



***City of Prineville, Oregon
Financial Report
Second Quarter Ended December 31, 2011***

Executive Summary

Fiscal Year 2011 audit was completed in December. Combined beginning fund balances improved approx. \$.738 million over adopted budget estimates. Funds that had a significant difference to budget estimates include general fund, water fund, and wastewater fund. The audited financial numbers for long term debt decreased during FY 11 approx. \$2.11 million to \$19.3 million; decreasing debt per capita 5.9% or \$126 while population decreased 4.2% or 423. Long term debt has decreased \$6.517 million over the last five years which has decreased debt per capita by \$545 over that time.

During the second quarter ended December 31, 2011, the City's financial condition improved as combined fund balances increased by approximately 26% or roughly \$1.592 million (\$6.18 million to \$7.78 million) unaudited. This increase in fund balances for the current quarter is largely due to the collection of property taxes and the collection of SDC's from Facebook. Additionally, debt proceeds for the water and golf funds are pending capital improvement projects beginning in the third quarter.

General fund realized an increase in fund balance of roughly 50% or \$498,000 in the second quarter. This was anticipated as the receipt of property tax revenues began in November and approximately 92% of the budgeted property taxes were collected. Approx. \$86,000 is needed to meet budget estimate of \$1.485 million for FY 12. Receipt of franchise fees totaling \$339,000 is an improvement over prior year of roughly \$120,000 through the second quarter.

The wastewater SDC fund realized a significant increase in fund balance in the second quarter of approximately \$551,000. This increase is largely due to Facebook paying SDC's of roughly \$497,000. This influx of revenue has allowed repayment of capital funds back to the wastewater fund for prior improvements leaving ending fund balance at approx. \$334,500.

Transportation and wastewater funds show a decrease to ending fund balance that are anticipated with capital projects and scheduled debt service. Railroad, freight depot, and golf funds are being closely monitored and adjusted accordingly to insure expenditures are in line with revenues. Internal service funds will recover as transfer revenues are received.

Additional scrutiny to City infrastructure commitments is ongoing and adjustments to capital spending plans will be made where necessary.

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

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City of Prineville, Oregon
Financial Report

Unaudited

Second Quarter ended December 31, 2011

December 31, 2011

All City Funds

Fund	Budgeted Beginning Fund Balance	Actual Beginning Fund Balance	Current Year Resources	Current Year Expenditures	Ending Fund Balance	Change in Fund Balance	Percentage Change in Fund Balance
General	\$ 893,015	\$ 992,278	\$ 1,994,029	\$ 1,495,636	\$ 1,490,671	\$ 498,393	50%
Transportation	556,925	595,416	417,252	755,728	256,940	(338,476)	-57%
Emergency Dispatch	282,767	310,074	557,303	471,780	395,597	85,523	28%
Planning	76,012	82,616	155,148	158,436	79,327	(3,289)	-4%
Transportation SDC	210,185	206,789	77,857	68,212	216,434	9,645	5%
Water SDC	113,464	180,714	1,631,626	1,655,576	156,764	(23,950)	-13%
Wastewater SDC	35,907	41,069	830,903	537,471	334,502	293,433	714%
LID Debt Service	160,428	173,411	124,974	95,092	203,293	29,882	17%
Railroad	654,833	714,361	636,012	551,278	799,095	84,734	12%
Water	564,469	769,841	3,736,250	2,729,437	1,776,654	1,006,813	131%
Wastewater	1,034,178	1,288,009	6,833,602	7,222,571	899,039	(388,970)	-30%
Golf Course and Restaurant	294,654	280,391	1,459,406	1,035,534	704,262	423,871	151%
Freight Depot	29,704	23,853	878,804	896,698	5,960	(17,893)	-75%
Administration and Financial Services	284,354	323,121	792,687	821,354	294,454	(28,667)	-9%
Public Works Support Services	122,085	84,231	309,667	314,354	79,544	(4,687)	-6%
Airport	60,478	51,243	152,872	125,340	78,775	27,532	54%
City Hall	72,925	66,106	81,488	143,106	4,488	(61,618)	-93%
Totals	\$ 5,446,383	\$ 6,183,523	\$ 20,669,880	\$ 19,077,604	\$ 7,775,799	\$ 1,592,276	26%

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.

Overall, the general fund realized an increase in fund balance of roughly 50% or \$498,000 in the second quarter. This was anticipated as the receipt of property tax revenues began in November. Year to date property tax revenue is at approximately 189% of the second quarter budget.

Total revenue year to date is at approximately 141% of the second quarter budget. Property tax revenue is roughly \$1.36 million for the second quarter which is approximately \$97,000 less than prior year collection. Franchise fees are up approximately \$22,000 over the prior quarter. Transient lodging tax revenue declined in the second quarter in comparison to the first quarter, but is currently at approximately 130% of the second quarter budget.

Police spending for the year is roughly 100% of the second quarter budget. Despite raises with police contract negotiations after the budget was adopted, personal services for the police shows approximately 100% of second quarter budget.

Beginning fund balance actual is roughly \$99,000 above budget after the audit. Overall expenditures are at approximately 98% of second quarter budget at quarter end.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Property taxes	\$ 371,250	\$ 1,361,284	367%	\$ 742,500	\$ 1,401,856	189%	\$ 1,485,000	\$ 83,144
Transient lodging tax	41,250	38,643	94%	82,500	106,891	130%	165,000	58,109
Franchise fees	192,500	180,798	94%	385,000	339,251	88%	770,000	430,749
Licenses and permits	2,325	803	35%	4,650	4,962	107%	9,300	4,338
Intergovernmental revenues	64,625	63,093	98%	129,250	99,772	77%	258,500	158,728
Charges for services	500	-	-	1,000	-	-	2,000	2,000
Interest	800	64	8%	1,600	567	35%	3,200	2,633
Miscellaneous	31,400	10,993	35%	62,800	40,731	65%	125,600	84,869
Transfers	-	-	-	-	-	-	-	-
Total revenue	\$ 704,650	\$ 1,655,677	235%	\$ 1,409,300	\$ 1,994,029	141%	\$ 2,818,600	\$ 824,571
Expenditures								
Police	660,450	621,931	94%	1,320,900	1,321,489	100%	2,641,800	1,320,311
Police facility	14,425	9,854	68%	28,850	28,554	99%	57,700	29,146
Non-departmental	91,250	85,593	94%	182,500	145,593	80%	365,000	219,407
Contingency							647,115	647,115
Total expenditures	\$ 766,125	\$ 717,378	94%	\$ 1,532,250	\$ 1,495,636	98%	\$ 3,711,615	\$ 2,215,979
Revenue over (under) expenditure	(61,475)	938,299	-1526%	(122,950)	498,393	-405%	(893,015)	
Beginning fund balance	893,015	992,278	111%	893,015	992,278	111%	893,015	\$ (99,263)
Ending fund balance	\$ 831,540	\$ 1,930,577	232%	\$ 770,065	\$ 1,490,671	194%	\$ -	

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.

Overall fund revenue is as budgeted. Expenditures over revenues are as planned with the consolidation of capital improvements for FY 11 and FY 12 downtown core project. Operating expenditures are as anticipated for the second quarter.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Franchise fees	\$ 39,425	\$ 39,425	-	\$ 78,850	\$ 78,850	100%	\$ 157,700	\$ 78,850
Intergovernmental	185,475	195,808	106%	370,950	334,892	90%	741,900	407,008
Charges for service		-					-	
Interest	375	-	-	750	403	54%	1,500	1,097
Miscellaneous	3,125	2,413	77%	6,250	3,107	50%	12,500	9,394
Total revenue	\$ 228,400	\$ 237,645	104%	\$ 456,800	\$ 417,252	91%	\$ 913,600	\$ 496,348
Expenditures								
Personal services	\$ 48,500	\$ 52,268	108%	\$ 97,000	\$ 99,352	102%	\$ 194,000	\$ 94,648
Material & services	95,000	123,999	131%	190,000	208,941	110%	380,000	171,059
Capital outlay								
Improvements	95,625	295,276	309%	191,250	295,585	155%	382,500	86,915
Transfers	75,925	75,925	100%	151,850	151,850	100%	303,700	151,850
Contingency							210,325	210,325
Total expenditures	\$ 315,050	\$ 547,469	174%	\$ 630,100	755,728	120%	\$ 1,470,525	\$ 714,797
Revenue over (under) expenditures	\$ (86,650)	\$ (309,823)	-	\$ (173,300)	\$ (338,476)	-	\$ (556,925)	
Beginning fund balance	556,925	595,416	107%	556,925	595,416	107%	556,925	(38,491)
Ending fund balance	\$ 470,275	\$ 285,593	61%	\$ 383,625	\$ 256,940	67%	\$ -	

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 and expenditures for the quarter are as anticipated. Actual versus budgeted beginning fund balance increased fund by roughly \$27,000 after audit.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Intergovernmental	\$ 161,100	\$ 46,120	29%	\$ 322,200	\$ 419,105	130%	\$ 644,400	\$ 225,295
Charges for services	300	-	-	600	-	-	1,200	1,200
Interest	750	-	-	1,500	298	20%	3,000	2,702
Transfers from other funds	68,950	68,950	100%	137,900	137,900	100%	275,800	137,900
Total revenue	\$ 231,100	\$ 115,070	50%	\$ 462,200	\$ 557,303	121%	\$ 924,400	\$ 367,097
Expenditures								
Personal services	\$ 180,225	\$ 168,813	94%	\$ 360,450	\$ 348,500	97%	\$ 720,900	\$ 372,400
Material & services	26,625	23,084	87%	53,250	42,379	80%	106,500	64,121
Transfers	40,450	40,450	100%	80,900	80,900	100%	161,800	80,900
Contingency						-	217,967	217,967
Total expenditures	\$ 247,300	\$ 232,346	94%	\$ 494,600	\$ 471,780	95%	\$ 1,207,167	\$ 735,387
Revenue over (under) expenditures	\$ (16,200)	\$ (117,276)	-	\$ (32,400)	\$ 85,523	-	\$ (282,767)	
Beginning fund balance	282,767	310,074	110%	282,767	310,074	110%	282,767	(27,307)
Ending fund balance	\$ 266,567	\$ 192,798	72%	\$ 250,367	\$ 395,597	158%	\$ -	

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.

Second quarter collection for planning revenues is roughly 110% of second quarter budget or approximately \$155,000.

Expenditures are as anticipated at approximately 100% of the second quarter budget.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Licenses & Permits	\$ 3,500	\$ 8,996	257%	7,000	\$ 16,832	240%	\$ 14,000	\$ (2,832)
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	7,200	16,007	222%	14,400	18,256	127%	28,800	10,544
Interest	50	-	-	100	60	60%	200	140
Transfers from other funds	60,000	60,000	100%	120,000	120,000	100%	240,000	120,000
Total revenue	\$ 70,750	\$ 85,003	120%	\$ 141,500	\$ 155,148	110%	\$ 283,000	\$ 127,852
Personal services	\$ 48,250	\$ 47,075	98%	\$ 96,500	\$ 94,172	98%	\$ 193,000	\$ 98,828
Material & services	8,325	12,527	150%	16,650	19,515	117%	33,300	13,785
Transfers	22,375	22,375	100%	44,750	44,750	100%	89,500	44,750
Contingency							43,212	43,212
Total expenditures	\$ 78,950	\$ 81,977	104%	\$ 157,900	\$ 158,436	100%	\$ 359,012	\$ 200,576
Revenue over (under) expenditures	\$ (8,200)	\$ 3,026	-37%	\$ (16,400)	\$ (3,289)	-	\$ (76,012)	
Beginning fund balance	76,012	82,616	109%	76,012	82,616	109%	76,012	(6,604)
Ending fund balance	\$ 67,812	\$ 85,642	126%	\$ 59,612	\$ 79,327	133%	\$ -	

Transportation SDC Fund

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

Second quarter revenue improved significantly over the first quarter. In the second quarter, collection of system development charges increased the overall revenue to approximately 119% of the second quarter budget or roughly \$78,000. This revenue increase can be attributed to the SDC's collect from Facebook.

Expenditures are as anticipated.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Intergovernmental	\$ 25,000	\$ -	-	\$ 50,000	\$ 1,192	2%	\$ 100,000	\$ 98,808
Interest	200	-	-	400	155	39%	800	645
System development charges	7,500	73,561	981%	15,000	76,510	510%	30,000	(46,510)
Total revenue	\$ 32,700	\$ 73,561	225%	\$ 65,400	\$ 77,857	119%	\$ 130,800	\$ 52,943
Expenditures								
Material & services	\$ 2,500	\$ -	-	\$ 5,000	\$ -	-	\$ 10,000	\$ 10,000
Capital outlay								
Improvements	46,500	58,964	127%	93,000	68,212	73%	186,000	117,788
Transfers	375	-	-	750	-	-	1,500	1,500
Contingency							143,485	143,485
Total expenditures	\$ 49,375	\$ 58,964	119%	\$ 98,750	\$ 68,212	69%	\$ 340,985	\$ 272,773
Revenue over (under) expenditures	\$ (16,675)	\$ 14,597	-88%	\$ (33,350)	\$ 9,645	-29%	\$ (210,185)	
Beginning fund balance	210,185	206,789	98%	210,185	206,789	98%	210,185	3,396
Ending fund balance	\$ 193,510	\$ 221,386	114%	\$ 176,835	\$ 216,434	122%	\$ -	

Water SDC Fund

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

Second quarter collection of improvement fees was approximately 35% of the second quarter budget. The payoffs of debt service came in slightly over budget estimate; this fund will require a budget adjustment prior to year end.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Interest	\$ 250	\$ -	-	\$ 500	\$ 132	26%	\$ 1,000	\$ 868
System development charges	7,500	2,608	35%	15,000	5,216	35%	30,000	24,784
Transfers	406,250	-	-	812,500	1,626,278	200%	1,625,000	(1,278)
Total revenue	\$ 414,000	\$ 2,608	1%	\$ 828,000	\$ 1,631,626	197%	\$ 1,656,000	\$ 24,374
Expenditures								
Material & services	\$ 2,500	\$ -	-	\$ 5,000	\$ -	-	\$ 10,000	\$ 10,000
Capital outlay								
Improvements	11,500	13,663	119%	23,000	29,298	127%	46,000	16,702
Debt service	-	-	-	-	-	-	-	-
Principal - short-term borrowing	406,250	-	-	812,500	1,624,889	200%	1,625,000	111
Interest - short-term borrowing	-	-	-	-	1,389	#DIV/0!	-	(1,389)
Transfers	18,125	-	-	36,250	-	-	72,500	72,500
Contingency							15,964	15,964
Total expenditures	\$ 438,375	\$ 13,663	3%	\$ 876,750	\$ 1,655,576	189%	\$ 1,769,464	\$ 113,888
Revenue over (under) expenditures	\$ (24,375)	\$ (11,055)	-	\$ (48,750)	\$ (23,950)	-	\$ (113,464)	
Beginning fund balance	113,464	180,714	159%	113,464	180,714	159%	113,464	(67,250)
Ending fund balance	\$ 89,089	\$ 169,659	190%	\$ 64,714	\$ 156,764	242%	\$ -	

Note: This fund will require a budget adjustment prior to year end, slightly over debt service projection

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.

In the second quarter, the collection of service development charges totaled approx. \$498,000 due to collection of SDC's from Facebook, this made possible repayment to the wastewater fund for prior capital improvements of approx. \$257,000. Overall revenues are roughly 242% of the second quarter budget.

Expenditures are at 151% of second quarter budget. Spending for capital improvements will most likely need a budget adjustment prior to year end as expenditures for Habitat Conservation and Crooked River Concepts is currently above budget estimates. Transfers will also exceed budget estimates at year end due to the repayment to wastewater fund mentioned above, this will require a budget adjustment.

Revenue	Current Quarter			Year to Date			Annual Budget	Balance
	Budget	Actual	%	Budget	Actual	%		
Intergovernmental	\$ 75,000	-	-	\$ 150,000	-	-	\$ 300,000	\$ 300,000
Interest	250	-	-	500	65.00	13%	1,000.00	935
Misc. Revenue	18,750	-	-	37,500	75,000.00	200%	75,000.00	-
System development charges	10,500	498,214	4745%	21,000	498,265	2373%	\$ 42,000	(456,265)
Transfers from other funds	67,500	-	-	135,000	257,574	191%	270,000	12,426
Total revenue	\$ 172,000	\$ 498,214	290%	\$ 344,000	\$ 830,903	242%	\$ 688,000	\$ (142,903)
Expenditures								
Material & services	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
Capital outlay	-	-	-	-	-	-	-	-
Improvements	97,750	10,602	11%	195,500	22,543	12%	391,000	368,457
Debt service	-	-	-	-	-	-	-	-
Principal - short-term borrowing	64,250	-	-	128,500	257,354	200%	257,000	(354)
Interest - short-term borrowing	3,250	-	-	6,500	220	3%	13,000	12,780
Transfers	12,275	257,354	2097%	24,550	257,354	1048%	49,100	(208,254)
Contingency	-	-	-	-	-	-	13,807	13,807
Total expenditures	\$ 177,525	\$ 267,956	151%	\$ 355,050	\$ 537,471	151%	\$ 723,907	\$ 186,436
Revenue over (under) expenditures	\$ (5,525)	\$ 230,258	-4168%	\$ (11,050)	\$ 293,433	-2655%	\$ (35,907)	
Beginning fund balance	35,907	41,069	114%	35,907	41,069	114%	35,907	(5,162)
Ending fund balance	\$ 30,382	\$ 271,327	893%	\$ 24,857	\$ 334,502	1346%	\$ -	

Note: This fund will require a budget adjustment prior to year end for repayment of debt service to Wastewater fund

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	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -
Interest	175	-	-	350	95	27%	700	605
Transfers from other funds	6,250	-	100%	12,500	25,000	100%	25,000	
Assessment repayments	46,725	5,091	11%	93,450	99,879	107%	186,900	87,021
Total revenue	\$ 53,150	\$ 5,091	10%	\$ 106,300	\$ 124,974	118%	\$ 212,600	\$ 87,626
Expenditures								
Materials and services	\$ 100	\$ -	-	\$ 200	\$ -	-	\$ 400	\$ 400
Debt service								
Principal								
Spruce Lane LID - 2001	9,200	-	-	18,400	9,200	50%	9,200	-
10th St/Madras Hwy LID - 2003	2,150	2,116	98%	4,300	4,206	98%	8,600	4,394
Northridge LID - 2003	17,500	-	-	35,000	-	-	70,000	70,000
Ochoco Hwy LID - 2004	650	-	-	1,300	2,578	198%	2,600	22
Ironhorse LID - 2006	15,750	-	-	31,500	31,010	98%	63,000	31,990
Interest								
Spruce Lane LID - 2001	1,200	-	-	2,400	242	10%	300	59
10th Street/Madras Hwy LID - 2003	325	342	105%	650	710	109%	1,300	590
Northridge LID - 2003	4,725	-	-	9,450	3,188	34%	18,900	15,713
Ochoco Hwy LID - 2004	75	-	-	150	13	8%	300	287
Ironhorse LID - 2006	21,750	-	-	43,500	43,946	101%	87,000	43,054
Transfer	-	-	-	-	-	-	-	-
Contingency							111,428	111,428
Total expenditures	\$ 73,425	\$ 2,458	3%	\$ 146,850	\$ 95,092	65%	\$ 373,028	\$ 277,936
Revenue over (under) expenditures	\$ (20,275)	\$ 2,633	-13%	\$ (40,550)	\$ 29,882	-	\$ (160,428)	
Beginning fund balance	160,428	173,411	108%	160,428	173,411	108%	160,428	(12,983)
Ending fund balance	\$ 140,153	\$ 176,044	126%	\$ 119,878	\$ 203,293	170%	\$ -	

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 second quarter, railcar traffic is down in comparison to the first quarter at 58% of quarter budget. Total combined revenue is approximately \$636,000 or 66 % of the second quarter budget.

Overall expenditures are approximately 58% of second quarter budget and overall fund balance has increased roughly \$85,000.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Charges for services	\$ 125,550	\$ 73,124	58%	\$ 251,100	\$ 158,278	63%	\$ 502,200	\$ 343,922
Use of money & property	16,625	77,065	464%	33,250	92,428	278%	66,500	(25,928)
Intergovernmental	334,125	122,693	37%	668,250	367,787	55%	1,336,500	968,713
Miscellaneous	2,500	3,826	153%	5,000	17,519	350%	10,000	(7,519)
Total revenue	\$ 478,800	\$ 276,708	58%	\$ 957,600	\$ 636,012	66%	\$ 1,915,200	\$ 1,279,188
Expenditures								
Personal services	\$ 76,725	\$ 98,424	128%	\$ 153,450	\$ 173,560	113%	\$ 306,900	\$ 133,340
Material and services	50,525	46,697	92%	101,050	88,279	87%	202,100	113,821
Capital outlay								
Improvements	319,125	1,137	0%	638,250	231,517	36%	1,276,500	1,044,983
Transfers	28,100	28,432	101%	56,200	57,922	103%	112,400	54,478
Contingency							672,133	672,133
Total expenditures	\$ 474,475	\$ 174,690	37%	\$ 948,950	\$ 551,278	58%	\$ 2,570,033	\$ 2,018,755
Revenue over (under) expenditures	\$ 4,325	\$ 102,018	2359%	\$ 8,650	\$ 84,734	980%	\$ (654,833)	
Beginning fund balance	654,833	714,361	109%	654,833	714,361	109%	654,833	
Ending fund balance	\$ 659,158	\$ 816,379	124%	\$ 663,483	\$ 799,095	120%	\$ -	

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.

The refunding and restructured debt obligations in the first quarter included approximately \$1.74 million of existing debt and \$1.0 million in new debt to fund projects aimed to improve infrastructure and efficiency. This has contributed largely to the year to date change in fund balance.

Revenue collection is as anticipated at 162% of second quarter budget, operating expenditures are 132% or as anticipated. Capital improvements will begin in the third quarter.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Charges for services	\$ 396,675	\$ 510,805	129%	\$ 793,350	\$ 896,373	113%	\$ 1,586,700	\$ 690,327
Interest	2,000	-	-	4,000	985	25%	8,000	7,015
SDC reimbursement fee	17,750	-	-	35,500	-	-	71,000	71,000
Miscellaneous	125	3,709	2967%	250	3,716	1486%	500	(3,216)
Debt proceeds	733,750	-	-	1,467,500	2,835,176	193%	2,935,000	99,824
Total revenue	\$ 1,150,300	\$ 514,514	45%	\$ 2,300,600	\$ 3,736,250	162%	\$ 4,601,200	\$ 864,950
Expenditures								
Personal services	\$ 84,675	\$ 67,658	80%	\$ 169,350	\$ 149,902	89%	\$ 338,700	\$ 188,798
Materials and services	123,800	44,962	36%	247,600	201,206	81%	495,200	293,995
Franchise fee expense	18,925	18,925		37,850	37,850	100%	75,700	37,850
Capital outlay								
Equipment	-	-	-	-	-	-	-	-
Improvements	181,625	103,278	57%	363,250	173,905	48%	726,500	552,595
Debt service								
Principal								
SPWF 1996	-	-	-	-	-	-	-	-
Water revenue bond 2003	8,750	-	-	17,500	-	-	35,000	35,000
Interest	-	-	-	-	-	-	-	-
Refunding bond 2011 SDC	31,500	0	-	63,000	100,918	160%	126,000	25,082
Refunding bond 2011	-	-	-	-	-	-	-	-
Water revenue bond 2003	7,250	-	-	14,500	14,445	100%	29,000	14,555
Transfers	578,025	130,025	22%	1,156,050	2,051,211	177%	2,312,100	260,889
Contingency							1,027,469	1,027,469
Total expenditures	\$ 1,034,550	\$ 364,849	35%	\$ 2,069,100	\$ 2,729,437	132%	\$ 5,165,669	\$ 2,436,232
Revenue over (under) expenditures	\$ 115,750	\$ 149,665	129%	\$ 231,500	\$ 1,006,813	435%	\$ (564,469)	
Beginning fund balance	564,469	769,841	136%	564,469	769,841	136%	564,469	(205,372)
Ending fund balance	\$ 680,219	\$ 919,506	135%	\$ 795,969	\$ 1,776,654	223%	\$ -	

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.

Reimbursement of SDC fees in the second quarter significantly improved fund balance as overall revenues are at 166% of second quarter budget.

Expenditures include refunding of debt at approx. \$5.54 million in the first quarter. Overall fund balance for wastewater is down as a result of significant debt service payments of approximately \$5.7 million. This fund is performing as anticipated with debt service.

Revenue	Current Quarter			Year to Date			Annual	Balance
	Budget	Actual	%	Budget	Actual	%	Budget	
Charges for services	\$ 686,800	\$ 727,665	106%	\$ 1,373,600	\$ 1,349,993	98%	\$ 2,747,200	\$ 1,397,207
Interest	1,500	0	0%	3,000	331	11%	6,000	5,669
Miscellaneous	12,625	19,458	154%	15,125	25,374	168%	50,500	25,126
Credit and Expenses	-	6,103	#DIV/0!	-	6,103	#DIV/0!	-	(6,103)
SDCs - reimbursement fees	2,500	458,692	18348%	2,500	459,403	18376%	10,000	(449,403)
Debt proceeds	1,347,500	-	-	2,695,000	4,985,914	185%	5,390,000	404,086
Taxes	-	6,484	#DIV/0!	-	6,484	#DIV/0!	-	(6,484)
Transfers	11,750	-	-	23,500	-	-	47,000	47,000
Total revenue	\$ 2,062,675	\$ 1,218,403	59%	\$ 4,112,725	\$ 6,833,602	166%	\$ 8,250,700	\$ 1,417,098
Expenditures								
Personal services	\$ 66,500	\$ 63,034	95%	\$ 133,000	\$ 127,919	96%	\$ 266,000	\$ 138,081
Materials and services	142,625	67,853	48%	285,250	310,201	109%	570,500	260,299
Franchise fees expense	20,500	20,500	100%	41,000	41,000	100%	82,000	41,000
Capital outlay	-	-	-	-	-	-	-	-
Improvements	32,125	44,674	139%	64,250	48,400	75%	128,500	80,100
Debt service	-	-	-	-	-	-	-	-
Principal	-	-	-	-	-	-	-	-
SPWF 1996	-	-	-	-	-	-	-	-
SRRB 1998	128,750	-	-	257,500	515,000	200%	515,000	-
SRF 1992	78,750	-	-	157,500	314,813	200%	315,000	187
SPWF 1992	21,025	83,027	395%	42,050	83,027	197%	84,100	1,073
DEQ CWSRF R74682/1	1,061,750	-	-	2,123,500	4,247,035	200%	4,247,000	(35)
DEQ CWSRF R74682/2	94,075	-	-	188,150	186,768	99%	376,300	189,532
Interest	-	-	-	-	-	-	-	-
SRRB 1998	250	-	-	500	12,283	2457%	1,000	(11,283)
SRF 1992	-	-	-	-	4,011	#DIV/0!	-	(4,011)
SPWF 1992	1,375	5,247	382%	2,750	5,247	191%	5,500	253
DEQ CWSRF R74682/1	-	-	-	-	52,460	#DIV/0!	-	(52,460)
SPWF 1996	-	-	-	-	-	-	-	-
DEQ CWSRF R74682/2	52,750	-	-	105,500	106,842	101%	211,000	104,158
Refunding 2011 / interest	63,750	-	-	127,500	187,230	147%	255,000	67,770
Fees	-	-	-	-	-	-	-	-
DEQ CWSRF R74682/1 & 2	9,100	-	-	18,200	36,341	200%	36,400	59
Transfers	357,725	235,475	66%	715,450	943,994	132%	1,430,900	486,906
Contingency	-	-	-	-	-	-	376,678	376,678
Total expenditures	\$ 2,131,050	\$ 519,812	24%	\$ 4,262,100	\$ 7,222,571	169%	\$ 8,900,878	\$ 1,678,307
Revenue over (under) expenditure:	(68,375)	698,591	-1022%	(149,375)	(388,970)	-	(650,178)	(261,208)
Other resources/(requirements)								
Debt service reserve	384,000	-	-	384,000	-	-	384,000	-
Net other resources/(requirements)	384,000	-	-	384,000	-	-	384,000	-
Beginning fund balance	1,034,178	1,288,009	125%	1,034,178	1,288,009	125%	1,034,178	(253,831)
Ending fund balance	\$ 965,803	\$ 1,986,600	206%	\$ 884,803	\$ 899,039	102%	\$ -	-

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.

Revenues for the current quarter budget are at 47%. Overall operating revenues are up approximately \$3,500 between the restaurant and golf in comparison to the prior year through the second quarter. Overall, operating expenditures are in line with operating revenues.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Charges for services								
Golf Course	\$ 203,500	\$ 114,367	56%	\$ 407,000	\$ 400,635	98%	\$ 814,000	\$ 413,365
Waste disposal	87,500	87,500	100%	175,000	175,000	100%	350,000	175,000
Restaurant	77,750	57,250	74%	155,500	159,200	102%	311,000	151,800
Other	-	-	-	-	(67)	-	-	67
Interest	250	-	-	500	555	-	1,000	445
Miscellaneous	475	910	-	950	1,712	-	1,900	188
Debt Proceeds	185,000	-	-	370,000	722,371	195%	740,000	17,629
Total revenue	\$ 554,475	\$ 260,027	47%	\$ 1,108,950	\$ 1,459,406	132%	\$ 2,217,900	\$ 758,494
Expenditures								
Golf Course	\$ 257,900	\$ 116,779	45%	\$ 515,800	\$ 338,735	66%	\$ 1,031,600	\$ 692,865
Waste disposal	117,050	110,186	94%	234,100	255,254	109%	468,200	212,946
Restaurant	90,100	79,668	88%	180,200	197,455	110%	360,400	162,945
Debt service	-	-	-	-	-	-	-	-
Principal - note payable	57,500	-	-	115,000	216,309	188%	230,000	13,691
Interest - Note Payable	-	-	-	-	403	-	-	(403)
Principal - Credit facility	8,750	-	-	17,500	-	-	35,000	35,000
Interest - Credit facility	1,750	-	-	3,500	-	-	7,000	7,000
Principal - 2011 bond	2,500	-	-	5,000	-	-	10,000	10,000
Interest - 2011 bond	2,500	-	-	5,000	27,378	548%	10,000	(17,378)
Contingency	-	-	-	-	-	-	360,354	360,354
Total expenditures	\$ 538,050	\$ 306,632	57%	\$ 1,076,100	\$ 1,035,534	96%	\$ 2,512,554	\$ 1,477,020
Revenue over (under) expenditures	16,425	(46,605)	-	32,850	423,871	1290%	(294,654)	
Beginning fund balance	294,654	280,391	95%	294,654	280,391	95%	294,654	14,263
Ending fund balance	\$ 311,079	\$ 233,786	75%	\$ 327,504	\$ 704,262	215%	\$ -	

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 operating revenues for the second quarter of fiscal year 2012 have declined slightly at approximately \$23,000 compared to the prior quarter of \$24,000.

Operating expenditures are in line with revenues for the second quarter. Overall change in fund balance is at roughly -75% or -\$18,000. Staff will continually monitor and adjust accordingly.

Fund will need a budget adjustment prior to year end.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Charges for services	\$ 27,000	\$ 22,659	84%	\$ 54,000	\$ 46,783	87%	\$ 108,000	61,217
Interest	25	-	0%	50	15	30%	100	85
Miscellaneous	109,000	-		218,000	216		436,000	435,784
Debt Proceeds	-	-		-	451,438		-	(451,438)
transfers	10,000	-	-	20,000	380,353	-	40,000	(340,353)
Total revenue	\$ 146,025	\$ 22,659	16%	\$ 292,050	\$ 878,804	301%	\$ 584,100	\$ (294,704)
Expenditures								
Personal services	\$ 18,500	\$ 8,937	48%	\$ 37,000	\$ 26,735	72%	\$ 74,000	\$ 47,265
Materials and services	14,300	5,498	38%	28,600	35,147	123%	57,200	22,053
Debt service	-	-		-	-		-	-
Principal Hwy 126	91,750	-		183,500	367,253		367,000	(253)
Interest Hwy 126	4,750	-		9,500	13,100		19,000	5,900
Principal Credit facility	7,500	-		15,000	445,441		30,000	(415,441)
Interest Credit facility	5,000	-		10,000	2,121		20,000	17,879
Transfers	3,450	3,450	100%	6,900	6,900	100%	13,800	6,900
Contingency	-	-		-	-		32,804	32,804
Total expenditures	\$ 145,250	\$ 17,885	12%	\$ 290,500	\$ 896,698	309%	\$ 613,804	\$ (282,894)
Revenue over (under) expenditures	775	4,774	616%	1,550	(17,893)	-	(29,704)	(11,811)
Beginning fund balance	29,704	23,853	80%	29,704	23,853	80%	29,704	5,851
Ending fund balance	\$ 30,479	\$ 28,627	94%	\$ 31,254	\$ 5,960	19%	\$ -	

Note: This fund may need a budget adjustment prior to year end for operating expenditures

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.

Second quarter revenues are approximately 102% or \$398,000 of the quarter budget and expenditures are slightly under budget at roughly 85% or \$367,000. Overall change in fund balance shows a decrease of around -9% or - \$29,000.

Fund activity is as anticipated.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Charges for services	\$ 390,125	\$ 398,233	102%	\$ 780,250	\$ 792,453	102%	\$ 1,560,500	\$ 768,047
Interest	250	-	-	500	234	47%	1,000	766
Total revenue	\$ 390,375	\$ 398,233	102%	\$ 780,750	\$ 792,687	102%	\$ 1,561,500	\$ 768,813
Expenditures								
City Council	\$ 19,225	\$ 9,863	51%	\$ 38,450	\$ 29,306	76%	\$ 76,900	\$ 47,594
Administration/team services	171,700	143,749	84%	343,400	326,810	95%	686,800	359,990
Financial services	126,550	128,699	102%	253,100	253,152	100%	506,200	253,048
Information technology	112,200	84,727	76%	224,400	212,086	95%	418,800	206,714
Contingency							157,154	157,154
Total expenditures	429,675	367,037	85%	859,350	821,354	96%	1,845,854	1,024,500
Revenue over (under) expenditures	(39,300)	31,196	-79%	(78,600)	(28,667)	-	(284,354)	(255,687)
Beginning fund balance	284,354	323,121	114%	284,354	323,121	114%	284,354	(38,767)
Ending fund balance	\$ 245,054	\$ 354,317	145%	\$ 205,754	\$ 294,454	143%	\$ -	

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.

Second quarter revenues are slightly below budget at approximately 93% of quarter budget or \$157,000. Expenditures are slightly below the quarterly budget at approximately 75% or \$137,000. Overall fund balance reflects a 6% decrease or roughly -\$5,000. Fund activity is as anticipated.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Charges for services	\$ 167,625	\$ 152,785	91%	\$ 335,250	\$ 305,410	91%	\$ 670,500	\$ 365,090
Interest	150	-	-	300	119	40%	600	481
Miscellaneous	375	4,138	1104%	750	4,138	552%	1,500	(2,638)
Total revenue	168,150	156,923	93%	336,300	309,667	92%	672,600	362,933
Expenditures								
Public Works Support Services	\$ 129,875	\$ 117,635	91%	\$ 259,750	\$ 249,659	96%	\$ 519,500	\$ 269,841
Public Works Fleet & Vehicles	48,500	15,457	32%	97,000	55,961	58%	194,000	138,039
Public Works Facilities	5,750	4,207	73%	11,500	8,734	76%	23,000	14,266
Contingency							58,185	58,185
Total expenditures	\$ 184,125	\$ 137,299	75%	\$ 368,250	\$ 314,354	85%	\$ 794,685	\$ 480,331
Revenue over (under) expenditures	(15,975)	19,624	-123%	(31,950)	(4,687)	-	(122,085)	(117,398)
Beginning fund balance	\$ 122,085	\$ 84,231	69%	\$ 122,085	\$ 84,231	69%	\$ 122,085	\$ 37,854
Ending fund balance	\$ 106,110	\$ 103,855	98%	\$ 90,135	\$ 79,544	88%	\$ -	

December 31, 2011

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.

Revenues and expenditures during the second quarter were as anticipated.

Revenue	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Rent	\$ 40,700	\$ 40,700	100%	\$ 81,400	\$ 81,400	100%	\$ 162,800	\$ 81,400
Interest	125	-	-	250	88	-	500	412
Total revenue	40,825	40,700	100%	81,650	81,488	100%	163,300	81,812
Expenditures								
Personal services	-	-	-	-	-	-	-	-
Materials and services	\$ 13,575	\$ 22,093	163%	\$ 27,150	\$ 38,168	141%	\$ 54,300	\$ 16,132
Debt service	-	-	-	-	-	-	-	-
Principal - USDA 2005	9,275	37,074	400%	18,550	37,074	200%	37,100	26
Interest - USDA - 2005	16,975	67,864	400%	33,950	67,864	200%	67,900	36
Contingency	-	-	-	-	-	-	13,925	13,925
Total expenditures	\$ 39,825	\$ 127,031	319%	\$ 79,650	\$ 143,106	180%	\$ 173,225	\$ 30,119
Revenue over (under) expenditure	1,000	(86,331)	-	2,000	(61,618)	-	(9,925)	51,693
Other requirements								
Debt service reserve	63,000	-	-	63,000	-	-	63,000	63,000
Beginning fund balance	\$ 72,925	\$ 66,106	91%	\$ 72,925	\$ 66,106	91%	\$ 72,925	\$ 6,819
Ending fund balance	\$ 73,925	(20,225)	-27%	\$ 74,925	\$ 4,488	6%	\$ -	

Airport fund

This fund accounts for the activities of the airport. The airport's main source of operating revenue is through charges for services that revolve around fuel sales and hanger leases.

In the first quarter of this fiscal year, the City took financial control of the Prineville / Crook County Airport which had previously been ran by the county. Expenses are in line with revenues for the second quarter.

	Current Quarter			Year to Date			Annual	
	Budget	Actual	%	Budget	Actual	%	Budget	Balance
Intergovernmental	\$ 12,500	\$ -	-	\$ 25,000	\$ -	-	\$ 50,000	\$ 50,000
Charges for services	104,125	52,169	50%	208,250	152,872	73%	416,500	263,628
Other revenues	25	-	-	50	-	-	100	100
Transfers	-	-	-	-	-	-	-	-
Total revenue	\$ 116,650	\$ 52,169	45%	\$ 233,300	\$ 152,872	66%	\$ 466,600	\$ 313,728
Personal Service	17,500	-	-	35,000	-	-	70,000	70,000
Materials and Services	90,800	52,525	58%	181,600	125,340	69%	363,200	237,860
Capital outlay	12,500	-	-	25,000	-	-	50,000	50,000
Contingency	-	-	-	-	-	-	43,878	43,878
Total expenditures	\$ 120,800	\$ 52,525	43%	\$ 241,600	\$ 125,340	52%	\$ 527,078	\$ 401,738
Revenue over (under) expenditures	\$ (4,150)	\$ (356)	-	\$ (8,300)	\$ 27,532	-332%	\$ (60,478)	
Beginning fund balance	60,478	51,243	85%	60,478	51,243	85%	60,478	9,235
Ending fund balance	\$ 56,328	\$ 50,887	90%	\$ 52,178	\$ 78,775	151%	\$ -	