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# Monthly Financial Report

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**Finance Department  
December 2016  
(Unaudited)**

*Includes the Hermiston Urban Renewal Agency*

# 2016-2017 Monthly Financial Report

Hermiston Urban Renewal Agency (HURA)

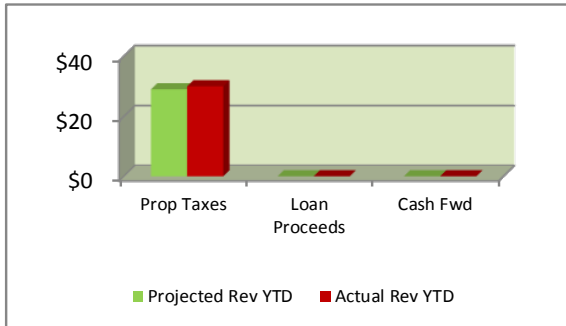
For the Month Ending December 31, 2016

## Resources

Through December 31, 2016

by Category

(in \$1,000)



|               | Annual<br>Proj Rev | Projected<br>Rev YTD | Actual Rev<br>YTD | Var Fav/<br>(Unfav) | %<br>Var  |
|---------------|--------------------|----------------------|-------------------|---------------------|-----------|
| Prop Taxes    | \$ 29              | \$ 29                | \$ 30             | \$ 1                | 0%        |
| Loan Proceeds | 100                | -                    | -                 | -                   | 0%        |
| Cash Fwd      | 74                 | -                    | -                 | -                   | 0%        |
| <b>Total</b>  | <b>\$ 203</b>      | <b>\$ 29</b>         | <b>\$ 30</b>      | <b>\$ 1</b>         | <b>0%</b> |

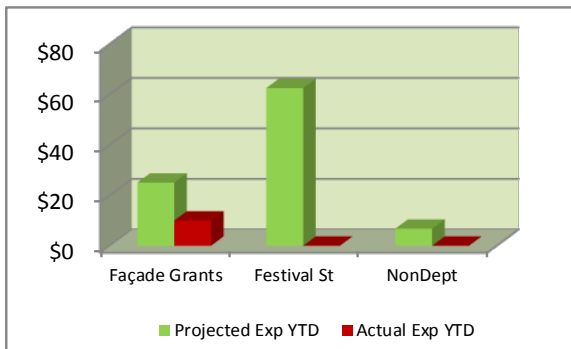
Note: variance is calculated as a percent of the projected revenue YTD.

## Expenditures

Through December 31, 2016

by Character

(in \$1,000)



|                 | Annual<br>Proj Exp | Projected<br>Exp YTD | Actual Exp<br>YTD | Var Fav/<br>(Unfav) | %<br>Var   |
|-----------------|--------------------|----------------------|-------------------|---------------------|------------|
| Façade Grants   | \$ 50              | \$ 25                | \$ 10             | \$ 15               | 60.0%      |
| Festival St     | 125                | 63                   | -                 | 63                  | 98%        |
| NonDept         | 14                 | 7                    | -                 | 7                   | 94%        |
| Res for Fut Exp | 14                 | -                    | -                 | -                   | 0%         |
| <b>Total</b>    | <b>\$ 203</b>      | <b>\$ 93</b>         | <b>\$ 10</b>      | <b>\$ 83</b>        | <b>89%</b> |

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

Halfway through the fiscal year the Urban Renewal Agency has received a little over \$30,000 in property tax revenue. In December the district paid \$10,000 in façade grants for work at the new Simmons Agency office on Main Street. A workshop was held on the festival street, but as yet has not been invoiced by Anderson Perry.

# 2016-2017 Monthly Financial Report

City of Hermiston, Oregon

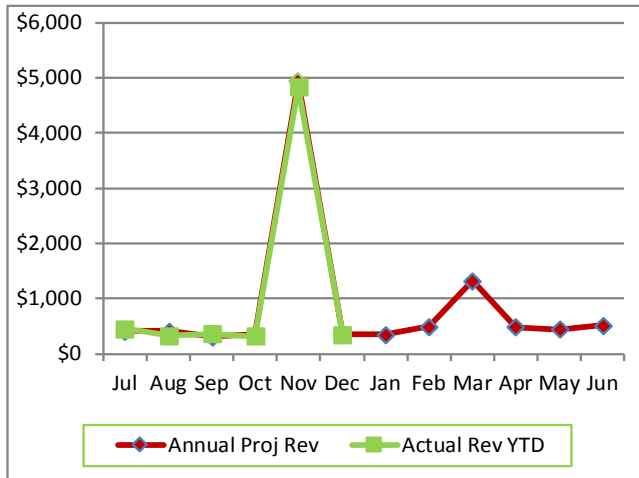
General Fund Resources

For the Month Ending December 31, 2016

Through December 31, 2016

All Resources

(in \$1,000)



|              | Annual Proj Rev  | Proj Rev YTD    | Actual Rev YTD  | Var Fav/ (Unfav) | % Var       |
|--------------|------------------|-----------------|-----------------|------------------|-------------|
| Jul          | \$ 414           | \$ 414          | \$ 458          | \$ 43            | 10%         |
| Aug          | 409              | \$ 409          | \$ 326          | (84)             | (20%)       |
| Sep          | 308              | \$ 308          | \$ 362          | 54               | 17%         |
| Oct          | 363              | \$ 363          | \$ 314          | (48)             | (13%)       |
| Nov          | 4,929            | \$ 4,929        | \$ 4,829        | (101)            | (2%)        |
| Dec          | 352              | \$ 352          | \$ 354          | 1                | 0%          |
| Jan          | 345              |                 |                 |                  |             |
| Feb          | 494              |                 |                 |                  |             |
| Mar          | 1,322            |                 |                 |                  |             |
| Apr          | 484              |                 |                 |                  |             |
| May          | 446              |                 |                 |                  |             |
| Jun          | 520              |                 |                 |                  |             |
| <b>Total</b> | <b>10,387</b>    | <b>6,776</b>    | <b>6,642</b>    | <b>(134)</b>     | <b>(2%)</b> |
| Cash Fwd     | 4,800            | -               | -               | -                | 0%          |
| <b>Total</b> | <b>\$ 15,187</b> | <b>\$ 6,776</b> | <b>\$ 6,642</b> | <b>(134)</b>     | <b>(2%)</b> |

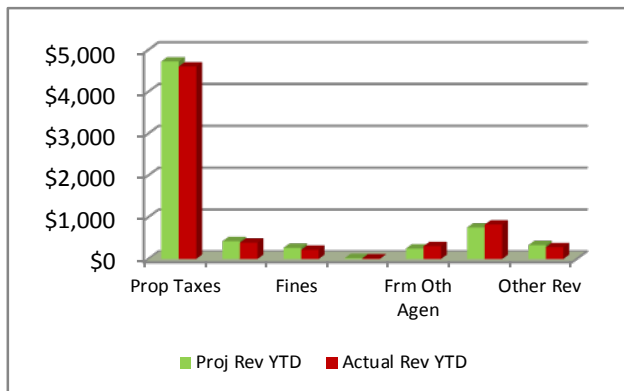
Actual revenues in the General Fund as of December 31 are \$6.6 million, about \$134,000 less than projections. Property taxes, which are under projections by \$121,000, represent the bulk of the variance. Licenses, Fines, Interest Earnings and Other revenue are also under projections. Receipts from Other Agencies and Service Charges are over projections by \$58,000 and \$71,000 respectively.

## General Fund Revenue

Through December 31, 2016

by Category

(in \$1,000)



|              | Annual Proj Rev  | Proj Rev YTD    | Actual Rev YTD  | Var Fav/ (Unfav) | % Var       |
|--------------|------------------|-----------------|-----------------|------------------|-------------|
| Prop Taxes   | \$ 5,202         | \$ 4,723        | \$ 4,602        | \$ (121)         | (3%)        |
| Lic          | 851              | 426             | 392             | (34)             | (8%)        |
| Fines        | 570              | 268             | 219             | (49)             | (18%)       |
| Interest Rev | 50               | 24              | 15              | (9)              | (37%)       |
| Frm Oth Agen | 499              | 250             | 307             | 58               | 23%         |
| Svc Chgs     | 1,424            | 753             | 824             | 71               | 9%          |
| Other Rev    | 1,791            | 332             | 282             | (50)             | (15%)       |
| Cash Fwd     | 4,800            | -               | -               | -                | 0%          |
| <b>Total</b> | <b>\$ 15,187</b> | <b>\$ 6,776</b> | <b>\$ 6,642</b> | <b>\$ (134)</b>  | <b>(2%)</b> |

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

# 2016-2017 Monthly Financial Report

## City of Hermiston, Oregon

### General Fund Expenditures

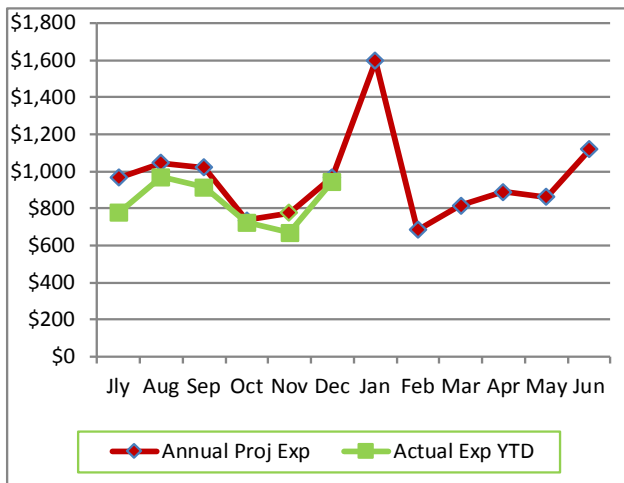
#### For the Month Ending December 31, 2016

#### General Fund Expenditure Summary

Through December 31, 2016

All Requirements

(in \$1,000)



|              | Annual Proj Exp  | Projected Exp YTD | Actual Exp YTD  | Var Fav/ (Unfav) | % Var     |
|--------------|------------------|-------------------|-----------------|------------------|-----------|
| Jly          | \$ 964           | \$ 964            | \$ 775          | \$ 189           | 20%       |
| Aug          | \$ 1,045         | \$ 1,045          | \$ 969          | \$ 76            | 7%        |
| Sep          | \$ 1,022         | \$ 1,022          | \$ 914          | \$ 108           | 11%       |
| Oct          | \$ 736           | \$ 736            | \$ 724          | \$ 12            | 2%        |
| Nov          | \$ 775           | \$ 775            | \$ 670          | \$ 105           | 14%       |
| Dec          | \$ 968           | \$ 968            | \$ 943          | \$ 25            | 3%        |
| Jan          | \$ 1,595         |                   |                 |                  |           |
| Feb          | \$ 684           |                   |                 |                  |           |
| Mar          | \$ 815           |                   |                 |                  |           |
| Apr          | \$ 889           |                   |                 |                  |           |
| May          | \$ 861           |                   |                 |                  |           |
| Jun          | \$ 1,119         |                   |                 |                  |           |
| <b>Total</b> | <b>11,472</b>    | <b>5,510</b>      | <b>4,995</b>    | <b>515</b>       | <b>9%</b> |
| Unapp        | 3,715            | -                 | -               | -                | 0%        |
| <b>Total</b> | <b>\$ 15,187</b> | <b>\$ 5,510</b>   | <b>\$ 4,995</b> | <b>\$ 515</b>    | <b>9%</b> |

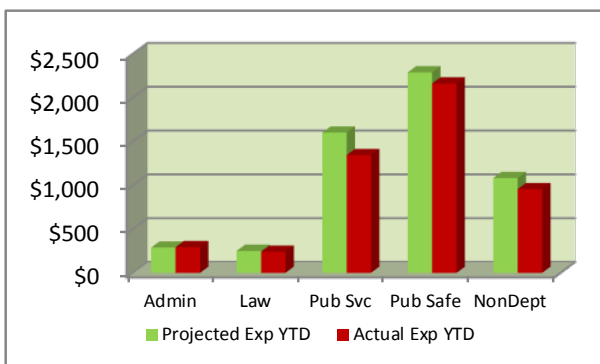
General Fund expenditures continue to come in under projections. As of December they were \$515,000 under anticipated spending. Public Services, Public Safety and Non-Departmental continue to lead this trend with savings of \$257,000, \$127,000 and \$126,000 respectively.

#### General Fund Expenditures

Through December 31, 2016

by Consolidated Department

(in \$1,000)



|              | Annual Proj Exp  | Projected Exp YTD | Actual Exp YTD  | Var Fav/ (Unfav) | % Var     |
|--------------|------------------|-------------------|-----------------|------------------|-----------|
| Admin        | \$ 564           | 289               | 293             | (4)              | (1%)      |
| Law          | 497              | 251               | 241             | 10               | 4%        |
| Pub Svc      | 3,139            | 1,601             | 1,344           | 257              | 16%       |
| Pub Safe     | 4,517            | 2,288             | 2,161           | 127              | 6%        |
| NonDept      | 6,470            | 1,082             | 956             | 126              | 12%       |
| Unapp        | -                | -                 | -               | -                | 0%        |
| <b>Total</b> | <b>\$ 15,187</b> | <b>\$ 5,510</b>   | <b>\$ 4,995</b> | <b>\$ 515</b>    | <b>9%</b> |

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

# 2016-2017 Monthly Financial Report

## General Fund Expenditure Detail

For the Month Ending December 31, 2016

### General Fund Expenditures by Department

|                                  | Annual Projected  |                   |                  | Var Fav/<br>(Unfav) | % Var Fav/<br>(Unfav) |
|----------------------------------|-------------------|-------------------|------------------|---------------------|-----------------------|
|                                  | Exp               | Projected Exp YTD | Actual Exp YTD   |                     |                       |
| City Council                     | 45,719            | 32,164            | 37,073           | (4,909)             | (15%)                 |
| City Manager/Planning            | 438,624           | 219,192           | 218,771          | 421                 | 0%                    |
| Finance                          | 79,295            | 37,236            | 37,076           | 160                 | 0%                    |
| <b>Total Admin &amp; Finance</b> | <b>563,638</b>    | <b>288,592</b>    | <b>292,920</b>   | <b>(4,328)</b>      | <b>(1%)</b>           |
| Legal                            | 83,700            | 41,422            | 34,613           | 6,809               | 0%                    |
| Court                            | 413,186           | 209,211           | 206,326          | 2,885               | 1%                    |
| <b>Total Dept of Law</b>         | <b>496,886</b>    | <b>250,633</b>    | <b>240,939</b>   | <b>9,694</b>        | <b>4%</b>             |
| Transportation                   | 248,300           | 62,065            | 60,877           | 1,188               | 2%                    |
| Airport                          | 252,450           | 137,242           | 76,347           | 60,895              | 44%                   |
| Bldg Inspection                  | 355,617           | 176,155           | 173,781          | 2,374               | 1%                    |
| Parks                            | 490,819           | 247,359           | 226,659          | 20,700              | 8%                    |
| Parks/Utility Landscaping        | 39,475            | 19,738            | 10,725           | 9,013               | 46%                   |
| Pool                             | 433,333           | 292,269           | 206,480          | 85,789              | 29%                   |
| Municipal Buildings              | 18,500            | 10,404            | 8,883            | 1,521               | 15%                   |
| Library                          | 734,775           | 368,315           | 318,429          | 49,886              | 14%                   |
| Recreation                       | 565,808           | 287,291           | 261,855          | 25,436              | 9%                    |
| <b>Total Public Services</b>     | <b>3,139,077</b>  | <b>1,600,836</b>  | <b>1,344,036</b> | <b>256,800</b>      | <b>16%</b>            |
| Public Safety Center             | 82,000            | 42,355            | 35,102           | 7,253               | 17%                   |
| Police Operations                | 4,434,616         | 2,245,538         | 2,125,957        | 119,581             | 5%                    |
| <b>Total Public Safety</b>       | <b>4,516,616</b>  | <b>2,287,893</b>  | <b>2,161,059</b> | <b>126,834</b>      | <b>6%</b>             |
| Non-Departmental                 | 2,756,190         | 1,081,932         | 955,733          | 126,199             | 12%                   |
| Unappropriated                   | 3,714,718         | 0                 | 0                | 0                   | 0%                    |
| <b>Total Non-Dept</b>            | <b>6,470,908</b>  | <b>1,081,932</b>  | <b>955,733</b>   | <b>126,199</b>      | <b>12%</b>            |
| <b>Total</b>                     | <b>15,187,125</b> | <b>5,509,885</b>  | <b>4,994,687</b> | <b>515,198</b>      | <b>9%</b>             |

Other than the City Council all departments have positive budget variances. As reported previously we plan on correcting this during the budget supplement.

Continuing the trend we've seen for the last several months the Pool, Airport and Library have the greatest amount of savings dollar-wise. Collectively they make up nearly \$200,000 of the Public Services \$257,000 positive variance.

The Police Department has savings of \$120,000 and Non-Departmental has \$126,000 in savings.

# 2016-2017 Monthly Financial Report

## Fund Balance - General Fund

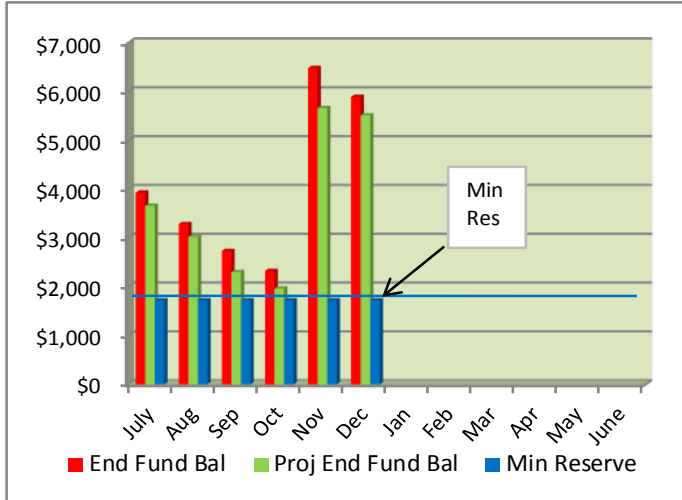
For the Month Ending December 31, 2016

### General Fund

Through December 31, 2016

Ending Fund Balance

(in \$1,000)



Minimum Reserve = \$1,720,861

|              | Begin Fund Bal  | Rev             | Exp               | End Fund Bal    | Proj End Fund Bal |
|--------------|-----------------|-----------------|-------------------|-----------------|-------------------|
| July         | \$ 4,244        | \$ 458          | \$ (775)          | \$ 3,927        | \$ 3,658          |
| Aug          | 3,927           | \$ 326          | \$ (969)          | \$ 3,283        | \$ 3,024          |
| Sep          | 3,283           | \$ 362          | \$ (914)          | \$ 2,731        | \$ 2,298          |
| Oct          | 2,731           | \$ 314          | \$ (724)          | \$ 2,321        | \$ 1,960          |
| Nov          | 2,321           | \$ 4,829        | \$ (670)          | \$ 6,480        | \$ 5,660          |
| Dec          | 6,480           | \$ 354          | \$ (943)          | \$ 5,891        | \$ 5,510          |
| Jan          |                 |                 |                   |                 |                   |
| Feb          |                 |                 |                   |                 |                   |
| Mar          |                 |                 |                   |                 |                   |
| Apr          |                 |                 |                   |                 |                   |
| May          |                 |                 |                   |                 |                   |
| June         |                 |                 |                   |                 |                   |
| <b>Total</b> | <b>\$ 4,244</b> | <b>\$ 6,642</b> | <b>\$ (4,995)</b> | <b>\$ 5,891</b> | <b>\$ 5,510</b>   |

The fund balance in the General Fund was \$5.9 million at the end of December compared to a projected balance of \$5.5 million. Since the beginning of the fiscal year the fund balance has increased \$1.6 million.

# 2016-2017 Monthly Financial Report

## Special Revenue Funds Report

For the Month Ending December 31, 2016

### Special Revenue Funds

#### Resources & Requirements

|  | 2016-17 Annual<br>Budget | Actual YTD | Remaining<br>Budget |
|--|--------------------------|------------|---------------------|
| <b>Bonded Debt Fund</b>                  |                          |            |                     |
| Resources                                | 699,925                  | 420,189    | 279,736             |
| Expenditures                             | 510,275                  | 465,537    | 44,738              |
| Unappropriated Balance                   | 189,650                  | N/A        | N/A                 |
| <b>Transient Room Tax (TRT)</b>          |                          |            |                     |
| Resources                                | 830,460                  | 297,978    | 532,482             |
| Expenditures                             | 767,860                  | 246,989    | 520,871             |
| Unappropriated Balance                   | 62,600                   | N/A        | N/A                 |
| <b>Reserve Fund</b>                      |                          |            |                     |
| Resources                                | 6,341,140                | 921,613    | 5,419,527           |
| Expenditures                             | 5,348,367                | 714,160    | 4,634,207           |
| Unappropriated Balance                   | 992,773                  | N/A        | N/A                 |
| <b>Municipal Court Special Revenue</b>   |                          |            |                     |
| Resources                                | 281,900                  | 98,577     | 183,323             |
| Expenditures                             | 260,100                  | 100,485    | 159,615             |
| Unappropriated Balance                   | 21,800                   | N/A        | N/A                 |
| <b>Miscellaneous Special Revenue</b>     |                          |            |                     |
| Resources                                | 35,000                   | 9,905      | 25,095              |
| Expenditures                             | 35,000                   | 12,463     | 22,537              |
| Unappropriated Balance                   | -                        | N/A        | N/A                 |
| <b>Conference Center</b>                 |                          |            |                     |
| Resources                                | 237,525                  | 92,104     | 145,421             |
| Expenditures                             | 187,525                  | 76,341     | 111,184             |
| Unappropriated Balance                   | 50,000                   | N/A        | N/A                 |
| <b>Christmas Express Special Revenue</b> |                          |            |                     |
| Resources                                | 34,690                   | 28,193     | 6,497               |
| Expenditures                             | 34,690                   | 11,555     | 23,135              |
| Unappropriated Balance                   | -                        | N/A        | N/A                 |
| <b>Law Enforcement Special Revenue</b>   |                          |            |                     |
| Resources                                | 78,880                   | 17,744     | 61,136              |
| Expenditures                             | 65,880                   | 27,646     | 38,234              |
| Unappropriated Balance                   | 13,000                   | N/A        | N/A                 |
| <b>Library Special Revenue</b>           |                          |            |                     |
| Resources                                | 57,200                   | 11,106     | 46,094              |
| Expenditures                             | 44,000                   | 1,459      | 42,541              |
| Unappropriated Balance                   | 13,200                   | N/A        | N/A                 |

Beginning with the 2016-17 fiscal year the City began distinguishing within the funds some part of ending fund balance as contingency and some as reserved for future expenditure. The contingency is included in appropriations while the reserve for future expenditures is unappropriated.

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.

**2016-2017 Monthly Financial Report**  
**Utility and Street Funds Report**  
 For the Month Ending December 31, 2016

**Utility and Street Funds Report**  
 Resources & Expenditures

|                           | 2016-17 Annual |               |            | Variance    |            |
|---------------------------|----------------|---------------|------------|-------------|------------|
|                           | Budget         | Projected YTD | Actual YTD | Fav/(Unfav) | % Variance |
| <b>Street Fund</b>        |                |               |            |             |            |
| Resources                 | 1,730,474      | 508,132       | 545,455    | 37,323      | 7%         |
| Expenditures              | 1,184,879      | 616,061       | 599,267    | 16,794      | 3%         |
| Contingency/Unapp Balance | 545,595        | N/A           | N/A        | N/A         | N/A        |

|                           |           |           |           |           |      |
|---------------------------|-----------|-----------|-----------|-----------|------|
| <b>Utility Fund</b>       |           |           |           |           |      |
| Resources                 | 8,731,020 | 3,181,031 | 3,031,347 | (149,684) | (5%) |
| Expenditures              | 7,956,020 | 4,157,572 | 4,066,128 | 91,444    | 2%   |
| Contingency/Unapp Balance | 775,000   | N/A       | N/A       | N/A       | N/A  |

|                           |            |           |           |           |       |
|---------------------------|------------|-----------|-----------|-----------|-------|
| <b>HES Fund</b>           |            |           |           |           |       |
| Resources                 | 11,970,249 | 4,626,120 | 4,140,977 | (485,143) | (10%) |
| Expenditures              | 9,151,094  | 4,094,958 | 3,867,488 | 227,470   | 6%    |
| Contingency/Unapp Balance | 2,819,155  | N/A       | N/A       | N/A       | N/A   |

|                            |           |         |         |        |     |
|----------------------------|-----------|---------|---------|--------|-----|
| <b>Regional Water Fund</b> |           |         |         |        |     |
| Resources                  | 1,317,060 | 394,528 | 432,999 | 38,471 | 10% |
| Expenditures               | 723,530   | 361,765 | 312,703 | 49,062 | 14% |
| Contingency/Unapp Balance  | 593,530   | N/A     | N/A     | N/A    | N/A |

Revenues in the Street fund continue to come in above projections while expenditures continue to come in lower. The fund has an overall positive budget variance of approximately \$54,000.

The negative revenue variance in the Utility Fund grew in December from \$132,000 to almost \$150,000 due to less than projected Water Revenues. The positive expenditure variance decreased about \$17,000 this month resulting in an overall negative budget variance of \$58,000. Last month the variance was \$24,000.

The overall negative variance in HES also grew in December as revenues are now under projections by \$485,000 and expenditures under by \$227,000. Last month the variance was \$127,000; this month it stands at almost \$25,700.

On a positive note the Regional Water fund has both a positive revenue and expenditure budget variance. Revenues are \$38,000 higher than expected and expenditures are \$49,000 lower than expected for an overall variance of \$77,500.



# 2016-2017 Monthly Financial Report

## Utility and HES Funds Report

For the Month Ending December 31, 2016

### Utility and HES Funds Report

#### Reserve Balances

|              | Beginning Reserve | Ending Reserve   | % Ending Reserve | Minimum Reserve Requirement | Difference       |
|--------------|-------------------|------------------|------------------|-----------------------------|------------------|
| Utility Fund | 1,684,832         | 1,079,026        | 13.6%            | 980,879                     | 98,147           |
| HES Fund     | 3,027,074         | 3,840,047        | 42.0%            | 1,128,217                   | 2,711,830        |
| <b>Total</b> | <b>4,711,906</b>  | <b>4,919,073</b> | <b>-</b>         | <b>2,109,096</b>            | <b>2,809,977</b> |

The reserve in the Utility Fund is \$1.1 million at the end of December, which is \$98,000 above the minimum level and an improvement of \$32,000 since November. The HES Fund reserve is \$3.8 million, which is \$2.7 million over the minimum reserve. The combined total reserve is \$4.9 million.

# 2016-17 Monthly Financial Report

City of Hermiston, Oregon

Capital Projects Report

For the Month Ending December 31, 2016

## Capital Projects

|                                    | 2016-2017<br>Budget | YTD<br>Expenditures | LTD<br>Budget       | LTD<br>Expenditures | %<br>Complete |
|------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------|
| Airport GIS (AGIS) Mapping Project | \$ 300,000          | \$ 3,130            | \$ -                | \$ -                | 10%           |
| Senior Center                      | 2,706,300           | 111,203             | 2,823,360           | 219,507             | 4%            |
| 11th & Elm                         | 813,710             | 15,000              | 813,710             | 15,000              | 2%            |
| West Highland Trail                | 130,000             | -                   | 130,000             | -                   | 0%            |
| <b>Total</b>                       | <b>\$ 3,950,010</b> | <b>\$ 129,333</b>   | <b>\$ 3,767,070</b> | <b>\$ 234,507</b>   |               |

### Airport Improvements

The AGIS mapping project will provide highly accurate mapping of all facilities at the Airport, which will be loaded into the FAA's system. This work was added as part of the City's existing grant to relocate the parallel taxiway and is a requirement of airports when their Master Plans are updated. The City is scheduled to update the Master Plan in 2017 for an estimated \$300,000. If this work had not been added to the City's existing grant, the Master Plan Update would have been delayed by a year in order to build up another year's worth of \$150,000 NPE funding. The total project cost for the AGIS project alone is \$154,600.

**December Update:** *The contractor continues to work through final punch-list items on the taxiway project. The City is holding \$70,000 in retainage to ensure all final items are finished before that project is fully closed out. Precision Approach Engineering continues to work on the AGIS mapping project, which was added on to the Taxiway grant. The AGIS project is approximately 10% complete. Through December a little more than \$3,000 has been expended on survey costs.*

### Senior Center

In January 2015 the City was awarded a \$2 million Oregon Community Development Block Grant through the Oregon Infrastructure Finance Authority for construction of a new Senior Center. The City must provide a cash contribution of \$73,242 and complete the project by January 29, 2018. In June 2016, City Council added \$750,000 to the project for a 3,800 sf basement and elevator.

**December Update:** *The City has incurred \$219,500 on design and development costs to date. The plan review by the Building Department is currently underway and the bid packets should be available January 20, 2017.*

### Traffic Control – 11<sup>th</sup> & Elm

This project is a \$1.6M ODOT-led project to install a full traffic signal at the intersection of Elm Avenue and NW 11<sup>th</sup> as well as a left-turn lane for southbound traffic into Good Shepherd Medical Center's entrance on NW 11<sup>th</sup>. It will also complete a bike/pedestrian crossing with flashing beacon at GSMC's NW 11<sup>th</sup> entrance where the Oxbow Trail currently terminates. ODOT is leading the design and construction. Construction is expected to begin in spring 2017. \$15,000 has been expended to date on right of way costs.

**December Update:** *Nothing new to report since November.*

### West Highland Trail

This project is to create a bike lane and/or separated trail on the south side of West Highland Avenue between SW 11th Street and Riverfront Park. A bike lane will be striped where there are existing sidewalks on the south side of West Highland and a separated path will be built where there are no existing curbs or sidewalks. A portion of the project will include creating a left turn pocket at Gotta Stop/SW 14th Place. The project is funded by a grant from ODOT.

**December Update:** *No work on the Trail was done in December. Two meetings were scheduled but cancelled due to the snow.*

**2016-2017 Monthly Financial Report**  
**City of Hermiston, Oregon**  
**Investments**  
**For the Month Ending December 31, 2016**

**Investment Report**  
by Type

| Cusip No.          | Par Value            | Principal Cost       | Market Value         | Issuer  | Rating<br>Moody's/S&P | Days to<br>Maturity | Callable<br>Y/N | Yield to<br>Worst<br>Call | Yield to<br>Maturity<br>(YTM) |
|--------------------|----------------------|----------------------|----------------------|---------|-----------------------|---------------------|-----------------|---------------------------|-------------------------------|
| 3135G0G31          | \$ 2,000,000         | \$ 1,993,600         | \$ 1,992,250         | FNMA    | Aaa/AA+               | 759                 | Y               | 1.28                      | 1.28                          |
| 76116FAA5          | \$ 2,062,000         | \$ 1,999,998         | \$ 1,975,798         | REFCORP | Aaa/AA+               | 1,018               | N               | 0.95                      | 0.95                          |
| 3133EGLA1          | \$ 1,000,000         | \$ 1,001,020         | \$ 981,648           | FFCB    | Aaa/AA+               | 1,108               | Y               | 1.07                      | 1.14                          |
| 3137EADN6          | \$ 1,000,000         | \$ 978,757           | \$ 997,935           | FHLMC   | Aaa/AA+               | 377                 | N               | 1.29                      | 1.29                          |
| 3135G0GY3          | \$ 1,000,000         | \$ 1,013,901         | \$ 1,000,559         | FNMA    | Aaa/AA+               | 30                  | N               | 0.78                      | 0.78                          |
| <b>US Agencies</b> | <b>\$ 7,062,000</b>  | <b>\$ 6,987,276</b>  | <b>\$ 6,948,190</b>  | ---     | ---                   | ---                 | ---             | ---                       | ---                           |
| LGIP               | \$ 6,531,108         | \$ 6,531,108         | \$ 6,531,108         | Varies  | ---/AA                | 1                   | N               | 1.03                      | 1.03                          |
| <b>LGIP</b>        | <b>\$ 6,531,108</b>  | <b>\$ 6,531,108</b>  | <b>\$ 6,531,108</b>  | ---     | ---                   | ---                 | ---             | ---                       | ---                           |
| <b>TOTAL</b>       | <b>\$ 13,593,108</b> | <b>\$ 13,518,384</b> | <b>\$ 13,479,298</b> | ---     | ---                   | ---                 | ---             | ---                       | ---                           |

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       | \$ 7,531,108  | 55.4%                | US Agency   | \$ 7,062,000  | 52.0%                | WTD Avg Days to Mat           | 378       | 394          |
| 90 Days - 3 Yrs | \$ 5,062,000  | 37.2%                | Other       | \$ -          | 0.0%                 | Wtd Avg Yield to Mat          | 1.06%     | 1.09%        |
| 3 - 5 Yrs       | \$ 1,000,000  | 7.4%                 | LGIP        | \$ 6,531,108  | 48.0%                | Percent Callable              | 22.1%     | 42.5%        |
|                 | \$ 13,593,108 | 100.0%               |             | \$ 13,593,108 | 100.0%               | Wtd Avg Credit Rtnng          | Aaa/AA+   | Aaa/AA+      |