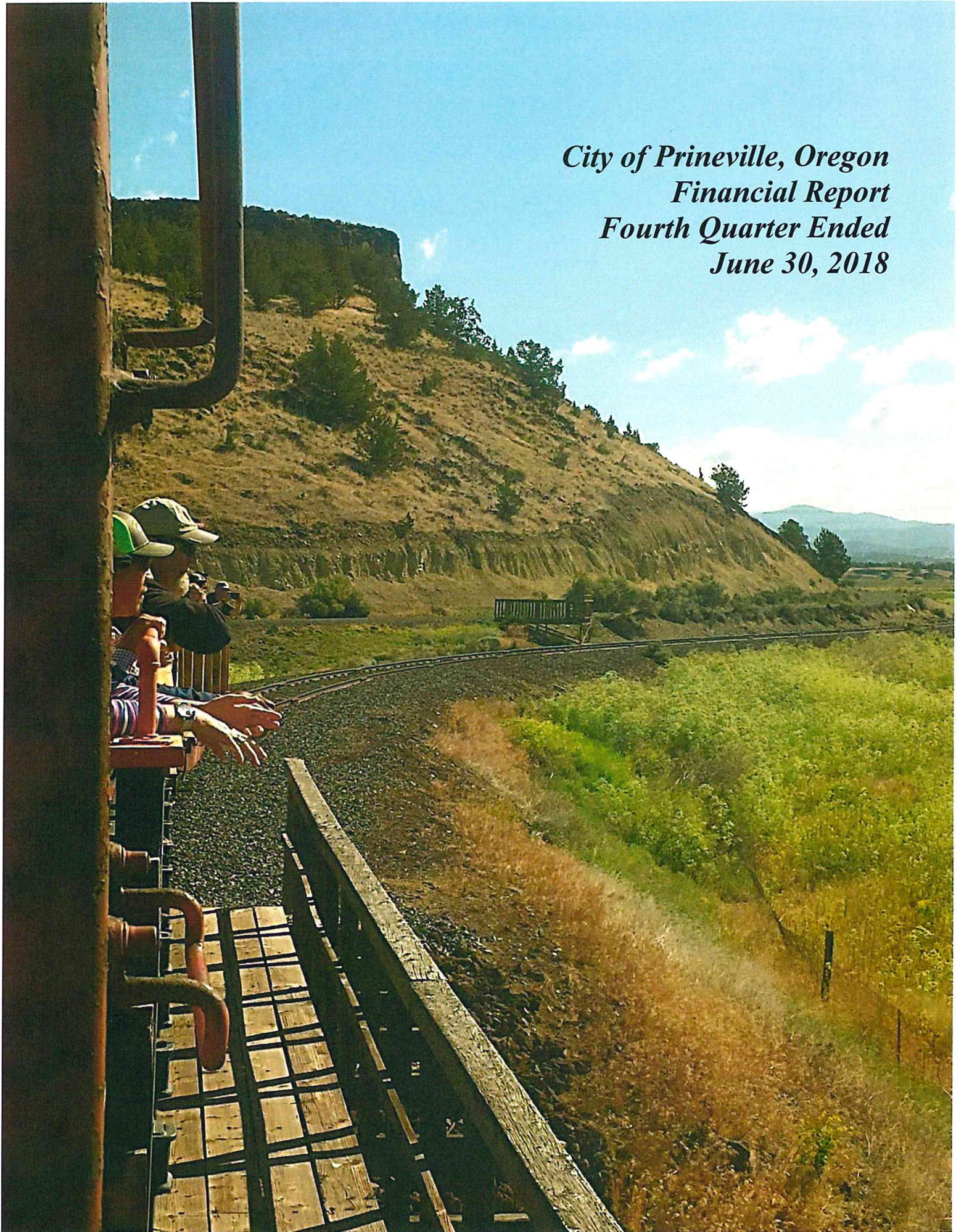


*City of Prineville, Oregon
Financial Report
Fourth Quarter Ended
June 30, 2018*



Executive Summary

Through the fourth quarter, ending June 30th 2018, the City's financial condition increased by approximately 49 percent or \$4.8 million. We are currently in our yearend audit process and some adjustments are still to be made. Property taxes, franchise fees, and SDC collection 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, POB Fund and all the SDC Funds. 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 LID Debt Service, Airport and Water fund.

Through the fourth quarter, General Fund revenues came in at approximately 118 percent of the annual budget or \$6.39 million. Year to date property tax revenue is roughly \$2.07 million or 101 percent of the annual budget which is an increase of roughly \$103,000 over prior year. Transient lodging taxes are flat in comparison to the prior year at roughly \$329,500. Franchise fees are at roughly 113 percent of the annual budget and collection increased approximately \$248,000 over last year during the same time frame. This increase continues to be associated to the upward trend in electrical franchise fees collection with the continued build out of the data centers. Electrical franchise fees are up by approximately \$258,000 over prior year. The General Funds ending balance increased approximately \$312,000 through the fourth quarter with an unaudited balance of roughly \$1.90 million.

Local development continues to positively affect the Planning and the SDC funds. There were 20 housing starts during the fourth quarter that paid SDC's. A supplemental budget was adopted for the Transportation SDC and Water SDC fund to cover the administration fee from SDC's collected. The major project in the Water SDC and Wastewater SDC funds is the airport industrial park utility improvement project which will support growth in that area.

The LID Debt Service Fund is as anticipated with the closing of the fund being declared with resolution NO. 1354 during the fourth quarter. Fund balance was transferred to the General Fund.

During the fourth quarter, a supplemental budget was adopted for the PERS / POB Fund per resolution NO. 1352. The POB debt was refunded in June allowing the city to get out of some restrictive covenants associated with the original financing. Fund balance increased roughly \$307,000 or 55 percent.

The Railroad Fund saw a decrease to fund balance of approximately \$10,000 or -1 percent through the fourth quarter. Rail traffic has decreased over the last several quarters. This decrease is directly related to high tire inventory levels at Les Schwab. Freight traffic has become more diversified with new wood chip haulage helping to back fill the freight revenue gap from the decrease in Les Schwab cars. Operating revenue is down approximately -33 percent while operating expenditures are up roughly 2 percent over the prior year at quarter end. A budget adjustment was done prior to yearend allowing for the additional materials and services associated with the DEQ cleanup and maintenance of way costs not anticipated in the original budget.

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The airport fund balance decreased approximately \$22,000 through the fourth quarter. Overall charges for services are down roughly -4 percent over the prior year partially due to Hillsboro Aero Academy moving their flight school to the Redmond airport in March. The USFS airbase project has been ramping up during the fourth quarter. This project is a multi-phased project that includes multiple funding sources including a Connect Oregon grant, COAR grant and FAA grant. Fuel inventory is approximately \$51,300 at yearend.

The Water Fund's fund balance decreased roughly -5 percent through the fourth quarter, largely due to capital improvements associated with the public facilities water master planning, the aquifer storage and recovery project and the Fairview waterline project.

Meadow Lakes Golf fund balance increased roughly \$41,000 through the fourth quarter, with rounds of golf increasing over the prior year by roughly 260 rounds. Significant smoke and the eclipse event last summer impacted operating revenues for the restaurant and golf. Both golf and the restaurant had a strong fourth quarter with fourth quarter only comparisons for the restaurant up approximately \$20,000 over the prior year same time frame and golf revenues coming in at roughly 136 percent of the quarter budget. Expenditures are up compared to the prior year with management 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.

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

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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	\$ 1,583,740	\$ 6,389,208	\$ 6,076,979	\$ 1,895,969	\$ 312,229	20%	\$ 1,763,840	\$ 132,129
Transportation	269,757	1,542,407	1,494,196	317,968	48,211	18%	323,857	(5,889)
Emergency Dispatch	371,559	1,523,894	1,491,132	404,321	32,762	9%	334,359	69,962
Planning	121,280	479,845	353,027	248,098	126,818	105%	221,980	26,118
Transportation SDC	518,810	536,194	99,419	955,585	436,775	84%	944,310	11,275
Water SDC	47,491	3,326,520	1,874,787	1,499,224	1,451,733	3057%	2,172,191	(672,967)
Wastewater SDC	60,804	5,636,111	3,420,610	2,276,305	2,215,501	3644%	2,699,804	(423,499)
LID Debt Service	72,485	-	72,485	0	(72,485)	-100%	-	0
POB Fund	556,703	3,128,846	2,822,258	863,291	306,588	55%	864,003	(712)
Railroad	1,059,621	814,954	825,345	1,049,230	(10,391)	-1%	1,094,421	(45,191)
Airport	65,888	965,256	987,259	43,885	(22,003)	-33%	5,488	38,397
Water	1,847,526	5,866,921	5,950,744	1,763,703	(83,823)	-5%	1,415,917	347,786
Wastewater	1,846,857	12,457,470	12,450,943	1,853,384	6,527	0%	1,911,257	(57,873)
Golf Course and Restaurant	402,031	1,904,329	1,862,892	443,468	41,437	10%	416,731	26,737
Administration and Financial Services	433,455	2,435,805	2,386,744	482,516	49,061	11%	499,855	(17,339)
Plaza Maintenance	28,705	30,357	17,545	41,517	12,812	45%	39,905	1,612
City Hall	248,007	1,602,429	1,611,822	238,614	(9,393)	-4%	208,307	30,307
Public Works Support Services	302,675	1,701,516	1,738,823	265,368	(37,307)	-12%	274,875	(9,507)
Totals	\$ 9,837,394	\$50,342,064	\$45,537,010	\$ 14,642,447	\$ 4,805,053	49%	\$15,191,100	\$ (548,653)

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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 approximately \$6.39 million with roughly \$2.07 million coming from property taxes. Property tax revenue is roughly 101 percent of the annual budget which is an increase over the prior year of approximately \$103,000. Transient lodging taxes are flat over prior year at roughly \$329,500. Franchise fees are at roughly 113 percent of the annual budget and collection increased approximately \$248,000 over the last fiscal year. This increase continues to be associated with the upward trend in electrical franchise fees collection brought on by the data center build outs. Electrical franchise fees are up by roughly \$258,000 over prior year.

Police spending through the fourth quarter was at approximately 99 percent of the annual budget with budget adjustments required in personnel services due to unanticipated staffing needs during the eclipse event and in capital outlay largely due to the acquisition of new vehicles and the equipping of those vehicles. Non-departmental is at 92 percent of the annual budget with a budget adjustment that was needed largely due to the maintenance and improvements for the Barnes Butte property and prefunding the airport for operating cash flow. Fourth quarter council expenditures included a \$5,000 contribution for the pool survey and over \$4,000 in grant funds being disbursed to local businesses for the Downtown Revitalization Grant Program.

Overall, the General Fund realized an increase in fund balance of approximately 20 percent or \$312,000 through the fourth quarter. Unaudited ending fund balance is approximately \$ 1.90 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.

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Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Property taxes	\$ 512,500	\$ 102,814	20%	\$ 2,050,000	\$ 2,065,645	101%	\$ 2,050,000	\$ 2,065,000	\$ 645
Transient lodging tax	87,500	86,351	99%	350,000	329,483	94%	350,000	310,000	19,483
Franchise fees	603,250	912,804	151%	2,413,000	2,727,917	113%	2,413,000	2,620,000	107,917
Licenses and permits	2,800	1,933	69%	11,200	5,978	53%	11,200	9,000	(3,023)
Intergovernmental revenues	57,775	62,492	108%	231,100	295,797	128%	231,100	290,000	5,797
Charges for services	25	1,000	4000%	100	2,080	2080%	100	100	1,980
Interest	1,125	9,533	847%	4,500	24,615	547%	4,500	17,000	7,615
Miscellaneous	70,150	20,921	30%	280,600	432,210	154%	280,600	424,600	7,610
Debt Proceeds	-	-	-	-	433,000	-	-	433,000	\$ -
Transfers	18,046	72,484		72,185	72,484	100%	72,185	73,000	(516)
Total revenue	\$ 1,353,171	\$ 1,197,849	89%	\$ 5,412,685	\$ 6,389,208	118%	\$ 5,412,685	\$ 6,241,700	\$ 147,508
Expenditures									
Police	1,187,500	1,201,627	101%	4,750,000	4,722,905	99%	4,750,000	4,734,300	11,395
Non-departmental Contingency	368,775	665,008	180%	1,475,100	1,354,074	92%		1,327,300	(26,774)
							616,636		
Total expenditures	\$ 1,556,275	\$ 1,866,635	120%	\$ 6,225,100	\$ 6,076,979	98%	\$ 6,841,736	\$ 6,061,600	\$ (15,379)
Revenue over (under) expenditures	(203,104)	(668,786)	-42%	(812,415)	312,229	20%	(1,429,051)	180,100	132,129
Beginning fund balance	1,429,051	1,583,740	111%	1,429,051	1,583,740	111%	1,429,051	1,583,740	
Ending fund balance	\$ 1,225,947	\$ 914,954	75%	\$ 616,636	\$ 1,895,969	307%	\$ -	\$ 1,763,840	\$ 1,895,969

Notes: Per resolution NO. 1353 a budget adjustment was done in Police and Non-Departmental largely due to the purchase of new police cars and a needed improvements for the Barnes Butte facility.

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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, slurry seals, signals, insurance and asphalt.

Fourth quarter revenue, for the Transportation Fund, came in at approximately 99 percent of the annual budget. Intergovernmental revenue collection is at 113 percent of the annual budget. The State of Oregon gas tax came in at approximately \$619,900 through the fourth quarter which is an increase from the prior year fourth quarter end of roughly \$47,000.

Expenditures through the fourth quarter are roughly 97 percent of the annual budget. Capital expenditures through the fourth quarter totaled approximately \$640,000 with the 2018 crack sealing project finalizing during the fourth quarter. Personnel services were roughly 99 percent of the annual budget.

Unaudited ending fund balance increased roughly \$48,000 or 18 percent to 318,000.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Franchise Fees	\$ 75,000	\$ 43,250	58%	\$ 300,000	\$ 173,000	58%	\$ 300,000	\$ 300,000	\$ (127,000)
Intergovernmental	212,075	353,439	167%	848,300	954,343	113%	848,300	885,900	68,443
Transfers	100,000	100,000	100%	400,000	400,000	100%	400,000	400,000	
Interest	450	1,129	251%	1,800	3,185	177%	1,800	1,800	1,385
Miscellaneous	2,125	6,793	320%	8,500	11,879	140%	8,500	8,500	3,379
Total revenue	\$ 389,650	\$ 504,611	130%	\$ 1,558,600	\$ 1,542,407	99%	\$ 1,558,600	\$ 1,596,200	\$ (53,793)
Expenditures									
Personnel services	56,925	58,144	102%	227,700	224,935	99%	227,700	225,700	765
Material & services	59,075	78,560	133%	236,300	206,065	87%	236,300	233,800	27,735
Capital outlay									
Improvements	163,650	74,231	45%	654,600	639,897	98%	654,600	659,300	19,403
Transfers	105,825	105,825	100%	423,300	423,300	100%	423,300	423,300	0
Contingency							212,186		
Total expenditures	\$ 385,475	\$ 316,760	82%	\$ 1,541,900	\$ 1,494,196	97%	\$ 1,754,086	\$ 1,542,100	\$ 47,904
Revenue over (under) expenditures	4,175	187,851	70%	16,700	48,211	18%	(195,486)	54,100	(5,889)
Beginning fund balance	195,486	269,757	138%	195,486	269,757	138%	195,486	269,757	
Ending fund balance	\$ 199,661	\$ 457,608	229%	\$ 212,186	\$ 317,968	150%	\$ -	\$ 323,857	\$ 317,968

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Emergency Dispatch Fund

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

Revenue collection for the Emergency Dispatch Fund was approximately \$1.52 million or 102 percent of the annual budget. Fourth quarter revenue collection came in at roughly 94 percent of the quarter budget. Intergovernmental collection during the fourth quarter included roughly \$123,000 from the State of Oregon for E-911 funds with \$43,000 of those dollars for the reimbursement of the phone system and approximately \$78,000 from the county for dispatching services.

Expenditures are approximately \$1.49 million or 92 percent of the annual budget. Personnel services are at 91 percent of the annual budget with overtime at approximately 310 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 \$33,000 or 9 percent at yearend. This is a favorable variance of roughly \$70,000 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 Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Intergovernmental	\$ 224,400	\$ 203,038	90%	\$ 897,600	\$ 935,337	104%	\$ 897,600	\$ 897,600	\$ 37,737
Charges for Services	1,000	740	74%	4,000	761	19%	4,000	1,000	(239)
Interest	750	1,642	219%	3,000	4,796	160%	3,000	3,000	1,796
Transfers from other funds	145,750	145,750	100%	583,000	583,000	100%	583,000	583,000	(0)
Total revenue	\$ 371,900	\$ 351,169	94%	\$ 1,487,600	\$ 1,523,894	102%	\$ 1,487,600	\$ 1,484,600	\$ 39,294
Expenditures									
Personnel services	254,375	229,295	90%	1,017,500	930,828	91%	1,017,500	966,300	35,472
Material & services	78,150	84,438	108%	312,600	274,421	88%	312,600	268,600	(5,821)
Capital outlay	32,500	-	-	130,000	128,983	99%	130,000	130,000	1,017
Transfers	39,225	39,225	100%	156,900	156,900	100%	156,900	156,900	-
Contingency							182,873		
Total expenditures	\$ 404,250	\$ 352,958	87%	\$ 1,617,000	\$ 1,491,132	92%	\$ 1,799,873	\$ 1,521,800	\$ 30,668
Revenue over (under) expenditures	(32,350)	(1,789)	0%	(129,400)	32,762	9%	(312,273)	(37,200)	69,962
Beginning fund balance	312,273	371,559	119%	312,273	371,559	119%	312,273	371,559	
Ending fund balance	\$ 279,923	\$ 369,770	132%	\$ 182,873	\$ 404,321	221%	\$ -	\$ 334,359	\$ 404,321

Notes: Per resolution NO. 1353 a budget adjustment was done in both capital outlay and materials and services largely due to the upgrading of dispatches phone system and radio equipment.

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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 \$212,000 or 211 percent of the quarter budget. Revenue collection through the fourth quarter for licenses and permits is at approximately \$48,000 with roughly \$11,700 coming in the fourth quarter. Prior year collection was at approximately \$57,000 at year end. There were approximately 20 housing starts during the fourth quarter.

Expenditures incurred during the fourth quarter came in at approximately \$68,000 or 69 percent of the quarter budget with overall expenditures at roughly 88 percent of the annual budget. Personnel services were at 86 percent of the annual budget with the departure of the Planning Director in March and the addition of an Associate Planner in June.

Unaudited ending fund balance is increased approximately \$127,000 through the fourth quarter. Actuals compared to yearend estimates are showing a favorable variance of roughly \$26,000 largely due to an overall savings in personnel services.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Licenses & Permits	\$ 12,500	\$ 11,652	93%	\$ 50,000	\$ 47,776	96%	\$ 50,000	\$ 45,300	\$ 2,476
Charges for services	6,475	200,138	3091%	25,900	210,095	811%	25,900	10,900	199,195
Intergovernmental	1,325	-	0%	5,300	-	0%	5,300	5,300	(5,300)
Interest	150	632	421%	600	1,974	329%	600	1,500	474
Transfers from other funds	80,000	-	-	320,000	220,000	69%	320,000	415,500	(195,500)
Total revenue	\$ 100,450	\$ 212,422	211%	\$ 401,800	\$ 479,845	119%	\$ 401,800	\$ 478,500	\$ 1,345
Personnel services	62,650	36,115	58%	250,600	216,613	86%	250,600	238,100	21,487
Material & services	6,950	2,105	30%	27,800	15,614	56%	27,800	18,900	3,286
Transfers	30,200	30,200	100%	120,800	120,800	100%	120,800	120,800	(0)
Contingency							97,721		-
Total expenditures	\$ 99,800	\$ 68,420	69%	\$ 399,200	\$ 353,027	88%	\$ 496,921	\$ 377,800	\$ 24,773
Revenue over (under) expenditures	650	144,002	119%	2,600	126,818	105%	(95,121)	100,700	26,118
Beginning fund balance	95,121	121,280	128%	95,121	121,280	128%	95,121	121,280	
Ending fund balance	\$ 95,771	\$ 265,282	277%	\$ 97,721	\$ 248,098	254%	\$ -	\$ 221,980	\$ 248,098

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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 149 percent of the annual budget. Fourth quarter SDC collection came in at roughly \$64,000. Total collection at yearend is approximately \$525,500 which is approximately 148 percent of the annual budget. Local development, through the fourth quarter, continued to positively affect the SDC funds with roughly 20 housing starts paying SDC's.

Yearend audit adjustments are still being made. Expenditures during the fourth quarter totaled approximately \$36,000. Fourth quarter capital expenditures are roughly \$10,000, largely for a property acquisition. Budget adjustments for capital outlay and transfers were done for capital projects not originally anticipated and to capture the five percent administrative fee.

Unaudited fund balance increased approximately 84 percent or \$437,000.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Interest	\$ 1,000	\$ 4,345	434%	\$ 4,000	\$ 11,119	278%	\$ 4,000	\$ 8,000	\$ 3,119
System development charges	88,750	63,871	72%	355,000	525,075	148%	355,000	529,000	(3,925)
Total revenue	\$ 89,750	\$ 68,216	76%	\$ 359,000	\$ 536,194	149%	\$ 359,000	\$ 537,000	\$ (806)
Expenditures									
Material & services	2,500	414	17%	10,000	4,014	40%	10,000	10,000	5,986
Capital outlay					-				
Improvements	21,250	9,677	46%	85,000	69,151	81%	85,000	75,000	5,849
Transfers	7,500	26,254	350%	30,000	26,254	88%	30,000	26,500	246
Contingency							790,954		
Total expenditures	\$ 31,250	\$ 36,344	116%	\$ 125,000	\$ 99,419	80%	\$ 915,954	\$ 111,500	\$ 12,081
Revenue over (under) expenditures	58,500	31,871	6%	234,000	436,775	84%	(556,954)	425,500	11,275
Beginning fund balance	556,954	518,810	93%	556,954	518,810	93%	556,954	518,810	
Ending fund balance	\$ 615,454	\$ 550,681	89%	\$ 790,954	\$ 955,585	121%	\$ -	\$ 944,310	\$ 955,585

Notes: Supplemental budget adopted per resolution NO. 1352. Adjustment in both capital outlay and transfers done to adjust for capital project not anticipated in original budget and to capture the 5% admin. fee.

June 30, 2018

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 \$77,600 with roughly \$66,000 coming from system development charges. Local development, through the fourth quarter, continued to positively affect the SDC funds with roughly 20 housing starts paying SDC's.

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. Fourth quarter capital expenditures were largely for the industrial park utility improvement project.

Unaudited fund balance is roughly \$1.5 million. Projected to actual revenue comparisons are showing an unfavorable variance largely due to an expected development agreement not finalizing by the end of the fiscal year.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Interest	\$ 175	\$ 11,551	6601%	\$ 700	\$ 24,176	3454%	\$ 700	\$ 20,000	\$ 4,176
Charges for services	-	-	-	-	333,675	-	-	833,700	(500,025)
System development charges	722,400	66,072	9%	2,889,600	2,968,669	103%	2,889,600	2,940,000	28,669
Total revenue	\$ 722,575	\$ 77,623	11%	\$ 2,890,300	\$ 3,326,520	115%	\$ 2,890,300	\$ 3,793,700	\$ (467,180)
Expenditures									
Capital outlay									
Improvements	527,500	1,091,571	207%	2,110,000	1,314,354	62%	2,110,000	1,110,000	(204,354)
Transfers	141,250	275,433	195%	565,000	560,433	99%	565,000	559,000	(1,433)
Contingency							301,507		
Total expenditures	\$ 668,750	\$ 1,367,004	204%	\$ 2,675,000	\$ 1,874,787	70%	\$ 2,976,507	\$ 1,669,000	\$ (205,787)
Revenue over (under) expenditures	53,825	(1,289,382)	-2715%	215,300	1,451,733	3057%	(86,207)	2,124,700	(672,967)
Beginning fund balance	86,207	47,491	55%	86,207	47,491	55%	86,207	47,491	
Ending fund balance	\$ 140,032	\$ (1,241,891)	-	\$ 301,507	\$ 1,499,224	497%	\$ -	\$ 2,172,191	\$ 1,499,224

Note: Supplemental budget adopted per resolution NO. 1333 and resolution NO. 1352. Adjustment in transfers done to capture the 5% admin. fee.

June 30, 2018

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 \$152,000 with roughly \$137,000 coming from SDC's. Local development, through the fourth quarter, continued to positively affect the SDC funds with roughly 20 housing starts paying SDC's.

Expenditures during the fourth quarter totaled roughly \$1.19 million or 93 percent of the quarter budget. Fourth quarter capital expenditures were largely for the industrial park utility improvement project.

Audit adjustments are still being done. Unaudited fund balance increased roughly \$2.22 million through the fourth quarter to approximately \$2.28 million. Projected to actual revenue comparisons are showing an unfavorable variance largely due to an expected development agreement not finalizing by the end of the fiscal year.

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	\$ -	-	-	\$ -	\$ 333,675	-	\$ -	\$ 833,700	(500,025)
Interest	625	14,304	2289%	2,500	30,821	1233%	2,500	24,000	6,821
System development charges	1,270,625	137,330	11%	5,082,500	5,185,432	102%	5,082,500	5,144,100	41,332
Intergovernmental	116,950	-	-	467,800	47,869	10%	467,800	48,000	(131)
Debt proceeds	25,000	-	-	100,000	38,314	38%	100,000	38,400	(86)
Total revenue	\$ 1,413,200	\$ 151,634	11%	\$ 5,652,800	\$ 5,636,111	100%	\$ 5,652,800	\$ 6,088,200	\$ (452,089)
Expenditures									
Material & services	2,500	-	-	10,000	9,940	99%	10,000	24,000	14,060
Capital outlay									
Improvements	679,450	871,543	128%	2,717,800	1,086,854	40%	2,717,800	1,102,600	15,746
Transfers	597,550	316,591	53%	2,390,200	2,323,816	97%	2,390,200	2,322,600	(1,216)
Contingency							761,122		
Total expenditures	\$ 1,279,500	\$ 1,188,134	93%	\$ 5,118,000	\$ 3,420,610	67%	\$ 5,879,122	\$ 3,449,200	\$ 28,590
Revenue over (under) expenditures	133,700	(1,036,500)	-1705%	534,800	2,215,501	3644%	(226,322)	2,639,000	(423,499)
Beginning fund balance	226,322	60,804	27%	226,322	60,804	27%	226,322	60,804	
Ending fund balance	\$ 360,022	\$ (975,696)	-	\$ 761,122	\$ 2,276,305	299%	\$ -	\$ 2,699,804	\$ 2,276,305

Note: Supplemental budget adopted per resolution NO. 1333.

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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.

Fourth quarter revenues and expenditures are as anticipated with the closing of this fund being declared with resolution NO. 1354.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Interest	\$ -	-	-	\$ -	\$ -	-	-	-	\$ -
Assessment repayments	-	-	-	-	-	-	-	-	-
Total revenue	\$ -	\$ -	-	\$ -	\$ -	-	\$ -	\$ -	\$ -
Expenditures									
Debt service									
Principal									
Ironhorse LID - 2006	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Ironhorse LID - 2006	18,046	72,485	402%	72,185	72,485	100%	72,185	72,485	0
Transfer									
Contingency									
Total expenditures	\$ 18,046	\$ 72,485	402%	\$ 72,185	\$ 72,485	100%	\$ 72,185	\$ 72,485	\$ 0
Revenue over (under) expenditures	(18,046)	(72,485)	-100%	(72,185)	(72,485)	-100%	(72,185)	(72,485)	0
Beginning fund balance	72,185	72,485	100%	72,185	72,485	100%	72,185	72,485	
Ending fund balance	\$ 54,139	\$ 0	0%	\$ -	\$ 0	-	\$ -	\$ -	\$ 0

Note: Fund closing per Resolution NO. 1354

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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 debt proceeds associated with the refunding of the city's pension obligation bonds in the amount of roughly \$2.55 million. The refunding allowed the city to get out of some restrictive covenants associated with the original financing.

Fourth quarter expenditures are largely associated with the payoff of the original POB debt service.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Interest	\$ 625	\$ 4,069	651%	\$ 2,500	\$ 10,946	438%	\$ 2,500	10,000	946
Debt Proceeds	637,500	2,549,000	400%	2,550,000	2,549,000	100%	2,550,000	2,550,700	(1,700)
Transfer from other funds	142,225	217,225	153%	568,900	568,900	100%	568,900	568,900	-
Total revenue	\$ 780,350	\$ 2,770,294	355%	\$ 3,121,400	\$ 3,128,846	100%	\$ 3,121,400	\$ 3,129,600	\$ (754)
Expenditures									
Bond Expense	7,500	28,300	377%	30,000	28,300	94%	30,000	28,300	-
Debt service									
Principal - POB 2013	666,750	2,570,000	385%	2,667,000	2,570,000	96%	2,667,000	2,667,000	97,000
Interest - POB 2013	31,750	160,479	505%	127,000	223,958	176%	127,000	127,000	(96,958)
Contingency							853,880		
Total expenditures	\$ 706,000	\$ 2,758,779	391%	\$ 2,824,000	\$ 2,822,258	100%	\$ 3,677,880	\$ 2,822,300	\$ 42
Revenue over (under) expenditures	74,350	(2,758,779)	-496%	297,400	306,588	55%	(556,480)	307,300	(712)
Beginning fund balance	556,480	556,703	100%	556,480	556,703	100%	556,480	556,703	
Ending fund balance	\$ 630,830	\$ (2,202,076)	-	\$ 853,880	\$ 863,291	101%	\$ -	\$ 864,003	\$ 863,291

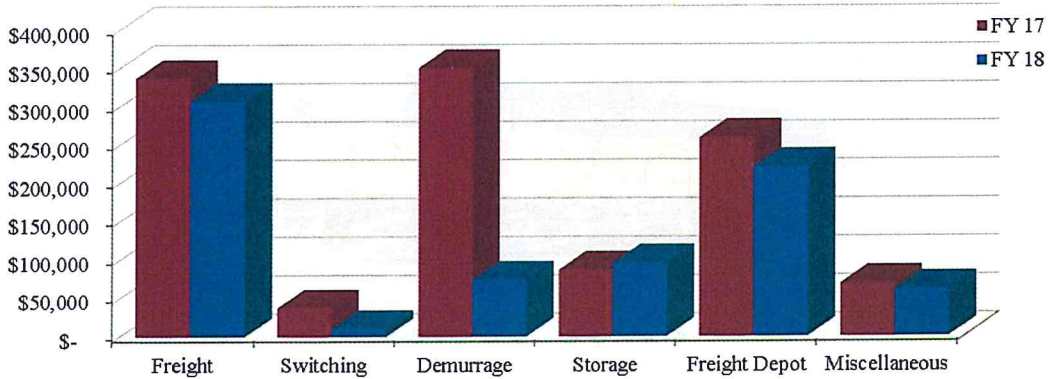
Notes: Supplemental budget adopted per resolution NO. 1352 due to the refinancing of the POB.

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.

During the fourth quarter overall revenues are 53 percent of the quarter budget. Charges for services for the railroad are at approximately \$413,000 or 62 percent of the annual budget and freight depot charges for services are approximately \$220,500 or 81 percent of annual budget. Overall operating revenue comparisons to prior year are down roughly -33 percent. This decrease is largely due to a decrease in Les Schwab traffic with their tire inventory levels being high during the winter months due to a mild winter. This directly impacts freight and demurrage revenue. Freight traffic has become more diversified with new wood chip haulage helping to back fill the freight revenue gap from the decrease in Les Schwab cars. Below is a breakdown of the funds major revenue sources compared to prior year collection at yearend.

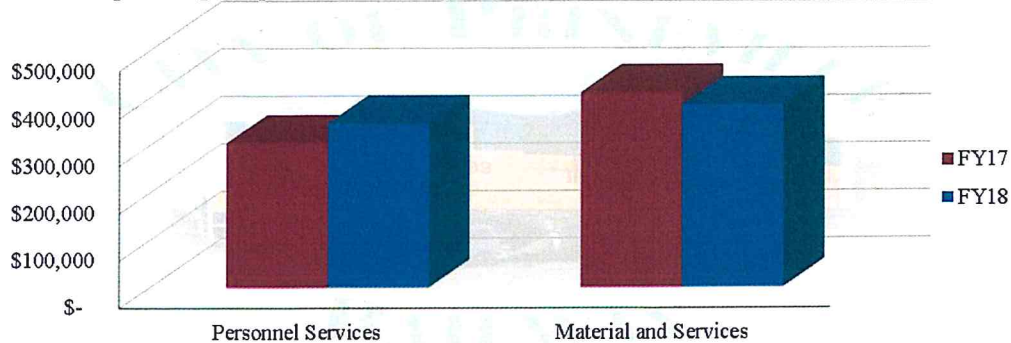
Operating Revenue Comparison to Prior Year at Quarter End



Overall expenditures through the fourth quarter are at approximately \$825,000 or 75 percent of the annual budget. Personnel services are at roughly \$345,400 or 82 percent of the annual budget. Prior year comparisons show operating expenditures up a combined total of approximately 2 percent at quarter end. A budget adjustment was done in materials and services for the DEQ cleanup and maintenance of way costs not anticipated in the original budget. Towards the end of June, the City of Prineville Railway kicked off a string of events to celebrate its 100 year anniversary. To kick off the festivities, free train rides were given to citizens.

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Operating Expenditure Comparison to Prior Year at Quarter End



Unaudited fund balance is at approximately \$1.05 million, a decrease of roughly \$10,000 or -1 percent. Comparisons of actuals to yearend projections show an unfavorable variance largely due to the decrease in rail traffic.

	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									
Railroad	\$ 167,500	\$ 84,541	50%	\$ 670,000	413,053	62%	\$ 670,000	\$ 459,700	\$ (46,647)
Freight Depot	68,000	49,311	73%	272,000	220,519	81%	272,000	274,400	(53,881)
Use of money & property	43,550	25,109	58%	174,200	120,702	69%	174,200	119,300	1,402
Miscellaneous	21,250	500	2%	85,000	60,680	71%	85,000	60,700	(20)
Total revenue	\$ 300,300	\$ 159,460	53%	\$ 1,201,200	\$ 814,954	68%	\$ 1,201,200	\$ 914,100	\$ (99,146)
Expenditures									
Personnel services	105,250	87,379	83%	421,000	345,404	82%	421,000	362,100	16,696
Material and services	116,525	78,206	67%	466,100	383,441	82%	466,100	360,700	(22,741)
Capital outlay									
Improvements	30,250	-	-	121,000	-	0%	121,000	60,000	60,000
Transfers	24,125	24,125	100%	96,500	96,500	100%	96,500	96,500	(0)
Contingency							1,198,166		
Total expenditures	\$ 276,150	\$ 189,709	69%	\$ 1,104,600	\$ 825,345	75%	\$ 2,302,766	\$ 879,300	\$ 53,955
Revenue over (under) expenditures	24,150	(30,249)	-3%	96,600	(10,391)	-1%	(1,101,566)	34,800	(45,191)
Beginning fund balance	1,101,566	1,059,621	96%	1,101,566	1,059,621	96%	1,101,566	1,059,621	
Ending fund balance	\$ 1,125,716	\$ 1,029,372	91%	\$ 1,198,166	\$ 1,049,230	88%	\$ -	\$ 1,094,421	\$ 1,049,230

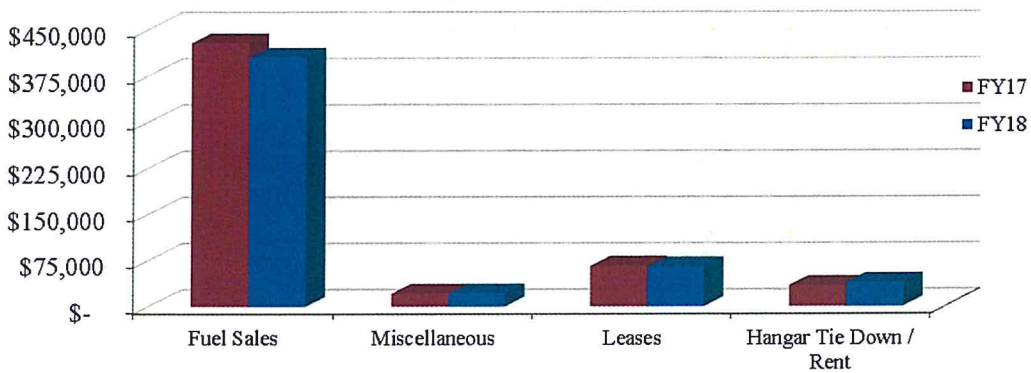
Notes: Per resolution NO. 1353 a budget adjustment was done in materials and services largely due to the DEQ shop clean up.

Airport Fund

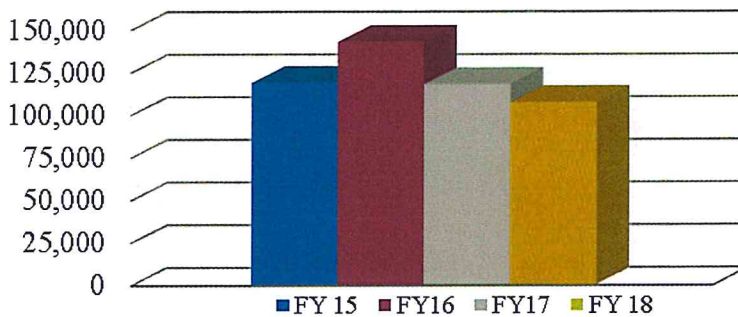
This fund accounts for the activities of the Prineville-Crook County Airport. It is a joint venture between the City and the County. The airport is owned by the county and the city manages and provides the accounting. Both the city and the county support operations. The airport’s main source of operating 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 13 percent of the annual budget or \$965,000. Fourth quarter intergovernmental revenue is mostly associated with the United States Forest Service airbase project which has started to ramp up. Approximately \$90,000 in intergovernmental revenue came from Crook County for operations support. Fuel sales are at roughly \$403,700 and hangar lease charges are at approximately \$64,300 through the fourth quarter. Hillsboro Aero Academy moved their flight school to Redmond at the end of the third quarter which has played a role in the decrease in fuel sales over the prior year. Overall charges for services are down in comparison to the prior year by roughly -4 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 sold by year

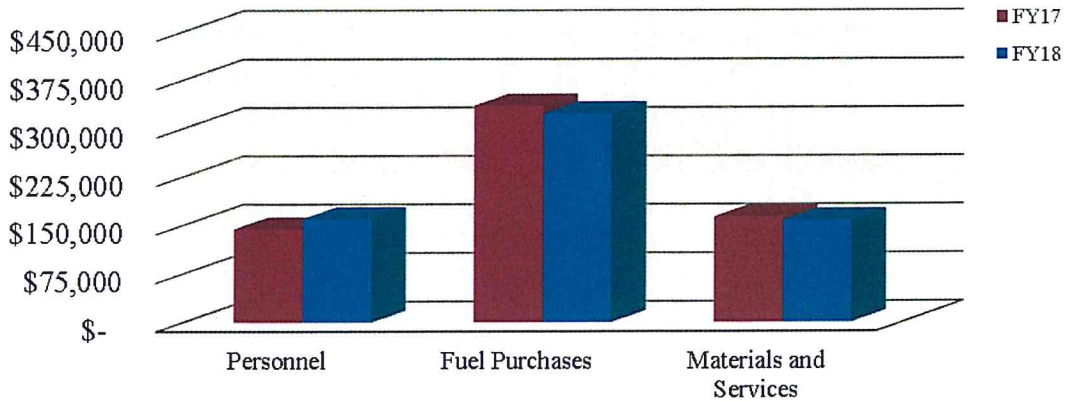


Expenditures are at approximately \$987,000 or 13 percent of the annual budget. Capital expenditures during the fourth quarter included a truck with plowing attachment and the USFS

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airbase project moved into phase II during the latter half of the fiscal year. 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 down approximately \$22,000 or -33 percent through the fourth quarter. Fuel inventory at quarter end is roughly \$51,300.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Revenue									
Intergovernmental	\$ 1,674,375	\$ 265,741	16%	\$ 6,697,500	288,380	4%	\$ 6,697,500	\$ 355,600	\$ (67,220)
Charges for services	220,750	108,020	49%	883,000	526,877	60%	883,000	551,000	(24,123)
Other revenues	25	-	-	100	-	-	100	-	-
Transfers	12,500	150,000	1200%	50,000	150,000	300%	50,000	150,000	-
Total revenue	\$ 1,907,650	\$ 523,761	27%	\$ 7,630,600	\$ 965,256	13%	\$ 7,630,600	\$ 1,056,600	\$ (91,344)
Expenditures									
Personnel Service	45,275	33,368	74%	181,100	159,966	88%	181,100	168,500	8,534
Materials and Services	195,575	85,954	44%	782,300	480,220	61%	782,300	505,900	25,680
Capital outlay	1,646,750	78,712	5%	6,587,000	244,474	4%	6,587,000	340,000	95,526
Debt Service	6,250	-	-	25,000	25,000	100%	25,000	25,000	-
Transfers	24,075	5,375	22%	96,300	77,600	81%	96,300	77,600	-
Contingency							115,463		-
Total expenditures	\$ 1,917,925	\$ 203,409	11%	\$ 7,671,700	\$ 987,259	13%	\$ 7,787,163	\$ 1,117,000	\$ 129,741
Revenue over (under) expenditures	(10,275)	320,352	486%	(41,100)	(22,003)	-33%	(156,563)	(60,400)	38,397
Beginning fund balance	156,563	65,888	42%	156,563	65,888	42%	156,563	65,888	
Ending fund balance	\$ 146,288	\$ 386,240	264%	\$ 115,463	\$ 43,885	38%	\$ -	\$ 5,488	\$ 43,885

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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 \$986,000 or 72 percent of the quarter budget. Revenue associated with charges for services came in at roughly \$780,000 or 113 percent of quarter budget. Charges for services revenue came in better than anticipated largely due to reimbursements for the aquifer storage and recovery project. Overall revenues through the fourth quarter are at approximately 107 percent of the annual budget.

Fourth quarter expenditures are at roughly 62 percent of the quarter budget. Capital improvements during the fourth quarter were at approximately \$505,000. Fourth quarter capital improvements that took place were largely for public facilities water master planning, the aquifer storage and recovery project and the Fairview waterline project.

Unaudited ending fund balance through the fourth quarter decreased by roughly \$84,000 or -5 percent. This fund required a supplemental budget due to the aquifer storage and recovery project and the refunding of the 2011 bonds, within that supplemental budget the franchise fee to transportation fund was inadvertently left off the total and will need a budget adjustment in FY 2019 to correct.

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	\$ 689,250	\$ 780,431	113%	\$ 2,757,000	\$ 3,093,991	112%	\$ 2,757,000	\$ 2,939,800	\$ 154,191
Interest	1,750	3,266	187%	7,000	11,450	164%	7,000	10,000	1,450
Miscellaneous	1,375	21,478	1562%	5,500	24,286	442%	5,500	7,600	16,686
Transfers	103,000	127,000	123%	412,000	412,000	100%	412,000	412,000	-
Debt Proceeds	570,000	54,194	10%	2,280,000	2,325,194	102%	2,280,000	2,271,000	54,194
Total revenue	\$ 1,365,375	\$ 986,369	72%	\$ 5,461,500	\$ 5,866,921	107%	\$ 5,461,500	\$ 5,640,400	\$ 226,521
Expenditures									
Materials and services	147,875	163,794	111%	591,500	563,666	95%	591,500	529,200	(34,466)
Franchise fee expense	30,750	-	-	123,000	-	-	123,000	123,000	123,000
Capital outlay									
Improvements	370,750	504,713	136%	1,483,000	1,365,360	92%	1,483,000	1,398,000	32,640
Debt service									
Principal									
Water refunding bond 2011	570,000	-	-	2,280,000	165,409	7%	2,280,000	165,409	0
Water revenue bond 2003	108,500	-	-	434,000	335,000	77%	434,000	335,000	-
Interest									
Water refunding bond 2011	24,025	-	-	96,100	55,627	58%	96,100	55,700	73
Water refunding bond 2003	4,275	-	-	17,100	16,990	99%	17,100	17,000	10
Payments to refunded bond escrow ag	-	-	-	-	2,254,093	-	-	2,254,100	7
Transfers	298,650	298,650	100%	1,194,600	1,194,600	100%	1,194,600	1,194,600	(0)
Contingency							722,014		
Total expenditures	\$ 1,554,825	\$ 967,157	62%	\$ 6,219,300	\$ 5,950,744	96%	\$ 6,941,314	\$ 6,072,009	\$ 121,265
Revenue over (under) expenditures	(189,450)	19,212	1%	(757,800)	(83,823)	-5%	(1,479,814)	(431,609)	347,786
Beginning fund balance	1,479,814	1,847,526	125%	1,479,814	1,847,526	125%	1,479,814	1,847,526	
Ending fund balance	\$ 1,290,364	\$ 1,866,738	145%	\$ 722,014	\$ 1,763,703	244%	\$ -	\$ 1,415,917	\$ 1,763,703

Note: Supplemental budget adopted per resolution NO. 1333 and resolution NO. 1352 for adjustments in capital outlay for the ASR project and in debt service for the dollars that were in escrow for the 2011 bond debt service.

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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 \$12.46 million or 97 percent of the annual budget. Fourth quarter revenue collection for charges for services was roughly \$859,000 or 99 percent of the quarter budget. Sewer service fees increased approximately 6 percent over the prior year with connections increasing by roughly 70 over the previous year.

Expenditures are at roughly 95 percent of the annual budget. Fourth quarter capital expenditures are largely for aeration system improvements at the treatment plant. These improvements are part of an energy efficiency program and will be partially reimbursed through the Energy Trust of Oregon. This fund required a supplemental budget prior to yearend in capital outlay for the aeration system improvements and continued wastewater testing at the wetlands and in personnel services for accrued absences.

The unaudited ending fund balance increased through the fourth quarter by roughly \$5,500.

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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	\$ 870,250	\$ 859,117	99%	\$ 3,481,000	\$ 3,517,622	101%	\$ 3,481,000	\$ 3,500,000	\$ 17,622
Interest	1,250	7,500	600%	5,000	20,331	407%	5,000	15,000	5,331
Miscellaneous	22,200	4,600	21%	88,800	94,719	107%	88,800	105,800	(11,081)
Intergovernmental	-	-	-	-	95,450	-	-	226,300	(130,850)
SDCs - reimbursement fees	433,100	85,800	20%	1,732,400	1,747,725	101%	1,732,400	1,743,400	4,325
Debt Proceeds	1,791,750	72,124	4%	7,167,000	6,722,124	94%	7,167,000	6,650,000	72,124
Transfers	86,325	-	-	345,300	259,500	75%	345,300	345,300	(85,800)
Total revenue	\$ 3,204,875	\$ 1,029,140	32%	\$ 12,819,500	\$ 12,457,470	97%	\$ 12,819,500	\$ 12,585,800	\$ (128,330)
Expenditures									
Personnel services	30,500	31,334	103%	122,000	117,330	96%	122,000	121,900	4,570
Materials and services	149,700	130,247	87%	598,800	522,364	87%	598,800	591,500	69,136
Franchise fee Expense	43,250	43,250	100%	173,000	173,000	100%	173,000	173,000	(0)
Capital outlay									
Improvements	167,500	460,848	275%	670,000	633,434	95%	670,000	630,000	(3,434)
Debt service									
Principal									
State of Oregon IFA	6,650	-	-	26,600	-	-	26,600	-	-
USDA - 2015	16,600	-	-	66,400	-	-	66,400	-	-
DEQ Bridge Loan	1,125,000	-	-	4,500,000	4,000,000	89%	4,500,000	4,000,000	-
DEQ CWSRF R74682/2	112,075	-	-	448,300	448,297	100%	448,300	448,300	3
Refunding 2011	1,166,750	-	-	4,667,000	2,261,098	48%	4,667,000	2,261,100	2
Interest									
DEQ Bridge Loan	-	-	-	-	52,520	-	-	-	(52,520)
State of Oregon IFA	2,500	-	-	10,000	-	-	10,000	52,600	52,600
USDA - 2015	25,800	-	-	103,200	-	-	103,200	-	-
DEQ CWSRF R74682/2	34,750	-	-	139,000	138,923	100%	139,000	139,000	77
Refunding 2011 / interest	48,825	-	-	195,300	113,092	58%	195,300	113,100	8
Payments to refunded bond escrow ag	-	-	-	-	2,625,203	-	-	2,625,200	(3)
Fees									
DEQ CWSRF R74682/1 & 2	6,050	-	-	24,200	24,183	100%	24,200	24,200	17
Transfers	335,375	335,375	100%	1,341,500	1,341,500	100%	1,341,500	1,341,500	(0)
Contingency							1,240,741		
Total expenditures	\$ 3,271,325	\$ 1,001,055	31%	\$ 13,085,300	\$ 12,450,943	95%	\$ 14,326,041	\$ 12,521,400	\$ 70,457
Revenue over (under) expenditures	(66,450)	28,085	2%	(265,800)	6,527	0%	(1,506,541)	64,400	(57,873)
Other resources/(requirements)									
Debt service reserve	456,300	-	-	456,300	-	-	456,300		
Beginning fund balance	1,962,841	1,846,857	94%	1,962,841	1,846,857	94%	1,962,841	1,846,857	
Ending fund balance	\$ 1,896,391	\$ 1,874,942	99%	\$ 1,697,041	\$ 1,853,384	109%	\$ -	\$ 1,911,257	\$ 1,853,384

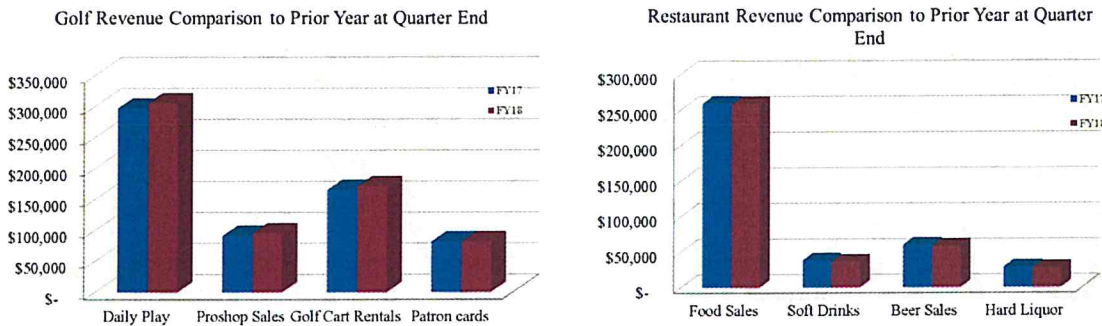
Note: Supplemental budget adopted per resolution NO. 1333 and resolution NO. 1352. Adjustment to personnel services for accrued absences, capital out lay for the aeration system improvements and wetlands testing, and in debt service for the dollars that were in escrow for the 2011 bond.

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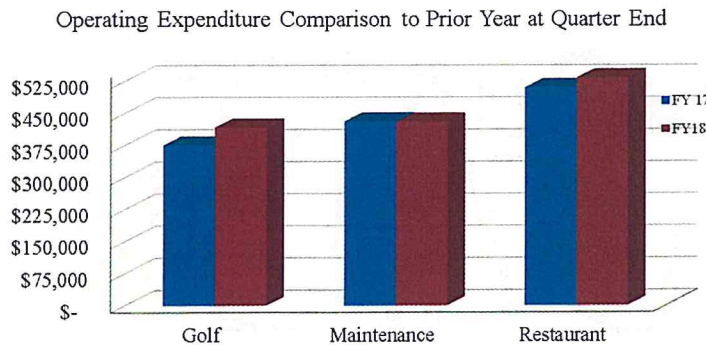
Golf Course and Restaurant Fund

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 96 percent of the annual budget or \$1.90 million. Golf revenue is at roughly \$702,000 or 92 percent of the annual budget through the fourth quarter. This is an increase over prior year by approximately \$20,000 or 3 percent with the fourth quarter golf revenues ending strong at 136 percent of the quarter budget. Rounds of golf increased over the prior year by approximately 260 rounds. Restaurant revenues are at approximately \$393,000 or 89 percent of the annual budget through the fourth quarter. This is a decrease over prior year by roughly \$3,000 or -1 percent. Significant smoke and the eclipse event last summer impacted operating revenues for the restaurant and golf. Comparing fourth quarter only revenues show the restaurant operating revenues up by approximately \$20,000 over the prior year’s fourth quarter. Below is a comparison to the prior year at quarter end of the significant operating revenue sources for golf and the restaurant.



Overall expenditures through the fourth quarter came in at roughly \$1.86 million or 97 percent of the annual budget. Overall expenditures for the golf course are roughly \$422,000 or 91 percent of the annual budget. Restaurant operating expenditures through the fourth quarter are approximately 94 percent or \$532,000. Overall operating expenditures have increased over the prior year by roughly 5 percent. Below is a comparison of operating expenditures to the prior year by department.



June 30, 2018

Unaudited ending fund balance increased roughly \$41,000 or 10 percent through the fourth quarter. Comparisons of actual to yearend estimates show a favorable variance partially due to miscellaneous revenue associated with insurance checks reimbursing for a sign that was damaged during a wind storm and a truck that was vandalized during 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									
Golf Course	\$ 190,500	\$ 259,186	136%	\$ 762,000	\$ 701,508	92%	\$ 762,000	\$ 711,500	\$ (9,992)
Waste disposal	92,500	92,500	100%	370,000	370,000	100%	370,000	370,000	(0)
Restaurant	110,500	139,575	126%	442,000	393,089	89%	442,000	391,500	1,589
Other	1,250	1,275	102%	5,000	4,528	91%	5,000	5,000	(472)
Interest	625	2,147	343%	2,500	6,215	249%	2,500	3,500	2,715
Debt Proceeds	98,750	11,024	11%	395,000	405,024	103%	395,000	394,000	11,024
Miscellaneous	500	18,427	3685%	2,000	23,966	1198%	2,000	5,300	18,666
Total revenue	\$ 494,625	\$ 524,133	106%	\$ 1,978,500	\$ 1,904,329	96%	\$ 1,978,500	\$ 1,880,800	\$ 23,529
Expenditures									
Golf Course	116,125	117,259	101%	464,500	422,447	91%	464,500	423,800	1,353
Waste disposal	110,475	124,279	112%	441,900	429,582	97%	441,900	425,800	(3,782)
Restaurant	141,600	143,953	102%	566,400	531,882	94%	566,400	537,300	5,418
Debt service									
Principal - note payable	5,975	6,195	104%	23,900	24,499	103%	23,900	23,900	(599)
Interest - note payable	1,025	763	74%	4,100	3,334	81%	4,100	4,100	766
Principal - 2011 bond	108,550	-	-	404,800	47,048	12%	434,200	47,100	52
Interest - 2011 bond	4,250	-	-	17,000	9,702	57%	17,000	9,700	(2)
Payments to refunded bond escrow ag	-	-	-	-	390,713	-	-	390,700	(13)
Loan origination fees	-	-	-	-	3,684	-	-	3,700	16
Contingency							449,508		
Total expenditures	\$ 488,000	\$ 392,450	80%	\$ 1,922,600	\$ 1,862,892	97%	\$ 2,401,508	\$ 1,866,100	\$ 3,208
Revenue over (under) expenditures	6,625	131,684	33%	55,900	41,437	10%	(423,008)	14,700	26,737
Beginning fund balance	423,008	402,031	95%	423,008	402,031	95%	423,008	402,031	
Ending fund balance	\$ 429,633	\$ 533,715	124%	\$ 478,908	\$ 443,468	93%	\$ -	\$ 416,731	\$ 443,468

Note: Supplemental budget adopted per resolution NO. 1333 and resolution NO. 1352. An adjustment for the dollars that were in escrow for the 2011 bond debt service will likely be needed prior to year end.

June 30, 2018

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 \$2.44 million or 112 percent of the annual budget. The yearend audit process is still in process and revenues for this fund may not all be captured.

Overall expenditures for the fourth quarter end are at roughly 97 percent of the annual budget. Fourth quarter city council expenditures included the annual contribution to the Fourth of July firework display, insurance for the cattle drive and a high school scholarship donation. Information technology is at roughly 99 percent of the annual budget with fourth quarter capital expenditures taking place for upgrading the financial software in utility billing and accounts receivable modules. Finance is at 98 percent of the annual budget. Administration / team services required a budget adjustment prior to yearend due to payroll accruals, a compensation study and services from Stingray Communications that were not anticipated in the original budget.

Unaudited ending fund balance increased approximately \$49,000 or 11 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	\$ 544,025	\$ 813,417	150%	\$ 2,176,100	\$ 2,429,413	112%	\$ 2,176,100	\$ 2,443,500	\$ (14,087)
Interest	500	2,109	422%	2,000	6,391	320%	2,000	5,000	1,391
Total revenue	\$ 544,525	\$ 815,525	150%	\$ 2,178,100	\$ 2,435,805	112%	\$ 2,178,100	\$ 2,448,500	\$ (12,695)
Expenditures									
City Council	21,550	23,377	108%	86,200	80,013	93%	86,200	85,800	5,787
Administration/team services	226,250	261,774	116%	905,000	870,879	96%	905,000	845,000	(25,879)
Financial services	209,775	199,271	95%	839,100	820,105	98%	839,100	834,300	14,195
Information technology	155,825	167,720	108%	623,300	615,747	99%	623,300	617,000	1,253
Contingency							158,880		
Total expenditures	\$ 613,400	\$ 652,143	106%	\$ 2,453,600	\$ 2,386,744	97%	\$ 2,612,480	\$ 2,382,100	\$ (4,644)
Revenue over (under) expenditures	(68,875)	163,383	38%	(275,500)	49,061	11%	(434,380)	66,400	(17,339)
Beginning fund balance	434,380	433,455	100%	434,380	433,455	100%	434,380	433,455	
Ending fund balance	\$ 365,505	\$ 596,838	163%	\$ 158,880	\$ 482,516	304%	\$ -	\$ 499,855	\$ 482,516

Notes: Per resolution NO. 1353 a budget adjustment was done in the Administration / team services department for Stingray Communications services, compensation study, and payroll accruals not anticipated in the original budget.

June 30, 2018

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 48 percent of the annual budget with fourth quarter revenues coming in as anticipated. Originally budgeted revenues associated with the renovation of the police facility did not come in during FY18 since the project has not started. 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.

Overall expenditures through the fourth quarter are roughly 47 percent of the annual budget. Expenditure yearend estimates compared to actuals show a favorable variance in both the city hall and police facility with savings in materials and services. Public works facility required a budget adjustment for the repair of a door that was not anticipated in the original budget. The Barnes Butte Complex will be accounted for in this fund starting next fiscal year.

Fund balance decreased approximately \$9,000 or -4 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				
Rent	\$ 49,675	\$ 49,675	100%	\$ 198,700	\$ 198,700	100%	\$ 198,700	\$ 198,700	\$ (0)
Interest	250	752	301%	1,000	3,119	312%	1,000	3,000	119
Misc Income	2,750	9,099	331%	11,000	15,010	136%	11,000	6,600	8,410
Debt Proceeds	427,250	-	-	1,709,000	1,208,000	71%	1,709,000	1,208,000	-
Intergovernmental	312,500	-	-	1,250,000	-	-	1,250,000	-	-
Transfers	44,400	43,475	98%	177,600	177,600	100%	177,600	377,600	(200,000)
Total revenue	\$ 836,825	\$ 103,000	12%	\$ 3,347,300	\$ 1,602,429	48%	\$ 3,347,300	\$ 1,793,900	\$ (191,471)
Expenditures									
City Hall Facilities	380,575	18,904	5%	1,522,300	1,503,112	99%	1,522,300	1,512,700	9,588
Police Facilities	468,325	24,960	5%	1,873,300	68,028	4%	1,873,300	71,800	3,772
Public Works Facilities	12,250	7,456	61%	49,000	40,683	83%	49,000	39,500	(1,183)
Barnes Butte Facilities	-	-	-	-	-	-	-	209,600	209,600
Contingency							135,447		
Total expenditures	\$ 861,150	\$ 51,320	6%	\$ 3,444,600	\$ 1,611,822	47%	\$ 3,580,047	\$ 1,833,600	\$ 221,778
Revenue over (under) expenditures	(24,325)	51,680	21%	(97,300)	(9,393)	-4%	(232,747)	(39,700)	30,307
Other requirements									
Debt service reserve		-	-		-	-		-	-
Beginning fund balance	232,747	248,007	107%	232,747	248,007	107%	232,747	248,007	
Ending fund balance	\$ 208,422	\$ 299,687	144%	\$ 135,447	\$ 238,614	176%	\$ -	\$ 208,307	\$ 238,614

Note: Supplemental budget adopted per resolution NO. 1333. Per resolution NO. 1353 a budget adjustment was done in the Public Works Facilities department for the repair of a door not anticipated in the original budget.

June 30, 2018

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.

Overall revenues during the fourth quarter included invoicing to the county for plaza support for both FY17 and FY18 as contract negotiations were being finalized.

Overall expenditures through the fourth quarter are at 90 percent of the annual budget. Yearend estimate comparisons to unaudited actuals show an overall favorable variance in materials and services with savings in irrigation repair/ maintenance.

Unaudited ending fund balance is approximately \$41,500. Ending fund balance will be finalized after the audit has been completed by December 31st, 2018.

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	\$ 20,000	800%	\$ 10,000	\$ 20,000	200%	\$ 10,000	\$ 20,000	\$ -
Interest	25	99	396%	100	357	357%	100	400	(43)
Transfers	2,500		-	10,000	10,000	100%	10,000	10,000	-
Total revenue	\$ 5,025	\$ 20,099	400%	\$ 20,100	\$ 30,357	151%	\$ 20,100	\$ 30,400	\$ (43)
Expenditures									
Materials and services	3,975	2,737	69%	15,900	13,845	87%	15,900	15,500	1,655
Transfers	925		-	3,700	3,700	100%	3,700	3,700	-
Contingency							33,352		-
Total expenditures	\$ 4,900	\$ 2,737	56%	\$ 19,600	\$ 17,545	90%	\$ 52,952	\$ 19,200	\$ 1,655
Revenue over (under) expenditures	125	17,362	60%	500	12,812	45%	(32,852)	11,200	1,612
Beginning fund balance	32,852	28,705	87%	32,852	28,705	87%	32,852	28,705	
Ending fund balance	\$ 32,977	\$ 46,067	140%	\$ 33,352	\$ 41,517	124%	\$ -	\$ 39,905	\$ 41,517

June 30, 2018

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 104 percent of the annual budget through the fourth quarter.

Overall expenditures through the fourth quarter are at approximately \$1.74 million or 98 percent of the annual budget. The Public Works Fleet and Vehicles department needed a budget adjustment prior to the yearend due to the unanticipated capital outlay expenditures of constructing a sanding shed. Public Works Support Services department required a budget adjustment at yearend in personnel largely related to the accrued absences liability.

Fund balance decreased roughly \$37,000 or -12 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	\$ 403,625	\$ 587,700	146%	\$ 1,614,500	\$ 1,690,800	105%	\$ 1,614,500	\$ 1,714,500	\$ (23,700)
Interest	500	928	186%	2,000	3,421	171%	2,000	2,800	621
Miscellaneous	5,375	341	6%	21,500	7,295	34%	21,500	24,500	(17,205)
Total revenue	\$ 409,500	\$ 588,969	144%	\$ 1,638,000	\$ 1,701,516	104%	\$ 1,638,000	\$ 1,741,800	\$ (40,284)
Expenditures									
Public Works Support Services	357,375	362,701	101%	1,429,500	1,397,281	98%	1,429,500	1,427,100	29,819
Public Works Fleet & Vehicles	85,625	35,703	42%	342,500	341,542	100%	342,500	342,500	958
Contingency							164,765		
Total expenditures	\$ 443,000	\$ 398,404	90%	\$ 1,772,000	\$ 1,738,823	98%	\$ 1,936,765	\$ 1,769,600	\$ 30,777
Revenue over (under) expenditures	(33,500)	190,565	63%	(134,000)	(37,307)	-12%	(298,765)	(27,800)	(9,507)
Beginning fund balance	298,765	302,675	101%	298,765	302,675	101%	298,765	302,675	
Ending fund balance	\$ 265,265	\$ 493,240	186%	\$ 164,765	\$ 265,368	161%	\$ -	\$ 274,875	\$ 265,368

Notes: Per resolution NO. 1353 a budget adjustment was done in support services and fleet and vehicles to cover unanticipated personnel costs and the construction of a sanding shed.