from the typical major sources of governmental fund revenue will naturally vary between cities based on factors such as the City's stage of development, location, size and density of its population, property values, services it provides, and other attributes. It will also differ from year-to-year due to the effect of inflation and changes in the City's operation. Also, certain data on these tables may be classified differently than how they appear on the City's financial statements in order to be more comparable to the state-wide information, particularly in separating capital expenditures from current expenditures.

We have designed this section of our management report using per capita data in order to better identify unique or unusual trends and activities of your city. We intend for this type of comparative and trend information to complement, rather than duplicate, information in the Management's Discussion and Analysis. An inherent difficulty in presenting per capita information is the accuracy of the population count, which for most years is based on estimates.

Governmental Funds Revenue per Capita With State-Wide Averages by Population Class						
Year	State-Wide			City of Newport		
	December 31, 2013			2012	2013	2014
Population	2,000-2,500	2,500-10,000	10,000-20,000	3,460	3,479	3,479
Property taxes	\$ 427	\$ 422	\$ 388	\$ 674	\$ 674	\$ 697
Tax increments	34	30	42	-	-	-
Franchise and other taxes	10	31	39	-	-	-
Special assessments	59	63	58	81	87	98
Licenses and permits	22	27	26	22	26	22
Intergovernmental revenues	369	253	268	335	226	218
Charges for services	115	109	84	17	28	27
Other	89	56	33	91	51	48
Total revenue	<u>\$ 1,125</u>	<u>\$ 991</u>	<u>\$ 938</u>	<u>\$ 1,220</u>	<u>\$ 1,092</u>	<u>\$ 1,110</u>

In total, the City's governmental fund revenues for 2014 were \$3,864,024, an increase of \$63,660, or 1.7 percent, from the prior year. The City has historically had a larger percentage of its revenue come in the form of property taxes, and a lower percentage from charges for services than average for Minnesota cities in its population class. The City experienced an increase in total per capita revenue of \$18 in fiscal 2014. The largest increase was in property tax revenues totaling \$23. This increase is related to the increased tax levy in fiscal 2014.

The expenditures of governmental funds will also vary from state-wide averages and from year-to-year, based on the City’s circumstances. Expenditures are classified into three types as follows:

- **Current** – These are typically the general operating type expenditures occurring on an annual basis, and are primarily funded by general sources such as taxes and intergovernmental revenues.
- **Capital Outlay and Construction** – These expenditures do not occur on a consistent basis, more typically fluctuating significantly from year-to-year. Many of these expenditures are project-oriented, and are often funded by specific sources that have benefited from the expenditure, such as special assessment improvement projects.
- **Debt Service** – Although the expenditures for debt service may be relatively consistent over the term of the respective debt, the funding source is the important factor. Some debt may be repaid through specific sources such as special assessments or redevelopment funding, while other debt may be repaid with general property taxes.

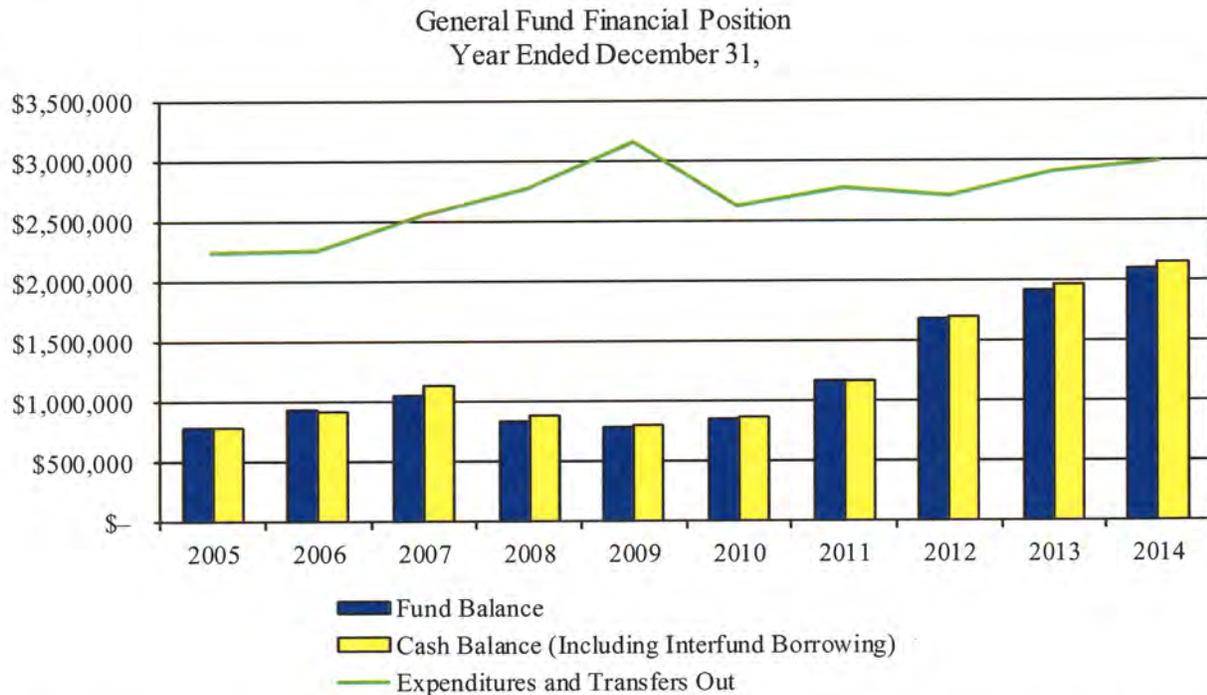
The City’s expenditures per capita of its governmental funds for the past three years, together with state-wide averages, are presented in the following table:

Governmental Funds Expenditures per Capita With State-Wide Averages by Population Class						
Year	State-Wide			City of Newport		
	December 31, 2013			2012	2013	2014
Population	2,000–2,500	2,500–10,000	10,000–20,000	3,460	3,479	3,479
Current						
General government	\$ 175	\$ 129	\$ 100	\$ 252	\$ 194	\$ 180
Public safety	257	244	235	279	280	292
Street maintenance and lighting	132	123	121	145	115	114
Parks and recreation	102	83	99	78	111	97
All other	105	66	73	–	37	114
	<u>\$ 771</u>	<u>\$ 645</u>	<u>\$ 628</u>	<u>\$ 754</u>	<u>\$ 738</u>	<u>\$ 796</u>
Capital outlay and construction	<u>\$ 322</u>	<u>\$ 303</u>	<u>\$ 288</u>	<u>\$ 211</u>	<u>\$ 519</u>	<u>\$ 869</u>
Debt service						
Principal	\$ 203	\$ 164	\$ 133	\$ 89	\$ 109	\$ 114
Interest and fiscal	61	55	43	12	30	32
	<u>\$ 264</u>	<u>\$ 219</u>	<u>\$ 176</u>	<u>\$ 101</u>	<u>\$ 139</u>	<u>\$ 146</u>

Total expenditures in the City’s governmental funds for 2014 were \$6,301,579, an increase of \$1,443,987 from the prior year. The City’s costs for general government are traditionally higher than state-wide averages. General government includes expenditures for the mayor and City Council, administration, elections, professional services, planning and zoning, composting, special projects, and government buildings. All other current expenditures increased related to activities by the Economic Development Authority (EDA). Capital outlay and construction costs increased \$350 per capita due to the ongoing street improvement projects in fiscal 2014.

GENERAL FUND

The City's General Fund accounts for the financial activity of the basic services provided to the community. The primary services included within this fund are the administration of the municipal operation, police and fire protection, building inspection, streets and highway maintenance, and parks and recreation. The graph below illustrates the change in the General Fund financial position over the last 10 years. We have also included a line representing annual expenditures and operating transfers out to reflect the change in the size of the General Fund operation over the same period.

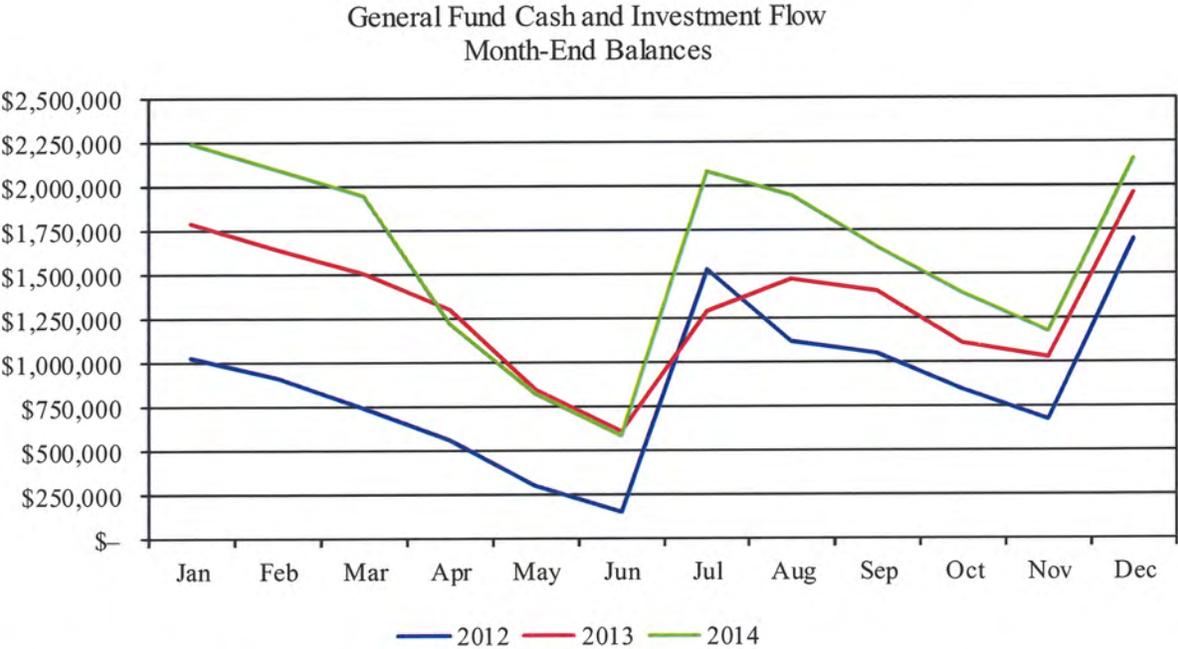


The City's General Fund position improved in 2014 with fund balance increasing by \$173,795 to \$2,092,886. As the graph illustrates, the City has generally been able to maintain healthy cash and fund balance levels as the volume of financial activity has grown. This is an important factor because a government, like any organization, requires a certain amount of equity to operate. A healthy financial position allows the City to avoid volatility in tax rates; helps minimize the impact of state funding changes; allows for the adequate and consistent funding of services, repairs, and unexpected costs; and is a factor in determining the City's bond rating and resulting interest costs. Maintaining an adequate fund balance has become increasingly important given the fluctuations in state funding for cities in recent years.

At December 31, 2014, the City's fund balance as a percentage of 2014 expenditures and transfers is 70.0 percent. The Office of the State Auditor recommends this percentage be between 35 and 50 percent.

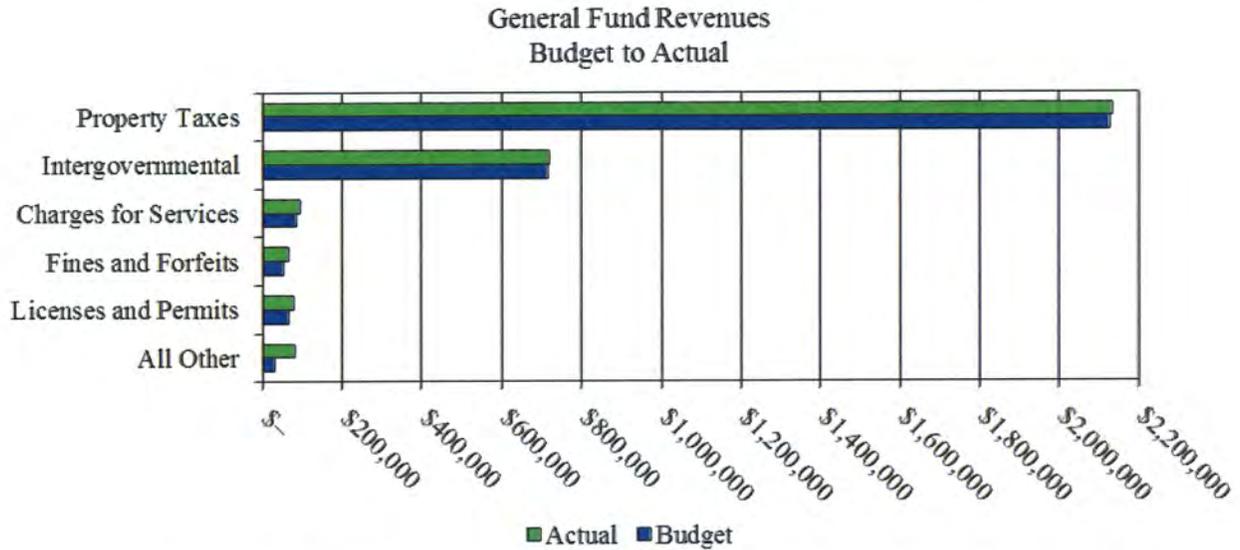
A trend that is typical to Minnesota local governments, especially the General Fund of cities, is the unusual cash flow experienced throughout the year. The City's General Fund cash disbursements are made fairly evenly during the year other than the impact of seasonal services such as snowplowing, street maintenance, and park activities. Cash receipts of the General Fund are quite a different story. Taxes comprise about 68 percent of the fund's total annual revenue. Approximately half of these revenues are received by the City in July and the rest in December. Consequently, the City needs to have adequate cash reserves to finance its everyday operations between these payments.

The following graph illustrates the monthly cash flow of the General Fund for the past three years:



Due to the improved financial condition, the General Fund has maintained positive cash flow throughout the last three years.

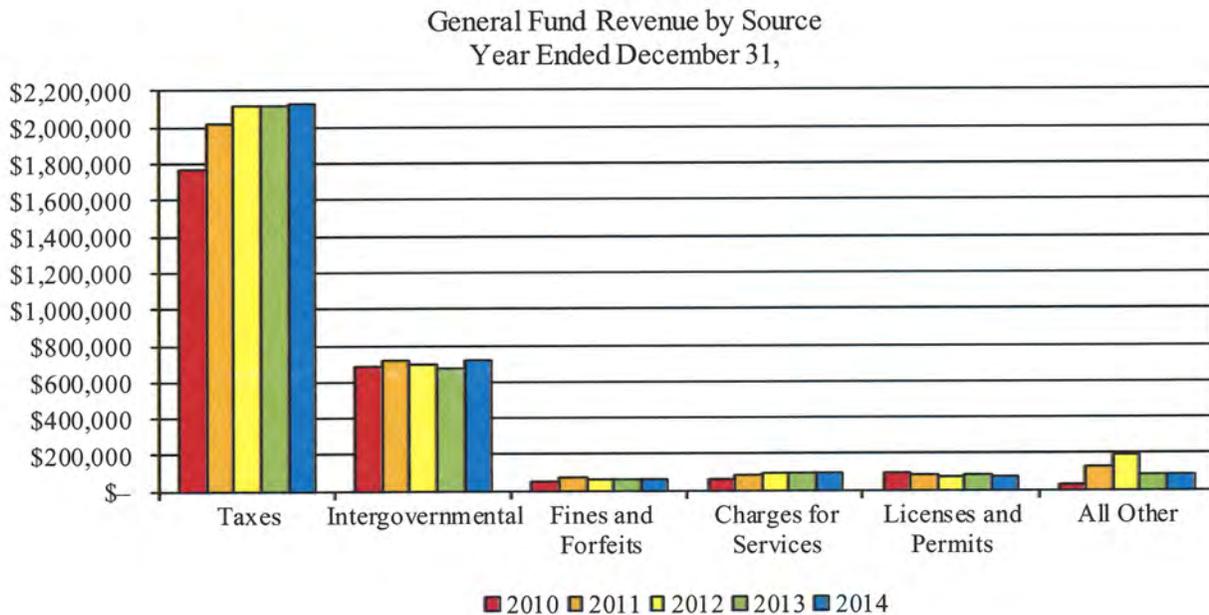
The following chart reflects the City’s General Fund revenue sources for 2014 compared to budget:



General Fund revenue for 2014 was \$3,169,034, which was \$90,346 (2.9 percent) higher than budget.

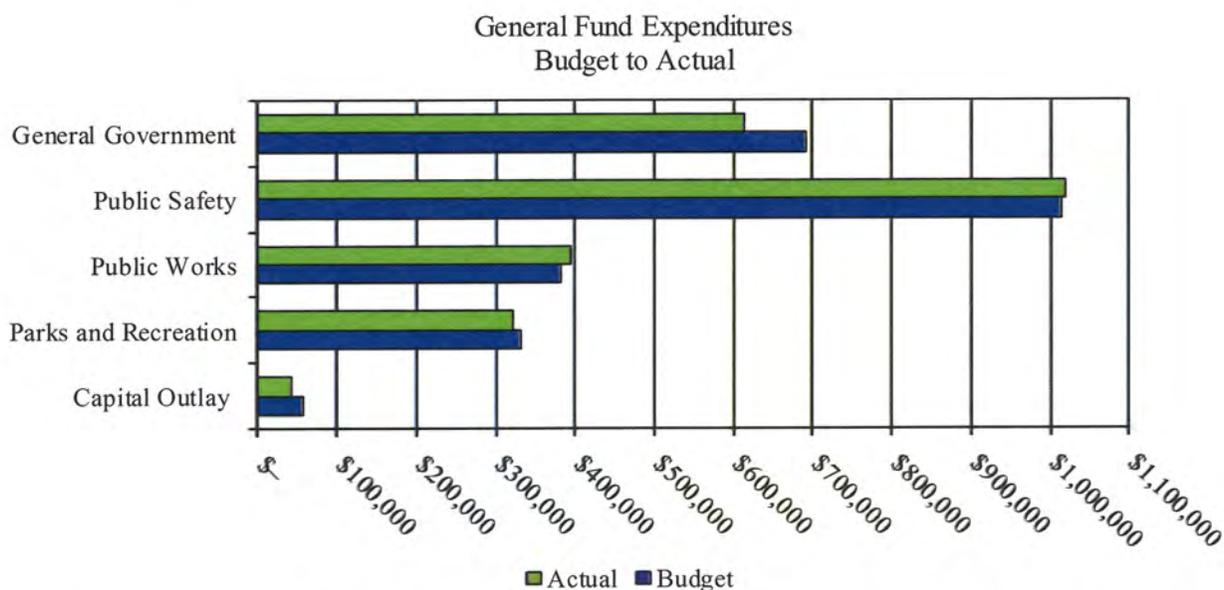
Actual financial results were better than projected due to higher than anticipated revenue in most categories, including other revenue (\$33,879). Most of the other revenue sources were grants and other reimbursements that were not anticipated in the fiscal 2014 budget.

The following chart reflects the City’s General Fund sources of revenue for the past five fiscal years. The graph reflects the City’s reliance on property taxes and other local sources of revenue:



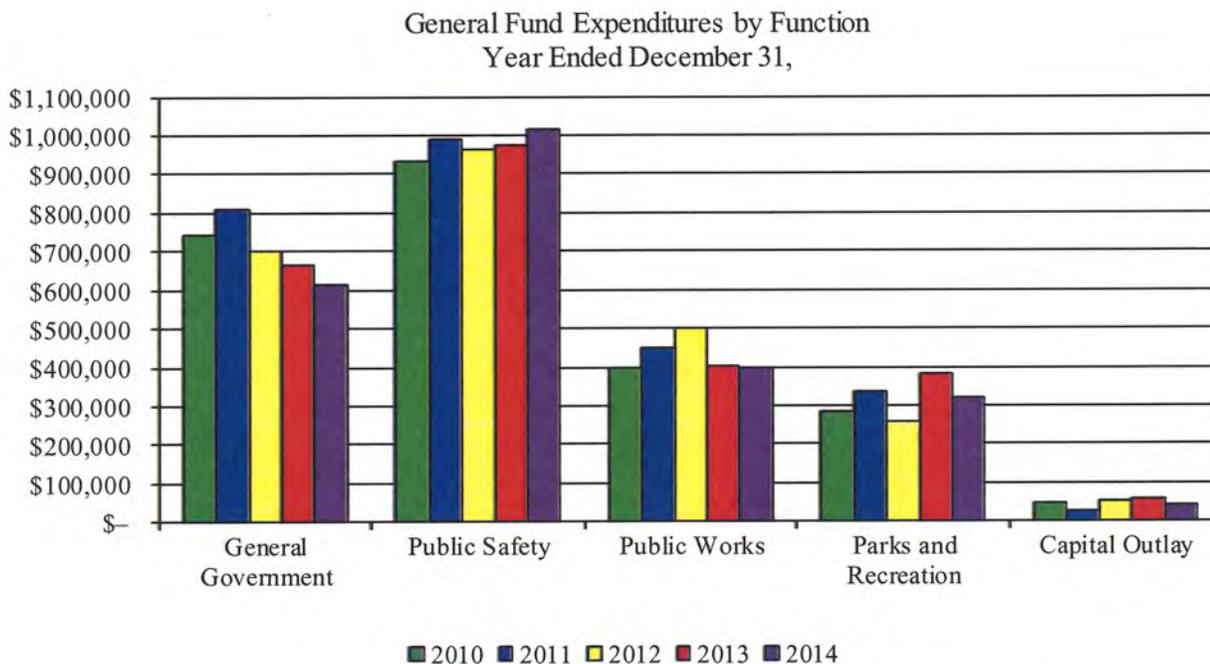
Total General Fund revenue for 2014 was \$33,104 (1.1 percent) higher than last year. Intergovernmental revenues increased by \$44,574 as the City received greater local government aid in fiscal 2014.

The following graphs illustrate the components of General Fund spending for 2014 compared to budget:



Actual expenditures were \$82,486, or 3.3 percent, lower than budgeted amounts. General government expenditures were lower than budget by \$76,273 mostly in administrative costs for equipment, repairs, and maintenance and professional services for engineering.

The following graph provides General Fund expenditures by function for the last five years:



Total General Fund expenditures for 2014 were \$90,625 less than the previous year. Parks and recreation costs decreased \$61,802, mainly in salary costs.

ENTERPRISE FUNDS OVERVIEW

The City maintains a number of enterprise funds to account for services the City provides that are financed primarily through fees charged to those utilizing the service. This section of the report provides you with an overview of the financial trends and activities of the City's enterprise funds, which includes the Water, Sewer, Storm Sewer, and Street Light Utility Funds.

ENTERPRISE FUNDS FINANCIAL POSITION

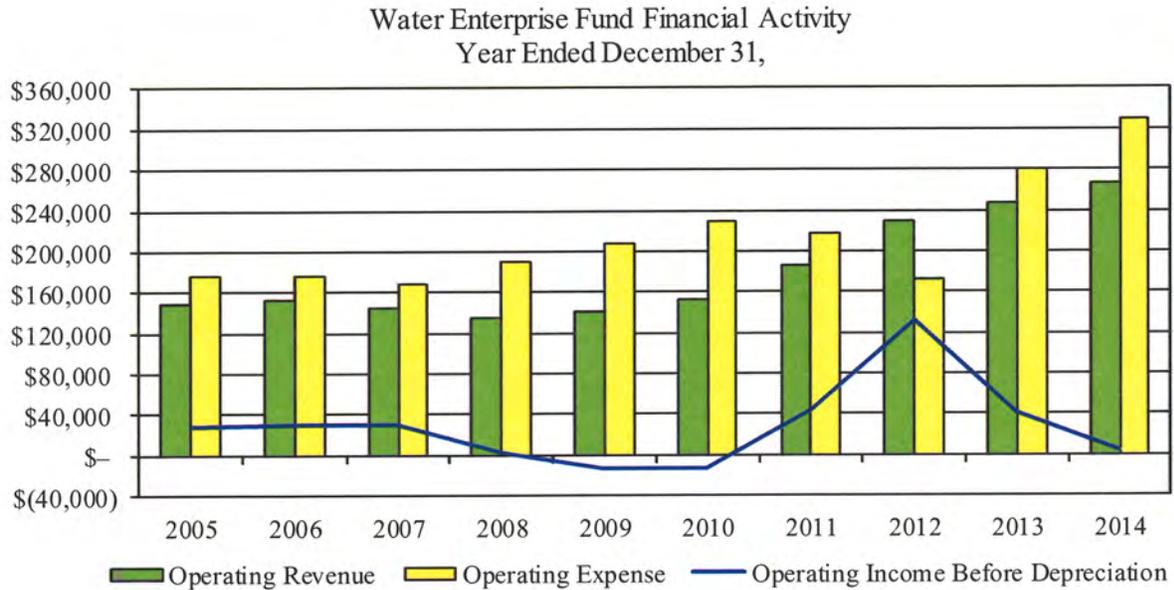
The following table summarizes the changes in the financial position of the City's enterprise funds during the year ended December 31, 2014, presented both by classification and by fund:

Enterprise Funds Change in Financial Position			
	Net Position as of December 31,		Increase (Decrease)
	<u>2014</u>	<u>2013</u>	
Net position of enterprise funds			
Total by classification			
Net investment in capital assets	\$ 2,130,300	\$ 2,309,616	\$ (179,316)
Unrestricted	<u>1,335,118</u>	<u>1,384,179</u>	<u>(49,061)</u>
Total enterprise funds	<u>\$ 3,465,418</u>	<u>\$ 3,693,795</u>	<u>\$ (228,377)</u>
Total by fund			
Water	\$ 1,812,571	\$ 1,886,337	\$ (73,766)
Sewer	1,599,004	1,765,029	(166,025)
Street Light	39,251	25,622	13,629
Storm Sewer	<u>14,592</u>	<u>16,807</u>	<u>(2,215)</u>
Total enterprise funds	<u>\$ 3,465,418</u>	<u>\$ 3,693,795</u>	<u>\$ (228,377)</u>

The significant decline in net investment in capital assets in 2014 relates to the issuance of bonds to finance street improvements in the current year.

WATER ENTERPRISE FUND

At December 31, 2014, the Water Enterprise Fund had a cash balance of \$473,465. Net position for the fund was \$1,812,511, a decrease of \$73,766 from fiscal 2013. Net position consisted of \$1,283,353 of net investment in capital assets and \$529,218 in unrestricted net position.

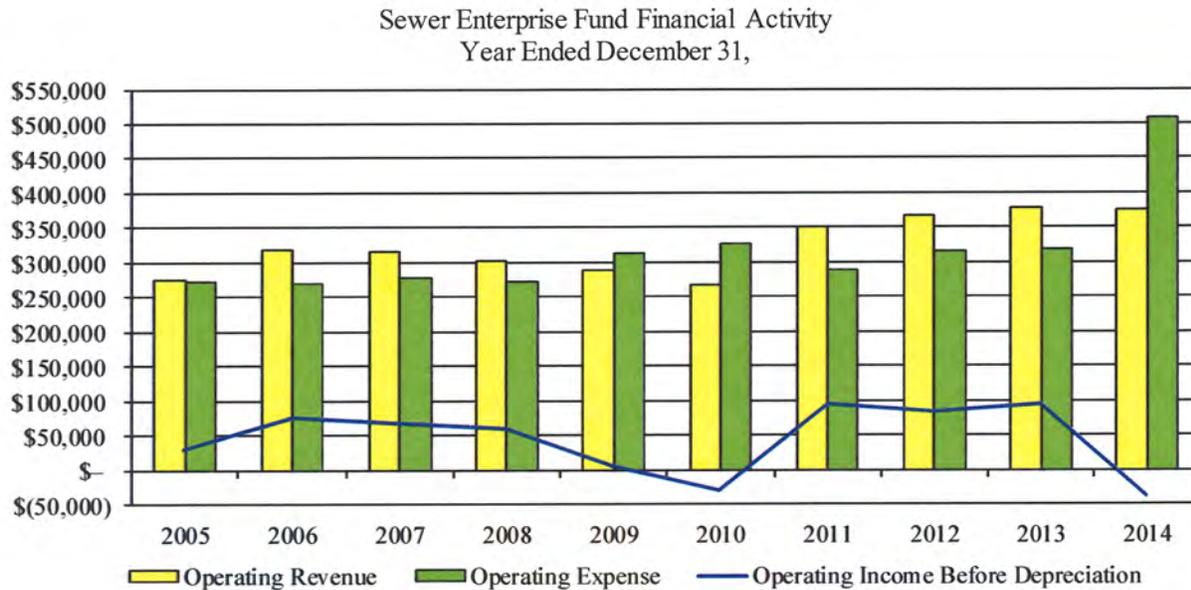


Water Enterprise Fund operating revenues for 2013 were \$266,890, which is an increase of \$19,818 from the previous year.

It is important that water rates also be designed to provide for future repairs and replacement of the infrastructure assets. As seen in the above graph, the revenues of the fund did not fund any future repairs in fiscal 2009 and 2010, which were at least partially funded from fiscal 2004 to 2007 and fiscal 2011 to 2014.

SEWER ENTERPRISE FUND

At December 31, 2014, the Sewer Enterprise Fund had a cash balance of \$712,740 and a net position of \$1,599,004, a decrease of \$166,025 from fiscal 2013. Net position consisted of \$854,536 of net investment in capital assets and \$744,468 of unrestricted net position.



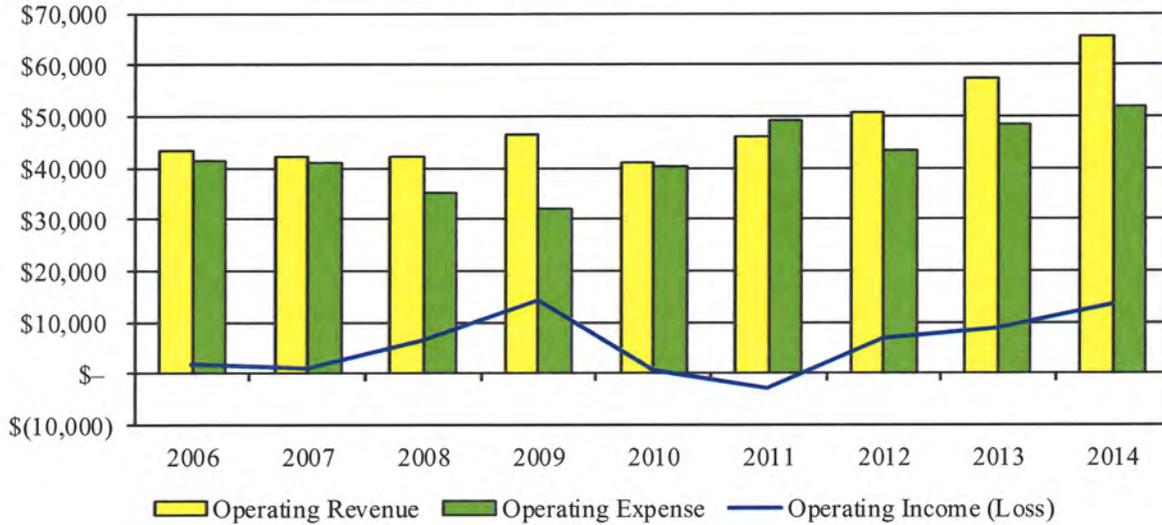
Sewer Enterprise Fund operating revenues for 2014 were \$375,430, which were \$4,108 lower than the previous year. Operating income before depreciation decreased in fiscal 2014 mainly due to increases in Metropolitan Council Environment Services (MCES) sewer charges totaling \$93,226.

It is also important that sewer rates be designed to provide for future repairs and replacement of the infrastructure assets. As seen in the above graph, the fund’s revenues did not fund future repairs in fiscal 2010 and 2014.

STREET LIGHT ENTERPRISE FUND

At December 31, 2014, the Street Light Enterprise Fund had a cash balance of \$27,563 and net position of \$39,251.

Street Light Enterprise Fund Financial Activity
Years Ended December 31,



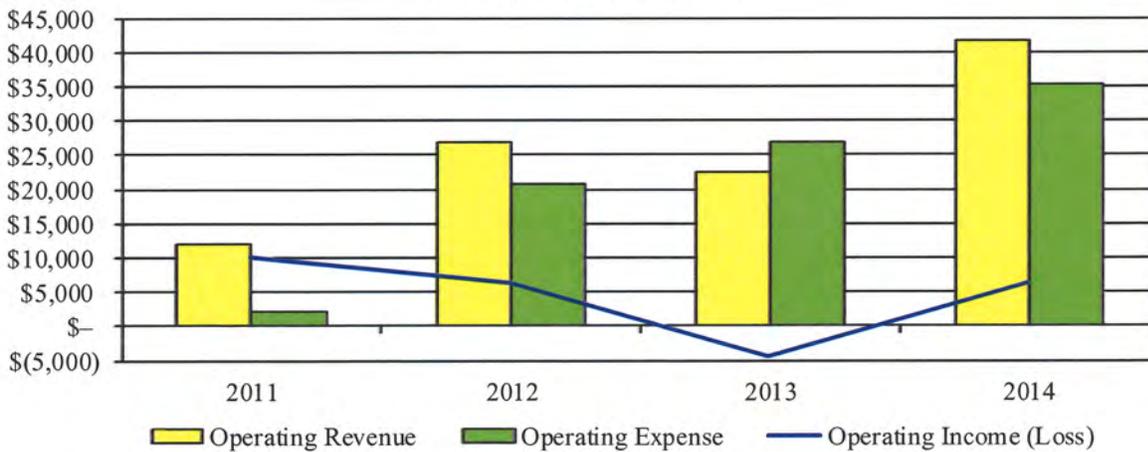
The Street Light Enterprise Fund net position increased \$13,629 in fiscal 2014.

It is important that this fund continue to have positive operating results so not to place an additional burden on other city funds. It is also important that street light rates be designed to fully recover operating costs.

STORM SEWER ENTERPRISE FUND

At December 31, 2014, the Storm Sewer Enterprise Fund had a cash balance of \$15,042 and a net position of \$14,592. The Storm Sewer Enterprise Fund finished the year with a decrease in net position of \$2,215.

Storm Sewer Enterprise Fund Financial Activity
Years Ended December 31,



It is important that storm sewer charges be designed to provide for positive operating results so as not to place an additional burden on other city funds.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

In addition to fund-based information, the current reporting model for governmental entities also requires the inclusion of two government-wide financial statements designed to present a clear picture of the City as a single, unified entity. These government-wide financial statements provide information on the total cost of delivering services, including capital assets and long-term liabilities.

STATEMENT OF NET POSITION

The Statement of Net Position essentially tells you what your city owns and owes at a given point in time, the last day of the fiscal year. Theoretically, net position represents the resources the City has leftover to use for providing services after its debts are settled. However, those resources are not always in spendable form, or there may be restrictions on how some of those resources can be used. Therefore, net position is divided into three components: net investment in capital assets, restricted, and unrestricted.

The following table presents the components of City's net position as of December 31, 2014 and 2013 for governmental activities and business-type activities:

	As of December 31,		Increase (Decrease)
	2014	2013	
Net position			
Governmental activities			
Net investment in capital assets	\$ 8,149,524	\$ 9,043,246	\$ (893,722)
Restricted	1,844,089	1,142,379	701,710
Unrestricted	3,097,413	2,416,910	680,503
Total governmental activities	<u>13,091,026</u>	<u>12,602,535</u>	488,491
Business-type activities			
Net investment in capital assets	2,130,300	2,309,616	(179,316)
Unrestricted	1,335,118	1,384,179	(49,061)
Total business-type activities	<u>3,465,418</u>	<u>3,693,795</u>	(228,377)
Total net position	<u>\$ 16,556,444</u>	<u>\$ 16,296,330</u>	<u>\$ 260,114</u>

The City ended 2014 with combined total net position of \$16,556,444, an increase of \$260,114 from the prior year. This increase relates to the increases in the General Fund and amounts dedicated to pay future debt service.

STATEMENT OF ACTIVITIES

The Statement of Activities tracks the City's yearly revenues and expenses, as well as any other transactions that increase or reduce total net positions. These amounts represent the full cost of providing services. The Statement of Activities provides a more comprehensive measure than just the amount of cash that changed hands, as reflected in the fund-based financial statements. This statement includes the cost of supplies used, depreciation of long-lived capital assets, and other accrual-based expenses.

The following table presents the change in net position of the City for the years ended December 31, 2014 and 2013:

	2014			2013
	Expenses	Program Revenues	Net Change	Net Change
Net (expense) revenue				
Governmental activities				
General government	\$ 639,285	\$ 93,048	\$ (546,237)	\$ (464,181)
Public safety	1,097,034	221,739	(875,295)	(1,003,553)
Public works	1,411,514	977,381	(434,133)	(1,099,430)
Parks and recreation	345,542	10,889	(334,653)	(369,813)
Economic development	395,371	—	(395,371)	(129,571)
Interest on long-term debt	127,856	—	(127,856)	(107,394)
Business-type activities				
Water	338,499	266,890	(71,609)	(40,352)
Sewer	533,085	382,880	(150,205)	52,046
Other	92,933	107,179	14,246	4,679
Total net (expense) revenue	<u>\$ 4,981,119</u>	<u>\$ 2,060,006</u>	(2,921,113)	(2,640,178)
General revenues				
Property taxes			2,345,945	2,361,926
General grants and contributions			671,752	716,372
Other general revenues			129,785	153,225
Investment earnings			33,745	8,469
Total general revenues			<u>3,181,227</u>	<u>3,171,707</u>
Change in net position			<u>\$ 260,114</u>	<u>\$ 82,422</u>

One of the goals of this statement is to provide a side-by-side comparison to illustrate the difference in the way the City's governmental and business-type operations are financed. The table clearly illustrates the dependence of the City's governmental operations on general revenues, such as property taxes and unrestricted grants. It also shows that, for the most part, the City's business-type activities are not generating sufficient program revenues (service charges and program-specific grants) to cover expenses. This is critical given the current downward pressures on the general revenue sources.

LEGISLATIVE UPDATES

The 2014 legislative session began with a projected budget excess for the remainder of the biennium of \$1.09 billion, later revised upward to a projected excess of \$1.23 billion in the February 2014 economic forecast. The Legislature utilized a portion of the projected excess to bolster the state's financial condition; repaying \$246 million "borrowed" from K-12 education through previous financing shifts, and using \$150 million to replenish the state "Rainy Day Fund" budget reserve. The Legislature also approved increases to future funding for local government aid, and expanded the sales tax exemption approved for cities in 2013 to include joint powers entities and other instrumentalities of local government.

The following is a summary of recent legislation affecting Minnesota cities in 2014 and into the future:

Local Government Aid (LGA) – The Legislature completely overhauled the LGA formula for fiscal year 2014 and thereafter, creating a three-tiered formula that includes separate "need factor" calculations for cities with populations under 2,500, between 2,500 and 10,000, or over 10,000. The new formula simplified the LGA calculation, and reduced the volatility of the LGA distribution by limiting the amount it may decline in a given year. Under the new formula, the minimum LGA 2014 distribution for each city was an amount equal to their 2013 LGA. Beginning in 2015, any reduction to a city's calculated LGA distribution will be limited to the lesser of \$10 per capita, or 5 percent of their previous year net tax levy. For cities that gain under the new formula, the increases will be distributed proportionate to their unmet need, as determined by the new "need factor" calculations. The state-wide LGA appropriation was \$507.6 million for fiscal 2014, \$516.9 million for 2015, and \$519.4 million for fiscal 2016 and thereafter.

Sales Tax Exemption – Cities are exempted from paying sales tax on qualifying purchases, effective for purchases made on or after January 1, 2014. Purchases of goods or services by an exempt local government for a publically provided liquor store, gas or electric utility, golf course, marina, campground, café, laundromat, solid waste hauling or recycling operation, or landfill will remain taxable. The definition of "cities" for this statute include both home-rule and statutory cities.

The 2014 Legislature extended the definition of tax exempt local government to include all special district; city, county, or township instrumentalities; economic development authorities; housing and redevelopment authorities; and all joint power boards or organizations. However, this expanded exemption list is not effective until January 1, 2016.

Proposed Property Tax Levy Certification Date – The deadline for cities to certify their proposed annual tax levies was extended from September 15 to September 30.

Agricultural Homestead Market Value Credit – The rate of agricultural homestead market value was increased to a maximum of \$490 at a market value of \$270,000 and over.

Capital Investment Act Requirements – The Legislature approved capital improvement projects totaling about \$1.1 billion under two separate capital investment (bonding) acts. Both require that, to the extent practicable, a public entity receiving an appropriation of public money for a project under these acts must assure those facilities are built with American-made steel.

Authority to Inspect Public Buildings and State-Licensed Facilities – A formal delegation process was established that must be used by the state Department of Labor and Industry (DLI) when delegating the authority to inspect public buildings and state-licensed facilities to local building officials. The new provisions did not alter the circumstances under which the DLI is required to delegate this authority in most circumstances, only the process to be followed. However, for certain smaller construction projects designated as "reserved projects," the DLI is now required to delegate inspection authority to any municipality with a designated building official without going through the formal delegation process.

Open Meeting Law – A change was made to the Open Meeting Law to clarify that the use of social media by members of a public body does not violate the Open Meeting Law if the use is limited to exchanges open to the public. The new statute specifically excludes email but does not otherwise define the term social media.

Deputy Registrar Residency – The statutory requirement that an individual appointed as deputy registrar for a statutory or home-rule charter city be a resident of the county in which the city is located was repealed.

Local Campaign Finance – Changes were made to increase the campaign contribution limits for local elections. For candidates in a territory with a population of 100,000 or less, the contribution limits were raised to \$600 in an election year and \$250 in a non-election year. For candidates in a territory with a population over 100,000, the limits were raised to \$1,000 in an election year and \$250 in a non-election year. In addition, all campaign finance reports required to be filed with a local government must now be published on the local government’s website, if the local government maintains a website.

Data Practices – Several changes were made to address unauthorized access of private data by public employees, requiring local governments to: establish security measures to help ensure private data is only accessible to public employees whose work assignment reasonably requires access to the data, and that the data is only being accessed by those individuals for the purposes of their work assignment; follow the data breach reporting requirements that were previously only applicable to state agencies; and perform annual security assessments of personal information maintained by the entity. The statute also states that accessing private data without authorization is a misdemeanor, and willful violation by a public employee constitutes just cause for suspension without pay or dismissal.

Part-Time Peace Officers – A change in the statutes now prohibits law enforcement agencies from hiring new part-time peace officers, existing part-time peace officers from transferring to new agencies, and the Peace Officer Standards and Training Board from licensing new part-time peace officers. Part-time peace officers that are currently employed may continue to serve indefinitely with their current employer, but must turn in their license upon leaving their current place of employment or otherwise becoming unemployed.

Responsible Contractor Requirement – Contractors who bid on public contracts in excess of \$50,000 are now required to certify that they are a “responsible bidder” in order to be awarded a contract as the lowest responsible bidder or best value alternative. A responsible contractor must be in compliance with various state and federal requirements for income tax, workers’ compensation, unemployment insurance, minimum wage, and safety. City solicitations for bid must include: the definition of “responsible contractor,” which may include criteria in addition to the statutory requirements established by the city, or reference to the statutory definition; a statement that a contractor failing to meet the criteria or verify compliance is ineligible to be awarded or perform work on the contract; a statement that submitting a false verification renders the contractor ineligible and can result in termination of the contract; and a statement requiring the contractor to provide copies of verification forms for all subcontractors upon request. Cities are not obligated to verify any of the information in the contractor verification; and have no liability if reasonably relying on the certification when awarding the contract, or declining to award the contract based on a reasonable determination that a contractor failed to verify compliance.

Disaster Assistance Contingency Fund – A new state account was created to provide emergency cash flow for local governments located in counties declared federal disaster areas. The fund may be used to meet non-federal fund matching requirements to speed the availability of federal funds.

Pensions – A number of changes to the Public Employees Retirement Association (PERA) General Plan were adopted, including:

- The minimum salary threshold for inclusion into the PERA General Plan was changed from \$425 in any one month to \$5,100 on any year for non-school employees or \$3,800 in any year for school employees.
- Employers are required to provide written notice to any employee excluded from membership in the PERA General Plan within two weeks of the determination on a form prescribed by the PERA executive director.
- PERA contribution rates for both employees and employers were increased by 0.25 percent of salary effective January 1, 2015.

ACCOUNTING AND AUDITING UPDATES

GASB STATEMENT NO. 68 – *ACCOUNTING AND FINANCIAL REPORTING FOR PENSIONS*—AN AMENDMENT OF GASB STATEMENT NOS. 27 AND 50

The primary objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. This statement replaces the requirements of GASB Statement Nos. 27 and No. 50, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The requirements of GASB Statement Nos. 27 and No. 50 remain applicable for pensions that are not covered by the scope of this statement.

This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. In addition, this statement details the recognition and disclosure requirements for employers with liabilities (payables) to a defined benefit pension plan and for employers whose employees are provided with defined contribution pensions. This statement also addresses circumstances in which a non-employer entity has a legal requirement to make contributions directly to a pension plan. This statement is effective for financial statements for fiscal years beginning after June 15, 2014. Earlier application is encouraged.

Included in this statement are major changes in how employers that participate in cost-sharing pension plans, such as the Teachers' Retirement Association (TRA) and PERA, account for pension benefit expenses and liabilities. In financial statements prepared using the economic resources measurement focus and accrual basis of accounting (government-wide and proprietary funds), a cost-sharing employer that does not have a special funding situation is required to recognize a liability for its proportionate share of the net pension liability of all employers with benefits provided through the pension plan. A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate share of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions. In addition, the effects of (1) a change in the employer's proportion of the collective net pension liability and (2) differences during the measurement period between the employer's contributions and its proportionate share of the total of contributions from employers included in the collective net pension liability are required to be determined. These effects are required to be recognized in the employer's pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all active and inactive employees that are provided with pensions through the pension plan.

GASB STATEMENT NO. 72 – *FAIR VALUE MEASURE AND APPLICATION*

GASB Statement No. 72 addresses accounting and financial reporting issues related to fair value measurements. The requirements of this statement are intended to enhance comparability among government financial statements by requiring certain assets and liabilities be reported at fair value, using a consistent definition of fair value and accepted valuation techniques. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015, with earlier application encouraged.

GASB Statement No. 72 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are generally assumed to take place in the government's principal or most advantageous market, taking into account the highest and best use for a nonfinancial asset, and assuming market participants would act in their economic best interest. The statement requires a government to use measurement techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value; consistent with a market, (replacement) cost, or income approach. It also establishes a hierarchy of inputs to be used in valuation techniques.

The statement establishes or clarifies the applicability of fair value measurement for certain assets and liabilities. Fair value is generally required for investments, defined as securities or other assets held primarily for the purpose of generating income, or which have a present service capacity based solely on their ability to generate cash. The statement requires measurement at acquisition value for donated capital assets, donated works of art, historical treasures, and capital assets received through a service concession arrangement. The statement also outlines the required financial statement disclosures about fair value measurements, valuation techniques, and the hierarchy of inputs used for valuation.

CHANGES TO REQUIREMENTS FOR FEDERAL GRANTS

In December 2013, the OMB issued *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Audits*, which supersedes all or parts of eight OMB circulars; consolidating federal cost principles, administrative principles, and audit requirements in one document. The “Super Circular” includes a number of significant changes to the federal Single Audit process, including: an increase in dollar threshold for requiring a Single Audit from \$500,000 to \$750,000; changes to the thresholds and process used for determining major programs; reductions in the percentages of expenditures required to be covered by a Single Audit from 50 percent to 40 percent for high-risk auditees and from 25 percent to 20 percent for low-risk auditees; revised criteria for determining low-risk auditees; and an increase in the threshold for reporting questioned costs from \$10,000 to \$25,000. Auditees are required to implement the administrative requirements of the new “Super Circular” by December 26, 2014. The revised audit requirements will be effective for fiscal year 2015 city audits, with an optional one-year grace period for implementing the new procurement standards included in this guidance.

COSO INTERNAL CONTROL FRAMEWORK

The clarified auditing standards applicable to governmental audits incorporate a definition of internal control that is based on the internal control integrated framework developed and issued in 1992 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In May 2013, COSO issued an updated framework which supersedes the original after December 15, 2014. The new COSO framework retains the basic definition of internal control and its five components established in its original framework, along with the fundamental requirements to consider these five components and to use judgment when assessing and evaluating the effectiveness of a system of internal controls. The new COSO framework enhances and clarifies a number of concepts from the original framework to make it easier to use and apply. One of the more significant enhancements was the establishment of 17 principles, associated with the 5 components of internal control, intended to assist users in understanding the requirements of effective internal control and designing effective systems of internal control.

The 5 components of internal control and 17 underlying principles are as follows:

Control Environment –

1. Organization demonstrates a commitment to integrity and ethical values.
2. Governing body is independent from management and exercises oversight control.
3. Management establishes structure, reporting lines, authority, and responsibilities.
4. Organization demonstrates a commitment to the competence of individuals involved with internal control.
5. Organization holds individuals accountable for internal control responsibilities.

Risk Assessment –

6. Organization specifies clear objectives for the identification and assessment of risks.
7. Organization identifies and analyzes risk.
8. Organization assesses the potential for fraud risks.
9. Organization identifies and assesses significant changes that could impact internal control.

Control Activities –

10. Organization selects and develops control activities to mitigate risks.
11. Organization selects and develops general IT controls.
12. Organization establishes and implements control policies and procedures.

Information and Communication –

13. Organization uses relevant, quality information to support internal control.
14. Organization communicates internal control information internally.
15. Organization communicates internal control information externally.

Monitoring –

16. Organization conducts ongoing and/or separate internal control evaluations.
17. Organization evaluates and communicates deficiencies to responsible parties for corrective action.

COSO defines an effective system of internal control as one that reduces to an acceptable level the risk of failing to achieve an organizational objective in the areas of operations, compliance, or reporting. According to the new framework, an organization can achieve effective internal control by applying all of the principles listed above. To achieve this, each of these five components and the relevant principles must be present and functioning, and the five components must operate in an integrated manner. Local governments should be reviewing their internal control systems to assure these principles have been incorporated and implemented.



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Memorandum

To:	Newport City Council	Reference:	Amendments to Communication Towers and Antennas Ordinance
Copies To:	Deb Hill, City Administrator		
	Renee Eisenbeisz, Executive Analyst		
From:	Sherri Buss, RLA AICP, City Planner	Project No.:	15743.000
Date:	April 13, 2015	Routing:	

The Planning Commission reviewed the City’s zoning regulations for communications antennas and towers at its meetings in March and April at the request of city staff. The Commission recommended that the City Council adopt a revised ordinance at its meeting on April 9.

Current Ordinance Section Regulating Antennas and Towers

The existing Section 1325 of the Zoning Ordinance was adopted in 1996, and has not been updated since that time. City staff are receiving frequent questions from cellular services providers about permits that are needed to update existing equipment, or add new equipment. The existing ordinance does not provide clear direction on the permits that are needed for the typical questions staff are receiving. The section is clear that CUP’s are needed for new monopoles or towers, and are not needed for the repair of existing equipment. However, it is not clear what permit is needed, if any, to co-locate new equipment on existing towers, which is one of the most common questions from service providers. The Federal Communications Commission (FCC) has recently updated its regulations that apply to updates of antennas and equipment on existing permitted towers, and the existing ordinance is not consistent with the new regulations.

In general, the current section 1325 is poorly organized and staff find it difficult to use to answer questions when communications providers contact the City. Service providers have also indicated that they have a very difficult time reviewing the ordinance and trying to determine what they need to do to update their equipment. The proposed amendment addresses those issues and is consistent with the new FCC regulations.

Existing Towers

There are four existing telecommunications towers in Newport. The locations and sizes are the following:

- 2233 Maxwell – 175 feet
- 1100 Bailey Road – 190 feet

- 1365 Military Road – 160 feet
- Baily School Forest – 88 feet

Draft Ordinance Recommended for Adoption and Public Hearing

The Planning Commission developed a revised Section 1325, which it has recommended for Council approval. The Commission reviewed the existing ordinance and antenna and tower ordinances from other communities in the area to develop the amended ordinance. Cottage Grove, Maplewood, and Woodbury have more recent ordinances that provided some good examples and performance standards.

- The amended ordinance puts the section that lists when permits are or are not required at the front of the ordinance rather than the back, and has clarified the list of the items that do and do not require a CUP and building permit. The amended ordinance is compatible with the new FCC regulations. This change makes the information clear and accessible for staff and for applicants.
- Section G. of the ordinance identifies where towers are permitted in the City and the preferred locations for towers. This section also clarifies the City's requirements.
- Section 1325.05 includes standards for monopoles, towers and related equipment.
 - The city currently permits towers up to 175' tall; this standard is continued in the amended ordinance.
 - The amended ordinance includes a provision that gives the City Council flexibility to require a reduction in tower height, or a greater setback from bluff lines, if the surrounding topography means that the tower is at much higher elevation than surrounding residential areas or roadways.
 - Colocation is required. This helps to minimize the number of towers needed to serve the area.
 - Most of the performance standards are similar to those in the current ordinance, and are largely included for safety or to make the towers and equipment less visible. The amended ordinance was streamlined to remove some duplicate items.

The Planning Commission held a Public Hearing on the amended ordinance at its meeting on April 9. The Commission received no written or verbal comments on the ordinance. City staff circulated the proposed ordinance to several communication providers before the public hearing, but received no comments from those who would be regulated by the ordinance.

New FCC Regulations Regarding Colocation and Replacement of Antennas on Existing Towers

The Planner recently attended a legal seminar that focused on new Federal Communications Commission (FCC) regulations related to the collocation and replacement of wireless communications antennas and equipment on existing towers and monopoles. The general goal of the regulations is to improve wireless communications by making it easier for wireless communications providers to update their equipment. In general, the proposed ordinance amendment is consistent with the new regulations, but they do bring up a couple of issues for the City. The major elements of the new FCC regulations include the following:



- The new regulations became effective on April 8, 2015
- The new regulations prohibit local governments from denying the collocation of wireless communications equipment on any existing permitted tower or monopole, so long as it does not substantially change the physical dimensions of the tower or other base structure (such as a building or water tower). This means the City cannot deny wireless providers from collocating new antennas or equipment, or replacing existing equipment, on existing towers that have a city permit, as long as they are not a “substantial change.”
- “Substantial change” related to height means that on a tower or monopole that is not in an existing public right-of-way, the new or replacement antenna or equipment can increase the height of the tower up to 20 feet before it is a “substantial change”. For towers within a public right-of-way, towers/monopoles can be increased up to 10’ before it is a substantial change.
- “Substantial change” related to width means that the new or replacement equipment can increase the width of the tower up to 20’ at the height where it will be replaced before it is considered a substantial change when the tower is outside public right-of-way. For towers within right-of-way, the width is up to a 6’ increase at the height of the new equipment before it is considered a substantial change.
- Any excavation for equipment is considered a “substantial change.”
- If the new equipment defeats the “stealth” or concealment elements of the tower, it is a “substantial change.”
- The regulation change applies only to collocation/replacement of equipment on existing permitted towers, not to permits for new towers.

Cities can continue to require permits for replacing equipment. Newport’s ordinance requires a CUP for collocating new equipment on an existing tower. The city can still require that communications providers obtain permits for these actions, and require that the new equipment comply with performance standards related to color, stealth design, setbacks, building code, etc. However, the City cannot deny a permit for collocating new equipment on an existing permitted tower, or for replacing equipment, as long as there is no “substantial change.”

The city must approve a permit request within 60 days, or it is automatically approved. This means that staff and the Planning Commission will need to continue to address applications promptly.

Recommendation for Council Action

The Planning Commission recommended that the Council adopt the amended Section 1325 Antennas and Towers at its meeting on April 16, 2015.



**CITY OF NEWPORT
ORDINANCE 2015-2**

**AN ORDINANCE OF THE CITY OF NEWPORT, MINNESOTA, AMENDING SECTION 1325, ANTENNAS
AND TOWERS**

THE CITY COUNCIL OF THE CITY OF NEWPORT, MINNESOTA, HEREBY ORDAINS THAT:

Section 1325 Antennas and Towers

1325.01 Purpose and Intent. In order to accommodate the communication needs of residents and business while protecting the public health, safety and general welfare of the community, the Council finds that these regulations are necessary in order to establish predictable and balanced regulations for the siting and screening of wireless communications equipment, while protecting the public against any adverse impacts on the City's aesthetic resources and the public welfare.

1325.02 Objectives. The goals in adopting this ordinance are as follows:

- A. Provide for the appropriate location and development of antennas and towers within the city;
- B. Minimize adverse visual effects of towers through uniform design and siting standards;
- C. Avoid potential damage to adjacent properties from tower failure, through structural standards and setback requirements;
- D. Maximize the use of existing and approved towers and buildings for siting new antennas in order to reduce the number of new towers needed to serve the community;
- E. Encourage colocation of facilities on the same structure or same site;
- F. Require towers to be designed to accommodate at least two separate users, and encourage colocation of facilities on the same structure or on the same site;
- G. Utilize public land, buildings and structures for wireless communications facilities whenever possible.
- H. Prioritize the location of freestanding towers in areas outside the MUSA on property identified in the Comprehensive Plan as open space or along trail routes.

1325.03 Definitions. The following words and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

- A. **Accessory Structure.** "Accessory structure" shall mean a use or structure subordinate to the principal use of the land or building with a tower or antenna.
- B. **Antenna.** "Antenna" shall mean any structure, equipment or device used for collecting or radiating electromagnetic waves, telecommunication, microwave, television or radio signals, including but not limited to directional antennas, such as panels, microwave dishes and satellite dishes, and omnidirectional antennas, such as whips.
- C. **Personal wireless communication services.** "Personal wireless communication services" shall mean licensed commercial wireless communication services including cellular, personal communication services (PCS), enhanced specialized mobilized radio (ESMR), paging and similar services.

- D. **Public utility.** “Public utility” shall mean persons or governments supplying gas, electric, transportation, water, sewer, or land line telephone service to the public. For this article, commercial wireless telecommunication sources shall not be considered public utility uses.
- E. **Tower.** “Tower” shall mean any pole, monopole, spire, or structure or combination thereof, including supporting lines, cables, wires, braces and masts, intended primarily for the purpose of mounting an antenna, meteorological device, or similar apparatus above grade.
- F. **UBC.** “UBC” means the Uniform Building Code”, published by the International Conference of Building Officials and adopted by the state to provide jurisdictions with building related standards and regulations.

1325.04 Conditional Use and Building Permits

- A. Conditional use permits are not required for:
 - 1. Antennas and towers used by the city for city purposes.
 - 2. Adjustment, repair or replacement of the elements of an antenna array affixed to a tower or antenna, provided that replacement does not reduce the safety factor.
 - 3. Antennas mounted on water towers; on the sides or roof of existing structures; and on existing communications towers, power, light or telephone poles. If the equipment would increase the height of the monopole or tower more than 20 feet, a conditional use permit amendment is required.
 - 4. Antennas and/or towers erected temporarily for test purposes or for emergency communications. Temporary antennas shall be removed within 72 hours following the termination of testing or emergency communication needs.
 - 5. Wireless telephone antennas located on the side or roof of an existing structure in all zoning districts in the city, provided that the antennas shall not extend more than 20 feet above the structure to which they are attached. Transmitting receiving and switching equipment shall be housed within an existing structure whenever possible. If new equipment is necessary for transmitting, receiving and switching equipment, it shall be located in the side or back yard, meet setback requirements, and shall be landscaped to screen the equipment from view from residential uses.
 - 6. Antennas or towers placed in public rights-of-way where attached to, or part of, a public utility structure.
- B. Towers are permitted in the locations identified below, with a Conditional Use Permit. Procedures for obtaining a Conditional Use Permit are outlined in Section 1310.10 of the Zoning Ordinance.
 - 1. As principal or accessory structures in industrial or business zoning districts.
 - 2. As principal or accessory structures in residential, parks, or mixed-use districts. The city will only consider a tower in the following residentially-zoned locations: churches or places of worship; parks and open space areas, when the city determines the facility would be compatible with the nature of the park; and city-owned property, government, utility and institutional sites and facilities.
 - a. There shall be no more than one freestanding tower at one time on a property that the city has planned for a residential use or that the city has zoned residentially.
 - b. The applicant shall demonstrate, by providing a coverage/interference analysis and capacity analysis, that location of the tower as proposed is necessary to meet the frequency reuse and spacing needs of the cellular or personal wireless communication services systems, and to provide adequate personal wireless

communication or portable cellular telephone coverage and capacity to areas which cannot be adequately served by locating the antennas in a less restrictive district or on an existing structure.

- c. If no existing structure which meets the height requirements for the antennas is available for mounting the antennas, the antennas may be mounted on a tower not to exceed the maximum height permitted, provided that the tower is located at least the height of the tower from the nearest residential structure, unless a qualified structural engineer shall specify in writing that any collapse of the tower will occur within a lesser distance under all foreseeable circumstances and a lesser setback is agreed to by the City Council.
3. Within freeway development corridors in non-residential areas, when located 1,000 feet from the edge of the freeway right-of-way to the monopole.
 4. On government or institutional land or structures in all districts.
 5. Within public parks, golf courses, and open space in all districts as designed in the Comprehensive Plan. Antennas should be located on existing structures when feasible and all facilities should be located and designed to be compatible with the nature of the site.
 6. Parking lots in all zoning districts may be used to locate a tower where the tower replicates, incorporates or substantially blends with the overall lighting standards of the parking lot.
- C. The preferred locations for wireless communications equipment shall be as follows:
1. Water towers or tanks
 2. Colocation on existing towers
 3. Church steeples or church structure, when camouflaged as steeples, bell towers or other architectural features
 4. Sides and roofs of buildings or structures over two stories in height
 5. Existing power or telephone pole corridors
 6. Light poles or towers at outdoor recreation facilities
 7. Parking lots
- D. The following information shall be submitted with applications for Conditional Use Permits for antennas and towers:
1. The applicant shall provide sufficient information to indicate that construction, installation, and maintenance of the tower will not create a safety hazard or damage to the property of other persons.
 2. The applicant shall demonstrate by providing a coverage/interference analysis and capacity analysis that the location of the tower as proposed is necessary to meet the frequency reuse and spacing needs of the proposed communications equipment and to provide adequate personal wireless communication or portable cellular telephone coverage and capacity to areas which cannot be adequately served by existing equipment or colocation on existing equipment.
 3. All applications for the location of new towers shall be accompanied by an intermodulation study which provides a technical evaluation of existing and proposed transmissions and indicates all potential interference problems.

- E. In reviewing an application for a conditional use permit for the construction and maintenance of towers, antennas and related equipment, the City Council shall consider the following:
 - 1. The standards in this ordinance;
 - 2. The advice and recommendations of the Planning Commission;
 - 3. the effect of the proposed use upon the health, safety, convenience and general welfare of occupants of surrounding lands;
 - 4. The effect of the proposed use on the Comprehensive Plan.
- F. This section does not apply to the use or location of private, residential citizen band radio towers, amateur radio towers, or television antennas.
- G. All new towers, antennas and related accessory structures shall obtain a building permit, and are subject to inspection by the city building official to determine compliance with Uniform Building Code construction standards. Any deviation from the original construction for which a permit is obtained is a misdemeanor. Adjustments or modifications to existing antennas do not require a building permit.
 - 1. Notice of violations will be sent by registered mail to the owner, and he/she will have thirty (30) days from the date the notification is issued to make repairs. The owner shall notify the building official that the repairs have been made, and as soon as possible thereafter, another inspection shall be made and the owner notified of the results.
- H. Building permits are not required for adjustment or replacement of the elements of an antenna array affixed to a tower or antenna, erection of temporary antennas or towers used for testing purposes, emergency communication, or for broadcast remote pick-up operations.

1325.05 Existing Antennas and Towers. Antennas, towers and accessory structures in existence at the time this section is adopted which do not conform to or comply with this section are subject to the following provisions:

- A. Towers may continue in use for the purpose now used and as now existing, but may not be replaced or structurally altered without complying in all respects with this division.
- B. If such towers are damaged or destroyed due to any reason or cause whatsoever, the tower may be repaired and restored to its former use, location and physical dimensions upon obtaining a building permit therefore, but without otherwise complying with this division.

1325.06 Setbacks, Height, Construction and Performance Standards

- A. All antennas, towers and accessory structures shall comply with all applicable provisions of this code and this section.
- B. No part of any tower or antenna shall be constructed, located, or maintained at any time, permanently or temporarily, in or upon any required tower setback area.
- C. Tower or Antenna Height:
 - 1. The maximum height of any freestanding tower is 175 feet.
 - 2. The City Council may require a twenty-five percent (25%) reduction in the maximum height limits of antennas or towers in all zoning districts, or may require up to twice the required setback from bluff lines, if

the topography of the proposed site is at a substantially higher elevation than the surrounding public roadways or residential areas.

3. Antennas, towers, and related equipment attached to existing structures shall not exceed more than twenty (20) feet above the structure to which they are attached.
4. Any proposed tower over sixty feet (60') in height shall be designed for co-location of at least one additional antenna.
5. Any proposed tower over one hundred feet (100') in height shall be designed for co-location of at least two (2) additional antennas.

D. Lot size, location, and setbacks:

1. Towers shall be subject to all setback requirements.
2. In all districts, towers shall be located at least the height of the pole or tower plus twenty-five feet from the nearest residential dwelling unit.
3. An antenna or tower attached to a building shall comply with the setbacks of the zoning district.
4. Towers shall not be placed in any front yard.
5. Towers shall not be placed between the principal structure and any adjoining public street or right-of-way, unless the city determines that such a location would lessen the visibility of the tower, or would lessen the negative impacts of such a facility on nearby properties.
6. The minimum spacing between towers is one-quarter (1/4 mile), except for colocation.
7. The city may reduce or vary the required setback for a tower from a public street to allow the integration of a tower into an existing or proposed structure such as a church steeple, light pole, power line support device or similar structure.

E. Design and Performance Standards

1. The tower shall be a light blue or gray, or other color that is demonstrated to the City to minimize visibility.
2. Metal towers shall be constructed of, or treated with, corrosive-resistant material.
3. The base of the tower shall occupy no more than 500 square feet and the top of the tower shall be no larger than the base.
4. No advertising or identification visible-site shall be placed on the tower or antennas. The use of any portion of a tower, sign or antenna for signs other than warning or equipment information is prohibited.
5. Towers must be designed to allow for future rearrangement of equipment upon the structure, and to accept attachments mounted at varying heights.
6. All freestanding towers must be self-supporting without the use of wires, cables, beams or other means. The design should utilize an open framework or monopole configuration that is designed to collapse on itself in the event of structural damage. Permanent attachments, exclusive of antennas, that serve to increase off-site visibility, are prohibited.

7. To prevent unauthorized entry, towers shall be provided with security fencing as needed or when required by the City.
8. Transmitting, receiving, and switching equipment shall be housed within an existing structure whenever possible. If a new equipment building is necessary for transmitting, receiving and switching equipment, it shall meet setback requirements and shall be designed, constructed and screened to blend in to the surrounding environmental and adjacent land use. Equipment buildings shall utilize coniferous vegetation for required landscape screening.
9. Towers and antennas should be located in areas that provide natural or existing structural screening for off-site views of the facility when feasible. Existing on-site vegetation that provides screening shall be preserved to the extent possible. The ground level perimeter of all towers shall be screened with a dense vegetative landscaping barrier that consists of seventy-five percent (75%) coniferous plantings. Antennas and related equipment located on the side or on the roof of a building may not be screened.
10. Towers and antennas shall not be illuminated by artificial means, and shall not display strobe lights, reflectors, flashers, night-time red lights or other lights unless such lighting is required by Federal or State regulations. When incorporated into the design and approved by the City, light fixtures used to illuminate ball fields, parking lots or similar areas may be attached to the tower.
11. No tower shall have constructed thereon, or attached thereto, in any way, any platform, catwalk, crow's nest, or like structure, except during periods of construction repair.
12. With the exception of necessary electronic or telephone service and connection lines approved by the City, no part of any antenna or tower nor any lines, cable, equipment, wires, or braces in connection with either shall at any time extend across or over any part of the right-of-way, public street, highway, sidewalk, or property line.
13. Towers and antennas shall be designed to withstand a uniform wind loading as prescribed by the Minnesota State Building Code.
14. Antennas and metal towers shall be grounded for protection against direct strike by lightning to the latest practices, and shall comply with electrical wiring statutes, regulations and standards.
15. All signal and remote control conductors of low energy extending substantially horizontally above the ground between a tower or antenna and structure, or between towers, shall be buried underground when feasible, or placed at least eight (8) feet above the ground at all points.
16. The base of all AM/FM radio towers shall be surrounded with a fence that is a minimum six feet in height with signs posted "Danger High Voltage" on all sides.

1325.07 Abandoned or Unused Towers. Abandoned or unused towers or antennas shall be removed within twelve (12) months of the cessation of operations at the site, unless a time extension is granted by the Zoning Administrator. The replacement of a tower that was previously removed requires a conditional use permit amendment within 12 months of removal, or a new conditional use permit if the monopole or tower has been abandoned for more than 12 months.

1325.08 Interference. No new or existing tower, antenna or related equipment shall interfere with public safety communications. Before the introduction of new services or changes in existing services, equipment providers shall notify the City at least ten (10) calendar days in advance of such changes and allow the City to monitor interference levels during the testing process.

1325.09 Radiation. Towers, antennas, and related equipment placed within the City shall be subject to State and Federal regulations pertaining to nonionizing radiation and other health hazards related to such facilities. If additional State and Federal restrictive standards are adopted, all such communications facilities and equipment shall be made to comply, or

continued operation of the conditionally permitted facility may be restricted by the City Council. The cost of verification of compliance shall be borne by the owner and operator of the communications facilities and equipment.

1328.10 Abrogation. It is not the intention of this Section to interfere with, abrogate, or annul any covenant or other agreement between parties, provided, however, where this section imposes a greater restriction upon the use or premises for antennas or towers than are imposed or required by other sections, rules regulations, or permits, or by covenants or agreements, the provisions of this section shall govern.

The foregoing Ordinance was moved by Councilmember _____ and seconded by Councilmember _____.

The following Councilmembers voted in the affirmative:

The following Councilmembers voted in the negative:

Effective Date

This Ordinance becomes effective upon its passage and publication according to law.

Adopted by the City Council of the City of Newport, Minnesota on the 16th day of April, 2015.

Signed: _____
Tim Geraghty, Mayor

Attest: _____
Deb Hill, City Administrator