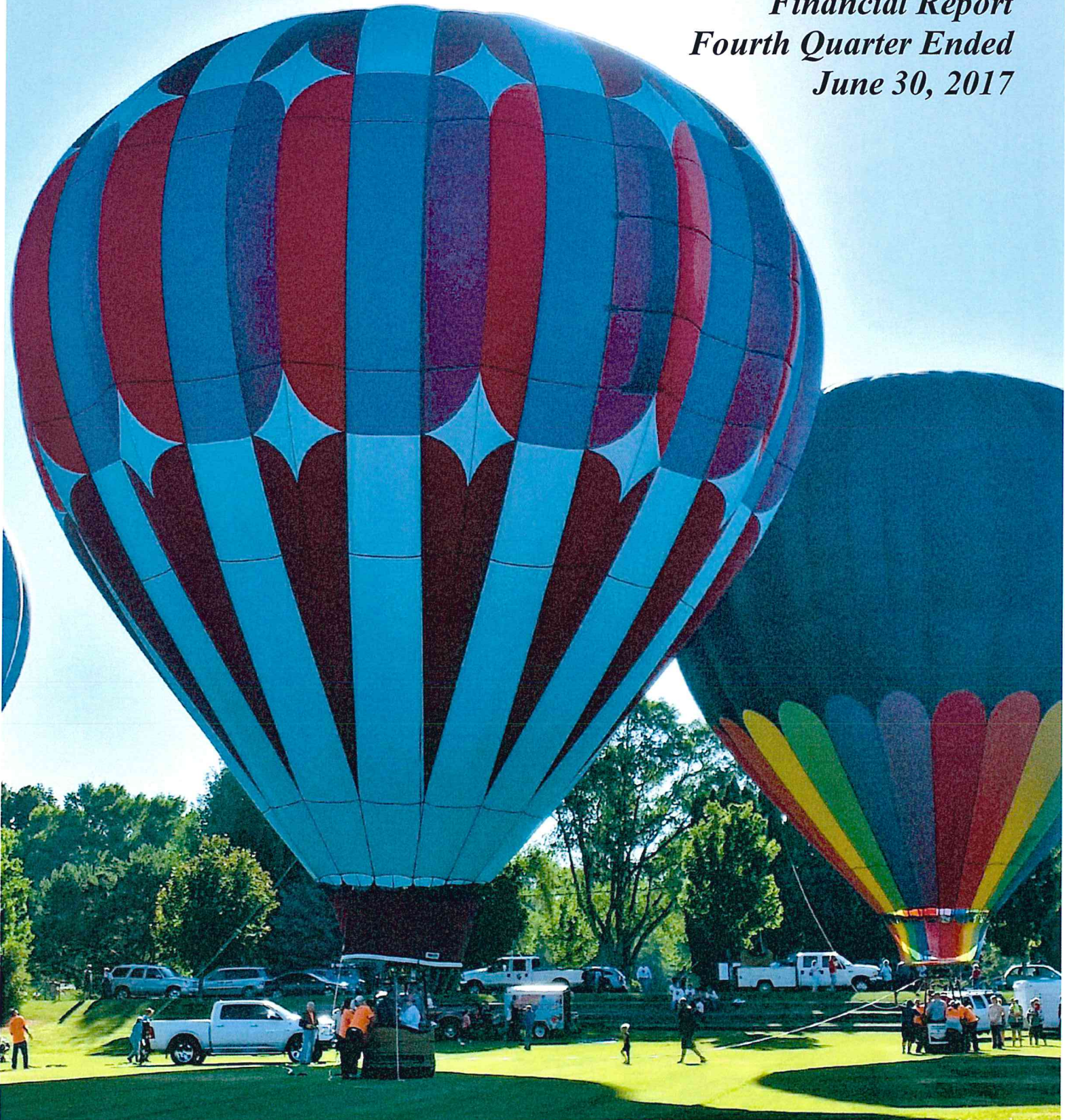


*City of Prineville, Oregon
Financial Report
Fourth Quarter Ended
June 30, 2017*



Executive Summary

Through the fourth quarter, ending June 30th 2017, the City's financial condition increased by approximately 8 percent or \$672,000. 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 Wastewater 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, Planning, the PERS / POB Fund, Railroad and Wastewater. 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, Wastewater SDC, LID Debt Service and Water.

Through the fourth quarter, General Fund revenues came in at approximately 110 percent of the annual budget or \$6 million. Year to date property tax revenue is roughly \$1.97 million or 103 percent of the annual budget which is an increase of roughly \$128,000 over prior year. Transient lodging taxes are up at roughly \$333,300 compared to \$315,700 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 127 percent of the annual budget and collection increased approximately \$611,000 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 \$603,000 over prior year. The General Funds ending balance increased approximately \$587,000 through the fourth quarter with an unaudited balance of roughly \$1.55 million.

Local development continues to positively affect the Planning and the SDC funds. There were 11 housing starts and an RV park started during the fourth quarter. Timing in which reimbursements are collected for the Crooked River Wetlands project is the contributing factor negatively affecting the Wastewater SDC's fund balance. The Crooked River Wetland Complex grand opening happened in April. In the Water SDC fund, a budget adjustment was done prior to yearend to cover the administration fee from SDC's collected.

The LID Debt Service fund balance decreased roughly \$29,500 or -29 percent through the fourth quarter. The fund balance decrease is directly related to the purchasing of the Iron Horse property that took place this year. During the second quarter, Brooks Resources paid off the Iron Horse assessment that was outstanding and the City applied the revenue to pay off the outstanding debt at Bank of the Cascades during the third quarter. The remaining fund balance will be transferred to the General Fund.

The Railroad Fund saw an increase to fund balance of approximately \$156,000 through the fourth quarter. Rail activity and car storage has been on an upward trend over the last several quarters. Operating revenue is up approximately 27 percent while operating expenditures are up roughly 14 percent over the prior year at quarter end. Capital expenditures during the fourth quarter were largely related to track maintenance and repairs totaling roughly \$106,000. A supplemental budget was adopted prior to yearend allowing for the additional capital expenditures and materials and services with the additional dollars that has been received with the increased rail traffic revenue.

June 30, 2017

Airport fund balance increased approximately \$4,000 through the fourth quarter. The expansion of the tie-down/run up apron and beacon replacement project was completed during the fourth quarter. This project is considered phase one of an FAA funded project and the second phase is on its way which is largely funded through Connect Oregon. Fuel inventory is approximately \$42,300 at yearend.

The Water Fund's fund balance decreased roughly -20 percent through the fourth quarter, largely due to capital improvements associated with the master plan update, narrow band mobile radio replacements, water mitigation credits, an aquifer storage and recovery feasibility study, the new jail utility design and engineering and groundwater monitoring up by the airport.

Meadow Lakes Golf fund balance increased roughly \$29,000 through the fourth quarter, despite overall revenues being down in comparison to the prior year. Significant snow fall December through February impacted operating revenues for both the restaurant and the golf course. During the month of March, the golf course experienced flooding which also impacted revenues. Expenditures are also down compared to the prior year with management successfully monitoring them closely.

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

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

Sincerely,

Steve Forrester
City Manager

Liz Schuette,
Finance Director

Lori Hooper,
Accounting Manager

June 30, 2017

Fund	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	\$ 963,852	\$ 6,006,271	\$ 5,419,072	\$ 1,551,050	\$ 587,198	61%	\$ 1,429,052	\$ 121,998
Transportation	267,186	1,368,169	1,348,234	287,120	19,934	7%	195,486	91,634
Emergency Dispatch	339,206	1,432,700	1,400,386	371,521	32,315	10%	312,273	59,248
Planning	78,021	413,411	375,226	116,206	38,185	49%	95,121	21,085
Transportation SDC	496,755	346,666	317,500	525,921	29,166	6%	556,955	(31,034)
Water SDC	70,107	153,864	185,300	38,671	(31,436)	-45%	86,207	(47,536)
Wastewater SDC	365,822	4,558,080	4,887,444	36,458	(329,364)	-90%	226,322	(189,864)
LID Debt Service	101,666	1,272,198	1,301,678	72,186	(29,480)	-29%	72,186	0
POB Fund	252,680	562,189	258,133	556,736	304,056	120%	556,480	256
Railroad	902,565	1,216,369	1,059,947	1,058,987	156,422	17%	1,101,565	(42,578)
Airport	61,663	2,203,312	2,199,059	65,917	4,254	7%	156,563	(90,646)
Water	1,884,514	2,636,771	3,010,330	1,510,956	(373,558)	-20%	1,479,814	31,142
Wastewater	1,657,741	3,667,820	3,503,222	1,822,339	164,598	10%	1,962,841	(140,502)
Golf Course and Restaurant	373,308	1,465,076	1,435,670	402,714	29,406	8%	423,008	(20,294)
Administration and Financial Services	415,879	2,105,287	2,086,449	434,717	18,838	5%	434,379	338
Plaza Maintenance	29,052	10,188	10,539	28,701	(351)	-1%	32,852	(4,151)
City Hall	177,067	375,367	304,356	248,079	71,012	40%	232,747	15,332
Public Works Support Services	323,665	1,598,405	1,617,298	304,773	(18,892)	-6%	298,765	6,008
Totals	\$ 8,760,749	\$ 31,392,143	\$ 30,719,840	\$ 9,433,052	\$ 672,303	8%	\$ 9,652,616	\$ (219,564)

June 30, 2017

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 approximately \$6 million with roughly \$1.97 million coming from property taxes. Property tax revenue is roughly 103 percent of the annual budget which is an increase over the prior year of approximately \$128,000. Transient lodging taxes are up over prior year at roughly \$333,300 compared to \$315,700 last year. This is largely due to the increase in temporary workers with construction at both the Facebook and Apple sites. Franchise fees are at roughly 127 percent of the annual budget and collection increased approximately \$611,000 over the last fiscal year. This increase continues to be associated to the upward trend in electrical franchise fees collection, which is up by roughly \$603,000 over prior year due to the continued build out of data centers.

Police spending through the fourth quarter was at approximately 99 percent of the annual budget with budget adjustments required in personnel services due to staffing changes, overtime and in capital outlay with the acquisition of two vehicles. Non-departmental is at 96 percent of the annual budget with a budget adjustment that was needed due to additional financing costs associated with the purchase of the Iron Horse property, prefunding the airport for operating cash flow and increased collection of transient room tax needing to be paid to the Chamber of Commerce.

Overall, the General Fund realized an increase in fund balance of approximately 61 percent or \$587,000 through the fourth quarter. Unaudited ending fund balance is approximately \$ 1.55 million, which is better than anticipated compared to yearend estimates. The favorable variance in yearend estimates compared to actual is largely due to electrical franchise fees coming in higher than anticipated and a \$20,000 donation from Fortis in the fourth quarter for support in constructing the Barnes Butte parking lot.

June 30, 2017

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Property taxes	\$ 480,000	\$ 86,877	18%	\$ 1,920,000	\$ 1,971,393	103%	\$ 1,920,000	\$ 1,975,000	\$ (3,607)
Transient lodging tax	75,000	74,706	100%	300,000	333,296	111%	300,000	350,000	(16,704)
Franchise fees	479,750	818,973	171%	1,919,000	2,438,049	127%	1,919,000	2,251,000	187,049
Licenses and permits	2,675	2,543	95%	10,700	7,973	75%	10,700	8,900	(927)
Intergovernmental revenues	58,250	48,225	83%	233,000	227,649	98%	233,000	214,600	13,049
Charges for services	25	-	-	100	-	-	100	100	(100)
Interest	1,000	4,167	417%	4,000	8,711	218%	4,000	4,000	4,711
Miscellaneous	72,925	31,128	43%	291,700	223,852	77%	291,700	204,900	18,952
Debt Proceeds	175,000	-	-	700,000	720,000	103%	700,000	720,000	\$ -
Transfers	25,000	75,347		100,000	75,347	75%	100,000	75,000	347
Total revenue	\$ 1,369,625	\$ 1,066,620	78%	\$ 5,478,500	\$ 6,006,271	110%	\$ 5,478,500	\$ 5,803,500	\$ 202,771
Expenditures									
Police	946,475	945,532	100%	3,785,900	3,739,228	99%	3,785,900	3,742,300	3,072
Non-departmental	437,750	328,226	75%	1,751,000	1,679,845	96%	1,751,000	1,596,000	(83,845)
Contingency							813,459		
Total expenditures	\$ 1,384,225	\$ 1,273,757	92%	\$ 5,536,900	\$ 5,419,072	98%	\$ 6,350,359	\$ 5,338,300	\$ (80,772)
Revenue over (under) expenditures	(14,600)	(207,137)	-21%	(58,400)	587,198	61%	(871,859)	465,200	121,998
Beginning fund balance	871,859	963,852	111%	871,859	963,852	111%	871,859	963,852	
Ending fund balance	\$ 857,259	\$ 756,715	88%	\$ 813,459	\$ 1,551,050	191%	\$ -	\$ 1,429,052	\$ 1,551,050

Notes: Resolution 1318 - Budget adjustment done in PD for staffing changes and vehicles and in Non-Departmental for additional financing costs associated with the purchase of the Iron Horse property and increased collection of transient room tax needing to be paid to the Chamber of Commerce.

Transportation Fund

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

Fourth quarter revenue, for the Transportation Fund, came in at approximately 113 percent of the annual budget. Intergovernmental revenue collection is at 118 percent of the annual budget. The State of Oregon gas tax came in at approximately \$592,600 through the fourth quarter which is an increase from the prior year fourth quarter end of roughly \$40,000.

Expenditures through the fourth quarter are roughly 97 percent of the annual budget. Capital expenditures through the fourth quarter totaled approximately \$493,000 with the purchase of a portable message board during the fourth quarter, the completion of the Lynn Blvd and Knowledge crosswalk work, 2016 grind and inlay project during the first quarter, the second quarter work of 2016 fall crack sealing and 3rd street curb and asphalt paving. The fiscal year crossover of the ODOT quick fix project and the Lynn / Knowledge traffic safety project required budget adjustments and were funded through grants. Personnel services required a budget adjustment due to the extra hours required for snow plowing during the winter.

Ending fund balance increased roughly \$65,000 or 24 percent, a favorable variance compared to the yearend estimates. The increased collection in state revenue sharing dollars and gas tax dollars largely contributed to the favorable yearend variance.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Property taxes	\$ 480,000	\$ 86,877	18%	\$ 1,920,000	\$ 1,971,393	103%	\$ 1,920,000	\$ 1,975,000	\$ (3,607)
Transient lodging tax	75,000	74,706	100%	300,000	333,296	111%	300,000	350,000	(16,704)
Franchise fees	479,750	818,973	171%	1,919,000	2,438,049	127%	1,919,000	2,251,000	187,049
Licenses and permits	2,675	2,543	95%	10,700	7,973	75%	10,700	8,900	(927)
Intergovernmental revenues	58,250	48,225	83%	233,000	227,649	98%	233,000	214,600	13,049
Charges for services	25	-	-	100	-	-	100	100	(100)
Interest	1,000	4,167	417%	4,000	8,711	218%	4,000	4,000	4,711
Miscellaneous	72,925	31,128	43%	291,700	223,852	77%	291,700	204,900	18,952
Debt Proceeds	175,000	-	-	700,000	720,000	103%	700,000	720,000	\$ -
Transfers	25,000	75,347		100,000	75,347	75%	100,000	75,000	347
Total revenue	\$ 1,369,625	\$ 1,066,620	78%	\$ 5,478,500	\$ 6,006,271	110%	\$ 5,478,500	\$ 5,803,500	\$ 202,771
Expenditures									
Police	946,475	945,532	100%	3,785,900	3,739,228	99%	3,785,900	3,742,300	3,072
Non-departmental	437,750	328,226	75%	1,751,000	1,679,845	96%	1,751,000	1,596,000	(83,845)
Contingency							813,459		
Total expenditures	\$ 1,384,225	\$ 1,273,757	92%	\$ 5,536,900	\$ 5,419,072	98%	\$ 6,350,359	\$ 5,338,300	\$ (80,772)
Revenue over (under) expenditures	(14,600)	(207,137)	-21%	(58,400)	587,198	61%	(871,859)	465,200	121,998
Beginning fund balance	871,859	963,852	111%	871,859	963,852	111%	871,859	963,852	
Ending fund balance	\$ 857,259	\$ 756,715	88%	\$ 813,459	\$ 1,551,050	191%	\$ -	\$ 1,429,052	\$ 1,551,050

Notes: Resolution 1318 - Budget adjustment done in PD for staffing changes, OT and vehicles and in Non-Departmental for additional financing costs associated with the purchase of the Iron Horse property and increased collection of transient room tax needing to be paid to the Chamber of Commerce.

June 30, 2017

Emergency Dispatch Fund

This fund accounts for the Emergency Dispatch operation. The operation provides dispatching and records management services for the public safety departments serving the Crook County area, with the exception of the State Police. The primary revenue sources are payments by users for services provided, including a transfer from the City's Police Department in the General Fund. The operation is managed by the City's Police Department.

Revenue collection for the Emergency Dispatch Fund was approximately \$1.43 million or 117 percent of the annual budget. Fourth quarter revenue collection came in at roughly 154 percent of the quarter budget. Intergovernmental revenue came in at 195 percent of the quarter budget with roughly \$187,000 coming in from the state for the 911 phone upgrade.

Expenditures are approximately \$1.4 million or 93 percent of the annual budget. Personnel services are at 90 percent of the annual budget with overtime at approximately 410 percent of the annual budget due to being understaffed. The open dispatcher positions were filled during the fourth quarter. This fund required a budget adjustment in capital due to the 911 phone system upgrade.

The Emergency Dispatch Fund increased its unaudited fund balance by roughly \$32,000 or 10 percent at yearend. This is a favorable variance of roughly \$59,000 in comparison to the yearend projections. The largest contributors to the variance were savings in personnel services due to the timing in which the new dispatchers were hired and E-911 revenue coming in for the reimbursement for the phone system upgrade.

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference Favorable/ (Unfavorable)
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	
Intergovernmental	\$ 173,325	\$ 338,008	195%	\$ 693,300	\$ 908,848	131%	\$ 693,300	\$ 880,500	\$ 28,348
Charges for Services	875	-	-	3,500	-	-	3,500	3,500	(3,500)
Interest	500	964	193%	2,000	2,452	123%	2,000	2,000	452
Transfers from other funds	130,350	130,350	100%	521,400	521,400	100%	521,400	521,400	-
Total revenue	\$ 305,050	\$ 469,322	154%	\$ 1,220,200	\$ 1,432,700	117%	\$ 1,220,200	\$ 1,407,400	\$ 25,300
Expenditures									
Personnel services	231,500	223,982	97%	926,000	832,223	90%	926,000	867,800	35,577
Material & services	50,125	73,301	146%	200,500	199,718	100%	200,500	188,233	(11,485)
Capital outlay	53,750	187,379	349%	215,000	199,544	93%	215,000	209,400	9,856
Transfers	42,225	42,225	100%	168,900	168,900	100%	168,900	168,900	-
Contingency							26,497		
Total expenditures	\$ 377,600	\$ 526,887	140%	\$ 1,510,400	\$ 1,400,386	93%	\$ 1,536,897	\$ 1,434,333	\$ 33,947
Revenue over (under) expenditures	(72,550)	(57,565)	-17%	(290,200)	32,315	10%	(316,697)	(26,933)	59,248
Beginning fund balance	316,697	339,206	107%	316,697	339,206	107%	316,697	339,206	
Ending fund balance	\$ 244,147	\$ 281,641	115%	\$ 26,497	\$ 371,521	1402%	\$ -	\$ 312,273	\$ 371,521

Notes: Resolution 1318 - Budget adjustment done for the interlinking phone system and in capital for the phone system upgrade.

June 30, 2017

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 \$126,000 or 126 percent of the quarter budget. Revenue collection through the fourth quarter for licenses and permits is at approximately \$57,000 with roughly \$14,000 coming in the fourth quarter. Prior year collection was at approximately \$47,000 at year end. There were approximately 11 housing starts and an RV park started in the fourth quarter.

Expenditures incurred during the fourth quarter came in at approximately \$92,000 or 94 percent of the quarter budget with overall expenditures at roughly 97 percent of the annual budget.

Unaudited ending fund balance is increased approximately \$38,000 through the fourth quarter. Actuals compared to yearend estimates are showing a favorable variance of roughly \$21,000 largely due to an overall savings in materials in services and continued increased construction leading to more than anticipated permits being sold.

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Licenses & Permits	\$ 10,000	\$ 14,434	144%	\$ 40,000	\$ 57,324	143%	\$ 40,000	\$ 48,000	\$ 9,324
Charges for services	9,725	17,015	175%	38,900	25,092	65%	38,900	21,300	3,792
Intergovernmental	1,325	15,225	1149%	5,300	15,225	287%	5,300	15,300	(75)
Interest	100	319	319%	400	770	193%	400	500	270
Transfers from other funds	78,750	78,750	100%	315,000	315,000	100%	315,000	315,000	-
Total revenue	\$ 99,900	\$ 125,743	126%	\$ 399,600	\$ 413,411	103%	\$ 399,600	\$ 400,100	\$ 13,311
Personnel services	60,500	59,749	99%	242,000	238,712	99%	242,000	240,000	1,288
Material & services	6,950	2,315	33%	27,800	18,013	65%	27,800	24,500	6,487
Transfers	29,625	29,625	100%	118,500	118,500	100%	118,500	118,500	-
Contingency							69,680		-
Total expenditures	\$ 97,075	\$ 91,690	94%	\$ 388,300	\$ 375,226	97%	\$ 457,980	\$ 383,000	\$ 7,774
Revenue over (under) expenditures	2,825	34,053	44%	11,300	38,185	49%	(58,380)	17,100	21,085
Beginning fund balance	58,380	78,021	134%	58,380	78,021	134%	58,380	78,021	
Ending fund balance	\$ 61,205	\$ 112,074	183%	\$ 69,680	\$ 116,206	167%	\$ -	\$ 95,121	\$ 116,206

June 30, 2017

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 98 percent of the annual budget. Fourth quarter SDC collection came in at roughly \$50,400. Total collection at yearend is approximately \$342,500 which is approximately 98 percent of the annual budget. Local development, through the fourth quarter, continued to positively affect the SDC funds.

Yearend audit adjustments are still being made. Expenditures during the fourth quarter totaled approximately \$67,500. Engineering fees were booked during the fourth quarter which required a budget adjustment in capital outlay.

Unaudited fund balance increased approximately 6 percent or \$29,000.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference Favorable/ (Unfavorable)
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	
Revenue									
Interest	\$ 500	\$ 1,591	318%	\$ 2,000	\$ 4,124	206%	\$ 2,000	\$ 3,700	\$ 424
System development charges	87,500	50,419	58%	350,000	342,542	98%	350,000	324,000	18,542
Total revenue	\$ 88,000	\$ 52,010	59%	\$ 352,000	\$ 346,666	98%	\$ 352,000	\$ 327,700	\$ 18,966
Expenditures									
Capital outlay					-				
Improvements	75,000	50,000	67%	300,000	300,000	100%	300,000	250,000	(50,000)
Transfers	4,375	17,500	400%	17,500	17,500	100%	17,500	17,500	-
Contingency							493,594		
Total expenditures	\$ 79,375	\$ 67,500	85%	\$ 317,500	\$ 317,500	100%	\$ 811,094	\$ 267,500	\$ (50,000)
Revenue over (under) expenditures	8,625	(15,490)	-3%	34,500	29,166	6%	(459,094)	60,200	(31,034)
Beginning fund balance	459,094	496,755	108%	459,094	496,755	108%	459,094	496,755	
Ending fund balance	\$ 467,719	\$ 481,265	103%	\$ 493,594	\$ 525,921	107%	\$ -	\$ 556,955	\$ 525,921

Notes: Resolution 1318 - Budget adjustment done to increase capital outlay for engineering fees.

June 30, 2017

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.

Fourth quarter revenue came in at approximately \$49,000 or 98 percent of the quarterly budget roughly \$48,700 coming from system development charges. Local development continued in the fourth quarter, positively affecting the SDC funds. There were 11 housing starts and an RV park started during 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.

Unaudited fund balance is roughly \$39,000. Projected to actual comparisons are showing an unfavorable variance largely due to the larger than anticipated SDC reimbursements.

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference Favorable/ (Unfavorable)
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	
Interest	\$ 150	\$ 581	387%	\$ 600	\$ 1,133	189%	\$ 600	\$ 600	\$ 533
System development charges	50,000	48,673	97%	200,000	152,731	76%	200,000	150,000	2,731
Total revenue	\$ 50,150	\$ 49,255	98%	\$ 200,600	\$ 153,864	77%	\$ 200,600	\$ 150,600	\$ 3,264
Expenditures									
Transfers	46,325	185,300	400%	185,300	185,300	100%	185,300	134,500	(50,800)
Contingency							25,892		
Total expenditures	\$ 46,325	\$ 185,300	400%	\$ 185,300	\$ 185,300	100%	\$ 211,192	\$ 134,500	\$ (50,800)
Revenue over (under) expenditures	3,825	(136,045)	-194%	15,300	(31,436)	-45%	(10,592)	16,100	(47,536)
Beginning fund balance	10,592	70,107	662%	10,592	70,107	662%	10,592	70,107	
Ending fund balance	\$ 14,417	\$ (65,938)	-	\$ 25,892	\$ 38,671	149%	\$ -	\$ 86,207	\$ 38,671

Notes: Resolution 1318 - Budget adjustment done to increase transfers to cover administration fee from SDC's collected.

June 30, 2017

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.

Fourth quarter revenue collection came in at approximately 120 percent of the quarter budget. Approximately \$1.18 million in intergovernmental revenue for the wetlands project came in during the fourth quarter. Local development continued in the fourth quarter, positively affecting the SDC funds. There were 11 housing starts and an RV park started during the fourth quarter.

Expenditures during the fourth quarter totaled roughly \$1.28 million which is largely associated with the Crooked River Wetlands construction. The grand opening took place in April during the fourth quarter. The project moved towards completion quicker than anticipated requiring a budget adjustment in capital outlay prior to yearend.

Unaudited fund balance decreased roughly \$329,000 or -90 percent due to the timing in the receipts of reimbursable capital improvements between FY16 and FY17.

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Miscellaneous Revenue	\$ -	-	-	\$ -	\$ 2,000	-	\$ -	\$ 2,000	-
Interest	250	-	-	1,000	2,069	207%	1,000	3,000	(931)
System development charges	87,500	78,997	90%	350,000	164,895	47%	350,000	126,200	38,695
Intergovernmental	602,500	1,183,166	196%	2,410,000	2,239,647	93%	2,410,000	2,081,400	158,247
Debt proceeds	562,500	241,820	43%	2,250,000	2,149,468	96%	2,250,000	2,159,300	(9,832)
Total revenue	\$ 1,252,750	\$ 1,503,983	120%	\$ 5,011,000	\$ 4,558,080	91%	\$ 5,011,000	\$ 4,371,900	\$ 186,180
Expenditures									
Material & services	2,500	200	8%	10,000	425	4%	10,000	10,000	9,575
Capital outlay									
Improvements	1,259,875	1,220,217	97%	5,039,500	4,827,919	96%	5,039,500	4,442,300	(385,619)
Transfers	16,250	59,100	364%	65,000	59,100	91%	65,000	59,100	-
Contingency							11,707		
Total expenditures	\$ 1,278,625	\$ 1,279,517	100%	\$ 5,114,500	\$ 4,887,444	96%	\$ 5,126,207	\$ 4,511,400	\$ (376,044)
Revenue over (under) expenditures	(25,875)	224,466	61%	(103,500)	(329,364)	-90%	(115,207)	(139,500)	(189,864)
Beginning fund balance	115,207	365,822	318%	115,207	365,822	318%	115,207	365,822	
Ending fund balance	\$ 89,332	\$ 590,288	661%	\$ 11,707	\$ 36,458	311%	\$ -	\$ 226,322	\$ 36,458

Note: Resolution 1318 - Budget adjustment done in capital outlay due to wetlands project moving towards completion more quickly than anticipated.

June 30, 2017

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.

Fourth quarter revenues and expenditures are as anticipated.

During the third quarter the city paid off the debt service that was associated with Brooks Resources Iron Horse LID. This was part the agreement in the city acquiring the Iron Horse property. A budget adjustment in debt service was done prior to yearend due to the increased interest owed with the timing of the closing of the Iron Horse property.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Interest	\$ -	\$ 418	-	\$ -	\$ 2,348	-		\$ 2,000	\$ 348
Assessment repayments	300,000		-	1,200,000	1,269,851	106%	1,200,000	1,269,851	(0)
Total revenue	\$ 300,000	\$ 418	0%	\$ 1,200,000	\$ 1,272,198	106%	\$ 1,200,000	\$ 1,271,851	\$ 347
Expenditures									
Debt service									
Principal									
Ironhorse LID - 2006	306,600		-	1,226,400	1,164,016	95%	1,226,400	1,164,016	0
Interest									
Ironhorse LID - 2006	-		-	-	62,315	-		62,315	(0)
Transfer	18,769	75,347	401%	75,075	75,347	100%	75,075	75,000	(347)
Contingency									
Total expenditures	\$ 325,369	\$ 75,347	23%	\$ 1,301,475	\$ 1,301,678	100%	\$ 1,301,475	\$ 1,301,331	\$ (347)
Revenue over (under) expenditures	(25,369)	(74,929)	-74%	(101,475)	(29,480)	-29%	(101,475)	(29,480)	0
Beginning fund balance	101,475	101,666	100%	101,475	101,666	100%	101,475	101,666	
Ending fund balance	\$ 76,106	\$ 26,737	35%	\$ -	\$ 72,186	-	\$ -	\$ 72,186	\$ 72,186

Note: Resolution 1318 - Budget adjustment done for increased interest owed due to the timing in which the Iron Horse property closed.

June 30, 2017

PERS/ POB Fund

This fund accounts for the 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. Expenditures are payments for debt service requirements.

Fourth quarter revenues included the PERS credit of approximately \$60,000 from the setup of the City's side account in 2014 that provides rate relief from funding the City's unfunded PERS liability. This credit ends at the end of this quarter with our PERS rate being adjusted accordingly.

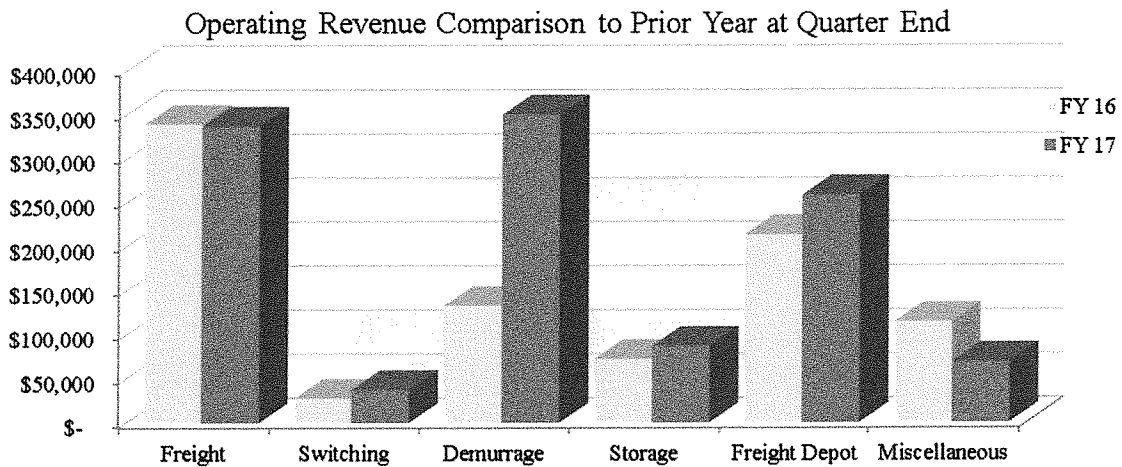
Expenditures are as anticipated with the debt service payment due in June.

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Interest	\$ 250	\$ 1,966	786%	\$ 1,000	\$ 4,071	407%	\$ 1,000	2,000	2,071
Miscellaneous	-	\$ 60,256	-	-	246,618	-	-	247,000	(382)
Transfer from other funds	78,250	77,875	100%	313,000	311,500	100%	313,000	313,000	(1,500)
Total revenue	\$ 78,500	\$ 140,097	178%	\$ 314,000	\$ 562,189	179%	\$ 314,000	\$ 562,000	\$ 189
Expenditures									
Debt service									
Principal - POB 2013	31,250	125,000	400%	125,000	125,000	100%	125,000	125,000	-
Interest - POB 2013	33,300	66,566	200%	133,200	133,133	100%	133,200	133,200	68
Contingency							241,142		
Total expenditures	\$ 64,550	\$ 191,566	297%	\$ 258,200	\$ 258,133	100%	\$ 499,342	\$ 258,200	\$ 68
Revenue over (under) expenditures	13,950	(191,566)	-76%	55,800	304,056	120%	(185,342)	303,800	256
Beginning fund balance	185,342	252,680	136%	185,342	252,680	136%	185,342	252,680	
Ending fund balance	\$ 199,292	\$ 61,114	31%	\$ 241,142	\$ 556,736	231%	\$ -	\$ 556,480	\$ 556,736

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.

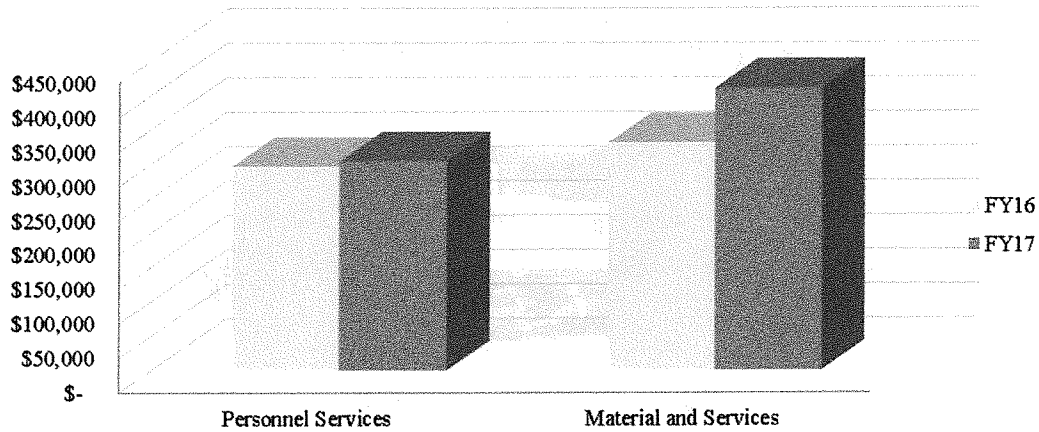
A supplemental budget was adopted during the fourth quarter increasing the budget for charges for service roughly \$264,000. This was due to an increase in revenue during the year which allowed for capital expenditures for some deferred maintenance. During the fourth quarter overall revenues are 95 percent of the quarter budget. Charges for services for the railroad are at approximately \$725,000 or 95 percent of the annual budget and freight depot charges for services are approximately \$259,000 or 116 percent of annual budget. Overall revenue comparisons to prior year are up roughly 27 percent. Below is a breakdown of the funds major revenue sources compared to prior year collection at yearend.



A supplemental budget was adopted during the fourth quarter increasing the budgets for materials and services and capital outlay. Overall expenditures through the fourth quarter are at approximately \$1.06 million or 83 percent of the annual budget. Capital expenditures during the fourth quarter were largely related to track maintenance and repairs totaling roughly \$106,000. Personnel services are at roughly \$303,600 or 81 percent of the annual budget. Prior year comparisons show personnel services and materials and services up a combined total of roughly 14 percent at yearend which is expected with the increase in rail services.

June 30, 2017

Operating Expenditure Comparison to Prior Year at Quarter End



Unaudited fund balance is at approximately \$1.06 million, an increase of roughly \$156,000 or 17 percent. Comparisons of actuals to yearend projections show an unfavorable variance largely due to the accrued absence liability adjustment in personnel services and needed track improvements in capital outlay.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Revenue									
Charges for services									
Railroad	\$ 191,375	\$ 137,885	72%	\$ 765,500	725,058	95%	\$ 765,500	\$ 740,700	\$ (15,642)
Freight Depot	55,500	75,835	137%	222,000	258,588	116%	222,000	247,000	11,588
Use of money & property	33,925	27,890	82%	135,700	113,384	84%	135,700	107,000	6,384
Miscellaneous	15,350	478	3%	61,400	68,839	112%	61,400	68,400	439
Transfers	12,625	50,500	400%	50,500	50,500	100%	50,500	50,500	-
Total revenue	\$ 308,775	\$ 292,587	95%	\$ 1,235,100	\$ 1,216,369	98%	\$ 1,235,100	\$ 1,213,600	\$ 2,769
Expenditures									
Personnel services	93,475	86,635	93%	373,900	303,561	81%	373,900	286,900	(16,661)
Material and services	127,775	84,326	66%	511,100	409,394	80%	511,100	422,600	13,206
Capital outlay									
Improvements	62,500	106,489	170%	250,000	205,604	82%	250,000	163,600	(42,004)
Debt Service									
Principal - Credit Facility	12,625	-	-	50,500	49,221	97%	50,500	49,300	79
Interest - Credit Facility	-	-	-	-	967	-	-	1,000	33
Transfers	22,800	22,800	100%	91,200	91,200	100%	91,200	91,200	-
Contingency							743,049		
Total expenditures	\$ 319,175	\$ 300,249	94%	\$ 1,276,700	\$ 1,059,947	83%	\$ 2,019,749	\$ 1,014,600	\$ (45,347)
Revenue over (under) expenditures	(10,400)	(7,663)	-1%	(41,600)	156,422	17%	(784,649)	199,000	(42,578)
Beginning fund balance	784,649	902,565	115%	784,649	902,565	115%	784,649	902,565	
Ending fund balance	\$ 774,249	\$ 894,902	116%	\$ 743,049	\$ 1,058,987	143%	\$ -	\$ 1,101,565	\$ 1,058,987

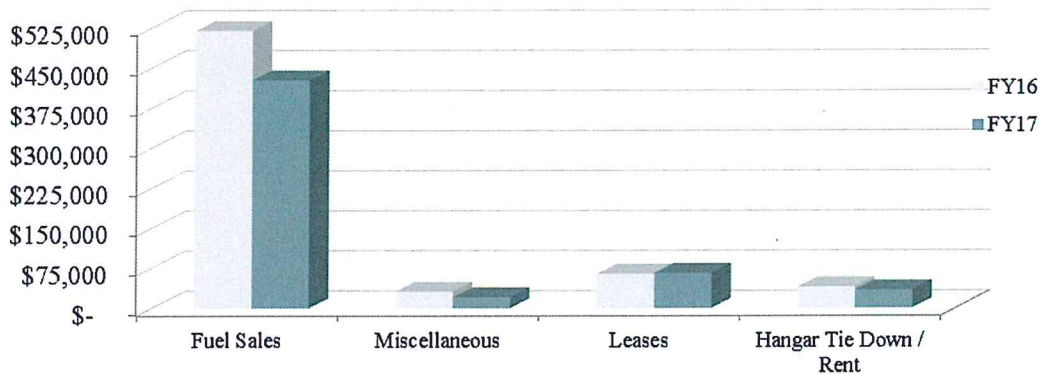
Notes: Resolution 1319 - Supplemental budget done to allow for capital expenditures for deferred maintenance with dollars from increased rail traffic revenue.

Airport Fund

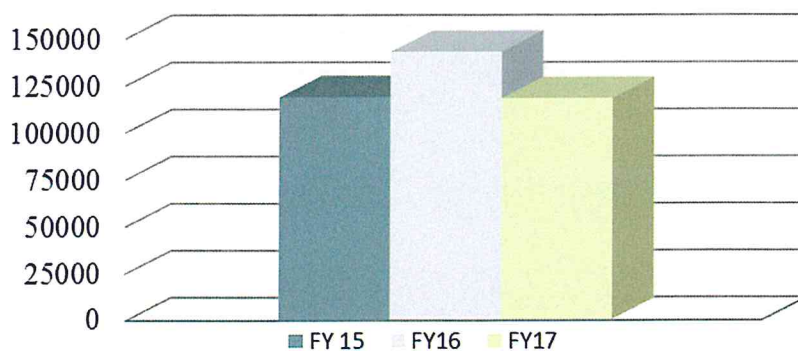
This fund accounts for the activities of the airport. The airport’s main source of operating revenue is through charges for services that revolve around fuel sales and hangar leases. Expenditures are for general operations of the airport including cost of goods sold, maintenance and capital improvements.

Overall revenues through the fourth quarter are approximately 46 percent of the annual budget or \$2.2 million. Fourth quarter intergovernmental revenue is all associated with the completion of the Prineville Airport tie-down/run up apron and beacon replacement that is 90 percent funded through the Federal Aviation Administration (FAA). Fuel sales are at roughly \$427,000 and hangar lease charges are at approximately \$65,700 through the fourth quarter. Decreases in fuel prices over the last year, bad weather and a slower fire season in comparison to the year before have played a role in the decrease in fuel revenue in comparison to the prior year fourth quarter end. Overall charges for services are down in comparison to the prior year by roughly -16 percent. Below is a comparison to prior year for the revenue sources that make up charges for services at quarter end.

Charges for Services Comparison to Prior Year Quarter End



Gallons of fuel sold by year

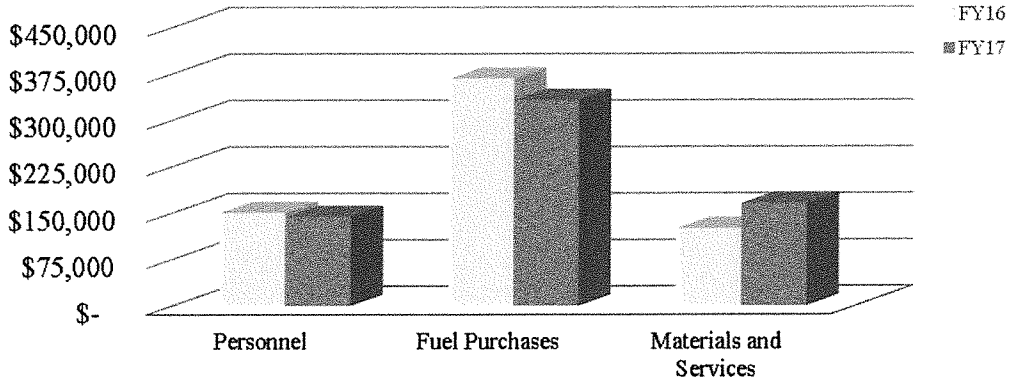


Expenditures are at approximately \$2.2 million or 46 percent of the annual budget. The capital projects for the expansion of the tie-down/run up apron and beacon replacement was completed

June 30, 2017

during the fourth quarter. These projects were considered phase one of an FAA funded project. Below is a comparison of operating expenditures to the prior year at quarter end.

Operating Expenditure Comparison to Prior Year Quarter End



Unaudited fund balance is up approximately \$4,000 through the fourth quarter. Fuel inventory at quarter end is roughly \$42,300.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Revenue									
Intergovernmental	\$ 932,500	\$ 537,347	58%	\$ 3,730,000	1,426,301	38%	\$ 3,730,000	\$ 1,628,200	\$ (201,899)
Charges for services	220,250	182,434	83%	881,000	547,012	62%	881,000	725,500	(178,489)
Other revenues	25	-	-	100	-	-	100	100	(100)
Transfers	45,000	100,000	222%	180,000	230,000	128%	180,000	130,000	100,000
Total revenue	\$ 1,197,775	\$ 819,781	68%	\$ 4,791,100	\$ 2,203,312	46%	\$ 4,791,100	\$ 2,483,800	\$ (280,488)
Expenditures									
Personnel Service	39,775	39,888	100%	159,100	144,068	91%	159,100	145,800	1,732
Materials and Services	191,000	159,796	84%	764,000	498,011	65%	764,000	653,300	155,289
Capital outlay	940,000	114,498	12%	3,760,000	1,442,179	38%	3,760,000	1,475,000	32,821
Debt Service	6,250	-	-	25,000	25,000	100%	25,000	25,000	-
Transfers	22,450	22,450	100%	89,800	89,800	100%	89,800	89,800	-
Contingency							30,649	-	-
Total expenditures	\$ 1,199,475	\$ 336,632	28%	\$ 4,797,900	\$ 2,199,059	46%	\$ 4,828,549	\$ 2,388,900	\$ 189,841
Revenue over (under) expenditures	(1,700)	483,149	784%	(6,800)	4,254	7%	(37,449)	94,900	(90,646)
Beginning fund balance	37,449	61,663	165%	37,449	61,663	165%	37,449	61,663	
Ending fund balance	\$ 35,749	\$ 544,812	1524%	\$ 30,649	\$ 65,917	215%	\$ -	\$ 156,563	\$ 65,917

June 30, 2017

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 \$777,000 or 128 percent of the quarter budget. Revenue associated with charges for services came in at roughly \$573,000 or 102 percent of quarter budget. Overall revenues through the fourth quarter are at approximately 109 percent of the annual budget.

Fourth quarter expenditures are at roughly 89 percent of the quarter budget. Capital improvements during the fourth quarter were at approximately \$191,000. Fourth quarter capital improvements that took place were largely for the master plan update, an aquifer storage and recovery feasibility study and the new jail utility design and engineering.

Unaudited ending fund balance through the fourth quarter decreased by roughly \$374,500 or -20 percent. This fund required a budget adjustment prior to yearend due to unanticipated costs in professional services related to the acquisition of the Iron Horse water rights and in capital outlay for water mitigation and other capital improvements that were not in the original budget.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Charges for services	\$ 564,000	\$ 573,200	102%	\$ 2,256,000	\$ 2,353,036	104%	\$ 2,256,000	\$ 2,367,800	\$ (14,764)
Intergovernmental	8,750	25,000	286%	35,000	25,000	71%	35,000	25,000	-
Interest	1,250	2,809	225%	5,000	7,982	160%	5,000	5,000	2,982
Miscellaneous	1,375	1,408	102%	5,500	75,953	1381%	5,500	77,000	(1,047)
Transfers	31,000	174,800	564%	124,000	174,800	141%	124,000	124,000	50,800
Total revenue	\$ 606,375	\$ 777,217	128%	\$ 2,425,500	\$ 2,636,771	109%	\$ 2,425,500	\$ 2,598,800	\$ 37,971
Expenditures									
Materials and services	127,525	173,991	136%	510,100	501,750	98%	510,100	509,000	7,250
Franchise fee expense	28,250	28,250	100%	113,000	113,000	100%	113,000	113,000	(0)
Capital outlay									
Improvements	248,750	191,081	77%	995,000	943,764	95%	995,000	929,600	(14,164)
Debt service	-	-	-	-	-	-	-	-	-
Principal									
Water revenue bond 2011	28,750	-	-	115,000	115,000	100%	115,000	115,000	-
Water revenue bond 2003	11,250	-	-	45,000	45,000	100%	45,000	45,000	-
Interest									
Water revenue bond 2011	25,175	-	-	100,700	100,636	100%	100,700	100,700	64
Water refunding bond 2003	4,850	-	-	19,400	19,380	100%	19,400	19,400	20
Transfers	292,950	292,950	100%	1,171,800	1,171,800	100%	1,171,800	1,171,800	-
Contingency							880,441		
Total expenditures	\$ 767,500	\$ 686,272	89%	\$ 3,070,000	\$ 3,010,330	98%	\$ 3,950,441	\$ 3,003,500	\$ (6,830)
Revenue over (under) expenditures	(161,125)	90,946	5%	(644,500)	(373,558)	-20%	(1,524,941)	(404,700)	31,142
Beginning fund balance	1,524,941	1,884,514	124%	1,524,941	1,884,514	124%	1,524,941	1,884,514	
Ending fund balance	\$ 1,363,816	\$ 1,975,460	145%	\$ 880,441	\$ 1,510,956	172%	\$ -	\$ 1,479,814	\$ 1,510,956

Notes: Resolution 1318 - Budget adjustment done for unanticipated professional services associated with the acquisition of the Iron Horse property and capital outlay for water mitigation credits.

June 30, 2017

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 \$3.67 million or 82 percent of the annual budget. Fourth quarter revenue collection for charges for services was roughly \$806,000 or 98 percent of the quarter budget. During the fourth quarter a vector truck was sold, largely contributing the miscellaneous revenue during that time. Intergovernmental revenue was for reimbursements for testing at the wetlands.

Expenditures are at roughly 43 percent of the annual budget. Fourth quarter capital expenditures are largely for wastewater testing associated with the wetlands project and the construction of a building at the treatment plant for the contact chamber. This fund required a budget adjustment prior to yearend for the unanticipated wastewater testing at the wetlands in capital outlay, accrued absences in personnel services and insurance costs in materials and services.

The unaudited ending fund balance increased through the fourth quarter by roughly \$165,000 or 10 percent. Yearend estimate to actual comparisons show an unfavorable variance largely due to the unanticipated wastewater testing in capital outlay.

June 30, 2017

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Charges for services	\$ 821,750	\$ 805,872	98%	\$ 3,287,000	\$ 3,303,112	100%	\$ 3,287,000	\$ 3,312,000	\$ (8,888)
Interest	1,000	4,419	442%	4,000	9,243	231%	4,000	4,000	5,243
Miscellaneous	8,900	187,238	2104%	35,600	215,754	606%	35,600	218,400	(2,646)
Transfers	1,125,000	-	-	4,500,000	-	-	4,500,000	-	-
Intergovernmental	-	85,123	-	-	85,123	-	-	-	85,123
SDCs - reimbursement fees	12,500	52,000	416%	50,000	54,588	109%	50,000	52,000	2,588
Total revenue	\$ 1,969,150	\$ 1,134,652	58%	\$ 7,876,600	\$ 3,667,820	47%	\$ 7,876,600	\$ 3,586,400	\$ 81,420
Expenditures									
Personnel services	30,050	29,928	100%	120,200	117,047	97%	120,200	119,800	2,753
Materials and services	152,125	202,487	133%	608,500	594,122	98%	608,500	608,300	14,178
Franchise fee Expense	41,000	41,000	100%	164,000	164,000	100%	164,000	164,000	(0)
Capital outlay									
Improvements	93,750	307,931	328%	375,000	374,028	100%	375,000	135,000	(239,028)
Debt service									
DEQ Bridge Loan	1,125,000	-	-	4,500,000	-	-	4,500,000	-	-
DEQ CWSRF R74682/2	108,850	-	-	435,400	435,401	100%	435,400	435,400	(1)
Refunding 2011	31,250	-	-	125,000	125,000	100%	125,000	125,000	-
Interest									
State of Oregon IFA	2,500	-	-	10,000	-	-	10,000	-	-
DEQ Bridge Loan	11,250	-	-	45,000	-	-	45,000	-	-
DEQ CWSRF R74682/2	37,975	-	-	151,900	151,819	100%	151,900	151,900	81
Refunding 2011 / interest	50,075	-	-	200,300	200,244	100%	200,300	200,300	56
Fees									
DEQ CWSRF R74682/1 & 2	6,600	-	-	26,400	26,360	100%	26,400	26,400	40
Transfers	328,800	328,800	100%	1,315,200	1,315,200	100%	1,315,200	1,315,200	-
Contingency							1,050,650		
Total expenditures	\$ 2,019,225	\$ 910,146	45%	\$ 8,076,900	\$ 3,503,222	43%	\$ 9,127,550	\$ 3,281,300	\$ (221,922)
Revenue over (under) expenditures	(50,075)	224,505	14%	(200,300)	164,598	10%	(1,250,950)	305,100	(140,502)
Other resources/(requirements)									
Debt service reserve	304,000	-	-	304,000	-	-	304,000		
Beginning fund balance	1,554,950	1,657,741	107%	1,554,950	1,657,741	107%	1,554,950	1,657,741	
Ending fund balance	\$ 1,504,875	\$ 1,882,246	125%	\$ 1,354,650	\$ 1,822,339	135%	\$ -	\$ 1,962,841	\$ 1,822,339

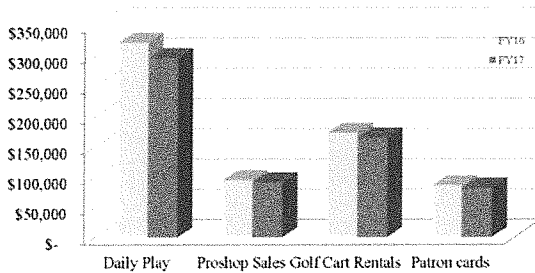
Notes: Resolution 1318 - Budget adjustment done to provide additional dollars for expenses related to accrued absence liability in personnel services, increased insurance costs in materials and services and unanticipated water testing for the wetlands project in capital outlay.

Golf Course and Restaurant Fund

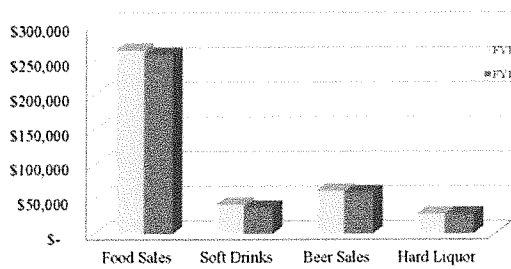
This fund accounts for the activities of Meadow Lakes Golf Course and Restaurant. Revenue is generated through user fees, restaurant sales, and an operating payment from the City’s Wastewater Fund for treatment.

Revenue collection through the fourth quarter is at approximately 93 percent of the annual budget or \$1.465 million. Golf revenue is at roughly \$681,000 or 90 percent of the annual budget through the fourth quarter. This is a decrease over prior year by approximately \$45,000 or -6 percent, largely due to the winter snow events and spring flooding. Restaurant revenues are at approximately \$396,000 or 91 percent of the annual budget through the fourth quarter. This is a decrease over prior year by roughly \$15,000 or -3.5 percent. Significant snow fall December through February impacted operating revenues for the restaurant, but fourth quarter only revenue comparisons to the prior year show the restaurant operating revenues slightly up at fourth quarter end. Below is a comparison to the prior year at quarter end of the significant operating revenue sources for golf and the restaurant.

Golf Revenue Comparison to Prior Year at Quarter End



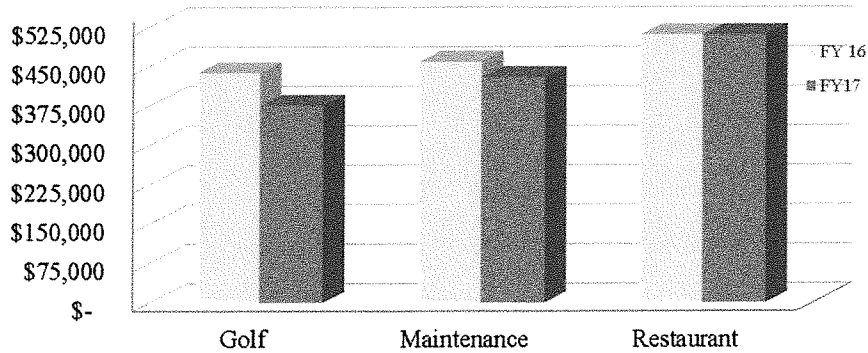
Restaurant Revenue Comparison to Prior Year at Quarter End



Overall expenditures through the fourth quarter came in at roughly \$1.436 million or 94 percent of the annual budget. Overall expenditures for the golf course are roughly \$398,000 or 86 percent of the annual budget. Restaurant operating expenditures through the fourth quarter are approximately 96 percent or \$509,000. Overall operating expenditures have decreased over the prior year by roughly -6.5 percent. Below is a comparison of operating expenditures to the prior year by department.

June 30, 2017

Operating Expenditure Comparison to Prior Year at Quarter End



Unaudited ending fund balance increased roughly \$29,000 or 8 percent through the fourth quarter. Actual to yearend estimate comparisons show an unfavorable variance largely due to revenues being impacted by weather during the third and fourth quarters.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference
Revenue	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Charges for services									
Golf Course	\$ 189,500	\$ 236,079	125%	\$ 758,000	\$ 681,189	90%	\$ 758,000	\$ 713,700	\$ (32,511)
Waste disposal	92,500	92,500	100%	370,000	370,000	100%	370,000	370,000	--
Restaurant	109,250	119,164	109%	437,000	396,259	91%	437,000	404,600	(8,341)
Other	1,250	1,191	95%	5,000	4,399	88%	5,000	4,500	(101)
Interest	625	1,277	204%	2,500	3,171	127%	2,500	2,500	671
Miscellaneous	500	1,835	367%	2,000	10,058	503%	2,000	7,000	3,058
Total revenue	\$ 393,625	\$ 452,045	115%	\$ 1,574,500	\$ 1,465,076	93%	\$ 1,574,500	\$ 1,502,300	\$ (37,224)
Expenditures									
Golf Course	115,200	76,381	66%	460,800	397,630	86%	460,800	414,300	16,670
Waste disposal	110,575	120,790	109%	442,300	429,124	97%	442,300	423,900	(5,224)
Restaurant	131,950	131,284	99%	527,800	509,275	96%	527,800	514,500	5,225
Debt service									
Principal - note payable	5,975	5,987	100%	23,900	23,702	99%	23,900	23,900	198
Interest - note payable	1,025	971	95%	4,100	4,131	101%	4,100	4,100	(31)
Principal - Credit facility	5,700	-	-	22,800	23,398	103%	22,800	23,400	2
Interest - Credit facility	525	-	-	2,100	460	22%	2,100	500	40
Principal - 2011 bond	7,500	-	-	30,000	30,000	100%	30,000	30,000	-
Interest - 2011 bond	4,500	-	-	18,000	17,950	100%	18,000	18,000	50
Contingency							373,162		
Total expenditures	\$ 382,950	\$ 335,413	88%	\$ 1,531,800	\$ 1,435,670	94%	\$ 1,904,962	\$ 1,452,600	\$ 16,930
Revenue over (under) expenditures	10,675	116,632	31%	42,700	29,406	8%	(330,462)	49,700	(20,294)
Beginning fund balance	330,462	373,308	113%	330,462	373,308	113%	330,462	373,308	
Ending fund balance	\$ 341,137	\$ 489,940	144%	\$ 373,162	\$ 402,714	108%	\$ -	\$ 423,008	\$ 402,714

June 30, 2017

Administration and Financial Support Services Fund

This fund accounts for the activities of the City Manager’s office, human resources, recorder, contracts / procurement, 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 fourth quarter came in at approximately \$2.1 million or 99 percent of the annual budget. Yearend estimate comparisons to unaudited actuals show an unfavorable variance largely due to Sprint’s cellular tower lease not being renewed from the prior year.

Overall expenditures for the fourth quarter end are at roughly 96 percent of the annual budget. Information technology is at roughly 99 percent of the annual budget and required a budget adjustment prior to yearend due to the upgrade and interlinking of the 911 phone systems. Finance is at 96 percent of the annual budget and also required a budget adjustment prior to yearend due to the restructuring of personnel from part-time to full-time. Yearend estimate comparisons to unaudited actuals show an overall favorable variance with savings in both the Finance Department and City Council Department in materials and services.

Unaudited ending fund balance increased approximately \$19,000 or 5 percent through the fourth quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Charges for services	\$ 530,625	\$ 542,675	102%	\$ 2,122,500	\$ 2,101,981	99%	\$ 2,122,500	\$ 2,121,500	\$ (19,519)
Interest	375	1,348	359%	1,500	3,306	220%	1,500	2,000	1,306
Total revenue	\$ 531,000	\$ 544,023	102%	\$ 2,124,000	\$ 2,105,287	99%	\$ 2,124,000	\$ 2,123,500	\$ (18,213)
Expenditures									
City Council	21,375	24,833	116%	85,500	68,649	80%	85,500	80,400	11,751
Administration/team services	192,725	188,331	98%	770,900	726,267	94%	770,900	725,800	(467)
Financial services	186,100	192,611	103%	744,400	717,151	96%	744,400	733,100	15,949
Information technology	144,500	104,562	72%	578,000	574,382	99%	578,000	565,700	(8,682)
Contingency							269,800		
Total expenditures	\$ 544,700	\$ 510,337	94%	\$ 2,178,800	\$ 2,086,449	96%	\$ 2,448,600	\$ 2,105,000	\$ 18,551
Revenue over (under) expenditures	(13,700)	33,685	8%	(54,800)	18,838	5%	(324,600)	18,500	338
Beginning fund balance	324,600	415,879	128%	324,600	415,879	128%	324,600	415,879	
Ending fund balance	\$ 310,900	\$ 449,564	145%	\$ 269,800	\$ 434,717	161%	\$ -	\$ 434,379	\$ 434,717

Notes: Resolution 1318 - Budget adjustment done to provide additional dollars for expenses related to the restructuring of personnel from part-time to full-time and the distribution of the "Budget in Brief in finance and unanticipated costs associated with the interlinking and 911 phone systems in IT.

June 30, 2017

Building Facilities Fund

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

Revenues are currently 43 percent of the annual budget and budgeted debt proceeds for the police facility renovations in the amount of \$500,000 did not come in during FY17. It was announced in April 2017 that the City of Prineville was awarded roughly 1.2 million in state grant funds to improve the structural integrity of the City's police facility to withstand a major earthquake. These funds are anticipated and budgeted for FY18.

Expenditures through the fourth quarter are roughly 35 percent of the annual budget. Expenditure yearend estimates compared to actuals show a favorable variance in each department with savings in materials and services.

Fund balance increased approximately \$71,000 or 40 percent through the fourth quarter.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference Favorable/ (Unfavorable)
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	
Revenue									
Rent	\$ 48,225	\$ 48,225	100%	\$ 192,900	\$ 192,900	100%	\$ 192,900	\$ 192,900	\$ -
Interest	200	732	366%	800	1,826	228%	800	1,000	826
Misc Income	2,750	3,094	112%	11,000	14,341	130%	11,000	12,780	1,561
Debt Proceeds	125,000	-	-	500,000	-	-	500,000	-	-
Transfers	41,575	44,350	107%	166,300	166,300	100%	166,300	166,300	-
Total revenue	\$ 217,750	\$ 96,401	44%	\$ 871,000	\$ 375,367	43%	\$ 871,000	\$ 372,980	\$ 2,387
Expenditures									
City Hall Facilities	54,075	28,468	53%	216,300	202,078	93%	216,300	210,300	8,222
Police Facilities	154,825	15,231	10%	619,300	67,986	11%	619,300	70,000	2,014
Public Works Facilities	9,250	4,765	52%	37,000	34,292	93%	37,000	37,000	2,708
Contingency							63,399		
Total expenditures	\$ 218,150	\$ 48,463	22%	\$ 872,600	\$ 304,356	35%	\$ 935,999	\$ 317,300	\$ 12,944
Revenue over (under) expenditures	(400)	47,937	27%	(1,600)	71,012	40%	(64,999)	55,680	15,332
Other requirements									
Debt service reserve	42,000	-	-	105,000	-	-	105,000	-	-
Beginning fund balance	169,999	177,067	104%	169,999	177,067	104%	169,999	177,067	
Ending fund balance	\$ 169,599	\$ 225,004	133%	\$ 168,399	\$ 248,079	147%	\$ -	\$ 232,747	\$ 248,079

June 30, 2017

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.

The yearend audit process is still in process and revenues for this fund may not all be captured.

Overall expenditures through the fourth quarter are at 54 percent of the annual budget. Yearend estimate comparisons to unaudited actuals show an overall favorable variance in materials and services with savings in plaza lighting, irrigation repair/ maintenance and landscaping.

Unaudited ending fund balance is approximately \$28,700.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Intergovernmental	\$ 2,500	-	-	\$ 10,000	\$ -	0%	\$ 10,000	\$ 10,000	\$ (10,000)
Interest	25	67	269%	100	188	188%	100	100	88
Transfers	2,500	10,000	-	10,000	10,000	100%	10,000	10,000	-
Total revenue	\$ 5,025	\$ 10,067	200%	\$ 20,100	\$ 10,188	51%	\$ 20,100	\$ 20,100	\$ (9,913)
Expenditures									
Materials and services	3,975	1,793	45%	15,900	6,839	43%	15,900	12,600	5,761
Transfers	925	3,700	400%	3,700	3,700	100%	3,700	3,700	-
Contingency							16,416		-
Total expenditures	\$ 4,900	\$ 5,493	112%	\$ 19,600	\$ 10,539	54%	\$ 36,016	\$ 16,300	\$ 5,761
Revenue over (under) expenditures	125	4,574	16%	500	(351)	-1%	(15,916)	3,800	(4,151)
Beginning fund balance	15,916	29,052	183%	15,916	29,052	183%	15,916	29,052	
Ending fund balance	\$ 16,041	\$ 33,626	210%	\$ 16,416	\$ 28,701	175%	\$ -	\$ 32,852	\$ 28,701

June 30, 2017

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.

Revenues are at 99 percent of the annual budget through the fourth quarter. Miscellaneous revenue during the fourth quarter is largely from the sale of tools, equipment and a pickup truck.

Overall expenditures through the fourth quarter are at \$1.6 million or 96 percent of the annual budget. The Public Works Fleet and Vehicles department needed a budget adjustment prior to the yearend due to unanticipated costs for supplies and equipment needed during the winter snow events. Public Works Support Services department shows a favorable variance in expenditures compared to yearend estimates with savings in personnel partially related to the accrued absences liability.

Fund balance decreased roughly \$19,000 or -6 percent through the fourth quarter.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Revenue									
Charges for services	\$ 396,025	\$ 498,533	126%	\$ 1,584,100	\$ 1,565,108	99%	\$ 1,584,100	\$ 1,584,100	\$ (18,992)
Interest	400	799	200%	1,600	2,443	153%	1,600	2,000	443
Miscellaneous	5,500	10,236	186%	22,000	30,854	140%	22,000	46,500	(15,646)
Total revenue	\$ 401,925	\$ 509,568	127%	\$ 1,607,700	\$ 1,598,405	99%	\$ 1,607,700	\$ 1,632,600	\$ (34,195)
Expenditures									
Public Works Support Services	343,175	343,138	100%	1,372,700	1,312,221	96%	1,372,700	1,352,000	39,779
Public Works Fleet & Vehicles	79,125	52,440	66%	316,500	305,077	96%	316,500	305,500	423
Contingency							267,434		
Total expenditures	\$ 422,300	\$ 395,578	94%	\$ 1,689,200	\$ 1,617,298	96%	\$ 1,956,634	\$ 1,657,500	\$ 40,202
Revenue over (under) expenditures	(20,375)	113,990	35%	(81,500)	(18,892)	-6%	(348,934)	(24,900)	6,008
Beginning fund balance	348,934	323,665	93%	348,934	323,665	93%	348,934	323,665	
Ending fund balance	\$ 328,559	\$ 437,655	133%	\$ 267,434	\$ 304,773	114%	\$ -	\$ 298,765	\$ 304,773

Notes: Resolution 1318 - Budget adjustment done to provide additional dollars for expenses related to supplies and equipment needed during the fierce winter events.