

*City of Prineville, Oregon
Financial Report
Second Quarter Ended
December 31, 2013*



Executive Summary

Through the second quarter ending December 31, 2013 the City's financial condition decreased by approximately 3% or \$188,000. Timing of capital improvements and scheduled debt service payments are large contributors to the decrease in the City's financial condition. Funds contributing significantly to the decrease in the City's ending fund balance include the Transportation, Water SDC, Wastewater SDC, Railroad, Airport and Wastewater Funds. Funds with a significant positive impact to fund balance include the General Fund and the Emergency Dispatch Fund.

Through the second quarter, General Fund revenues came in at approximately 67% of the annual budget or \$2.68 million. Year to date property tax revenue is roughly \$1.48 million or 91% of the annual budget which is an increase of roughly \$81,000 over prior year's quarter end. Transient lodging taxes are down slightly at roughly \$122,000 compared to \$126,000 in the prior year. Franchise fees are at roughly 36% of the annual budget and collection increased approximately \$129,000 over prior year's second quarter, largely due to increased revenue in electrical franchise fees. Electrical franchise fees have continued in their upward trend, ending the second quarter up by approximately \$128,000 over the same time frame last year. The General Funds ending balance increased approximately \$460,600 through the second quarter.

The Emergency Dispatch Fund shows an increase to fund balance by roughly \$66,000 or 30% through the second quarter. This is largely due to the collection of intergovernmental revenue from the Crook County Fire and Rescue during the first quarter of FY 14.

The Transportation Fund's ending balance shows a decrease of approximately \$55,000 or 35% through the second quarter. Expenditures for budgeted capital projects in the first quarter are the significant contributor to the decrease in fund balance through the second quarter.

Budgeted capital projects for the expansion and construction of water wells and storage tanks at the airport and the timing in which the Apple reimbursements for those projects are received are the largest contributors to the decrease of fund balance in the Water SDC Fund.

The Wastewater SDC Fund balance decreased roughly 56% or \$94,000 in the first half of FY 14. This decrease is due to budgeted capital expenditures for the wetlands project coming in at approximately \$95,000 through the second quarter.

The Wastewater Fund has a decrease in fund balance through the second quarter by roughly \$130,000. This decrease can largely be attributed to the first quarter debt service payments in the amount of approximately \$560,600. Second quarter revenues over expenditures showed a fund balance recovery of approximately \$235,000.

The Railroad's Fund balance decreased approximately \$14,000 in the second quarter. Combined first and second quarter losses total approximately \$64,000. The largest contributing factor to the decrease in fund balance is the timing in which reimbursements are received for capital expenditures relating to the Connect Oregon project. Currently total improvements for FY 14 are at approximately \$321,000; with reimbursements totaling approximately \$266,000. This is a

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difference of \$55,000, bringing the total loss at the end of the second quarter to approximately \$9,000.

Airport fuel sales continue to trend up in comparison to prior year second quarter largely due to increased use of the facility from Hillsboro Aviation. The Airport Fund's ending balance decreased approximately \$86,000 through the second quarter. The Airports Fund balance decrease can largely be attributed to the timing in which grant reimbursements are received and the amount of fuel in inventory. The Airport is operating as anticipated.

Other enterprise funds are as anticipated with insignificant change to fund balance through the second quarter. Internal service funds are as anticipated and will balance out during the remaining quarters.

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
All City Funds

Liz Schuette,
Finance Director

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	\$ 1,127,798	\$ 998,345	\$ 2,684,942	\$ 2,224,509	\$ 1,458,778	\$ 460,433	46%
Transportation	152,632	157,915	561,667	616,937	102,644	(55,271)	-35%
Emergency Dispatch	218,587	218,866	572,184	506,533	284,516	65,650	30%
Planning	64,697	68,997	150,859	156,324	63,531	(5,466)	-8%
Transportation SDC	258,342	280,271	22,674	8,897	294,048	13,777	5%
Water SDC	30,038	11,458	648,631	715,240	(55,152)	(66,610)	-581%
Wastewater SDC	188,988	167,152	10,331	103,897	73,586	(93,566)	-56%
LID Debt Service	69,075	70,200	93,991	79,873	84,318	14,118	20%
PERS/ POB	-	-	11,525	11,525	-	-	-
Railroad	623,097	704,398	630,017	694,306	640,109	(64,289)	-9%
Airport	46,235	88,555	428,448	514,241	2,762	(85,793)	-97%
Water	1,573,109	1,651,980	1,052,726	1,089,016	1,615,689	(36,291)	-2%
Wastewater	1,165,930	1,115,324	1,526,218	1,656,579	984,963	(130,361)	-12%
Golf Course and Restaurant	401,260	395,569	732,992	765,285	363,276	(32,293)	-8%
Freight Depot	125,884	69,397	-	69,397	-	(69,397)	-100%
Administration and Financial Services	144,004	109,288	908,939	955,919	62,308	(46,980)	-43%
Public Works Support Services	230,639	299,312	550,984	565,952	284,344	(14,968)	-5%
City Hall	124,523	138,827	90,668	140,778	88,717	(50,110)	-36%
Plaza Maintenance	29,000	33,306	20,064	10,730	42,641	9,335	28%
Totals	\$ 6,573,838	\$ 6,579,160	\$ 10,697,858	\$ 10,885,939	\$ 6,391,079	\$ (188,081)	-3%

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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 for the second quarter is at approximately \$1.92 million with roughly \$1.44 million coming from property taxes. Year to date property tax revenue is roughly \$1.48 million or 91% of the annual budget through the second quarter compared to approximately \$1.4 million last year at quarter end. Transient lodging taxes are down slightly over prior year quarter end at roughly \$122,000 compared to \$126,000 last year. Franchise fees are at roughly 36% of the annual budget and collection increased approximately \$129,000 over last year same time frame, largely due to increased revenue in electrical franchise fees. Electrical franchise fees are up by approximately \$128,000 over second quarter prior year.

Police spending through the second quarter was at approximately 54% of the annual budget. Personnel services for the police department are on target at roughly 48% of annual budget. Capital expenditures for the acquisition/equipping the new police vehicles went slightly over budget as discussed previously. The debt service payment to pooled cash may need an additional budget adjustment of roughly \$39,000. Current estimates show these additional costs may be able to be absorbed within the original budget. Police facility and non-departmental are as anticipated.

Overall, the General Fund realized an increase in fund balance of approximately 46% or \$460,000 through the second quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Property taxes	\$ 410,000	\$ 1,436,510	350%	\$ 820,000	\$ 1,484,901	91%	\$ 1,640,000
Transient lodging tax	50,000	43,044	86%	100,000	121,544	61%	200,000
Franchise fees	438,175	317,404	72%	876,350	622,515	36%	1,752,700
Licenses and permits	2,675	551	21%	5,350	2,954	28%	10,700
Intergovernmental revenues	67,600	47,646	70%	135,200	99,049	37%	270,400
Charges for services	25	-	-	50	-	0%	100
Interest	750	960	128%	1,500	1,598	53%	3,000
Miscellaneous	32,900	73,662	224%	65,800	93,682	71%	131,600
Debt Proceeds	-	-	-	-	258,700	#DIV/0!	-
Total revenue	\$ 1,002,125	\$ 1,919,777	192%	\$ 2,004,250	\$ 2,684,942	67%	\$ 4,008,500
Expenditures							
Police	\$ 834,275	\$ 958,161	115%	\$ 1,668,550	\$ 1,817,932	54%	\$ 3,337,100
Police facility	17,150	12,189	71%	34,300	27,641	40%	68,600
Non-departmental	256,475	120,171	47%	512,950	378,936	37%	1,025,900
Contingency							704,698
Total expenditures	\$ 1,107,900	\$ 1,090,521	98%	\$ 2,215,800	\$ 2,224,509	43%	\$ 5,136,298
Revenue over (under) expenditures	(105,775)	829,255	-	(211,550)	460,433	-	(1,127,798)
Beginning fund balance	1,127,798	998,345	89%	1,127,798	998,345	89%	1,127,798
Ending fund balance	\$ 1,022,023	\$ 1,827,600	179%	\$ 916,248	\$ 1,458,778	159%	\$ -

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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.

Second quarter revenue, for the Transportation Fund, came in at approximately 52% of the annual budget. Intergovernmental revenue collection is at 47% of the annual budget with the State of Oregon gas tax coming in at approximately \$273,100 through the second quarter. Excavation permits is the primary contributor to miscellaneous income at roughly \$3,300.

Second quarter expenditures came in as anticipated. Capital expenditures in the second quarter were approximately \$25,300 with roughly \$22,000 being reimbursed through an ODOT transit grant for Cascade East Transit. Personnel services are at approximately 47% of the annual budget or roughly \$90,000 through the second quarter.

The grind inlay project during the first quarter contributed to the overall decrease in fund balance through the second quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Franchise fees	\$ 60,275	\$ 60,275	100%	\$ 120,550	\$ 120,550	50%	\$ 241,100
Intergovernmental	180,075	187,799	104%	360,150	337,197	47%	720,300
Transfers	25,000			50,000	100,000	100%	100,000
Interest	250	369	148%	500	638	64%	1,000
Miscellaneous	2,625	1,093	42%	5,250	3,282	31%	10,500
Total revenue	\$ 268,225	\$ 249,536	93%	\$ 536,450	\$ 561,667	52%	\$ 1,072,900
Expenditures							
Personal services	\$ 47,850	\$ 44,381	93%	\$ 95,700	\$ 90,337	47%	\$ 191,400
Material & services	48,450	25,602	53%	96,900	71,649	37%	193,800
Capital outlay							
Improvements	103,275	25,345	25%	206,550	324,752	79%	413,100
Transfers	65,100	65,100	100%	130,200	130,200	50%	260,400
Contingency							166,832
Total expenditures	\$ 264,675	\$ 160,428	61%	\$ 529,350	\$ 616,937	50%	\$ 1,225,532
Revenue over (under) expenditures	3,550	89,108	2510%	7,100	(55,271)	-778%	(152,632)
Beginning fund balance	152,632	157,915	103%	152,632	157,915	103%	152,632
Ending fund balance	\$ 156,182	\$ 247,023	158%	\$ 159,732	\$ 102,644	64%	\$ -

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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.

Revenue collection for the Emergency Dispatch Fund was approximately \$572,000 or 54% of the annual budget. Revenue collection came in as anticipated through the second quarter with intergovernmental revenue coming in at approximately \$338,000 or 57% of the annual budget.

Expenditures came in at approximately \$264,000 or 100% of the quarter budget. Personnel services came in at roughly 46% of the annual budget or \$357,000. Capital expenditures were roughly \$5,200 which was spent for a server for the fire mobile in the second quarter. Overall expenditures came in as anticipated at second quarter end.

The Emergency Dispatch Fund increased its fund balance by roughly \$66,000 or 30% through the second quarter. This is largely due to the collection of intergovernmental revenue from the Crook County Fire and Rescue in the full budgeted amount of \$76,200 during the first quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Intergovernmental	\$ 148,500	\$ 129,345	87%	\$ 297,000	\$ 338,228	57%	\$ 594,000
Charges for services	750	58	8%	1,500	234	8%	3,000
Interest	750	494	66%	1,500	672	22%	3,000
Transfers from other funds	116,525	116,525	100%	233,050	233,050	50%	466,100
Total revenue	\$ 266,525	\$ 246,422	92%	\$ 533,050	\$ 572,184	54%	\$ 1,066,100
Expenditures							
Personal services	\$ 195,450	\$ 181,284	93%	\$ 390,900	\$ 357,000	46%	\$ 781,800
Material & services	23,250	36,110	155%	46,500	60,433	65%	93,000
Capital outlay							
Equipment	3,750	5,200	139%	7,500	5,200	35%	15,000
Transfers	41,950	41,950	100%	83,900	83,900	50%	167,800
Contingency							227,087
Total expenditures	\$ 264,400	\$ 264,544	100%	\$ 528,800	\$ 506,533	39%	\$ 1,284,687
Revenue over (under) expenditures	2,125	(18,122)	-853%	4,250	65,650	1545%	(218,587)
Beginning fund balance	218,587	218,866	100%	218,587	218,866	100%	218,587
Ending fund balance	\$ 220,712	\$ 200,744	91%	\$ 222,837	\$ 284,516	128%	\$ -

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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 \$82,000 or 98% of the quarter budget. Revenue collection through the second quarter for licenses and permits is at approximately \$21,700 with roughly \$17,800 coming in the second quarter.

Expenditures incurred during the second quarter came in at approximately \$67,000 or 79% of quarter budget and are as anticipated.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Licenses & Permits	\$ 11,500	\$ 17,798	155%	\$ 23,000	\$ 21,700	47%	\$ 46,000
Charges for services	9,725	1,997	21%	19,450	4,011	10%	38,900
Interest	50	96	193%	100	148	74%	200
Transfers from other funds	62,500	62,500	100%	125,000	125,000	50%	250,000
Total revenue	\$ 83,775	\$ 82,392	98%	\$ 167,550	\$ 150,859	45%	\$ 335,100
Personal services	\$ 53,150	\$ 40,011	75%	\$ 106,300	\$ 90,530	43%	\$ 212,600
Material & services	5,100	1,216	24%	10,200	12,444	61%	20,400
Transfers	26,675	26,675	100%	53,350	53,350	50%	106,700
Contingency							60,097
Total expenditures	\$ 84,925	\$ 67,902	80%	\$ 169,850	\$ 156,324	39%	\$ 399,797
Revenue over (under) expenditures	(1,150)	14,489	-	(2,300)	(5,466)	-	(64,697)
Beginning fund balance	64,697	68,997	107%	64,697	68,997	107%	64,697
Ending fund balance	\$ 63,547	\$ 83,486	131%	\$ 62,397	\$ 63,531	102%	\$ -

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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 through the second quarter for the Transportation SDC Fund is at approximately 4% of the annual budget. Second quarter SDC collection came in at roughly \$16,000.

Expenditures during the second quarter were at approximately \$5,400 or 27% of the quarter budget. All second quarter capital expenditures were incurred from the Habitat Conservation Plan and the Crooked River Concept.

Ending fund balance is roughly \$294,000, an increase of approximately \$13,800 through the second quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Intergovernmental	\$ 1,250	\$ -	-	\$ 2,500	\$ 1,632	33%	\$ 5,000
Interest	125	407	326%	250	617	123%	500
System development charges	127,850	15,879	12%	255,700	20,425	4%	511,400
Total revenue	\$ 129,225	\$ 16,286	13%	\$ 258,450	\$ 22,674	4%	\$ 516,900
Expenditures							
Material & services	\$ 2,500		-	\$ 5,000	\$ -	-	\$ 10,000
Capital outlay							
Improvements	11,250	5,369	48%	22,500	8,897	20%	45,000
Transfers	6,425		-	12,850	-	-	25,700
Contingency							694,542
Total expenditures	\$ 20,175	\$ 5,369	27%	\$ 40,350	\$ 8,897	1%	\$ 775,242
Revenue over (under) expenditures	109,050	10,917	10%	218,100	13,777	6%	(258,342)
Beginning fund balance	258,342	280,271	108%	258,342	280,271	108%	258,342
Ending fund balance	\$ 367,392	\$ 291,188	79%	\$ 476,442	\$ 294,048	62%	\$ -

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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.

Overall second quarter revenue came in at approximately \$312,000 or 41% of the quarterly budget. Revenue associated with charges for services are reimbursements for the Apple project which were approximately \$299,000 in the second quarter.

Overall expenditures are approximately 49% of quarter budget or \$363,000 most of which are made up by capital improvements. A majority of the capital improvements expenditures in the second quarter were for the airport water well construction. Also contributing to the second quarter capital expenditures were the Wellhead Protection Area Delineation update which is reimbursed through a Safe Drinking Water grant.

The Water SDC Fund balance decreased approximately \$66,600 through the second quarter largely due to budgeted capital projects for the wells and water tanks at the airport site and the timing in which we receive reimbursements from Apple for that project.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Interest	\$ 125		-	\$ 250	15	3%	\$ 500
System development charges	64,550	12,032	19%	129,100	14,731	6%	258,200
Intergovernmental	6,250	1,527	24%	12,500	2,260	18%	25,000
Charges for services	700,000	298,830	43%	1,400,000	631,625	45%	2,800,000
Total revenue	\$ 770,925	\$ 312,389	41%	\$ 1,541,850	\$ 648,631	21%	\$ 3,083,700
Expenditures							
Material & services	\$ 1,250	\$ 46	4%	\$ 2,500	\$ 46	2%	\$ 5,000
Capital outlay							
Improvements	698,925	362,628	52%	1,397,850	715,195	26%	2,795,700
Transfers	33,250		-	66,500	-	-	133,000
Contingency							180,038
Total expenditures	\$ 733,425	\$ 362,673	49%	\$ 1,466,850	\$ 715,240	23%	\$ 3,113,738
Revenue over (under) expenditures	37,500	(50,284)	-	75,000	(66,610)	-	(30,038)
Beginning fund balance	30,038	11,458	38%	30,038	11,458	38%	30,038
Ending fund balance	\$ 67,538	\$ (38,826)	-	\$ 105,038	\$ (55,152)	-	\$ -

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Railroad Fund

This fund accounts for the activities of the City's railroad operation and for the City's freight depot operation. Starting in FY 14 the Railroad and Freight Depot Funds were consolidated. Primary revenue sources are payments for the use of railroad and freight depot facilities and related services. Expenditures are for the railroad and freight depot operations, including repair, debt service and capital improvements. Additionally, transfers to other City operations are budgeted.

Overall revenue collection during the second quarter is at roughly \$436,000 or 111% of the quarter budget. Charges for services for the railroad are at approximately \$136,000 or 38% of the annual budget. Overall freight revenue is down \$66,000 when comparing first and second quarter combined to prior year, same time frame. Charges for services for the freight depot are at roughly \$65,200 or 44% of the annual budget which is a decrease over prior year quarter end by roughly \$4,800. The remaining portion of the audited ending fund balance from the Freight Depot Fund was transferred to the Railroad Fund in the amount of approximately \$29,400.

Overall expenditures through the second quarter are at approximately \$694,000 or 32% of the annual budget. Personnel services are at roughly \$129,000 or 49% of the annual budget. As discussed earlier, capital expenditures during the second quarter can largely be attributed to the Connect Oregon III project and a majority of the expenditures are reimbursed through a grant.

Through the second quarter the ending fund balance is at approximately \$640,000.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services							
Railroad	\$ 89,250	\$ 88,081	99%	\$ 178,500	\$ 135,563	38%	\$ 357,000
Freight Depot	37,250	35,294	95%	74,500	65,174	44%	149,000
Use of money & property	17,900	11,342	63%	35,800	25,774	36%	71,600
Intergovernmental	175,000	265,685	152%	350,000	265,685	38%	700,000
Miscellaneous	5,000	6,407	128%	10,000	17,424	87%	20,000
Transfers	62,946	29,397	47%	67,946	120,397	48%	251,784
Total revenue	\$ 387,346	\$ 436,206	113%	\$ 716,746	\$ 630,017	41%	\$ 1,549,384
Expenditures							
Personal services	\$ 65,900	\$ 63,015	96%	\$ 131,800	\$ 128,621	49%	\$ 263,600
Material and services	81,150	42,100	52%	162,300	145,833	45%	324,600
Capital outlay							
Improvements	175,000	321,310	184%	350,000	321,310	46%	700,000
Debt Service							
Principal - Credit Facility	22,100	-	-	44,200	43,882	50%	88,400
Interest - Credit Facility	3,125	-	-	6,250	6,710	54%	12,500
Transfers	23,975	23,975	100%	47,950	47,950	50%	95,900
Contingency							687,481
Total expenditures	\$ 371,250	\$ 450,400	121%	\$ 742,500	\$ 694,306	32%	\$ 2,172,481
Revenue over (under) expenditures	16,096	(14,194)	-	(25,754)	(64,289)	-	(623,097)
Beginning fund balance	623,097	704,398	113%	623,097	704,398	113%	623,097
Ending fund balance	\$ 639,193	\$ 690,204	108%	\$ 597,343	\$ 640,109	107%	\$ -

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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. Expenditures are for general operations of the airport including cost of goods sold, maintenance and capital improvements.

Overall revenues for the second quarter were approximately 64% of the quarter budget or \$200,000. The largest contributors to the second quarter revenue was intergovernmental revenue for the reimbursements for the Master Plan and the Automated Weather Observation System, fuel sales at roughly \$70,000 and hanger lease charges at approximately \$34,000. Fuel sales are up over prior year second quarter end by approximately \$55,000 largely due to increased use of the facility from Hillsboro Aviation.

Second quarter expenditures came in at approximately \$246,600 or 79% of the quarter budget. Fuel and oil expenditures were roughly \$96,500 making up the majority of expenditures associated with materials and services in the second quarter. Capital projects started ramping up in the second quarter with approximately \$84,000 in expenditures. The AWOS construction contributed to approximately \$74,000 of the capital expenditures during the second quarter.

Overall fund balance is down approximately \$86,000 through the second quarter. The Airports Fund balance decrease can largely be attributed to the timing in which grant reimbursements are received and fuel inventory. The Airport is basically operating at a breakeven which is as anticipated.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Intergovernmental	\$ 129,500	\$ 91,453	71%	\$ 259,000	\$ 101,834	20%	\$ 518,000
Charges for services	175,125	108,431	62%	350,250	326,577	47%	700,500
Other revenues	25	9	35%	50	38	38%	100
Transfers	6,250	-	-	6,250	-	-	25,000
Total revenue	\$ 310,900	\$ 199,892	64%	\$ 615,550	\$ 428,448	34%	\$ 1,243,600
Expenditures							
Personal Service	\$ 19,900	\$ 20,040	101%	\$ 39,800	\$ 40,060	50%	\$ 79,600
Materials and Services	147,750	121,829	82%	295,500	342,139	58%	591,000
Capital outlay	125,375	84,246	67%	250,750	90,992	36%	501,500
Transfers	20,525	20,525	100%	20,525	41,050	50%	82,100
Contingency							35,635
Total expenditures	\$ 313,550	\$ 246,639	79%	\$ 606,575	\$ 514,241	40%	\$ 1,289,835
Revenue over (under) expenditures	(2,650)	(46,747)	-	8,975	(85,793)	-	(46,235)
Beginning fund balance	46,235	88,555	192%	46,235	88,555	192%	46,235
Ending fund balance	\$ 43,585	\$ 41,808	96%	\$ 8,977	\$ 2,762	31%	\$ -

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Water Fund

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

Overall revenue collection in the second quarter came in at approximately \$430,000 or 87% of the quarter budget. Revenue associated with charges for services came in at roughly \$426,000 with approximately \$411,500 coming from metered water sales, which is decrease over prior year second quarter by approximately \$9,000. Overall revenues through the second quarter are at approximately 53% of the annual budget.

Second quarter expenditures are as anticipated.

Overall, the fund balance through the second quarter decreased by approximately \$36,000.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services	\$ 462,950	\$ 426,195	92%	\$ 925,900	\$ 1,047,819	57%	\$ 1,851,800
Interest	1,000	1,757	176%	2,000	2,683	134%	4,000
Miscellaneous	1,000	1,652	165%	2,000	2,223	56%	4,000
Transfers	30,000	-	-	60,000	-	-	120,000
Total revenue	\$ 494,950	\$ 429,605	87%	\$ 989,900	\$ 1,052,726	53%	\$ 1,979,800
Expenditures							
Materials and services	\$ 115,400	\$ 75,653	66%	\$ 230,800	\$ 192,125	42%	\$ 461,600
Franchise fee expense	22,525	22,525	100%	45,050	45,050	50%	90,100
Capital outlay							
Improvements	273,500	24,137	9%	547,000	222,578	20%	1,094,000
Debt service							
Principal							
Refunding bond 2011 SDC	25,000	-	-	50,000	100,000	100%	100,000
Water revenue bond 2003	10,000	-	-	20,000	-	-	40,000
Interest							
Refunding bond 2011 SDC	27,450	-	-	54,900	109,786	100%	109,800
Water revenue bond 2003	6,450	-	-	12,900	12,878	50%	25,800
Transfers	203,300	203,300	100%	406,600	406,600	50%	813,200
Contingency							818,409
Total expenditures	\$ 683,625	\$ 325,615	48%	\$ 1,367,250	\$ 1,089,016	31%	\$ 3,552,909
Revenue over (under) expenditures	(188,675)	103,990	-	(377,350)	(36,291)	-	(1,573,109)
Beginning fund balance	1,573,109	1,651,980	105%	1,573,109	1,651,980	105%	1,573,109
Ending fund balance	\$ 1,384,434	\$ 1,755,970	127%	\$ 1,195,759	\$ 1,615,689	135%	\$ -

December 31, 2013

Wastewater Fund

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

Overall revenue collection through the second quarter came in at approximately \$1.5 million or 48% of the annual budget. Second quarter revenue collection for charges for services was roughly \$724,000 or 96% of the quarter budget.

Second quarter expenditures came in at roughly \$522,000 or 67% of the quarter budget. Second quarter capital expenditures can largely be contributed to fixing a generator and calibrating a flow meter at the wastewater treatment plant. Overall expenditures are tracking as anticipated.

Fund balance has decreased through the second quarter by roughly \$130,000. This decrease can largely be attributed to the first quarter debt service payments in the amount of approximately \$560,600.

	Current Quarter		Quarter	Year to Date		Annual	Annual
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
Charges for services	\$ 754,150	\$ 724,233	96%	\$ 1,508,300	\$ 1,454,106	48%	\$ 3,016,600
Interest	750	883	118%	1,500	1,484	49%	3,000
Miscellaneous	15,125	26,851	178%	30,250	64,854	107%	60,500
SDCs - reimbursement fees	17,925	4,656	26%	35,850	5,774	8%	71,700
Total revenue	\$ 787,950	\$ 756,622	96%	\$ 1,575,900	\$ 1,526,218	48%	\$ 3,151,800
Expenditures							
Personal services	\$ 48,725	\$ 45,931	94%	\$ 97,450	\$ 92,186	47%	\$ 194,900
Materials and services	133,600	116,352	87%	267,200	271,824	51%	534,400
Franchise fees expense	37,750	37,750	100%	75,500	75,500	50%	151,000
Capital outlay							
Improvements	28,375	9,762	34%	56,750	15,903	14%	113,500
Debt service							
DEQ CWSRF R74682/2	99,725	-	-	199,450	197,995	50%	398,900
Refunding 2011 / principle	15,000	-	-	30,000	60,000	100%	60,000
Interest							
DEQ CWSRF R74682/2	47,100	-	-	94,200	95,615	51%	188,400
Refunding 2011 / interest	51,750	-	-	103,500	206,994	100%	207,000
Fees							
DEQ CWSRF R74682/1 & 2	4,075	-	-	8,150	16,261	100%	16,300
Transfers	312,150	312,150	100%	624,300	624,300	50%	1,248,600
Contingency							900,730
Total expenditures	\$ 778,250	\$ 521,944	67%	\$ 1,556,500	\$ 1,656,579	41%	\$ 4,013,730
Revenue over (under) expenditures	9,700	234,678	2419%	19,400	(130,361)	-	(861,930)
Other resources/(requirements)							
Debt service reserve	304,000		-	304,000	-	-	304,000
Beginning fund balance	1,165,930	1,115,324	96%	1,165,930	1,115,324	96%	1,165,930
Ending fund balance	\$ 1,175,630	\$ 1,350,002	115%	\$ 1,185,330	\$ 984,963	83%	\$ 304,000

December 31, 2013

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.

Revenue collection through the second quarter is at approximately 52% of the annual budget or \$733,000. Golf revenue is at roughly \$357,000 or 50% of the annual budget through the second quarter and is up over prior year second quarter by approximately \$34,000. Restaurant revenues are at approximately \$198,000 or 59% of the annual budget through the second quarter which is an increase over prior year quarter end by roughly 22%. Overall restaurant revenue is anticipated to exceed budget by yearend.

Expenditures through second quarter came in at roughly \$765,000 or 42% of the annual budget. Overall operating expenditures for the golf course are up roughly \$34,600 over prior year second quarter. Restaurant operating expenditures through the second quarter are up over prior year quarter end approximately 16%. Restaurant cost of goods sold and personnel services are the largest contributor to the increase in expenditures which is anticipated with restaurant sales out performing budget expectations. Course maintenance expenditures are up over prior year by approximately \$16,000 through the second quarter.

Fund balance decreased roughly \$32,300 leaving the ending fund balance at approximately \$363,000. Management continues to monitor expenditures closely.

	Current Quarter		Quarter	Year to Date		Annual	Annual
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
Revenue							
Charges for services							
Golf Course	\$ 178,375	\$ 84,356	47%	\$ 356,750	\$ 356,592	50%	\$ 713,500
Waste disposal	87,500	87,500	100%	175,000	175,000	50%	350,000
Restaurant	83,750	80,878	97%	167,500	197,769	59%	335,000
Other	1,250	1,186	95%	2,500	2,253	45%	5,000
Interest	500	761	152%	1,000	1,150	58%	2,000
Miscellaneous	500	229	46%	1,000	229	11%	2,000
Total revenue	\$ 351,875	\$ 254,910	72%	\$ 703,750	\$ 732,992	52%	\$ 1,407,500
Expenditures							
Golf Course	\$ 106,100	\$ 98,452	93%	\$ 212,200	\$ 235,383	55%	\$ 424,400
Waste disposal	113,275	104,188	92%	226,550	244,159	54%	453,100
Restaurant	94,825	100,784	106%	194,150	233,084	61%	379,300
Debt service							
Principal - Credit facility	10,500	-	-	21,000	20,651	49%	42,000
Interest - Credit facility	1,500	-	-	3,000	3,158	105%	6,000
Principal - 2011 bond	2,500	-	-	5,000	10,000	100%	10,000
Interest - 2011 bond	4,725	-	-	9,450	18,850	100%	18,900
Contingency							475,060
Total expenditures	\$ 333,425	\$ 303,424	91%	\$ 671,350	\$ 765,285	42%	\$ 1,808,760
Revenue over (under) expenditures	18,450	(48,514)	-	32,400	(32,293)	-	(401,260)
Beginning fund balance	401,260	395,569	99%	401,260	395,569	99%	401,260
Ending fund balance	\$ 419,710	\$ 347,055	83%	\$ 433,660	\$ 363,276	84%	\$ -

December 31, 2013

Freight Depot Fund

This fund is in a process of transition for being accounted for in the Railroad Fund. This fund accounted for the activities of the City's freight loading and storage activities. 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.

Audited ending fund balance was transferred to the Railroad Fund.

	Current Quarter		Quarter	Year to Date		Annual	Annual
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
Charges for services	\$ -		-	\$ -	\$ -	-	\$ -
Interest	-		-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-
transfers	-	-	-	-	-	-	-
Total revenue	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
Expenditures							
Personal services	\$ -	\$ -	-	\$ -	\$ -	-	\$ -
Debt service							
Transfers	31,471	29,397	93%	62,942	69,397	55%	125,884
Contingency							-
Total expenditures	\$ 31,471	\$ 29,397	93%	\$ 62,942	\$ 69,397	55%	\$ 125,884
Revenue over (under) expenditures	(31,471)	(29,397)	-	(62,942)	(69,397)	-	(125,884)
Beginning fund balance	125,884	69,397	55%	125,884	69,397	55%	125,884
Ending fund balance	\$ 94,413	\$ 40,000	42%	\$ 62,942	\$ -	-	\$ -

December 31, 2013

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 through the second quarter came in at approximately \$909,000 or 49% of the annual budget.

Overall expenditures at second quarter end are at approximately 48% of the annual budget or \$956,000.

Revenues and expenditures are as anticipated at second quarter end.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services	\$ 465,525	\$ 462,628	99%	\$ 931,050	\$ 908,490	49%	\$ 1,862,100
Interest	250	333	133%	500	449	45%	1,000
Total revenue	\$ 465,775	\$ 462,961	99%	\$ 931,550	\$ 908,939	49%	\$ 1,863,100
Expenditures							
City Council	\$ 20,225	\$ 18,183	90%	\$ 40,450	\$ 30,339	38%	\$ 80,900
Administration/team services	171,300	152,718	89%	342,600	355,776	52%	685,200
Financial services	156,975	155,100	99%	313,950	309,149	49%	627,900
Information technology	115,700	98,784	85%	231,400	260,655	60%	432,800
Contingency							180,304
Total expenditures	\$ 464,200	\$ 424,786	92%	\$ 928,400	\$ 955,919	48%	\$ 2,007,104
Revenue over (under) expenditures	1,575	38,175	2424%	3,150	(46,980)	-	(144,004)
Beginning fund balance	144,004	109,288	76%	144,004	109,288	76%	144,004
Ending fund balance	\$ 145,579	\$ 147,463	101%	\$ 147,154	\$ 62,308	42%	\$ -

December 31, 2013

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 are as anticipated. The debt service payment took place in the second quarter.

	Current Quarter		Quarter	Year to Date		Annual	Annual
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
Rent	\$ 43,225	\$ 44,150	102%	\$ 86,450	\$ 88,300	51%	\$ 172,900
Transfers	2,500		-	2,500	-	0%	10,000
Misc. Income	1,250	1,136	91%	5,000	1,966	39%	5,000
Interest	125	279	223%	250	402	80%	500
Total revenue	\$ 47,100	\$ 45,565	97%	\$ 94,200	\$ 90,668	48%	\$ 188,400
Expenditures							
Materials and services	\$ 18,850	\$ 13,752	73%	\$ 37,700	\$ 25,840	34%	\$ 75,400
Debt service							
Principal - USDA 2005	10,075	40,292	400%	20,150	40,292	100%	40,300
Interest - USDA - 2005	16,175	64,646	400%	32,350	64,646	100%	64,700
Transfers	2,500	10,000	400%	5,000	10,000	200%	10,000
Contingency							17,523
Total expenditures	\$ 47,600	\$ 128,690	270%	\$ 95,200	\$ 140,778	68%	\$ 207,923
Revenue over (under) expenditures	(500)	(83,125)	-	(1,000)	(50,110)	-	(19,523)
Other requirements							
Debt service reserve	105,000	105,000	100%	105,000	105,000	100%	105,000
Beginning fund balance	124,523	138,827	111%	124,523	138,827	111%	124,523
Ending fund balance	\$ 124,023	\$ 55,702	45%	\$ 123,523	\$ 88,717	72%	\$ 105,000

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.

This fund is as anticipated.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Intergovernmental	\$ 2,500	\$ 10,000	400%	\$ 5,000	\$ 10,000	100%	\$ 10,000
Interest	-	41	-	-	64	64%	100
Transfers	2,500	10,000	-	5,000	10,000	100%	10,000
Total revenue	\$ 5,000	\$ 20,041	401%	\$ 10,000	\$ 20,064	100%	\$ 20,100
Expenditures							
Materials and services	\$ 3,900	\$ 6,637	170%	\$ 7,800	\$ 8,880	57%	\$ 15,600
Transfers	925	925	100%	1,850	1,850	50%	3,700
Contingency							29,800
Total expenditures	\$ 4,825	\$ 7,562	157%	\$ 9,650	\$ 10,730	22%	\$ 49,100
Revenue over (under) expenditures	175	12,479	7131%	350	9,335	-	(29,000)
Beginning fund balance	29,000	33,306	115%	29,000	33,306	115%	29,000
Ending fund balance	\$ 29,175	\$ 45,785	157%	\$ 29,350	\$ 42,641	145%	\$ -

December 31, 2013

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.

Overall revenues are as anticipated.

Expenditures for public works support services are tracking under budget through the second quarter at \$467,000.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services	\$ 287,625	\$ 270,125	94%	\$ 575,250	\$ 542,960	47%	\$ 1,150,500
Interest	125	511	409%	250	710	142%	500
Miscellaneous	3,425	4,140	121%	6,850	7,314	53%	13,700
Total revenue	\$ 291,175	\$ 274,776	94%	\$ 582,350	\$ 550,984	47%	\$ 1,164,700
Expenditures							
Public Works Support Services	\$ 253,750	\$ 227,609	90%	\$ 507,500	\$ 467,098	46%	\$ 1,015,000
Public Works Fleet & Vehicles	61,500	31,078	51%	123,000	81,760	33%	246,000
Public Works Facilities	6,875	7,164	104%	13,750	17,094	62%	27,500
Contingency							106,839
Total expenditures	\$ 322,125	\$ 265,852	83%	\$ 644,250	\$ 565,952	41%	\$ 1,395,339
Revenue over (under) expenditures	(30,950)	8,925	-	(61,900)	(14,968)	-	(230,639)
Beginning fund balance	230,639	299,312	130%	230,639	299,312	130%	230,639
Ending fund balance	\$ 199,689	\$ 308,237	154%	\$ 168,739	\$ 284,344	169%	\$ -