



*City of Prineville, Oregon
Financial Report
Third Quarter Ended March 31, 2019*

Executive Summary

The City's financial conditions strengthened by approximately 58 percent or \$8.23 million through the third quarter ending, March 31st, 2019. City funds that have significant positive impacts to the City's financial condition included General Fund, Emergency Dispatch, all the SDC funds, Wastewater and the Building Facilities. Funds that had significant negative impacts to the City's financial condition included the PERS / POB, Airport, Public Works Support Services and the Administration Fund. City funds with decreases in fund balances are largely due to starting another a side account with PERS, budgeted capital improvements / equipment and scheduled debt service payments.

Through the third quarter, General Fund revenues came in at approximately 89 percent of the annual budget or \$5.17 million. Year to date property tax revenue is roughly \$2.08 million or 97 percent of the annual budget, an increase of roughly \$112,900 over prior year's quarter end. Transient lodging taxes are up over prior year at roughly \$321,400 compared to \$243,100 the year before at quarter end. Franchise fees are at roughly 76 percent of the annual budget and collection increased approximately \$178,200 over last year same time frame. All franchise fees are up over the prior year, with the exception of telephone franchise collection. Electrical franchise fees are up roughly \$157,600 in comparison to the prior year. Electrical franchise fees continue to be on an upward trend with the expansion of the data centers still in progress. The General Funds ending balance increased approximately 77 percent through the third quarter.

The Emergency Dispatch Fund's ending fund balance has increased roughly \$191,300 or 47 percent through the third quarter. In February the dispatch team completed a three day leadership training that focused on team building, communication, goal setting, and a variety of topics associated with enhancing the work environment. Personnel services are at 67 percent of the annual budget and overtime is at 166 percent of the annual budget due to dispatching being understaffed. At the end of the third quarter, two dispatcher positions were looking to be filled.

Local development has continued to positively affect the SDC funds. During the third quarter there were roughly 15 projects paying SDC's. The largest contributor to the increase in fund balance in all of the SDC funds is the SDC's that were paid in association with data center expansions during the first quarter. Current projects in the SDC funds include: the Elm Street Bridge project in Transportation SDC fund, the Airport Industrial Park Utility Expansion project and the Plant Two Aeration project in Wastewater SDC and the Aquifer Storage and Recovery project (ASR) in the Water SDC fund. The ASR project is a method of water storage that uses the natural water storage capabilities of underground aquifers as a cost-effective, scalable and ecologically friendly water storage alternative to traditional storage options.

In the PERS / POB fund there was an \$800,000 payment sent to PERS to start another side account. With the timing of the payment, it is unclear if the City will get a direct adjustment to the next biennium rates or if the city will receive a monthly rate credit of 1.35 percent. With the creation of side accounts with PERS, the goal is to fund the City's unfunded pension liability and stabilize rates into the future.

The Railroad Fund has seen an increase to fund balance of approximately \$76,500 or 7 percent through the third quarter largely due to a roughly \$95,600 insurance check that was received for

March 31st, 2019

gate damages. Overall revenue comparisons to prior year through the third quarter are down roughly \$64,200. Demurrage collections were roughly \$74,000 during the prior year, where this year there has been zero demurrage revenue. Expenses are also down roughly \$121,500 in comparison to the prior year with decreases in both personnel and materials and services.

Airport fund balance shows a decrease of approximately \$287,200 largely due to the 26 percent match dollars needed for Airbase project. The airbase project is currently in process with the fuel system replacement construction expecting to start in July. Fuel inventory at quarter end is roughly \$47,100.

Meadow Lakes Golf shows a decrease in fund balance of roughly \$57,000 or -13 percent. Overall golf revenues are up in comparison to the prior year at quarter end approximately 8 percent. During the third quarter, there was a large snow storm that significantly affected golf activity. The golf course was closed 24 days in February, breaking the previous record of 14 days. In March the course was closed for 18 days, also breaking the previous record of 4 days. Additionally taking place during the third quarter was the restaurant being leased out starting February 1st. Operating expenditures are up roughly 10 percent for golf and maintenance combined compared to the prior year and management continues to monitor them closely.

The ending fund balance for the Administration and Financial Support Service Fund decreased approximately \$134,300 or -28 percent through the third quarter. In finance, a \$200,000 transfer to the PERS / POB fund was done during the third quarter. There's roughly \$65,700 in 911 equipment expenditures in the IT department for the new jail in the third quarter. The 911 equipment for the new jail is being reimbursed through the Crook County Sheriff's Department.

In the Building Facilities Fund, the fund balance increased approximately \$4.31 million through the third quarter largely due to the receipt of \$4 million in debt proceeds for the police facility department. Options were being explored for the use of the \$4 million for the police facility and third quarter expenditures in that department are largely associated with escrow money for a new building. In the CDBG – Senior Center department, third quarter expenditures are all associated with the administration of the Community Development Block Grant (CDBG) and the beginning stages of the senior centers rehabilitation.

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

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

Sincerely,

Steve Forrester
City Manager

Liz Schuette,
Finance Director

Lori Hooper,
Accounting Manager

March 31st, 2019

All City Funds

Fund	Actual Beginning Fund Balance	Current Year Resources	Current Year Expenditures	Ending Fund Balance	Change in Fund Balance	Percentage Change in Fund Balance	Projected Year-end Fund Balance	Variance Over / Under
General	\$ 1,918,886	\$ 5,167,377	\$ 4,409,837	\$ 2,676,426	\$ 757,540	39%	\$ 1,918,286	\$ (758,140)
Transportation	331,358	1,599,931	1,585,823	345,466	14,108	4%	456,058	110,592
Emergency Dispatch	404,256	1,281,174	1,089,907	595,523	191,267	47%	376,056	(219,467)
Planning	248,158	285,456	267,447	266,166	18,008	7%	240,958	(25,208)
Transportation SDC	955,586	634,883	205,765	1,384,704	429,118	45%	1,400,086	15,382
Water SDC	1,499,223	4,038,683	3,540,888	1,997,018	497,795	33%	2,186,423	189,405
Wastewater SDC	2,237,992	8,019,787	7,302,639	2,955,140	717,148	32%	3,090,992	135,852
PERS/ POB	863,291	591,483	848,157	606,618	(256,673)	-30%	608,691	2,073
Railroad	1,036,693	591,260	514,796	1,113,157	76,464	7%	1,145,793	32,636
Airport	42,915	1,157,524	1,444,694	(244,255)	(287,170)	-669%	13,215	257,470
Water	1,447,470	2,431,823	2,503,358	1,375,935	(71,535)	-5%	585,270	(790,665)
Wastewater	1,770,316	4,947,936	2,669,428	4,048,825	2,278,509	129%	3,932,316	(116,509)
Golf Course and Restaurant	426,395	1,011,197	1,068,178	369,413	(56,982)	-13%	483,295	113,882
Administration and Financial Services	481,714	1,998,383	2,132,690	347,408	(134,306)	-28%	452,914	105,506
Plaza Maintenance	41,518	10,167	9,296	42,389	871	2%	36,318	(6,071)
Building Facility Fund	245,508	4,760,675	447,568	4,558,615	4,313,107	1757%	2,871,408	(1,687,207)
Public Works Support Services	267,033	1,202,663	1,455,901	13,795	(253,238)	-95%	174,933	161,138
Totals	\$ 14,218,312	\$ 39,730,402	\$ 31,496,371	\$ 22,452,343	\$ 8,234,031	58%	\$ 19,973,012	\$ (2,479,331)

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 third quarter is at approximately \$5.17 million with roughly \$2.08 million coming from property taxes. Year to date property tax revenue is roughly 97 percent of the annual budget through the third quarter and up over the prior year at quarter end roughly \$112,900. Transient lodging taxes are up over prior year at roughly \$321,400 compared to \$243,100 last year. Franchise fees are at roughly 76 percent of the annual budget and collection increased approximately \$178,200 over last year same time frame. Electrical franchise fees up roughly \$157,600 and only telephone franchise fees are down in comparison to the prior year. Electrical franchise fees continue to be on an upward trend with the expansion of the data centers still in progress.

Police spending through the third quarter was at approximately 77 percent of the annual budget. Personnel services for the police department are at roughly 76 percent of annual budget with overtime at roughly 92 percent of the annual budget. Reimbursable grant overtime has increased significantly over the last year due to a HIDTA (High Intensity Drug Trafficking Area) grant. The Police Department will likely require a budget adjustment largely due to personnel services and the hiring of trained officers and a transfer to the Building Facility fund associated with the debt service for the new Public Safety building. Non-departmental is at 62 percent of the annual budget.

Overall, the General Fund realized an increase in fund balance of approximately 77 percent or \$757,500 through the third quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Property taxes	\$ 535,000	\$ 93,156	17%	\$ 1,605,000	\$ 2,075,712	97%	\$ 2,140,000	\$ 2,140,000	\$ -
Transient lodging tax	77,500	73,629	95%	232,500	321,399	104%	310,000	390,000	80,000
Franchise fees	653,750	749,092	115%	1,961,250	1,993,326	76%	2,615,000	2,875,000	260,000
Licenses and permits	2,225	1,286	58%	6,675	4,415	50%	8,900	7,300	(1,600)
Intergovernmental revenues	93,500	245,462	263%	280,500	338,989	91%	374,000	428,700	54,700
Charges for services	25	-	-	75	2,358	2358%	100	2,500	2,400
Interest	5,250	15,421	294%	15,750	32,449	155%	21,000	40,000	19,000
Miscellaneous	80,000	95,867	120%	240,000	398,729	125%	320,000	407,300	87,300
Total revenue	\$ 1,447,250	\$ 1,273,912	88%	\$ 4,341,750	\$ 5,167,377	89%	\$ 5,789,000	\$ 6,290,800	\$ 501,800
Expenditures									
Police	1,182,400	1,195,450	101%	3,547,200	3,633,843	77%	4,729,600	5,132,200	402,600
Non-departmental	313,075	233,554	75%	939,225	775,994	62%	1,252,300	1,159,200	(93,100)
Contingency							1,570,940		(1,570,940)
Total expenditures	\$ 1,495,475	\$ 1,429,004	96%	\$ 4,486,425	\$ 4,409,837	58%	\$ 7,552,840	\$ 6,291,400	\$ (1,261,440)
Revenue over (under) expenditures	(48,225)	(155,092)	-	(144,675)	757,540	39%	(1,763,840)	(600)	1,763,240
Beginning fund balance	1,763,840	1,918,886	109%	1,763,840	1,918,886	109%	1,763,840	1,918,886	155,046
Ending fund balance	\$ 1,715,615	\$ 1,763,794	103%	\$ 1,619,165	\$ 2,676,426	165%	\$ -	\$ 1,918,286	

Notes: A budget adjustment will likely be needed in the PD largely for personnel fees associated with the hiring of experienced officers and for transfers for the police facility in the Buildings Facility Fund for the new public safety facility.

Transportation Fund

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

Revenue collection through the third quarter came in at approximately 75 percent of the annual budget. Intergovernmental revenue collection is at 84 percent of the annual budget. The State of Oregon gas tax came in at approximately \$561,300 through the third quarter which is an increase from the prior year third quarter end of roughly \$110,400. STP Fund Exchange dollars totaling approximately \$115,200 came in during the third quarter.

Third quarter expenditures are roughly 65 percent of the annual budget. Capital expenditures through the third quarter totaled approximately \$949,800 or 84 percent of the annual budget. Third quarter capital expenditures were largely for a sanding shed and the ODOT transit grant. Personnel services are on track at approximately 75 percent of the annual budget.

During the second quarter a supplemental budget was adopted adjusting materials and services for additional consulting needs and in capital outlay to include the joint project with the county, the remainder of the Beaver St. project and an ODOT grant for the West Y intersection. Resource adjustments were in intergovernmental revenue for the grant dollars from ODOT and dollars from Crook County for their portion of the joint paving project. Another budget adjustment may be necessary prior to yearend as estimates are predicting it to be really close.

Revenue	Current Quarter			Year to Date			Annual			Year-end Estimate	Estimate to Budget Variance
	Budget	Actual	Quarter Budget %	Budget	Actual	Annual Budget %	Budget	Budget %			
Franchise Fees	\$ 107,500	\$ 76,750	71%	\$ 322,500	\$ 230,250	54%	\$ 430,000		\$ 430,000	\$ -	
Intergovernmental	321,125	354,418	110%	963,375	1,078,215	84%	1,284,500		1,369,000	84,500	
Transfers	100,000	75,000	75%	300,000	275,000	69%	400,000		300,000	(100,000)	
Interest	625	1,800	288%	1,875	2,894	116%	2,500		6,000	3,500	
Miscellaneous	2,125	164	8%	6,375	13,573	160%	8,500		14,500	6,000	
Total revenue	\$ 531,375	\$ 508,132	96%	\$ 1,594,125	\$ 1,599,931	75%	\$ 2,125,500		\$ 2,119,500	\$ (6,000)	
Expenditures											
Personnel services	58,875	58,810	100%	176,625	176,983	75%	235,500		234,000	(1,500)	
Material & services	61,400	20,779	34%	184,200	145,463	59%	245,600		245,800	200	
Capital outlay											
Improvements	281,750	25,722	9%	845,250	949,802	84%	1,127,000		1,096,900	(30,100)	
Transfers	104,525	104,525	100%	313,575	313,575	75%	418,100		418,100	-	
Contingency							423,157			(423,157)	
Total expenditures	\$ 506,550	\$ 209,836	41%	\$ 1,519,650	1,585,823	65%	\$ 2,449,357		\$ 1,994,800	\$ (454,557)	
Revenue over (under) expenditures	24,825	298,295	90%	74,475	14,108	4%	(323,857)		124,700	448,557	
Beginning fund balance	323,857	331,358	102%	323,857	331,358	102%	323,857		331,358	7,501	
Ending fund balance	\$ 348,682	\$ 629,653	181%	\$ 398,332	\$ 345,466	87%	\$ -		\$ 456,058		

Note: Supplemental budget adopted per resolution NO. 1379. A budget adjustment may be needed prior to yearend in Materials and services.

Emergency Dispatch Fund

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

Revenue collection for the Emergency Dispatch Fund is approximately \$1.28 million or 78 percent of the annual budget. Intergovernmental revenue came in at 134 percent of the quarter budget with roughly 202,300 coming in from the Crook County Sheriff’s Department for dispatching services.

Expenditures are approximately \$1.09 or 55 percent of the annual budget. During the third quarter the dispatch team completed a three day leadership training that focused on team building, communication, goal setting, and a variety of topics associated with enhancing the work environment. Personnel services are at 67 percent of the annual budget and overtime is at 166 percent of the annual budget due to dispatch continued to be understaffed. At the end of the third quarter, two dispatching positions were looking to be filled.

The Emergency Dispatch Fund increased its fund balance by roughly \$191,300 or 47 percent through the third quarter. A budget adjustment will likely be needed prior to yearend for infrastructure maintenance and GIS services which are reimbursable through the state.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Intergovernmental	\$ 216,300	\$ 288,982	134%	\$ 648,900	695,797	80%	\$ 865,200	\$ 864,800	\$ (400)
Charges for services	1,000	740	74%	3,000	814	20%	4,000	7,500	3,500
Interest	750	2,921	389%	2,250	7,063	235%	3,000	10,000	7,000
Transfers from other funds	192,500	192,500	100%	577,500	577,500	75%	770,000	770,000	-
Total revenue	\$ 410,550	\$ 485,143	118%	\$ 1,231,650	\$ 1,281,174	78%	\$ 1,642,200	\$ 1,652,300	\$ 10,100
Expenditures									
Personnel services	275,450	234,183	85%	826,350	734,801	67%	1,101,800	1,037,200	(64,600)
Material & services	55,550	63,427	114%	166,650	194,274	87%	222,200	270,900	48,700
Capital outlay	51,250	27,700	54%	153,750	35,282	17%	205,000	205,000	-
Transfers	41,850	41,850	100%	125,550	125,550	75%	167,400	167,400	-
Contingency							280,159		(280,159)
Total expenditures	\$ 424,100	\$ 367,160	87%	\$ 1,272,300	\$ 1,089,907	55%	\$ 1,976,559	\$ 1,680,500	\$ (296,059)
Revenue over (under) expenditures	(13,550)	117,983	29%	(40,650)	191,267	47%	(334,359)	(28,200)	306,159
Beginning fund balance	334,359	404,256	121%	334,359	404,256	121%	334,359	404,256	69,897
Ending fund balance	\$ 320,809	\$ 522,239	163%	\$ 293,709	\$ 595,523	203%	\$ -	\$ 376,056	

Note: A budget adjustment will likely be needed largely due to Infrastructure maintenance and GIS services which are reimbursed through the state.

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.

Third quarter revenue collection came in at approximately \$285,500 or 140 percent of the annual budget. Revenue collection through the third quarter for licenses and permits is at approximately \$28,500 with roughly \$7,200 coming in the third quarter. Prior year collection was at approximately \$36,000 at third quarter end. During the third quarter SDC reimbursements were completed and the administration fee distributed. Planning’s portion was roughly \$219,600.

Expenditures incurred during the third quarter came in at approximately \$96,200 or 103 percent of the quarter budget with overall expenditures at roughly 63 percent of the annual budget. A budget adjustment will likely be needed prior to yearend largely due to the DEQ Air Quality and Neighbor Impact expenses which are both reimbursed.

Through the third quarter fund balance increased roughly \$18,000 or 7 percent largely due to the SDC administration fee distribution.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Licenses & Permits	\$ 11,250	\$ 7,238	64%	\$ 33,750	28,546	63%	\$ 45,000	\$ 40,000	(5,000)
Intergovernmental	1,275	4,044	317%	3,825	5,292	104%	5,100	15,600	10,500
Charges for services	5,500	222,354	4043%	16,500	227,876	1036%	22,000	291,800	269,800
Interest	375	1,999	533%	1,125	4,422	295%	1,500	5,500	4,000
Misc. Income	-	19,320	-	-	19,320	-	-	19,400	19,400
Transfers from other funds	32,500	-	-	97,500	-	-	130,000	-	(130,000)
Total revenue	\$ 50,900	\$ 254,954	501%	\$ 152,700	\$ 285,456	140%	\$ 203,600	\$ 372,300	\$ 168,700
Personnel services	58,375	56,393	97%	175,125	158,098	68%	233,500	212,000	(21,500)
Material & services	6,550	11,086	169%	19,650	23,324	89%	26,200	52,800	26,600
Transfers	28,675	28,675	100%	86,025	86,025	75%	114,700	114,700	-
Contingency	-	-	-	-	-	-	51,180	-	(51,180)
Total expenditures	\$ 93,600	\$ 96,154	103%	\$ 280,800	\$ 267,447	63%	\$ 425,580	\$ 379,500	\$ (46,080)
Revenue over (under) expenditures	(42,700)	158,800	-	(128,100)	18,008	7%	(221,980)	(7,200)	214,780
Beginning fund balance	221,980	248,158	112%	221,980	248,158	112%	221,980	248,158	26,178
Ending fund balance	\$ 179,280	\$ 406,958	227%	\$ 93,880	\$ 266,166	284%	\$ -	\$ 240,958	

Note: A budget adjustment will likely be needed largely due to DEQ Air quality and Neighbor Impact expenses which are both reimbursed.

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 third quarter for the Transportation SDC Fund is at approximately 61 percent of the annual budget. Third quarter SDC collection came in at roughly \$73,200 with \$457,500 total collection through third quarter end which is approximately 114 percent of the annual budget. Intergovernmental revenue collection during the third quarter was from ODOT for the Elm St. Bridge rehabilitation. Local development continued in the third quarter positively affecting the SDC funds. There were roughly 15 projects during the third quarter paying street SDC's.

Expenditures during the third quarter were predominantly capital expenditures associated with the Elm St. Bridge project. SDC reimbursements were due by the end of January 2019 for the 2018 calendar year and a budget adjustment will likely be needed prior to yearend due to SDC collections coming in higher than originally budgeted.

During the second quarter a supplemental budget was adopted adjusting capital outlay for the Elm Street Bridge project and adjusting transfers for administrative fees from SDC collections. Resource adjustments included intergovernmental revenue for dollars for the Elm Street Bridge project and SDC collection from the data centers expansions. SDC collection is higher than anticipated at 114 percent of the supplemental budget. Another supplemental budget will likely be needed prior to yearend.

Fund balance increased roughly \$429,100 or 45 percent through the third quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Intergovernmental	\$ 158,325	\$ 146,917	93%	\$ 474,975	\$ 146,917	23%	\$ 633,300	\$ 633,300	-
Interest	2,250	7,990	355%	6,750	21,494	239%	9,000	26,000	17,000
Misc Income	-	-	-	-	9,000	-	-	75,000	75,000
System development charges	100,000	73,240	73%	300,000	457,472	114%	400,000	500,000	100,000
Total revenue	\$ 260,575	\$ 228,147	88%	\$ 781,725	\$ 634,883	61%	\$ 1,042,300	\$ 1,234,300	\$ 192,000
Expenditures									
Material & services	2,500	1,500	60%	7,500	6,891	92%	10,000	10,000	-
Capital outlay									
Improvements	224,250	164,258	73%	521,250	179,663	20%	897,000	746,800	(150,200)
Transfers	7,000	19,212	274%	17,125	19,212	69%	28,000	33,000	5,000
Contingency							1,051,610		(1,051,610)
Total expenditures	\$ 233,750	\$ 184,969	79%	\$ 545,875	\$ 205,765	10%	\$ 1,986,610	\$ 789,800	\$ (1,196,810)
Revenue over (under) expenditures	26,825	43,178	5%	235,850	429,118	45%	(944,310)	444,500	1,388,810
Beginning fund balance	944,310	955,586	101%	944,310	955,586	101%	944,310	955,586	\$ 11,276
Ending fund balance	\$ 971,135	\$ 998,764	103%	\$ 1,180,160	\$ 1,384,704	117%	\$ -	\$ 1,400,086	

Note: Supplemental budget adopted per resolution NO. 1379. A budget adjustment will likely be needed in transfers due to the collection of SDCs coming in higher than originally budgeted.

Water SDC Fund

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

Overall revenue through the third quarter came in at approximately \$4.04 million. During the third quarter, reimbursements for the ASR project and sewer deepening totaling roughly \$714,000 came in from Apple. Local development continued in the third quarter positively affecting the SDC funds. There were roughly 13 projects during the third quarter which paid water SDC's.

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

Fund balance increased roughly \$497,800 or 33% through the third quarter. Revenue over expense estimates reflect and increase to fund balance at year end of roughly \$687,200.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Interest	\$ 2,500	\$ 16,555	662%	\$ 7,500	\$ 47,345	473%	\$ 10,000	\$ 50,000	\$ 40,000
System development charges	1,480,500	46,720	3%	4,441,500	3,183,335	54%	5,922,000	5,922,000	-
Charges for Services	131,575	714,150	543%	394,725	808,003	205%	526,300	526,300	-
Total revenue	\$ 1,614,575	\$ 777,424	48%	\$ 4,843,725	\$ 4,038,683	63%	\$ 6,458,300	\$ 6,498,300	\$ 40,000
Expenditures									
Capital outlay									
Improvements	1,463,000	1,377,654	94%	4,389,000	3,259,757	56%	5,852,000	5,391,000	(461,000)
Transfers	105,025	281,131	268%	242,850	281,131	67%	420,100	420,100	-
Contingency							2,358,391		(2,358,391)
Total expenditures	\$ 1,568,025	\$ 1,658,785	106%	\$ 6,094,850	\$ 3,540,888	58%	\$ 8,630,491	\$ 5,811,100	\$ (2,819,391)
Revenue over (under) expenditures	46,550	(881,361)	-59%	(1,251,125)	497,795	33%	(2,172,191)	687,200	2,859,391
Beginning fund balance	2,172,191	1,499,223	69%	2,172,191	1,499,223	69%	2,172,191	1,499,223	(672,968)
Ending fund balance	\$ 2,218,741	\$ 617,862	28%	\$ 921,066	\$ 1,997,018	217%	\$ -	\$ 2,186,423	

Note: Supplemental budget adopted per resolution NO. 1379.

Wastewater SDC Fund

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

Overall revenue collected through the third quarter came in at approximately \$8.02 million with a majority coming from SDC's collected during the first quarter. Reimbursements from Apple for the sewer deepening project came in at roughly \$432,500 during the third quarter. Local development continued, positively affecting the SDC funds. There were roughly 13 projects during the third quarter which paid water SDC's.

Third quarter capital improvements were largely for costs associated with the Airport Industrial Park Utility Expansion project totaling approximately \$1.8 million and the Aeration project for plant two totaling roughly \$239,700. The Airport Industrial Park Utility Expansion project brings both water and sewer utilities to the airport industrial area. Third quarter transfers are associated with the SDC administrative fee distribution for the second half of the 2018 calendar year SDC collection.

A supplemental budget was adopted during the second quarter adjusting capital outlay for the data center expansion and plant two's aeration project and transfers to include administrative fees. Resource adjustments included SDC revenue collection and charges for services from the data center expansions. Projects are coming to a close quicker than anticipated and SDC collection is coming in higher than originally expected. A supplemental budget will likely need to be adopted for capital outlay and transfers prior to yearend.

Fund balance has increased roughly \$717,100 or 32 percent through the third quarter.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Revenue									
Charges for Services	\$ 131,575	\$ 432,452	329%	\$ 394,725	\$ 526,305	133%	\$ 526,300	\$ 526,300	\$ -
Interest	5,000	25,824	516%	15,000	54,014	270%	20,000	70,000	50,000
System development charges	1,884,375	55,672	3%	5,653,125	7,439,467	99%	7,537,500	7,600,000	62,500
Total revenue	\$ 2,020,950	\$ 513,947	25%	\$ 6,062,850	\$ 8,019,787	99%	\$ 8,083,800	\$ 8,196,300	\$ 112,500
Expenditures									
Material & services	2,500	1,959	78%	7,500	6,759	68%	10,000	10,000	-
Capital outlay									
Improvements	802,975	2,073,609	258%	2,408,925	4,876,996	152%	3,211,900	4,863,900	1,652,000
Transfers	616,600	2,418,884	392%	1,849,800	2,418,884	98%	2,466,400	2,469,400	3,000
Contingency				-			5,095,304		(5,095,304)
Total expenditures	\$ 1,422,075	\$ 4,494,452	316%	\$ 4,266,225	\$ 7,302,639	68%	\$ 10,783,604	\$ 7,343,300	\$ (3,440,304)
Revenue over (under) expenditures	598,875	(3,980,505)	-	1,796,625	717,148	32%	(2,699,804)	853,000	3,552,804
Beginning fund balance	2,699,804	2,237,992	83%	2,699,804	2,237,992	83%	2,699,804	2,237,992	(461,812)
Ending fund balance	\$ 3,298,679	\$ (1,742,513)	-	\$ 4,496,429	\$ 2,955,140	66%	\$ -	\$ 3,090,992	

Note: Note: Supplemental budget adopted per resolution NO. 1379. A budget adjustment will likely be needed for increase capital projects, capital projects coming to completion quicker than anticipated and in transfers due to increased SDC collection.

March 31st, 2019

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.

During the third quarter the city started another side account with a payment to PERS of \$800,000. This is in an effort to fund the City’s UAL and stabilize rates into the future. With the timing of the payment, it is unclear if the City will get a direct adjustment to the next biennium rates or if the city will receive a monthly rate credit of 1.35 percent.

Ending fund balance through the third quarter decreased approximately \$256,700 or 30 percent.

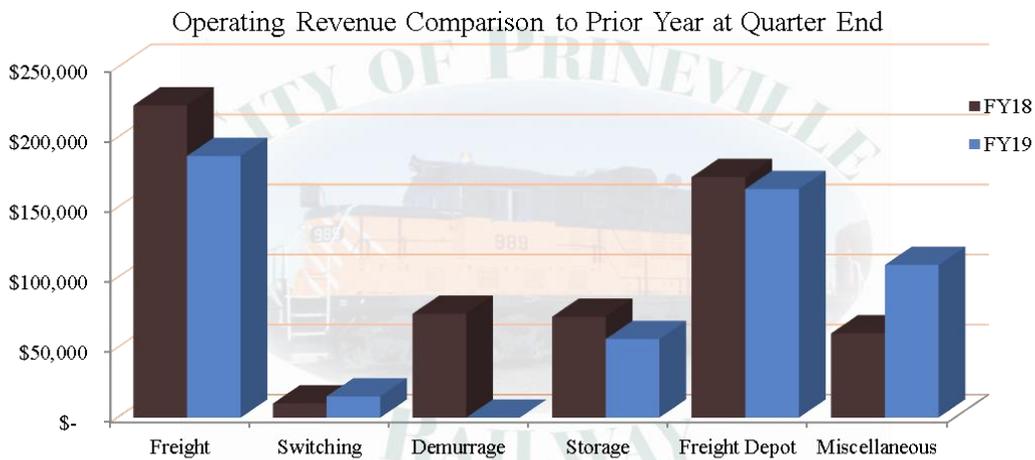
Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-End Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Interest	\$ 2,500	\$ 7,445	298%	\$ 7,500	\$ 17,942	179%	\$ 10,000	\$ 20,000	\$ 10,000
Charges for Services	-	373,542	-	-	373,542	-	-	602,600	602,600
Transfer from other funds	250,650	200,000	80%	751,950	200,000	20%	1,002,600	200,000	(802,600)
Total revenue	\$ 253,150	\$ 580,987	230%	\$ 759,450	\$ 591,483	58%	\$ 1,012,600	\$ 822,600	\$ (190,000)
Expenditures									
Personnel Services	200,000	800,000	400%	600,000	800,000	100%	800,000	800,000	-
Materials and services	500	1,000	200%	1,500	1,000	50%	2,000	1,000	(1,000)
Debt service									
Principal - POB 2013	45,525	-	-	136,575	-	-	182,100	182,100	-
Interest - POB 2013	23,525	-	-	70,575	47,157	50%	94,100	94,100	-
Contingency							798,403		(798,403)
Total expenditures	\$ 269,550	\$ 801,000	297%	\$ 808,650	\$ 848,157	45%	\$ 1,876,603	\$ 1,077,200	\$ (799,403)
Revenue over (under) expenditures	\$ (16,400)	\$ (220,013)	-	\$ (49,200)	\$ (256,673)	-30%	\$ (864,003)	\$ (254,600)	\$ 609,403
Beginning fund balance	864,003	863,291		864,003	863,291		864,003	863,291	(712)
Ending fund balance	\$ 847,603	\$ 643,278		\$ 814,803	\$ 606,618		\$ -	\$ 608,691	

Note: Supplemental budget adopted per resolution NO. 1379

Railroad Fund

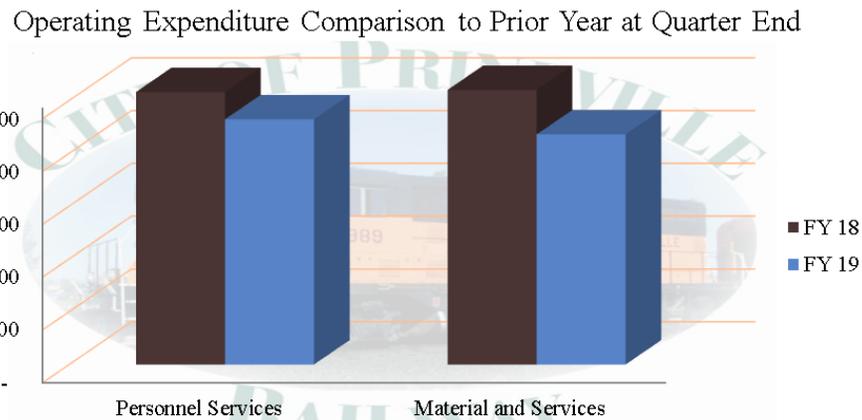
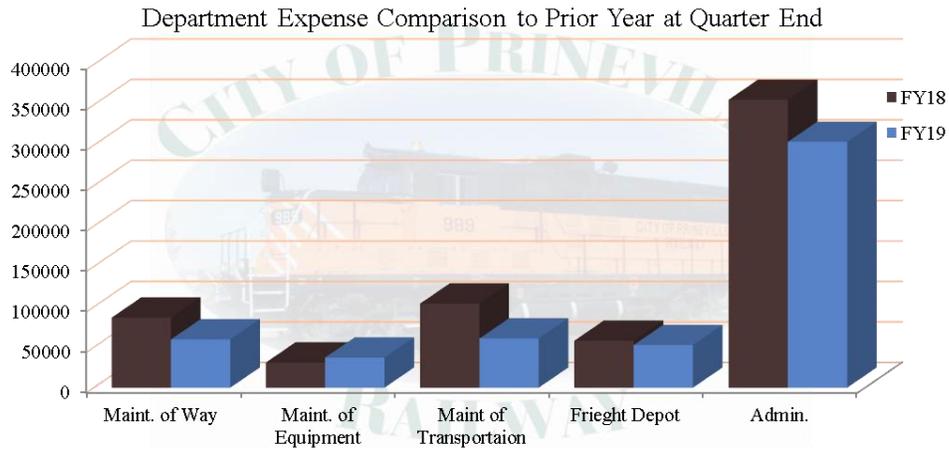
This fund accounts for the activities of the City’s railroad operation and for the City’s freight depot operation. Starting in FY 14 the Railroad and Freight Depot Funds were consolidated. Primary revenue sources are payments for the use of railroad and freight depot facilities and related services.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

Overall revenue collection through the third quarter is at roughly \$591,300 or 59 percent of the annual budget. Charges for services for the railroad are at approximately \$234,200 or 47 percent of the annual budget and freight depot charges for services are approximately \$164,400 or 60 percent of annual budget. During the third quarter, the railway received an insurance check for approximately \$95,600 for gate damages that were incurred in November 2018. Overall revenue comparisons to prior year through the third quarter are down roughly \$64,200. Demurrage collections were roughly \$74,000 during the prior year, where this year there has not been any demurrage collection. Below is a breakdown of the funds major revenue sources compared to prior year collection at third quarter end.



Overall expenditures through the third quarter are at approximately \$514,800 or 25 percent of the annual budget. Personnel services are at roughly \$232,100 or 72 percent of the annual budget. Prior year comparisons show personnel services down roughly -10 percent at quarter end due to the retirement of a long term employee in the second quarter of the prior year. Materials and services comparisons are also down -28 percent in comparison to the prior year largely due to car traffic being released in a timely fashion minimizing car hire charges, which are accounted for in the Maintenance of Transportation department.

Railroad Fund- Continued



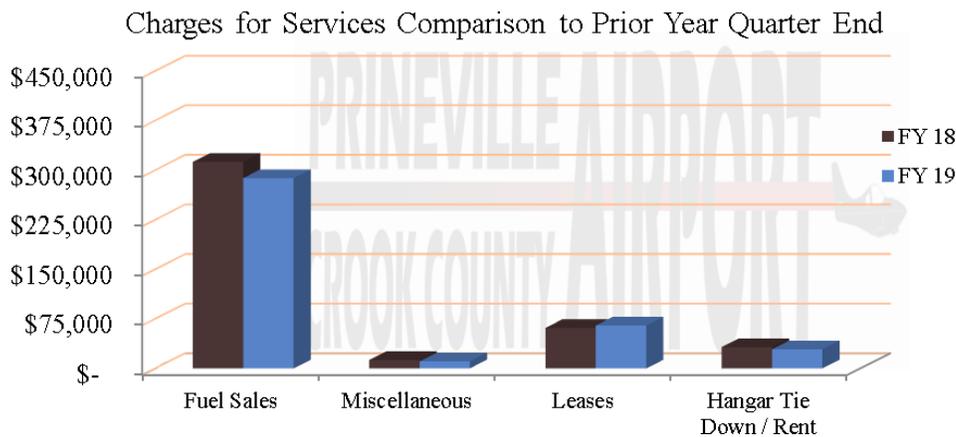
Through the third quarter the ending fund balance is at approximately \$1.11 million, an increase of roughly \$76,500 or 7 percent.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Charges for services									
Railroad	\$ 125,375	\$ 75,698	60%	\$ 376,125	234,158	47%	\$ 501,500	\$ 285,500	\$ (216,000)
Freight Depot	68,000	66,892	98%	204,000	164,439	60%	272,000	225,000	(47,000)
Use of money & property	36,400	29,730	82%	109,200	83,672	57%	145,600	156,600	11,000
Miscellaneous	21,250	95,668	450%	63,750	108,990	128%	85,000	155,000	70,000
Total revenue	\$ 251,025	\$ 267,988	107%	\$ 753,075	\$ 591,260	59%	\$ 1,004,100	\$ 822,100	\$ (182,000)
Expenditures									
Personnel services	80,075	58,846	73%	240,225	232,142	72%	320,300	306,600	(13,700)
Material and services	76,800	66,681	87%	230,400	217,824	71%	307,200	291,400	(15,800)
Capital outlay									-
Improvements	57,750	1,026	2%	173,250	4,830	2%	231,000	35,000	(196,000)
Transfers	20,000	20,000	100%	60,000	60,000	75%	80,000	80,000	-
Contingency							1,160,021		(1,160,021)
Total expenditures	\$ 234,625	\$ 146,553	62%	\$ 703,875	\$ 514,796	25%	\$ 2,098,521	\$ 713,000	\$ (1,385,521)
Revenue over (under) expenditures	16,400	121,435	12%	49,200	76,464	7%	(1,094,421)	109,100	1,203,521
Beginning fund balance	1,094,421	1,036,693	95%	1,094,421	1,036,693	95%	1,094,421	1,036,693	(57,728)
Ending fund balance	\$ 1,110,821	\$ 1,158,128	104%	\$ 1,143,621	\$ 1,113,157	97%	\$ -	\$ 1,145,793	

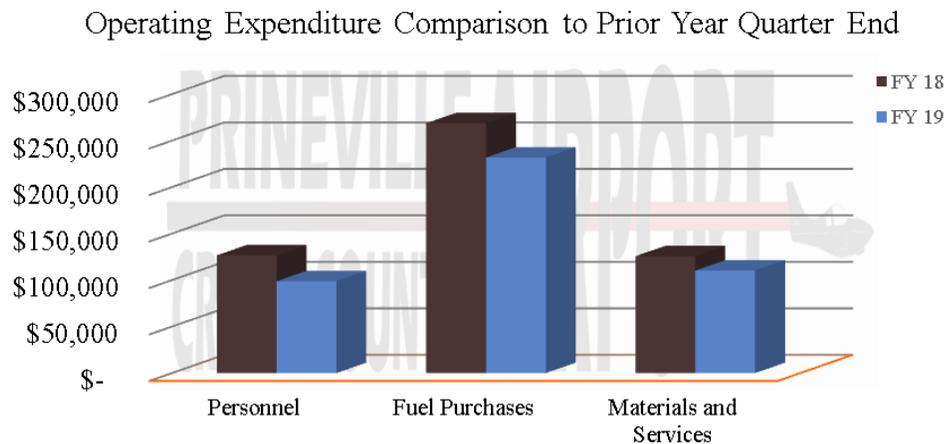
Airport Fund

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

Overall revenues through the third quarter are at roughly \$1.16 million or 13 percent of the annual budget. Intergovernmental revenue collected during the third quarter was at approximately \$566,200 and is all for the airbase project from Connect Oregon. Charges for services for the third quarter were approximately 34 percent of the quarter budget or \$67,000 and are down over the prior year through the third quarter roughly -6 percent. Fuel sales are down by roughly -8 percent over the prior year at quarter end. Large amounts of snow during the third quarter slowed general aviation activity at the airport. Below is a comparison to prior year for the revenue sources that make up charges for services at quarter end.



Third quarter expenditures came in at approximately \$686,100 or 30 percent of the quarter budget. Capital expenditures during the third quarter are all associated with the Airbase project which is partially reimbursed through a Connect Oregon grant. This project is a joint project with the City and the County and has been awarded several different grants between both the city and the county. Below is a comparison of operating expenditures to the prior year at quarter end.



March 31st, 2019

Airport Fund - Continued

Overall fund balance is down approximately \$287,200 through the third quarter largely due to the 26 percent match dollars needed for Airbase project. Fuel inventory at quarter end is roughly \$47,100.

	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Intergovernmental	\$ 2,093,750	\$ 566,217	27%	\$ 6,281,250	\$ 765,011	9%	\$ 8,375,000	\$ 1,119,100	\$ (7,255,900)
Charges for services	194,500	67,027	34%	583,500	392,513	50%	778,000	568,500	(209,500)
Other revenues	25	-	-	75	-	-	100	-	(100)
Transfers	12,500	-	-	37,500	-	-	50,000	50,000	-
Total revenue	\$ 2,300,775	\$ 633,243	28%	\$ 6,902,325	\$ 1,157,524	13%	\$ 9,203,100	\$ 1,737,600	\$ (7,465,500)
Personnel Service	38,500	30,333	79%	115,500	98,784	64%	154,000	130,100	(23,900)
Materials and Services	181,050	56,555	31%	543,150	342,172	47%	724,200	502,700	(221,500)
Capital outlay	2,046,250	581,143	28%	6,138,750	924,514	11%	8,185,000	1,037,200	(7,147,800)
Debt Service	6,250	-	-	18,750	25,000	100%	25,000	25,000	-
Transfers	18,075	18,075	100%	54,225	54,225	75%	72,300	72,300	-
Contingency							48,088		(48,088)
Total expenditures	\$ 2,290,125	\$ 686,106	30%	\$ 6,870,375	\$ 1,444,694	16%	\$ 9,208,588	\$ 1,767,300	\$ (7,441,288)
Revenue over (under) expenditures	10,650	(52,863)	-	31,950	(287,170)	-669%	(5,488)	(29,700)	(24,212)
Beginning fund balance	5,488	42,915	782%	5,488	42,915	782%	5,488	42,915	37,427
Ending fund balance	\$ 16,138	\$ (9,948)	-	\$ 37,438	\$ (244,255)	-	\$ -	\$ 13,215	

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 third quarter came in at approximately \$2.43 million or 75 percent of the annual budget. Revenue associated with charges for services came in at roughly \$487,700 or 63 percent of quarter budget which is largely made up of water sales. Third quarter transfer revenue are from the Water SDC fund for debt service.

Third quarter expenditures are at roughly 78 percent of the quarter budget. Capital improvements during the third quarter were at approximately \$245,500. Capital improvements that took place during the quarter were largely associated with the drilling of a new Yancey well. A Budget adjustment will likely be needed prior to yearend in materials and services largely due to the Yancey well caving and a cavern developing during the third quarter and for franchise fees that were accidentally left out of the budget adjustment in the prior year.

Overall, the fund balance through the third quarter decreased by roughly \$71,500 or -5 percent.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Charges for services	\$ 772,500	\$ 487,728	63%	\$ 2,317,500	\$ 2,292,167	74%	\$ 3,090,000	\$ 2,680,100	\$ (409,900)
Interest	2,250	5,555	247%	6,750	15,656	174%	9,000	20,000	11,000
Miscellaneous	1,375	-	-	4,125	-	-	5,500	5,500	-
Transfers	31,000	124,000	400%	93,000	124,000	100%	124,000	124,000	-
Total revenue	\$ 807,125	\$ 617,283	76%	\$ 2,421,375	\$ 2,431,823	75%	\$ 3,228,500	\$ 2,829,600	\$ (398,900)
Expenditures									
Materials and services	118,550	109,467	92%	355,650	368,323	78%	474,200	562,600	88,400
Franchise fees expense	32,500	32,500	100%	97,500	97,500	75%	130,000	253,000	123,000
Capital outlay									
Equipment	-	-	-	-	-	-	-	-	-
Improvements	388,825	245,540	63%	1,166,475	1,038,190	67%	1,555,300	1,430,000	(125,300)
Debt service									
Principal									
Refunding bond 2017	25,500	-	-	76,500	-	-	102,000	102,000	-
Interest									
Refunding bond 2017	21,575	-	-	64,725	55,920	65%	86,300	86,300	-
Transfers	314,475	314,475	100%	943,425	943,425	75%	1,257,900	1,257,900	-
Contingency							688,061		(688,061)
Total expenditures	\$ 901,425	\$ 701,982	78%	\$ 2,704,275	\$ 2,503,358	58%	\$ 4,293,761	\$ 3,691,800	\$ (601,961)
Revenue over (under) expenditures	(94,300)	\$ (84,698)	-6%	(282,900)	(71,535)	-5%	(1,065,261)	(862,200)	203,061
Beginning fund balance	1,065,261	1,447,470	136%	1,065,261	1,447,470	136%	1,065,261	1,447,470	382,209
Ending fund balance	\$ 970,961	\$ 1,362,772	140%	\$ 782,361	\$ 1,375,935	176%	\$ -	\$ 585,270	

Note: A budget adjustment will likely be needed prior to yearend in materials and services and in franchise fee expense.

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 third quarter came in at approximately \$4.95 million or 134 percent of the annual budget. Third quarter revenue collection for charges for services was roughly \$841,300 or 95 percent of the quarter budget. Miscellaneous revenue collected during the third quarter is largely associated with pasture rent. SDC reimbursements were due by the end of January 2019. SDC reimbursement fee revenue for the third quarter is associated with the SDC collection from July through December 2018.

Expenditures are at roughly 52 percent of the annual budget through the third quarter with USDA and DEQ Clean Water State Revolving Fund debt service payments coming out in the third quarter. A budget adjustment will likely be needed prior to yearend in personnel services to allow for an adjustment in accrued absences, in materials and services for extra consulting needs and irrigation water rights and in debt service for interest.

Fund balance has increase through the third quarter by roughly \$2.28 million or 129 percent.

Revenue	Current Quarter			Year to Date			Annual			Year-end	
	Budget	Actual	Quarter Budget %	Budget	Actual	Budget %	Budget	Estimate	Budget	Estimate	Variance
Charges for services	\$ 883,750	\$ 841,301	95%	\$ 2,651,250	\$ 2,602,415	74%	\$ 3,535,000	\$ 3,555,000	\$	\$ 20,000	
Interest	3,750	18,894	504%	11,250	77,737	518%	15,000	100,000	\$	85,000	
Miscellaneous	23,300	40,821	175%	69,900	218,534	234%	93,200	233,800	\$	140,600	
SDCs - reimbursement fees	14,700	2,049,250	13940%	44,100	2,049,250	3485%	58,800	2,089,400	\$	2,030,600	
Total revenue	\$ 925,500	\$ 2,950,266	319%	\$ 2,776,500	\$ 4,947,936	134%	\$ 3,702,000	\$ 5,978,200	\$	2,276,200	
Expenditures											
Personnel services	32,000	28,769	90%	96,000	89,789	70%	128,000	132,000	\$	4,000	
Materials and services	156,275	168,842	108%	468,825	461,941	74%	625,100	715,400	\$	90,300	
Franchise fees expense	44,250	44,250	100%	132,750	132,750	75%	177,000	177,000	\$	-	
Capital outlay											
Improvements	269,125	12,940	5%	807,375	60,320	6%	1,076,500	350,900	\$	(725,600)	
Debt service											
Principal											
State of Oregon IFA	7,825	-	-	23,475	19,772	63%	31,300	31,300	\$	-	
USDA 2015	14,050	56,160	400%	42,150	56,160	100%	56,200	56,200	\$	-	
DEQ CWSRF R74682/2	115,400	232,471	201%	346,200	461,574	100%	461,600	461,600	\$	-	
Refunding 2017 / principal	29,775	-	-	89,325	-	-	119,100	119,100	\$	-	
Interest											
State of Oregon IFA	2,500	-	-	7,500	14,283	143%	10,000	14,300	\$	4,300	
USDA 2015	27,500	110,000	400%	82,500	110,000	100%	110,000	110,000	\$	-	
DEQ CWSRF R74682/2	31,425	61,139	195%	94,275	125,646	100%	125,700	125,700	\$	-	
Refunding 2017 / interest	25,175	-	-	75,525	65,252	65%	100,700	100,700	\$	-	
Refinance											
Fees											
DEQ CWSRF R74682/2	5,500	-	-	16,500	21,941	100%	22,000	22,000	\$	-	
Transfers	350,000	350,000	100%	1,050,000	1,050,000	75%	1,400,000	1,400,000	\$	-	
Contingency							699,857		\$	(699,857)	
Total expenditures	\$ 1,110,800	\$ 1,064,571	96%	\$ 3,332,400	\$ 2,669,428	52%	\$ 5,143,057	\$ 3,816,200	\$	(1,326,857)	
Revenue over (under) expenditures	(185,300)	1,885,695	107%	(555,900)	2,278,509	129%	(1,441,057)	2,162,000	\$	3,603,057	
Other resources / (requirements)											
Debt service reserve	470,200	-	-	470,200	-	-	470,200		\$		
Beginning fund balance	1,911,257	1,770,316	93%	1,911,257	1,770,316	93%	1,911,257	1,770,316	\$	(140,941)	
Ending fund balance	\$ 1,725,957	\$ 3,656,011	212%	\$ 1,355,357	\$ 4,048,825	299%	\$ 470,200	\$ 3,932,316	\$		

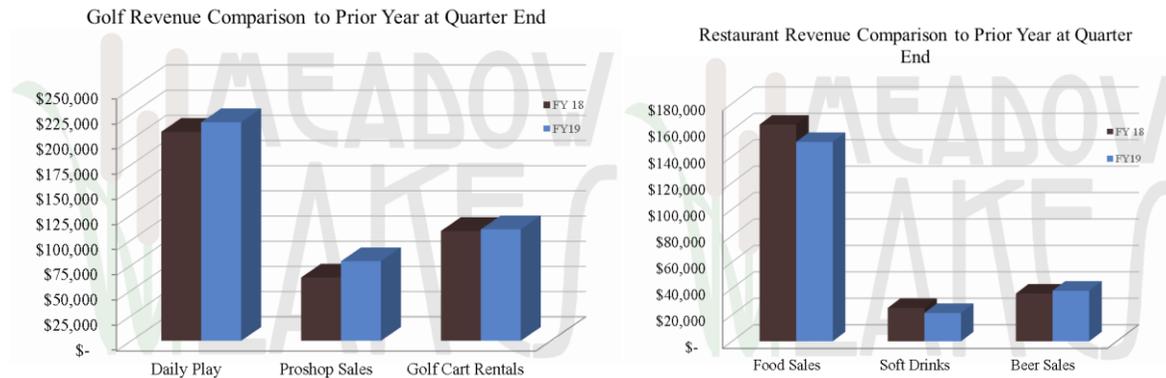
Note: A budget adjustment will likely be needed prior to yearend in personnel services to allow for an adjustment in accrued absences, in materials and services for extra consulting needs and irrigation water rights and in debt service for interest.

Golf Course and Restaurant Fund

This fund accounts for the activities of Meadow Lakes Golf Course and Restaurant. Revenue is generated through user fees, restaurant sales and lease revenue (starting February 2019), and an operating payment from the City’s Wastewater Fund for treatment.

During the third quarter, there was a large snow storm that significantly affected golf activity. The golf course was closed 24 days in February, breaking the previous record of 14 days. In March the course was closed for 18 days, also breaking the previous record of 4 days. Additionally taking place during the third quarter was the restaurant being leased out starting February 1st.

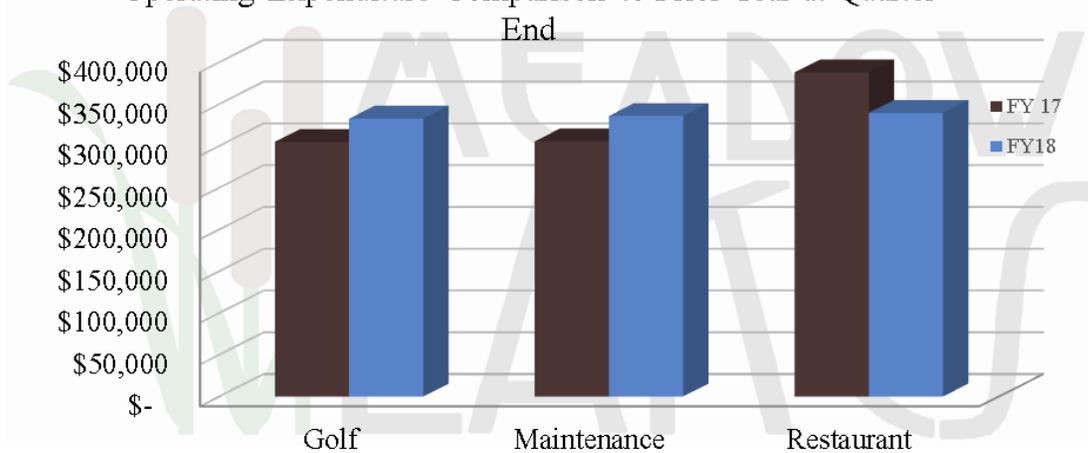
Revenue collection through the third quarter is at approximately 64 percent of the annual budget or \$1.01 million. Golf revenue is at roughly \$479,700 or 63 percent of the annual budget through the third quarter, this is up over the prior year third quarter by approximately \$37,000 or 8 percent. Restaurant revenues are at approximately \$239,400 or 54 percent of the annual budget through the third quarter. Restaurant charge for service revenues only go through January 31st and then starting in February lease revenue is collected monthly due to the restaurant changing hands. Below is a comparison to the prior year quarter end of the significant operating revenue sources for golf and the restaurant.



Overall expenditures through the third quarter came in at roughly \$1.07 million or 53 percent of the annual budget. Overall expenditures for the golf course are roughly \$362,400 or 79 percent through the third quarter. Restaurant expenditures through the third quarter are approximately 62 percent of budget or \$399,500. Restaurant operating expenses stop as of January 31st but lease contract specific expenditures continue. On the next page is a comparison of operating expenditures to the prior year at quarter end by department.

Golf Course and Restaurant Fund - Continued

Operating Expenditure Comparison to Prior Year at Quarter End



Fund balance decreased roughly \$57,000 or -13 percent through the third quarter and management continues to monitor expenditures closely.

	Current Quarter		Quarter	Year to Date		Annual	Annual	Year-end	Estimate to
	Budget	Actual	Budget %	Budget	Actual	Budget %	Budget	Estimate	Budget Variance
Revenue									
Charges for services									
Golf Course	\$ 191,375	\$ 120,686	63%	\$ 574,125	\$ 479,677	63%	\$ 765,500	\$ 739,500	\$ (26,000)
Waste disposal	92,500	92,500	100%	277,500	277,500	75%	370,000	370,000	-
Restaurant	110,250	25,931	24%	330,750	239,405	54%	441,000	236,700	(204,300)
Other	1,250	552	44%	3,750	3,227	65%	5,000	4,500	(500)
Interest	875	2,938	336%	2,625	8,521	243%	3,500	11,000	7,500
Miscellaneous	625	580	93%	1,875	2,867	115%	2,500	13,200	10,700
Total revenue	\$ 396,875	\$ 243,186	61%	\$ 1,190,625	\$ 1,011,197	64%	\$ 1,587,500	\$ 1,374,900	\$ (212,600)
Expenditures									
Golf Course	114,750	89,199	78%	344,250	362,356	79%	459,000	446,300	(12,700)
Waste disposal	112,475	83,033	74%	337,425	335,767	75%	449,900	443,900	(6,000)
Restaurant	136,375	54,716	40%	409,125	339,479	62%	545,500	344,900	(200,600)
Debt service									
Principal - note payable	6,300	6,337	101%	18,900	18,840	75%	25,200	25,200	-
Interest - note payable	675	622	100%	2,025	2,035	75%	2,700	2,700	-
Principal - 2011 bond	10,000	-	-	30,000	-	0%	40,000	40,000	-
Interest - 2011 bond	3,750	-	-	11,250	9,702	65%	15,000	15,000	-
Contingency							466,931		(466,931)
Total expenditures	\$ 384,325	\$ 233,907	61%	\$ 1,152,975	\$ 1,068,178	53%	\$ 2,004,231	\$ 1,318,000	\$ (686,231)
Revenue over (under) expenditures	12,550	9,279	2%	37,650	(56,982)	-13%	(416,731)	56,900	473,631
Beginning fund balance	416,731	426,395	102%	416,731	426,395	102%	416,731	426,395	9,664
Ending fund balance	\$ 429,281	\$ 435,674	101%	\$ 454,381	\$ 369,413	81%	\$ -	\$ 483,295	

March 31st, 2019

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 third quarter came in at approximately \$1.99 million or 75 percent of the annual budget. During the third quarter the IT department received \$15,000 from Crook County Parks and Recreation for the Ochoco Creek Park lighting and roughly \$34,000 in reimbursements for 911 user equipment.

Overall expenditures for the third quarter end are at roughly 67 percent of the annual budget or \$2.13 million. In the finance department, a \$200,000 transfer to the PERS / POB fund was done during the third quarter. There were roughly \$65,700 in 911 equipment expenditures in the IT department for the new jail in the third quarter which are being reimbursed through the Crook County Sheriff’s Department.

A supplemental budget was adopted during the second quarter to adjust expenditures in Administration / team services to include a Bio Mass Feasibility Study, a temporary part time records management position, and an increase in attorney fees for unanticipated costs associated with the transition of the new attorney. The supplemental budget adjusted financial services in transfers to include additional dollars to the PERS fund for a lump sum deposit to PERS and associated fees, materials and services for additional dollars for audit expenses and fund additional dollars for accrued liabilities in personal services. It also adjusts IT to include the acquisition of time management software and the 911 user technology at the Crook County Jail. Another supplemental budget will likely need to be adopted prior to yearend in IT for needed 911 equipment and software maintenance agreements.

Fund balance decreased approximately \$134,300 or -28 percent through the third quarter.

Revenue	Current Quarter			Year to Date			Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual	Quarter Budget %	Budget	Actual	Actual				
Charges for services	\$ 666,250	\$ 901,392	135%	1,998,750	\$ 1,988,859	75%	\$ 2,665,000	\$ 2,727,100	\$ 62,100	
Interest	1,250	3,634	291%	3,750	9,525	190%	5,000	10,000	5,000	
Total revenue	\$ 667,500	\$ 905,026	136%	\$ 2,002,500	\$ 1,998,383	75%	\$ 2,670,000	\$ 2,737,100	\$ 67,100	
Expenditures										
City Council	22,050	18,937	86%	66,150	59,427	67%	88,200	87,000	(1,200)	
Administration/team services	214,775	250,484	117%	644,325	626,977	73%	859,100	798,800	(60,300)	
Financial services	272,350	443,457	163%	817,050	842,147	77%	1,089,400	1,082,000	(7,400)	
Information technology	181,725	242,867	134%	545,175	604,138	83%	726,900	798,100	71,200	
Contingency							406,255		(406,255)	
Total expenditures	\$ 690,900	\$ 955,745	138%	\$ 2,072,700	\$ 2,132,690	67%	\$ 3,169,855	\$ 2,765,900	\$ (403,955)	
Revenue over (under) expenditures	(23,400)	(50,719)	-	(70,200)	(134,306)	-28%	(499,855)	(28,800)	471,055	
Beginning fund balance	499,855	481,714	96%	499,855	481,714	96%	499,855	481,714	(18,141)	
Ending fund balance	\$ 476,455	\$ 430,995	90%	\$ 429,655	\$ 347,408	81%	\$ -	\$ 452,914		

Note: Supplemental budget adopted per resolution NO. 1379. An adjustment will likely be needed prior to yearend in the IT department largely for needed 911 equipment and software maint. agreements

Building Facilities Fund

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

Overall revenues through the third quarter are at approximately \$4.76 million or 92 percent of the annual budget. During the third quarter, intergovernmental revenues were received all associated with the community development block grant for the senior center.

Overall expenditures through the third quarter are roughly \$447,600 or 8 percent of the annual budget. During the third quarter, options were being explored for the use of the \$4 million for the police facility and third quarter expenditures in that department are largely associated with escrow money for a new building. In the CDBG – Senior Center department, third quarter expenditures are all associated with the administration of the grant and the beginning stages of the senior centers rehabilitation. This project has been a long time in the making with Resolution No. 1302 being passed in 2016 regarding the City’s role in administering and managing the grant. This is a pass through grant and a budget adjustment may not be needed though may be done prior to yearend for transparency.

Fund balance increased roughly \$4.31 million through the third quarter. A supplemental budget was adopted during the second quarter to adjust expenditures in the Police Facility department for the acquisition and or improvements to a public safety building, to budget for the debt serve payment and the debt service reserve, this increases the contingency for this year. The supplemental budget also includes in the Barnes Butte property the expenditure of the State Parks grant. Revenues will increase to recognize the debt proceeds, additional dollars from Police to cover debt service payments, the State Parks grant and a decrease in intergovernmental revenue for the return of the Seismic grant.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Rent	\$ 51,225	\$ 51,225	100%	153,675	\$ 153,675	75%	\$ 204,900	\$ 204,900	\$ -
Transfers	232,575	218,825	94%	697,725	468,975	50%	930,300	890,500	(39,800)
Misc. Income	1,625	665	41%	4,875	11,156	172%	6,500	13,000	6,500
Debt Proceeds	1,000,000	-	-	3,000,000	4,000,000	100%	4,000,000	4,000,000	-
Intergovernmental	10,000	28,706	287%	30,000	76,854	192%	40,000	292,300	252,300
Interest	625	27,687	4430%	1,875	50,015	2001%	2,500	70,000	67,500
Total revenue	\$ 1,296,050	\$ 327,108	25%	\$ 3,888,150	\$ 4,760,675	92%	\$ 5,184,200	\$ 5,470,700	\$ 286,500
Expenditures									
City Hall Facilities	53,475	17,048	32%	160,425	71,497	33%	213,900	203,100	(10,800)
Police Facilities	1,102,225	80,646	7%	3,306,675	195,988	4%	4,408,900	2,254,100	(2,154,800)
CDBG - Sr. Center	-	47,520	-	-	95,042	-	-	243,800	243,800
Public Works Facilities	9,875	8,697	88%	29,625	23,292	59%	39,500	39,500	-
Barnes Butte Facility	67,825	27,025	40%	203,475	61,748	23%	271,300	104,300	(167,000)
Transfers	-	-	-	-	-	-	-	-	-
Contingency	-	-	-	-	-	-	347,058	-	(347,058)
Total expenditures	\$ 1,233,400	180,936	15%	\$ 3,700,200	\$ 447,568	8%	\$ 5,280,658	\$ 2,844,800	\$ (2,435,858)
Revenue over (under) expenditures	62,650	146,172	-	187,950	4,313,107	1757%	(96,458)	2,625,900	2,722,358
Other requirements									
Debt service reserve	112,900	-	-	112,900	-	-	112,900	-	-
Beginning fund balance	209,358	245,508	117%	209,358	245,508	117%	209,358	245,508	36,150
Ending fund balance	\$ 272,008	\$ 391,680	144%	\$ 397,308	\$ 4,558,615	1147%	\$ -	\$ 2,871,408	

Note: Supplemental budget adopted per resolution NO. 1379 and a budget adjustment may be needed by year end for the CDBG - SR. Center. This is funded through a grant.

Plaza Maintenance Fund

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

Revenues are as anticipated through the third quarter. Third quarter expenses are for contracted plaza grounds keeping and roughly \$3600 in snow and ice removal.

Ending fund balance increased through the third quarter approximately \$900 or 2 percent.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget	Actual		Budget	Actual				
Intergovernmental	\$ 2,500	-	-	7,500	\$ 4,242	42%	\$ 10,000	\$ 4,200	\$ (5,800)
Interest	100	280	280%	300	764	191%	400	1,000	600
Misc Income	-	-	-	-	920	-	-	900	900
Transfers	2,500	-	-	7,500	4,242	236%	10,000	4,200	(5,800)
Total revenue	\$ 5,100	\$ 280	5%	15,300	\$ 10,167	50%	\$ 20,400	\$ 10,300	\$ (10,100)
Expenditures									
Materials and services	3,500	5,429	155%	10,500	9,296	66%	14,000	11,800	(2,200)
Transfers	925	-	-	2,775	-	-	3,700	3,700	-
Contingency	-	-	-	-	-	-	42,605	-	(42,605)
Total expenditures	\$ 4,425	\$ 5,429	123%	\$ 13,275	\$ 9,296	15%	\$ 60,305	\$ 15,500	\$ (44,805)
Revenue over (under) expenditures	675	(5,148)	-	2,025	871	2%	(39,905)	(5,200)	34,705
Beginning fund balance	39,905	41,518	104%	39,905	41,518	104%	39,905	41,518	1,613
Ending fund balance	\$ 40,580	\$ 36,370	90%	\$ 41,930	\$ 42,389	101%	\$ -	\$ 36,318	

March 31st, 2019

Public Works Support Services Fund

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

Overall revenues are as anticipated through the third quarter with charges for services associated with engineering fees being transferred at yearend for the capital projects in the SDC funds.

Expenditures for public works support services are at \$1.46 million or 68 percent of annual budget through the third quarter. Third quarter expenditures for fleet and vehicles is at roughly 88 percent of the annual budget. A budget adjustment may be needed prior to yearend in Public Works Support largely to allow for an adjustment in accrued absences and in Public Works vehicles due to the budgeted used road grader coming in slightly over what was originally anticipated.

Fund balance decreased roughly \$253,200 or -95 percent through the third quarter.

Revenue	Current Quarter		Quarter Budget %	Year to Date		Annual Budget %	Annual Budget	Year-end Estimate	Estimate to Budget Variance
	Budget			Budget	Actual				
Charges for services	\$ 459,575	\$ 399,575	87%	\$ 1,378,725	\$ 1,198,725	65%	\$ 1,838,300	\$ 1,828,300	\$ (10,000)
Interest	750	866	116%	2,250	3,175	106%	3,000	3,000	-
Miscellaneous	6,125	103	2%	18,375	763	3%	24,500	24,500	-
Total revenue	\$ 466,450	\$ 400,544	86%	\$ 1,399,350	\$ 1,202,663	64%	\$ 1,865,800	\$ 1,855,800	\$ (10,000)
Expenditures									
Public Works Support Services	386,225	392,202	102%	1,158,675	1,150,574	74%	1,544,900	1,599,400	54,500
Public Works Fleet & Vehicles	86,375	28,062	32%	259,125	305,327	88%	345,500	348,500	3,000
Contingency							250,275		(250,275)
Total expenditures	\$ 472,600	\$ 420,263	89%	\$ 1,417,800	\$ 1,455,901	68%	\$ 2,140,675	\$ 1,947,900	\$ (192,775)
Revenue over (under) expenditures	(6,150)	(19,719)	-	(18,450)	(253,238)	-95%	(274,875)	(92,100)	182,775
Beginning fund balance	274,875	267,033	97%	274,875	267,033	97%	274,875	267,033	(7,842)
Ending fund balance	\$ 268,725	\$ 247,314	92%	\$ 256,425	\$ 13,795	5%	\$ -	\$ 174,933	

Notes: A budget adjustment may be needed prior to year end Public Works Support largely to allow for an adjustment in accrued absences and in Public Works vehicles for needed capital expenses.