Monthly Financial Report

HERMISTON
OREGON

Where Life is Sweet

Includes the Hermiston Urban Renewal Agency

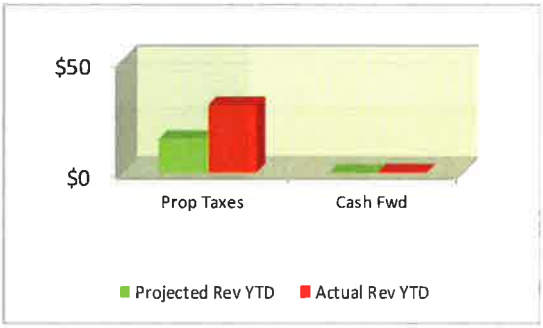
Finance Department
May 2016

2015-2016 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

For the Month Ending May 31, 2016

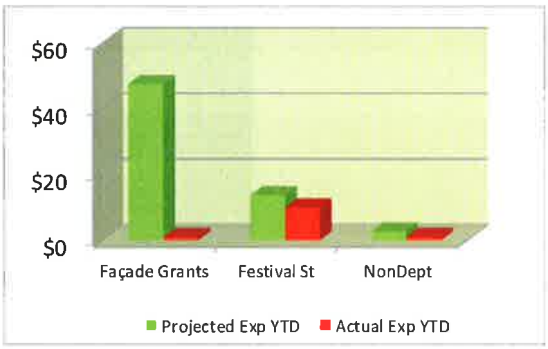
Resources — Through May 31, 2016
by Category — (in $1,000)



	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 May 31, 2016
by Character — (in $1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Façade Grants	$ 52	$ 48	$ 1	$ 47	97.9%
Festival St	15	14	10	4	25%
NonDept	3	3	1	2	58%
Res for Fut Exp	5	-	-	-	0%
Total	**$ 75**	**$ 65**	**$ 12**	**$ 53**	**82%**

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

The Agency received $723 in property taxes and expended $95 for the budget public notices during the month of May. Year-to-date net revenue (revenues over expenditures) is $18,020.

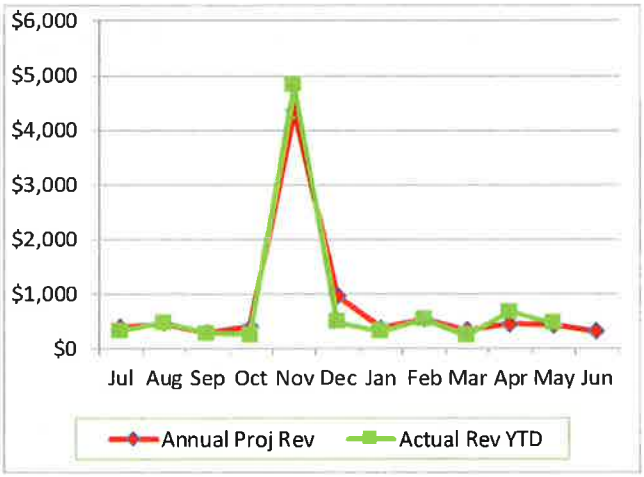
2015-2016 Monthly Financial Report

City of Hermiston, Oregon

General Fund Resources

For the Month Ending May 31, 2016

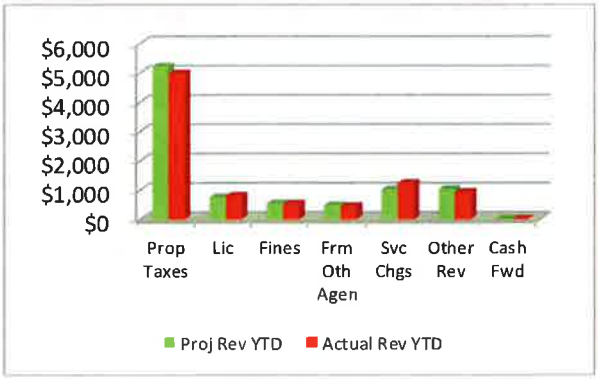
All Resources — Through May 31, 2016 (in $1,000)



	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Jul	$ 395	$ 395	$ 332	$ (62)	(16%)
Aug	460	460	478	17	4%
Sep	288	288	280	(8)	(3%)
Oct	400	400	251	(150)	(37%)
Nov	4,363	4,363	4,829	466	11%
Dec	960	960	486	(474)	(49%)
Jan	378	378	317	(62)	(16%)
Feb	538	538	540	2	0%
Mar	340	340	237	(104)	(31%)
Apr	448	448	679	232	52%
May	429	429	464	35	8%
Jun	314				
Total	**9,314**	**9,000**	**8,892**	**(108)**	**(1%)**
Cash Fwd	4,364	-	-	-	0%
Total	**$ 13,679**	**$ 9,000**	**$ 8,892**	**$ (108)**	**(1%)**

As of the end of May the City has received $8,892,000 in General Fund revenues, which is $108,000 under projections, an improvement of $35,000 since last month. Property Taxes, Fines, receipts From Other Agencies and Other Revenue are under a total of $374,000, offset by a collective overage of $266,000 in Licenses and Service Charges. The 2015-16 revenue estimates for Licenses, Interest Earnings and Service Charges have now been met.

General Fund Revenue by Category — Through May 31, 2016 (in $1,000)



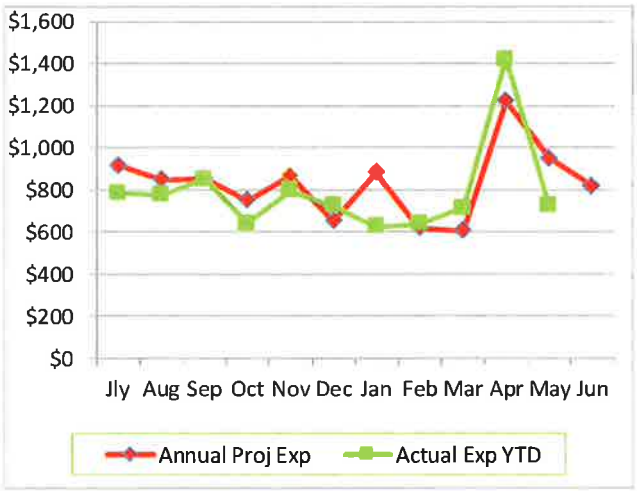
	Annual Proj Rev	Proj Rev YTD	Actual Rev YTD	Var Fav/ (Unfav)	% Var
Prop Taxes	$ 5,265	$ 5,213	$ 4,969	$ (244)	(5%)
Lic	774	747	793	46	6%
Fines	583	537	524	(13)	(2%)
Frm Oth Agen	497	470	444	(26)	(6%)
Svc Chgs	1,208	1,011	1,231	220	22%
Other Rev	988	1,023	932	(91)	(9%)
Cash Fwd	4,364	-	-	-	0%
Total	**$ 13,679**	**$ 9,000**	**$ 8,892**	**$ (108)**	**(1%)**

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 May 31, 2016

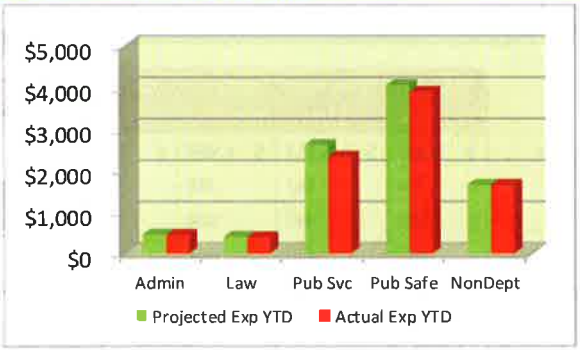
General Fund Expenditure Summary — **Through May 31, 2016**
All Requirements — (in $1,000)



	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	1,222	1,222	1,423	(201)	(16%)
May	950	950	726	224	24%
Jun	821				
Total	**10,000**	**9,179**	**8,713**	**466**	**5%**
Unapp	3,679	-	-	-	0%
Total	**$ 13,679**	**$ 9,179**	**$ 8,713**	**$ 466**	**5%**

General Fund expenditures are under projections by $466,000 at the end of May, a favorable variance of 5%. Overall the General Fund has a net favorable variance of $358,000.

General Fund Expenditures — **Through May 31, 2016**
by Consolidated Department — (in $1,000)



	Annual Proj Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var
Admin	$ 494	453	448	$ 5	1%
Law	440	401	391	10	2%
Pub Svc	2,943	2,617	2,333	284	11%
Pub Safe	4,371	4,057	3,893	164	4%
NonDept	1,752	1,651	1,648	3	0%
Unapp	3,679	-	-	-	-
Total	**$ 13,679**	**$ 9,179**	**$ 8,713**	**$ 466**	**5%**

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 May 31, 2016

General Fund Expenditures
by Department

	Annual Projected Exp	Projected Exp YTD	Actual Exp YTD	Var Fav/ (Unfav)	% Var Fav/ (Unfav)
City Council	32,150	30,460	29,227	1,233	4%
City Manager/Planning	407,287	372,764	369,815	2,949	1%
Finance	54,964	49,997	48,806	1,191	2%
Total Admin & Finance	***494,401***	***453,221***	***447,848***	***5,373***	***1%***
Legal	187,700	169,953	166,813	3,140	2%
Court	251,904	231,117	224,502	6,615	3%
Total Dept of Law	***439,604***	***401,070***	***391,315***	***9,755***	***2%***
Transportation	188,375	172,440	122,831	49,609	29%
Airport	241,640	232,417	177,186	55,231	24%
Bldg Inspection	343,262	314,415	308,478	5,937	2%
Parks	482,440	428,886	396,873	32,013	7%
Parks/Utility Landscaping	38,188	25,855	22,034	3,821	15%
Pool	389,229	297,564	269,771	27,793	9%
Municipal Buildings	12,900	10,650	9,498	1,152	11%
Library	692,766	635,423	581,316	54,107	9%
Recreation	554,099	499,148	444,868	54,280	11%
Total Public Services	***2,942,899***	***2,616,799***	***2,332,855***	***283,944***	***11%***
Public Safety Center	106,280	91,183	97,912	(6,729)	(7%)
Police Operations	4,264,967	3,965,574	3,795,114	170,460	4%
Total Public Safety	***4,371,247***	***4,056,756***	***3,893,026***	***163,730***	***4%***
Non-Departmental	1,751,803	1,651,213	1,648,145	3,068	0%
Unappropriated	3,678,780	0	0	0	0%
Total Non-Dept	***5,430,583***	***1,651,213***	***1,648,145***	***3,068***	***0%***
Total	**13,678,734**	**9,179,059**	**8,713,189**	**465,870**	**5%**

All departments except the Public Safety Center are under projections as of the end of May. Transportation and the Airport have the largest percentage variances at 29% and 24% respectively. Police Operations has the largest dollar variance again this month, a favorable $170,460. The department continues to have savings in overtime, nuisance abatement and motor vehicle fuel and oil.

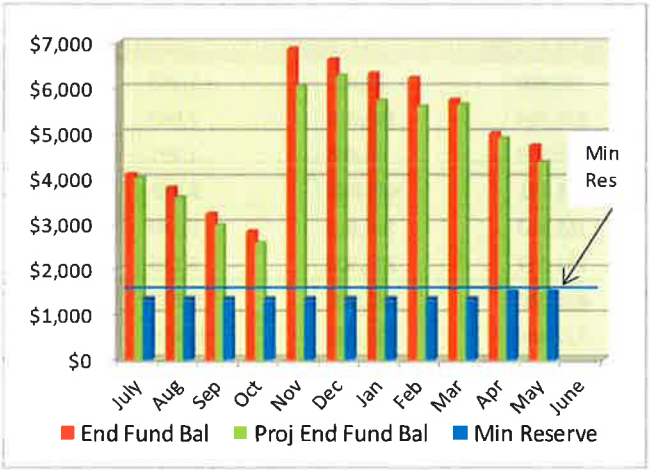
2015-2016 Monthly Financial Report

Fund Balance - General Fund

For the Month Ending May 31, 2016

General Fund — **Through May 31, 2016**

Ending Fund Balance — (in $1,000)



Minimum Reserve = $1,499,993

	Begin Fund Bal	Rev	Exp	End Fund Bal	Proj End Fund Bal
July	$ 4,547	$ 332	$ (786)	$ 4,093	$ 4,023
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	5,639
Apr	5,732	679	(1,423)	4,988	4,890
May	4,988	464	(726)	4,726	4,368
June					
Total	$ 4,547	$ 8,892	$ (8,713)	$ 4,726	$ 4,368

The minimum fund balance reserve for the General Fund is $1.5 million. At the end of May the fund balance is $4.7 million. This is a net increase of $179,000 since the beginning of the fiscal year and puts the fund approximately $3.2 million above the required reserve.

2015-2016 Monthly Financial Report

Special Revenue Funds Report

For the Month Ending May 31, 2016

Special Revenue Funds
Resources & Requirements

	2015-16 Annual Budget	Actual YTD	Remaining Budget
Bonded Debt Fund			
Resources	3,767,354	2,870,917	896,437
Expenditures	3,527,354	2,939,499	587,855
Unappropriated Balance	240,000	N/A	N/A
Transient Room Tax (TRT)			
Resources	573,335	529,672	43,663
Expenditures	520,000	516,825	3,175
Unappropriated Balance	53,335	N/A	N/A
Recreation Special Revenue			
Resources	240,070	20,843	219,227
Expenditures	57,086	57,086	-
Unappropriated Balance	182,984	N/A	N/A
Reserve Fund			
Resources	10,374,653	2,835,629	7,539,024
Expenditures	8,143,245	3,581,526	4,561,719
Unappropriated Balance	2,231,408	N/A	N/A
Municipal Court Special Revenue			
Resources	286,115	217,133	68,982
Expenditures	251,115	211,867	39,248
Unappropriated Balance	35,000	N/A	N/A
Miscellaneous Special Revenue			
Resources	37,500	21,102	16,398
Expenditures	37,500	23,507	13,993
Unappropriated Balance	-	N/A	N/A
Conference Center			
Resources	282,545	206,065	76,480
Expenditures	225,045	189,767	35,278
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 Enforcemnent Special Revenue			
Resources	77,545	59,300	18,245
Expenditures	46,400	32,472	13,928
Unappropriated Balance	31,145	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 May 31, 2016

Special Revenue Funds

Resources & Requirements

	2015-16 Annual Budget	Actual YTD	Remaining Budget
Library Special Revenue			
Resources	58,000	27,247	30,753
Expenditures	46,000	26,160	19,840
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	627,837	672,163
Unappropriated Balance	-	N/A	N/A
Senior Center Const			
Resources	2,073,360	23,080	2,050,280
Expenditures	2,073,360	76,525	1,996,835
Unappropriated Balance	-	N/A	N/A

2015-2016 Monthly Financial Report

Utility and Street Funds Report

For the Month Ending May 31, 2016

Utility and Street Funds Report

Resources & Expenditures

	2015-16 Annual Budget	Projected YTD	Actual YTD	Variance Fav/(Unfav)	% Variance
Street Fund					
Resources	2,119,400	1,086,705	1,167,763	81,058	7%
Expenditures	1,450,685	1,344,317	1,281,302	63,015	5%
Unappropriated Balance	668,715	N/A	N/A	N/A	N/A
Utility Fund					
Resources	8,678,391	5,150,358	5,267,948	117,590	2%
Expenditures	7,019,176	4,895,551	4,813,821	81,730	2%
Unappropriated Balance	1,659,215	N/A	N/A	N/A	N/A
HES Fund					
Resources	11,735,765	8,133,700	8,261,155	127,455	2%
Expenditures	9,257,002	8,563,346	8,148,312	415,034	5%
Unappropriated Balance	2,478,763	N/A	N/A	N/A	N/A
Regional Water Fund					
Resources	2,652,000	1,360,257	1,449,682	89,425	7%
Expenditures	1,874,398	1,684,445	1,628,013	56,432	3%
Unappropriated Balance	777,602	N/A	N/A	N/A	N/A

The City has received approximately $952,000 in gas tax, $2,000 more than the estimate for the year. The City has also received all of its reimbursement from the state for street projects this year. Expenditures are about $63,000 under projections resulting in a net favorable variance of approximately $144,000.

The Utility Fund has a favorable revenue variance of $117,600. Water revenues are $75,000 higher than projected and Recycled Water revenues are $42,600 higher. Excluding capital outlay and transfers out, the favorable expenditure variance is $81,730.

The HES fund revenue variance is about $127,000, or 2% of projected revenues. The expenditure variance is a favorable $415,000. As has been the case in recent months the majority of the expenditure variance is due to lower than expected power purchases costs.

Revenues in the Regional Water Fund remain higher than projections. At the end of May the fund had a favorable $89,000 variance. This includes almost $500,000 in grant revenue from the State. Expenditures are 3% under projections. The net favorable variance is approximately $146,000.

2015-2016 Monthly Financial Report

Utility and HES Funds Report

For the Month Ending May 31, 2016

Utility and HES Funds Report

Reserve Balances

	Beginning Reserve	Ending Reserve	% Ending Reserve	Minimum Reserve Requirement	Difference
Utility Fund	3,056,640	3,644,707	51.9%	865,378	2,779,329
HES Fund	3,157,652	3,682,122	39.8%	1,141,274	2,540,848
Total	6,214,292	7,326,829	-	2,006,652	5,320,177

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. The Utility Fund minimum reserve is $865,378 and the HES reserve is $1,141,274. Both funds have balances well above their minimum levels for a total reserve of approximately $7.3 million.

2015-2016 Monthly Financial Report

City of Hermiston, Oregon
Capital Projects Report
For the Month Ending May 31, 2016

Capital Projects

	2015-16 Budget	YTD Expenditures	LTD Budget	LTD Expenditures	% Complete
Airport Improvements	$ 3,531,000	$ 1,493,390	$ 3,566,000	$ 1,758,764	60%
Eastern OR Trade & Event Ctr (EOTEC) Pipeline	350,000	624,633	1,800,000	1,316,730	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	415,463	1,250,000	911,518	100%
Total	**$ 10,307,200**	**$ 5,995,169**	**$ 15,516,000**	**$ 11,511,456**	

Airport Improvements

As of the end of May the contractor has placed the new fuel farm and nearly completed excavation and paving work for the taxiway construction. Remaining work includes demolition of existing connector taxiways to run electrical conduit, full activation of the new fuel farm, demolition of the existing fuel farm, electrical work to install taxiway lighting, electrical work to replace runway lighting, and signage installation.

EOTEC Pipeline

This project is now complete.

EOTEC Construction

This project continues to move along. There are no major updates since last month's report.

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 May 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	$ 1,996,518	FNMA	Aaa/AA+	973	Y	1.28	1.28
3134G33E8	$ 1,000,000	$ 997,073	$ 998,644	FHLMC	Aaa/AA+	1,319	Y	1.57	1.57
3135G0QK2	$ 2,000,000	$ 1,985,750	$ 2,000,208	FFCB	Aaa/AA+	1,221	Y	1.71	1.71
3137EADN6	$ 1,000,000	$ 978,757	$ 997,745	FHLMC	Aaa/AA+	591	N	1.29	1.29
3135G0GY3	$ 1,000,000	$ 1,013,901	$ 1,003,978	FNMA	Aaa/AA+	244	N	0.78	0.78
US Agencies	**$ 7,000,000**	**$ 6,969,081**	**$ 6,997,093**	---	---	---	---	---	---
LGIP (1) (2)	$ 5,100,210	$ 5,100,210	$ 5,100,210	Varies	---/AA	1	N	0.75	0.75
LGIP	**$ 5,100,210**	**$ 5,100,210**	**$ 5,100,210**	---	---	---	---	---	---
TOTAL	**$ 12,100,210**	**$ 12,069,291**	**$ 12,097,303**	---	---	---	---	---	---

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
< 90 Days	$ 5,100,210	42.1%
90 Days - 3 Yrs	$ 4,000,000	33.1%
3 - 5 Yrs	$ 3,000,000	24.8%
	$ 12,100,210	100.0%

Type of Inv	Par Value	% of Total Portfolio
US Agency	$ 7,000,000	57.9%
Corporate	$ -	0.0%
LGIP	$ 5,100,210	42.1%
	$ 12,100,210	100.0%

Various Investment Parameters	With LGIP	Without LGIP
WTD Avg Mat	559	559
Wtd Avg Yield to Mat	1.11%	1.37%
Percent Callable	41.3%	71.4%
Wtd Avg Credit Rating	Aaa/AA+	Aaa/AA+

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