



# Quarterly Financial Report

Reporting Financial Results  
for the fourth quarter ended  
June 30, 2012

## Executive Summary

We are pleased to offer this financial report of City operations for your review which covers financial operations through the fourth quarter ended June 30, 2012.

### QUARTERLY HIGHLIGHTS

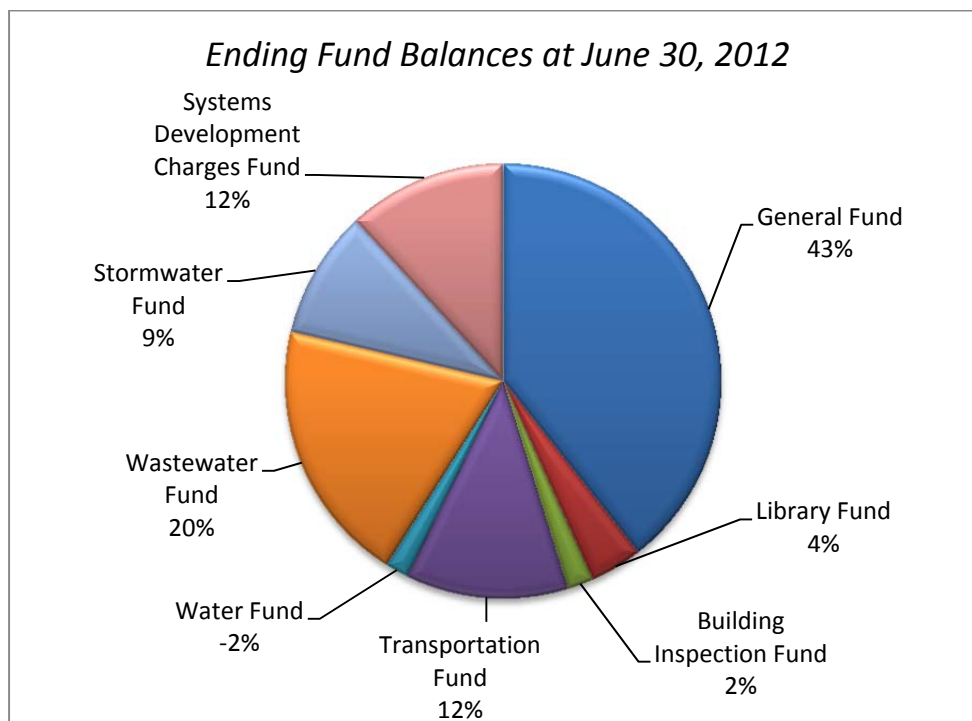
This fourth quarter financial report summarizes the financial results for the fiscal year ending June 30, 2012 (year-to-date) and highlights certain topics of interest. When the Finance Department concludes the audit process and completes the Comprehensive Annual Financial Report in November of 2012, updates will likely be made to this report.

#### *Fourth Quarter Financial Results*

##### Summary of Ending Fund Balances

Ending fund balances represent the amount of funds available at June 30, 2012 that the City has available to fund capital projects and to fund operations until property taxes arrive in November. During the budget process, we estimated that City-wide ending fund balance would be \$14,534,000. Preliminary ending fund balances are \$14,459,000 which is less than 1% lower than our estimates. General Fund ending fund balance is \$181,000 higher than estimated although this is a \$587,000 decrease over FY 2012 ending fund balance.

The Water Fund's ending fund balance continues to be a concern as it ended the year with a negative balance causing this fund to be on "code red" status. Water revenues were \$280,000 short of budget at only 89% of the amount previously planned.



### Highlights of Preliminary Financial Results

Property tax revenues came in as anticipated at 100 percent of budget and reflect a 3 percent increase over the prior year.

The City received its annual franchise fee distribution from PGE in March, which was slightly more than anticipated. All of the City's General Fund expenditure categories are below budget; expenditures by department fall within 72 to 97% of budget for the year.

Unfortunately, across the board interest income (included in miscellaneous revenue) is essentially zero due to low interest rates and the offset of bank fees and charges. Fines and forfeitures in the General Fund are also down significantly due to impacts from HB 2710, which revised court fees state wide.

Some good news is that the Library District Levy came in above budget by 5% and Building Inspection Fund fees and charges have increase dramatically from the TriMet Lightrail project, bringing this Fund into a much more favorable position. Previously, the Building Inspection Fund was on "watch" status as fund balance was declining however, with the increase in revenues related to the TriMet Lightrail project, this Fund is no longer on "watch" status.

As you may recall, in 2009 the City received a loan from Oregon DEQ to provide funding for the North East Sewer Extension project. The terms of the loan included that 50 percent would be forgiven (or granted back) upon completion of the project. On November 1, 2011 the City was notified that the amount forgiven was \$1,929,000. The remainder of the loan will be repaid in installments of approximately \$100,000 to \$110,000 per year until 2031. The amount forgiven is included as revenue in the intergovernmental line of the Wastewater Fund and as expenditure in the debt service line of the Wastewater Fund. The City received \$250,000 from Clackamas County to subsidize the reimbursement district which is also included in the Wastewater Fund.

Although personnel services are significantly below budget for FY 2012, materials and services categories for the Transportation Fund and the Water Fund have been over expended due to increases in electrical costs and unanticipated repair costs.

The Water Fund's ending fund balance continues to be a concern as it ended last year with a negative balance causing this fund to be on "watch" status. Last fiscal year, water revenues came in \$200,000 short of budget leaving this fund with a deficit balance of \$109,000. Water revenues are currently only at 89 percent of the annual budget. Fund balance has deteriorated further to a deficit of \$257,000 at June 30, 2012 moving this fund from "watch" status to "code red" status. Water rates for FY 2013 include a 17.1 percent increase to facilitate recovery of the Water Fund.

### ***Supplemental Budget Approved***

A full Budget Committee meeting was held on December 6<sup>th</sup> to discuss a mid-year supplemental budget for budget items that rolled over the fiscal year-end or arose since the FY 2012 budget was adopted. That same evening, the City Council adopted Resolution 100-2011, directing the

preparation of Biennial Budgets for the City of Milwaukie effective for the Biennium beginning July 1, 2012.

On December 20, 2011, Council passed Resolution 104-2011, adopting the supplemental budget and revising appropriations. These revisions to the appropriated budget have been included in this fourth quarter report.

### ***BN 2013-2014 Budget Adopted***

At the Budget Committee's May 31, 2012 meeting, the BN 2013-2014 Budget was approved. There was additional opportunity for public testimony when the budget was considered and adopted by the City Council on June 5, 2012. This BN 2013-2014 Budget went into effect on July 1, 2012 and includes the following utility rate increases, as recommended by the Citizen Utility Advisory Board (CUAB) to cover projects listed in the Capital Improvement Plan: 0 percent increase in the Street Fee, 17.1 percent in Water, 7 percent in Wastewater, and 7 percent in Stormwater resulting in an overall average increase of approximately 8 percent in an average residents monthly utility bill or approximately \$6.16 per month.

The CUAB recognized the difficulties everyone is experiencing in today's economy and after smoothing out the needed infrastructure projects over the next five years, developed these recommendations focusing on the minimum percentage impact possible to all citizens of Milwaukie.

Shortly after the CUAB made their recommended increases, the City agreed with Clackamas County Service District No. 1 (CCSD #1) to make payments for wastewater treatment in line with an independent audit of the City's sewer connections. This agreement increased the estimated cost of wastewater treatment from approximately \$2.8 million to \$4 million. In order to avoid a significant spend down of the Wastewater Fund's reserves which are being accumulated to fund future infrastructure improvements, Council adopted a temporary wastewater rate to support wastewater treatment service as agreed upon with CCSD #1 (Res. 36-2012). This temporary wastewater rate consisted of a 30 percent increase.

### ***Financial Reports Issued***

In addition to these quarterly reports, this year the Finance Department also issued the Comprehensive Annual Financial Report (CAFR) as well as the first ever City of Milwaukie Popular Annual Financial Report (PAFR) both for the fiscal year ended June 30, 2011. The City was a first time recipient this year of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award, and Popular Annual Financial Reporting Award for FY 2011 budget and PAFR documents as well as a recipient of the GFOA's Certificate of Achievement of Excellence in Financial Reporting for the first time in almost a decade, for the fiscal year ended June 30, 2011 CAFR. The City of Milwaukie is now one of only three cities in the State of Oregon to receive all three GFOA financial report awards.

### ***Request for Proposals for Banking Services***

This quarter, the cities of West Linn and Milwaukie both issued Request for Proposals (RFP) for banking services. Best financial practices suggest that RFPs should be issued every five years for

financial services to include banking. As you may imagine, actually changing banks is quite an involved project for any Finance Department, but at the very least, banks will sharpen their pencils on banking fees. When interest rates were in the 3 to 4 percent range, interest credits on deposit balances would offset most all banking fees. However, banking interest rates today are under 1 percent resulting in much higher net banking costs to the City. The responses to the RFP are currently being evaluated and no recommendation has been made.

Banking services range from online banking software, Positive Pay, P-cards, AP and payroll check clearing, , and lockbox services. As you may recall, with close to \$800,000 in utility payments coming in every month, a lockbox system is utilized so payments go directly into the banking system more efficiently.

### ***Reorganized Fund Structure***

At the end of last fiscal year the previously overly-complex structure of 29 Funds, including eight (8) internal service Funds and six (6) enterprise Funds was revised. We have reduced the overall number of Funds from 29 to 8 Funds. This new Fund structure provides the foundation for solid and transparent financial planning well into the future.

### ***Two Utility Assistant Programs Offered***

As a reminder, the City of Milwaukie continues to offer its residential customers a *Low Income Utility Program*. This reduced rate program is a waiver of the established base charge for water service; one-half of the established base charge for wastewater (sewer) and storm water service; one-half of the established volume charge for wastewater service; and waiver of the street maintenance fee. For more information on the eligibility requirements for the *Low Income Utility Program*, please visit: <http://www.ci.milwaukie.or.us/finance/low-income-program> or call (503) 786-7525.

New with the FY 2012 Budget and continued with the BN 2013-2014 Budget, a pilot program was approved called the *Emergency Utility Assistance Program*. Modeled after a similar successful program in West Linn, the idea is to provide emergency seed money to reduce City utility obligations to help those who find themselves in poor economic situations. This program is generally geared towards utility accounts showing solid payment history, but due to some emergency or dramatic loss in income, the citizen is unable to catch up on their utility obligations. This program just gives a little bit of help to get back on track with regular monthly payments.

### ***Reminder that Citizens can now pay their Utility Bill Online***

You may now make your monthly Utility Bill payments on-line via credit card using the City's new online payment program from the convenience and security of your home computer. You can also make a payment by calling 1-800-701-8560, 24 hours a day, 7 days a week (a "live" person is available if you call between 8am to 9pm EST). Of course, traditional ways of making payments are still available. These new services are simply additional ways to make payments at your convenience.

### ***Continuous Improvement***

The Milwaukie Finance Department continuously reviews the format, delivery, and presentation of financial information, as we recognize that this quarterly report format can be improved. With this quarterly report, we continue to offer this Executive Summary section providing narrative highlights, insights, and other financial updates that occurred during the quarter which the Finance Directors feel may be of interest.

Going forward, we will be trying out new formats with our Quarterly Financial Reports with the goal of providing even better information in more meaningful ways. Be sure to let us know your impressions as we appreciate your feedback.

Substantial improvements have recently been made to the Finance webpage to include the addition of financial material and relevant topical items. If you have not visited this website recently, we would encourage you to do so and let us know what else you would like to see: <http://www.ci.milwaukie.or.us/finance>.

### ***Reflection on Today's Economy***

Municipal finances are coming under increasing strain, as evidenced by bankruptcies declared by the California cities of Stockton, San Bernardino, and Mammoth Lakes. However, each of these cases had unique challenges they faced and although most unfortunate, we believe they are not necessarily reflective of government agencies in Oregon. One of the protections of a down real estate economy in Oregon which our California counterparts do not enjoy, is that our property taxes are not a function of real market values, but rather lower assessed values. Thanks to Measure 50 which passed in Oregon in 1995-96, assessed values were limited to a 3% growth factor which provides less revenue when the real estate market is up, but helps provide more protection in a down real estate economy.

We value your trust and promise to ensure fiscal integrity in all that we do. As you review this quarterly report, I welcome your questions, comments, and any suggestions you may have. As always, the best way to contact us is by email at: [camorsc@ci.milwaukie.or.us](mailto:camorsc@ci.milwaukie.or.us).

Respectfully,



Casey Camors, CPA, CMA, CPFO  
Finance Director, City of Milwaukie



Richard Seals, CPA CMA CFM CFE  
Finance Director, City of Milwaukie

September 7, 2012

City of Milwaukie, Oregon  
 Quarterly Financial Report  
 Budget-to-Actual

Through the fourth quarter ended June 30, 2012

**All City Funds**

Fund	Beginning Fund Balance as of July 1 2011	Year to Date through June 30, 2012		Ending Fund Balance as of June 30, 2012	Change in Fund Balance	Ending Fund Balance in Budget Document	over (under) Estimated Fund Balance in Budget
		Revenues	Expenditures				
1. General Fund	\$ 6,485,256	\$ 14,587,665	\$ 15,174,811	\$ 5,898,110	\$ (587,146)	\$ 5,717,000	\$ 181,110
2. Library Fund	-	2,160,459	1,579,299	581,160	581,160	657,000	(75,840)
3. Building Inspection Fund	96,034	428,097	238,727	285,404	189,370	80,000	205,404
4. Transportation Fund	1,320,951	2,863,181	2,375,286	1,808,846	487,895	1,792,000	16,846
5. Water Fund	(109,025)	2,359,297	2,506,831	(256,559)	(147,534)	(217,000)	(39,559)
6. Wastewater Fund	2,721,894	6,941,195	6,716,953	2,946,136	224,242	3,260,000	(313,864)
7. Stormwater Fund	1,080,742	1,837,361	1,489,508	1,428,595	347,853	1,391,000	37,595
8. Systems Development Charges Fund:							
Transportation SDC Department	449,488	7,327	5,258	451,557	2,069	405,000	46,557
Water SDC Department	431,187	2,739	198,000	235,926	(195,261)	170,000	65,926
Wastewater SDC Department	798,355	14,325	-	812,680	14,325	1,028,000	(215,320)
Stormwater SDC Department	339,858	12,198	84,876	267,180	(72,678)	251,000	16,180
Total SDC Fund:	2,018,888	36,589	288,134	1,767,343	(251,545)	1,854,000	(86,657)
<b>Totals</b>	<b>\$ 13,614,740</b>	<b>\$ 31,213,844</b>	<b>\$ 30,369,549</b>	<b>\$ 14,459,035</b>	<b>\$ 844,295</b>	<b>\$ 14,534,000</b>	<b>\$ (74,965)</b>

**City of Milwaukie, Oregon**  
**Quarterly Financial Report**  
**Budget-to-Actual**  
**Through the fourth quarter ended June 30, 2012**

**General Fund**

	Year to Date through June 30, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
Property taxes	\$ 5,212,000	\$ 5,412,479	104%	\$ 5,212,000	\$ 5,412,479	\$ 200,479	104%
Licenses & permits	343,000	578,627	169%	343,000	578,627	235,627	169%
Franchise fees	1,708,000	1,806,204	106%	1,708,000	1,806,204	98,204	106%
Intergovernmental	1,670,000	1,332,921	80%	1,670,000	1,332,921	(337,079)	80%
Fines & forfeitures	1,847,000	1,445,036	78%	1,847,000	1,445,036	(401,964)	78%
Miscellaneous	160,000	114,398	71%	160,000	114,398	(45,602)	71%
	10,940,000	10,689,665	98%	10,940,000	10,689,665	(250,335)	98%
Transfers	4,629,000	3,898,000	84%	4,629,000	3,898,000	(731,000)	84%
<b>Total revenue</b>	<b>15,569,000</b>	<b>14,587,665</b>	<b>94%</b>	<b>15,569,000</b>	<b>14,587,665</b>	<b>(981,335)</b>	<b>94%</b>
<b>Expenditures</b>							
City Council	51,000	45,230	89%	51,000	45,230	5,770	89%
City Manager	642,000	621,170	97%	642,000	621,170	20,830	97%
Community Development & Public Works	1,481,000	1,157,285	78%	1,481,000	1,157,285	323,715	78%
Engineering Services	617,000	567,943	92%	617,000	567,943	49,057	92%
Facilities Management	1,157,000	1,104,060	95%	1,157,000	1,104,060	52,940	95%
Finance	759,000	627,996	83%	759,000	627,996	131,004	83%
Fleet Services	780,000	670,378	86%	780,000	670,378	109,622	86%
Human Resources	356,000	321,946	90%	356,000	321,946	34,054	90%
Information Systems Technology	1,283,000	1,211,417	94%	1,283,000	1,211,417	71,583	94%
Municipal Court	395,000	370,684	94%	395,000	370,684	24,316	94%
Planning Services	579,000	574,195	99%	579,000	574,195	4,805	99%
Community Services	790,000	599,077	76%	790,000	599,077	190,923	76%
Code Enforcement	196,000	162,255	83%	196,000	162,255	33,745	83%
Public Access Studio	112,000	80,963	72%	112,000	80,963	31,037	72%
Records and Information Management	408,000	370,852	91%	408,000	370,852	37,148	91%
Non-Departmental	1,056,000	713,700	68%	1,056,000	713,700	342,300	68%
Police Administration	505,000	468,814	93%	505,000	468,814	36,186	93%
Police Field Services	5,397,000	5,177,239	96%	5,397,000	5,177,239	219,761	96%
Police Support Services	349,000	329,607	94%	349,000	329,607	19,393	94%
<b>Total expenditures</b>	<b>16,913,000</b>	<b>15,174,811</b>	<b>90%</b>	<b>16,913,000</b>	<b>15,174,811</b>	<b>1,738,189</b>	<b>90%</b>
Revenue over (under) expenditures	(1,344,000)	(587,146)		(1,344,000)	(587,146)	756,854	
Beginning fund balance	5,436,000	6,485,256		5,436,000	6,485,256	1,049,256	
<b>Ending fund balance</b>	<b>\$ 4,092,000</b>	<b>\$ 5,898,110</b>		<b>\$ 4,092,000</b>	<b>\$ 5,898,110</b>	<b>\$ 1,806,110</b>	

<sup>1</sup> The intergovernmental revenue variance is due to the delayed expected receipt of the Nature in Neighborhoods Grant (\$178,000) and the Metro CET grant (\$224,000) from FY12 to FY13.

<sup>2</sup> As of January 1, 2012, HB 2710 reduced the presumptive fine amounts for traffic citations, reducing the amount the City could collect by approximately 40%. Additionally, City assessments were disallowed, reducing additional funding acquired from citations.

<sup>3</sup> Interest rates during FY12 were much lower than anticipated in both the Local Government Investment Pool and the City's checking accounts.



**City of Milwaukie, Oregon**  
**Quarterly Financial Report**  
**Budget-to-Actual**  
**Through the fourth quarter ended June 30, 2012**

**Library Fund**

	Year to Date through June 30, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
Intergovernmental Revenue	\$ 992,000	\$ 1,040,766	105%	\$ 992,000	\$ 1,040,766	\$ 48,766	105%
Fines	56,000	59,251	106%	56,000	59,251	3,251	106%
Miscellaneous	4,000	3,145	79%	4,000	3,145	(855)	79%
Allocation of general property taxes	1,099,000	1,057,297	96%	1,099,000	1,057,297	(41,703)	96%
<b>Total revenue</b>	<b>2,151,000</b>	<b>2,160,459</b>	<b>100%</b>	<b>2,151,000</b>	<b>2,160,459</b>	<b>9,459</b>	<b>100%</b>
<b>Expenditures</b>							
Personnel services	1,347,000	1,365,632	101%	1,347,000	1,365,632	(18,632)	101% <sup>1</sup>
Materials & services	208,000	157,152	76%	208,000	157,152	50,848	76%
Debt service	35,000	34,515	99%	35,000	34,515	485	99%
Transfers	753,000	22,000	3%	753,000	22,000	731,000	3%
<b>Total expenditures</b>	<b>2,343,000</b>	<b>1,579,299</b>	<b>67%</b>	<b>2,343,000</b>	<b>1,579,299</b>	<b>763,701</b>	<b>67%</b>
Revenue over (under) expenditures	(192,000)	581,160		(192,000)	581,160	773,160	
Beginning fund balance	731,000	-		731,000	-	(731,000)	
<b>Ending fund balance</b>	<b>\$ 539,000</b>	<b>\$ 581,160</b>		<b>\$ 539,000</b>	<b>\$ 581,160</b>	<b>\$ 42,160</b>	

<sup>1</sup> In November of 2011, the long time Library Director retired. The retiree payout caused Personnel Services to be exceeded however, this variance is not considered an overexpenditure under Oregon Budget Law based on it's nature.

**City of Milwaukie, Oregon**  
**Quarterly Financial Report**  
**Budget-to-Actual**  
**Through the fourth quarter ended June 30, 2012**

**Building Inspection Fund**

	Year to Date through June 30, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
Fees & charges	\$ 217,000	\$ 425,918	196%	\$ 217,000	\$ 425,918	\$ 208,918	196% <sup>1</sup>
Intergovernmental	2,000	1,283	64%	2,000	1,283	(717)	64%
Miscellaneous	11,000	896	8%	11,000	896	(10,104)	8%
<b>Total revenue</b>	<b>230,000</b>	<b>428,097</b>	<b>186%</b>	<b>230,000</b>	<b>428,097</b>	<b>198,097</b>	<b>186%</b>
<b>Expenditures</b>							
Personnel services	208,000	200,409	96%	208,000	200,409	7,591	96%
Materials and services	14,000	8,318	59%	14,000	8,318	5,682	59%
Transfers	30,000	30,000	100%	30,000	30,000	-	100%
<b>Total expenditures</b>	<b>252,000</b>	<b>238,727</b>	<b>95%</b>	<b>252,000</b>	<b>238,727</b>	<b>13,273</b>	<b>95%</b>
Revenue over (under) expenditures	(22,000)	189,370		(22,000)	189,370	211,370	
Beginning fund balance	107,000	96,034		107,000	96,034	(10,966)	
<b>Ending fund balance</b>	<b>\$ 85,000</b>	<b>\$ 285,404</b>		<b>\$ 85,000</b>	<b>\$ 285,404</b>	<b>\$ 200,404</b>	

<sup>1</sup> Building fees and charges were higher than anticipated due to TriMet Lightrail activity.

**City of Milwaukie, Oregon**  
**Quarterly Financial Report**  
**Budget-to-Actual**  
**Through the fourth quarter ended June 30, 2012**

**Transportation Fund**

	Year to Date through June 30, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
Dedicated to St/Surf Maintenance Program:							
Fees (from street maintenance fee)	\$ 598,000	\$ 605,269	101%	\$ 598,000	\$ 605,269	\$ 7,269	101%
Franchise fees (from 1.5% privilege tax)	318,000	324,400	102%	318,000	324,400	6,400	-
Intergovernmental (from local gas tax)	161,000	178,995	111%	161,000	178,995	17,995	111%
	<u>1,077,000</u>	<u>1,108,664</u>	103%	<u>1,077,000</u>	<u>1,108,664</u>	<u>31,664</u>	103%
Intergovernmental (from state gas tax)	1,146,000	1,110,169	97%	1,146,000	1,110,169	(35,831)	97%
Intergovernmental (other)	179,000	-	-	179,000	-	(179,000)	- <sup>1</sup>
Franchise fees (from utility funds)	608,000	619,992	102%	608,000	619,992	11,992	102%
Miscellaneous	27,000	24,356	90%	27,000	24,356	(2,644)	90%
<b>Total revenue</b>	<u>3,037,000</u>	<u>2,863,181</u>	94%	<u>3,037,000</u>	<u>2,863,181</u>	<u>(173,819)</u>	94%
<b>Expenditures</b>							
Personnel services	431,000	391,912	91%	431,000	391,912	39,088	91%
Materials and services	443,000	485,484	110%	443,000	485,484	(42,484)	110% <sup>2</sup>
Transfers	1,008,000	1,008,000	100%	1,008,000	1,008,000	-	100%
Capital outlay	1,024,000	489,890	48%	1,024,000	489,890	534,110	48%
<b>Total expenditures</b>	<u>2,906,000</u>	<u>2,375,286</u>	82%	<u>2,906,000</u>	<u>2,375,286</u>	<u>530,714</u>	82%
Revenue over (under) expenditures	<u>131,000</u>	<u>487,895</u>		<u>131,000</u>	<u>487,895</u>	<u>356,895</u>	
Beginning fund balance	1,240,000	1,320,951		1,240,000	1,320,951	80,951	
Less: Reserved for fees in lieu	(420,000)	(424,324)		(420,000)	(424,324)	(4,324)	
Net available fund balance	<u>820,000</u>	<u>896,627</u>		<u>820,000</u>	<u>896,627</u>	<u>76,627</u>	
<b>Ending net available fund balance</b>	<u>\$ 951,000</u>	<u>\$ 1,384,522</u>		<u>\$ 951,000</u>	<u>\$ 1,384,522</u>	<u>\$ 433,522</u>	

<sup>1</sup> Grant revenue budgeted during the FY12 budget process was not received as anticipated.

<sup>2</sup> Electricity costs and facility repair costs were higher than anticipated during the FY12 budget process.

**City of Milwaukie, Oregon**  
**Quarterly Financial Report**  
**Budget-to-Actual**  
**Through the fourth quarter ended June 30, 2012**

**Water Fund**

	Year to Date through June 30, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
Fees and charges	\$ 2,565,000	\$ 2,286,939	89%	\$ 2,565,000	2,286,939	(278,061)	89% <sup>1</sup>
Miscellaneous	55,000	72,358	132%	55,000	72,358	17,358	132%
Total revenue	2,620,000	2,359,297	90%	2,620,000	2,359,297	(260,703)	90%
<b>Expenditures</b>							
Personnel services	602,000	512,098	85%	602,000	512,098	89,902	85%
Materials and services	618,000	643,322	104%	618,000	643,322	(25,322)	104% <sup>2</sup>
Transfers	987,000	987,000	100%	987,000	987,000	-	100%
Capital outlay	389,000	364,411	94%	389,000	364,411	24,589	94%
Total expenditures	2,596,000	2,506,831	97%	2,596,000	2,506,831	89,169	97%
Revenue over (under) expenditures	24,000	(147,534)		24,000	(147,534)	(171,534)	
Beginning fund balance	69,000	(109,025)		69,000	(109,025)	(178,025)	
<b>Ending fund balance</b>	<b>\$ 93,000</b>	<b>\$ (256,559)</b>		<b>\$ 93,000</b>	<b>\$ (256,559)</b>	<b>\$ (349,559)</b>	

<sup>1</sup> As anticipated during the year, water fees and charges have continued to decline due to conservation.

<sup>2</sup> Electricity costs and operating equipment repair and maintenance costs were higher than anticipated during the FY12 budget process.

**City of Milwaukie, Oregon**  
**Quarterly Financial Report**  
**Budget-to-Actual**  
**Through the fourth quarter ended June 30, 2012**

**Wastewater Fund**

	Year to Date through June 30, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
Fees and charges	\$ 4,562,000	\$ 4,534,006	99%	\$ 4,562,000	\$ 4,534,006	\$ (27,994)	99%
Intergovernmental	1,071,000	1,928,929	180%	1,071,000	1,928,929	857,929	180% <sup>1</sup>
Miscellaneous	30,000	5,554	19%	30,000	5,554	(24,446)	19% <sup>2</sup>
Proceeds from Reimbursement District Transfers (final pmt from General Fund)	139,000	275,834	198%	139,000	275,834	136,834	198%
	197,000	196,872	100%	197,000	196,872	(128)	100%
<b>Total revenue</b>	<b>5,999,000</b>	<b>6,941,195</b>	<b>116%</b>	<b>5,999,000</b>	<b>6,941,195</b>	<b>942,195</b>	<b>116%</b>
<b>Expenditures</b>							
Personnel services	415,000	393,100	95%	415,000	393,100	21,900	95%
Materials and services	3,281,000	3,278,755	100%	3,281,000	3,278,755	2,245	100%
Debt service	1,110,000	2,028,444	183%	1,110,000	2,028,444	(918,444)	183% <sup>1</sup>
Transfers	1,014,000	1,014,000	100%	1,014,000	1,014,000	-	100%
Capital outlay	840,000	2,654	0%	840,000	2,654	837,346	-
<b>Total expenditures</b>	<b>6,660,000</b>	<b>6,716,953</b>	<b>101%</b>	<b>6,660,000</b>	<b>6,716,953</b>	<b>(56,953)</b>	<b>101%</b>
Revenue over (under) expenditures	(661,000)	224,242		(661,000)	224,242	885,242	
Beginning fund balance	2,314,000	2,721,894		2,314,000	2,721,894	407,894	
<b>Ending fund balance</b>	<b>\$ 1,653,000</b>	<b>\$ 2,946,136</b>		<b>\$ 1,653,000</b>	<b>\$ 2,946,136</b>	<b>\$ 1,293,136</b>	

<sup>1</sup> As previously identified, the City received a loan and subsequent loan forgiveness from the Oregon DEQ for the North East Sewer Extension project in excess of that anticipated during the FY12 budget process. This expenditure variance is not considered an overexpenditure under Oregon Budget Law based on it's nature.

<sup>2</sup> Interest rates during FY12 were much lower than anticipated in both the Local Government Investment Pool and the City's checking accounts.

**City of Milwaukie, Oregon**  
**Quarterly Financial Report**  
**Budget-to-Actual**  
**Through the fourth quarter ended June 30, 2012**

**Stormwater Fund**

	Year to Date through June 30, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
Fees and charges	\$ 1,820,000	\$ 1,829,752	101%	\$ 1,820,000	\$ 1,829,752	\$ 9,752	101%
Miscellaneous	38,000	7,609	20%	38,000	7,609	(30,391)	20% <sup>1</sup>
<b>Total revenue</b>	<b>1,858,000</b>	<b>1,837,361</b>	<b>99%</b>	<b>1,858,000</b>	<b>1,837,361</b>	<b>(20,639)</b>	<b>99%</b>
<b>Expenditures</b>							
Personnel services	418,000	387,439	93%	418,000	387,439	30,561	93%
Materials and services	294,000	235,937	80%	294,000	235,937	58,063	80%
Transfers	837,000	837,000	100%	837,000	837,000	-	100%
Capital outlay	340,000	29,132	9%	340,000	29,132	310,868	-
<b>Total expenditures</b>	<b>1,889,000</b>	<b>1,489,508</b>	<b>79%</b>	<b>1,889,000</b>	<b>1,489,508</b>	<b>399,492</b>	<b>79%</b>
Revenue over (under) expenditures	(31,000)	347,853		(31,000)	347,853	378,853	
Beginning fund balance	1,025,000	1,080,742		1,025,000	1,080,742	55,742	
<b>Ending fund balance</b>	<b>\$ 994,000</b>	<b>\$ 1,428,595</b>		<b>\$ 994,000</b>	<b>\$ 1,428,595</b>	<b>\$ 434,595</b>	

<sup>1</sup> Interest rates during FY12 were much lower than anticipated in both the Local Government Investment Pool and the City's checking accounts.

**City of Milwaukie, Oregon**  
**Quarterly Financial Report**  
**Budget-to-Actual**  
**Through the fourth quarter ended June 30, 2012**

**Systems Development Charges Fund**

	Year to Date through June 30, 2012			Annual through June 30, 2012 (year-to-date)			
	Flexible Budget	Actual	% of Budget	Annual Budget	Actual	Variance	% of Budget
<b>Revenue</b>							
System development charges	\$ 109,000	\$ 36,549	34%	\$ 109,000	\$ 36,549	\$ (72,451)	34%
Miscellaneous	27,000	40	0%	27,000	40	(26,960)	- <sup>1</sup>
<b>Total revenue</b>	<u>136,000</u>	<u>36,589</u>	27%	<u>136,000</u>	<u>36,589</u>	<u>(99,411)</u>	27%
<b>Expenditures</b>							
Materials and services	58,000	-	-	58,000	-	58,000	-
Capital outlay	596,000	288,134	48%	596,000	288,134	307,866	48%
<b>Total expenditures</b>	<u>654,000</u>	<u>288,134</u>	44%	<u>654,000</u>	<u>288,134</u>	<u>365,866</u>	44%
Revenue over (under) expenditures	(518,000)	(251,545)		(518,000)	(251,545)	266,455	
Beginning fund balance	<u>2,060,000</u>	<u>2,018,888</u>		<u>2,060,000</u>	<u>2,018,888</u>	<u>(41,112)</u>	
<b>Ending fund balance</b>	<u>\$ 1,542,000</u>	<u>\$ 1,767,343</u>		<u>\$ 1,542,000</u>	<u>\$ 1,767,343</u>	<u>\$ 225,343</u>	

<sup>1</sup> Interest rates during FY12 were much lower than anticipated in both the Local Government Investment Pool and the City's checking accounts.



Milwaukie Finance