



*City of Prineville, Oregon  
Financial Report  
Second Quarter Ended December 31, 2016*



## *Executive Summary*

Through the second quarter ending December 31<sup>st</sup>, 2016 the City's financial condition decreased by approximately -5% or \$465,000. City funds with decreases in fund balances are largely due to capital improvements and the timing in which funding is received and scheduled debt service payments. Fund's that had significant negative impacts to the City's financial condition included Transportation, Transportation SDC, Wastewater SDC, Airport, Golf Course and Public Works Support Services. Fund's that have significant positive impacts to the City's financial condition included General Fund, Water SDC, LID Debt Service, and the PERS / POB Fund.

Through the second quarter, General Fund revenues came in at approximately 59% of the annual budget or \$3.23 million. Year to date property tax revenue is roughly \$1.8 million or 94% of the annual budget which is an increase of roughly \$190,000 over prior year's quarter end. Transient lodging taxes are up over prior year at roughly \$211,700 compared to \$172,500 last year. Franchise fees are at roughly 52% of the annual budget and collection increased approximately \$247,800 over last year same time frame, largely due to increased revenue in electrical franchise fees. Electrical franchise fees have continued on their upward trend and are up by approximately \$256,000 over second quarter prior year due to the continued build out of data centers. During the second quarter the Iron Horse property acquisition took place. The General Funds ending balance increased approximately \$333,000 through the second quarter.

The Transportation Fund's ending balance shows a decrease of approximately \$112,000 or -42% through the second quarter. Expenditures for budgeted capital projects in the first half of FY 17 are the significant reason for the decrease in fund balance. This fund is as anticipated.

Local development has positively affected the SDC funds. During the second quarter there were seven housing starts plus three duplexes. The Wastewater SDC and Transportation SDC funds both have capital improvements budgeted for FY 17 which have contributed to the decreases in their fund balance. The Crooked River Wetland project is anticipating scheduling its grand opening during the fourth quarter.

The LID Debt Service fund balance increased roughly \$1.2 million through the second quarter due to Brooks Resources paying off the Iron Horse assessment that was outstanding. Revenue will be applied to pay off the outstanding debt at Bank of the Cascades.

The Railroad Fund has seen an increase to fund balance of approximately \$69,000 through the second quarter. Rail activity and car storage has been on an upward trend over the last several quarters. Also contributing to the increase in fund balance is the selling of tax credits in the second quarter.

Airport fund balance shows a decrease of approximately \$526,600 largely due to capital projects and the timing in which grant dollars are received. Capital expenditures during the second quarter are for the expansion of the tie-down/run up apron and beacon replacement project. This project is considered phase one of an FAA funded project. Fuel inventory is approximately \$42,300 at quarter end and the airport is operating as anticipated.

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Meadow Lakes Golf shows a decrease in fund balance of roughly \$85,000 or -23%. Overall revenues are down slightly in comparison to the prior year at quarter end. The December snow events have been a factor in the slight decrease in revenues in comparison to the prior year. Expenditures are also down compared to the prior year and management continues to monitor them closely.

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

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

Sincerely,

Steve Forrester  
City Manager

Liz Schuette,  
Finance Director

Lori Hooper,  
Accounting Supervisor

*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	\$ 871,859	\$ 963,852	\$ 3,225,969	\$ 2,893,336	\$ 1,296,485	\$ 332,633	35%
Transportation	205,281	267,186	682,034	794,004	155,216	(111,970)	-42%
Emergency Dispatch	316,697	339,206	547,367	591,682	294,891	(44,315)	-13%
Planning	58,380	78,021	196,930	191,262	83,689	5,668	7%
Transportation SDC	459,094	496,755	126,922	250,000	373,677	(123,078)	-25%
Water SDC	10,592	70,107	63,328	-	133,435	63,328	90%
Wastewater SDC	115,207	365,822	2,479,403	3,330,746	(485,521)	(851,343)	-233%
LID Debt Service	101,475	101,666	1,270,523	74,957	1,297,232	1,195,566	1176%
PERS/ POB	185,342	252,680	283,425	66,567	469,539	216,859	86%
Railroad	784,649	902,565	645,015	576,024	971,556	68,991	8%
Airport	37,449	61,663	1,173,484	1,699,436	(464,289)	(525,952)	-853%
Water	1,524,941	1,884,514	1,420,781	1,777,623	1,527,673	(356,841)	-19%
Wastewater	1,554,950	1,657,741	1,707,625	1,805,093	1,560,273	(97,468)	-6%
Golf Course and Restaurant	330,462	373,308	740,467	825,434	288,341	(84,967)	-23%
Administration and Financial Services	324,600	415,879	1,044,094	1,096,211	363,762	(52,117)	-13%
Public Works Support Services	348,934	323,665	714,784	805,380	233,069	(90,596)	-28%
Building Facilities	169,999	177,067	181,082	188,042	170,107	(6,960)	-4%
Plaza Maintenance	15,916	29,052	88	2,802	26,339	(2,713)	-9%
Totals	\$ 7,415,827	\$ 8,760,749	\$ 16,503,322	\$ 16,968,598	\$ 8,295,473	\$ (465,276)	-5%

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**General Fund**

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

Overall revenue collection for the second quarter is at approximately \$2.47 million with roughly \$1.77 million coming from property taxes. Year to date property tax revenue is roughly \$1.8 million or 94% of the annual budget through the second quarter compared to approximately \$1.6 million last year at quarter end. Transient lodging taxes are up over prior year at roughly \$211,700 compared to \$172,500 last year. Franchise fees are at roughly 52% of the annual budget and collection increased approximately \$247,800 over last year same time frame, largely due to increased revenue in electrical franchise fees. Electrical franchise fees are up by approximately \$256,000 over second quarter prior year due to the continued build out of data centers.

Police spending through the second quarter was at approximately 50% of the annual budget. Personnel services for the police department are at roughly 51% of annual budget with overtime at roughly 72% of the annual budget. Non-departmental is at 63% of the annual budget with the acquisition of the Iron Horse property taking place in the second quarter.

Overall, the General Fund realized an increase in fund balance of approximately 35% or \$333,000 through the second quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Property taxes	\$ 480,000	\$ 1,768,005	368%	\$ 960,000	\$ 1,799,025	94%	\$ 1,920,000
Transient lodging tax	75,000	80,243	107%	150,000	211,730	71%	300,000
Franchise fees	479,750	462,297	96%	959,500	1,001,166	52%	1,919,000
Licenses and permits	2,675	822	31%	5,350	4,072	38%	10,700
Intergovernmental revenues	58,250	36,552	63%	116,500	80,454	35%	233,000
Charges for services	25	-	-	50	-	-	100
Interest	1,000	2,420	242%	2,000	3,073	77%	4,000
Miscellaneous	72,925	116,188	159%	145,850	126,450	43%	291,700
Transfers	25,000	-	-	50,000	-	-	100,000
Debt Proceeds	175,000	-	-	350,000	-	-	700,000
<b>Total revenue</b>	<b>\$ 1,369,625</b>	<b>\$ 2,466,526</b>	<b>180%</b>	<b>\$ 2,739,250</b>	<b>\$ 3,225,969</b>	<b>59%</b>	<b>\$ 5,478,500</b>
<b>Expenditures</b>							
Police	\$ 927,725	\$ 904,038	97%	\$ 1,855,450	\$ 1,854,889	50%	\$ 3,710,900
Non-departmental	415,250	858,878	207%	830,500	1,038,447	63%	1,661,000
Contingency							978,459
<b>Total expenditures</b>	<b>\$ 1,342,975</b>	<b>\$ 1,762,916</b>	<b>131%</b>	<b>\$ 2,685,950</b>	<b>\$ 2,893,336</b>	<b>46%</b>	<b>\$ 6,350,359</b>
<b>Revenue over (under) expenditures</b>	<b>26,650</b>	<b>703,611</b>	<b>73%</b>	<b>53,300</b>	<b>332,633</b>	<b>35%</b>	<b>(871,859)</b>
<b>Beginning fund balance</b>	<b>871,859</b>	<b>963,852</b>	<b>111%</b>	<b>871,859</b>	<b>963,852</b>	<b>111%</b>	<b>871,859</b>
<b>Ending fund balance</b>	<b>\$ 898,509</b>	<b>\$ 1,667,463</b>	<b>186%</b>	<b>\$ 925,159</b>	<b>\$ 1,296,485</b>	<b>140%</b>	<b>\$ -</b>

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**Transportation Fund**

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

Second quarter revenue, for the Transportation Fund, came in at approximately 57% of the annual budget. Intergovernmental revenue collection is at 60% of the annual budget. The State of Oregon gas tax came in at approximately \$314,000 through the second quarter which is an increase from the prior year second quarter end of roughly \$32,000.

Second quarter expenditures are roughly 56% of annual budget. Capital expenditures through the second quarter totaled approximately \$402,000 with the completion of the Lynn Blvd and Knowledge crosswalk work and 2016 grind and inlay project during the first quarter and the second quarter work of 2016 fall crack sealing and 3<sup>rd</sup> street curb and asphalt paving. Personnel services are at approximately 55% of the annual budget with overtime at roughly 80% of the budget due to the extra hours required for snow plowing during December.

The capital projects completed during the first and second quarter contributed to the overall decrease in fund balance through the second quarter of approximately \$112,000 or -42%.

	Current Quarter		Quarter	Year to Date		Annual	Annual
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
<b>Revenue</b>							
Franchise fees	\$ 69,250	\$ 69,250	100%	\$ 138,500	\$ 138,500	50%	\$ 277,000
Intergovernmental	205,000	281,949	138%	410,000	488,064	60%	820,000
Transfers	25,000	25,000	100%	50,000	50,000	50%	100,000
Interest	300	581	194%	600	996	83%	1,200
Miscellaneous	2,125	2,999	141%	4,250	4,474	53%	8,500
<b>Total revenue</b>	<b>\$ 301,675</b>	<b>\$ 379,779</b>	<b>126%</b>	<b>\$ 603,350</b>	<b>\$ 682,034</b>	<b>57%</b>	<b>\$ 1,206,700</b>
<b>Expenditures</b>							
Personnel services	\$ 54,350	\$ 62,124	114%	\$ 108,700	\$ 118,752	55%	\$ 217,400
Material & services	51,600	34,672	67%	103,200	72,766	35%	206,400
Capital outlay							
Improvements	102,600	138,510	135%	205,200	401,737	98%	410,400
Transfers	100,375	100,375	100%	200,750	200,750	50%	401,500
Contingency							176,281
<b>Total expenditures</b>	<b>\$ 308,925</b>	<b>\$ 335,681</b>	<b>109%</b>	<b>\$ 617,850</b>	<b>\$ 794,004</b>	<b>56%</b>	<b>\$ 1,411,981</b>
<b>Revenue over (under) expenditures</b>	<b>(7,250)</b>	<b>44,098</b>	<b>17%</b>	<b>(14,500)</b>	<b>(111,970)</b>	<b>-42%</b>	<b>(205,281)</b>
<b>Beginning fund balance</b>	<b>205,281</b>	<b>267,186</b>	<b>130%</b>	<b>205,281</b>	<b>267,186</b>	<b>130%</b>	<b>205,281</b>
<b>Ending fund balance</b>	<b>\$ 198,031</b>	<b>\$ 311,284</b>	<b>157%</b>	<b>\$ 190,781</b>	<b>\$ 155,216</b>	<b>81%</b>	<b>\$ -</b>

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***Emergency Dispatch Fund***

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

Revenue collection for the Emergency Dispatch Fund was approximately \$547,000 or 45% of the annual budget. Second quarter revenue collection came in at roughly 112% of the quarter budget. Intergovernmental revenue came in at 121% of the quarter budget with roughly \$134,000 coming from Crook County.

Expenditures are approximately \$592,000 or 38% of the annual budget. Personnel services are at 44% of the annual budget with overtime at approximately 203% of the annual budget due to being understaffed. Dispatcher positions are currently looking to be filled.

The Emergency Dispatch Fund decreased its fund balance by roughly \$44,000 or -13% through the second quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Intergovernmental	\$ 173,325	\$ 209,546	121%	\$ 346,650	\$ 285,658	41%	\$ 693,300
Charges for services	875	-	-	1,750	-	-	3,500
Interest	500	690	138%	1,000	1,009	50%	2,000
Transfers from other funds	130,350	130,350	100%	260,700	260,700	50%	521,400
<b>Total revenue</b>	<b>\$ 305,050</b>	<b>\$ 340,586</b>	<b>112%</b>	<b>\$ 610,100</b>	<b>\$ 547,367</b>	<b>45%</b>	<b>\$ 1,220,200</b>
<b>Expenditures</b>							
Personnel services	\$ 231,500	\$ 219,812	95%	\$ 463,000	\$ 407,483	44%	\$ 926,000
Material & services	45,625	57,717	127%	91,250	99,749	55%	182,500
Capital outlay							
Equipment	7,500	-	-	15,000	-	-	30,000
Transfers	42,225	42,225	100%	84,450	84,450	50%	168,900
Contingency							229,497
<b>Total expenditures</b>	<b>\$ 326,850</b>	<b>\$ 319,754</b>	<b>98%</b>	<b>\$ 653,700</b>	<b>\$ 591,682</b>	<b>38%</b>	<b>\$ 1,536,897</b>
<b>Revenue over (under) expenditures</b>	<b>(21,800)</b>	<b>20,832</b>	<b>6%</b>	<b>(43,600)</b>	<b>(44,315)</b>	<b>-13%</b>	<b>(316,697)</b>
<b>Beginning fund balance</b>	<b>316,697</b>	<b>339,206</b>	<b>107%</b>	<b>316,697</b>	<b>339,206</b>	<b>107%</b>	<b>316,697</b>
<b>Ending fund balance</b>	<b>\$ 294,897</b>	<b>\$ 360,038</b>	<b>122%</b>	<b>\$ 273,097</b>	<b>\$ 294,891</b>	<b>108%</b>	<b>\$ -</b>

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***Planning Fund***

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

Second quarter revenue collection came in at approximately \$99,000 or 99% of the quarter budget. Revenue collection through the second quarter for licenses and permits is at approximately \$34,000 with roughly \$17,500 coming in the second quarter. Prior year collection was at approximately \$33,000 at second quarter end.

Expenditures incurred during the second quarter came in at approximately \$98,000 or 101% of the quarter budget with overall expenditures at roughly 42% of the annual budget.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Licenses & Permits	\$ 10,000	\$ 17,538	175%	\$ 20,000	\$ 33,871	85%	\$ 40,000
Intergovernmental	1,325	-	-	2,650	-	-	5,300
Charges for services	9,725	2,422	25%	19,450	5,221	13%	38,900
Interest	100	246	246%	200	339	85%	400
Transfers from other funds	78,750	78,750	100%	157,500	157,500	50%	315,000
<b>Total revenue</b>	<b>\$ 99,900</b>	<b>\$ 98,956</b>	<b>99%</b>	<b>\$ 199,800</b>	<b>\$ 196,930</b>	<b>49%</b>	<b>\$ 399,600</b>
Personnel services	\$ 60,500	\$ 59,641	99%	\$ 121,000	\$ 119,124	49%	\$ 242,000
Material & services	6,950	8,422	121%	13,900	12,888	46%	27,800
Transfers	29,625	29,625	100%	59,250	59,250	50%	118,500
Contingency							69,680
<b>Total expenditures</b>	<b>\$ 97,075</b>	<b>\$ 97,687</b>	<b>101%</b>	<b>\$ 194,150</b>	<b>\$ 191,262</b>	<b>42%</b>	<b>\$ 457,980</b>
<b>Revenue over (under) expenditures</b>	<b>2,825</b>	<b>1,269</b>	<b>2%</b>	<b>5,650</b>	<b>5,668</b>	<b>7%</b>	<b>(58,380)</b>
<b>Beginning fund balance</b>	<b>58,380</b>	<b>78,021</b>	<b>134%</b>	<b>58,380</b>	<b>78,021</b>	<b>134%</b>	<b>58,380</b>
<b>Ending fund balance</b>	<b>\$ 61,205</b>	<b>\$ 79,290</b>	<b>130%</b>	<b>\$ 64,030</b>	<b>\$ 83,689</b>	<b>131%</b>	<b>\$ -</b>

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**Transportation SDC Fund**

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

Revenue collection through the second quarter for the Transportation SDC Fund is at approximately 36% of the annual budget. Second quarter SDC collection came in at roughly \$44,000 with \$125,000 total collection through second quarter end which is approximately 36% of the annual budget. Local development continued in the second quarter positively affecting the SDC funds.

Capital dollars were expended to acquire the right of way for the future extensions of NE Combs Flat Rd and NE Peters Rd which was connected to the purchase of the Iron Horse property which took place during the second quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Interest	\$ 500	1,458	292%	\$ 1,000	\$ 2,036	102%	\$ 2,000
System development charges	87,500	43,755	50%	175,000	124,887	36%	350,000
<b>Total revenue</b>	<b>\$ 88,000</b>	<b>\$ 45,213</b>	<b>51%</b>	<b>\$ 176,000</b>	<b>\$ 126,922</b>	<b>36%</b>	<b>\$ 352,000</b>
<b>Expenditures</b>							
Capital outlay							
Improvements	\$ 62,500	250,000	400%	\$ 125,000	\$ 250,000	100%	\$ 250,000
Transfers	4,375	-	-	8,750	-	-	17,500
Contingency							543,594
<b>Total expenditures</b>	<b>\$ 66,875</b>	<b>\$ 250,000</b>	<b>374%</b>	<b>\$ 133,750</b>	<b>\$ 250,000</b>	<b>31%</b>	<b>\$ 811,094</b>
<b>Revenue over (under) expenditures</b>	<b>21,125</b>	<b>(204,787)</b>	<b>-41%</b>	<b>42,250</b>	<b>(123,078)</b>	<b>-25%</b>	<b>(459,094)</b>
<b>Beginning fund balance</b>	<b>459,094</b>	<b>496,755</b>	<b>108%</b>	<b>459,094</b>	<b>496,755</b>	<b>108%</b>	<b>459,094</b>
<b>Ending fund balance</b>	<b>\$ 480,219</b>	<b>\$ 291,968</b>	<b>61%</b>	<b>\$ 501,344</b>	<b>\$ 373,677</b>	<b>75%</b>	<b>\$ -</b>



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**Water SDC Fund**

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

Overall second quarter revenue came in at approximately \$35,000 or 70% of the quarterly budget which was mostly system development charges collected during the second quarter. Local development continued in the second quarter positively affecting the SDC funds. There were 7 housing starts and 3 duplex starts during the second quarter.

There are no expenditures that have been charged to this fund through the second quarter and no capital projects budgeted in this fund for FY17.

	Current Quarter		Quarter	Year to Date		Annual	Annual
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
<b>Revenue</b>							
Interest	\$ 150	\$ 289	193%	\$ 300	375	62%	\$ 600
System development charges	50,000	34,636	69%	100,000	62,953	31%	200,000
<b>Total revenue</b>	<b>\$ 50,150</b>	<b>\$ 34,925</b>	<b>70%</b>	<b>\$ 100,300</b>	<b>\$ 63,328</b>	<b>32%</b>	<b>\$ 200,600</b>
<b>Expenditures</b>							
Transfers	\$ 31,000	-	-	\$ 62,000	-	-	\$ 124,000
Contingency							87,192
<b>Total expenditures</b>	<b>\$ 31,000</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 62,000</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 211,192</b>
<b>Revenue over (under) expenditures</b>	<b>19,150</b>	<b>34,925</b>	<b>50%</b>	<b>38,300</b>	<b>63,328</b>	<b>90%</b>	<b>(10,592)</b>
<b>Beginning fund balance</b>	<b>10,592</b>	<b>70,107</b>	<b>662%</b>	<b>10,592</b>	<b>70,107</b>	<b>662%</b>	<b>10,592</b>
<b>Ending fund balance</b>	<b>\$ 29,742</b>	<b>\$ 105,032</b>	<b>353%</b>	<b>\$ 48,892</b>	<b>\$ 133,435</b>	<b>273%</b>	<b>\$ -</b>

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**Wastewater SDC Fund**

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

Overall second quarter revenue collection came in at approximately 140% of the quarter budget. Roughly 1.3 million in debt proceeds coming from the United States Department of Agriculture Rural Development loan and Business Oregon Infrastructure Finance Authority loan for the continued construction of the Crooked River Wetlands project were collected during the second quarter. Approximately \$410,000 in intergovernmental grants was also collected for the wetlands project during the second quarter.

Expenditures during the second quarter totaled roughly \$2.4 million which are all associated with the Crooked River Wetlands construction. The grand opening is anticipated for the 4<sup>th</sup> quarter.

Ending fund balance through the second quarter decreased of roughly \$851,000 due to the timing in the receipts of reimbursable capital improvements.

	Current Quarter		Quarter	Year to Date		Annual	Annual
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
<b>Revenue</b>							
Interest	\$ 250	\$ 903	361%	\$ 500	\$ 2,069	207%	\$ 1,000
System development charges	87,500	48,901	56%	175,000	81,208	23%	350,000
Intergovernmental	602,500	410,483	68%	1,205,000	508,639	21%	2,410,000
Debt proceeds	562,500	1,295,794	230%	1,125,000	1,887,488	84%	2,250,000
<b>Total revenue</b>	<b>\$ 1,252,750</b>	<b>\$ 1,756,081</b>	<b>140%</b>	<b>\$ 2,505,500</b>	<b>\$ 2,479,403</b>	<b>49%</b>	<b>\$ 5,011,000</b>
<b>Expenditures</b>							
Material & services	\$ 2,500	\$ -	-	\$ 5,000	\$ -	-	\$ 10,000
Capital outlay							
Improvements	1,202,500	2,414,931	201%	2,405,000	3,330,746	69%	4,810,000
Transfers	28,625	-	-	57,250	-	-	114,500
Contingency							191,707
<b>Total expenditures</b>	<b>\$ 1,233,625</b>	<b>\$ 2,414,931</b>	<b>196%</b>	<b>\$ 2,467,250</b>	<b>\$ 3,330,746</b>	<b>65%</b>	<b>\$ 5,126,207</b>
<b>Revenue over (under) expenditures</b>	<b>19,125</b>	<b>(658,850)</b>	<b>-180%</b>	<b>38,250</b>	<b>(851,343)</b>	<b>-233%</b>	<b>(115,207)</b>
<b>Beginning fund balance</b>	<b>115,207</b>	<b>365,822</b>	<b>318%</b>	<b>115,207</b>	<b>365,822</b>	<b>318%</b>	<b>115,207</b>
<b>Ending fund balance</b>	<b>\$ 134,332</b>	<b>\$ (293,028)</b>	<b>-218%</b>	<b>\$ 153,457</b>	<b>\$ (485,521)</b>	<b>-316%</b>	<b>\$ -</b>

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**LID Debt Service Fund**

This fund accounts for the repayment of debt issued to finance property owner requested infrastructure projects. The primary revenue source is payment of assessments by benefited property owners.

During the second quarter Brooks Resources paid off the Iron Horse assessment that was outstanding at the tail end of the second quarter. This was part the agreement in the city acquiring the Iron Horse property.

The outstanding debt associated with the Iron Horse LID was paid off in beginning of the third quarter.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
<b>Revenue</b>							
Interest	\$ -	\$ 593	-	\$ -	\$ 672	-	\$ -
Transfers from other funds	300,000		-	600,000	-	-	1,200,000
Assessment repayments	-	1,188,632	-	-	1,269,851	-	-
<b>Total revenue</b>	<b>\$ 300,000</b>	<b>\$ 1,189,225</b>	<b>396%</b>	<b>\$ 600,000</b>	<b>\$ 1,270,523</b>	<b>106%</b>	<b>\$ 1,200,000</b>
<b>Expenditures</b>							
Debt service							
Principal							
Ironhorse LID - 2006	\$ 300,000	\$ -	-	\$ 600,000	\$ 41,333	3%	\$ 1,200,000
Interest							
Ironhorse LID - 2006	-	-	-	-	33,624	-	-
Contingency							101,475
<b>Total expenditures</b>	<b>\$ 300,000</b>	<b>\$ -</b>	<b>-</b>	<b>\$ 600,000</b>	<b>\$ 74,957</b>	<b>6%</b>	<b>\$ 1,301,475</b>
<b>Revenue over (under) expenditures</b>	<b>-</b>	<b>1,189,225</b>	<b>1170%</b>	<b>-</b>	<b>1,195,566</b>	<b>1176%</b>	<b>(101,475)</b>
<b>Beginning fund balance</b>	<b>101,475</b>	<b>101,666</b>	<b>100%</b>	<b>101,475</b>	<b>101,666</b>	<b>100%</b>	<b>101,475</b>
<b>Ending fund balance</b>	<b>\$ 101,475</b>	<b>\$ 1,290,891</b>	<b>1272%</b>	<b>\$ 101,475</b>	<b>\$ 1,297,232</b>	<b>1278%</b>	<b>\$ -</b>

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**PERS/ POB Fund**

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

Second quarter revenues included the PERS credit of approximately \$62,000 from the setup of the City's side account in 2014 that provides rate relief from funding the City's unfunded PERS liability.

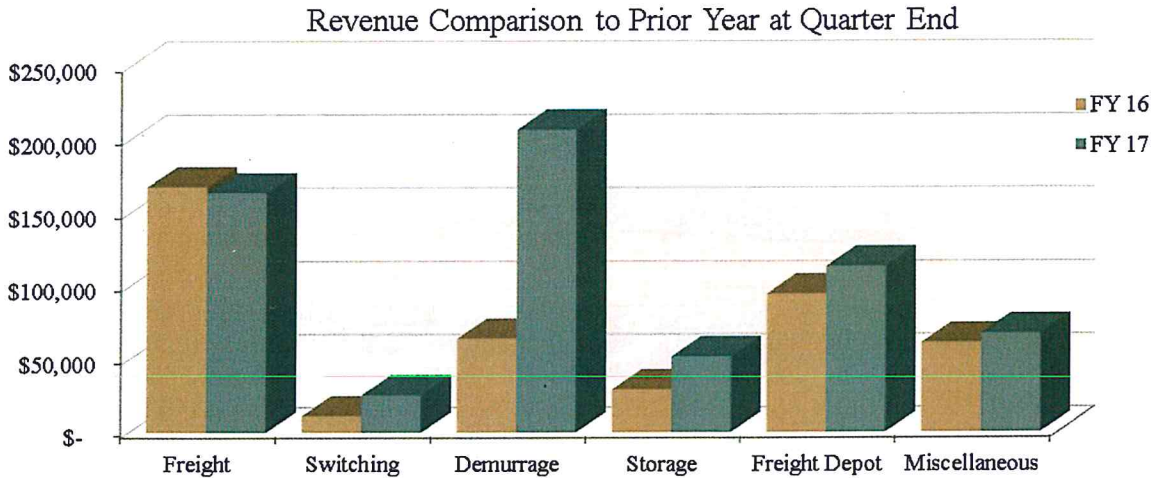
Expenditures are as anticipated with a debt service payment going out in the second quarter.

	Current Quarter			Year to Date		Annual	Annual
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget
<b>Revenue</b>							
Interest	\$ 250	\$ 1,046	418%	\$ 500	\$ 1,413	141%	\$ 1,000
Misc.	-	62,058	-	-	126,262	-	-
Transfer from other funds	78,250	77,875	100%	156,500	155,750	50%	313,000
<b>Total revenue</b>	<b>\$ 78,500</b>	<b>\$ 140,979</b>	<b>180%</b>	<b>\$ 157,000</b>	<b>\$ 283,425</b>	<b>90%</b>	<b>\$ 314,000</b>
<b>Expenditures</b>							
Debt Service							
Principal - POB 2013	\$ 31,250	-	-	\$ 62,500	\$ -	-	\$ 125,000
Interest - POB 2013	33,300	66,567	200%	66,600	66,567	50%	133,200
Contingency							241,142
<b>Total expenditures</b>	<b>\$ 64,550</b>	<b>\$ 66,567</b>	<b>103%</b>	<b>\$ 129,100</b>	<b>\$ 66,567</b>	<b>13%</b>	<b>\$ 499,342</b>
<b>Revenue over (under) expenditures</b>	<b>\$ 13,950</b>	<b>\$ 74,412</b>	<b>29%</b>	<b>\$ 27,900</b>	<b>\$ 216,859</b>	<b>86%</b>	<b>\$ (185,342)</b>
<b>Beginning fund balance</b>	<b>185,342</b>	<b>252,680</b>	<b>136%</b>	<b>185,342</b>	<b>252,680</b>	<b>136%</b>	<b>185,342</b>
<b>Ending fund balance</b>	<b>\$ 199,292</b>	<b>\$ 327,092</b>	<b>164%</b>	<b>\$ 213,242</b>	<b>\$ 469,539</b>	<b>220%</b>	<b>\$ -</b>

**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 \$339,000 or 140% of the quarter budget. Charges for services for the railroad are at approximately \$397,600 or 79% of the annual budget and freight depot charges for services are approximately \$114,000 or 51% of annual budget. Overall revenue comparisons to prior year for first and second quarter combined are up roughly \$151,000. Below is a breakdown of the funds major revenue sources compared to prior year collection at second quarter end.



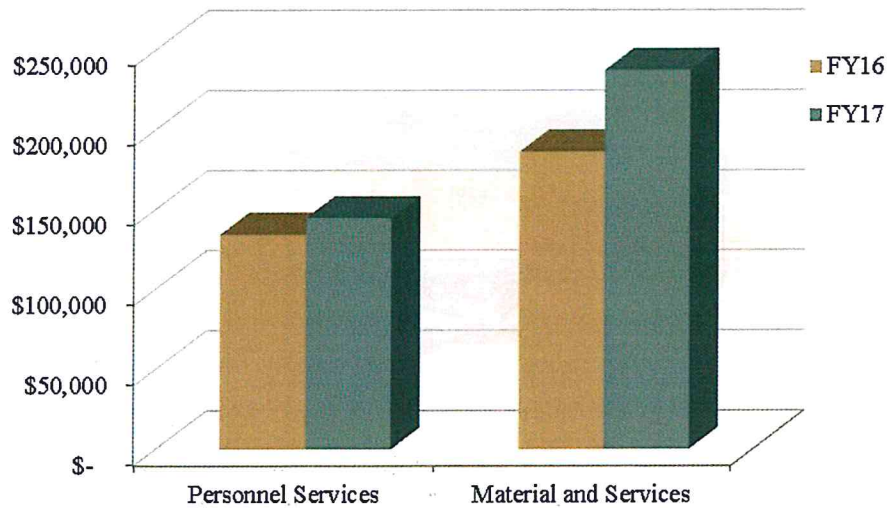
Overall expenditures through the second quarter are at approximately \$576,000 or 33% of the annual budget. Capital expenditures for equipment and deferred maintenance are currently at \$99,000 and will require a budget adjustment before year end. Personnel services are at roughly \$144,000 or 39% of the annual budget. Prior year comparisons show personnel services and materials and services up at quarter end which is expected with the increase in rail services.

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Expenditure Comparison to Prior Year at Quarter End



Through the second quarter the ending fund balance is at approximately \$970,000, an increase of roughly \$69,000 or 8%.

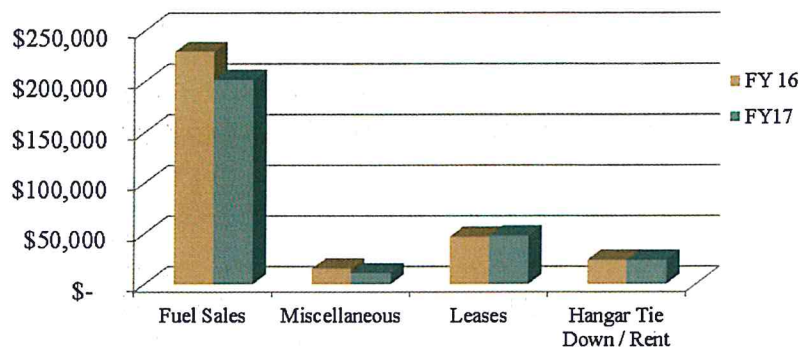
	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
<b>Revenue</b>							
Charges for services							
Railroad	\$ 125,375	\$ 198,686	158%	\$ 250,750	\$ 397,569	79%	\$ 501,500
Freight Depot	55,500	60,279	109%	111,000	113,832	51%	222,000
Use of money & property	33,925	33,759	100%	67,850	65,882	49%	135,700
Miscellaneous	15,350	46,013	300%	30,700	67,731	110%	61,400
Transfers	12,625	-	-	25,250	-	-	50,500
<b>Total revenue</b>	<b>\$ 242,775</b>	<b>\$ 338,737</b>	<b>140%</b>	<b>\$ 485,550</b>	<b>\$ 645,015</b>	<b>66%</b>	<b>\$ 971,100</b>
<b>Expenditures</b>							
Personnel services	\$ 93,475	\$ 71,125	76%	\$ 186,950	\$ 144,360	39%	\$ 373,900
Material and services	96,525	83,713	87%	193,050	236,760	61%	386,100
Capital outlay							
Improvements	-	46,570	-	-	99,116	-	-
Debt Service							
Principal - Credit Facility	12,625	-	-	25,250	49,221	97%	50,500
Interest - Credit Facility	-	-	-	-	967	-	-
Transfers	22,800	22,800	100%	45,600	45,600	50%	91,200
Contingency							854,049
<b>Total expenditures</b>	<b>\$ 225,425</b>	<b>\$ 224,208</b>	<b>99%</b>	<b>\$ 450,850</b>	<b>\$ 576,024</b>	<b>33%</b>	<b>\$ 1,755,749</b>
<b>Revenue over (under) expenditures</b>	<b>17,350</b>	<b>114,529</b>	<b>13%</b>	<b>34,700</b>	<b>68,991</b>	<b>8%</b>	<b>(784,649)</b>
<b>Beginning fund balance</b>	<b>784,649</b>	<b>902,565</b>	<b>115%</b>	<b>784,649</b>	<b>902,565</b>	<b>115%</b>	<b>784,649</b>
<b>Ending fund balance</b>	<b>\$ 801,999</b>	<b>\$ 1,017,094</b>	<b>127%</b>	<b>\$ 819,349</b>	<b>\$ 971,556</b>	<b>119%</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.

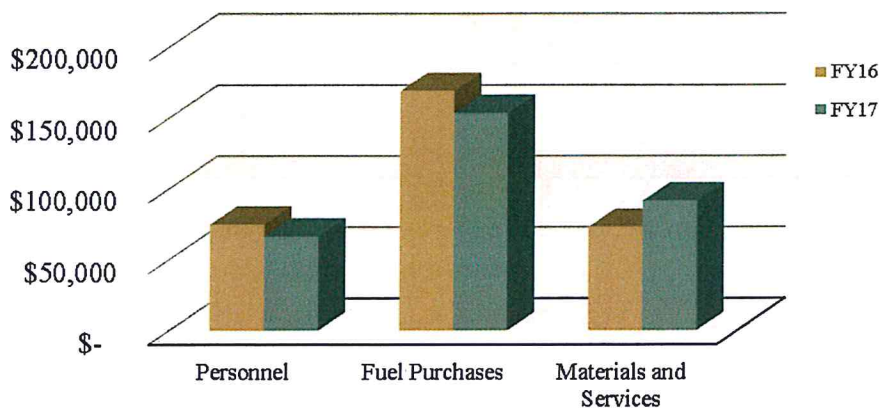
Revenues for the second quarter were approximately 84% of the quarter budget or \$1,007,000. Fuel sales are at roughly \$202,000 and hangar lease charges at approximately \$48,000 for first and second quarter combined. Fuel Prices have decreased over the last year and along with the slower fire season in comparison to the year before these have played a role in the decrease in fuel revenue in comparison to the prior year second quarter end. 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 \$1,307,000 or 109% of the quarter budget. Capital expenditures during the second quarter are for the expansion of the tie-down/run up apron and beacon replacement project. This project is considered phase one of an FAA funded project. Below is a comparison of operating expenditures to the prior year at quarter end.

Expenditure Comparison to Prior Year Quarter End



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Overall fund balance is down approximately \$526,000 through the second quarter largely due to the timing in which the receipts of reimbursable capital improvements are received. Fuel inventory at quarter end is roughly \$42,300.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
<b>Revenue</b>							
Intergovernmental	\$ 932,500	\$ 888,953	95%	\$ 1,865,000	\$ 888,953	24%	\$ 3,730,000
Charges for services	220,250	118,103	54%	440,500	284,531	32%	881,000
Other revenues	25	-	-	50	-	-	100
Transfers	45,000	-	-	45,000	-	-	180,000
<b>Total revenue</b>	<b>\$ 1,197,775</b>	<b>\$ 1,007,057</b>	<b>84%</b>	<b>\$ 2,350,550</b>	<b>\$ 1,173,484</b>	<b>24%</b>	<b>\$ 4,791,100</b>
<b>Expenditures</b>							
Personnel Service	\$ 39,775	\$ 28,528	72%	\$ 79,550	\$ 66,157	42%	\$ 159,100
Materials and Services	191,000	103,413	54%	382,000	244,245	32%	764,000
Capital outlay	940,000	1,152,783	123%	1,880,000	1,319,135	35%	3,760,000
Debt Service	6,250	-	-	12,500	25,000	100%	25,000
Transfers	22,450	22,450	100%	44,900	44,900	50%	89,800
Contingency							30,649
<b>Total expenditures</b>	<b>\$ 1,199,475</b>	<b>\$ 1,307,173</b>	<b>109%</b>	<b>\$ 2,398,950</b>	<b>\$ 1,699,436</b>	<b>35%</b>	<b>\$ 4,828,549</b>
<b>Revenue over (under) expenditures</b>	<b>(1,700)</b>	<b>(300,116)</b>	<b>-487%</b>	<b>(48,400)</b>	<b>(525,952)</b>	<b>-853%</b>	<b>(37,449)</b>
<b>Beginning fund balance</b>	<b>37,449</b>	<b>61,663</b>	<b>165%</b>	<b>37,449</b>	<b>61,663</b>	<b>165%</b>	<b>37,449</b>
<b>Ending fund balance</b>	<b>\$ 35,749</b>	<b>\$ (238,453)</b>	<b>-667%</b>	<b>\$ (48,398)</b>	<b>\$ (464,289)</b>	<b>959%</b>	<b>\$ -</b>

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**Water Fund**

This fund accounts for the activities of the City's water utility. The primary source of revenue is water sales and expenditures are for the operation of the system including repair and maintenance of infrastructure.

Overall revenue collection in the second quarter came in at approximately \$571,000 or 94% of the quarter budget. Revenue associated with charges for services came in at roughly \$567,000 or 101% of quarter budget. Overall revenues through the second quarter are at approximately 59% of the annual budget. This largely due to the weather related increase of water usage and construction during the first and second quarter.

Second quarter expenditures are at roughly 115% of the quarter budget. Capital improvements during the second quarter were at approximately \$404,000. Second quarter capital improvements that took place were for largely for water rights, the master plan update, and groundwater monitoring up by the airport.

Overall, the fund balance through the second quarter decreased by roughly \$357,000 or -19%. This decrease can largely be attributed to capital improvements and the first quarter debt service payments.

Revenue	Current Quarter Budget	Current Quarter Actual	Quarter Budget %	Year to Date Budget	Year to Date Actual	Annual Budget %	Annual Budget
Charges for services	\$ 564,000	\$ 566,965	101%	\$ 1,128,000	\$ 1,342,845	60%	\$ 2,256,000
Intergovernmental	8,750	-	-	17,500	-	-	35,000
Interest	1,250	2,751	220%	2,500	3,952	79%	5,000
Miscellaneous	1,375	1,069	78%	2,750	73,984	1345%	5,500
Transfers	31,000	-	-	62,000	-	-	124,000
<b>Total revenue</b>	<b>\$ 606,375</b>	<b>\$ 570,784</b>	<b>94%</b>	<b>\$ 1,212,750</b>	<b>\$ 1,420,781</b>	<b>59%</b>	<b>\$ 2,425,500</b>
<b>Expenditures</b>							
Materials and services	\$ 125,025	\$ 76,607	61%	\$ 250,050	\$ 247,237	49%	\$ 500,100
Franchise fee expense	28,250	28,250	100%	56,500	56,500	50%	113,000
Capital outlay							
Improvements	183,750	404,027	220%	367,500	662,660	90%	735,000
Debt service							
Principal							
Refunding bond 2011 SDC	28,750	-	-	57,500	115,000	100%	115,000
Water revenue bond 2003	11,250	-	-	22,500	-	-	45,000
Interest							
Refunding bond 2011 SDC	25,175	-	-	50,350	100,636	100%	100,700
Water revenue bond 2003	4,850	-	-	9,700	9,690	50%	19,400
Transfers	292,950	292,950	100%	585,900	585,900	50%	1,171,800
Contingency							1,150,441
<b>Total expenditures</b>	<b>\$ 700,000</b>	<b>\$ 801,834</b>	<b>115%</b>	<b>\$ 1,400,000</b>	<b>\$ 1,777,623</b>	<b>45%</b>	<b>\$ 3,950,441</b>
<b>Revenue over (under) expenditures</b>	<b>(93,625)</b>	<b>(231,050)</b>	<b>-12%</b>	<b>(187,250)</b>	<b>(356,841)</b>	<b>-19%</b>	<b>(1,524,941)</b>
<b>Beginning fund balance</b>	<b>1,524,941</b>	<b>1,884,514</b>	<b>124%</b>	<b>1,524,941</b>	<b>1,884,514</b>	<b>124%</b>	<b>1,524,941</b>
<b>Ending fund balance</b>	<b>\$ 1,431,316</b>	<b>\$ 1,653,464</b>	<b>116%</b>	<b>\$ 1,337,691</b>	<b>\$ 1,527,673</b>	<b>114%</b>	<b>\$ -</b>

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**Wastewater Fund**

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

Overall revenue collection through the second quarter came in at approximately \$1.7 million or 22% of the annual budget. Second quarter revenue collection for charges for services was roughly \$841,000 or 102% of the quarter budget.

Expenditures are at roughly 20% of the annual budget and are as anticipated at quarter end. Fund balance has decreased through the second quarter by roughly \$97,000 or -6%. This decrease can largely be attributed to the first quarter debt service payments in the amount of approximately \$619,000.

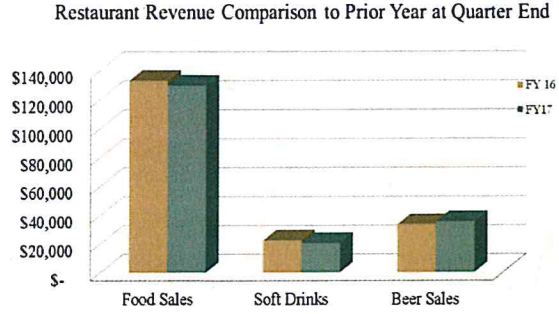
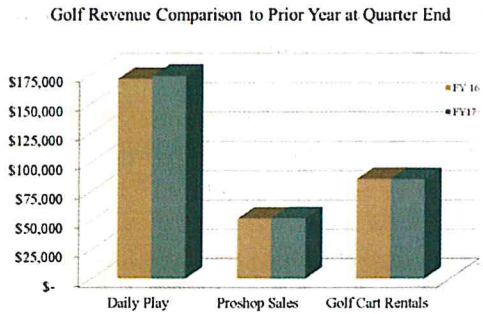
Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
Charges for services	\$ 821,750	\$ 840,567	102%	\$ 1,643,500	\$ 1,673,757	51%	\$ 3,287,000
Interest	1,000	2,267	227%	2,000	3,328	83%	4,000
Miscellaneous	8,900	10,370	117%	17,800	27,952	79%	35,600
SDCs - reimbursement fees	12,500	-	-	25,000	2,588	5%	50,000
Debt proceeds	1,125,000	-	-	2,250,000	-	-	4,500,000
<b>Total revenue</b>	<b>\$ 1,969,150</b>	<b>\$ 853,204</b>	<b>43%</b>	<b>\$ 3,938,300</b>	<b>\$ 1,707,625</b>	<b>22%</b>	<b>\$ 7,876,600</b>
<b>Expenditures</b>							
Personnel services	\$ 28,300	\$ 28,986	102%	\$ 56,600	\$ 57,590	51%	\$ 113,200
Materials and services	142,375	99,242	70%	284,750	295,894	52%	569,500
Franchise fees expense	41,000	41,000	100%	82,000	82,000	50%	164,000
Capital outlay							
Improvements	33,750	34,490	102%	67,500	66,795	49%	135,000
Debt service							
Principal							
DEQ Bridge Loan	1,125,000	-	-	2,250,000	-	-	4,500,000
DEQ CWSRF R74682/2	108,850	-	-	217,700	216,112	50%	435,400
Refunding 2011 / principle	31,250	-	-	62,500	125,000	100%	125,000
Interest							
State of Oregon IFA	2,500	-	-	5,000	-	-	10,000
DEQ Bridge Loan	11,250	-	-	22,500	-	-	45,000
DEQ CWSRF R74682/2	37,975	-	-	75,950	77,498	51%	151,900
Refunding 2011 / interest	50,075	-	-	100,150	200,244	100%	200,300
Fees							
DEQ CWSRF R74682/2	6,600	-	-	13,200	26,360	100%	26,400
Transfers	328,800	328,800	100%	657,600	657,600	50%	1,315,200
Contingency							1,336,650
<b>Total expenditures</b>	<b>\$ 1,947,725</b>	<b>\$ 532,518</b>	<b>27%</b>	<b>\$ 3,895,450</b>	<b>\$ 1,805,093</b>	<b>20%</b>	<b>\$ 9,127,550</b>
<b>Revenue over (under) expenditures</b>	<b>21,425</b>	<b>320,686</b>	<b>19%</b>	<b>42,850</b>	<b>(97,468)</b>	<b>-6%</b>	<b>(1,250,950)</b>
<b>Other resources/(requirements)</b>							
Debt service reserve	304,000	-	-	304,000	-	-	304,000
<b>Beginning fund balance</b>	<b>1,554,950</b>	<b>1,657,741</b>	<b>107%</b>	<b>1,554,950</b>	<b>1,657,741</b>	<b>107%</b>	<b>1,554,950</b>
<b>Ending fund balance</b>	<b>\$ 1,576,375</b>	<b>\$ 1,978,427</b>	<b>126%</b>	<b>\$ 1,597,800</b>	<b>\$ 1,560,273</b>	<b>98%</b>	<b>\$ 304,000</b>



***Golf Course and Restaurant Fund***

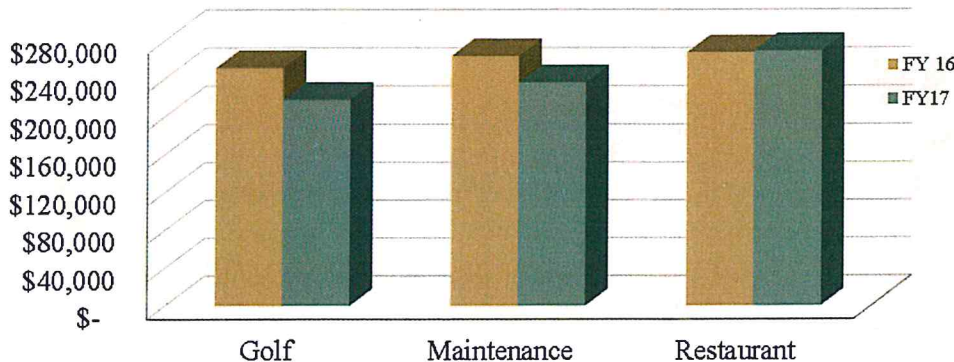
This fund accounts for the activities of Meadow Lakes Golf Course and Restaurant. Revenue is generated through user fees, restaurant sales, and an operating payment from the City’s Wastewater Fund for treatment.

Revenue collection through the second quarter is at approximately 47% of the annual budget or \$740,000. Golf revenue is at roughly \$342,000 or 45% of the annual budget through the second quarter, this down slightly over prior year second quarter by approximately \$4,600 or -1.3%. Restaurant revenues are at approximately \$208,500 or 48% of the annual budget through the second quarter a decrease over prior year quarter end by roughly \$1,000 or -.45%. Significant snow fall during December impacted operating revenues for both the restaurant and golf course. Below is a comparison to the prior year quarter end of the significant operating revenue sources for golf and the restaurant.



Overall expenditures through second quarter came in at roughly \$825,000 or 43% of the annual budget. Overall expenditures for the golf course are roughly \$235,000 or 38% through the second quarter. Restaurant operating expenditures through the second quarter are approximately 54% or \$269,000. Overall operating expenditures have decreased over prior year at second quarter end roughly -7.6%. Below is a comparison of operating expenditures to the prior year at quarter end by department.

**Operating Expenditure Comparison to Prior Year at Quarter End**



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Fund balance decreased roughly \$85,000 or -23% 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	\$ 189,500	\$ 69,128	36%	\$ 379,000	\$ 342,212	45%	\$ 758,000
Waste disposal	92,500	92,500	100%	185,000	185,000	50%	370,000
Restaurant	109,250	79,236	73%	218,500	208,464	48%	437,000
Other	1,250	983	79%	2,500	2,594	52%	5,000
Interest	625	971	155%	1,250	1,411	56%	2,500
Miscellaneous	500	744	149%	1,000	785	39%	2,000
<b>Total revenue</b>	<b>\$ 393,625</b>	<b>\$ 243,563</b>	<b>62%</b>	<b>\$ 787,250</b>	<b>\$ 740,467</b>	<b>47%</b>	<b>\$ 1,574,500</b>
<b>Expenditures</b>							
Golf Course	\$ 156,350	\$ 88,113	56%	\$ 271,550	\$ 235,083	38%	\$ 625,400
Waste disposal	121,275	100,359	83%	231,850	235,824	49%	485,100
Restaurant	124,975	111,518	89%	256,925	268,803	54%	499,900
Debt service							
Principal - note payable	5,975	5,890	99%	11,950	11,750	98%	23,900
Interest - Note Payable	-	1,068	-	-	2,167	-	4,100
Principal - Credit facility	10,950	-	-	21,900	23,398	53%	43,800
Interest - Credit facility	1,050	-	-	2,100	460	11%	4,200
Principal - 2011 bond	2,500	-	-	5,000	30,000	300%	10,000
Interest - 2011 bond	4,650	-	-	9,300	17,950	97%	18,600
Contingency							189,962
<b>Total expenditures</b>	<b>\$ 427,725</b>	<b>\$ 306,948</b>	<b>72%</b>	<b>\$ 810,575</b>	<b>\$ 825,434</b>	<b>43%</b>	<b>\$ 1,904,962</b>
<b>Revenue over (under) expenditures</b>	<b>(34,100)</b>	<b>(63,386)</b>	<b>-17%</b>	<b>(23,325)</b>	<b>(84,967)</b>	<b>-23%</b>	<b>(330,462)</b>
<b>Beginning fund balance</b>	<b>330,462</b>	<b>373,308</b>	<b>113%</b>	<b>330,462</b>	<b>373,308</b>	<b>113%</b>	<b>330,462</b>
<b>Ending fund balance</b>	<b>\$ 296,362</b>	<b>\$ 309,923</b>	<b>105%</b>	<b>\$ 307,137</b>	<b>\$ 288,341</b>	<b>94%</b>	<b>\$ -</b>

December 31, 2016

**Administration and Financial Support Services Fund**

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

Overall revenue collection for the second quarter came in at approximately \$527,000 or 99% of the quarter budget.

Overall expenditures for the second quarter end are at roughly 92% of the quarter budget or \$503,000. Information technology is at roughly 61% of the annual budget with a majority of the city’s software maintenance agreements coming due during the first quarter and continued improvements made in 911 infrastructures.

Fund balance decreased approximately \$52,000 or -13% through the second quarter.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
<b>Revenue</b>							
Charges for services	\$ 530,625	\$ 526,320	99%	\$ 1,061,250	\$ 1,042,678	49%	\$ 2,122,500
Interest	375	959	256%	750	1,416	94%	1,500
<b>Total revenue</b>	<b>\$ 531,000</b>	<b>\$ 527,279</b>	<b>99%</b>	<b>\$ 1,062,000</b>	<b>\$ 1,044,094</b>	<b>49%</b>	<b>\$ 2,124,000</b>
<b>Expenditures</b>							
City Council	\$ 21,375	\$ 14,006	66%	\$ 42,750	\$ 31,590	37%	\$ 85,500
Administration/team services	192,725	164,940	86%	385,450	375,546	49%	770,900
Financial services	183,850	191,717	104%	367,700	349,892	48%	735,400
Information technology	146,500	131,986	90%	293,000	339,183	61%	556,000
Contingency							300,800
<b>Total expenditures</b>	<b>\$ 544,450</b>	<b>\$ 502,650</b>	<b>92%</b>	<b>\$ 1,088,900</b>	<b>\$ 1,096,211</b>	<b>45%</b>	<b>\$ 2,448,600</b>
<b>Revenue over (under) expenditures</b>	<b>(13,450)</b>	<b>24,629</b>	<b>6%</b>	<b>(26,900)</b>	<b>(52,117)</b>	<b>-13%</b>	<b>(324,600)</b>
<b>Beginning fund balance</b>	<b>324,600</b>	<b>415,879</b>	<b>128%</b>	<b>324,600</b>	<b>415,879</b>	<b>128%</b>	<b>324,600</b>
<b>Ending fund balance</b>	<b>\$ 311,150</b>	<b>\$ 440,508</b>	<b>142%</b>	<b>\$ 297,700</b>	<b>\$ 363,762</b>	<b>122%</b>	<b>\$ -</b>

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December 31, 2016

***Building Facilities Fund***

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

Revenues and expenditures are as anticipated. The city hall debt service payment took place in the second quarter.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
<b>Revenue</b>							
Rent	\$ 48,225	\$ 48,225	100%	\$ 96,450	\$ 96,450	50%	\$ 192,900
Transfers	41,575	40,650	98%	41,575	81,300	49%	166,300
Misc. Income	2,750	847	31%	11,000	2,513	23%	11,000
Debt Proceeds	125,000	-	-	500,000	-	-	500,000
Interest	200	594	297%	400	819	102%	800
<b>Total revenue</b>	<b>\$ 217,750</b>	<b>\$ 90,316</b>	<b>41%</b>	<b>\$ 649,425</b>	<b>\$ 181,082</b>	<b>21%</b>	<b>\$ 871,000</b>
<b>Expenditures</b>							
City Hall Facilities	\$ 54,075	\$ 117,506	217%	\$ 108,150	\$ 134,139	62%	\$ 216,300
Police Facilities	154,825	15,956	10%	309,650	35,863	6%	619,300
Public Works Facilities	9,250	11,883	128%	18,500	18,040	49%	37,000
Contingency							63,399
<b>Total expenditures</b>	<b>\$ 218,150</b>	<b>\$ 145,345</b>	<b>67%</b>	<b>\$ 436,300</b>	<b>\$ 188,042</b>	<b>20%</b>	<b>\$ 935,999</b>
<b>Revenue over (under) expenditures</b>	<b>(400)</b>	<b>(55,029)</b>	<b>-31%</b>	<b>213,125</b>	<b>(6,960)</b>	<b>-4%</b>	<b>(64,999)</b>
<b>Other requirements</b>							
Debt service reserve	105,000			105,000			105,000
<b>Beginning fund balance</b>	<b>169,999</b>	<b>177,067</b>	<b>104%</b>	<b>169,999</b>	<b>177,067</b>	<b>104%</b>	<b>169,999</b>
<b>Ending fund balance</b>	<b>\$ 169,599</b>	<b>\$ 122,038</b>	<b>72%</b>	<b>\$ 383,124</b>	<b>\$ 170,107</b>	<b>44%</b>	<b>\$ -</b>

December 31, 2016

**Plaza Maintenance Fund**

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

This fund is as anticipated.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
<b>Revenue</b>							
Intergovernmental	\$ 2,500		-	\$ 5,000	\$ -	-	\$ 10,000
Interest	25	61	242%	50	88	88%	100
Transfers	2,500		-	5,000	-	-	10,000
<b>Total revenue</b>	<b>\$ 5,025</b>	<b>\$ 61</b>	<b>1%</b>	<b>\$ 10,050</b>	<b>\$ 88</b>	<b>0%</b>	<b>\$ 20,100</b>
<b>Expenditures</b>							
Materials and services	\$ 3,975	\$ 1,707	43%	\$ 7,950	\$ 2,802	18%	\$ 15,900
Transfers	925		-	1,850	-	-	3,700
Contingency							16,416
<b>Total expenditures</b>	<b>\$ 4,900</b>	<b>\$ 1,707</b>	<b>35%</b>	<b>\$ 9,800</b>	<b>\$ 2,802</b>	<b>8%</b>	<b>\$ 36,016</b>
<b>Revenue over (under) expenditures</b>	<b>125</b>	<b>(1,646)</b>	<b>-6%</b>	<b>250</b>	<b>(2,713)</b>	<b>-9%</b>	<b>(15,916)</b>
<b>Beginning fund balance</b>	<b>15,916</b>	<b>29,052</b>	<b>183%</b>	<b>15,916</b>	<b>29,052</b>	<b>183%</b>	<b>15,916</b>
<b>Ending fund balance</b>	<b>\$ 16,041</b>	<b>\$ 27,406</b>	<b>171%</b>	<b>\$ 16,166</b>	<b>\$ 26,339</b>	<b>163%</b>	<b>\$ -</b>



December 31, 2016

**Public Works Support Services Fund**

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

Overall revenues are as anticipated.

Expenditures for public works support services are tracking under budget through the second quarter at \$655,000 or 48% of annual budget. Second quarter expenditures for fleet and vehicles is at roughly 171% of the quarter budget with the debt service payment for the street sweeper being due in October.

Fund balance decreased roughly \$90,000 or -28% through the second quarter.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget
	Budget	Actual		Budget	Actual		
<b>Revenue</b>							
Charges for services	\$ 396,025	\$ 355,525	90%	\$ 792,050	\$ 711,050	45%	\$ 1,584,100
Interest	400	880	220%	800	1,272	79%	1,600
Miscellaneous	5,500	982	18%	11,000	2,462	11%	22,000
<b>Total revenue</b>	<b>\$ 401,925</b>	<b>\$ 357,387</b>	<b>89%</b>	<b>\$ 803,850</b>	<b>\$ 714,784</b>	<b>44%</b>	<b>\$ 1,607,700</b>
<b>Expenditures</b>							
Public Works Support Services	\$ 343,175	\$ 322,955	94%	\$ 686,350	\$ 655,088	48%	\$ 1,372,700
Public Works Fleet & Vehicles	71,625	122,789	171%	143,250	150,293	52%	286,500
Contingency							297,434
<b>Total expenditures</b>	<b>\$ 414,800</b>	<b>\$ 445,744</b>	<b>107%</b>	<b>\$ 829,600</b>	<b>\$ 805,380</b>	<b>41%</b>	<b>\$ 1,956,634</b>
<b>Revenue over (under) expenditures</b>	<b>(12,875)</b>	<b>(88,357)</b>	<b>-27%</b>	<b>(25,750)</b>	<b>(90,596)</b>	<b>-28%</b>	<b>(348,934)</b>
<b>Beginning fund balance</b>	<b>348,934</b>	<b>323,665</b>	<b>93%</b>	<b>348,934</b>	<b>323,665</b>	<b>93%</b>	<b>348,934</b>
<b>Ending fund balance</b>	<b>\$ 336,059</b>	<b>\$ 235,308</b>	<b>70%</b>	<b>\$ 323,184</b>	<b>\$ 233,069</b>	<b>72%</b>	<b>\$ -</b>