



*City of Prineville, Oregon
Financial Report
Second Quarter Ended December 31, 2019*

Executive Summary

The City of Prineville has moved to a biennial budget resulting in some changes being made to the presentation of the quarterly financial report. The report includes a city-wide summary of beginning fund balances, current period resources and expenditures, and the ending fund balances for all funds. Included in the fund summaries, starting on page six, are comparisons of actual to budgeted amounts, and narrative explaining results and highlights for the quarter. The biennial budget comparison to actual is highlighted in blue in each of the funds. Annual budget estimates reflect the fiscal year 2020 numbers utilized in the preparation of the City’s 2020-21 biennial budget, and the quarter budget estimates have been allocated proportionally of the fiscal year budget (25 percent). The financial information presented is unaudited.

Quarter budget estimates allocated at 25 percent of the fiscal year budget compared to actual			Fiscal year 2020 numbers utilized in the preparation of the 2020-21 biennial budget compared to actual				Biennial budget comparison to actual		
Current Quarter			Year to Date						
Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance	Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance

Through the second quarter ending December 31, 2019, the City’s financial condition decreased by approximately \$703,600 or -3 percent. Funds with a significant negative impact to fund balance include Transportation, Planning, Wastewater SDC, Airport, and the Public Works Support Services Fund. Funds with significant increases in fund balance include the General Fund, Emergency Dispatch, PERS/POB, and Golf Course. Budgeted capital improvements are the largest contributor to the decrease in the City’s financial condition. Overall audited beginning fund balances totaled approximately \$379,200 more than budgeted fund balances.

Through the second quarter, General Fund revenues came in at roughly 61 percent of the annual budget or \$4 million. Property tax revenue is at \$2.09 million with \$2.06 million coming in during the second quarter. This is up compared to the prior year by approximately \$112,000. Transient lodging taxes are down in comparison to the prior year quarter end by roughly \$20,700. Franchise fees are at roughly 43 percent of the annual budget with collection increasing approximately \$117,800 over the prior year at second quarter end. Electrical franchise fees continue to be on the rise and are up over the prior year at quarter end roughly \$104,800 with the continued build outs of the data centers. The Police Department and Crook County Sheriff’s office was able to put their fundraising efforts to use by having their inaugural Crook County Shop with a Cop day during the second quarter. Overall, the General fund realized an increase in fund balance of roughly 41 percent or approximately \$888,800 through the second quarter.

The Transportation’s fund balance decreased roughly \$486,000 or -125 percent through the second quarter. This is anticipated with the timing in which street projects are completed versus the timing in which revenue for the fund is received. Revenues came in as anticipated during the second quarter. Capital improvements during the second quarter were associated with roughly \$727,500 for the completion of the 2019 paving project which rehabilitated approximately 762,000 square feet of city streets, and \$44,000 for a joint project with the Ochoco Irrigation

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District for a canal piping project. Reimbursements for the joint project are expected this summer.

In the Planning Department, development continues with second quarter highlights including the completion of the approval process for another 437,000 square foot data center just as the one million square foot data center approved in the prior year completed construction. Also in the second quarter were roughly 12 housing starts and a multi-housing unit all paying SDC's. Overall expenditures are as anticipated with materials and services tracking under budget at quarter end. Fund balance decreased roughly -30 percent.

Through the second quarter, fund balance decreased in all the SDC funds largely due to capital projects and the semiannual admin fee and reimbursement fee distributions. In the Transportation SDC fund, expenditures were largely associated with the completion of the the Elm Street Bridge project which is partially reimbursed through an ODOT grant. In the Water SDC Fund, the Aquifer Storage and Recovery (ASR) project continued. 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. In the Wastewater SDC fund, capital expenditures are largely associated with the 10th and Main Street sewer interceptor project.

Fund balance increased roughly 37 percent in the PERS/ POB Fund through the second quarter. The city receives a PERS rate credit from the creation of a side account that was made in March 2019. In December 2019, the City was able to use this side account to participate in the Employer Incentive Fund program to apply for matching funds. The City qualified for the first round of matching funds and has been approved for a side account deposit of \$200,000 from the state. The extra deposit will give an extra rate credit offset to be used in the calculation of the City's PERS rates starting in FY22.

Through the second quarter the railroad increased its revenue over the prior year by roughly 27 percent with significant increases in switching, car repair, and freight depot. The overall car count is down by approximately 38 cars but the revenue per car average has increased over the prior year at quarter end with the increased haulage diversity. The revenue per railcar average at second quarter end is approximately \$455 compared to \$410 the prior year. Materials and services are at roughly 69 percent of the annual budget or \$191,500, which includes approximately \$67,000 in liability insurance expenditures and \$30,000 in repairs due to lightening damage from the first quarter. Through the second quarter, fund balance decreased roughly \$20,100 or -2 percent.

In the Airport Fund, fund balance decreased approximately -32 percent. Operating revenues are down -17 percent and operating expenses are down -12 percent in comparison to the prior year at quarter end. Fuel sales are down roughly -20 percent. The price of fuel has gone down in comparison to the prior year and competitors in Bend have been keeping their fuel prices in line with the Prineville Airport. The fire season was slow this last summer which meant there was a decrease in Jet A fuel sales in comparison to the prior year. Also contributing the decrease in fuel sales is Hillsboro Aero Academy getting their own fuel system where previously they were

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still coming to the Prineville Airport to get fuel. During the second quarter, the new fuel system became operational and prep to remove the old fuel tanks took place. Design, engineering and the environmental study for the runway 28 project neared completion and construction is expected to start in spring 2021. Inventory at quarter end totaled approximately \$64,900.

Meadow Lakes Golf shows an increase in fund balance through the second quarter of approximately \$771,500 or 156 percent. This is largely due to a \$750,000 transfer from the Wastewater Fund to support the irrigation replacement project that got on its way during the first quarter. Operating revenue for the golf course is up in comparison to the prior year roughly 6 percent, despite being closed 11 more days than the prior year at quarter end. Rounds of golf are up approximately 610 rounds in comparison to the prior year at quarter end. Golf course operating expenditures are also up roughly 6 percent with personnel services, golf course supplies and transfers all up over the prior year. During the second quarter, phase 1 of the irrigation project was completed and phase 2 was started.

In the Administration and Financial Support Services the fund balance decreased roughly -17 percent. Expenditures are tracking under budget in the City Council, Administrative Services and Financial Services departments at second quarter end. In the IT Department expenses are up due to services that are being provided to the 911 users which are to be reimbursed and the annual renewal of software maintenance agreements. The additional revenue for the installation of 911 equipment and maintenance are expected to offset the expenses and it is undetermined at this time if a budget adjustment will be needed.

Other Internal Service Funds are as anticipated and expect to balance out during the remaining quarters.

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

Sincerely,

Steve Forrester
City Manager

Liz Schuette,
Finance Director

Lori Hooper,
Accounting Manager

All City Funds

Fund	Budgeted	Actual Audited	Current	Current	Ending	Change	Percentage
	Beginning Fund Balance	Beginning Fund Balance	Year Resources	Year Expenditures	Fund Balance	in Fund Balance	Change in Fund Balance
General	\$ 1,918,286	\$ 2,153,326	\$ 4,003,178	\$ 3,114,400	\$ 3,042,104	\$ 888,778	41%
Transportation	456,058	389,300	789,189	1,275,167	(96,679)	(485,979)	-125%
Emergency Dispatch	376,056	505,672	907,191	798,653	614,210	108,538	21%
Planning	240,958	241,206	126,058	199,282	167,982	(73,224)	-30%
Transportation SDC	1,400,086	1,500,752	1,745,550	1,940,101	1,306,201	(194,551)	-13%
Water SDC	2,186,423	1,710,798	2,994,156	3,238,837	1,466,117	(244,681)	-14%
Wastewater SDC	3,090,992	3,127,929	109,350	895,878	2,341,401	(786,528)	-25%
PERS / POB	608,691	594,230	297,708	78,518	813,420	219,190	37%
Railroad	1,145,793	1,127,670	410,647	430,736	1,107,581	(20,089)	-2%
Airport	13,215	163,420	399,028	451,310	111,137	(52,283)	-32%
Water	585,270	783,298	1,680,577	1,646,144	817,731	34,433	4%
Wastewater	3,932,316	3,940,686	1,994,294	2,546,533	3,388,447	(552,239)	-14%
Golf Course and Restaurant	483,295	494,280	1,345,831	574,303	1,265,808	771,528	156%
Administration and Financial Services	452,914	281,654	1,356,484	1,403,250	234,888	(46,766)	-17%
Building Facilities	2,871,408	3,117,775	479,270	585,191	3,011,854	(105,921)	-3%
Plaza Maintenance	36,318	37,079	13,432	3,508	47,003	9,924	27%
Public Works Support Services	174,933	183,109	884,562	1,058,345	9,326	(173,783)	-95%
Totals	\$ 19,973,012	\$ 20,352,184	\$ 19,536,505	\$ 20,240,154	\$ 19,648,535	\$ (703,649)	-3%



The swearing in ceremony for Officer Adkins during the second quarter

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 through the second quarter is at approximately \$4 million or 61 percent of the annual budget. Year to date property tax revenue is roughly \$2.09 million or 94 percent of the annual budget and up over the prior year at quarter end by approximately \$112,000. Transient lodging taxes are down in comparison to the prior year quarter end by roughly \$20,700. Franchise fees are at roughly 43 percent of the annual budget with collection increasing approximately \$117,800 over prior year's second quarter. Electrical franchise fees continue to be on the rise and are up over the prior year at quarter end roughly \$104,800 with the continued build outs of the data centers.

The Police Department and Crook County Sheriff's office had their inaugural Crook County Shop with a Cop day during the second quarter. They both used many different avenues to raise money for the program. In prior years, the officers supported neighboring communities and their programs. Also, throughout the second quarter the Police Department continued with its Random Acts of Kindness campaign where instead of tickets they were giving gift cards to unsuspecting community members.

Police spending for the first quarter of the year was at approximately 51 percent of the annual budget. Personnel services are at roughly 51 percent of the annual budget and over time is approximately 58 percent of the annual budget. Largely contributing to the spike in overtime were seasonal activities like the rodeo and horse races requiring increased services, background checks for new communication officers, and being tight staffed with an officer being on family medical leave.

Overall, the General Fund realized an increase in fund balance of roughly 41 percent through the second quarter largely due to the receipt of over \$2 million in property taxes during the second quarter.

General Fund - Continued

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Property taxes	\$ 557,500	\$ 2,062,869	370%	\$ 2,230,000	\$ 2,094,686	94%	\$ 135,314	\$ 4,570,000	45.8%	\$ 2,475,314
Transient lodging tax	95,000	81,794	86%	380,000	227,041	60%	152,959	760,000	29.9%	532,959
Franchise fees	787,500	716,581	91%	3,150,000	1,362,044	43%	1,787,956	6,558,000	20.8%	5,195,956
Licenses and permits	2,200	365	17%	8,800	4,122	47%	4,679	17,200	24.0%	13,079
Intergovernmental revenues	112,300	47,577	42%	449,200	97,002	22%	352,198	866,000	11.2%	768,998
Charges for services	68,750	125,015	182%	275,000	127,515	46%	147,485	560,000	22.8%	432,485
Interest	10,000	11,201	112%	40,000	20,891	52%	19,109	80,000	26.1%	59,109
Miscellaneous	10,000	20,768	208%	40,000	69,877	175%	(29,877)	81,000	86.3%	11,123
Total revenue	\$ 1,643,250	\$ 3,066,170	187%	\$ 6,573,000	\$ 4,003,178	61%	\$ 2,569,822	\$ 13,492,200	29.7%	\$ 9,489,022
Expenditures										
Police	\$ 1,349,750	\$ 1,326,130	98%	\$ 5,399,000	\$ 2,732,456	51%	\$ 2,666,544	\$ 11,102,100	24.6%	8,369,644
Non-departmental	240,425	186,563	78%	961,700	381,944	40%	579,756	2,210,900	17.3%	1,828,956
Contingency				2,130,586				2,097,486		2,097,486
Total expenditures	\$ 1,590,175	\$ 1,512,693	95%	\$ 8,491,286	\$ 3,114,400	37%	\$ 3,246,300	\$ 15,410,486	20.2%	\$ 10,198,600
Revenue over (under) expenditures	\$ 53,075	\$ 1,553,477	72%	\$ (1,918,286)	\$ 888,778	41%	\$ (676,478)	\$ (1,918,286)		
Beginning fund balance	1,918,286	2,153,326	112%	1,918,286	2,153,326	112%	1,918,286	1,918,286		
Ending fund balance	\$ 1,971,361	\$ 3,706,803	188%	\$ -	\$ 3,042,104	-	\$ 1,241,808	\$ -		



The Prineville Police Department escorting the kids selected for the first annual Crook County Shop with a Cop program.

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 for the Transportation fund through the second quarter is at approximately 49 percent of the annual budget. Intergovernmental revenue collection is at 47 percent of the annual budget with second quarter state gas tax collection coming in at roughly \$190,500.

Expenditures through the second quarter are approximately 62 percent of the annual budget. Materials and services are at 68 percent of the annual budget with roughly \$46,800 being spent on the street striping project during the second quarter. Maintenance costs are trending up and materials and services may require a budget adjustment. Capital improvements during the second quarter included roughly \$727,500 for the completion of the 2019 paving project which rehabilitated approximately 762,000 square feet of city streets and \$44,000 for a joint project with the Ochoco Irrigation District for a canal piping project. Reimbursements for the joint project are expected this summer.

Fund balance decrease roughly \$486,000 or -125 percent through the second quarter. This is anticipated with the timing in which street projects are completed versus the timing in which revenue for the fund is received. Fund balance is anticipated to recover by yearend.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Franchise fees	\$ 81,750	\$ 81,750	100%	\$ 327,000	\$ 163,500	50%	\$ 163,500	\$ 665,000	24.6%	\$ 501,500
Intergovernmental	239,075	219,802	92%	956,300	453,856	47%	502,444	1,962,700	23.1%	1,508,844
Transfers	75,000	75,000	100%	300,000	150,000	50%	150,000	700,000	21.4%	550,000
Interest	1,250	561	45%	5,000	3,921	78%	1,079	10,000	39.2%	6,079
Miscellaneous	4,750	10,912	230%	19,000	17,913	94%	1,088	28,000	64.0%	10,088
Total revenue	\$ 401,825	\$ 388,024	97%	\$ 1,607,300	\$ 789,189	49%	\$ 818,111	\$ 3,365,700	23.4%	\$ 2,576,511
Expenditures										
Personnel services	\$ 62,800	\$ 59,795	95%	\$ 251,200	\$ 120,199	48%	\$ 131,001	\$ 512,100	23.5%	391,901
Material and services	62,150	75,162	121%	248,600	168,938	68%	79,662	501,000	33.7%	332,062
Capital outlay										
Improvements	243,425	782,946	322%	973,700	801,981	82%	171,719	1,833,400	43.7%	1,031,419
Transfers	92,025	92,025	100%	368,100	184,050	50%	184,050	735,300	25.0%	551,250
Contingency				221,758				239,958		239,958
Total expenditures	\$ 460,400	\$ 1,009,927	219%	\$ 2,063,358	\$ 1,275,167	62%	\$ 566,433	\$ 3,821,758	33.4%	\$ 2,546,591
Revenue over (under) expenditures	\$ (58,575)	\$ (621,903)	-160%	\$ (456,058)	\$ (485,979)	-125%	\$ 251,679	\$ (456,058)		
Beginning fund balance	456,058	389,300	85%	456,058	389,300	85%		456,058		
Ending fund balance	\$ 397,483	\$ (232,603)	-	\$ -	\$ (96,679)	-		\$ -		

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 \$907,200 or 56 percent of the annual budget. Second quarter intergovernmental revenue collection was at roughly \$187,100 with \$103,000 coming from the county for services and \$77,100 coming in from the state from E-911 taxes.

Expenditures are at approximately \$798,653 or 40 percent of the annual budget. Personnel services are 45 percent of the annual budget with overtime coming in at roughly 87 percent of the annual budget. Through the second quarter, staff turnover continued to be at a high rate and open positions are looking to be filled. Materials and services are at roughly 59 percent of the annual budget with annual service agreements for equipment maintenance totaling approximately \$38,000 and annual GIS partner fees totaling roughly \$6,5000 coming due in the second quarter.

Fund balance increased roughly \$108,500 or 21 percent through the second quarter.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Intergovernmental	\$ 225,450	\$ 187,118	83%	\$ 901,800	\$ 547,309	61%	\$ 354,491	\$ 1,874,200	29.2%	\$ 1,326,891
Miscellaneous	1,000	-	-	4,000	15	0%	3,985	8,000	0.2%	7,985
Interest	2,500	3,024	121%	10,000	6,167	62%	3,833	20,000	30.8%	13,833
Transfers from other funds	176,850.00	176,850	100%	707,400	353,700	50%	353,700	1,501,700	23.6%	1,148,000
Total revenue	\$ 405,800	\$ 366,992	90%	\$ 1,623,200	\$ 907,191	56%	\$ 716,009	\$ 3,403,900	26.7%	\$ 2,496,709
Expenditures										
Personnel services	\$ 299,200.00	\$ 264,964	89%	\$ 1,196,800	\$ 540,789	45%	\$ 656,011	\$ 2,457,100	22.0%	\$ 1,916,311
Material and services	70,025	71,262	102%	280,100	166,164	59%	113,936	553,600	30.0%	387,436
Capital outlay										
Equipment	8,750	-	-	35,000	-	-	35,000	90,000	0.0%	90,000
Transfers	45,850.00	45,850	100%	183,400	91,700	50%	91,700	372,900	24.6%	281,200
Contingency				303,956				306,356		306,356
Total expenditures	\$ 423,825	\$ 382,075	90%	\$ 1,999,256	\$ 798,653	40%	\$ 896,647	\$ 3,779,956	21.1%	\$ 2,981,303
Revenue over (under) expenditures	\$ (18,025)	\$ (15,083)	-3%	\$ (376,056)	\$ 108,538	21%	\$ (180,638)	\$ (376,056)		
Beginning fund balance	376,056	505,672	134%	376,056	505,672	134%		376,056		
Ending fund balance	\$ 358,031	\$ 490,589	137%	\$ -	\$ 614,210	-		\$ -		

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.

First quarter revenue collection came in at approximately \$126,100 or 53 percent of the annual budget. Revenue collection for the licenses and permits is at approximately \$20,100 which is down slightly over the prior year at quarter end. Charges for services are largely associated with the semiannual SDC admin fee distribution totaling roughly \$78,000. There were roughly 12 housing starts and a multi-housing unit that paid SDC's during the second quarter. Also during the second quarter, planning completed the approval process for another 437,000 square foot data center just as the one million square foot data center approved in the prior year completed construction.

Expenditures during the second quarter are at approximately \$199,300 or 42 percent of the annual budget. Overall expenditures are as anticipated with materials and services tracking under budget at quarter end.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Budget Est.	Actual	Budget %	Budget Est.	Actual	Budget %	Annual Est. Budget Balance			
Revenue										
Licenses and permits	\$ 10,000	\$ 11,297	113%	\$ 40,000	\$ 20,149	50%	\$ 19,851	\$ 80,000	25.2%	\$ 59,851
Intergovernmental	1,250	1,110	89%	5,000	1,110	22%	3,890	10,000	11.1%	8,890
Charges for services	36,725	73,451	200%	146,900	82,021	56%	64,879	171,600	47.8%	89,579
Interest	1,000	1,153	115%	4,000	2,778	69%	1,222	8,000	34.7%	5,222
Transfers from other funds	10,000	9,167	92%	40,000	20,000	50%	20,000	360,000	5.6%	340,000
Total revenue	\$ 58,975	\$ 96,177	163%	\$ 235,900	\$ 126,058	53%	\$ 109,842	\$ 629,600	20.0%	\$ 503,542
Expenditures										
Personnel services	\$ 58,325	\$ 59,946	103%	\$ 233,300	\$ 116,258	50%	\$ 117,042	\$ 479,700	24.2%	\$ 363,442
Material and services	12,475	20,399	164%	49,900	23,524	47%	26,376	93,500	25.2%	69,976
Transfers	29,750	29,750	100%	119,000	59,500	50%	59,500	241,000	24.7%	181,500
Contingency				74,658				56,358		56,358
Total expenditures	\$ 100,550	\$ 110,095	109%	\$ 476,858	\$ 199,282	42%	\$ 202,918	\$ 870,558	22.9%	\$ 671,276
Revenue over (under) expenditures	\$ (41,575)	\$ (13,918)	-6%	\$ (240,958)	\$ (73,224)	-30%	\$ (93,076)	\$ (240,958)		
Beginning fund balance	240,958	241,206	100%	240,958	241,206	100%		240,958		
Ending fund balance	\$ 199,383	\$ 227,288	114%	\$ -	\$ 167,982	-		\$ -		

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 for the Transportation SDC fund is at approximately 91 percent of the annual budget. SDC collection at quarter end is at roughly \$406,100 with roughly 12 housing starts and a multi-housing unit that paid SDC's during the second quarter. Intergovernmental revenue is from ODOT for the Elm Street Bridge project which included a pedestrian foot bridge (pictured below). Final reimbursements for the project are expected in the third quarter.

Expenditures at quarter end were largely associated with capital projects. Capital expenditures were largely for the Elm Street Bridge project and pedestrian foot bridge which were both completed during the second quarter. Transfers were all associated with the semiannual SDC admin fee distribution.

Fund balance decreased roughly \$194,600 or -13 percent through the second quarter.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Quarter Actual	Quarter Budget %	Annual Budget Est.	Annual Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Intergovernmental	\$ 369,425	\$ 1,116,656	302%	\$ 1,477,700	\$ 1,325,423	90%	\$ 152,277	\$ 1,477,700	89.7%	\$ 152,277
Miscellaneous	7,500	-	-	30,000	-	-	30,000	30,000	0.0%	30,000
Interest	7,500	5,036	67%	30,000	14,071	47%	15,929	49,000	28.7%	34,929
System development charges	96,750	73,795	76%	387,000	406,056	105%	(19,056)	774,000	52.5%	367,944
Total revenue	\$ 481,175	\$ 1,195,487	248%	\$ 1,924,700	\$ 1,745,550	91%	179,150	\$ 2,330,700	74.9%	\$ 585,150
Expenditures										
Material and services	\$ 2,500	-	-	\$ 10,000	-	-	\$ 10,000	\$ 20,000	0.0%	\$ 20,000
Capital outlay										
Improvements	649,200	579,848	89%	2,596,800	1,919,668	74%	677,132	2,596,800	73.9%	677,132
Transfers	4,850	20,433	421%	19,400	20,433	105%	(1,033)	38,800	52.7%	18,367
Contingency				698,586				1,075,186	0.0%	1,075,186
Total expenditures	\$ 656,550	\$ 600,282	91%	\$ 3,324,786	\$ 1,940,101	58%	\$ 686,099	\$ 3,730,786	52.0%	\$ 1,790,685
Revenue over (under) expenditures	\$ (175,375)	\$ 595,205	40%	\$ (1,400,086)	\$ (194,551)	-13%	\$ (506,949)	\$ (1,400,086)		
Beginning fund balance	1,400,086	1,500,752	107%	1,400,086	1,500,752	107%		1,400,086		
Ending fund balance	\$ 1,224,711	\$ 2,095,957	171%	\$ -	\$ 1,306,201	-		\$ -		



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.

Revenue for the second quarter was at approximately \$2.99 million which was largely associated with the collection of SDC's. There were 12 housing starts and a multi-housing unit that paid SDC's during the second quarter. SDC's were also collected in association with the Aquifer Storage and Recovery (ASR) project from Apple.

Expenditures are at roughly \$3.24 million through the second quarter and are largely associated with capital expenditures for the ASR project. The ASR project is a method of water storage that uses the natural water storage capabilities of underground aquifers as a cost-effective, scalable and ecologically friendly water storage alternative to traditional storage options, such as above-ground reservoirs and short-term water supply storage tanks. It allows water to be appropriated and injected into the aquifer via wells during periods of cooler temperatures, higher streamflow and lower demands. The stored water can later be recovered and used during periods of hotter temperatures and higher demands, thereby reducing stress on native water sources. In addition, it also provides for a readily available source of stored water for use in the event of drought or supply interruption.

At second quarter end, fund balance decreased roughly \$244,700 or -14 percent with \$275,560 in transfers for the semiannual SDC admin fee distribution and annual water debt taking place in the second quarter.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Interest	\$ 12,500	\$ 7,053	56%	\$ 50,000	\$ 13,282	27%	\$ 36,718	\$ 90,000	14.8%	\$ 76,718
System development charges	1,587,000	1,557,860	98%	6,348,000	2,980,875	47%	3,367,126	6,578,000	45.3%	3,597,126
Total revenue	\$ 1,599,500	\$ 1,564,913	98%	\$ 6,398,000	\$ 2,994,156	47%	\$ 3,403,844	\$ 6,668,000	44.9%	\$ 3,673,844
Expenditures										
Capital outlay										
Improvements	\$ 1,423,850	1,631,597	115%	\$ 5,695,400	2,963,277	52%	\$ 2,732,123	\$ 7,933,600	37.4%	4,970,323
Transfers	110,875	210,387	190%	443,500	275,560	62%	167,940	584,000	47.2%	308,440
Contingency				2,445,523				336,823		336,823
Total expenditures	\$ 1,534,725	\$ 1,841,984	120%	\$ 8,584,423	\$ 3,238,837	37%	\$ 2,900,063	\$ 8,854,423	36.6%	\$ 5,615,586
Revenue over (under) expenditures	\$ 64,775	\$ (277,071)	-16%	\$ (2,186,423)	\$ (244,681)	-14%	\$ 503,781	\$ (2,186,423)		
Beginning fund balance	2,186,423	1,710,798	78%	2,186,423	1,710,798	78%		2,186,423		
Ending fund balance	\$ 2,251,198	\$ 1,433,727	64%	\$ -	\$ 1,466,117	78%		\$ -		

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 through the second quarter is at approximately \$109,350. Second quarter revenue can largely be attributed to SDC collection from 12 housing starts and a multi-housing unit that paid SDC's during the second quarter.

Expenditures are at roughly \$896,000 or 27 percent of the annual budget through the second quarter. Material and services expenditures are associated with consulting costs, helping with funding assistance (potential grants). Materials and services may require a budget adjustment. Capital expenditures for the second quarter are largely associated with the 10th and Main Street sewer interceptor project. Transfers were all associated with the semiannual SDC admin fee distribution and SDC reimbursement to wastewater. If SDC collection continues at the current rate, transfers may require a budget adjustment.

Fund balance decreased roughly \$786,500 or -25 percent due to capital projects.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Interest	\$ 12,500	\$ 3,539	28%	\$ 50,000	\$ 8,936	18%	\$ 41,064	\$ 55,000	16.2%	\$ 46,064
System development charges	29,425	39,434	134%	117,700	100,414	85%	17,286	235,400	42.7%	134,986
Total revenue	\$ 41,925	\$ 42,973	103%	\$ 167,700	\$ 109,350	65%	\$ 58,350	\$ 290,400	37.7%	\$ 181,050
Expenditures										
Material and services	\$ 2,500	\$ 16,840	674%	\$ 10,000	\$ 19,585	196%	\$ (9,585)	\$ 20,000	97.9%	\$ 415
Capital outlay										
Improvements	759,950	500,927	66%	3,039,800	762,821	25%	2,276,979	3,039,800	25.1%	2,276,979
Transfers	20,450	69,387	339%	81,800	113,472	139%	(31,672)	163,600	69.4%	50,128
Contingency				127,092				157,992		157,992
Total expenditures	\$ 782,900	\$ 587,154	75%	\$ 3,258,692	\$ 895,878	27%	\$ 2,235,722	\$ 3,381,392	26.5%	\$ 2,485,514
Revenue over (under) expenditures	\$ (740,975)	\$ (544,181)	-17%	\$ (3,090,992)	\$ (786,528)	-25%	\$ (2,177,372)	\$ (3,090,992)		
Beginning fund balance	3,090,992	3,127,929	101%	3,090,992	3,127,929	101%		3,090,992		
Ending fund balance	\$ 2,350,017	\$ 2,583,748	110%	\$ -	\$ 2,341,401	-		\$ -		



Sewer interceptor project at 10th and Main Street

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.

Second quarter revenue is roughly 51 percent of budget. Miscellaneous revenue is associated with a PERS rate credit from the creation of the City’s new side account in March 2019. In December 2019, the City was able to use the new side account to participate in the Employer Incentive Fund program to apply for matching funds. The City qualified for the first round of matching funds and has been approved for a side account deposit of \$200,000 from the state. The extra deposit will give an extra rate credit offset to be used in the calculation of the City’s PERS rates starting in FY22.

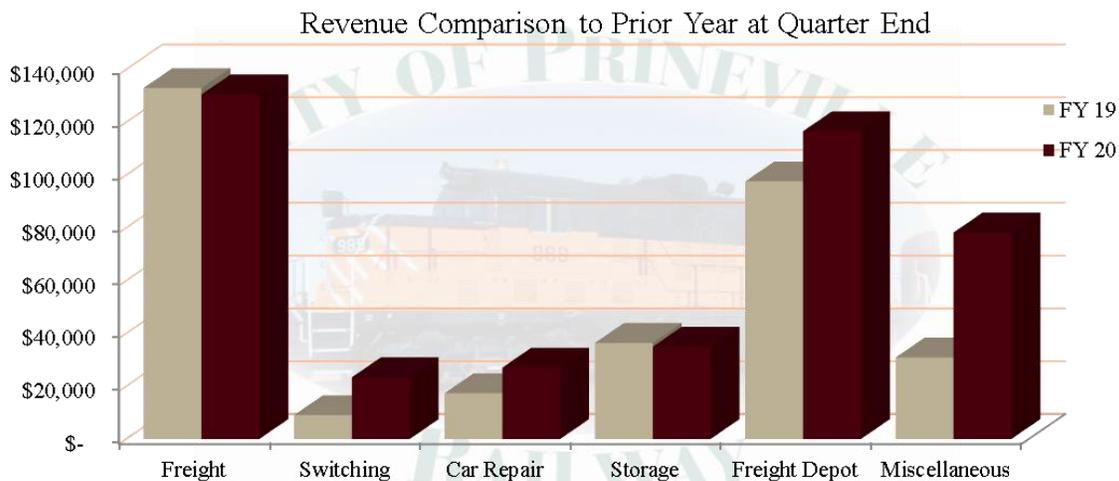
Expenditures during the second quarter are all associated with our semiannual debt service payment.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Quarter Actual	Quarter Budget %	Annual Budget Est.	Annual Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Charges for services	\$ 116,700	\$ 128,325	110%	\$ 466,800	\$ 256,650	55%	\$ 210,150	\$ 997,900	25.7%	\$ 741,250
Interest	3,750	4,070	109%	15,000	8,222	55%	6,778	35,000	23.5%	26,778
Miscellaneous	-	16,427	-	-	32,836	-	(32,836)	-	-	(32,836)
Transfer from other funds	25,000	-	-	100,000	-	-	100,000	200,000	-	200,000
Total revenue	\$ 145,450	\$ 148,821	102%	\$ 581,800	\$ 297,708	51%	\$ 284,092	\$ 1,232,900	24.1%	\$ 935,192
Expenditures										
Personnel services	\$ -	\$ -	-	\$ -	\$ 34,722	-	\$ (34,722)	\$ -	-	\$ (34,722)
Debt service										
Principal - POB 2013	50,125	-	-	200,500	-	-	200,500	419,500	-	419,500
Interest - POB 2013	21,900	43,796	200%	87,600	43,796	50%	43,804	167,800	26.1%	124,004
Contingency				603,191				1,254,291		1,254,291
Total expenditures	\$ 72,025	\$ 43,796	61%	\$ 891,291	\$ 78,518	9%	\$ 209,582	\$ 1,841,591	4.3%	\$ 1,763,073
Revenue over (under) expenditures	\$ 73,425	\$ 105,025	18%	\$ (309,491)	\$ 219,190	37%	\$ 74,510	\$ (608,691)		
Debt service reserve	299,200			299,200				299,200		
Beginning fund balance	608,691	594,230	98%	608,691	594,230	98%		608,691		
Ending fund balance	\$ 682,116	\$ 699,255	103%	\$ 299,200	\$ 813,420	272%		\$ -		

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.

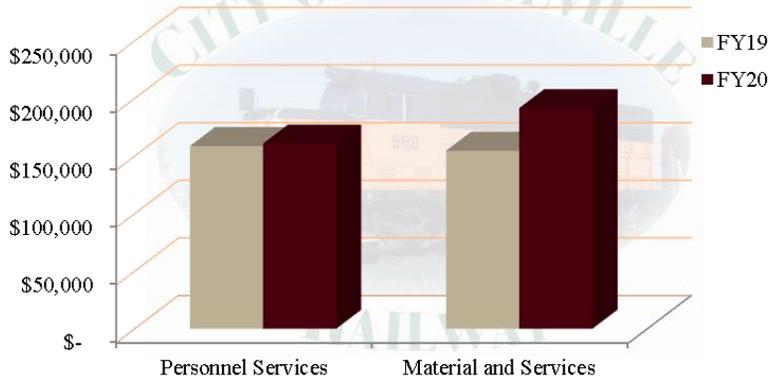
At second quarter end, overall revenue collection is at approximately \$410,647 or 52 percent of the annual budget. Charges for services for the railroad are at approximately \$181,200 or 50 percent of the annual budget, with the freight depot at approximately \$116,600 or 51 percent of annual budget. Overall operating revenue is up roughly 27 percent in comparison to the prior year at quarter end with significant increases in switching, car repair, and freight depot. Though Les Schwab traffic is down, new customers, like McCall Oil are filling in the gap. The revenue per car average has increased over the prior year at quarter end with the decrease in tire haulage and an increase in more diversified commodities being hauled through the City of Prineville Railway. The revenue per railcar average at second quarter end is approximately \$455 compared to \$410 the prior year. Miscellaneous revenue is largely associated with annual easement billings and insurance payments for lightening damage that took place during the first quarter. Below is a prior year comparison at quarter end of operating revenues for the Railroad Fund.



Overall expenditures at second quarter end are at approximately \$430,700 or 22 percent of the annual budget. Materials and services are at roughly 69 percent of the annual budget or \$191,500, which includes approximately \$67,000 in liability insurance expenditures and \$30,000 in repairs due to lightening damage from the first quarter. Bridge repair work was done during the second quarter where two wood caps and a broken wood stringer were removed and replaced with steel (pictured on the next page). Personnel services are as anticipated at 50 percent of the annual budget. Overall operating expenditures are up in comparison to the prior year at quarter end and management is watching them closely. On the next page is a graph comparison of operating expenditures at quarter end to prior year.

Railroad Fund- Continued

Expenditure Comparison to Prior Year at Quarter End



Through the second quarter, fund balance decreased roughly \$20,100 or -2 percent.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Charges for services										
Railroad	\$ 90,000	\$ 92,911	103%	\$ 360,000	\$ 181,214	50%	\$ 178,786	\$ 755,000	24.0%	\$ 573,786
Freight Depot	57,500	61,898	108%	230,000	116,583	51%	113,417	480,000	24.3%	363,417
Use of money and property	31,900	31,803	100%	127,600	55,033	43%	72,567	270,200	20.4%	215,167
Miscellaneous	17,500	2,457	14%	70,000	57,816	83%	12,184	145,000	39.9%	87,184
Total revenue	\$ 196,900	\$ 189,068	96%	\$ 787,600	\$ 410,647	52%	\$ 376,953	\$ 1,650,200	24.9%	\$ 1,239,553
Expenditures										
Personnel services	\$ 80,900	\$ 82,989	103%	\$ 323,600	\$ 160,741	50%	\$ 162,859	\$ 747,000	21.5%	\$ 586,259
Material and services	69,450	52,098	75%	277,800	191,540	69%	86,260	543,300	35.3%	351,760
Capital outlay										
Improvements	23,250	-	-	93,000	33,055	36%	59,945	134,000	24.7%	100,945
Transfers	22,700	22,700	100%	90,800	45,400	50%	45,400	181,700	25.0%	136,300
Contingency				1,148,193				1,189,993		1,189,993
Total expenditures	\$ 196,300	\$ 157,788	80%	\$ 1,933,393	\$ 430,736	22%	\$ 354,464	\$ 2,795,993	15.4%	\$ 2,365,257
Revenue over (under) expenditures	\$ 600	\$ 31,280	3%	\$ (1,145,793)	\$ (20,089)	-2%	\$ 22,489	\$ (1,145,793)		
Beginning fund balance	1,145,793	1,127,670	98%	1,145,793	1,127,670	98%		1,145,793		
Ending fund balance	\$ 1,146,393	\$ 1,158,950	101%	\$ -	\$ 1,107,581	-		\$ -		

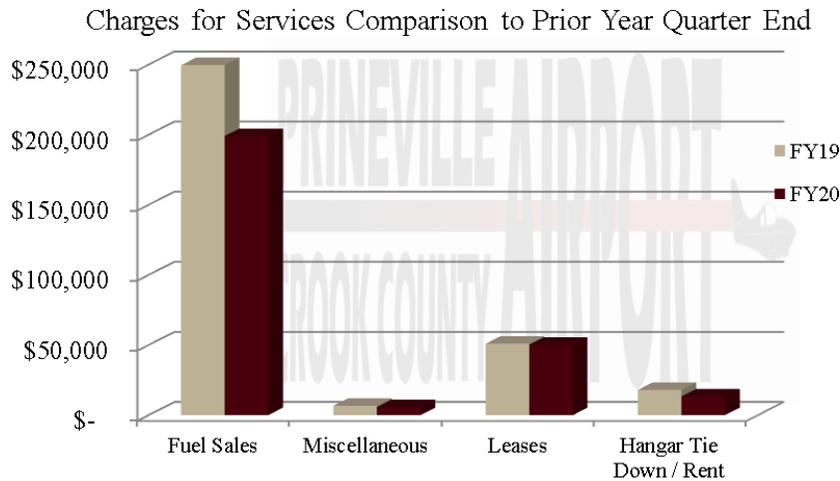


Railway bridge work done during the second quarter

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.

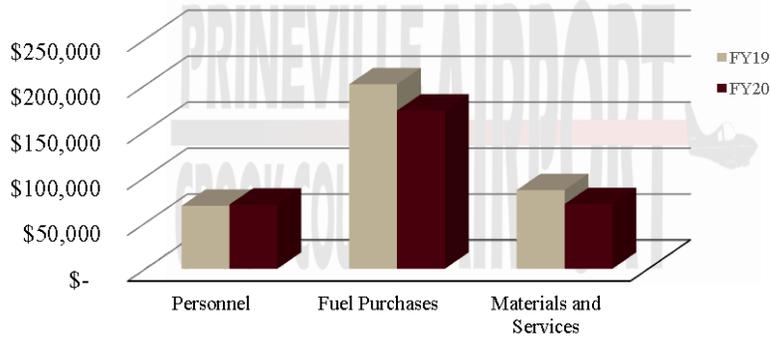
Revenue collection through the first quarter came in at approximately 23 percent of the annual budget or \$399,000. Overall charges for services are down over the prior year with fuel sales being down roughly 20 percent. The price of fuel has gone down in comparison to the prior year and competitors in Bend have been keeping their fuel prices in line with the Prineville Airport. The fire season was slow this summer which meant there was a decrease in Jet A fuel sales in comparison to the prior year. Also, Hillsboro Aero Academy has gotten their own fuel system where previously they were still coming in to get fuel. These are the largest contributing factors to the decrease in fuel revenue. Intergovernmental revenue collection during the second quarter is from the annual support from Crook County and Connect Oregon project. Below is a prior year comparison for operating revenue making up charges for services.



Overall expenditures through the second quarter came in at approximately \$451,300 or 25 percent of the annual budget. Materials and services are tracking under budget at 44 percent of the annual budget. Capital expenditures during the second quarter were for the new fuel system which is now operational and offsite improvements for the Airbase project which are both largely funded through a Connect Oregon grant. Also during the second quarter, design, engineering and the environmental study for the runway 28 project neared completion and construction is expected to start in spring 2021. Overall operating expenses are down roughly -12 percent over the prior year at quarter end. On the next page is a prior year comparison of operating expenditures.

Airport Fund - Continued

Expenditure Comparison to Prior Year Quarter End



At second quarter end, fund balance decreased roughly -32 percent. Decreases in fund balance are largely due to capital improvements, and the debt service and the annual insurance payment that took place during the first quarter. Inventory at quarter end totaled approximately \$64,900.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Annual Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Intergovernmental	\$ 272,500	\$ 100,223	37%	\$ 1,090,000	\$ 129,512	12%	\$ 960,488	\$ 1,180,000	11.0%	\$ 1,050,488
Charges for services	147,000	109,578	75%	588,000	268,577	46%	319,423	1,164,000	23.1%	895,423
Interest	-	466	-	-	939	-	(939)	-	-	(939)
Transfers	22,500	-	-	90,000	-	-	90,000	180,000	-	180,000
Total revenue	\$ 442,000	\$ 210,266	48%	\$ 1,768,000	\$ 399,028	23%	\$ 1,368,972	\$ 2,524,000	15.8%	\$ 2,124,972
Expenditures										
Personnel service	\$ 33,600	\$ 37,958	113%	\$ 134,400	\$ 69,897	52%	\$ 64,503	\$ 269,900	25.9%	\$ 200,003
Materials and services	136,675	102,916	75%	546,700	242,518	44%	304,182	1,088,400	22.3%	845,882
Capital outlay	250,000	37,076	15%	1,000,000	80,646	8%	919,354	1,000,000	8.1%	919,354
Debt service										
Les Schwab Hangar	6,250	-	-	25,000	25,000	100%	-	50,000	50.0%	25,000
Transfers	16,625	16,625	100%	66,500	33,250	50%	33,250	122,700	27.1%	89,450
Contingency				8,615				6,215	-	6,215
Total expenditures	\$ 443,150	\$ 194,576	44%	\$ 1,781,215	\$ 451,310	25%	\$ 1,321,290	\$ 2,537,215	17.8%	\$ 2,085,905
Revenue over (under) expenditures	\$ (1,150)	\$ 15,691	10%	\$ (13,215)	\$ (52,283)	-32%	\$ 47,683	\$ (13,215)		
Beginning fund balance	13,215	163,420	1237%	13,215	163,420	1237%		13,215		
Ending fund balance	\$ 12,065	\$ 179,111	1485%	\$ -	\$ 111,137	-		\$ -		



With the new system coming on line in the second quarter, the old fuel tanks were removed.

Water Fund

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

Overall revenue collection through the second quarter came in at approximately \$1.68 million or 56 percent of the annual budget. Revenue associated with charges for service came in at roughly \$1.55 million which is a decrease over the prior year of roughly \$258,400. Bulk water sales in comparison to the prior year have dropped roughly \$201,000 with the phases of the Facebook expansion needing bulk water for construction and dust abatement being completed during the prior year. This coupled with mild summer temperatures in comparison to the prior year and thunderstorms that brought rain over the first quarter has led to less water consumption needed for irrigation. The SDC reimbursement for water debt took place in December 2019.

Expenditures through quarter end are at approximately \$1.65 million or 49 percent of the annual budget. Capital expenditures are largely associated with the completion of the 2019 waterline improvement project which improved waterlines in 4 locations around the city, connected 54 services to the new lines and installed seven new fire hydrants. Other capital expenditures during the second quarter were for the Bowman Hydro project and the Habitat Conservation Plan.

Fund balance increased roughly \$34,400 or 4 percent through the second quarter.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Charges for services	\$ 710,000	\$ 616,358	87%	\$ 2,840,000	\$ 1,549,928	55%	\$ 1,290,073	\$ 5,785,000	26.8%	\$ 4,235,073
Interest	5,000	1,596	32%	20,000	3,649	18%	16,351	40,000	9.1%	36,351
Miscellaneous	1,375	-	-	5,500	-	-	5,500	11,000	-	11,000
Transfers	31,500	127,000	403%	126,000	127,000	101%	(1,000)	255,000	49.8%	128,000
Total revenue	\$ 747,875	\$ 744,954	100%	\$ 2,991,500	\$ 1,680,577	56%	\$ 1,310,924	\$ 6,091,000	27.6%	\$ 4,410,424
Expenditures										
Materials and services	\$ 145,075	\$ 155,009	107%	\$ 580,300	\$ 323,029	56%	\$ 257,271	1,184,500	27.3%	\$ 861,471
Franchise fee expense	35,500	35,500	100%	142,000	71,000	50%	71,000	289,000	24.6%	218,000
Capital outlay										
Improvements	165,000	143,184	87%	660,000	617,858	94%	42,142	1,269,000	48.7%	651,142
Debt service										
Principal										
Refunding bond 2017	34,150	-	-	136,600	-	-	136,600	276,900	-	276,900
Interest										
Refunding bond 2017	14,500	28,956	200%	58,000	28,956	50%	29,044	112,300	25.8%	83,344
Transfers	302,650	302,650	100%	1,210,600	605,300	50%	605,300	2,431,700	24.9%	1,826,400
Contingency				594,670				918,270		918,270
Total expenditures	\$ 696,875	\$ 665,300	95%	\$ 3,382,170	\$ 1,646,144	49%	\$ 1,141,356	\$ 6,481,670	25.4%	\$ 4,835,526
Revenue over (under) expenditures	\$ 51,000	\$ 79,655	10%	\$ (390,670)	\$ 34,433	4%	\$ 169,567	\$ (390,670)		
Debt service reserve	194,600			194,600				194,600		194,600
Beginning fund balance	585,270	783,298	134%	585,270	783,298	134%		585,270		
Ending fund balance	\$ 636,270	\$ 862,953	136%	\$ -	\$ 817,731	-		\$ -		

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 at quarter end came in at approximately \$1.99 million or 51 percent of the annual budget. Revenue collection for charges for services was roughly \$1.78 million or 48 percent of annual budget which is an increase over the prior year of approximately \$19,000. Reimbursement fees associated with the collection of SDC’s from July 2019 through December 2019 were distributed during the second quarter.

Expenditures at quarter end came in at roughly \$2.55 million or 39 percent of the annual budget. Capital expenditures during the second quarter are largely associated with well drilling for ground water monitoring at the wetlands. IFA and 2017 refunding debt service payments were due during the second quarter.

Fund balance decreased roughly \$552,200 or -14 percent through the second quarter largely due to the \$750,000 transfer to the golf course for the irrigation project that took place in the first quarter.

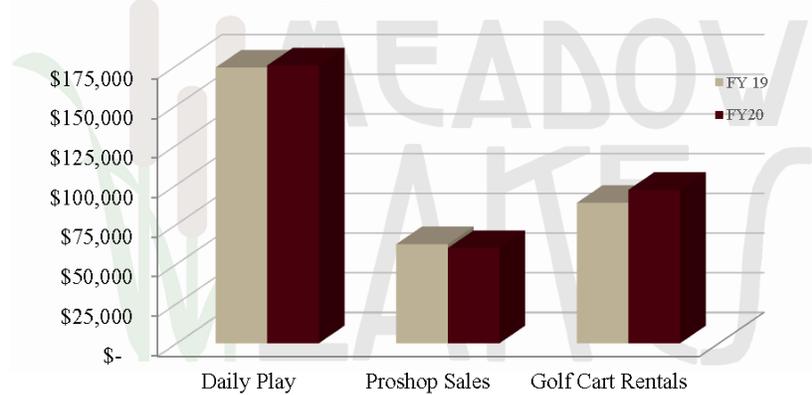
Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Charges for services	\$ 923,075	\$ 877,766	95%	\$ 3,692,300	\$ 1,780,110	48%	\$ 1,912,190	\$ 7,518,300	23.7%	\$ 5,738,190
Interest	13,500	27,262	202%	54,000	61,483	114%	(7,483)	96,000	64.0%	34,517
Miscellaneous	20,925	7,389	35%	83,700	44,192	53%	39,508	167,400	26.4%	123,208
SDCs - reimbursement fees	12,000	64,426	537%	48,000	108,510	226%	(60,510)	98,000	110.7%	(10,510)
Total revenue	\$ 969,500	\$ 976,843	101%	\$ 3,878,000	\$ 1,994,294	51%	\$ 1,883,706	\$ 7,879,700	25.3%	\$ 5,885,406
Expenditures										
Personnel services	\$ 31,775	\$ 31,110	98%	\$ 127,100	\$ 61,938	49%	\$ 65,162	\$ 259,000	23.9%	\$ 197,062
Materials and services	179,225	117,152	65%	716,900	319,982	45%	396,918	1,448,900	22.1%	1,128,918
Franchise fee expense	46,250	46,250	100%	185,000	92,500	50%	92,500	376,000	24.6%	283,500
Capital outlay							-			
Improvements	76,250	8,406	11%	305,000	62,575	21%	242,425	1,355,000	4.6%	1,292,425
Debt service										
Principal										
DEQ CWSRF R74682/2	118,825	-	-	475,300	235,888	50%	239,412	964,700	24.5%	728,812
Refunding 2017	39,850	-	-	159,400	-	-	159,400	323,200	0.0%	323,200
State of Oregon IFA	7,825	26,753	342%	31,300	26,753	85%	4,547	58,400	45.8%	31,647
USDA 2015	14,425	-	-	57,700	-	-	57,700	117,000	0.0%	117,000
Interest										
DEQ CWSRF R74682/2	28,000	-	-	112,000	57,722	52%	54,278	209,900	27.5%	152,178
Refunding 2017	16,900	33,789	200%	67,600	33,789	50%	33,811	131,000	25.8%	97,211
State of Oregon IFA	1,875	7,302	389%	7,500	7,302	97%	198	82,000	8.9%	74,698
USDA 2015	27,125	-	-	108,500	-	-	108,500	215,400	0.0%	215,400
Fees										
DEQ CWSRF R74682/2	4,925	-	-	19,700	19,633	100%	67	37,000	53.1%	17,367
Transfers	626,725	439,225	70%	2,506,900	1,628,450	65%	878,450	4,273,900	38.1%	2,645,450
Contingency				1,715,616				745,816		745,816
Total expenditures	\$ 1,219,975	\$ 709,987	58%	\$ 6,595,516	\$ 2,546,533	39%	\$ 2,333,367	\$ 10,597,216	24.0%	\$ 8,050,683
Revenue over (under) expenditures	\$ (250,475)	\$ 266,856	7%	\$ (2,717,516)	\$ (552,239)	-14%	\$ (449,661)	\$ (2,717,516)		
Other resources / (requirements)										
Debt service reserve	1,014,800			1,014,800				1,014,800		1,014,800
Capital reserve	200,000			200,000				200,000		200,000
Beginning fund balance	3,932,316	3,940,686	100%	3,932,316	3,940,686	100%		3,932,316		
Ending fund balance	\$ 3,681,841	\$ 4,207,542	114%	\$ -	\$ 3,388,447	-		\$ -		

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

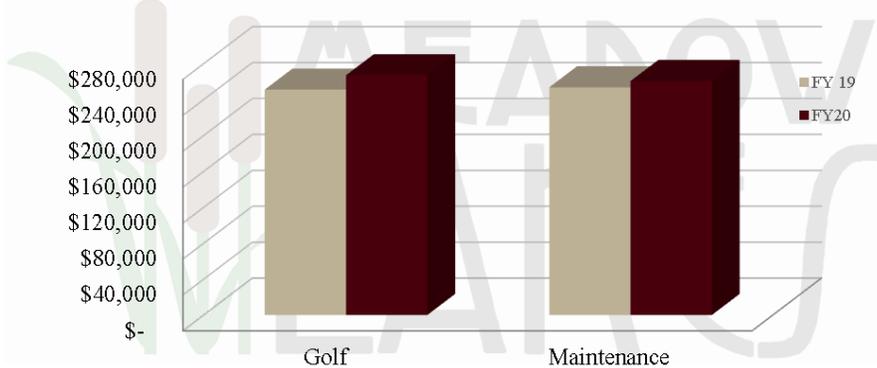
Overall revenue collection is at approximately \$1.35 million at second quarter end or 70 percent of the annual budget. Golf operating revenue came in at about \$380,500 or 50 percent of the annual budget which is an increase over the prior year at quarter end of roughly 6 percent. Even with being closed 11 more days than the prior year, green fee revenue is up roughly 7 percent with rounds of golf up approximately 610 rounds in comparison to the prior year at second quarter end. Holiday gift certificate sales were very strong this year, up 16 percent over 2018 with a total of 1,720 sold for \$36,120. Below is a comparison to the prior year of the significant operating revenue sources for the golf course.

Golf Revenue Comparison to Prior Year at Quarter End



Expenditures at quarter end came in at roughly \$574,300 or 25 percent of the annual budget. Waste disposal expenditures are at roughly \$260,600 or 54 percent of the annual budget, an increase of approximately 3 percent over the prior year at second quarter end. Golf course operating expenditures are up approximately 6 percent with personnel services, golf course supplies and transfers all up over the prior year. Phase 1 of the irrigation project was completed (GPS mapping and irrigation master plan) and phase 2 (construction cost estimates, construction documents and bidding) was started in the second quarter. Below is a comparison of operating only expenditures to the prior year by department.

Operating Expenditure Comparison to Prior Year at Quarter End



Golf Course and Restaurant Fund - Continued

Fund balance increased roughly \$771,500 or 156 percent through the second quarter with the budgeted transfer of \$750,000 that was completed in the first quarter from the Wastewater Fund for the needed irrigation replacement project.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Charges for services										
Golf Course	\$ 191,375	\$ 101,463	53%	\$ 765,500	\$ 380,479	50%	\$ 385,021	\$ 1,556,000	24.5%	\$ 1,175,521
Waste Disposal	92,500	92,500	100%	370,000	185,000	50%	185,000	740,000	25.0%	555,000
Restaurant	5,400	5,358	99%	21,600	10,716	50%	10,884	48,200	22.2%	37,484
Other	1,125	1,065	95%	4,500	2,688	60%	1,812	9,000	29.9%	6,312
Interest	2,250	7,368	327%	9,000	13,596	151%	(4,596)	15,000	90.6%	1,404
Transfers	187,500	-	-	750,000	750,000	100%	-	750,000	100.0%	-
Miscellaneous	1,250	951	76%	5,000	3,353	67%	1,647	10,000	33.5%	6,647
Total revenue	\$ 481,400	\$ 208,705	43%	\$ 1,925,600	\$ 1,345,831	70%	\$ 579,769	\$ 3,128,200	43.0%	\$ 1,782,369
Expenditures										
Golf Course	\$ 327,625	\$ 105,059	32%	\$ 1,310,500	\$ 280,895	21%	\$ 1,029,605	\$ 1,880,100	14.9%	\$ 1,599,205
Waste Disposal	121,700	114,079	94%	486,800	260,566	54%	226,234	994,500	26.2%	733,934
Restaurant	8,250	3,071	37%	33,000	11,448	35%	21,552	68,000	16.8%	56,552
Debt service										
Principal - note payable	6,475	6,461	100%	25,900	12,859	50%	13,041	82,200	15.6%	69,341
Interest - note payable	500	498	100%	2,000	1,058	53%	942	2,200	48.1%	1,142
Principal - 2017 bond	11,250	-	-	45,000	-	-	45,000	90,000	0.0%	90,000
Interest - 2017 bond	2,375	4,726	199%	9,500	4,726	50%	4,774	17,800	26.6%	13,074
Scooter lease	-	116	-	-	2,751	-	(2,751)	-	-	(2,751)
Contingency				413,795				394,295		394,295
Total expenditures	\$ 478,175	\$ 234,010	49%	\$ 2,326,495	\$ 574,303	25%	\$ 1,341,148	\$ 3,529,095	16.3%	\$ 2,954,792
Revenue over (under) expenditures	\$ 3,225	\$ (25,305)	-5%	\$ (400,895)	\$ 771,528	156%	\$ (761,379)	\$ (400,895)		
Debt service reserve	82,400			82,400				82,400		82,400
Beginning fund balance	483,295	494,280	102%	483,295	494,280	102%		483,295		
Ending fund balance	\$ 486,520	\$ 468,975	96%	\$ -	\$ 1,265,808	-		\$ -		



December 28, 2019 at Meadow Lakes Golf Course

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 second quarter came in at approximately \$1.36 million or 50 percent of the annual budget. Charges for services include approximately \$105,600 in SDC admin. fee distributions, \$5,300 in 911 user equipment reimbursements and \$586,100 in Internal Service Fund transfers.

Overall expenditures at quarter end are at approximately 44 percent of the annual budget or \$1.40 million. Expenditures are tracking below budget in the City Council, Administrative Services and Financial Services departments at second quarter end. In the IT Department expenses are up due to services that are being provided to the 911 users which are to be reimbursed and the annual renewal of software maintenance agreements. The additional revenue for the installation of 911 equipment and maintenance are expected to offset the expenses and it is undetermined at this time if a budget adjustment will be needed.

Fund balance decreased roughly \$46,800 or -17 percent through the second quarter.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Charges for services	\$ 680,600	\$ 722,043	106%	\$ 2,722,400	\$ 1,352,050	50%	\$ 1,370,350	\$ 5,319,900	25.4%	\$ 3,967,850
Interest	2,500	1,848	74%	10,000	4,434	44%	5,566	20,000	22.2%	15,566
Total revenue	\$ 683,100	\$ 723,891	106%	\$ 2,732,400	\$ 1,356,484	50%	\$ 1,375,916	\$ 5,339,900	25.4%	\$ 3,983,416
Expenditures										
City Council	\$ 22,575	\$ 16,204	72%	\$ 90,300	\$ 36,532	40%	\$ 53,769	\$ 182,100	20.1%	\$ 145,569
Administration / Team Services	200,750	197,502	98%	803,000	384,308	48%	418,692	1,614,500	23.8%	1,230,192
Financial Services	231,725	220,466	95%	926,900	434,109	47%	492,791	1,878,500	23.1%	1,444,391
Information Technology	221,700	205,857	93%	886,800	548,301	62%	338,499	1,723,000	31.8%	1,174,699
Contingency				478,314				394,714		394,714
Total expenditures	\$ 676,750	\$ 640,028	95%	\$ 3,185,314	\$ 1,403,250	44%	\$ 1,303,750	\$ 5,792,814	24.2%	\$ 4,389,564
Revenue over (under) expenditures	\$ 6,350	\$ 83,864	30%	\$ (452,914)	\$ (46,766)	-17%	\$ 72,166	\$ (452,914)		
Beginning fund balance	452,914	281,654	62%	452,914	281,654	62%		452,914		
Ending fund balance	\$ 459,264	\$ 365,518	80%	\$ -	\$ 234,888	-		\$ -		

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 are roughly 29 percent of the annual budget. Intergovernmental revenues were for the citywide parks master plan from Crook County Parks and Recreation, and CDBG for the senior center. A second CDBG was awarded during the second quarter bringing the total grant to roughly \$1.5 million for the rehabilitation of the Senior Center.

Expenditures during the second quarter are roughly 11 percent of the annual budget. Capital expenditures in the Police Facility Department were for property line adjustments and design and engineering services needed for the retrofitting of the new police facility building totaling \$197,300 in the second quarter. In the CDBG- Sr. Center Department, progress towards the senior center rehabilitation slowed as the grant committee waited to learn if the project would be awarded a second grant. Notice came in December that the second grant was awarded and the project went out to bid for a second time. The project will be ramping up in the third quarter. The Barnes Butte master plan process continued through the second quarter and quarter expenditures are largely associated with its development. All departments are tracking under the annual budget.

Fund balance decreased approximately \$105,900 or -3 percent through the second quarter.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Rent	\$ 52,775	\$ 52,800	100%	\$ 211,100	\$ 105,600	50%	\$ 105,500	\$ 438,000	24.1%	\$ 332,400
Transfers	158,550	145,550	92%	634,200	291,100	46%	343,100	1,211,300	24.0%	920,200
Miscellaneous	1,250	6,061	485%	5,000	13,083	262%	(8,083)	10,000	130.8%	(3,083)
Intergovernmental	192,075	24,875	13%	768,300	33,021	4%	735,279	768,300	4.3%	735,279
Interest	11,250	16,640	148%	45,000	36,466	81%	8,534	70,000	52.1%	33,534
Total revenue	\$ 415,900	\$ 245,926	59%	\$ 1,663,600	\$ 479,270	29%	\$ 1,184,330	\$ 2,497,600	19.2%	\$ 2,018,330
Expenditures										
City Hall facilities	\$ 64,000	\$ 28,353	44%	\$ 256,000	\$ 56,677	22%	\$ 199,322.93	\$ 512,300	11.1%	\$ 455,623
Police facilities	422,725	271,821	64%	1,690,900	406,350	24%	1,284,550	3,386,200	12.0%	2,979,850
CDBG - Sr. Center	182,075	11,440	6%	728,300	21,155	3%	707,145	728,300	2.9%	707,145
Public Works facilities	10,500	6,140	58%	42,000	14,966	36%	27,034	85,000	17.6%	70,034
Barnes Butte	48,000	51,972	108%	192,000	86,044	45%	105,956	297,000	29.0%	210,956
Contingency				1,412,908				122,308		122,308
Total expenditures	\$ 727,300	\$ 369,726	51%	\$ 4,322,108	\$ 585,191	11%	\$ 2,324,009	\$ 5,131,108	11.4%	\$ 4,545,917
Revenue over (under) expenditures	\$ (311,400)	(123,800)	-4%	\$ (2,658,508)	(105,921)	-3%	\$ (1,139,679)	\$ (2,633,508)		
Other requirements										
Debt service reserve	212,900			212,900				237,900		237,900
Beginning fund balance	2,871,408	3,117,775	109%	2,871,408	3,117,775	109%		2,871,408		
Ending fund balance	\$ 2,560,008	\$ 2,993,975	117%	\$ 212,900	\$ 3,011,854	1415%		\$ -		

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.

Second quarter revenue collection was from interest. Revenues are as anticipated with the county and city agreement specifying that the ending fund balance is not to exceed \$50,000.

Second quarter expenditures are largely for contracted grounds keeping and ice removal. During the second quarter, the flags were replaced in the plaza.

Revenue	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Budget Est.	Actual	Quarter Budget %	Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Intergovernmental	\$ 4,375	\$ -	-	\$ 17,500	\$ 6,461	37%	\$ 11,039	\$ 22,500	28.7%	\$ 16,039
Interest	250	251	101%	1,000	510	51%	490	2,000	25.5%	1,490
Transfers	4,375	-	-	17,500	6,461	37%	11,039	22,500	28.7%	16,039
Total revenue	\$ 9,000	\$ 251	3%	\$ 36,000	\$ 13,432	37%	\$ 22,568	\$ 47,000	28.6%	\$ 33,568
Expenditures										
Materials and services	\$ 7,250	\$ 1,395	19%	\$ 29,000	\$ 3,508	12%	\$ 25,492	\$ 43,000	8.2%	\$ 39,492
Transfers	500	-	-	2,000	-	-	2,000	4,000	0.0%	4,000
Contingency				41,318				36,318		36,318
Total expenditures	\$ 7,750	\$ 1,395	18%	\$ 72,318	\$ 3,508	5%	\$ 27,492	\$ 83,318	4.2%	\$ 79,810
Revenue over (under) expenditures	\$ 1,250	\$ (1,144)	-3%	\$ (36,318)	\$ 9,924	27%	\$ (4,924)	\$ (36,318)		
Other requirements										
Debt service reserve	-	-	-	-	-	-	-	-	-	-
Beginning fund balance	36,318	37,079	102%	36,318	37,079	102%		36,318		
Ending fund balance	\$ 37,568	\$ 35,935	96%	\$ -	\$ 47,003	-		\$ -		



New flags being installed by IT 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.

Second quarter revenues are at roughly 41 percent of the annual budget.

Overall expenditures through the second quarter are at roughly 46 percent of the annual budget. Expenditures for support services are tracking slightly under budget through the second quarter with personnel services coming in at 48 percent at quarter end. Second quarter expenditures in the fleet and vehicles department were largely associated with capital equipment purchases that included a new F-250 truck and a used dump truck totaling roughly \$125,100. Also taking place in the second quarter was the payoff of the city street sweeper totaling approximately \$34,501.

Fund balance decreased approximately \$173,800 or -95 percent through the second quarter.

	Current Quarter			Year to Date				Biennial Budget	Biennial Budget %	Biennial Budget Remaining Balance
	Quarter Budget Est.	Actual	Quarter Budget %	Annual Budget Est.	Actual	Annual Est. Budget %	Annual Est. Budget Balance			
Revenue										
Intergovernmental	\$ 29,250	\$ -	-	\$ 117,000	\$ -	-	\$ 117,000	\$ 236,000	0.0%	\$ 236,000
Charges for services	499,750	441,000	88%	1,999,000	882,000	44%	1,117,000	4,000,500	22.0%	3,118,500
Interest	875	1,190	136%	3,500	2,486	71%	1,014	7,000	35.5%	4,514
Miscellaneous	4,500	76	2%	18,000	76	0%	17,924	36,000	0.2%	35,924
Total revenue	\$ 534,375	\$ 442,266	83%	\$ 2,137,500	\$ 884,562	41%	\$ 1,252,938	\$ 4,279,500	20.7%	\$ 3,394,938
Expenditures										
Public Works Support Services	\$ 430,275	\$ 409,365	95%	\$ 1,721,100	\$ 827,253	48%	\$ 893,847	\$ 3,527,000	23.5%	\$ 2,699,747
Public Works Fleet and Vehicles	78,275	195,120	249%	313,100	231,092	74%	82,008	636,600	36.3%	405,508
Contingency				278,233				290,833		290,833
Total expenditures	\$ 508,550	\$ 604,485	119%	\$ 2,312,433	\$ 1,058,345	46%	\$ 975,855	\$ 4,454,433	23.8%	\$ 3,396,088
Revenue over (under) expenditures	\$ 25,825	\$ (162,220)	-89%	\$ (174,933)	\$ (173,783)	-95%	\$ 277,083	\$ (174,933)		
Beginning fund balance	174,933	183,109	105%	174,933	183,109	105%		174,933		
Ending fund balance	\$ 200,758	\$ 20,889	10%	\$ -	\$ 9,326	-		\$ -		