

*City of Prineville, Oregon  
Financial Report  
Second Quarter Ended December 31, 2018*



## *Executive Summary*

Through the second quarter, ending December 31<sup>st</sup> 2018, the City's financial condition increased by approximately 82 percent or \$11.2 million. City funds that have significant positive impacts to the City's financial condition included General Fund, Emergency Dispatch, all the SDC funds, PERS / POB Fund, Wastewater Fund and the Building Facilities Fund. Funds that had significant negative impacts to the City's financial condition included Transportation, Planning, Airport, Golf Course, Public Works Support Services and the Administration Fund. City funds with decreases in fund balances are largely due to budgeted capital improvements and the timing in which reimbursements from grants are received and scheduled debt service payments.

Through the second quarter, General Fund revenues came in at approximately 67 percent of the annual budget or \$3.89 million. Year to date property tax revenue is roughly \$1.98 million or 93 percent of the annual budget which is an increase of roughly \$113,400 over prior year's quarter end. Transient lodging taxes are up over prior year at roughly \$247,800 compared to \$195,500 last year. Franchise fees are at roughly 48 percent of the annual budget and collection increased approximately \$293,400 over last year same time frame, with electrical franchise fees up roughly \$276,300. Electrical franchise fees continue to be on an upward trend with the expansion of the data centers still in progress. The General Funds ending balance increased approximately \$912,600 or 48 percent through the second quarter.

The Transportation Fund's ending balance shows a decrease of approximately \$284,200 or -86 percent through the second quarter. Expenditures for budgeted capital projects in the first half of FY 19 are the significant reason for the decrease in fund balance. Capital expenditures through the second quarter totaled approximately \$924,100 or 82 percent of the annual budget with the 2018 Paving project being completed during the first quarter and the crack seal and seal coat project being started during the second quarter and is expecting to be completed in June.

The Emergency Dispatch Fund's ending fund balance has increased roughly \$73,300 or 18 percent through the second quarter. Personnel services are at 45 percent of the annual budget and overtime is at 123 percent of the annual budget due to dispatching being understaffed. There is a dispatcher position open and looking to be filled.

Local development has continued to positively affect the SDC funds. During the second quarter there were roughly 16 housing starts. SDC's were also paid in association with data center expansions during the first quarter contributing to the increases in the SDC's fund balances. Current projects in both the water SDC and wastewater SDC funds include the Airport Industrial Park Utility Expansion project and the Aquifer Storage and Recovery project (ASR). The ASR project is a method of water storage that uses the natural water storage capabilities of underground aquifers as a cost-effective, scalable and ecologically friendly water storage alternative to traditional storage options.

The Railroad Fund has seen a decrease to fund balance of approximately \$45,000 or -4 percent through the second quarter. Contributing to this decrease is a decrease in freight traffic associated with Les Schwab tire haulage and Les Schwab unloading their tire cars within the time frame that

December 31, 2018

avoids demurrage charges. Freight traffic has become more diversified with new wood chip haulage helping to back fill the freight revenue gap from the decrease in tire cars.

Airport fund balance shows a decrease of approximately \$234,300 partly due to capital projects and the timing in which grant dollars are received. The airbase project is currently in process with the fuel system replacement moving towards construction. Connect Oregon approved a reimbursement request of roughly \$168,200 in the first week of January 2019. Fuel inventory at quarter end is roughly \$63,300.

Meadow Lakes Golf shows a decrease in fund balance of roughly \$66,300 or -16 percent. Overall revenues are up in comparison to the prior year at quarter end with a mild winter so far contributing to the increase. Operating expenditures are also up roughly 9 percent compared to the prior year and management continues to monitor them closely.

In the Building Facilities Fund, the fund balance increased approximately \$4.17 million through the second quarter with the receipt of \$4 million in debt proceeds for the police facility. Options are being explored for the use of the \$4 million for the police facility and second quarter expenditures in that department are largely associated with a feasibility study, facility assessment and survey study of potentially a new building. In the CDBG – Senior Center department, second quarter expenditures are all associated with the administration of the Community Development Block Grant (CDBG) and the beginning stages of the senior centers rehabilitation. This project has been a long time in the making with Resolution No. 1302 being passed in 2016 regarding the City’s role in administering and managing the grant. A budget adjustment will be needed prior to yearend now that the project is on its way.

Other enterprise funds are as anticipated with insignificant change to fund balance through the second quarter. Other 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

December 31, 2018

*All City Funds*

Fund	Budgeted Beginning Fund Balance	Actual Audited Beginning Fund Balance	Current Year Resources	Current Year Expenditures	Ending Fund Balance	Change in Fund Balance	Percentage Change in Fund Balance
General	\$ 1,763,840	\$ 1,918,886	\$ 3,893,465	\$ 2,980,833	\$ 2,831,518	\$ 912,632	48%
Transportation	323,857	331,358	1,091,799	1,375,987	47,171	(284,187)	-86%
Emergency Dispatch	334,359	404,256	796,032	722,747	477,540	73,284	18%
Planning	221,980	248,158	95,501	171,293	172,366	(75,792)	-31%
Transportation SDC	944,310	955,586	406,736	20,796	1,341,526	385,940	40%
Water SDC	2,172,191	1,499,223	3,261,259	1,882,103	2,878,379	1,379,156	92%
Wastewater SDC	2,699,804	2,237,992	7,505,839	2,808,187	6,935,645	4,697,653	210%
PERS/ POB	864,003	863,291	261,847	47,157	1,077,981	214,690	25%
Railroad	1,094,421	1,036,693	323,272	368,243	991,722	(44,971)	-4%
Airport	5,488	42,915	524,281	758,588	(191,392)	(234,307)	-546%
Water	1,065,261	1,447,470	1,816,487	1,801,376	1,462,581	15,111	1%
Wastewater	1,911,257	1,314,016	1,997,671	1,604,857	1,706,830	392,814	30%
Golf Course and Restaurant	416,731	426,395	768,010	834,271	360,134	(66,261)	-16%
Administration and Financial Services	499,855	481,714	1,093,358	1,176,945	398,127	(83,587)	-17%
Public Works Support Services	274,875	267,033	802,119	1,035,638	33,515	(233,518)	-87%
Building Facilities	209,358	245,508	4,433,567	266,633	4,412,443	4,166,935	1697%
Plaza Maintenance	39,905	41,518	9,886	3,867	47,537	6,019	14%
Totals	\$ 14,841,495	\$ 13,762,012	\$ 29,081,129	\$ 17,859,519	\$ 24,983,622	\$ 11,221,610	82%

**General Fund**

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

Overall revenue collection for the second quarter is at approximately \$3.89 million with roughly \$1.98 million coming from property taxes. Year to date property tax revenue is roughly 93 percent of the annual budget through the second quarter and up over the prior year at quarter end roughly \$113,400. Transient lodging taxes are up over prior year at roughly \$247,800 compared to \$195,500 last year. Franchise fees are at roughly 48 percent of the annual budget and collection increased approximately \$293,400 over last year same time frame, with electrical franchise fees up roughly \$276,300. Electrical franchise fees continue to be on an upward trend with the expansion of the data centers still in progress.

Police spending through the second quarter was at approximately 52 percent of the annual budget. Personnel services for the police department are at roughly 51 percent of annual budget with overtime at roughly 65 percent of the annual budget. During the second quarter, Officer Wilson was promoted to sergeant. Non-departmental is at 43 percent of the annual budget.

Overall, the General Fund realized an increase in fund balance of approximately 48 percent or \$912,600 through the second quarter.

Revenue	Current Quarter			Year to Date			Annual Budget
	Budget	Actual	Quarter Budget %	Budget	Actual	Annual Budget %	
Property taxes	\$ 535,000	\$ 1,952,118	365%	\$ 1,070,000	\$ 1,982,557	93%	\$ 2,140,000
Transient lodging tax	77,500	118,155	152%	155,000	247,770	80%	310,000
Franchise fees	653,750	646,238	99%	1,307,500	1,244,234	48%	2,615,000
Licenses and permits	2,225	568	26%	4,450	3,129	35%	8,900
Intergovernmental revenues	93,500	50,317	54%	187,000	93,528	25%	374,000
Charges for services	25	1,550	6200%	50	2,358	2358%	100
Interest	5,250	10,368	197%	10,500	17,028	81%	21,000
Miscellaneous	80,000	279,673	350%	160,000	302,862	95%	320,000
Transfers	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>\$ 1,447,250</b>	<b>\$ 3,058,988</b>	<b>211%</b>	<b>\$ 2,894,500</b>	<b>\$ 3,893,465</b>	<b>67%</b>	<b>\$ 5,789,000</b>
<b>Expenditures</b>							
Police	\$ 1,182,400	\$ 1,146,109	97%	\$ 2,364,800	\$ 2,438,393	52%	\$ 4,729,600
Non-departmental	313,075	258,385	83%	626,150	542,440	43%	1,252,300
Contingency							1,570,940
<b>Total expenditures</b>	<b>\$ 1,495,475</b>	<b>\$ 1,404,494</b>	<b>94%</b>	<b>\$ 2,990,950</b>	<b>\$ 2,980,833</b>	<b>39%</b>	<b>\$ 7,552,840</b>
<b>Revenue over (under) expenditures</b>	<b>(48,225)</b>	<b>1,654,494</b>	<b>86%</b>	<b>(96,450)</b>	<b>912,632</b>	<b>48%</b>	<b>(1,763,840)</b>
<b>Beginning fund balance</b>	<b>1,763,840</b>	<b>1,918,886</b>	<b>109%</b>	<b>1,763,840</b>	<b>1,918,886</b>	<b>109%</b>	<b>1,763,840</b>
<b>Ending fund balance</b>	<b>\$ 1,715,615</b>	<b>\$ 3,573,380</b>	<b>208%</b>	<b>\$ 1,667,390</b>	<b>\$ 2,831,518</b>	<b>170%</b>	<b>\$ -</b>

**Transportation Fund**

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

Revenue collection through the second quarter came in at approximately 51 percent of the annual budget. Intergovernmental revenue collection is at 56 percent of the annual budget. The State of Oregon gas tax came in at approximately \$376,200 through the second quarter which is an increase from the prior year second quarter end of roughly \$97,200.

Second quarter expenditures are roughly 56 percent of the annual budget. During the second quarter the city streets were analyzed for their pavement condition. The report showed that the city’s PCI (pavement condition index) increased over the last two years by 2 points to 73. Capital expenditures through the second quarter totaled approximately \$924,100 or 82 percent of the annual budget with the 2018 crack seal and seal coat project being started during the second quarter and is expecting to be completed in June. Personnel services are on track at approximately 50 percent of the annual budget.

The capital projects completed during the first and second quarter contributed to the overall decrease in fund balance through the second quarter of approximately \$284,200 or -86 percent. During the second quarter a supplemental budget was adopted adjusting materials and services for additional consulting needs and in capital outlay to include the joint project with the county, the remainder of the Beaver St. project and an ODOT grant for the West Y intersection. Resource adjustments were in intergovernmental revenue for the grant dollars from ODOT and dollars from Crook County for their portion of the joint paving project.

Revenue	Current Quarter			Year to Date			Annual Budget
	Budget	Actual	Quarter Budget %	Budget	Actual	Annual Budget %	
Franchise fees	\$ 107,500	\$ 76,750	71%	\$ 215,000	\$ 153,500	36%	\$ 430,000
Intergovernmental	321,125	250,903	78%	642,250	723,797	56%	1,284,500
Transfers	100,000	100,000	100%	200,000	200,000	50%	400,000
Interest	625	146	23%	1,250	1,094	44%	2,500
Miscellaneous	2,125	2,569	121%	4,250	13,409	158%	8,500
<b>Total revenue</b>	<b>\$ 531,375</b>	<b>\$ 430,368</b>	<b>81%</b>	<b>\$ 1,062,750</b>	<b>\$ 1,091,799</b>	<b>51%</b>	<b>\$ 2,125,500</b>
<b>Expenditures</b>							
Personnel services	\$ 58,875	\$ 55,703	95%	\$ 117,750	\$ 118,173	50%	\$ 235,500
Material & services	61,400	76,487	125%	122,800	124,684	51%	245,600
Capital outlay							
Improvements	281,750	48,095	17%	563,500	924,080	82%	1,127,000
Transfers	104,525	104,525	100%	209,050	209,050	50%	418,100
Contingency							423,157
<b>Total expenditures</b>	<b>\$ 506,550</b>	<b>\$ 284,810</b>	<b>56%</b>	<b>\$ 1,013,100</b>	<b>\$ 1,375,987</b>	<b>56%</b>	<b>\$ 2,449,357</b>
<b>Revenue over (under) expenditures</b>	<b>24,825</b>	<b>145,558</b>	<b>44%</b>	<b>49,650</b>	<b>(284,187)</b>	<b>-86%</b>	<b>(323,857)</b>
<b>Beginning fund balance</b>	<b>323,857</b>	<b>331,358</b>	<b>102%</b>	<b>323,857</b>	<b>331,358</b>	<b>102%</b>	<b>323,857</b>
<b>Ending fund balance</b>	<b>\$ 348,682</b>	<b>\$ 476,916</b>	<b>137%</b>	<b>\$ 373,507</b>	<b>\$ 47,171</b>	<b>13%</b>	<b>\$ -</b>

Note: Supplemental budget adopted per resolution NO. 1379

**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 \$796,000 or 48 percent of the annual budget. Second quarter revenue collection came in at roughly 68 percent of the quarter budget. Intergovernmental revenue came in at 39 percent of the quarter budget with dollars coming in from the State of Oregon E-911.

Expenditures are approximately \$722,700 or 37 percent of the annual budget. Personnel services are at 45 percent of the annual budget and overtime is at 123 percent of the annual budget due to dispatching being understaffed. There is a dispatcher position open and looking to be filled.

The Emergency Dispatch Fund increased its fund balance by roughly \$73,300 or 18 percent through the second quarter.

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
Intergovernmental	\$ 216,300	\$ 84,940	39%	\$ 432,600	\$ 406,815	47%	\$ 865,200
Charges for services	1,000	-	-	2,000	75	2%	4,000
Interest	750	2,325	310%	1,500	4,142	138%	3,000
Transfers from other funds	192,500	192,500	100%	385,000	385,000	50%	770,000
<b>Total revenue</b>	<b>\$ 410,550</b>	<b>\$ 279,765</b>	<b>68%</b>	<b>\$ 821,100</b>	<b>\$ 796,032</b>	<b>48%</b>	<b>\$ 1,642,200</b>
<b>Expenditures</b>							
Personnel services	\$ 275,450	\$ 256,519	93%	\$ 550,900	\$ 500,618	45%	\$ 1,101,800
Material & services	55,550	24,950	45%	111,100	130,848	59%	222,200
Capital outlay							
Equipment	51,250	-	-	102,500	7,582	4%	205,000
Transfers	41,850	41,850	100%	83,700	83,700	50%	167,400
Contingency							280,159
<b>Total expenditures</b>	<b>\$ 424,100</b>	<b>\$ 323,318</b>	<b>76%</b>	<b>\$ 848,200</b>	<b>\$ 722,747</b>	<b>37%</b>	<b>\$ 1,976,559</b>
<b>Revenue over (under) expenditures</b>	<b>(13,550)</b>	<b>(43,553)</b>	<b>-11%</b>	<b>(27,100)</b>	<b>73,284</b>	<b>18%</b>	<b>(334,359)</b>
<b>Beginning fund balance</b>	<b>334,359</b>	<b>404,256</b>	<b>121%</b>	<b>334,359</b>	<b>404,256</b>	<b>121%</b>	<b>334,359</b>
<b>Ending fund balance</b>	<b>\$ 320,809</b>	<b>\$ 360,703</b>	<b>112%</b>	<b>\$ 307,259</b>	<b>\$ 477,540</b>	<b>155%</b>	<b>\$ -</b>

**Planning Fund**

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

Second quarter revenue collection came in at approximately \$51,200 or 101 percent of the quarter budget. Revenue collection through the second quarter for licenses and permits is at approximately \$21,300 with roughly \$13,600 coming in the second quarter. Prior year collection was at approximately \$31,000 at second quarter end.

Expenditures incurred during the second quarter came in at approximately \$82,600 or 88 percent of the quarter budget with overall expenditures at roughly 40 percent of the annual budget.

Through the second quarter fund balance decreased roughly \$75,800 or -31 percent in the Planning Fund.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Licenses & Permits	\$ 11,250	\$ 13,628	121%	\$ 22,500	\$ 21,308	47%	\$ 45,000
Intergovernmental	1,275	1,249	98%	2,550	1,249	24%	5,100
Charges for services	5,500	2,676	49%	11,000	5,522	25%	22,000
Interest	375	1,150	307%	750	2,423	162%	1,500
Transfers from other funds	32,500	32,500	100%	65,000	65,000	50%	130,000
<b>Total revenue</b>	<b>\$ 50,900</b>	<b>\$ 51,202</b>	<b>101%</b>	<b>\$ 101,800</b>	<b>\$ 95,501</b>	<b>47%</b>	<b>\$ 203,600</b>
Personnel services	\$ 58,375	\$ 50,950	87%	\$ 116,750	\$ 101,706	44%	\$ 233,500
Material & services	6,550	2,991	46%	13,100	12,238	47%	26,200
Transfers	28,675	28,675	100%	57,350	57,350	50%	114,700
Contingency							51,180
<b>Total expenditures</b>	<b>\$ 93,600</b>	<b>\$ 82,615</b>	<b>88%</b>	<b>\$ 187,200</b>	<b>\$ 171,293</b>	<b>40%</b>	<b>\$ 425,580</b>
<b>Revenue over (under) expenditures</b>	<b>(42,700)</b>	<b>(31,413)</b>	<b>-13%</b>	<b>(85,400)</b>	<b>(75,792)</b>	<b>-31%</b>	<b>(221,980)</b>
<b>Beginning fund balance</b>	<b>221,980</b>	<b>248,158</b>	<b>112%</b>	<b>221,980</b>	<b>248,158</b>	<b>112%</b>	<b>221,980</b>
<b>Ending fund balance</b>	<b>\$ 179,280</b>	<b>\$ 216,745</b>	<b>121%</b>	<b>\$ 136,580</b>	<b>\$ 172,366</b>	<b>126%</b>	<b>\$ -</b>



**Transportation SDC Fund**

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

Revenue collection through the second quarter for the Transportation SDC Fund is at approximately 39 percent of the annual budget. Second quarter SDC collection came in at roughly \$41,400 with \$384,200 total collection through second quarter end which is approximately 96 percent of the annual budget. Local development continued in the second quarter positively affecting the SDC funds. There were roughly 16 housing starts during the second quarter.

Expenditures during the second quarter were minimal and largely for consulting associated with the extension of Peters / Combs Flat Road extension. SDC reimbursements are due by the end of January 2019 for the 2018 calendar year and will be reflected on the next quarterly report.

During the second quarter a supplemental budget was adopted adjusting capital outlay for the Elm Street Bridge project and adjusting transfers for administrative fees from SDC collections. Resource adjustments included intergovernmental revenue for dollars for the Elm Street Bridge project and SDC collection from the data centers expansions.

Fund balance increased roughly \$386,000 or 40 percent through the second quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Miscellaneous	\$ -	\$ 9,000	-	\$ -	\$ 9,000	-	\$ -
Interest	2,250	7,649	340%	4,500	13,504	150%	9,000
Intergovernmental	158,325	-	0%	158,325	-	-	633,300
System development charges	100,000	41,446	41%	162,500	384,232	96%	400,000
<b>Total revenue</b>	<b>\$ 260,575</b>	<b>\$ 58,094</b>	<b>22%</b>	<b>\$ 325,325</b>	<b>\$ 406,736</b>	<b>39%</b>	<b>\$ 1,042,300</b>
<b>Expenditures</b>							
Material & services	\$ 2,500	\$ 5,391	216%	\$ 5,000	\$ 5,391	54%	\$ 10,000
Capital outlay							
Improvements	224,250	-	-	297,000	15,405	2%	897,000
Transfers	7,000	-	-	10,125	-	-	28,000
Contingency							1,051,610
<b>Total expenditures</b>	<b>\$ 233,750</b>	<b>\$ 5,391</b>	<b>2%</b>	<b>\$ 312,125</b>	<b>\$ 20,796</b>	<b>1%</b>	<b>\$ 1,986,610</b>
<b>Revenue over (under) expenditures</b>	<b>26,825</b>	<b>52,703</b>	<b>6%</b>	<b>13,200</b>	<b>385,940</b>	<b>40%</b>	<b>(944,310)</b>
<b>Beginning fund balance</b>	<b>944,310</b>	<b>955,586</b>	<b>101%</b>	<b>944,310</b>	<b>955,586</b>	<b>101%</b>	<b>944,310</b>
<b>Ending fund balance</b>	<b>\$ 971,135</b>	<b>\$ 1,008,289</b>	<b>104%</b>	<b>\$ 957,510</b>	<b>\$ 1,341,526</b>	<b>140%</b>	<b>\$ -</b>

Note: Supplemental budget adopted per resolution NO. 1379

**Water SDC Fund**

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

Overall revenue through the second quarter came in at approximately \$3.26 million which was mostly system development charges collected during the first quarter. Local development continued in the second quarter positively affecting the SDC funds. There were roughly 16 housing starts during the second quarter.

Capital expenditures during the second quarter were all associated with the aquifer storage and recovery (ASR) project. The ASR project is a method of water storage that uses the natural water storage capabilities of underground aquifers as a cost-effective, scalable and ecologically friendly water storage alternative to traditional storage options, such as above-ground reservoirs and short-term water supply storage tanks. It allows water to be appropriated and injected into the aquifer via wells during periods of cooler temperatures, higher streamflow and lower demands. The stored water can later be recovered and used during periods of hotter temperatures and higher demands, thereby reducing stress on native water sources. In addition, it also provides for a readily available source of stored water for use in the event of drought or supply interruption. SDC reimbursements are due by the end of January 2019 for the 2018 calendar year and will be reflected on the next quarterly report.

A supplemental budget was adopted during the second quarter adjusting capital outlay for the data center expansion and transfers to include administrative fees. Resource adjustments included SDC revenue collection and charges for services from the data center expansions.

Fund balance increased roughly \$1.38 million or 92% through the second quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Interest	\$ 2,500	\$ 16,954	678%	\$ 5,000	30,790	308%	\$ 10,000
System development charges	1,480,500	43,175	3%	2,961,000	3,136,616	53%	5,922,000
Charges for services	131,575	93,853	71%	131,575	93,853	71%	526,300
<b>Total revenue</b>	<b>\$ 1,614,575</b>	<b>\$ 153,983</b>	<b>10%</b>	<b>\$ 3,097,575</b>	<b>\$ 3,261,259</b>	<b>50%</b>	<b>\$ 6,458,300</b>
<b>Expenditures</b>							
Capital outlay							
Improvements	\$ 1,463,000	29,096	2%	\$ 1,463,000	1,882,103	32%	\$ 5,852,000
Transfers	105,025	-	-	137,825	-	-	420,100
Contingency							2,358,391
<b>Total expenditures</b>	<b>\$ 1,568,025</b>	<b>\$ 29,096</b>	<b>2%</b>	<b>\$ 1,600,825</b>	<b>\$ 1,882,103</b>	<b>22%</b>	<b>\$ 8,630,491</b>
<b>Revenue over (under) expenditures</b>	<b>46,550</b>	<b>124,887</b>	<b>8%</b>	<b>1,496,750</b>	<b>1,379,156</b>	<b>92%</b>	<b>(2,172,191)</b>
<b>Beginning fund balance</b>	<b>2,172,191</b>	<b>1,499,223</b>	<b>69%</b>	<b>2,172,191</b>	<b>1,499,223</b>	<b>69%</b>	<b>2,172,191</b>
<b>Ending fund balance</b>	<b>\$ 2,218,741</b>	<b>\$ 1,624,110</b>	<b>73%</b>	<b>\$ 3,668,941</b>	<b>\$ 2,878,379</b>	<b>78%</b>	<b>\$ -</b>

Note: Supplemental budget adopted per resolution NO. 1379

**Wastewater SDC Fund**

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

Overall revenue collected through the second quarter came in at approximately \$7.51 million with a majority coming from SDC's collected during the first quarter. Reimbursements from Apple for the sewer deepening project came in at roughly \$94,000 during the second quarter. Local development continued, positively affecting the SDC funds. There were roughly 16 housing starts during the second quarter.

Second quarter capital improvements were for costs associated with the Airport Industrial Park Utility Expansion project. This project brings both water and sewer utilities to the airport industrial area. SDC reimbursements are due by the end of January 2019 for the 2018 calendar year and will be reflected on the next quarterly report.

A supplemental budget was adopted during the second quarter adjusting capital outlay for the data center expansion and plant two's aeration project and transfers to include administrative fees. Resource adjustments included SDC revenue collection and charges for services from the data center expansions.

Fund balance has increased roughly \$4.70 million through the second quarter.

	Current Quarter		Quarter	Year to Date		Annual	Annual
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
<b>Revenue</b>							
Interest	\$ 5,000	\$ 15,827	317%	\$ 10,000	\$ 28,190	141%	\$ 20,000
Charges for Services	131,575	93,853	71%	263,150	93,853	18%	526,300.00
System development charges	1,884,375	53,581	3%	3,768,750	7,383,796	98%	7,537,500
<b>Total revenue</b>	<b>\$ 2,020,950</b>	<b>\$ 163,261</b>	<b>8%</b>	<b>\$ 4,041,900</b>	<b>\$ 7,505,839</b>	<b>93%</b>	<b>\$ 8,083,800</b>
<b>Expenditures</b>							
Material & services	\$ 2,500	\$ 4,800	192%	\$ 5,000	\$ 4,800	96%	\$ 10,000
Capital outlay							
Improvements	802,975	970,380	121%	1,468,450	2,803,387	87%	3,211,900
Transfers	616,600	-	-	633,950	-	-	2,466,400
Contingency							5,095,304
<b>Total expenditures</b>	<b>\$ 1,422,075</b>	<b>\$ 975,180</b>	<b>69%</b>	<b>\$ 2,107,400</b>	<b>\$ 2,808,187</b>	<b>26%</b>	<b>\$ 10,783,604</b>
<b>Revenue over (under) expenditures</b>	<b>598,875</b>	<b>(811,918)</b>	<b>-36%</b>	<b>1,934,500</b>	<b>4,697,653</b>	<b>210%</b>	<b>(2,699,804)</b>
<b>Beginning fund balance</b>	<b>2,699,804</b>	<b>2,237,992</b>	<b>83%</b>	<b>2,699,804</b>	<b>2,237,992</b>	<b>83%</b>	<b>2,699,804</b>
<b>Ending fund balance</b>	<b>\$ 3,298,679</b>	<b>\$ 1,426,074</b>	<b>43%</b>	<b>\$ 4,634,304</b>	<b>\$ 6,935,645</b>	<b>150%</b>	<b>\$ -</b>

Note: Supplemental budget adopted per resolution NO. 1379

**PERS/ POB Fund**

This fund accounts for the issuance of pension obligation debt to fund the City’s existing unfunded actuarial liability (UAL) and associated debt repayment. The principal source of revenue is charges to other funds with salaries subject to PERS via a surcharge. A transfer from the General Fund is included to pre-fund a portion of debt service costs. Expenditures are for payments to PERS for the UAL and for debt service requirements.

This fund is as anticipated with the debt service payment taking place during the second quarter. A supplemental budget was adopted to adjust expenditures in order for a lump sum payment to be made to PERS. Resource adjustments include transfer revenue increased by \$400,000.

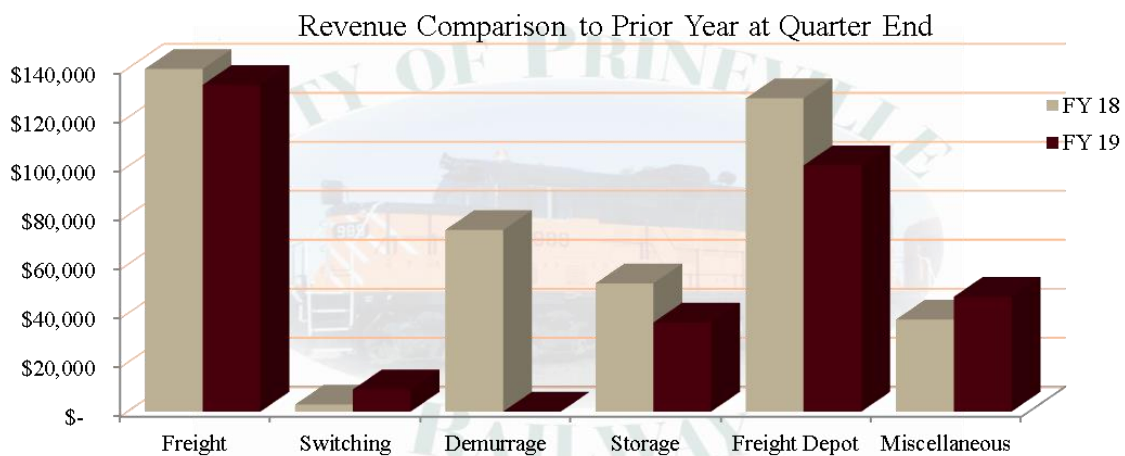
Revenue	Current Quarter			Year to Date		Annual	Annual
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
Interest	\$ 2,500	\$ 5,847	234%	\$ 5,000	\$ 10,497	105%	\$ 10,000
Transfer from other funds	250,650	125,675	50%	501,300	251,350	25%	1,002,600
<b>Total revenue</b>	<b>\$ 253,150</b>	<b>\$ 131,522</b>	<b>52%</b>	<b>\$ 506,300</b>	<b>\$ 261,847</b>	<b>26%</b>	<b>\$ 1,012,600</b>
<b>Expenditures</b>							
Personnel Services	\$ 200,000	\$ -		\$ 400,000	\$ -		\$ 800,000
Materials and Services	500	-		1,000	-		2,000
Debt Service							
Principal - POB 2013	\$ 45,525		-	\$ 91,050	\$ -	-	\$ 182,100
Interest - POB 2013	23,525	47,157	200%	47,050	47,157	50%	94,100
Contingency							798,403
<b>Total expenditures</b>	<b>\$ 269,550</b>	<b>\$ 47,157</b>	<b>17%</b>	<b>\$ 539,100</b>	<b>\$ 47,157</b>	<b>3%</b>	<b>\$ 1,876,603</b>
<b>Revenue over (under) expenditures</b>	<b>\$ (16,400)</b>	<b>\$ 84,365</b>	<b>10%</b>	<b>\$ (32,800)</b>	<b>\$ 214,690</b>	<b>25%</b>	<b>\$ (864,003)</b>
<b>Beginning fund balance</b>	<b>864,003</b>	<b>863,291</b>	<b>100%</b>	<b>864,003</b>	<b>863,291</b>	<b>100%</b>	<b>864,003</b>
<b>Ending fund balance</b>	<b>\$ 847,603</b>	<b>\$ 947,656</b>	<b>112%</b>	<b>\$ 831,203</b>	<b>\$ 1,077,981</b>	<b>130%</b>	<b>\$ -</b>

Note: Supplemental budget adopted per resolution NO. 1379

***Railroad Fund***

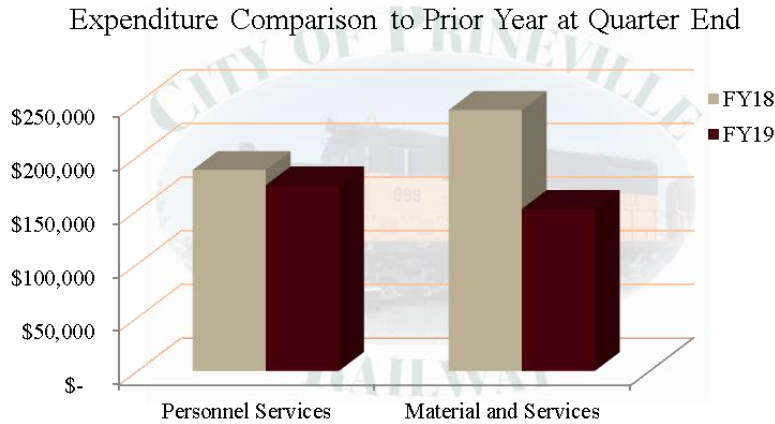
This fund accounts for the activities of the City’s railroad operation and for the City’s freight depot operation. Starting in FY 14 the Railroad and Freight Depot Funds were consolidated. Primary revenue sources are payments for the use of railroad and freight depot facilities and related services.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

Overall revenue collection during the second quarter is at roughly \$177,600 or 71 percent of the quarter budget. Charges for services for the railroad are at approximately \$158,500 or 32 percent of the annual budget and freight depot charges for services are approximately \$97,500 or 36 percent of annual budget. Overall revenue comparisons to prior year for first and second quarter combined are down roughly \$108,500 largely due to freight traffic being down and Les Schwab unloading their tire cars within the time frame that avoids demurrage charges. Below is a breakdown of the funds major revenue sources compared to prior year collection at second quarter end.



Overall expenditures through the second quarter are at approximately \$368,200 or 18 percent of the annual budget. Personnel services are at roughly \$173,300 or 54 percent of the annual budget. Prior year comparisons show personnel services down roughly -8 percent at quarter end due to the retirement of a long term employee in the second quarter of the prior year. Materials and services comparisons are also down in comparison to the prior year partially due to Les Schwab unloading their tire cars and having them ready to be released within the time frame that minimizes car hire charges.

**Railroad Fund- Continued**



Through the second quarter the ending fund balance is at approximately \$991,700, a decrease of roughly \$45,000 or -4 percent.

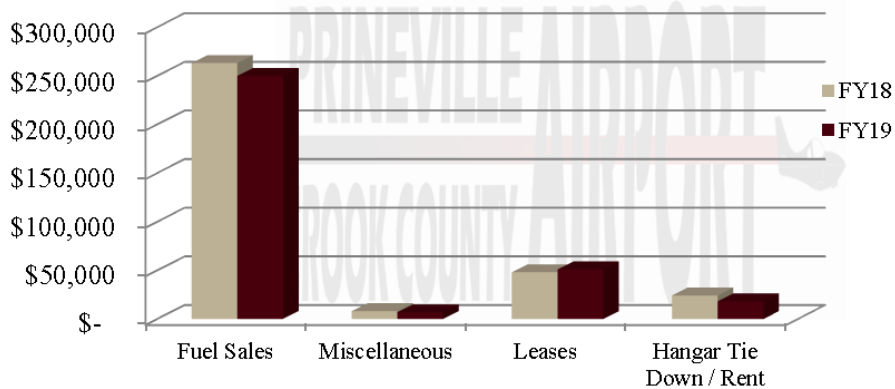
	Current Quarter		Quarter	Year to Date		Annual	Annual
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
<b>Revenue</b>							
Charges for services							
Railroad	\$ 125,375	\$ 93,494	75%	\$ 250,750	\$ 158,460	32%	\$ 501,500
Freight Depot	68,000	53,551	79%	136,000	97,547	36%	272,000
Use of money & property	36,400	29,071	80%	72,800	53,943	37%	145,600
Miscellaneous	21,250	1,455	7%	42,500	13,322	16%	85,000
<b>Total revenue</b>	<b>\$ 251,025</b>	<b>\$ 177,571</b>	<b>71%</b>	<b>\$ 502,050</b>	<b>\$ 323,272</b>	<b>32%</b>	<b>\$ 1,004,100</b>
<b>Expenditures</b>							
Personnel services	\$ 80,075	\$ 81,413	102%	\$ 160,150	\$ 173,296	54%	\$ 320,300
Material and services	76,800	49,400	64%	153,600	151,143	49%	307,200
Capital outlay							
Improvements	57,750	3,805	3%	115,500	3,805	2%	231,000
Transfers	20,000	20,000	100%	40,000	40,000	50%	80,000
Contingency							1,160,021
<b>Total expenditures</b>	<b>\$ 234,625</b>	<b>\$ 154,617</b>	<b>66%</b>	<b>\$ 469,250</b>	<b>\$ 368,243</b>	<b>18%</b>	<b>\$ 2,098,521</b>
<b>Revenue over (under) expenditures</b>	<b>16,400</b>	<b>22,954</b>	<b>2%</b>	<b>32,800</b>	<b>(44,971)</b>	<b>-4%</b>	<b>(1,094,421)</b>
<b>Beginning fund balance</b>	<b>1,094,421</b>	<b>1,036,693</b>	<b>95%</b>	<b>1,094,421</b>	<b>1,036,693</b>	<b>95%</b>	<b>1,094,421</b>
<b>Ending fund balance</b>	<b>\$ 1,110,821</b>	<b>\$ 1,059,647</b>	<b>95%</b>	<b>\$ 1,127,221</b>	<b>\$ 991,722</b>	<b>88%</b>	<b>\$ -</b>

**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.

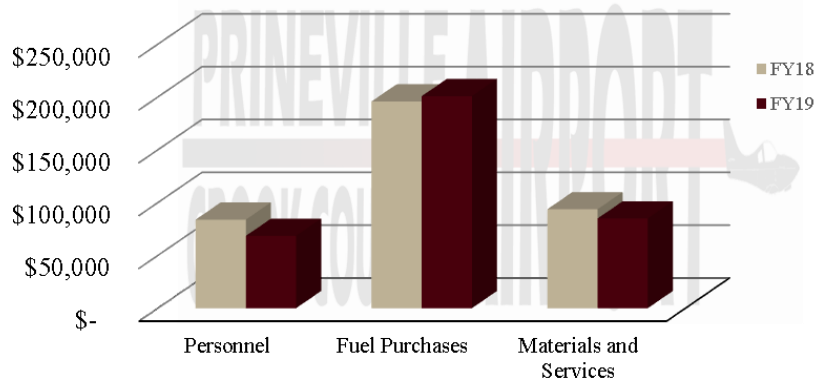
Overall revenues through the second quarter are at roughly \$524,300 or 6 percent of the annual budget. Intergovernmental revenue during the second quarter was at approximately \$199,000 as reimbursements from Connect Oregon and Crook County started to come in for the airbase project. Charges for services revenue for the second quarter were approximately 58 percent of the quarter budget or \$112,100. Annual hangar land leases were billed out for 2019 in December 2018. Charges for services are down over the prior year through the second quarter roughly -5 percent. Fuel sales are down by roughly 5 percent over the prior year at quarter end partially due to Hillsboro Aero Academy moving to the Redmond Airport. 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



Second quarter expenditures came in at approximately \$404,200 or 18 percent of the quarter budget. Capital expenditures during the second quarter are largely for the replacement of the fuel system which is partially being reimbursed through a Connect Oregon grant as part of the airbase project. Below is a comparison of operating expenditures to the prior year at quarter end.

Expenditure Comparison to Prior Year Quarter End



***Airport Fund - Continued***

Overall fund balance is down approximately \$234,300 through the second quarter partly due to the timing in which the receipts of reimbursable capital improvements are received. Connect Oregon approved a reimbursement request of roughly \$168,200 in the first week of January 2019. Fuel inventory at quarter end is roughly \$63,300.

	Current Quarter		Quarter	Year to Date		Annual	Annual
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
<b>Revenue</b>							
Intergovernmental	\$ 2,093,750	\$ 198,794	9%	\$ 4,187,500	\$ 198,794	2%	\$ 8,375,000
Charges for services	194,500	112,059	58%	389,000	325,487	42%	778,000
Other revenues	25	-	-	50	-	-	100
Transfers	12,500	-	-	12,500	-	-	50,000
<b>Total revenue</b>	<b>\$ 2,300,775</b>	<b>\$ 310,854</b>	<b>14%</b>	<b>\$ 4,589,050</b>	<b>\$ 524,281</b>	<b>6%</b>	<b>\$ 9,203,100</b>
<b>Expenditures</b>							
Personnel Service	\$ 38,500	\$ 30,112	78%	\$ 77,000	\$ 68,451	44%	\$ 154,000
Materials and Services	181,050	99,475	55%	362,100	285,617	39%	724,200
Capital outlay	2,046,250	256,504	13%	4,092,500	343,371	4%	8,185,000
Debt Service	6,250	-	-	12,500	25,000	100%	25,000
Transfers	18,075	18,075	100%	36,150	36,150	50%	72,300
Contingency							48,088
<b>Total expenditures</b>	<b>\$ 2,290,125</b>	<b>\$ 404,166</b>	<b>18%</b>	<b>\$ 4,580,250</b>	<b>\$ 758,588</b>	<b>8%</b>	<b>\$ 9,208,588</b>
<b>Revenue over (under) expenditures</b>	<b>10,650</b>	<b>(93,313)</b>	<b>-217%</b>	<b>8,800</b>	<b>(234,307)</b>	<b>-546%</b>	<b>(5,488)</b>
<b>Beginning fund balance</b>	<b>5,488</b>	<b>42,915</b>	<b>782%</b>	<b>5,488</b>	<b>42,915</b>	<b>782%</b>	<b>5,488</b>
<b>Ending fund balance</b>	<b>\$ 16,138</b>	<b>\$ (50,398)</b>	<b>-312%</b>	<b>\$ 8,808</b>	<b>\$ (191,392)</b>	<b>-2173%</b>	<b>\$ -</b>



**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 through the second quarter came in at approximately \$1.82 million or 56 percent of the annual budget. Revenue associated with charges for services came in at roughly \$633,400 or 82 percent of quarter budget which is largely made up of water sales.

Second quarter expenditures are at roughly 73 percent of the quarter budget. Capital improvements during the second quarter were at approximately \$158,900. Capital improvements that took place during the quarter were largely for the 2018 waterline improvement project.

Overall, the fund balance through the second quarter increased by roughly \$15,100 or 1 percent.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services	\$ 772,500	\$ 633,388	82%	\$ 1,545,000	\$ 1,804,439	58%	\$ 3,090,000
Interest	2,250	5,092	226%	4,500	10,100	112%	9,000
Miscellaneous	1,375	904	66%	2,750	1,948	35%	5,500
Transfers	31,000	-	-	62,000	-	-	124,000
<b>Total revenue</b>	<b>\$ 807,125</b>	<b>\$ 639,385</b>	<b>79%</b>	<b>\$ 1,614,250</b>	<b>\$ 1,816,487</b>	<b>56%</b>	<b>\$ 3,228,500</b>
<b>Expenditures</b>							
Materials and services	\$ 118,550	\$ 97,417	82%	\$ 237,100	\$ 258,856	55%	\$ 474,200
Franchise fee expense	32,500	32,500	100%	65,000	65,000	50%	130,000
Capital outlay							
Improvements	388,825	158,851	41%	777,650	792,650	51%	1,555,300
Debt service							
Principal							
Refunding bond 2017	25,500	-	-	51,000	-	-	102,000
Interest							
Refunding bond 2017	21,575	55,920	259%	43,150	55,920	65%	86,300
Transfers	314,475	314,475	100%	628,950	628,950	50%	1,257,900
Contingency							688,061
<b>Total expenditures</b>	<b>\$ 901,425</b>	<b>\$ 659,163</b>	<b>73%</b>	<b>\$ 1,802,850</b>	<b>\$ 1,801,376</b>	<b>42%</b>	<b>\$ 4,293,761</b>
<b>Revenue over (under) expenditures</b>	<b>(94,300)</b>	<b>(19,778)</b>	<b>-1%</b>	<b>(188,600)</b>	<b>15,111</b>	<b>1%</b>	<b>(1,065,261)</b>
<b>Beginning fund balance</b>	<b>1,065,261</b>	<b>1,447,470</b>	<b>136%</b>	<b>1,065,261</b>	<b>1,447,470</b>	<b>136%</b>	<b>1,065,261</b>
<b>Ending fund balance</b>	<b>\$ 970,961</b>	<b>\$ 1,427,692</b>	<b>147%</b>	<b>\$ 876,661</b>	<b>\$ 1,462,581</b>	<b>167%</b>	<b>\$ -</b>

**Wastewater Fund**

This fund accounts for the activities of the City's wastewater and treatment facilities. The primary source of revenue is sewer service fees. Expenditures are for the operation of the wastewater system including repair and maintenance of infrastructure and debt service related to infrastructure costs.

Overall revenue collection through the second quarter came in at approximately \$2 million or 54 percent of the annual budget. Second quarter revenue collection for charges for services was roughly \$858,000 or 97 percent of the quarter budget. Miscellaneous revenue collected during the second quarter is largely associated with a reimbursement from the Energy Trust of Oregon for wastewater treatment plant aeration improvements.

Expenditures are at roughly 31 percent of the annual budget through the second quarter with IFA and refunding 2017 debt service payments coming out in the second quarter.

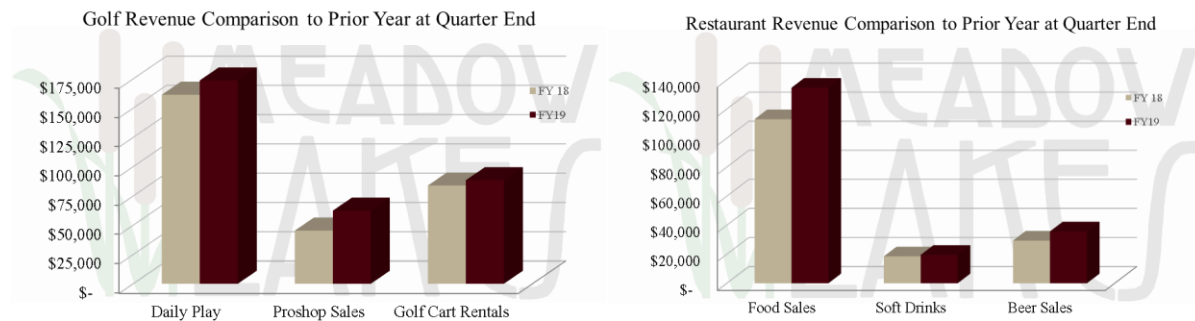
Fund balance has increase through the second quarter by roughly \$392,800 or 30 percent.

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
Charges for services	\$ 883,750	\$ 858,022	97%	\$ 1,767,500	\$ 1,761,114	50%	\$ 3,535,000
Interest	3,750	35,354	943%	7,500	58,843	392%	15,000
Miscellaneous	23,300	140,006	601%	46,600	177,713	191%	93,200
SDCs - reimbursement fees	14,700	-	-	29,400	-	0%	58,800
<b>Total revenue</b>	<b>\$ 925,500</b>	<b>\$ 1,033,381</b>	<b>112%</b>	<b>\$ 1,851,000</b>	<b>\$ 1,997,671</b>	<b>54%</b>	<b>\$ 3,702,000</b>
<b>Expenditures</b>							
Personnel services	\$ 32,000	\$ 29,579	92%	\$ 64,000	\$ 61,020	48%	\$ 128,000
Materials and services	156,275	125,109	80%	312,550	293,099	47%	625,100
Franchise fees expense	44,250	44,250	100%	88,500	88,500	50%	177,000
Capital outlay							
Improvements	269,125	5,817	2%	538,250	47,380	4%	1,076,500
Debt service							
Principal							
DEQ CWSRF R74682/2	115,400	-	-	230,800	229,103	50%	461,600
Refunding 2017 / principle	29,775	-	-	59,550	-	0%	119,100
State of Oregon IFA	7,825	19,772	253%	15,650	19,772	63%	31,300
USDA-2015	14,050	-	-	28,100	-	-	56,200
Interest							
State of Oregon IFA	2,500	14,283	571%	5,000	14,283	286%	10,000
DEQ CWSRF R74682/2	31,425	-	-	62,850	64,507	51%	125,700
Refunding 2017 / interest	25,175	65,252	259%	50,350	65,252	65%	100,700
USDA 2015 interest	27,500	-	-	55,000	-	-	110,000
Fees							
DEQ CWSRF R74682/2	5,500	-	-	11,000	21,941	100%	22,000
Transfers	350,000	350,000	100%	700,000	700,000	50%	1,400,000
Contingency							699,857
<b>Total expenditures</b>	<b>\$ 1,110,800</b>	<b>\$ 654,062</b>	<b>59%</b>	<b>\$ 2,221,600</b>	<b>\$ 1,604,857</b>	<b>31%</b>	<b>\$ 5,143,057</b>
<b>Revenue over (under) expenditures</b>	<b>(185,300)</b>	<b>379,319</b>	<b>29%</b>	<b>(370,600)</b>	<b>392,814</b>	<b>30%</b>	<b>(1,441,057)</b>
<b>Other resources/(requirements)</b>							
Debt service reserve	470,200	-	-	470,200	-	-	470,200
<b>Beginning fund balance</b>	<b>1,911,257</b>	<b>1,314,016</b>	<b>69%</b>	<b>1,911,257</b>	<b>1,314,016</b>	<b>69%</b>	<b>1,911,257</b>
<b>Ending fund balance</b>	<b>\$ 1,725,957</b>	<b>\$ 1,693,335</b>	<b>98%</b>	<b>\$ 1,540,657</b>	<b>\$ 1,706,830</b>	<b>111%</b>	<b>\$ 470,200</b>

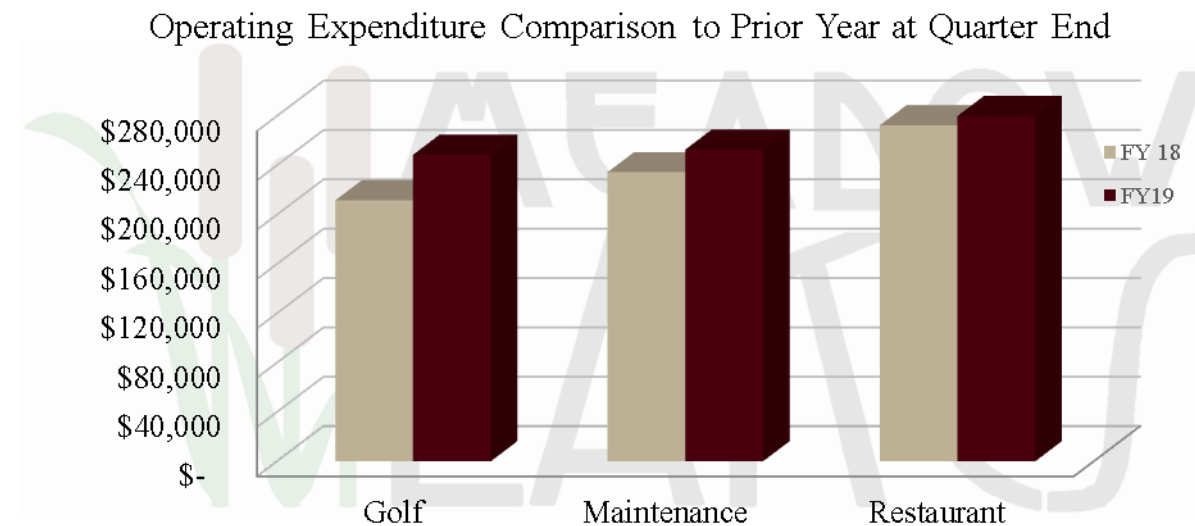
**Golf Course and Restaurant Fund**

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

Revenue collection through the second quarter is at approximately 48 percent of the annual budget or \$768,000. Golf revenue is at roughly \$359,000 or 47 percent of the annual budget through the second quarter, this is up over the prior year second quarter by approximately \$39,000 or 12 percent. Restaurant revenues are at approximately \$213,500 or 48 percent of the annual budget through the second quarter which is an increase over prior year quarter end by roughly \$32,600 or 18 percent. In the prior year, the eclipse event and bad weather had negatively impacted revenues during the first two quarters. Below is a comparison to the prior year quarter end of the significant operating revenue sources for golf and the restaurant.



Overall expenditures through the second quarter came in at roughly \$834,300 or 42 percent of the annual budget. Overall expenditures for the golf course are roughly \$273,200 or 60 percent through the second quarter. Restaurant operating expenditures through the second quarter are approximately 52 percent or \$284,800. Overall operating expenditures have increased over prior year at second quarter end roughly 9 percent. Below is a comparison of operating expenditures to the prior year at quarter end by department.



December 31, 2018

***Golf Course and Restaurant Fund - Continued***

Fund balance decreased roughly \$66,300 or -16 percent and management continues to monitor expenditures closely.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
<b>Revenue</b>							
Charges for services							
Golf Course	\$ 191,375	\$ 88,535	46%	\$ 382,750	\$ 358,990	47%	\$ 765,500
Waste disposal	92,500	92,500	100%	185,000	185,000	50%	370,000
Restaurant	110,250	81,165	74%	220,500	213,474	48%	441,000
Other	1,250	1,093	87%	2,500	2,675	53%	5,000
Interest	875	2,867	328%	1,750	5,584	160%	3,500
Miscellaneous	625	-	-	1,250	2,287	91%	2,500
<b>Total revenue</b>	<b>\$ 396,875</b>	<b>\$ 266,160</b>	<b>67%</b>	<b>\$ 793,750</b>	<b>\$ 768,010</b>	<b>48%</b>	<b>\$ 1,587,500</b>
<b>Expenditures</b>							
Golf Course	\$ 114,750	\$ 90,757	79%	\$ 229,500	\$ 273,157	60%	\$ 459,000
Waste disposal	112,475	108,731	97%	224,950	252,733	56%	449,900
Restaurant	136,375	123,576	91%	272,750	284,763	52%	545,500
Debt service							
Principal - note payable	6,300	6,273	100%	12,600	12,503	50%	25,200
Interest - Note Payable	675	685	101%	1,350	1,413	105%	2,700
Principal - 2017 bond	10,000	-	-	20,000	-	-	40,000
Interest - 2017 bond	3,750	9,702	259%	7,500	9,702	65%	15,000
Contingency							466,931
<b>Total expenditures</b>	<b>\$ 384,325</b>	<b>\$ 339,723</b>	<b>88%</b>	<b>\$ 768,650</b>	<b>\$ 834,271</b>	<b>42%</b>	<b>\$ 2,004,231</b>
<b>Revenue over (under) expenditures</b>	<b>12,550</b>	<b>(73,563)</b>	<b>-17%</b>	<b>25,100</b>	<b>(66,261)</b>	<b>-16%</b>	<b>(416,731)</b>
<b>Beginning fund balance</b>	<b>416,731</b>	<b>426,395</b>	<b>102%</b>	<b>416,731</b>	<b>426,395</b>	<b>102%</b>	<b>416,731</b>
<b>Ending fund balance</b>	<b>\$ 429,281</b>	<b>\$ 352,832</b>	<b>82%</b>	<b>\$ 441,831</b>	<b>\$ 360,134</b>	<b>82%</b>	<b>\$ -</b>

**Administration and Financial Support Services Fund**

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

Overall revenue collection for the second quarter came in at approximately \$560,500 or 84 percent of the quarter budget.

Overall expenditures for the second quarter end are at roughly 74 percent of the quarter budget or \$551,900 and are as anticipated through quarter end.

Fund balance decreased approximately \$83,600 or -17 percent through the second quarter. A supplemental budget was adopted to adjust expenditures in Administration / team services to include a Bio Mass Feasibility Study, a temporary part time records management position, and an increase in attorney fees for unanticipated costs associated with the transition of the new attorney. The supplemental budget adjusted financial services in transfers to include additional dollars to the PERS fund for a lump sum deposit to PERS and associated fees, materials and services for additional dollars for audit expenses and fund additional dollars for accrued liabilities in personal services. It also adjusts IT to include the acquisition of time management software and the 911 user technology at the Crook County Jail. Revenues will increase due to the administration fee collected from the SDC fees, reimbursement from the county and the reimbursement for a portion of the bio mass feasibility study.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services	\$ 666,250	\$ 557,451	84%	\$ 1,204,650	\$ 1,087,467	41%	\$ 2,665,000
Interest	1,250	3,090	247%	2,500	5,891	118%	5,000
<b>Total revenue</b>	<b>\$ 667,500</b>	<b>\$ 560,542</b>	<b>84%</b>	<b>\$ 1,207,150</b>	<b>\$ 1,093,358</b>	<b>41%</b>	<b>\$ 2,670,000</b>
<b>Expenditures</b>							
City Council	\$ 22,050	\$ 20,732	94%	\$ 44,100	\$ 40,490	46%	\$ 88,200
Administration/team services	214,775	195,642	91%	397,550	376,493	44%	859,100
Financial services	322,350	196,716	61%	535,700	398,690	31%	1,289,400
Information technology	189,225	138,797	73%	356,450	361,272	50%	726,900
Contingency							206,255
<b>Total expenditures</b>	<b>\$ 748,400</b>	<b>\$ 551,887</b>	<b>74%</b>	<b>\$ 1,333,800</b>	<b>\$ 1,176,945</b>	<b>37%</b>	<b>\$ 3,169,855</b>
<b>Revenue over (under) expenditures</b>	<b>(80,900)</b>	<b>8,655</b>	<b>2%</b>	<b>(126,650)</b>	<b>(83,587)</b>	<b>-17%</b>	<b>(499,855)</b>
<b>Beginning fund balance</b>	<b>499,855</b>	<b>481,714</b>	<b>96%</b>	<b>499,855</b>	<b>481,714</b>	<b>96%</b>	<b>499,855</b>
<b>Ending fund balance</b>	<b>\$ 418,955</b>	<b>\$ 490,369</b>	<b>117%</b>	<b>\$ 373,205</b>	<b>\$ 398,127</b>	<b>107%</b>	<b>\$ -</b>

Note: Supplemental budget adopted per resolution NO. 1379

***Building Facilities Fund***

This fund accounts for the operating costs of the city hall facility and related debt service, police facility, public works facility, Barnes Butte Complex and the community development block grant (CDBG) for the senior center. Revenue is received through rental charges to user departments and activities.

Overall revenues through the second quarter are at approximately \$4.43 million or 86 percent of the annual budget. During the second quarter, debt proceeds were received in the amount of \$4 million for police facilities. Intergovernmental revenues received during the second quarter are all associated with the community development block grant for the senior center.

Overall expenditures through the second quarter are roughly \$266,600 or 5 percent of the annual budget. During the second quarter, the city hall and Barnes Butte property debt service payments were made. Options are being explored for the use of the \$4 million for the police facility and second quarter expenditures in that department are largely associated with a feasibility study, facility assessment and survey study of potentially a new building. In the CDBG – Senior Center department, second quarter expenditures are all associated with the administration of the grant and the beginning stages of the senior centers rehabilitation. This project has been a long time in the making with Resolution No. 1302 being passed in 2016 regarding the City’s role in administering and managing the grant. A budget adjustment will be needed prior to yearend now that the project is on its way.

Fund balance increased roughly \$4.17 million through the second quarter with the receipt of debt proceeds for the police facility. A supplemental budget was adopted during the second quarter to adjust expenditures in the Police Facility department for the acquisition and or improvements to a public safety building, to budget for the debt serve payment and the debt service reserve, this increases the contingency for this year. The supplemental budget also includes in the Barnes Butte property the expenditure of the State Parks grant. Revenues will increase to recognize the debt proceeds, additional dollars from Police to cover debt service payments, the State Parks grant and a decrease in intergovernmental revenue for the return of the Seismic grant.

**Building Facilities Fund- Continued**

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Rent	\$ 51,225	\$ 51,225	100%	\$ 102,450	\$ 102,450	50%	\$ 204,900
Transfers	232,575	125,075	54%	232,575	250,150	27%	930,300
Misc. Income	1,625	5,969	367%	6,500	10,491	161%	6,500
Debt Proceeds	1,000,000	4,000,000	400%	4,000,000	4,000,000	100%	4,000,000
Intergovernmental	10,000	48,148	481%	40,000	48,148	120%	40,000
Interest	625	20,798	3328%	1,250	22,328	893%	2,500
<b>Total revenue</b>	<b>\$ 1,296,050</b>	<b>\$ 4,251,216</b>	<b>328%</b>	<b>\$ 4,382,775</b>	<b>\$ 4,433,567</b>	<b>86%</b>	<b>\$ 5,184,200</b>
<b>Expenditures</b>							
City Hall Facilities	\$ 53,475	\$ 39,831	74%	\$ 106,950	\$ 54,449	25%	\$ 213,900
Police Facilities	1,102,225	54,525	5%	2,204,450	115,343	3%	4,408,900
CDBG - Sr. Center	-	47,473	-	-	47,523	-	-
Public Works Facilities	9,875	8,152	83%	19,750	14,595	37%	39,500
Barnes Butte	67,825	22,167	33%	135,650	34,723	13%	271,300
Contingency							347,058
<b>Total expenditures</b>	<b>\$ 1,233,400</b>	<b>\$ 172,147</b>	<b>14%</b>	<b>\$ 2,466,800</b>	<b>\$ 266,633</b>	<b>5%</b>	<b>\$ 5,280,658</b>
<b>Revenue over (under) expenditures</b>	<b>62,650</b>	<b>4,079,068</b>	<b>1661%</b>	<b>1,915,975</b>	<b>4,166,935</b>	<b>1697%</b>	<b>(96,458)</b>
<b>Other requirements</b>							
Debt service reserve	112,900			112,900			112,900
<b>Beginning fund balance</b>	<b>209,358</b>	<b>245,508</b>	<b>117%</b>	<b>209,358</b>	<b>245,508</b>	<b>117%</b>	<b>209,358</b>
<b>Ending fund balance</b>	<b>\$ 272,008</b>	<b>\$ 4,324,576</b>	<b>1590%</b>	<b>\$ 2,125,333</b>	<b>\$ 4,412,443</b>	<b>208%</b>	<b>\$ -</b>

Note: Supplemental budget adopted per resolution NO. 1379 and a budget adjustment will be needed for the CDBG - SR. Center

**Plaza Maintenance Fund**

This fund accounts for the maintenance of the plaza joining City Hall and the Crook County Annex building. The county and the city maintain the plaza in a joint effort. Starting in 2005 the county was responsible for accounting for the maintenance of the plaza per a city and county agreement. The agreement has been revised and the city starting FY 13 now assumes the responsibility of accounting for the plaza maintenance. Revenues are generated through a transfer from the city with matching monies from the county. Expenditures are for maintaining the landscaping, sidewalks and lighting.

Revenues are as anticipated through the second quarter. Second quarter expenses are for contracted plaza grounds keeping.

Ending fund balance increased through the second quarter approximately \$6,000 or 14 percent.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Intergovernmental	\$ 2,500		-	\$ 5,000	\$ 4,242	42%	\$ 10,000
Interest	100	269	269%	200	483	121%	400
Misc. Income	-		-	-	920	-	-
Transfers	2,500		-	5,000	4,242	42%	10,000
<b>Total revenue</b>	<b>\$ 5,100</b>	<b>\$ 269</b>	<b>5%</b>	<b>\$ 10,200</b>	<b>\$ 9,886</b>	<b>48%</b>	<b>\$ 20,400</b>
<b>Expenditures</b>							
Materials and services	\$ 3,500	\$ 1,867	53%	\$ 7,000	\$ 3,867	28%	\$ 14,000
Transfers	925		-	1,850	-	-	3,700
Contingency							42,605
<b>Total expenditures</b>	<b>\$ 4,425</b>	<b>\$ 1,867</b>	<b>42%</b>	<b>\$ 8,850</b>	<b>\$ 3,867</b>	<b>6%</b>	<b>\$ 60,305</b>
<b>Revenue over (under) expenditures</b>	<b>675</b>	<b>(1,599)</b>	<b>-4%</b>	<b>1,350</b>	<b>6,019</b>	<b>14%</b>	<b>(39,905)</b>
<b>Beginning fund balance</b>	<b>39,905</b>	<b>41,518</b>	<b>104%</b>	<b>39,905</b>	<b>41,518</b>	<b>104%</b>	<b>39,905</b>
<b>Ending fund balance</b>	<b>\$ 40,580</b>	<b>\$ 39,919</b>	<b>98%</b>	<b>\$ 41,255</b>	<b>\$ 47,537</b>	<b>115%</b>	<b>\$ -</b>



December 31, 2018

***Public Works Support Services Fund***

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

Overall revenues are as anticipated through the second quarter.

Expenditures for public works support services are tracking under budget through the second quarter at \$758,400 or 49 percent of annual budget. Second quarter expenditures for fleet and vehicles is at roughly 80 percent of the annual budget with the capital purchase of a new truck and the debt service payment for the street sweeper being made during the second quarter.

Fund balance decreased roughly \$233,500 or -87 percent through the second quarter and is anticipated to even out by yearend. Charges for services associated with engineering fees are transferred at yearend for the capital projects in the SDC funds.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services	\$ 459,575	\$ 399,575	87%	\$ 919,150	\$ 799,150	43%	\$ 1,838,300
Interest	750	933	124%	1,500	2,309	77%	3,000
Miscellaneous	6,125	306	5%	12,250	660	3%	24,500
<b>Total revenue</b>	<b>\$ 466,450</b>	<b>\$ 400,814</b>	<b>86%</b>	<b>\$ 932,900</b>	<b>\$ 802,119</b>	<b>43%</b>	<b>\$ 1,865,800</b>
<b>Expenditures</b>							
Public Works Support Services	\$ 386,225	\$ 367,947	95%	\$ 772,450	\$ 758,373	49%	\$ 1,544,900
Public Works Fleet & Vehicles	86,375	102,006	118%	172,750	277,265	80%	345,500
Contingency							250,275
<b>Total expenditures</b>	<b>\$ 472,600</b>	<b>\$ 469,953</b>	<b>99%</b>	<b>\$ 945,200</b>	<b>\$ 1,035,638</b>	<b>48%</b>	<b>\$ 2,140,675</b>
<b>Revenue over (under) expenditures</b>	<b>(6,150)</b>	<b>(69,139)</b>	<b>-26%</b>	<b>(12,300)</b>	<b>(233,518)</b>	<b>-87%</b>	<b>(274,875)</b>
<b>Beginning fund balance</b>	<b>274,875</b>	<b>267,033</b>	<b>97%</b>	<b>274,875</b>	<b>267,033</b>	<b>97%</b>	<b>274,875</b>
<b>Ending fund balance</b>	<b>\$ 268,725</b>	<b>\$ 197,894</b>	<b>74%</b>	<b>\$ 262,575</b>	<b>\$ 33,515</b>	<b>13%</b>	<b>\$ -</b>