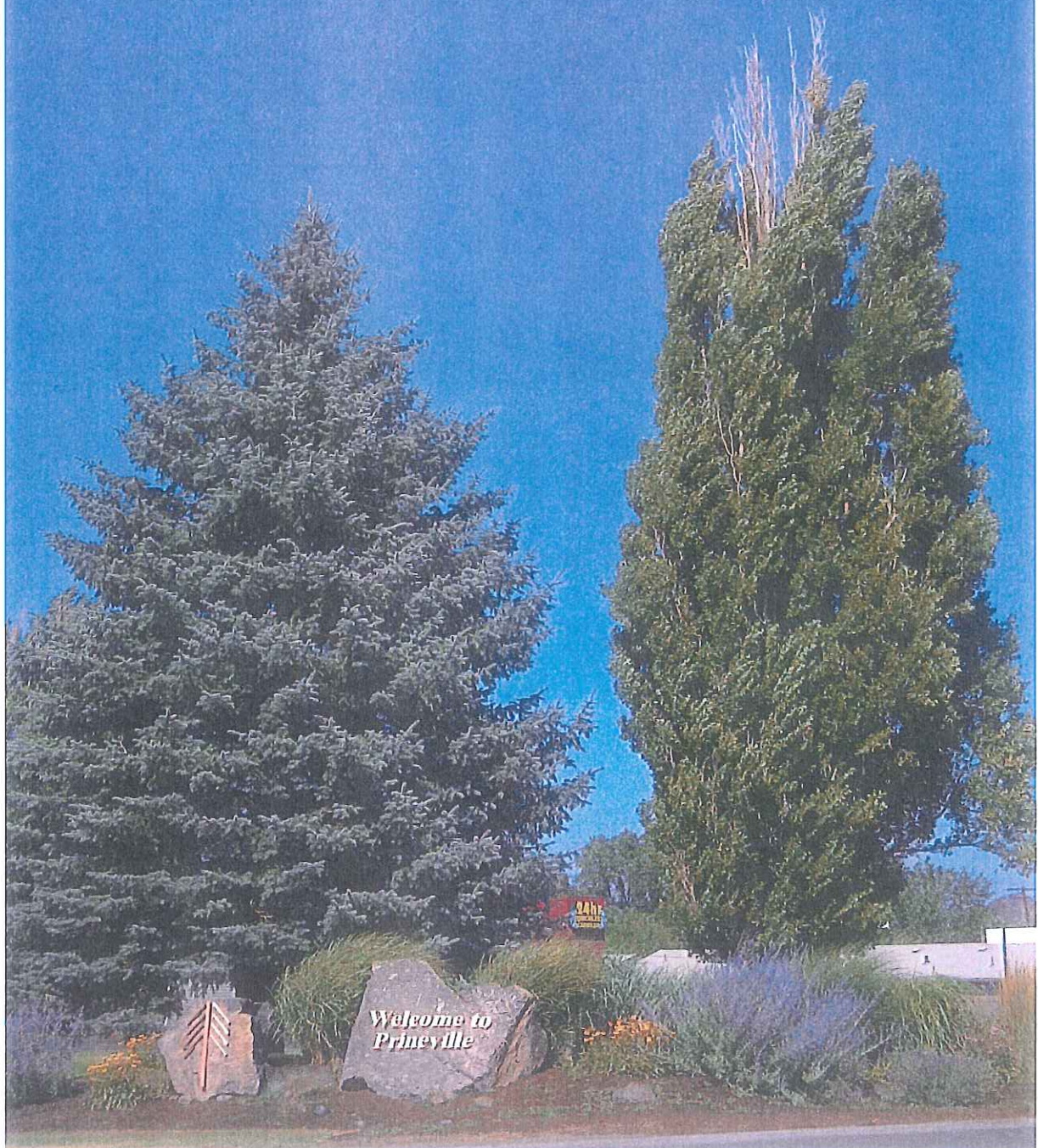


*City of Prineville, Oregon  
Financial Report  
Second Quarter Ended  
December 31, 2012*



December 31, 2012

### *Executive Summary*

During the second quarter ending December 31, 2012, combined fund balances improved significantly over first quarter end increasing approximately \$1.5 million. This was as anticipated with collection of property tax beginning during the second quarter. Funds significantly impacting the City's financial condition in a positive way during the second quarter include the general fund, SDC funds, and the freight depot fund. Other revenues influencing the increase to fund balance include, franchise fee collection and SDC collection.

Second quarter general fund revenues came in at approximately \$1.782 million largely due to property tax collection of approximately \$1.330 million. Franchise fee collection during the second quarter came in at roughly \$257,000, with electrical franchise fees making up approximately \$231,700 of that number. Overall, the general fund increased its fund balance by roughly 45% or \$434,000 during the first and second quarter of the year. In comparison to prior year's second quarter end property tax collection is up slightly by roughly \$1,700, overall franchise fees are up approximately \$155,000 with electrical franchise fees being up roughly \$149,000 and transient lodging tax is up approximately \$18,600.

SDC fees equating to approximately \$248,000 were collected from Apple; positively impacting the second quarter fund balances for all of the SDC funds. Significantly impacting the wastewater SDC fund in the second quarter was the collection of intergovernmental revenue for capital improvements from the OWEB grant (Oregon Watershed Enhancement Board) in the amount of approximately \$140,000.

Revenue associated with charges for services in many of the enterprise funds have shown an increase in comparison to the prior year second quarter end. Charges for services in both the water and wastewater funds combined show an overall increase of approximately \$259,000 in comparison to the second quarter end prior year. The railroad shows an increase of approximately \$43,000 and the freight depot shows an increase of approximately \$23,000 in charges for services in comparison to prior year second quarter end.

Funds significantly impacting fund balance in a negative way in the second quarter include transportation fund, airport, wastewater, golf, and administration fund.

At second quarter end the transportation fund balance shows a decrease of roughly 69% or \$252,000 which is as anticipated with the capital improvement expenditures that took place in the first quarter for the 2012 Grind and Inlay project. The airport fund's decrease in fund balance is directly related to approximately \$34,000 in fuel bought days before the end of the second quarter. Budgeted debt service in the wastewater fund, and budgeted capital expenditures in the golf fund. Internal service funds are as anticipated and will balance out through budgeted transfers during the remaining quarters.

December 31, 2012

A summary is presented in each fund to provide an explanation of financial performance and operating issues. We have also included our projection of year end estimates for each fund; these projections are updated monthly through year end. 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	Budgeted Beginning Fund Balance	Unaudited Actual Beginning Fund Balance	Current Year Resources	Current Year Expenditures	Ending Fund Balance	Change in Fund Balance	Percentage Change in Fund Balance	Projected Year-End Estimate	Variance Over/(under)
General	\$ 918,978	\$ 955,410	\$ 2,236,121	\$ 1,801,709	\$ 1,389,822	\$ 434,412	45%	\$ 868,610	\$ (521,212)
Transportation	370,016	364,114	421,786	673,363	112,536	(251,578)	-69%	135,714	23,178
Emergency Dispatch	259,974	277,293	521,892	553,582	245,602	(31,691)	-11%	202,293	(43,309)
Planning	79,316	83,565	142,560	163,494	62,631	(20,934)	-25%	62,765	134
Transportation SDC	182,989	186,146	130,613	13,625	303,134	116,988	63%	253,946	(49,188)
Water SDC	68,314	85,875	100,096	13,637	172,334	86,459	101%	79,575	(92,759)
Wastewater SDC	181,769	49,683	206,897	166,421	90,159	40,476	81%	66,783	(23,376)
LID Debt Service	140,911	206,575	114,657	81,572	239,660	33,085	16%	167,075	(72,585)
Railroad	772,861	780,557	385,107	413,696	751,968	(28,589)	-4%	659,357	(92,611)
Airport	32,643	33,564	275,719	300,822	8,461	(25,103)	-75%	52,364	43,903
Water	1,380,441	1,571,411	1,067,278	1,048,477	1,590,213	18,802	1%	1,465,611	(124,602)
Wastewater	1,261,509	1,357,727	1,492,789	1,642,188	1,208,328	(149,399)	-11%	1,036,327	(172,001)
Golf Course and Restaurant	559,091	600,271	665,542	833,813	432,000	(168,271)	-28%	387,771	(44,229)
Freight Depot	35,953	36,881	196,077	126,008	106,950	70,069	190%	56,281	(50,669)
Administration and Financial Services	282,521	331,400	777,711	913,246	195,865	(135,535)	-41%	183,300	(12,565)
Public Works Support Services	104,731	113,332	634,272	611,875	135,729	22,397	20%	167,032	31,303
City Hall	67,006	76,745	139,124	128,638	87,231	10,486	14%	125,245	38,014
Plaza Maintenance	-	-	35,844	6,657	29,188	29,188	-	700	(28,488)
Totals	\$ 6,699,023	\$ 7,110,549	\$ 9,544,087	\$ 9,492,824	\$ 7,161,812	\$ 51,263	1%	\$ 5,970,749	\$ (1,191,063)

December 31, 2012

### *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 revenue collection through the second quarter came is approximately 72% of the annual budget or \$2.236 million. Second quarter property tax collection totals \$1.330 million which was anticipated with the property tax collection beginning in November. Overall property tax collection is roughly \$1.404 million through the second quarter or 91% of the annual budget. Projected year end estimates for property tax are tracking with the annual budget, combined general fund revenues are expected to improve over annual budget by approx. \$213,000.

In comparison to prior year's second quarter end; property tax collection is just about flat with last year's collection, franchise fees combined are up approximately \$155,000 with electrical franchise fees being up roughly \$149,000 and transient lodging tax up approximately \$18,600. Overall combined revenue is up approximately \$241,000 in comparison to prior year second quarter end.

Police spending for the second quarter was at approximately 51% of the annual budget. Personnel services for the police department remain on target at roughly 49% of annual budget. Overall police spending is as expected through the second quarter.

Overall general fund expenditures are as anticipated with year end projections showing approximately \$20,000 over budget. Roughly \$10,000 of the projected expenditure variance in non-departmental is what will likely be paid to the Chamber of Commerce for transient lodging tax if the tax collection comes in as projected, and will require a budget adjustment.

The general fund increased its fund balance by roughly 45% or \$434,000 through the second quarter.

December 31, 2012

## General Fund

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Variance
	Budget	Actual		Budget	Actual				
Property taxes	\$ 387,500	\$ 1,330,209	343%	\$ 775,000	\$ 1,403,526	91%	\$ 1,550,000	\$ 1,551,700	\$ 1,700
Transient lodging tax	41,250	46,439	113%	82,500	125,533	76%	165,000	200,000	35,000
Franchise fees	269,425	257,272	95%	538,850	493,821	46%	1,077,700	1,151,700	74,000
Licenses and permits	2,575	533	21%	5,150	5,577	54%	10,300	10,700	400
Intergovernmental revenues	59,600	59,185	99%	119,200	102,807	43%	238,400	265,300	26,900
Charges for services	25	-	-	50	286	286%	100	300	200
Interest	625	933	149%	1,250	1,392	56%	2,500	2,500	-
Miscellaneous	14,700	87,097	592%	29,400	103,178	175%	58,800	133,900	75,100
<b>Total revenue</b>	<b>\$ 775,700</b>	<b>\$ 1,781,668</b>	<b>230%</b>	<b>\$ 1,551,400</b>	<b>\$ 2,236,121</b>	<b>72%</b>	<b>\$ 3,102,800</b>	<b>\$ 3,316,100</b>	<b>\$ 213,300</b>
<b>Expenditures</b>									
Police	\$ 696,125	\$ 672,511	97%	\$ 1,392,250	\$ 1,423,651	51%	\$ 2,784,500	\$ 2,780,100	\$ (4,400)
Police facility	17,575	15,663	89%	35,150	41,236	59%	70,300	68,900	(1,400)
Non-departmental	131,975	88,410	67%	263,950	336,822	64%	527,900	553,900	26,000
Contingency							639,078		(639,078)
<b>Total expenditures</b>	<b>\$ 845,675</b>	<b>\$ 776,584</b>	<b>92%</b>	<b>\$ 1,691,350</b>	<b>\$ 1,801,709</b>	<b>45%</b>	<b>\$ 4,021,778</b>	<b>\$ 3,402,900</b>	<b>\$ (618,878)</b>
<b>Revenue over (under) expenditures</b>	<b>(69,975)</b>	<b>1,005,084</b>	<b>-</b>	<b>(139,950)</b>	<b>434,412</b>	<b>-</b>	<b>(918,978)</b>	<b>(86,800)</b>	<b>832,178</b>
<b>Beginning fund balance</b>	<b>918,978</b>	<b>955,410</b>	<b>104%</b>	<b>918,978</b>	<b>955,410</b>	<b>104%</b>	<b>918,978</b>	<b>955,410</b>	<b>36,432</b>
<b>Ending fund balance</b>	<b>\$ 849,003</b>	<b>\$ 1,960,494</b>	<b>231%</b>	<b>\$ 779,028</b>	<b>\$ 1,389,822</b>	<b>178%</b>	<b>\$ -</b>	<b>\$ 868,610</b>	

December 31, 2012

### *Transportation Fund*

The transportation fund accounts for the operation and maintenance of the City's streets, bike lanes, 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 and Expenses for the first quarter are as anticipated. Second quarter revenue collection for the transportation fund was approximately 93% or \$217,000 of the quarter budget. Year end projections show most of the revenue and expenses coming in as budgeted.

As of December, the transportation fund balance shows a decrease of roughly 69% or \$252,000 which is as anticipated with the capital improvement expenditures that took place in the first quarter for the 2012 Grind and Inlay project.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Variance
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	
Revenue									
Franchise fees	\$ 55,575	\$ 55,575	100%	\$ 111,150	\$ 111,150	50%	\$ 222,300	222,300	\$ -
Intergovernmental	176,175	160,504	91%	352,350	304,725	43%	704,700	704,700	-
Interest	250	281	112%	500	451	45%	1,000	1,000	-
Miscellaneous	2,750	1,367	50%	5,500	5,459	50%	11,000	8,500	(2,500)
<b>Total revenue</b>	<b>\$ 234,750</b>	<b>\$ 217,727</b>	<b>93%</b>	<b>\$ 469,500</b>	<b>\$ 421,786</b>	<b>45%</b>	<b>\$ 939,000</b>	<b>\$ 936,500</b>	<b>\$ (2,500)</b>
Expenditures									
Personal services	\$ 44,600	\$ 43,989	99%	\$ 89,200	\$ 88,115	49%	\$ 178,400	\$ 181,900	\$ 3,500
Material & services	93,000	68,472	74%	186,000	152,665	41%	372,000	371,500	(500)
Capital outlay									
Improvements	63,750	-	-	127,500	254,334	100%	255,000	255,000	-
Transfers	89,125	89,125	100%	178,250	178,250	50%	356,500	356,500	-
Contingency							147,116		(147,116)
<b>Total expenditures</b>	<b>\$ 290,475</b>	<b>\$ 201,586</b>	<b>69%</b>	<b>\$ 580,950</b>	<b>\$ 673,363</b>	<b>51%</b>	<b>\$ 1,309,016</b>	<b>\$ 1,164,900</b>	<b>\$ (144,116)</b>
Revenue over (under) expenditures	(55,725)	16,141	-	(111,450)	(251,578)	-	(370,016)	(228,400)	141,616
Beginning fund balance	370,016	364,114	98%	370,016	364,114	98%	370,016	364,114	(5,902)
Ending fund balance	\$ 314,291	\$ 380,255	121%	\$ 258,566	\$ 112,536	44%	\$ -	\$ 135,714	

December 31, 2012

### *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.

Second quarter revenue collection for the emergency dispatch fund was approximately \$372,000 or 155% of the quarter budget. Intergovernmental revenue came in at roughly \$277,000 or 192% of the quarter budget largely due to anticipated E-911 funds in the amount of approx. \$161,000 and Crook County fire district funds approx. \$3,000 for the second quarter.

Overall expenses are approximately \$317,000 or 118% of the quarter budget during the second quarter, with the capital budget showing approx. 102% of annual budget. A budget adjustment between appropriation categories will need to take place prior to year end.

The emergency dispatch fund's balance decreased by approximately 12% or \$32,000 through the second quarter end and year end estimates project the ending fund balance at roughly \$202,000.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Variance
	Budget	Actual		Budget	Actual				
Intergovernmental	\$ 144,225	\$ 276,943	192%	\$ 288,450	\$ 330,815	57%	\$ 576,900	\$ 589,900	\$ 13,000
Charges for services	675	365	54%	1,350	365	14%	2,700	2,700	-
Interest	750	191	25%	1,500	411	14%	3,000	3,000	-
Transfers from other funds	95,150	95,150	100%	190,300	190,300	50%	380,600	371,600	(9,000)
<b>Total revenue</b>	<b>\$ 240,800</b>	<b>\$ 372,650</b>	<b>155%</b>	<b>\$ 481,600</b>	<b>\$ 521,892</b>	<b>54%</b>	<b>\$ 963,200</b>	<b>\$ 967,200</b>	<b>\$ 4,000</b>
<b>Expenditures</b>									
Personal services	\$ 184,700	\$ 163,678	89%	\$ 369,400	\$ 325,163	44%	\$ 738,800	\$ 690,400	\$ (48,400)
Material & services	26,700	38,337	144%	53,400	73,111	68%	106,800	102,200	(4,600)
Capital outlay	18,500	75,508	408%	37,000	75,508	102%	74,000	90,000	16,000
Transfers	39,900	39,900	100%	79,800	79,800	50%	159,600	159,600	-
Contingency							143,974		(143,974)
<b>Total expenditures</b>	<b>\$ 269,800</b>	<b>\$ 317,424</b>	<b>118%</b>	<b>\$ 539,600</b>	<b>\$ 553,582</b>	<b>45%</b>	<b>\$ 1,223,174</b>	<b>\$ 1,042,200</b>	<b>\$ (180,974)</b>
<b>Revenue over (under) expenditures</b>	<b>(29,000)</b>	<b>55,226</b>	<b>-</b>	<b>(58,000)</b>	<b>(31,691)</b>	<b>-</b>	<b>(259,974)</b>	<b>(75,000)</b>	<b>184,974</b>
<b>Beginning fund balance</b>	<b>259,974</b>	<b>277,293</b>	<b>107%</b>	<b>259,974</b>	<b>277,293</b>	<b>107%</b>	<b>259,974</b>	<b>277,293</b>	<b>17,319</b>
<b>Ending fund balance</b>	<b>\$ 230,974</b>	<b>\$ 332,519</b>	<b>144%</b>	<b>\$ 201,974</b>	<b>\$ 245,602</b>	<b>122%</b>	<b>\$ -</b>	<b>\$ 202,293</b>	

December 31, 2012

### *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 revenue collection came in at approximately \$70,000 or 92% of the quarter budget. Revenue collection for licenses and permits is at approximately \$20,900, which is up over prior year second quarter by roughly \$6,300.

Overall expenses are at approximately \$163,500 or 43% of the annual budget. Second quarter expenses are as anticipated.

Projected year end estimates are tracking with annual budget.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Revenue									
Licenses & Permits	\$ 5,000	\$ 9,077	182%	\$ 10,000	\$ 20,910	105%	\$ 20,000	\$ 30,000	\$ 10,000
Charges for services	12,150	1,997	16%	24,300	4,011	8%	48,600	38,200	(10,400)
Interest	50	73	146%	100	139	70%	200	200	-
Transfers from other funds	58,750	58,750	100%	117,500	117,500	50%	235,000	235,000	-
<b>Total revenue</b>	<b>\$ 75,950</b>	<b>\$ 69,897</b>	<b>92%</b>	<b>\$ 151,900</b>	<b>\$ 142,560</b>	<b>47%</b>	<b>\$ 303,800</b>	<b>\$ 303,400</b>	<b>\$ (400)</b>
Personal services	\$ 49,875	\$ 48,108	96%	\$ 99,750	\$ 98,027	49%	\$ 199,500	\$ 199,500	\$ -
Material & services	8,825	5,083	58%	17,650	20,018	57%	35,300	33,800	(1,500)
Transfers	22,725	22,725	100%	45,450	45,450	50%	90,900	90,900	-
Contingency							57,416		(57,416)
<b>Total expenditures</b>	<b>\$ 81,425</b>	<b>\$ 75,916</b>	<b>93%</b>	<b>\$ 162,850</b>	<b>\$ 163,494</b>	<b>43%</b>	<b>\$ 383,116</b>	<b>\$ 324,200</b>	<b>\$ (58,916)</b>
<b>Revenue over (under) expenditures</b>	<b>(5,475)</b>	<b>(6,019)</b>	<b>-</b>	<b>(10,950)</b>	<b>(20,934)</b>	<b>-</b>	<b>(79,316)</b>	<b>(20,800)</b>	<b>58,516</b>
<b>Beginning fund balance</b>	<b>79,316</b>	<b>83,565</b>	<b>105%</b>	<b>79,316</b>	<b>83,565</b>	<b>105%</b>	<b>79,316</b>	<b>83,565</b>	<b>4,249</b>
<b>Ending fund balance</b>	<b>\$ 73,841</b>	<b>\$ 77,546</b>	<b>105%</b>	<b>\$ 68,366</b>	<b>\$ 62,631</b>	<b>92%</b>	<b>\$ -</b>	<b>\$ 62,765</b>	

December 31, 2012

### *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.

Revenue collection for the Transportation SDC fund is at approximately 87% or \$130,000 of the annual budget. SDC collection at quarter end came in at roughly \$127,000 with approximately \$119,000 being paid by Apple.

Overall expenditures at quarter end were at approximately \$4,700 or 11% of the quarter budget which is as anticipated.

Year end projection variances are due to intergovernmental revenues and capital funds budget to be used for the design and survey work for the 9<sup>th</sup> street extension project put on hold for this budget year.

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Variance
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	
Intergovernmental	\$ 25,000	\$ 375	2%	\$ 50,000	\$ 375	0%	\$ 100,000	\$ 10,000	\$ (90,000)
Interest	200	299	150%	400	461	58%	800	800	-
System development charges	12,500	126,726	1014%	25,000	129,777	260%	50,000	140,000	90,000
<b>Total revenue</b>	<b>\$ 37,700</b>	<b>\$ 127,400</b>	<b>338%</b>	<b>\$ 75,400</b>	<b>\$ 130,613</b>	<b>87%</b>	<b>\$ 150,800</b>	<b>\$ 150,800</b>	<b>\$ -</b>
<b>Expenditures</b>									
Material & services	\$ 2,500	\$ 2,500	100%	\$ 5,000	\$ 2,500	25%	\$ 10,000	\$ 10,000	\$ -
Capital outlay									
Improvements	38,750	2,199	6%	77,500	11,125	7%	155,000	66,000	(89,000)
Transfers	625	-	-	1,250	-	-	2,500	7,000	4,500
Contingency							166,289		(166,289)
<b>Total expenditures</b>	<b>\$ 41,875</b>	<b>\$ 4,699</b>	<b>11%</b>	<b>\$ 83,750</b>	<b>\$ 13,625</b>	<b>4%</b>	<b>\$ 333,789</b>	<b>\$ 83,000</b>	<b>\$ (250,789)</b>
<b>Revenue over (under) expenditures</b>	<b>(4,175)</b>	<b>122,701</b>	<b>-</b>	<b>(8,350)</b>	<b>116,988</b>	<b>-</b>	<b>(182,989)</b>	<b>67,800</b>	<b>250,789</b>
<b>Beginning fund balance</b>	<b>182,989</b>	<b>186,146</b>	<b>102%</b>	<b>182,989</b>	<b>186,146</b>	<b>102%</b>	<b>182,989</b>	<b>186,146</b>	<b>3,157</b>
<b>Ending fund balance</b>	<b>\$ 178,814</b>	<b>\$ 308,847</b>	<b>173%</b>	<b>\$ 174,639</b>	<b>\$ 303,134</b>	<b>174%</b>	<b>\$ -</b>	<b>\$ 253,946</b>	

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### *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 revenue collection for system development charges are approximately \$97,000 which was collected from Apple during the second quarter.

Overall expenditures are approximately \$14,000 at second quarter end. Expenditures are as anticipated.

Budgeted dollars both revenues and expenditures in this fund are for system improvements to water infrastructure at the Apple project site.

The water SDC fund balance increased by approximately 100% or \$86,000 through the second quarter end.

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Interest	\$ 250	\$ 171	68%	\$ 500	\$ 247	25%	\$ 1,000	\$ 1,000	\$ -
System development charges	751,750	97,150	13%	1,503,500	99,849	3%	3,007,000	2,605,000	(402,000)
Intergovernmental	125,000	-	-	125,000	-	-	500,000	500,000	-
<b>Total revenue</b>	<b>\$ 877,000</b>	<b>\$ 97,321</b>	<b>11%</b>	<b>\$ 1,629,000</b>	<b>\$ 100,096</b>	<b>3%</b>	<b>\$ 3,508,000</b>	<b>\$ 3,106,000</b>	<b>\$ (402,000)</b>
<b>Expenditures</b>									
Material & services	\$ 1,250	\$ -	-	\$ 2,500	\$ -	-	\$ 5,000	\$ 4,000	\$ (1,000)
Capital outlay									
Improvements	766,250	5,814	1%	1,532,500	13,637	0%	3,065,000	2,851,000	(214,000)
Transfers	38,075	-	-	76,150	-	-	152,300	257,300	105,000
Contingency							354,014		(354,014)
<b>Total expenditures</b>	<b>\$ 805,575</b>	<b>\$ 5,814</b>	<b>1%</b>	<b>\$ 1,611,150</b>	<b>\$ 13,637</b>	<b>0%</b>	<b>\$ 3,576,314</b>	<b>\$ 3,112,300</b>	<b>\$ (464,014)</b>
<b>Revenue over (under) expenditures</b>	<b>71,425</b>	<b>91,508</b>	<b>-</b>	<b>17,850</b>	<b>86,459</b>	<b>-</b>	<b>(68,314)</b>	<b>(6,300)</b>	<b>62,014</b>
<b>Beginning fund balance</b>	<b>68,314</b>	<b>85,875</b>	<b>126%</b>	<b>68,314</b>	<b>85,875</b>	<b>126%</b>	<b>68,314</b>	<b>85,875</b>	<b>17,561</b>
<b>Ending fund balance</b>	<b>\$ 139,739</b>	<b>\$ 177,383</b>	<b>127%</b>	<b>\$ 86,164</b>	<b>\$ 172,334</b>	<b>200%</b>	<b>\$ -</b>	<b>\$ 79,575</b>	

December 31, 2012

*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.

Overall second quarter revenue collection came in at approximately \$166,000 or 116% of the quarter budget. Intergovernmental revenue for capital improvements from the OWEB grant (Oregon Watershed Enhancement Board) was collected in the amount of roughly \$140,000.

Second quarter expenditures came in at approximately 109% or \$102,000 of the quarter budget. This fund is as anticipated.

The wastewater SDC fund showed a positive change in fund balance by approximately 1% or \$40,000 through the second quarter end.

Revenue	Current Quarter Budget	Actual	Quarter Budget %	Year to Date Budget	Actual	Annual Budget %	Annual Budget	Year-end Estimate	Variance
Intergovernmental	\$ 60,000	\$ 140,060	233%	\$ 120,000	\$ 180,060	75%	\$ 240,000	\$ 240,000	\$ -
Interest	150	89	59%	300	211	35%	600	600	-
System development charges	83,125	26,320	32%	166,250	26,626	8%	332,500	50,000	(282,500)
<b>Total revenue</b>	<b>\$ 143,275</b>	<b>\$ 166,469</b>	<b>116%</b>	<b>\$ 286,550</b>	<b>\$ 206,897</b>	<b>36%</b>	<b>\$ 573,100</b>	<b>\$ 290,600</b>	<b>\$ (282,500)</b>
<b>Expenditures</b>									
Capital outlay									
Improvements	\$ 87,500	\$ 102,014	117%	\$ 175,000	\$ 166,421	48%	\$ 350,000	\$ 271,000	\$ (79,000)
Transfers	5,750	-	-	11,500	-	-	23,000	2,500	(20,500)
Contingency							381,869		(381,869)
<b>Total expenditures</b>	<b>\$ 93,250</b>	<b>\$ 102,014</b>	<b>109%</b>	<b>\$ 186,500</b>	<b>\$ 166,421</b>	<b>22%</b>	<b>\$ 754,869</b>	<b>\$ 273,500</b>	<b>\$ (481,369)</b>
<b>Revenue over (under) expenditures</b>	<b>50,025</b>	<b>64,456</b>	<b>-</b>	<b>100,050</b>	<b>40,476</b>	<b>-</b>	<b>(181,769)</b>	<b>17,100</b>	<b>198,869</b>
<b>Beginning fund balance</b>	<b>181,769</b>	<b>49,683</b>	<b>27%</b>	<b>181,769</b>	<b>49,683</b>	<b>27%</b>	<b>181,769</b>	<b>49,683</b>	<b>(132,086)</b>
<b>Ending fund balance</b>	<b>\$ 231,794</b>	<b>\$ 114,139</b>	<b>49%</b>	<b>\$ 281,819</b>	<b>\$ 90,159</b>	<b>32%</b>	<b>\$ -</b>	<b>\$ 66,783</b>	

December 31, 2012

*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.

The LID Debt service fund is as anticipated.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end		
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance	
Interest	\$ 175	\$ 113	65%	\$ 350	\$ 223	32%	\$ 700	\$ 700	\$ -	
Transfers from other funds	6,250	-	-	12,500	25,000	100%	25,000	25,000	-	
Assessment repayments	44,625	4,574	10%	89,250	89,434	50%	178,500	178,500	-	
<b>Total revenue</b>	<b>\$ 51,050</b>	<b>\$ 4,687</b>	<b>9%</b>	<b>\$ 102,100</b>	<b>\$ 114,657</b>	<b>56%</b>	<b>\$ 204,200</b>	<b>\$ 204,200</b>	<b>\$ -</b>	
<b>Expenditures</b>										
Materials and services	\$ 100	\$ -	-	\$ 200	\$ -	-	\$ 400	\$ 400	\$ -	
Debt service										
Principal										
10th St/Madras Hwy LID - 2003	2,250	2,238	99%	4,500	4,445	49%	9,000	9,000	-	
Northridge LID - 2003	20,000	-	-	40,000	-	-	80,000	80,000	-	
Ironhorse LID - 2006	15,750	-	-	31,500	32,845	52%	63,000	63,000	-	
Interest										
10th Street/Madras Hwy LID - 2003	225	220	98%	450	471	52%	900	900	-	
Northridge LID - 2003	850	-	-	1,700	1,700	50%	3,400	3,400	-	
Ironhorse LID - 2006	21,750	-	-	43,500	42,112	48%	87,000	87,000	-	
Contingency							101,411		(101,411)	
<b>Total expenditures</b>	<b>\$ 60,925</b>	<b>\$ 2,458</b>	<b>4%</b>	<b>\$ 121,850</b>	<b>\$ 81,572</b>	<b>24%</b>	<b>\$ 345,111</b>	<b>\$ 243,700</b>	<b>\$ (101,411)</b>	
<b>Revenue over (under) expenditures</b>	<b>(9,875)</b>	<b>2,229</b>	<b>-</b>	<b>(19,750)</b>	<b>33,085</b>	<b>-</b>	<b>(140,911)</b>	<b>(39,500)</b>	<b>101,411</b>	
<b>Beginning fund balance</b>	<b>140,911</b>	<b>206,575</b>	<b>147%</b>	<b>140,911</b>	<b>206,575</b>	<b>147%</b>	<b>140,911</b>	<b>206,575</b>	<b>65,664</b>	
<b>Ending fund balance</b>	<b>\$ 131,036</b>	<b>\$ 208,804</b>	<b>159%</b>	<b>\$ 121,161</b>	<b>\$ 239,660</b>	<b>198%</b>	<b>\$ -</b>	<b>\$ 167,075</b>		

December 31, 2012

### *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. Additionally, transfers to other City operations are budgeted.

At second quarter end, the railroad's fund overall revenue collection is at approximately \$385,000 or 31% of the annual budget. Charges for services are at approximately \$201,000 or 45% of annual budget which is an increase over prior year by roughly \$43,000 at second quarter end. Charges for services associated with railcar freight are up roughly \$52,000 in comparison to the prior year at quarter end. Miscellaneous revenue has exceeded the annual budget by approximately \$52,000; as the railroad has continued to contract out its engineer to Coos Bay Rail Link through the second quarter.

Expenditures at quarter end are at approximately 21% or \$414,000 of the annual budget. Personnel services are at roughly \$156,000 or 71% of the annual budget. The reimbursement program between Coos Bay Rail Link and the City of Prineville Railroad has contributed to unanticipated personnel expenditures and other general expenses through the second quarter. A budget adjustment will be necessary prior to year end.

Year end projections to budget anticipate an ending fund balance of approximately \$659,000.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Charges for services	\$ 112,000	\$ 55,180	49%	\$ 224,000	\$ 201,347	45%	\$ 448,000	\$ 337,000	\$ (111,000)
Use of money & property	18,275	13,255	73%	36,550	33,352	46%	73,100	61,100	(12,000)
Intergovernmental	177,000	68,261	39%	354,000	88,516	13%	708,000	708,000	-
Miscellaneous	2,500	25,856	1034%	5,000	61,893	619%	10,000	79,000	69,000
<b>Total revenue</b>	<b>\$ 309,775</b>	<b>\$ 162,551</b>	<b>52%</b>	<b>\$ 619,550</b>	<b>\$ 385,107</b>	<b>31%</b>	<b>\$ 1,239,100</b>	<b>\$ 1,185,100</b>	<b>\$ (54,000)</b>
<b>Expenditures</b>									
Personal services	\$ 54,875	\$ 77,120	141%	\$ 109,750	\$ 156,454	71%	\$ 219,500	\$ 313,500	\$ 94,000
Material and services	58,575	44,426	76%	117,150	166,307	71%	234,300	282,200	47,900
Capital outlay									
Improvements	162,500	44,856	28%	325,000	55,635	9%	650,000	640,000	(10,000)
Transfers	27,650	17,650	64%	55,300	35,300	32%	110,600	70,600	(40,000)
Contingency							797,561		(797,561)
<b>Total expenditures</b>	<b>\$ 303,600</b>	<b>\$ 184,051</b>	<b>61%</b>	<b>\$ 607,200</b>	<b>\$ 413,696</b>	<b>21%</b>	<b>\$ 2,011,961</b>	<b>\$ 1,306,300</b>	<b>\$ (705,661)</b>
<b>Revenue over (under) expenditures</b>	<b>6,175</b>	<b>(21,500)</b>	<b>-</b>	<b>12,350</b>	<b>(28,589)</b>	<b>-</b>	<b>(772,861)</b>	<b>(121,200)</b>	<b>651,661</b>
<b>Beginning fund balance</b>	<b>772,861</b>	<b>780,557</b>	<b>101%</b>	<b>772,861</b>	<b>780,557</b>	<b>101%</b>	<b>772,861</b>	<b>780,557</b>	<b>7,696</b>
<b>Ending fund balance</b>	<b>\$ 779,036</b>	<b>\$ 759,057</b>	<b>97%</b>	<b>\$ 785,211</b>	<b>\$ 751,968</b>	<b>96%</b>	<b>\$ -</b>	<b>\$ 659,357</b>	

December 31, 2012

## 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.

Overall revenue collection in the second quarter came in at approximately \$98,500 or 45% of the quarter budget. Revenue collection associated with charges for services is at roughly \$267,000 or 58% of the annual budget. Second quarter fuel sales came in at roughly \$53,000.

Overall expenditures came in at approximately \$122,000 or 54% of the quarter budget. Spending on fuel and oil during the second quarter was around \$77,000 making up the majority of expenditures associated with materials and services which came in at approximately 84% of the quarter budget.

Year end projections are anticipating an ending fund balance of approximately \$52,000 according to estimates.

Overall fund balance is down approximately \$25,000 or 75% through the end of the second quarter directly relating to a fuel purchase that was made days before the quarter ended amounting in roughly \$34,000.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
<b>Revenue</b>									
Intergovernmental	\$ 105,000	\$ 8,701	8%	\$ 210,000	\$ 8,701	2%	\$ 420,000	\$ 335,000	\$ (85,000)
Charges for services	114,625	89,812	78%	229,250	266,980	58%	458,500	458,500	-
Other revenues	25	14	56%	50	37	37%	100	100	-
<b>Total revenue</b>	<b>\$ 219,650</b>	<b>\$ 98,527</b>	<b>45%</b>	<b>\$ 439,300</b>	<b>\$ 275,719</b>	<b>31%</b>	<b>\$ 878,600</b>	<b>\$ 793,600</b>	<b>\$ (85,000)</b>
<b>Expenditures</b>									
Personal Service	\$ 19,375	\$ 18,577	96%	\$ 38,750	\$ 37,551	48%	\$ 77,500	\$ 77,500	\$ -
Materials and Services	107,625	90,721	84%	215,250	237,871	55%	430,500	371,500	(59,000)
Capital outlay	86,625	-	-	173,250	-	-	346,500	275,000	(71,500)
Transfers	12,700	12,700	100%	12,700	25,400	50%	50,800	50,800	-
Contingency							5,943		(5,943)
<b>Total expenditures</b>	<b>\$ 226,325</b>	<b>\$ 121,998</b>	<b>54%</b>	<b>\$ 439,950</b>	<b>\$ 300,822</b>	<b>33%</b>	<b>\$ 911,243</b>	<b>\$ 774,800</b>	<b>\$ (136,443)</b>
<b>Revenue over (under) expenditures</b>	<b>(6,675)</b>	<b>(23,471)</b>	<b>-</b>	<b>(650)</b>	<b>(25,103)</b>	<b>-</b>	<b>(32,643)</b>	<b>18,800</b>	<b>51,443</b>
<b>Beginning fund balance</b>	<b>32,643</b>	<b>33,564</b>	<b>103%</b>	<b>32,643</b>	<b>33,564</b>	<b>103%</b>	<b>32,643</b>	<b>33,564</b>	<b>921</b>
<b>Ending fund balance</b>	<b>\$ 25,968</b>	<b>\$ 10,093</b>	<b>39%</b>	<b>\$ (649)</b>	<b>\$ 7,540</b>	<b>-1162%</b>	<b>\$ -</b>	<b>\$ 52,364</b>	

December 31, 2012

### 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.

Overall revenue collection in the second quarter came in at approximately \$484,000 or 94% of the quarter budget. Revenue associated with charges for services came in at roughly \$481,000 or 100% of the quarter budget. Revenue associated with charges for services is up over prior year at second quarter end by approximately \$166,000.

Second quarter expenditures are at approximately \$329,000 or 56% of the quarter budget. Expenditures are as anticipated at quarter end.

Projected ending fund balance is anticipated to be approximately \$1,466,000 at year end according to estimates.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Revenue									
Charges for services	\$ 480,000	\$ 481,294	100%	\$ 960,000	\$ 1,062,089	55%	\$ 1,920,000	\$ 1,727,000	\$ (193,000)
Interest	500	1,316	263%	1,000	2,302	115%	2,000	2,000	-
SDC reimbursement fee	31,750	-	-	63,500	-	-	127,000	127,000	-
Miscellaneous	250	1,552	621%	500	2,887	289%	1,000	1,000	-
<b>Total revenue</b>	<b>\$ 512,500</b>	<b>\$ 484,162</b>	<b>94%</b>	<b>\$ 1,025,000</b>	<b>\$ 1,067,278</b>	<b>52%</b>	<b>\$ 2,050,000</b>	<b>\$ 1,857,000</b>	<b>\$ (193,000)</b>
Expenditures									
Materials and services	\$ 111,150	\$ 95,253	86%	\$ 222,300	\$ 214,188	48%	\$ 444,600	\$ 437,800	\$ (6,800)
Franchise fee expense	20,075	20,075	100%	40,150	40,150	50%	80,300	80,300	-
Capital outlay									
Improvements	175,900	7,367	4%	351,800	156,525	22%	703,600	341,000	(362,600)
Debt service									
Principal									
Refunding bond 2011 SDC	25,000	-	-	50,000	100,000	100%	100,000	100,000	-
Water revenue bond 2003	10,000	-	-	20,000	-	-	40,000	40,000	-
Interest									
Refunding bond 2011 SDC	28,000	-	-	56,000	111,786	100%	112,000	112,000	-
Water revenue bond 2003	6,875	-	-	13,750	13,728	50%	27,500	27,500	-
Transfers	206,050	206,050	100%	412,100	412,100	50%	824,200	824,200	-
Contingency							1,098,241		(1,098,241)
<b>Total expenditures</b>	<b>\$ 583,050</b>	<b>\$ 328,745</b>	<b>56%</b>	<b>\$ 1,166,100</b>	<b>\$ 1,048,477</b>	<b>31%</b>	<b>\$ 3,430,441</b>	<b>\$ 1,962,800</b>	<b>\$ (1,467,641)</b>
Revenue over (under) expenditures	(70,550)	155,417	-	(141,100)	18,802	-	(1,380,441)	(105,800)	1,274,641
Beginning fund balance	1,380,441	1,571,411	114%	1,380,441	1,571,411	114%	1,380,441	1,571,411	190,970
Ending fund balance	\$ 1,309,891	\$ 1,726,828	132%	\$ 1,239,341	\$ 1,590,213	128%	\$ -	\$ 1,465,611	

December 31, 2012

### *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.

Overall revenue collection at quarter end came in at approximately \$760,000 or 101% of the quarter budget. Collection for charges for services at second quarter end came in at approximately \$1,443,000 or 102% of the second quarter budget. Second quarter end for charges for services in the prior year was at approximately \$1,350,000. This is roughly a \$93,000 increase over second quarter prior year and can be largely contributed to increased collection of sewer service fees.

Expenditures at quarter end came in at roughly \$487,000 or 61% of the quarter budget. Overall expenditures are as anticipated and year end estimates for expenditures are expected to come in close to budget.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Charges for services	\$ 704,175	\$ 719,838	102%	\$ 1,408,350	\$ 1,443,114	51%	\$ 2,816,700	\$ 2,816,700	\$ -
Interest	250	953	381%	500	1,749	175%	1,000	1,000	-
Miscellaneous	16,875	30,180	179%	33,750	36,713	54%	67,500	71,000	3,500
SDCs - reimbursement fees	31,875	10,094	32%	63,750	11,213	9%	127,500	14,000	(113,500)
<b>Total revenue</b>	<b>\$ 753,175</b>	<b>\$ 761,066</b>	<b>101%</b>	<b>\$ 1,506,350</b>	<b>\$ 1,492,789</b>	<b>50%</b>	<b>\$ 3,012,700</b>	<b>\$ 2,902,700</b>	<b>\$ (110,000)</b>
<b>Expenditures</b>									
Personal services	\$ 46,175	\$ 43,719	95%	\$ 92,350	\$ 88,500	48%	\$ 184,700	\$ 184,700	\$ -
Materials and services	127,925	94,650	74%	255,850	264,995	52%	511,700	526,700	15,000
Franchise fees expense	35,200	35,500	101%	70,400	71,000	50%	140,800	140,800	-
Capital outlay									
Improvements	68,375	413	1%	136,750	37,629	14%	273,500	273,500	-
Debt service									
DEQ CWSRF R74682/2	96,875	-	-	193,750	192,300	50%	387,500	387,500	-
Refunding 2011 / principle	5,000	-	-	10,000	20,000	100%	20,000	20,000	-
Interest									
DEQ CWSRF R74682/2	49,950	-	-	99,900	101,310	51%	199,800	199,800	-
Refunding 2011 / interest	51,850	-	-	103,700	207,394	100%	207,400	207,400	-
Fees									
DEQ CWSRF R74682/1 & 2	8,625	-	-	17,250	34,459	100%	34,500	34,500	-
Transfers	312,300	312,300	100%	624,600	624,600	50%	1,249,200	1,249,200	-
Contingency							761,109		(761,109)
<b>Total expenditures</b>	<b>\$ 802,275</b>	<b>\$ 486,582</b>	<b>61%</b>	<b>\$ 1,604,550</b>	<b>\$ 1,642,188</b>	<b>41%</b>	<b>\$ 3,970,209</b>	<b>\$ 3,224,100</b>	<b>\$ (746,109)</b>
<b>Revenue over (under) expenditures</b>	<b>(49,100)</b>	<b>274,484</b>	<b>-</b>	<b>(98,200)</b>	<b>(149,399)</b>	<b>-</b>	<b>(957,509)</b>	<b>(321,400)</b>	<b>636,109</b>
<b>Other resources/(requirements)</b>									
Debt service reserve	304,000	304,000	-	304,000	304,000	-	304,000	304,000	304,000
<b>Beginning fund balance</b>	<b>1,261,509</b>	<b>1,357,727</b>	<b>108%</b>	<b>1,261,509</b>	<b>1,357,727</b>	<b>108%</b>	<b>1,261,509</b>	<b>1,357,727</b>	<b>96,218</b>
<b>Ending fund balance</b>	<b>\$ 1,212,409</b>	<b>\$ 1,632,211</b>	<b>135%</b>	<b>\$ 1,163,309</b>	<b>\$ 1,208,328</b>	<b>104%</b>	<b>\$ 304,000</b>	<b>\$ 1,036,327</b>	

December 31, 2012

### *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 an operating payment from the City's wastewater fund for treatment.

Overall revenue collection is at approximately \$666,000 or 50% of the annual budget with the restaurant coming in at roughly \$161,000 or 55% of the annual budget. Through the second quarter, combined operating revenues are down approximately 13% in comparison to the prior year at second quarter end.

Combined expenditures came in at roughly \$834,000 or 44% of the annual budget. Prior year comparisons of combined operating expenditures show a decrease of approximately 13% at second quarter end. Budgeted capital expenditures that took place in the second quarter equating to approximately \$129,000 was for the replacement project for the HVAC, two new riding greens mowers and a high performance utility vehicle.

Prior year second quarter operational revenue over expenses show a profit of roughly \$18,700 in comparison to the current year second quarter end showing an operational profit of approximately \$40,000. Operational revenues and expenses do not include debt service proceeds, debt service payments or capital expenses.

Year end estimates project the ending fund balance to come in at roughly \$388,000.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
<b>Revenue</b>									
Charges for services									
Golf Course	\$ 170,325	\$ 71,794	42%	\$ 340,650	\$ 324,540	48%	\$ 681,300	\$ 623,300	\$ (58,000)
Waste disposal	87,500	87,500	100%	175,000	175,000	50%	350,000	350,000	-
Restaurant	72,625	65,115	90%	145,250	160,990	55%	290,500	289,500	(1,000)
Other	-	1,483	-	-	2,788	-	-	4,500	4,500
Interest	250	585	234%	500	1,146	115%	1,000	1,000	-
Miscellaneous	175	1,041	595%	350	1,078	154%	700	2,000	1,300
<b>Total revenue</b>	<b>\$ 330,875</b>	<b>\$ 227,518</b>	<b>69%</b>	<b>\$ 661,750</b>	<b>\$ 665,542</b>	<b>50%</b>	<b>\$ 1,323,500</b>	<b>\$ 1,270,300</b>	<b>\$ (53,200)</b>
<b>Expenditures</b>									
Golf Course	\$ 156,150	\$ 219,135	140%	\$ 311,375	\$ 352,413	56%	\$ 624,600	\$ 611,300	\$ (13,300)
Waste disposal	114,475	97,438	85%	228,950	228,393	50%	457,900	432,300	(25,600)
Restaurant	92,850	81,696	88%	176,200	199,999	54%	371,400	362,100	(9,300)
Debt service									
Principal - Credit facility	10,100	-	-	20,200	23,958	59%	40,400	40,400	-
Interest - Credit facility	1,900	-	-	3,800	-	-	7,600	7,600	-
Principal - 2011 bond	2,500	-	-	5,000	10,000	100%	10,000	10,000	-
Interest - 2011 bond	4,775	-	-	9,550	19,050	100%	19,100	19,100	-
Contingency							351,591		(351,591)
<b>Total expenditures</b>	<b>\$ 382,750</b>	<b>\$ 398,269</b>	<b>104%</b>	<b>\$ 755,075</b>	<b>\$ 833,813</b>	<b>44%</b>	<b>\$ 1,882,591</b>	<b>\$ 1,482,800</b>	<b>\$ (399,791)</b>
<b>Revenue over (under) expenditures</b>	<b>(51,875)</b>	<b>(170,751)</b>	<b>-</b>	<b>(93,325)</b>	<b>(168,271)</b>	<b>-</b>	<b>(559,091)</b>	<b>(212,500)</b>	<b>346,591</b>
<b>Beginning fund balance</b>	<b>559,091</b>	<b>600,271</b>	<b>107%</b>	<b>559,091</b>	<b>600,271</b>	<b>107%</b>	<b>559,091</b>	<b>600,271</b>	<b>41,180</b>
<b>Ending fund balance</b>	<b>\$ 507,216</b>	<b>\$ 429,520</b>	<b>85%</b>	<b>\$ 465,766</b>	<b>\$ 432,000</b>	<b>93%</b>	<b>\$ -</b>	<b>\$ 387,771</b>	

December 31, 2012

### *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.

Operating revenue is at approximately \$70,000 or 64% of the annual budget, which is an increase over prior year by approximately \$23,000 at second quarter end. Les Schwab utilizing the freight depot for unloading tires from their railcars has brought in roughly \$11,700 through the second quarter which is a revenue source that the fund did not have through the second quarter of the prior year. Year-end estimates for operating revenues are projected to come in approximately \$10,000 over budget.

Overall expenditures came in at approximately \$29,000 or 45% of the quarterly budget.

Ending fund balance through the second quarter shows an increase of approximately \$70,000, with roughly \$52,000 expecting to be used for a future debt service payment this fiscal year. The fund is projected to end the current fiscal year with an ending fund balance of roughly \$56,000.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
<b>Revenue</b>									
Charges for services	\$ 27,500	\$ 33,126	120%	\$ 55,000	\$ 69,985	64%	\$ 110,000	\$ 120,000	\$ 10,000
Interest	50	101	202%	100	192	96%	200	200	-
Miscellaneous	25	-	-	50	-	-	100	-	(100)
transfers	41,475	-	-	82,950	125,900	76%	165,900	125,900	(40,000)
<b>Total revenue</b>	<b>\$ 69,050</b>	<b>\$ 33,227</b>	<b>48%</b>	<b>\$ 138,100</b>	<b>\$ 196,077</b>	<b>71%</b>	<b>\$ 276,200</b>	<b>\$ 246,100</b>	<b>\$ (30,100)</b>
<b>Expenditures</b>									
Personal services	\$ 21,475	\$ 18,700	87%	\$ 42,950	\$ 35,643	41%	\$ 85,900	\$ 71,100	\$ (14,800)
Materials and services	13,950	6,671	48%	27,900	33,066	59%	55,800	40,900	(14,900)
Debt service									
Principal Credit facility	21,225	-	-	42,450	34,161	40%	84,900	84,900	-
Interest Credit facility	4,000	-	-	8,000	16,239	101%	16,000	16,000	-
Transfers	3,450	3,450	100%	6,900	6,900	50%	13,800	13,800	-
Contingency							55,753		(55,753)
<b>Total expenditures</b>	<b>\$ 64,100</b>	<b>\$ 28,822</b>	<b>45%</b>	<b>\$ 128,200</b>	<b>\$ 126,008</b>	<b>40%</b>	<b>\$ 312,153</b>	<b>\$ 226,700</b>	<b>\$ (85,453)</b>
<b>Revenue over (under) expenditures</b>	<b>4,950</b>	<b>4,406</b>	<b>-</b>	<b>9,900</b>	<b>70,069</b>	<b>-</b>	<b>(35,953)</b>	<b>19,400</b>	<b>55,353</b>
<b>Beginning fund balance</b>	<b>35,953</b>	<b>36,881</b>	<b>103%</b>	<b>35,953</b>	<b>36,881</b>	<b>103%</b>	<b>35,953</b>	<b>36,881</b>	<b>928</b>
<b>Ending fund balance</b>	<b>\$ 40,903</b>	<b>\$ 41,287</b>	<b>101%</b>	<b>\$ 45,853</b>	<b>\$ 106,950</b>	<b>233%</b>	<b>\$ -</b>	<b>\$ 56,281</b>	

December 31, 2012

*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.

Overall revenue collection for the first quarter came in at approximately \$777,000 or 49% of the annual budget.

Overall expenditures at quarter end are at approximately 49% of the annual budget or \$913,000.

Revenues and expenditures are as anticipated at quarter end and year end estimates are expected to come as originally budgeted.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Revenue									
Charges for services	\$ 398,350	\$ 387,714	97%	\$ 796,700	\$ 777,114	49%	\$ 1,593,400	\$ 1,593,400	\$ -
Interest	250	285	114%	500	597	60%	1,000	1,000	-
<b>Total revenue</b>	<b>\$ 398,600</b>	<b>\$ 387,999</b>	<b>97%</b>	<b>\$ 797,200</b>	<b>\$ 777,711</b>	<b>49%</b>	<b>\$ 1,594,400</b>	<b>\$ 1,594,400</b>	<b>\$ -</b>
Expenditures									
City Council	\$ 19,325	\$ 17,044	88%	\$ 38,650	\$ 33,668	44%	\$ 77,300	\$ 77,300	\$ -
Administration/team services	171,125	169,748	99%	342,250	329,460	48%	684,500	684,500	-
Financial services	136,275	135,900	100%	272,550	279,394	51%	545,100	545,100	-
Information technology	116,400	73,894	63%	232,800	270,724	62%	435,600	435,600	-
Contingency							134,421		(134,421)
<b>Total expenditures</b>	<b>\$ 443,125</b>	<b>\$ 396,586</b>	<b>89%</b>	<b>\$ 886,250</b>	<b>\$ 913,246</b>	<b>49%</b>	<b>\$ 1,876,921</b>	<b>\$ 1,742,500</b>	<b>\$ (134,421)</b>
Revenue over (under) expenditures	(44,525)	(8,587)	-	(89,050)	(135,535)	-	(282,521)	(148,100)	134,421
Beginning fund balance	282,521	331,400	117%	282,521	331,400	117%	282,521	331,400	48,879
<b>Ending fund balance</b>	<b>\$ 237,996</b>	<b>\$ 322,813</b>	<b>136%</b>	<b>\$ 193,471</b>	<b>\$ 195,865</b>	<b>101%</b>	<b>\$ -</b>	<b>\$ 183,300</b>	

December 31, 2012

*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.

Operating revenues and expenditures are as anticipated. The city hall debt service payment was made in the second quarter.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Variance
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	
Revenue									
Rent	\$ 41,925	\$ 42,850	102%	\$ 83,850	\$ 85,700	51%	\$ 167,700	\$ 167,700	\$ -
Transfers	-	-	-	-	50,000	-	-	50,000	50,000
Misc. Income	13,425	1,278	10%	53,700	3,066	6%	53,700	6,000	(47,700)
Interest	125	206	165%	250	358	72%	500	700	200
<b>Total revenue</b>	<b>\$ 55,475</b>	<b>\$ 44,334</b>	<b>80%</b>	<b>\$ 137,800</b>	<b>\$ 139,124</b>	<b>63%</b>	<b>\$ 221,900</b>	<b>\$ 224,400</b>	<b>\$ 2,500</b>
Expenditures									
Materials and services	\$ 14,600	\$ 11,082	76%	\$ 29,200	\$ 23,700	41%	\$ 58,400	\$ 58,400	\$ -
Debt service									
Principal - USDA 2005	9,675	38,650	399%	19,350	38,650	100%	38,700	38,700	-
Interest - USDA - 2005	16,575	66,288	400%	33,150	66,288	100%	66,300	66,300	-
Transfers	2,500	-	-	2,500	-	-	10,000	10,000	-
Contingency							10,506		(10,506)
<b>Total expenditures</b>	<b>\$ 43,350</b>	<b>\$ 116,020</b>	<b>268%</b>	<b>\$ 84,200</b>	<b>\$ 128,638</b>	<b>70%</b>	<b>\$ 183,906</b>	<b>\$ 173,400</b>	<b>\$ (10,506)</b>
Revenue over (under) expenditures	12,125	(71,686)	-	53,600	10,486	-	37,994	51,000	13,006
Other requirements									
Debt service reserve	105,000	105,000	100%	105,000	105,000	100%	105,000	105,000	105,000
Beginning fund balance	67,006	76,745	115%	67,006	76,745	115%	67,006	76,745	9,739
Ending fund balance	\$ 79,131	\$ 5,059	6%	\$ 120,606	\$ 87,231	72%	\$ 105,000	\$ 127,745	

December 31, 2012

*Plaza Maintenance Fund*

This fund accounts for the maintenance of the plaza joining City Hall and the Crook County Annex building. The county and the city maintain the plaza in a joint effort. Starting in 2005 the county was responsible for accounting for the maintenance of the plaza per a city and county agreement. The agreement has been revised and the city starting FY 13 now assumes the responsibility of accounting for the plaza maintenance. Revenues are generated through a transfer from the city with matching monies from the county. Expenditures are for maintaining the landscaping, sidewalks and lighting.

Operating revenues and expenses are as anticipated at quarter end.

Revenue	Current Quarter Budget	Current Quarter Actual	Quarter Budget %	Year to Date Budget	Year to Date Actual	Annual Budget %	Annual Budget	Year-end Estimate	Variance
Intergovernmental	\$ 2,500	\$ -	-	\$ 5,000	\$ 35,805	358%	\$ 10,000	\$ 10,000	\$ -
Interest	-	34	-	-	39	-	-	-	-
Transfers	2,500	-	-	5,000	-	-	10,000	10,000	-
<b>Total revenue</b>	<b>\$ 5,000</b>	<b>\$ 34</b>	<b>1%</b>	<b>\$ 10,000</b>	<b>\$ 35,844</b>	<b>179%</b>	<b>\$ 20,000</b>	<b>\$ 20,000</b>	<b>\$ -</b>
<b>Expenditures</b>									
Materials and services	\$ 3,900	\$ 3,392	87%	\$ 7,800	\$ 4,807	31%	\$ 15,600	\$ 15,600	\$ -
Transfers	925	925	100%	1,850	1,850	50%	3,700	3,700	-
Contingency							700		(700)
<b>Total expenditures</b>	<b>\$ 4,825</b>	<b>\$ 4,317</b>	<b>89%</b>	<b>\$ 9,650</b>	<b>\$ 6,657</b>	<b>33%</b>	<b>\$ 20,000</b>	<b>\$ 19,300</b>	<b>\$ (700)</b>
<b>Revenue over (under) expenditures</b>	<b>175</b>	<b>(4,283)</b>	<b>-</b>	<b>350</b>	<b>29,188</b>	<b>-</b>	<b>-</b>	<b>700</b>	<b>700</b>
<b>Beginning fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending fund balance</b>	<b>\$ 175</b>	<b>\$ (4,283)</b>	<b>-</b>	<b>\$ 350</b>	<b>\$ 29,188</b>	<b>8339%</b>	<b>\$ -</b>	<b>\$ 700</b>	

December 31, 2012

*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.

Fund is performing as anticipated.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Revenue									
Charges for services	\$ 322,800	\$ 319,300	99%	\$ 645,600	\$ 629,569	49%	\$ 1,291,200	\$ 1,297,200	\$ 6,000
Interest	50	169	338%	100	310	155%	200	200	-
Miscellaneous	375	2,322	619%	750	4,393	293%	1,500	-	(1,500)
<b>Total revenue</b>	<b>\$ 323,225</b>	<b>\$ 321,791</b>	<b>100%</b>	<b>\$ 646,450</b>	<b>\$ 634,272</b>	<b>49%</b>	<b>\$ 1,292,900</b>	<b>\$ 1,297,400</b>	<b>\$ 4,500</b>
Expenditures									
Public Works Support Services	\$ 243,925	\$ 224,720	92%	\$ 487,850	\$ 458,329	47%	\$ 975,700	\$ 975,700	\$ -
Public Works Fleet & Vehicles	61,000	122,613	201%	122,000	147,523	60%	244,000	244,000	-
Public Works Facilities	6,000	3,313	55%	12,000	6,023	25%	24,000	24,000	-
Contingency							153,931		(153,931)
<b>Total expenditures</b>	<b>\$ 310,925</b>	<b>\$ 350,646</b>	<b>113%</b>	<b>\$ 621,850</b>	<b>\$ 611,875</b>	<b>44%</b>	<b>\$ 1,397,631</b>	<b>\$ 1,243,700</b>	<b>\$ (153,931)</b>
Revenue over (under) expenditures	12,300	(28,856)	-	24,600	22,397	-	(104,731)	53,700	158,431
Beginning fund balance	104,731	113,332	108%	104,731	113,332	108%	104,731	113,332	8,601
Ending fund balance	\$ 117,031	\$ 84,476	72%	\$ 129,331	\$ 135,729	105%	\$ -	\$ 167,032	