



***City of Prineville, Oregon
Financial Report
Fourth Quarter Ended June 30, 2010***

June 30, 2010

Executive Summary

During the fourth quarter ended June 30, 2010 the City's financial condition improved as combined fund balances have increased approximately \$881,297 thousand or fourteen percent (14%). The overall fund balance increase is primarily the result of property tax collection and franchise fees in the general fund totaling approx \$362,000 thousand, and intergovernmental revenue in the freight depot fund of approx \$409,000 thousand.

Funds that realized significant negative changes to their respective fund balances during the fourth quarter include the transportation fund \$104,997, or -17%, transportation SDC fund \$99,635, or -16%, LID debt service \$118,575, or -34%, water fund \$212,933, or -18%, and the freight depot \$23,434, or -36%. In the transportation and transportation sdc fund the negative balances are a result of budgeted capital improvements, LID debt service fund had scheduled debt service payments, water fund had budgeted capital improvements along with significantly reduced water meter sales due to the wet spring, the reduced use of water has also affected the wastewater revenues for the fourth quarter. The freight depot fund had closing expenditures related to the Connect Oregon project.

Fund balances citywide are above projected year-end estimate by approx \$117,259. Funds ending the year with a significantly larger balance than projected include the transportation fund \$95,553, and the administrative and financial services fund \$89,829. The transportation fund budgeted capital improvements are below projected budget, completion of budgeted projects will extend into FY 11, and administrative services realized significant savings in the city managers department of approx \$108,000 largely due to the dollars in the legal budget and extra dollars for the interim city manager that were not utilized.

The City continues to realize significantly reduced development related revenue in the planning fund, and SDC funds. Additionally, the slowdown in growth has slowed revenue growth in the general fund, water and wastewater funds, the wet spring further suppressed revenues in water and wastewater. The organization continues to monitor and adjust spending plans as necessary, use City staff (recovering costs for its services) where possible to perform work previously outsourced, and protect our contingencies. Adjustments to capital spending plans, and additional scrutiny to City infrastructure commitments are ongoing.

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, 2010

All City Funds

Fund	Beginning Fund Balance	Current Year Resources	Current Year Expenditures	Ending Fund Balance	Change in Fund Balance	Percentage		Projected Year-End Estimate	Variance
						Change in Fund Balance	Projected Year-End Estimate		
General	\$ 465,841	\$ 3,168,961	\$ 2,866,890	\$ 767,912	\$ 302,071	65%	\$ 757,099	\$ 10,813	
Transportation	636,141	867,133	972,131	531,144	(104,997)	-17%	435,591	95,553	
Emergency Dispatch	326,950	860,817	860,600	327,167	217	0%	282,450	44,717	
Planning	-	323,733	276,518	47,215	47,215	#DIV/0!	65,150	(17,935)	
MERP	-	99,329	55,604	43,724	43,724	#DIV/0!	33,900	9,824	
Transportation SDC	639,520	67,621	167,256	539,885	(99,635)	-16%	616,720	(76,835)	
Water SDC	159,056	472,992	145,084	486,964	327,908	206%	450,456	36,508	
Wastewater SDC	17,676	673,906	188,174	503,408	485,732	2748%	504,176	(768)	
LID Debt Service	346,358	229,936	348,510	227,783	(118,575)	-34%	221,958	5,825	
Fire Station/Water Debt Service	30,577	80,161	88,745	21,993	(8,584)	-28%	14,177	7,816	
Railroad	624,074	1,796,929	1,794,441	626,562	2,488	0%	628,304	(1,742)	
Water	1,154,526	1,531,781	1,744,714	941,593	(212,933)	-18%	992,576	(50,983)	
Wastewater	1,277,345	3,031,959	3,101,810	1,207,494	(69,851)	-5%	1,214,745	(7,251)	
Golf Course and Restaurant	195,033	1,419,958	1,360,129	254,862	59,829	31%	297,733	(42,871)	
Freight Depot	64,886	2,129,034	2,152,468	41,452	(23,434)	-36%	36,986	4,466	
Administration and Financial Services	102,464	1,759,144	1,489,614	371,993	269,529	263%	282,164	89,829	
Public Works Support Services	211,277	567,094	636,094	142,276	(69,001)	-33%	135,677	6,599	
City Hall	27,132	204,019	154,426	76,725	49,593	183%	73,032	3,693	
Totals	\$ 6,278,856	\$ 19,284,505	\$ 18,403,208	\$ 7,160,153	\$ 881,297	14%	\$ 7,042,894	\$ 117,259	

June 30, 2010

General Fund

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

Revenue for the fourth quarter was slightly better than projected by approx \$37,000, while expenditures for the fourth quarter showed a decrease of approx \$26,400 to projected budget. Fund balance slightly above projection by \$10,813.

Overall, the general fund realized an increase in fund balance for FY 10 of approx 65% or \$302,071. This is largely due to the reduced spending adjustments made in the police department, and the decrease in the transfer to planning made mid year. Projected beginning fund balance for FY 11 is \$767,900, which is approx \$30,000 below policy. It has been the goal set in 2005 to reach policy reserve.

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Property taxes	\$ 422,000	\$ 187,322	44%	\$ 1,688,000	\$ 1,840,157	109%	\$ 1,688,000	1,764,000	76,157
Transient lodging tax	43,750	34,415	79%	175,000	145,374	83%	175,000	135,000	10,374
Franchise fees	164,250	173,987	106%	657,000	745,347	113%	657,000	772,900	(27,553)
Licenses and permits	1,675	2,484	148%	6,700	7,589	113%	6,700	7,150	439
Intergovernmental revenues	126,250	34,576	27%	505,000	306,062	61%	505,000	347,300	(41,238)
Charges for services	500	496	99%	2,000	34,445	1722%	2,000	34,000	445
Interest	2,500	1,074	43%	10,000	3,414	34%	10,000	5,000	(1,586)
Miscellaneous	19,800	39,471	199%	79,200	86,574	109%	79,200	66,400	20,174
Total revenue	\$ 780,725	\$ 473,825	61%	\$ 3,122,900	\$ 3,168,961	101%	\$ 3,122,900	\$ 3,131,750	37,211
Expenditures									
Police	655,100	555,282	85%	2,620,400	2,400,516	92%	2,620,400	2,382,292	(18,224)
Police facility	16,300	10,818	66%	53,200	60,315	113%	53,200	61,500	1,185
Non-departmental	29,000	86,070	297%	333,000	406,059	122%	333,000	396,700	(9,359)
Contingency							524,011		
Total expenditures	\$ 700,400	\$ 652,170	93%	\$ 3,006,600	\$ 2,866,890	95%	\$ 3,530,611	\$ 2,840,492	(26,398)
Revenue over (under) expenditures	80,325	(178,346)	-	116,300	302,071	260%	(407,711)		10,813
Beginning fund balance	382,786	294,689	77%	669,561	465,841	70%	407,711		
Ending fund balance	\$ 463,111	\$ 116,344	25%	\$ 785,861	\$ 767,912	98%	\$ -	\$ -	

Notes: Approved budget adjustment Police Facility \$13,000, and Non Departmental \$111,000

June 30, 2010

Transportation Fund

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 as projected, expenditures for the period are slightly less than anticipated due to the completion of budgeted projects extended into FY 11.

Overall, fund performance is as projected.

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Licenses & permits	\$ 2,000	\$ 2,022	-	\$ 8,000	\$ 14,911	186%	\$ 8,000	15,000	(89)
Intergovernmental	258,075	331,470	128%	1,032,300	847,685	82%	1,032,300	843,000	4,685
Interest	4,250	643	15%	17,000	3,828	23%	17,000	5,000	(1,172)
Miscellaneous	2,500	56	2%	10,000	709	7%	10,000	500	209
Total revenue	\$ 266,825	\$ 334,191	125%	\$ 1,067,300	\$ 867,133	81%	\$ 1,067,300	\$ 863,500	3,633
Expenditures									
Personal services	\$ 37,325	\$ 38,402	103%	\$ 149,300	\$ 147,635	99%	\$ 149,300	142,900	(4,735)
Material & services	110,738	62,237	56%	442,950	315,862	71%	442,950	420,050	104,188
Capital outlay									
Improvements	130,500	136,375	105%	522,000	285,834	55%	522,000	278,300	(7,534)
Debt service									
Transfers	55,700	62,630	68%	222,800	222,800	100%	222,800	222,800	(0)
Contingency							279,836		
Total expenditures	\$ 334,263	\$ 299,644	90%	\$ 1,337,050	972,131	73%	\$ 1,616,886	\$ 1,064,050	91,919
Revenue over (under) expenditures	\$ (67,438)	\$ 34,548	68%	\$ (269,750)	\$ (104,997)	-	\$ (549,586)		95,553
Beginning fund balance	482,149	649,797	135%	549,586	636,141	116%	549,586		
Ending fund balance	\$ 414,711	\$ 684,345	165%	\$ 279,836	\$ 531,144	190%	\$ -	\$ -	

June 30, 2010

Emergency Dispatch Fund

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 as projected while expenditures for the quarter are slightly under projection by approx \$45,900. Overall, the emergency dispatch fund has performed as projected.

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Intergovernmental	\$ 131,550	\$ 750	1%	\$ 526,200	\$ 530,450	101%	\$ 526,200	530,700	(250)
Charges for services	550	137	25%	2,200	450	20%	2,200	1,000	(550)
Interest	1,750	508	29%	7,000	3,617	52%	7,000	4,000	(383)
Transfers from other funds	81,575	81,574	100%	326,300	326,300	100%	326,300	326,300	0
Total revenue	\$ 215,425	\$ 82,969	39%	\$ 861,700	\$ 860,817	100%	\$ 861,700	\$ 862,000	(1,183)
Expenditures									
Personal services	\$ 174,900	\$ 158,742	91%	\$ 699,600	\$ 641,057	92%	\$ 699,600	656,500	15,443
Material & services	37,425	12,339	33%	149,700	82,869	55%	149,700	114,200	31,331
Capital outlay									
Equipment	3,150	935	30%	12,600	37,574	298%	12,600	36,700	(874)
Transfers	24,775	24,776	100%	99,100	99,100	100%	99,100	99,100	0
Contingency							-	187,084	
Total expenditures	\$ 240,250	\$ 196,791	82%	\$ 961,000	\$ 860,600	90%	\$ 1,148,084	\$ 906,500	45,900
Revenue over (under) expenditures	\$ (24,825)	\$ (113,822)	-	\$ (99,300)	\$ 217	-	\$ (286,384)		44,717
Beginning fund balance	261,559	345,221	132%	286,384	326,950	114%	286,384		
Ending fund balance	\$ 236,734	\$ 231,400	98%	\$ 187,084	\$ 327,167	175%	\$ -	\$ -	

Note: Approved budget adjustment in capital outlay \$25,000

June 30, 2010

Planning Fund

The Planning Fund accounts for the planning activities of the City. A transfer of funds from General Fund to Planning helps support the short term planning needs of the city. General administrative costs are paid through internal charges to the Internal Services Fund for the following services based upon the cost to the department for using these services; administrative and financial services, risk management, computer and phone services. The costs of these services are at full cost, including replacement cost, thereby providing a more accurate cost of providing services.

Revenue collection for planning activity is below projection by approx \$15,600, expenditures are slightly above projected budget at \$2,318. Fund balance is approx \$18,000 below projected year-end due to delay of grant funds from the Department of Land Conservation Development (DLCD). Spending adjustments implemented in the second quarter have allowed this fund to remain positive.

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Licenses & Permits	\$ 7,500	\$ 5,607	75%	\$ 30,000	\$ 13,254	44%	\$ 30,000	10,000	3,254
Charges for services	17,950	62,065	346%	71,800	80,479	112%	71,800	79,350	1,129
Intergovernmental					-	-		20,000	(20,000)
Interest	125	-	-	500	-	-	500	-	-
Transfers from other funds	62,500	62,501	100%	250,000	230,000	92%	250,000	230,000	(0)
Total revenue	\$ 88,075	\$ 130,172	148%	\$ 352,300	\$ 323,733	92%	\$ 352,300	\$ 339,350	\$ (15,617)
Personal services	\$ 41,875	\$ 41,463	99%	\$ 167,500	167,499	100%	\$ 167,500	166,400	(1,099)
Material & services	9,800	6,279	64%	39,200	26,919	69%	39,200	25,700	(1,219)
Transfers	30,525	14,025	46%	122,100	82,100	67%	122,100	82,100	-
Contingency							23,500		-
Total expenditures	\$ 82,200	\$ 61,768	75%	\$ 328,800	\$ 276,518	84%	\$ 352,300	\$ 274,200	\$ (2,318)
Revenue over (under) expenditures	\$ 5,875	\$ 68,404	1164%	\$ 23,500	\$ 47,215	201%	\$ -		(17,935)
Beginning fund balance	-	-	-	-	-	-	-		
Ending fund balance	\$ 5,875	\$ 68,404	1164%	\$ 23,500	\$ 47,215	201%	\$ -		

June 30, 2010

MERP Fund

The MERP Fund accounts for the reimbursement of a portion of expense charged to the employees of the city. In an effort to decrease the rising costs of health, benefits the city chose to self-insure it's dental and vision program, and increase the deductible for medical insurance from \$500 to \$1,500, while reimbursing the 80 percent of the difference back to the employee. A transfer of funds from each funds personal service to the MERP fund will account for this plan.

The activity in this fund is as anticipated.

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Balance
	Budget	Actual	%	Budget	Actual	%			
Interest	-	45	#DIV/0!	-	152	#DIV/0!	-	100	\$ (152)
Transfers from other funds	32,050	17,622	55%	128,200	99,177	77%	128,200	86,400	\$ 29,023
Total revenue	\$ 32,050	\$ 17,667	55%	\$ 128,200	\$ 99,329	77%	\$ 128,200	\$ 86,500	\$ 28,871
Material & services	31,500	3,223	10%	126,000	55,604	44%	126,000	52,600	\$ 70,396
Contingency							2,200		2,200
Total expenditures	\$ 31,500	\$ 3,223	10%	\$ 126,000	\$ 55,604	44%	\$ 128,200	\$ 52,600	\$ 72,596
Revenue over (under) expenditures	\$ 550	\$ 14,444	2626%	\$ 2,200	\$ 43,724	1987%	\$ -		
Beginning fund balance	-	-	-	-	-	-	-		
Ending fund balance	\$ 550	\$ 14,444	2626%	\$ 2,200	\$ 43,724	1987%	\$ -		

June 30, 2010

Transportation SDC Fund

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, however, the new commercial development greatly improved collections for the third quarter, fourth quarter collection is minimal. Revenue was slightly below year-end projection by approx \$40,000, the 319 grant will extend into FY 11, other capital projects budgeted for FY 10 were delayed and approved in FY 11 budget.

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Intergovernmental	\$ 164,500	\$ 16,150	10%	\$ 658,000	\$ 16,150	2%	\$ 658,000	\$ 60,000	(43,850)
Interest	\$ 2,250	\$ 808	36%	\$ 9,000	\$ 4,463	50%	9,000	6,000	(1,537)
System development charges	10,000	3,133	31%	40,000	47,008	118%	40,000	45,000	2,008
Total revenue	\$ 176,750	\$ 3,941	2%	\$ 707,000	\$ 67,621	10%	\$ 707,000	\$ 111,000	\$ (43,379)
Expenditures									
Material & services	\$ 2,500	-	-	\$ 10,000	\$ 3,000	30%	\$ 10,000	10,000	7,000
Capital outlay									
Improvements	244,750	103,470	42%	979,000	162,456	17%	979,000	122,000	(40,456)
Transfers	450	1,800	400%	1,800	1,800	100%	1,800	1,800	-
Contingency							286,011		
Total expenditures	\$ 247,700	\$ 105,270	42%	\$ 990,800	\$ 167,256	17%	\$ 1,276,811	\$ 133,800	(33,456)
Revenue over (under) expenditures	\$ (70,950)	\$ (101,329)	-	\$ (283,800)	\$ (99,635)	-	\$ (569,811)		(76,835)
Beginning fund balance	498,861	658,160	132%	569,811	639,520	112%	569,811		
Ending fund balance	\$ 427,911	\$ 556,831	130%	\$ 286,011	\$ 539,885	189%	\$ -	\$ -	

June 30, 2010

Water SDC Fund

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, the new commercial development improved collections during the third quarter, however, fourth quarter collections were minimal.

Revenue collection was as projected for year-end while expenditures are slightly below projection by approx \$45,000. Overall fund performance is as anticipated.

	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Revenue									
Interest	\$ 750	\$ 787	105%	\$ 3,000	\$ 1,942	65%	\$ 3,000	1,100	842
System development charges	10,000	184	2%	40,000	471,050	1178%	40,000	480,000	(8,950)
Total revenue	\$ 10,750	\$ 971	9%	\$ 43,000	\$ 472,992	1100%	\$ 43,000	\$ 481,100	\$ (8,108)
Expenditures									
Material & services	\$ 1,250	\$ -	-	\$ 5,000	\$ -	-	\$ 5,000	5,000	5,000
Capital outlay									
Improvements	20,750	31,118	150%	83,000	48,389	58%	83,000	88,000	39,611
Debt service									
Principal - short-term borrowing	-	-	-	-	-	-	-	-	-
Interest - short-term borrowing	95,000	94,894	100%	94,900	94,894	100%	94,900	94,900	6
Transfers	450	1,800	400%	1,800	1,800	100%	1,800	1,800	-
Contingency							8,685		
Total expenditures	\$ 117,450	\$ 127,813	109%	\$ 184,700	\$ 145,084	79%	\$ 193,385	\$ 189,700	44,616
Revenue over (under) expenditures	\$ (106,700)	\$ (126,842)	-	\$ (141,700)	\$ 327,908	-231%	\$ (150,385)		36,508
Beginning fund balance	138,685	618,909	446%	150,385	159,056	106%	150,385		
Ending fund balance	\$ 31,985	\$ 492,067	1538%	\$ 8,685	\$ 486,964	5607%	\$ -	\$ -	

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Wastewater SDC Fund

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.

The downturn in the economy has significantly slowed the collection of SDC fees. While the new commercial development boosted the third quarter collection, fourth quarter collection is minimal.

Fund performance is as projected for year-end.

	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Revenue									
Interest	\$ 250	\$ 695	-	\$ 1,000	\$ 1,198	-	\$ 1,000	500	698
System development charges	15,250	-	-	61,000	672,708	1103%	61,000	670,500	2,208
Debt proceeds	-	-	-	-	-	-	-	-	-
Transfers	35,075	-	-	140,300	-	-	140,300	-	-
Total revenue	\$ 50,575	\$ 695	1%	\$ 202,300	\$ 673,906	333%	\$ 202,300	\$ 671,000	\$ 2,906
Expenditures									
Material & services	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	-	-
Capital outlay									
Improvements	-	-	-	147,300	153,991	105%	147,300	150,300	(3,691)
Debt service									
Principal - short-term borrowing	-	-	-	-	-	-	-	-	-
Interest - short-term borrowing	-	-	-	34,200	34,182	100%	34,200	34,200	18
Transfers	-	-	-	1,800	-	-	1,800	-	-
Contingency							48,744		
Total expenditures	\$ -	\$ -	-	\$ 183,300	\$ 188,174	103%	\$ 232,044	\$ 184,500	(3,674)
Revenue over (under) expenditures	\$ 50,575	\$ 695	1%	\$ 19,000	\$ 485,732	2556%	\$ (29,744)		(768)
Beginning fund balance	43,044	644,674	1498%	29,744	17,676	59%	29,744	-	
Ending fund balance	\$ 93,619	\$ 645,369	689%	\$ 48,744	\$ 503,408	1033%	\$ -	\$ -	

Note: Approved Budget Adjustment for Capital Outlay

June 30, 2010

LID Debt Service Fund

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.

Activity in this fund is as anticipated.

Revenue	Current Quarter			Year to Date			Annual	Year-end	Difference
	Budget	Actual	%	Budget	Actual	%	Budget	Estimate	Favorable/ (Unfavorable)
Intergovernmental	\$ -	\$ -	-	\$ 35,000	\$ 35,000	100%	\$ 35,000	35,000	-
Interest	2,000	180	9%	8,000	1,577	20%	8,000	3,000	(1,423)
Assessment repayments	47,225	7,015	15%	188,900	193,359	102%	188,900	190,200	3,159
Total revenue	\$ 49,225	\$ 7,195	15%	\$ 231,900	\$ 229,936	99%	\$ 231,900	\$ 228,200	1,736
Expenditures									
Materials and services	\$ 325	\$ -	-	\$ 1,300	\$ 400	31%	\$ 1,300	1,300	900
Debt service									
Principal									
Spruce Lane LID - 2001	-	-	-	9,200	9,200	100%	9,200	9,200	-
10th St/Madras Hwy LID - 2003	1,900	1,930	102%	7,600	7,610	100%	7,600	7,600	(10)
Northridge LID - 2003	16,250	-	-	65,000	65,000	100%	65,000	65,000	-
Ochoco Hwy LID - 2004	5,000	6,109	122%	20,000	23,974	120%	20,000	20,000	(3,974)
Ironhorse LID - 2006	14,025	-	-	56,100	54,990	98%	56,100	56,100	1,110
Interest									
Spruce Lane LID - 2001	-	-	-	1,200	1,207	101%	1,200	1,200	(7)
10th Street/Madras Hwy LID - 2003	550	527	96%	2,200	2,221	101%	2,200	2,200	(21)
Northridge LID - 2003	2,975	-	-	11,900	11,900	100%	11,900	11,900	-
Ochoco Hwy LID - 2004	1,525	407	27%	6,100	2,085	34%	6,100	6,100	4,015
Ironhorse LID - 2006	24,250	-	-	97,000	94,922	98%	97,000	97,000	2,078
Transfer	-	75,000		75,000	75,000	100%	75,000	75,000	-
Contingency							226,831		
Total expenditures	\$ 66,800	\$ 83,973	126%	\$ 352,600	\$ 348,510	99%	\$ 579,431	\$ 352,600	\$ 4,090
Revenue over (under) expenditures	\$ (17,575)	\$ (76,778)	-	\$ (120,700)	\$ (118,575)	-	\$ (347,531)		5,825
Beginning fund balance	310,206	325,475	105%	347,531	346,358	100%	347,531		
Ending fund balance	\$ 292,631	\$ 248,697	85%	\$ 226,831	\$ 227,783	100%	\$ -	\$ -	

June 30, 2010

Fire Hall/Water G.O. Debt Service Fund

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.

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Variance Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Property taxes	\$ 18,000	\$ 8,180	45%	\$ 72,000	\$ 79,828	111%	\$ 72,000	72,000	7,828
Interest	250	20	8%	1,000	333	33%	1,000	300	33
Total revenue	\$ 18,250	\$ 8,200	45%	\$ 73,000	\$ 80,161	110%	\$ 73,000	\$ 72,300	7,861
Expenditures									
Debt service									
Principal									
G.O. Bonds	\$ 75,000	\$ -	-	\$ 80,000	\$ 80,000	100%	\$ 80,000	80,000	-
Interest									
G.O. Bonds	8,352	-	-	8,800	8,745	99%	8,800	8,700	(45)
Other requirements							14,393		
Total expenditures	\$ 83,352	\$ -	-	\$ 88,800	\$ 88,745	100%	\$ 103,193	\$ 88,700	(45)
Revenue over (under) expenditures	\$ (65,102)	\$ 8,200	-13%	\$ (15,800)	\$ (8,584)	-	\$ (30,193)		7,816
Beginning fund balance	48,443	(47,439)	-	30,193	30,577	101%	30,193		
Ending fund balance	\$ (16,659)	\$ (39,239)	-	\$ 14,393	\$ 21,993	153%	\$ -	\$ -	

June 30, 2010

Railroad Fund

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 revenue charges for service remained steady while misc income improved approx \$120,000 largely due to the reimbursement of track used at the freight depot for the Connect Oregon project. The railroad continues to suffer through a depressed housing market resulting in fewer timber related carloads, however, cutbacks during the year, job sharing with Coos Bay, and the attraction of new business, the railroad has maintained fund balance this year. Overall fund balance for FY 10 increased slightly by \$2,488, an improvement the railroad has not seen for many years prior.

Management and the railroad commission continue to pursue additional business and close attention to expenses is ongoing.

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Charges for services	\$ 368,763	\$ 62,507	17%	\$ 1,475,050	\$ 295,893	20%	\$ 1,475,050	313,080	(17,187)
Use of money & property	29,150	34,702	119%	116,600	161,529	139%	116,600	148,800	12,729
Intergovernmental	258,700	376,980	146%	1,034,800	1,092,909	106%	1,034,800	1,084,000	
Miscellaneous	26,075	163,482	627%	104,300	246,598	236%	104,300	216,000	30,598
Total revenue	\$ 682,688	\$ 637,671	93%	\$ 2,730,750	\$ 1,796,929	66%	\$ 2,730,750	\$ 1,761,880	35,049
Expenditures									
Personal services	\$ 135,700	\$ 107,329	79%	\$ 542,800	\$ 442,740	82%	\$ 542,800	428,750	(13,990)
Material and services	89,838	70,666	79%	359,350	271,805	76%	359,350	246,200	(25,605)
Capital outlay									
Improvements	258,700	310,274	120%	1,034,800	969,196	94%	1,034,800	972,000	2,804
Transfers	27,675	27,675	100%	110,700	110,700	100%	110,700	110,700	-
Contingency							1,273,507		
Total expenditures	\$ 511,913	\$ 515,944	101%	\$ 2,047,650	\$ 1,794,441	88%	\$ 3,321,157	\$ 1,757,650	(36,791)
Revenue over (under) expenditures	\$ 170,775	\$ 121,728	71%	\$ 683,100	\$ 2,488	0%	\$ (590,407)		(1,742)
Other requirements									
Beginning fund balance	590,407	624,074	106%	590,407	624,074	106%	590,407		
Ending fund balance	\$ 761,182	\$ 745,802	98%	\$ 1,273,507	\$ 626,562	49%	\$ -	\$ -	

June 30, 2010

Water Fund

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 the system including repair and maintenance of infrastructure.

Fourth Quarter revenue projections are slightly below projected year-end by approx \$44,400, reflective of the foreclosures, and a decrease in water usage due to the wet spring. Expenditures are slightly above projection by approx \$6,000.

Overall fund balance has decreased approx 18% in FY 10, or -\$212,933, largely a result of budgeted capital improvements to the water system.

	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Revenue									
Charges for services	\$ 349,750	\$ 399,087	114%	\$ 1,399,000	\$ 1,524,760	109%	\$ 1,399,000	1,569,700	(44,940)
Interest	4,000	1,302	33%	16,000	6,674	42%	16,000	6,000	674
Miscellaneous	125	-	-	500	347	-	500	500	(153)
Total revenue	\$ 353,875	\$ 400,389	113%	\$ 1,415,500	\$ 1,531,781	108%	\$ 1,415,500	\$ 1,576,200	(44,419)
Expenditures									
Personal services	\$ 74,325	\$ 72,140	97%	\$ 297,300	\$ 292,364	98%	\$ 297,300	\$ 283,300	(9,064)
Materials and services	118,213	112,195	95%	472,850	377,505	80%	472,850	389,800	12,295
Capital outlay									
Equipment	-	-	-	-	-	-	-	-	-
Improvements	138,750	218,901	158%	555,000	474,796	86%	555,000	465,000	(9,796)
Debt service									
Principal									
Water revenue bond 2003	-	-	-	35,000	35,000	100%	35,000	35,000	-
Interest									
Water revenue bond 2003	-	-	-	33,800	31,550	93%	31,550	31,550	-
Transfers	133,375	140,306	105%	533,500	533,500	100%	533,500	533,500	0
Contingency							506,189		
Total expenditures	\$ 464,663	\$ 543,541	117%	\$ 1,927,450	\$ 1,744,714	91%	\$ 2,431,389	\$ 1,738,150	(6,564)
Revenue over (under) expenditures	\$ (110,788)	\$ (143,152)	-	\$ (511,950)	\$ (212,933)	-	\$ (1,015,889)		(50,983)
Beginning fund balance	853,202	1,216,238	143%	1,015,889	1,154,526	114%	1,015,889		
Ending fund balance	\$ 742,414	\$ 1,073,086	145%	\$ 503,939	\$ 941,593	187%	\$ -	\$ -	

June 30, 2010

Wastewater Fund

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.

Revenue is down approx \$61,000 from year-end projection reflective of the foreclosures, and a decrease in commercial water usage due to the wet spring. Expenditures are slightly under projection at approx \$53,700.

Overall fund balance decreased 5% in FY 10 or -\$69,851. SDC's collected, not budgeted for in 2010 made it possible to avoid the refinance of existing debt in the wastewater fund and allow for corrective action to occur in the following years with the maturing existing debt service.

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Charges for services	\$ 702,500	\$ 766,533	109%	\$ 2,810,000	\$ 2,814,448	100%	\$ 2,810,000	2,880,000	(65,552)
Interest	5,000	3,080	62%	20,000	6,216	31%	20,000	7,000	(784)
Intergovernmental	22,500	372		90,000	372		90,000	-	372
Debt Proceeds	475,000	-		1,900,000	-		1,900,000	-	
Miscellaneous	12,250	25,336	207%	49,000	52,587	107%	49,000	49,000	3,587
SDCs - reimbursement fees	6,250	156,978	2512%	25,000	158,336	633%	25,000	157,000	1,336
Total revenue	\$ 1,223,500	\$ 952,299	78%	\$ 4,894,000	\$ 3,031,959	62%	\$ 4,894,000	\$ 3,093,000	\$ (61,041)
Expenditures									
Personal services	\$ 57,625	\$ 114,099	198%	\$ 230,500	\$ 227,751	99%	\$ 230,500	225,300	(2,451)
Materials and services	147,713	97,825	66%	590,850	429,328	73%	590,850	473,100	43,772
Capital outlay									
Improvements	40,000	15,772	39%	160,000	42,999	27%	160,000	50,000	7,001
Debt service									
Principal									
SRRB 1998	-	-	-	980,000	225,000	23%	980,000	225,000	-
SRF 1992	-	146,178	#DIV/0!	611,600	146,178	24%	611,600	146,200	22
SPWF 1992	-	-	-	237,200	74,135	31%	237,200	74,100	(35)
DEQ CWSRF R74682/1	109,800	102,854	94%	204,000	203,915	100%	204,000	204,000	85
DEQ CWSRF R74682/2	201,000	178,768	89%	367,200	354,946	97%	367,200	367,200	12,254
Interest									
SRRB 1998	-	16,302	#DIV/0!	29,100	37,330	128%	29,100	37,300	(30)
SRF 1992	-	18,347	#DIV/0!	10,800	18,347	170%	10,800	18,400	53
SPWF 1992	-	-	-	6,300	14,140	224%	6,300	15,400	1,260
DEQ CWSRF R74682/1	74,100	80,960	109%	163,700	163,713	100%	163,700	163,700	(13)
DEQ CWSRF R74682/2	104,100	114,842	110%	231,500	232,274	100%	231,500	231,500	(774)
Refinance				95,000	-	-	95,000	-	-
Fees									
DEQ CWSRF R74682/1 & 2	-	-	-	63,200	63,654	101%	63,200	63,200	(454)
Transfers	263,350	300,680	114%	1,008,400	868,100	86%	1,008,400	861,200	(6,900)
Contingency							390,057		
Total expenditures	\$ 997,688	\$ 1,186,627	119%	\$ 4,989,350	\$ 3,101,810	62%	\$ 5,379,407	\$ 3,155,600	\$ 53,790
Revenue over (under) expenditures	225,813	(234,328)	-	(95,350)	(69,851)	-	(485,407)		(7,251)
Other resources/(requirements)									
Debt service reserve	550,000	748,266	-	550,000	748,266	-	550,000		
Net other resources/(requirements)	550,000	748,266	-	550,000	748,266	-	550,000	-	-
Beginning fund balance	1,035,407	1,277,345	123%	1,035,407	1,277,345	123%	1,035,407		
Ending fund balance	\$ 1,261,220	\$ 1,043,017	83%	\$ 940,057	\$ 1,207,494	128%	\$ -	\$ -	

Note: Approved budget adjustment to increase debt reserve

June 30, 2010

Golf Course and Restaurant Fund

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 revenues for golf course fund are down compared to projections by approx \$82,900, this largely due to the decrease in activity with the wet spring. Expenditures for FY 10 are approx \$40,000 below year-end projections leaving a variance of approx \$42,900 to budget.

Overall fund balance is showing an increase of 31% or \$59,829. Management has worked hard to control the expenditures during the winter months and through the wet spring, and will continue to work diligently to ensure that revenues meet or exceed expenditures and fund balance is maintained.

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Charges for services									
Golf Course	\$ 230,750	\$ 260,911	113%	\$ 923,000	\$ 770,161	83%	\$ 923,000	825,000	(54,839)
Waste disposal	87,500	87,500	100%	350,000	350,000	100%	350,000	350,000	0
Restaurant	94,500	84,028	89%	378,000	296,202	78%	378,000	325,000	(28,798)
Other	-	-	-	-	-	-	-	-	-
Interest	1,500	347	-	6,000	1,979	-	6,000	2,200	(221)
Miscellaneous	1,025	744	73%	4,100	1,616	39%	4,100	700	916
Total revenue	\$ 415,275	\$ 433,530	104%	\$ 1,661,100	\$ 1,419,958	85%	\$ 1,661,100	\$ 1,502,900	(82,942)
Expenditures									
Golf Course	\$ 156,875	\$ 127,278	81%	\$ 627,500	\$ 538,221	86%	\$ 627,500	543,600	5,379
Waste disposal	105,125	114,351	109%	420,500	397,325	94%	420,500	406,400	9,075
Restaurant	99,525	91,733	92%	398,100	364,584	92%	398,100	386,100	21,516
Debt service									
Principal - note payable	12,025	8,946	74%	48,100	53,192	111%	48,100	48,100	(5,092)
Interest - note payable	4,000	1,053	26%	16,000	6,807	43%	16,000	16,000	9,193
Contingency							396,052		
Total expenditures	\$ 377,550	\$ 343,361	91%	\$ 1,510,200	\$ 1,360,129	90%	\$ 1,906,252	\$ 1,400,200	40,071
Revenue over (under) expenditures	37,725	90,169	239%	150,900	59,829	40%	(245,152)		(42,871)
Beginning fund balance	245,152	195,033	80%	245,152	195,033	80%	245,152		
Ending fund balance	\$ 282,877	\$ 285,202	101%	\$ 396,052	\$ 254,862	64%	\$ -	\$ -	254,862

Freight Depot Fund

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.

Freight Depot revenue for the fourth quarter of fiscal year 2010 is approx \$421,600 largely due to intergovernmental revenue from the Connect Oregon project. Expenditures for the fourth quarter total \$413,000, with capital improvements totaling \$369,525. The Connect Oregon II project was completed at year-end with total expenditures in capital outlay for FY 10 of \$1,978,383.

Overall change in fund balance was -36% or -\$23,434, ending fund balance of \$41,452 is above year-end projection by \$4,466

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Intergovernmental	\$ 750,000	\$ 398,234	53%	\$ 3,000,000	\$ 1,996,471	67%	\$ 3,000,000	2,000,000	(3,529)
Charges for services	40,563	20,757	51%	162,250	64,612	40%	162,250	70,000	(5,388)
Interest	-	94	-	-	440	-	-	300	140
Miscellaneous	32,000	2,520	8%	128,000	67,511	-	128,000	61,700	5,811
Total revenue	\$ 822,563	\$ 421,605	51%	\$ 3,290,250	\$ 2,129,034	65%	\$ 3,290,250	\$ 2,132,000	(2,966)
Expenditures									
Personal services	\$ 16,125	\$ 15,883	99%	\$ 64,500	\$ 65,999	102%	\$ 64,500	64,800	(1,199)
Materials and services	14,838	13,442	91%	59,350	51,486	87%	51,850	48,200	(3,286)
Capital outlay	742,750	369,525	50%	2,971,000	1,978,383	67%	2,971,000	1,990,300	11,917
Debt service									
Principal-Industrial Park	-	-	-	-	-	-	58,000		
Interest-Industrial Park	-	-	-	-	-	-	25,000		
Interest-South Valley Bank	-	-	-	-	-	-	29,200		
Transfers	15,400	14,150	92%	61,600	56,600	92%	61,600	56,600	(0)
Contingency							71,592		
Total expenditures	\$ 789,113	\$ 413,000	52%	\$ 3,156,450	\$ 2,152,468	68%	\$ 3,332,742	\$ 2,159,900	7,432
Revenue over (under) expenditures	33,450	8,604	26%	133,800	(23,434)	-	(42,492)		4,466
Beginning fund balance	47,892	64,886	135%	42,492	64,886	153%	42,492		
Ending fund balance	\$ 81,342	\$ 73,490	90%	\$ 176,292	\$ 41,452	24%	\$ -	\$ -	41,452

June 30, 2010

Administration and Financial Support Services Fund

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

Revenue is slightly over budget projection by approx \$48,500 due to the insurance claim reimbursement for legal expenses early in the year. Expenditures are below budget projection by approx \$41,200, the decrease in expenses is largely related to savings in the city manager budget of approx \$108,000. The budget for the interim city manager was not utilized, cut-backs made in the second quarter, and the decrease in legal fees for the fiscal year impacted this fund very positively

Overall change in fund balance shows an increase of or \$269,529, approx \$89,800 over year-end projection.

	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Revenue									
Charges for services	\$ 430,950	\$ 413,206	96%	\$ 1,723,800	\$ 1,758,562	102%	\$ 1,723,800	1,710,400	48,162
Interest	125	375	300%	500	582	116%	500	200	382
Total revenue	\$ 431,075	\$ 413,581	96%	\$ 1,724,300	\$ 1,759,144	102%	\$ 1,724,300	\$ 1,710,600	48,544
Expenditures									
City Council	\$ 20,475	\$ 17,606	86%	\$ 81,900	\$ 59,468	73%	\$ 81,900	77,400	17,932
Administration/team services	212,125	151,711	72%	768,100	659,696	86%	768,100	660,000	304
Financial services	110,250	99,567	90%	441,000	399,875	91%	441,000	406,100	6,225
Information technology	74,800	74,503	100%	389,200	370,575	95%	389,200	387,400	16,825
Contingency							115,777		
Total expenditures	417,650	343,386	82%	1,680,200	1,489,614	89%	1,795,977	1,530,900	41,286
Revenue over (under) expenditures	13,425	70,195	523%	44,100	269,529	611%	(71,677)		89,829
Beginning fund balance	71,677	102,464	143%	71,677	102,464	143%	71,677		
Ending fund balance	\$ 85,102	\$ 172,659	203%	\$ 115,777	\$ 371,993	321%	\$ -	\$ -	

June 30, 2010

Public Works Support Services Fund

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 and expenditures for FY 2010 are as anticipated. Overall fund balance reflects a -33% decrease or \$69,001.

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	%			
Charges for services	112,500	148,440	132%	450,000	482,979	107%	450,000	483,000	(21)
Interest	300	63	-	1,200	949	-	1,200	600	349
Miscellaneous	31,625	82,480	261%	126,500	83,166	66%	126,500	84,000	(835)
Total revenue	144,425	230,983	160%	577,700	567,094	98%	577,700	567,600	(506)
Expenditures									
Public Works Support Services	113,175	108,339	96%	\$ 452,700	\$ 438,867	97%	452,700	436,600	(2,267)
Public Works Fleet & Vehicles	17,250	27,572	160%	204,000	181,043	89%	204,000	192,000	10,957
Public Works Facilities	4,400	3,092	70%	17,600	16,184	92%	17,600	14,600	(1,584)
Contingency							66,951		
Total expenditures	134,825	139,003	103%	674,300	636,094	94%	741,251	643,200	7,106
Revenue over (under) expenditures	9,600	91,980	958%	(96,600)	(69,001)	-	(163,551)		6,599
Beginning fund balance	163,551	211,277	129%	163,551	211,277	129%	163,551		
Ending fund balance	\$ 173,151	\$ 303,257	175%	\$ 66,951	\$ 142,276	213%	\$ -	\$ -	

June 30, 2010

City Hall Fund

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. Overall change in fund balance for FY 2010 is approx \$49,593, approx \$3,700 above year-end estimate.

Revenue	Current Quarter			Year to Date			Annual	Year-end	Difference
	Budget	Actual	%	Budget	Actual	%	Budget	Estimate	Favorable/ (Unfavorable)
Rent	\$ 38,275	\$ 38,276	100%	\$ 153,100	\$ 153,100	100%	\$ 153,100	153,100	-
Interest	425	106	-	1,700	919	-	1,700	1,200	(281)
Miscellaneous					50,000			50,000	-
Total revenue	38,700	38,382	99%	154,800	204,019	132%	154,800	204,300	(281)
Expenditures									
Personal services	625	-	-	\$ 2,500	\$ -	-	2,500	500	500
Materials and services	13,250	9,766	74%	53,000	49,488	93%	53,000	52,900	3,412
Debt service									
Principal - USDA 2005	-	-	-	34,100	34,113	100%	34,100	34,100	(13)
Interest - USDA - 2005	-	-	-	70,900	70,825	100%	70,900	70,900	75
Contingency							13,157		
Total expenditures	13,875	9,766	70%	160,500	154,426	96%	173,657	158,400	3,974
Revenue over (under) expenditures	24,825	28,616	115%	(5,700)	49,593	-870%	(18,857)		3,693
Other requirements									
Debt service reserve	42,000	-	-	42,000	-	-	42,000	-	-
Beginning fund balance	60,875	27,132	45%	60,857	27,132	45%	60,857		
Ending fund balance	\$ 85,700	\$ 55,748	65%	\$ 55,157	\$ 76,725	139%	\$ 42,000	\$ -	76,725