



*City of Prineville, Oregon  
Financial Report  
Third Quarter Ended  
March 31, 2014*



## *Executive Summary*

Through the third quarter ending March 31, 2014 the City's financial condition decreased by approximately 9% or \$616,000. Timing in the collection of reimbursements for capital improvements and scheduled debt service payments are the largest 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 Water SDC, Wastewater SDC, Airport, Wastewater, and the Golf Course Funds. Funds with a significant positive impact to fund balance include the General Fund, Emergency Dispatch, PERS / POB and the Railroad Fund.

Through the third quarter, General Fund revenues came in at approximately 84% of the annual budget or \$3.39 million. Year to date property tax revenue is roughly \$1.59 million or 97% of the annual budget which is an increase of roughly \$65,000 over prior year's quarter end. Transient lodging taxes are down at roughly \$144,700 compared to \$153,900 in the prior year. Franchise fees are at roughly 61% of the annual budget and collection increased approximately \$201,000 over prior year's third quarter, largely due to increased revenue in electrical franchise fees. Electrical franchise fees have continued in their upward trend, ending the third quarter up by approximately \$186,300 over the same time frame last year though they are projected to come in under budget due to the timing in which the data centers power was turn on. The General Funds ending balance increased approximately \$71,000 through the third quarter and year-end projections estimate the fund balance to be roughly \$885,000 by June 30<sup>th</sup>.

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 through the third quarter. Projections are anticipating roughly break even by year-end

The Wastewater SDC Fund balance decreased roughly 62% or \$104,000 through the third quarter. This decrease is largely due to budgeted capital expenditures for the wetland project coming in at approximately \$95,000 during the second quarter. Third quarter capital expenditures were from the Crooked River Concept and Habitat Conservation Plan at roughly \$10,600. There were no SDC's collected during the third quarter but with the construction of the new school and hospital, SDC revenue is anticipated to come in at a favorable variance compared to the budget. Projections anticipate the fund balance to be roughly \$152,000 by the end of the fiscal year.

During the third quarter the City issued pension obligation bonds in the amount of \$2,950,000 in an effort to stabilize PERS rates and partially fund the City's unfunded liability with PERS. The first debt service payment is due June 1<sup>st</sup> and this will be funded through a transfer from personnel service from all the applicable funds.

The Railroad's Fund balance increased approximately \$149,000 through the third quarter. The largest contributing factor to the increase in fund balance is reimbursements that were collected in the third quarter for capital expenditures relating to the Connect Oregon project including acquiring a new locomotive.

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Airport fuel sales continue to trend up in comparison to prior year third quarter largely due to increased use of the facility from Hillsboro Aviation and Erickson's Air Crane. The Airport Fund's ending balance decreased approximately \$159,000 through the third quarter. The Airports Fund balance decrease can largely be attributed to the timing in which grant reimbursements are received. The Automated Weather Observation System (AWOS) construction is completed at the airport and is awaiting final inspections from the FAA. Once the final inspections are completed the FAA will issue the final reimbursements. The Airport is operating as anticipated.

The Golf Course fund balance decreased roughly 17% through the third quarter. Revenue over expenditure projections show a favorable variance to budget of approximately \$36,500. Year-end estimates anticipate fund balance coming in at roughly \$432,000 at June 30<sup>th</sup>. Management continues to monitor expenditures closely.

Other enterprise funds are as anticipated with insignificant change to fund balance through the third quarter. Internal service funds are as anticipated and will balance out by year-end.

A summary is presented in each fund to provide an explanation of financial performance and operating issues. We appreciate comments on how we may be able to improve this report to enhance your understanding of the City's finances.

Sincerely,

Steve Forrester  
City Manager

Liz Schuette,  
Finance Director

*All City Funds*

Fund	Budgeted Beginning Fund Balance	Actual Beginning Fund Balance	Current Year Resources	Current Year Expenditures	Ending Fund Balance	Change in Fund Balance	Percentage Change in Fund Balance	Projected Year-end Fund Balance
General	\$ 1,127,798	\$ 998,345	\$ 3,386,107	\$ 3,315,220	\$ 1,069,232	\$ 70,887	7%	\$ 885,445
Transportation	152,632	157,915	804,805	786,149	176,572	18,657	12%	235,615
Emergency Dispatch	218,587	218,866	819,834	770,544	268,156	49,290	23%	249,166
Planning	64,697	68,997	223,150	225,345	66,802	(2,195)	-3%	85,997
Transportation SDC	258,342	280,271	26,660	20,844	286,087	5,816	2%	324,971
Water SDC	30,038	11,458	1,372,388	1,834,108	(450,262)	(461,720)	-4030%	1,558
Wastewater SDC	188,988	167,152	10,379	114,543	62,988	(104,164)	-62%	152,252
LID Debt Service	69,075	70,220	178,457	158,108	90,569	20,349	29%	88,720
PERS/ POB	-	-	3,130,159	2,938,311	191,848	191,848	#DIV/0!	14,400
Railroad	623,097	704,985	1,073,988	925,364	853,610	148,625	21%	646,585
Airport	46,235	88,555	720,974	880,149	(70,620)	(159,175)	-180%	27,555
Water	1,573,109	1,651,980	1,406,278	1,443,392	1,614,867	(37,113)	-2%	1,413,380
Wastewater	1,165,930	1,115,324	2,251,365	2,435,510	931,179	(184,145)	-17%	1,097,324
Golf Course and Restaurant	401,260	395,569	988,353	1,057,127	326,794	(68,775)	-17%	432,115
Freight Depot	125,884	69,397	-	69,397	-	(69,397)	-100%	-
Administration and Financial Service	144,004	109,288	1,369,990	1,362,169	117,109	7,821	7%	89,788
Plaza Maintenance	29,000	33,306	20,105	15,337	38,074	4,768	14%	33,006
City Hall	124,523	138,827	135,466	154,008	120,284	(18,543)	-13%	150,227
Public Works Support Services	230,639	299,312	847,253	876,448	270,117	(29,195)	-10%	177,412
Totals	\$ 6,573,838	\$ 6,579,767	\$ 18,765,711	\$ 19,382,072	\$ 5,963,406	\$ (616,361)	-9%	\$ 6,105,516

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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.

At the end of the third quarter, overall revenue collection was at roughly \$3.39 million with approximately 1.59 million coming from property taxes. Property taxes are at 97% of the annual budget. Transient lodging taxes are down over prior year quarter end at roughly \$145,000 compared to \$154,000 last year. Franchise fees are at roughly 61% of the annual budget with an increase in collection over prior year third quarter end by roughly \$200,700. Electrical franchise fees are up by approximately \$186,000 over third quarter prior year comparison. The unfavorable difference in the budgeted to projected comparison in franchise fees of roughly \$302,700 is due to timing in which power was turned on at the data centers.

Police spending through the third quarter was at approximately 78% of the annual budget. During the third quarter, the annual police vehicle debt service payment of roughly \$54,400 was made to pooled cash. An additional budget adjustment may be needed for the police vehicle debt service payment as it is a large contributor to the variance in the year-end estimates to budget comparison. Police facility is as anticipated through the third quarter. Overall Non-departmental expenditures are projected to come in roughly \$265,000 under budget. Expenditures that were originally budgeted for the Ochoco Trail Project and Urban Renewal Feasibility study in FY 14 have been pushed out to FY 15. It was also originally budgeted for an \$180,000 transfer to the PERS fund to cover the debt service for the POB, but only \$60,000 was needed and the rest will be recovered through personnel services in the other funds.

Overall, the General Fund realized an increase in fund balance of approximately 7% or \$71,000 through the third quarter. Year-end estimates anticipate an ending fund balance of approximately \$885,000.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Estimate to Budget
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Property taxes	\$ 410,000	\$ 104,875	26%	\$ 1,230,000	\$ 1,589,776	97%	\$ 1,640,000	\$ 1,655,000	\$ 15,000
Transient lodging tax	50,000	23,129	46%	150,000	144,673	72%	200,000	200,000	-
Franchise fees	438,175	443,135	101%	1,314,525	1,065,650	61%	1,752,700	1,450,000	(302,700)
Licenses and permits	2,675	2,270	85%	8,025	5,223	49%	10,700	10,800	100
Intergovernmental revenues	67,600	110,261	163%	202,800	209,310	77%	270,400	266,800	(3,600)
Charges for services	25	-	-	75	-	0%	100	100	-
Interest	750	1,018	136%	2,250	2,616	87%	3,000	3,000	-
Miscellaneous	32,900	16,478	50%	98,700	110,160	84%	131,600	209,100	77,500
Debt Proceeds	-	-	-	-	258,700	#DIV/0!	-	258,700	258,700
<b>Total revenue</b>	<b>\$ 1,002,125</b>	<b>\$ 701,165</b>	<b>70%</b>	<b>\$ 3,006,375</b>	<b>\$ 3,386,107</b>	<b>84%</b>	<b>\$ 4,008,500</b>	<b>\$ 4,053,500</b>	<b>\$ 45,000</b>
<b>Expenditures</b>									
Police	834,275	786,791	94%	2,502,825	2,604,722	78%	3,337,100	3,337,100	-
Police facility	17,150	16,559	97%	51,450	44,200	64%	68,600	68,300	(300)
Non-departmental	256,475	287,362	112%	769,425	666,298	65%	1,025,900	761,000	(264,900)
Contingency							704,698		(704,698)
<b>Total expenditures</b>	<b>\$ 1,107,900</b>	<b>\$ 1,090,712</b>	<b>98%</b>	<b>\$ 3,323,700</b>	<b>\$ 3,315,220</b>	<b>65%</b>	<b>\$ 5,136,298</b>	<b>\$ 4,166,400</b>	<b>\$ (969,898)</b>
Revenue over (under) expenditures	(105,775)	(389,547)	-	(317,325)	70,887	-	(1,127,798)	(112,900)	1,014,898
<b>Beginning fund balance</b>	<b>1,127,798</b>	<b>998,345</b>	<b>89%</b>	<b>1,127,798</b>	<b>998,345</b>	<b>89%</b>	<b>1,127,798</b>	<b>998,345</b>	<b>(129,453)</b>
<b>Ending fund balance</b>	<b>\$ 1,022,023</b>	<b>\$ 608,798</b>	<b>60%</b>	<b>\$ 810,473</b>	<b>\$ 1,069,232</b>	<b>132%</b>	<b>\$ -</b>	<b>\$ 885,445</b>	

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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.

Third quarter revenue, for the Transportation Fund, came in at approximately 75% of the annual budget. Intergovernmental revenue collection is at 72% of the annual budget with the State of Oregon gas tax coming in at approximately \$405,600 through the third quarter. ODOT endowment funds are anticipated to come in by year-end for the maintenance of the Crooked River Wetland in the amount of roughly \$145,000.

Overall expenditures at third quarter end were at approximately 64% of the annual budget or roughly \$786,000. Capital expenditures are approximately 84% of the annual budget. Year-end estimates are anticipating capital expenditures of roughly \$592,400 a budget variance of \$179,300. This variance is largely due to the Crooked River Wetland maintenance and Cascade East Transit, both of which are reimbursed by ODOT through a grant and endowment funds.

Ending fund balance at year-end is projected to be approximately \$235,600.

	Current Quarter			Year to Date			Annual	Annual	Year-end	Estimate to Bud
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Budget	Estimate	Variance
Franchise Fees	\$ 60,275	\$ 60,275	100%	\$ 180,825	\$ 180,825	75%	\$ 241,100	\$ 241,100	\$ -	-
Intergovernmental	180,075	178,214	99%	540,225	515,410	72%	720,300	965,700	245,400	
Transfers	25,000	-	-	75,000	100,000	100%	100,000	100,000		
Interest	250	294	117%	750	932	93%	1,000	1,200	200	
Miscellaneous	2,625	4,356	166%	7,875	7,638	73%	10,500	10,000	(500)	
<b>Total revenue</b>	<b>\$ 268,225</b>	<b>\$ 243,139</b>	<b>91%</b>	<b>\$ 804,675</b>	<b>\$ 804,805</b>	<b>75%</b>	<b>\$ 1,072,900</b>	<b>\$ 1,318,000</b>	<b>\$ 245,100</b>	
<b>Expenditures</b>										
Personal services	47,850	51,962	109%	143,550	142,299	74%	191,400	195,200	3,800	
Material & services	48,450	29,431	61%	145,350	101,079	52%	193,800	192,300	(1,500)	
Capital outlay			-							
Improvements	103,275	22,719	22%	309,825	347,471	84%	413,100	592,400	179,300	
Transfers	65,100	65,100	100%	195,300	195,300	75%	260,400	260,400	-	
Contingency							166,832		(166,832)	
<b>Total expenditures</b>	<b>\$ 264,675</b>	<b>\$ 169,211</b>	<b>64%</b>	<b>\$ 794,025</b>	<b>\$ 786,149</b>	<b>64%</b>	<b>\$ 1,225,532</b>	<b>\$ 1,240,300</b>	<b>\$ 14,768</b>	
<b>Revenue over (under) expenditures</b>	<b>3,550</b>	<b>73,927</b>	<b>-</b>	<b>10,650</b>	<b>18,657</b>	<b>175%</b>	<b>(152,632)</b>	<b>77,700</b>	<b>230,332</b>	
<b>Beginning fund balance</b>	<b>152,632</b>	<b>157,915</b>	<b>103%</b>	<b>152,632</b>	<b>157,915</b>	<b>103%</b>	<b>152,632</b>	<b>157,915</b>	<b>5,283</b>	
<b>Ending fund balance</b>	<b>\$ 156,182</b>	<b>\$ 231,842</b>	<b>148%</b>	<b>\$ 163,282</b>	<b>\$ 176,572</b>	<b>108%</b>	<b>\$ -</b>	<b>\$ 235,615</b>		

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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 \$820,000 or 77% of the annual budget. Revenue collection came in as anticipated through the third quarter with intergovernmental revenue coming in at approximately \$469,000 or 79% of the annual budget.

Expenditures came in at approximately \$771,000 or 60% of the annual budget. Personnel services came in at roughly 69% of the annual budget or \$540,000. Third quarter capital expenditures were roughly \$24,000 which was spent for the instillation and acquisition of three MDT units for Crook County Fire and Rescue.

Year-end projections anticipate an ending fund balance of roughly \$249,000.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Intergovernmental	\$ 148,500	\$ 130,648	88%	\$ 445,500	468,875	79%	\$ 594,000	\$ 594,000	\$ -
Charges for services	750	137	18%	2,250	370	12%	3,000	26,000	23,000
Interest	750	341	45%	2,250	1,013	34%	3,000	3,000	-
Transfers from other funds	116,525	116,525	100%	349,575	349,575	75%	466,100	466,100	-
<b>Total revenue</b>	<b>\$ 266,525</b>	<b>\$ 247,651</b>	<b>93%</b>	<b>\$ 799,575</b>	<b>\$ 819,834</b>	<b>77%</b>	<b>\$ 1,066,100</b>	<b>\$ 1,089,100</b>	<b>\$ 23,000</b>
<b>Expenditures</b>									
Personal services	195,450	183,352	94%	586,350	540,352	69%	781,800	763,000	(18,800)
Material & services	23,250	14,890	64%	69,750	75,324	81%	93,000	90,000	(3,000)
Capital outlay	3,750	23,818	635%	11,250	29,018	193%	15,000	38,000	23,000
Transfers	41,950	41,950	100%	125,850	125,850	75%	167,800	167,800	-
Contingency					-	-	227,087		(227,087)
<b>Total expenditures</b>	<b>\$ 264,400</b>	<b>\$ 264,010</b>	<b>100%</b>	<b>\$ 793,200</b>	<b>\$ 770,544</b>	<b>60%</b>	<b>\$ 1,284,687</b>	<b>\$ 1,058,800</b>	<b>\$ (225,887)</b>
<b>Revenue over (under) expenditures</b>	<b>2,125</b>	<b>(16,360)</b>	<b>-</b>	<b>6,375</b>	<b>49,290</b>	<b>773%</b>	<b>(218,587)</b>	<b>30,300</b>	<b>248,887</b>
<b>Beginning fund balance</b>	<b>218,587</b>	<b>218,866</b>	<b>100%</b>	<b>218,587</b>	<b>218,866</b>	<b>100%</b>	<b>218,587</b>	<b>218,866</b>	<b>279</b>
<b>Ending fund balance</b>	<b>\$ 220,712</b>	<b>\$ 202,506</b>	<b>92%</b>	<b>\$ 224,962</b>	<b>\$ 268,156</b>	<b>119%</b>	<b>\$ -</b>	<b>\$ 249,166</b>	



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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.

Third quarter revenue collection came in at approximately \$72,300 or 86% of the quarter budget. Revenue collection through the third quarter for licenses and permits is at approximately \$29,200 with roughly \$7,500 coming in the third quarter. Year-end projections anticipate revenues coming in as budgeted.

Expenditures incurred during the third quarter came in at approximately \$69,000 or 81% of quarter budget and are as anticipated.

The Planning Fund is anticipated to have an ending fund balance of approximately \$86,000 by year-end.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Estimate to Budg
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Revenue									
Licenses & Permits	\$ 11,500	\$ 7,528	65%	\$ 34,500	29,227	64%	\$ 46,000	\$ 46,000	-
Charges for services	9,725	2,186	22%	29,175	6,198	16%	38,900	38,900	-
Interest	50	77	154%	150	225	112%	200	200	-
Transfers from other funds	62,500	62,500	100%	187,500	187,500	75%	250,000	250,000	-
<b>Total revenue</b>	<b>\$ 83,775</b>	<b>\$ 72,291</b>	<b>86%</b>	<b>\$ 251,325</b>	<b>\$ 223,150</b>	<b>67%</b>	<b>\$ 335,100</b>	<b>\$ 335,100</b>	<b>\$ -</b>
Personal services	53,150	41,854	79%	159,450	132,384	62%	212,600	191,000	(21,600)
Material & services	5,100	491	10%	15,300	12,935	63%	20,400	20,400	-
Transfers	26,675	26,675	100%	80,025	80,025	75%	106,700	106,700	-
Contingency							60,097		(60,097)
<b>Total expenditures</b>	<b>\$ 84,925</b>	<b>\$ 69,020</b>	<b>81%</b>	<b>\$ 254,775</b>	<b>\$ 225,345</b>	<b>56%</b>	<b>\$ 399,797</b>	<b>\$ 318,100</b>	<b>\$ (81,697)</b>
<b>Revenue over (under) expenditures</b>	<b>(1,150)</b>	<b>3,271</b>	<b>-</b>	<b>(3,450)</b>	<b>(2,195)</b>	<b>-</b>	<b>(64,697)</b>	<b>17,000</b>	<b>81,697</b>
<b>Beginning fund balance</b>	<b>64,697</b>	<b>68,997</b>	<b>107%</b>	<b>64,697</b>	<b>68,997</b>	<b>107%</b>	<b>64,697</b>	<b>68,997</b>	<b>4,300</b>
<b>Ending fund balance</b>	<b>\$ 63,547</b>	<b>\$ 72,268</b>	<b>114%</b>	<b>\$ 61,247</b>	<b>\$ 66,802</b>	<b>109%</b>	<b>\$ -</b>	<b>\$ 85,997</b>	

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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 third quarter for the Transportation SDC Fund is at approximately 5% of the annual budget. SDC collection during the third quarter came in at roughly \$3,700.

Expenditures through the third quarter were at approximately \$20,800 or 3% of the annual budget. All third quarter capital expenditures were incurred from the Habitat Conservation Plan and the Crooked River Concept. These capital expenditures will be moved to the Water Fund and accounted for there in the future.

Revenues over expenditures projections show a favorable variance at year-end of approximately \$44,700. Fund balance is projected to be roughly \$325,000 at year-end.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Intergovernmental	\$ 1,250		-	\$ 3,750	\$ 1,632	33%	\$ 5,000	\$ 5,000	-
Interest	125	281	225%	375	899	180%	500	1,000	500
System development charges	127,850	3,705	3%	383,550	24,129	5%	511,400	101,700	(409,700)
<b>Total revenue</b>	<b>\$ 129,225</b>	<b>\$ 3,986</b>	<b>3%</b>	<b>\$ 387,675</b>	<b>\$ 26,660</b>	<b>5%</b>	<b>\$ 516,900</b>	<b>\$ 107,700</b>	<b>\$ (409,200)</b>
<b>Expenditures</b>									
Material & services	2,500		-	7,500	-	-	10,000	7,500	(2,500)
Capital outlay			-			-			
Improvements	11,250	11,947	106%	33,750	20,844	46%	45,000	25,000	(20,000)
Transfers	6,425		-	19,275	-	-	25,700	30,500	4,800
Contingency							694,542		(694,542)
<b>Total expenditures</b>	<b>\$ 20,175</b>	<b>\$ 11,947</b>	<b>59%</b>	<b>\$ 60,525</b>	<b>\$ 20,844</b>	<b>3%</b>	<b>\$ 775,242</b>	<b>\$ 63,000</b>	<b>\$ (712,242)</b>
<b>Revenue over (under) expenditures</b>	<b>109,050</b>	<b>(7,961)</b>	<b>-</b>	<b>327,150</b>	<b>5,816</b>	<b>-</b>	<b>(258,342)</b>	<b>44,700</b>	<b>303,042</b>
<b>Beginning fund balance</b>	<b>258,342</b>	<b>280,271</b>	<b>108%</b>	<b>258,342</b>	<b>280,271</b>	<b>108%</b>	<b>258,342</b>	<b>280,271</b>	<b>\$ 21,929</b>
<b>Ending fund balance</b>	<b>\$ 367,392</b>	<b>\$ 272,310</b>	<b>74%</b>	<b>\$ 585,492</b>	<b>\$ 286,087</b>	<b>49%</b>	<b>\$ -</b>	<b>\$ 324,971</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.

Overall third quarter revenue came in at approximately \$724,000 or 94% of the quarter budget. Revenue associated with charges for services are reimbursements for the Apple project which were approximately \$706,000 in the third quarter. Third quarter intergovernmental revenue was all associated with the Source Water Protection grant.

Overall third quarter expenditures are approximately 153% of quarter budget or \$1,119,100 all of which are made up by capital improvements. Third quarter capital expenditures were for the airport water well construction and the Wellhead Protection Area Delineation update which is reimbursed through the Source Water Protection grant.

Capital expenditures from water acquisition rights, the Habitat Conservation Plan and the Crooked River Concept in the total projected amount of \$45,000 will be moved to the Water Fund and accounted for there in the future.

Timing in which Apple reimbursements are billed for the airport water well project are the largest contributing factor to the \$462,000 decrease in fund balance through the end of the third quarter. Revenue over expenditure projections are anticipating the fund to balance out by year-end.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Interest	\$ 125		-	\$ 375	\$ 15	3%	\$ 500	\$ 500	-
System development charges	64,550		-	193,650	14,731	6%	258,200	63,800	(194,400)
Intergovernmental	6,250	18,011	288%	18,750	20,271	81%	25,000	25,000	-
Charges for Services	700,000	705,746	101%	2,100,000	1,337,371	48%	2,800,000	2,457,900	(342,100)
<b>Total revenue</b>	<b>\$ 770,925</b>	<b>\$ 723,757</b>	<b>94%</b>	<b>\$ 2,312,775</b>	<b>\$ 1,372,388</b>	<b>45%</b>	<b>\$ 3,083,700</b>	<b>\$ 2,547,200</b>	<b>\$ (536,500)</b>
<b>Expenditures</b>									
Material & services	1,250		-	3,750	46	1%	5,000	-	(5,000)
Capital outlay			-						
Improvements	698,925	1,118,867	160%	2,096,775	1,834,062	66%	2,795,700	2,487,900	(307,800)
Transfers	33,250		-	99,750	-	0%	133,000	69,200	(63,800)
Contingency							180,038		(180,038)
<b>Total expenditures</b>	<b>\$ 733,425</b>	<b>\$ 1,118,867</b>	<b>153%</b>	<b>\$ 2,200,275</b>	<b>\$ 1,834,108</b>	<b>59%</b>	<b>\$ 3,113,738</b>	<b>\$ 2,557,100</b>	<b>\$ (556,638)</b>
<b>Revenue over (under) expenditures</b>	<b>37,500</b>	<b>(395,110)</b>	<b>-</b>	<b>112,500</b>	<b>(461,720)</b>	<b>-</b>	<b>(30,038)</b>	<b>(9,900)</b>	<b>20,138</b>
<b>Beginning fund balance</b>	<b>30,038</b>	<b>11,458</b>	<b>38%</b>	<b>30,038</b>	<b>11,458</b>	<b>38%</b>	<b>30,038</b>	<b>11,458</b>	<b>18,580</b>
<b>Ending fund balance</b>	<b>\$ 67,538</b>	<b>\$ (383,652)</b>	<b>-</b>	<b>\$ 142,538</b>	<b>\$ (450,262)</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 1,558</b>	

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### ***Wastewater SDC Fund***

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

There were no SDC's collected during the third quarter but with the construction of the new school and hospital, SDC revenue is anticipated to come in at a favorable variance compared to the budget.

Capital expenditures came in through the third quarter at approximately \$115,000 or 88% of the annual budget. All third quarter capital expenditures were incurred from the Habitat Conservation Plan and the Crooked River Concept. These capital expenditures will be moved to the Water Fund and accounted for there in the future.

Estimates are projecting a fund balance of approximately \$152,000 at year-end.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Interest	125	48	39%	375	298	60%	500	500	-
System development charges	46,725	-	-	140,175	10,081	5%	186,900	202,900	16,000
<b>Total revenue</b>	<b>\$ 46,850</b>	<b>\$ 48</b>	<b>0%</b>	<b>\$ 140,550</b>	<b>\$ 10,379</b>	<b>6%</b>	<b>\$ 187,400</b>	<b>\$ 203,400</b>	<b>\$ 16,000</b>
<b>Expenditures</b>									
Capital outlay									
Improvements	32,500	10,646	33%	97,500	114,543	88%	130,000	130,000	-
Transfers	3,250	-	-	9,750	-	0%	13,000	88,300	75,300
Contingency				-			233,388		(233,388)
<b>Total expenditures</b>	<b>\$ 35,750</b>	<b>\$ 10,646</b>	<b>30%</b>	<b>\$ 107,250</b>	<b>\$ 114,543</b>	<b>30%</b>	<b>\$ 376,388</b>	<b>\$ 218,300</b>	<b>\$ (158,088)</b>
<b>Revenue over (under) expenditures</b>	<b>11,100</b>	<b>(10,598)</b>	<b>-</b>	<b>33,300</b>	<b>(104,164)</b>	<b>-</b>	<b>(188,988)</b>	<b>(14,900)</b>	<b>174,088</b>
<b>Beginning fund balance</b>	<b>188,988</b>	<b>167,152</b>	<b>88%</b>	<b>188,988</b>	<b>167,152</b>	<b>88%</b>	<b>188,988</b>	<b>167,152</b>	<b>(21,836)</b>
<b>Ending fund balance</b>	<b>\$ 200,088</b>	<b>\$ 156,554</b>	<b>78%</b>	<b>\$ 222,288</b>	<b>\$ 62,988</b>	<b>28%</b>	<b>\$ -</b>	<b>\$ 152,252</b>	



March 31, 2014

### ***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.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Interest	125	51	41%	375	170	34%	500	500	-
Assessment repayments	44,400	84,414	190%	133,200	178,287	100%	177,600	178,300	700
<b>Total revenue</b>	<b>\$ 44,525</b>	<b>\$ 84,466</b>	<b>190%</b>	<b>\$ 133,575</b>	<b>\$ 178,457</b>	<b>100%</b>	<b>\$ 178,100</b>	<b>\$ 178,800</b>	<b>\$ 700</b>
<b>Expenditures</b>									
Materials and services	100	-	-	300	-	-	400	400	-
Debt service									
Principal									
10th St/Madras Hwy LID - 2003	2,400	3,209	134%	7,200	7,912	82%	9,600	9,600	-
Ironhorse LID - 2006	17,650	35,802	203%	52,950	70,589	100%	70,600	70,600	-
Interest									
10th Street/Madras Hwy LID - 2003	75	68	91%	225	282	94%	300	300	-
Ironhorse LID - 2006	19,850	39,155	197%	59,550	79,325	100%	79,400	79,400	-
Contingency							86,875		(86,875)
<b>Total expenditures</b>	<b>40,075</b>	<b>78,235</b>	<b>195%</b>	<b>120,225</b>	<b>158,108</b>	<b>64%</b>	<b>247,175</b>	<b>160,300</b>	<b>(86,875)</b>
<b>Revenue over (under) expenditures</b>	<b>4,450</b>	<b>6,231</b>	<b>140%</b>	<b>13,350</b>	<b>20,349</b>	<b>152%</b>	<b>(69,075)</b>	<b>18,500</b>	<b>87,575</b>
<b>Beginning fund balance</b>	<b>69,075</b>	<b>70,220</b>	<b>102%</b>	<b>69,075</b>	<b>70,220</b>	<b>102%</b>	<b>69,075</b>	<b>70,220</b>	<b>1,145</b>
<b>Ending fund balance</b>	<b>\$ 73,525</b>	<b>\$ 76,451</b>	<b>104%</b>	<b>\$ 82,425</b>	<b>\$ 90,569</b>	<b>110%</b>	<b>\$ -</b>	<b>\$ 88,720</b>	

March 31, 2014

**PERS/POB Fund**

This fund accounts for the potential issuance of pension obligation bonds to fund the City's existing unfunded actuarial liability (UAL) and associated debt repayment. The principal source of revenue is charges to other funds with salaries subject to PERS via a surcharge. A transfer from the General Fund is included to pre-fund a portion of debt service costs. Expenditures are for payments to PERS for the UAL and for debt service requirements.

During the third quarter the City issued pension obligation bonds in the amount of \$2,950,000 in an effort to stabilize PERS rates and partially fund the City's unfunded liability with PERS. The first debt service payment is due June 1<sup>st</sup> and this will be funded through a transfer from personnel service from all the applicable funds.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-End	
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Interest	\$ -	\$ 159	-	\$ -	\$ 159	-	\$ -	\$ 100	\$ 100
Debt Proceeds	987,500	2,950,000	299%	2,962,500	2,950,000	75%	3,950,000	2,950,000	(1,000,000)
Transfer from other funds	45,000	168,475	374%	135,000	180,000	100%	180,000	100,000	(80,000)
<b>Total revenue</b>	<b>\$ 1,032,500</b>	<b>\$ 3,118,634</b>	<b>302%</b>	<b>\$ 3,097,500</b>	<b>\$ 3,130,159</b>	<b>76%</b>	<b>\$ 4,130,000</b>	<b>\$ 3,050,100</b>	<b>\$ (1,079,900)</b>
<b>Expenditures</b>									
Personnel Services	950,000	2,846,700	300%	2,850,000	2,846,700	75%	3,800,000	2,846,700	(953,300)
Materials and Services	37,500	80,086	214%	112,500	91,611	61%	150,000	91,700	(58,300)
Debt service									-
Principal - POB 2013	-	-	-	-	-	-	-	45,000	45,000
Interest - POB 2013	27,500	-	-	82,500	-	-	110,000	52,300	(57,700)
Contingency							70,000		
<b>Total expenditures</b>	<b>\$ 1,015,000</b>	<b>\$ 2,926,786</b>	<b>288%</b>	<b>\$ 3,045,000</b>	<b>\$ 2,938,311</b>	<b>71%</b>	<b>\$ 4,130,000</b>	<b>\$ 3,035,700</b>	<b>\$ (1,024,300)</b>
<b>Revenue over (under) expenditures</b>	<b>\$ 17,500</b>	<b>\$ 191,848</b>	<b>1096%</b>	<b>\$ 52,500</b>	<b>\$ 191,848</b>	<b>365%</b>	<b>\$ -</b>	<b>\$ 14,400</b>	<b>\$ (55,600)</b>
<b>Beginning fund balance</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending fund balance</b>	<b>\$ 17,500</b>	<b>\$ 191,848</b>		<b>\$ 52,500</b>	<b>\$ 191,848</b>		<b>\$ -</b>	<b>\$ 14,400</b>	



March 31, 2014

### ***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.

Through the third quarter overall revenues are at roughly \$1,074,000 or 69% of the annual budget. Charges for services for the railroad are at approximately \$195,000 or 55% of the annual budget through the third quarter. Charges for services at the freight depot are at roughly \$97,000 or 65% of the annual budget through the third quarter. Combined charges for services are down roughly \$70,000 overall compared to prior year through the third quarter largely contributed to decreasing rail traffic. Intergovernmental revenue came in at roughly 87% of the annual budget through the third quarter. Third quarter intergovernmental revenue in the amount of roughly \$341,000 was collected for the Connect Oregon III project.

Overall expenditures through the third quarter are at approximately \$925,000 or 43% of the annual budget. Personnel services are at roughly \$192,000 or 73% of the annual budget. The debt service payment was made in the third quarter of approximately \$50,200.

Ending fund balance is at approximately \$854,000 though the third quarter and estimates are projecting a fund balance of roughly \$647,000 at year-end.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Charges for services									
Railroad	\$ 89,250	\$ 59,423	67%	\$ 267,750	194,986	55%	\$ 357,000	\$ 271,100	(85,900)
Freight Depot	37,250	31,493	85%	111,750	96,667	65%	149,000	122,000	(27,000)
Use of money & property	17,900	12,007	67%	53,700	37,781	53%	71,600	52,600	(19,000)
Intergovernmental	175,000	341,050	195%	525,000	606,735	87%	700,000	659,100	(40,900)
Miscellaneous	5,000	-	-	15,000	17,424	87%	20,000	23,000	3,000
Transfers	62,946	-	-	188,838	120,397	48%	251,784	171,400	(80,384)
<b>Total revenue</b>	<b>\$ 387,346</b>	<b>\$ 443,972</b>	<b>115%</b>	<b>\$ 1,162,038</b>	<b>\$ 1,073,988</b>	<b>69%</b>	<b>\$ 1,549,384</b>	<b>\$ 1,299,200</b>	<b>\$ (250,184)</b>
Expenditures									
Personal services	65,900	63,848	97%	197,700	192,469	73%	263,600	260,300	(3,300)
Material and services	81,150	58,598	72%	243,450	204,430	63%	324,600	256,400	(68,200)
Capital outlay	-	-	-	-	-	-	-	-	-
Improvements	175,000	34,401	20%	525,000	355,711	51%	700,000	644,100	(55,900)
Debt Service									
Principal - Credit Facility	22,100	44,498	201%	66,300	88,381	100%	88,400	88,400	-
Interest - Credit Facility	3,125	5,738	184%	9,375	12,448	100%	12,500	12,500	-
Transfers	23,975	23,975	100%	71,925	71,925	75%	95,900	95,900	-
Contingency	-	-	-	-	-	-	687,481	-	(687,481)
<b>Total expenditures</b>	<b>\$ 371,250</b>	<b>\$ 231,058</b>	<b>62%</b>	<b>\$ 1,113,750</b>	<b>\$ 925,364</b>	<b>43%</b>	<b>\$ 2,172,481</b>	<b>\$ 1,357,600</b>	<b>\$ (814,881)</b>
<b>Revenue over (under) expenditures</b>	<b>16,096</b>	<b>212,914</b>	<b>1323%</b>	<b>48,288</b>	<b>148,625</b>	<b>-</b>	<b>(623,097)</b>	<b>(58,400)</b>	<b>564,697</b>
<b>Beginning fund balance</b>	<b>623,097</b>	<b>704,985</b>	<b>113%</b>	<b>623,097</b>	<b>704,985</b>	<b>113%</b>	<b>623,097</b>	<b>704,985</b>	<b>81,888</b>
<b>Ending fund balance</b>	<b>\$ 639,193</b>	<b>\$ 917,899</b>	<b>144%</b>	<b>\$ 671,385</b>	<b>\$ 853,610</b>	<b>127%</b>	<b>\$ -</b>	<b>\$ 646,585</b>	

March 31, 2014

### *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 through the third quarter were approximately 58% of the annual budget or \$721,000. The largest contributors to the third quarter revenue were intergovernmental revenue for the reimbursements for the Automated Weather Observation System (AWOS) and fuel sales at roughly \$120,500. Fuel sales are up over prior year at third quarter end by approximately \$105,000 largely due to increased use of the facility from Hillsboro Aviation and Erickson's Air Crane.

Expenditures through the third quarter came in at approximately \$880,000 or 68% of the annual budget. Fuel and oil expenditures were roughly \$106,000 making up the majority of expenditures associated with materials and services in the third quarter. The AWOS construction contributed to approximately \$150,000 of the capital expenditures during the third quarter.

The Airports Fund balance decrease can largely be attributed to the timing in which grant reimbursements are received. The Automated Weather Observation System (AWOS) construction is completed at the airport and is awaiting final inspections from the FAA. Once the final inspections are completed the FAA will issue the final reimbursements. Revenue over expenditure estimates show a fund balance decrease of roughly \$61,000 by year-end with the ending fund balance at approximately \$27,600.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Estimate to Bud
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Intergovernmental	\$ 129,500	\$ 160,170	124%	\$ 388,500	\$ 262,004	51%	\$ 518,000	\$ 382,500	(135,500)
Charges for services	175,125	132,356	76%	525,375	458,933	66%	700,500	676,500	(24,000)
Other revenues	25	-	-	75	38	38%	100	100	-
Transfers	6,250	-	-	6,250	-	0%	25,000	25,000	-
<b>Total revenue</b>	<b>\$ 310,900</b>	<b>\$ 292,526</b>	<b>94%</b>	<b>\$ 920,200</b>	<b>\$ 720,974</b>	<b>58%</b>	<b>\$ 1,243,600</b>	<b>\$ 1,084,100</b>	<b>\$ (159,500)</b>
Personnel Service	19,900	21,438	108%	59,700	61,498	77%	79,600	95,200	15,600
Materials and Services	147,750	133,081	90%	443,250	475,220	80%	591,000	630,000	39,000
Capital outlay	125,375	190,864	152%	376,125	281,856	56%	501,500	337,800	(163,700)
Transfers	20,525	20,525	100%	61,575	61,575	75%	82,100	82,100	-
Contingency							35,635		(35,635)
<b>Total expenditures</b>	<b>\$ 313,550</b>	<b>\$ 365,908</b>	<b>117%</b>	<b>\$ 940,650</b>	<b>\$ 880,149</b>	<b>68%</b>	<b>\$ 1,289,835</b>	<b>\$ 1,145,100</b>	<b>\$ (144,735)</b>
<b>Revenue over (under) expenditures</b>	<b>(2,650)</b>	<b>(73,382)</b>	<b>-</b>	<b>(20,450)</b>	<b>(159,175)</b>	<b>-</b>	<b>(46,235)</b>	<b>(61,000)</b>	<b>(14,765)</b>
<b>Beginning fund balance</b>	<b>46,235</b>	<b>88,555</b>	<b>192%</b>	<b>46,235</b>	<b>88,555</b>	<b>192%</b>	<b>46,235</b>	<b>88,555</b>	<b>42,320</b>
<b>Ending fund balance</b>	<b>\$ 43,585</b>	<b>\$ 15,173</b>	<b>35%</b>	<b>\$ 25,785</b>	<b>\$ (70,620)</b>	<b>-</b>	<b>\$ -</b>	<b>\$ 27,555</b>	



March 31, 2014

### ***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 through the third quarter came in at approximately \$1,406,000 or 71% of the annual budget. Revenue associated with charges for services is at roughly \$1,400,000 with approximately \$1,366,000 coming from metered water sales.

Expenditures through the third quarter are at roughly 41% of the annual budget. Capital expenditures for the Habitat Conservation Plan and the Crooked River Concept are going to be accounted for in the Water Fund and moved from the SDC Funds.

Capital expenditures budgeted for FY 14 included \$600,000 for recoating the Ochoco water storage tanks, but the need has been reassessed and that project has been put off to FY 19. Revenue projections are showing an unfavorable variance in charges for services. The budget committee approved a rate increase of 6% for FY 14, but the adopted rate schedule did not reflect the increase. Year-end estimates show a projected ending fund balance of roughly \$1.4 million by June 30th.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Charges for services	\$ 462,950	\$ 351,892	76%	\$ 1,388,850	\$ 1,399,712	76%	\$ 1,851,800	\$ 1,771,000	(80,800)
Interest	1,000	1,289	129%	3,000	3,972	99%	4,000	5,000	1,000
Miscellaneous	1,000	371	37%	3,000	2,594	65%	4,000	5,500	1,500
Transfers	30,000	-	-	90,000	-	0%	120,000	63,000	(57,000)
<b>Total revenue</b>	<b>\$ 494,950</b>	<b>\$ 353,553</b>	<b>71%</b>	<b>\$ 1,484,850</b>	<b>\$ 1,406,278</b>	<b>71%</b>	<b>\$ 1,979,800</b>	<b>\$ 1,844,500</b>	<b>\$ (135,300)</b>
<b>Expenditures</b>									
Materials and services	115,400	70,169	61%	346,200	262,293	57%	461,600	457,200	(4,400)
Franchise fees expense	22,525	22,525	100%	67,575	67,575	75%	90,100	90,100	-
Capital outlay									
Improvements	273,500	5,505	2%	820,500	228,083	21%	1,094,000	447,000	(647,000)
Debt service									
Principal									
Refunding bond 2011	25,000			75,000	100,000	100%	100,000	100,000	-
Water revenue bond 2003	10,000	40,000	400%	30,000	40,000	100%	40,000	40,000	-
Interest									
Refunding bond 2011	27,450			82,350	109,786	100%	109,800	109,800	-
Water revenue bond 2003	6,450	12,877	200%	19,350	25,755	100%	25,800	25,800	-
Transfers	203,300	203,300	100%	609,900	609,900	75%	813,200	813,200	-
Contingency				-			818,409		(818,409)
<b>Total expenditures</b>	<b>\$ 683,625</b>	<b>\$ 354,375</b>	<b>52%</b>	<b>\$ 2,050,875</b>	<b>\$ 1,443,392</b>	<b>41%</b>	<b>\$ 3,552,909</b>	<b>\$ 2,083,100</b>	<b>\$ (1,469,809)</b>
<b>Revenue over (under) expenditures</b>	<b>(188,675)</b>	<b>\$ (823)</b>	<b>-</b>	<b>(566,025)</b>	<b>(37,113)</b>	<b>-</b>	<b>(1,573,109)</b>	<b>(238,600)</b>	<b>1,334,509</b>
<b>Beginning fund balance</b>	<b>1,573,109</b>	<b>1,651,980</b>	<b>105%</b>	<b>1,573,109</b>	<b>1,651,980</b>	<b>105%</b>	<b>1,573,109</b>	<b>1,651,980</b>	<b>78,871</b>
<b>Ending fund balance</b>	<b>\$ 1,384,434</b>	<b>\$ 1,651,157</b>	<b>119%</b>	<b>\$ 1,007,084</b>	<b>\$ 1,614,867</b>	<b>160%</b>	<b>\$ -</b>	<b>\$ 1,413,380</b>	

March 31, 2014

### ***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 third quarter came in at approximately \$2.25 million or 71% of the annual budget. Charges for services are roughly 72% of the annual budget or \$2.17 million through the third quarter. Year-end revenue projections anticipate charges for services to come in at roughly \$2.9 million. Estimate to budget variance in charges for services is likely due to conservation efforts and increased efficiencies for business that are metered by consumption for sewer charges stemmed from the passed economic downturn.

Overall expenditures are at roughly \$2.44 million or 61% of the annual budget through the third quarter. Overall expenditures are tracking as anticipated with a slight favorable budget to projected variance.

Revenue over expenditure projections show a decrease in the fund balance of roughly \$18,000 by year-end. Ending fund balance is estimated to be \$1.1 million by June 30<sup>th</sup>.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Estimate to Budget
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Charges for services	\$ 754,150	\$ 715,217	95%	\$ 2,262,450	\$ 2,169,324	72%	\$ 3,016,600	\$ 2,925,000	(91,600)
Interest	750	613	82%	2,250	2,097	70%	3,000	3,000	-
Miscellaneous	15,125	9,316	62%	45,375	74,170	123%	60,500	83,500	23,000
SDCs - reimbursement fees	17,925	-	-	53,775	5,774	8%	71,700	-	(71,700)
Transfers	-	-	-	-	-	-	-	74,800	74,800
<b>Total revenue</b>	<b>\$ 787,950</b>	<b>\$ 725,147</b>	<b>92%</b>	<b>\$ 2,363,850</b>	<b>\$ 2,251,365</b>	<b>71%</b>	<b>\$ 3,151,800</b>	<b>\$ 3,086,300</b>	<b>\$ (65,500)</b>
<b>Expenditures</b>									
Personal services	48,725	48,695	100%	146,175	140,881	72%	194,900	203,300	8,400
Materials and services	133,600	83,749	63%	400,800	355,574	67%	534,400	517,300	(17,100)
Franchise fees expense	37,750	37,750	100%	113,250	113,250	75%	151,000	151,000	-
Capital outlay									
Improvements	28,375	2,977	10%	85,125	18,880	17%	113,500	113,500	-
Debt service									
Principal									
DEQ CWSRF R74682/2	99,725	200,905	201%	299,175	398,900	100%	398,900	398,900	-
Refunding 2011 / principal	15,000	-	-	45,000	60,000	100%	60,000	60,000	-
Interest	-								
DEQ CWSRF R74682/2	47,100	92,705	197%	141,300	188,320	100%	188,400	188,400	-
Refunding 2011 / interest	51,750	-	-	155,250	206,994	100%	207,000	207,000	-
Refinance									
Fees									
DEQ CWSRF R74682/2	4,075	-	-	12,225	16,261	100%	16,300	16,300	-
Transfers	312,150	312,150	100%	936,450	936,450	75%	1,248,600	1,248,600	-
Contingency							900,730		(900,730)
<b>Total expenditures</b>	<b>778,250</b>	<b>778,931</b>	<b>100%</b>	<b>2,334,750</b>	<b>2,435,510</b>	<b>61%</b>	<b>4,013,730</b>	<b>3,104,300</b>	<b>(909,430)</b>
<b>Revenue over (under) expenditures</b>	<b>9,700</b>	<b>(53,784)</b>		<b>29,100</b>	<b>(184,145)</b>	<b>-</b>	<b>(861,930)</b>	<b>(18,000)</b>	<b>843,930</b>
<b>Other resources / (requirements)</b>									
Debt service reserve	304,000	-	-	304,000	-	-	304,000	304,000	304,000
<b>Beginning fund balance</b>	<b>1,165,930</b>	<b>1,115,324</b>	<b>96%</b>	<b>1,165,930</b>	<b>1,115,324</b>	<b>96%</b>	<b>1,165,930</b>	<b>1,115,324</b>	<b>(50,606)</b>
<b>Ending fund balance</b>	<b>\$ 1,175,630</b>	<b>\$ 1,061,540</b>	<b>90%</b>	<b>\$ 1,195,030</b>	<b>\$ 931,179</b>	<b>78%</b>	<b>\$ 304,000</b>	<b>\$ 1,097,324</b>	



March 31, 2014

### *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 third quarter is at approximately 70% of the annual budget or \$988,000. Golf revenue is at roughly \$465,000 or 65% of the annual budget, which is an increase over prior year third quarter by approximately \$26,000. Restaurant revenues are at approximately \$256,000 or 76% of the annual budget, which is an increase over prior year quarter end by roughly \$28,000. Overall restaurant revenue is anticipated to exceed budget by yearend by approximately \$37,500.

Expenditures through third quarter came in at roughly \$1,057,000 or 58% of the annual budget. Overall operating expenditures for the golf course are up roughly \$33,000 over prior year third quarter. Restaurant operating expenditures through the third quarter are up over prior year quarter end approximately \$43,000. 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 \$22,000 through the third quarter.

Fund balance decreased roughly 17% through the third quarter. Revenue over expenditure projections show a favorable variance to budget of approximately \$36,500. Year-end estimates anticipate fund balance coming in at roughly \$432,000 at June 30<sup>th</sup>. Management continues to monitor expenditures closely.

	Current Quarter			Year to Date			Annual	Annual	Year-end	Estimate to Bud
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Budget	Estimate	Variance
Charges for services										
Golf Course	\$ 178,375	\$ 108,634	61%	\$ 535,125	\$ 465,226	65%	\$ 713,500	\$ 712,500		(1,000)
Waste disposal	87,500	87,500	100%	262,500	262,500	75%	350,000	350,000		-
Restaurant	83,750	57,998	69%	251,250	255,767	76%	335,000	372,500		37,500
Other	1,250	722	58%	3,750	2,974	59%	5,000	5,000		-
Interest	500	507	101%	1,500	1,657	83%	2,000	2,000		-
Miscellaneous	500	0	0%	1,500	229	11%	2,000	1,000		(1,000)
<b>Total revenue</b>	<b>\$ 351,875</b>	<b>\$ 255,361</b>	<b>73%</b>	<b>\$ 1,055,625</b>	<b>\$ 988,353</b>	<b>70%</b>	<b>\$ 1,407,500</b>	<b>\$ 1,443,000</b>	<b>\$</b>	<b>35,500</b>
<b>Expenditures</b>										
Golf Course	106,100	95,688	90%	318,300	331,071	78%	424,400	436,399		11,999
Waste disposal	113,275	82,959	73%	339,825	327,119	72%	453,100	455,412		2,312
Restaurant	99,325	89,076	90%	297,975	322,160	81%	397,300	437,743		40,443
Debt service										
Principal - Credit facility	10,500	21,329	203%	31,500	41,980	100%	42,000	42,000		-
Interest - Credit facility	1,500	2,790	186%	4,500	5,948	99%	6,000	6,000		-
Principal - 2011 bond	2,500	-	-	7,500	10,000	100%	10,000	10,000		-
Interest - 2011 bond	4,725	-	-	14,175	18,850	100%	18,900	18,900		-
Contingency							457,060			(457,060)
<b>Total expenditures</b>	<b>\$ 337,925</b>	<b>\$ 291,842</b>	<b>86%</b>	<b>\$ 1,013,775</b>	<b>\$ 1,057,127</b>	<b>58%</b>	<b>\$ 1,808,760</b>	<b>\$ 1,406,454</b>	<b>\$</b>	<b>(402,306)</b>
<b>Revenue over (under) expenditures</b>	<b>13,950</b>	<b>(36,482)</b>	<b>-</b>	<b>41,850</b>	<b>(68,775)</b>	<b>-</b>	<b>(401,260)</b>	<b>36,546</b>		<b>437,806</b>
<b>Beginning fund balance</b>	<b>401,260</b>	<b>395,569</b>	<b>99%</b>	<b>401,260</b>	<b>395,569</b>	<b>99%</b>	<b>401,260</b>	<b>395,569</b>		<b>(5,691)</b>
<b>Ending fund balance</b>	<b>\$ 415,210</b>	<b>\$ 359,087</b>	<b>86%</b>	<b>\$ 443,110</b>	<b>\$ 326,794</b>	<b>74%</b>	<b>\$ -</b>	<b>\$ 432,115</b>		

March 31, 2014

### ***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. This fund will be closing.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Estimate to Budget
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Charges for services	\$ -	-	-	\$ -	-	-	\$ -	-	-
Interest	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Expenditures</b>									
Personal services	-	-	-	-	-	-	-	-	-
Materials and services	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Principal Credit facility	-	-	-	-	-	-	-	-	-
Interest Credit facility	-	-	-	-	-	-	-	-	-
Transfers	31,471	-	-	94,413	69,397	55%	125,884	69,397	(56,487)
Contingency	-	-	-	-	-	-	0	-	-
<b>Total expenditures</b>	<b>\$ 31,471</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 94,413</b>	<b>\$ 69,397</b>	<b>55%</b>	<b>\$ 125,884</b>	<b>\$ 69,397</b>	<b>\$ (56,487)</b>
<b>Revenue over (under) expenditures</b>	<b>(31,471)</b>	<b>-</b>	<b>-</b>	<b>(94,413)</b>	<b>(69,397)</b>	<b>-</b>	<b>(125,884)</b>	<b>(69,397)</b>	<b>56,487</b>
<b>Beginning fund balance</b>	<b>125,884</b>	<b>69,397</b>	<b>55%</b>	<b>125,884</b>	<b>69,397</b>	<b>55%</b>	<b>125,884</b>	<b>69,397</b>	<b>(56,487)</b>
<b>Ending fund balance</b>	<b>\$ 94,413</b>	<b>\$ 69,397</b>	<b>74%</b>	<b>\$ 31,471</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>	<b>\$ -</b>	

March 31, 2014

***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 revenues are as anticipated through the third quarter and year-end projections show revenues coming in as budgeted.

Overall expenditures through the end of the third quarter are at approximately 68% of the annual budget or \$1.36 million. Overall year-end expenditure estimates are anticipated to go slightly over budget largely due to the POB debt service payment taken out of personnel services.

Ending fund balance is anticipated to be approximately \$90,000 according to year-end estimates.

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Estimate to Bud
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Charges for services	\$ 465,525	\$ 460,776	99%	1,396,575	\$ 1,369,266	74%	\$ 1,862,100	\$ 1,862,000	(100)
Interest	250	275	110%	750	724	72%	1,000	1,000	-
<b>Total revenue</b>	<b>\$ 465,775</b>	<b>\$ 461,051</b>	<b>99%</b>	<b>\$ 1,397,325</b>	<b>\$ 1,369,990</b>	<b>74%</b>	<b>\$ 1,863,100</b>	<b>\$ 1,863,000</b>	<b>\$ (100)</b>
<b>Expenditures</b>									
City Council	20,225	14,726	73%	60,675	45,065	56%	80,900	76,700	(4,200)
Administration/team services	171,300	156,862	92%	513,900	512,638	75%	685,200	721,900	36,700
Financial services	156,975	147,092	94%	470,925	456,242	73%	627,900	631,400	3,500
Information technology	108,200	87,570	81%	324,600	348,224	80%	432,800	452,500	19,700
Contingency							180,304		(180,304)
<b>Total expenditures</b>	<b>\$ 456,700</b>	<b>\$ 406,250</b>	<b>89%</b>	<b>\$ 1,370,100</b>	<b>\$ 1,362,169</b>	<b>68%</b>	<b>\$ 2,007,104</b>	<b>\$ 1,882,500</b>	<b>\$ (124,604)</b>
<b>Revenue over (under) expenditures</b>	<b>9,075</b>	<b>54,801</b>	<b>-</b>	<b>27,225</b>	<b>7,821</b>	<b>-</b>	<b>(144,004)</b>	<b>(19,500)</b>	<b>124,504</b>
<b>Beginning fund balance</b>	<b>144,004</b>	<b>109,288</b>	<b>76%</b>	<b>144,004</b>	<b>109,288</b>	<b>76%</b>	<b>144,004</b>	<b>109,288</b>	<b>(34,716)</b>
<b>Ending fund balance</b>	<b>\$ 153,079</b>	<b>\$ 164,089</b>	<b>107%</b>	<b>\$ 171,229</b>	<b>\$ 117,109</b>	<b>68%</b>	<b>\$ -</b>	<b>\$ 89,788</b>	



March 31, 2014

### 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. Year-end revenue over expenditure estimates are projecting an increase of approximately \$11,400 to the ending fund balance.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Estimate to Budj
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Variance
Rent	\$ 43,225	\$ 44,150	102%	129,675	\$ 132,450	77%	\$ 172,900	\$ 172,900	-
Transfers	2,500	-	-	7,500	-	0%	10,000	10,000	-
Misc. Income	1,250	512	41%	3,750	2,478	50%	5,000	5,000	-
Interest	125	136	-	375	538	108%	500	1,000	500
<b>Total revenue</b>	<b>\$ 47,100</b>	<b>\$ 44,798</b>	<b>95%</b>	<b>\$ 141,300</b>	<b>\$ 135,466</b>	<b>72%</b>	<b>\$ 188,400</b>	<b>\$ 188,900</b>	<b>\$ 500</b>
<b>Expenditures</b>									
Materials and services	18,850	13,230	70%	56,550	39,070	52%	75,400	62,500	(12,900)
Debt service							-		
Principal - USDA 2005	10,075	-	-	30,225	40,292	100%	40,300	40,300	-
Interest - USDA - 2005	16,175	-	-	48,525	64,646	100%	64,700	64,700	-
Transfers	2,500	-	-	7,500	10,000	100%	10,000	10,000	-
Contingency							17,523		(17,523)
<b>Total expenditures</b>	<b>\$ 47,600</b>	<b>13,230</b>	<b>28%</b>	<b>\$ 142,800</b>	<b>\$ 154,008</b>	<b>74%</b>	<b>\$ 207,923</b>	<b>\$ 177,500</b>	<b>\$ (30,423)</b>
<b>Revenue over (under) expenditures</b>	<b>(500)</b>	<b>31,568</b>	<b>-</b>	<b>(1,500)</b>	<b>(18,543)</b>	<b>-</b>	<b>(19,523)</b>	<b>11,400</b>	<b>30,923</b>
<b>Other requirements</b>									
Debt service reserve	105,000	105,000	100%	105,000	105,000	100%	105,000		105,000
<b>Beginning fund balance</b>	<b>124,523</b>	<b>138,827</b>	<b>111%</b>	<b>124,523</b>	<b>138,827</b>	<b>111%</b>	<b>124,523</b>	<b>138,827</b>	<b>14,304</b>
<b>Ending fund balance</b>	<b>\$ 124,023</b>	<b>\$ 170,395</b>	<b>137%</b>	<b>\$ 123,023</b>	<b>\$ 120,284</b>	<b>98%</b>	<b>\$ 105,000</b>	<b>\$ 150,227</b>	

March 31, 2014

### ***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.

Expenditures associated with materials and services are projected to go over budget by roughly \$1,000 due to extra snow removal and landscape repairs needed.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budg Variance
	Budget	Actual		Budget	Actual				
Intergovernmental	\$ 2,500		-	7,500	\$ 10,000	100%	\$ 10,000	\$ 10,000	\$ -
Interest	25	41	162%	75	105	105%	100	100	-
Transfers	2,500		-	7,500	10,000	100%	10,000	10,000	-
<b>Total revenue</b>	<b>\$ 5,025</b>	<b>\$ 41</b>	<b>1%</b>	<b>\$ 15,075</b>	<b>\$ 20,105</b>	<b>100%</b>	<b>\$ 20,100</b>	<b>\$ 20,100</b>	<b>\$ -</b>
<b>Expenditures</b>									
Materials and services	3,900	3,682	94%	11,700	12,562	81%	15,600	16,700	1,100
Transfers	925	925	100%	2,775	2,775	75%	3,700	3,700	-
Contingency							29,800		(29,800)
<b>Total expenditures</b>	<b>\$ 4,825</b>	<b>\$ 4,607</b>	<b>95%</b>	<b>\$ 14,475</b>	<b>\$ 15,337</b>	<b>31%</b>	<b>\$ 49,100</b>	<b>\$ 20,400</b>	<b>\$ (28,700)</b>
<b>Revenue over (under) expenditures</b>	<b>200</b>	<b>(4,567)</b>	<b>-</b>	<b>600</b>	<b>4,768</b>	<b>-</b>	<b>(29,000)</b>	<b>(300)</b>	<b>28,700</b>
<b>Beginning fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,306</b>	<b>-</b>	<b>29,000</b>	<b>33,306</b>	<b>4,306</b>
<b>Ending fund balance</b>	<b>\$ 200</b>	<b>\$ (4,567)</b>	<b>-</b>	<b>\$ 600</b>	<b>\$ 38,074</b>	<b>6346%</b>	<b>\$ -</b>	<b>\$ 33,006</b>	

March 31, 2014

### ***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 through the third quarter with projections anticipating a favorable variance to budget at year-end.

Expenditures for Public Works Facilities are at approximately 92% of the annual budget and are anticipated to go over budget by approximately \$7,000 largely due to expensed incurred for the solar panels at the facility.

Projected fund balance is anticipated to come in at roughly \$177,000 at year-end.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Charges for services	\$ 287,625	\$ 295,125	103%	\$ 862,875	\$ 838,085	73%	\$ 1,150,500	\$ 1,163,000	12,500
Interest	125	363	291%	375	1,073	215%	500	1,200	700
Miscellaneous	3,425	781	23%	10,275	8,095	59%	13,700	13,700	-
<b>Total revenue</b>	<b>\$ 291,175</b>	<b>\$ 296,269</b>	<b>102%</b>	<b>\$ 873,525</b>	<b>\$ 847,253</b>	<b>73%</b>	<b>\$ 1,164,700</b>	<b>\$ 1,177,900</b>	<b>\$ 13,200</b>
<b>Expenditures</b>									
Public Works Support Services	253,750	227,838	90%	761,250	694,936	68%	1,015,000	1,019,300	4,300
Public Works Fleet & Vehicles	61,500	74,387	121%	184,500	156,147	63%	246,000	246,000	-
Public Works Facilities	6,875	8,271	120%	20,625	25,365	92%	27,500	34,500	7,000
Contingency							106,839		(106,839)
<b>Total expenditures</b>	<b>\$ 322,125</b>	<b>\$ 310,496</b>	<b>96%</b>	<b>\$ 966,375</b>	<b>\$ 876,448</b>	<b>63%</b>	<b>\$ 1,395,339</b>	<b>\$ 1,299,800</b>	<b>\$ (95,539)</b>
<b>Revenue over (under) expenditures</b>	<b>(30,950)</b>	<b>(14,227)</b>	<b>-</b>	<b>(92,850)</b>	<b>(29,195)</b>	<b>-</b>	<b>(230,639)</b>	<b>(121,900)</b>	<b>108,739</b>
<b>Beginning fund balance</b>	<b>230,639</b>	<b>299,312</b>	<b>130%</b>	<b>230,639</b>	<b>299,312</b>	<b>130%</b>	<b>230,639</b>	<b>299,312</b>	<b>68,673</b>
<b>Ending fund balance</b>	<b>\$ 199,689</b>	<b>\$ 285,085</b>	<b>143%</b>	<b>\$ 137,789</b>	<b>\$ 270,117</b>	<b>196%</b>	<b>\$ -</b>	<b>\$ 177,412</b>	