

City of Prineville, Oregon
Financial Report
Fourth Quarter Ended June 30, 2016

Executive Summary

Through the fourth quarter, ending June 30, 2016, the City's financial condition increased by approximately 17 percent or \$1.26 million. We are currently in our yearend audit process and some adjustments are still to be made. Property taxes, franchise fees, PERS credits and charges for services in the Railroad Fund and Water Fund are the largest contributing factors to the increase in the City's financial condition. Fund's that have significant positive impacts to the City's financial condition included General Fund, Transportation SDC, Wastewater SDC, the PERS / POB Fund, Railroad and Water. City funds with decreases in fund balances are largely due to capital improvements and scheduled debt service payments. Fund's that had significant negative impacts to the City's financial condition included Water SDC, Golf Course and Plaza Maintenance.

Through the fourth quarter, General Fund revenues came in at approximately 105 percent of the annual budget or \$4.39 million. Year to date property tax revenue is roughly \$1.84 million or 103 percent of the annual budget which is an increase of roughly \$43,000 over prior year. Transient lodging taxes are up at roughly \$308,500 compared to \$253,200 in the prior year. This is largely due to the increase in temporary workers with new construction at both the Facebook and Apple sites. Franchise fees are at roughly 105 percent of the annual budget and collection increased approximately \$187,600 over last year during the same time frame. This increase continues to be associated to the upward trend in electrical franchise fees collection. Electrical franchise fees are up by approximately \$190,600 over prior year.

Local development has positively affected the SDC funds. During the fourth quarter there were roughly 11 housing starts. Transportation SDC's were collected from Facebook in the amount of roughly \$196,300 during the fourth quarter. The Wastewater SDC fund is the only SDC fund with capital improvements budgeted for FY 16. The Crooked River Wetland project started construction during the third quarter and will continue through FY17.

The Railroad Fund has seen an increase to fund balance of approximately \$261,000 through the fourth quarter. Rail traffic and car storage has been on an upward trend over the last several quarters. Railroad activity continues to increase with new customers like Carson Oil and increased traffic from Les Schwab. Freight is up roughly 43 percent and storage is up 79 percent in comparison to the prior year. Also contributing to the increase in fund balance is the selling of tax credits in the first and third quarters.

Airport activity continues to increase. Overall gallons of fuel sold are up by roughly 24,000 gallons over the prior year, largely due to Jet A fuel sales from Erickson Aviation. Fuel revenue is up compared to the prior year by roughly \$11,000. Fuel prices are significantly less than they were last year which has positively affected fuel expenditures, but negatively affected fuel revenue. Despite this, overall operating revenues are up 6 percent over the prior year. Fuel inventory is roughly \$45,000 at quarter end and overall operating expenditures are down slightly in comparison to the prior year.

Meadow Lakes Golf shows a decrease in fund balance of roughly \$179,000 or -33 percent with the purchase of golf carts in the first quarter in which debt proceeds were collected in June of the prior year of \$176,200. Because the proceeds were collected last year, this skews the change in fund

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balance. Taking this into consideration, the actual change in fund balance is closer to breakeven with only a decrease of \$2,800. Overall revenues in the restaurant are up compared to the prior year by approximately 7 percent. Golf ended the year slightly down in revenues compared to the prior year by less than a percent. Expenditures are also up compared to the prior year and management continues to monitor them closely.

Actual beginning fund balances do not include accrued absences liability as it has in the past for the proprietary funds. For continued transparency and comparability the accrued absences liability, calculated as of June 30th 2015, has been taken into consideration in the adjusted beginning fund balance. Ending fund balance and the percentage change in fund balance has been calculated from the adjusted beginning fund balance. Please see page 26 for the adjustment details.

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

Fund	* Adjusted Beginning Fund Balance	Current Year Resources	Current Year Expenditures	Unaudited Ending Fund Balance	Change in Fund Balance	Percentage Change in Fund Balance	Projected Year-End Estimate	Variance Over/(under)
General	\$ 797,059	\$ 4,388,454	\$ 4,214,641	\$ 970,872	\$ 173,813	22%	\$ 871,859	\$ 99,013
Transportation	233,581	1,221,004	1,207,276	247,309	13,728	6%	205,281	42,028
Emergency Dispatch	327,197	1,243,791	1,231,041	339,947	12,750	4%	316,697	23,250
Planning	78,380	359,211	368,463	69,129	(9,251)	-12%	58,380	10,749
Transportation SDC	236,294	487,437	217,464	506,267	269,973	114%	459,094	47,173
Water SDC	117,092	199,128	242,840	73,380	(43,712)	-37%	10,592	62,788
Wastewater SDC	109,607	2,700,049	2,385,018	424,637	315,030	287%	115,207	309,430
LID Debt Service	88,675	162,828	149,914	101,589	12,914	15%	101,475	114
POB Fund	64,142	411,224	248,567	226,799	162,657	254%	121,200	105,599
Railroad	633,849	1,047,717	754,946	926,620	292,771	46%	784,649	141,971
Airport	72,949	754,352	751,457	75,844	2,895	4%	37,449	38,395
Water	1,508,741	2,549,049	2,177,727	1,880,064	371,323	25%	1,524,941	355,123
Wastewater	1,766,550	3,240,508	3,360,099	1,646,959	(119,591)	-7%	1,554,950	92,009
Golf Course and Restaurant	542,662	1,515,475	1,694,871	363,266	(179,396)	-33%	330,462	32,804
Administration and Financial Services	328,700	1,959,302	1,922,966	365,037	36,337	11%	324,600	40,437
Plaza Maintenance	43,216	30,390	44,573	29,033	(14,183)	-33%	15,916	13,117
City Hall	169,199	193,321	184,218	178,302	9,103	5%	169,999	8,303
Public Works Support Services	345,609	1,611,585	1,660,466	296,728	(48,881)	-14%	348,934	(52,206)
Totals	\$ 7,463,502	\$24,074,825	\$ 22,816,545	\$ 8,721,782	\$ 1,258,280	17%	\$ 7,351,685	\$ 1,370,097

Notes: * Please see page 26 for adjustment details

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General Fund

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

At the end of the fourth quarter, overall revenue collection was at roughly \$4.39 million with approximately 1.84 million coming from property taxes. Property tax collection came in at roughly 103 percent of the annual budget which is an increase of approximately \$43,000 over the prior year. Transient lodging taxes are up over prior year at roughly \$308,500 or 147 percent of the annual budget, compared to \$253,200 last year. This is largely due to the increase in temporary workers with new construction at both the Facebook and Apple sites. Franchise fees are at roughly 105 percent of the annual budget and collection increased approximately \$187,600 over last year during the same time frame. This increase continues to be associated to the upward trend in electrical franchise fees collection. Electrical franchise fees are up by approximately \$190,600 over prior year.

Police spending through the fourth quarter was at approximately 99 percent of the annual budget. Personnel services for the police department are at roughly 99 percent of annual budget with overtime at roughly 104 percent of the annual budget. Police facility is at approximately 91 percent of the annual budget and non-departmental is at 90 percent of the annual budget. A budget adjustment was done prior to yearend in the Police Department for personnel services for the overtime expense due to being short staffed, standardizing the pay period and fixing an overtime calculation error. A budget adjustment was also done in Non-departmental for unanticipated expenditures for the jail and facility strategic plan, increased transient room tax collected owed to the chamber and a potential transfer to the airport for a fuel purchase.

Overall, the General Fund's fund balance has realized an increase of approximately 22 percent or \$174,000 through the fourth quarter. Yearend estimates in comparison to actual are showing a favorable variance of roughly \$99,000. These are unaudited numbers and yearend audit adjustments are still being made.

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Revenue	Current Quarter			Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	%	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Property taxes	\$ 447,500	\$ 92,889	21%	\$ 1,790,000	\$ 1,836,385	103%	\$ 1,790,000	\$ 1,830,000	\$ 6,385
Transient lodging tax	52,500	86,643	165%	210,000	308,466	147%	210,000	310,000	(1,534)
Franchise fees	430,250	547,176	127%	1,721,000	1,806,988	105%	1,721,000	1,733,000	73,988
Licenses and permits	2,675	2,832	106%	10,700	11,083	104%	10,700	9,600	1,483
Intergovernmental revenues	58,450	34,779	60%	233,800	219,013	94%	233,800	235,500	(16,487)
Charges for services	25	-	-	100	-	-	100	100	(100)
Interest	750	1,493	199%	3,000	4,139	138%	3,000	3,000	1,139
Miscellaneous	49,675	68,684	138%	198,700	202,381	102%	198,700	210,100	(7,719)
Total revenue	\$ 1,041,825	\$ 834,497	80%	\$ 4,167,300	\$ 4,388,454	105%	\$ 4,167,300	\$ 4,331,300	\$ 57,154
Expenditures									
Police	853,675	851,807	100%	3,414,700	3,394,781	99%	3,414,700	3,400,700	5,919
Police facility	17,300	10,785	62%	69,200	63,294	91%	69,200	69,200	5,906
Non-departmental	210,225	191,623	91%	840,900	756,566	90%	840,900	786,600	30,034
Contingency							640,398		
Total expenditures	\$ 1,081,200	\$ 1,054,215	98%	\$ 4,324,800	\$ 4,214,641	85%	\$ 4,965,198	\$ 4,256,500	\$ 41,859
Revenue over (under) expenditures	(39,375)	(219,718)	-28%	(157,500)	173,813	22%	(797,898)	74,800	99,013
Beginning fund balance	797,898	797,059	100%	797,898	797,059	100%	797,898	797,059	
Ending fund balance	\$ 758,523	\$ 577,341	76%	\$ 640,398	\$ 970,872	152%	\$ -	\$ 871,859	\$ 970,872

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Transportation Fund

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

Overall revenues through the fourth quarter for the Transportation Fund came in at approximately 102 percent of the annual budget. Intergovernmental revenue collection also came in at roughly 102 percent of the annual budget. The State of Oregon gas tax came in at approximately \$558,300 through the fourth quarter which is an increase over the prior year of \$24,000. The All Roads Transportation Safety (ARTS) Grant was received in the fourth quarter for the Lynn Blvd and Knowledge crosswalk safety work.

Fourth quarter expenditures are roughly 91 percent of annual budget. Personnel services are at approximately 93 percent of the annual budget. Capital expenditures totaled approximately \$178,000 or 88 percent of the annual budget. A budget adjustment for capital outlay was done prior to yearend. This was due to the quick fix sidewalk project that had originally been budgeted for FY15 but is ongoing and anticipated to be completed in October 2016. The budget adjustment was also necessary for the unanticipated ARTS grant project that was started in June but completed in July 2016. With the completion of both these project in FY 17, a budget adjustment will be required in FY17.

The Transportation Fund's fund balance increased roughly 6 percent through the fourth quarter ending at approximately \$247,000.

Revenue	Current Quarter			Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	%	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Franchise Fees	\$ 64,750	\$ 64,750	100%	\$ 259,000	\$ 259,000	100%	\$ 259,000	\$ 259,000	\$ (0)
Intergovernmental	207,200	312,193	151%	828,800	848,798	102%	828,800	870,800	(22,002)
Transfers	25,000	25,000	100%	100,000	100,000	100%	100,000	100,000	
Interest	300	535	178%	1,200	1,437	120%	1,200	1,200	237
Miscellaneous	2,625	6,367	243%	10,500	11,769	112%	10,500	8,500	3,269
Total revenue	\$ 299,875	\$ 408,845	136%	\$ 1,199,500	\$ 1,221,004	102%	\$ 1,199,500	\$ 1,239,500	\$ (18,496)
Expenditures									
Personnel services	53,500	44,664	83%	214,000	198,015	93%	214,000	214,000	15,985
Material & services	50,875	81,793	161%	203,500	178,322	88%	203,500	196,000	17,678
Capital outlay									
Improvements	132,900	88,277	66%	531,600	452,839	85%	531,600	479,700	26,861
Transfers	94,525	94,525	100%	378,100	378,100	100%	378,100	378,100	0
Contingency							42,799		
Total expenditures	\$ 331,800	\$ 309,259	93%	\$ 1,327,200	\$ 1,207,276	91%	\$ 1,369,999	\$ 1,267,800	\$ 60,524
Revenue over (under) expenditures	(31,925)	99,585	43%	(127,700)	13,728	6%	(170,499)	(28,300)	42,028
Beginning fund balance	170,499	233,581	137%	170,499	233,581	137%	170,499	233,581	
Ending fund balance	\$ 138,574	\$ 333,166	240%	\$ 42,799	\$ 247,309	578%	\$ -	\$ 205,281	\$ 247,309

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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.

Overall revenue collection for the Emergency Dispatch Fund was approximately \$1.24 million or 101 percent of the annual budget. Fourth quarter revenue collection came in at roughly 91 percent of the quarter budget with intergovernmental revenue coming in at roughly 85 percent of the quarter budget.

Expenditures are approximately \$1.23 million or 94 percent of the annual budget. Personnel services are at approximately 93 percent of the annual budget as getting to full staff is a continuing struggle. A budget adjustment was done in materials and services prior to yearend to provide additional dollars for needed building and infrastructure maintenance.

The Emergency Dispatch Fund increased its fund balance by roughly \$13,000 or 4 percent through the fourth quarter.

Revenue	Current Quarter			Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	%	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Intergovernmental	\$ 173,025	\$ 146,611	85%	\$ 692,100	\$ 706,313	102%	\$ 692,100	\$ 692,100	\$ 14,213
Charges for Services	625	-	-	2,500	2,420	97%	2,500	2,500	(81)
Interest	750	430	57%	3,000	1,359	45%	3,000	1,900	(541)
Transfers from other funds	133,425	133,425	100%	533,700	533,700	100%	533,700	533,700	-
Total revenue	\$ 307,825	\$ 280,466	91%	\$ 1,231,300	\$ 1,243,791	101%	\$ 1,231,300	\$ 1,230,200	\$ 13,591
Expenditures									
Personnel services	224,775	181,929	81%	899,100	838,383	93%	899,100	850,000	11,617
Material & services	33,650	3,600	11%	134,600	120,946	90%	134,600	133,700	12,754
Capital outlay	23,600	14,875	63%	94,400	88,712	94%	94,400	74,000	(14,712)
Transfers	45,750	45,750	100%	183,000	183,000	100%	183,000	183,000	-
Contingency							-	241,035	
Total expenditures	\$ 327,775	\$ 246,155	75%	\$ 1,311,100	\$ 1,231,041	94%	\$ 1,552,135	\$ 1,240,700	\$ 9,659
Revenue over (under) expenditures	(19,950)	34,311	10%	(79,800)	12,750	4%	(320,835)	(10,500)	23,250
Beginning fund balance	320,835	327,197	102%	320,835	327,197	102%	320,835	327,197	
Ending fund balance	\$ 300,885	\$ 361,508	120%	\$ 241,035	\$ 339,947	141%	\$ -	\$ 316,697	\$ 339,947

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Planning Fund

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

Fourth quarter revenue collection came in at approximately \$91,500 or 106 percent of the quarter budget. Revenue collection through the fourth quarter for licenses and permits is at approximately \$47,400 or 103 percent which is an increase over the prior year end by roughly \$19,000. There were 11 housing starts in the fourth quarter and activity continues to be on an upward trend.

Expenditures incurred during the fourth quarter came in at approximately \$85,000 or 85 percent of the quarter budget with overall expenditures at roughly 92 percent of the annual budget. A budget adjustment was done prior to yearend for DEQ – Air Quality related expenditures in materials and services.

Fund balance is at roughly \$69,200 at yearend, decreasing by approximately 12 percent.

Revenue	Current Quarter			Year to Date			Annual Budget	Annual Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	Budget %			
Licenses & Permits	\$ 11,500	\$ 12,238	106%	\$ 46,000	\$ 47,413	103%	\$ 46,000	\$ 40,000	\$ 7,413
Charges for services	3,425	2,705	79%	13,700	21,175	155%	13,700	25,000	(3,825)
Intergovernmental	-	5,225	-	-	5,225	-	50,000	5,300	(75)
Interest	50	111	223%	200	399	199%	200	400	(1)
Transfers from other funds	71,250	71,250	100%	285,000	285,000	100%	285,000	285,000	-
Total revenue	\$ 86,225	\$ 91,529	106%	\$ 344,900	\$ 359,211	104%	\$ 394,900	\$ 355,700	\$ 3,511
Personnel services	57,775	55,845	97%	231,100	227,060	98%	231,100	229,100	2,040
Material & services	6,975	790	11%	27,900	21,146	76%	27,900	26,400	5,254
Capital Outlay	7,500	64	1%	30,000	7,257	24%	30,000	7,200	(57)
Transfers	28,250	28,250	100%	113,000	113,000	100%	113,000	113,000	0
Contingency							68,372		-
Total expenditures	\$ 100,500	\$ 84,949	85%	\$ 402,000	\$ 368,463	92%	\$ 470,372	\$ 375,700	\$ 7,237
Revenue over (under) expenditures	(14,275)	6,579	8%	(57,100)	(9,251)	-12%	(75,472)	(20,000)	10,749
Beginning fund balance	75,472	78,380	104%	75,472	78,380	104%	75,472	78,380	
Ending fund balance	\$ 61,197	\$ 84,959	139%	\$ 18,372	\$ 69,129	376%	\$ -	\$ 58,380	\$ 69,129

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Transportation SDC Fund

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

Revenue collection through the fourth quarter for the Transportation SDC Fund is at approximately 196 percent of the annual budget. Fourth quarter SDC collection came in at roughly \$262,000 with approximately \$196,300 coming from Facebook. Both commercial and residential development in the fourth quarter continues to positively affect the SDC funds. There were 11 transportation SDC's collected in the fourth quarter.

Yearend audit adjustments are still being made. A budget adjustment was done prior to yearend in transfers to allow for the total administrative fee with the additional SDC revenue that was collected.

Fund balance at quarter end is roughly \$506,000.

Revenue	Current Quarter			Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual				
Interest	625	369	59%	2,500	1,367	55%	2,500	1,500	(133)
Misc. Income	-	-	-	-	44	-	-	100	(56)
System development charges	61,450	262,165	427%	245,800	486,025	198%	245,800	448,000	38,025
Total revenue	\$ 62,075	\$ 262,535	423%	\$ 248,300	\$ 487,437	196%	\$ 248,300	\$ 449,600	\$ 37,837
Expenditures									
Material & services	91,750	-	-	361,750	208,038	58%	367,000	208,000	(38)
Capital outlay	-	-	-	-	-	-	-	-	-
Improvements	-	-	-	-	-	-	-	-	-
Transfers	3,075	-	-	12,300	9,426	77%	12,300	18,800	9,374
Contingency	-	-	-	-	-	-	231,032	-	-
Total expenditures	\$ 94,825	\$ -	-	\$ 374,050	\$ 217,464	58%	\$ 610,332	\$ 226,800	\$ 9,336
Revenue over (under) expenditures	(32,750)	262,535	111%	(125,750)	269,973	114%	(362,032)	222,800	47,173
Beginning fund balance	362,032	236,294	65%	362,032	236,294	65%	362,032	236,294	
Ending fund balance	\$ 329,282	\$ 498,829	151%	\$ 236,282	\$ 506,267	214%	\$ -	\$ 459,094	\$ 506,267

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Water SDC Fund

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

Overall fourth quarter revenue came in at approximately \$35,500 or 80 percent of the quarterly budget. Total revenue collection is at 112 percent of the annual budget through the fourth quarter. Local development continued in the fourth quarter positively affecting the SDC funds. During the fourth quarter there were 12 residential and commercial water SDC's collected.

Yearend audit adjustments are still being made and a budget adjustment was done prior to yearend in transfers. This adjustment was necessary in order to fully cover the water debt service transfer, and allow for the total administrative charge to be 5 percent with the additional SDC revenue that was collected.

Fund balance is approximately \$73,400 at yearend.

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	Budget %			
Interest	\$ 25	\$ 53	212%	\$ 100	\$ 573	573%	\$ 100	\$ 600	\$ (27)
System development charges	44,375	35,514	80%	177,500	198,555	112%	177,500	188,000	10,555
Total revenue	\$ 44,400	\$ 35,567	80%	\$ 177,600	\$ 199,128	112%	\$ 177,600	\$ 188,600	\$ 10,528
Expenditures									
Transfers	73,950		-	295,800	242,840	82%	295,800	295,100	52,260
Contingency							2,188		
Total expenditures	\$ 73,950	\$ -	-	\$ 295,800	\$ 242,840	82%	\$ 297,988	\$ 295,100	\$ 52,260
Revenue over (under) expenditures	(29,550)	35,567	30%	(118,200)	(43,712)	-37%	(120,388)	(106,500)	62,788
Beginning fund balance	120,388	117,092	97%	120,388	117,092	97%	120,388	117,092	
Ending fund balance	\$ 90,838	\$ 152,659	168%	\$ 2,188	\$ 73,380	3354%	\$ -	\$ 10,592	\$ 73,380

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Wastewater SDC Fund

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

Overall revenue through the fourth quarter is at approximately 95 percent of the annual budget. Fourth quarter revenue can largely be attributed to the funding coming in for the Crooked River Wetlands project that started in the third quarter. During the fourth quarter there were nine residential wastewater SDC's collected with fourth quarter collection coming in at 136 percent of the quarter budget.

A majority of the fourth quarter expenditures were for the construction of the Crooked River Wetlands project. Capital improvements totaled roughly \$2.3 million or 71 percent of the annual budget. Total expenditures are roughly 70 percent of the annual budget or approximately \$2.3 million at yearend. A supplemental budget was adopted prior to yearend due to the increased rate the Wetlands project is being completed and allow for the total administrative charge to be 5 percent with the additional SDC revenue that was collected.

Yearend audit adjustments are still being made. Unaudited ending fund balance through the fourth quarter is at roughly \$425,000.

Revenue	Current Quarter			Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	%	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Interest	125	431	345%	500	769	154%	500	500	269
System development charges	28,375	38,557	136%	113,500	157,903	139%	113,500	157,000	903
Intergovernmental	187,500	562,903	300%	750,000	569,403	76%	750,000	620,000	(50,597)
Debt proceeds	617,500	1,574,510	255%	1,982,500	1,971,974	99%	2,470,000	2,600,000	(628,026)
Total revenue	\$ 833,500	\$ 2,176,400	261%	\$ 2,846,500	\$ 2,700,049	95%	\$ 3,334,000	\$ 3,377,500	\$ (677,451)
Expenditures									
Material & services	33,250	3,422	10%	133,000	106,986	80%	133,000	112,700	5,714
Capital outlay									
Improvements	805,000	1,860,774	231%	3,220,000	2,271,989	71%	3,220,000	3,220,000	948,011
Transfers	9,800		-	39,200	6,043	15%	39,200	39,200	33,157
Contingency							93,903		
Total expenditures	\$ 848,050	\$ 1,864,196	220%	\$ 3,392,200	\$ 2,385,018	70%	\$ 3,486,103	\$ 3,371,900	\$ 986,882
Revenue over (under) expenditures	(14,550)	312,204	285%	(545,700)	315,030	287%	(152,103)	5,600	309,430
Beginning fund balance	152,103	109,607	72%	152,103	109,607	72%	152,103	109,607	
Ending fund balance	\$ 137,553	\$ 421,811	307%	\$ (393,597)	\$ 424,637	-	\$ -	\$ 115,207	\$ 424,637

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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			Year to Date			Annual Budget	Annual Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	Budget %			
Interest	\$ 75	\$ 148	198%	\$ 300	\$ 391	130%	\$ 300	\$ 300	\$ 91
Assessment repayments	40,625		-	162,500	162,437	100%	162,500	162,500	(63)
Total revenue	\$ 40,700	\$ 148	0%	\$ 162,800	\$ 162,828	100%	\$ 162,800	\$ 162,800	\$ 28
Expenditures									
Debt service									
Principal									
Ironhorse LID - 2006	19,800		-	79,200	79,187	100%	79,200	79,200	13
Interest									
Ironhorse LID - 2006	17,700		-	70,800	70,727	100%	70,800	70,800	73
Contingency							145,529		
Total expenditures	\$ 37,500	\$ -	-	\$ 150,000	\$ 149,914	100%	\$ 295,529	\$ 150,000	\$ 86
Revenue over (under) expenditures	3,200	148	0%	12,800	12,914	15%	(132,729)	12,800	114
Beginning fund balance	132,729	88,675	67%	132,729	88,675	67%	132,729	88,675	
Ending fund balance	\$ 135,929	\$ 88,823	65%	\$ 145,529	\$ 101,589	70%	\$ -	\$ 101,475	\$ 101,589

June 30, 2016

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.

Fourth quarter revenues included credits from PERS of approximately \$41,000 from the setup of the City's side account in 2014 that provides rate relief from funding the City's unfunded PERS liability.

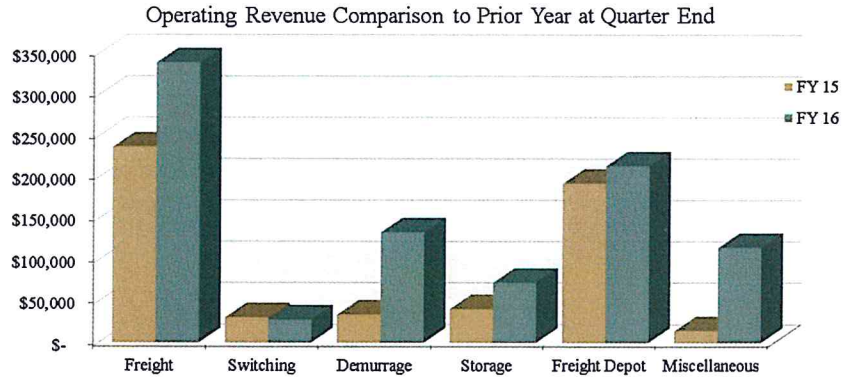
Expenditures are as anticipated.

Revenue	Current Quarter			Year to Date			Annual Budget	Annual Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	Budget %			
Interest	\$ 75	\$ 507	676%	\$ 300	\$ 1,073	358%	\$ 300	600	473
Miscellaneous	-	\$ 40,990	-	-	120,250	-	-	79,300	40,950
Transfer from other funds	72,475	72,475	100%	289,900	289,900	100%	289,900	289,900	-
Total revenue	\$ 72,550	\$ 113,972	157%	\$ 290,200	\$ 411,224	142%	\$ 290,200	\$ 369,800	\$ 41,424
Expenditures									
Debt service									
Principal - POB 2013	27,500	110,000	400%	110,000	110,000	100%	110,000	110,000	-
Interest - POB 2013	34,650	69,283	200%	138,600	138,567	100%	138,600	138,600	34
Contingency							108,418		
Total expenditures	\$ 62,150	\$ 179,283	288%	\$ 248,600	\$ 248,567	100%	\$ 357,018	\$ 248,600	\$ 34
Revenue over (under) expenditures	10,400	(179,283)	-280%	41,600	162,657	254%	(66,818)	121,200	41,457
Beginning fund balance	66,818	64,142	96%	66,818	64,142	96%	66,818	64,142	
Ending fund balance	\$ 77,218	\$ (115,141)	-	\$ 108,418	\$ 226,799	209%	\$ -	\$ 185,342	\$ 226,799

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.

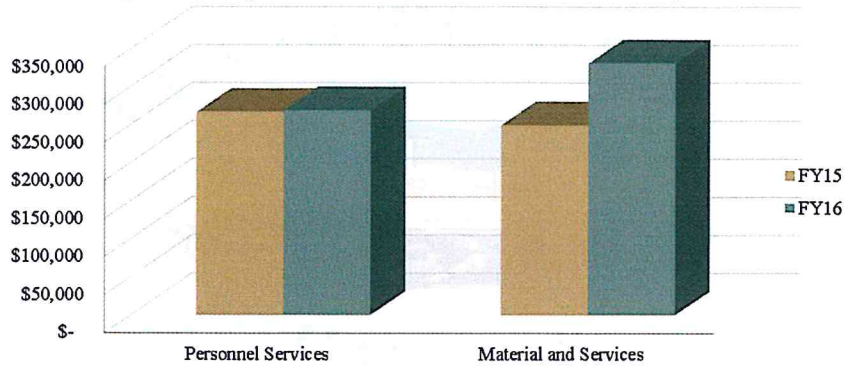
Overall revenue collection during the fourth quarter is at roughly \$261,000 or 144 percent of the quarter budget. Charges for services for the railroad are at approximately \$524,500 or 148 percent of the annual budget and freight depot charges for services are approximately \$213,000 or 121 percent of the annual budget. Railroad activity continues to increase with new customers like Carson Oil and increased traffic from Les Schwab. Year to date, overall revenue comparisons to prior year are up roughly 58 percent or \$345,000. Below is a breakdown of the funds major revenue sources compared to prior year collection at fourth quarter end.



Overall expenditures through the fourth quarter are at approximately \$755,000 or 91 percent of the annual budget. Personnel services are at roughly \$268,400 or 90 percent of the annual budget. Year to date operating expenses in comparison to prior year are up roughly 16 percent with the increased activity. A budget adjustment was necessary prior to yearend in personnel services and materials and services due to the increased activity. On the next page is a graph comparison of operating expenditures at quarter end to prior year.

June 30, 2016

Operating Expenditure Comparison to Prior Year at Quarter End



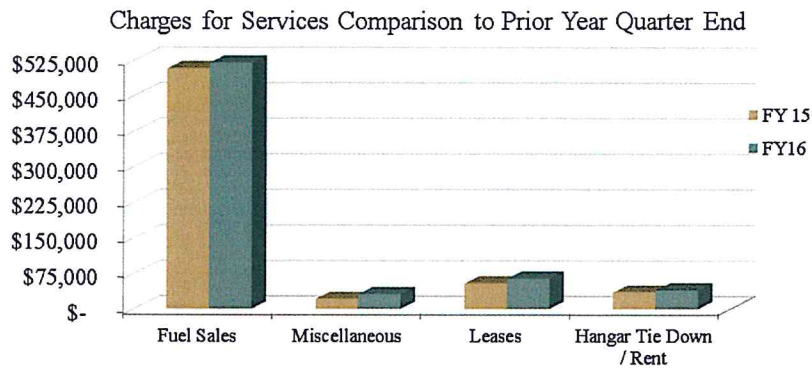
Through the fourth quarter the ending fund balance is at approximately \$926,600, an increase of roughly 46 percent.

Revenue	Current Quarter			Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	%	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Charges for services									
Railroad	\$ 88,375	\$ 166,926	189%	\$ 353,500	524,457	148%	\$ 353,500	\$ 481,200	\$ 43,257
Freight Depot	44,150	66,077	150%	176,600	213,274	121%	176,600	201,600	11,674
Use of money & property	15,675	28,023	179%	62,700	92,888	148%	62,700	84,200	8,688
Intergovernmental	-	-	-	-	1,821	-	-	1,800	21
Miscellaneous	7,500	-	-	30,000	114,377	381%	30,000	114,400	(23)
Transfers	25,225	-	-	100,900	100,900	100%	100,900	100,900	-
Total revenue	\$ 180,925	\$ 261,026	144%	\$ 723,700	\$ 1,047,717	145%	\$ 723,700	\$ 984,100	\$ 63,617
Expenditures									
Personnel services	74,900	64,588	86%	299,600	268,367	90%	299,600	291,400	23,033
Material and services	92,675	75,455	81%	370,700	330,580	89%	370,700	385,800	55,220
Capital outlay									
Improvements	-	-	-	-	-	-	-	-	-
Debt Service									
Principal - Credit Facility	23,000	-	-	92,000	95,810	104%	92,000	92,000	(3,810)
Interest - Credit Facility	2,225	-	-	8,900	4,988	56%	8,900	8,900	3,912
Transfers	13,800	13,800	100%	55,200	55,200	100%	55,200	55,200	-
Contingency							490,863		
Total expenditures	\$ 206,600	\$ 153,843	74%	\$ 826,400	\$ 754,946	91%	\$ 1,317,263	\$ 833,300	\$ 78,354
Revenue over (under) expenditures	(25,675)	107,182	17%	(102,700)	292,771	46%	(593,563)	150,800	141,971
Beginning fund balance	593,563	633,849	107%	593,563	633,849	107%	593,563	633,849	
Ending fund balance	\$ 567,888	\$ 741,031	130%	\$ 490,863	\$ 926,620	189%	\$ -	\$ 784,649	\$ 926,620

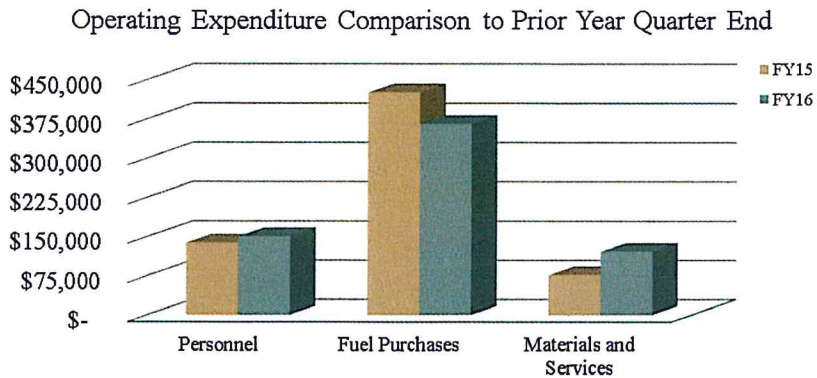
Airport Fund

This fund accounts for the activities of the airport. The airport’s main source of operating revenue is through charges for services that revolve around fuel sales and hanger leases. Expenditures are for general operations of the airport including cost of goods sold, maintenance and capital improvements.

Overall revenues are at approximately \$754,000 or 79 percent of the annual budget. Year to date fuel sales are at roughly \$519,500, an increase over prior year of roughly 2 percent despite the decrease in fuel prices in comparison to the prior year. Hangar lease charges are at approximately \$64,000 and overall operating revenues are up 6 percent. Airport activity has increased and gallons of fuel sold are up by roughly 24,000 gallons over the prior year. This is largely due to Jet A fuel sales from Erickson Aviation. Below is a comparison to prior year for the revenue sources that make up charges for services at quarter end.

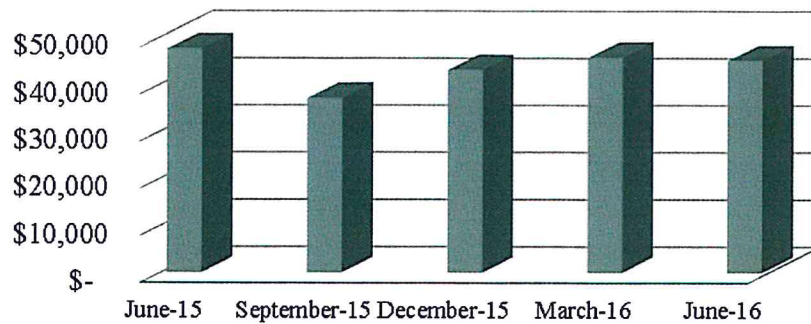


Overall expenditures are at approximately \$751,500 or 76 percent of the annual budget at fourth quarter end. Fuel prices are significantly less then they were last year which has positively affected fuel expenditures. Year to date operating expenditures are down roughly -.5 percent in comparison to prior year at the end of the fourth quarter. Prior to yearend a budget adjustment was necessary to allow for the additional costs associated with standardizing the pay period. Below is a comparison of expenditures to the prior year at quarter end and a breakdown of fuel inventory by quarter is on the following page.



June 30, 2016

Airport Ending Fuel Inventory by Quarter



Yearend audit adjustments are still being made. Unaudited fund balance is showing an increase of roughly 4 percent to approximately \$75,800.

Revenue	Current Quarter			Year to Date			Annual Budget	Annual Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	Budget %			
Intergovernmental	\$ 15,000		-	\$ 60,000	50,000	83%	\$ 60,000	\$ 60,000	\$ (10,000)
Charges for services	212,625	161,976	76%	850,500	654,347	77%	850,500	830,300	(175,953)
Other revenues	25	5	18%	100	5	5%	100	100	(95)
Transfers	12,500	50,000	400%	50,000	50,000	100%	50,000	50,000	-
Total revenue	\$ 240,150	\$ 211,981	88%	\$ 960,600	\$ 754,352	79%	\$ 960,600	\$ 940,400	\$ (186,048)
Expenditures									
Personnel Service	38,100	38,340	101%	152,400	150,596	99%	152,400	149,900	(696)
Materials and Services	175,875	128,069	73%	703,500	486,323	69%	703,500	695,000	208,677
Capital outlay	6,525	1,382	21%	26,100	4,638	18%	26,100	21,100	16,462
Debt Service	6,250		-	25,000	25,000	100%	25,000	25,000	-
Transfers	21,225	21,225	100%	84,900	84,900	100%	84,900	84,900	-
Contingency							17,591	-	-
Total expenditures	\$ 247,975	\$ 189,016	76%	\$ 991,900	\$ 751,457	76%	\$ 1,009,491	\$ 975,900	\$ 224,443
Revenue over (under) expenditures	(7,825)	22,965	31%	(31,300)	2,895	4%	(48,891)	(35,500)	38,395
Beginning fund balance	48,891	72,949	149%	48,891	72,949	149%	48,891	72,949	
Ending fund balance	\$ 41,066	\$ 95,914	234%	\$ 17,591	\$ 75,844	431%	\$ -	\$ 37,449	\$ 75,844

June 30, 2016

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 fourth quarter came in at approximately \$559,000 or 103 percent of the quarter budget. Revenue associated with charges for services came in at roughly \$555,600 or 106 percent of quarter budget. Overall revenues through the fourth quarter are at approximately 117 percent of the annual budget.

Fourth quarter expenditures are at roughly 88 percent of the quarter budget. Capital improvements during the fourth quarter were at approximately \$177,000. A majority of the fourth quarter capital expenditures were from water improvements related to the airport aquifer ground water study and the installation of the waterline across the Ochoco Creek Bridge.

Overall, the fund balance through the fourth quarter increased by approximately \$371,000 or 25 percent.

Revenue	Current Quarter			Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual				
Charges for services	\$ 524,500	\$ 555,551	106%	\$ 2,098,000	\$ 2,303,032	110%	\$ 2,098,000	\$ 2,190,500	\$ 112,532
Interest	1,250	1,910	153%	5,000	5,013	100%	5,000	5,000	13
Miscellaneous	1,375	1,809	132%	5,500	4,769	87%	5,500	5,500	(731)
Transfers	17,500	-	-	70,000	236,235	337%	70,000	287,100	(50,865)
Total revenue	\$ 544,625	\$ 559,269	103%	\$ 2,178,500	\$ 2,549,049	117%	\$ 2,178,500	\$ 2,488,100	\$ 60,949
Expenditures									
Materials and services	122,225	115,850	95%	488,900	429,070	88%	488,900	463,600	34,530
Franchise fee expense	25,000	25,000	100%	100,000	100,000	100%	100,000	100,000	0
Capital outlay									
Improvements	180,625	177,434	98%	722,500	295,696	41%	722,500	548,000	252,304
Debt service	-	-	-	-	-	-	-	-	-
Principal									
Water revenue bond 2011	27,500	-	-	110,000	105,000	95%	110,000	110,000	5,000
Water revenue bond 2003	11,250	-	-	45,000	45,000	100%	45,000	45,000	-
Interest									
Water revenue bond 2011	26,525	-	-	106,100	103,786	98%	106,100	106,100	2,314
Water refunding bond 2003	5,425	-	-	21,700	21,675	100%	21,700	21,700	26
Transfers	269,375	269,375	100%	1,077,500	1,077,500	100%	1,077,500	1,077,500	(0)
Contingency							1,130,022		
Total expenditures	\$ 667,925	\$ 587,660	88%	\$ 2,671,700	\$ 2,177,727	82%	\$ 3,801,722	\$ 2,471,900	\$ 294,173
Revenue over (under) expenditures	(123,300)	(28,390)	-2%	(493,200)	371,323	25%	(1,623,222)	16,200	355,123
Beginning fund balance	1,623,222	1,508,741	93%	1,623,222	1,508,741	93%	1,623,222	1,508,741	
Ending fund balance	\$ 1,499,922	\$ 1,480,351	99%	\$ 1,130,022	\$ 1,880,064	166%	\$ -	\$ 1,524,941	\$ 1,880,064

June 30, 2016

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 fourth quarter came in at approximately \$3.24 million or 100 percent of the annual budget. Fourth quarter revenue collection for charges for services was roughly \$788,000 or 99 percent of the quarter budget.

Expenditures are at roughly 96 percent of the annual budget. Yearend estimates to actual comparison show a favorable variance in expenditures of roughly \$92,000 with significant savings in materials and services.

Yearend audit adjustments are still being made. Fund balance has decreased through the fourth quarter by roughly \$119,600 or -7 percent.

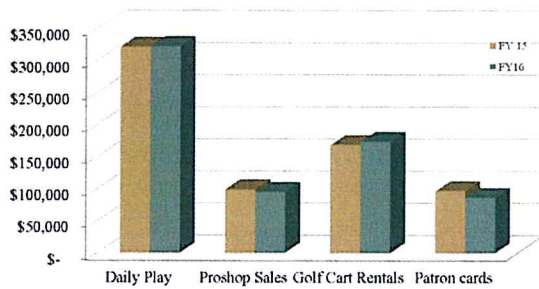
Revenue	Current Quarter			Year to Date			Annual Budget	Annual Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	Budget %			
Charges for services	\$ 792,500	\$ 788,072	99%	\$ 3,170,000	\$ 3,181,214	100%	\$ 3,170,000	\$ 3,183,000	\$ (1,786)
Interest	750	1,496	199%	3,000	4,143	138%	3,000	3,000	1,143
Miscellaneous	12,000	643	5%	48,000	38,727	81%	48,000	50,200	(11,473)
Transfers	7,825	-	-	7,825	-	-	31,300	-	-
SDCs - reimbursement fees	-	-	-	-	16,424	-	-	32,000	(15,576)
Total revenue	\$ 813,075	\$ 790,210	97%	\$ 3,228,825	\$ 3,240,508	100%	\$ 3,252,300	\$ 3,268,200	\$ (27,692)
Expenditures									
Personnel services	27,575	24,715	90%	110,300	104,252	95%	110,300	110,300	6,048
Materials and services	130,075	115,877	89%	520,300	444,792	85%	520,300	520,000	75,208
Franchise fee Expense	39,750	39,750	100%	159,000	159,000	100%	159,000	159,000	-
Capital outlay									
Improvements	122,925	54,446	44%	491,700	484,467	99%	491,700	491,700	7,233
Debt service									
Principal									
DEQ CWSRF R74682/2	105,725	-	-	422,900	422,878	100%	422,900	422,900	22
Refunding 2011	25,000	-	-	100,000	85,000	85%	100,000	100,000	15,000
Interest									
DEQ CWSRF R74682/1	4,750	-	-	19,000	-	-	19,000	-	-
DEQ CWSRF R74682/2	41,100	-	-	164,400	164,342	100%	164,400	164,400	58
Refunding 2011 / interest	54,725	-	-	218,900	202,794	93%	218,900	218,900	16,106
Fees									
DEQ CWSRF R74682/1 & 2	7,125	-	-	28,500	28,474	100%	28,500	28,500	26
Transfers	316,025	316,025	100%	1,264,100	1,264,100	100%	1,264,100	1,264,100	(0)
Contingency							1,128,524		
Total expenditures	\$ 874,775	\$ 550,813	63%	\$ 3,499,100	\$ 3,360,099	96%	\$ 4,627,624	\$ 3,479,800	\$ 119,701
Revenue over (under) expenditures	(61,700)	239,397	14%	(270,275)	(119,591)	-7%	(1,375,324)	(211,600)	92,009
Other resources/(requirements)									
Debt service reserve	304,000	-	-	304,000	-	-	304,000		
Beginning fund balance	1,679,324	1,766,550	105%	1,679,324	1,766,550	105%	1,679,324	1,766,550	
Ending fund balance	\$ 1,617,624	\$ 2,005,947	124%	\$ 1,409,049	\$ 1,646,959	117%	\$ -	\$ 1,554,950	\$ 1,646,959

Golf Course and Restaurant Fund

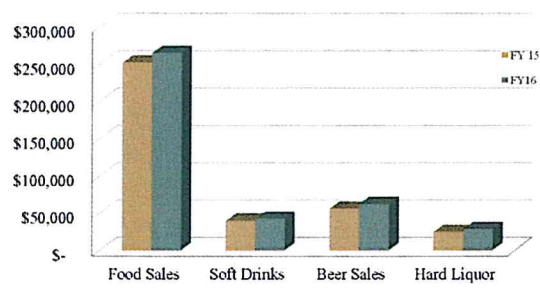
This fund accounts for the activities of Meadow Lakes Golf Course and Restaurant. Revenue is generated through user fees, restaurant sales, and an operating payment from the City's Wastewater Fund for treatment.

Revenue collection through the fourth quarter is roughly 87 percent of the annual budget or \$1.5 million. Golf revenue is at approximately \$726,600 or 94 percent of the annual budget through the fourth quarter, this is down slightly over prior year by approximately \$6,000 or less than -1 percent. Restaurant revenues are at roughly \$410,800 or 101 percent of the annual budget through the fourth quarter which is an increase over prior year quarter end by roughly \$27,600 or 7 percent. Below is a comparison to the prior year of the significant operating revenue sources for golf and the restaurant.

Golf Revenue Comparison to Prior Year at Quarter End

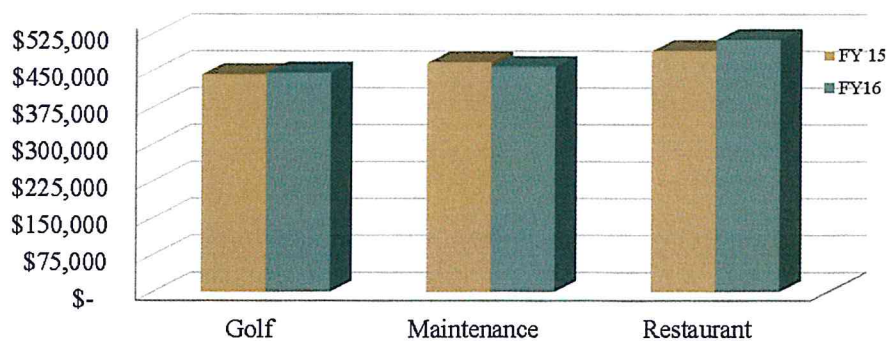


Restaurant Revenue Comparison to Prior Year at Quarter End



Total expenditures through fourth quarter came in at roughly \$1.69 million or 80 percent of the annual budget. Overall expenditures for the golf course are roughly \$640,000 or 97 percent through the fourth quarter. Restaurant operating expenditures through the fourth quarter are approximately 98 percent or \$512,000. Overall operating expenditures have increased over prior year roughly 1.25 percent. A budget adjustment was done prior to yearend to provide additional dollars to personnel service and materials and services in golf and the restaurant due to increase activity. Below is a comparison of operating only expenditures to the prior year by department.

Operating Expenditure Comparison to Prior Year at Quarter End



June 30, 2016

Meadow Lakes Golf shows a decrease in fund balance of roughly \$179,000 or -33 percent with the purchase of golf carts in the first quarter in which debt proceeds were collected in June of the prior year of \$176,200. Because the proceeds were collected last year, this skews the change in fund balance. Taking this into consideration, the actual change in fund balance is closer to breakeven with only a decrease of \$2,800.

Revenue	Current Quarter			Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual				
Charges for services									
Golf Course	\$ 192,950	\$ 261,226	135%	\$ 771,800	\$ 726,632	94%	\$ 771,800	\$ 711,500	\$ 15,132
Waste disposal	92,500	92,500	100%	370,000	370,000	100%	370,000	370,000	-
Restaurant	101,750	118,594	117%	407,000	410,784	101%	407,000	421,500	(10,716)
Other	1,250	1,345	108%	5,000	4,654	93%	5,000	5,000	(346)
Interest	500	579	116%	2,000	1,884	94%	2,000	2,000	(116)
Debt Proceeds	44,500	-	-	178,000	-	-	178,000	-	-
Miscellaneous	500	389	78%	2,000	1,520	76%	2,000	2,000	(480)
Total revenue	\$ 433,950	\$ 474,633	109%	\$ 1,735,800	\$ 1,515,475	87%	\$ 1,735,800	\$ 1,512,000	\$ 3,475
Expenditures									
Golf Course	160,100	102,276	64%	640,400	624,005	97%	640,400	630,100	6,095
Waste disposal	121,275	107,171	88%	485,100	457,062	94%	485,100	468,500	11,438
Restaurant	131,225	134,415	102%	524,900	512,075	98%	524,900	511,000	(1,075)
Debt service									
Principal - note payable	9,500	5,830	61%	38,000	21,079	55%	38,000	38,000	16,921
Interest - note payable	-	1,128	-	-	4,435	-	-	-	(4,435)
Principal - Credit facility	10,950	-	-	43,800	45,544	104%	43,800	43,800	(1,744)
Interest - Credit facility	1,050	-	-	4,200	2,371	56%	4,200	4,200	1,829
Principal - 2011 bond	2,500	-	-	10,000	10,000	100%	10,000	10,000	-
Interest - 2011 bond	4,650	-	-	18,600	18,250	98%	18,600	18,600	350
Contingency							342,894		
Total expenditures	\$ 441,250	\$ 350,819	80%	\$ 1,765,000	\$ 1,694,821	80%	\$ 2,107,894	\$ 1,724,200	\$ 29,379
Revenue over (under) expenditures	(7,300)	123,814	23%	(29,200)	(179,346)	-33%	(372,094)	(212,200)	32,854
Beginning fund balance	372,094	542,662	146%	372,094	542,662	146%	372,094	542,662	
Ending fund balance	\$ 364,794	\$ 666,476	183%	\$ 342,894	\$ 363,316	106%	\$ -	\$ 330,462	\$ 363,316

June 30, 2016

Administration and Financial Support Services Fund

This fund accounts for the activities of the City Manager’s office, human resources, recorder, finance, Council directed contributions, and information technology services. The primary source of revenue is charges to other funds for services.

Overall revenue collection for the fourth quarter came in at approximately \$485,000 or 100 percent of the quarter budget.

Overall expenditures for the fourth quarter end are at roughly 90 percent of the quarter budget or \$463,000. A budget adjustment was done prior to yearend in Information technology largely due to the reinstatement of the IT Director.

Yearend audit adjustments are still being made. Unaudited fund balance increased approximately \$36,000 or 11 percent through the fourth quarter.

Revenue	Current Quarter			Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual				
Charges for services	\$ 482,400	\$ 483,854	100%	\$ 1,929,600	\$ 1,957,297	101%	\$ 1,929,600	\$ 1,964,000	\$ (6,703)
Interest	300	684	228%	1,200	2,005	167%	1,200	1,500	505
Total revenue	\$ 482,700	\$ 484,538	100%	\$ 1,930,800	\$ 1,959,302	101%	\$ 1,930,800	\$ 1,965,500	\$ (6,198)
Expenditures									
City Council	21,250	28,302	133%	85,000	73,837	87%	85,000	82,700	8,863
Administration/team services	189,025	157,542	83%	756,100	688,284	91%	756,100	732,500	44,216
Financial services	175,225	159,823	91%	700,900	668,968	95%	700,900	682,500	13,533
Information technology	130,525	117,355	90%	522,100	491,877	94%	522,100	471,900	(19,977)
Contingency							136,867		
Total expenditures	\$ 516,025	\$ 463,023	90%	\$ 2,064,100	\$ 1,922,966	93%	\$ 2,200,967	\$ 1,969,600	\$ 46,634
Revenue over (under) expenditures	(33,325)	21,515	7%	(133,300)	36,337	11%	(270,167)	(4,100)	40,437
Beginning fund balance	270,167	328,700	122%	270,167	328,700	122%	270,167	328,700	
Ending fund balance	\$ 236,842	\$ 350,215	148%	\$ 136,867	\$ 365,037	267%	\$ -	\$ 324,600	\$ 365,037

June 30, 2016

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.

Fourth quarter revenues are as anticipated with the annual transfer from the Plaza Fund taking place in the fourth quarter.

Overall expenditures are at approximately 94% of the annual budget with a savings in materials and services.

Fund balance at yearend is roughly \$178,000.

Revenue	Current Quarter			Year to Date			Annual Budget	Annual Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	Budget %			
Rent	\$ 45,900	\$ 45,900	100%	\$ 183,600	\$ 183,600	100%	\$ 183,600	\$ 183,600	\$ -
Interest	200	254	127%	800	823	103%	800	800	23
Misc Income	2,175	2,446	112%	8,700	5,197	60%	8,700	8,700	(3,503)
Transfers	-	3,700	-	-	3,700	-	-	-	3,700
Total revenue	\$ 48,275	\$ 52,300	108%	\$ 193,100	\$ 193,321	100%	\$ 193,100	\$ 193,100	\$ 221
Expenditures									
Materials and services	20,025	21,721	108%	80,100	69,280	86%	80,100	76,300	7,020
Debt service									
Principal - USDA 2005	11,000	-	-	44,000	43,790	100%	44,000	44,000	210
Interest - USDA - 2005	15,500	-	-	62,000	61,148	99%	62,000	62,000	852
Transfers	2,500	10,000	400%	10,000	10,000	100%	10,000	10,000	-
Contingency							55,744		
Total expenditures	\$ 49,025	\$ 31,721	65%	\$ 196,100	\$ 184,218	94%	\$ 251,844	\$ 192,300	\$ 8,082
Revenue over (under) expenditures	(750)	20,579	12%	(3,000)	9,103	5%	(58,744)	800	8,303
Other requirements									
Debt service reserve	42,000	-	-	105,000	-	-	105,000	-	-
Beginning fund balance	163,744	169,199	103%	163,744	169,199	103%	163,744	169,199	
Ending fund balance	\$ 162,994	\$ 189,778	116%	\$ 160,744	\$ 178,302	111%	\$ -	\$ 169,999	\$ 178,302

June 30, 2016

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.

Fourth quarter revenues are as anticipated with the annual transfer to the fund taking place in the fourth quarter.

Fourth quarter expenditures are related to the plaza project and the annual transfer that took place in the fourth quarter. The final touches of the paver replacement project were completed in the fourth quarter.

Fund balance decreased roughly \$14,200 or -33 percent which was anticipated with the completion of the plaza project.

Revenue	Current Quarter			Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	Budget %	Budget	Actual				
Intergovernmental	\$ 2,500	-	-	\$ 10,000	\$ 10,000	100%	\$ 10,000	\$ 10,000	\$ -
Interest	25	30	120%	100	136	136%	100	100	36
Misc. Income	-	-	-	-	10,254	-	-	-	10,254
Transfers	2,500	10,000	-	10,000	10,000	100%	10,000	10,000	-
Total revenue	\$ 5,025	\$ 10,030	200%	\$ 20,100	\$ 30,390	151%	\$ 20,100	\$ 20,100	\$ 10,290
Expenditures									
Materials and services	12,450	1,930	16%	49,800	40,873	82%	49,800	43,700	2,827
Transfers	925	3,700	400%	3,700	3,700	100%	3,700	3,700	-
Contingency							8,044		-
Total expenditures	\$ 13,375	\$ 5,630	42%	\$ 53,500	\$ 44,573	83%	\$ 61,544	\$ 47,400	\$ 2,827
Revenue over (under) expenditures	(8,350)	4,400	10%	(33,400)	(14,183)	-33%	(41,444)	(27,300)	13,117
Beginning fund balance	41,444	43,216	104%	41,444	43,216	104%	41,444	43,216	
Ending fund balance	\$ 33,094	\$ 47,616	144%	\$ 8,044	\$ 29,033	361%	\$ -	\$ 15,916	\$ 29,033

June 30, 2016

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 fourth quarter revenues are at roughly 96 percent of the annual budget. Yearend audit adjustments are still being made and it is anticipated that once they are completed, revenue associated with charges for services will come closer to the yearend projection.

Expenditures for public works support services are tracking under budget through the fourth quarter at \$1.16 million or 94 percent of annual budget. Fourth quarter expenditures for fleet and vehicles is at roughly 97 percent of the annual budget. This fund required a supplemental budget that was adopted prior to yearend for the street sweeper that was purchased.

Yearend audit adjustments are still being made. Fund balance decreased roughly \$49,000 or -14 percent through the fourth quarter.

Revenue	Current Quarter			Year to Date			Annual Budget	Annual Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	%	Budget	Actual	Budget %			
Charges for services	\$ 363,525	\$ 391,359	108%	\$ 1,454,100	\$ 1,385,934	95%	\$ 1,454,100	\$ 1,469,100	\$ (83,166)
Interest	375	496	132%	1,500	1,700	113%	1,500	1,500	200
Miscellaneous	16,125	44,810	278%	64,500	59,626	92%	64,500	77,300	(17,674)
Debt Proceeds	41,100	164,325	400%	164,325	164,325	100%	164,400	164,325	-
Total revenue	\$ 421,125	\$ 600,990	143%	\$ 1,684,425	\$ 1,611,585	96%	\$ 1,684,500	\$ 1,712,225	\$ (100,640)
Expenditures									
Public Works Support Services	310,325	294,791	95%	1,241,300	1,163,212	94%	1,241,300	1,198,300	35,088
Public Works Fleet & Vehicles	121,725	240,105	197%	486,900	470,703	97%	486,900	475,600	4,897
Public Works Facilities	8,750	6,211	71%	35,000	26,552	76%	35,000	35,000	8,448
Contingency							258,084		
Total expenditures	\$ 440,800	\$ 541,107	123%	\$ 1,763,200	\$ 1,660,466	94%	\$ 2,021,284	\$ 1,708,900	\$ 48,434
Revenue over (under) expenditures	(19,675)	59,883	17%	(78,775)	(48,881)	-14%	(336,784)	3,325	(52,206)
Beginning fund balance	336,784	345,609	103%	336,784	345,609	103%	336,784	345,609	
Ending fund balance	\$ 317,109	\$ 405,492	128%	\$ 258,009	\$ 296,728	115%	\$ -	\$ 348,934	\$ 296,728

June 30, 2016

Beginning Fund Balance Adjustment Details

Actual audited beginning fund balances do not include accrued absences liability as it has in the past for the proprietary funds. For continued transparency and comparability the accrued absences liability, calculated as of June 30th 2015, has been taken into consideration in the adjusted beginning fund balance. Ending fund balance and the percentage change in fund balance has been calculated from the adjusted beginning fund balance.

All City Funds

<u>Fund</u>	<u>Actual Audited Beginning Fund Balance</u>	<u>Accrued Absence Liability</u>	<u>Adjusted Beginning Fund Balance</u>
General	\$ 797,059	\$ -	\$ 797,059
Transportation	233,581	-	233,581
Emergency Dispatch	327,197	-	327,197
Planning	78,380	-	78,380
Transportation SDC	236,294	-	236,294
Water SDC	117,092	-	117,092
Wastewater SDC	109,607	-	109,607
LID Debt Service	88,675	-	88,675
PERS/ POB	64,142	-	64,142
Railroad	647,066	13,217	633,849
Airport	76,513	3,564	72,949
Water	1,508,741	-	1,508,741
Wastewater	1,781,398	14,848	1,766,550
Golf Course and Restaurant	674,325	131,663	542,662
Administration and Financial Services	436,765	108,065	328,700
Public Works Support Services	432,154	86,545	345,609
City Hall	169,199	-	169,199
Plaza Maintenance	43,216	-	43,216
Totals	\$ 7,821,404	\$ 357,902	\$ 7,463,502