

*City of Prineville, Oregon
Financial Report
Second Quarter Ended
December 31, 2025*



Executive Summary

The City of Prineville moved to a biennial budget in FY 20 resulting in some changes being made to the presentation of the quarterly financial report. The report includes a city-wide summary of beginning fund balances, current period resources and expenditures, and the ending fund balances for all funds. Included in the fund summaries, starting on page six, are comparisons of actual to budgeted amounts, and narrative explaining results and highlights for the quarter. The biennial budget comparison to actual is highlighted in light green in each of the funds. Annual budget estimates for FY 26 reflect the estimated budget allocation for the fiscal year. The quarter budget estimates have been allocated proportionally to the fiscal year budget (25 percent).

Current Quarter Quarter budget estimates allocated at 25 percent of the fiscal year budget compared to actual			Year to Date Fiscal year 2026 budget allocation compared to actual				Biennial budget comparison to actual		
↓			↓				↓		
Current Quarter			Year to Date						
Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance	Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance

The information presented in this report is unaudited.

During the second quarter, ending December 31, 2025, the City's financial condition increased by approximately \$2.4 million or 8 percent. Funds with significant increases in fund balance, not associated with transfers, include the General Fund, Transportation, Water and Water SDC, and Wastewater and Wastewater SDC Funds. Increases in franchise fees, charges for services and capital projects starting later in the year have positively affected these funds.

Through the second quarter, General Fund revenues came in at roughly 64 percent of the annual budget or \$8.96 million. Property tax revenue is roughly 101 percent of the annual budget at quarter end. Transient lodging taxes are up approximately 2 percent in comparison to the prior year. Franchise fees are roughly 52 percent of the annual budget with overall collection up approximately \$918,000 over prior year quarter end. Electrical franchise fees are up in comparison to the prior year at quarter end, roughly \$935,000 largely due to electrical rate increases. Overall, the General Fund realized an increase in fund balance of roughly \$2 million or 19 percent through the second quarter which was anticipated with property taxes being due in November.

The Transportation's fund balance increased roughly \$445,000 or 64 percent through the second quarter. This was largely due to the timing in which budgeted projects are completed and revenues are received. The 2025 crack sealing project started in Q2 this year. State gas tax collection came in at roughly \$480,000 and is up approximately 3 percent over the prior year quarter end.

In Emergency Dispatch, fund balance increased approximately \$150,000 or 8 percent at quarter end. Contributing to the increase in fund balance is the shortage of staff for the department. At

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quarter end, there were 4 open positions looking to be filled. Contracted dispatchers are helping with staffing coverage.

In the SDC funds, capital projects continued and the SDC distribution took place during the second quarter. In the Water SDC Fund, ASR well upgrades continued which are being funded through reimbursements from the data centers. In the Wastewater SDC Fund and also in the Water SDC Fund, the utility expansion design project for the Willowdale area is in its beginning phases. That expansion design project will be reimbursed through congressionally directed spending and administered through the EPA. In the Transportation SDC Fund, the finishing touches of the Peters to Combs Flat extension were completed and Iron Horse area road construction started. SDC collection during the second quarter is associated with 6 residential construction starts and 2 commercial construction starts.

In the PERS Fund, the City created a new PERS side account in the second quarter to help stabilize future rates. To maximize the side account contribution, the City was able to utilize the Employer Incentive Fund (EIF) offered through the State. The City was one of 36 employers who got their applications submitted in time. The City deposited \$2.5 million and the State deposited an additional ~\$525k into the side account. The City will start to see PERS contribution rate savings from the new side account starting on July 1, 2026, with the 2.86 percent rate credit which brings the total rate credit to 9.5 percent from all City created side accounts.

Railroad revenue comparisons to the prior year at second quarter end show overall revenues are up roughly 16 percent. The significant increases are in freight, miscellaneous and freight depot charges for services. Freight cars are up in comparison to the prior year by 61 cars with 31 percent of the haulage being associated with the new commodity of barley during the first half of the fiscal year. Freight depot charges for services are up mostly due to annual increases built into the lease contracts and increased activity. Materials and services are roughly 64 percent of the annual budget with the annual insurance payment coming out during the first quarter of roughly \$145,000. In August there was a fire near the freight depot facility and damages were still being assessed during the second quarter. A budget adjustment may be needed before yearend due to this unanticipated event. The railroad is anticipating the obligation of \$1.6 million for the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant in the third quarter. Fund balance decreased roughly \$29,000 or -3 percent through the second quarter.

Meadow Lakes Golf fund balance increased approximately \$56,000 or 5 percent through the second quarter. Capital equipment purchases totaled about \$97,000 through quarter end. Operating revenue for the golf course is up in comparison to the prior year at quarter end 22 percent with rounds of golf up by approximately 2,580 rounds. For FY 26, 5 out of the first 6 months of the fiscal year have been record breaking months for rounds of golf with the help of the favorable weather. Combined golf course operating expenditures and maintenance expenditures are up roughly 10 percent over the prior year. This increase can largely be attributed to pay increases that took place in July with some of those increases being mandatory with the increase in minimum wage and an irrigation line break during the first quarter.

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All other funds are as anticipated at quarter 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

Lori Hooper Antram,
Finance Director



Roundabout at the top of the grade on 10/7/25. Photo Credit – Juli Moore

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All City Funds

Fund	Budgeted	Actual Audited	Current	Current	Ending	Change	Percentage
	Beginning Fund	Beginning Fund	Year	Year	Fund	in Fund	Change
	Balance	Balance	Resources	Expenditures	Balance	Balance	in Fund
General	\$ 9,567,887	\$ 10,597,047	\$ 8,961,468	\$ 6,969,545	\$ 12,588,970	\$ 1,991,923	19%
Transportation	645,336	693,418	1,159,044	713,830	1,138,632	445,214	64%
Emergency Dispatch	1,887,147	1,809,200	1,258,439	1,108,595	1,959,044	149,844	8%
Planning	245,004	256,988	333,169	342,067	248,091	(8,897)	-3%
Transportation SDC	4,303,266	3,402,913	314,266	168,361	3,548,818	145,905	4%
Water SDC	418,228	297,876	1,216,295	1,123,019	391,152	93,276	31%
Wastewater SDC	300,969	332,992	154,319	85,512	401,798	68,806	21%
PERS / POB	2,566,940	2,579,907	392,885	2,517,152	455,639	(2,124,268)	-82%
Railroad	1,015,796	1,026,600	658,724	687,999	997,326	(29,274)	-3%
Airport	90	2,755	100,645	95,112	8,288	5,533	201%
Water	1,748,784	1,968,024	2,431,155	1,955,353	2,443,827	475,803	24%
Wastewater	2,200,707	2,935,192	2,786,076	2,220,390	3,500,878	565,686	19%
Golf Course and Restaurant	893,165	1,068,202	1,117,449	1,061,548	1,124,104	55,902	5%
Administration and Financial Service:	276,602	540,425	2,949,888	2,694,325	795,988	255,563	47%
Building Facilities	1,022,415	1,090,074	847,271	306,736	1,630,609	540,535	50%
Plaza Maintenance	32,240	25,755	20,890	5,351	41,295	15,540	60%
Public Works Support Services	176,692	354,888	1,205,098	1,409,525	150,461	(204,427)	-58%
Totals	\$ 27,301,268	\$ 28,982,256	\$ 25,907,081	\$ 23,464,420	\$ 31,424,916	\$ 2,442,660	8%



Ochoco creek park in October 2025

General Fund

The General Fund accounts for the City's police and non-departmental operations and activities. The primary sources of revenue include property taxes, transient lodging taxes, franchise fees, and intergovernmental revenue.

Overall revenue collection through the second quarter is approximately \$8.96 million or 64 percent of the annual budget. Most of the property tax revenue came in during the second quarter landing at roughly \$3.02 million or 101 percent of the annual budget at quarter end. Transient lodging taxes are up in comparison to the prior year by roughly 2 percent. Franchise fees are roughly 52 percent of the annual budget with overall collection up approximately \$918,000 in comparison to the prior year at quarter end. Electrical franchise fees are up in comparison to the prior year at quarter end roughly \$935,000, with all the data center building being populated and electrical rate increases.

Police spending through the second quarter was approximately 53 percent of the annual budget. Personnel services are at roughly 45 percent of the annual budget with 1.5 budgeted position open. Union negotiations were finalized during the second quarter, and the new Axon body cam contract was executed during the second quarter.

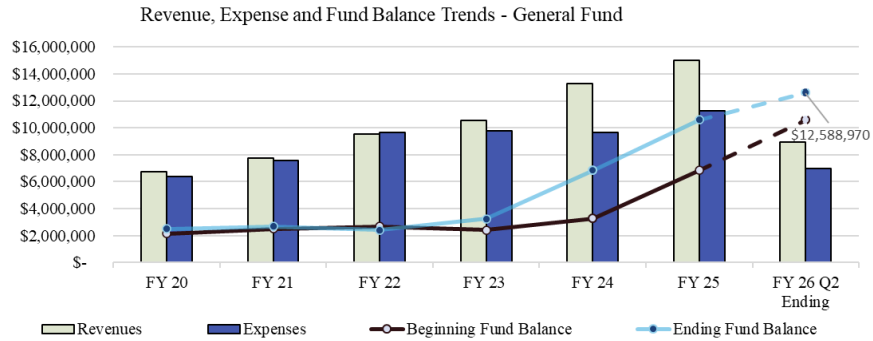
Non-Departmental is roughly 42 percent of the annual budget. Second quarter significant expenditures in Non-Departmental included \$47,000 in street lighting, \$116,000 in transient lodging taxes to the chamber of commerce and \$1.2 million in transfers to support planning, streets, the airport, administrative services, PERS funding and building facilities.



Officer Jerome, Officer Bottoms and Officer Pearson, giving out candy for Halloween for the Candy Crawl.

General Fund – Continued

Overall, the General Fund realized an increase in fund balance of roughly \$2 million or 19 percent through quarter end. This was anticipated with property tax collection coming due in November.



	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Quarter Actual	Quarter Budget %	Annual Budget Est.	Annual Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Property taxes	\$ 750,000	\$ 3,003,208	400%	\$ 3,000,000	\$ 3,019,754	101%	\$ (19,754)	\$ 6,088,700	50%	\$ 3,068,946
Transient lodging tax	125,000	119,482	96%	500,000	310,017	62%	189,983	1,000,000	31%	689,983
Franchise fees	2,348,175	2,692,087	115%	9,392,700	4,931,028	52%	4,461,672	19,012,800	26%	14,081,772
Licenses and permits	1,375	940	68%	5,500	2,305	42%	3,195	11,000	21%	8,695
Intergovernmental revenues	118,250	57,070	48%	473,000	110,519	23%	362,481	796,000	14%	685,481
Transfers	-	-	-	-	-	-	-	170,250	0%	170,250
Interest	50,000	115,013	230%	200,000	221,248	111%	(21,248)	320,000	69%	98,752
Miscellaneous	101,625	356,558	351%	406,500	366,597	90%	39,903	822,500	45%	455,903
Total revenue	\$ 3,494,425	\$ 6,344,359	182%	\$ 13,977,700	\$ 8,961,468	64%	\$ 5,016,232	\$ 28,221,250	32%	\$ 19,259,782
Expenditures										
Police	\$ 2,591,875	\$ 2,900,535	112%	\$ 10,367,500	\$ 5,519,244	53%	\$ 4,848,256	\$ 21,166,100	26%	15,646,856
Non-departmental	855,550	426,219	50%	3,422,200	1,450,301	42%	1,971,899	5,771,400	25%	4,321,099
Contingency	-	-	-	9,755,887	-	-	-	10,851,637	-	10,851,637
Total expenditures	\$ 3,447,425	\$ 3,326,754	96%	\$ 23,545,587	\$ 6,969,545	30%	\$ 6,820,155	\$ 37,789,137	18%	\$ 19,967,955
Revenue over (under) expenditures	\$ 47,000	\$ 3,017,605	28%	\$ (9,567,887)	\$ 1,991,923	19%	\$ (1,803,923)	\$ (9,567,887)		
Beginning fund balance	9,567,887	10,597,047	111%	9,567,887	10,597,047	111%	9,567,887	9,567,887		
Ending fund balance	\$ 9,614,887	\$ 13,614,652	142%	\$ -	\$ 12,588,970	-	\$ 7,763,964	\$ -		



Shop with a Cop (SWAP) participants – December 2025

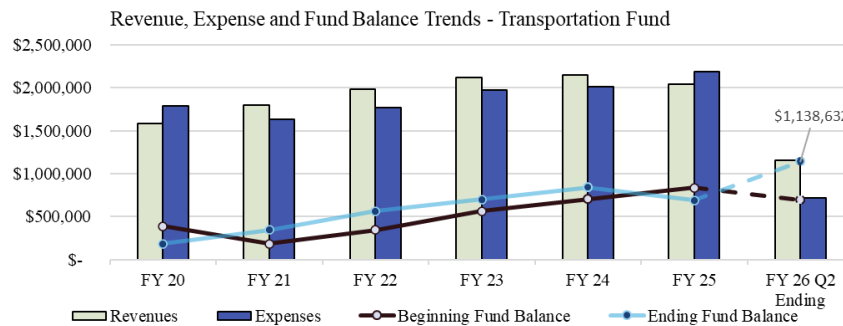
Transportation Fund

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, slurry seals, signals, insurance and asphalt.

Revenue for the Transportation Fund through the second quarter is approximately 49 percent of the annual budget. Intergovernmental revenue collection is at 50 percent of the annual budget with roughly \$480,000 coming in for gas taxes at quarter end. State gas tax collection is up approximately 3 percent over the prior year at second quarter end.

Expenditures through the second quarter are approximately 24 percent of annual budget with the 2025 crack sealing project starting in the second quarter. Personnel services are at 51 percent of the annual budget with the retirement of Rob Katzenberger in December who worked for the City for over 39 years. Materials and services are at 33 percent of the annual budget.

Fund balance increased roughly 64 percent through the second quarter, largely due to the timing in which budgeted projects are completed and revenues are received. Below are revenue, expense and fund balance trends for the Transportation Fund.



	Current Quarter			Year to Date						
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance	Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
Revenue										
Franchise fees	\$ 109,675	\$ 109,675	100%	\$ 438,700	\$ 219,350	50%	\$ 219,350	\$ 898,300	24%	\$ 678,950
Intergovernmental	294,200	332,534	113%	1,176,800	593,345	50%	583,455	2,353,600	25%	1,760,255
Transfers	143,750	143,750	100%	575,000	287,500	50%	287,500	1,150,000	25%	862,500
Interest	5,000	13,709	274%	20,000	25,527	128%	(5,527)	35,000	73%	9,473
Miscellaneous	35,550	4,915	14%	142,200	33,322	23%	108,878	168,700	20%	135,378
Total revenue	\$ 588,175	\$ 604,583	103%	\$ 2,352,700	\$ 1,159,044	49%	\$ 1,193,656	\$ 4,605,600	25%	\$ 3,446,556
Expenditures										
Personnel services	\$ 80,700	\$ 92,158	114%	\$ 322,800	\$ 165,428	51%	\$ 157,372	\$ 658,200	25%	492,772
Material and services	136,650	58,609	43%	546,600	180,099	33%	366,501	1,104,900	16%	924,801
Capital outlay										
Improvements	200,000	53,240	27%	800,000	53,354	7%	746,646	1,650,000	3%	1,596,646
Transfers	157,475	157,475	100%	629,900	314,950	50%	314,950	1,429,200	22%	1,114,250
Contingency				698,736				408,636		408,636
Total expenditures	\$ 574,825	\$ 361,482	63%	\$ 2,998,036	\$ 713,830	24%	\$ 1,585,470	\$ 5,250,936	14%	\$ 4,537,106
Revenue over (under) expenditures	\$ 13,350	\$ 243,101	35%	\$ (645,336)	\$ 445,214	64%	\$ (391,814)	\$ (645,336)		
Beginning fund balance	645,336	693,418	107%	645,336	693,418	107%		645,336		
Ending fund balance	\$ 658,686	\$ 936,519	142%	\$ -	\$ 1,138,632	-		\$ -		

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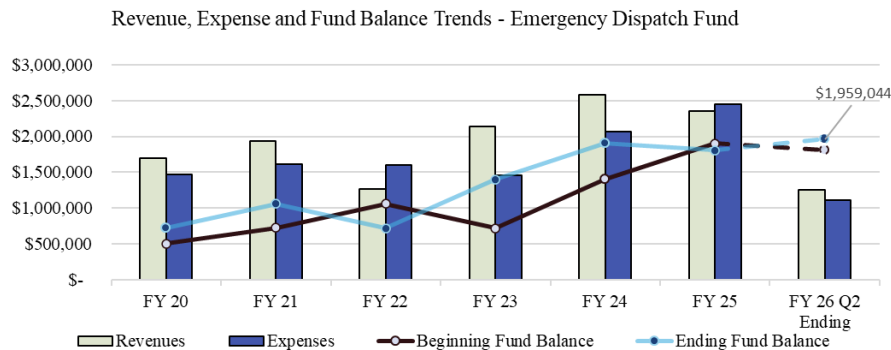
Emergency Dispatch Fund

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 \$1.26 million or 55 percent of the annual budget. Intergovernmental revenue collection through the quarter was at roughly \$793,000 with E-911 funds down roughly \$10,000 in comparison to the prior year, same time frame.

Expenditures are approximately \$1.11 million or 27 percent of the annual budget. Personnel services are 35 percent of the annual budget with overtime coming in at roughly 96 percent. Union contract negotiations were finalized during the second quarter. Dispatch continued to be short staff, losing 2 new dispatchers during the second quarter.

Fund balance increased roughly \$150,000 or 8 percent through quarter end. Below are revenue, expense and fund balance trends for the Emergency Dispatch Fund.



	Current Quarter			Year to Date						
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance	Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
Revenue										
Intergovernmental	\$ 348,725	\$ 300,479	86%	\$ 1,394,900	\$ 792,984	57%	\$ 601,916	\$ 2,865,200	28%	\$ 2,072,216
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Interest	10,000	19,465	195%	40,000	38,405	96%	1,595	46,000	83%	7,595
Transfers from other funds	213,525	213,525	100%	854,100	427,050	50%	427,050	1,537,800	28%	1,110,750
Total revenue	\$ 572,250	\$ 533,470	93%	\$ 2,289,000	\$ 1,258,439	55%	\$ 1,030,561	\$ 4,449,000	28%	\$ 3,190,561
Expenditures										
Personnel services	\$ 458,450	\$ 333,830	73%	\$ 1,833,800	\$ 644,693	35%	\$ 1,189,107	\$ 3,908,700	16%	\$ 3,264,007
Material and services	118,350	79,139	67%	473,400	302,066	64%	171,334	958,300	32%	656,234
Capital outlay										
Equipment	51,250	6,425	13%	205,000	8,236	4%	196,764	310,000	3%	301,764
Transfers	76,800.00	76,800	100%	307,200	153,600	50%	153,600	645,120	24%	491,520
Contingency				1,356,747				514,027		514,027
Total expenditures	\$ 704,850	\$ 496,194	70%	\$ 4,176,147	\$ 1,108,595	27%	\$ 1,710,805	\$ 6,336,147	17%	\$ 5,227,552
Revenue over (under) expenditures	\$ (132,600)	\$ 37,276	2%	\$ (1,887,147)	\$ 149,844	8%	\$ (680,244)	\$ (1,887,147)		
Beginning fund balance	1,887,147	1,809,200	96%	1,887,147	1,809,200	96%		1,887,147		
Ending fund balance	\$ 1,754,547	\$ 1,846,476	105%	\$ -	\$ 1,959,044	-		\$ -		

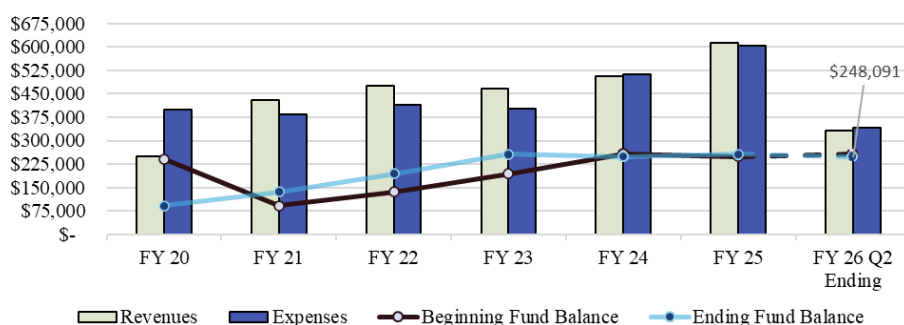
Planning Fund

The Planning Fund accounts for the planning activities of the City. A transfer of funds from the 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.

Overall revenue collection through quarter end came in at approximately \$333,000 or 49 percent of the annual budget. Revenue collection for the licenses and permits are at approximately 67 percent of the annual budget and are up roughly 6 percent in comparison to the prior year at quarter end. Second quarter development had roughly 6 residential and 2 commercial starts paying for SDC's during the quarter.

Expenditures are at approximately \$342,000 or 37 percent of the annual budget. Personnel services is tracking slightly above budget and may require a budget adjustment before the end of the biennium. All other appropriation categories are tracking at or below budget at quarter end. Fund balance decreased roughly \$9,000. Below are revenue, expense and fund balance trends for the Planning Fund.

Revenue, Expense and Fund Balance Trends - Planning Fund



	Current Quarter			Year to Date				Biennial		
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance	Budget	Budget %	Biennial Budget Remaining Balance
Revenue										
Licenses and permits	\$ 8,750	\$ 11,751	134%	\$ 35,000	\$ 23,365	67%	\$ 11,635	\$ 70,000	33%	\$ 46,635
Intergovernmental	1,250	-	-	5,000	-	-	5,000	10,000	0%	10,000
Charges for services	21,875	17,429	80%	87,500	28,089	32%	59,411	129,400	22%	101,311
Interest	1,000	3,151	315%	4,000	6,715	168%	(2,715)	6,000	112%	(715)
Transfers from other funds	137,500	137,500	100%	550,000	275,000	50%	275,000	960,000	29%	685,000
Total revenue	\$ 170,375	\$ 169,830	100%	\$ 681,500	\$ 333,169	49%	\$ 348,331	\$ 1,175,400	28%	\$ 842,231
Expenditures										
Personnel services	\$ 82,950	\$ 94,482	114%	\$ 331,800	\$ 178,375	54%	\$ 153,425	\$ 676,700	26%	\$ 498,325
Material and services	33,150	49,771	150%	132,600	60,442	46%	72,158	225,400	27%	164,958
Transfers	51,625	51,625	100%	206,500	103,250	50%	103,250	423,400	24%	320,150
Contingency				255,604				94,904		94,904
Total expenditures	\$ 167,725	\$ 195,878	117%	\$ 926,504	\$ 342,067	37%	\$ 328,833	\$ 1,420,404	24%	\$ 1,078,337
Revenue over (under) expenditures	\$ 2,650	\$ (26,047)	-10%	\$ (245,004)	\$ (8,897)	-3%	\$ 19,497	\$ (245,004)		
Beginning fund balance	245,004	256,988	105%	245,004	256,988	105%		245,004		
Ending fund balance	\$ 247,654	\$ 230,941	93%	\$ -	\$ 248,091	-		\$ -		

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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 for the Transportation SDC fund is approximately 37 percent of the annual budget at quarter end. SDC collection is roughly \$238,000 or 30 percent of the annual budget with 6 residential and 2 commercial developments paying SDC's during the second quarter.

Expenditures at quarter end were associated with finishing touches for the Peters Road / Combs Flat extension project and new road construction in Iron Horse. The semiannual SDC administrative fee distribution was posted in December.

Fund balance increased roughly \$146,000 or 4 percent through quarter end.

	Current Quarter			Year to Date				Annual Est. Budget Balance	Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %					
Revenue											
Intergovernmental	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -	-	\$ -
Interest	12,500	35,293	282%	50,000	76,642	153%	(26,642)	70,000	109%	(6,642)	
System development charges	200,000	41,697	21%	800,000	237,624	30%	562,376	1,500,000	16%	1,262,376	
Total revenue	\$ 212,500	\$ 76,990	36%	\$ 850,000	\$ 314,266	37%	535,734	\$ 1,570,000	20%	\$ 1,255,734	
Expenditures											
Material and services	\$ 18,750	\$ -	-	\$ 75,000	\$ -	-	\$ 75,000	\$ 150,000	0%	\$ 150,000	
Capital outlay											
Improvements	250,000	28,872	12%	1,000,000	156,480	16%	843,520	3,500,000	4%	3,343,520	
Transfers	10,000	11,881	119%	40,000	11,881	30%	28,119	75,000	16%	63,119	
Contingency				4,038,266				2,148,266		2,148,266	
Total expenditures	\$ 278,750	\$ 40,753	15%	\$ 5,153,266	\$ 168,361	3%	\$ 946,639	\$ 5,873,266	3%	\$ 5,704,905	
Revenue over (under) expenditures	\$ (66,250)	\$ 36,236	1%	\$ (4,303,266)	\$ 145,905	4%	\$ (410,905)	\$ (4,303,266)			
Beginning fund balance	4,303,266	3,402,913	79%	4,303,266	3,402,913	79%		4,303,266			
Ending fund balance	\$ 4,237,016	\$ 3,439,149	81%	\$ -	\$ 3,548,818	-		\$ -			

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Water SDC Fund

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

Revenue at quarter end is approximately \$1.22 million or 26 percent of the annual budget. Second quarter revenues are largely associated with SDC collections associated with 6 housing and 2 commercial starts and reimbursements from Meta.

Expenditures are at roughly \$1.12 million through quarter end and are largely associated with ASR well upgrades. This project is being reimbursed through a contract with Meta. The semiannual SDC distribution took place during the second quarter.

Through quarter end, fund balance increased roughly \$93,000.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Interest	\$ 500	\$ 2,205	441%	\$ 2,000	\$ 2,205	110%	\$ (205)	\$ 4,000	55%	\$ 1,795
System development charges	100,000	38,348	38%	400,000	167,590	42%	232,410	800,000	21%	632,410
Transfers	-	-	-	-	-	-	-	-	-	-
Miscellaneous	962,500	528,019	55%	3,850,000	1,046,499	27%	2,803,501	3,850,000	27%	2,803,501
Intergovernmental	125,000	-	-	500,000	-	-	500,000	500,000	0%	500,000
Total revenue	\$ 1,188,000	\$ 568,572	48%	\$ 4,752,000	\$ 1,216,295	26%	\$ 3,535,705	\$ 5,154,000	24%	\$ 3,937,705
Expenditures										
Material and services	\$ 12,500.00	\$ -	-	\$ 50,000	\$ -	-	\$ 50,000	\$ 100,000	0%	\$ 100,000
Capital outlay										
Improvements	875,000	233,834	27%	3,500,000	1,014,675	29%	2,485,325	3,500,000	29%	2,485,325
Transfers	163,825	57,222	35%	655,300	108,343	17%	546,957	1,042,700	10%	934,357
Contingency				964,928				929,528		929,528
Total expenditures	\$ 1,038,825	\$ 291,056	28%	\$ 5,170,228	\$ 1,123,019	20%	\$ 3,082,281	\$ 5,572,228	20%	\$ 4,449,209
Revenue over (under) expenditures	\$ 149,175	\$ 277,516	93%	\$ (418,228)	\$ 93,276	31%	\$ 453,424	\$ (418,228)		
Beginning fund balance	418,228	297,876	71%	418,228	297,876	71%		418,228		
Ending fund balance	\$ 567,403	\$ 575,392	101%	\$ -	\$ 391,152	71%		\$ -		

December 31, 2025

Wastewater SDC Fund

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

Revenue through the second quarter is approximately \$154,000 or 44 percent of the annual budget and largely associated with SDC revenue. SDC collection was from 6 residential and 2 commercial starts.

Second quarter expenses are associated with the semiannual SDC distribution and the capital (grant reimbursable) project design work for the expansion of utility services to the Willowdale area. This project started in the first quarter and is expected to be completed by the end of the fiscal year.

Fund balance increased roughly \$69,000 or 21 percent through the quarter.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Interest	\$ 250	\$ 3,722	1489%	\$ 1,000	\$ 3,894	389%	\$ (2,894)	\$ 2,000	195%	\$ (1,894)
Miscellaneous	-	-	-	-	-	-	-	800,000	0%	800,000
System development charges	87,500	37,311	43%	350,000	150,425	43%	199,575	700,000	21%	549,575
Total revenue	\$ 87,750	\$ 41,033	47%	\$ 351,000	\$ 154,319	44%	\$ 196,681	\$ 1,502,000	10%	\$ 1,347,681
Expenditures										
Material and services	\$ 5,000	-	-	\$ 20,000	-	-	\$ 20,000	\$ 40,000	0%	\$ 40,000
Capital outlay										
Improvements	-	5,247	-	-	5,412	-	(5,412)	1,200,000	0%	1,194,588
Transfers	28,425	80,100	282%	113,700	80,100	70%	33,600	227,400	35%	147,300
Contingency				518,269				335,569		335,569
Total expenditures	\$ 33,425	\$ 85,347	255%	\$ 651,969	\$ 85,512	13%	\$ 48,188	\$ 1,802,969	5%	\$ 1,717,457
Revenue over (under) expenditures	\$ 54,325	\$ (44,314)	-13%	\$ (300,969)	\$ 68,806	21%	\$ 148,494	\$ (300,969)		
Beginning fund balance	300,969	332,992	111%	300,969	332,992	111%		300,969		
Ending fund balance	\$ 355,294	\$ 288,678	81%	\$ -	\$ 401,798	-		\$ -		
Notes:										

December 31, 2025

PERS/ POB Fund

This fund accounts for the issuance of pension obligation debt 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.

Revenue collection through the second quarter is roughly 64 percent of the annual budget totaling approximately \$393,000. Expenditures during the second quarter are largely associated with the creation of a new PERS side account to help stabilize future rates.

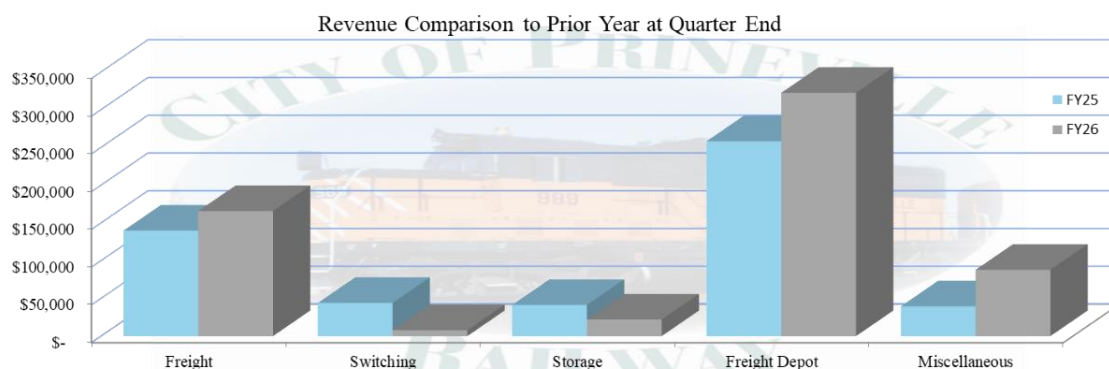
The State offered a matching program called the Employer Incentive Fund for employers who were opening new side accounts within a specified time. The State had roughly \$39 million to match up to 25 percent of newly created side accounts. The City was one of 36 employers who got their applications submitted in time. The State will deposit an additional \$525k into the side account, and the City will start to see an additional 2.86 percent rate savings starting July 1, 2026, bringing our total rate offset to 9.5 percent.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Budget Est.	Actual	Quarter Budget %	Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Charges for services	\$ 128,600	\$ 126,825	99%	\$ 514,400	\$ 254,241	49%	\$ 260,159	\$ 974,500	26%	\$ 720,259
Interest	500	8,823	1765%	2,000	38,643	1932%	(36,643)	4,000	966%	(34,643)
Transfer from other funds	25,000	-	-	100,000	100,000	100%	-	200,000	50%	100,000
Total revenue	\$ 154,100	\$ 135,648	88%	\$ 616,400	\$ 392,885	64%	\$ 223,515	\$ 1,178,500	33%	\$ 785,615
Expenditures										
Personnel services	\$ 625,000	\$ 2,500,000	400%	\$ 2,500,000	\$ 2,500,000	100%	\$ -	\$ 2,500,000	100%	\$ -
Materials and services	375	-	-	1,500	1,000	67%	500	1,500	67%	500
Debt service										
Principal - POB 2013	81,650	-	-	326,600	-	-	326,600	679,500	-	679,500
Interest - POB 2013	8,100	16,152	199%	32,400	16,152	50%	16,248	52,600	31%	36,448
Contingency				322,840				152,940		152,940
Total expenditures	\$ 715,125	\$ 2,516,152	352%	\$ 3,183,340	\$ 2,517,152	79%	\$ 343,348	\$ 3,386,540	74%	\$ 869,388
Revenue over (under) expenditures	\$ (561,025)	\$ (2,380,504)	-92%	\$ (2,566,940)	\$ (2,124,268)	-82%	\$ (119,832)	\$ (2,208,040)		
Debt service reserve	358,900			358,900				358,900		
Beginning fund balance	2,566,940	2,579,907	101%	2,566,940	2,579,907	101%		2,566,940		
Ending fund balance	\$ 2,005,915	\$ 199,403	10%	\$ -	\$ 455,639	-		\$ -		

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.

Revenue collections through the second quarter are approximately \$659,00 or 20 percent of the annual budget. The railroad is anticipating the obligation of \$1.6 million for the Consolidated Rail Infrastructure and Safety Improvements (CRISI) grant in the third quarter. Charges for services for the railroad are approximately \$196,000 or 47 percent of the annual budget, with the freight depot at approximately \$322,000 or 59 percent of annual budget. Overall, revenue is up in comparison to the prior year, roughly 16 percent with significant increases in freight, miscellaneous and freight depot. Freight cars are up by 61 cars in comparison to the prior year at quarter end due to the new barley commodity being brought in by the railroad. This commodity made up 31 percent of the railroad haulage in the first half of the fiscal year. The increase in freight depot charges for services can be attributed to annual lease increases and increased activity. Below is a prior year comparison at quarter end of operating revenues for the Railroad Fund.

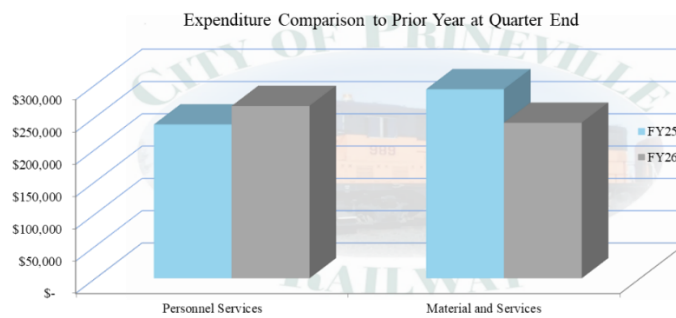


Total expenditures at quarter end are approximately \$688,000 or 16 percent of the annual budget. Materials and services are roughly 64 percent of the annual budget with the annual insurance payment coming out during the first quarter of \$145,000. Overall operating expenditures are down in comparison to the prior year by roughly 4 percent. In August 2025, there was a fire near the freight depot facility. Damages continued to be assessed during the second quarter, and the City is working closely with its insurance provider. A budget adjustment may be needed due to this unanticipated event.

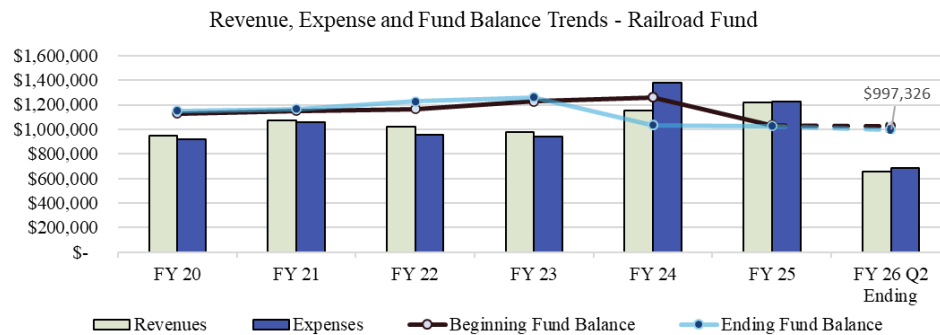
December 31, 2025

Railroad Fund- Continued

Below is a graph comparison of operating expenditures to the prior year.



Fund balance decreased roughly \$29,000 or -3 percent through the second quarter. Below are revenue, expense and fund balance trends for the Railroad Fund



	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Charges for services										
Railroad	\$ 103,625	\$ 101,996	98%	\$ 414,500	\$ 195,732	47%	\$ 218,768	\$ 829,000	24%	\$ 633,268
Freight Depot	136,250	153,975	113%	545,000	322,309	59%	222,691	1,090,000	30%	767,691
Use of money and property	22,500	28,676	127%	90,000	52,827	59%	37,173	185,000	29%	132,173
Intergovernmental	437,125	-	-	1,748,500	-	-	1,748,500	1,748,500	0%	1,748,500
Miscellaneous	32,250	49,385	153%	129,000	87,856	68%	41,144	194,000	45%	106,144
Transfers	100,000	-	-	400,000	-	-	400,000	400,000	0%	400,000
Total revenue	\$ 831,750	\$ 334,032	40%	\$ 3,327,000	\$ 658,724	20%	\$ 2,668,276	\$ 4,446,500	15%	\$ 3,787,776
Expenditures										
Personnel services	\$ 151,550	\$ 135,164	89%	\$ 606,200	\$ 266,976	44%	\$ 339,224	\$ 1,202,400	22%	\$ 935,424
Material and services	94,175	47,421	50%	376,700	241,029	64%	135,671	774,000	31%	532,971
Capital outlay										
Improvements	575,000	-	-	2,300,000	107,194	5%	2,192,806	2,300,000	5%	2,192,806
Debt service										
Principal - Credit Facility	3,125	-	-	12,500	-	-	12,500	50,000	0%	50,000
Interest - Credit Facility	1,125	-	-	4,500	-	-	4,500	18,000	0%	18,000
Transfers	36,400	36,400	100%	145,600	72,800	50%	72,800	298,500	24%	225,700
Contingency				897,296				819,396		819,396
Total expenditures	\$ 861,375	\$ 218,985	25%	\$ 4,342,796	\$ 687,999	16%	\$ 2,757,501	\$ 5,462,296	13%	\$ 4,774,297
Revenue over (under) expenditures	\$ (29,625)	\$ 115,048	11%	\$ (1,015,796)	\$ (29,274)	-3%	\$ (89,226)	\$ (1,015,796)		
Beginning fund balance	1,015,796	1,026,600	101%	1,015,796	1,026,600	101%		1,015,796		
Ending fund balance	\$ 986,171	\$ 1,141,648	116%	\$ -	\$ 997,326	-		\$ -		

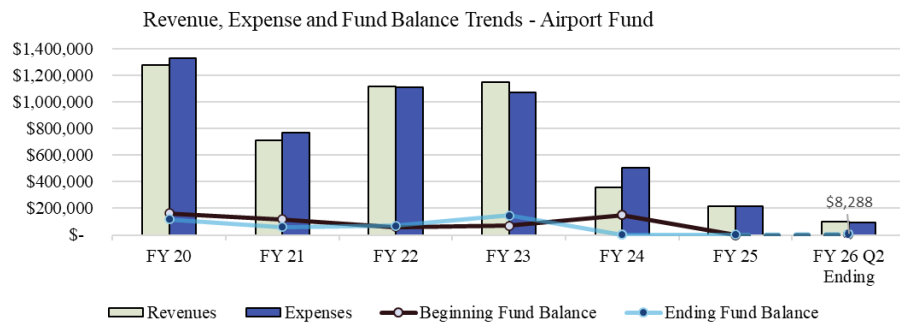
Airport Fund

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

Overall revenue collection through the second quarter is largely associated with the transfer from the General Fund and the quarterly payment from the County per the intergovernmental contract.

Overall expenditures at quarter end are at approximately \$95,000. Operations for the airport were contracted starting in FY 24 to Hood Aero and the City and County have agreed to contract managerial services starting this year. A budget adjustment was approved in September to reflect the change.

Cashflow for the Airport Fund will be provided to the City by the County quarterly per the new contract with the goal of keeping the fund balance near zero.



	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Balance							
	Quarter		Quarter Budget %	Annual		Annual Est. Budget %	Annual Est. Budget Balance										
	Budget Est.	Actual		Budget Est.	Actual												
Revenue	\$	41,975	\$	37,590	90%	\$	167,900	\$	75,180	45%	\$	92,720	\$	375,800	20%	\$	300,620
Intergovernmental																	
Charges for services		-		59	-		-		59	-		(59)		-	-		(59)
Interest		50		249	497%		200		406	203%		(206)		400	102%		(6)
Transfers		15,750		10,000	63%		63,000		25,000	40%		38,000		98,000	26%		73,000
Total revenue	\$	57,775	\$	47,898	83%	\$	231,100	\$	100,645	44%	\$	130,455	\$	474,200	21%	\$	373,555
Expenditures																	
Personnel service	\$	13,300	\$	891	7%	\$	53,200	\$	13,990	26%	\$	39,210	\$	53,200	26%	\$	39,210
Materials and services		42,325		58,447	138%		169,300		77,823	46%		91,477		404,000	19%		326,177
Capital outlay		-		-	-		-		-	-		-		-	-		-
Debt service																	
Les Schwab Hangar		-		-	-		-		-	-		-		-	-		-
Transfers		1,650		1,650	100%		6,600		3,300	50%		3,300		13,900	24%		10,600
Contingency							2,090							3,190	-		3,190
Total expenditures	\$	57,275	\$	60,988	106%	\$	231,190	\$	95,112	41%	\$	133,988	\$	474,290	20%	\$	379,178
Revenue over (under) expenditures	\$	500	\$	(13,090)	-475%	\$	(90)	\$	5,533	201%	\$	(3,533)	\$	(90)			
Beginning fund balance		90		2,755	3061%		90		2,755	3061%				90			
Ending fund balance	\$	590	\$	(10,335)	-	\$	-	\$	8,288	-			\$	-			

Notes: Budget Adjustment done per Res. No. 1632

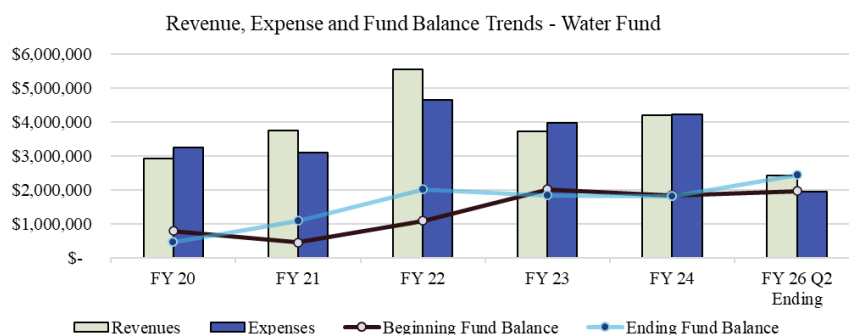
Water Fund

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.

Total revenue collection through the second quarter came in at approximately \$2.4 million or 52 percent of the annual budget. Charges for service are down slightly in comparison to the prior year at quarter end roughly -1 percent. This decrease can be attributed to the summer temperatures being less hot than the previous year.

Expenditures through the second quarter are approximately \$2 million or 32 percent of the annual budget. Materials and services are currently at 56 percent of the annual budget with \$107,000 coming out for insurance during the first quarter. Other appropriation categories are at or below budget.

Fund balance increased roughly \$476,000 or 24 percent, ending at roughly \$2.4 million. Below are revenue, expense and fund balance trends for the Water Fund



	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Quarter Actual	Quarter Budget %	Annual Budget Est.	Annual Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Charges for services	\$ 1,055,800	\$ 909,443	86%	\$ 4,223,200	\$ 2,324,461	55%	\$ 1,898,739	\$ 8,808,100	26%	\$ 6,483,639
Interest	7,500	14,841	198%	30,000	21,774	73%	8,226	40,000	54%	18,226
Miscellaneous	66,250	38,889	59%	265,000	63,374	24%	201,626	275,000	23%	211,626
Transfers	44,050	21,547	49%	176,200	21,547	12%	154,653	434,400	5%	412,853
Total revenue	\$ 1,173,600	\$ 984,719	84%	\$ 4,694,400	\$ 2,431,155	52%	\$ 2,263,245	\$ 9,557,500	25%	\$ 7,126,345
Expenditures										
Materials and services	\$ 365,000	\$ 335,649	92%	\$ 1,460,000	\$ 814,188	56%	\$ 645,812	2,957,000	28%	\$ 2,142,812
Franchise fee expense	50,250	50,250	100%	201,000	100,500	50%	100,500	413,600	24%	313,100
Capital outlay										
Improvements	212,500	1,852	1%	850,000	1,852	0%	848,148	1,600,000	0%	1,598,148
Debt service										
Principal										
Refunding bond 2021	40,875	-	-	163,500	-	-	163,500	363,900	-	363,900
Water revenue bond ASR	18,250	-	-	73,000	-	-	73,000	147,000	0%	147,000
Interest										
Refunding bond 2021	3,850	7,663	199%	15,400	7,663	50%	7,737	16,800	46%	9,137
Water revenue bond ASR	16,575	-	-	66,300	-	-	66,300	131,100	0%	131,100
Transfers	515,575	515,575	100%	2,062,300	1,031,150	50%	1,031,150	4,679,600	22%	3,648,450
Contingency				1,234,269				679,869		679,869
Total expenditures	\$ 1,222,875	\$ 910,989	74%	\$ 6,125,769	\$ 1,955,353	32%	\$ 2,936,147	\$ 10,988,869	18%	\$ 9,033,516
Revenue over (under) expenditures	\$ (49,275)	\$ 73,730	4%	\$ (1,431,369)	\$ 475,803	24%	\$ (672,903)	\$ (1,431,369)		
Debt service reserve	317,415			317,415				317,415		
Beginning fund balance	1,748,784	1,968,024	113%	1,748,784	1,968,024	113%		1,748,784		
Ending fund balance	\$ 1,699,509	\$ 2,041,754	120%	\$ -	\$ 2,443,827	-		\$ -		

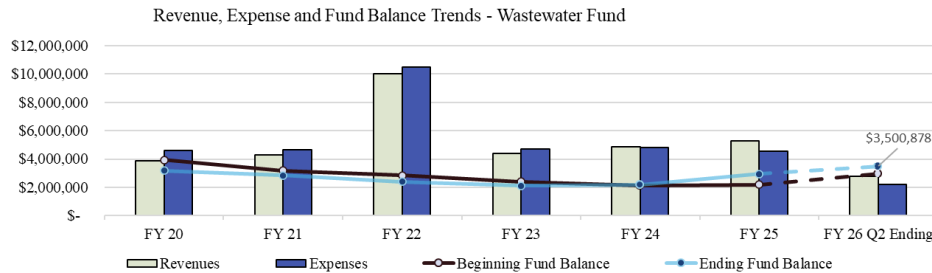
Wastewater Fund

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, maintenance and debt service related to infrastructure costs.

Overall revenue collection at quarter end is approximately \$2.8 million or 55 percent of the annual budget. Charges for services increased approximately \$314,000 in comparison to the prior year at quarter end with \$162,000 coming from the waste disposal contract with the County. The remaining increase can be attributed to rate increases that went in to affect in July 2025.

Expenditures through the second quarter are at roughly \$2.2 million or 19 percent of the annual budget. Capital expenditures totaled approximately \$371,000 and were largely associated with treatment plant improvements and short-lived asset replacement.

Fund balance increased roughly \$566,000 through quarter end. Below are revenue, expense and fund balance trends for the Wastewater Fund.

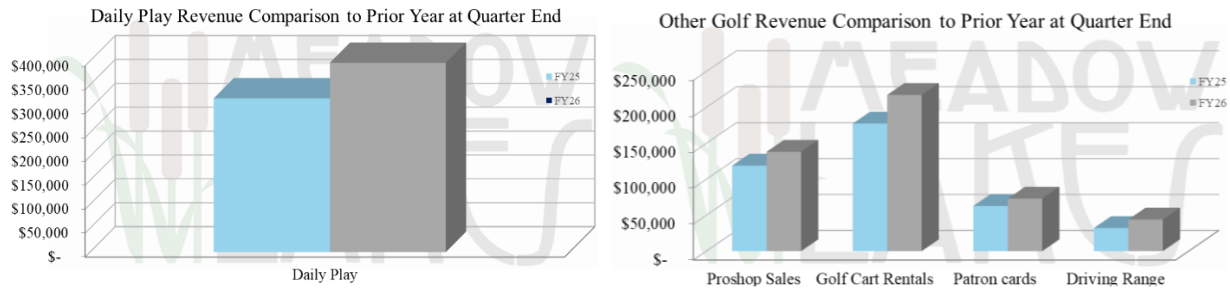


	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Charges for services	\$ 1,214,650	\$ 1,278,574	105%	\$ 4,858,600	\$ 2,619,315	54%	\$ 2,239,285	\$ 9,907,500	26%	\$ 7,288,185
Interest	10,000	28,392	284%	40,000	53,293	133%	(13,293)	60,000	89%	6,707
Miscellaneous	18,550	10,456	56%	74,200	40,528	55%	33,672	168,400	24%	127,872
SDCs - reimbursement fees	24,250	72,940	301%	97,000	72,940	75%	24,060	194,000	38%	121,060
Total revenue	\$ 1,267,450	\$ 1,390,362	110%	\$ 5,069,800	\$ 2,786,076	55%	\$ 2,283,724	\$ 10,329,900	27%	\$ 7,543,824
Expenditures										
Personnel services	\$ 73,750	\$ 71,865	97%	\$ 295,000	\$ 139,893	47%	\$ 155,107	\$ 615,000	23%	\$ 475,107
Materials and services	279,938	197,040	70%	1,119,750	503,219	45%	616,531	2,264,700	22%	1,761,481
Franchise fee expense	59,425	59,425	100%	237,700	118,850	50%	118,850	484,700	25%	365,850
Capital outlay										
Improvements	143,850	211,878	147%	575,400	370,938	64%	204,462	1,150,800	32%	779,862
Debt service										
Principal										
Refunding 2021	187,075	-	-	748,300	-	-	748,300	1,250,000	0%	1,250,000
State of Oregon IFA	7,100	28,399	400%	28,400	28,399	100%	1	57,100	50%	28,701
USDA 2015	17,000	-	-	68,000	-	-	68,000	137,800	0%	137,800
Interest										
Refunding 2021	6,975	13,935	200%	27,900	13,935	50%	13,965	46,800	30%	32,865
State of Oregon IFA	1,425	5,656	397%	5,700	5,656	99%	44	11,100	51%	5,444
USDA 2015	24,575	-	-	98,300	-	-	98,300	194,700	0%	194,700
Transfers	519,750	519,750	100%	2,079,000	1,039,500	50%	1,039,500	4,556,700	23%	3,517,200
Contingency				1,266,157				1,303,207		1,303,207
Total expenditures	\$ 1,320,863	\$ 1,107,947	84%	\$ 6,549,607	\$ 2,220,390	34%	\$ 3,063,060	\$ 12,072,607	18%	\$ 9,852,217
Revenue over (under) expenditures	\$ (53,413)	\$ 282,415	10%	\$ (1,479,807)	\$ 565,686	19%	\$ (779,336)	\$ (1,742,707)		
Other resources / (requirements)										
Debt service reserve	720,900			720,900				458,000		
Capital reserve				-						
Beginning fund balance	2,200,707	2,935,192	133%	2,200,707	2,935,192	133%		2,200,707		
Ending fund balance	\$ 2,147,295	\$ 3,217,607	150%	\$ -	\$ 3,500,878	-		\$ -		

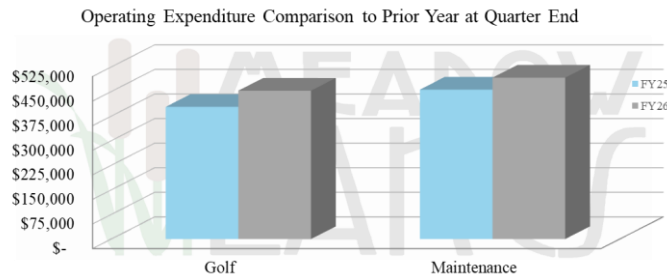
Golf Course and Restaurant Fund

This fund accounts for the activities of Meadow Lakes Golf Course and Restaurant. Revenue is generated through user fees, restaurant lease revenue and an operating payment from the City's Wastewater Fund for treatment.

Overall revenue collection is approximately \$1.1 million at quarter end or 57 percent of the annual budget. Golf operating revenue came in at about \$881,000 or 57 percent of the annual budget which is an increase over the prior year of roughly 22 percent. Rounds of golf are up by roughly 2,580 rounds compared to the prior year with 5 out of the first 6 months of the fiscal year being monthly records for rounds of golf. Below is a comparison to the prior year of the significant operating revenue sources for the golf course.



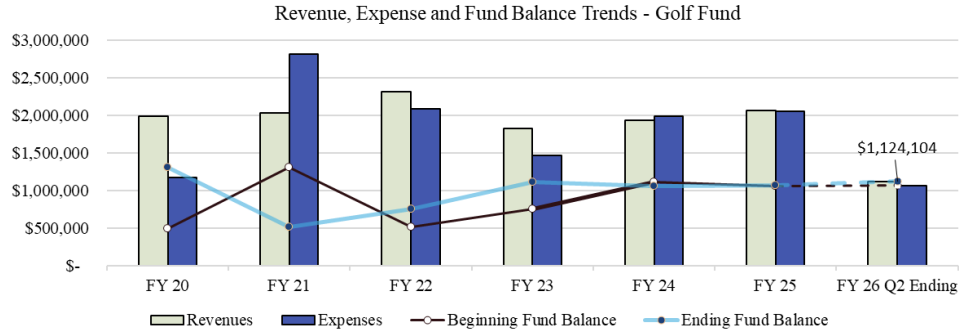
Expenditures through the second quarter came in at roughly \$1.1 million or 37 percent of the annual budget. Golf course operating expenditures and maintenance expenditures combined are up roughly 10 percent over the prior year quarter end. Expense increases can largely be attributed to pay increases that took place in July and an irrigation line break during the first quarter.



Golf Course in December 2025

Golf Course and Restaurant Fund – Continued

Fund balance increased roughly \$56,000 or 5 percent through quarter end with roughly \$97,000 in capital equipment being purchased through the second quarter. Below are revenue, expense and fund balance trends for the Golf Fund.



	Current Quarter			Year to Date						
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance	Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
Revenue										
Charges for services										
Golf Course	\$ 384,525	\$ 269,246	70%	\$ 1,538,100	\$ 881,209	57%	\$ 656,891	\$ 3,141,500	28%	\$ 2,260,291
Waste Disposal	92,500	92,500	100%	370,000	185,000	50%	185,000	740,000	25%	555,000
Restaurant	10,000	10,500	105%	40,000	21,000	53%	19,000	82,000	26%	61,000
Interest	2,500	13,215	529%	10,000	26,625	266%	(16,625)	17,000	157%	(9,625)
Miscellaneous	2,625	2,173	83%	10,500	3,616	34%	6,884	21,000	17%	17,384
Total revenue	\$ 492,150	\$ 387,634	79%	\$ 1,968,600	\$ 1,117,449	57%	\$ 851,151	\$ 4,001,500	28%	\$ 2,884,051
Expenditures										
Golf Course	\$ 283,300	\$ 223,891	79%	\$ 1,133,200	\$ 549,578	48%	\$ 583,622	\$ 2,351,700	23%	\$ 1,802,122
Waste Disposal	237,150	198,116	84%	948,600	492,379	52%	456,221	1,856,300	27%	1,363,921
Restaurant	10,325	8,223	80%	41,300	18,850	46%	22,450	88,000	21%	69,150
Debt service										
Principal - 2021 Refunding	30,650	-	-	122,600	-	-	122,600	122,600	0%	122,600
Interest - 2021 Refunding	375	741	198%	1,500	741	49%	759	1,500	49%	759
Contingency				614,565				350,565		350,565
Total expenditures	\$ 561,800	\$ 430,971	77%	\$ 2,861,765	\$ 1,061,548	37%	\$ 1,185,652	\$ 4,770,665	22.3%	\$ 3,709,117
Revenue over (under) expenditures	\$ (69,650)	\$ (43,337)	-4%	\$ (893,165)	\$ 55,902	5%	\$ (334,502)	\$ (769,165)		
Debt service reserve	124,000							124,000		
Beginning fund balance	893,165	1,068,202	120%	893,165	1,068,202	120%		893,165		
Ending fund balance	\$ 823,515	\$ 1,024,865	124%	\$ -	\$ 1,124,104	-		\$ -		



Golf Course in December 2025

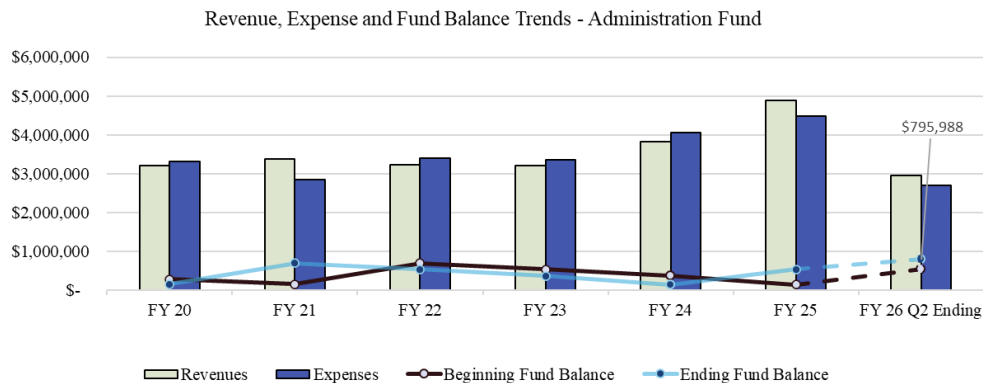
Administration and Financial Support Services Fund

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 quarter end came in at approximately \$2.9 million or 50 percent of the annual budget. Charges for services are largely associated with Internal Service Fund transfers totaling \$2.4 million at quarter end. Intergovernmental revenue, associated with an electric vehicle and infrastructure grant, is anticipated in the third quarter.

Overall expenditures at quarter end are at approximately 43 percent of the annual budget or \$2.7 million. In the first quarter, many annual subscriptions, memberships and insurance come due contributing to the departments being over their quarterly budgets. During the second quarter, the Finance Department decided to bring utility payment processing completely in-house. This will result in future savings for the department of roughly \$25,000 annually.

Fund balance increased roughly \$226,000 through the second quarter. Below are revenue, expense and fund balance trends for the Administration and Financial Support Services Fund.



City Hall staff being festive in December 2025

December 31, 2025

Administration and Financial Support Services Fund - Continued

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Quarter Actual	Quarter Budget %	Annual Budget Est.	Annual Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Charges for services	\$ 1,312,000	\$ 1,236,545	94%	\$ 5,248,000	\$ 2,467,839	47%	\$ 2,780,161	\$ 10,756,170	23%	\$ 8,288,331
Intergovernmental	50,000	-	-	200,000	-	-	200,000	200,000	0%	200,000
Transfers	115,000	-	-	460,000	460,000	100%	-	920,000	50%	460,000
Interest	3,000	12,537	418%	12,000	22,049	184%	(10,049)	17,000	130%	(5,049)
Total revenue	\$ 1,480,000	\$ 1,249,082	84%	\$ 5,920,000	\$ 2,949,888	50%	\$ 2,970,112	\$ 11,893,170	25%	\$ 8,943,282
Expenditures										
City Council	\$ 27,850	\$ 6,118	22%	\$ 111,400	\$ 38,189	34%	\$ 73,211	\$ 225,400	17%	\$ 187,211
Administration / Team Services	391,400	429,486	110%	1,565,600	859,468	55%	706,132	3,212,500	27%	2,353,032
Financial Services	384,050	387,983	101%	1,536,200	781,101	51%	755,099	3,144,100	25%	2,362,999
Information Technology	574,975	393,585	68%	2,299,900	1,015,567	44%	1,284,333	4,738,200	21%	3,722,633
Contingency				683,502				849,572		849,572
Total expenditures	\$ 1,378,275	\$ 1,217,172	88%	\$ 6,196,602	\$ 2,694,325	43%	\$ 2,818,775	\$ 12,169,772	22%	\$ 9,475,447
Revenue over (under) expenditures	\$ 101,725	\$ 31,911	6%	\$ (276,602)	\$ 255,563	47%	\$ 151,337	\$ (276,602)		
Beginning fund balance	276,602	540,425	195%	276,602	540,425	195%		276,602		
Ending fund balance	\$ 378,327	\$ 572,336	151%	\$ -	\$ 795,988	-		\$ -		



Coffee truck at City Hall in December 2025

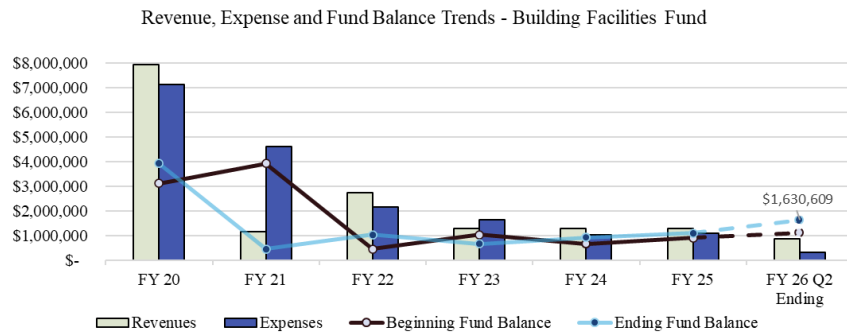
Building Facilities Fund

This fund accounts for the operating costs of the city hall facility and related debt service, police facility, public works facility, and Barnes Butte Complex. Revenue is received through rental charges to user departments, grants and activities.

Overall revenues are roughly \$847,000 or 52 percent of the annual budget. Second quarter revenues are largely associated with user rents and transfers and interest.

Expenditures through quarter end are roughly 9 percent of the annual budget. All departments are running below budget at quarter end.

Fund balance increased roughly \$541,000 or 50 percent through second quarter end. Below are revenue, expense and fund balance trends for the Building Facilities Fund.



City Hall Lobby in December 2025 after LED fixture retrofitting done in the second quarter.

December 31, 2025

Building Facilities Fund - Continued

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Rent	\$ 68,575	\$ 68,575	100%	\$ 274,300	\$ 137,150	50%	\$ 137,150	\$ 562,400	24%	\$ 425,250
Transfers	338,250	338,250	100%	1,353,000	676,500	50%	676,500	2,334,000	29%	1,657,500
Miscellaneous	1,775	1,494	84%	7,100	4,165	59%	2,935	14,200	29%	10,035
Interest	1,250	15,828	1266%	5,000	29,455	589%	(24,455)	10,000	295%	(19,455)
Total revenue	\$ 409,850	\$ 424,146	103%	\$ 1,639,400	\$ 847,271	52%	\$ 792,129	\$ 2,920,600	29%	\$ 2,073,329
Expenditures										
City Hall facilities	\$ 77,200	\$ 22,226	29%	\$ 308,800	\$ 60,031	19%	\$ 248,769	\$ 572,600	10%	\$ 512,569
Police facilities	231,075	87,984	38%	924,300	152,624	17%	771,676	1,715,000	9%	1,562,376
Public Works facilities	10,950	14,115	129%	43,800	19,939	46%	23,861	154,100	13%	134,161
Barnes Butte	48,850	48,762	100%	195,400	74,142	38%	121,258	394,700	19%	320,558
Contingency				656,515				547,015		547,015
Total expenditures	\$ 368,075	\$ 173,087	47%	\$ 2,128,815	\$ 306,736	9%	\$ 1,165,564	\$ 3,383,415	9%	\$ 3,076,679
Revenue over (under) expenditures	\$ 41,775	251,059	23%	\$ (489,415)	540,535	50%	\$ (373,435)	\$ (462,815)		
Other requirements										
Debt service reserve	533,000			533,000				559,600		
Beginning fund balance	1,022,415	1,090,074	107%	1,022,415	1,090,074	107%		1,022,415		
Ending fund balance	\$ 1,064,190	\$ 1,341,133	126%	\$ -	\$ 1,630,609	-		\$ -		



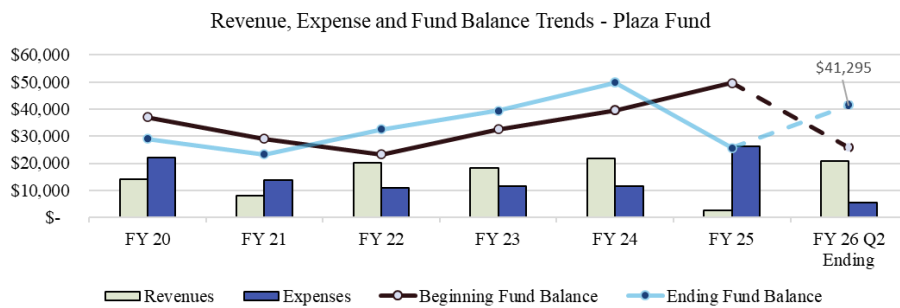
City Hall in Q2 of FY 26

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.

Revenues are as anticipated with both Crook County and the City paying their contribution in the first quarter. The intergovernmental agreement between the City and County states that the fund balance cannot go above \$50,000 and the maximum annual contribution is \$10,000.

Materials and services through the second quarter are for contracted grounds keeping totaling approximately \$4,400. Fund balance increased roughly 60 percent through the second quarter and ended at roughly \$41,000 at quarter end.

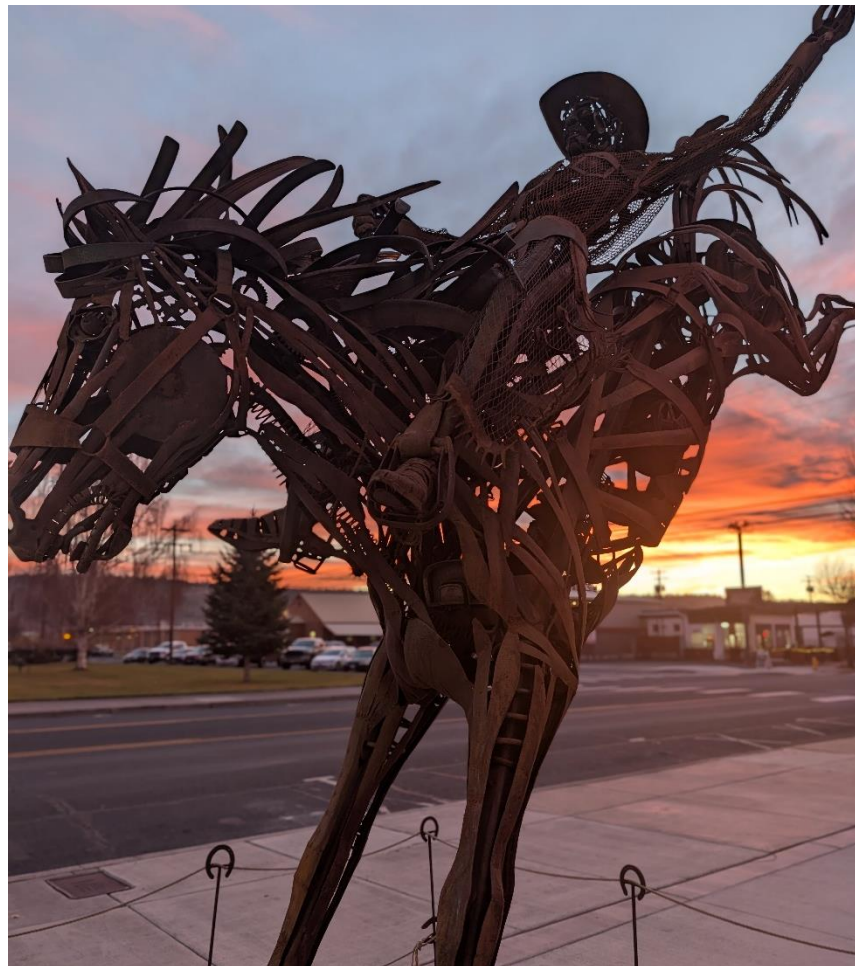


Plaza in December 2025

December 31, 2025

Plaza Maintenance Fund - Continued

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Intergovernmental	\$ 2,225	\$ -	-	\$ 8,900	\$ 10,000	112%	\$ (1,100)	\$ 18,900	53%	\$ 8,900
Miscellaneous	-	100	-	-	100	-	(100)	-	-	(100)
Interest	75	446	595%	300	790	263%	(490)	500	158%	(290)
Transfers	2,225	-	-	8,900	10,000	112%	(1,100)	18,900	53%	8,900
Total revenue	\$ 4,525	\$ 546	12%	\$ 18,100	\$ 20,890	115%	\$ (2,790)	\$ 38,300	55%	\$ 17,410
Expenditures										
Materials and services	\$ 5,525	\$ 2,221	40%	\$ 22,100	\$ 4,351	20%	\$ 17,750	\$ 44,200	10%	\$ 39,850
Transfers	500	500	100%	2,000	1,000	50%	1,000	4,000	25%	3,000
Contingency				26,240				22,340		22,340
Total expenditures	\$ 6,025	\$ 2,721	45%	\$ 50,340	\$ 5,351	11%	\$ 18,750	\$ 70,540	8%	\$ 65,190
Revenue over (under) expenditures	\$ (1,500)	\$ (2,174)	-8%	\$ (32,240)	\$ 15,540	60%	\$ (21,540)	\$ (32,240)		
Beginning fund balance	32,240	25,755	80%	32,240	25,755	80%		32,240		
Ending fund balance	\$ 30,740	\$ 23,581	77%	\$ -	\$ 41,295	-		\$ -		



Plaza in Q2 of FY 26

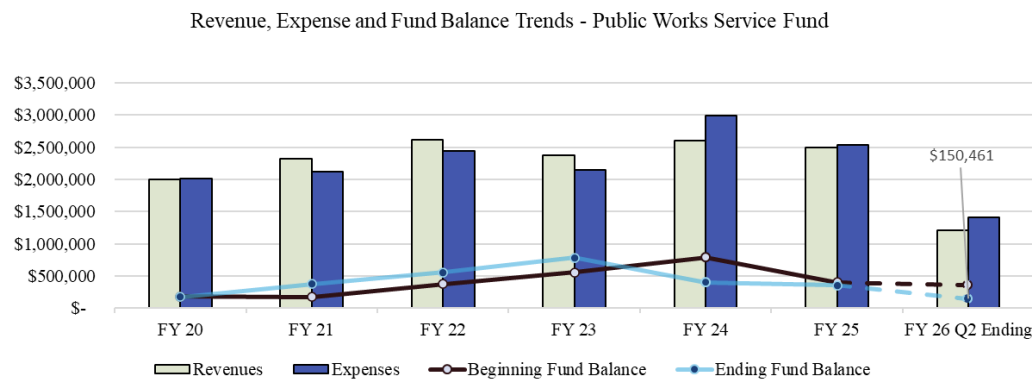
Public Works Support Services Fund

This fund accounts for the activities of the Public Works management, support staff, fleet and vehicle maintenance costs. The primary source of revenue is charges to other funds for services.

Through the second quarter, revenues are roughly 34 percent of the annual budget and are largely associated with transfers for services from the streets, water and wastewater departments for public works.

Expenditures through quarter end are roughly 38 percent of the annual budget with both department appropriation levels below budget.

Fund balance decreased approximately \$204,000 or -58 percent at through quarter end. Below are revenue, expense and fund balance trends for the Public Works Support Services Fund.



	Current Quarter			Year to Date				Biennial		
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance	Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
Revenue										
Intergovernmental	\$ 31,250	\$ -	-	\$ 125,000	\$ -	-	\$ 125,000	\$ 256,300	0%	\$ 256,300
Charges for services	657,900	588,538	89%	2,631,600	1,193,473	45%	1,438,127	5,967,600	20%	4,774,127
Interest	500	4,836	967%	2,000	10,270	513%	(8,270)	4,000	257%	(6,270)
Miscellaneous	38,750	-	-	155,000	1,355	1%	153,646	165,000	1%	163,646
Debt Proceeds	150,000	-	-	600,000	-	-	600,000	600,000	0%	600,000
Total revenue	\$ 878,400	\$ 593,375	68%	\$ 3,513,600	\$ 1,205,098	34%	\$ 1,708,502	\$ 6,992,900	17%	\$ 5,187,802
Expenditures										
Public Works Support Services	\$ 644,000	\$ 615,624	96%	\$ 2,576,000	\$ 1,215,203	47%	\$ 1,360,797	\$ 5,384,950	23%	\$ 4,169,747
Public Works Fleet and Vehicles	235,850	63,933	27%	943,400	194,322	21%	749,078	1,388,900	14%	1,194,578
Contingency				170,892				395,742		395,742
Total expenditures	\$ 879,850	\$ 679,557	77%	\$ 3,690,292	\$ 1,409,525	38%	\$ 2,109,875	\$ 7,169,592	20%	\$ 5,760,067
Revenue over (under) expenditures	\$ (1,450)	\$ (86,183)	-24%	\$ (176,692)	\$ (204,427)	-58%	\$ (401,373)	\$ (176,692)		
Beginning fund balance	176,692	354,888	201%	176,692	354,888	201%		176,692		
Ending fund balance	\$ 175,242	\$ 268,705	153%	\$ -	\$ 150,461	-		\$ -		