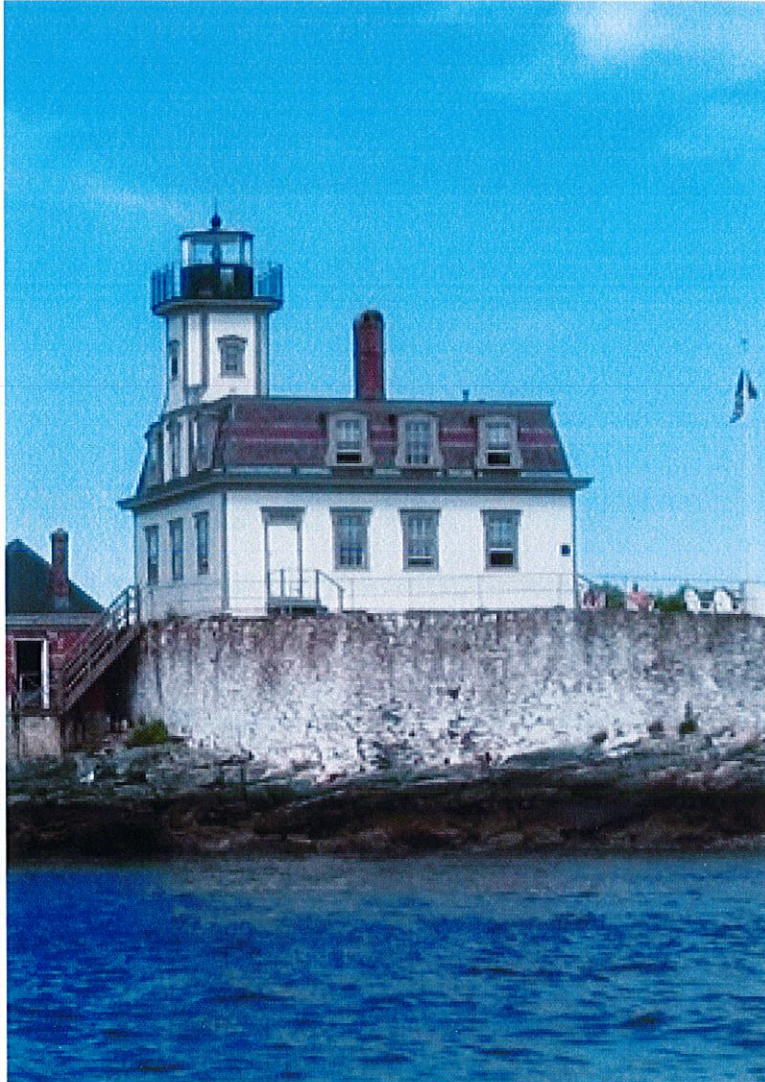


*City of Newport, Rhode Island
Popular Annual Financial Report, 2021*



*For the Period
July 1, 2020 ~ June 30, 2021*

*Issued by:
The City of Newport's Finance Office*

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PURPOSE OF REPORT

The Popular Annual Financial Report (PAFR) is an unaudited summary report of the financial activities of the City and is prepared primarily from detailed information contained in the City's 2021 Annual Comprehensive Financial Report, with selected information from Annual Comprehensive Financial Reports prepared for earlier years. The focus of the PAFR is on the funds of interest to most citizens: the City's General Fund, the School's Unrestricted Fund, the Capital Project Fund, and the City's two major enterprise funds, the Water Fund and the Water Pollution Control Fund.

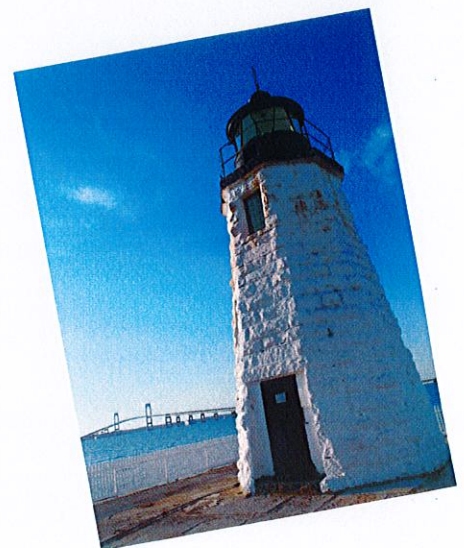
The financial review section features financial information adapted from the City of Newport's Annual Comprehensive Financial Report for the fiscal year end June 30, 2021. The Annual Comprehensive Financial Report is produced by the City's Department of Finance. It provides detailed information regarding the City's financial performance. The Annual Comprehensive Financial Report is presented in accordance with generally accepted accounting principles (GAAP) and is audited by the firm CliftonLarsonAllen LLP. A copy of the complete Annual Comprehensive Financial Report may be downloaded from the City's website, at www.cityofnewport.com.

The information in the Annual Comprehensive Financial Report by its nature can be technical and complex and as such not as useful to citizens wishing to gain an overview of the City's finances. The PAFR has been prepared to simplify the information in the Annual Comprehensive Financial Report and better inform the public about the overall financial condition of the City, without the heavy use of technical accounting terms or excessive detail. The PAFR is not intended to provide a complete financial picture of the City in accordance with GAAP.

Questions or feedback concerning any of the information provided in this report or requests for additional financial information may be

Copies of both the PAFR and Annual Comprehensive Financial Report are available online at:

<https://www.cityofnewport.com/en-us/city-hall/departments/finance/budgets-acfrs-cips-annual-performance-reports/pafr>



AWARDS



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

City of Newport

Rhode Island

For its Annual Financial Report
for the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given its Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) to the City of Newport, RI for seven consecutive years, beginning with its inaugural PAFR for the fiscal year ended June 2014. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal. We believe this PAFR conforms to the program requirements. It, too, will be submitted to the GFOA awards program.

The City of Newport, RI was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers

Association of the United States and Canada for its Annual Comprehensive Financial Report for the year ended June 30, 2020. This was the 16th consecutive year that the City has achieved this award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our annual comprehensive financial report continues to conform to the Certificate of Achievement program requirements, and we are submitting our annual comprehensive financial report for the year ended June 30, 2021 to the GFOA.

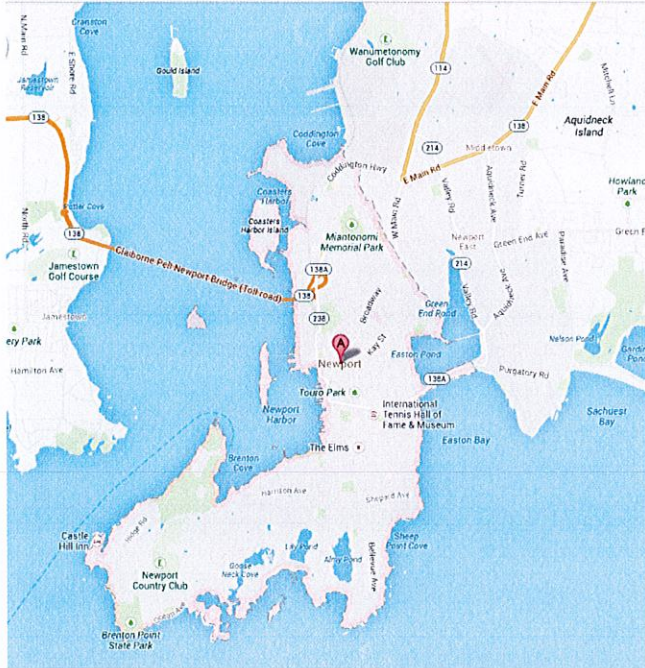
The City of Newport, RI was also awarded the Distinguished Budget Presentation Award by the Government Finance Officers Association of the United States and Canada for its biennial budget for the fiscal years beginning July 1, 2021 and 2022. This was the 18th consecutive year that the City has achieved this recognition.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

GOVERNMENT STRUCTURE, LOCAL ECONOMIC CONDITION AND OUTLOOK

Newport is a seaside city on Aquidneck Island in Newport County, Rhode Island, United States. It is located 23 miles (37 km) south of Providence, and 61 miles (98 km) south of Boston. The City has a year-round population of about 25,000, which grows substantially during the summer months. The City is also visited by over 3,000,000 people annually.



Newport was founded in 1639, incorporated as a City in 1784, and rechartered in 1853. The City operates under a Home Rule Charter, granted by the State of Rhode Island. This charter grants to the City the ability to pass laws to govern themselves as they see fit (so long as they obey the state and federal constitutions). Newport's Charter was adopted in 1952. It

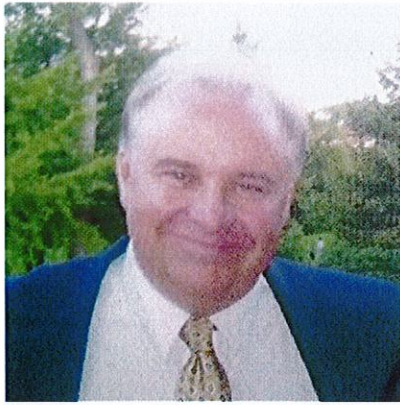
provides for a council/city manager form of government. All lawmaking powers of the City are entrusted to the City Council by the Charter, including the ordering of any tax, making appropriations, and transacting any other business relating to the financial affairs of the City.

Description of Government



Angela McCalla First Ward *Jamie Boya* At Large *Lynn Underwood Ceglie* At Large & Vice-Chair *Jeanne-Marie Napolitano* Mayor *Kate Leonard* Third Ward *Charles M. Holder* Second Ward *Elizabeth Fuerte* At Large

There is a seven-member City Council headed by its Chairperson, who is elected by the Council and also holds the title of Mayor. Four members of the City Council are elected at large and the remaining three members are elected from the three wards, all for a two-year term. The current council was elected in November, 2020. The City's Charter grants to the City Council all powers to enact, amend, or repeal ordinances relating to the City's property, affairs and government, including the power to create offices, departments or agencies of the City, to preserve the public peace, health and safety, to establish personnel policies, to authorize the issuance of bonds, and to provide for an annual audit.



The City Manager is appointed by a majority vote of the City Council. The City Manager is the chief administrative officer. The Charter grants to the City Manager the authority to appoint or remove all officers or employees of the City, to prepare and submit to the City Council the annual budget and annual report of the City, to recommend pay schedules for City employees, and to recommend to the Council the adoption of such measures as they may deem necessary for the health, safety or welfare of the City. At the April 13, 2016

Newport City Council meeting, the City Council appointed Joseph J. Nicholson, Jr., Esq. to serve as Newport's City Manager.

Economic Condition and Outlook

Surrounded by a sprawling waterfront, Newport was fittingly titled the "Birthplace of the Navy." The U. S. Navy, beginning with the founding of the Naval War College in 1884, influenced the development of the City and continues to do so as one of the major contributors to the local economy. Since its establishment as a City, this highly visited community has enjoyed a history of progress and success. In fact, Newport has more standing buildings built before 1830 than any other American community. It offers beaches, cruises, excursion boats, city tours, golf, and fishing among other things for visitors making it one of the most desired tourist destinations in the country. The City is known for its world-class sailing and sailing events. From its early years when commerce involved the whale-oil trade, to today's highly sophisticated research in electronic submarine warfare, the seaport has continued to play a vital role in Newport's economy.

Newport's location, natural and cultural resources, and sense of history are responsible for the growth of tourism into a primary source of revenue. The third largest economic factor in Newport, the service sector, has benefited from both the defense and tourism industries.

| Historical Populations | | |
|------------------------|--------|--------|
| Census | Pop. | %+/- |
| 1790 | 6,716 | - |
| 1800 | 6,739 | 0.3% |
| 1810 | 7,907 | 17.3% |
| 1820 | 7,319 | -7.4% |
| 1830 | 8,010 | 9.4% |
| 1840 | 8,333 | 4.0% |
| 1850 | 9,563 | 14.8% |
| 1860 | 10,508 | 9.9% |
| 1870 | 12,521 | 19.2% |
| 1880 | 15,693 | 25.3% |
| 1890 | 19,457 | 24.0% |
| 1900 | 22,441 | 15.3% |
| 1910 | 27,149 | 21.0% |
| 1920 | 30,255 | 11.4% |
| 1930 | 27,612 | -8.7% |
| 1940 | 30,532 | 10.6% |
| 1950 | 37,564 | 23.0% |
| 1960 | 47,049 | 25.3% |
| 1970 | 34,562 | -26.5% |
| 1980 | 29,259 | -15.3% |
| 1990 | 28,227 | -3.5% |
| 2000 | 26,475 | -6.2% |
| 2010 | 24,672 | -6.8% |
| 2020 | 25,163 | 2.0% |

Newport's Schools

A seven-member School Committee, all elected at large, is entrusted with independent legislative authority over the public school system. Members of both the City Council and School Committee are elected to non-partisan biennial terms. Newport's school district includes the William S. Rogers High School and Newport Area Career & Technical Center (Grades 9 - 12), the Frank E. Thompson Middle School (Grades 5 - 8), and the Claiborne Pell Elementary School (Grades PK-4).

Through its School Committee, the Newport School Department submits a budget request to the City Council. The School's fiscal year 2020-2021 budget request asked for a 1.8% increase, equal to \$486,136. The City Council funded the schools at \$27,007,530, which was consistent with the school's fiscal year 2019-2020 funding. This decision was made in light of the expected impact of coronavirus.

Looking Forward

The City's fiscal year 2020-2021 capital budget for governmental activities authorized spending of \$4,854,402. Most of the projects that received funding were continued projects from the previous fiscal years. The only new appropriation this year was funding to cover costs associated with three variable message boards to be used by the Police Department during major events hosted by the City. Annual funding was included for Bellevue Avenue concrete repair, park facility upgrades and Easton's Beach improvements. The City continued its on-going major repairs and improvements to infrastructure and facilities in the Water Pollution Control System and the Water System in the amounts of \$2,860,000 and \$3,521,500 respectively.

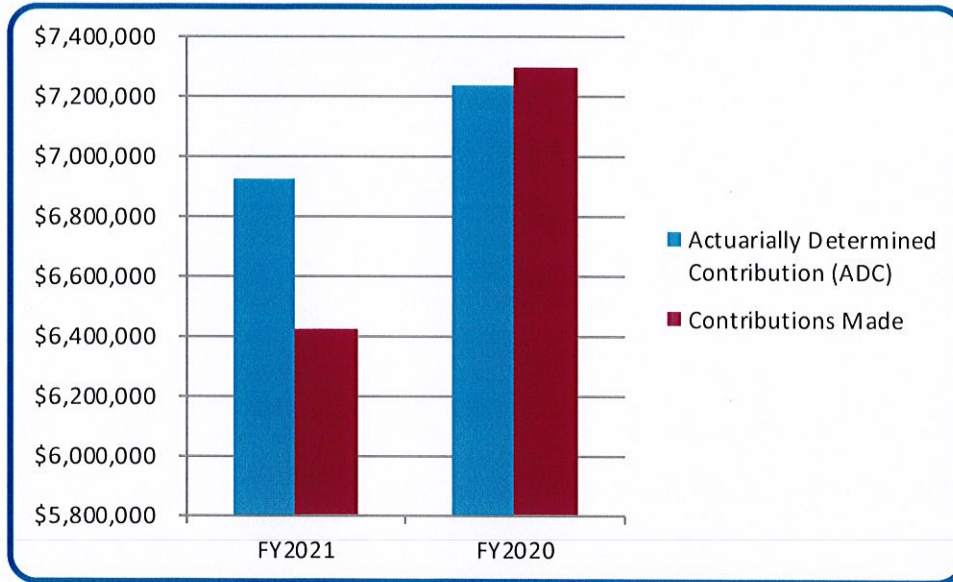
Long-Term Liabilities

The City was the first municipality in Rhode Island to establish a Trust for the funding of other post-employment benefits (OPEB) in order to honor long-term promises to its employees. The budget included funds in the amount of \$6,422,410 or 92.8% of the actuarially determined contribution. The City's OPEB Trust Fund had market value assets of \$70,645,089 as of June 30, 2021. The unfunded accrued OPEB liability for all City departments and school employees is \$54,061,329.



WHAT WE'VE PROMISED

Comparative Funding of OPEB Annual Actuarially Determined Contribution (ADC)



City of Newport employees and Newport Public School employees participate in one of five pension plans. Teachers are required to participate in the Employee's Retirement System of Rhode Island (ERSRI), a cost-sharing plan. Newport teachers also participate in a State offered Survivors Benefits Plan. All other school, municipal employees and police offers hired after January 1, 2015 are required to participate in the Municipal Employee's Retirement System of Rhode Island (MERS). The plans are hybrid meaning they provide both a defined benefit (guaranteed pension amount) and a defined contribution plan (similar to a 401-K). Employees and employers both contribute to the plans.

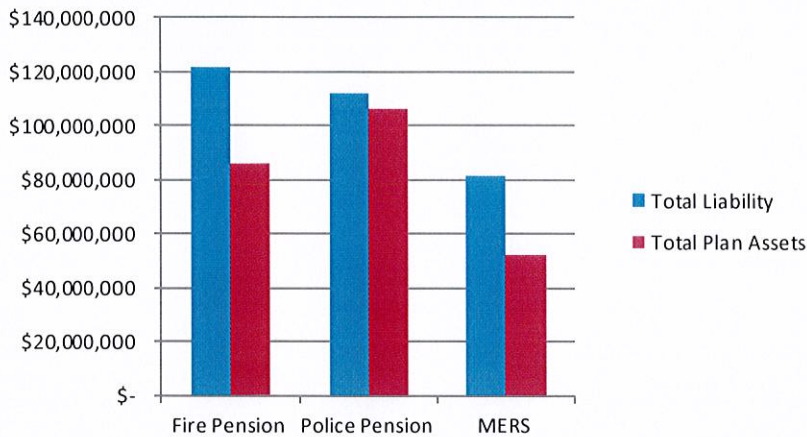
Uniformed public safety personnel, other than police officers hired after January 1, 2015, must participate in either the City owned police pension plan or the fire pension plan. Both are defined benefit plans and contributions come from both employees and employer.

Pension and Other Post Employment Benefit Funding Information as of June 30, 2021

| | Total Liability | Total Plan Assets | Percent Plan Is Funded |
|--|-----------------|-------------------|------------------------|
| Fire Pension | \$ 121,812,539 | \$ 85,920,504 | 70.5% |
| Police Pension | \$ 112,174,813 | \$ 106,235,721 | 94.7% |
| MERS | \$ 81,413,987 | \$ 52,481,101 | 64.5% |
| ERSRI Plan (City % only) | \$ 31,964,173 | N/A | 54.3% |
| Teacher's Survivor Benefits Plan (City's % only) | N/A | \$ 4,262,202 | 153.1% |
| Other Post Employment Benefits | \$ 124,706,418 | \$ 70,645,089 | 56.6% |

City of Newport Pension Plans

FY2021 Pension Plan Funding



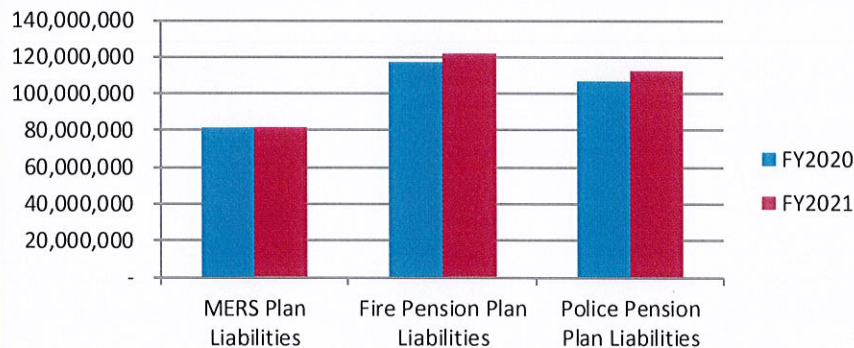
Pension Plan Funded Status = Plan Assets – Projected Benefit Obligations (Liabilities)

A pension plan has two primary elements:

- The future liabilities created by employee service
- The pension fund assets, used to pay for retiree benefits

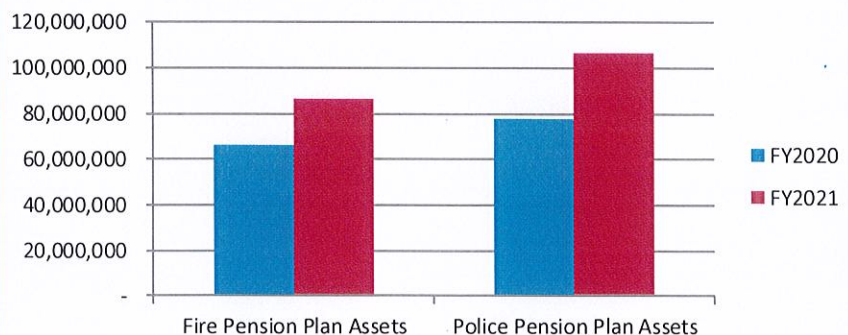
The graph to the right shows that police and fire pension plan liabilities increased slightly in FY2021 due to differences between the gains we anticipated and the actual gains.

Comparative Pension Plan Liabilities FY2020 and FY2021



The graph to the right shows that the Public Safety FY2021 pension plans assets have increased over FY2020. They increased a total of \$48,500,265 (13.82%). The City plans had an annual internal rate of return, after the reduction of investment expense, of 38.14% for the Police Plan and 27.97% for the Fire Plan.

Comparative Pension Plan Assets FY2020 and FY2021



COMMUNITY PROFILE

| | |
|---|----------------------|
| Newport's date of incorporation (town) | 1639 |
| Newport's date of incorporation (city) | 1784 |
| Form of government | Council/City Manager |
| Population (2020 Census) | 25,163 |
| Approximate Number of Visitors Served Annually | 3,000,000 |

| | |
|--------------------|-----|
| Bond Rating | |
| Standard & Poor's | AA+ |

| | |
|--------------------------------|---------------------|
| Area of City of Newport | |
| Latitude | N41° 29' 17" |
| Longitude | W71° 18' 45" |
| Elevation | 30' above sea level |
| Total area | 11.4 sq miles |
| Total land | 7.7 sq miles |
| Total water | 3.7 |

Personal Income per Capita (Newport County) (2019-latest available) \$70,893

Median Home Selling Price (June, 2021) \$645,500

Key Services Provided by the City

| | |
|---|----------------------------|
| Public Safety | Beach |
| Planning, zoning and economic development functions | Harbor |
| Solid waste & recyclables collection and disposal | Recreation |
| Street & sidewalk maintenance | Tourism/Parking Operations |
| Potable water & wastewater collection, treatment & distribution | |

Roads/Sidewalks

| | |
|---------------------------|-----------------|
| Lane miles of streets | 96.8 lane miles |
| Sidewalk miles | 82 |
| Miles of water mains | 175 miles |
| Miles of sanitary sewers | 90.2 miles |
| Miles of storm sewers | 50.1 miles |
| Number of street lights | 1,940 |
| Number of traffic signals | 5 |

City Employees

| | |
|---|-----|
| Number of full-time City employees | 379 |
| Number of full-time education employees | 353 |

Elections

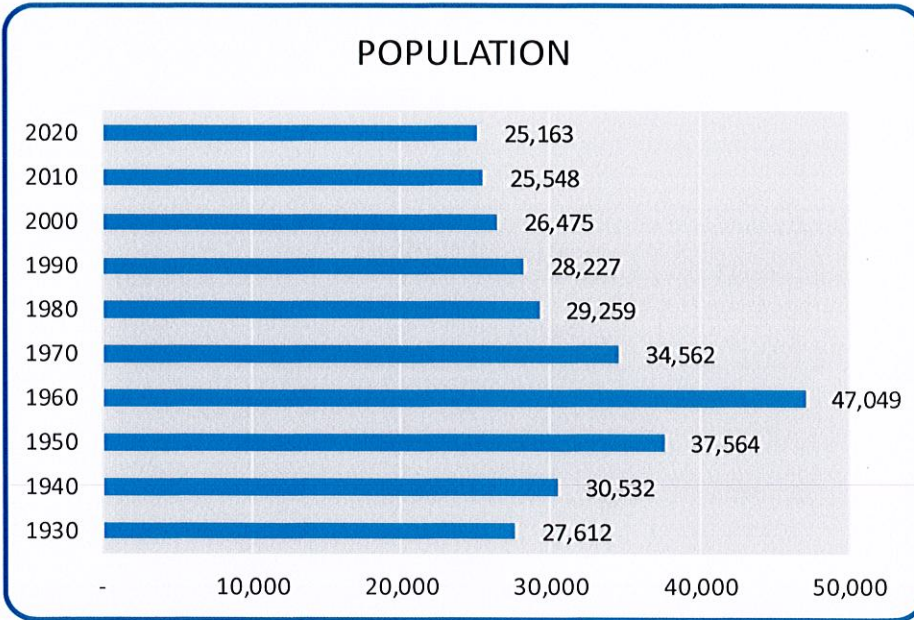
| | |
|--|--------|
| Number of registered voters | 15,936 |
| Number of votes cast - last federal/state/municipal election (11/2/20-Gen) | 10,771 |
| Percent of registered voters voting in last election | 67.59% |

Parks and Recreation

| | |
|--|-----------|
| Acreage of public parks and open space | 427 acres |
| Number of playgrounds | 17 |
| Number of multi-purpose playing fields | 16 |
| Number of tennis courts | 17 |
| Number of community centers | 1 |

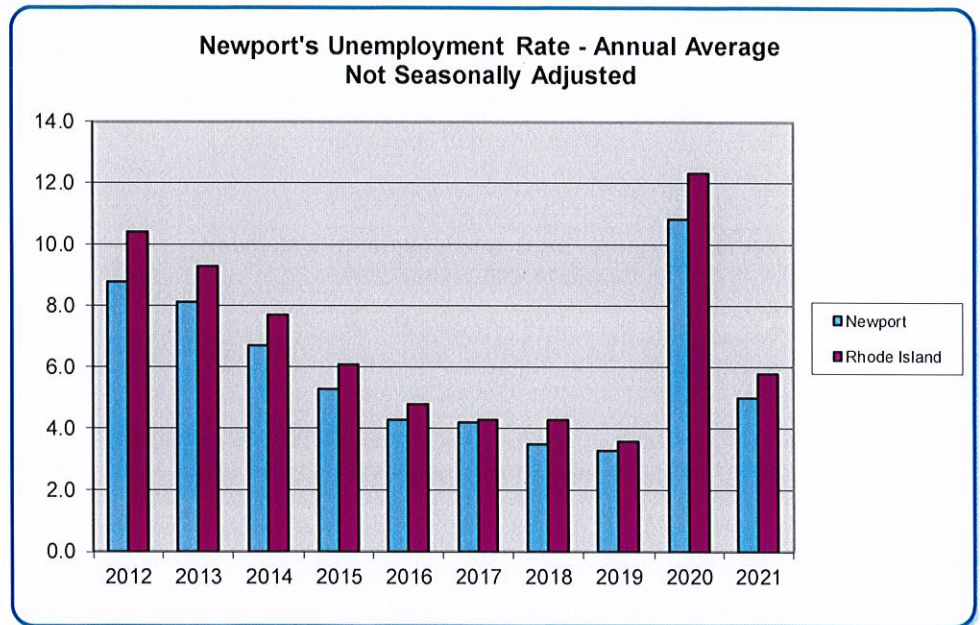
DEMOGRAPHICS

HOW WE'VE CHANGED



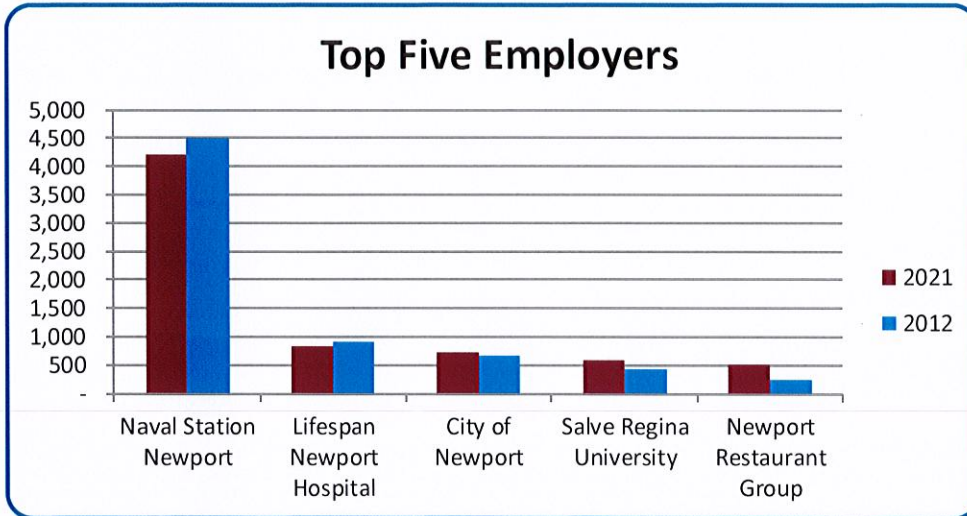
The population trend shown to the left indicates that Newport currently has 25,163 people living within its boundaries, essentially the same population as in 1930, after an increase of 70.39% between 1930 & 1960. The dramatic decline in population during the 1970's was due to the removal of the naval fleet.

In 2021, Newport showed an unadjusted annual unemployment rate of 5.0% which was 0.8% lower than the state average of 5.8% (Both rates are as of June 2021, and have been influenced by the Coronavirus)

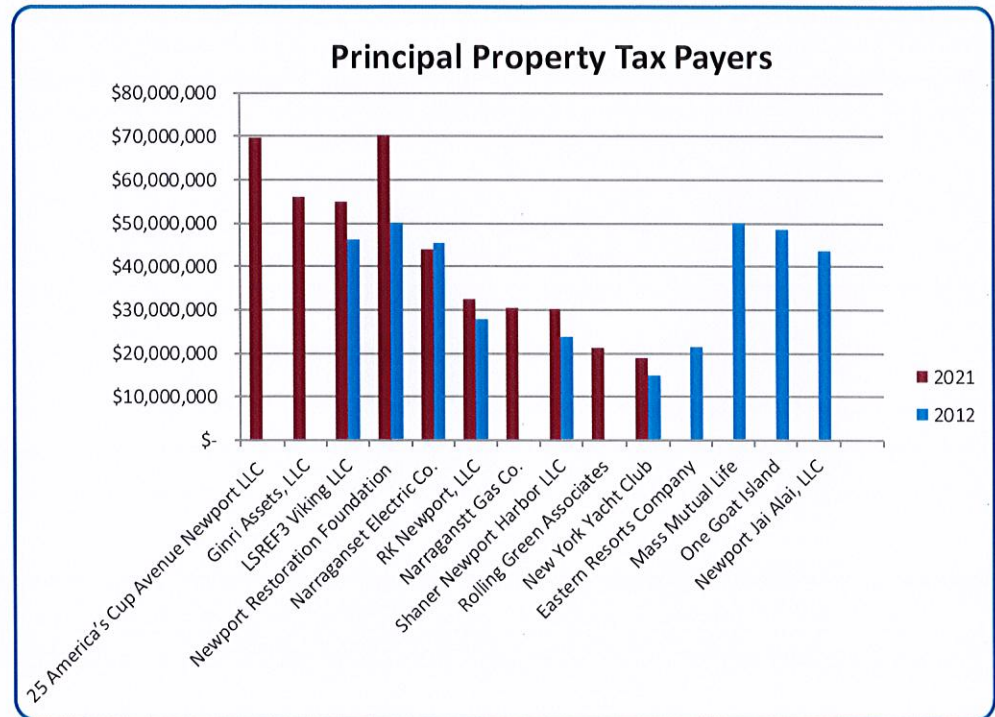


DEMOGRAPHICS

HOW WE'VE CHANGED (continued)



The top five employers of the City of Newport and the number of their employees in 2021 and ten years prior, are shown at the left.



The top ten property tax payers of the City of Newport and their taxable assessed value in 2021 and ten years prior, are shown at the right.

Newport City Council Strategic Plan

Vision Statement

The vision of Newport is to be the most livable and welcoming city in New England.

Mission Statement



To provide leadership, direction and governance that continuously improves our community and to be stewards of our natural resources while preserving our cultural, historic and maritime heritage;



to ensure Newport is a safe, clean and enjoyable place to live and work and our residents enjoy a high quality of life;



to exercise the prudent financial planning and management needed to achieve our strategic goals;



to achieve excellence in everything we do, invest in the future of our community, especially the education of our children, and work closely with our businesses and institutions to sustain a healthy economic and tourism climate;



to promote and foster outstanding customer service for all who come in contact with the City;



to deliver quality and cost effective municipal services to our residents, businesses, institutions and visitors that result in the highest achievable levels of customer satisfaction.

City Council's Four (4) Tactical Priority Areas

Each of the strategic objectives complement the others to accomplish the vision and mission as stated by the City Council. The application of these strategic objectives relate to the following four (4) tactical priority areas:

Infrastructure



Providing a strong, well-managed public infrastructure is key to enhancing quality of life and economic stability to our community.

Communication



Providing effective 2-way communication with the community through a unified council operating as a team and interactions with City staff productively.

Transportation and Mobility



Encourage and promote multi-modal transportation alternatives (bus, trolley, harbor shuttle, light rail, bicycles and walking paths) within the City and improve connections to the region.

Economic Development

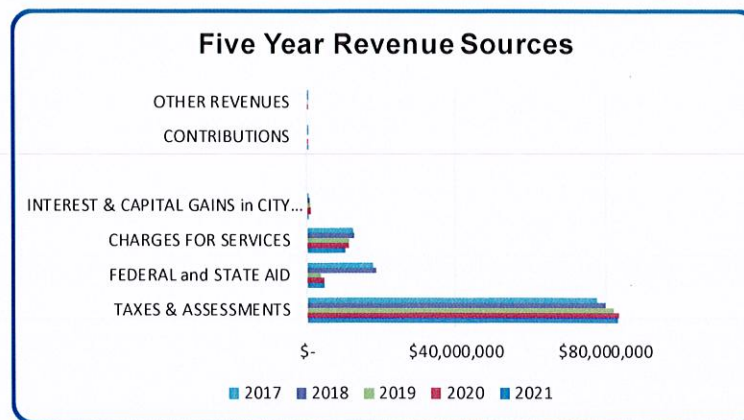


Providing an economically thriving and financially sound community for all its citizens and a supportive environment for business and visitors.

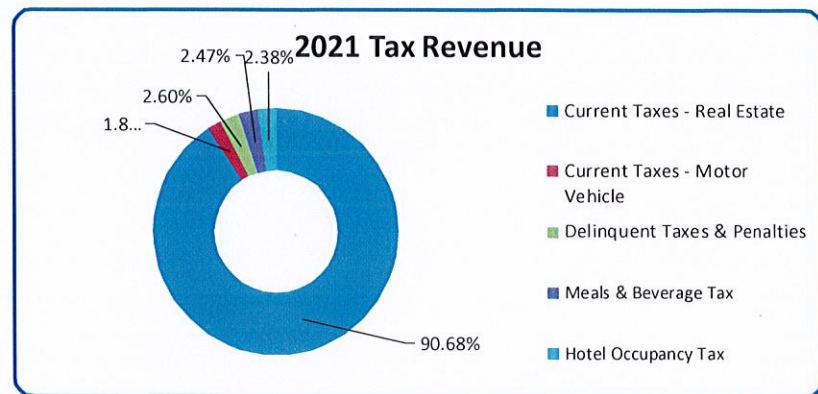
REVENUES FOR THE CITY GENERAL, UNRESTRICTED SCHOOL, & CAPITAL PROJECT FUNDS

WHERE DOES THE MONEY COME FROM?

| REVENUE | City General Fund 2021 | School Unrestricted Fund 2021 | Capital Projects Fund 2021 |
|-----------------------------|------------------------------|-------------------------------------|----------------------------------|
| TAXES & ASSESSMENTS | \$ 83,323,484 | \$ - | \$ - |
| FEDERAL and STATE AID | 4,444,828 | 17,041,340 | 277,567 |
| CHARGES FOR SERVICES | 10,417,183 | 1,129,190 | |
| INTEREST & CAPITAL GAINS | 157,177 | 353,947 | 28 |
| INVESTMENTS & TRUST FUNDS | | | |
| CONTRIBUTIONS | 191,853 | 222,371 | |
| OTHER REVENUES | | | |
| CITY APPROPRIATION/TRANSFER | | | |
| TRANSFER FROM CITY | | 27,007,530 | |
| TRANSFER FROM OTHER F | 97,872 | | 2,158,777 |
| | \$ 98,632,397 | \$ 45,754,378 | \$ 2,436,372 |



| Taxes | | 2021 | 2020 |
|-------------------------------|--------|----------------------|----------------------|
| Current Taxes - Real Estate | 90.68% | \$ 75,559,271 | \$ 76,565,166 |
| Current Taxes - Motor Vehicle | 1.87% | 1,559,240 | 1,785,427 |
| Delinquent Taxes & Penalties | 2.60% | 2,162,556 | 563,108 |
| Meals & Beverage Tax | 2.47% | 2,055,545 | 2,223,684 |
| Hotel Occupancy Tax | 2.38% | 1,986,872 | 2,422,627 |
| | | \$ 83,323,484 | \$ 83,560,012 |

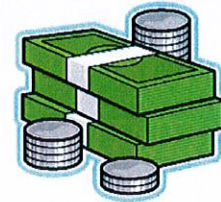


Total general, unrestricted school, and capital projects funds revenues received in 2021 were \$146,823,147. Revenues in the graph above are shown by source. To the right, tax revenues are further separated by category.

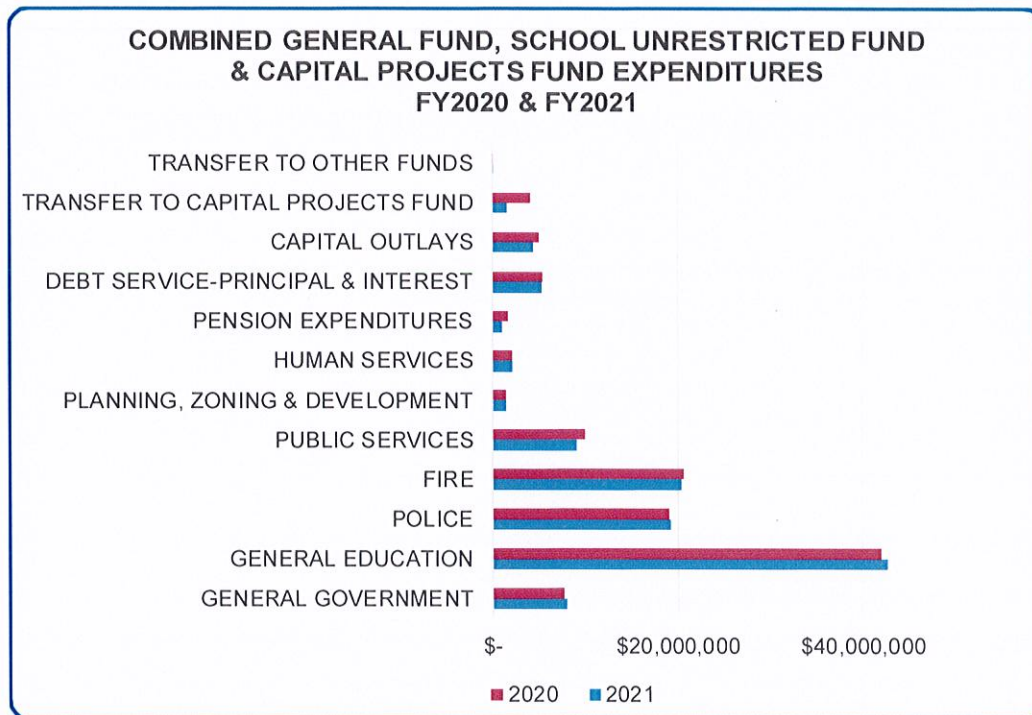
The largest revenue source in FY2021 came from Taxes and Assessments (72.92%) followed by State and Federal Aid (18.79%). Most intergovernmental revenue comes from or through the State of Rhode Island; \$1.1 million of Federal Government aid and \$13.9 million of state aid went to the Newport Public Schools for education aid. An additional \$1.9 million was contributed by the State for teacher pensions. The balance of \$4,863,735 is primarily for tax-exempt property (PILOT) such as Newport Hospital, Salve Regina University, and other nonprofit educational properties, with \$1,558,860 of that being School and Library Construction Aid. The other sources of revenue are the City's share of meals & beverage taxes, hotel occupancy taxes, charges for services & permits, interest on available cash, property rentals, contributions and miscellaneous sources.

EXPENDITURES FOR THE CITY GENERAL FUND, SCHOOL UNRESTRICTED FUND, & CAPITAL PROJECTS FUND

WHERE DOES THE MONEY GO?



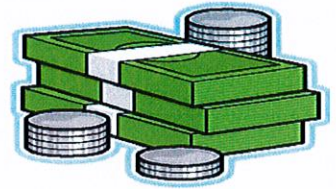
| GENERAL FUND, EXPENDITURES | City General Fund 2021 | School Unrestricted Fund 2021 | Capital Projects Fund 2021 |
|-----------------------------------|---------------------------------------|--|---|
| GENERAL GOVERNMENT | \$ 7,897,145 | \$ - | \$ - |
| GENERAL EDUCATION | - | 42,670,695 | - |
| PUBLIC SAFETY | 39,181,518 | - | - |
| PUBLIC SERVICES | 8,889,319 | - | - |
| PLANNING, ZONING & DEVELOPMENT | 1,400,518 | - | - |
| HUMAN SERVICES | 2,078,158 | - | - |
| PENSION EXPENDITURES | 1,001,870 | - | - |
| DEBT SERVICE-PRINCIPAL & INTEREST | 5,297,490 | - | - |
| CAPITAL OUTLAYS | 552,773 | - | 3,817,511 |
| TRANSFERS TO SCHOOLS | 27,007,530 | - | - |
| TRANSFER TO CAPITAL PROJECTS FUND | 1,602,562 | - | - |
| TRANSFER TO OTHER FUNDS | 39,000 | - | - |
| TOTAL EXPENDITURES | \$ 94,947,883 | \$ 42,670,695 | \$ 3,817,511 |



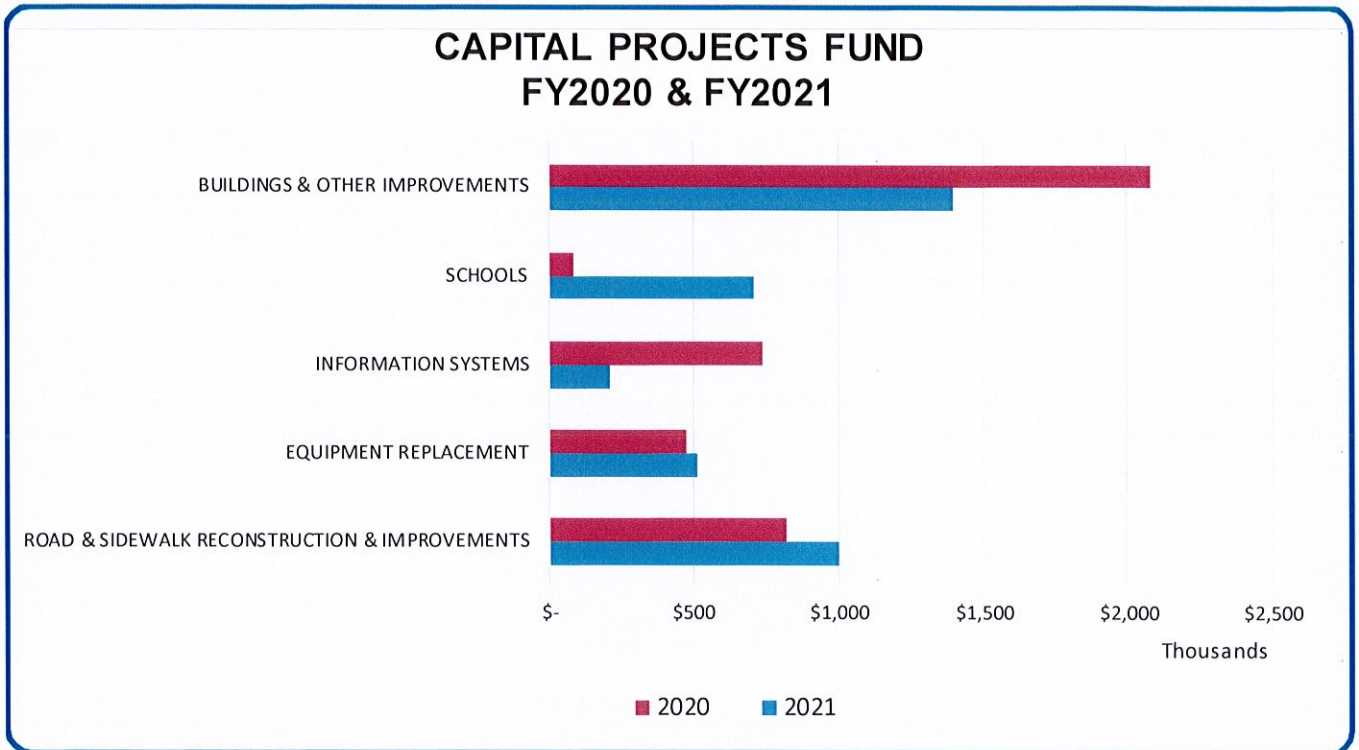
Shown in the above graph are the City of Newport's combined General Fund, School Unrestricted Fund, and Capital Projects Fund in FY2020 and FY2021. In FY2021, education accounted for the largest part of the expenditures at \$42,670,695 or 37.22% of the total expenditures. General Government accounted for \$7,897,145 or 6.89% of the total expenditures, while Public Services accounted for \$8,889,319 or 7.75% of the total expenditures.

EXPENDITURES FOR THE CAPITAL PROJECTS FUND

WHERE DOES THE MONEY GO?



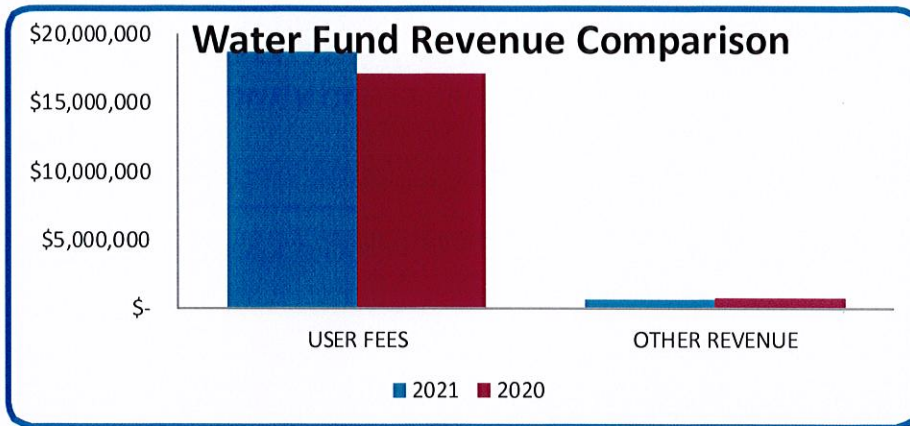
| CAPITAL PROJECTS FUND, EXPENDITURES | 2021 | | 2020 | |
|--|----------------|---------------------|----------------|---------------------|
| ROAD & SIDEWALK RECONSTRUCTION & IMPROVEMENT | 26.10% | \$ 996,353 | 19.58% | \$ 820,812 |
| EQUIPMENT REPLACEMENT | 13.43% | 512,717 | 11.32% | 474,700 |
| INFORMATION SYSTEMS | 5.45% | 207,872 | 17.63% | 739,311 |
| SCHOOLS | 18.49% | 705,972 | 2.06% | 86,234 |
| BUILDINGS & OTHER IMPROVEMENTS | 36.53% | 1,394,597 | 49.42% | 2,072,055 |
| TOTAL EXPENDITURES | 100.00% | \$ 3,817,511 | 100.00% | \$ 4,193,112 |



Capital improvement expenditures were reduced in the 4th quarter of FY2020, and in all of FY2021 due to the projected impact of the Coronavirus.

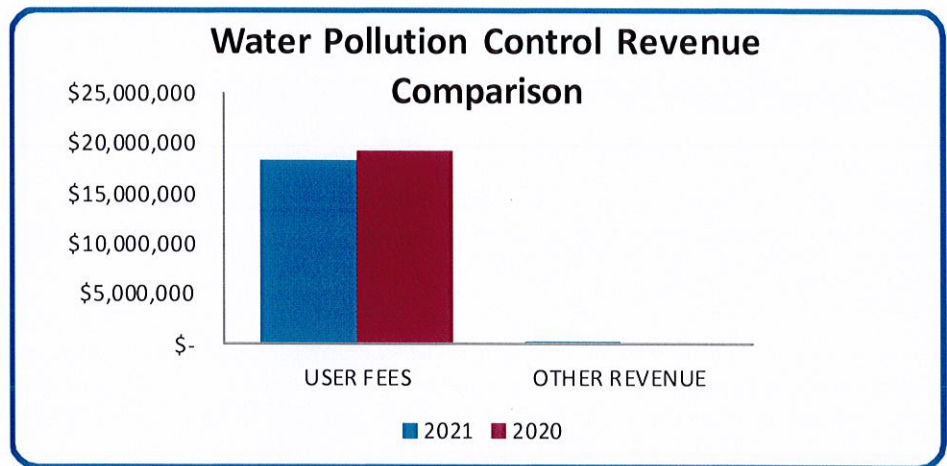
MAJOR ENTERPRISE REVENUES (BUSINESS-TYPE ACTIVITIES)

WHERE DOES THE MONEY COME FROM?



Water Fund Revenue includes metered water charges, and wholesale water charges. Rates are set by the Rhode Island Public Utilities Commission (PUC).

The slight decline in user fees in Water Pollution Control Funds are due to reduced sale of water and the impact of the Coronavirus during the fiscal year.



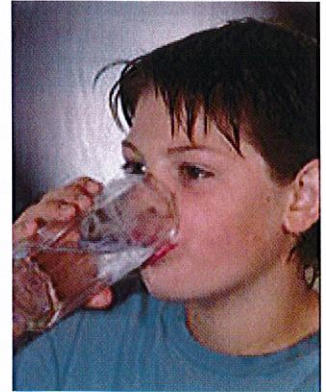
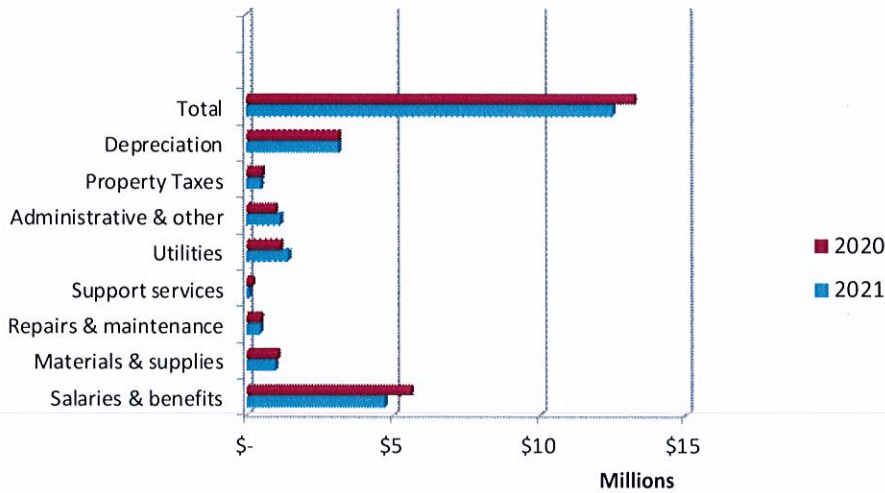
ENTERPRISE FUNDS: Enterprise funds are used to report activities that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The City uses enterprise funds to account for its water operations, water pollution control operations, parking operations, and its maritime (harbor) operations. This report provides information for the Water Utilities Fund and for the Water Pollution Control operations, both of which are considered to be major funds of the City of Newport.

The graphs above illustrate revenue for the City's major Enterprise Funds during 2020 and 2021. User Fees accounted for the majority of the revenue in both the Water Fund and the Water Pollution Control Fund.

MAJOR ENTERPRISE EXPENSES (BUSINESS-TYPE ACTIVITIES)

WHERE DOES THE MONEY GO?

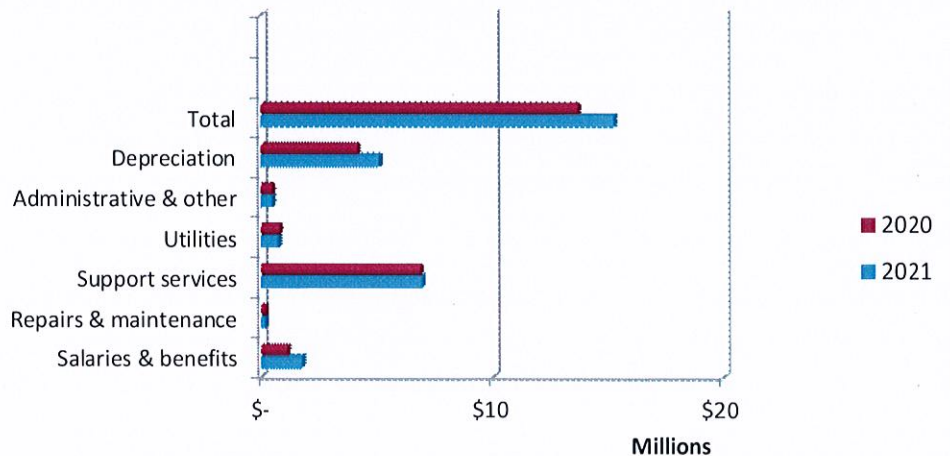
**Operating Expense Comparison - Water Fund
FY2020 @ \$13,217,095; FY2021 @ \$12,493,324**



In both the Water Fund and the Water Pollution Control Fund, operating expenses tell only part of the story. Most of the money raised through user fees is for capital improvements and repayment of debt associated with capital additions.



**Operating Expense Comparison - WPC Fund
FY2020 @ \$13,720,102; FY2021 @ \$15,289,102**



CAPITAL ASSETS

WHAT DO WE OWN?

Capital Assets are defined as Property & Equipment owned by the City of Newport and purchased by each department as needed. This summary is the total dollar amount held by the City of Newport as of June 30, 2021 and 2020 net of accumulated depreciation.

| Category (Gov't Wide) | | 2021 | 2020 |
|------------------------------|----------------|-----------------------|-----------------------|
| Land | 2.90% | \$ 11,421,895 | \$ 11,421,895 |
| Construction in progress | 0.90% | 3,527,911 | 1,150,673 |
| Buildings & systems | 81.69% | 321,480,519 | 329,510,131 |
| Machinery/Equipment/Vehicles | 1.95% | 7,679,602 | 8,455,868 |
| Infrastructure | 12.56% | 49,411,828 | 50,199,716 |
| Total | 100.00% | \$ 393,521,755 | \$ 400,738,283 |



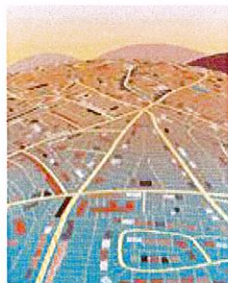
Construction Work in Progress

The amount of incomplete construction or projects. This can include new buildings, new sewers or improvements, and building renovations



Equipment

Includes the cost of all machinery, vehicles, office furniture, business machines, etc. that each department maintains and is responsible for.



Land

The amount listed is the total amount of land purchased and owned by the City of Newport



Buildings and Systems

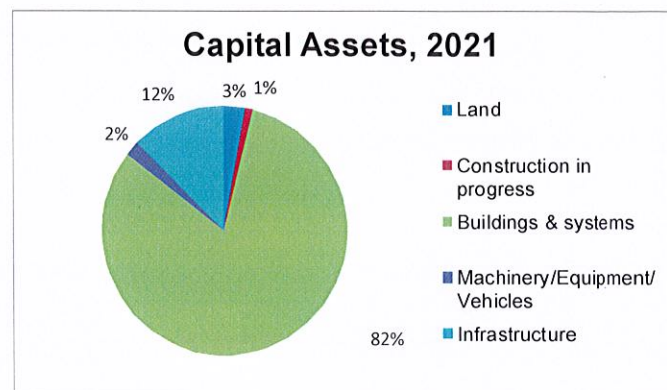
The amount listed is the cost of the building purchase or the cost of the buildings construction plus the costs of water systems and water pollution control systems, buildings and facilities

Infrastructure

Includes the cost of all roads and lighting systems, etc.

Capital Asset Balances

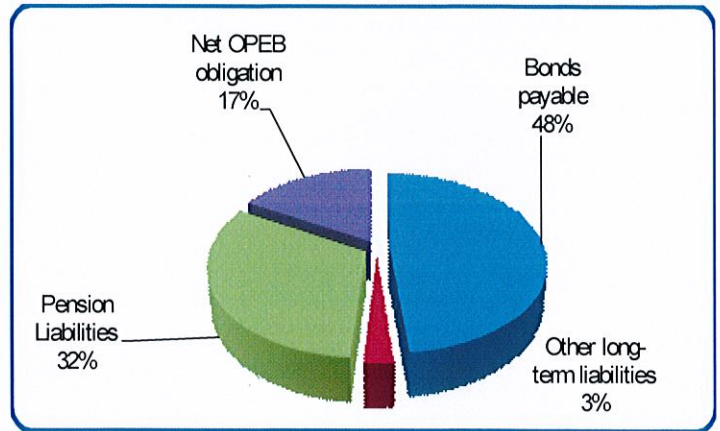
| | |
|-------------------------------|-----------------------|
| Balance as of 7/1/20 | \$ 400,738,283 |
| Purchased 2021 | 7,545,659 |
| Disposed or reclassified 2021 | - |
| Depreciation 2021 | (14,762,186) |
| Balance as of 6/30/20 | \$ 393,521,755 |



LONG-TERM OBLIGATIONS

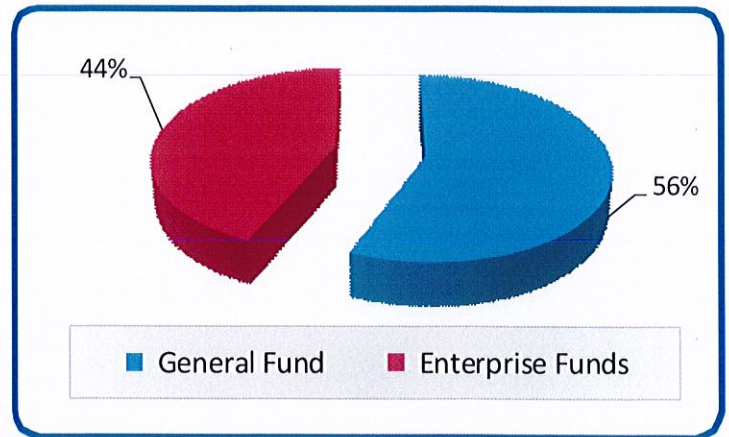
WHAT DO WE OWE?

| | 2021 | 2020 |
|-----------------------------|-----------------------|-----------------------|
| Bonds payable | \$ 155,860,906 | \$ 167,114,664 |
| Other long-term liabilities | 8,442,012 | 9,120,862 |
| Pension Liabilities | 102,728,186 | 140,875,678 |
| Net OPEB obligation | 54,061,329 | 74,624,348 |
| Total Debt Structure | \$ 321,092,433 | \$ 391,735,552 |

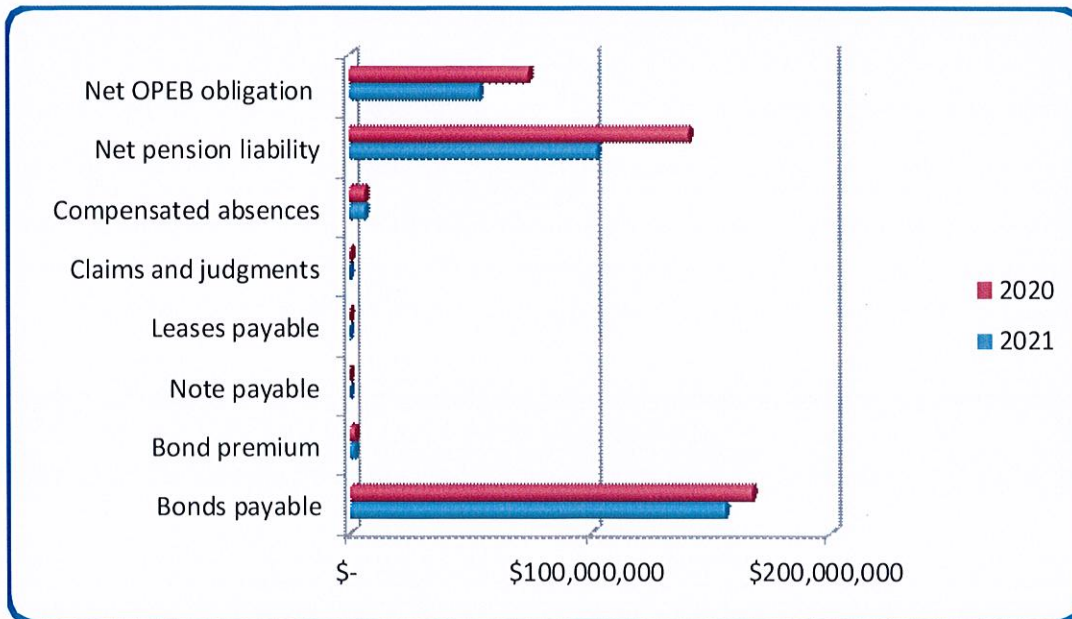


Obligations of Governmental Funds compared to Enterprise Funds

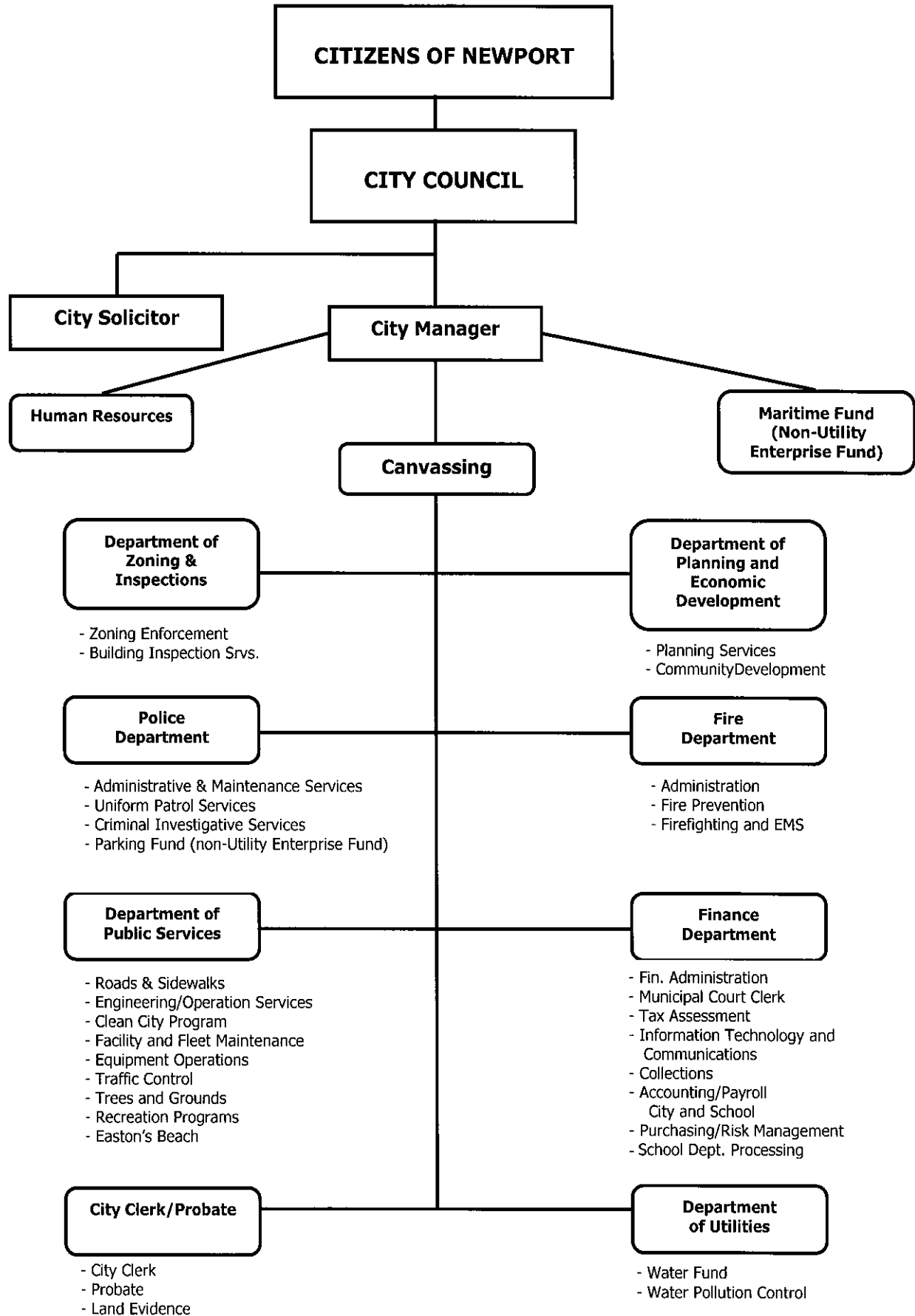
| | General Fund | Enterprise Fund |
|-----------------------------|-----------------------|-----------------------|
| Bonds payable | \$ 25,377,000 | \$ 130,483,905 |
| Bond premium | 1,834,562 | - |
| Leases payable | - | - |
| Claims and judgments | 100,000 | - |
| Compensated absences | 6,507,450 | - |
| Net pension liability | 95,402,017 | 7,326,169 |
| Net OPEB obligation | 52,040,741 | 2,020,588 |
| Total Debt Structure | \$ 181,261,770 | \$ 139,830,662 |



Comparison of FY2020 and FY2021 Long-term obligations



THE CITY OF NEWPORT, RI



CITY OF NEWPORT, RHODE ISLAND

For Fiscal Year Ended June 30, 2021

PRINCIPAL OFFICIALS

CITY COUNCIL

| | |
|---|--|
| Jeanne-Marie Napolitano, Mayor | jnapolitano@cityofnewport.com (401) 845-8436 |
| Lynn Underwood Ceglie, Councilor At Large, Vice Chair | lceglie@cityofnewport.com (401) 845-5498 |
| Jamie Bova, Councilor At Large | jbova@cityofnewport.com (401) 845-5499 |
| Elizabeth Fuerte, Councilor At Large | efuerte@cityofnewport.com (401) 845-8493 |
| Angela McCalla, 1st Ward Councilor | amccalla@cityofnewport.com (401) 845-5497 |
| Charles M. Holder, 2nd Ward Councilor | cholder@cityofnewport.com (401) 845-5498 |
| Kathryn E. Leonard, 3rd Ward Councilor | KateLeonar@aol.com (401) 845-5495 |

ADMINISTRATION

| | | |
|-----------------------------|--------------------------------|--|
| Building Official | William Hanley | whanley@cityofnewport.com (401) 845-5463 |
| Canvassing Clerk | Tracy A. Nelson | tnelson@cityofnewport.com (401) 845-5384 |
| City Clerk | Laura Swistak | lswistak@cityofnewport.com (401) 845-5351 |
| City Manager | Joseph J. Nicholson, Jr., Esq. | jnicholson@cityofnewport.com (401) 845-5430 |
| Director of Finance | Laura L. Sitrin, CPA | lsitrin@cityofnewport.com (401) 845-5394 |
| Director of Public Services | William R. Riccio, Jr. | wriccio@cityofnewport.com (401) 845-5841 |
| Director of Utilities | Julia Forgue, PE | jforgue@cityofnewport.com (401) 845-5600 |
| Fire Chief | Brian Dugan | bdugan@cityofnewport.com (401) 845-5911 |
| Harbormaster | Stephen Land | sland@cityofnewport.com (401) 845-5818 |
| Police Chief | Gary T. Silva | gsilva@cityofnewport.com (401) 845-5777 |