



***City of Prineville, Oregon
Financial Report
Fourth Quarter and Fiscal Year End June 30, 2009***

June 30, 2009

Executive Summary

During the fourth quarter ending June 30, 2009 the City's financial condition improved slightly as combined fund balances increased approximately three percent (3%) or approximately \$183 thousand (\$5.902 to \$6.085 million). The overall increase in fund balance for the fiscal year 2009 is primarily the result of the dollars received from the Oregon Department of Transportation (STP/surface transportation project funds approx 348,500) in the second quarter of the fiscal year. Expenditures for these funds are budgeted in the 2009-2010 fiscal year.

Funds that realized significant negative changes to their respective fund balances during the fourth quarter include the Transportation SDC fund (\$199,291 -24%), Water SDC Fund (\$101,109 -39%) Fire Station/Water Debt Service fund, (\$11,764 -28%), and the Wastewater fund (\$298,417 -21%). The decrease in the Transportation SDC fund is a result of planned capital improvements, scheduled debt service payments in Water SDC Fund, Fire Station/Water Debt Service fund, and the Wastewater fund largely contributed to the negative changes.

Year-end projections for fourteen of the nineteen funds in the City budget came in above the estimated numbers; the funds that did not meet projection include Water (\$18,709) and Wastewater (\$12,067) SDC funds, City Hall fund (\$2,366), and Fire Hall/Water GO Debt Service fund (\$144.00). Fund balances are generally adequate according to financial policy. The City continues to realize significantly reduced development related revenue in the General fund and SDC funds. Additionally, the slowdown in growth has affected revenue in the water and wastewater funds. The impact of the slowdown in growth is expected to continue through fiscal year 2009 and possibly beyond. The spending plans budgeted in fiscal year 2010 will be closely monitored and adjusted according to actual revenues received.

A summary is presented in each fund to provide an explanation of financial performance and operating issues. We appreciate comments on how we may be able to improve this report to enhance your understanding of the City's finances.

Sincerely,
Steve Forrester
City Manager

Liz Schuette,
Finance Director

June 30, 2009

All City Funds

Fund	Beginning Fund Balance	Current Year Resources	Current Year Expenditures	Ending Fund Balance	Change in Fund Balance	Percentage Change in Fund Balance
General	\$ 475,311	\$ 3,136,702	\$ 3,158,698	\$ 453,315	\$ (21,996)	-5%
Transportation	307,086	1,021,425	595,134	733,377	426,291	139%
Emergency Dispatch	253,084	830,382	756,517	326,949	73,865	29%
Local Improvement District Construction	-	-	-	-	-	0%
Transportation SDC	838,811	47,409	246,700	639,520	(199,291)	-24%
Water SDC	260,785	36,413	137,522	159,676	(101,109)	-39%
Wastewater SDC	2,944	48,915	34,182	17,677	14,733	500%
LID Debt Service	367,831	253,693	266,333	355,191	(12,640)	-3%
Fire Station/Water Debt Service	41,813	75,955	87,719	30,049	(11,764)	-28%
Industrial Park Debt Service	543	284,267	284,810	-	(543)	-100%
Railroad	641,307	901,122	961,439	580,990	(60,317)	-9%
Water	960,789	1,376,533	1,284,873	1,052,449	91,660	10%
Wastewater	1,406,807	2,885,324	3,183,741	1,108,390	(298,417)	-21%
Golf Course and Restaurant	175,002	1,634,570	1,632,729	176,843	1,841	1%
Dinner Train	21,583	401,330	422,913	(0)	(21,583)	-100%
Freight Depot	18,992	3,549,686	3,503,563	65,115	46,123	243%
Administration and Financial Services	90,927	1,490,863	1,479,782	102,008	11,081	12%
Public Works Support Services	(27,549)	718,078	464,842	225,687	253,236	919%
City Hall	66,657	149,945	158,111	58,491	(8,166)	-12%
Totals	\$ 5,902,723	\$ 18,842,613	\$ 18,659,607	\$ 6,085,728	\$ 183,005	3%

June 30, 2009

General Fund

	Current period	YTD	Annual	Year-end	Variance
	Actual	Actual	Budget	Projection	Yr end to Actual
Revenue					
Property taxes	\$ 24,023	\$ 1,714,873	\$ 1,813,600	\$ 1,688,000	\$ 26,873
Transient lodging tax	14,927	164,130	198,000	175,000	(10,870)
Franchise fees	45,113	680,305	669,000	679,400	905
Licenses and permits	4,767	48,961	263,900	42,800	6,161
Intergovernmental revenues	25,255	275,004	291,500	275,300	(296)
Charges for services	27,808	166,036	433,000	165,800	236
Interest	422	6,859	15,000	8,000	(1,141)
Miscellaneous	5,408	80,535	90,500	84,800	(4,265)
Total revenue	\$ 147,723	\$ 3,136,702	\$ 3,774,500	3,119,100	17,602
Expenditures					
Community development	\$ 32,017	\$ 459,074	545,500	463,500	4,426
Police	187,030	2,569,476	3,047,700	2,579,700	10,224
Police facility	2,999	54,724	131,400	60,500	5,776
Non-departmental	12,737	75,424	88,000	83,000	7,576
Contingency			373,696		-
Total expenditures	\$ 234,783	\$ 3,158,698	\$ 4,186,296	3,186,700	28,002
Revenue over (under) expenditures	(87,060)	(21,996)	(411,796)	(67,600)	-
Beginning fund balance	824,719	475,311	411,796	475,311	63,515
Ending fund balance	\$ 737,659	\$ 453,315	\$ -	\$ 407,711	45,604

The general fund accounts for the City’s community development, police and non-departmental operations and activities. The primary sources of revenue include property taxes, transient lodging taxes, franchise fees, and intergovernmental revenue.

Collection of property tax revenue for the fourth quarter exceeded year-end projection by approx \$27 thousand, down approx 5% of original budget or \$98,727, 2% increase over prior year collection or \$1,674,526. Overall, General fund revenues exceeded year-end projections by approx 1% or \$17,602.

Expenditures for the fourth quarter are below year-end estimates approx 1% or \$28,002, below original budget by 17% or \$653,902. This is a direct reflection of the spending adjustments made mid- year in Police and Community Development.

Overall, the general fund realized a decrease in fund balance of approx -5% or \$21,966. The decrease in revenue related to property taxes, transient lodging tax, and development activity, has had a significant impact, and could continue throughout the 2010 budget cycle. Staff is closely monitoring revenues and expenditures, and we are prepared to adjust spending plans according to the economic condition to ensure fund balance is not further reduced.

June 30, 2009

Transportation Fund

	Budget	Current period Actual	Year to Date Budget	YTD Actual	Annual Budget	Year-end Projection	Variance Yr end to Actual
Revenue							
Licenses & permits	\$ 2,500	\$ 1,320	\$ 7,500	\$ 8,875	\$ 10,000	\$ 8,000	\$ 875
Intergovernmental	282,050	29,038	846,150	1,002,031	1,128,200	1,014,800	(12,769)
Charges for services	5,000	-	10,000	-	20,000	-	-
Interest	1,750	595	5,250	10,298	7,000	10,000	298
Miscellaneous	-	-	-	222	-	-	222
Total revenue	\$ 291,300	\$ 30,953	\$ 868,900	\$ 1,021,425	\$ 1,165,200	1,032,800	(11,375)
Expenditures							
Personal services	\$ 38,900	\$ 12,133	\$ 116,700	\$ 145,582	155,600	149,700	4,118
Material & services	88,700	13,886	266,100	129,953	354,800	156,000	26,047
Capital outlay							
Improvements	118,250	-	354,750	88,399	473,000	136,400	48,001
Debt service							
Capital lease - street sweeper	-	-	-	-	-	-	-
Transfers	57,800	13,317	173,400	231,200	231,200	231,200	-
Contingency					208,456		-
Total expenditures	\$ 303,650	\$ 39,336	\$ 910,950	595,134	\$ 1,423,056	673,300	78,166
Revenue over (under) expenditures	\$ (12,350)	\$ (8,383)	\$ (42,050)	\$ 426,291	\$ (257,856)	359,500	-
Beginning fund balance	233,156	685,635	257,856	307,086	257,856	307,086	49,230
Ending fund balance	\$ 220,806	\$ 677,252	\$ 215,806	\$ 733,377	\$ -	\$ 666,586	66,791

The transportation fund accounts for the operation and maintenance of the City’s street, bike lane, and sidewalk systems. Principal sources of revenue are state gas taxes allocated to cities, permits, and interest. Principal expenditures are for public works staff, patching, painting, electricity for streetlights and signals, insurance and asphalt.

Revenue collection for the fourth quarter is slightly below year-end projection at -1% or \$11,375, 12% below original budget or \$143,775. A significant reduction in the Oregon gas tax revenue of approx 18% or \$78,992 was offset some by the receipt of dollars from the Oregon Department of Transportation (STP/surface transportation project funds approx 348,500) in the second quarter. Expenditures for the period are below budget due to a conservative spending approach, and pending projects moved to fiscal year 2010.

Overall, the transportation fund realized an increase of 139% or \$426,291, directly related to the \$473,000 budgeted in capital improvements postponed to the following year.

June 30, 2009

Emergency Dispatch

	Budget	Current period Actual	Year to Date Budget	YTD Actual	Annual Budget	Year-end Projection	Variance Yr end to Actual
Revenue							
Intergovernmental	\$ 133,450	\$ -	\$ 400,350	\$ 518,957	\$ 533,800	\$ 515,300	\$ 3,657
Charges for services	2,950	-	8,850	2,882	11,800	2,700	182
Interest	1,750	359	5,250	6,743	7,000	7,000	(257)
Transfers from other funds	83,950	25,150	251,850	301,800	335,800	301,800	-
Total revenue	\$ 222,100	\$ 25,509	\$ 666,300	\$ 830,382	\$ 888,400	\$ 826,800	3,582
Expenditures							
Personal services	\$ 185,175	\$ 50,845	\$ 555,525	\$ 603,925	740,700	592,400	(11,525)
Material & services	40,400	2,828	114,050	99,641	161,600	108,900	9,259
Capital outlay							
Equipment	12,950	-	38,850	12,550	51,800	51,800	39,250
Transfers	10,100	3,367	30,300	40,400	40,400	40,400	-
Contingency					124,694		-
Total expenditures	\$ 248,625	\$ 57,040	\$ 738,725	\$ 756,517	\$ 1,119,194	\$ 793,500	36,983
Revenue over (under) expenditures	\$ (26,525)	\$ (31,531)	\$ (72,425)	\$ 73,865	\$ (230,794)	33,300	-
Beginning fund balance	184,894	398,423	230,794	253,084	230,794	253,084	22,290
Ending fund balance	\$ 158,369	\$ 366,892	\$ 158,369	\$ 326,949	\$ -	\$ 286,384	40,565

This fund accounts for the emergency dispatch operation. The operation provides dispatching and records management services for the public safety departments serving the Crook County area, with the exception of the State Police. The primary revenue sources are payments by users for services provided, including a transfer from the City's police department in the general fund. The operation is managed by the City's Police Department.

Revenues for the fourth quarter are slightly above year-end estimates, but showing a \$34,000 decrease in transfers from the annual budget. This is a result of the decision to not move forward with the policing fee. Expenditures for the quarter are well below budgeted amounts as the department continues to be staffed below approved levels pending hiring. Overall, the emergency dispatch fund has a 29% or \$73,865 increase in fund balance.

June 30, 2009

LID Construction Fund

	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Revenue								
Intergovernmental	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
Interest	-	-	-	-	-	-	-	-
Debt proceeds	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Total revenue	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
Expenditures								
Capital outlay								
Street improvements				\$ -	\$ -			
Water improvements	-	-	-	-	-	-	\$ -	\$ -
Wastewater improvements	-	-	-	-	-	-	-	-
Interest								
Interim bank financing	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
Contingency							-	-
Total expenditures	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
Revenue over (under) expenditures	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	
Beginning fund balance								
Ending fund balance	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	

This fund accounts for property owner initiated local improvements, such as streets, sidewalks, water, and sewer infrastructure. The primary revenue sources are debt proceeds, which is repaid by benefited property owners and property owner payments. Expenditures are for requested infrastructure improvements.

No projects budgeted at this time.

June 30, 2009

Transportation SDC Fund

Revenue	Budget	Current period Actual	Year to Date Budget	YTD Actual	Annual Budget	Year-end Projection	Variance Yr end to Actual
Intergovernmental	\$ 125,000	\$ -	\$ 125,000	\$ -	\$ 500,000	\$ -	\$ -
Interest	\$ 3,000	\$ 649	\$ 131,000	\$ 15,581	\$ 12,000	14,000	1,581
System development charges	15,000	8,680	45,000	31,828	60,000	40,000	(8,172)
Total revenue	\$ 18,000	\$ 9,329	\$ 176,000	\$ 47,409	\$ 572,000	54,000	(6,591)
Expenditures							
Material & services	\$ 7,500	\$ -	\$ 22,500	\$ 27,431	\$ 30,000	\$ 35,000	7,569
Capital outlay							-
Improvements	293,750	72,773	881,250	219,269	1,175,000	260,000	40,731
Transfers	7,000	-	21,000	-	28,000	28,000	28,000
Contingency					45,833	-	-
Total expenditures	\$ 308,250	\$ 72,773	\$ 924,750	\$ 246,700	\$ 1,278,833	\$ 323,000	76,300
Revenue over (under) expenditures	\$ (290,250)	\$ (63,444)	\$ (748,750)	\$ (199,291)	\$ (706,833)	(269,000)	-
Beginning fund balance	376,333	849,869	706,833	838,811	706,833	838,811	131,978
Ending fund balance	\$ 86,083	\$ 786,425	\$ (41,917)	\$ 639,520	\$ -	\$ 569,811	69,709

This fund accounts for the collection and expenditure of transportation system development charges. The primary revenue source is SDCs. Expenditures are for qualified capital improvement projects and related costs.

As noted previously development activity has significantly reduced SDC collections, fourth quarter receipt of SDCs showed a very slight increase in activity, however, revenues are below year end projection by approx \$6,591 or 12%. Fund balance is higher than projected by approx \$69,709 or 11%.

June 30, 2009

Water SDC Fund

	Budget	Current period Actual	Year to Date Budget	YTD Actual	Annual Budget	Year-end Projection	Variance Yr end to Actual
Revenue							
Interest	\$ 500	\$ 219	\$ 1,500	\$ 5,088	\$ 2,000	\$ 5,000	\$ 88
System development charges	15,000	10,235	45,000	30,705	60,000	40,000	(9,295)
Debt proceeds	-	-	-	-	-	-	-
Miscellaneous	-	-	-	620	-	-	620
Total revenue	\$ 15,500	\$ 10,454	\$ 46,500	\$ 36,413	\$ 62,000	45,000	(8,587)
Expenditures							
Material & services	\$ 17,250	\$ -	\$ 27,250	\$ 11,201	\$ 69,000	22,000	10,799
Capital outlay							-
Improvements	32,750	20,510	124,250	31,427	131,000	10,500	(20,927)
Debt service							-
Principal - short-term borrowing	-	-	-	-	-	-	-
Interest - short-term borrowing	-	94,894	-	94,894	95,000	94,900	6
Transfers	750	-	2,250	-	3,000	-	-
Contingency					30,895		-
Total expenditures	\$ 50,750	\$ 115,404	\$ 153,750	\$ 137,522	\$ 328,895	127,400	(10,122)
Revenue over (under) expenditures	\$ (35,250)	\$ (104,950)	\$ (107,250)	\$ (101,109)	\$ (266,895)	(82,400)	-
Beginning fund balance	194,895	271,483	266,895	260,785	266,895	260,785	(6,110)
Ending fund balance	\$ 159,645	\$ 166,533	\$ 159,645	\$ 159,676	\$ -	\$ 178,385	(18,709)

This fund accounts for the collection and expenditure of water system development charges. The primary revenue source is SDCs. Expenditures are for qualified capital improvement projects and related costs.

As noted previously development activity has significantly reduced SDC collections, receipt of revenue from SDCs for the fourth quarter shows an increase in activity of \$10,235, however, revenues are below year end projections by \$8,587 or 19% . Planned capital projects have been deferred until funds become fully available.

The \$1.8 million financing in fiscal year 2007 was refinanced in December 2007 to lower the interest rate and require interest only payments. Current fund balance and SDC collections are adequate to make interest payments. If SDC collections improve, principal payments on outstanding debt will be made with available revenue. This will reduce the possibility of identifying and using non-SDC revenue to repay the debt used for capital expansion projects.

June 30, 2009

Wastewater SDC Fund

Revenue	Current period		Year		YTD	Annual	Year-end	Variance
	Budget	Actual	Budget	Actual	Actual	Budget	Projection	Yr end to Actual
Interest	\$ 600	\$ 1,052	\$ 1,800	\$ 1,883	\$ 1,883	\$ 2,400	\$ 1,000	\$ 883
System development charges	21,075	17,005	63,225	47,032	47,032	84,300	61,000	(13,968)
Total revenue	\$ 21,675	\$ 18,057	\$ 65,025	\$ 48,915	\$ 48,915	\$ 86,700	62,000	(13,085)
Expenditures								
Material & services	\$ 10,000	-	\$ 30,000	-	-	\$ 40,000	-	-
Capital outlay								
Improvements	-	-	-	-	-	-	-	-
Debt service								
Principal - short-term borrowing	-	-	-	-	-	-	-	-
Interest - short-term borrowing	-	34,182	-	34,182	34,182	34,200	34,200	18
Transfers	1,075	-	3,225	-	-	4,300	1,000	1,000
Contingency						38,570		-
Total expenditures	\$ 11,075	\$ 34,182	\$ 33,225	\$ 34,182	\$ 34,182	\$ 117,070	35,200	1,018
Revenue over (under) expenditures	\$ 10,600	\$ (16,125)	\$ 31,800	\$ 14,733	\$ 14,733	\$ (30,370)	26,800	-
Beginning fund balance	53,270	37,170	32,070	2,944	2,944	32,070	2,944	(29,126)
Ending fund balance	\$ 63,870	\$ 21,045	\$ 63,870	\$ 17,677	\$ 17,677	\$ 1,700	\$ 29,744	(12,067)

This fund accounts for the collection and expenditure of wastewater system development charges. The primary revenue source is SDCs. Expenditures are for qualified capital improvement projects and related costs.

Fourth quarter collections showed an increase in activity of \$17,005, however, revenues are below year-end projections by approx 13,000 or 22%. An existing \$445,000 loan was refinanced in December 2007 to lower the interest rate and require interest only payments. If SDC collections are adequate, principal payments can be made. The refinancing reduced the possibility of having to identify and use non-SDC revenue to repay the debt used for capital expansion projects.

No improvement projects have been budgeted this fiscal year.

June 30, 2009

LID Debt Service Fund

	Budget	Current period Actual	Year to Date Budget	YTD Actual	Annual Budget	Year-end Projection	Variance Yr end to Actual
Revenue							
Intergovernmental	\$ -	\$ -	\$ -	\$ 35,000	\$ -	\$ 35,000	\$ -
Interest	2,500	266	7,500	5,136	10,000	8,000	(2,864)
Assessment repayments	47,575	846	142,725	213,557	190,300	208,800	4,757
Total revenue	\$ 50,075	\$ 1,112	\$ 150,225	\$ 253,693	\$ 200,300	251,800	1,893
Expenditures							
Materials and services	\$ 325	\$ -	\$ 975	\$ 400	\$ 1,300	1,300	900
Debt service							-
Principal							-
Spruce Lane LID - 2001	-	-	9,200	9,200	9,200	9,200	-
10th St/Madras Hwy LID - 2003	1,800	626	5,400	7,209	7,200	7,200	(9)
Northridge LID - 2003	13,750	-	41,250	55,000	55,000	55,000	-
Ochoco Hwy LID - 2004	4,750	1,939	14,250	22,779	19,000	19,000	(3,779)
Ironhorse LID - 2006	24,250	-	72,750	53,633	97,000	53,000	(633)
Interest							-
Spruce Lane LID - 2001	1,000	-	2,200	1,691	1,700	1,700	9
10th Street/Madras Hwy LID - 2003	675	194	2,025	2,623	2,700	2,700	77
Northridge LID - 2003	4,725	-	14,175	14,238	18,900	18,900	4,663
Ochoco Hwy LID - 2004	1,775	233	5,325	3,280	7,100	7,100	3,820
Ironhorse LID - 2006	13,250	-	39,750	96,280	53,000	97,000	720
Contingency					297,832		-
Total expenditures	\$ 66,300	\$ 2,991	\$ 207,300	\$ 266,333	\$ 569,932	272,100	5,767
Revenue over (under) expenditures	\$ (16,225)	\$ (1,879)	\$ (57,075)	\$ (12,640)	\$ (369,632)	(20,300)	-
Beginning fund balance	328,782	402,711	369,632	367,831	369,632	367,831	(1,801)
Ending fund balance	\$ 312,557	\$ 400,832	\$ 312,557	\$ 355,191	\$ -	\$ 347,531	7,660

This fund accounts for the repayment of debt issued to finance property owner requested infrastructure projects. The primary revenue source is payment of assessments by benefited property owners.

Assessment payments year to date are slightly higher than the year-end estimate, 11% or \$23,257 over the annual budget. Expenditures in this fund are as anticipated.

June 30, 2009

Fire Hall/Water GO. Debt Service Fund

Revenue	Budget	Current period Actual	Year to Date Budget	YTD Actual	Annual Budget	Year-end Projection	Variance Yr end to Actual
Property taxes	\$ 18,750	\$ 1,083	\$ 56,250	\$ 74,873	\$ 75,000	\$ 75,000	\$ (127)
Interest	250	29	750	1,082	1,000	1,100	(18)
Total revenue	\$ 19,000	\$ 1,112	\$ 57,000	\$ 75,955	\$ 76,000	76,100	(145)
Expenditures							
Debt service							
Principal							
G.O. Bonds	\$ 75,000	-	\$ 75,000	\$ 75,000	\$ 75,000	75,000	-
Interest							
G.O. Bonds	-	-	8,348	12,719	12,720	12,720	1
Other requirements					25,941		-
Total expenditures	\$ 75,000	\$ -	\$ 83,348	\$ 87,719	\$ 113,661	87,720	1
Revenue over (under) expenditures	\$ (56,000)	\$ 1,112	\$ (26,348)	\$ (11,764)	\$ (37,661)	(11,620)	-
Beginning fund balance	(7,687)	98,997	37,661	41,813	37,661	41,813	4,152
Ending fund balance	\$ (63,687)	\$ 100,109	\$ 11,313	\$ 30,049	\$ -	\$ 30,193	(144)

This fund accounts for the repayment of debt issued to finance the construction of the fire hall and water improvements. The primary revenue source is voter approved property taxes.

Activity in this fund is as anticipated.

June 30, 2009

Industrial Park Debt Service Fund

Revenue	Current period		Year to Date	YTD	Annual	Year-end	Variance
	Budget	Actual	Budget	Actual	Budget	Projection	Yr end to Actual
Interest	\$ -	\$ 5	\$ -	\$ 213	\$ -	\$ 200	\$ 13
Land rent	33,000	13,059	99,000	134,054	132,000	134,200	(146)
Land sales	33,750	-	33,750	-	135,000	-	-
Transfers	4,500	150,000	-	150,000	18,000	150,000	-
Total revenue	\$ 71,250	\$ 163,064	\$ 166,500	\$ 284,267	\$ 285,000	\$ 284,400	\$ (133)
Expenditures							
Materials and services	\$ -	\$ -	\$ 800	\$ 750	\$ 800	\$ 750	-
Debt service							-
Principal							-
126 - 1996	-	-	51,700	54,701	54,700	54,800	99
Natural gas loan	11,732	15,625	30,482	46,875	46,927	46,900	25
Railroad note payable	37,500	150,000	107,500	150,000	150,000	150,000	-
Interest							-
126 - 1996	-	-	32,500	32,484	32,500	32,493	9
Railroad note payable	125	-	375	-	500	-	-
Contingency							-
Total expenditures	\$ 49,357	\$ 165,625	\$ 223,357	\$ 284,810	\$ 285,427	\$ 284,943	\$ 133
Revenue over (under) expenditures	\$ 21,893	\$ (2,561)	\$ (56,857)	\$ (543)	\$ (427)	\$ (543)	\$ -
Beginning fund balance	(40,073)	(39,933)	427	543	427	543	116
Ending fund balance	\$ (18,180)	\$ (42,494)	\$ (56,430)	\$ -	\$ -	\$ -	\$ -

This fund accounts for the repayment of debt issued to finance construction of infrastructure improvements to the City's industrial park area. The primary revenue source is land rent to the Railroad.

This fund is part of the restructuring that occurred prior to year-end. The debt service to Central Electric for the natural gas line paid off, and the Hwy 126 debt service will be moved to the freight depot fund in the FY 2010 budget. The existing interfund loan from the railroad was paid back to the Railroad through the refinancing of debt, and will be accounted for in the freight depot fund in the FY 2010 budget.

This fund has been closed out at year-end FY 2009.

June 30, 2009

Railroad Fund

	Current period		Year to Date	YTD	Annual	Year-end	Variance
	Budget	Actual	Budget	Actual	Budget	Projection	Yr end to Actual
Revenue							
Charges for services	\$ 137,600	\$ 14,524	\$ 412,800	\$ 318,923	\$ 550,400	\$ 347,700	\$ (28,777)
Use of money & property	14,125	7,304	42,375	92,095	56,500	93,800	(1,705)
Miscellaneous	93,600	16,129	280,800	40,104	374,400	9,500	30,604
Transfers		450,000		450,000	7,500	457,500	(7,500)
Total revenue	\$ 245,325	\$ 487,957	\$ 735,975	\$ 901,122	\$ 988,800	908,500	(7,378)
Expenditures							
Personal services	\$ 116,600	\$ 35,045	\$ 349,800	\$ 420,770	\$ 466,400	428,800	8,030
Material and services	98,000	36,677	294,000	387,074	392,000	383,500	(3,574)
Capital outlay							-
Improvements	18,000	2,594	54,000	9,094	72,000	2,600	(6,494)
Transfers	36,125	57,875	83,375	144,500	144,500	144,500	-
Contingency					689,644		-
Total expenditures	\$ 268,725	\$ 132,192	\$ 781,175	\$ 961,439	\$ 1,764,544	959,400	(2,039)
Revenue over (under) expenditures	\$ (23,400)	\$ 355,765	\$ (45,200)	\$ (60,317)	\$ (775,744)	(50,900)	-
Beginning fund balance	757,694	428,849	775,744	641,307	775,744	641,307	(134,437)
Ending fund balance	\$ 734,294	\$ 784,614	\$ 730,544	\$ 580,990	\$ -	\$ 590,407	(9,417)

This fund accounts for the activities of the City’s railroad operation. Primary revenue sources are payments for the use of railroad facilities and related services. Expenditures are for the railroad operation, including repair and capital improvements.

Fourth quarter results show revenue at -1% of Year-end projections or \$901,122. Ending revenue projections included repayment of interfund loans that was not anticipated in the annual budget. Actual operating revenue was 54% or \$451,000 below annual budget. The railroad continues to suffer through a depressed housing market resulting in fewer timber related carloads.

Expenditures are slightly over year-end projection, 11% or \$113,461 below annual budget. Management and the railroad commission continue to pursue additional business and reduce expenditures.

June 30, 2009

Water Fund

	Budget	Current period Actual	Year to Date Budget	YTD Actual	Annual Budget	Year-end Projection	Variance Yr end to Actual
Revenue							
Charges for services	\$ 371,050	\$ 153,369	\$ 1,113,150	\$ 1,358,466	\$ 1,484,200	\$ 1,364,800	\$ (6,334)
Interest	5,250	595	15,750	17,772	21,000	20,000	(2,228)
Miscellaneous	125	-	375	295	500	500	(205)
Total revenue	\$ 376,425	\$ 153,964	\$ 1,129,275	\$ 1,376,533	\$ 1,505,700	1,385,300	(8,767)
Expenditures							
Personal services	\$ 57,675	\$ 18,162	\$ 173,025	\$ 212,725	\$ 230,700	216,500	3,775
Materials and services	140,100	67,485	420,300	335,426	560,400	383,500	48,074
Capital outlay							
Equipment	-	-	-	-	-	-	-
Improvements	120,000	14,666	360,000	86,982	480,000	80,000	(6,982)
Debt service							
Principal							
Water revenue bond 2003	35,000	-	35,000	35,000	35,000	35,000	-
Interest							
Water revenue bond 2003	16,900	-	33,800	32,740	32,800	32,800	60
Transfers	145,500	48,083	436,500	582,000	582,000	582,000	-
Contingency					445,750		-
Total expenditures	\$ 515,175	\$ 148,396	\$ 1,458,625	\$ 1,284,873	\$ 2,366,650	1,329,800	44,927
Revenue over (under) expenditures	\$ (138,750)	\$ 5,568	\$ (329,350)	\$ 91,660	\$ (860,950)	55,500	-
Beginning fund balance	670,350	1,094,135	860,950	960,789	860,950	960,789	99,839
Ending fund balance	\$ 531,600	\$ 1,099,703	\$ 531,600	\$ 1,052,449	\$ -	\$ 1,016,289	36,160

This fund accounts for the activities of the City's water utility. The primary source of revenue is water sales and expenditures are for the operation of system including repair and maintenance of infrastructure.

Fourth quarter revenues are -1% or \$8,767 below year-end estimate. Water usage and connection charges have decreased due to the downturn in the economy.

Expenditures for the fourth quarter are approx 3% or \$44,927 below year-end estimates.

Overall, the water fund has a 10% or \$91,660 increase in fund balance.

June 30, 2009

Wastewater Fund

Revenue	Current period		Year to Date	YTD	Annual	Year-end	Variance
	Budget	Actual	Budget	Actual	Budget	Projection	Yr end to Actual
Charges for services	\$ 733,000	\$ 251,488	\$ 2,199,000	\$ 2,794,503	\$ 2,932,000	\$ 2,812,000	\$ (17,497)
Interest	7,500	595	22,500	19,080	30,000	20,000	(920)
Miscellaneous	13,350	3,916	40,050	55,548	53,400	49,000	6,548
SDCs - reimbursement fees	8,000	3,913	24,000	16,194	32,000	25,000	(8,806)
Total revenue	\$ 761,850	\$ 259,912	\$ 2,285,550	\$ 2,885,324	\$ 3,047,400	2,906,000	(20,676)
Expenditures							
Personal services	\$ 75,775	\$ 25,551	\$ 227,325	\$ 295,029	\$ 303,100	297,900	2,871
Materials and services	146,475	24,376	439,425	439,139	585,900	517,300	78,161
Capital outlay							
Improvements	6,250		18,750	-	25,000	-	-
Debt service							
Principal							
SRRB 1998	-	-	220,000	220,000	220,000	220,000	-
SRF 1992	137,787	-	137,787	141,921	142,000	142,000	79
SPWF 1992	-	-	69,600	69,084	69,600	69,600	516
DEQ CWSRF R74682/1	-	-	97,566	196,864	196,900	196,900	36
DEQ CWSRF R74682/2	-	-	171,111	344,737	356,700	356,700	11,963
Interest							
SRRB 1998	25,480	-	51,018	46,565	46,600	46,600	35
SRF 1992	26,738	-	26,738	22,604	22,600	22,600	(4)
SPWF 1992	-	-	20,000	19,191	20,000	20,000	809
DEQ CWSRF R74682/1	-	-	86,248	170,764	170,800	170,800	36
DEQ CWSRF R74682/2	-	-	122,500	242,483	242,100	242,100	(383)
Fees							
DEQ CWSRF R74682/1 & 2	-	-	65,900	66,361	65,900	65,900	(461)
Transfers	238,500	75,333	704,250	909,000	909,000	909,000	-
Contingency					65,280		-
Total expenditures	\$ 657,005	\$ 125,261	\$ 2,458,218	\$ 3,183,741	\$ 3,441,480	3,277,400	93,659
Revenue over (under) expenditures	104,845	134,651	(172,668)	(298,417)	(394,080)	(371,400)	-
Other resources/(requirements)							
Debt service reserve	748,266	748,266	748,266	748,266	748,266	748,266	-
Beginning fund balance	864,833	1,075,205	1,142,346	1,406,807	1,142,346	\$ 1,406,807	
Ending fund balance	\$ 969,678	\$ 1,209,856	\$ 969,678	\$ 1,108,390	\$ 748,266	1,035,407	72,983

This fund accounts for the activities of the City’s wastewater and treatment facilities. The primary source of revenue is sales and expenditures are for the operation of system including repair and maintenance of infrastructure and debt service related to infrastructure costs.

Fourth quarter revenue was within -1% or \$20,676 of budget estimate, and expenditures are 7% or \$93,659 below year-end estimates.

Restructuring of debt budgeted in the FY 2010 budget will improve the cash flow of this fund, and allow the City to maintain the current user rate for another year.

June 30, 2009

Golf Course and Restaurant Fund

	Budget	Current period Actual	Year to Date Budget	YTD Actual	Annual Budget	Year-end Projection	Variance Yr end to Actual
Revenue							
Charges for services							
Golf Course	\$ 242,950	\$ 108,575	\$ 728,850	\$ 886,275	\$ 971,800	\$ 923,000	\$ (36,725)
Waste disposal	87,500	29,167	262,500	350,000	350,000	350,000	-
Restaurant	120,250	31,554	357,750	391,966	481,000	408,000	(16,034)
Other	-	-	-	-	-	-	-
Interest	2,500	269	7,500	4,888	10,000	6,000	(1,112)
Miscellaneous	1,050	693	6,150	1,441	4,200	3,700	(2,259)
Total revenue	\$ 454,250	\$ 170,258	\$ 1,362,750	\$ 1,634,570	\$ 1,817,000	1,690,700	(56,130)
Expenditures							
Golf Course	\$ 177,500	\$ 54,741	\$ 532,500	\$ 668,292	\$ 710,000	655,300	(12,992)
Waste disposal	127,575	57,199	382,725	402,941	510,300	391,550	(11,391)
Restaurant	140,100	41,823	420,300	506,496	560,400	509,600	3,104
Debt service							-
Principal - note payable	12,025	4,367	36,075	46,529	48,100	48,100	1,571
Interest - note payable	4,000	633	12,000	8,471	16,000	16,000	7,529
Contingency					298,335		-
Total expenditures	\$ 461,200	\$ 158,762	\$ 1,383,600	\$ 1,632,729	\$ 2,143,135	1,620,550	(12,179)
Revenue over (under) expenditures	(6,950)	11,495	(20,850)	1,841	(326,135)	70,150	-
Beginning fund balance	312,235	135,371	326,135	175,002	326,135	175,002	(151,133)
Ending fund balance	\$ 305,285	\$ 146,866	\$ 305,285	\$ 176,843	\$ -	\$ 245,152	(68,309)

This fund accounts for the activities of Meadow Lakes Golf Course and Restaurant. Revenue is generated through user fees, restaurant sales, and operating payment from the City's wastewater fund for treatment.

Fourth quarter overall fund balance for golf course is showing a slight increase in fund balance approx 1% or \$1,841. Revenues for fourth quarter are -3% or \$56,130 below year-end estimates. This is due to reduced activity relating to economic condition, and the downsizing of restaurant activities.

Expenditures are well below the annual budget, although slightly above year-end projections at 1% or \$12,179. Overall performance and activities are as anticipated.

June 30, 2009

Dinner Train Fund

	Budget	Current period Actual	Year to Date Budget	YTD Actual	Annual Budget	Year-end Projection	Variance Yr end to Actual
Revenue							
Charges for services	\$ 134,825	\$ 125	\$ 404,475	\$ 255,510	\$ 539,300	\$ 255,400	\$ 110
Interest	375	-	1,125	507	1,500	500	7
Transfer from other funds		145,313		145,313		144,417	896
Total revenue	\$ 135,200	\$ 145,438	\$ 405,600	\$ 401,330	\$ 540,800	\$ 400,317	\$ 1,013
Expenditures							
Personal services	\$ 42,800	\$ -	\$ 128,400	\$ 115,199	\$ 171,200	\$ 115,200	1
Materials and services	49,250	-	195,250	184,964	197,000	183,900	(1,064)
Debt service							-
Note payable Railroad	25,000	100,000	26,250	100,000	100,000	100,000	-
Transfers	11,375	-	34,125	22,750	45,500	22,800	50
Contingency					59,865		-
Total expenditures	\$ 128,425	\$ 100,000	\$ 384,025	\$ 422,913	\$ 573,565	\$ 421,900	\$ (1,013)
Revenue over (under) expenditures	6,775	45,438	21,575	(21,583)	(32,765)	(21,583)	-
Beginning fund balance	47,565	(19,898)	32,765	21,583	32,765	21,583	(11,182)
Ending fund balance	\$ 54,340	\$ 25,540	\$ 54,340	\$ (0)	\$ -	\$ -	(0)

The Crooked River Dinner Train has been leased to a private party. This fund will close at year-end with the transfer of assets going to the railroad fund.

Fourth quarter revenue of \$145,313 is \$100,000 from debt restructure located in the freight depot to repay interfund loans to Railroad, and \$45,313 as a transfer from the Railroad to close this fund at a zero balance as required by Oregon budget law.

As stated above the assets have been transferred to the Railroad fund, and the income generated from the train lease will also be credited to the railroad fund.

This fund is closed and no longer necessary.

June 30, 2009

Freight Depot Fund

	Budget	Current period Actual	Year to Date Budget	YTD Actual	Annual Budget	Year-end Projection	Variance Yr end to Actual
Revenue							
Intergovernmental	\$ 1,291,825	\$ 158,903	\$ 3,875,475	\$ 3,038,656	\$ 5,167,300	\$ 2,918,800	\$ 119,856
Charges for services	26,200	3,455	78,600	59,762	104,800	65,400	(5,638)
Interest	-	41	-	598	-	-	598
Debt proceeds		450,000		450,000		450,000	
Miscellaneous	3,000	670	9,000	670	12,000	700	(30)
Total revenue	\$ 1,321,025	\$ 613,068	\$ 3,963,075	\$ 3,549,686	\$ 5,284,100	3,434,900	114,786
Expenditures							
Personal services	\$ 16,375	\$ 5,381	\$ 49,125	\$ 63,612	\$ 65,500	63,300	(312)
Materials and services	12,125	3,994	30,375	32,472	41,000	39,700	7,228
Capital outlay	1,170,825	185,372	2,105,825	2,922,380	4,683,300	2,823,300	(99,080)
Debt service							
Interest - note payable Railroad	50,000	200,000	55,000	200,000	200,000	200,000	-
Transfers	71,275	252,925	88,825	285,100	285,100	285,100	-
Contingency					28,640		-
Total expenditures	\$ 1,320,600	\$ 647,672	\$ 2,329,150	\$ 3,503,563	\$ 5,303,540	3,411,400	(92,163)
Revenue over (under) expenditures	425	(34,604)	1,633,925	46,123	(19,440)	23,500	-
Beginning fund balance	1,653,440	12,879	19,940	18,992	19,440	18,992	(448)
Ending fund balance	\$ 1,653,865	\$ (21,725)	\$ 1,653,865	\$ 65,115	\$ -	\$ 42,492	22,623

This fund accounts for the activities of the City’s freight loading and storage activities. A part of a coordinated strategy to increase railroad activity, the City launched a freight storage and reload operation in 2005. The facility has been successful in bringing additional traffic to the railroad as well as providing non-rail served industry in Central Oregon a connection to the National Rail network.

Revenues are derived from customers for freight loading and unloading, reloading and storage. During fiscal year 2009, the Freight Depot has suffered in car loadings due to the downturn in the economy. Although the City has added numerous customers and now has over 22 current customers, every customer product is building product related and their rail traffic has suffered as a result of the housing market decline.

Freight Depot revenue for the fiscal year 2009 is approx 3% or \$114,786 above year-end estimate, however this figure includes the loan proceeds from the restructure of interfund loans. Operating revenue is approx 8% or 5,638 below year-end projection, while operational expenditures are approx 7% or \$6,916 below year-end projections

Overall change in fund balance is approx 243% or \$46,123.

June 30, 2009

Admin/Financial Support Services Fund

Revenue	Current period		Year to Date	YTD	Annual	Year-end	Variance
	Budget	Actual	Budget	Actual	Budget	Projection	Yr end to Actual
Charges for services	\$ 372,825	\$ 115,194	\$ 1,118,475	\$ 1,490,414	\$ 1,491,300	\$ 1,490,550	\$ (136)
Interest	1,000	271	3,000	449	4,000	500	(51)
Total revenue	\$ 373,825	\$ 115,465	\$ 1,121,475	\$ 1,490,863	\$ 1,495,300	1,491,050	(187)
Expenditures							
City Council	\$ 18,500	\$ 16,264	\$ 55,500	\$ 69,043	\$ 74,000	73,800	4,757
Administration/team services	176,125	79,876	510,875	693,155	704,500	702,900	9,745
Financial services	107,550	36,355	322,650	415,968	430,200	424,300	8,332
Non-departmental	-	-	-	-	-	-	-
Information technology	92,100	19,684	276,300	301,616	338,400	309,300	7,684
Contingency					91,038		-
Total expenditures	394,275	152,178	1,165,325	1,479,782	1,638,138	1,510,300	30,518
Revenue over (under) expenditures	(20,450)	(36,713)	(43,850)	11,081	(142,838)	(19,250)	-
Beginning fund balance	119,438	101,283	142,838	90,927	142,838	90,927	(51,911)
Ending fund balance	\$ 98,988	\$ 64,570	\$ 98,988	\$ 102,008	\$ -	\$ 71,677	30,331

This fund accounts for the activities of the City Manager’s office, community development director, admin asst, human resources, recorder, finance, Council directed contributions, and information technology services. The primary source of revenue is charges to other funds for services.

Fourth quarter change in fund balance is approx 12% or \$11,081. Total revenue is \$187. short of year-end projection.

Expenditures are approx 2% or \$30,518 below year-end estimates creating an increase of approx \$30,331 to the estimated beginning cash balance in the FY2010 budget.

Public Works Support Services Fund

	Budget	Current period Actual	Year to Date Budget	YTD Actual	Annual Budget	Year-end Projection	Variance Yr end to Actual
Revenue							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	500	1,004	1,500	3,148	2,000	200	2,948
Charges for services	163,200	52,692	489,600	634,805	652,800	637,800	(2,995)
Interest	225	253	675	2,399	900	1,900	499
Miscellaneous	375	6,440	375	77,726	1,500	98,800	(21,074)
Total revenue	164,300	60,389	492,150	718,078	657,200	738,700	(20,622)
Expenditures							
Public Works Support Services	93,500	27,762	\$ 280,500	\$ 341,842	374,000	350,000	8,158
Public Works Fleet & Vehicles	70,700	6,332	212,100	105,545	237,800	180,000	74,455
Public Works Facilities	4,900	1,276	14,700	17,455	19,600	17,600	145
Contingency					45,743		45,743
Total expenditures	169,100	35,371	507,300	464,842	677,143	547,600	128,501
Revenue over (under) expenditures	(4,800)	25,018	(15,150)	253,236	(19,943)	191,100	107,879
Beginning fund balance	10,343	97,346	19,943	(27,549)	19,943	(27,549)	(7,606)
Ending fund balance	\$ 5,543	\$ 122,364	\$ 4,793	\$ 225,687	\$ -	\$ 163,551	62,136

This fund accounts for the activities of the Public Works management and support staff, fleet and vehicle maintenance and public works office space operating costs. The primary source of revenue is charges to other funds for services.

Revenue collections show approx 8% or \$60,878 above annual budget, this is a result of outsourced work to freight depot. Budgeted expenditures are below year end estimates by approx \$83,000, this is a result of budgeted capital expenditure postponed to FY 2010. Overall fund balance reflects a 919% or \$253,236 increase. Fund activity is as anticipated.

June 30, 2009

City Hall Fund

Revenue	0 Current period		Year	YTD	Annual	Year-end	Variance
	Budget	Actual	Budget	Actual	Budget	Projection	Yr end to Actual
Rent	\$ 37,175	\$ 12,392	\$ 111,525	\$ 148,700	\$ 148,700	\$ 148,700	\$ (0)
Interest	625	57	1,875	1,245	2,500	2,500	(1,255)
Total revenue	37,800	12,449	113,400	149,945	151,200	151,200	(1,255)
Expenditures							
Personal services	625	57	\$ 1,875	\$ 390	2,500	500	110
Materials and services	13,250	6,153	37,250	52,783	53,000	51,500	(1,283)
Debt service							-
Principal - USDA 2005	-	-	32,800	32,722	32,800	32,800	78
Interest - USDA - 2005	-	-	72,300	72,216	72,300	72,200	(16)
Contingency					20,995		-
Total expenditures	13,875	6,210	144,225	158,111	181,595	157,000	(1,111)
Revenue over (under) expenditures	23,925	6,239	(30,825)	(8,166)	(30,395)	(5,800)	(2,366)
Other requirements							
Debt service reserve	31,500	-	31,500	-	31,500	31,500	31,500
Beginning fund balance	7,145	(23,617)	61,895	66,657	61,895	66,657	4,762
Ending fund balance	\$ 31,070	\$ (17,378)	\$ 31,070	\$ 58,491	\$ 31,500	\$ 60,857	(2,366)

This fund accounts for the operating costs of the city hall facility and related debt service. Revenue is received through rental charges to user departments and activities.

Revenue and expenditures during the fourth quarter were as anticipated.

Year-end estimates for ending fund balance were slightly under projection by approx 4% or \$2,366.