



***City of Prineville, Oregon
Financial Report
First Quarter Ended September 30, 2009***

September 30, 2009

Executive Summary

During the first quarter ended September 30, 2009, the City's financial condition declined as combined fund balances decreased approximately twenty nine percent (29%) or approximately \$1.641 million (\$5.596 million to \$3.955 million). The twenty nine percent (29%) decrease in combined funds is primarily the result of reductions in the general fund (\$.514 million, -126%), water fund (\$.204 million, -20%), wastewater fund (\$.744 million, -72%), public works support services (\$.124 million, -76%), and freight depot fund (\$.086 million, 204%).

The general fund reductions are primarily the result of deferred receipt of property tax revenue, and deferred receipt of intergovernmental revenue. The reduction in water fund is a result of a planned capital improvement and is as anticipated. In the wastewater fund significant scheduled debt service payments were made, a planned capital expenditure in the public works support services fund, and in the freight depot fund, there is a timing difference for grant income to pay for capital project expenditures specific to the Connect Oregon project.

Funds that realized significant positive changes to their respective fund balances during the first quarter include the emergency dispatch fund (\$42,838, 15%), golf course and restaurant fund (\$65,589, 27%), and the city hall fund (\$21,144, 35%). Intergovernmental payments realized in the emergency dispatch fund, along with the vacant communication position has helped create the positive increase in fund balance, increased play during the summer increased revenue in the golf fund, the efficiency measures and cutbacks made in the restaurant have increased profits, and the city hall fund is as anticipated.

The City continues to realize significantly reduced revenue related to the current economic conditions in the general fund, planning, SDC funds, railroad, and the freight depot fund. Additionally, the slowdown in growth has slowed revenue growth in the water and wastewater funds. The impacts of the slowdown in growth is now expected to continue through fiscal year 2010. Management has identified areas within the budget that will need to be adjusted in order to insure that fund balances remain at acceptable levels, and is using City staff (recovering costs for its services) where possible to perform work previously outsourced. Additional scrutiny to City infrastructure commitments is ongoing and adjustments to capital spending plans will be made where necessary.

The City has taken the following actions to stabilize fund balances:

- Community Development Director outsourced to Freight Depot as contract manager
- One budgeted vacant position will not be filled in the Police Department
- Officer resigned for other agency, this position will not be filled
- Evidence officer resigned, half time position filled for this position
- The current rate of revenue will not sustain the debt service obligation budgeted in the freight depot, this obligation will require a budget adjustment to general fund
- Management will be identifying additional spending plan adjustments in all the impacted funds, and will be taking action prior to the end of the second quarter.
- Management will be analyzing property tax revenues received in November and December 2009, and adjusting spending plans accordingly for the third quarter.

September 30, 2009

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

| <i>All City Funds</i> | | | | | | |
|---------------------------------------|------------------------|------------------------|---------------------------|---------------------|------------------------|-----------------------------------|
| Fund | Beginning Fund Balance | Current Year Resources | Current Year Expenditures | Ending Fund Balance | Change in Fund Balance | Percentage Change in Fund Balance |
| General | \$ 407,711 | \$ 218,645 | \$ 732,685 | \$ (106,329) | \$ (514,040) | -126% |
| Transportation | 549,586 | 234,302 | 246,493 | 537,395 | (12,191) | -2% |
| Emergency Dispatch | 286,384 | 239,452 | 196,614 | 329,222 | 42,838 | 15% |
| Planning | - | 65,556 | 79,317 | (13,761) | (13,761) | |
| MERP | - | 26,724 | 10,718 | 16,006 | 16,006 | |
| Transportation SDC | 569,811 | 4,141 | 10,816 | 563,136 | (6,675) | -1% |
| Water SDC | 150,385 | 5,477 | 4,180 | 151,682 | 1,297 | 1% |
| Wastewater SDC | 29,744 | 146,373 | 143,662 | 32,456 | 2,712 | 9% |
| LID Debt Service | 347,351 | 124,462 | 99,804 | 372,009 | 24,658 | 7% |
| Fire Station/Water Debt Service | 30,193 | 1,416 | 4,373 | 27,236 | (2,957) | -10% |
| Railroad | 590,407 | 295,499 | 342,886 | 543,020 | (47,387) | -8% |
| Water | 1,015,889 | 380,628 | 584,993 | 811,525 | (204,364) | -20% |
| Wastewater | 1,035,407 | 601,424 | 1,345,619 | 291,212 | (744,195) | -72% |
| Golf Course and Restaurant | 245,152 | 513,980 | 448,391 | 310,741 | 65,589 | 27% |
| Freight Depot | 42,492 | 666,933 | 753,412 | (43,987) | (86,479) | -204% |
| Administration and Financial Services | 71,677 | 409,751 | 468,068 | 13,360 | (58,317) | -81% |
| Public Works Support Services | 163,551 | 95,326 | 219,942 | 38,935 | (124,616) | -76% |
| City Hall | 60,857 | 38,760 | 17,616 | 82,001 | 21,144 | 35% |
| Totals | \$ 5,596,597 | \$ 4,068,849 | \$ 5,709,587 | \$ 3,955,859 | \$ (1,640,738) | -29% |

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.

Expenditures for the first quarter were as anticipated. Police spending for the first quarter of the year was at approx 25% of budget.

Overall, the general fund realized a reduction in fund balance of 126% or \$514,040 compared to last year at 114% or 537,623. This is due to the timing differences of the receipt in property tax revenues, and the slowdown in the economy, which is affecting franchise fees, and intergovernmental revenues.

Staffing in the police department has been reduced by two and one half full time equivalents, due to the decrease in anticipated revenues from the school resource officer, and the budgeted revenue for the stimulus grant.

These initial steps are anticipated to result in the general fund maintaining its fund balance at levels consistent with the beginning fund balance. Staff will continue to monitor and take further steps if necessary to ensure fund balance is not further reduced.

| Revenue | Current Quarter | | | Year to Date | | | Annual | |
|-----------------------------------|-------------------|---------------------|-------------|-------------------|---------------------|-------------|---------------------|---------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Property taxes | \$ 422,000 | \$ 43,718 | 10% | \$ 422,000 | \$ 43,718 | 10% | \$ 1,688,000 | \$ 1,644,282 |
| Transient lodging tax | 43,750 | 57,884 | 132% | 43,750 | 57,884 | 132% | 175,000 | 117,116 |
| Franchise fees | 164,250 | 67,706 | 41% | 164,250 | 67,706 | 41% | 657,000 | 589,294 |
| Licenses and permits | 1,675 | 2,056 | 123% | 1,675 | 2,056 | 123% | 6,700 | 4,644 |
| Intergovernmental revenues | 126,250 | 18,368 | 15% | 126,250 | 18,368 | 15% | 505,000 | 486,632 |
| Charges for services | 500 | 524 | 105% | 500 | 524 | 105% | 2,000 | 1,476 |
| Interest | 2,500 | 310 | 12% | 2,500 | 310 | 12% | 10,000 | 9,690 |
| Miscellaneous | 19,800 | 28,079 | 142% | 19,800 | 28,079 | 142% | 79,200 | 51,121 |
| Transfers | - | - | - | - | - | - | - | - |
| Total revenue | \$ 780,725 | \$ 218,645 | 28% | \$ 780,725 | \$ 218,645 | 28% | \$ 3,122,900 | \$ 2,904,255 |
| Expenditures | | | | | | | | |
| Police | 655,100 | 657,517 | 100% | 655,100 | 657,517 | 100% | 2,620,400 | 1,962,883 |
| Police facility | 16,300 | 12,668 | 78% | 16,300 | 12,668 | 78% | 53,200 | 40,532 |
| Non-departmental | 134,250 | 62,500 | 47% | 134,250 | 62,500 | 47% | 333,000 | 270,500 |
| Contingency | | | | | | | 524,011 | 524,011 |
| Total expenditures | \$ 805,650 | \$ 732,685 | 91% | \$ 805,650 | \$ 732,685 | 91% | \$ 3,530,611 | \$ 2,797,926 |
| Revenue over (under) expenditures | (24,925) | (514,040) | - | (24,925) | (514,040) | - | (407,711) | |
| Beginning fund balance | 407,711 | 407,711 | 100% | 407,711 | 407,711 | 100% | 407,711 | \$ - |
| Ending fund balance | \$ 382,786 | \$ (106,329) | - | \$ 382,786 | \$ (106,329) | - | \$ - | |

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 first quarter is at 88% of budget due to the receipt of dollars from Crook County (77.96% of budget or 136,432), and expenditures for the period are as anticipated.

| Revenue | Current Quarter | | | Year to Date | | | Annual | |
|--|--------------------|--------------------|-------------|--------------------|--------------------|-------------|---------------------|---------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Licenses & permits | \$ 2,000 | \$ 2,883 | | \$ 2,000 | \$ 2,883 | 144% | \$ 8,000 | \$ 5,118 |
| Intergovernmental | 258,075 | 230,016 | 89% | 258,075 | 230,016 | 89% | 1,032,300 | 802,284 |
| Charges for service | 4,250 | - | - | 4,250 | - | - | 17,000 | 17,000 |
| Interest | 2,500 | 1,128 | - | 2,500 | 1,128 | - | 10,000 | 8,872 |
| Miscellaneous | - | 276 | - | - | 276 | - | - | (276) |
| Total revenue | \$ 266,825 | \$ 234,302 | 88% | \$ 266,825 | \$ 234,302 | 88% | \$ 1,067,300 | \$ 832,998 |
| Expenditures | | | | | | | | |
| Personal services | \$ 38,900 | \$ 35,758 | 92% | \$ 38,900 | \$ 35,758 | 92% | \$ 155,600 | \$ 119,842 |
| Material & services | 88,700 | 155,034 | 175% | 88,700 | 155,034 | 175% | 354,800 | 199,766 |
| Capital outlay | | | | | | | | |
| Improvements | 118,250 | - | - | 118,250 | - | - | 473,000 | 473,000 |
| Debt service | | | | | | | | |
| Capital lease - street sweeper | - | - | - | - | - | - | 0 | - |
| Transfers | 57,800 | 55,700 | 96% | 57,800 | 55,700 | 96% | 231,200 | 175,500 |
| Contingency | | | | | | | 402,286 | 402,286 |
| Total expenditures | \$ 303,650 | \$ 246,493 | 81% | \$ 303,650 | \$ 246,493 | 81% | \$ 1,616,886 | \$ 1,370,393 |
| Revenue over (under) expenditures | \$ (36,825) | \$ (12,191) | | \$ (36,825) | \$ (12,191) | | \$ (549,586) | |
| Beginning fund balance | 549,586 | 549,586 | 100% | 549,586 | 549,586 | 100% | 549,586 | |
| Ending fund balance | \$ 512,761 | \$ 537,395 | 105% | \$ 512,761 | \$ 537,395 | 105% | \$ - | |

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 first quarter are as anticipated due to the receipt of funds from participating agencies paying quarterly as scheduled. 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 15% or \$42,838 increase in fund balance.

| Revenue | Current Quarter | | | Year to Date | | | Annual | |
|--|--------------------|-------------------|--------------|--------------------|-------------------|--------------|---------------------|-------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Intergovernmental | \$ 131,550 | \$ 157,100 | 119% | \$ 131,550 | \$ 157,100 | 119% | \$ 526,200 | \$ 369,100 |
| Charges for services | 550 | - | - | 550 | - | - | 2,200 | 2,200 |
| Interest | 1,750 | 777 | 44% | 1,750 | 777 | 44% | 7,000 | 6,223 |
| Transfers from other funds | 81,575 | 81,575 | 100% | 81,575 | 81,575 | 100% | 326,300 | 244,725 |
| Total revenue | \$ 215,425 | \$ 239,452 | 111% | \$ 215,425 | \$ 239,452 | 111% | \$ 861,700 | \$ 622,248 |
| Expenditures | | | | | | | | |
| Personal services | \$ 174,900 | \$ 154,719 | 88% | \$ 174,900 | \$ 154,719 | 88% | \$ 699,600 | \$ 544,881 |
| Material & services | 37,425 | 17,121 | 46% | 37,425 | 17,121 | 46% | 149,700 | 132,579 |
| Capital outlay | | | | | | | | |
| Equipment | 3,150 | - | - | 3,150 | - | - | 12,600 | 12,600 |
| Transfers | 24,775 | 24,775 | 100% | 24,775 | 24,775 | 100% | 99,100 | 74,325 |
| Contingency | | | | | | | 187,084 | 187,084 |
| Total expenditures | \$ 240,250 | \$ 196,614 | 82% | \$ 240,250 | \$ 196,614 | 82% | \$ 1,148,084 | \$ 951,470 |
| Revenue over (under) expenditures | \$ (24,825) | \$ 42,838 | -173% | \$ (24,825) | \$ 42,838 | -173% | \$ (286,384) | |
| Beginning fund balance | 286,384 | 286,384 | 100% | 286,384 | 286,384 | 100% | 286,384 | |
| Ending fund balance | \$ 261,559 | \$ 329,222 | 126% | \$ 261,559 | \$ 329,222 | 126% | \$ - | |

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.

First quarter collection for planning activity is showing a negative \$446. due to fees collected in the last quarter of the fiscal year refunded per request. Management is closely monitoring revenues and expenditures in this fund and plan spending adjustments prior to the end of the calendar year.

| Notes: | Current Quarter | | | Year to Date | | | Annual | Balance |
|--|------------------|--------------------|------------|------------------|--------------------|------------|-------------------|-------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | |
| Licenses & Permits | \$ 7,500 | \$ (446) | - | \$ 7,500 | \$ (446) | - | \$ 30,000 | \$ 30,446 |
| Charges for services | 17,950 | 3,503 | 20% | 17,950 | 3,503 | 20% | 71,800 | 68,297 |
| Interest | 125 | - | - | 125 | - | - | 500 | 500 |
| Transfers from other funds | 62,500 | 62,500 | 100% | 62,500 | 62,500 | 100% | 250,000 | 187,500 |
| Total revenue | \$ 88,075 | \$ 65,556 | 74% | \$ 88,075 | \$ 65,556 | 74% | \$ 352,300 | \$ 286,744 |
| | | | | | | | | |
| Personal services | \$ 41,875 | \$ 41,984 | 100% | \$ 41,875 | \$ 41,984 | 100% | \$ 167,500 | \$ 125,516 |
| Material & services | 9,800 | 6,808 | 69% | 9,800 | 6,808 | 69% | 39,200 | 32,392 |
| Transfers | 30,525 | 30,525 | 100% | 30,525 | 30,525 | 100% | 122,100 | 91,575 |
| Contingency | | | | | | | 23,500 | 23,500 |
| Total expenditures | \$ 82,200 | \$ 79,317 | 96% | \$ 82,200 | \$ 79,317 | 96% | \$ 352,300 | \$ 272,983 |
| Revenue over (under) expenditures | \$ 5,875 | \$ (13,761) | - | \$ 5,875 | \$ (13,761) | - | \$ - | |
| Beginning fund balance | - | - | - | - | - | - | - | |
| Ending fund balance | \$ 5,875 | \$ (13,761) | - | \$ 5,875 | \$ (13,761) | - | \$ - | |

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 choose to self insure its 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 over (under) expenditures | Current Quarter | | | Year to Date | | | Annual | Balance |
|--|------------------|------------------|--------------|------------------|------------------|--------------|-------------------|-------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | |
| Interest | - | 17 | #DIV/0! | - | 17 | #DIV/0! | - | (17) |
| Transfers from other funds | 32,050 | 26,707 | 83% | 32,050 | 26,707 | 83% | 128,200 | 101,493 |
| Total revenue | \$ 32,050 | \$ 26,724 | 83% | \$ 32,050 | \$ 26,724 | 83% | \$ 128,200 | \$ 101,476 |
| Transfers from other funds | | | | | | | | |
| Material & services | 31,500 | 10,718 | 34% | 31,500 | 10,718 | 34% | 126,000 | 115,282 |
| Contingency | | | | | | | 2,200 | 2,200 |
| Total expenditures | \$ 31,500 | \$ 10,718 | 34% | \$ 31,500 | \$ 10,718 | 34% | \$ 128,200 | \$ 117,482 |
| Revenue over (under) expenditures | \$ 550 | \$ 16,006 | 2910% | \$ 550 | \$ 16,006 | 2910% | \$ - | |
| Beginning fund balance | - | - | - | - | - | - | - | |
| Ending fund balance | \$ 550 | \$ 16,006 | 2910% | \$ 550 | \$ 16,006 | 2910% | \$ - | |

September 30, 2009

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, first quarter collection of improvement fees was 29% or \$2,925 of budget. Projects planned and budgeted in this fiscal year continue to receive attention, however, significant movement will not occur until funds are secured.

| Revenue | Current Quarter | | | Year to Date | | | Annual | Balance |
|--|--------------------|-------------------|-------------|--------------------|-------------------|-------------|---------------------|---------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | |
| Intergovernmental | \$ 164,500 | \$ - | - | \$ 164,500 | \$ - | - | \$ 658,000 | \$ 658,000 |
| Interest | 2,250 | 1,216 | 54% | 2,250 | 1,216 | 54% | 9,000 | 7,784 |
| System development charges | 10,000 | 2,925 | 29% | 10,000 | 2,925 | 29% | 40,000 | 37,075 |
| Total revenue | \$ 176,750 | \$ 4,141 | 2% | \$ 176,750 | \$ 4,141 | 2% | \$ 707,000 | \$ 702,859 |
| Expenditures | | | | | | | | |
| Material & services | \$ 2,500 | \$ 2,868 | 115% | \$ 2,500 | \$ 2,868 | 115% | \$ 10,000 | \$ 7,132 |
| Capital outlay | | | | | | | | |
| Improvements | 244,750 | 7,948 | 3% | 244,750 | 7,948 | 3% | 979,000 | 971,052 |
| Debt service - interest note payable | | | | | | | | - |
| Transfers | 450 | - | - | 450 | - | - | 1,800 | 1,800 |
| Contingency | | | | | | | 286,011 | 286,011 |
| Total expenditures | \$ 247,700 | \$ 10,816 | 4% | \$ 247,700 | \$ 10,816 | 4% | \$ 1,276,811 | \$ 1,265,995 |
| Revenue over (under) expenditures | \$ (70,950) | \$ (6,675) | - | \$ (70,950) | \$ (6,675) | - | \$ (569,811) | |
| Beginning fund balance | 569,811 | 569,811 | 100% | 569,811 | 569,811 | 100% | 569,811 | |
| Ending fund balance | \$ 498,861 | \$ 563,136 | 113% | \$ 498,861 | \$ 563,136 | 113% | \$ - | |

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, first quarter collection of improvement fees was approximately 51% or \$5,477 of budget.

The \$1.8 million financing in fiscal year 2007 was refinanced in December 2007 to lower the interest rate and require interest only payments. The fund balance is adequate to make interest payments for the current budget year. 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.

| Revenue | Current Quarter | | | Year to Date | | | Annual | |
|--|--------------------|-------------------|-------------|--------------------|-------------------|-------------|---------------------|-------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Interest | \$ 750 | \$ 303 | 40% | \$ 750 | \$ 303 | 40% | \$ 3,000 | \$ 2,697 |
| System development charges | 10,000 | 5,174 | 52% | 10,000 | 5,174 | 52% | 40,000 | 34,826 |
| Debt proceeds | - | - | - | - | - | - | - | - |
| Miscellaneous | - | - | - | - | - | - | - | - |
| Total revenue | \$ 10,750 | \$ 5,477 | 51% | \$ 10,750 | \$ 5,477 | 51% | \$ 43,000 | \$ 37,523 |
| Expenditures | | | | | | | | |
| Material & services | \$ 1,250 | \$ - | - | \$ 1,250 | \$ - | - | \$ 5,000 | \$ 5,000 |
| Capital outlay | | | | | | | | |
| Improvements | 20,750 | 4,180 | 20% | 20,750 | 4,180 | 20% | 83,000 | 78,820 |
| Debt service | | | | | | | | |
| Principal - short-term borrowing | - | - | - | - | - | - | - | - |
| Interest - short-term borrowing | - | - | - | - | - | - | 94,900 | 94,900 |
| Transfers | 450 | - | - | 450 | - | - | 1,800 | 1,800 |
| Contingency | | | | | | | 8,685 | 8,685 |
| Total expenditures | \$ 22,450 | \$ 4,180 | 19% | \$ 22,450 | \$ 4,180 | 19% | \$ 193,385 | \$ 189,205 |
| Revenue over (under) expenditures | \$ (11,700) | \$ 1,297 | -11% | \$ (11,700) | \$ 1,297 | -11% | \$ (150,385) | |
| Beginning fund balance | 150,385 | 150,385 | 100% | 150,385 | 150,385 | 100% | 150,385 | |
| Ending fund balance | \$ 138,685 | \$ 151,682 | 109% | \$ 138,685 | \$ 151,682 | 109% | \$ - | |

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.

Collection of first quarter improvement fees were at 39% or \$5,904 of budget. Fund balance is below necessary, budgeted debt service payment; this fund could possibly require a budget adjustment prior to year-end. 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.

| | Current Quarter | | | Year to Date | | | Annual | |
|--|------------------|-------------------|-------------|------------------|-------------------|-------------|--------------------|------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Revenue | | | | | | | | |
| Interest | \$ 250 | \$ 169 | - | \$ 250 | \$ 169 | - | \$ 1,000 | 831 |
| System development charges | 15,250 | 5,904 | 39% | 15,250 | 5,904 | 39% | 61,000 | 55,096 |
| Debt proceeds | - | - | - | - | - | - | - | - |
| Transfers | 35,075 | 140,300 | 400% | 35,075 | 140,300 | 400% | 140,300 | - |
| Total revenue | \$ 50,575 | \$ 146,373 | 289% | \$ 50,575 | \$ 146,373 | 289% | \$ 202,300 | \$ 55,927 |
| Expenditures | | | | | | | | |
| Material & services | \$ - | \$ - | - | \$ - | \$ - | - | \$ - | \$ - |
| Capital outlay | | | | | | | | |
| Improvements | \$ 36,825 | 143,662 | 390% | 36,825 | 143,662 | 390% | 147,300 | 3,638 |
| Debt service | | | | | | | | |
| Principal - short-term borrowing | - | - | - | - | - | - | - | - |
| Interest - short-term borrowing | - | - | - | - | - | - | 34,200 | 34,200 |
| Transfers | 450 | - | - | 450 | - | - | 1,800 | 1,800 |
| Contingency | | | | | | | 48,744 | 48,744 |
| Total expenditures | \$ 37,275 | \$ 143,662 | 385% | \$ 37,275 | \$ 143,662 | 385% | \$ 232,044 | \$ 88,382 |
| Revenue over (under) expenditures | \$ 13,300 | \$ 2,712 | 20% | \$ 13,300 | \$ 2,712 | 20% | \$ (29,744) | |
| Beginning fund balance | 29,744 | 29,744 | 100% | 29,744 | 29,744 | 100% | 29,744 | |
| Ending fund balance | \$ 43,044 | \$ 32,456 | 75% | \$ 43,044 | \$ 32,456 | 75% | \$ - | |

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 | |
|--|--------------------|-------------------|-------------|--------------------|-------------------|-------------|---------------------|-------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Intergovernmental | 8,750 | \$ 35,000 | 400% | \$ 8,750 | \$ 35,000 | 400% | \$ 35,000 | \$ - |
| Interest | 2,000 | 523 | 26% | 2,000 | 523 | 26% | 8,000 | 7,477 |
| Assessment repayments | 47,225 | 88,939 | 188% | 47,225 | 88,939 | 188% | 188,900 | 99,961 |
| Total revenue | \$ 57,975 | \$ 124,462 | 215% | \$ 57,975 | \$ 124,462 | 215% | \$ 231,900 | \$ 107,438 |
| Expenditures | | | | | | | | |
| Materials and services | \$ 325 | \$ - | - | \$ 325 | \$ - | - | \$ 1,300 | \$ 1,300 |
| Debt service | | | | | | | | |
| Principal | | | | | | | | |
| Spruce Lane LID - 2001 | 9,200 | 9,200 | 100% | 9,200 | 9,200 | 100% | 9,200 | - |
| 10th St/Madras Hwy LID - 2003 | 1,900 | 1,867 | 98% | 1,900 | 1,867 | 98% | 7,600 | 5,733 |
| Northridge LID - 2003 | 16,250 | - | - | 16,250 | - | - | 65,000 | 65,000 |
| Ochoco Hwy LID - 2004 | 5,000 | 5,881 | 118% | 5,000 | 5,881 | 118% | 20,000 | 14,119 |
| Ironhorse LID - 2006 | 14,025 | 26,541 | 189% | 14,025 | 26,541 | 189% | 56,100 | 29,559 |
| Interest | | | | | | | | |
| Spruce Lane LID - 2001 | 1,200 | 725 | 60% | 1,200 | 725 | 60% | 1,200 | 476 |
| 10th Street/Madras Hwy LID - 2003 | 550 | 591 | 107% | 550 | 591 | 107% | 2,200 | 1,609 |
| Northridge LID - 2003 | 2,975 | 5,950 | 200% | 2,975 | 5,950 | 200% | 11,900 | 5,950 |
| Ochoco Hwy LID - 2004 | 1,525 | 634 | 42% | 1,525 | 634 | 42% | 6,100 | 5,466 |
| Ironhorse LID - 2006 | 24,250 | 48,416 | 200% | 24,250 | 48,416 | 200% | 97,000 | 48,584 |
| Transfer | 18,750 | | | 18,750 | | | 75,000 | |
| Contingency | | | | | | | 226,831 | 226,831 |
| Total expenditures | \$ 95,950 | \$ 99,804 | 104% | \$ 95,950 | \$ 99,804 | 104% | \$ 579,431 | \$ 404,627 |
| Revenue over (under) expenditures | \$ (37,975) | \$ 24,658 | -65% | \$ (37,975) | \$ 24,658 | -65% | \$ (347,531) | |
| Beginning fund balance | 347,531 | 347,351 | 100% | 347,531 | 347,351 | 100% | 347,531 | |
| Ending fund balance | \$ 309,556 | \$ 372,009 | 120% | \$ 309,556 | \$ 372,009 | 120% | \$ - | |

September 30, 2009

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.

| | Current Quarter | | | Year to Date | | | Annual | |
|--|------------------|-------------------|-------------|------------------|-------------------|-------------|--------------------|------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Revenue | | | | | | | | |
| Property taxes | \$ 18,000 | \$ 1,360 | 8% | \$ 18,000 | \$ 1,360 | 8% | \$ 72,000 | \$ 70,640 |
| Interest | 250 | 56 | 22% | 250 | 56 | 22% | 1,000 | 944 |
| Total revenue | \$ 18,250 | \$ 1,416 | 8% | \$ 18,250 | \$ 1,416 | 8% | \$ 73,000 | \$ 71,584 |
| Expenditures | | | | | | | | |
| Debt service | | | | | | | | |
| Principal | | | | | | | | |
| G.O. Bonds | \$ - | - | - | \$ - | \$ - | - | \$ 80,000 | \$ 80,000 |
| Interest | | | | | | | | |
| G.O. Bonds | 8,348 | 4,373 | 52% | 8,348 | 4,373 | 52% | 8,800 | 4,428 |
| Other requirements | | | | | | | 14,393 | 14,393 |
| Total expenditures | \$ 8,348 | \$ 4,373 | 52% | \$ 8,348 | \$ 4,373 | 52% | \$ 103,193 | \$ 98,821 |
| Revenue over (under) expenditures | \$ 9,902 | \$ (2,957) | - | \$ 9,902 | \$ (2,957) | - | \$ (30,193) | |
| Beginning fund balance | 30,193 | 30,193 | 100% | 30,193 | 30,193 | 100% | 30,193 | |
| Ending fund balance | \$ 40,095 | \$ 27,236 | 68% | \$ 40,095 | \$ 27,236 | 68% | \$ - | |

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.

During the first quarter, railcar traffic is down and continues to suffer through a depressed housing market resulting in fewer timber related carloads. Total revenue is below budget at 43% or 295,499. Adjustments to estimated revenue and expenditures have been made as a result of the inability to get the cinder project off the ground.

Expenditures are well under first quarter budget estimates and overall fund balance has decreased 8% or \$47,387. Management and the railroad commission continue to pursue additional business and a reduced spending plan will be implemented by January 2010.

| | Current Quarter | | | Year to Date | | | Annual | |
|--|-------------------|--------------------|-------------|-------------------|--------------------|-------------|---------------------|---------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Revenue | | | | | | | | |
| Charges for services | \$ 368,763 | \$ 69,646 | 19% | \$ 368,763 | \$ 69,646 | 19% | \$ 1,475,050 | \$ 1,405,405 |
| Use of money & property | 29,150 | 17,069 | 59% | 29,150 | 17,069 | 59% | 116,600 | 99,531 |
| Intergovernmental | 258,700 | 186,038 | 72% | 258,700 | 186,038 | 72% | 1,034,800 | |
| Miscellaneous | 26,075 | 22,746 | 87% | 26,075 | 22,746 | 87% | 104,300 | 81,554 |
| Transfers | - | - | - | - | - | - | - | - |
| Total revenue | \$ 682,688 | \$ 295,499 | 43% | \$ 682,688 | \$ 295,499 | 43% | \$ 2,730,750 | \$ 1,586,489 |
| Expenditures | | | | | | | | |
| Personal services | \$ 135,700 | \$ 105,840 | 78% | \$ 135,700 | \$ 105,840 | 78% | \$ 542,800 | \$ 436,960 |
| Material and services | 89,838 | 62,974 | 70% | 89,838 | 62,974 | 70% | 359,350 | 296,376 |
| Capital outlay | | | | | | | | |
| Improvements | 258,700 | 146,397 | 57% | 258,700 | 146,397 | 57% | 1,034,800 | 888,403 |
| Transfers | 27,675 | 27,675 | 100% | 27,675 | 27,675 | 100% | 110,700 | 83,025 |
| Contingency | | | | | | | 1,273,507 | 1,273,507 |
| Total expenditures | \$ 511,913 | \$ 342,886 | 67% | \$ 511,913 | \$ 342,886 | 67% | \$ 3,321,157 | \$ 2,978,271 |
| Revenue over (under) expenditures | \$ 170,775 | \$ (47,387) | - | \$ 170,775 | \$ (47,387) | - | (590,407) | |
| Beginning fund balance | 590,407 | 590,407 | 100% | 590,407 | 590,407 | 100% | 590,407 | |
| Ending fund balance | \$ 761,182 | \$ 543,020 | 71% | \$ 761,182 | \$ 543,020 | 71% | \$ - | |

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 system including repair and maintenance of infrastructure.

First quarter revenues are slightly ahead of budget estimates at 108% for the quarter despite a significant reduction in building activity and customer growth. During the first quarter water sales increased due to irrigation, next quarter revenues should come in line with budget estimates.

Expenditures for the first quarter are slightly above budget estimates at 121% or \$584,993, as a result of budgeted capital improvements.

Fund Balance is as anticipated.

| Revenue | Current Quarter | | | Year to Date | | | Annual | |
|--|---------------------|---------------------|-------------|---------------------|---------------------|-------------|-----------------------|---------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Charges for services | \$ 349,750 | \$ 378,836 | 108% | \$ 349,750 | \$ 378,836 | 108% | \$ 1,399,000 | \$ 1,020,164 |
| Interest | 4,000 | 1,752 | 44% | 4,000 | 1,752 | 44% | 16,000 | 14,248 |
| Miscellaneous | 125 | 40 | - | 125 | 40 | - | 500 | 460 |
| Total revenue | \$ 353,875 | \$ 380,628 | 108% | \$ 353,875 | \$ 380,628 | 108% | \$ 1,415,500 | \$ 1,034,872 |
| Expenditures | | | | | | | | |
| Personal services | \$ 74,325 | \$ 72,783 | 98% | \$ 74,325 | \$ 72,783 | 98% | \$ 297,300 | \$ 224,517 |
| Materials and services | 118,213 | 107,165 | 91% | 118,213 | 107,165 | 91% | 472,850 | 365,685 |
| Capital outlay | | | | | | | | |
| Equipment | - | - | - | - | - | - | - | - |
| Improvements | 138,750 | 255,895 | 184% | 138,750 | 255,895 | 184% | 555,000 | 299,105 |
| Debt service | | | | | | | | |
| Principal | | | | | | | | |
| Water revenue bond 2003 | - | - | - | - | - | - | 35,000 | 35,000 |
| Interest | | | | | | | | |
| Water revenue bond 2003 | 16,900 | 15,775 | 93% | 16,900 | 15,775 | 93% | 31,550 | 15,775 |
| Transfers | 133,375 | 133,375 | 100% | 133,375 | 133,375 | 100% | 533,500 | 400,125 |
| Contingency | | | | | | | 506,189 | 506,189 |
| Total expenditures | \$ 481,563 | \$ 584,993 | 121% | \$ 481,563 | \$ 584,993 | 121% | \$ 2,431,389 | \$ 1,846,396 |
| Revenue over (under) expenditures | \$ (127,688) | \$ (204,364) | - | \$ (127,688) | \$ (204,364) | - | \$ (1,015,889) | |
| Beginning fund balance | 1,015,889 | 1,015,889 | 100% | 1,015,889 | 1,015,889 | 100% | 1,015,889 | |
| Ending fund balance | \$ 888,202 | \$ 811,525 | 91% | \$ 888,202 | \$ 811,525 | 91% | \$ - | |

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.

First quarter revenue for service fees was slightly below budget at 84% or \$589,565. Expenditures are at 38% or \$1,345,619 due to debt service payments paid during the first quarter, totaling approx \$785,000. Other expenditures are as anticipated.

Overall fund balance for wastewater is down 72% or \$744,195, as mentioned above this is due to debt service payments.

| Revenue | Current Quarter | | | Year to Date | | | Annual | |
|--|-----------------------|---------------------|-------------|-----------------------|---------------------|-------------|---------------------|---------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Charges for services | \$ 702,500 | \$ 589,565 | 84% | \$ 702,500 | \$ 589,565 | 84% | \$ 2,810,000 | \$ 2,220,435 |
| Interest | 5,000 | 1,892 | 38% | 5,000 | 1,892 | 38% | 20,000 | 18,108 |
| Intergovernmental | 22,500 | - | - | 22,500 | - | - | 90,000 | 90,000 |
| Debt Proceeds | 475,000 | - | - | 475,000 | - | - | 1,900,000 | 1,900,000 |
| Miscellaneous | 12,250 | 8,608 | 70% | 12,250 | 8,608 | 70% | 49,000 | 40,392 |
| SDCs - reimbursement fees | 6,250 | 1,359 | 22% | 6,250 | 1,359 | 22% | 25,000 | 23,641 |
| Total revenue | \$ 1,223,500 | \$ 601,424 | 49% | \$ 1,223,500 | \$ 601,424 | 49% | \$ 4,894,000 | \$ 4,292,576 |
| Expenditures | | | | | | | | |
| Personal services | \$ 57,625 | \$ 55,772 | 97% | \$ 57,625 | \$ 55,772 | 97% | \$ 230,500 | \$ 174,728 |
| Materials and services | 147,713 | 143,776 | 97% | 147,713 | 143,776 | 97% | 590,850 | 447,074 |
| Capital outlay | | | | | | | | |
| Improvements | 40,000 | 2,040 | 5% | 40,000 | 2,040 | 5% | 160,000 | 157,960 |
| Debt service | | | | | | | | |
| Principal | | | | | | | | |
| SRRB 1998 | 980,000 | 225,000 | 23% | 980,000 | 225,000 | 23% | 980,000 | 755,000 |
| SRF 1992 | 611,600 | - | - | 611,600 | - | - | 611,600 | 611,600 |
| SPWF 1992 | 237,200 | - | - | 237,200 | - | - | 237,200 | 237,200 |
| DEQ CWSRF R74682/1 | 204,000 | 101,061 | 50% | 204,000 | 101,061 | 50% | 204,000 | 102,939 |
| DEQ CWSRF R74682/2 | 367,200 | 176,178 | 48% | 367,200 | 176,178 | 48% | 367,200 | 191,022 |
| Interest | | | | | | | | |
| SRRB 1998 | 29,100 | 21,028 | 72% | 29,100 | 21,028 | 72% | 29,100 | 8,073 |
| SRF 1992 | 10,800 | - | - | 10,800 | - | - | 10,800 | 10,800 |
| SPWF 1992 | 6,300 | - | - | 6,300 | - | - | 6,300 | 6,300 |
| DEQ CWSRF R74682/1 | 163,700 | 82,753 | 51% | 163,700 | 82,753 | 51% | 163,700 | 80,947 |
| DEQ CWSRF R74682/2 | 231,500 | 117,432 | 51% | 231,500 | 117,432 | 51% | 231,500 | 114,068 |
| Refinance | 95,000 | - | - | 95,000 | - | - | 95,000 | 95,000 |
| Fees | | | | | | | | |
| DEQ CWSRF R74682/1 & 2 | 65,900 | 63,254 | 96% | 65,900 | 63,254 | 96% | 65,900 | 2,646 |
| Transfers | 252,100 | 357,325 | 142% | 252,100 | 357,325 | 142% | 1,008,400 | 651,075 |
| Contingency | | | | | | | 387,357 | 387,357 |
| Total expenditures | \$ 3,499,738 | \$ 1,345,619 | 38% | \$ 3,499,738 | \$ 1,345,619 | 38% | \$ 5,379,407 | \$ 4,033,788 |
| Revenue over (under) expenditures | (2,276,238) | (744,195) | - | (2,276,238) | (744,195) | - | (485,407) | 258,788 |
| Other resources/(requirements) | | | | | | | | |
| Debt service reserve | 550,000 | - | - | 550,000 | - | - | 550,000 | |
| Beginning fund balance | 1,035,407 | 1,035,407 | 100% | 1,035,407 | 1,035,407 | 100% | 1,035,407 | |
| Ending fund balance | \$ (1,240,831) | \$ 291,212 | -23% | \$ (1,240,831) | \$ 291,212 | -23% | \$ 550,000 | |

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.

First quarter overall fund balance for golf course is showing a slight increase of 27% or \$65,589. Expenditures in all activities are as anticipated with reduced costs anticipated as the summer season activities are reduced.

| | Current Quarter | | | Year to Date | | | Annual | |
|--|-------------------|-------------------|-------------|-------------------|-------------------|-------------|---------------------|---------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Revenue | | | | | | | | |
| Charges for services | | | | | | | | |
| Golf Course | \$ 230,750 | \$ 318,594 | 138% | \$ 230,750 | \$ 318,594 | 138% | \$ 923,000 | \$ 604,406 |
| Waste disposal | 87,500 | 87,500 | 100% | 87,500 | 87,500 | 100% | 350,000 | 262,500 |
| Restaurant | 94,500 | 106,821 | 113% | 94,500 | 106,821 | 113% | 378,000 | 271,179 |
| Other | - | - | - | - | - | - | - | - |
| Interest | 1,500 | 542 | - | 1,500 | 542 | - | 6,000 | 5,458 |
| Miscellaneous | 1,025 | 524 | 51% | 1,025 | 524 | 51% | 4,100 | 3,576 |
| Total revenue | \$ 415,275 | \$ 513,980 | 124% | \$ 415,275 | \$ 513,980 | 124% | \$ 1,661,100 | \$ 1,147,120 |
| Expenditures | | | | | | | | |
| Golf Course | \$ 156,875 | \$ 189,565 | 121% | \$ 156,875 | \$ 189,565 | 121% | \$ 627,500 | \$ 437,935 |
| Waste disposal | 105,125 | 131,474 | 125% | 105,125 | 131,474 | 125% | 420,500 | 289,026 |
| Restaurant | 99,525 | 112,353 | 113% | 99,525 | 112,353 | 113% | 398,100 | 285,747 |
| Debt service | | | | | | | | |
| Principal - note payable | 12,025 | 13,171 | 110% | 12,025 | 13,171 | 110% | 48,100 | 34,929 |
| Interest - note payable | 4,000 | 1,829 | 46% | 4,000 | 1,829 | 46% | 16,000 | 14,171 |
| Contingency | | | | | | | 396,052 | 396,052 |
| Total expenditures | \$ 377,550 | \$ 448,391 | 119% | \$ 377,550 | \$ 448,391 | 119% | \$ 1,906,252 | \$ 1,457,861 |
| Revenue over (under) expenditures | 37,725 | 65,589 | 174% | 37,725 | 65,589 | 174% | (245,152) | |
| Beginning fund balance | 245,152 | 245,152 | 100% | 245,152 | 245,152 | 100% | 245,152 | |
| Ending fund balance | \$ 282,877 | \$ 310,741 | 110% | \$ 282,877 | \$ 310,741 | 110% | \$ - | |

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. 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 operating revenue for the first quarter of fiscal year 2010 is below budget projections at 41% or \$16,346. Intergovernmental revenue is 87% of budget estimates. The intergovernmental revenue will increase to match capital expenditures due to the timing of reimbursement from the Connect Oregon project, expenditures are 92% of budget. Overall change in fund balance is at -204% or \$(86,479). Debt service payments budgeted in this fund will require a budget adjustment from general fund prior to year end.

| Revenue | Current Quarter | | | Year to Date | | | Annual Budget | Balance |
|--|-------------------|--------------------|-------------|-------------------|--------------------|-------------|---------------------|---------------------|
| | Budget | Actual | % | Budget | Actual | % | | |
| Intergovernmental | \$ 750,000 | \$ 650,129 | 87% | \$ 750,000 | \$ 650,129 | 87% | \$ 3,000,000 | \$ 2,349,871 |
| Charges for services | 40,563 | 16,516 | 41% | 40,563 | 16,516 | 41% | 162,250 | 145,734 |
| Interest | - | 156 | #DIV/0! | - | 156 | #DIV/0! | - | (156) |
| Miscellaneous | 32,000 | 131 | 0% | 32,000 | 131 | - | 128,000 | 127,869 |
| Total revenue | \$ 822,563 | \$ 666,933 | 81% | \$ 822,563 | \$ 666,933 | 81% | \$ 3,290,250 | \$ 2,623,317 |
| Expenditures | | | | | | | | |
| Personal services | \$ 16,125 | \$ 16,346 | 101% | \$ 16,125 | \$ 16,346 | 101% | \$ 64,500 | \$ 48,154 |
| Materials and services | 14,838 | 20,697 | 139% | 14,838 | 20,697 | 139% | 51,850 | 31,153 |
| Capital outlay | 742,750 | 697,084 | 94% | 742,750 | 697,084 | 94% | 2,971,000 | 2,273,916 |
| Debt service | | | | | | | | |
| Principal-Industrial Park | 14,500 | - | - | 14,500 | - | - | 58,000 | 58,000 |
| Interest-Industrial Park | 6,250 | - | - | 6,250 | - | - | 25,000 | 25,000 |
| Interest-South Valley Bank | 7,300 | 3,884 | 53% | 7,300 | 3,884 | 53% | 29,200 | 25,316 |
| Transfers | 15,400 | 15,401 | 100% | 15,400 | 15,401 | 100% | 61,600 | 46,199 |
| Contingency | | | | | | | 71,592 | 71,592 |
| Total expenditures | \$ 817,163 | \$ 753,412 | 92% | \$ 817,163 | \$ 753,412 | 92% | \$ 3,332,742 | \$ 2,579,330 |
| Revenue over (under) expenditures | 5,400 | (86,479) | - | 5,400 | (86,479) | - | (42,492) | 43,987 |
| Beginning fund balance | 42,492 | 42,492 | 100% | 42,492 | 42,492 | 100% | 42,492 | |
| Ending fund balance | \$ 47,892 | \$ (43,987) | - | \$ 47,892 | \$ (43,987) | - | \$ - | |

September 30, 2009

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.

First quarter revenue is 95% or \$409,751 of budgeted projections, expenditures are slightly over budget at 109% or \$468,068, largely due to the fiber optic project in information technology. Overall change in fund balance shows a decrease of 81% or \$58,317.

Fund balance is as anticipated.

| Revenue | Current Quarter | | | Year to Date | | | Annual | |
|--|-------------------|-------------------|-------------|-------------------|-------------------|-------------|---------------------|---------------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Charges for services | \$ 430,950 | \$ 409,751 | 95% | \$ 430,950 | \$ 409,751 | 95% | \$ 1,723,800 | \$ 1,314,049 |
| Interest | 125 | - | - | 125 | - | - | 500 | 500 |
| Total revenue | \$ 431,075 | \$ 409,751 | 95% | \$ 431,075 | \$ 409,751 | 95% | \$ 1,724,300 | \$ 1,314,549 |
| Expenditures | | | | | | | | |
| City Council | \$ 20,475 | \$ 16,527 | 81% | \$ 20,475 | \$ 16,527 | 81% | \$ 81,900 | \$ 65,373 |
| Administration/team services | 192,025 | 208,903 | 109% | 192,025 | 208,903 | 109% | 768,100 | 559,197 |
| Financial services | 110,250 | 96,203 | 87% | 110,250 | 96,203 | 87% | 441,000 | 344,797 |
| Non-departmental | - | - | - | - | - | - | - | - |
| Information technology | 104,800 | 146,435 | 140% | 104,800 | 146,435 | 140% | 389,200 | 242,765 |
| Contingency | | | | | | | 115,777 | 115,777 |
| Total expenditures | 427,550 | 468,068 | 109% | 427,550 | 468,068 | 109% | 1,795,977 | 1,327,909 |
| Revenue over (under) expenditures | 3,525 | (58,317) | - | 3,525 | (58,317) | - | (71,677) | (13,360) |
| Beginning fund balance | 71,677 | 71,677 | 100% | 71,677 | 71,677 | 100% | 71,677 | - |
| Ending fund balance | \$ 75,202 | \$ 13,360 | 18% | \$ 75,202 | \$ 13,360 | 18% | \$ - | |

September 30, 2009

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.

First quarter revenue is slightly below budget 66% or 95,326 as fee revenue for charge of services is less than budget. Expenditures are above budget at 122% or \$219,942 as a result of a planned capital expenditure in fleet/vehicles department. Future transfers for charge of service will bring fund balances back in line with budget. Overall fund balance reflects a 76% decrease or \$124,616. Fund activity is as anticipated.

| Revenue | Current Quarter | | | Year to Date | | | Annual | |
|--|-------------------|------------------|-------------|-------------------|------------------|-------------|------------------|-----------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Charges for services | 112,500 | 94,999 | 84% | 112,500 | 94,999 | 84% | 450,000 | 355,001 |
| Interest | 300 | 127 | 42% | 300 | 127 | 42% | 1,200 | 1,073 |
| Miscellaneous | 31,625 | 200 | 1% | 31,625 | 200 | 1% | 126,500 | 126,300 |
| Total revenue | 144,425 | 95,326 | 66% | 144,425 | 95,326 | 66% | 577,700 | 482,374 |
| Expenditures | | | | | | | | |
| Public Works Support Services | 113,175 | 111,105 | 98% | 113,175 | 111,105 | 98% | 452,700 | 341,595 |
| Public Works Fleet & Vehicles | 62,250 | 106,531 | 171% | 62,250 | 106,531 | 171% | 204,000 | 97,469 |
| Public Works Facilities | 4,400 | 2,306 | 52% | 4,400 | 2,306 | 52% | 17,600 | 15,294 |
| Contingency | | | | | | | 66,951 | 66,951 |
| Total expenditures | 179,825 | 219,942 | 122% | 179,825 | 219,942 | 122% | 741,251 | 521,309 |
| Revenue over (under) expenditures | (35,400) | (124,616) | - | (35,400) | (124,616) | - | (163,551) | (38,935) |
| Beginning fund balance | 163,551 | 163,551 | 100% | 163,551 | 163,551 | 100% | 163,551 | - |
| Ending fund balance | \$ 128,151 | \$ 38,935 | 30% | \$ 128,151 | \$ 38,935 | 30% | \$ - | |

September 30, 2009

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 first quarter were as anticipated.

| Revenue | Current Quarter | | | Year to Date | | | Annual | |
|--|------------------|------------------|-------------|------------------|------------------|-------------|------------------|-----------------|
| | Budget | Actual | % | Budget | Actual | % | Budget | Balance |
| Rent | \$ 38,275 | \$ 38,275 | 100% | \$ 38,275 | \$ 38,275 | 100% | \$ 153,100 | \$ 114,825 |
| Interest | 425 | 485 | - | 425 | 485 | - | 1,700 | 1,215 |
| Total revenue | 38,700 | 38,760 | 100% | 38,700 | 38,760 | 100% | 154,800 | 116,040 |
| Expenditures | | | | | | | | |
| Personal services | 625 | - | - | 625 | - | - | 2,500 | 2,500 |
| Materials and services | 13,250 | 17,616 | 133% | 13,250 | 17,616 | 133% | 53,000 | 35,384 |
| Debt service | | | | | | | | |
| Principal - USDA 2005 | - | - | - | - | - | - | 34,100 | 34,100 |
| Interest - USDA - 2005 | - | - | - | - | - | - | 70,900 | 70,900 |
| Contingency | | | | | | | 13,157 | 13,157 |
| Total expenditures | 13,875 | 17,616 | 127% | 13,875 | 17,616 | 127% | 173,657 | 156,041 |
| Revenue over (under) expenditures | 24,825 | 21,144 | 85% | 24,825 | 21,144 | 85% | (18,857) | (40,001) |
| Other requirements | | | | | | | | |
| Debt service reserve | 42,000 | 42,000 | 100% | 42,000 | 42,000 | 100% | 42,000 | - |
| Beginning fund balance | 60,857 | 60,857 | 100% | 60,857 | 60,857 | 100% | 60,857 | - |
| Ending fund balance | \$ 85,682 | \$ 82,001 | 96% | \$ 85,682 | \$ 82,001 | 96% | \$ 42,000 | |