

Monthly Financial Report



Includes the Hermiston Urban Renewal Agency

Finance Department
March 2016

2015-2016 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

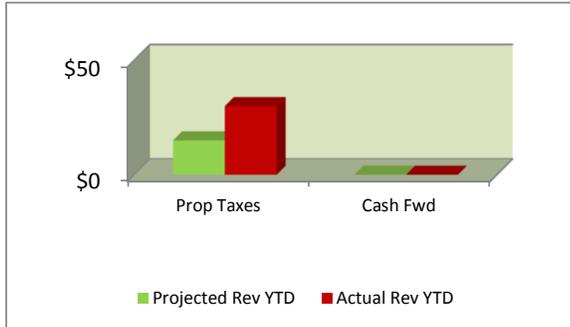
For the Month Ending March 31, 2016

Resources

Through March 31, 2016

by Category

(in \$1,000)



	Annual Proj Rev	Projected Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 15	\$ 15	\$ 30	\$ 15	0%
Cash Fwd	60	-	-	-	0%
Total	\$ 75	\$ 15	\$ 30	\$ 15	0%

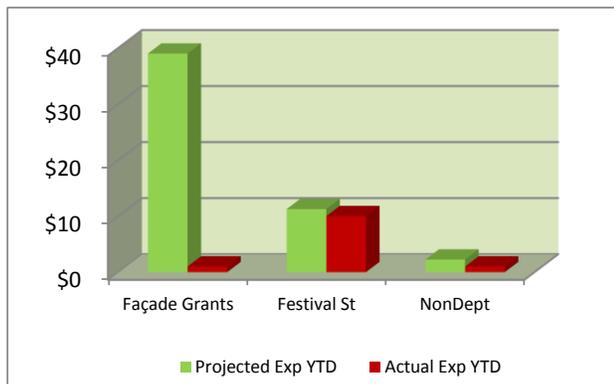
Note: variance is calculated as a percent of the projected revenue YTD.

Expenditures

Through March 31, 2016

by Character

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	\$ 52	\$ 39	\$ 1	\$ 38	97.4%
Festival St	15	11	10	1	9%
NonDept	3	2	1	1	50%
Res for Fut Exp	5	-	-	-	0%
Total	\$ 75	\$ 52	\$ 12	\$ 40	77%

Note: variance is calculated as a percent of the projected expenditures YTD.

During the month of March a little over \$200 was received in property tax revenue bringing the year-to-date receipts to \$29,620. No expenditures were made in March. Year-to-date expenditures remain at \$12,340.

2015-2016 Monthly Financial Report

City of Hermiston, Oregon

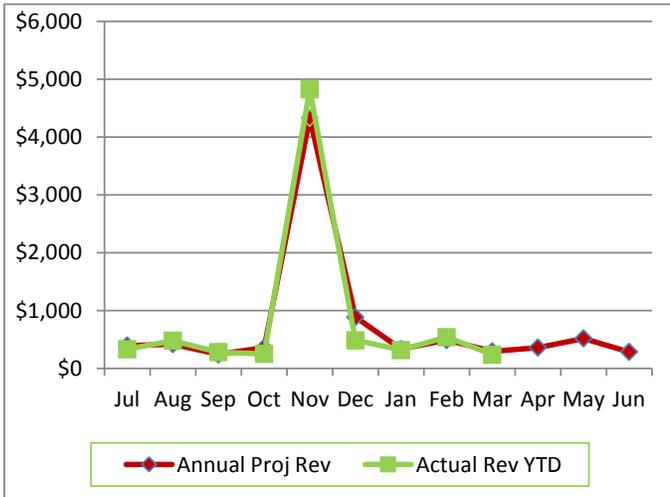
General Fund Resources

For the Month Ending March 31, 2016

Through March 31, 2016

All Resources

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Jul	\$ 393	\$ 393	\$ 332	\$ (61)	(15%)
Aug	418	418	478	60	14%
Sep	242	242	280	38	16%
Oct	355	355	251	(104)	(29%)
Nov	4,330	4,330	4,829	499	12%
Dec	885	885	486	(399)	(45%)
Jan	333	333	317	(16)	(5%)
Feb	490	490	540	50	10%
Mar	293	293	237	(56)	(19%)
Apr	360	-	-	-	-
May	517	-	-	-	-
Jun	285	-	-	-	-
Total	8,902	7,740	7,749	9	0%
Cash Fwd	3,813	-	-	-	0%
Total	\$ 12,715	\$ 7,740	\$ 7,749	\$ 9	0%

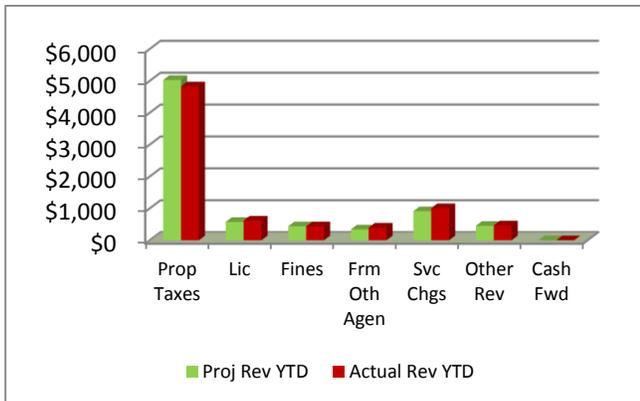
As of the end of March the City has received \$7,749,000 in General Fund revenues, \$9,000 more than year-to-date projections. Property Taxes are under projections by \$201,000 a 4% variance. This is offset by favorable variances of \$98,000 in Service Charges, \$59,000 in Receipts from Other Agencies, \$42,000 in Licenses and Franchises and \$12,000 in Other Revenue. Fines and Penalties are \$1,000 under projections.

General Fund Revenue

Through March 31, 2016

by Category

(in \$1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	\$ 5,265	\$ 5,026	\$ 4,825	\$ (201)	(4%)
Lic	774	574	616	42	7%
Fines	583	438	437	(1)	(0%)
Frm Oth Agen	445	339	398	59	17%
Svc Chgs	1,323	909	1,007	98	11%
Other Rev	513	453	466	12	3%
Cash Fwd	3,813	-	-	-	0%
Total	\$ 12,715	\$ 7,740	\$ 7,749	\$ 9	0%

Note: variance is calculated as a percent of the projected revenue YTD.

2015-2016 Monthly Financial Report

City of Hermiston, Oregon

General Fund Expenditures

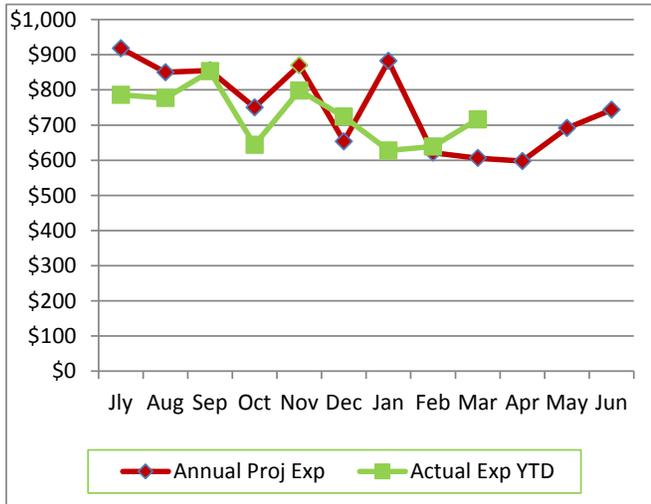
For the Month Ending March 31, 2016

General Fund Expenditure Summary

Through March 31, 2016

All Requirements

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Jly	\$ 918	\$ 918	\$ 786	\$ 132	14%
Aug	850	850	777	73	9%
Sep	855	855	853	2	0%
Oct	750	750	643	107	14%
Nov	870	870	798	72	8%
Dec	654	654	724	(70)	(11%)
Jan	882	882	628	254	29%
Feb	621	621	639	(18)	(3%)
Mar	606	606	716	(110)	(18%)
Apr	598	-	-	-	-
May	691	-	-	-	-
Jun	744	-	-	-	-
Total	9,039	7,007	6,564	443	6%
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 7,007	\$ 6,564	\$ 443	6%

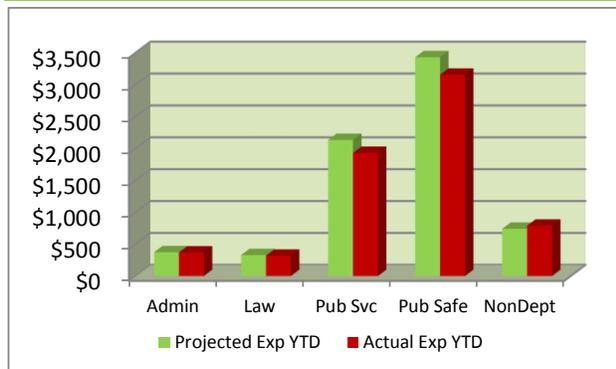
General Fund expenditures are under projections by \$443,000 at the end of March. With the exception of Non-Departmental all areas are under projections. Additional budget was added to Non-Departmental in the supplemental budget request which will correct this variance.

General Fund Expenditures

Through March 31, 2016

by Consolidated Department

(in \$1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	\$ 490	372	369	\$ 4	1%
Law	440	328	318	11	3%
Pub Svc	2,879	2,134	1,931	203	10%
Pub Safe	4,330	3,431	3,157	274	8%
NonDept	901	740	789	(49)	(7%)
Unapp	3,676	-	-	-	0%
Total	\$ 12,715	\$ 7,007	\$ 6,564	\$ 443	6%

Note: variance is calculated as a percent of the projected expenditures YTD.

2015-2016 Monthly Financial Report

General Fund Expenditure Detail For the Month Ending March 31, 2016

General Fund Expenditures by Department

	Annual Projected			Var Fav/ (Unfav)	% Var Fav/ (Unfav)
	Exp	Projected Exp YTD	Actual Exp YTD		
City Council	32,150	27,080	26,567	513	2%
City Manager/Planning	402,398	303,537	300,979	2,558	1%
Finance	54,964	41,636	41,042	594	1%
Total Admin & Finance	489,512	372,253	368,588	3,665	1%
Legal	187,700	138,175	133,544	4,631	3%
Court	251,904	190,118	184,232	5,886	3%
Total Dept of Law	439,604	328,293	317,776	10,517	3%
Transportation	188,375	141,346	101,908	39,438	28%
Airport	241,640	190,230	150,152	40,078	21%
Bldg Inspection	343,262	257,952	253,224	4,728	2%
Parks	477,440	342,342	306,600	35,742	10%
Pool	389,229	280,072	248,572	31,500	11%
Municipal Buildings	12,900	9,185	8,548	637	7%
Library	689,266	515,428	478,542	36,886	7%
Recreation	537,300	397,611	383,424	14,187	4%
Total Public Services	2,879,412	2,134,165	1,930,970	203,195	10%
Public Safety Center	92,000	68,667	61,657	7,010	10%
Police Operations	4,237,982	3,362,791	3,095,580	267,211	8%
Total Public Safety	4,329,982	3,431,459	3,157,237	274,222	8%
Non-Departmental	900,565	740,499	789,319	(48,820)	(7%)
Unappropriated	3,676,280	0	0	0	0%
Total Non-Dept	4,576,845	740,499	789,319	(48,820)	(7%)
Total	12,715,355	7,006,669	6,563,890	442,779	6%

Three quarters of the way through the fiscal year General Fund departments have a collective 6% favorable variance. The reduced number of residents purchasing and using subsidized taxi tickets continues to produce budget savings in the Transportation department, which has the largest percentage variance of 28%.

Police Operations has the largest dollar variance, a favorable \$267,211, despite decreasing by almost \$65,000 in March. The bulk of the savings are in overtime, motor vehicle repairs, nuisance abatement, and motor vehicle fuel and oil.

Non-Departmental decreased from a favorable \$67,000 in February to an unfavorable \$48,820 this month. As noted earlier, this is expected to correct once the budget supplement is entered in April.

2015-2016 Monthly Financial Report

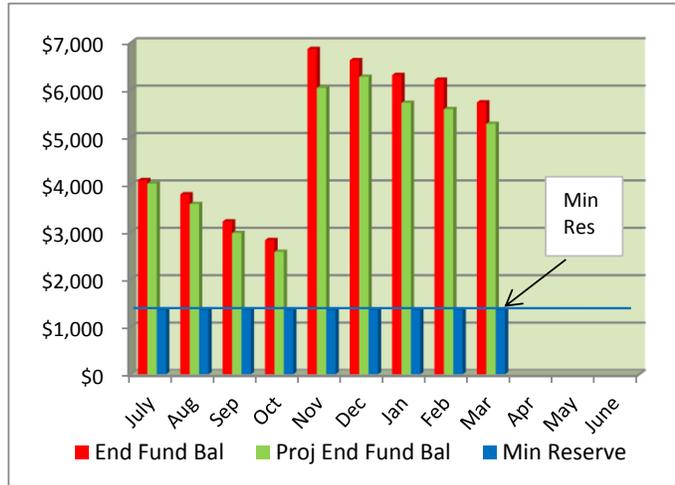
Fund Balance - General Fund
For the Month Ending March 31, 2016

General Fund

Through March 31, 2016

Ending Fund Balance

(in \$1,000)



Minimum Reserve = \$1,355,861

	Begin Fund Bal	Rev	Exp	End Fund Bal	Proj End Fund Bal
July	\$ 4,547	\$ 332	\$ (786)	\$ 4,093	\$ 4,022
Aug	4,093	478	(777)	3,794	3,590
Sep	3,794	280	(853)	3,221	2,977
Oct	3,221	251	(643)	2,829	2,581
Nov	2,829	4,829	(798)	6,860	6,041
Dec	6,860	486	(724)	6,622	6,273
Jan	6,622	317	(628)	6,311	5,724
Feb	6,311	540	(639)	6,212	5,592
Mar	6,212	237	(716)	5,732	5,280
Apr					
May					
June					
Total	\$ 4,547	\$ 7,749	\$ (6,564)	\$ 5,732	\$ 5,280

The General Fund has collected 87% of estimated revenues and expended 73% of budgeted expenditures bringing the fund balance to \$5.7 million. This is a net increase of \$1.2 million since the beginning of the fiscal year and puts the fund approximately \$4.4 million above the required reserve of \$1.4 million.

2015-2016 Monthly Financial Report

Special Revenue Funds Report For the Month Ending March 31, 2016

Special Revenue Funds Resources & Requirements

	2015-16 Annual		Remaining
	Budget	Actual YTD	Budget
Bonded Debt Fund			
Resources	3,767,354	2,818,307	949,047
Expenditures	3,527,354	2,894,314	633,040
Unappropriated Balance	240,000	N/A	N/A
Transient Room Tax (TRT)			
Resources	573,335	416,678	156,657
Expenditures	520,000	426,191	93,809
Unappropriated Balance	53,335	N/A	N/A
Recreation Special Revenue			
Resources	239,000	18,947	220,053
Expenditures	57,086	57,085	1
Unappropriated Balance	181,914	N/A	N/A
Reserve Fund			
Resources	10,006,060	2,298,766	7,707,294
Expenditures	7,798,912	3,138,631	4,660,281
Unappropriated Balance	2,207,148	N/A	N/A
Municipal Court Special Revenue			
Resources	281,900	181,416	100,484
Expenditures	246,900	174,162	72,738
Unappropriated Balance	35,000	N/A	N/A
Miscellaneous Special Revenue			
Resources	30,000	16,991	13,009
Expenditures	30,000	16,871	13,129
Unappropriated Balance	-	N/A	N/A
Conference Center			
Resources	249,975	171,868	78,107
Expenditures	192,475	133,419	59,056
Unappropriated Balance	57,500	N/A	N/A
EOTEC Grant Fund			
Resources	5,400,000	-	5,400,000
Expenditures	5,400,000	3,309,945	2,090,055
Unappropriated Balance	-	N/A	N/A
Law Enforcement Special Revenue			
Resources	71,500	43,900	27,600
Expenditures	43,500	28,075	15,425
Unappropriated Balance	28,000	N/A	N/A

Beginning with the 2015-16 fiscal year the City began estimating all of its resources in each fund and only appropriating what it projects it will need for that year. The remainder is carried in the fund as Unappropriated Balance.

The City uses multiple Special Revenue funds to account for revenues that are restricted to expenditure for particular purposes. They include funds for debt service, economic development, parks and recreation, capital projects, and grants. Since these funds are not operational in nature and are used for specific purposes from year-to-year, their expenditures do not typically follow a predictable pattern so budget variances are not calculated for them.

2015-2016 Monthly Financial Report

Special Revenue Funds Report For the Month Ending March 31, 2016

Special Revenue Funds Resources & Requirements

2015-16 Annual Budget	Actual YTD	Remaining Budget
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Library Special Revenue			
Resources	58,000	23,485	34,515
Expenditures	46,000	17,136	28,864
Unappropriated Balance	12,000	N/A	N/A
2014 Water & Sewer Rev Bonds			
Resources	1,300,000	623	1,299,377
Expenditures	1,300,000	591,910	708,090
Unappropriated Balance	-	N/A	N/A
Senior Center Const			
Resources	2,073,360	23,080	2,050,280
Expenditures	2,073,360	43,210	2,030,150
Unappropriated Balance	-	N/A	N/A

2015-2016 Monthly Financial Report

Utility and Street Funds Report For the Month Ending March 31, 2016

Utility and Street Funds Report

Resources & Expenditures

	2015-16 Annual			Variance	
	Budget	Projected YTD	Actual YTD	Fav/(Unfav)	% Variance
Street Fund					
Resources	2,017,500	928,372	989,409	61,037	7%
Expenditures	1,348,785	1,123,308	1,077,021	46,287	4%
Unappropriated Balance	668,715	N/A	N/A	N/A	N/A

Utility Fund					
Resources	8,480,520	4,397,265	4,478,989	81,724	2%
Expenditures	5,821,305	4,228,576	4,177,044	51,532	1%
Unappropriated Balance	2,659,215	N/A	N/A	N/A	N/A

HES Fund					
Resources	11,435,765	6,934,270	7,032,848	98,578	1%
Expenditures	8,697,002	6,705,485	6,436,338	269,147	4%
Unappropriated Balance	2,738,763	N/A	N/A	N/A	N/A

Regional Water Fund					
Resources	2,102,000	776,389	881,145	104,756	13%
Expenditures	1,324,398	1,038,969	947,833	91,136	9%
Unappropriated Balance	777,602	N/A	N/A	N/A	N/A

The Street Fund has received \$61,000 more than projected in gas tax through the end of March and has spent \$46,300 less than projected resulting in a net favorable variance of \$107,324.

The Utility Fund revenue variance is \$81,724, a decrease of \$20,343 since last month. Water revenues are \$53,000 higher than projected and Recycled Water revenues are \$22,000 higher. Excluding capital outlay and transfers out, the expenditure variance improved by \$35,343.

Both the revenue and expenditure variances in the HES fund increased in March. The revenue variance rose by \$28,019 and the expenditure variance rose \$76,225. The bulk of the expenditure variance continues to be due to power purchases.

Estimated revenues in the Regional Water Fund are \$105,000 over projections, a 13% favorable variance. Actual expenditures are 9% under projections. The overall net favorable budget variance is \$195,892.

2015-2016 Monthly Financial Report

Utility and HES Funds Report For the Month Ending March 31, 2016

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,056,640	3,872,731	66.5%	717,695	3,155,036
HES Fund	3,157,652	4,178,977	48.1%	1,072,233	3,106,744
Total	6,214,292	8,051,708	-	1,789,928	6,261,780

The City Council has established a minimum working capital (current assets less current liabilities) of forty-five (45) days of annual operating expenses for both the Utility Fund and HES Fund. This equates to \$717,695 for the Utility Fund and \$1,072,233 for the HES Fund. Both funds have balances well above their minimum levels for a total reserve of a little over \$8 million.

2015-2016 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending March 31, 2016

Capital Projects

	2015-16 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Improvements	\$ 3,531,000	\$ 1,132,153	\$ 3,566,000	\$ 1,397,527	60%
Eastern OR Trade & Event Ctr (EOTEC) Pipeline	350,000	93,924	1,800,000	786,021	100%
EOTEC Construction	5,400,000	3,309,945	6,400,000	6,208,751	See below
RWTP Outfall	-	151,738	2,500,000	1,315,693	100%
Water Line Extension	1,026,200	401,252	1,250,000	897,307	100%
Total	\$ 10,307,200	\$ 5,089,012	\$ 15,516,000	\$ 10,605,299	

Airport Improvements

The project remained winterized through March. The contractor is re-mobilizing in April and expects to complete the taxiway realignment by June 30. The FAA has offered to amend the construction grant to also include replacement of the 1960's vintage Runway Lights and Runway End Identifier Lights (REIL's), which are near failure. A schedule is not yet determined for this additional work.

EOTEC Pipeline

This project is now complete.

EOTEC Construction

Construction of the Event Center is approximately 99% complete with only punch list items remaining. The first events to be held in the Center are scheduled for mid-May. Design on the Barns is nearly complete; design of the Rodeo Arena is 60% complete. The Barns and Rodeo Arena are projected to be complete by July 2017 which will allow time for move-in and set-up to host the annual Fair and Rodeo in August 2017.

RWTP Outfall

This project is now complete.

Water Line Extension

This project is now complete.

**2015-2016 Monthly Financial Report
City of Hermiston, Oregon
Investments
For the Month Ending March 31, 2016**

**Investment Report
by Type**

Cusip No.	Par Value	Principal Cost	Market Value	Issuer	Rating Moody's/S&P	Days to Maturity	Callable Y/N	Yield to Worst Call	Yield to Maturity (YTM)
3135G0G31	\$ 2,000,000	\$ 1,993,600	\$ 2,000,282	FNMA	Aaa/AA+	1,034	Y	1.28	1.28
3134G33E8	\$ 1,000,000	\$ 997,073	\$ 1,000,016	FHLMC	Aaa/AA+	1,380	Y	1.57	1.57
3135G0QK2	\$ 2,000,000	\$ 1,985,750	\$ 2,000,234	FFCB	Aaa/AA+	1,282	Y	1.71	1.71
3137EADN6	\$ 1,000,000	\$ 978,757	\$ 998,977	FHLMC	Aaa/AA+	652	N	1.29	1.29
3135G0GY3	\$ 1,000,000	\$ 1,013,901	\$ 1,004,791	FNMA	Aaa/AA+	305	N	0.78	0.78
US Agencies	\$ 7,000,000	\$ 6,969,081	\$ 7,004,300	---	---	---	---	---	---
LGIP ^{(1) (2)}	\$ 5,693,492	\$ 5,693,492	\$ 5,693,492	Varies	---/AA	1	N	0.75	0.75
LGIP	\$ 5,693,492	\$ 5,693,492	\$ 5,693,492	---	---	---	---	---	---
TOTAL	\$ 12,693,492	\$ 12,662,573	\$ 12,697,792	---	---	---	---	---	---

The City of Hermiston has established certain policies for its investments. In order to limit credit and interest rate risk, investments are diversified by security type, maturity, issuer, and call provisions. At least 25% of funds available for investing will be invested in the Local Government Investment Pool (LGIP), with a qualified depository institution, or investments maturing in less than 90 days. 50% or more of the portfolio will be invested in securities maturing in less than three years. The maximum average maturity for the portfolio shall be 3 years and the maximum maturity of individual securities in the portfolio shall be 5 years. No more than 75% of the portfolio may be callable. The minimum weighted average credit rating of the portfolio's investments shall be Aa/AA by Moody's and Standard & Poor's respectively. The breakdown of the City's portfolio is shown below.

Maturity	Par Value	% of Total Portfolio	Type of Inv	Par Value	% of Total Portfolio	Various Investment Parameters	With LGIP	Without LGIP
< 90 Days	\$ 5,693,492	44.9%	US Agency	\$ 7,000,000	55.1%	WTD Avg Mat	549	549
90 Days - 3 Yrs	\$ 4,000,000	31.5%	Corporate	\$ -	0.0%	Wtd Avg Yield to Mat	1.09%	1.37%
3 - 5 Yrs	\$ 3,000,000	23.6%	LGIP	\$ 5,693,492	44.9%	Percent Callable	39.4%	71.4%
	\$ 12,693,492	100.0%		\$ 12,693,492	100.0%	Wtd Avg Credit Rating	Aaa/AA+	Aaa/AA+