

*City of Prineville, Oregon
Financial Report
Fourth Quarter Ended June 30, 2019*



Executive Summary

The City's financial conditions strengthened approximately 42 percent or \$5.97 million through the fourth quarter ending, June 30, 2019. We are currently in our yearend audit process and some adjustments are still to be made. City funds that have had a positive impact to the City's financial condition included the General Fund, Transportation, Emergency Dispatch, all the SDC funds, Airport, Wastewater, Golf and the Building Facilities. Funds that had significant negative impacts to the City's financial condition included Planning, PERS / POB, Water, Public Works Support Services and the Administration Fund. City funds with decreases in fund balances are largely due to budgeted expenditures such as an additional deposit to a new side account with PERS, budgeted capital improvements / equipment and scheduled debt service payments.

Through the fourth quarter, General Fund revenues came in at approximately 112 percent of the annual budget or \$6.50 million. Year to date property tax revenue is roughly \$2.19 million or 102 percent of the annual budget, an increase of roughly \$120,500 over prior year. Transient lodging taxes are up over prior year at roughly \$431,500 compared to \$339,000 last year. Franchise fees are at roughly 115 percent of the annual budget and collection increased approximately \$272,000 over last year same time frame. Electrical franchise fees are up roughly \$245,000, and continue to be on an upward trend with the expansion of the data centers still in progress, telephone franchise fees are down slightly in comparison to the prior year. The General Funds ending balance increased approximately 11 percent through the fourth quarter.

The Emergency Dispatch Fund's ending fund balance has increased roughly \$118,300 or 29 percent through the fourth quarter, this related to an increase in intergovernmental revenue and a decrease in personnel service due to understaffing. Personnel services are at 88 percent of the annual budget and overtime is at 196 percent of the annual budget. During the fourth quarter two dispatchers were hired.

Local development has continued to positively affect the SDC funds. During the fourth quarter there were roughly 36 projects paying SDC's. The largest contributor to the increase in fund balance in all of the SDC funds is the SDC's that were paid in association with data center expansions during the first quarter. Current projects in the SDC funds include: the Elm Street Bridge project in Transportation SDC fund, the Plant Two Aeration project in Wastewater SDC and the Aquifer Storage and Recovery project (ASR) in the Water SDC fund. 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.

In the PERS / POB fund there was a budgeted \$800,000 additional payment sent to PERS to start another side account during the third quarter, this helping to offset the increased costs of PERS in the coming biennium. The City began receiving a monthly rate credit of 1.35 percent during the fourth quarter.

The Railroad Fund has seen an increase to fund balance of approximately \$63,600 or 6 percent through yearend, largely due to a roughly \$95,600 insurance check that was received for gate damages in the third quarter. Overall revenue comparisons to the prior year are down roughly

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\$76,100. Demurrage collections were roughly \$74,000 during the prior year, where this year there has been zero demurrage revenue. Expenses are also down roughly \$166,300 in comparison to the prior year with decreases in both personnel and materials and services.

Airport fund balance shows an increase of approximately \$82,800 largely due to Connect Oregon funds received for Airbase project associated with the installation of utilities. The airbase project is currently in process with the fuel system replacement construction starting during the fourth quarter. Fuel sales are up by roughly 21 percent over the prior year with total gallons sold up approximately 15 percent over the previous year. In April, Erickson Air Crane utilized the airport for their spring training resulting in significant fuel sales during their time there. Fuel inventory is at roughly \$37,900 for yearend.

The fund balance in the Water Fund decreased roughly -46 percent through the fourth quarter. This is due largely to budgeted capital projects that were done through the year. Capital improvements that took place during the fourth quarter were largely associated with the completion of the new Yancey well and the Airport Industrial Park Utility Extension project. A budget adjustment was done prior to yearend in materials and services to increase expenditures to improve and repair the Yancey well, another adjustment was made to correct an oversight from the prior year for franchise fees that are paid to streets.

In Wastewater (WW), fund balance has increase at yearend by roughly \$2.11 million or 122 percent due to the SDC reimbursement fees that were transferred from the WW SDC fund in the third quarter, this largely a result of the SDC collection from July to December which included data center fees. Capital improvements during the fourth quarter were for the 5th Street sewer line replacement project. Pump work that was anticipated to get completed by yearend and was included in the yearend estimates was put on hold due to the pumps not coming in on time.

Meadow Lakes Golf shows an increase in fund balance of roughly \$56,000 or 13 percent at yearend. Golf revenue is at roughly \$783,800 or 102 percent of the annual budget at yearend, which is up over the prior year by approximately \$81,600 or 12 percent making up for a large snow storm that closed the course for 24 days in February and 18 days in March. Operating expenditures are up roughly 6 percent for golf and maintenance combined compared to the prior year and management continues to monitor them closely.

The ending fund balance for the Administration and Financial Support Service Fund decreased approximately \$275,000 or -57 percent through the fourth quarter. Yearend adjustments are still in process. The SDC admin fee for the second half of the fiscal year is in process of being reconciled and calculated. During the third quarter, there was a \$200,000 transfer to the PERS / POB fund out of the Finance Department to support the new PERS side account that was created. During the fourth quarter in the IT department there were roughly \$78,100 in 911 equipment expenditures and \$68,000 for the Codon Trunked Radio System. The 911 equipment for the new jail is being reimbursed through the Crook County Sheriff's Department.

In the Building Facilities Fund, the fund balance increased approximately \$2.88 million through the fourth quarter largely due to the receipt of \$4 million in debt proceeds for the police facility department in the second quarter. During the fourth quarter, a new police facility building was

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purchased and design work for the remodel is set to begin. The Senior Center project fourth quarter expenditures are all associated with the administration of the grant and the beginning stages of the senior centers rehabilitation. During the fourth quarter the City went out to bid for the construction of the senior center remodel but only received one bid that was significantly higher than the grant amount. The City is in process of requesting a second Community Development Block Grant (CDBG) to get the project completed. In the Barnes Butte department, the property is part of the community wide master plan that is currently in process to be developed in collaboration with Parks and Recreation. Expenses for this project started to come in during the fourth quarter. Between the City and Parks and Recreation, two grants have been awarded totaling roughly \$130,000 to help fund the community wide master plan.

Other enterprise funds are as anticipated with insignificant change to fund balance at yearend. 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

All City Funds

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	\$ 1,918,886	\$ 6,500,001	\$ 6,284,495	\$ 2,134,393	\$ 215,507	11%	\$ 1,918,286	\$ 216,107
Transportation	331,358	2,059,185	1,982,797	407,746	76,388	23%	456,058	(48,312)
Emergency Dispatch	404,256	1,709,366	1,591,043	522,579	118,323	29%	376,056	146,523
Planning	248,158	312,885	367,574	193,470	(54,688)	-22%	240,958	(47,488)
Transportation SDC	955,586	812,568	355,553	1,412,601	457,015	48%	1,400,086	12,515
Water SDC	1,499,223	5,711,840	5,183,413	2,027,650	528,427	35%	2,186,423	(158,773)
Wastewater SDC	2,237,992	8,139,693	7,166,941	3,210,745	972,753	43%	3,090,992	119,753
POB Fund	863,291	807,898	1,076,960	594,229	(269,062)	-31%	608,691	(14,462)
Railroad	1,036,693	754,042	690,401	1,100,334	63,641	6%	1,145,793	(45,459)
Airport	42,915	2,205,585	2,122,820	125,680	82,765	193%	13,215	112,465
Water	1,447,470	2,977,176	3,642,132	782,515	(664,955)	-46%	585,270	197,245
Wastewater	1,732,001	5,842,158	3,731,283	3,842,875	2,110,874	122%	3,894,001	(51,126)
Golf Course and Restaurant	426,395	1,420,342	1,364,373	482,364	55,969	13%	483,295	(931)
Administration and Financial Services	481,714	2,621,572	2,896,415	206,870	(274,844)	-57%	452,914	(246,044)
Plaza Maintenance	41,518	10,424	14,863	37,078	(4,440)	-11%	36,318	760
Building Facilities / Property	245,508	5,369,074	2,490,949	3,123,632	2,878,124	1172%	2,871,408	252,224
Public Works Support Services	267,033	1,602,996	1,921,319	(51,290)	(318,323)	-119%	174,933	(226,223)
Totals	\$ 14,179,997	\$ 48,856,806	\$ 42,883,332	\$ 20,153,471	\$ 5,973,474	42%	\$ 19,934,697	\$ 218,774

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 fourth quarter is at approximately \$6.5 million with roughly \$2.19 million coming from property taxes. Year to date property tax revenue is roughly 102 percent of the annual budget at yearend and up over the prior year roughly \$120,500. Transient lodging taxes are up over prior year at roughly \$431,500 compared to \$339,000 last year. Franchise fees are at roughly 115 percent of the annual budget and collection increased approximately \$272,000 over last year same time frame. Electrical franchise fees are up roughly \$245,000 and only telephone franchise fees are down slightly in comparison to the prior year. Electrical franchise fees continue to be on an upward trend with the expansion of the data centers still in progress.

Police spending through the fourth quarter was at approximately 99 percent of the annual budget. Personnel services for the police department came in at roughly 99 percent of annual budget. Reimbursable grant overtime has increased significantly over the last year due to a HIDTA (High Intensity Drug Trafficking Area) grant. A budget adjustment was done during the fourth quarter largely due to the extra expenditures associated with the hiring of trained officers and a transfer to the Building Facility fund associated with the debt service for the new Public Safety building. Non-departmental is at 93 percent of the annual budget.

Overall, the General Fund realized an increase in fund balance of approximately 11 percent or \$215,500 through the fourth quarter. Unaudited ending fund balance is approximately \$ 2.13 million, which is better than anticipated compared to yearend estimates. The favorable variance in yearend estimates over actual is largely due to revenues coming in higher than anticipated.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/Unfavorable
	Budget	Actual		Budget	Actual				
Property taxes	\$ 535,000	\$ 116,304	22%	\$ 2,140,000	\$ 2,192,016	102%	\$ 2,140,000	\$ 2,140,000	\$ 52,016
Transient lodging tax	77,500	110,102	142%	310,000	431,501	139%	310,000	390,000	41,501
Franchise fees	653,750	1,018,918	156%	2,615,000	3,012,244	115%	2,615,000	2,875,000	137,244
Licenses and permits	2,225	3,624	163%	8,900	8,038	90%	8,900	7,300	738
Intergovernmental revenues	93,500	42,950	46%	374,000	381,940	102%	374,000	428,700	(46,760)
Charges for services	25	1,550	6200%	100	3,908	3908%	100	2,500	1,408
Interest	5,250	13,407	255%	21,000	45,856	218%	21,000	40,000	5,856
Miscellaneous	80,000	25,769	32%	320,000	424,499	133%	320,000	407,300	17,199
Total revenue	\$ 1,447,250	\$ 1,332,624	92%	\$ 5,789,000	\$ 6,500,001	112%	\$ 5,789,000	\$ 6,290,800	\$ 209,201
Expenditures									
Police	1,294,900	1,483,940	115%	5,179,600	5,117,783	99%	5,179,600	5,132,200	14,417
Non-departmental	313,075	390,717	125%	1,252,300	1,166,711	93%	1,252,300	1,159,200	(7,511)
Contingency							1,120,940		
Total expenditures	\$ 1,607,975	\$ 1,874,658	117%	\$ 6,431,900	\$ 6,284,495	98%	\$ 7,552,840	\$ 6,291,400	\$ 6,905
Revenue over (under) expenditures	(160,725)	(542,034)	-28%	(642,900)	215,507	11%	(1,763,840)	(600)	216,107
Beginning fund balance	1,763,840	1,918,886	109%	1,763,840	1,918,886	109%	1,763,840	1,918,886	
Ending fund balance	\$ 1,603,115	\$ 1,376,852	86%	\$ 1,120,940	\$ 2,134,393	190%	\$ -	\$ 1,918,286	\$ 2,134,393

Notes: A budget adjustment was done per resolution no. 1399 in the PD largely for personnel fees associated with the hiring of experienced officers and for transfers for the police facility in the Buildings Facility Fund for the new public safety facility.

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 fourth quarter came in at approximately 97 percent of the annual budget. Intergovernmental revenue collection is at 102 percent of the annual budget. The State of Oregon gas tax came in at roughly \$724,000 at yearend which is an increase over the prior year of roughly \$99,000.

Fourth quarter expenditures are roughly 98 percent of the annual budget. Capital expenditures through the fourth quarter totaled approximately \$1.09 million or 97 percent of the annual budget. Fourth quarter capital expenditures were largely for the completion of the Fall crack and seal project, asphalt paving on second and Beaver St and the purchase of an asphalt compactor. Personnel services came in on track at approximately 98 percent of the annual budget.

Overall the Transportation Fund realized an increase in fund balance of roughly \$76,400 or 23 percent. Unaudited ending fund balance is approximately \$407,000. The unfavorable variance in yearend estimates over actual is largely due to the ODOT grant associated with the Elm Street Bridge project being moved to the Transportation SDC fund where the project is being accounted for.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Franchise Fees	\$ 107,500	\$ 199,750	186%	\$ 430,000	\$ 430,000	100%	\$ 430,000	\$ 430,000	\$ (0)
Intergovernmental	321,125	229,612	72%	1,284,500	1,307,827	102%	1,284,500	1,369,000	(61,173)
Transfers	100,000	25,000	25%	400,000	300,000	75%	400,000	300,000	(0)
Interest	625	2,884	461%	2,500	5,778	231%	2,500	6,000	(222)
Miscellaneous	2,125	2,008	94%	8,500	15,580	183%	8,500	14,500	1,080
Total revenue	\$ 531,375	\$ 459,254	86%	\$ 2,125,500	\$ 2,059,185	97%	\$ 2,125,500	\$ 2,119,500	\$ (60,315)
Expenditures									
Personnel services	58,875	54,586	93%	235,500	231,569	98%	235,500	234,000	2,431
Material & services	61,400	94,030	153%	245,600	239,494	98%	245,600	245,800	6,306
Capital outlay									
Improvements	281,750	143,833	51%	1,127,000	1,093,634	97%	1,127,000	1,096,900	3,266
Transfers	104,525	104,525	100%	418,100	418,100	100%	418,100	418,100	0
Contingency							423,157		
Total expenditures	\$ 506,550	\$ 396,974	78%	\$ 2,026,200	\$ 1,982,797	98%	\$ 2,449,357	\$ 1,994,800	\$ 12,003
Revenue over (under) expenditures	24,825	62,280	19%	99,300	76,388	23%	(323,857)	124,700	(48,312)
Beginning fund balance	323,857	331,358	102%	323,857	331,358	102%	323,857	331,358	
Ending fund balance	\$ 348,682	\$ 393,638	113%	\$ 423,157	\$ 407,746	96%	\$ -	\$ 456,058	\$ 407,746

Note: Supplemental budget adopted per resolution NO. 1379 for additional consulting needs, to include a joint project with the county, the completion of the Beaver St. project and an ODOT grant for the West Y intersection

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 is approximately \$1.71 million or 104 percent of the annual budget. Intergovernmental revenue came in at 107 percent of the annual budget. Fourth quarter Intergovernmental revenue collections came in from the Crook County Sheriff’s Department for dispatching services in the amount of 101,200 and approximately \$122,300 coming in from the State of Oregon for E-911 funds and the second year reimbursement for a two year maintenance agreement.

Expenditures are approximately \$1.59 million or 91 percent of the annual budget. Personnel services are at 88 percent of the annual budget and overtime is at 196 percent of the annual budget due to dispatch being understaffed. During the fourth quarter two dispatchers were hired. Capital outlay expenditures are 100 percent of the annual budget and fourth quarter capital expenditures were largely for the Codon Trunked Radio System.

The Emergency Dispatch Fund increased its fund balance by roughly \$118,300 or 29 percent through the fourth quarter. A budget adjustment was done prior to yearend for infrastructure maintenance and GIS services that are reimbursable through the state.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Intergovernmental	\$ 216,300	\$ 232,125	107%	\$ 865,200	\$ 927,921	107%	\$ 865,200	\$ 864,800	\$ 63,121
Charges for Services	1,000	-	-	4,000	814	20%	4,000	7,500	(6,686)
Interest	750	3,567	476%	3,000	10,630	354%	3,000	10,000	630
Transfers from other funds	192,500	192,500	100%	770,000	770,000	100%	770,000	770,000	(0)
Total revenue	\$ 410,550	\$ 428,192	104%	\$ 1,642,200	\$ 1,709,366	104%	\$ 1,642,200	\$ 1,652,300	\$ 57,066
Expenditures									
Personnel services	275,450	231,160	84%	1,101,800	965,961	88%	1,101,800	1,037,200	71,239
Material & services	70,550	58,548	83%	282,200	252,822	90%	282,200	270,900	18,078
Capital outlay	51,250	169,578	331%	205,000	204,860	100%	205,000	205,000	140
Transfers	41,850	41,850	100%	167,400	167,400	100%	167,400	167,400	-
Contingency							220,159		
Total expenditures	\$ 439,100	\$ 501,136	114%	\$ 1,756,400	\$ 1,591,043	91%	\$ 1,976,559	\$ 1,680,500	\$ 89,457
Revenue over (under) expenditures	(28,550)	(72,944)	-18%	(114,200)	118,323	29%	(334,359)	(28,200)	146,523
Beginning fund balance	334,359	404,256	121%	334,359	404,256	121%	334,359	404,256	
Ending fund balance	\$ 305,809	\$ 331,312	108%	\$ 220,159	\$ 522,579	237%	\$ -	\$ 376,056	\$ 522,579

Notes: A budget adjustment was done per resolution no. 1399 to allow for additional dollars for training, infrastructure maintenance and equipment.

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.

Revenue collection through the fourth quarter came in at approximately \$313,000 or 154 percent of the annual budget. Revenue collection through the fourth quarter for licenses and permits is at approximately \$41,000 with roughly \$12,400 coming in the fourth quarter. Prior year collection was at approximately \$47,800 at year end. During the fourth quarter there were roughly 36 building starts that paid some form or SDC's.

Overall expenditures through the fourth quarter came in at approximately \$367,600 or 90 percent of the annual budget. A budget adjustment was done prior to yearend largely due to the DEQ Air Quality and Neighbor Impact expenses which are both reimbursed.

Through the fourth quarter, fund balance decreased roughly \$54,700 or -22 percent. Yearend audit adjustments are still in process and the admin fee for January through June SDC collection still needs to be distributed.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Licenses & Permits	\$ 11,250	\$ 12,449	111%	\$ 45,000	\$ 40,994	91%	\$ 45,000	\$ 40,000	\$ 994
Charges for services	5,500	3,571	65%	22,000	231,447	1052%	22,000	291,800	(60,353)
Intergovernmental	1,275	9,761	766%	5,100	15,053	295%	5,100	15,600	(547)
Interest	375	1,649	440%	1,500	6,071	405%	1,500	5,500	571
Misc. Income	-	-	-	-	19,320	-	-	19,400	(80)
Transfers from other funds	32,500	-	-	130,000	-	-	130,000	-	-
Total revenue	\$ 50,900	\$ 27,429	54%	\$ 203,600	\$ 312,885	154%	\$ 203,600	\$ 372,300	\$ (59,415)
Personnel services	58,375	52,862	91%	233,500	210,960	90%	233,500	212,000	1,040
Material & services	14,550	18,590	128%	58,200	41,914	72%	58,200	52,800	10,886
Transfers	28,675	28,675	100%	114,700	114,700	100%	114,700	114,700	0
Contingency							19,180		-
Total expenditures	\$ 101,600	\$ 100,126	99%	\$ 406,400	\$ 367,574	90%	\$ 425,580	\$ 379,500	\$ 11,926
Revenue over (under) expenditures	(50,700)	(72,697)	-29%	(202,800)	(54,688)	-22%	(221,980)	(7,200)	(47,488)
Beginning fund balance	221,980	248,158	112%	221,980	248,158	112%	221,980	248,158	
Ending fund balance	\$ 171,280	\$ 175,461	102%	\$ 19,180	\$ 193,470	1009%	\$ -	\$ 240,958	\$ 193,470

Note: A budget adjustment was done per resolution no. 1399 to allow for additional dollars for DEQ Air quality and Neighbor Impact expenses which are both reimbursed and phone allowance.

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 78 percent of the annual budget. Fourth quarter SDC collection came in at roughly \$135,700 with \$593,100 total collection at yearend which is approximately 148 percent of the annual budget. Intergovernmental revenue collection for the year was from ODOT for the Elm St. Bridge rehabilitation. Local development continued in the fourth quarter positively affecting the SDC funds. There were roughly 32 projects during the fourth quarter paying street SDC's.

Expenditures during the fourth quarter were predominantly capital expenditures associated with the Elm St. Bridge project. Yearend estimates included the start of construction for the Elm Street Bridge project but construction started in July leaving a favorable difference in the actual expenditure versus yearend estimate.

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. SDC collection is higher than anticipated and another supplemental budget was adopted prior to yearend.

Fund balance increased roughly \$456,900 or 48 percent through the fourth quarter. Yearend audit adjustments are still in process and the admin fee for January through June SDC collection still needs to be distributed.

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Intergovernmental	\$ 158,325	\$ 32,101	20%	\$ 633,300	\$ 179,018	28%	\$ 633,300	\$ 633,300	\$ (454,282)
Interest	2,250	9,931	441%	9,000	31,424	349%	9,000	26,000	5,424
Misc. Income	-	-	-	-	9,000	-	-	75,000	(66,000)
System development charges	100,000	135,653	136%	400,000	593,125	148%	400,000	500,000	93,125
Total revenue	\$ 260,575	\$ 177,684	68%	\$ 1,042,300	\$ 812,568	78%	\$ 1,042,300	\$ 1,234,300	\$ (421,732)
Expenditures									
Material & services	2,500	2,977	119%	10,000	9,868	99%	10,000	10,000	132
Capital outlay					-				
Improvements	224,250	146,811	65%	897,000	326,473	36%	897,000	746,800	420,327
Transfers	10,000	-	-	40,000	19,212	48%	40,000	33,000	13,788
Contingency							1,039,610		
Total expenditures	\$ 236,750	\$ 149,788	63%	\$ 947,000	\$ 355,553	38%	\$ 1,986,610	\$ 789,800	\$ 434,247
Revenue over (under) expenditures	23,825	27,897	3%	95,300	457,015	48%	(944,310)	444,500	12,515
Beginning fund balance	944,310	955,586	101%	944,310	955,586	101%	944,310	955,586	
Ending fund balance	\$ 968,135	\$ 983,483	102%	\$ 1,039,610	\$ 1,412,601	136%	\$ -	\$ 1,400,086	\$ 1,412,601

Note: Supplemental budget adopted per resolution NO. 1379 largely to adjust for the Elm St. Bridge project and per resolution No. 1398 due to the collection of SDCs coming in higher than budgeted with the expansion of the data centers.

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 fourth quarter came in at approximately \$5.71 million or 88 percent of the annual budget. During the fourth quarter, SDC's revenue for the ASR project from Apple is roughly \$1.72 million. Sale of asset revenue for the fourth quarter was associated with the sale of property that was originally used as a well testing site in the industrial park area. Local development continued in the fourth quarter positively affecting the SDC funds. There were roughly 36 projects during the fourth quarter which paid water SDC's.

Capital expenditures during the fourth quarter are largely associated with the aquifer storage and recovery (ASR) project. This is a huge project that will continue into next year and yearend estimates in comparison to actual capital expenditures for this project show a favorable variance due to the timing in how much was completed this year. 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.

Fund balance increased roughly \$528,400 or 35% through the fourth quarter. Yearend audit adjustments are still in process and the admin fee for January through June SDC collection still needs to be distributed.

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Interest	\$ 2,500	\$ 13,299	532%	\$ 10,000	\$ 60,644	606%	\$ 10,000	\$ 50,000	\$ 10,644
Charges for services	131,575	-	-	526,300	526,305	100%	526,300	526,300	5
System development charges	1,480,500	1,801,846	122%	5,922,000	4,985,181	84%	5,922,000	5,922,000	(936,819)
Sale of Assets	-	139,710	-	-	139,710	-	-	-	139,710
Total revenue	\$ 1,614,575	\$ 1,954,855	121%	\$ 6,458,300	\$ 5,711,840	88%	\$ 6,458,300	\$ 6,498,300	\$ (786,460)
Expenditures									
Capital outlay									
Improvements	1,463,000	1,642,525	112%	5,852,000	4,902,282	84%	5,852,000	5,391,000	488,718
Transfers	105,025	-	-	420,100	281,131	67%	420,100	420,100	138,969
Contingency							2,358,391		
Total expenditures	\$ 1,568,025	\$ 1,642,525	105%	\$ 6,272,100	\$ 5,183,413	83%	\$ 8,630,491	\$ 5,811,100	\$ 627,687
Revenue over (under) expenditures	46,550	312,330	21%	186,200	528,427	35%	(2,172,191)	687,200	(158,773)
Beginning fund balance	2,172,191	1,499,223	69%	2,172,191	1,499,223	69%	2,172,191	1,499,223	
Ending fund balance	\$ 2,218,741	\$ 1,811,553	82%	\$ 2,358,391	\$ 2,027,650	86%	\$ -	\$ 2,186,423	\$ 2,027,650

Note: Supplemental budget adopted per resolution NO. 1379 to adjust capital outlay to include data center expansions, adjust transfers to include admin. fees.

June 30th, 2019

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 fourth quarter came in at approximately \$8.14 million with a majority coming from SDC's collected during the first quarter. Fourth quarter revenue collection was largely from SDC's. Local development continues to positively affecting the SDC funds. There were roughly 33 projects during the fourth quarter which paid water SDC's.

Fourth quarter expenditures for materials and services were associated with survey work done for the 10th and Main street intersection improvement project that includes a sewer line. Fourth quarter capital improvements were largely for costs associated with the aeration project for plant two (pictured below). The public works crew is doing the work themselves saving a significant amount of money for the project. This is a project that increases energy efficiency and once it is done, it will qualify for a partial reimbursement through the Energy Trust of Oregon program.



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. Projects came to a close quicker than anticipated and SDC collection is coming in higher than originally expected. Another supplemental budget was adopted for capital outlay and transfers prior to yearend.

Fund balance has increased roughly \$972,800 or 43 percent through the fourth quarter. Yearend audit adjustments are still in process and the admin fee for January through June SDC collection still needs to be distributed.

June 30th, 2019

Wastewater SDC Fund - Continued

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Charges for services	\$ 131,575	\$ -	-	\$ 526,300	\$ 526,305	100%	\$ 526,300	\$ 526,300	5
Interest	5,000	21,102	422%	20,000	75,115	376%	20,000	70,000	5,115
System development charges	1,884,375	98,805	5%	7,537,500	7,538,273	100%	7,537,500	7,600,000	(61,727)
Total revenue	\$ 2,020,950	\$ 119,907	6%	\$ 8,083,800	\$ 8,139,693	101%	\$ 8,083,800	\$ 8,196,300	\$ (56,607)
Expenditures									
Material & services	2,500	2,996	120%	10,000	9,755	98%	10,000	10,000	245
Capital outlay									
Improvements	1,215,975	161,405	13%	4,863,900	4,738,301	97%	4,863,900	4,863,900	125,599
Transfers	620,000	-	-	2,480,000	2,418,884	98%	2,480,000	2,469,400	50,516
Contingency							3,429,704		
Total expenditures	\$ 1,838,475	\$ 164,401	9%	\$ 7,353,900	\$ 7,166,941	97%	\$ 10,783,604	\$ 7,343,300	\$ 176,359
Revenue over (under) expenditures	182,475	(44,494)	-2%	729,900	972,753	43%	(2,699,804)	853,000	119,753
Beginning fund balance	2,699,804	2,237,992	83%	2,699,804	2,237,992	83%	2,699,804	2,237,992	
Ending fund balance	\$ 2,882,279	\$ 2,193,498	76%	\$ 3,429,704	\$ 3,210,745	94%	\$ -	\$ 3,090,992	\$ 3,210,745

Note: Supplemental budget adopted per resolution NO. 1379 and resolution NO. 1398 to adjust capital outlay to include data center expansions and plant two aeration project and adjust transfers to include admin. fees.



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.

Overall revenues through the fourth quarter are at roughly 80 percent of the annual budget. During the fourth quarter the city started receiving a rate credit from the side account that was created during the previous quarter.

Fourth quarter expenditures are associated with the annual debt service payment that is due in June.

Ending fund balance through the third quarter decreased approximately \$269,100 or -31 percent.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Interest	\$ 2,500	\$ 3,990	160%	\$ 10,000	\$ 21,931	219%	\$ 10,000	20,000	1,931
Charges for Services	-	101,380	-	-	474,922	-	-	602,600	(127,678)
Transfer from other funds	250,650	100,000	40%	1,002,600	300,000	30%	1,002,600	200,000	100,000
Miscellaneous Revenue	-	11,045	-	-	11,045	-	-	-	11,045
Total revenue	\$ 253,150	\$ 216,415	85%	\$ 1,012,600	\$ 807,898	80%	\$ 1,012,600	\$ 822,600	\$ (14,702)
Expenditures									
Personnel Services	200,000	-	-	800,000	800,000	100%	800,000	800,000	-
Materials and Services	500	-	-	2,000	1,000	50%	2,000	1,000	-
Debt service									
Principal - POB 2013	45,525	181,648	399%	182,100	181,648	100%	182,100	182,100	452
Interest - POB 2013	23,525	47,156	200%	94,100	94,312	100%	94,100	94,100	(212)
Contingency							798,403		
Total expenditures	\$ 269,550	\$ 228,804	85%	\$ 1,078,200	\$ 1,076,960	100%	\$ 1,876,603	\$ 1,077,200	\$ 240
Revenue over (under) expenditures	(16,400)	(228,804)	-27%	(65,600)	(269,062)	-31%	(864,003)	(254,600)	(14,462)
Beginning fund balance	864,003	863,291	100%	864,003	863,291	100%	864,003	863,291	
Ending fund balance	\$ 847,603	\$ 634,487	75%	\$ 798,403	\$ 594,229	74%	\$ -	\$ 608,691	\$ 594,229

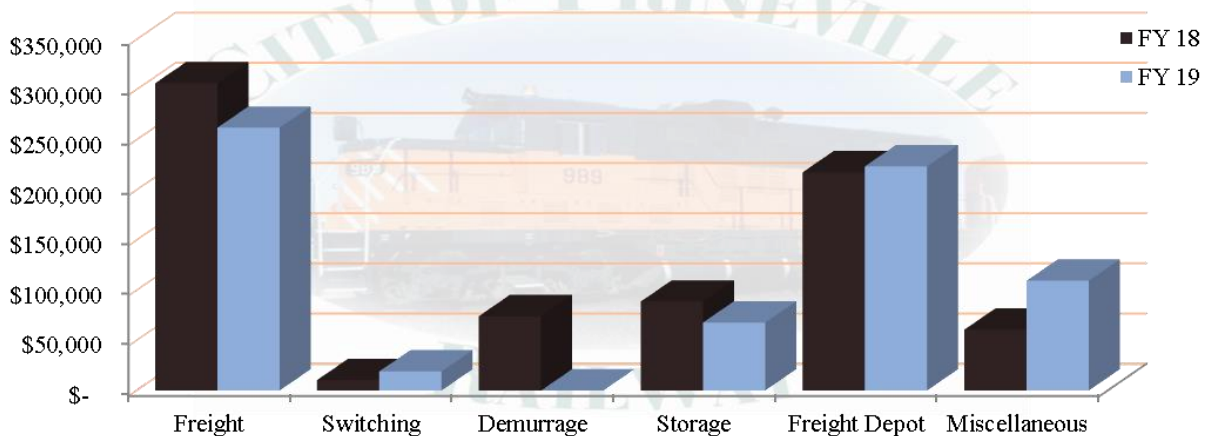
Note: Supplemental budget adopted per resolution NO. 1379 to allow for a lump sum payment to PERS.

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.

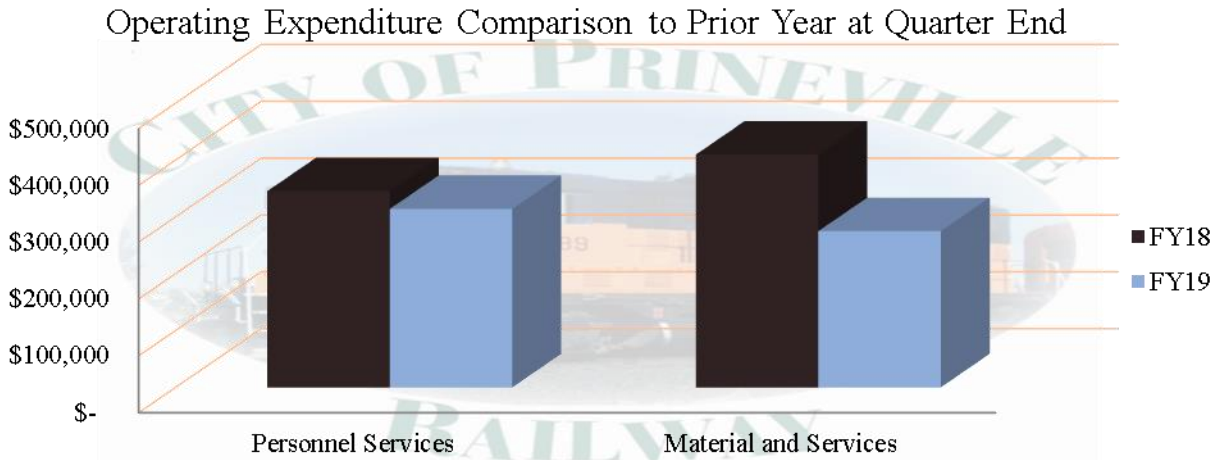
Overall revenue collection through the fourth quarter is at roughly \$754,000 or 75 percent of the annual budget. Charges for services for the railroad are at approximately \$315,500 or 63 percent of the annual budget and freight depot charges for services are approximately \$223,400 or 82 percent of annual budget. Overall revenue comparisons to prior year through the fourth quarter are down roughly \$76,200. Demurrage collections were roughly \$74,000 during the prior year, where this year there has not been any demurrage collected. During the fourth quarter there was only one Les Schwab railcar compared to 43 during the prior year fourth quarter. Management is finding ways to diversify commodity’s to back fill the Les Schwab gap. McCall Oil is utilizing the rail line and is one of the companies that are helping fill the gap. During the fourth quarter there were 60 McCall Oil cars that came into Prineville. Below is a breakdown of the funds major revenue sources compared to prior year collection at third quarter end.

Operating Revenue Comparison to Prior Year at Quarter End



Overall expenditures through the fourth quarter are at approximately \$690,400 or 74 percent of the annual budget. Personnel services are at roughly \$314,000 or 98 percent of the annual budget at yearend. Materials and services comparisons are down -33 percent in comparison to the prior year largely due to car traffic being released in a timely fashion minimizing car hire charges, which are accounted for in the Maintenance of Transportation department.

Railroad Fund- Continued



Through the fourth quarter the ending fund balance is at approximately \$1.1 million, an increase of roughly \$63,600 or 6 percent. The increase in fund balance can largely be attributed to an insurance check that was roughly \$95,600 that was received during the third quarter for gate damages.

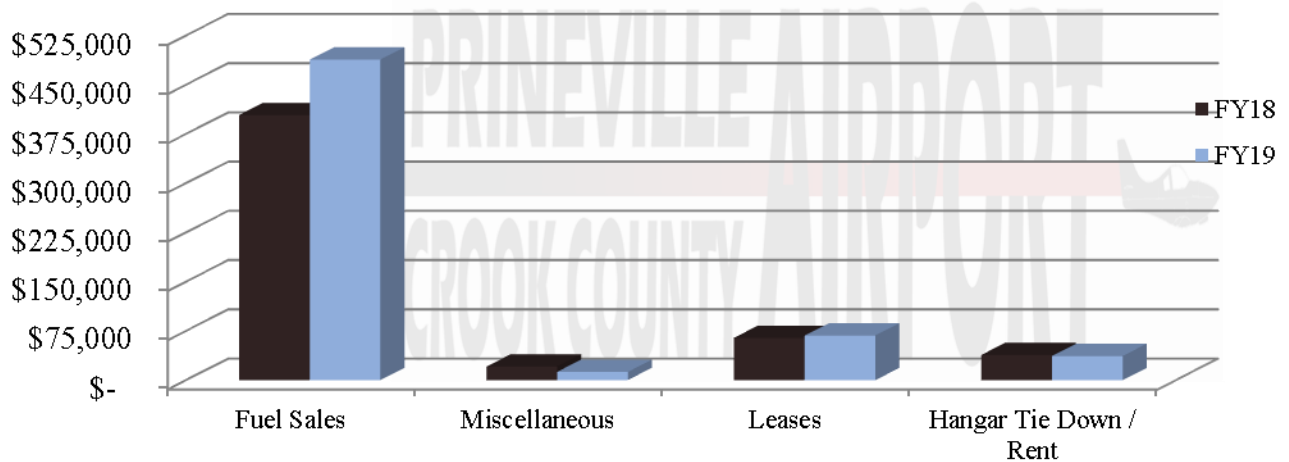
Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Charges for services									
Railroad	\$ 125,375	\$ 81,291	65%	\$ 501,500	315,450	63%	\$ 501,500	\$ 285,500	\$ 29,950
Freight Depot	68,000	58,970	87%	272,000	223,408	82%	272,000	225,000	(1,592)
Use of money & property	36,400	22,050	61%	145,600	105,722	73%	145,600	156,600	(50,878)
Miscellaneous	21,250	472	2%	85,000	109,462	129%	85,000	155,000	(45,538)
Total revenue	\$ 251,025	\$ 162,782	65%	\$ 1,004,100	\$ 754,042	75%	\$ 1,004,100	\$ 822,100	\$ (68,058)
Expenditures									
Personnel services	80,075	81,815	102%	320,300	313,956	98%	320,300	306,600	(7,356)
Material and services	76,800	57,048	74%	307,200	274,872	89%	307,200	291,400	16,528
Capital outlay									
Improvements	57,750	16,743	29%	231,000	21,573	9%	231,000	35,000	13,427
Transfers	20,000	20,000	100%	80,000	80,000	100%	80,000	80,000	(0)
Contingency							1,160,021		
Total expenditures	\$ 234,625	\$ 175,606	75%	\$ 938,500	\$ 690,401	74%	\$ 2,098,521	\$ 713,000	\$ 22,599
Revenue over (under) expenditures	16,400	(12,823)	-1%	65,600	63,641	6%	(1,094,421)	109,100	(45,459)
Beginning fund balance	1,094,421	1,036,693	95%	1,094,421	1,036,693	95%	1,094,421	1,036,693	
Ending fund balance	\$ 1,110,821	\$ 1,023,870	92%	\$ 1,160,021	\$ 1,100,334	95%	\$ -	\$ 1,145,793	\$ 1,100,334

Airport Fund

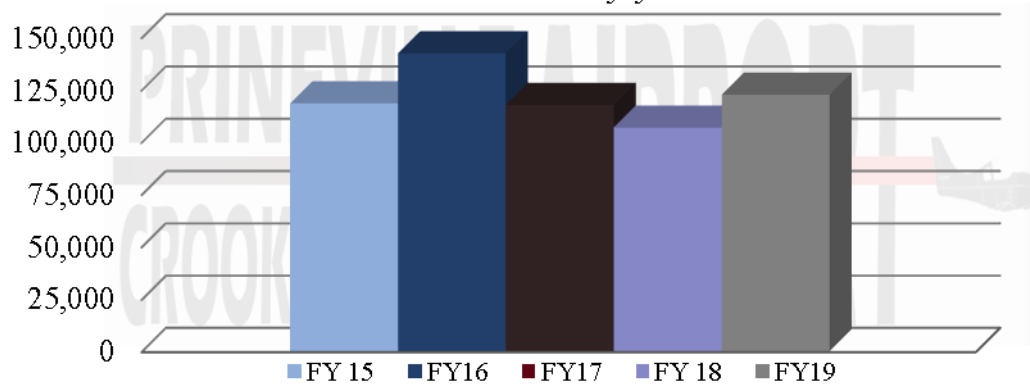
This fund accounts for the activities of the airport. The airport’s main source of operating revenue is through charges for services that revolve around fuel sales and hangar leases. Expenditures are for general operations of the airport including cost of goods sold, maintenance and capital improvements.

Overall revenues through the fourth quarter are at roughly \$2.21 million or 24 percent of the annual budget. Intergovernmental revenue collected during the fourth quarter was at approximately \$784,800 and is all for the airbase project from Connect Oregon. Charges for services through the fourth quarter are approximately 78% percent of the quarter budget or \$605,600 and are up over the prior year roughly 15 percent. Fuel sales are up by roughly 21 percent over the prior year with total gallons sold up approximately 15 percent over the previous year. In April, Erickson Air Crane utilized the airport for their spring training resulting in significant fuel sales during their time there. 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



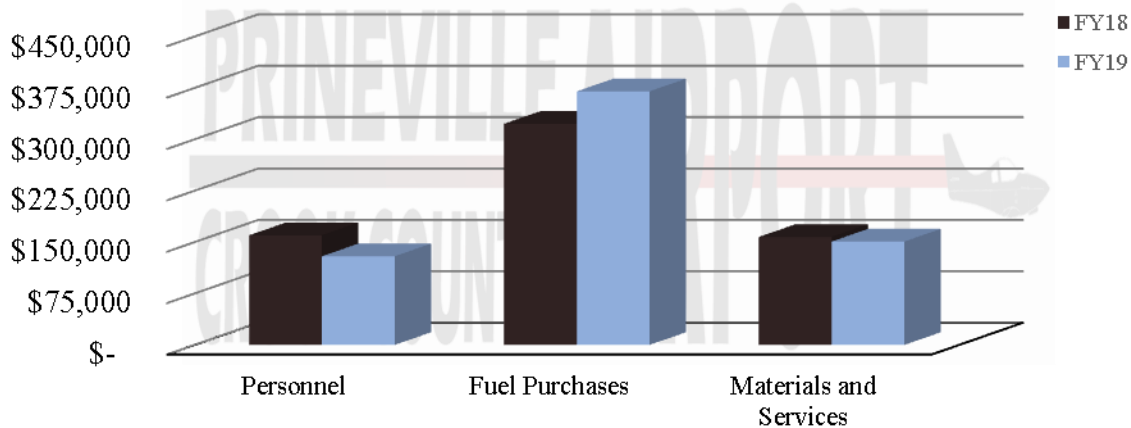
Gallons sold by year



Airport Fund – Continued

Fourth quarter expenditures came in at approximately \$2.12 million or 23 percent of the annual budget. Capital expenditures during the fourth quarter are all associated with the Airbase project which is partially reimbursed through a Connect Oregon grant. This project is a joint project with the City and the County and has been awarded several different grants between the two of them. It is a multi-year project and the city’s portion is coming to completion quicker than originally anticipated. Overall FY19 operating expenses are roughly 2 percent more than the previous fiscal year. Below is a comparison of operating expenditures to the prior year at quarter end.

Operating Expenditure Comparison to Prior Year Quarter End



Overall unaudited fund balance is up approximately \$87,200 at year end. Fuel inventory at quarter end is roughly \$37,900 with yearend audit adjustments still in process.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Intergovernmental	\$ 2,093,750	\$ 784,780	37%	\$ 8,375,000	1,549,791	19%	\$ 8,375,000	\$ 1,119,100	\$ 430,691
Charges for services	194,500	213,092	110%	778,000	605,605	78%	778,000	568,500	37,105
Other revenues	25	189	756%	100	189	189%	100	-	189
Transfers	12,500	50,000	400%	50,000	50,000	100%	50,000	50,000	-
Total revenue	\$ 2,300,775	\$ 1,048,061	46%	\$ 9,203,100	\$ 2,205,585	24%	\$ 9,203,100	\$ 1,737,600	\$ 467,985
Expenditures									
Personnel Service	38,500	30,575	79%	154,000	129,359	84%	154,000	130,100	741
Materials and Services	181,050	178,717	99%	724,200	520,888	72%	724,200	502,700	(18,188)
Capital outlay	2,046,250	450,759	22%	8,185,000	1,375,273	17%	8,185,000	1,037,200	(338,073)
Debt Service	6,250	-	-	25,000	25,000	100%	25,000	25,000	-
Transfers	18,075	18,075	100%	72,300	72,300	100%	72,300	72,300	-
Contingency							48,088		-
Total expenditures	\$ 2,290,125	\$ 678,126	30%	\$ 9,160,500	\$ 2,122,820	23%	\$ 9,208,588	\$ 1,767,300	\$ (355,520)
Revenue over (under) expenditures	10,650	369,935	862%	42,600	82,765	193%	(5,488)	(29,700)	112,465
Beginning fund balance	5,488	42,915	782%	5,488	42,915	782%	5,488	42,915	
Ending fund balance	\$ 16,138	\$ 412,850	2558%	\$ 48,088	\$ 125,680	261%	\$ -	\$ 13,215	\$ 125,680

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 fourth quarter came in at approximately \$2.98 million or 92 percent of the annual budget. Revenue associated with charges for services came in at roughly \$539,000 or 70 percent of quarter budget which is largely made up of water sales. Early spring was very wet and overall spring temperatures were slightly cooler than average during the fourth quarter allowing customers to wait a bit longer before needing to irrigate.

Fourth quarter expenditures are at roughly 119 percent of the quarter budget. Capital improvements during the fourth quarter were at approximately \$396,400. Capital improvements that took place during the quarter were largely associated with the completion of the new Yancey well and the Airport Industrial Park Utility Extension project. A budget adjustment was done prior to yearend in materials and services largely due to the Yancey well caving and a cavern developing during the third quarter and for franchise fees that were accidentally left out of the budget adjustment in the prior year.

Overall, the fund balance through the fourth quarter decreased by roughly \$665,000 or -46 percent.

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	\$ 772,500	\$ 539,034	70%	\$ 3,090,000	\$ 2,831,201	92%	\$ 3,090,000	\$ 2,680,100	\$ 151,101
Interest	2,250	2,392	106%	9,000	18,048	201%	9,000	20,000	(1,952)
Miscellaneous	1,375	3,927	286%	5,500	3,927	71%	5,500	5,500	(1,573)
Transfers	31,000	-	-	124,000	124,000	100%	124,000	124,000	-
Total revenue	\$ 807,125	\$ 545,354	68%	\$ 3,228,500	\$ 2,977,176	92%	\$ 3,228,500	\$ 2,829,600	\$ 147,576
Expenditures									
Materials and services	140,650	140,114	100%	562,600	508,437	90%	562,600	562,600	54,163
Franchise fee expense	63,250	155,500	246%	160,750	253,000	157%	253,000	253,000	0
Capital outlay									
Improvements	388,825	396,378	102%	1,555,300	1,434,568	92%	1,555,300	1,430,000	(4,568)
Debt service									
Principal									
Water refunding bond 2017	25,500	101,990	400%	102,000	101,990	100%	102,000	102,000	10
Interest									
Water refunding bond 2017	21,575	30,317	141%	86,300	86,237	100%	86,300	86,300	63
Transfers	314,475	314,475	100%	1,257,900	1,257,900	100%	1,257,900	1,257,900	(0)
Contingency							476,661		
Total expenditures	\$ 954,275	\$ 1,138,774	119%	\$ 3,724,850	\$ 3,642,132	98%	\$ 4,293,761	\$ 3,691,800	\$ 49,668
Revenue over (under) expenditures	(147,150)	(593,420)	-41%	(496,350)	(664,955)	-46%	(1,065,261)	(862,200)	197,245
Beginning fund balance	1,065,261	1,447,470	136%	1,065,261	1,447,470	136%	1,065,261	1,447,470	
Ending fund balance	\$ 918,111	\$ 854,050	93%	\$ 568,911	\$ 782,515	138%	\$ -	\$ 585,270	\$ 782,515

Note: A budget adjustment was done per resolution NO. 1399 to allow for additional materials and services.

June 30th, 2019

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 \$5.84 million or 158 percent of the annual budget. Revenue collection for charges for services through the fourth quarter is roughly \$3.47 million or 98 percent of the annual budget. SDC reimbursement fee revenue through the fourth quarter is associated with the SDC collection from July through December 2018. SDC reimbursement fees for the second half of the year are done with the yearend audit adjustments and are still in process.

Expenditures are at roughly 86 percent of the annual budget through the fourth quarter with the 2017 refunding debt service payments coming out in the fourth quarter. Capital improvements during the fourth quarter were for the 5th Street sewer line replacement project. Pump work that was anticipated to get completed by yearend and was included in the yearend estimates was put on hold due to the pumps not coming in on time. A budget adjustment was done prior to yearend in personnel services to allow for an adjustment in accrued absences, and in materials and services for extra consulting needs and irrigation water rights.

Fund balance has increase at yearend by roughly \$2.11 million or 122 percent largely due to the SDC reimbursement fees that were transferred in the third quarter for the SDC collection from July to December.



The Crooked River Wetland Complex (pictured above) is part of the City's wastewater system and accounted for in the Wastewater Fund.

Wastewater Fund - Continued

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	\$ 883,750	\$ 869,341	98%	\$ 3,535,000	\$ 3,471,756	98%	\$ 3,535,000	\$ 3,555,000	\$ (83,244)
Interest	3,750	23,934	638%	15,000	101,671	678%	15,000	100,000	1,671
Miscellaneous	23,300	947	4%	93,200	219,481	235%	93,200	233,800	(14,319)
SDCs - reimbursement fees	14,700	-	-	58,800	2,049,250	3485%	58,800	2,089,400	(40,150)
Total revenue	\$ 925,500	\$ 894,222	97%	\$ 3,702,000	\$ 5,842,158	158%	\$ 3,702,000	\$ 5,978,200	\$ (136,042)
Expenditures									
Personnel services	32,550	37,281	115%	130,200	127,070	98%	130,200	132,000	4,930
Materials and services	178,850	251,864	141%	715,400	713,805	100%	715,400	715,400	1,595
Franchise fee Expense	44,250	44,250	100%	177,000	177,000	100%	177,000	177,000	-
Capital outlay									
Improvements	269,125	224,073	83%	1,076,500	284,393	26%	1,076,500	350,900	66,507
Debt service									
Principal									
State of Oregon IFA	7,825	-	-	31,300	19,772	63%	31,300	31,300	11,528
USDA - 2015	14,050	-	-	56,200	56,160	100%	56,200	56,200	40
DEQ CWSRF R74682/2	115,400	-	-	461,600	461,574	100%	461,600	461,600	26
Refunding 20117	29,775	119,010	400%	119,100	119,010	100%	119,100	119,100	90
Interest									
State of Oregon IFA	2,500	-	-	10,000	14,283	143%	10,000	14,300	17
USDA - 2015	27,500	-	-	110,000	110,000	100%	110,000	110,000	-
DEQ CWSRF R74682/2	31,425	-	-	125,700	125,646	100%	125,700	125,700	54
Refunding 2017 / interest	25,175	35,377	141%	100,700	100,629	100%	100,700	100,700	71
Fees									
DEQ CWSRF R74682/1 & 2	5,500	-	-	22,000	21,941	100%	22,000	22,000	59
Transfers	350,000	350,000	100%	1,400,000	1,400,000	100%	1,400,000	1,400,000	0
Contingency							607,357		
Total expenditures	\$ 1,133,925	\$ 1,061,856	94%	\$ 4,535,700	\$ 3,731,283	82%	\$ 5,143,057	\$ 3,816,200	\$ 84,917
Revenue over (under) expenditures	(208,425)	(167,634)	-10%	(833,700)	2,110,874	122%	(1,441,057)	2,162,000	(51,126)
Other resources/(requirements)									
Debt service reserve	470,200	-	-	470,200	-	-	470,200	-	
Beginning fund balance	1,911,257	1,732,001	91%	1,911,257	1,732,001	91%	1,911,257	1,732,001	
Ending fund balance	\$ 1,702,832	\$ 1,564,367	92%	\$ 1,077,557	\$ 3,842,875	357%	\$ -	\$ 3,894,001	\$ 3,842,875

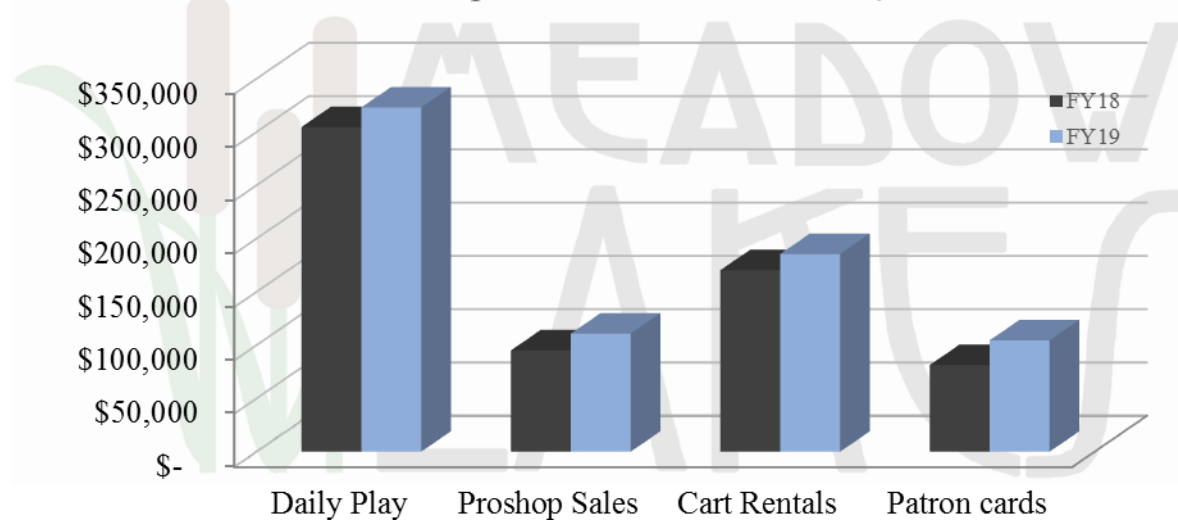
Note: A budget adjustment was done per resolution NO. 1399 to allow for additional dollars in personnel services and materials and services.

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 lease revenue (starting February 2019), and an operating payment from the City’s Wastewater Fund for treatment.

Overall Revenue collection at yearend is at approximately 89 percent of the annual budget or \$1.42 million. Fourth quarter revenue collection for the golf course is at roughly 159 percent of the quarter budget. This made up for the third quarter slowdown from the large snow storm that closed the course for 24 days in February and 18 days in March. Golf revenue is at roughly \$783,800 or 102 percent of the annual budget at yearend, which is up over the prior year by approximately \$81,600 or 12 percent. The restaurant was leased in February 2019 so charge for service revenues only go through January 31st and then starting in February lease revenue is being collected monthly. Below is a comparison to the prior year of the significant operating revenue sources for golf which shows all categories are up over the prior year.

Golf Revenue Comparison to Prior Year at Quarter End

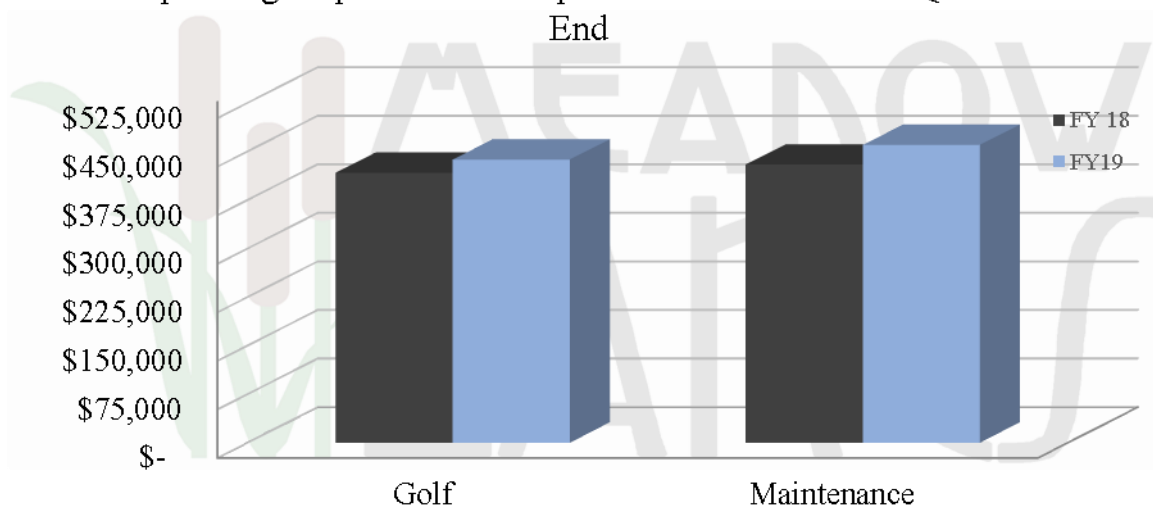


Overall expenditures through the fourth quarter came in at roughly \$1.36 million or 86 percent of the annual budget. Overall expenditures for the golf course are roughly \$467,100 or 95 percent at yearend. Overall expenditures for maintenance at yearend are roughly \$460,000 or 97 percent of the annual budget. A budget adjustment was done prior to yearend to cover costs in the pro shop related to merchandise needs, in personnel for lesson sales coming in higher than anticipated and in maintenance to cover costs associated with equipment repair and personnel expense.

Restaurant operating expenses stop as of January 31st but lease contract specific expenditures continue. On the next page is a comparison of operating expenditures to the prior year at quarter end by department.

Golf Course and Restaurant Fund – Continued

Operating Expenditure Comparison to Prior Year at Quarter End



Fund balance increased roughly \$56,000 or 13 percent through the fourth quarter.

Revenue	Current Quarter			Year to Date			Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual	Quarter Budget %	Budget	Actual	Annual Budget %			
Charges for services									
Golf Course	\$ 191,375	\$ 304,128	159%	\$ 765,500	\$ 783,805	102%	\$ 765,500	\$ 739,500	\$ 44,305
Waste disposal	92,500	92,500	100%	370,000	370,000	100%	370,000	370,000	(0)
Restaurant	110,250	6,144	6%	441,000	245,549	56%	441,000	236,700	8,849
Other	1,250	1,308	105%	5,000	4,534	91%	5,000	4,500	34
Interest	875	3,553	406%	3,500	12,075	345%	3,500	11,000	1,075
Miscellaneous	625	1,512	242%	2,500	4,379	175%	2,500	13,200	(8,821)
Total revenue	\$ 396,875	\$ 409,145	103%	\$ 1,587,500	\$ 1,420,342	89%	\$ 1,587,500	\$ 1,374,900	\$ 45,442
Expenditures									
Golf Course	122,500	104,726	85%	490,000	467,082	95%	490,000	446,300	(20,782)
Waste disposal	118,750	124,231	105%	475,000	459,997	97%	475,000	443,900	(16,097)
Restaurant	136,375	15,020	11%	545,500	354,499	65%	545,500	344,900	(9,599)
Debt service									
Principal - note payable	6,300	6,360	101%	25,200	25,200	100%	25,200	25,200	0
Interest - note payable	675	598	89%	2,700	2,634	98%	2,700	2,700	67
Principal - 2011 bond	10,000	40,000	400%	40,000	40,000	100%	40,000	40,000	-
Interest - 2011 bond	3,750	5,259	140%	15,000	14,961	100%	15,000	15,000	39
Contingency							410,831		
Total expenditures	\$ 398,350	\$ 296,195	74%	\$ 1,593,400	\$ 1,364,373	86%	\$ 2,004,231	\$ 1,318,000	\$ (46,373)
Revenue over (under) expenditures	(1,475)	112,951	26%	(5,900)	55,969	13%	(416,731)	56,900	(931)
Beginning fund balance	416,731	426,395	102%	416,731	426,395	102%	416,731	426,395	
Ending fund balance	\$ 415,256	\$ 539,346	130%	\$ 410,831	\$ 482,364	117%	\$ -	\$ 483,295	\$ 482,364

Note: A budget adjustment was done per resolution NO. 1399 to cover costs in the pro shop related to merchandise needs, in personnel for lesson sales coming in higher than anticipated and in maintenance to cover costs associated with equipment repair and personnel expense.

Administration and Financial Support Services Fund

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

Overall revenue collection through the fourth quarter came in at approximately \$2.62 million or 97 percent of the annual budget. During the fourth quarter the IT department received approximately \$96,000 in reimbursements for 911 user equipment. Yearend adjustments are still in process. The SDC admin fee for the second half of the fiscal year is in process of being reconciled and calculated.

Overall expenditures for the yearend are at roughly 91 percent of the annual budget or \$2.90 million. During the fourth quarter there were roughly \$78,100 in 911 equipment expenditures in the IT department for the new jail and approximately \$68,000 for the Codon Trunked Radio System. A supplemental budget was adopted during the second quarter 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. Another supplemental was adopted prior to yearend in IT for needed 911 equipment and software maintenance agreements.

Fund balance decreased approximately \$275,000 or -57 percent through the fourth quarter.

Revenue	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Difference
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Favorable/ (Unfavorable)
Charges for services	\$ 701,250	\$ 620,118	88%	\$ 2,700,000	\$ 2,608,977	97%	\$ 2,805,000	\$ 2,727,100	\$ (118,123)
Interest	1,250	3,071	246%	5,000	12,595	252%	5,000	10,000	2,595
Total revenue	\$ 702,500	\$ 623,189	89%	\$ 2,705,000	\$ 2,621,572	97%	\$ 2,810,000	\$ 2,737,100	\$ (115,528)
Expenditures									
City Council	22,050	16,378	74%	88,200	75,806	86%	88,200	87,000	11,194
Administration/team services	214,775	173,414	81%	859,100	800,391	93%	859,100	798,800	(1,591)
Financial services	322,350	245,446	76%	1,289,400	1,087,593	84%	1,289,400	1,082,000	(5,593)
Information technology	233,275	328,488	141%	933,100	932,626	100%	933,100	798,100	(134,526)
Contingency							140,055		
Total expenditures	\$ 792,450	\$ 763,726	96%	\$ 3,169,800	\$ 2,896,415	91%	\$ 3,309,855	\$ 2,765,900	\$ (130,515)
Revenue over (under) expenditures	(89,950)	(140,537)	-29%	(464,800)	(274,844)	-57%	(499,855)	(28,800)	(246,044)
Beginning fund balance	499,855	481,714	96%	499,855	481,714	96%	499,855	481,714	
Ending fund balance	\$ 409,905	\$ 341,177	83%	\$ 35,055	\$ 206,870	590%	\$ -	\$ 452,914	\$ 206,870

Note: Supplemental budget adopted per resolution NO. 1379 and resolution NO. 1398 to adjust Administration/team services in materials and services, to increase Financial services transfers to include additional dollars to the POB/PERS fund and additional dollars for audit expense and accrued liabilities in personnel services. IT was adjusted to include the acquisition of time management software and technology for the 911 user agency's.

June 30th, 2019

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, grants and activities.

Overall revenues through the fourth quarter are at approximately \$5.37 million or 99 percent of the annual budget. During the fourth quarter, intergovernmental revenues were received in the amount of roughly \$59,000 for the community development block grant for the senior center and \$50,000 was from Parks and Recreation for the community wide master plan.

Overall expenditures at yearend are roughly \$2.49 million or 48 percent of the annual budget. During the fourth quarter, a new police facility building was purchased and design work for the remodel is set to begin. In the CDBG – Senior Center department, fourth quarter expenditures are all associated with the administration of the grant and the beginning stages of the senior centers rehabilitation. During the fourth quarter the City went out to bid for the construction of the senior center remodel but only received one bid that was significantly higher than the grant amount. The City is in process of requesting a second CDBG to get the project completed. A supplemental budget was done prior to yearend for the CDBG. The public works facilities department is at roughly 79 percent of the annual budget with expenses for roof repairs coming in at \$6,500 during the fourth quarter. The Barnes Butte property is part of the community wide master plan that is currently in process to be developed in collaboration with Parks and Recreation. During the fourth quarter, expenses for this project started to come in. Between the City and Parks and Rec., two grants have been awarded totaling roughly \$130,000 to help fund the community wide master plan.

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 included in the Barnes Butte property the expenditure of the State Parks grant. A second supplemental budget was adopted prior to yearend to allow for unanticipated roof repairs in the Public Works Facility department and for the CDBG – SR. Center project.

Fund balance increased roughly \$2.88 million at yearend.

Building Facilities Fund - Continued



The new Police Facility building (pictured above) that was purchased 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				
Rent	\$ 51,225	\$ 51,225	100%	\$ 204,900	\$ 204,900	100%	\$ 204,900	\$ 204,900	\$ -
Interest	625	23,497	3760%	2,500	73,512	2940%	2,500	70,000	3,512
Misc. Income	1,625	3,107	191%	6,500	14,264	219%	6,500	13,000	1,264
Debt Proceeds	1,000,000	-	-	4,000,000	4,000,000	100%	4,000,000	4,000,000	-
Intergovernmental	71,250	109,044	153%	285,000	185,898	65%	285,000	292,300	(106,402)
Transfers	232,575	421,525	181%	930,300	890,500	96%	930,300	890,500	0
Total revenue	\$ 1,357,300	\$ 608,399	45%	\$ 5,429,200	\$ 5,369,074	99%	\$ 5,429,200	\$ 5,470,700	\$ (101,626)
Expenditures									
City Hall Facilities	53,475	100,497	188%	213,900	171,994	80%	213,900	203,100	31,106
Police Facilities	1,102,225	1,867,497	169%	4,408,900	2,063,485	47%	4,408,900	2,254,100	190,615
CDBG - Sr. Center	61,250	40,858	67%	245,000	135,900	55%	245,000	243,800	107,900
Public Works Facilities	10,625	10,081	95%	42,500	33,373	79%	42,500	39,500	6,127
Barnes Butte Facilities	67,825	24,449	36%	271,300	86,197	32%	271,300	104,300	18,103
Contingency							344,058		
Total expenditures	\$ 1,295,400	\$ 2,043,381	158%	\$ 5,181,600	\$ 2,490,949	48%	\$ 5,525,658	\$ 2,844,800	\$ 353,851
Revenue over (under) expenditures	61,900	(1,434,982)	-584%	247,600	2,878,124	1172%	(96,458)	2,625,900	252,224
Other requirements									
Debt service reserve	112,900	-	-	112,900	-	-	112,900	-	-
Beginning fund balance	209,358	245,508	117%	209,358	245,508	117%	209,358	245,508	
Ending fund balance	\$ 271,258	\$ (1,189,474)	-439%	\$ 456,958	\$ 3,123,632	684%	\$ -	\$ 2,871,408	\$ 3,123,632

Note: Supplemental budget adopted per resolution NO. 1379 for the acquisition of the new public safety building in the Police Facility department and to include the State park grant in the Barnes Butte department. Supplemental budget adopted per resolution NO. 1398 to allow for unanticipated roof repairs in the PW Facility department and for the CDBG - SR. Center project.

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 at yearend with the newest intergovernmental agreement stipulating lower match funds so that the fund balance stays under \$50,000. Fourth quarter expenses are for contracted plaza grounds keeping.

Ending fund balance decreased through the fourth quarter approximately \$4,400 or -11 percent.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Difference Favorable/ (Unfavorable)
	Budget	Actual		Budget	Actual				
Intergovernmental	\$ 2,500	\$ -	-	\$ 10,000	\$ 4,242	42%	\$ 10,000	\$ 4,200	\$ 42
Interest	100	257	257%	400	1,021	255%	400	1,000	21
Misc. Income	-	-	-	-	920	-	-	900	20
Transfers	2,500	-	-	10,000	4,242	42%	10,000	4,200	42
Total revenue	\$ 5,100	\$ 257	5%	\$ 20,400	\$ 10,424	51%	\$ 20,400	\$ 10,300	\$ 124
Expenditures									
Materials and services	3,775	1,867	49%	15,100	11,163	74%	15,100	11,800	637
Transfers	925	3,700	400%	3,700	3,700	100%	3,700	3,700	-
Contingency							41,505		-
Total expenditures	\$ 4,700	\$ 5,567	118%	\$ 18,800	\$ 14,863	79%	\$ 60,305	\$ 15,500	\$ 637
Revenue over (under) expenditures	400	(5,310)	-13%	1,600	(4,440)	-11%	(39,905)	(5,200)	760
Beginning fund balance	39,905	41,518	104%	39,905	41,518	104%	39,905	41,518	
Ending fund balance	\$ 40,305	\$ 36,208	90%	\$ 41,505	\$ 37,078	89%	\$ -	\$ 36,318	\$ 37,078

Note: A budget adjustment was done per resolution NO. 1399 to cover unanticipated costs related to snow removal in the plaza.

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 at roughly 86 percent of the annual budget. Charges for services associated with engineering fees are transferred as part of the yearend process for the capital projects in the SDC funds and are still in process of being calculated.

Expenditures for public works support services are at \$1.57 million or 97 percent of annual budget at yearend. Fourth quarter expenditures for fleet and vehicles is at roughly 99 percent of the annual budget. A budget adjustment was done prior to yearend in Public Works Support largely to allow for an adjustment in accrued absences and in Public Works vehicles due to the budgeted used road grader coming in slightly over what was originally anticipated.

Fund balance decreased roughly \$318,300 or -119 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	\$ 459,575	\$ 399,575	87%	\$ 1,838,300	\$ 1,598,300	87%	\$ 1,838,300	\$ 1,828,300	\$ (230,000)
Interest	750	758	101%	3,000	3,933	131%	3,000	3,000	933
Miscellaneous	6,125	-	-	24,500	763	3%	24,500	24,500	(23,737)
Total revenue	\$ 466,450	\$ 400,333	86%	\$ 1,865,800	\$ 1,602,996	86%	\$ 1,865,800	\$ 1,855,800	\$ (252,804)
Expenditures									
Public Works Support Services	403,725	419,919	104%	1,614,900	1,570,493	97%	1,614,900	1,599,400	28,907
Public Works Fleet & Vehicles	88,875	45,499	51%	355,500	350,826	99%	355,500	348,500	(2,326)
Contingency							170,275		
Total expenditures	\$ 492,600	\$ 465,418	94%	\$ 1,970,400	\$ 1,921,319	98%	\$ 2,140,675	\$ 1,947,900	\$ 26,581
Revenue over (under) expenditures	(26,150)	(65,085)	-24%	(104,600)	(318,323)	-119%	(274,875)	(92,100)	(226,223)
Beginning fund balance	274,875	267,033	97%	274,875	267,033	97%	274,875	267,033	
Ending fund balance	\$ 248,725	\$ 201,948	81%	\$ 170,275	\$ (51,290)	-	\$ -	\$ 174,933	\$ (51,290)

Note: A budget adjustment was done per resolution NO. 1399 to cover unanticipated costs of roughly \$80k in PW Support Services department and Fleet department for personnel services, materials and services, for events and accruals not originally anticipated in the budget.