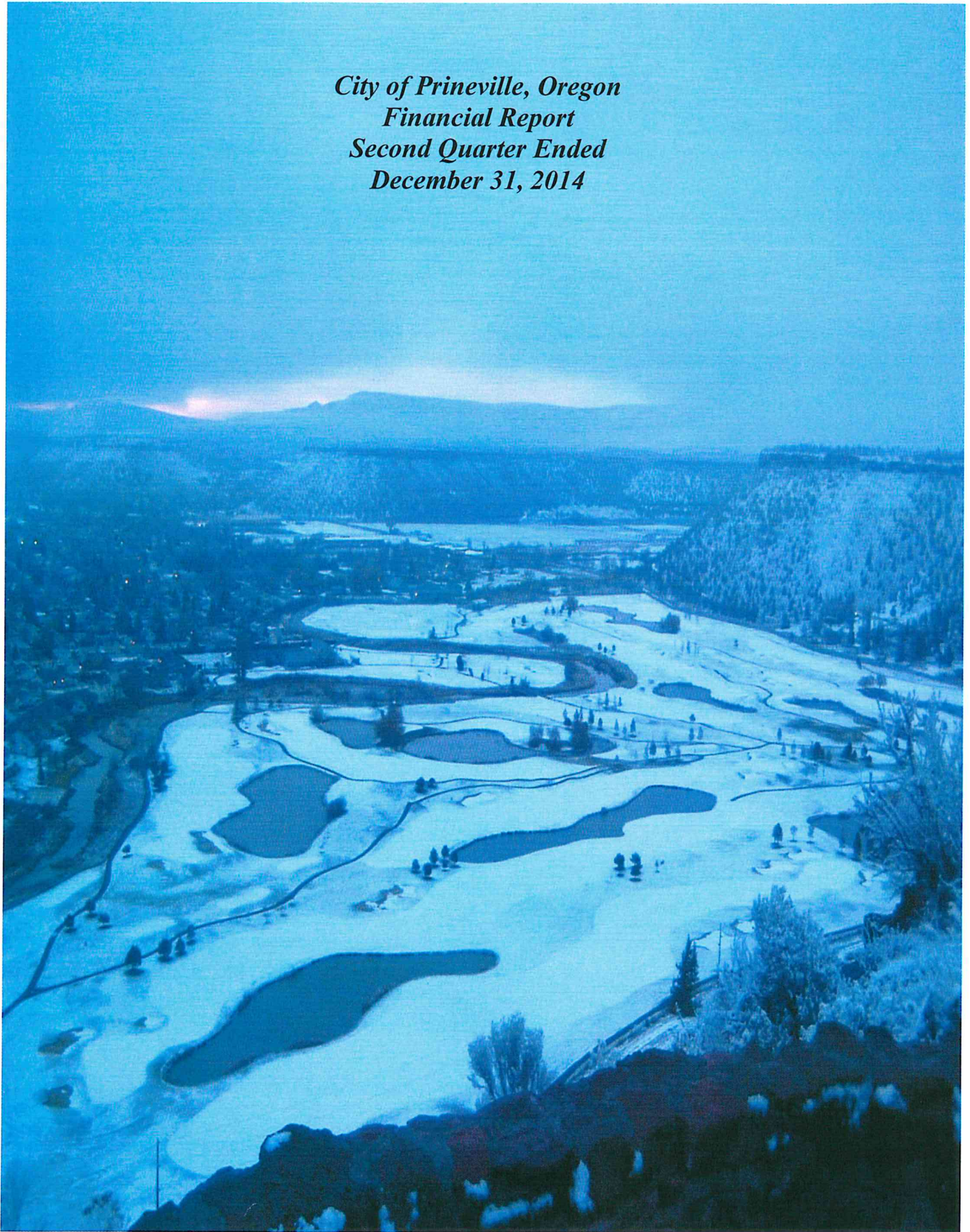


*City of Prineville, Oregon
Financial Report
Second Quarter Ended
December 31, 2014*



Executive Summary

Through the second quarter ending December 31, 2014 the City's financial condition decreased slightly, approximately 2% or \$169,000. Timing of capital improvements and scheduled debt service payments contributed to the decrease in the City's financial condition. Funds significantly impacting the City's ending fund balance include the Transportation, Airport, Wastewater, and Golf Fund. Funds with a significant positive impact to fund balance include the General Fund, Emergency Dispatch, and Transportation SDC Fund.

Through the second quarter, General Fund revenues came in at approximately 65% of the annual budget or \$2.58 million. Year to date property tax revenue is roughly \$1.55 million or 90% of the annual budget which is an increase of roughly \$67,000 over prior year's quarter end. Transient lodging taxes are up slightly at roughly \$150,000 compared to \$122,000 in the prior year. Franchise fees are at roughly 45% of the annual budget and collection increased approximately \$75,000 over prior year's second quarter, largely due to increased revenue in electrical franchise fees. Electrical franchise fees have continued in their upward trend, ending the second quarter up by approximately \$76,000 over the same time frame last year. The General Funds ending balance increased approximately \$429,000 through the second quarter.

The Emergency Dispatch Fund shows an increase to fund balance by roughly \$83,000 or 28% through the second quarter. With collection of intergovernmental revenue totaling \$402,000 or 67% of annual budget. Crook County Fire and Rescue (CCFR) increased its user fee to cover additional costs for two dispatchers to insure 24 hour coverage. The increase in personnel for the additional coverage will require a budget adjustment from contingency prior to year end, this being recovered through the additional revenue. At quarter end expenditures are roughly 42% of annual budget.

Transportation SDC fund shows an increase in fund balance of approx. \$91,000 or 30%, with revenues at 90% of annual budget. This due to the increase in building activity and the impact to traffic. Other SDC funds are trailing behind with revenue water at 34% of annual budget and wastewater at 18%.

The Transportation Fund's ending balance shows a decrease of approximately \$301,000 or 114% through the second quarter. Expenditures for budgeted capital projects in the first half of FY 15 are the significant to the decrease in fund balance. This fund is as anticipated.

Airport fund balance shows a decrease of approx. \$84,000 or 62%. Expenditures for capital outlay, annual debt service and insurance payments have contributed to the decrease in fund balance. Fuel inventory is approx. \$62,000 at quarter end significantly offsetting the decrease in fund balance. The Airport is operating as anticipated.

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

December 31, 2014

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
General	\$ 875,945	\$ 820,598	\$ 2,582,731	\$ 2,153,495	\$ 1,249,834	\$ 429,236	52%
Transportation	254,115	263,598	532,772	833,833	(37,463)	(301,061)	-114%
Emergency Dispatch	249,166	294,836	643,909	560,905	377,840	83,004	28%
Planning	85,997	87,673	161,763	172,033	77,403	(10,270)	-12%
Transportation SDC	324,971	307,533	91,066	117	398,482	90,949	30%
Water SDC	1,558	47,500	25,873	-	73,373	25,873	54%
Wastewater SDC	152,252	143,044	20,921	32,202	131,763	(11,281)	-8%
LID Debt Service	90,620	103,228	98,041	74,957	126,313	23,085	22%
PERS/ POB	14,400	15,118	146,167	116,760	44,526	29,408	195%
Railroad	646,585	605,443	332,496	397,916	540,022	(65,421)	-11%
Airport	27,555	134,392	406,717	490,286	50,823	(83,569)	-62%
Water	1,413,380	1,665,736	1,166,678	1,206,053	1,626,361	(39,375)	-2%
Wastewater	1,097,324	1,600,077	1,604,604	1,739,845	1,464,836	(135,241)	-8%
Golf Course and Restaurant	431,969	456,898	714,895	842,939	328,854	(128,044)	-28%
Administration and Financial Service	111,688	162,566	976,399	944,865	194,100	31,534	19%
Public Works Support Services	177,412	292,383	650,995	706,940	236,437	(55,946)	-19%
City Hall	150,227	204,237	91,833	150,020	146,050	(58,187)	-28%
Plaza Maintenance	33,006	35,443	10,079	4,121	41,401	5,958	17%
Totals	\$ 6,138,170	\$ 7,240,303	\$ 10,257,941	\$ 10,427,287	\$ 7,070,957	\$ (169,346)	-2%

December 31, 2014

General Fund

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

Overall revenue collection for the second quarter is at approximately \$2.01 million with roughly \$1.52 million coming from property taxes. Year to date property tax revenue is roughly \$1.55 million or 90% of the annual budget through the second quarter compared to approximately \$1.48 million last year at quarter end. Transient lodging taxes are up over prior year at roughly \$150,000 compared to \$122,000 last year. Franchise fees are at roughly 45% of the annual budget and collection increased approximately \$75,000 over last year same time frame, largely due to increased revenue in electrical franchise fees. Electrical franchise fees are up by approximately \$76,000 over second quarter prior year.

Police spending through the second quarter was at approximately 57% of the annual budget. Personnel services for the police department are at roughly 58% of annual budget, this largely due to the unanticipated personnel payouts for accrued leave. Current estimates for year-end show the additional costs for payouts and interim hiring will require an adjustment of approx. \$230,000. Police facility and non-departmental are as anticipated.

Overall, the General Fund realized an increase in fund balance of approximately 52% or \$429,000 through the second quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Property taxes	\$ 432,500	\$ 1,520,015	351%	\$ 865,000	\$ 1,551,668	90%	\$ 1,730,000
Transient lodging tax	52,500	63,541	121%	105,000	150,202	72%	210,000
Franchise fees	388,750	361,047	93%	777,500	697,217	45%	1,555,000
Licenses and permits	2,675	525	20%	5,350	2,966	28%	10,700
Intergovernmental revenues	64,625	50,213	78%	129,250	98,380	38%	258,500
Charges for services	25	-	-	50	-	0%	100
Interest	750	909	121%	1,500	1,441	48%	3,000
Miscellaneous	50,850	16,578	33%	101,700	80,858	40%	203,400
Debt Proceeds	-	-	-	-	-	-	-
Total revenue	\$ 992,675	\$ 2,012,828	203%	\$ 1,985,350	\$ 2,582,731	65%	\$ 3,970,700
Expenditures							
Police	\$ 770,725	\$ 766,355	99%	\$ 1,541,450	\$ 1,745,704	57%	\$ 3,082,900
Police facility	16,650	14,477	87%	33,300	33,566	50%	66,600
Non-departmental	196,225	213,753	109%	392,450	374,225	48%	784,900
Contingency							912,245
Total expenditures	\$ 983,600	\$ 994,585	101%	\$ 1,967,200	\$ 2,153,495	44%	\$ 4,846,645
Revenue over (under) expenditures	9,075	1,018,243		18,150	429,236		(875,945)
Beginning fund balance	875,945	820,598		875,945	820,598		875,945
Ending fund balance	\$ 885,020	\$ 1,838,841		\$ 894,095	\$ 1,249,834		\$ -

December 31, 2014

Transportation Fund

The Transportation Fund accounts for the operation and maintenance of the City's streets, bike lanes, and sidewalk systems. Principal sources of revenue are state gas taxes allocated to cities, permits, and interest. Principal expenditures are for public works staff, patching, painting, electricity for streetlights and signals, insurance and asphalt.

Second quarter revenue, for the Transportation Fund, came in at approximately 43% of the annual budget. Intergovernmental revenue collection is at 40% of the annual budget with the State of Oregon gas tax coming in at approximately \$267,000 through the second quarter.

Second quarter expenditures are roughly 56% of annual budget. Capital expenditures in the second quarter totaled approximately \$436,000 for planned capital maintenance projects. Personnel services are at approximately 51% of the annual budget with roughly 87% of overtime budget utilized during the second quarter, this largely due to the heavy snow in November.

The capital projects completed during the first and second quarter contributed to the overall decrease in fund balance through the second quarter of approx. \$301,000.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Franchise fees	\$ 61,250	\$ 61,250	100%	\$ 122,500	\$ 122,500	50%	\$ 245,000
Intergovernmental	207,475	184,782	89%	414,950	333,617	40%	829,900
Transfers	36,500	36,500	100%	73,000	73,000	50%	146,000
Interest	300	133	44%	600	591	49%	1,200
Miscellaneous	3,250	2,064	63%	6,500	3,064	24%	13,000
Total revenue	\$ 308,775	\$ 284,729	92%	\$ 617,550	\$ 532,772	43%	\$ 1,235,100
Expenditures							
Personal services	\$ 50,275	\$ 54,249	108%	\$ 100,550	\$ 101,684	51%	\$ 201,100
Material & services	49,700	50,919	102%	99,400	111,163	56%	198,800
Capital outlay							
Improvements	136,150	42,529	31%	272,300	436,236	80%	544,600
Transfers	94,875	92,375	97%	189,750	184,750	49%	379,500
Contingency							165,215
Total expenditures	\$ 331,000	\$ 240,072	73%	\$ 662,000	\$ 833,833	56%	\$ 1,489,215
Revenue over (under) expenditures	(22,225)	44,657		(44,450)	(301,061)		(254,115)
Beginning fund balance	254,115	263,598		254,115	263,598		254,115
Ending fund balance	\$ 231,890	\$ 308,255		\$ 209,665	\$ (37,463)		\$ -

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 \$644,000 or 59% of the annual budget. Revenue collection came in slightly higher than anticipated through the second quarter with intergovernmental revenue coming in at approximately \$402,000 or 67% of the annual budget. This largely due to the additional revenue received from Crook County Fire and Rescue (CCFR) for additional dispatching.

Expenditures are approximately \$561,000 or 42% of the annual budget. Personnel services are up slightly at 51% of the annual budget or \$418,000, this due to the additional dispatching for CCFR. These additional costs will require a budget adjustment at year end from contingency as the funds are recovered through misc. revenue from CCFR. Overall expenditures came in as anticipated at second quarter end.

The Emergency Dispatch Fund increased its fund balance by roughly \$83,000 or 28% through the second quarter.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Revenue							
Intergovernmental	\$ 150,293	\$ 270,407	180%	\$ 300,585	\$ 402,443	67%	\$ 601,170
Charges for services	750	-	-	1,500	2,400	80%	3,000
Interest	750	339	45%	1,500	666	22%	3,000
Transfers from other funds	119,200	119,200	100%	238,400	238,400	50%	476,800
Total revenue	\$ 270,993	\$ 389,946	144%	\$ 541,985	\$ 643,909	59%	\$ 1,083,970
Expenditures							
Personal services	\$ 206,725	\$ 222,118	107%	\$ 413,450	\$ 417,638	51%	\$ 826,900
Material & services	23,950	37,312	156%	47,900	57,217	60%	95,800
Capital outlay							
Equipment	25	-	-	50	-	0%	100
Transfers	43,025	43,025	100%	86,050	86,050	50%	172,100
Contingency							238,236
Total expenditures	\$ 273,725	\$ 302,455	110%	\$ 547,450	\$ 560,905	42%	\$ 1,333,136
Revenue over (under) expenditures	(2,733)	87,491		(5,465)	83,004		(249,166)
Beginning fund balance	249,166	294,836		249,166	294,836		249,166
Ending fund balance	\$ 246,434	\$ 382,327		\$ 243,701	\$ 377,840		\$ -

Planning Fund

The Planning Fund accounts for the planning activities of the City. A transfer of funds from General Fund to Planning helps support the short term planning needs of the city. General administrative costs are paid through internal charges to the Internal Services Fund for the following services based upon the cost to the department for using these services; administrative and financial services, risk management, computer and phone services. The costs of these services are at full cost, including replacement cost, thereby providing a more accurate cost of providing services.

Second quarter revenue collection came in at approximately \$79,000 or 92% of the quarter budget. Revenue collection through the second quarter for licenses and permits is at approximately \$14,900 with roughly \$5,500 coming in the second quarter.

Expenditures incurred during the second quarter came in at approximately \$91,700 or 101% of quarter budget, overall expenditures are 40% of annual budget and are as anticipated.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Licenses & Permits	\$ 11,500	\$ 5,487	48%	\$ 23,000	\$ 14,883	32%	\$ 46,000
Charges for services	3,375	2,233	66%	6,750	4,183	31%	13,500
Interest	50	93	186%	100	197	99%	200
Transfers from other funds	71,250	71,250	100%	142,500	142,500	50%	285,000
Total revenue	\$ 86,175	\$ 79,063	92%	\$ 172,350	\$ 161,763	47%	\$ 344,700
Personal services	\$ 54,500	\$ 55,745	102%	\$ 109,000	\$ 106,598	49%	\$ 218,000
Material & services	5,150	8,787	171%	10,300	11,185	54%	20,600
Capital Outlay	3,750	-	-	7,500	-	0%	15,000
Transfers	27,125	27,125	100%	54,250	54,250	50%	108,500
Contingency							68,997
Total expenditures	\$ 90,525	\$ 91,657	101%	\$ 181,050	\$ 172,033	40%	\$ 430,697
Revenue over (under) expenditures	(4,350)	(12,594)		(8,700)	(10,270)		(85,997)
Beginning fund balance	85,997	87,673		85,997	87,673		85,997
Ending fund balance	\$ 81,647	\$ 75,079		\$ 77,297	\$ 77,403		\$ -

December 31, 2014

Transportation SDC Fund

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

Revenue collection through the second quarter for the Transportation SDC Fund is at approximately 90% of the annual budget. Second quarter SDC collection came in at roughly \$34,000 of quarter budget, \$88,400 total collection through 2nd quarter end. This approx. 104% of annual budget due to an increase in building activity.

Expenditures during the second quarter were at approximately 5% of the quarter budget. Capital improvements of \$395,000 for sidewalks out Laughlin are planned to begin at the end of the 3rd quarter.

Ending fund balance is roughly \$398,000, an increase of approximately \$91,000 through the second quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Intergovernmental	\$ 1,250	\$ -	-	\$ 2,500	\$ -	0%	\$ 5,000
Interest	250	1,859	744%	500	2,668	267%	1,000
Transfers	2,500	-	-	5,000	-	0%	10,000
System development charges	21,350	34,149	160%	42,700	88,399	104%	85,400
Total revenue	\$ 25,350	\$ 36,008	142%	\$ 50,700	\$ 91,066	90%	\$ 101,400
Expenditures							
Material & services	\$ 2,500	\$ 117	5%	\$ 5,000	\$ 117	1%	\$ 10,000
Capital outlay							
Improvements	98,750	-	-	197,500	-	0%	395,000
Transfers	1,075	-	-	2,150	-	0%	4,300
Contingency							17,071
Total expenditures	\$ 102,325	\$ 117	0%	\$ 204,650	\$ 117	0%	\$ 426,371
Revenue over (under) expenditures	(76,975)	35,891		(153,950)	90,949		(324,971)
Beginning fund balance	324,971	307,533		324,971	307,533		324,971
Ending fund balance	\$ 247,996	\$ 343,424		\$ 171,021	\$ 398,482		\$ -

December 31, 2014

Water SDC Fund

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

Overall second quarter revenue came in at approximately \$12,000 or 65% of the quarterly budget. Collection for first and second quarter combined is approx. 34% of annual budget.

Expenditures budgeted are estimated for approximately 5% of total revenue collection. Transfer will take place at year end for administration fee.

The Water SDC Fund balance increased approximately \$26,000 through the second quarter.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Revenue							
Interest	\$ 25	\$ 170	682%	\$ 50	207	207%	\$ 100
System development charges	18,875	12,081	64%	37,750	25,666	34%	75,500
Total revenue	\$ 18,900	\$ 12,251	65%	\$ 37,800	\$ 25,873	34%	\$ 75,600
Expenditures							
Transfers	18,950	-	-	37,900	-	-	75,800
Contingency							1,358
Total expenditures	\$ 18,950	\$ -	-	\$ 37,900	\$ -	0%	\$ 77,158
Revenue over (under) expenditures	(50)	12,251		(100)	25,873		(1,558)
Beginning fund balance	1,558	47,500		1,558	47,500		1,558
Ending fund balance	\$ 1,508	\$ 59,751		\$ 1,458	\$ 73,373		\$ -

December 31, 2014

Wastewater SDC Fund

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

Overall second quarter revenue collection came in at approximately 35% of the quarter budget.

Expenditures were roughly \$32,000 or 103% of quarter budget. The wetlands project is the only capital expenditure budgeted for FY 15 coming in at approximately 26% of annual budget.

Ending fund balance through the second quarter is at approximately \$131,763, a decrease of roughly \$11,300.

	Current Quarter		Quarter	Year to Date		Annual	Annual
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
Revenue							
Interest	\$ 125	\$ 214	171%	\$ 250	\$ 427	85%	\$ 500
System development charges	28,225	9,791	35%	56,450	20,494	18%	112,900
Total revenue	\$ 28,350	\$ 10,005	35%	\$ 56,700	\$ 20,921	18%	\$ 113,400
Expenditures							
Capital outlay							
Improvements	\$ 31,250	\$ 32,202	103%	\$ 62,500	\$ 32,202	26%	\$ 125,000
Transfers	9,250	-	-	18,500	-	0%	37,000
Contingency							103,652
Total expenditures	\$ 40,500	\$ 32,202	80%	\$ 81,000	\$ 32,202	12%	\$ 265,652
Revenue over (under) expenditures	(12,150)	(22,197)	-	(24,300)	(11,281)		(152,252)
Beginning fund balance	152,252	143,044		152,252	143,044		152,252
Ending fund balance	\$ 140,102	\$ 120,847		\$ 127,952	\$ 131,763		\$ -

December 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
	Budget	Actual		Budget	Actual		
Interest	\$ 125	\$ 75	60%	\$ 250	\$ 144	29%	\$ 500
Assessment repayments	43,250	198	0%	86,500	97,898	57%	173,000
Total revenue	\$ 43,375	\$ 273	1%	\$ 86,750	\$ 98,041	57%	\$ 173,500
Expenditures							
Materials and services	\$ 100	\$ -	-	\$ 200	\$ -	0%	\$ 400
Debt service							
Principal							
Ironhorse LID - 2006	19,050	-	-	38,100	35,802	47%	76,200
Interest							
Ironhorse LID - 2006	18,450	-	-	36,900	39,155	53%	73,800
Contingency							113,720
Total expenditures	\$ 37,600	\$ -	-	\$ 75,200	\$ 74,957	28%	\$ 264,120
Revenue over (under) expenditures	5,775	273		11,550	23,085		(90,620)
Beginning fund balance	90,620	103,228		90,620	103,228		90,620
Ending fund balance	\$ 96,395	\$ 103,501		\$ 102,170	\$ 126,313		\$ -

December 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.

Revenues and expenditures are as anticipated.

Revenue	Current Quarter			Year to Date		Annual	Annual
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
Interest	\$ -	\$ 110	-	\$ -	\$ 167	-	\$ -
Debt Proceeds	-	-	-	-	-	-	-
Transfer from other funds	73,750	73,000	0%	147,500	146,000	49%	295,000
Total revenue	\$ 73,750	\$ 73,110	99%	\$ 147,500	\$ 146,167	50%	\$ 295,000
Expenditures							
Personnel Services	\$ -	\$ -		\$ -	\$ -		
Materials and Services	-	-		-	-		
Debt Service							
Principal - POB 2013	25,000	45,000	180%	50,000	45,000	45%	100,000
Interest - POB 2013	35,900	71,760	200%	71,800	71,760	50%	143,600
Contingency							65,800
Total expenditures	\$ 60,900	\$ 116,760	192%	\$ 121,800	\$ 116,760	38%	\$ 309,400
Revenue over (under) expenditures	\$ 12,850	\$ (43,650)		\$ 25,700	\$ 29,408		\$ (14,400)
Beginning fund balance	14,400	15,118		14,400	15,118		14,400
Ending fund balance	\$ 27,250	\$ (28,532)		\$ 40,100	\$ 44,526		\$ -

Railroad Fund

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

Overall revenue collection during the second quarter is at roughly \$173,000 or 91% of the quarter budget. Charges for services for the railroad are at approx. \$141,000 or 32% of the annual budget, freight depot charges for services are approx. \$100,000 or 83% of annual budget. Overall freight revenue is flat at \$118,000 when comparing first and second quarter combined to prior year. Charges for services for the freight depot are at roughly \$81,000 or 113% of the annual budget which is an increase over prior year quarter end by roughly \$38,000.

Overall expenditures through the second quarter are at approximately \$398,000 or 28% of the annual budget. Personnel services are at roughly \$140,000 or 53% of the annual budget.

Through the second quarter the ending fund balance is at approximately \$540,000, a decrease of approx. \$65,000 or -11%. Management is paying close attention to this decrease in fund balance, looking for new revenue sources and options for decreasing expenditures.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services							
Railroad	\$ 111,000	\$ 77,828	70%	\$ 222,000	\$ 141,059	32%	\$ 444,000
Freight Depot	30,000	53,589	179%	60,000	99,978	83%	120,000
Use of money & property	12,675	13,071	103%	25,350	26,600	52%	50,700
Intergovernmental	-	3,276	#DIV/0!	-	3,276	#DIV/0!	-
Miscellaneous	11,250	-	-	22,500	11,182	25%	45,000
Transfers	25,225	25,175	100%	50,450	50,400	50%	100,900
Total revenue	\$ 190,150	\$ 172,939	91%	\$ 380,300	\$ 332,496	44%	\$ 760,600
Expenditures							
Personal services	\$ 66,325	\$ 71,884	108%	\$ 132,650	\$ 140,398	53%	\$ 265,300
Material and services	76,250	46,468	61%	152,500	170,568	56%	305,000
Debt Service							
Principal - Credit Facility	23,000	-	-	46,000	45,528	49%	92,000
Interest - Credit Facility	2,225	-	-	4,450	4,872	55%	8,900
Transfers	18,275	18,275	100%	36,550	36,550	50%	73,100
Contingency							662,885
Total expenditures	\$ 186,075	\$ 136,627	73%	\$ 372,150	\$ 397,916	28%	\$ 1,407,185
Revenue over (under) expenditures	4,075	36,312		8,150	(65,421)		(646,585)
Beginning fund balance	646,585	605,443		646,585	605,443		646,585
Ending fund balance	\$ 650,660	\$ 641,755		\$ 654,735	\$ 540,022		\$ -

December 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.

Revenues for the second quarter were approximately 48% of the quarter budget or \$131,000. With fuel sales at roughly \$283,000 and hanger lease charges at approximately \$62,000 for first and second quarter combined.

Second quarter expenditures came in at approximately \$160,000 or 58% of the quarter budget. This budget is as anticipated.

Overall fund balance is down approximately \$84,000 through the second quarter, inventory for fuel at quarter end is approx. \$62,000.

	Current Quarter		Quarter	Year to Date		Annual	Annual
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
Intergovernmental	\$ 47,650	\$ 26,756	56%	\$ 95,300	\$ 54,049	28%	\$ 190,600
Charges for services	212,375	104,086	49%	424,750	352,573	42%	849,500
Other revenues	25	28	110%	50	95	95%	100
Transfers	12,500	-	-	12,500	-	0%	50,000
Total revenue	\$ 272,550	\$ 130,870	48%	\$ 532,600	\$ 406,717	37%	\$ 1,090,200
Expenditures							
Personal Service	\$ 33,725	\$ 35,833	106%	\$ 67,450	\$ 67,743	50%	\$ 134,900
Materials and Services	174,500	71,237	41%	349,000	282,421	40%	698,000
Capital outlay	41,250	30,715	74%	82,500	70,671	43%	165,000
Debt Service	6,250	-	-	12,500	25,000	100%	25,000
Transfers	22,225	22,225	100%	44,450	44,450	50%	88,900
Contingency							5,955
Total expenditures	\$ 277,950	\$ 160,010	58%	\$ 555,900	\$ 490,286	44%	\$ 1,117,755
Revenue over (under) expenditures	(5,400)	(29,141)		(23,300)	(83,569)		(27,555)
Beginning fund balance	27,555	134,392		27,555	134,392		27,555
Ending fund balance	\$ 22,155	\$ 105,251		\$ (23,300)	\$ 50,823		\$ -

December 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 collection in the second quarter came in at approximately \$495,000 or 101% of the quarter budget. Revenue associated with charges for services came in at roughly \$492,000 or 105% of quarter budget. Overall revenues through the second quarter are at approximately 60% of the annual budget. This largely due to the weather related increase of water usage during the first and second quarter.

Second quarter expenditures are as anticipated.

Overall, the fund balance through the second quarter decreased by approximately \$39,000 or 2%.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services	\$ 469,250	\$ 492,430	105%	\$ 938,500	\$ 1,162,319	62%	\$ 1,877,000
Interest	1,250	975	78%	2,500	1,947	39%	5,000
Miscellaneous	1,375	1,407	102%	2,750	2,412	44%	5,500
Transfers	18,000	-	-	36,000	-	0%	72,000
Total revenue	\$ 489,875	\$ 494,812	101%	\$ 979,750	\$ 1,166,678	60%	\$ 1,959,500
Expenditures							
Materials and services	\$ 118,600	\$ 93,461	79%	\$ 237,200	\$ 211,929	45%	\$ 474,400
Franchise fee expense	23,500	23,500	100%	47,000	47,000	50%	94,000
Capital outlay							
Improvements	122,725	123,385	101%	245,450	207,129	42%	490,900
Debt service							
Principal							
Refunding bond 2011 SDC	25,000	-	-	50,000	100,000	100%	100,000
Water revenue bond 2003	10,000	-	-	20,000	-	-	40,000
Interest							
Refunding bond 2011 SDC	26,700	-	-	53,400	106,787	100%	106,800
Water revenue bond 2003	5,950	-	-	11,900	11,858	50%	23,800
Transfers	260,675	260,675	100%	521,350	521,350	50%	1,042,700
Contingency							1,000,280
Total expenditures	\$ 593,150	\$ 501,021	84%	\$ 1,186,300	\$ 1,206,053	36%	\$ 3,372,880
Revenue over (under) expenditures	(103,275)	(6,209)		(206,550)	(39,375)		(1,413,380)
Beginning fund balance	1,413,380	1,665,736		1,413,380	1,665,736		1,413,380
Ending fund balance	\$ 1,310,105	\$ 1,659,527		\$ 1,206,830	\$ 1,626,361		\$ -

December 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 second quarter came in at approximately \$1.6 million or 51% of the annual budget. Second quarter revenue collection for charges for services was roughly \$784,000 or 99% of the quarter budget.

Second quarter expenditures came in at roughly \$556,000 or 70% of the quarter budget. Overall expenditures are tracking as anticipated.

Fund balance has decreased through the second quarter by roughly \$135,000. This decrease can largely be attributed to the first quarter debt service payments in the amount of approximately \$579,000.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services	\$ 753,000	\$ 767,685	102%	\$ 1,506,000	\$ 1,540,050	51%	\$ 3,012,000
Interest	750	606	81%	1,500	1,200	40%	3,000
Miscellaneous	28,250	12,430	44%	56,500	54,681	48%	113,000
SDCs - reimbursement fees	7,825	3,754	48%	15,650	8,673	28%	31,300
Total revenue	\$ 789,825	\$ 784,475	99%	\$ 1,579,650	\$ 1,604,604	51%	\$ 3,159,300
Expenditures							
Personal services	\$ 49,000	\$ 57,651	118%	\$ 98,000	\$ 108,618	55%	\$ 196,000
Materials and services	137,900	120,861	88%	275,800	301,335	55%	551,600
Franchise fees expense	37,750	37,750	100%	75,500	75,500	50%	151,000
Capital outlay							
Improvements	32,500	26,779	82%	65,000	33,824	26%	130,000
Debt service							
DEQ CWSRF R74682/2	102,700	-	-	205,400	203,859	50%	410,800
Refunding 2011 / principle	20,000	-	-	40,000	80,000	100%	80,000
Interest							
DEQ CWSRF R74682/2	44,150	-	-	88,300	89,751	51%	176,600
Refunding 2011 / interest	51,300	-	-	102,600	205,194	100%	205,200
Fees							
DEQ CWSRF R74682/1 & 2	3,825	-	-	7,650	15,264	100%	15,300
Transfers	313,250	313,250	100%	626,500	626,500	50%	1,253,000
Contingency							783,124
Total expenditures	\$ 792,375	\$ 556,291	70%	\$ 1,584,750	\$ 1,739,845	44%	\$ 3,952,624
Revenue over (under) expenditures	(2,550)	228,184		(5,100)	(135,241)		(793,324)
Other resources/(requirements)							
Debt service reserve	304,000			304,000	-		304,000
Beginning fund balance	1,097,324	1,600,077		1,097,324	1,600,077		1,097,324
Ending fund balance	\$ 1,094,774	\$ 1,828,261	167%	\$ 1,092,224	\$ 1,464,836	134%	\$ 304,000

December 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 second quarter is at approximately 48% of the annual budget or \$715,000. Golf revenue is at roughly \$349,000 or 47% of the annual budget through the second quarter, this down slightly over prior year second quarter by approximately \$7,000. Restaurant revenues are at approximately \$188,000 or 48% of the annual budget through the second quarter which is a decrease over prior year quarter end by roughly \$10,000.

Expenditures through second quarter came in at roughly \$843,000 or 44% of the annual budget. Overall operating expenditures for the golf course are roughly \$283,000 or 58% at second quarter. Restaurant operating expenditures through the second quarter are approximately 53% or \$256,000.

Fund balance decreased roughly \$128,000 leaving the ending fund balance at approximately \$329,000. Management continues to monitor expenditures closely.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services							
Golf Course	\$ 187,125	\$ 85,921	46%	\$ 374,250	\$ 349,357	47%	\$ 748,500
Waste disposal	87,500	87,500	100%	175,000	175,000	50%	350,000
Restaurant	98,750	68,393	69%	197,500	187,895	48%	395,000
Other	1,250	161	13%	2,500	1,642	33%	5,000
Interest	500	456	91%	1,000	1,002	50%	2,000
Miscellaneous	500	-	-	1,000	-	0%	2,000
Total revenue	\$ 375,625	\$ 242,431	65%	\$ 751,250	\$ 714,895	48%	\$ 1,502,500
Expenditures							
Golf Course	\$ 122,925	\$ 96,652	79%	\$ 245,850	\$ 282,803	58%	\$ 491,700
Waste disposal	118,500	108,465	92%	237,000	252,050	53%	474,000
Restaurant	120,700	107,226	89%	241,400	255,578	53%	482,800
Debt service							
Principal - Credit facility	10,950	-	-	21,900	21,642	49%	43,800
Interest - Credit facility	1,050	-	-	2,100	2,316	110%	4,200
Principal - 2011 bond	2,500	-	-	5,000	10,000	100%	10,000
Interest - 2011 bond	4,650	-	-	9,300	18,550	100%	18,600
Contingency							409,369
Total expenditures	\$ 381,275	\$ 312,343	82%	\$ 762,550	\$ 842,939	44%	\$ 1,934,469
Revenue over (under) expenditures	(5,650)	(69,912)		(11,300)	(128,044)		(431,969)
Beginning fund balance	431,969	456,898		431,969	456,898		431,969
Ending fund balance	\$ 426,319	\$ 386,986		\$ 420,669	\$ 328,854		\$ -

December 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 revenue collection through the second quarter came in at approximately \$976,000 or 51% of the annual budget.

Overall expenditures at second quarter end are at approximately 46% of the annual budget or \$945,000.

Revenues and expenditures are as anticipated at second quarter end.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services	\$ 480,225	\$ 497,703	104%	\$ 960,450	\$ 975,719	51%	\$ 1,920,900
Interest	250	353	141%	500	680	68%	1,000
Total revenue	\$ 480,475	\$ 498,056	104%	\$ 960,950	\$ 976,399	51%	\$ 1,921,900
Expenditures							
City Council	\$ 20,475	\$ 14,468	71%	\$ 40,950	\$ 28,726	35%	\$ 81,900
Administration/team services	178,350	157,037	88%	356,700	352,960	49%	713,400
Financial services	166,075	183,608	111%	332,150	333,162	50%	664,300
Information technology	125,825	97,531	78%	251,650	230,017	49%	473,300
Contingency							100,688
Total expenditures	\$ 490,725	\$ 452,644	92%	\$ 981,450	\$ 944,865	46%	\$ 2,033,588
Revenue over (under) expenditures	(10,250)	45,412		(20,500)	31,534		(111,688)
Beginning fund balance	111,688	162,566		111,688	162,566		111,688
Ending fund balance	\$ 101,438	\$ 207,978		\$ 91,188	\$ 194,100		\$ -

December 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. The debt service payment took place in the second quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Rent	\$ 44,550	\$ 44,550	100%	\$ 89,100	\$ 89,100	50%	\$ 178,200
Transfers	-	-	-	-	-	-	-
Misc. Income	2,175	737	34%	8,700	2,323	27%	8,700
Interest	200	200	100%	400	410	51%	800
Total revenue	\$ 46,925	\$ 45,487	97%	\$ 98,200	\$ 91,833	49%	\$ 187,700
Expenditures							
Materials and services	\$ 19,550	\$ 30,176	154%	\$ 39,100	\$ 45,082	58%	\$ 78,200
Debt service							
Principal - USDA 2005	10,525	42,004	399%	21,050	42,004	100%	42,100
Interest - USDA - 2005	15,750	62,934	400%	31,500	62,934	100%	63,000
Transfers	2,500	-	-	5,000	-	-	10,000
Contingency							39,627
Total expenditures	\$ 48,325	\$ 135,114	280%	\$ 96,650	\$ 150,020	64%	\$ 232,927
Revenue over (under) expenditures	(1,400)	(89,627)		1,550	(58,187)		(45,227)
Other requirements							
Debt service reserve	105,000	105,000		105,000	105,000		105,000
Beginning fund balance	150,227	204,237		150,227	204,237		150,227
Ending fund balance	\$ 148,827	\$ 114,610		\$ 151,777	\$ 146,050		\$ 105,000

December 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.

This fund is as anticipated.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Revenue							
Intergovernmental	\$ 2,500	\$ -	-	\$ 5,000	\$ 10,000	100%	\$ 10,000
Interest	25	40	158%	50	79	79%	100
Transfers	2,500	-	-	5,000	-	-	10,000
Total revenue	\$ 5,025	\$ 40	1%	\$ 10,050	\$ 10,079	50%	\$ 20,100
Expenditures							
Materials and services	\$ 4,700	\$ 2,590	55%	\$ 9,400	\$ 4,121	22%	\$ 18,800
Transfers	925	-	-	1,850	-	0%	3,700
Contingency							30,606
Total expenditures	\$ 5,625	\$ 2,590	46%	\$ 11,250	\$ 4,121	8%	\$ 53,106
Revenue over (under) expenditures	(600)	(2,550)		(1,200)	5,958		(33,006)
Beginning fund balance	33,006	35,443		33,006	35,443		33,006
Ending fund balance	\$ 32,406	\$ 32,893		\$ 31,806	\$ 41,401		\$ -

December 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.

Expenditures for public works support services are tracking under budget through the second quarter at \$707,000 or 46% of annual budget.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services	\$ 18,750	\$ 3,792	20%	\$ 37,500	\$ 7,655	10%	\$ 75,000
Interest	250	327	131%	500	732	73%	1,000
Miscellaneous	3,000	4,552	152%	6,000	6,258	52%	12,000
Transfers	318,175	318,175	100%	636,350	636,350	50%	1,272,700
Total revenue	\$ 340,175	\$ 326,845	96%	\$ 680,350	\$ 650,995	48%	\$ 1,360,700
Expenditures							
Public Works Support Services	\$ 259,375	\$ 254,300	98%	\$ 518,750	\$ 493,035	48%	\$ 1,037,500
Public Works Fleet & Vehicles	69,000	79,869	116%	138,000	201,241	73%	276,000
Public Works Facilities	9,125	7,600	83%	18,250	12,664	35%	36,500
Contingency							188,112
Total expenditures	\$ 337,500	\$ 341,769	101%	\$ 675,000	\$ 706,940	46%	\$ 1,538,112
Revenue over (under) expenditures	2,675	(14,924)		5,350	(55,946)		(177,412)
Beginning fund balance	177,412	292,383		177,412	292,383		177,412
Ending fund balance	\$ 180,087	\$ 277,459		\$ 182,762	\$ 236,437		\$ -