



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2016**

**Prepared by:  
The City of The Dalles  
Finance Department**

# **CITY OF THE DALLES, OREGON**

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Finance Department**

**CITY OF THE DALLES, OREGON**  
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**For the Fiscal Year Ended June 30, 2016**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Introductory Letter	i – vii
Officials of the City of The Dalles	viii
GFOA Certificate of Achievement	ix
Organizational Chart	x

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>A - C</b>
-------------------------------------	--------------

<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	<b>a - h</b>
---	--------------

**FINANCIAL SECTION**

**BASIC FINANCIAL STATEMENTS**

Government-wide Financial Statements:	1
Statement of Net Position	2
Statement of Activities	3
Fund Financial Statements:	4
Governmental Funds	
Balance Sheet	5
Statement of Revenues, Expenditures, and Changes in Fund Balances	6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	7
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
General Fund – Generally Accepted Accounting Principles	8
Street Fund	9
Library Fund	10
Special Grants Fund	11
Proprietary Funds:	12
Statement of Net Position	13
Statement of Revenues, Expenses and Changes in Fund Net Position	14
Statement of Cash Flows	15

<b>NOTES TO THE BASIC FINANCIAL STATEMENTS</b>	<b>16 - 42</b>
--	----------------

## REQUIRED SUPPLEMENTAL INFORMATION

Other Post Employment Benefits Schedule of Funding Progress	43
---	----

## OTHER SUPPLEMENTAL INFORMATION 44-45

### Combining Statements:

Non-major Governmental Funds Combining Balance Sheet	46
Non-major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	47
Non-major Special Revenue Funds Combining Balance Sheet	48
Non-major Special Revenue Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	49
Non-major Debt Service Funds Combining Balance Sheet	50
Non-major Debt Service Funds Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	51
General Fund – Generally Accepted Accounting Principles Combining Balance Sheet	52
General Fund – Generally Accepted Accounting Principles Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	53

### Budgetary Comparison Schedules: 54

General Fund – Budgetary Basis – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	55
General Fund – Budgetary Basis – Schedule of Expenditures – Budget and Actual	56-57
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	

#### Governmental Funds:

Budgetary Basis (Combined into General Fund for Generally Accepted Accounting Principles and required for Oregon Budget Law):	
Public Works Reserve Fund – Budgetary Basis	58
Transportation Systems Reserve Fund – Budgetary Basis	59
Unemployment Reserve Fund – Budgetary Basis	60
Urban Renewal Capital Projects Fund	61
Special Assessment Fund	62
Non-major Special Revenue Funds:	
Community Benevolence	63
State Office Building	64
Capitol Projects Fund	65
Debt Service Funds:	
FFCO 2008 Bond	66
2009 FFCO Bond	67
Urban Renewal Debt	68

#### Proprietary Funds:

Enterprise Funds:	69
All Water Funds Combined	70
Water Utility	71

Water Capital Reserve	72
Water Bond Debt	73
All Wastewater Funds Combined	74
Wastewater	75
Wastewater Capital Reserve	76
Sewer Plant Construction	77
Sewer Debt Service	78

## **STATISTICAL SECTION**

Net Position by Component – Last Ten Fiscal Years	79
Changes in Net Position – Last Ten Fiscal Years	80 - 81
Fund Balances, Governmental Funds – Last Ten Fiscal Years	82 - 83
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	84 - 85
Program Revenues by Function/Program – Last Ten Fiscal Years	86
Tax Revenues by Source, Governmental Funds – Last Ten Fiscal Years	87
Assessed Valuation and Actual Values of Taxable Property – Last Ten Fiscal Years	88
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	89
Property Tax Levies and Collections – Last Ten Fiscal Years	90
Principal Taxpayers – December 31, 2015 and December 31, 2006	91
Ratios of Outstanding Debt By type – Last Ten Fiscal Years	92
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	93
Direct and Overlapping Governmental Activities Debt	94
Pledged Revenue Coverage – Wastewater Revenue Bonds – Last Ten Fiscal Years	95
Pledged Revenue Coverage – Water Revenue Bonds – Last Nine Fiscal Years	96
2007 Water Revenue Bond – Required Rate Disclosure	97
2007 Water Revenue Bond – Required SDC Disclosure & Top Ten Customers	98
Legal Debt Margin Information – Last Ten Fiscal Years	99
Demographic and Economic Statistics – Last Ten Years	100
Principal Employers – Current and Ten Years Ago	101
Full-Time Equivalent City Employees by Function/Program and Bargaining Unit – Last Ten Fiscal Years	102
Operating Indicators by Function/Program – Last Ten Fiscal Years	103
Capital Asset and Infrastructure Statistics by Function/Program – Last Ten Fiscal Years	104

## **REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

Independent Auditor’s Report Required by Oregon State Regulations	105 - 106
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	107 – 108
Schedule of Finding and Response	109



## **INTRODUCTORY SECTION**

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City Council  
City of The Dalles  
The Dalles, Oregon 97058

November 18, 2016

The Comprehensive Annual Financial Report (CAFR) of the City of The Dalles, Oregon, for the year ended June 30, 2016, is submitted herewith. This report presents a comprehensive and detailed picture of The Dalles' financial transactions during fiscal year 2015-2016 and the financial condition of the various funds at June 30, 2016. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the City. To the best of our knowledge and belief, the report is accurate and complete in all material respects, including all activities, funds, and financial transactions, and is presented fairly to disclose the financial position and the results of operations of the City at June 30, 2016, and for the year then ended. Further, it is our belief that all disclosures necessary to enable the reader to gain an understanding of the City's financial operations have been included. The organization and content of this report, including the financial statements, supplementary information and statistical tables, follow the standards for annual financial reporting recommended by the Governmental Accounting Standards Board.

## **CITY HISTORY AND GEOGRAPHICAL AREA**

The City of The Dalles, Oregon, is situated in the north-central part of the state on the Columbia River, the nation's second largest river. It is the county seat and the largest community in Wasco County. The Dalles is one of Oregon's most historic cities and was known earlier in its history as the town at the end of the Oregon Trail. Archaeological evidence suggests the area has been inhabited more or less continuously for more than 10,000 years. The City was first incorporated by the Oregon Territorial Government in 1857 as "Dalles City" and was made the county seat shortly thereafter. We celebrated our Sesquicentennial in June of 2007.

Strategically located on the Columbia River and bordered by the Cascade Mountains to the West, The Dalles provides an ideal distribution or manufacturing setting with available riverside locations, as well as bulk container and international shipping options. It has historically been an economic hub of the Pacific Northwest, linking major transportation routes between Eastern and Southern Oregon and Washington State. It offers residents the pleasures of rural living while providing the advantages of access to metropolitan amenities in Portland, only 80 miles to the west.

In accordance with the City Charter of 1899, revised in 1998, the City of The Dalles is governed by a City Council. This Council consists of an elected mayor and five council members. The City operates under a council-manager form of government.

The City has eight departments: Administration, Finance, Legal/Judicial, Police, Planning, Human Resources, Library, and Public Works, that collaborate to provide a wide range of



services to our citizens. These services include general administrative services, police, code enforcement, municipal court, planning and development, water treatment and distribution, wastewater collection, and stormwater management. Fire services are provided by the Mid-Columbia Fire & Rescue District, and building services and inspections are provided by Wasco County.

## **ECONOMIC CONDITIONS**

The City has a population currently estimated at 14,515, yet the City serves a trading area of about 90,000 persons in both Oregon and Washington. Principal economic activities are agriculture, high tech services, small industrial businesses, hydro and wind power generation/transmission, and tourism, along with healthcare, government, and retail services. Mid-Columbia Medical Center is the area's largest employer with approximately 1,000 employees in all their affiliated activities.

The major agricultural product of the City is sweet cherries. The Dalles is a primary producer for both domestic and overseas markets. There are in excess of 6,000 acres of sweet cherry trees around the City. Wheat is another important agricultural product with 50,000 acres currently in cultivation in The Dalles area. Additional agricultural products include cattle, hay and tree fruits.

The Port of The Dalles Industrial Center is the location of most local manufacturing, where there are 40 companies, employing over 550 people. The old Aluminum Smelter was torn down for salvage in 2008. This freed up over 300 acres of industrial land. Internet giant Google is located in the Port Industrial Park and employs over 150 employees, including contract employees. Google has recently completed construction that will double their investment at The Dalles facility and should add 50 employees to it's the Dalles operations. One of the newest addition to the Port Industrial Park is Columbia PhytoTechnology, a company that specializes in powder production through its patented Radiant Zone Drying (RZD) technology, particularly of fruits and vegetables, for the food, beverage, nutritional, nutraceutical and pharmaceutical industries. Columbia PhytoTechnology relocated from Washington to The Dalles in late 2011, bringing approximately 36 jobs to the area, with plans to expand to 100 employees within the next few years. During FY14/15 two new businesses located in the Port Industrial Area: NuCulture Foods and Integrated 3-D, LLC. Also, the Port completed a new 50 acre, 25 lot Industrial Subdivision, called the Columbia Gorge Industrial Center.

The City is a strategic home base for year-round recreation. Water sport enthusiasts will find boating, excellent fishing, and one of the finest windsurfing and kite boarding areas in the United States on the Columbia River. To the east are substantial opportunities to camp, fish, hike, and sightsee. To the west, ski enthusiasts have the opportunity to challenge the ski slopes of magnificent Mt. Hood, and there are numerous resorts that lie on Mt. Hood and at its base. Construction of the Columbia Gorge Discovery Center and Wasco County Historical Museum was completed in May 1997. Thousands of people visit the Center annually and it has become a center for many community festivities and events. The Center is located along the Columbia River that borders the City. Historic Downtown The Dalles, with its antique shops, talking murals, St. Peters Landmark and other historical buildings, is a strong visitor draw. In 2012 the City completed the construction of a Columbia River Marine Terminal, adjacent to the downtown area. The Marine Dock is used by four cruise lines with five ships, including the 300 foot long Queen of the West. Over 100 cruise ship stops docked in The Dalles during the 2016 season. While docked in The Dalles, passengers are able to book visits to various attractions,

such as the Discovery Center and Fort Dalles Museum, or they can walk two blocks past the Festival Park to stroll through the downtown area.

Mid-Columbia Medical Center (MCMC) is the major hospital in the Mid-Columbia Region of Oregon and Washington. It is also the major trauma center in the region. This first class medical facility has attracted numerous health care professionals to The Dalles area. Their Oncology Center saves the region's population from traveling to Portland to receive those services and provides a multi-state option in the Northwest. MCMC opened a new wellness center called Waters Edge in 2010 that offers exercise equipment, lap and therapy pools, spa services, exercise and nutrition classes, and a bistro, along with cardiac and pulmonary rehab, outpatient therapies, and sleep medicine and labs. This expansion of comprehensive wellness services into a convenient, community-based setting makes it easier for residents to access the programs they need and enjoy for healthier living. During the summer of 2013, the new Fresenius Center opened for business, providing dialysis treatments on Mondays, Wednesdays and Fridays.

The Dalles is the site of a 151 bed Veterans' long-term nursing and care home that opened in November 1997. It currently provides 180 jobs and has 145 residents. In 2011 the Oregon Department of Veteran Affairs added a new 9,300 square foot community center and out patient clinic next to the Veterans' home.

The Wasco County Courthouse and offices are located in the City, as are various State offices. The Dalles Dam at the eastern edge of the City is a major power generating facility. Also at the eastern edge of the City is the Celilo Converter Station, one of the world's largest electric power converter stations. Electricity is transported to and from Southern California through this station.

The Dalles is the major shopping center in the Mid-Columbia area. During the past fifteen years, several retail developments have been completed in the community. A 138,000 square foot regional Home Depot store opened in October 2004. This was followed by Walgreen's in 2005. Both the local Safeway and Fred Meyer stores completed multi-million dollar renovations in 2006. Fred Meyer expanded its retail space by 15,000 square feet, which included enclosing the existing garden area. A new Coastal Farm Supply store opened in The Dalles during the summer of 2012, and a new modern Goodwill retail and job center opened in 2014. In addition a Fairfield in was constructed and opened June 30, 2014, with 80 rooms, creating 28 new jobs. A new 150,000 square foot super Wal-Mart store is planned for 2017 that will employ around four hundred people.

An Urban Renewal District that is working to renovate the older commercial areas of the community. A ten block Downtown Renovation Project was completed during the summer of 2001. A \$7 million dollar reconnection of the Downtown to the Columbia River was completed in FY 2003-2004 using Urban Renewal dollars, and they were matched two to one with other grant funds. Urban Renewal also caused the renovation of two major downtown structures that had been vacant for years. In October 2009, a Full Faith and Credit Obligation Bond was obtained by the City, with over \$10 million of the proceeds going as a loan to the Urban Renewal Agency to refund their current bond and provide nearly \$8 million for Urban Renewal projects. The East Gateway public infrastructure, that included a round-about to manage traffic in a problem area, was completed in June 2010. That project leveraged approximately \$25 million in private investment, including a new winery now located in a vacant flour mill that employs close to 100 people. The new Marine Terminal Dock and the new Lewis & Clark

Festival Area, both Downtown/Riverfront Connection projects, were completed in the summer of 2012, at a cost of \$6.6 million.

Negotiations are currently underway for three Urban Renewal Developments in the downtown area, including restoration of the historic Granada Theater, a proposed hotel development, and a mixed use development for both retail and residential space.

Renovation of the Elks Building is scheduled to be completed in the Spring of 2017. This will house a world class neon sign museum that is expected to draw more visitors to increase our tourism economy.

State Tax limitation measures in 1990, 1996 and 1997 have limited property taxes. An upswing in the local economy up until the 2008 recession mitigated most of those impacts.

## **ECONOMIC CLIMATE AND FUTURE**

The City of The Dalles, due to many years of prudent management, was able to withstand the economic impacts of the financial crisis of the past few years without impacting services to our citizens. During the recession, some changes were made to reduce expenses, while continuing to maintain service levels. During the past year, revenues from water and sewer rates were determined to be adequate to maintain operations and fund reserves without implementing previously scheduled rate increases. Overall the financial position of the City in the past year has been improved.

The City's management conditions are strong and supported by good financial practices and policies. The City's historical maintenance of strong and stable reserves and support of balanced operations continues. The City provides for long term financial planning by maintaining annually updated five year Capital Improvement Plans for all departments, and long range improvement plans for City infrastructure, including water, wastewater, transportation systems. The City maintains a 20 Year Vision Plan, and has an annual goal setting process and identifies those goals that will have a financial impact on subsequent budget development.

## **MAJOR INITIATIVES**

### **Wastewater Master Plan**

The City updated its wastewater master plan for the treatment plant site and collection system in 2002 and again in 2013. A 5-year wastewater capital improvement plan, updated annually is being utilized. Phase I design and construction for the wastewater plant and collection system improvements were completed in 2006. Phase II improvements are scheduled to take place in the fiscal years 2015-2016 and 2016-2017.

### **Water Master Plan**

A Water Master Plan update was completed in 2006. A \$7.9 million water revenue bond was issued in 2007. A new reservoir and associated pipelines were constructed in fiscal year 2010-2011, utilizing about \$6 million in grant and loan funds under the American Recovery and Reinvestment Act of 2009. The City completed a review of its water rates and capital needs in 2011 and adopted a rate plan to meet those needs. Additional revenue bonds are planned to be issued in fiscal years 2016-2017 and 2019-2020 to fund identified system improvements. Construction of a new Port Industrial Water Main and expansion of the Lone Pine Well are scheduled for completion in 2016-2017, utilizing rate revenues, system development charges, and outside private funding.

### **Transportation System Plan**

A Transportation System Plan drafted in 1999 was updated and implemented in 2006. A five-year capital improvement plan, updated annually, has been implemented for street development and to provide preventative maintenance. A Transportation System Development Charge has been implemented. An update to the Transportation System Plan is scheduled for 2016-2017 and will be funded using a Transportation Growth Management grant and Transportation System Development Charges.

### **Storm Water Master Plan**

Storm Water Master Plan was completed in 2007. A System Development Charge and a storm water utility charge have been implemented.

### **Columbia Gateway Urban Renewal Agency**

The Columbia Gateway Urban Renewal Agency, a component unit of the City of the Dalles, operated throughout the 2015-2016 fiscal year. The Agency consists of an Urban Renewal District, formed by the citizens, to resolve issues of blight within the boundaries of the District. Ordinance No. 09-1301 adopted an amendment to the plan on June 22, 2009. This amendment provided for a new maximum indebted amount that is expected to be reached by the year 2025, thus extending the original expiration date of 2015 for another ten years. The Agency did levy and collect tax increment proceeds during FY 15/16.

### **Housing Needs Analysis and Residential Buildable Land Needs Assessment**

A comprehensive Housing Needs Analysis and Residential Buildable Land Needs Assessment is currently underway, and is scheduled to be completed by the end of 2016. This project, in compliance with Oregon Planning Rules #10, will also assess the policies and building codes of the City to determine if those regulations inhibit or promote housing and development to meet our current and future needs.

## **FINANCIAL INFORMATION**

### **Accounting System and Budgetary Controls**

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenue being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's proprietary fund type are maintained using the accrual basis of accounting. The assets and liabilities of the agency funds are accounted for using the modified accrual basis of accounting.

The City's management is responsible for establishing and maintaining an internal control structure designed to protect the assets of the City from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Management recognizes the significance of internal controls, which are incorporated in the accounting system. We believe our internal accounting controls adequately safeguard the assets and provide reasonable assurance of proper recording of all financial transactions.

A budget is prepared and legally adopted by the City Council for each fund. All changes to the budget must be approved by the City Council. These budgets are all prepared on the modified accrual basis of accounting, complying with Oregon Local Budget Law. The ordinance authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. All funds except the General Fund establish the levels of budgetary control at the personnel services, materials and services, capital outlay, special payments, operation contingencies, debt service and all other requirements levels. For the General Fund, appropriations are at the department level for personal services, materials and services, capital outlay and other uses.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council, if the change is greater than, or equal to, 10% of the original budget. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council. The City Council approved several appropriation transfer resolutions during the year ended June 30, 2016. Appropriations lapse at year-end.

The City has established a procurement policy for the purchases of goods and services. All items purchased by the City require a purchase order. Purchase orders are initiated at the department level and are reviewed at the Finance office. Purchase orders greater than \$15,000 require the approval of the City Manager and those greater than \$50,000 require City Council approval.

The City Council adopted a comprehensive set of Fiscal Management Policies in June 2011. These policies updated and compiled existing policies on budgeting, revenues and expenditures, public contracting, purchasing authority levels, capital asset and capital improvements, cash management and investments, debt, risk management, and accounting and financial reporting.

The new policies also addressed intangible capital assets as required by GASB 51, and the new fund balance structures as required by GASB 54. These policies, in particular the new fund balance structure, were initially applied in the preparation of the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2011.

## **OTHER INFORMATION**

### **Management Discussion and Analysis**

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

### **Independent Audit**

Oregon Revised Statutes Chapter 297 requires that an independent audit be made of all City funds and account groups within six months following the close of a fiscal year. The independent auditors, who were selected by the City Council, have completed their audit of the City's funds and account groups; and their opinion and State of Oregon required audit comments and disclosures are included in this report.

**GFOA Certificate of Achievement for Excellence in Financial Reporting**

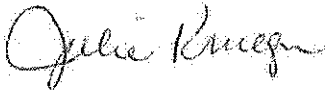
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of The Dalles for its comprehensive annual financial report for the fiscal year ended June 30, 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments**

The preparation of this report on a timely basis has been accomplished through the diligent efforts of the Finance Department's entire staff and staff from other departments. I should like to express my appreciation to all the members of this department for their assistance and contributions to its preparation. I also thank the Mayor and members of City Council for their interest and support in planning and conducting the financial operations of the City.

Respectfully submitted,



Julie Krueger  
City Manager



Kate Mast  
Finance Director

**CITY OF THE DALLES  
OFFICIALS OF THE CITY  
AS OF JUNE 30, 2016**

**MAYOR AND CITY COUNCIL**

<b><u>Name and Address</u></b>	<b><u>Term Expires December 31</u></b>
Stephen Lawrence, Mayor 222 West 12 <sup>th</sup> Street The Dalles OR 97058	2016
Dan Spatz 2506 Jordan Street The Dalles OR 97058	2016
Linda Miller 1534 East 9 <sup>th</sup> Street The Dalles OR 97058	2016
Tim McGlothlin 328 West 21 <sup>st</sup> Place The Dalles OR 97058	2018
Russ Brown 903 East 14 <sup>th</sup> Street The Dalles OR 97058	2018
Taner Elliot 397 Summit Ridge Drive The Dalles OR 97058	2016

**City Administration**

Julie Krueger, City Manager – Budget Officer  
Izetta Grossman, City Clerk  
Gene Parker, City Attorney  
Kate Mast, Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of The Dalles  
Oregon**

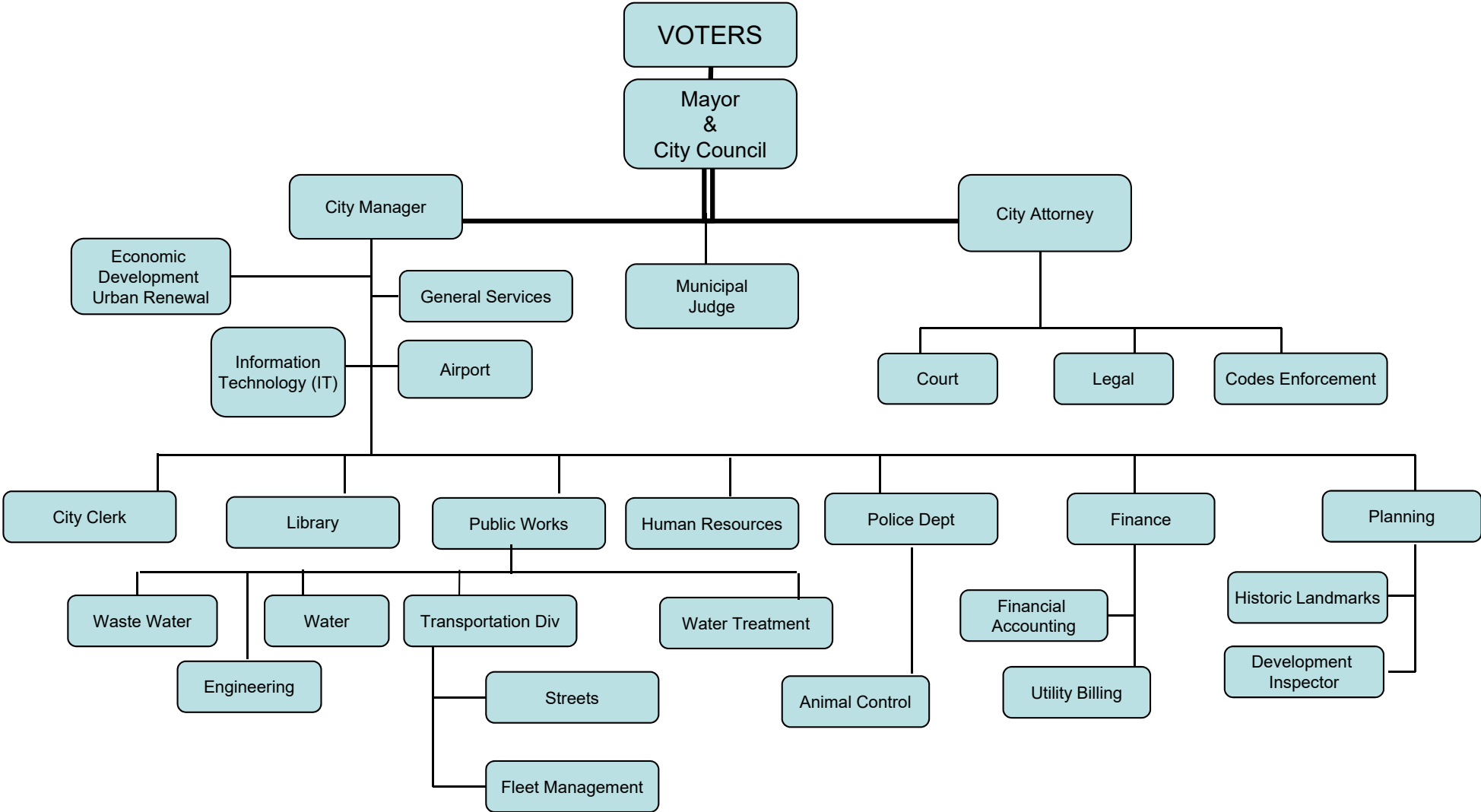
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO



# City of The Dalles – Organizational Flow Chart



## **INDEPENDENT AUDITOR'S REPORT**

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**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and City Council  
City of The Dalles, Oregon

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of The Dalles, Oregon (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison statements for the General Fund, Street Fund, Library Fund and Special Grants Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to management's discussion and analysis, the other post employment benefits schedule of funding progress, as listed in the table of contents under required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

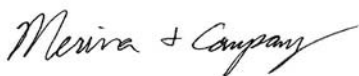
### **Reports on Other Legal and Regulatory Requirements**

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

#### **Other Reporting Required by Oregon Minimum Standards**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated November 18, 2016, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Merina & Company, LLP  
West Linn, Oregon  
November 18, 2016



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis presents the highlights of financial activities and financial position for the City of The Dalles, Oregon. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please read it in conjunction with the Transmittal Letter (page i) and the City's financial statements.

### FINANCIAL HIGHLIGHTS

The City's assets exceeded its liabilities at June 30, 2016 by \$81,011,092 (net position). Of this amount \$49,772,994 was invested in capital assets (net of related debt). \$19,111,634 was restricted for specific purposes, resulting in unrestricted net position of \$12,126,464. The unrestricted net position is made up of unrestricted governmental net position of \$11,480,666 and unrestricted business-type net position of \$645,798.

The City's net position increased by \$1,464,026 (1.84%), due primarily to the reclassification of the Airport as a joint venture between the City and Klickitat County, rather than a business type activity of the City. Starting this year, the Airport operations will be reported in separately issued financial statements from the City, and the City has recorded ownership of one half of the Airport's net position utilizing the equity method of account for investments.

The City's Governmental Funds had an increase in fund balances in the amount of \$479,026. The General Fund balance increased by \$219,822. The Special Grants Fund balance decreased by \$97,685. The Urban Renewal Fund balance decreased by \$55,885. The Special Assessment Fund balance increased by \$342,916. The City prepares a budget for all governmental funds on an annual basis.

The City's Enterprise Funds experienced a decrease in net position of \$7,856,038, including the prior period adjustment, due primarily to the separation of the Airport financial reports from the City's business type activities, as the Airport is now being reported as a joint venture between the City and Klickitat County, to more accurately reflect the ownership of the assets and liabilities associated with that intergovernmental agreement. The City prepares a budget for all enterprise funds on an annual basis.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The City's annual financial report consists of several sections. Taken together they provide a comprehensive financial report of the City. The components of the report include the following:

**Management's Discussion and Analysis.** This section of the report provides financial highlights, overview and economic factors affecting the City.

**Basic Financial Statements.** Includes a Statement of Net Position, a Statement of Activities, fund financial statements and the notes to the financial statements.

Statements of Net Position and Activities focus on an entity-wide presentation using the accrual basis of accounting and provide both long-term and short-term information about the City's financial status.



The Governmental activities include most of the City's basic services such as police, street maintenance and improvement, community planning and governance. The Business-type activities include the operation of the City's water and sewer utilities.

Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column title "Other Governmental Funds". Budgetary comparison statements are presented for the General Fund – General Accepted Accounting Principles, Street Fund, Library Fund, and Special Grants Fund, which comprise the City's General and Major Special Revenue Funds.

Statements for the City's proprietary funds follow the governmental funds and include net position, revenues, expenses and changes in fund net position, and cash flows.

The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

**Supplemental Information.** Readers desiring additional information about other major funds not represented in the Basic Financial Statements and on non-major funds can find it in this section of the report. Included within this section are:

- Combining Schedules of other governmental funds, which are classified as non-major. These schedules include balance sheets and schedules of revenues, expenditures and changes in fund balances.
- Combining Schedule of the General Fund – Generally Accepted Accounting Principles. These schedules include a balance sheet and schedule of revenues, expenditures and changes in fund balance. The Public Works Reserve Fund, Transportation System Reserve Fund, and Unemployment Reserve Fund are budgetary funds required by Oregon Budget Law, but do not qualify as funds based on GASB 54 therefore they are combined into the General Fund to create the General Fund – Generally Accepted Accounting Principles.
- Budgetary Comparisons. Budgetary information for all funds, except General – Generally Accepted Accounting Principles, Street, Library, and Special Grants Funds, which are presented within the Basic Financial Statements, are presented here.
- Other Financial Schedules complete the Financial Section of this report.

## **FINANCIAL SUMMARY AND ANALYSIS**

As mentioned earlier, the City's net position as of June 30, 2016 was \$81,011,092, an increase from June 30, 2015 of \$1,464,026. By far the largest portion of the net position is comprised of the City's investment in capital assets (e.g., land, building, equipment, and public infrastructure), less any related debt outstanding that was used to acquire those assets. The City uses capital assets to provide services to citizens; therefore these assets are not available for future spending. The resources to repay the related debt is not provided by capital assets, but will be provided from other sources.

## City of The Dalles Net Position

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
<b><u>Assets</u></b>						
Current and other assets	\$20,473,476	\$13,553,427	\$14,378,821	\$14,408,587	\$34,852,297	\$27,962,014
Capital assets	36,460,549	34,847,134	37,420,012	49,451,698	73,880,561	84,298,832
<b>Total Assets</b>	<b>56,934,025</b>	<b>48,400,561</b>	<b>51,798,833</b>	<b>63,860,285</b>	<b>108,732,858</b>	<b>112,260,846</b>
<b><u>Liabilities</u></b>						
Long-Term liabilities	12,254,400	11,842,523	14,773,942	17,338,487	27,028,342	29,181,010
Other liabilities	505,854	1,704,331	187,570	1,216,683	693,424	2,921,014
<b>Total liabilities</b>	<b>12,760,254</b>	<b>13,546,854</b>	<b>14,961,512</b>	<b>18,555,170</b>	<b>27,721,766</b>	<b>32,102,024</b>
Net investment in capital assets	26,086,565	23,781,454	23,686,429	31,902,082	49,772,994	55,683,536
Restricted	6,606,540	6,591,609	12,505,094	10,418,116	19,111,634	17,009,725
Unrestricted	11,480,666	4,480,644	645,798	2,373,161	12,126,464	6,853,805
<b>Total net position</b>	<b>\$44,173,771</b>	<b>\$34,853,707</b>	<b>\$36,837,321</b>	<b>\$44,693,359</b>	<b>\$81,011,092</b>	<b>\$79,547,066</b>

The governmental activities revenue comes primarily from property taxes, franchise fees, charges for services, and various grants and contributions. Between FY14/15 and FY15/16, the City's Taxable Assessed Value (TAV) increased by 3.01%. When compared to the prior year, City property taxes collected decreased by 0.28%, but taken as an average of the past two years, collections have increased by an average of 2.46%. When compared to the prior year, Urban Renewal District property taxes collected decreased by 0.87%.

Our natural gas franchise fees decreased 6.13% over the prior year, primarily due to a milder winter. The electric franchise fees increased 4.79%, while CATV/internet franchise fees increased 3.60%, and the garbage franchise fees decreased 2.96%. The Street Fund realized a 1.80% increase in the local 3 cent per gallon gas tax. Transient Room Taxes collected increased 10.71% compared to the prior year, due in part strong efforts by our area Chamber of Commerce, resulting in a significant increase in tourism interest in our area as a destination and bigger and more successful events. Total City charges for services revenue showed a 4.72% increase, due to an increase in planning, licensing and permit fees.

During the year ending June 30, 2016, the City received revenue from capital grants and contributions that consist primarily of awards for specific special projects. These will not be a continuing source of revenue. Grants and contributions received during the fiscal year included \$1,932,943 for design and construction of the new children's area at the Library, which was completed in July 2016.

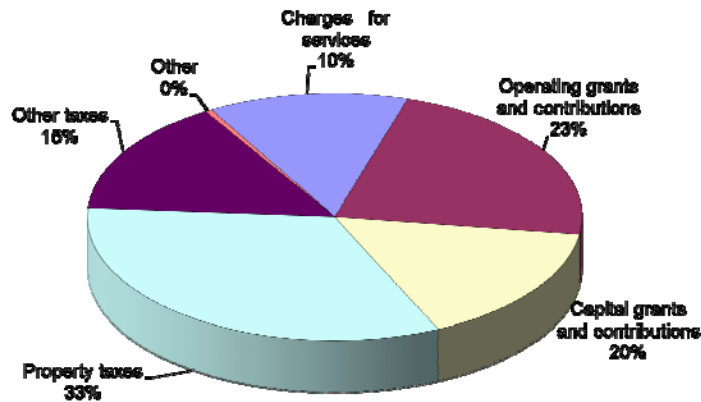
The City's governmental expenses cover a wide variety of services, with general government, public safety and streets accounting for most of these expenses. The 6.22% decrease in governmental expenses was primarily due to postponement and re-evaluation of capital projects and priorities in Streets and Urban Renewal.

The Business Type activities revenues come mostly from charges for services and various grants for capital projects. No water or wastewater rate increases were implemented during the fiscal year.

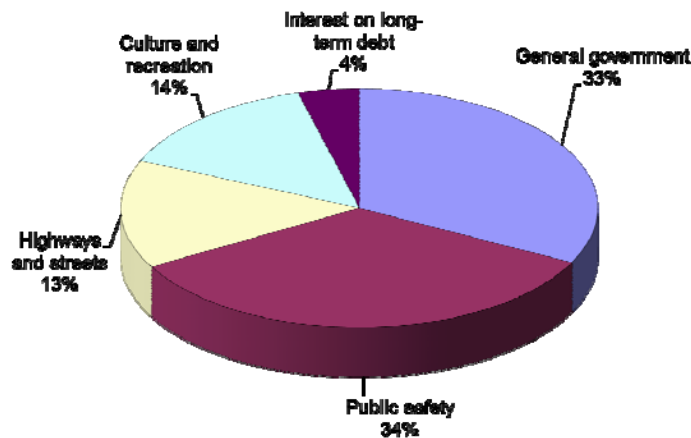
The most significant changes to business type activities expenses during the year are related to the reclassification of the Airport as a joint venture instead of a part of the City's business-type activities. During the year, the Airport activities have been removed and will be reported in separately issued financial statements from the City.

Property taxes are the City's primary on-going source of revenue and comprise 33% of the City's governmental revenue. Property taxes are derived from the permanent tax rate and taxes levied for the repayment of bonded indebtedness.

**Governmental Activities Revenue**



**Governmental Activities Functional Expenses**



For the fiscal year ending June 30, 2016, net position of the Governmental activities increased by \$9,320,064, which represents a 26.7% increase. Net position of the Business-type activities decreased by \$7,856,038, including the prior period adjustment, or 17.6%. Key elements of these changes, when compared to the year ending June 30, 2015 are as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b><u>Revenues</u></b>						
Program Revenues						
Charges for services	\$ 1,629,421	\$ 1,149,580	\$11,554,611	\$11,440,410	\$13,184,032	\$12,589,990
Operating grants and contributions	2,790,732	1,988,624	-	65,000	2,790,732	2,053,624
Capital grants and contributions	1,970,505	2,318,755	-	406,533	1,970,505	2,725,288
General Revenues						
Property taxes	4,092,764	4,161,349	-	-	4,092,764	4,161,349
Other taxes	1,873,949	1,757,480	-	-	1,873,949	1,757,480
Other	54,106	49,936	73,317	50,440	127,423	100,376
<b>Total revenues</b>	<b>12,411,477</b>	<b>11,425,724</b>	<b>11,627,928</b>	<b>11,962,383</b>	<b>24,039,405</b>	<b>23,388,107</b>
<b><u>Expenses</u></b>						
General government	3,576,391	4,643,056	-	-	3,576,391	4,643,056
Public safety	3,764,858	3,599,408	-	-	3,764,858	3,599,408
Highways and streets	1,614,145	1,505,435	-	-	1,614,145	1,505,435
Culture and recreation	1,579,320	1,451,383	-	-	1,579,320	1,451,383
Interest on long-term debt	453,321	517,776	-	-	453,321	517,776
Water	-	-	3,778,964	3,659,726	3,778,964	3,659,726
Waste water	-	-	3,139,369	2,993,590	3,139,369	2,993,590
Airport	-	-	-	260,659	-	260,659
<b>Total Expenses</b>	<b>10,988,035</b>	<b>11,717,058</b>	<b>6,918,333</b>	<b>6,913,975</b>	<b>17,906,368</b>	<b>18,631,033</b>
Change net position before transfers	1,423,442	(291,334)	4,709,595	5,048,408	6,133,037	4,757,074
Transfers	1,299,746	1,473,387	(1,299,746)	(1,473,387)	-	-
Change in net position	2,723,188	1,182,053	3,409,849	3,575,021	6,133,037	4,757,074
Net position-beginning	34,853,707	33,671,654	44,693,359	41,118,338	79,547,066	74,789,992
Prior Period Adjustment	6,596,876	-	(11,265,887)	-	(4,669,011)	-
Net position-beginning, as adjusted	41,450,583	33,671,654	33,427,472	41,118,338	74,878,055	74,789,992
<b>Total net position</b>	<b>\$44,173,771</b>	<b>\$34,853,707</b>	<b>\$36,837,321</b>	<b>\$44,693,359</b>	<b>\$81,011,092</b>	<b>\$79,547,066</b>

## **Governmental Activities**

A significant portion of the increase in net position is due to the addition of half of the Airport and QualityLife Intergovernmental Agency's net positions as they are now reported as a joint venture. Formerly the Airport activities were reported with the business-type activities. However, after reevaluating the intergovernmental agreement the City has determined it is a joint venture between the City and Klickitat County.

## **Business-type Activities**

The decrease in net position of the business-type activities is due primarily to the removal of the Airport activities from the business-type activities, as described above.

## **FINANCIAL ANALYSIS OF FUNDS**

As of June 30, 2016 the City's governmental funds reported a combined fund balance of \$10,826,684, which is an increase of \$486,516 from June 30, 2015, including the prior period adjustment.

The General Fund is the primary operating fund of the City. Beginning June 30, 2011, the General Fund has been combined with the Public Works Reserve Fund, the Street/Bridge Replacement Fund and the Unemployment Fund, as required by GASB 54. As of June 30, 2016, the combined General Fund – Generally Accepted Accounting Principles balance was \$3,420,297 which is an increase of \$219,822 from June 30, 2015. The combined revenues were \$6,478,688 and combined expenditures were \$7,650,776, resulting in a loss of \$1,172,088. However, the combined General Fund received transfers from other funds in the amount of \$1,557,954, and sent transfers out to other funds in the amount of \$169,057. In addition, \$3,013 was received from sale of property. This resulted in net "Other financing sources" totaling \$1,391,910.

The Street Fund balance as of June 30, 2016 was \$586,771, which is an increase of \$31,179 from June 30, 2015. Street Fund revenues were \$1,455,281, while expenditures were \$1,413,284, resulting in a gain of \$41,997. Transfers in from other funds in the amount of \$471,923, and transfers out to other funds in the amount of \$484,557, plus \$1,816 received for sale of property, resulted in net "Other financing sources" totaling a negative \$10,818.

As of June 30, 2016, the Library Fund balance was \$1,347,889, reflecting an increase of \$96,415 from June 30, 2015. The City's Library Fund provides for the operations of the Library per a contract with the County since the formation of the new County Library District which was approved in November of 2006. The County contributes a share of the property taxes collected, which includes funds for an Unappropriated Fund Balance so the City's other resources do not need to support the Library Fund cash flow until current year property taxes are collected.

The Special Grants Fund balance as of June 30, 2016 was \$3,398,637, which is a decrease of \$97,685 from June 30, 2015. This decrease was due to the construction of phase 5 of the Wi-Fi project.

The Urban Renewal Capital Projects Fund balance as of June 30, 2016 was \$599,337, which is a decrease of \$55,885 from June 30, 2015. This decrease is primarily due the purchase of property to be resold for development.

The non-major governmental funds balance as of June 30, 2015 was \$1,015,690. This reflects a decrease of \$57,736, primarily due to transfers made to the Capital Projects Fund for the 7<sup>th</sup> Street LID project and the Special Assessment Fund becoming a major governmental fund.

Proprietary funds provide the same type of information as presented in the government-wide statements of net position and activities, but in more detail. The proprietary funds net position

amounted to \$36,837,321 as of June 30, 2016, reflecting a \$3,409,849 decrease from net position as of June 30, 2015.

The combined Water Funds net position as of June 30, 2016 was \$14,648,223, which is an increase of \$1,338,540 over June 30, 2015. This increase is primarily due to accumulating funds in the Water Capital Reserve to implement the capital improvement plan.

The combined Wastewater Funds net position as of June 30, 2016 was \$22,189,098, which is an increase of \$2,071,309 from June 30, 2015. This increase is primarily due to accumulating funds for the construction-in-progress projects.

## **BUDGETARY HIGHLIGHTS**

The original legal appropriations for fiscal year 2015-2016 for the General Fund – Budgetary Basis totaled \$8,113,678, with contingency of \$570,935. The Unappropriated Ending Balance, which is not included in the legal appropriations, was \$887,305. Budget amendments during the year resulted in a total budget of \$8,280,086, with a contingency of \$371,862. The changes to the budget were made to allocate funds to purchase a new software system and for repairs to the marine dock for damages due to an accident. Expenditures were \$979,293 under budget. The General Fund contains the City Administration, Legal, Finance, Planning, Police, and General Maintenance Departments, and budgets for certain anticipated levels of operations, maintenance and projects, along with a 10% Contingency. Some departments, such as Police, budget some items at a worst case level. Department Managers are expected to work within their budgets and to try to return an average of 4 to 5% of their budgets to roll into the next year. It is also anticipated that the contingency will not be spent and will be available for the beginning fund balance in the new fiscal year. This year, in addition to the unspent contingency and the 5% turn back from the departments, a \$100,000 electrical upgrade project was postponed and approximately \$94,000 being earmarked for safety equipment, supplies and training was not expended.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

As of June 30, 2016, the City had invested \$73,880,561 in capital assets of its governmental and business-type activities. This investment includes land and land improvements, buildings, equipment, and public infrastructure of roads and bridges. The investment in governmental activities capital assets increased by \$1,613,415 and business-type activities capital assets decreased by \$12,031,686, primarily due to the removal of the Airport operations from the City.

Additional information on the City's capital position may be found in Note III.D of the financial statements.

The total governmental long-term debt outstanding at June 30, 2016 was \$10,373,984. Business-type activities long-term debt outstanding was \$13,733,583. During the year the City did not add any long-term debt, and retired a total of \$1,638,524 in principle long-term debt. No debt was fully retired during this year.

A summary of the City's long-term debt outstanding is as follows:

2009 FFCO Bond	9,010,000
Premium on 2009 FFCO Bond	616,496
FFCO 2008 Bond	1,820,000
Premium on FFCO 2008 Bond	25,043
2003 Wastewater Revenue Bond	2,890,000
2007 Water Revenue Bond	6,415,000

Premium on Water Revenue Bond	26,642
Peterson Cat Lease - Skid Steer	25,846
SDWRLF Loan	2,330,967
ARRA Note	947,573
	TOTAL \$ 24,107,567

The City operates the Mid-Columbia Regional Airport as a joint venture with Klickitat County, Washington. The City has acted as a conduit for debt for the Airport. The City has not recorded this debt as it was not anticipated that the City would be required to use its resources for repayment. The balance outstanding at June 30, 2016 includes the following:

Airport Klickitat County Loan	175,000
Airport Klickitat County CERB Loan	475,000
Airport Taxable LOCAP Bond	1,950,000
Premium on Airport Taxable LOCAP Bond	16,797
Airport Loan from Port	137,434
	TOTAL AIRPORT \$ 2,754,231

Compensated Absences accruals totaled \$463,380 as of June 30, 2016. Governmental accruals totaled \$304,135, but are not recorded as a liability in the Governmental Funds. Business-type compensated absences accrual totaling \$159,245 are recorded as current period liabilities as of June 30, 2016, because the oldest leave hours accrued are considered to be used first, so the balances are constantly being updated by use and new accruals. Other postemployment benefits totaled \$2,457,395 the breakdown was \$1,576,281 for governmental activities and \$881,114 for business-type activities.

Additional information on the City’s long-term debt may be found in Note III.F of the financial statements.

**ECONOMIC FACTORS**

The QLife local area fiber optic loop project enables any current business and any future business that needs high speed access to the Internet a reason to remain or move into our area. Google, the search engine, has operated a facility here in The Dalles for the past nine years. Home Depot, a Fortune 500 company, operates a retail and commercial outlet here. A new Good-Will facility and a new four-story motel have recently opened for business. Wal-Mart is pursuing construction of a “super store” in the west end of the City. The foregoing will impact housing and the amount being spent by the local community in our local stores. These activities and the growing number of windfarms to the east of the community are also providing local jobs.

**FINANCIAL CONTACT**

The City’s financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City’s finances and to demonstrate the City’s accountability. The Columbia Gateway Urban Renewal Agency has issued a separate report, which is available for those who are interested.

If you have questions about the report or need additional information, please contact the City Finance Director at 313 Court Street, The Dalles, Oregon.





## **BASIC FINANCIAL STATEMENTS**

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## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**CITY OF THE DALLES, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2016**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 4,996,045	\$ 385,305	\$ 5,381,350
Receivables:			
Accounts	663,730	1,131,254	1,794,984
Fines and forfeitures, net	547,470	-	547,470
Property taxes	305,082	-	305,082
Assessments	469,551	-	469,551
Prepaid items	144,028	-	144,028
Investment in joint ventures	6,788,325	-	6,788,325
Inventories	140,366	357,167	497,533
Total current assets	<u>14,054,597</u>	<u>1,873,726</u>	<u>15,928,323</u>
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	5,153,280	12,505,095	17,658,375
Receivable	1,265,599	-	1,265,599
Capital assets:			
Land	661,261	4,296,515	4,957,776
Assets available for sale	1,743,331	-	1,743,331
Construction in progress	3,102,663	973,754	4,076,417
Depreciable assets, net of depreciation	30,953,294	32,149,743	63,103,037
Total noncurrent assets	<u>42,879,428</u>	<u>49,925,107</u>	<u>92,804,535</u>
Total assets	<u>\$ 56,934,025</u>	<u>\$ 51,798,833</u>	<u>\$ 108,732,858</u>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 383,699	\$ 71,141	\$ 454,840
Unearned revenue	45,456	-	45,456
Accrued interest payable	37,998	113,410	151,408
Retainage payable	38,701	3,019	41,720
Total current liabilities	<u>505,854</u>	<u>187,570</u>	<u>693,424</u>
Noncurrent liabilities:			
Long-term obligations:			
Due within one year	1,021,306	1,140,476	2,161,782
Due in more than one year	11,233,094	13,633,466	24,866,560
Total noncurrent liabilities	<u>12,254,400</u>	<u>14,773,942</u>	<u>27,028,342</u>
Total liabilities	<u>12,760,254</u>	<u>14,961,512</u>	<u>27,721,766</u>
<b>NET POSITION</b>			
Net investment in capital assets	26,086,565	23,686,429	49,772,994
Restricted for:			
Capital projects	5,804,952	12,278,572	18,083,524
Debt service	801,588	226,522	1,028,110
Unrestricted	11,480,666	645,798	12,126,464
Total net position	<u>44,173,771</u>	<u>36,837,321</u>	<u>81,011,092</u>
Total liabilities and net position	<u>\$ 56,934,025</u>	<u>\$ 51,798,833</u>	<u>\$ 108,732,858</u>

*The accompanying notes are an integral part of the basic financial statements.*

**CITY OF THE DALLES, OREGON**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2016**

Functions/Programs	Expenses	Program Revenues		Net Expense Revenue and Change in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:							
General government	\$ 3,576,391	\$ 1,339,620	\$ -	\$ 1,970,505	\$ (266,266)	\$ -	\$ (266,266)
Public safety	3,764,858	235,252	-	-	(3,529,606)	-	(3,529,606)
Culture and recreation	1,579,320	20,605	1,932,943	-	374,228	-	374,228
Highways and streets	1,614,145	33,944	857,789	-	(722,412)	-	(722,412)
Unallocated interest on long-term debt	453,321	-	-	-	(453,321)	-	(453,321)
Total governmental activities	<u>10,988,035</u>	<u>1,629,421</u>	<u>2,790,732</u>	<u>1,970,505</u>	<u>(4,597,377)</u>	<u>-</u>	<u>(4,597,377)</u>
Business type activities:							
All Water Funds	3,778,964	5,820,678	-	-	-	2,041,714	2,041,714
All Wastewater Funds	3,139,369	5,733,933	-	-	-	2,594,564	2,594,564
Total business type activities	<u>6,918,333</u>	<u>11,554,611</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,636,278</u>	<u>4,636,278</u>
Total government	<u>\$ 17,906,368</u>	<u>\$ 13,184,032</u>	<u>\$ 2,790,732</u>	<u>\$ 1,970,505</u>	<u>(4,597,377)</u>	<u>4,636,278</u>	<u>38,901</u>
General revenues:							
Taxes:							
Property taxes levied for:							
General purposes				2,714,277	-	2,714,277	
Urban renewal purposes				1,378,487	-	1,378,487	
Public service taxes				1,873,949	-	1,873,949	
Interest and investment earnings				54,106	73,317	127,423	
Transfers in (out)				1,299,746	(1,299,746)	-	
Total general revenues and transfers				<u>7,320,565</u>	<u>(1,226,429)</u>	<u>6,094,136</u>	
Change in net position				<u>2,723,188</u>	<u>3,409,849</u>	<u>6,133,037</u>	
Net position - beginning as previously reported				34,853,707	44,693,359	79,547,066	
Prior period adjustment				6,596,876	(11,265,887)	(4,669,011)	
Net position - beginning as restated				<u>41,450,583</u>	<u>33,427,472</u>	<u>74,878,055</u>	
Net position - ending				<u>\$ 44,173,771</u>	<u>\$ 36,837,321</u>	<u>\$ 81,011,092</u>	

*The accompanying notes are an integral part of the basic financial statements.*

## **FUND FINANCIAL STATEMENTS**

### **Major Governmental Funds**

#### **General Fund**

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those accounted for in another fund. Principal sources of revenue are property taxes, franchise fees, hotel-motel tax, and state shared revenues. Expenditures are primarily for general government operations, public safety (police), and culture and recreation.

#### **Street Fund**

The Street Fund accounts for the cost of maintaining City streets system. Principal sources of revenues are state gasoline taxes apportioned from the State of Oregon, local fuel taxes, charges for services to other funds, and transfers.

#### **Library Fund**

The Library Fund accounts for the operation of the City Library, which is the main branch of the County's Special Library District. Principal sources of revenues are funds from the County collected Library District taxes, state grants, library fines, and donations.

#### **Special Grants Fund**

The Special Grants Fund accounts for various grant programs operated by the City. Revenues consist primarily of grants and interest on investments.

#### **Urban Renewal Capital Projects Fund**

The Urban Renewal Capital Projects Fund accounts for services and construction costs for the development within the Columbia Gateway Urban Renewal District. Principal sources of revenues are property taxes, grants, and interest on investments.

#### **Special Assessment Fund**

The Special Assessment Fund accounts for the financing of public improvements or services deemed to benefit primarily the properties against which the assessments are levied. Principal sources of revenues are assessment principal and interest collected.

**CITY OF THE DALLES, OREGON**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**June 30, 2016**

	General Fund Generally Accepted Accounting Principles	Street Fund	Library Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Special Assessment Fund	Other Governmental	Total Governmental
<b>ASSETS:</b>								
Cash and cash equivalents	\$ 2,937,426	\$ 326,173	\$ 1,394,547	\$ 3,393,922	\$ 607,025	\$ 499,368	\$ 990,864	\$ 10,149,325
Receivables:								
Accounts	494,889	138,127	-	36,643	2,244	4,151	26,567	702,621
Intergovernmental	23,485	-	151,163	-	11,978	-	-	186,626
Fines and forfeitures, net	547,470	-	-	-	-	-	-	547,470
Property taxes	202,550	-	-	-	102,532	-	-	305,082
Assessments	-	-	-	22,936	-	469,551	-	492,487
Notes	-	-	-	-	1,017,146	-	-	1,017,146
Reimbursement districts	-	-	-	-	-	1,061,949	-	1,061,949
Prepaid items	144,028	-	-	-	-	-	-	144,028
Inventories	-	140,366	-	-	-	-	-	140,366
Total assets	<u>\$ 4,349,848</u>	<u>\$ 604,666</u>	<u>\$ 1,545,710</u>	<u>\$ 3,453,501</u>	<u>\$ 1,740,925</u>	<u>\$ 2,035,019</u>	<u>\$ 1,017,431</u>	<u>\$ 14,747,100</u>
<b>LIABILITIES:</b>								
Accounts payable and accrued expenses	\$ 179,150	\$ 17,895	\$ 159,546	\$ 3,457	\$ 21,910	\$ -	\$ 1,741	\$ 383,699
Reimbursement districts	-	-	-	-	-	1,061,949	-	1,061,949
Retainage payable	-	-	38,275	426	-	-	-	38,701
Total liabilities	<u>179,150</u>	<u>17,895</u>	<u>197,821</u>	<u>3,883</u>	<u>21,910</u>	<u>1,061,949</u>	<u>1,741</u>	<u>1,484,349</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>								
Unavailable revenue	750,401	-	-	50,981	1,119,678	515,007	-	2,436,067
Total deferred inflows of resources	<u>750,401</u>	<u>-</u>	<u>-</u>	<u>50,981</u>	<u>1,119,678</u>	<u>515,007</u>	<u>-</u>	<u>2,436,067</u>
<b>FUND BALANCES:</b>								
Nonspendable:								
Prepays	144,028	-	-	-	-	-	-	144,028
Inventory	-	140,366	-	-	-	-	-	140,366
Restricted for:								
Grant / contributor specific intent	-	-	-	3,398,637	-	-	12,684	3,411,321
State statute	-	446,405	-	-	599,337	-	801,588	1,847,330
Intergovernmental agreement	-	-	1,347,889	-	-	-	-	1,347,889
Committed for:								
Major capital facilities and associated debt	-	-	-	-	-	-	163,729	163,729
Local improvements and associated debt	-	-	-	-	-	458,063	-	458,063
Agreements with state agencies	-	-	-	-	-	-	37,689	37,689
Committed by ordinance or resolution	1,107,207	-	-	-	-	-	-	1,107,207
Unassigned	2,169,062	-	-	-	-	-	-	2,169,062
Total fund balances	<u>3,420,297</u>	<u>586,771</u>	<u>1,347,889</u>	<u>3,398,637</u>	<u>599,337</u>	<u>458,063</u>	<u>1,015,690</u>	<u>10,826,684</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,349,848</u>	<u>\$ 604,666</u>	<u>\$ 1,545,710</u>	<u>\$ 3,453,501</u>	<u>\$ 1,740,925</u>	<u>\$ 2,035,019</u>	<u>\$ 1,017,431</u>	

Amounts reported in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	36,460,549
Investments in joint ventures are not financial resources and, therefore are not reported in the funds.	6,788,325
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Earned but unavailable revenue	2,390,611
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	(12,254,400)
Interest payable	(37,998)
Net position of governmental activities	<u>\$ 44,173,771</u>

The accompanying notes are an integral part of the basic financial statements.

**CITY OF THE DALLES, OREGON  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2016**

	Generally Accepted Accounting Principles	Street Fund	Library Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Special Assessment Fund	Other Governmental	Total Governmental
<b>REVENUES:</b>								
Property taxes	\$ 2,752,976	\$ -	\$ -	\$ -	\$ 595,456	\$ -	\$ 802,746	\$ 4,151,178
Other taxes	1,312,519	561,430	-	-	-	-	-	1,873,949
Franchise fees	204,442	-	-	-	-	23,385	-	227,827
Assessments	-	-	-	-	-	469,501	-	469,501
Licenses and fees	13,445	-	-	-	-	-	-	13,445
Charges for services	30,137	19,113	-	-	-	-	-	49,250
Intergovernmental	1,712,046	857,789	1,219,149	59,520	-	-	-	3,848,504
Fines and forfeitures, net	235,252	-	14,654	-	-	-	-	249,906
Contributions	-	-	713,794	-	-	-	-	713,794
System development charges	84,850	-	-	-	-	-	-	84,850
Rental income	10,414	-	-	-	-	-	438,084	448,498
Interest on investments	15,243	2,118	5,674	15,842	6,762	2,349	6,118	54,106
Miscellaneous	107,364	14,831	5,951	-	66,763	-	-	194,909
<b>Total revenues</b>	<b>6,478,688</b>	<b>1,455,281</b>	<b>1,959,222</b>	<b>75,362</b>	<b>668,981</b>	<b>495,235</b>	<b>1,246,948</b>	<b>12,379,717</b>
<b>EXPENDITURES:</b>								
Current:								
General government	2,946,101	-	-	63,347	204,464	5,664	17,534	3,237,110
Public safety	3,524,742	-	-	-	-	-	160,381	3,685,123
Culture and recreation	554,299	-	989,678	-	-	-	-	1,543,977
Highways and streets	-	1,082,520	-	-	-	-	-	1,082,520
Capital outlay	625,634	330,764	825,778	110,810	522,292	33,932	67,004	2,516,214
Debt service:								
Principal	-	-	-	-	-	-	617,558	617,558
Interest	-	-	-	-	-	-	524,654	524,654
<b>Total expenditures</b>	<b>7,650,776</b>	<b>1,413,284</b>	<b>1,815,456</b>	<b>174,157</b>	<b>726,756</b>	<b>39,596</b>	<b>1,387,131</b>	<b>13,207,156</b>
Revenues over (under) expenditures	(1,172,088)	41,997	143,766	(98,795)	(57,775)	455,639	(140,183)	(827,439)
<b>OTHER FINANCING SOURCES (USES):</b>								
Sale of property	3,013	1,816	-	-	1,890	-	-	6,719
Transfers in	1,557,954	471,923	26,000	4,110	-	-	1,133,677	3,193,664
Transfers out	(169,057)	(484,557)	(73,351)	(3,000)	-	(112,723)	(1,051,230)	(1,893,918)
<b>Total other financing sources (uses)</b>	<b>1,391,910</b>	<b>(10,818)</b>	<b>(47,351)</b>	<b>1,110</b>	<b>1,890</b>	<b>(112,723)</b>	<b>82,447</b>	<b>1,306,465</b>
Net changes in fund balances	219,822	31,179	96,415	(97,685)	(55,885)	342,916	(57,736)	479,026
<b>FUND BALANCES, BEGINNING</b>	<b>3,200,475</b>	<b>555,592</b>	<b>1,251,474</b>	<b>3,496,322</b>	<b>655,222</b>	<b>107,657</b>	<b>1,073,426</b>	<b>10,340,168</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,490</b>	<b>-</b>	<b>7,490</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 3,420,297</b>	<b>\$ 586,771</b>	<b>\$ 1,347,889</b>	<b>\$ 3,398,637</b>	<b>\$ 599,337</b>	<b>\$ 458,063</b>	<b>\$ 1,015,690</b>	<b>\$ 10,826,684</b>

*The accompanying notes are an integral part of the basic financial statements.*

**CITY OF THE DALLES, OREGON**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2016**

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Amounts reported in the statement of activities are different because:

Net change in fund balances \$ 479,026

The statement of revenues, expenditures, and changes in fund balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Current year depreciation	\$ (835,931)	
Capital asset additions	2,458,627	1,622,696

The City has equity interests in two joint ventures. The allocated gain or (loss) from these investments in not a current financial resources and therefore is not reported in the governmental funds.

198,939

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.

(9,281)

Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.

Deferred revenues		(173,898)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	(487)	
Change in other postemployment benefits	(107,742)	
Change in accrued interest payable	49,094	(59,135)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which proceeds exceeded repayments.

Debt service principal payments	642,602	
Loan proceeds	-	
Accrued interest expense	22,239	664,841

Change in net position of governmental activities \$ 2,723,188

*The accompanying notes are an integral part of the basic financial statements.*



**CITY OF THE DALLES, OREGON**  
**GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 2,764,315	\$ 2,764,315	\$ 2,752,976	\$ (11,339)
Other taxes	1,258,031	1,258,031	1,312,519	54,488
Franchise fees	229,106	229,106	204,442	(24,664)
Licenses and fees	10,450	10,450	13,445	2,995
Charges for services	14,989	14,989	30,137	15,148
Intergovernmental	1,568,559	1,568,559	1,712,046	143,487
Fines and forfeitures, net	211,890	211,890	235,252	23,362
System development charges	100,000	100,000	84,850	(15,150)
Rental income	9,814	9,814	10,414	600
Interest on investments	10,900	10,900	15,243	4,343
Miscellaneous	34,500	156,630	107,364	(49,266)
Total revenues	<u>6,212,554</u>	<u>6,334,684</u>	<u>6,478,688</u>	<u>144,004</u>
<b>EXPENDITURES:</b>				
General government	3,149,575	3,490,056	2,946,101	543,955
Public safety	3,572,840	3,572,840	3,524,742	48,098
Culture and recreation	592,530	592,530	554,299	38,231
Capital outlay	1,943,010	1,938,900	625,634	1,313,266
Contingency	570,935	371,862	-	371,862
Total expenditures	<u>9,828,890</u>	<u>9,966,188</u>	<u>7,650,776</u>	<u>2,315,412</u>
Revenues over (under) expenditures	(3,616,336)	(3,631,504)	(1,172,088)	2,459,416
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	-	-	3,013	3,013
Transfers in	1,514,176	1,558,454	1,557,954	(500)
Transfers out	(164,947)	(194,057)	(169,057)	25,000
Total other financing sources (uses)	<u>1,349,229</u>	<u>1,364,397</u>	<u>1,391,910</u>	<u>27,513</u>
Net changes in fund balances	(2,267,107)	(2,267,107)	219,822	2,486,929
<b>FUND BALANCES, BEGINNING GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
	<u>3,154,412</u>	<u>3,154,412</u>	<u>3,200,475</u>	<u>46,063</u>
<b>FUND BALANCES, ENDING GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
	<u>\$ 887,305</u>	<u>\$ 887,305</u>	<u>\$ 3,420,297</u>	<u>\$ 2,532,992</u>

*The accompanying notes are an integral part of the basic financial statements.*

**CITY OF THE DALLES, OREGON**  
**STREET FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Other taxes	\$ 588,622	\$ 588,622	\$ 561,430	\$ (27,192)
Charges for services	18,000	18,000	19,113	1,113
Intergovernmental	832,610	832,610	857,789	25,179
Interest on investments	1,000	1,000	2,118	1,118
Miscellaneous	500	500	14,831	14,331
Total revenues	<u>1,440,732</u>	<u>1,440,732</u>	<u>1,455,281</u>	<u>14,549</u>
<b>EXPENDITURES:</b>				
Personnel service	759,738	759,738	654,888	104,850
Materials and services	626,008	626,008	427,632	198,376
Capital outlay	299,217	385,757	330,764	54,993
Contingency	102,853	16,313	-	16,313
Total expenditures	<u>1,787,816</u>	<u>1,787,816</u>	<u>1,413,284</u>	<u>374,532</u>
Revenues over (under) expenditures	(347,084)	(347,084)	41,997	389,081
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	-	-	1,816	1,816
Transfers in	471,923	471,923	471,923	-
Transfers out	<u>(482,713)</u>	<u>(484,557)</u>	<u>(484,557)</u>	<u>-</u>
Total other financing sources (uses)	<u>(10,790)</u>	<u>(12,634)</u>	<u>(10,818)</u>	<u>1,816</u>
Net changes in fund balances	(357,874)	(359,718)	31,179	390,897
<b>FUND BALANCES, BEGINNING</b>	<u>357,874</u>	<u>359,718</u>	<u>555,592</u>	<u>195,874</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 586,771</u>	<u>\$ 586,771</u>

*The accompanying notes are an integral part of the basic financial statements.*

**CITY OF THE DALLES, OREGON**  
**LIBRARY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,167,828	\$ 1,221,196	\$ 1,219,149	\$ (2,047)
Fines and forfeitures, net	10,950	10,950	14,654	3,704
Contributions	199,585	249,585	713,794	464,209
Interest on investments	4,460	4,460	5,674	1,214
Miscellaneous	100	100	5,951	5,851
Total revenues	<u>1,382,923</u>	<u>1,486,291</u>	<u>1,959,222</u>	<u>472,931</u>
<b>EXPENDITURES:</b>				
Personnel service	698,544	698,544	687,254	11,290
Materials and services	628,582	580,214	302,424	277,790
Capital outlay	822,299	979,035	825,778	153,257
Contingency	206,991	201,991	-	201,991
Total expenditures	<u>2,356,416</u>	<u>2,459,784</u>	<u>1,815,456</u>	<u>644,328</u>
Revenues over (under) expenditures	(973,493)	(973,493)	143,766	1,117,259
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	26,000	26,000	26,000	-
Transfers out	(73,351)	(73,351)	(73,351)	-
Total other financing sources (uses)	<u>(47,351)</u>	<u>(47,351)</u>	<u>(47,351)</u>	<u>-</u>
Net changes in fund balances	(1,020,844)	(1,020,844)	96,415	1,117,259
<b>FUND BALANCES, BEGINNING</b>	<u>1,839,769</u>	<u>1,839,769</u>	<u>1,251,474</u>	<u>(588,295)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 818,925</u>	<u>\$ 818,925</u>	<u>\$ 1,347,889</u>	<u>\$ 528,964</u>

*The accompanying notes are an integral part of the basic financial statements.*

**CITY OF THE DALLES, OREGON**  
**SPECIAL GRANTS FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 5,951,329	\$ 6,031,529	\$ 59,520	\$ (5,972,009)
Interest on investments	7,000	7,000	15,842	8,842
Total revenues	5,958,329	6,038,529	75,362	(5,963,167)
<b>EXPENDITURES:</b>				
Materials and services	178,250	244,360	63,347	181,013
Capital outlay	11,485,900	11,529,100	110,810	11,418,290
Total expenditures	11,664,150	11,773,460	174,157	11,599,303
Revenues over (under) expenditures	(5,705,821)	(5,734,931)	(98,795)	5,636,136
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan proceeds	2,269,200	2,269,200	-	(2,269,200)
Transfers in	-	29,110	4,110	(25,000)
Transfers out	(3,500)	(3,500)	(3,000)	500
Total other financing sources (uses)	2,265,700	2,294,810	1,110	(2,293,700)
Net changes in fund balances	(3,440,121)	(3,440,121)	(97,685)	3,342,436
<b>FUND BALANCES, BEGINNING</b>	3,440,121	3,440,121	3,496,322	56,201
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 3,398,637	\$ 3,398,637

*The accompanying notes are an integral part of the basic financial statements.*

## FUND FINANCIAL STATEMENTS

### Proprietary Funds

### Enterprise Funds

The City of The Dalles uses three Proprietary Funds comprised entirely of Enterprise Funds.

Enterprise Funds are used to report activities for which a fee is charged to external users for goods and services and to account for the acquisition, operation, and maintenance of the water and wastewater facilities. These funds are entirely or predominately self-supported through user charges to the customer. Funds included are:

- Water
- Wastewater

For budgetary purposes (see budget schedules in Supplemental Information), the above funds are accounted for in the following separate funds:

#### **All Water Funds**

##### **Water Utility**

The Water Utility Fund accounts for the acquisition, operation, and maintenance of the City's Water Treatment facilities and Water Distribution systems. Principal sources of revenues are user fees.

##### **Water Capital Reserve**

The Water Special Reserve Fund accounts for the accumulation of resources to pay for upgrades and expansion of the water systems, and related debt service.

##### **Water Bond Debt**

The Water Revenue Bond Debt Fund accounts for the accumulation of resources for, and the repayment of, long-term debt principal and interest relating to the 2007 Water Revenue Bond issued to provide for water system improvements.

#### **All Wastewater Funds**

##### **Wastewater**

The Wastewater Fund accounts for the acquisition, operation, and maintenance of the City's Sanitary Sewer system and Storm Water system. Principal sources of revenues are user fees.

##### **Wastewater Capital Reserve**

The Sewer Special Reserve Fund accounts for the accumulation of resources to pay for upgrades and expansion of the sanitary sewer and storm water systems, and related debt service.

##### **Sewer Plant Construction**

The Sewer Plant Construction Fund accounts for the accumulation of resources to pay for upgrades and expansion of the sewage treatment plant facility and pump stations, and related debt service.

##### **Sewer Debt Service**

The Wastewater Revenue Bond Debt Fund accounts for the accumulation of resources for, and the repayment of, long-term debt principal and interest relating to the 2003 Wastewater Revenue Bond issued to provide for sewer system improvements.

**CITY OF THE DALLES, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**June 30, 2016**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>All Water Funds</u>	<u>All Wastewater Funds</u>	<u>Total</u>
<b>ASSETS:</b>			
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 201,085	\$ 184,220	\$ 385,305
Restricted cash and cash equivalents	3,905,556	8,599,539	12,505,095
Receivables:			
Accounts, net	559,784	571,470	1,131,254
Inventory	230,045	127,122	357,167
	<u>4,896,470</u>	<u>9,482,351</u>	<u>14,378,821</u>
Total current assets			
<b>NONCURRENT ASSETS:</b>			
Capital assets:			
Land	2,887,016	1,409,499	4,296,515
Construction in progress	538,357	435,397	973,754
Depreciable assets, net of depreciation	17,520,977	14,628,766	32,149,743
	<u>20,946,350</u>	<u>16,473,662</u>	<u>37,420,012</u>
Total noncurrent assets			
Total assets	<u>\$ 25,842,820</u>	<u>\$ 25,956,013</u>	<u>\$ 51,798,833</u>
<b>LIABILITIES:</b>			
<b>CURRENT LIABILITIES:</b>			
Accounts payable	\$ 56,713	\$ 14,428	\$ 71,141
Accrued interest payable	82,727	30,683	113,410
Retainage payable	3,019	-	3,019
Compensated absences payable	87,467	71,778	159,245
Current portion of long-term debt	496,734	484,497	981,231
	<u>726,660</u>	<u>601,386</u>	<u>1,328,046</u>
Total current liabilities			
<b>NONCURRENT LIABILITIES:</b>			
Bonds and notes payable	9,916,927	2,835,425	12,752,352
Other postemployment benefits	551,010	330,104	881,114
	<u>10,467,937</u>	<u>3,165,529</u>	<u>13,633,466</u>
Total non current liabilities			
Total liabilities	<u>11,194,597</u>	<u>3,766,915</u>	<u>14,961,512</u>
<b>NET POSITION:</b>			
Net investment in capital assets	10,532,689	13,153,740	23,686,429
Restricted for:			
System development	3,905,556	8,373,016	12,278,572
Debt service	-	226,522	226,522
Unrestricted	209,978	435,820	645,798
	<u>14,648,223</u>	<u>22,189,098</u>	<u>36,837,321</u>
Total net position			
Total liabilities and net position	<u>\$ 25,842,820</u>	<u>\$ 25,956,013</u>	<u>\$ 51,798,833</u>

*The accompanying notes are an integral part of the basic financial statements.*

**CITY OF THE DALLES, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN FUND NET POSITION**  
**For the Fiscal Year Ended June 30, 2016**

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>All Water Funds</u>	<u>All Wastewater Funds</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 5,655,364	\$ 5,322,327	\$ 10,977,691
System development charges	78,778	132,045	210,823
Rental income	4,428	-	4,428
Miscellaneous	85,019	282,983	368,002
	<u>5,823,589</u>	<u>5,737,355</u>	<u>11,560,944</u>
<b>OPERATING EXPENSES:</b>			
Personal services	2,009,069	1,187,620	3,196,689
Materials and services	841,047	1,322,138	2,163,185
Depreciation and amortization	543,724	501,268	1,044,992
	<u>3,393,840</u>	<u>3,011,026</u>	<u>6,404,866</u>
Total operating expenses	<u>3,393,840</u>	<u>3,011,026</u>	<u>6,404,866</u>
Operating income (loss)	2,429,749	2,726,329	5,156,078
<b>NON-OPERATING INCOME (EXPENSE):</b>			
Gain (loss) on disposal of capital assets	(2,911)	(3,422)	(6,333)
Interest on investments	23,831	49,486	73,317
Interest expense	(385,124)	(128,343)	(513,467)
	<u>(364,204)</u>	<u>(82,279)</u>	<u>(446,483)</u>
Total non-operating income (expenses)	<u>(364,204)</u>	<u>(82,279)</u>	<u>(446,483)</u>
Net income (loss) before transfers and capital contributions	2,065,545	2,644,050	4,709,595
<b>TRANSFERS:</b>			
Transfers in	3,016,205	2,797,385	5,813,590
Transfers out	(3,743,210)	(3,370,126)	(7,113,336)
	<u>(727,005)</u>	<u>(572,741)</u>	<u>(1,299,746)</u>
Total transfers	<u>(727,005)</u>	<u>(572,741)</u>	<u>(1,299,746)</u>
Change in net position	1,338,540	2,071,309	3,409,849
<b>NET POSITION, BEGINNING</b>	<u>13,309,683</u>	<u>20,117,789</u>	<u>33,427,472</u>
<b>NET POSITION, ENDING</b>	<u>\$ 14,648,223</u>	<u>\$ 22,189,098</u>	<u>\$ 36,837,321</u>

*The accompanying notes are an integral part of the basic financial statements.*

**CITY OF THE DALLES, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2016**

	Business-Type Activities - Enterprise Funds		
	All Water Funds	All Wastewater Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 5,754,855	\$ 5,753,952	\$ 11,508,807
Payments to suppliers	(825,715)	(1,702,566)	(2,528,281)
Payments to employees	(1,994,127)	(1,167,757)	(3,161,884)
Net cash provided by operating activities	<u>2,935,013</u>	<u>2,883,629</u>	<u>5,818,642</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Transfers in	3,016,205	2,797,385	5,813,590
Transfers (out)	(3,743,210)	(3,370,126)	(7,113,336)
Net cash provided by non-capital financing activities	<u>(727,005)</u>	<u>(572,741)</u>	<u>(1,299,746)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from sale of capital assets	(2,911)	(3,422)	(6,333)
Acquisition of capital assets	(219,964)	(1,005,498)	(1,225,462)
Principal paid on long-term obligations	(476,416)	(466,971)	(943,387)
Interest paid on long-term obligations	(388,639)	(132,384)	(521,023)
Net cash provided by capital and related financing activities	<u>(1,087,930)</u>	<u>(1,608,275)</u>	<u>(2,696,205)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on investments	23,831	49,486	73,317
Net cash provided by investing activities	<u>23,831</u>	<u>49,486</u>	<u>73,317</u>
Net increase in cash and cash equivalents	1,143,909	752,099	1,896,008
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>2,962,732</u>	<u>8,031,660</u>	<u>10,994,392</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 4,106,641</u>	<u>\$ 8,783,759</u>	<u>\$ 12,890,400</u>
<b>COMPRISED AS FOLLOWS:</b>			
Cash and cash equivalents	\$ 201,085	\$ 184,220	\$ 385,305
Restricted cash and cash equivalents	3,905,556	8,599,539	12,505,095
Total cash and cash equivalents	<u>\$ 4,106,641</u>	<u>\$ 8,783,759</u>	<u>\$ 12,890,400</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income	\$ 2,429,749	\$ 2,726,329	\$ 5,156,078
Adjustments			
Depreciation and amortization	543,724	501,268	1,044,992
Decrease (increase) in:			
Receivables	(68,734)	16,597	(52,137)
Inventories	12,710	(35,161)	(22,451)
Increase (decrease) in:			
Accounts payable and accrued expenses	2,622	(345,267)	(342,645)
Other postemployment benefits payable	18,749	11,692	30,441
Accrued compensated absences	(3,807)	8,171	4,364
Net cash provided by operating activities	<u>\$ 2,935,013</u>	<u>\$ 2,883,629</u>	<u>\$ 5,818,642</u>
<b>NON-CASH CAPITAL FINANCING ACTIVITIES</b>			
Transfer of long-term debt between funds	\$ (60,471)	\$ (46,971)	\$ (107,442)
Total non-cash capital financing activities	<u>\$ (60,471)</u>	<u>\$ (46,971)</u>	<u>\$ (107,442)</u>

*The accompanying notes are an integral part of the basic financial statements.*





## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2016**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

The City of The Dalles (the City), is organized under the general laws of the State of Oregon. The City Council, composed of the Mayor and five Council members, comprises the legislative branch of the City. Individual departments are under the direction of the City Manager, who is appointed by the City Council.

The accompanying financial statements present all activities, funds and component units for which the City is considered to be financially accountable. Evaluation of the reporting entity was in accordance with GASB Statement No. 61.

The governmental reporting entity consists of the City, the primary government, and its component units. Component units are legally separate organizations for which the City is financially accountable, or other organizations whose nature and significant relationship with the City are such that the exclusion would cause the City's financial statements to be misleading or incomplete. Based upon the evaluation of this criteria, the basic financial statements include the following blended component units. The blended component units are considered part of the City's operations, and so financial information from these units are combined with the information of the City.

The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of this criteria, the City is a primary government with the following includable component unit.

**Columbia Gateway Urban Renewal Agency**

The Agency was formed to undertake urban renewal projects and activities pursuant to the City's redevelopment plan. The Board of Directors of the Agency consists of the Mayor and the five elected City Council members, which receives recommendations from a seven member advisory committee appointed by the City Council. The City is required to certify to the County Assessor any incremental taxes to be levied for the benefit of the Agency. Since the City Council acts as its governing board, it has been included as a blended component unit in the financial statements. Complete financial statements for the Agency may be obtained at the City's administrative offices, 313 Court Street, The Dalles, OR 97058.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the City (the primary government) and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from the

*business-types activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *components units* for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct cost and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants.

Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The bases of accounting described above are in accordance with accounting principles generally accepted in the United States of America.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund. Principal sources of revenue are property taxes, franchise fees, hotel-motel tax, and state shared revenues. Expenditures are primarily for general government operations, public safety (police), and culture and recreation.

The *Street Fund* accounts for the cost of maintaining City streets and storm water drainage systems. Principal sources of revenues are state gasoline taxes apportioned from the State of Oregon, local fuel taxes, charges for services to other funds, and transfers.

The *Library Fund* accounts for the operation of the City Library. Principal sources of revenues are funds from the County collected Library District taxes, state grants, library fines, and donations.

The *Special Grants Fund* accounts for various grant programs operated by the City. Revenues consist of primarily of grants and interest on investments.

The *Urban Renewal Capital Projects Fund* accounts for services and construction costs for the development within the Columbia Gateway Urban Renewal District. Principal sources of revenues are property taxes, grants, and interest on investments.

The City reports the following major proprietary funds:

The *Water Funds* accounts for revenues and expenses related to the City's water utility operations.

The *Wastewater Funds* account for revenues and expenses related to the City's wastewater utility operations.

The City also includes the following fund types as other governmental funds:

*Special revenue funds* are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

*Capital projects funds* account for expenditures on major construction projects or equipment acquisitions. The principal sources of revenues are proceeds from long-term obligations issued to finance capital acquisitions and improvements.

*Debt service funds* account for the resources accumulated and payments made for principal and interest on long-term debt for governmental funds.

## **D. Assets, Liabilities and Fund Balance**

### **1. Cash, Cash Equivalents, and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in the Local Government Investment Pool, and short-term investments with original maturities of three months or less from the date of acquisition.

The City maintains merged bank accounts and investments for its funds in a central pool of cash and investments. The investment policy of the City is to invest in the Local Government Investment Pool, U.S. Government and Agency Obligations, Corporate indebtedness rated A-1 or AA or better, and interest bearing demand deposits with local banks and to transfer resources to the general checking account as the need arises. This policy is in accordance with ORS 294.035, which specifies the types of investments authorized for municipal corporations. The City allocates earnings on investments to selected funds based on the average monthly balances throughout the year.

Investments in the Local Government Investment Pool are stated at amortized cost, which approximates fair value. All other investments are reported at fair value.

### **2. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available expendable financial resources.

Other receivables including accounts, entitlements, and shared revenues are reported in accordance with the policies enumerated in Paragraph C above. An allowance for uncollectible accounts has been established for the General, Water, and Wastewater, funds and represents the portion of receivables not expected to be collected.

### **3. Inventories and Prepaid Expenses**

Inventories in Street, Water and Wastewater Funds are determined by physical count and are stated at the lower of cost (first in, first out) or market. Expenses are recognized when inventories are consumed. Other inventories are taken for control purposes only with no dollar value assigned.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

#### 4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when actual cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest earned on the invested proceeds over the same period. There was no interest capitalized during the year.

Property, plant and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Year</u>
Dams	150
Bridges and Improvements	100
Building and Improvements	50
Plant in Service	45
Machinery and equipment	5-20

It is the City's policy to record no depreciation on capital assets in the year of acquisition and a full year of depreciation in the year of disposition.

#### 5. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **6. Compensated Absences**

It is the City's policy to permit employees to accumulate earned, but unused, vacation, compensatory time, and sick pay benefits. No liability is reported for unpaid accumulated sick pay benefits. All vacation and compensatory time pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Compensated absences are normally paid from the General, Library, Street, Water, and Wastewater funds. The entire balance of compensated absences has been reported as due within one year because the oldest leave hours accrued are considered to be used first, so the balances are constantly being updated by use and new accruals.

## **7. Investment in Joint Ventures**

Investment in joint ventures with other governments is reported at cost plus or minus the City's share of operating income or loss utilizing the equity method of account for investments.

## **8. Deferred Outflows/Inflows of Resources.**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The City does not have deferred outflows of resources.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category, which arises only under the modified accrual basis of accounting. Accordingly, the item "unavailable revenue," is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and notes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## **9. Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Agency is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

**Non-Spendable** – Includes amounts not immediately converted to cash, such as prepaid items and inventory.



**Restricted** – Includes amounts that are restricted by external creditors, grantors or contributors, or restricted by enabling legislation.

**Committed** – Includes amounts that have been committed by resolution by the City Council which is the City’s “highest level of decision-making authority.” Committed amounts may not be used for any other purpose unless the City Council removes the constraint by similar board action. Commitments of fund balance must be made prior to the end of the fiscal year.

**Assigned** – Includes amounts assigned for specific purposes by Council action who authorizes, by resolution, the City Manager to assign fund balance. Assigned fund balance is also established by the Council through adoption or amendment of the budget as intended for specific purpose.

**Unassigned** – This is the residual classification used for those balances not assigned to another category in the General Fund. Deficit fund balance in other governmental funds are also presented as unassigned.

## **10. Use of Restricted Resources**

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the City’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

## **11. Restricted net position**

Restrictions on net position that are either imposed by creditors, grantors, laws or other regulations, or by enabling legislation are reported as restricted net position.

## **12. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenditures, expenses, and other disclosures. Accordingly, actual results could differ from those estimates.

## **II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

### **A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for all funds, except for the proprietary funds. The annual budget for proprietary funds is adopted on the modified accrual basis of accounting, which is not consistent with GAAP, in order to comply with Oregon Local Budget Law. The FFCO Bond Funds also report transfers in for reimbursement of Water

and Wastewater Fund debt service. These amounts are reclassified to reimbursements of debt service expenditures for the GAAP statements. All annual appropriations lapse at fiscal year end.

Oregon local budget law establishes standard procedures relating to the preparation, adoption, and execution of the annual budget. The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The level of budgetary control is established at the department level for the General Fund. For all other funds, the level of budgetary control is established at the personal services, materials and services, capital outlay, operating contingency, interfund transfers, debt services, and special payments, interfund transfers, and contingencies.

Unexpected additional resources may be added to the budget and appropriated for expenditure through the use of a supplemental budget. The supplemental budget process requires publication in the newspaper and approval by the City Council, and, if it is over 10% of the operating budget of the affected fund, a hearing before the public is also required. Oregon Local Budget Law also provides certain specific exceptions to the supplemental budget process to increase appropriations. Management must obtain City Council authorization for all appropriation transfers and supplementary budgetary appropriations.

During the year ended June 30, 2016, appropriation increases and transfers were approved, and supplemental budgets were adopted. Appropriations are limited to a single fiscal year; therefore, all spending authority of the City lapses as of year-end.

#### **B. Deficit Fund Balances**

At June 30, 2016, no funds had a deficit fund balance.

### **III. DETAILED NOTES ON ALL FUNDS**

#### **A. Deposits and Investments**

**Deposits.** The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which includes standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the City at June 30, 2016. If bank deposits at year end are not entirely insured or collateralized by the City or by its agent in the City's name, the City must

disclose the custodial credit risk that exists. The City's deposits with financial institutions are comprised of bank demand deposits and certificates of deposit.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits up to \$250,000 for the combined total of all deposit accounts at each financial institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2016, none of the City's bank balances were exposed to custodial credit risk.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The City does not have a formal policy for custodial credit risk.

**Investments.** The City of The Dalles has invested funds in the State Treasurer's Oregon Short-Term Fund Local Government Investment Pool during the year. The Oregon Short-Term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an unrated external investment pool managed by the State Treasurer's office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and the participant's equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the City's cash position.

Credit risk. State statutes authorize the City to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers, and the State Treasurer's investment pool, among others. The City has no formal investment policy that further restricts its investment choices.

Concentration of Credit Risk. The City is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The City has no such investments.

Interest Rate Risk. The City has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Investments held by the City at June 30, 2016 are as follows:

	Weighted Average Maturity	Fair Value
Investments in the State Treasurer's Local Government Investment Pool	0.00	\$ 21,025,182
Total cash equivalents	0.00	\$ 21,025,182

Cash in the Statement of Net Position is temporarily restricted for the following purposes:

	Governmental Activities	Business-type Activities	Total
Restricted for capital projects	\$ 4,351,692	\$ 12,278,573	\$16,630,265
Restricted for debt service	801,588	226,522	1,028,110
Total restricted cash and cash equivalents	\$ 5,153,280	\$ 12,505,095	\$17,658,375

## B. Receivables

Receivables as of fiscal-year end for the governmental activities individual major funds, internal service funds classified as governmental activities, and non-major funds in the aggregate are as follows:

	General Fund	Street Fund	Library Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Special Assessment Fund	Other Governmental	Total Governmental
Receivables:								
Accounts	\$ 494,889	\$ 138,127	\$ -	\$ 36,643	\$ 2,244	\$ 4,151	\$ 26,567	\$ 702,621
Intergovernmental	23,485	-	151,163	-	11,978	-	-	186,626
Fines and forfeitures	909,244	-	-	-	-	-	-	909,244
Property taxes	202,550	-	-	-	102,532	-	-	305,082
Assessments	-	-	-	22,936	-	469,551	-	492,487
Notes	-	-	-	-	1,017,146	-	-	1,017,146
Reimbursement districts	-	-	-	-	-	1,061,949	-	1,061,949
Allowance for doubtful accounts	(361,774)	-	-	-	-	-	-	(361,774)
Total receivables	\$ 1,268,394	\$ 138,127	\$ 151,163	\$ 59,579	\$ 1,133,900	\$ 1,535,651	\$ 26,567	\$ 4,313,381

Receivables as of year-end for the business-type activities individual major funds, including, the applicable allowances for uncollectible accounts, are as follows:

	<u>Water</u>	<u>Waste Water</u>	<u>Total Business- Type Activity</u>
Receivables:			
Accounts	\$ 568,025	\$ 578,311	\$ 1,146,336
Allowance for doubtful accounts	<u>(8,241)</u>	<u>(6,841)</u>	<u>(15,082)</u>
	<u>\$ 559,784</u>	<u>\$ 571,470</u>	<u>\$ 1,131,254</u>

Uncollected property taxes in governmental funds are shown on the statement of net position as receivables. Property taxes are assessed and attach as an enforceable lien on property as of July 1. Taxes are levied on July 1 and are payable on November 15. They may be paid in installments due November 15, February 15, and May 15. Taxes unpaid as of May 16 are considered delinquent. Taxes are billed and collected by Wasco County, and remittance to the City is made at periodic intervals.

For the fiscal year 2015-2016, the City levied property taxes in the amount of \$3,018,413. After reductions for offsets and increases for additional taxes and penalties this resulted in a net levy of \$2,760,729. The tax rate for the fiscal year was \$3.0155 per \$1,000 of assessed value. The assessed valuation for the City as of January 1, 2016 was \$1,000,633,037. The Columbia Gateway Urban Renewal Agency, a blended component unit of the City, levied taxes at its maximum taxing authority of \$1,553,193. After reductions for offsets and additional taxes and penalties, this resulted in a net levy of \$1,402,087.

Following is a summary of property tax transactions for the year ended June 30, 2016:

<u>Fiscal Year</u>	<u>Property Taxes Receivable June 30, 2015</u>	<u>Levy as Extended by Assessor</u>	<u>Collections</u>	<u>Cancellations Discounts and Adjustments</u>	<u>Property Taxes Receivable June 30, 2016</u>
2015-2016	\$ -	\$ 4,162,816	\$ (3,914,828)	\$ (101,958)	\$ 146,030
2014-2015	166,173	-	(81,379)	(894)	83,900
2013-2014	98,119	-	(53,237)	(745)	44,137
2012-2013	60,279	-	(43,704)	(513)	16,062
2011-2012	20,885	-	(15,261)	(411)	5,213
2010-2011	9,867	-	(6,483)	(396)	2,988
Prior years	<u>8,173</u>	<u>-</u>	<u>(1,068)</u>	<u>(353)</u>	<u>6,752</u>
Totals	<u>\$ 363,496</u>	<u>\$ 4,162,816</u>	<u>\$ (4,115,960)</u>	<u>\$ (105,270)</u>	<u>\$ 305,082</u>

Assessments liens receivable represents the uncollected amounts levied against benefited property for costs of local improvements. Since the assessments are liens against the benefited property, an allowance for uncollectible amounts is not necessary.

The City has notes receivable from businesses purchasing real property and improvements and from loans associated with the Community Development Block Grant program. Since the notes are liens against real property, and allowance for uncollectible amounts is not necessary.

Other accounts and intergovernmental receivables are considered to be fully collectible. Accordingly, no provision for estimated uncollectible accounts has been established.

**C. Unavailable and Unearned Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. The government-wide financial statements report only unearned income. At the end of the current fiscal year, there was \$45,456 of unearned revenue reported on the Statement of Net Position. The various components of unavailable deferred revenue reported in the governmental funds was as follows:

	General Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Special Assessment Fund	Total Governmental
Property taxes	\$ 202,550	\$ -	\$ 102,532	\$ -	\$ 305,082
Fines and forfeitures	547,851	-	-	-	547,851
Loans	-	28,045	1,017,146	-	1,045,191
Special assessments	-	22,936	-	515,007	537,943
	<u>\$ 750,401</u>	<u>\$ 50,981</u>	<u>\$ 1,119,678</u>	<u>\$ 515,007</u>	<u>\$ 2,436,067</u>

## D. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2016, was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Capital assets, non-depreciable:</b>					
Land	\$ 661,261	\$ -	\$ -	\$ -	\$ 661,261
Construction in progress	3,736,328	1,052,180	-	(1,685,845)	3,102,663
Assets available for sale	1,319,394	423,937	-	-	1,743,331
Total capital assets, non-depreciable	<u>5,716,983</u>	<u>1,476,117</u>	<u>-</u>	<u>(1,685,845)</u>	<u>5,507,255</u>
<b>Capital assets, depreciable:</b>					
Land improvements	7,682,977	62,060	-	365,755	8,110,792
Buildings	5,687,368	-	-	-	5,687,368
Equipment	3,146,973	172,459	(34,300)	63,412	3,348,544
Infrastructure	21,060,629	747,991	-	1,256,678	23,065,298
Total capital assets, depreciable	<u>37,577,947</u>	<u>982,510</u>	<u>(34,300)</u>	<u>1,685,845</u>	<u>40,212,002</u>
<b>Less accumulated depreciation for:</b>					
Land improvements	(495,632)	(154,139)	-	-	(649,771)
Buildings	(2,001,183)	(123,885)	-	-	(2,125,068)
Equipment	(2,069,383)	(142,371)	25,019	-	(2,186,735)
Infrastructure	(3,881,598)	(415,536)	-	-	(4,297,134)
Total accumulated depreciation	<u>(8,447,796)</u>	<u>(835,931)</u>	<u>25,019</u>	<u>-</u>	<u>(9,258,708)</u>
Net depreciable capital assets	<u>29,130,151</u>	<u>146,579</u>	<u>(9,281)</u>	<u>1,685,845</u>	<u>30,953,294</u>
<b>Net capital assets</b>	<u>\$ 34,847,134</u>	<u>\$ 1,622,696</u>	<u>\$ (9,281)</u>	<u>\$ -</u>	<u>\$ 36,460,549</u>

Depreciation expense for governmental activities is charged to governmental functions as follows:

### Governmental functions:

General government	\$ (235,748)
Public safety	(60,650)
Highways and streets	(521,690)
Culture and recreation	(17,843)
Total depreciation expense - governmental activities	<u>\$ (835,931)</u>

Capital asset activity for the business-type activities for the year ended June 30, 2016 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Capital assets, non-depreciable:</b>					
Land	\$ 4,296,515	\$ -	\$ -	\$ -	\$ 4,296,515
Construction in progress	1,206,720	642,062	-	(875,028)	973,754
Total capital assets, non-depreciable	<u>5,503,235</u>	<u>642,062</u>	<u>-</u>	<u>(875,028)</u>	<u>5,270,269</u>
<b>Capital assets, depreciable:</b>					
Land improvements	8,779,803	14,413	-	486,807	9,281,023
Buildings	4,332,253	-	-	-	4,332,253
Equipment	5,334,088	66,230	(21,658)	-	5,378,660
Wastewater Treatment Plant	8,908,257	-	-	-	8,908,257
Dams and lines	16,634,515	509,977	-	388,221	17,532,713
Total capital assets, depreciable	<u>43,988,916</u>	<u>590,620</u>	<u>(21,658)</u>	<u>875,028</u>	<u>45,432,906</u>
<b>Less accumulated depreciation for:</b>					
Land improvements	(1,302,971)	(148,857)	-	-	(1,451,828)
Buildings	(1,873,057)	(110,497)	-	-	(1,983,554)
Equipment	(3,171,086)	(210,883)	14,438	-	(3,367,531)
Wastewater Treatment Plant	(2,294,801)	(230,084)	-	-	(2,524,885)
Dams and lines	(3,607,253)	(348,112)	-	-	(3,955,365)
Total accumulated depreciation	<u>(12,249,168)</u>	<u>(1,048,433)</u>	<u>14,438</u>	<u>-</u>	<u>(13,283,163)</u>
Net depreciable capital assets	<u>31,739,748</u>	<u>(457,813)</u>	<u>(7,220)</u>	<u>875,028</u>	<u>32,149,743</u>
<b>Net capital assets</b>	<u>\$ 37,242,983</u>	<u>\$ 184,249</u>	<u>\$ (7,220)</u>	<u>\$ -</u>	<u>\$ 37,420,012</u>

Depreciation expense for the business-type activities was charged to functions/programs of the City as follows:

**Business-type activities:**

Wastewater	\$ (501,581)
Water	<u>(546,852)</u>
Total depreciation expense - business-type activities	<u>\$ (1,048,433)</u>

**E. Investment in Joint Ventures**

The QualityLife Intergovernmental Agency (QLife) is jointly owned by the City of The Dalles and Wasco County, Oregon, each party owning 50 percent. QLife operates a fiber optic network to the residents of The Dalles and Wasco County and new Maupin project. The Maupin project was started in fiscal year ended June 30, 2016 and will be a separate operating network from the one that services the City and Wasco County. Revenues earned by the QLife are expended for the continued operations and maintenance of the network. Upon dissolution of QLife, the net position would be shared 50 percent each to the City and Wasco County. The QLife is governed by a five-member board comprised of two appointees from the City, two appointees from Wasco County, and the fifth



member is appointed by the other four. The City's net investment and its share of the operating results of the QLife are reported in the City's governmental activities. Net position of the City's governmental fund increased \$214,458 from a net gain in fiscal year ended June 30, 2016. The City's investment in QLife is \$1,258,128 is accounted for using the equity method.

The Columbia Gorge Regional/The Dalles Airport (Airport) is a joint venture created to operate the Columbia Gorge Regional Airport and Business Park. The joint venture is between the City of The Dalles and Klickitat County, Washington, each party owning 50 percent. Revenues earned by the Airport are expended for the continued operations and maintenance of the Airport. Upon dissolution of the Airport, the net position would be shared 50 percent each to the City and Klickitat County. The Airport is governed by a seven-member board comprised of three appointees from the City, three appointees from Klickitat County, and the seventh member is appointed by the other six. The City develops and adopts the budget for the Airport. The City's net investment and its share of the operating results of the Airport are reported in the City's governmental activities. Net position of the City's governmental fund decreased \$15,519 from a net loss in fiscal year ended June 30, 2016. The City's investment in Airport is \$5,530,197, is accounted for using the equity method.

Complete financial statements for QLife and Airport can be obtained from the City of The Dalles' administrative offices, 313 Court Street, The Dalles, OR 97058.

## **F. Long-Term Obligations**

### **1. Full Faith and Credit Obligation Bonds-Governmental and Business-Type Activities**

The City issued full faith and credit obligation bonds in February 2008, with interest rates ranging from 4.0% to 4.2%. The bond principal is payable annually and the interest is payable semiannually, with final payments due June 1, 2023. The bonds are direct obligations and pledge the full faith and credit of the City. These bonds were issued to provide funding for the acquisition and construction of major capital facilities. A portion of the debt is reported in and will be repaid by the Water and Wastewater Funds, which also own a portion of the assets.

The City issued \$12,100,000 in 2009 Full Faith and Credit Obligations in October of 2009. \$10,205,000 of the bonds was for the benefit of the Columbia Gateway Urban Renewal Agency and will be repaid from tax increment revenues with the Urban Renewal area with interest rates ranging from 2% to 5%. The remaining \$1,895,000 of the bonds was issued to finance improvements to the Street, Water, and Wastewater systems and have been split between the benefitting funds. \$1,368,000 was allocated to street improvements and has been reported with the governmental activities. The bonds are backed by the full faith and credit of the City and carry interest rates ranging from 2% to 5%. The total bonds were issued to finance construction of public infrastructure improvements, Urban Renewal Projects, to refinance the Urban Renewal Bonds series 2002, to fund an Urban Renewal debt reserve, and to pay the costs of issuance.

The City filed “financial operating” and “material event” notices, as required by full disclosure and requirements of the bond issue, during the fiscal year, including posting annual adopted budgets and the audited City of The Dalles Comprehensive Annual Financial Statement (CAFR), which includes the Columbia Gateway Urban Renewal Agency as a blended component.

The future maturities of the full faith and credit obligation bonds – governmental activities are as follows:

	<b>2008 Full Faith and Credit Bonds</b>		<b>2009 Full Faith and Credit Bonds Urban Renewal portion</b>	
	Principal	Interest	Principal	Interest
2017	\$ 139,472	\$ 44,710	\$ 445,000	\$ 356,588
2018	145,536	39,130	465,000	338,788
2019	151,600	33,310	485,000	315,537
2020	157,664	27,246	510,000	291,287
2021	163,728	20,938	535,000	270,887
2022-2026	345,648	21,776	3,015,000	991,826
2027-2031	-	-	2,180,000	221,250
<b>Total</b>	<b>\$ 1,103,648</b>	<b>\$ 187,110</b>	<b>\$ 7,635,000</b>	<b>\$ 2,786,163</b>

	<b>2009 Full Faith and Credit Bonds Street LID portion</b>		<b>Full Faith &amp; Credit Bonds Total Governmental</b>	
	Principal	Interest	Principal	Interest
2017	\$ 57,760	\$ 46,407	\$ 642,232	\$ 447,705
2018	61,370	44,096	671,906	422,014
2019	61,370	41,028	697,970	389,875
2020	64,980	37,959	732,644	356,492
2021	68,590	35,360	767,318	327,185
2022-2026	397,100	129,236	3,757,748	1,142,838
2027-2031	281,580	28,518	2,461,580	249,768
<b>Total</b>	<b>\$ 992,750</b>	<b>\$ 362,604</b>	<b>\$ 9,731,398</b>	<b>\$ 3,335,877</b>

The premium on the full faith and credit bonds – governmental activity is as follows:

	<b>Premium on 2008 Full Faith and Credit Bonds</b>		<b>Premium on 2009 Full Faith and Credit Bonds</b>		<b>Total Premium on Governmental Full Faith and Credit Bonds</b>	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 3,578	\$ -	\$ 45,516	\$ -	\$ 49,094	\$ -
2018	3,578	-	45,516	-	49,094	-
2019	3,578	-	45,516	-	49,094	-
2020	3,578	-	45,516	-	49,094	-
2021	3,578	-	45,516	-	49,094	-
2022-2026	7,153	-	227,580	-	234,733	-
2027-2031	-	-	136,537	-	136,537	-
<b>Total</b>	<b>\$ 25,043</b>	<b>\$ -</b>	<b>\$ 591,697</b>	<b>\$ -</b>	<b>\$ 616,740</b>	<b>\$ -</b>

The future maturities of the full faith and credit obligation bonds – business-type activities are as follows:

	<b>2008 Full Faith and Credit Wastewater Bonds</b>		<b>2008 Full Faith and Credit Water Bonds</b>		<b>2009 Full Faith and Credit Wastewater Bonds</b>	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 45,264	\$ 14,510	\$ 45,264	\$ 14,510	\$ 3,920	\$ 3,149
2018	47,232	12,700	47,232	12,700	4,165	2,993
2019	49,200	10,810	49,200	10,810	4,165	2,784
2020	51,168	8,842	51,168	8,842	4,410	2,576
2021	53,136	6,796	53,136	6,796	4,655	2,400
2022-2026	112,176	7,067	112,176	7,067	26,950	8,772
2027-2031	-	-	-	-	19,110	1,936
<b>Total</b>	<b>\$ 358,176</b>	<b>\$ 60,725</b>	<b>\$ 358,176</b>	<b>\$ 60,725</b>	<b>\$ 67,375</b>	<b>\$ 24,610</b>

	<b>2009 Full Faith and Credit Water Bonds</b>		<b>Full Faith and Credit Bonds Business Activity Total</b>	
	Principal	Interest	Principal	Interest
2017	\$ 18,320	\$ 14,719	\$ 112,768	\$ 46,888
2018	19,465	13,986	118,094	42,379
2019	19,465	13,013	122,030	37,417
2020	20,610	12,040	127,356	32,300
2021	21,755	11,215	132,682	27,207
2022-2026	125,950	40,992	377,252	63,898
2027-2031	89,310	9,046	108,420	10,982
<b>Total</b>	<b>\$ 314,875</b>	<b>\$ 115,011</b>	<b>\$ 1,098,602</b>	<b>\$ 261,071</b>

The premium on the full faith and credit bonds – business-type activity is as follows:

	Premium on 2009 Full Faith and Credit Wastewater Bonds		Premium on 2009 Full Faith and Credit Water Bonds		Premium on Water Revenue Bonds		Premium on Business Type Bonds Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 313	\$ -	\$ 1,463	\$ -	\$ 1,665	\$ -	\$ 3,441	\$ -
2018	313	-	1,463	-	1,665	-	3,441	-
2019	313	-	1,463	-	1,665	-	3,441	-
2020	313	-	1,463	-	1,665	-	3,441	-
2021	313	-	1,463	-	1,665	-	3,441	-
2022-2026	1,565	-	7,315	-	8,325	-	17,205	-
2027-2031	1,241	-	5,798	-	8,325	-	15,364	-
2032-2036	-	-	-	-	1,667	-	1,667	-
Total	<u>\$ 4,371</u>	<u>\$ -</u>	<u>\$20,428</u>	<u>\$ -</u>	<u>\$ 26,642</u>	<u>\$ -</u>	<u>\$ 51,441</u>	<u>\$ -</u>

## 2. Loans Payable-Governmental Activities

The City currently has a loan payable to Peterson Cat for the purchase of equipment, which is payable in annual installments of \$26,672 including principal and interest at 3.20%. A final payment of \$1 is due on August 30, 2017. The loan is secured by the equipment and is payable from general government revenues.

Future maturities of the loans payable are as follows:

	Peterson Cat - Skid Steer	
	Principal	Interest
2017	\$ 25,845	\$ 827
2018	<u>1</u>	<u>-</u>
	<u>\$ 25,846</u>	<u>\$ 827</u>

## 3. Bonds Payable-Business-Type Activities

*Water Fund* - The Water Fund has revenue bonds payable used to finance improvements to the City's water system and infrastructure. The bond principal is payable annually and the interest is payable semiannually with interest rates ranging from 4.0% to 4.4%. Final Payment is due June 1, 2032.

The City issued full faith and credit obligation bonds in February 2008, with interest rates ranging from 4.0% to 4.2%. The bond principal is payable annually and the interest is payable semiannually, with final payments due June 1, 2023. The bonds are direct obligations and pledge the full faith and credit of the City. These bonds were issued to provide funding for the acquisition and construction of major capital

facilities. The Water Fund owns a portion of the Public Works Facility and is expected to pay 19.68% of the total bonds.

The City issued \$12,100,000 in 2009 Full Faith and Credit Obligations in October of 2009. \$1,895,000 of the bonds was issued to finance improvements to the Street, Water, and Wastewater system and have been split between the benefitting funds. \$433,955 (22.9%) was allocated to water improvements and has been reported in the Water Fund. The bonds are backed by the full faith and credit of the City and construction of public infrastructure improvements, Urban Renewal Projects, to refinance the Urban Renewal Bonds Series 2002, to fund an Urban Renewal debt reserve, and to pay the costs of issuance.

*Wastewater Fund* - The Wastewater Fund has revenue bonds payable used to finance improvements to the City's wastewater treatment plant. The bond principal is payable annually and the interest is payable semiannually with interest rates from 2.0% to 4.2%. Final payment is due April 1, 2022.

The City issued full faith and credit obligation bonds in February 2008, with interest rates ranging from 4.0% to 4.2%. The bond principal is payable annually and the interest is payable semiannually, with final payments due June 1, 2023. The bonds are direct obligations and pledge the full faith and credit of the City. These bonds were issued to provide funding for the acquisition and construction of major capital facilities. The Wastewater Fund owns a portion of the Public Works Facility and is expected to pay 19.68% of the total bonds.

The City issued \$12,100,000 in 2009 Full Faith and Credit Obligations in October of 2009. \$1,895,000 of the bonds was issued to finance improvements to the Street, Water, and Wastewater system and have been split between the benefitting funds. \$92,855 (4.9%) was allocated to wastewater improvements and has been reported in the wastewater fund. The bonds are backed by the full faith and credit of the City and carry interest rates ranging from 2% to 5%. The total bonds were issued to finance construction of public infrastructure improvements, Urban Renewal Projects, to refinance the Urban Renewal Bonds Series 2002, to fund an Urban Renewal debt reserve, and to pay the costs of issuance.

Future maturities of the bonds payable are as follows:

	<b>Wastewater System Revenue Bonds</b>		<b>Water Revenue Bonds</b>		<b>Revenue Bonds Total</b>	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 435,000	\$ 116,845	\$ 290,000	\$ 275,005	\$ 725,000	\$ 391,850
2018	455,000	100,315	300,000	263,405	755,000	363,720
2019	470,000	82,570	315,000	250,655	785,000	333,225
2020	490,000	63,770	325,000	237,268	815,000	301,038
2021	510,000	43,680	340,000	223,455	850,000	267,135
2022-2026	530,000	22,260	1,930,000	887,976	2,460,000	910,236
2027-2031	-	-	2,375,000	440,230	2,375,000	440,230
2032-2036	-	-	540,000	23,760	540,000	23,760
<b>Total</b>	<b>\$ 2,890,000</b>	<b>\$ 429,440</b>	<b>\$ 6,415,000</b>	<b>\$ 2,601,754</b>	<b>\$ 9,305,000</b>	<b>\$ 3,031,194</b>

**4. Loan Payable-Business-Type Activities**

*Water Fund* - The City received approvals of three loans through the State of Oregon for water system improvements. The loans consist of the ARRA Forgivable Note for up to \$2,988,773, the ARRA F-1 Note for up to \$1,025,149, and the SDWRLF-2 Loan for up to \$2,553,101. The loan proceeds are disbursed on an expense reimbursement basis in the order listed above. Proceeds from the ARRA Forgivable Note, ARRA F-1, and SDWRLF-2 loan have been accrued in the amount of \$2,988,773, \$1,025,149, and \$2,521,321 respectively to match the budgetary revenues to the Federal expenditures reported. The ARRA F-1 Note bears interest at 3% per annum. The SDWRLF F-2 Loan originally carried interest at 3.83%, but was reduced to 3% when the State received EPA approval of an amended Oregon Safe Drinking Water Intended Use Plan that allows the interest rate to be reduced. Repayment of the ARRA F-1 and SDWRLF-2 began December 1, 2014. The principal and interest of these two loans shall be payable from the Net Revenues of the Water System and the full faith and credit of the City.

The City complied with the loan terms, completed the project as budgeted, and no defaults occurred. This resulted in the ARRA Forgivable Note being forgiven in FY13/14.

Future maturities of the loans payable are as follows:

	<b>ARRA Note</b>	
	Principal	Interest
2017	\$ 140,022	\$ 98,356
2018	144,223	94,156
2019	148,550	89,829
2020	153,006	85,372
2021	157,596	80,782
2022-2026	861,801	330,092
2027-2031	<u>1,673,342</u>	<u>233,683</u>
	<u>\$ 3,278,540</u>	<u>\$ 1,012,270</u>

**5. Conduit Debt**

The City has acted as a conduit for debt issued by the Airport and payable to the Port of The Dalles for rehabilitation of a well at the Airport. The City has also acted as a conduit for a loan from Klickitat County for construction of a new maintenance hanger at the Airport. Additionally, the City has acted as a conduit for repayment of a loan received by Klickitat County to make improvements to the Airport Industrial Park. The total conduit debt outstanding is \$2,754,231.

**6. Changes in Long-Term Obligations**

Long-term obligation activity for the year ended June 30, 2016, is as follows:

	<u>6/30/15</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/16</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
Full Faith and Credit Bonds	\$ 10,348,956	\$ -	\$ 617,558	\$ 9,731,398	\$ 642,232
Premium on FFCO Bonds	665,834	-	49,094	616,740	49,094
Loans Payable	50,890	-	25,044	25,846	25,845
Compensated Absences	303,648	304,135	303,648	304,135	304,135
Other Postemployment Benefits	1,468,539	107,742	-	1,576,281	-
Total Governmental activity Long-term obligations	<u>\$ 12,837,867</u>	<u>\$ 411,877</u>	<u>\$ 995,344</u>	<u>\$ 12,254,400</u>	<u>\$ 1,021,306</u>
<b>Business-Type Activities</b>					
Revenue Bonds	\$ 10,005,000	\$ -	\$ 700,000	\$ 9,305,000	\$ 725,000
Full Faith and Credit Bonds	1,206,044	-	107,442	1,098,602	112,768
Premium on Bonds	54,882	-	3,441	51,441	3,441
Loans Payable	3,414,485	-	135,945	3,278,540	140,022
Compensated Absences	154,881	159,245	154,881	159,245	159,245
Other Postemployment Benefits	850,673	30,441	-	881,114	-
Total Business-type activity Long-term obligations	<u>\$ 15,685,965</u>	<u>\$ 189,686</u>	<u>\$ 1,101,709</u>	<u>\$ 14,773,942</u>	<u>\$ 1,140,476</u>

## G. Net Position

The government-wide statement of net position reports \$19,111,634 of restricted net position, of which \$1,847,330 is restricted by enabling legislation.

## H. Transfers

Net transfers between governmental activities and business-type activities in the government-wide financial statements consist of transfers to the governmental activities and from the business-type activities in the amount of \$1,299,746. A reconciliation of transfers in the fund financial statements is as follows:

	Transfers In	Transfers Out
Governmental activity:		
General fund	\$ 1,557,954	\$ 169,057
Street fund	471,923	484,557
Library fund	26,000	73,351
Special grants fund	4,110	3,000
Special Assessment fund	-	112,723
Other governmental funds	1,133,677	1,051,230
Business-type activities		
Water fund	3,016,205	3,743,210
Waste water fund	2,797,385	3,370,126
Total Transfers	<u>\$ 9,007,254</u>	<u>\$ 9,007,254</u>

Transfers out of the General Fund were primarily to the Street Fund for operations. Transfers into the General Fund consisted of administrative overhead reimbursements from the Library, Special Grants, Special Assessments, Street, Water, and Wastewater Funds. The Library Fund and Public Works Funds (Streets, Water and Wastewater) all also contributed to the Unemployment Reserve Fund. Capital additions were recorded in the Capital Projects Fund and contributed to the Water and Wastewater Funds. Finally, the Street, Special Assessments, Water, and Wastewater Funds transferred funds to the FFCO Bond Funds for debt service.

#### **IV. Other Information**

##### **A. Risk Management**

The City is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; and errors and omissions for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage for the past four years.

##### **B. Other Postemployment Benefits**

The City does not have a formal post-employment benefits plan for any employee groups. However, the City is required by Oregon revised Statutes 243.303 to provide retirees with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Although the City does not pay any portion of the retiree's health care insurance, a retired employee receives the implicit benefit of a lower healthcare premium which is subsidized among the premium cost of coverage for active employees, which is considered a single employer defined benefit plan. GASB Statement 45 is applicable to the City due only to this implicit rate subsidy. The general fund typically has been and will be used to liquidate the net pension obligation or net other post employment benefit obligation. This "plan" is not a stand-alone plan and therefore does not issue its own financial statements. The City does not currently have any retirees who are participating in the plan.

Annual OPEB Cost and Net OPEB Obligation: The City's annual other postemployment benefit cost is calculated based on the Annual Required Contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period of 30 years on a closed basis. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan which is zero, and changes in the City's OPEB obligation to the plan.



Annual required contributions	\$ 187,145
Interest on net OPEB obligation	23,192
Adjustment to annual required contributions	<u>(72,154)</u>
Annual OPEB cost	138,183
Less OPEB contributions (Amounts paid by the City during the year)	<u>-</u>
Change in net OPEB obligation	138,183
Net OPEB obligation - beginning of year	<u>2,319,212</u>
Net OPEB obligation - end of year	<u><u>\$2,457,395</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal year ended June 30, 2016 was as follows:

Health Insurance Continuation			
Fiscal Year Ended	Annual OPEB Cost	Percent of Annual OPEB Contributions	Net OPEB Obligation
June 30, 2012	440,304	-	1,321,206
June 30, 2013	429,969	-	1,751,175
June 30, 2014	432,262	-	2,183,437
June 30, 2015	135,775	-	2,319,212
June 30, 2016	138,183	-	2,457,395

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2016, was as follows:

	Health Insurance Continuation
Employer's normal cost	\$ 1,234,695
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability	<u><u>\$ 1,234,695</u></u>
Funded ratio	0.00%
Covered payroll (active plan members)	\$ 5,426,600
UAAL as a percentage of covered payroll	22.75%

The plan's actuarial valuation involves estimates of amounts and assumptions about the probability of events far into the future, such as, future employment, mortality, and healthcare cost trends. Amounts determined about the funding status of the plan and the annual required contributions are subject to periodic revision as actual results for each period are compared with past expectations and new assumptions are made about the future.

In the June 30, 2015 valuation, the entry age cost method was used. The investment return for the City was assumed to be 1% to reflect the long-term annual investment returns for the Oregon Local Government Investment Pool and comparable investment vehicles. Medical premium increases were assumed to be 8% in the first year, 7% in the second year, 6% in the third year, 5.5% in year four, 5.3% in year five, 5.2% in years six, seven, eight and nine, and 4.7% thereafter. Pharmacy increases were assumed to be 9% in the first year, 8% in the second year, 7% in the third year, 6% in year four, 5.8% in year five, 5.6% in years six and seven, 5.5% in years eight and nine, and 4.7% thereafter. Dental premium increases were assumed to be 4% in the first year, 3.5% in the second year, and 3% thereafter. Vision premium increases were assumed to be 3% for all years.

*Actuarial Methods and Assumptions:* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The City meets the requirements to use the alternative measurement method and has chosen to use this method to value its OPEB liability. In the June 30, 2015 actuarial valuation, the entry age actuarial cost method was used. The UAAL is being amortized over 24 years on a closed basis using the level percentage of payroll amortization method. Payroll growth increase assumption is 2.9 percent. Age adjustment factor is 1.916354. The discount rate is 1.0 percent. The general rate of inflation assumption is 2.9%.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

## **C. Employee Retirement Plans**

### **1. Retirement plan for non-public safety employees**

The City of The Dalles Retirement Plan is a defined contribution plan established by the City to provide benefits at retirement to the non-public safety employees of the City. Standard Retirement Services, Inc., administers this retirement plan. Employees are eligible to participate after one year of employment. The City is required to contribute 6 percent of eligible compensation on behalf of employees and an additional 7.5 percent of eligible compensation as the City's contribution. In addition

employees may voluntarily contribute up to 10 percent of their eligible compensation. Plan provisions and contribution requirements are established by, and may be amended by the City Council.

The payroll for non-public safety employees covered by the plan for the year ended June 30, 2016 was \$3,796,925. Total contributions to the plan for the year ended June 30, 2016 were \$638,568, including \$515,808 for both the City and employee portions that is paid by the City, and \$122,760 in employee loan repayments and additional employee voluntary contributions.

## **2. Retirement plan for public safety employees**

The City of The Dalles Public Safety Employees Retirement Plan is defined contribution plan established by the City to provide benefits at retirement to the public safety employees of the City. Standard Retirement Services, Inc., administers this retirement plan. Employees are eligible to participate after one year of employment. The City is required to contribute 6 percent of eligible compensation on behalf of employees and an additional 16.6 percent of eligible compensation as the City's contribution. In addition employees may voluntarily contribute up to 2.4 percent of their eligible compensation. Plan provisions and contribution requirements are established by, and may be amended by, the City Council.

The payroll for public safety employees covered by the plan for the year ended June 30, 2016 was \$1,520,091. Total contributions to the plan for the year ended June 30, 2016 were \$377,278, including \$338,970 for both the City and employee portions that is paid by the City, and \$38,308 in employee loan repayments and additional employee voluntary contributions.

## **D. Commitments, contingencies, and subsequent events**

### **1. Construction in Progress**

The City is committed under various, architectural, engineering, and construction contracts at June 30<sup>th</sup>, 2016.

The Washington Street Underpass costs incurred to date is \$1,513,680 with total estimated costs of \$8.080 million.

The 3rd Street Streetscape project costs incurred to date are \$52,668, with estimated costs of \$3 million.

The Downtown Parking Structure Project costs incurred to date are \$19,680, with estimated costs of \$3.3 million.

The 1<sup>st</sup> Street Parking Lot costs incurred to date are \$42,866.

The ODOT- Welcome signs costs incurred to date are \$4,219.

The Downtown WIFI project - Phases 2, 3, 4 and 5 costs incurred to date are \$246,440.

The Granada Block project costs incurred to date are \$269,287.

The Port 18" Looped Water Main Project costs incurred to date are \$6,862.

The Booster ST Pump Replacement Project costs incurred to date are \$18,226.

2nd Street paving project costs incurred to date are \$8,111.

The Library Design Project costs incurred to date are \$945,713. This design project is for the expansion of the Library.

The design portion of the Lone Pine Well Expansion costs incurred to date are \$294,535, with estimated construction costs of \$1 million.

The Dog River Pipeline project costs incurred to date are \$160,220, with total estimated costs of \$7.883 million.

The Water Shed Seeding Burn project costs incurred to date of \$58,514, with total estimated costs of \$1,100,000.

There are various improvements in the early stages at the Wastewater Treatment Plant costs incurred to date is \$404,625, with total estimated project costs of about \$13.4 million.

The 4th Street Grade Sanitary Survey costs incurred to date are \$6,550, with estimated costs of \$555,000.

West 2nd Street Joint Utility project costs incurred to date are \$7,208, with estimated costs of \$550,000.

Sewer Lines for 13<sup>th</sup> Street costs incurred to date are \$470.

The Storm Bike Grates project costs incurred to date are \$14,936.

The Trevitt to Garrison project costs incurred to date are \$1,608.

## **2. Subsequent Events**

Management has evaluated subsequent events through November 18, 2016, the date on which the financial statements were available to be issued and determined that nothing should be recognized.

**E. Related Parties**

During the year the City had the following related party transactions. QLife revenues from administration \$58,470, rent revenue \$7,752, and right of way \$19,466 and expenditures of \$9,840. QLife owes the City \$4,516 for current year rent and charges of administrative services rendered, and \$1,647 for right-of-way fees. The City owes QLife \$820. The City pays the Airport \$65,000 per year per the intergovernmental agreement.

**F. Prior Period Adjustments**

For the year ended June 30, 2016, the City had four prior period adjustments.

The Special Assessment Fund increased fund balance by \$7,490 as a reimbursement from a prior period was recorded incorrectly.

The City reevaluated their intergovernmental agreements with Wasco County and Klickitat County to determine if they needed to be treated as joint ventures. The City determined that the QLife with Wasco County and the Airport with Klickitat County both need to be treated as joint ventures. Therefore, the City has reported a prior period adjustment for both of these joint ventures using the cost plus or minus the City's share of operating income or loss as of June 30, 2015 utilizing the equity method of accounting. The City recorded their investment in the joint venture QLife's prior period adjustment of \$1,043,671 and the Airport's prior period adjustment of \$5,545,715.

The Airport had been reported as an enterprise fund in the City's June 30, 2015 Comprehensive Annual Financial Report. Therefore, the City has a prior period adjustment of \$11,265,887 to remove the Airport from the City's business-type activities on the Statement of Activities as it is now being reported as a joint venture and has separately issued financial statements.

	Governmental Activities	Business Type Activities
Net position - beginning as previously reported	\$ 34,853,707	\$ 44,693,359
Reimbursements	7,490	-
QualityLife Intergovernmental Agency	1,043,671	-
Columbia Gorge Regional/The Dalles Airport	<u>5,545,715</u>	<u>(11,265,887)</u>
Net position - beginning as restated	<u>\$ 41,450,583</u>	<u>\$ 33,427,472</u>



## **REQUIRED SUPPLEMENTAL INFORMATION**

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**CITY OF THE DALLES, OREGON**  
**OTHER POST EMPLOYMENT BENEFITS SCHEDULE OF FUNDING PROGRESS**  
**For the Fiscal Year Ended June 30, 2016**

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Actuarial Valuation Date	Actuarial Value of Assets ( a )	Actuarial Accrued Liability (AAL) ( b )	Unfunded AAL (UAAL) ( b-a )	Funded Ratio ( a/b )	Covered Payroll ( c )	UAAL as a Percentage of Covered Payroll (b-a)/( c )
06/30/12	\$ -	\$ 3,289,224	\$ 3,289,224	0%	\$ 5,035,113	65.33%
06/30/13	-	3,289,224	3,289,224	0%	5,228,715	62.91%
06/30/14	-	3,289,224	3,289,224	0%	5,020,026	65.52%
06/30/15	-	1,234,695	1,234,695	0%	5,067,937	24.36%
06/30/16	-	1,234,695	1,234,695	0%	5,426,600	22.75%





## **OTHER SUPPLEMENTAL INFORMATION**

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## OTHER SUPPLEMENTAL INFORMATION

Other supplementary information includes financial schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Schedules – Nonmajor Governmental Funds
- Combining Schedules – General Fund - Generally Accepted Accounting Principles
- Budgetary Comparison Schedules
- Budgetary Comparison Schedules – Enterprise Funds

## COMBINING STATEMENTS

### Nonmajor Governmental Funds

#### **Special Revenue Funds**

These funds account for revenue from specific sources that are legally restricted to expenditures for specified purposes. Funds included in this category are:

#### **Community Benevolence Fund**

The Community Benevolence Fund provides for the accumulation of financial resources to pay for expenses related to the memorials to Veterans of the community. Principal revenues are primarily from grants.

#### **State Office Building Fund**

The State Office Building Fund accounts for the operations and maintenance of a City owned building currently rented by the State of Oregon to provide services to the local community. Principal revenues are from rental income.

#### **Capital Projects Funds**

These funds account for expenditures on major construction projects or equipment acquisitions. The principal sources of revenues are proceeds from long-term obligations issued to finance capital acquisitions and improvements. The fund included in this category is:

#### **Capital Projects Fund**

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the enterprise funds. Principal resources to the fund are grants, a portion of lease payments received on the State Office Building owned by the City, and interest earned on investments.

## **Debt Service Funds**

These funds account for revenues and expenditures related to the repayment of general long-term indebtedness. Funds included in this category are:

### **FFCO 2008 Bond Fund**

The FFCO 2008 Bond Fund accounts for the accumulation of resources for, and the repayment of, full faith and credit bonds relating to the relocation of the Public Works facilities and the remodel of City Hall.

### **2009 FFCO Bond Fund**

The 2009 FFCO Bond Fund accounts for the accumulation of resources for, and the repayment of, general long-term debt principal and interest relating to the Columbia Gateway Urban Renewal District and Water and Wastewater improvements.

### **Urban Renewal Debt Fund**

The Urban Renewal Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest relating to the Columbia Gateway Urban Renewal District.

## **General Fund Combining**

The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those accounted for in another fund. Principal sources of revenue are property taxes, franchise fees, hotel-motel tax, and state shared revenues. Expenditures are primarily for general government operations, public safety (police), and culture and recreation.

### **Public Works Reserve Fund - Budgetary Basis Only**

The Public Works Reserve Fund provides for the accumulation of financial resources to pay for equipment, machinery and vehicles for the Public Works Departments: streets, water and sewer operations. Contributions are received from the operating funds of the Street Fund, Water Utility Fund, Wastewater Utility Fund, and the sale of Public Works' surplus property.

### **Transportation System Reserve Fund - Budgetary Basis Only**

The Transportation System Reserve Fund provides for the accumulation of funds to pay for upgrade and expansion of the street systems.

### **Unemployment Reserve Fund - Budgetary Basis Only**

The Unemployment Reserve Fund provides for the accumulation of financial resources of the City to pay claims of unemployment. Contributions are received from the operating funds of the General Fund, Library Fund, Street Fund, Water Utility Fund, and Wastewater Utility Fund.

**CITY OF THE DALLES, OREGON  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2016**

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	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Nonmajor Capital Project Fund	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 27,047	\$ 801,588	\$ 162,229	\$ 990,864
Receivables:				
Accounts	25,067	-	1,500	26,567
Total assets	<u>\$ 52,114</u>	<u>\$ 801,588</u>	<u>\$ 163,729</u>	<u>\$ 1,017,431</u>
<b>LIABILITIES:</b>				
Accounts payable and accrued expenses	\$ 1,741	-	-	\$ 1,741
Total liabilities	<u>1,741</u>	<u>-</u>	<u>-</u>	<u>1,741</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Grant / contributor specific intent	12,684	-	-	12,684
State statute	-	801,588	-	801,588
Committed for:				
Major capital facilities and associated debt	-	-	163,729	163,729
Agreements with state agencies	37,689	-	-	37,689
Total fund balances	<u>50,373</u>	<u>801,588</u>	<u>163,729</u>	<u>1,015,690</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,114</u>	<u>\$ 801,588</u>	<u>\$ 163,729</u>	<u>\$ 1,017,431</u>

**CITY OF THE DALLES, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2016**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Nonmajor Capital Project Fund	Total
<b>REVENUES:</b>				
Property taxes	\$ -	\$ 802,746	\$ -	\$ 802,746
Rental income	212,407	123,916	101,761	438,084
Interest on investments	289	5,000	829	6,118
	<u>212,696</u>	<u>931,662</u>	<u>102,590</u>	<u>1,246,948</u>
<b>EXPENDITURES:</b>				
General government	-	-	17,534	17,534
Public safety	160,381	-	-	160,381
Capital outlay	67,004	-	-	67,004
Debt service:				
Principal	-	617,558	-	617,558
Interest	-	523,593	1,061	524,654
	<u>227,385</u>	<u>1,141,151</u>	<u>18,595</u>	<u>1,387,131</u>
Revenues over (under) expenditures	(14,689)	(209,489)	83,995	(140,183)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	9,000	1,124,677	-	1,133,677
Transfers out	-	(911,230)	(140,000)	(1,051,230)
	<u>9,000</u>	<u>213,447</u>	<u>(140,000)</u>	<u>82,447</u>
Net changes in fund balances	(5,689)	3,958	(56,005)	(57,736)
<b>FUND BALANCES, BEGINNING</b>	<u>56,062</u>	<u>797,630</u>	<u>219,734</u>	<u>1,073,426</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 50,373</u>	<u>\$ 801,588</u>	<u>\$ 163,729</u>	<u>\$ 1,015,690</u>

**CITY OF THE DALLES, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2016**

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	Community Benevolence Fund	State Office Building Fund	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 12,684	\$ 14,363	\$ 27,047
Receivables:			
Accounts	-	25,067	25,067
Total assets	<u>\$ 12,684</u>	<u>\$ 39,430</u>	<u>\$ 52,114</u>
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	\$ -	\$ 1,741	\$ 1,741
Total liabilities	-	1,741	1,741
<b>FUND BALANCES:</b>			
Restricted for:			
Grant / contributor specific intent	12,684	-	12,684
Committed for:			
Agreements with state agencies	-	37,689	37,689
Total fund balances	<u>12,684</u>	<u>37,689</u>	<u>50,373</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,684</u>	<u>\$ 39,430</u>	<u>\$ 52,114</u>

**CITY OF THE DALLES, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2016**

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	Community Benevolence Fund	State Office Building Fund	Total
<b>REVENUES:</b>			
Rental income	\$ -	\$ 212,407	\$ 212,407
Interest on investments	71	218	289
	<u>71</u>	<u>212,625</u>	<u>212,696</u>
Total revenues			
	<u>71</u>	<u>212,625</u>	<u>212,696</u>
<b>EXPENDITURES:</b>			
Public safety	-	160,381	160,381
Capital outlay	-	67,004	67,004
	<u>-</u>	<u>227,385</u>	<u>227,385</u>
Total expenditures			
	<u>-</u>	<u>227,385</u>	<u>227,385</u>
Revenues over (under) expenditures	71	(14,760)	(14,689)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	9,000	9,000
	<u>-</u>	<u>9,000</u>	<u>9,000</u>
Total other financing sources (uses)			
	<u>-</u>	<u>9,000</u>	<u>9,000</u>
Net changes in fund balances	71	(5,760)	(5,689)
<b>FUND BALANCES, BEGINNING</b>	<u>12,613</u>	<u>43,449</u>	<u>56,062</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 12,684</u>	<u>\$ 37,689</u>	<u>\$ 50,373</u>



**CITY OF THE DALLES, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2016**

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	<u>FFCO 2008 Bond Fund</u>	<u>2009 FFCO Bond Fund</u>	<u>Urban Renewal Debt Fund</u>	<u>Total</u>
<b>ASSETS:</b>				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 801,588</u>	<u>\$ 801,588</u>
Total assets	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 801,588</u></u>	<u><u>\$ 801,588</u></u>
<b>FUND BALANCES:</b>				
Restricted for:				
State statute	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 801,588</u>	<u>\$ 801,588</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>801,588</u>	<u>801,588</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 801,588</u></u>	<u><u>\$ 801,588</u></u>

**CITY OF THE DALLES, OREGON  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2016**

	FFCO 2008 Bond Fund	2009 FFCO Bond Fund	Urban Renewal Debt Fund	Total
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ 802,746	\$ 802,746
Rental income	123,916	-	-	123,916
Interest on investments	-	-	5,000	5,000
Total revenues	<u>123,916</u>	<u>-</u>	<u>807,746</u>	<u>931,662</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	133,408	484,150	-	617,558
Interest	<u>82,530</u>	<u>441,063</u>	<u>-</u>	<u>523,593</u>
Total expenditures	<u>215,938</u>	<u>925,213</u>	<u>-</u>	<u>1,141,151</u>
Revenues over (under) expenditures	(92,022)	(925,213)	807,746	(209,489)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	178,614	946,063	-	1,124,677
Transfers out	<u>(86,592)</u>	<u>(20,850)</u>	<u>(803,788)</u>	<u>(911,230)</u>
Total other financing sources (uses)	<u>92,022</u>	<u>925,213</u>	<u>(803,788)</u>	<u>213,447</u>
Net changes in fund balances	-	-	3,958	3,958
<b>FUND BALANCES, BEGINNING</b>	<u>-</u>	<u>-</u>	<u>797,630</u>	<u>797,630</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 801,588</u>	<u>\$ 801,588</u>

**CITY OF THE DALLES, OREGON**  
**GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**  
**COMBINING BALANCE SHEET**  
**June 30, 2016**

	General Fund - Budgetary Basis	Public Works Reserve Fund - Budgetary Basis	Transportation System Reserve Fund - Budgetary Basis	Unemployment Reserve Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 1,828,209	\$ 298,859	\$ 732,336	\$ 78,022	\$ 2,937,426
Receivables:					
Accounts	494,889	-	-	-	494,889
Intergovernmental	23,485	-	-	-	23,485
Fines and forfeitures, net	547,470	-	-	-	547,470
Property taxes	202,550	-	-	-	202,550
Prepaid items	144,028	-	-	-	144,028
	<u>3,240,631</u>	<u>298,859</u>	<u>732,336</u>	<u>78,022</u>	<u>4,349,848</u>
Total assets	<u>\$ 3,240,631</u>	<u>\$ 298,859</u>	<u>\$ 732,336</u>	<u>\$ 78,022</u>	<u>\$ 4,349,848</u>
<b>LIABILITIES:</b>					
Accounts payable and accrued expenses	\$ 177,140	\$ -	\$ -	\$ 2,010	\$ 179,150
Total liabilities	<u>177,140</u>	<u>-</u>	<u>-</u>	<u>2,010</u>	<u>179,150</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue	750,401	-	-	-	750,401
Total deferred inflows of resources	<u>750,401</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750,401</u>
<b>FUND BALANCES:</b>					
Nonspendable:					
Prepays	144,028	-	-	-	144,028
Committed for:					
Committed by ordinance or resolution	-	298,859	732,336	76,012	1,107,207
Assigned for:					
Unassigned	2,169,062	-	-	-	2,169,062
Total fund balances	<u>2,313,090</u>	<u>298,859</u>	<u>732,336</u>	<u>76,012</u>	<u>3,420,297</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,240,631</u>	<u>\$ 298,859</u>	<u>\$ 732,336</u>	<u>\$ 78,022</u>	<u>\$ 4,349,848</u>

**CITY OF THE DALLES, OREGON**  
**GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2016**

	General Fund - Budgetary Basis	Public Works Reserve Fund - Budgetary Basis	Transportation System Reserve Fund - Budgetary Basis	Unemployment Reserve Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
<b>REVENUES:</b>					
Property taxes	\$ 2,752,976	\$ -	\$ -	\$ -	\$ 2,752,976
Other taxes	1,312,519	-	-	-	1,312,519
Franchise fees	204,442	-	-	-	204,442
Licenses and fees	13,445	-	-	-	13,445
Charges for services	30,137	-	-	-	30,137
Intergovernmental	1,712,046	-	-	-	1,712,046
Fines and forfeitures, net	235,252	-	-	-	235,252
System development charges	-	-	84,850	-	84,850
Rental income	10,414	-	-	-	10,414
Interest on investments	9,751	1,372	3,650	470	15,243
Miscellaneous	107,364	-	-	-	107,364
<b>Total revenues</b>	<b>6,388,346</b>	<b>1,372</b>	<b>88,500</b>	<b>470</b>	<b>6,478,688</b>
<b>EXPENDITURES:</b>					
General government	2,938,894	-	-	7,207	2,946,101
Public safety	3,524,742	-	-	-	3,524,742
Culture and recreation	554,299	-	-	-	554,299
Capital outlay	92,911	107,802	424,921	-	625,634
<b>Total expenditures</b>	<b>7,110,846</b>	<b>107,802</b>	<b>424,921</b>	<b>7,207</b>	<b>7,650,776</b>
Revenues over (under) expenditures	(722,500)	(106,430)	(336,421)	(6,737)	(1,172,088)
<b>OTHER FINANCING SOURCES (USES):</b>					
Sale of property	3,013	-	-	-	3,013
Transfers in	1,166,275	260,945	101,439	29,295	1,557,954
Transfers out	(164,947)	-	(4,110)	-	(169,057)
<b>Total other financing sources (uses)</b>	<b>1,004,341</b>	<b>260,945</b>	<b>97,329</b>	<b>29,295</b>	<b>1,391,910</b>
Net changes in fund balances	281,841	154,515	(239,092)	22,558	219,822
<b>FUND BALANCES, BEGINNING</b>	<b>2,031,249</b>	<b>144,344</b>	<b>971,428</b>	<b>53,454</b>	<b>3,200,475</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 2,313,090</b>	<b>\$ 298,859</b>	<b>\$ 732,336</b>	<b>\$ 76,012</b>	<b>\$ 3,420,297</b>

## **BUDGETARY COMPARISON SCHEDULES**

### **Governmental Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

In accordance with GASB Statement #34, the City's General Fund and any major special revenue funds are presented as the basic governmental fund financial statements. All other budgetary comparisons are displayed in the following pages as supplemental information.

Major Governmental Budgetary Comparison schedules not included in basic financial statements include the following:

- General Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance
- General Fund - Budgetary Basis Schedule of Expenditures
- Public Works Reserve Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance
- Transportation System Reserve Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance
- Unemployment Reserve Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance
- Urban Renewal Capital Projects Fund
- Special Assessment Capital Projects Fund

Non-major Governmental Budgetary Comparison schedules included the following:

- Special Revenue Funds
  - Community Benevolence Fund
  - State Office Building Fund
- Capital Project Fund
  - Capital Projects Fund
- Debt Service Fund
  - FFCO 2008 Bond Fund
  - 2009 FFCO Bond Fund
  - Urban Renewal Debt Fund

**CITY OF THE DALLES, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 2,764,315	\$ 2,764,315	\$ 2,752,976	\$ (11,339)
Other taxes	1,258,031	1,258,031	1,312,519	54,488
Franchise fees	229,106	229,106	204,442	(24,664)
Licenses and fees	10,450	10,450	13,445	2,995
Charges for services	14,989	14,989	30,137	15,148
Intergovernmental	1,411,881	1,411,881	1,712,046	300,165
Fines and forfeitures, net	211,890	211,890	235,252	23,362
Rental income	9,814	9,814	10,414	600
Interest on investments	6,700	6,700	9,751	3,051
Miscellaneous	34,500	156,630	107,364	(49,266)
Total revenues	<u>5,951,676</u>	<u>6,073,806</u>	<u>6,388,346</u>	<u>314,540</u>
<b>EXPENDITURES:</b>				
General government	3,066,426	3,406,907	2,938,894	468,013
Public safety	3,572,840	3,572,840	3,524,742	48,098
Culture and recreation	592,530	592,530	554,299	38,231
Capital outlay	146,000	146,000	92,911	53,089
Contingency	570,935	371,862	-	371,862
Total expenditures	<u>7,948,731</u>	<u>8,090,139</u>	<u>7,110,846</u>	<u>979,293</u>
Revenues over (under) expenditures	(1,997,055)	(2,016,333)	(722,500)	1,293,833
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	-	-	3,013	3,013
Transfers in	1,122,497	1,166,775	1,166,275	(500)
Transfers out	(164,947)	(189,947)	(164,947)	25,000
Total other financing sources (uses)	<u>957,550</u>	<u>976,828</u>	<u>1,004,341</u>	<u>27,513</u>
Net changes in fund balances	(1,039,505)	(1,039,505)	281,841	1,321,346
<b>FUND BALANCES, BEGINNING</b>				
<b>BUDGETARY BASIS</b>	<u>1,926,810</u>	<u>1,926,810</u>	<u>2,031,249</u>	<u>104,439</u>
				-
<b>FUND BALANCES, ENDING BUDGETARY</b>				
<b>BASIS</b>	<u>\$ 887,305</u>	<u>\$ 887,305</u>	<u>\$ 2,313,090</u>	<u>\$ 1,425,785</u>

**CITY OF THE DALLES, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
City council:				
Materials and services	\$ 264,610	\$ 425,168	\$ 281,499	\$ 143,669
Subtotal	264,610	425,168	281,499	143,669
City clerk:				
Personnel services	137,440	137,440	122,044	15,396
Materials and services	8,195	8,195	5,342	2,853
Subtotal	145,635	145,635	127,386	18,249
City manager/economic development:				
Personnel services	396,722	423,722	424,990	(1,268)
Materials and services	97,502	97,502	80,108	17,394
Subtotal	494,224	521,224	505,098	16,126
City attorney and judicial:				
Personnel services	356,151	356,151	326,158	29,993
Materials and services	148,848	148,848	125,626	23,222
Subtotal	504,999	504,999	451,784	53,215
Finance/utility billing:				
Personnel services	434,805	434,805	424,626	10,179
Materials and services	112,069	112,069	77,482	34,587
Subtotal	546,874	546,874	502,108	44,766
Personnel:				
Materials and services	8,900	36,900	32,785	4,115
Subtotal	8,900	36,900	32,785	4,115
Technology:				
Personnel services	103,517	103,517	100,374	3,143
Materials and services	162,780	231,480	140,289	91,191
Capital outlay	6,000	6,000	-	6,000
Subtotal	272,297	340,997	240,663	100,334

**CITY OF THE DALLES, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Continued				
Planning:				
Personnel services	458,098	458,098	419,796	38,302
Materials and services	35,720	35,720	27,190	8,530
Subtotal	493,818	493,818	446,986	46,832
City hall/transportation center:				
Personnel services	60,666	60,666	64,007	(3,341)
Materials and services	280,403	336,626	286,578	50,048
Capital outlay	45,000	45,000	44,128	872
Subtotal	386,069	442,292	394,713	47,579
Police:				
Personnel services	2,844,772	2,844,772	2,884,060	(39,288)
Materials and services	558,250	558,250	515,474	42,776
Capital outlay	95,000	95,000	48,783	46,217
Subtotal	3,498,022	3,498,022	3,448,317	49,705
Code enforcement:				
Personnel services	62,993	62,993	61,413	1,580
Materials and services	28,141	28,141	22,637	5,504
Subtotal	91,134	91,134	84,050	7,084
Animal control:				
Personnel services	43,684	43,684	27,273	16,411
Materials and services	35,000	35,000	13,885	21,115
Subtotal	78,684	78,684	41,158	37,526
Non-departmental:				
Materials and services	592,530	592,530	554,299	38,231
Subtotal	592,530	592,530	554,299	38,231
Total expenditures	<u>\$ 7,377,796</u>	<u>\$ 7,718,277</u>	<u>\$ 7,110,846</u>	<u>\$ 607,431</u>



**CITY OF THE DALLES, OREGON**  
**PUBLIC WORKS RESERVE FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest on investments	\$ 500	\$ 500	\$ 1,372	\$ 872
Total revenues	500	500	1,372	872
<b>EXPENDITURES:</b>				
Capital outlay	400,501	400,501	107,802	292,699
Total expenditures	400,501	400,501	107,802	292,699
Revenues over (under) expenditures	(400,001)	(400,001)	(106,430)	293,571
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	260,945	260,945	260,945	-
Total other financing sources (uses)	260,945	260,945	260,945	-
Net changes in fund balances	(139,056)	(139,056)	154,515	293,571
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>				
	139,056	139,056	144,344	5,288
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>				
	\$ -	\$ -	\$ 298,859	\$ 298,859

**CITY OF THE DALLES, OREGON**  
**TRANSPORTATION SYSTEM RESERVE FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 156,678	\$ 156,678	\$ -	\$ (156,678)
System development charges	100,000	100,000	84,850	(15,150)
Interest on investments	3,500	3,500	3,650	150
Total revenues	260,178	260,178	88,500	(171,678)
<b>EXPENDITURES:</b>				
Capital outlay	1,396,509	1,392,399	424,921	967,478
Total expenditures	1,396,509	1,392,399	424,921	967,478
Revenues over (under) expenditures	(1,136,331)	(1,132,221)	(336,421)	795,800
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	101,439	101,439	101,439	-
Transfers out	-	(4,110)	(4,110)	-
Total other financing sources (uses)	101,439	97,329	97,329	-
Net changes in fund balances	(1,034,892)	(1,034,892)	(239,092)	795,800
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	1,034,892	1,034,892	971,428	(63,464)
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 732,336	\$ 732,336

**CITY OF THE DALLES, OREGON**  
**UNEMPLOYMENT RESERVE FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest on investments	\$ 200	\$ 200	\$ 470	\$ 270
Total revenues	200	200	470	270
<b>EXPENDITURES:</b>				
Personnel service	83,149	83,149	7,207	75,942
Total expenditures	83,149	83,149	7,207	75,942
Revenues over (under) expenditures	(82,949)	(82,949)	(6,737)	76,212
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	29,295	29,295	29,295	-
Total other financing sources (uses)	29,295	29,295	29,295	-
Net changes in fund balances	(53,654)	(53,654)	22,558	76,212
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	53,654	53,654	53,454	(200)
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 76,012	\$ 76,012

**CITY OF THE DALLES, OREGON**  
**URBAN RENEWAL CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$ 629,272	\$ 629,272	\$ 595,456	\$ (33,816)
Interest on investments	2,000	2,000	6,762	4,762
Miscellaneous	125,550	125,550	66,763	(58,787)
Total revenues	756,822	756,822	668,981	(87,841)
<b>EXPENDITURES:</b>				
Materials and services	624,733	390,796	204,464	186,332
Capital outlay	1,359,094	1,646,399	522,292	1,124,107
Total expenditures	1,983,827	2,037,195	726,756	1,310,439
Revenues over (under) expenditures	(1,227,005)	(1,280,373)	(57,775)	1,222,598
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	845,312	845,312	1,890	(843,422)
Total other financing sources (uses)	845,312	845,312	1,890	(843,422)
Net changes in fund balances	(381,693)	(435,061)	(55,885)	379,176
<b>FUND BALANCES, BEGINNING</b>	381,693	435,061	655,222	220,161
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 599,337	\$ 599,337

**CITY OF THE DALLES, OREGON**  
**SPECIAL ASSESSMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Franchise fees	\$ 25,500	\$ 25,500	\$ 23,385	\$ (2,115)
Assessments	352,155	352,155	469,501	117,346
Interest on investments	2,000	2,000	2,349	349
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	380,655	380,655	495,235	114,580
<b>EXPENDITURES:</b>				
Materials and services	56,700	56,700	5,664	51,036
Capital outlay	318,822	318,822	33,932	284,890
Total expenditures	375,522	375,522	39,596	335,926
Revenues over (under) expenditures	5,133	5,133	455,639	450,506
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(112,723)	(112,723)	(112,723)	-
Total other financing sources (uses)	(112,723)	(112,723)	(112,723)	-
Net changes in fund balances	(107,590)	(107,590)	342,916	450,506
<b>FUND BALANCES, BEGINNING</b>	107,590	107,590	107,657	67
Prior period adjustment	-	-	7,490	7,490
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 458,063	\$ 458,063

**CITY OF THE DALLES, OREGON  
COMMUNITY BENEVOLENCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2016**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest on investments	\$ 100	\$ 100	\$ 71	\$ (29)
Miscellaneous	2,000	2,000	-	(2,000)
Total revenues	2,100	2,100	71	(2,029)
<b>EXPENDITURES:</b>				
Materials and services	16,585	16,585	-	16,585
Total expenditures	16,585	16,585	-	16,585
Net changes in fund balances	(14,485)	(14,485)	71	14,556
<b>FUND BALANCES, BEGINNING</b>	14,485	14,485	12,613	(1,872)
<b>BUDGETARY BASIS</b>	\$ -	\$ -	\$ 12,684	\$ 12,684

**CITY OF THE DALLES, OREGON**  
**STATE OFFICE BUILDING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Rental income	\$ 285,848	\$ 285,848	\$ 212,407	\$ (73,441)
Interest on investments	-	-	218	218
Total revenues	285,848	285,848	212,625	(73,223)
<b>EXPENDITURES:</b>				
Personnel service	60,661	64,661	64,019	642
Materials and services	167,487	116,487	96,362	20,125
Capital outlay	26,000	73,000	67,004	5,996
Contingency	62,791	62,791	-	62,791
Total expenditures	316,939	316,939	227,385	89,554
Revenues over (under) expenditures	(31,091)	(31,091)	(14,760)	16,331
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	9,000	9,000	9,000	-
Total other financing sources (uses)	9,000	9,000	9,000	-
Net changes in fund balances	(22,091)	(22,091)	(5,760)	16,331
<b>FUND BALANCES, BEGINNING</b>	22,091	22,091	43,449	21,358
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 37,689	\$ 37,689

**CITY OF THE DALLES, OREGON  
CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Rental income	\$ 101,761	\$ 101,761	\$ 101,761	
Interest on investments	1,400	1,400	829	(571)
Miscellaneous	-	-	-	-
Total revenues	<u>103,161</u>	<u>103,161</u>	<u>102,590</u>	<u>(571)</u>
<b>EXPENDITURES:</b>				
Materials and services	5,000	5,000	3,445	1,555
Capital outlay	194,189	194,189	-	194,189
Debt service:				
Principal	14,089	14,089	14,089	-
Interest	<u>1,598</u>	<u>1,598</u>	<u>1,061</u>	<u>537</u>
Total expenditures	<u>214,876</u>	<u>214,876</u>	<u>18,595</u>	<u>196,281</u>
Revenues over (under) expenditures	(111,715)	(111,715)	83,995	195,710
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(140,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(140,000)</u>	<u>(140,000)</u>	<u>(140,000)</u>	<u>-</u>
Net changes in fund balances	(251,715)	(251,715)	(56,005)	195,710
<b>FUND BALANCE, BEGINNING</b>	<u>251,715</u>	<u>251,715</u>	<u>219,734</u>	<u>(31,981)</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,729</u>	<u>\$ 163,729</u>



**CITY OF THE DALLES, OREGON**  
**FFCO 2008 BOND FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Rental income	\$ 123,916	\$ 123,916	\$ 123,916	\$ -
Total revenues	123,916	123,916	123,916	-
<b>EXPENDITURES:</b>				
Debt service:				
Principal	220,000	220,000	220,000	-
Interest	82,530	82,530	82,530	-
Total expenditures	302,530	302,530	302,530	-
Revenues over (under) expenditures	(178,614)	(178,614)	(178,614)	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	178,614	178,614	178,614	-
Total other financing sources (uses)	178,614	178,614	178,614	-
Net changes in fund balances	-	-	-	-
<b>FUND BALANCES, BEGINNING</b>	-	-	-	-
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ -	\$ -

**CITY OF THE DALLES, OREGON**  
**2009 FFCO BOND FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Debt service:				
Principal	\$ 505,000	\$ 505,000	\$ 505,000	\$ -
Interest	441,063	441,063	441,063	-
Total expenditures	946,063	946,063	946,063	-
Revenues over (under) expenditures	(946,063)	(946,063)	(946,063)	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	946,063	946,063	946,063	-
Total other financing sources (uses)	946,063	946,063	946,063	-
Net changes in fund balances	-	-	-	-
<b>FUND BALANCES, BEGINNING</b>	-	-	-	-
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF THE DALLES, OREGON**  
**URBAN RENEWAL DEBT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 802,746	\$ 802,746	\$ 802,746	\$ -
Interest on investments	5,000	5,000	5,000	-
Total revenues	<u>807,746</u>	<u>807,746</u>	<u>807,746</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(1,605,376)</u>	<u>(1,605,376)</u>	<u>(803,788)</u>	<u>801,588</u>
Total other financing sources (uses)	<u>(1,605,376)</u>	<u>(1,605,376)</u>	<u>(803,788)</u>	<u>801,588</u>
Net changes in fund balances	(797,630)	(797,630)	3,958	801,588
<b>FUND BALANCES, BEGINNING</b>	<u>797,630</u>	<u>797,630</u>	<u>797,630</u>	<u>-</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 801,588</u>	<u>\$ 801,588</u>

## **BUDGETARY COMPARISON SCHEDULES**

### **Enterprise Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules include the following:

- All Water Funds
  - Water Utility
  - Water Capital Reserve
  - Water Bond Debt
  
- All Wastewater Funds
  - Wastewater
  - Wastewater Capital Reserve
  - Sewer Plant Construction
  - Sewer Debt Service

**CITY OF THE DALLES, OREGON  
 ALL WATER FUNDS COMBINED  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 For the Fiscal Year Ended June 30, 2016**

	Water Utility	Water Capital Reserve	Water Bond Debt	Total All Water Funds
<b>REVENUES:</b>				
Charges for services	\$ 5,655,364	\$ -	\$ -	\$ 5,655,364
System development charges	-	78,778	-	78,778
Rental income	4,428	-	-	4,428
Interest on investments	5,147	18,684	-	23,831
Miscellaneous	85,019	-	-	85,019
<b>Total revenues</b>	<b>5,749,958</b>	<b>97,462</b>	<b>-</b>	<b>5,847,420</b>
<b>EXPENDITURES:</b>				
Personnel service	1,994,127	-	-	1,994,127
Materials and services	851,187	-	-	851,187
Capital outlay	140,984	72,450	-	213,434
Debt service:				
Principal	-	135,945	280,000	415,945
Interest	-	102,434	286,205	388,639
<b>Total expenditures</b>	<b>2,986,298</b>	<b>310,829</b>	<b>566,205</b>	<b>3,863,332</b>
Revenues over (under) expenditures	2,763,660	(213,367)	(566,205)	1,984,088
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	699	-	-	699
Transfers in	-	2,450,000	566,205	3,016,205
Transfers out	(2,804,895)	(598,786)	(400,000)	(3,803,681)
<b>Total other financing sources (uses)</b>	<b>(2,804,196)</b>	<b>1,851,214</b>	<b>166,205</b>	<b>(786,777)</b>
Net changes in fund balances	(40,536)	1,637,847	(400,000)	1,197,311
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<b>971,713</b>	<b>2,267,709</b>	<b>400,000</b>	<b>3,639,422</b>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<b>\$ 931,177</b>	<b>\$ 3,905,556</b>	<b>\$ -</b>	<b>\$ 4,836,733</b>

	Revenues	Expenditures
Total revenue and expenditures above	\$ 5,847,420	\$ 3,863,332
Transfers in/out	-	727,005
Expenditures capitalized	-	(223,574)
Debt service principal payments	-	(415,945)
Other post employment benefits	-	18,749
Depreciation and amortization expense	-	543,724
Interest revenue/expense	-	(3,515)
Gain/loss on disposal of capital assets	-	2,911
Increase/decrease compensated absences	-	(3,807)
<b>Total revenues and expenses - generally accepted accounting principles</b>	<b>\$ 5,847,420</b>	<b>4,508,880</b>
<b>Change in net position</b>		<b>\$ 1,338,540</b>

**CITY OF THE DALLES, OREGON**  
**WATER UTILITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 5,668,542	\$ 5,668,542	\$ 5,655,364	\$ (13,178)
Rental income	4,428	4,428	4,428	-
Interest on investments	3,500	3,500	5,147	1,647
Miscellaneous	97,894	97,894	85,019	(12,875)
Total revenues	<u>5,774,364</u>	<u>5,774,364</u>	<u>5,749,958</u>	<u>(24,406)</u>
<b>EXPENDITURES:</b>				
Personnel service	2,071,123	2,071,123	1,994,127	76,996
Materials and services	1,086,097	1,096,097	851,187	244,910
Capital outlay	229,587	219,587	140,984	78,603
Contingency	170,458	170,458	-	170,458
Total expenditures	<u>3,557,265</u>	<u>3,557,265</u>	<u>2,986,298</u>	<u>570,967</u>
Revenues over (under) expenditures	2,217,099	2,217,099	2,763,660	546,561
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	-	-	699	699
Transfers out	(2,781,904)	(2,804,895)	(2,804,895)	-
Total other financing sources (uses)	<u>(2,781,904)</u>	<u>(2,804,895)</u>	<u>(2,804,196)</u>	<u>699</u>
Net changes in fund balances	(564,805)	(587,796)	(40,536)	547,260
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>564,805</u>	<u>587,796</u>	<u>971,713</u>	<u>383,917</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 931,177</u>	<u>\$ 931,177</u>

**CITY OF THE DALLES, OREGON**  
**WATER CAPITAL RESERVE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 180,000	\$ 180,000	\$ -	\$ (180,000)
System development charges	23,170	23,170	78,778	55,608
Interest on investments	5,000	5,000	18,684	13,684
Total revenues	<u>208,170</u>	<u>208,170</u>	<u>97,462</u>	<u>(110,708)</u>
<b>EXPENDITURES:</b>				
Capital outlay	3,707,712	4,107,712	72,450	4,035,262
Debt service:				
Principal	135,945	135,945	135,945	-
Interest	<u>102,434</u>	<u>102,434</u>	<u>102,434</u>	<u>-</u>
Total expenditures	<u>3,946,091</u>	<u>4,346,091</u>	<u>310,829</u>	<u>4,035,262</u>
Revenues over (under) expenditures	(3,737,921)	(4,137,921)	(213,367)	3,924,554
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	2,050,000	2,450,000	2,450,000	-
Transfers out	<u>(598,786)</u>	<u>(598,786)</u>	<u>(598,786)</u>	<u>-</u>
Total other financing sources (uses)	<u>1,451,214</u>	<u>1,851,214</u>	<u>1,851,214</u>	<u>-</u>
Net changes in fund balances	(2,286,707)	(2,286,707)	1,637,847	3,924,554
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>2,286,707</u>	<u>2,286,707</u>	<u>2,267,709</u>	<u>(18,998)</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,905,556</u>	<u>\$ 3,905,556</u>

**CITY OF THE DALLES, OREGON  
WATER BOND DEBT  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2016**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Debt service:				
Principal	\$ 280,000	\$ 280,000	\$ 280,000	\$ -
Interest	286,205	286,205	286,205	-
Contingency	400,000	-	-	-
Total expenditures	966,205	566,205	566,205	-
Revenues over (under) expenditures	(966,205)	(566,205)	(566,205)	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	566,205	566,205	566,205	-
Transfers out	-	(400,000)	(400,000)	-
Total other financing sources (uses)	566,205	166,205	166,205	-
Net changes in fund balances	(400,000)	(400,000)	(400,000)	-
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	400,000	400,000	400,000	-
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ -	\$ -



**CITY OF THE DALLES, OREGON  
 ALL WASTEWATER FUNDS COMBINED  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 For the Fiscal Year Ended June 30, 2016**

	Wastewater	Wastewater Capital Reserve	Sewer Plant Construction	Sewer Debt Service	Total All Wastewater Funds
<b>REVENUES:</b>					
Charges for services	\$ 5,322,327	\$ -	\$ -	\$ -	\$ 5,322,327
System development charges	-	132,045	-	-	132,045
Interest on investments	2,340	17,280	28,462	1,404	49,486
Miscellaneous	282,983	-	-	-	282,983
<b>Total revenues</b>	<b>5,607,650</b>	<b>149,325</b>	<b>28,462</b>	<b>1,404</b>	<b>5,786,841</b>
<b>EXPENDITURES:</b>					
Personnel service	1,167,758	-	-	-	1,167,758
Materials and services	1,400,720	-	-	-	1,400,720
Capital outlay	70,560	455,406	404,560	-	930,526
Debt service:					
Principal	-	-	-	420,000	420,000
Interest	-	-	-	132,385	132,385
<b>Total expenditures</b>	<b>2,639,038</b>	<b>455,406</b>	<b>404,560</b>	<b>552,385</b>	<b>4,051,389</b>
Revenues over (under) expenditures	2,968,612	(306,081)	(376,098)	(550,981)	1,735,452
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	845,000	1,400,000	552,385	2,797,385
Transfers out	(2,857,741)	(6,971)	(552,385)	-	(3,417,097)
<b>Total other financing sources (uses)</b>	<b>(2,857,553)</b>	<b>838,029</b>	<b>847,615</b>	<b>552,385</b>	<b>(619,524)</b>
Net changes in fund balances	111,059	531,948	471,517	1,404	1,115,928
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<b>757,326</b>	<b>2,667,032</b>	<b>4,702,519</b>	<b>225,118</b>	<b>8,351,995</b>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<b>\$ 868,385</b>	<b>\$ 3,198,980</b>	<b>\$ 5,174,036</b>	<b>\$ 226,522</b>	<b>\$ 9,467,923</b>

	Revenues	Expenditures
Total revenue and expenditures above	\$ 5,786,841	\$ 4,051,389
Transfers in/out	-	572,741
Expenditures capitalized	-	(1,009,108)
Debt service principal payments	-	(420,000)
Other post employment benefits	-	11,691
Depreciation and amortization expense	-	501,268
Interest revenue/expense	-	(4,042)
Gain/loss on disposal of capital assets	-	3,422
Increase/decrease compensated absences	-	8,171
<b>Total revenues and expenses - generally accepted accounting principles</b>	<b>\$ 5,786,841</b>	<b>3,715,532</b>
<b>Change in net position</b>		<b>\$ 2,071,309</b>

**CITY OF THE DALLES, OREGON  
WASTEWATER  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 5,269,237	\$ 5,269,237	\$ 5,322,327	\$ 53,090
Interest on investments	500	500	2,340	1,840
Miscellaneous	192,204	192,204	282,983	90,779
Total revenues	5,461,941	5,461,941	5,607,650	145,709
<b>EXPENDITURES:</b>				
Personnel service	1,210,345	1,210,345	1,167,758	42,587
Materials and services	1,686,394	1,686,394	1,400,720	285,674
Capital outlay	113,756	113,756	70,560	43,196
Contingency	162,962	162,962	-	162,962
Total expenditures	3,173,457	3,173,457	2,639,038	534,419
Revenues over (under) expenditures	2,288,484	2,288,484	2,968,612	680,128
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	-	-	188	188
Transfers out	(2,838,298)	(2,857,741)	(2,857,741)	-
Total other financing sources (uses)	(2,838,298)	(2,857,741)	(2,857,553)	188
Net changes in fund balances	(549,814)	(569,257)	111,059	680,316
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	549,814	569,257	757,326	188,069
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 868,385	\$ 868,385

**CITY OF THE DALLES, OREGON  
WASTEWATER CAPITAL RESERVE  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
System development charges	\$ 42,620	\$ 42,620	\$ 132,045	\$ 89,425
Interest on investments	1,000	1,000	17,280	16,280
Total revenues	43,620	43,620	149,325	105,705
<b>EXPENDITURES:</b>				
Capital outlay	3,596,082	3,596,082	455,406	3,140,676
Total expenditures	3,596,082	3,596,082	455,406	3,140,676
Revenues over (under) expenditures	(3,552,462)	(3,552,462)	(306,081)	3,246,381
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	845,000	845,000	845,000	-
Transfers out	(6,971)	(6,971)	(6,971)	-
Total other financing sources (uses)	838,029	838,029	838,029	-
Net changes in fund balances	(2,714,433)	(2,714,433)	531,948	3,246,381
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	2,714,433	2,714,433	2,667,032	(47,401)
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 3,198,980	\$ 3,198,980

**CITY OF THE DALLES, OREGON  
SEWER PLANT CONSTRUCTION  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest on investments	\$ 14,000	\$ 14,000	\$ 28,462	\$ 14,462
Total revenues	14,000	14,000	28,462	14,462
<b>EXPENDITURES:</b>				
Capital outlay	5,425,882	5,425,882	404,560	5,021,322
Total expenditures	5,425,882	5,425,882	404,560	5,021,322
Revenues over (under) expenditures	(5,411,882)	(5,411,882)	(376,098)	5,035,784
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,400,000	1,400,000	1,400,000	-
Transfers out	(552,385)	(552,385)	(552,385)	-
Total other financing sources (uses)	847,615	847,615	847,615	-
Net changes in fund balances	(4,564,267)	(4,564,267)	471,517	5,035,784
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	4,564,267	4,564,267	4,702,519	138,252
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 5,174,036	\$ 5,174,036

**CITY OF THE DALLES, OREGON**  
**SEWER DEBT SERVICE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest on investments	\$ 900	\$ 900	\$ 1,404	\$ 504
Total revenues	900	900	1,404	504
<b>EXPENDITURES:</b>				
Debt service:				
Principal	420,000	420,000	420,000	-
Interest	132,385	132,385	132,385	-
Contingency	225,587	225,587	-	225,587
Total expenditures	777,972	777,972	552,385	225,587
Revenues over (under) expenditures	(777,072)	(777,072)	(550,981)	226,091
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	552,385	552,385	552,385	-
Total other financing sources (uses)	552,385	552,385	552,385	-
Net changes in fund balances	(224,687)	(224,687)	1,404	226,091
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	224,687	224,687	225,118	431
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 226,522	\$ 226,522



## STATISTICAL SECTION

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## STATISTICAL SECTION

This part of the City of The Dalles' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents Page:

### **Financial Trends 79 - 85**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

### **Revenue Capacity 86 - 91**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property taxes.

### **Debt Capacity 92 - 99**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

### **Demographic and Economic Information 100 - 102**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

### **Financial Trends 103 - 104**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

Sources: Unless otherwise noted the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year.





**CITY OF THE DALLES, OREGON**  
**Net Position By Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 26,086,565	\$ 23,781,454	\$ 23,394,331	\$ 22,459,249	\$ 19,672,490	\$ 12,688,001	\$ 17,096,182	\$ 11,762,990	\$ 8,487,617	\$ 10,562,441
Restricted	6,606,540	6,591,609	6,221,686	6,204,535	6,337,147	7,765,650	3,060,447	1,709,715	5,470,694	2,433,798
Unrestricted	11,480,666	4,480,644	4,055,637	2,969,259	3,975,176	4,297,055	4,401,964	4,314,633	3,772,300	3,001,516
 Total governmental activities net position	 <u>\$ 44,173,771</u>	 <u>\$ 34,853,707</u>	 <u>\$ 33,671,654</u>	 <u>\$ 31,633,043</u>	 <u>\$ 29,984,813</u>	 <u>\$ 24,750,706</u>	 <u>\$ 24,558,593</u>	 <u>\$ 17,787,338</u>	 <u>\$ 17,730,611</u>	 <u>\$ 15,997,755</u>
 <b>Business-Type Activities:</b>										
Net investment in capital assets	\$ 23,686,429	\$ 31,902,082	\$ 31,669,652	\$ 25,695,435	\$ 19,854,285	\$ 18,412,767	\$ 16,246,937	\$ 16,319,490	\$ 12,686,680	\$ 15,678,476
Restricted	12,505,094	10,418,116	8,506,649	6,817,577	6,867,232	6,534,483	6,500,649	6,450,920	6,646,601	3,014,966
Unrestricted	645,798	2,373,161	942,037	1,301,239	1,179,693	862,477	1,284,163	1,089,738	942,405	616,007
 Total business-type activities net position	 <u>\$ 36,837,321</u>	 <u>\$ 44,693,359</u>	 <u>\$ 41,118,338</u>	 <u>\$ 33,814,251</u>	 <u>\$ 27,901,210</u>	 <u>\$ 25,809,727</u>	 <u>\$ 24,031,749</u>	 <u>\$ 23,860,148</u>	 <u>\$ 20,275,686</u>	 <u>\$ 19,309,449</u>
 <b>Primary Government:</b>										
Net investment in capital assets	\$ 49,772,994	\$ 55,683,536	\$ 55,063,983	\$ 48,154,684	\$ 39,526,775	\$ 31,100,768	\$ 33,343,119	\$ 28,082,480	\$ 21,174,297	\$ 26,240,917
Restricted	19,111,634	17,009,725	14,728,335	13,022,112	13,204,379	14,300,133	9,561,096	8,160,635	12,117,295	5,448,764
Unrestricted	12,126,464	6,853,805	4,997,674	4,270,498	5,154,869	5,159,532	5,686,127	5,404,371	4,714,705	3,617,523
 Total primary government net position	 <u>\$ 81,011,092</u>	 <u>\$ 79,547,066</u>	 <u>\$ 74,789,992</u>	 <u>\$ 65,447,294</u>	 <u>\$ 57,886,023</u>	 <u>\$ 50,560,433</u>	 <u>\$ 48,590,342</u>	 <u>\$ 41,647,486</u>	 <u>\$ 38,006,297</u>	 <u>\$ 35,307,204</u>

Source: Current and prior year's financial statements

**CITY OF THE DALLES, OREGON**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services, fees and fines										
General government	\$ 1,339,620	\$ 895,831	\$ 1,741,823	\$ 958,415	\$ 853,937	\$ 303,748	\$ 463,177	\$ 383,838	\$ 405,366	\$ 464,980
Public safety	235,252	222,585	229,428	194,454	224,448	255,320	306,615	283,213	381,661	358,683
Highways and streets	33,944	12,424	10,573	16,525	20,880	19,217	30,649	16,262	76,652	35,102
Culture and recreation	20,605	18,740	12,401	11,548	11,294	15,746	11,208	9,775	8,256	6,081
Operating grants and contributions	2,790,732	1,988,624	1,920,600	1,815,072	1,790,012	1,635,994	2,823,915	2,334,733	2,162,581	1,370,812
Capital grants and contributions	1,970,505	2,318,755	1,286,046	2,144,707	5,816,031	1,780,738	4,814,797	2,550,663	1,032,300	503,768
Total governmental activities program revenues	<u>6,390,658</u>	<u>5,456,959</u>	<u>5,200,871</u>	<u>5,140,721</u>	<u>8,716,602</u>	<u>4,010,763</u>	<u>8,450,361</u>	<u>5,578,484</u>	<u>4,066,816</u>	<u>2,739,426</u>
Business-type activities:										
Charges for services:										
Water	5,820,678	5,707,603	5,161,655	4,530,792	4,404,696	3,655,158	3,408,136	3,153,707	2,912,204	2,635,824
Wastewater	5,733,933	5,533,259	5,697,344	5,316,269	5,024,672	4,828,073	4,517,642	4,149,530	4,042,032	3,618,498
Airport	-	199,548	273,657	219,036	226,622	191,157	162,163	177,701	134,232	130,694
Operating grants	-	65,000	65,000	65,000	263,347	142,954	96,382	78,262	77,698	15,430
Capital grants	-	406,533	4,970,071	3,871,454	1,193,231	383,053	558,895	480,349	303,723	88,980
Total business-type activities program revenues	<u>11,554,611</u>	<u>11,911,943</u>	<u>16,167,727</u>	<u>14,002,551</u>	<u>11,112,568</u>	<u>9,200,395</u>	<u>8,743,218</u>	<u>8,039,549</u>	<u>7,469,889</u>	<u>6,489,426</u>
Total primary government program revenues	<u>17,945,269</u>	<u>17,368,902</u>	<u>21,368,598</u>	<u>19,143,272</u>	<u>19,829,170</u>	<u>13,211,158</u>	<u>17,193,579</u>	<u>13,618,033</u>	<u>11,536,705</u>	<u>9,228,852</u>
<b>Expenses</b>										
Governmental activities:										
General government	3,576,391	4,643,056	3,528,182	3,620,305	3,225,677	3,631,219	2,957,295	4,125,878	3,110,350	2,533,876
Public safety and justice	3,764,858	3,599,408	3,502,386	3,534,026	3,304,009	3,088,742	2,715,894	2,614,704	2,383,926	2,171,312
Highways and streets	1,614,145	1,505,435	1,292,997	1,559,911	1,405,744	1,034,392	1,296,096	1,160,309	1,360,741	1,264,372
Culture and recreation	1,579,320	1,451,383	1,409,998	1,272,743	1,517,951	1,814,647	1,448,982	1,230,708	1,079,123	764,592
Interest on long term obligations	453,321	517,776	528,148	559,591	578,874	595,104	443,576	294,504	208,259	181,684
Total governmental activities expenses	<u>10,988,035</u>	<u>11,717,058</u>	<u>10,261,711</u>	<u>10,546,576</u>	<u>10,032,255</u>	<u>10,164,104</u>	<u>8,861,843</u>	<u>9,426,103</u>	<u>8,142,399</u>	<u>6,915,836</u>
Business-type activities:										
Water	3,778,964	3,659,726	3,713,333	3,315,325	4,092,914	2,656,862	3,148,144	2,824,800	2,943,966	2,522,187
Wastewater	3,139,369	2,993,590	3,147,900	3,068,188	3,221,576	3,110,890	2,826,635	2,395,488	2,595,685	2,520,011
Airport	-	260,659	286,049	313,045	440,116	438,097	443,613	455,624	525,739	440,756
Total business-type activities expenses	<u>6,918,333</u>	<u>6,913,975</u>	<u>7,147,282</u>	<u>6,696,558</u>	<u>7,754,606</u>	<u>6,205,849</u>	<u>6,418,392</u>	<u>5,675,912</u>	<u>6,065,390</u>	<u>5,482,954</u>
Total primary government expenses	<u>17,906,368</u>	<u>18,631,033</u>	<u>17,408,993</u>	<u>17,243,134</u>	<u>17,786,861</u>	<u>16,369,953</u>	<u>15,280,235</u>	<u>15,102,015</u>	<u>14,207,789</u>	<u>12,398,790</u>
<b>Net Expense</b>										
Governmental activities	(4,597,377)	(6,260,099)	(5,060,840)	(5,405,855)	(1,315,653)	(6,153,341)	(411,482)	(3,847,619)	(4,075,583)	(4,176,410)
Business-type activities	4,636,278	4,997,968	9,020,445	7,305,993	3,357,962	2,994,546	2,324,826	2,363,637	1,404,499	1,006,472
Total primary government net expense	<u>\$ 38,901</u>	<u>\$ (1,262,131)</u>	<u>\$ 3,959,605</u>	<u>\$ 1,900,138</u>	<u>\$ 2,042,309</u>	<u>\$ (3,158,795)</u>	<u>\$ 1,913,344</u>	<u>\$ (1,483,982)</u>	<u>\$ (2,671,084)</u>	<u>\$ (3,169,938)</u>

\* The Airport has been reclassified as a "joint venture" and has been removed from the City's business type activities as of 2016.

**CITY OF THE DALLES, OREGON**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**

(continued)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Revenues and Other Changes in Net Position</b>										
General revenues:										
Property taxes levied for:										
General purposes	\$ 2,714,277	\$ 2,753,785	\$ 2,657,460	\$ 2,591,274	\$ 2,578,241	\$ 2,334,460	\$ 2,287,915	\$ 2,160,553	\$ 2,032,760	\$ 1,849,162
Urban renewal purposes	1,378,487	1,407,564	1,327,601	1,353,346	1,218,544	1,239,842	1,261,296	1,217,187	1,122,402	1,003,718
Public service taxes	1,873,949	1,757,480	1,728,579	1,632,053	1,414,374	1,412,950	1,250,428	1,334,013	1,249,637	1,132,588
Interest and investment earnings	54,106	49,936	43,572	46,153	41,322	109,002	102,530	142,654	259,086	200,116
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	15,454	134,003	42,851	21,733
Gain (loss) on sale of property	-	-	-	-	-	-	-	(16,712)	179,457	-
Transfers	1,299,746	1,473,387	1,507,292	1,431,259	1,297,279	1,249,200	945,279	(1,067,352)	922,246	778,104
Total governmental activities	<u>7,320,565</u>	<u>7,442,152</u>	<u>7,264,504</u>	<u>7,054,085</u>	<u>6,549,760</u>	<u>6,345,454</u>	<u>5,862,902</u>	<u>3,904,346</u>	<u>5,808,439</u>	<u>4,985,421</u>
Business-type activities:										
Interest and investment earnings	73,317	50,440	42,092	38,307	30,800	32,632	51,574	153,474	483,983	234,296
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	(37,152)	-	-	-	-	-	-	-
Transfers	(1,299,746)	(1,473,387)	(1,507,292)	(1,431,259)	(1,297,279)	(1,249,200)	(945,279)	1,067,352	(922,246)	(778,104)
Total business-type activities	<u>(1,226,429)</u>	<u>(1,422,947)</u>	<u>(1,502,352)</u>	<u>(1,392,952)</u>	<u>(1,266,479)</u>	<u>(1,216,568)</u>	<u>(893,705)</u>	<u>1,220,826</u>	<u>(438,263)</u>	<u>(543,808)</u>
Total primary government	<u>6,094,136</u>	<u>6,019,205</u>	<u>5,762,152</u>	<u>5,661,133</u>	<u>5,283,281</u>	<u>5,128,886</u>	<u>4,969,197</u>	<u>5,125,172</u>	<u>5,370,176</u>	<u>4,441,613</u>
<b>Change in Net Position</b>										
Governmental activities	2,723,188	1,182,053	2,203,661	1,648,230	5,234,107	192,113	5,451,420	56,727	1,732,856	809,011
Prior Period Adjustments **	6,596,876	-	(165,050)	-	-	-	1,319,835	-	-	-
Governmental Activities, as adjusted	<u>9,320,064</u>	<u>1,182,053</u>	<u>2,038,611</u>	<u>1,648,230</u>	<u>5,234,107</u>	<u>192,113</u>	<u>6,771,255</u>	<u>56,727</u>	<u>1,732,856</u>	<u>809,011</u>
Business-type activities	3,409,849	3,575,021	(1,502,352)	5,913,041	2,091,483	1,777,978	1,431,121	3,584,463	966,236	462,664
Prior Period Adjustments**	(11,265,887)	-	(214,006)	-	-	-	(1,259,520)	-	-	-
Business-type Activities, as adjusted	<u>(7,856,038)</u>	<u>3,575,021</u>	<u>(1,716,358)</u>	<u>5,913,041</u>	<u>2,091,483</u>	<u>1,777,978</u>	<u>171,601</u>	<u>3,584,463</u>	<u>966,236</u>	<u>462,664</u>
Total primary government change in net position	<u>1,464,026</u>	<u>4,757,074</u>	<u>322,253</u>	<u>7,561,271</u>	<u>7,325,590</u>	<u>1,970,091</u>	<u>6,942,856</u>	<u>3,641,190</u>	<u>2,699,092</u>	<u>1,271,675</u>
<b>Net Position Beginning</b>										
Governmental activities	34,853,707	33,671,654	31,467,993	29,984,813	24,750,706	24,558,593	17,787,338	17,730,611	15,997,755	15,188,744
Business-type activities	44,693,359	41,118,338	33,600,245	27,901,210	25,809,727	24,031,749	23,860,148	20,275,685	19,309,449	18,846,785
Total primary government net position-beginning	<u>79,547,066</u>	<u>74,789,992</u>	<u>65,068,238</u>	<u>57,886,023</u>	<u>50,560,433</u>	<u>48,590,342</u>	<u>41,647,486</u>	<u>38,006,296</u>	<u>35,307,204</u>	<u>34,035,529</u>
<b>Net Position Ending</b>										
Governmental activities	44,173,771	34,853,707	33,671,654	31,633,043	29,984,813	24,750,706	24,558,593	17,787,338	17,730,611	15,997,755
Business-type activities	36,837,321	44,693,359	41,118,338	33,814,251	27,901,210	25,809,727	24,031,749	23,860,148	20,275,685	19,309,449
<b>Total Primary Government Net Position</b>	<u>\$ 81,011,092</u>	<u>\$ 79,547,066</u>	<u>\$ 74,789,992</u>	<u>\$ 65,447,294</u>	<u>\$ 57,886,023</u>	<u>\$ 50,560,433</u>	<u>\$ 48,590,342</u>	<u>\$ 41,647,486</u>	<u>\$ 38,006,296</u>	<u>\$ 35,307,204</u>

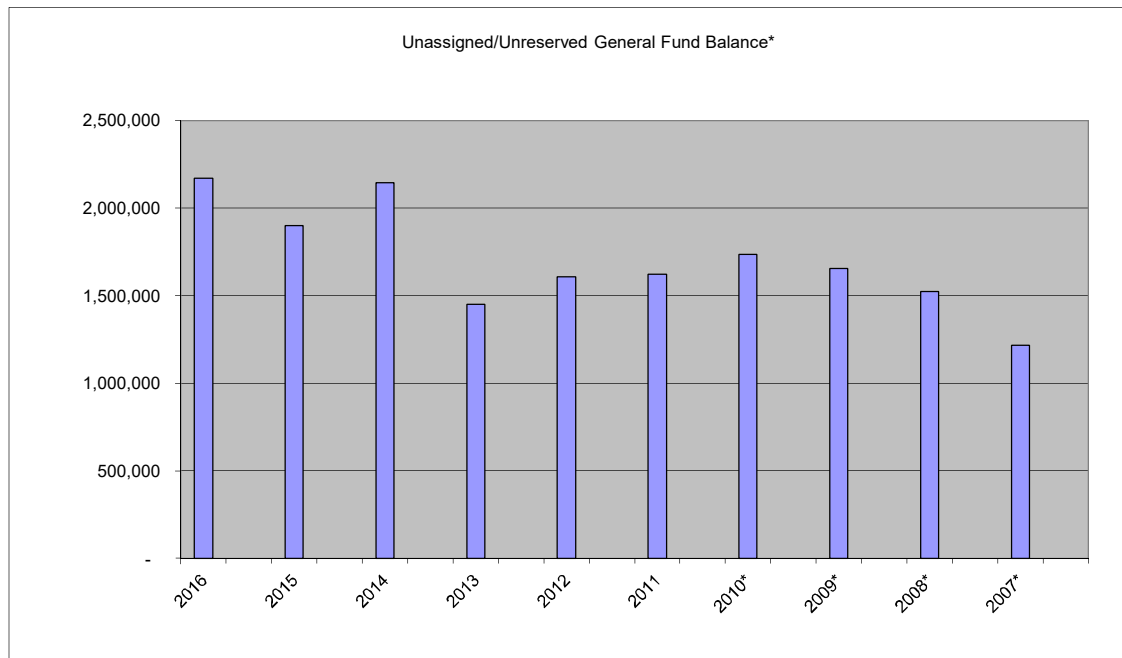
\* 2014 net position-beginning are net of prior period adjustments of \$(165,050) governmental and \$(241,006) business-type activities.

\*\* 2016 prior period adjustments are due to the Airport being reclassified as a joint venture, and being separated from the City as a business activity, and one half of the Airport assets being added to the governmental activities.

**CITY OF THE DALLES, OREGON**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
General Fund						
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable:						
Prepays	144,028	132,551	130,172	123,820	116,297	115,143
Committed:						
Committed by ordinance or resolution	1,107,207	1,169,225	1,256,941	816,807	545,656	618,743
Unassigned	<u>2,169,062</u>	<u>1,898,698</u>	<u>2,143,561</u>	<u>1,449,360</u>	<u>1,606,569</u>	<u>1,621,482</u>
Total general fund	<u>3,420,297</u>	<u>3,200,474</u>	<u>3,530,674</u>	<u>2,389,987</u>	<u>2,268,522</u>	<u>2,355,368</u>
All Other Governmental Funds						
Reserved:						
Inventories	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
System Development	-	-	-	-	-	-
Unreserved reported in:						
Major funds	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-
Capital Projects funds	-	-	-	-	-	-
Nonspendable:						
Inventory	140,366	177,245	148,191	138,798	136,002	137,768
Restricted:						
Grant / contributor specific intent	3,411,321	3,508,935	3,458,663	3,584,049	3,723,971	5,730,710
State statute	1,847,330	1,831,201	894,793	845,812	993,088	566,535
Full faith and credit debt	-	-	-	3	-	-
Intergovernmental agreement	1,347,889	1,251,473	1,868,231	1,774,671	1,620,088	1,468,405
Committed:						
Major capital facilities and associated debt	163,729	219,734	276,844	303,799	496,322	428,769
Local improvements and associated debt	458,063	107,657	18,401	18,401	677,218	730,557
Agreements with state agencies	<u>37,689</u>	<u>43,449</u>	<u>(2,166)</u>	<u>36,992</u>	<u>36</u>	<u>1,168</u>
Total all other governmental funds	<u>7,406,387</u>	<u>7,139,694</u>	<u>6,662,956</u>	<u>6,702,525</u>	<u>7,646,725</u>	<u>9,063,912</u>
Total governmental funds	<u>\$ 10,826,684</u>	<u>\$ 10,340,168</u>	<u>\$ 10,193,630</u>	<u>\$ 9,092,512</u>	<u>\$ 9,915,247</u>	<u>\$ 11,419,280</u>

\*In 2011 the City implemented GASB 54, which changed the fund balance categories. The City did not restate amount in prior years.



**CITY OF THE DALLES, OREGON**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<u>2010*</u>	<u>2009*</u>	<u>2008*</u>	<u>2007*</u>
\$ 1,735,195	\$ 1,657,050	\$ 1,522,373	\$ 1,218,851
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,735,195</u>	<u>1,657,050</u>	<u>1,522,373</u>	<u>1,218,851</u>
210,933	135,071	57,535	57,187
1,141,490	464,524	597,998	594,747
8,103,852	-	-	-
640,793	1,554,656	5,190,932	2,125,573
84,268	628,787	832,793	283,646
772,281	700,768	-	86,027
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>10,953,617</u>	<u>3,483,806</u>	<u>6,679,258</u>	<u>3,147,180</u>
<u>\$ 12,688,812</u>	<u>\$ 5,140,856</u>	<u>\$ 8,201,631</u>	<u>\$ 4,366,031</u>

**CITY OF THE DALLES, OREGON**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	2016	2015	2014	2013	2012
<b>Revenues</b>					
Taxes	\$ 6,025,127	\$ 5,661,611	\$ 5,359,205	\$ 5,219,096	\$ 4,888,001
Inter-governmental	3,848,504	4,235,990	3,161,324	3,954,537	7,577,757
Rents and interest	502,604	485,684	431,657	472,656	398,415
Franchise Fees	227,827	266,968	331,184	328,287	308,704
Fines and forfeitures	249,906	234,947	241,481	205,803	235,699
Charges for services	49,250	40,507	27,673	33,165	28,774
System Development Charges	84,850	35,334	95,479	276,341	168,629
Special assessments	469,501	82,657	580,919	28,521	51,641
Other Revenues	922,148	502,387	273,589	251,617	264,486
Total revenues	<u>12,379,717</u>	<u>11,546,085</u>	<u>10,502,511</u>	<u>10,770,023</u>	<u>13,922,106</u>
<b>Expenditures</b>					
Current:					
General Government	3,237,110	3,363,935	2,910,006	2,847,792	2,861,157
Public safety	3,685,123	3,526,407	3,337,983	3,365,059	3,206,256
Highways and streets	1,082,520	1,021,840	985,621	1,089,640	1,343,365
Culture and recreation	1,543,977	1,414,754	1,231,798	1,234,310	1,009,676
Capital outlay	2,516,214	2,413,193	1,205,442	3,265,453	7,077,246
Debt service:					
Principal	617,558	596,494	760,077	617,719	595,874
Interest	524,654	548,296	579,587	606,264	629,844
Total expenditures	<u>13,207,156</u>	<u>12,884,919</u>	<u>11,010,514</u>	<u>13,026,237</u>	<u>16,723,418</u>
Revenues over (under) expenditures	<u>(827,439)</u>	<u>(1,338,834)</u>	<u>(508,003)</u>	<u>(2,256,214)</u>	<u>(2,801,312)</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from bonds	-	-	-	-	-
Bond premium	-	-	-	-	-
Proceeds of financing agreement	-	-	101,829	-	-
Repayment of financing agreement	-	-	-	-	-
Sale of fixed capital assets	6,719	11,985	-	2,220	-
Transfers in	3,193,664	3,504,190	3,237,423	3,694,389	2,703,091
Transfers out	<u>(1,893,918)</u>	<u>(2,030,803)</u>	<u>(1,730,131)</u>	<u>(2,263,130)</u>	<u>(1,405,812)</u>
Total other financing sources (uses)	<u>1,306,465</u>	<u>1,485,372</u>	<u>1,609,121</u>	<u>1,433,479</u>	<u>1,297,279</u>
Net change in fund balances	<u>\$ 479,026</u>	<u>\$ 146,538</u>	<u>\$ 1,101,118</u>	<u>\$ (822,735)</u>	<u>\$ (1,504,033)</u>
Debt service as a percentage of noncapital expenditures	<u>10.2%</u>	<u>10.1%</u>	<u>13.5%</u>	<u>11.9%</u>	<u>12.6%</u>

Source: Current and prior years' financial statements

**CITY OF THE DALLES, OREGON**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 4,674,232	\$ 4,586,114	\$ 4,391,942	\$ 4,120,722	\$ 3,883,042
3,416,732	10,350,588	4,129,300	3,142,656	1,799,046
477,926	485,217	459,573	546,745	546,403
345,733	313,191	357,640	341,373	320,293
269,448	268,603	293,498	343,146	293,095
42,078	28,070	33,295	100,555	51,806
39,010	99,119	281,081	-	-
143,689	61,544	10,323	28,777	71,560
88,956	820,386	212,881	89,367	60,832
<u>9,497,804</u>	<u>17,012,832</u>	<u>10,169,533</u>	<u>8,713,341</u>	<u>7,026,077</u>
2,996,122	2,884,919	2,874,613	2,802,945	2,384,742
2,995,877	2,565,847	2,470,968	2,286,508	2,086,746
979,615	1,079,593	1,018,038	1,046,162	967,521
1,300,663	1,263,268	1,180,839	1,045,711	749,698
2,518,236	12,522,325	5,870,508	1,588,061	528,504
678,222	641,848	668,709	530,856	499,076
648,299	446,355	318,840	163,381	181,208
<u>12,117,034</u>	<u>21,404,155</u>	<u>14,402,515</u>	<u>9,463,624</u>	<u>7,397,495</u>
<u>(2,619,230)</u>	<u>(4,391,323)</u>	<u>(4,232,982)</u>	<u>(750,283)</u>	<u>(371,418)</u>
-	13,147,632	-	3,330,000	-
-	-	-	51,971	-
-	-	-	-	-
-	(2,400,000)	-	-	-
-	15,454	11,000	240,046	-
2,627,706	1,571,988	1,548,689	1,490,131	1,391,124
<u>(1,278,008)</u>	<u>(456,112)</u>	<u>(387,482)</u>	<u>(551,885)</u>	<u>(632,687)</u>
<u>1,349,698</u>	<u>11,878,962</u>	<u>1,172,207</u>	<u>4,560,263</u>	<u>758,437</u>
<u>\$ (1,269,532)</u>	<u>\$ 7,487,639</u>	<u>\$ (3,060,775)</u>	<u>\$ 3,809,980</u>	<u>\$ 387,019</u>
<u>13.3%</u>	<u>5.9%</u>	<u>8.7%</u>	<u>8.4%</u>	<u>9.8%</u>

Source: Current and prior years' financial statements



**CITY OF THE DALLES, OREGON**  
**Program Revenues by Function/Program**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>Function/Program</b>										
Governmental activities										
General government	\$ 3,310,125	\$ 3,214,586	\$ 3,027,869	\$ 3,103,122	\$ 6,669,968	\$ 2,084,486	\$ 1,423,341	\$ 1,490,608	\$ 1,249,537	\$ 1,284,971
Public safety	235,252	222,585	229,428	194,454	224,448	255,320	329,265	307,956	402,120	380,562
Highways and streets	891,733	854,032	835,673	807,308	816,335	690,006	5,757,377	2,583,451	1,621,414	1,045,676
Culture and recreation	1,953,548	1,165,756	1,107,901	1,035,837	1,005,851	980,951	940,378	1,196,469	793,745	28,217
<b>Total governmental activities</b>	<b>6,390,658</b>	<b>5,456,959</b>	<b>5,200,871</b>	<b>5,140,721</b>	<b>8,716,602</b>	<b>4,010,763</b>	<b>8,450,361</b>	<b>5,578,484</b>	<b>4,066,816</b>	<b>2,739,426</b>
Business-type activities										
Water	5,820,678	5,730,696	8,162,335	4,531,595	4,615,212	3,736,008	3,449,258	3,277,782	2,918,855	2,638,539
Waste water	5,733,933	5,533,259	5,697,344	5,317,072	5,036,842	5,154,562	4,817,291	4,511,937	4,048,683	3,631,213
Airport	- *	647,988	2,308,048	4,153,884	1,460,514	309,825	476,669	249,830	502,183	219,674
<b>Total business-type activities</b>	<b>11,554,611</b>	<b>11,911,943</b>	<b>16,167,727</b>	<b>14,002,551</b>	<b>11,112,568</b>	<b>9,200,395</b>	<b>8,743,218</b>	<b>8,039,549</b>	<b>7,469,721</b>	<b>6,489,426</b>
<b>Total Primary government</b>	<b>\$ 17,945,269</b>	<b>\$ 17,368,902</b>	<b>\$ 21,368,598</b>	<b>\$ 19,143,272</b>	<b>\$ 19,829,170</b>	<b>\$ 13,211,158</b>	<b>\$ 17,193,579</b>	<b>\$ 13,618,033</b>	<b>\$ 11,536,537</b>	<b>\$ 9,228,852</b>

Source: Current and prior years' financial statements

**CITY OF THE DALLES, OREGON**  
**Tax Revenues by Source, Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>Year</b>	<b>Property Taxes</b>	<b>Transient Room Taxes</b>	<b>City Gasoline Taxes</b>
<b>2007</b>	3,016,064	560,854	306,124
<b>2008</b>	3,122,823	633,609	364,290
<b>2009</b>	3,328,967	688,367	374,608
<b>2010</b>	3,524,712	652,591	405,097
<b>2011</b>	3,454,107	545,281	396,102
<b>2012</b>	3,594,046	545,711	434,025
<b>2013</b>	3,742,555	526,815	442,468
<b>2014</b>	3,812,124	589,919	449,660
<b>2015</b>	3,965,710	699,538	476,807
<b>2016</b>	3,914,828	774,459	485,409

**CITY OF THE DALLES, OREGON**  
**Assessed Valuation and Actual Values of Taxable Property \***  
**Last Ten Fiscal Years**

<b>Year</b>	<b>Real Property Assessed Value</b>	<b>Personal Property Assessed Value</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Real Market Value</b>
<b>2007</b>	*	*	692,289,954	3.0155	1,278,646,377
<b>2008</b>	*	*	761,887,014	3.0155	1,644,318,481
<b>2009</b>	*	*	813,469,878	3.0155	1,721,569,341
<b>2010</b>	*	*	858,051,833	3.0155	1,751,436,903
<b>2011</b>	*	*	897,333,222	3.0155	1,381,912,299
<b>2012</b>	916,125,162	41,402,894	957,528,056	3.0155	1,488,289,123
<b>2013</b>	946,101,192	38,753,997	984,855,189	3.0155	1,418,883,503
<b>2014</b>	973,218,575	39,433,682	1,012,652,257	3.0155	1,608,434,442
<b>2015</b>	949,356,866	99,175,645	1,048,532,511	3.0155	1,298,752,196
<b>2016</b>	976,761,450	102,771,898	1,079,533,348	3.0155	1,625,848,326

\* 2012 was the first year that the Real Property and Personal Property information was shown in this table. Prior year information was not available from the County Assessor.

**CITY OF THE DALLES, OREGON**  
**Property Tax Rates - Direct And Overlapping Governments**  
**(Per \$1,000 of Assessed Valuation)**  
**Last Ten Fiscal Years**

Year	City			Overlapping Governments													Total Direct and Overlapping Rates
	District Adjusted Tax Rate	Urban Renewal Tax Rate	City of The Dalles Direct Rate	Wasco County	Wasco County VA Bonds	Port of The Dalles	Mid-Columbia Fire and Rescue	Northern Wasco County Parks and Recreation District	Northern Wasco Co Parks and Recreation District Bond	Wasco County Library District	School District No. 12	School District No. 9	School District No. 21	Columbia Gorge Educational Service District	Columbia Gorge Community College	Norcor	
2007	2.7945	0.221	3.0155	4.2521	0.3282	0.2007	2.3918	0.6799	0	(2)	2.0061	1.1309	5.2399	0.4678	0.7346	0.3285	20.78
2008	2.7945	0.221	3.0155	4.2523	0.2725	0.2007	2.3897	0.6799	0	0.6800	1.8761	0.8094	5.2399	0.4678	0.6725	0.3008	20.86
2009	2.7945	0.221	3.0155	4.2523	0.2417	0.2007	2.3877	0.6799	0	0.6800	1.7454	(1)	5.2399	0.4678	0.6839	0.3123	19.91
2010	2.7945	0.221	3.0155	4.2523	0.2750	0.2007	2.2790	0.6799	0	0.6800	1.7834	0	5.2399	0.4678	0.6962	0.2772	19.85
2011	2.7945	0.221	3.0155	4.2523	0.2717	0.2007	2.2436	0.6799	0	0.6800	1.8357	0	5.2399	0.4678	0.6893	0.2780	19.85
2012	2.7945	0.221	3.0155	4.2523	0.2559	0.2007	2.2533	0.6799	0	0.6800	1.8238	0	5.2399	0.4678	0.6854	0.2750	19.83
2013	2.7945	0.221	3.0155	4.2523	0.2536	0.2007	2.2533	0.6799	0	0.6800	1.8104	0	5.2399	0.4678	0.2703	0.2510	19.37
2014	2.7945	0.221	3.0155	4.2523	0	0.2007	2.2528	0.6799	0	0.6800	1.7765	0	5.2399	0.4678	0.2703	0.2564	19.09
2015	2.7945	0.221	3.0155	4.2523	0	0.2007	2.2449	0.6799	0.3228	0.6800	1.7588	0	5.2399	0.4678	0.2703	0.2450	19.38
2016	2.7961	0.2194	3.0155	4.2523	0	0.2007	2.2656	0.6799	0.2953	0.6800	1.7052	0	5.2399	0.4678	0.2703	0.2487	19.32

(1) School Districts 9 and 12 merged into District 21 for the 2004-05 year. Each District retained their respective bond levies.

(2) Wasco County Library District approved by voters. Began levying taxes 2007.

**CITY OF THE DALLES, OREGON**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

<b>Fiscal Year Ended June 30,</b>	<b>Tax Levy for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>				
		<b>Amount</b>	<b>Percentage of Levy</b>	<b>Collections in Subsequent Years</b>	<b>Amount</b>	<b>Percentage of Levy</b>
<b>2007</b>	2,939,125	2,767,621	94.16%	96,115	2,863,736	97.43%
<b>2008</b>	3,231,903	3,021,923	93.50%	119,458	3,141,381	97.20%
<b>2009</b>	3,464,010	3,221,917	93.01%	139,941	3,361,858	97.05%
<b>2010</b>	3,634,485	3,392,982	93.36%	240,913	3,633,895	99.98%
<b>2011</b>	3,734,344	3,472,350	92.98%	163,237	3,635,586	97.36%
<b>2012</b>	3,872,365	3,612,471	93.29%	153,149	3,765,620	97.24%
<b>2013</b>	4,054,361	3,766,990	92.91%	164,547	3,931,537	96.97%
<b>2014</b>	4,089,378	3,957,676	96.78%	127,176	4,084,852	99.89%
<b>2015</b>	4,236,498	3,914,828	92.41%	81,379	3,996,206	94.33%

Source: Current and prior years' financial statements  
Wasco County Finance Office

CITY OF THE DALLES, OREGON  
Principal Taxpayers  
December 31, 2015 and December 31, 2006

<b>December 31, 2015</b>			
<b>Taxpayer</b>	<b>Real Property Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Metropolitan Life Insurance Co.	\$ 12,758,886	1	1.22%
Oregon Cherry Growers	12,551,121	2	1.20%
Northern Wasco PUD	12,282,060	3	1.17%
CenturyLink	9,728,000	4	0.93%
Union Pacific Railroad Co.	9,003,800	5	0.86%
Home Depot USA, Inc.	8,962,765	6	0.85%
Charter Communications	8,547,800	7	0.82%
Safeway Inc.	7,664,373	8	0.73%
Northwest Natural Gas Co.	7,616,300	9	0.73%
Cascade Square LLC	7,248,180	10	0.69%
	\$ 96,363,285		9.19%
Total Assessed Valuator	\$ 1,048,532,511		

<b>December 31, 2006</b>			
<b>Taxpayer</b>	<b>Real Property Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Home Depot USA Inc	\$ 7,410,860	1	1.71%
Northern Wasco County PUD	6,275,066	2	1.45%
Kerr McGee Chemical, Inc.	5,964,690	3	1.38%
GFI The Dalles Investment, LTD	4,845,110	4	1.12%
Safeway, Inc.	4,864,730	5	1.12%
Oregon Cherry Growers, Inc.	4,693,360	6	1.09%
Union Pacific Railroad Company	4,182,243	7	0.97%
Portland Fixture, Ltd.	3,925,800	8	0.91%
Cascade Fruit Company	4,043,370	9	0.93%
George Gersham Family Trust	3,699,460	10	0.86%
	\$ 49,904,689		11.54%
Total Assessed Valuator	\$ 432,544,315		

Source: Wasco County Department of Assessment and Taxation

**CITY OF THE DALLES, OREGON**  
**Ratios of Outstanding Debt By Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-type Activities				Percentage of Personal Income *	Per Capita	Percentage of Actual Taxable Value of Property
	General Obligation Bonds	Limited Tax Increment Bonds	Revenue Bonds	FFCO Bonds	Loans Payable	Revenue Bonds	FFCO Bonds	Loan Payable **	Total Primary Government			
2007	-	3,080,000	270,000	-	505,425	14,496,000	-	-	18,351,425	N/A	1,407	2.65%
2008	-	2,745,000	135,000	3,330,000	449,741	14,133,000	-	114,000	20,906,741	N/A	1,594	2.74%
2009	-	2,400,000	-	3,200,000	392,520	13,763,000	-	228,000	19,983,520	N/A	1,517	2.46%
2010	-	-	-	13,153,960	460,699	13,381,000	1,691,040	1,905,285	30,591,984	N/A	2,286	3.57%
2011	-	-	-	12,627,878	387,352	12,757,000	1,602,122	1,804,787	29,179,139	N/A	2,021	3.25%
2012	-	-	-	12,085,732	311,028	12,111,000	1,509,268	6,664,443	32,681,471	N/A	2,263	3.41%
2013	-	-	-	12,287,934	231,604	11,356,637	1,441,215	6,963,339	32,280,729	N/A	2,236	3.28%
2014	-	-	-	11,660,378	100,655	10,704,972	1,337,901	3,936,540	27,740,446	N/A	1,921	2.74%
2015	-	-	-	11,014,790	50,890	10,033,307	3,250,301	4,266,008	28,615,296	N/A	1,976	2.73%
2016	-	-	-	10,348,138	25,846	9,331,642	3,090,198	4,065,974	26,861,798	N/A	1,851	2.49%

**Note: Presented net of original issuance discounts and premiums.**

\* N/A Information is not available below County level.

\*\* Amount includes proceeds for the ARRA Forgivable Loan (\$2,988,773) that were accrued on a reimbursement basis in 2012 and 2013. This loan was forgiven in 2014.

Source: Current and prior years' financial Statements, Department of Commerce- Bureau of Economic Analysis, Center for Population Research and Census at Portland State University.

**CITY OF THE DALLES, OREGON**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Total Taxable Assessed Value</b>	<b>Percentage of Actual Taxable Value of Property</b>	<b>Per Capita</b>
2007	-	692,289,954	0.00%	-
2008	-	761,887,014	0.00%	-
2009	-	813,469,878	0.00%	-
2010	-	858,051,833	0.00%	-
2011	-	897,333,222	0.00%	-
2012	-	957,528,056	0.00%	-
2013	-	984,855,189	0.00%	-
2014	-	1,012,652,257	0.00%	-
2015	-	1,048,532,511	0.00%	-
2016	-	1,079,533,348	0.00%	-

Source: Current and prior years' financial statements, Wasco County Department of Assessment and Taxation, Center for Population Research and Census at Portland State University



**CITY OF THE DALLES, OREGON**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2016**

<b>Governmental Unit</b>	<b>Gross Property-tax Backed Debt (a)</b>	<b>Percentage Applicable to City of The Dalles</b>	<b>Amount Applicable to City of The Dalles</b>
<b>Debt Repaid with Property Taxes</b>			
Columbia Gorge Comm. Coll (Treaty-Oak AED)	\$ 16,194,834	20.7912%	\$ 3,367,104
Mid-Columbia Fire and Rescue	470,000	76.5104%	359,599
Northern OR Regional Corrections	1,330,000	0.0000%	-
Northern Wasco Co. Parks & Rec District	3,660,108		260,574
Port of The Dalles	2,137,500		1,419,200
Wasco CTY SD 12 (The Dalles) Bonds	17,160,513	84.0903%	14,430,327
Wasco CTY SD 21 (The Dalles/Watonka)	4,590,000	69.6591%	3,197,353
Wasco CTY SD 29	1,138,664	0.8376%	<u>9,537</u>
Subtotal, overlapping debt			23,043,694 (b)
<b>City Direct Debt</b>			<u>11,761,033 (c)</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 34,804,727</u></u>

**NOTE:**

- a) "Gross Property-tax Backed Debt" includes all General Obligation (GO) bonds and Full Faith & Credit Bonds, but excludes self-supporting Bancroft bonds and self-supporting revenue bonds.
- b) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlap is determined by how much of the real market value is shared by each entity with the City of The Dalles. This information is provided by the Oregon Department of Revenue and used by the Oregon State Treasury Department to develop the Overlapping Debt Reports for the City.
- c) City Direct Debt includes property-tax backed debt for the Full Faith & Credit Bonds, but excludes self-supporting revenue bonds.

Source: State of Oregon - Office of the Treasurer, Debt Management Information System, Debt and COPS Obligation Summary - report available online at <http://www.ost.state.or.us/divisions/DMD/Report/emailform.asp>

**CITY OF THE DALLES, OREGON**  
**Pledged Revenue Coverage**  
**Last Thirteen Fiscal Years**  
**(accrual basis of accounting)**

**Wastewater Revenue Bonds**

Fiscal Year	Gross Revenues (1)	Costs of Maintenance & Operation (2)	Net Revenue Available for Debt Service	Annual Debt Service (3)			Coverage Ratio	Monthly Sewer Rates (4)	
				Principal	Interest	Total		In City	Out of City
2007	\$ 3,547,245	\$ 2,243,533	\$ 1,303,712	\$ 315,000	\$ 238,440	\$ 553,440	2.36	\$ 29.65	\$ 50.40
2008	3,894,968	2,339,068	1,555,901	325,000	230,565	555,565	2.80	32.30	54.95
2009	4,404,352	2,255,673	2,148,679	330,000	222,440	552,440	3.89	35.20	59.85
2010	4,749,653	2,507,936	2,241,717	340,000	212,540	552,540	4.06	38.40	65.25
2011	5,057,186	2,789,443	2,267,742	350,000	201,830	551,830	4.11	41.85	71.15
2012	4,936,360	2,789,136	2,147,224	365,000	188,705	553,705	3.88	41.85	71.15
2013	5,001,193	2,848,953	2,152,240	380,000	174,105	554,105	3.88	43.29	73.59
2014	5,227,464	2,967,877	2,259,587	395,000	161,185	556,185	4.06	44.78	76.13
2015	5,463,123	3,009,891	2,453,232	405,000	146,965	551,965	4.44	46.32	78.74
2016	5,589,726	2,964,038	2,625,688	420,000	132,385	552,385	4.75	46.32	78.74

Notes:

(1) Under Resolution No. 03-013, authorizing the issuance and sale of wastewater revenue bonds, series 2003, to reconstruct the City's wastewater system, "Gross Revenues shall mean all fees charges, earnings, revenues and moneys received by the City from or on account of the operation of the Wastewater System, including system development charges and the income from investments of money in the Debt Service Account and the Reserve Subaccount or from any other investment thereof, but excluding assessment payments and collections on behalf of other governments pursuant to intergovernmental agreements. Gross Revenues also shall include any state or public corporation reimbursements of operating expenses to the extent such expenses are included as Costs of Maintenance and Operation of the Wastewater System and withdrawals from the Rate Stabilization Account within ninety days after the end of the City's fiscal year as provided in Section 14 hereof." However, for the purposes of the calculations above, system development charges and any transfers from the Rate Stabilization account have been excluded, per Section 15: Bond Covenants B.(2).

(2) Under Resolution No. 03-013, "Costs of Maintenance and Operation shall mean all expenses incurred for the operation, maintenance and repair of the Wastewater System, including but not limited to administrative expenses, financial and auditing expenses, insurance premiums (to the extent monies are not available from proceeds of insurance), taxes, franchise fees, legal and engineering expenses relating to operation and maintenance, payments and reserves for pension, retirement, health, hospitalization, and sick leave benefits, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the Wastewater System. Costs of Maintenance and Operation do not include any rebates or penalties from Gross Revenues under Section 148 of the Code, payments for the settlement of litigation and payments to any liability reserve fund, depreciation and amortization of property, values or losses, and all amounts treated for accounting purposes as payments for capital expenditures, debt service payments (including amounts treated for accounting purposes as debt service payments), or capital transfers and capital outlays including without limitation transfers to capital construction accounts."

(3) Annual debt service on revenue bonds issued pursuant to Resolution No. 03-013.

(4) Resolution No. 13-003, set Sewer Rates with annual increases through FY21/22. Sewer Rates are based on 'one residential dwelling' unit and whether the account is within or outside the City Limits. Commercial rates are based on one 'unit' per listed criteria, such as number of employees, seating capacity, etc. Resolution No. 11-026 amended the Sewer rates as of January 28, 2013.

**CITY OF THE DALLES, OREGON**  
**Pledged-Revenue Coverage**  
**Last Nine Fiscal Years**  
**(accrual basis of accounting)**

**Water Revenue Bonds**

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Annual Debt Service			Coverage Ratio	Monthly Metered Rate per 1,000 gallons (over 10,000)	Monthly Flat Rate (up to 10,000 gallons)
				Principal	Interest	Total			
2008	\$ 3,535,240	\$ 2,647,904	\$ 887,336	\$ -	\$ 427,896	\$ 427,896	2.074	\$ 0.73	\$ 30.25
2009	3,641,736	2,699,200	942,536	-	335,605	335,605	2.808	0.80	33.28
2010	3,831,124	2,839,648	991,476	-	335,605	335,605	2.954	0.88	36.60
2011	4,157,198	3,093,516	1,063,682	230,000	335,605	565,605	1.881	0.96	40.28
2012	4,991,317	3,095,876	1,895,441	235,000	326,405	561,405	3.376	1.01	42.67
2013	4,815,101	3,163,757	1,651,345	250,000	317,005	567,005	2.912	1.45	47.88
2014	5,030,272	3,189,530	1,840,742	255,000	307,005	562,005	3.275	1.60	52.67
2015	5,689,218	3,229,056	2,460,162	265,000	296,805	561,805	4.379	1.68	52.67
2016	5,768,925	3,380,153	2,388,772	280,000	286,205	566,205	4.219	1.68	52.67

Notes:

(1) Under Resolution No. 07-006, establishing provisions relating to the issuance of water revenue bonds and authorizing the issuance and sale of water revenue bonds, series 2007, to construct water reservoirs and improve the City's water system, "Gross Revenues shall mean all fees charges, earnings, revenues and moneys received by the City from or on account of the operation of the Water System, including system development charges and the income from investments of money in the Debt Service Account and the Reserve Subaccount or from any other investment thereof, but excluding assessment payments and collections on behalf of other governments pursuant to intergovernmental agreements. Gross Revenues also shall include any state or public corporation reimbursements of operating expenses to the extent such expenses are included as Costs of Maintenance and Operation of the Water System and withdrawals from the Rate Stabilization Account within a given fiscal year but in no case later than ninety days after the end of the City's fiscal year as provided in Section 14 hereof." However, for the purposes of the calculations above, system development charges and any transfers from the Rate Stabilization account have been excluded, per Section 15: Bond Covenants B.(2).

(2) Under Resolution No. 07-006, "Costs of Maintenance and Operation shall mean all expenses incurred for the operation, maintenance and repair of the Water System, including but not limited to administrative expenses, financial and auditing expenses, insurance premiums (to the extent monies are not available from proceeds of insurance), taxes, franchise fees, legal and engineering expenses relating to operation and maintenance, payments and reserves for pension, debt service on pension obligation borrowings that might be incurred for unfunded pension or post-employment liabilities, retirement, health, hospitalization, and sick leave benefits, and any other similar expenses to be paid to the extent properly and directly attributable to operations of the Water System. Costs of Maintenance and Operation do not include any rebates or penalties from Gross Revenues under Section 148 of the Code, payments for the settlement of litigation and payments to any liability reserve fund, depreciation and amortization of property, values or losses, and all amounts treated for accounting purposes as payments for capital expenditures, debt service payments other than those attributable to pension or post-employment liabilities identified herein (including amounts treated for accounting purposes as debt service payments), transfers to the City's Street Fund, or capital transfers and capital outlays including without limitation transfers to capital construction accounts."

(3) Annual debt service on revenue bonds issued pursuant to Resolution No. 07-006.

(4) Resolution No. 11-026, set Water Rates with annual increases through FY20/21. Residential Water Rates are based on a flat rate per meter size and include the first 10,000 gallons of water used. An additional rate is charged per 1,000 gallons used over the 10,000 gallons covered by the flat monthly rate. Commercial rates are based on a flat rate per meter size and includes the first 5,000 gallons used, with an additional per 1,000 gallon rate added for usage over the first 5,000 gallons. Both residential and commercial rates also are adjusted for whether the account is within or outside the City Limits. The rates used in the table above are in-city residential.

## City of The Dalles, Oregon 2007 Water Revenue Bond- Required Rate Disclosures

Customer Class*	FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014		FY 2015		FY 2016	
	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)
Residential - (I)	10,000	0.80	10,000	0.88	10,000	0.96	10,000	1.01	10,000	1.45	10,000	1.60	10,000	1.68	10,000	1.68
Income Discount A - (I)	15,000	0.54	15,000	0.54	15,000	0.54	15,000	0.54	15,000	0.54	10,000	0.54	10,000	1.68	10,000	1.68
Income Discount B - (I)	15,000	0.39	15,000	0.39	15,000	0.39	15,000	0.39	15,000	0.39	10,000	0.39	10,000	1.68	10,000	1.68
Commercial - (I)	5,000	2.13	5,000	2.34	5,000	12.57	5,000	2.72	5,000	3.12	5,000	3.44	5,000	3.61	5,000	3.61
Residential - (O)	10,000	1.21	10,000	1.33	10,000	1.46	10,000	1.54	10,000	2.17	10,000	2.39	10,000	2.52	10,000	2.52
Income Discount A - (O)	15,000	0.81	15,000	0.81	15,000	0.81	15,000	0.81	15,000	0.81	15,000	0.81	15,000	2.52	15,000	2.52
Income Discount B - (O)	15,000	0.59	15,000	0.59	15,000	0.59	15,000	0.59	15,000	0.59	15,000	0.59	15,000	2.52	15,000	2.52
Commercial - (O)	5,000	3.20	5,000	3.52	5,000	3.87	5,000	4.10	5,000	4.68	5,000	5.15	5,000	5.42	5,000	5.42

\* (I) = Inside City Limits;  
(O) = Outside City Limits

Customer Class & Meter Size **	FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014		FY 2015		FY 2016	
	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits
Residential 3/4"	33.28	49.92	36.60	54.91	40.26	60.40	42.67	64.02	47.88	71.81	52.67	79.00	52.67	82.95	52.67	82.95
Residential 1"	33.28	49.92	36.60	54.91	40.26	60.40	42.67	64.02	47.88	71.81	52.67	79.00	52.67	82.95	52.67	82.95
Residential 1.5"	39.93	59.90	43.92	65.89	48.31	72.47	51.20	76.81	57.45	86.17	63.20	94.79	63.20	99.53	63.20	99.53
Residential 2"	50.58	75.87	55.63	83.45	61.19	91.79	64.86	97.29	72.78	109.17	80.06	120.09	80.06	126.09	80.06	126.09
Residential 3"	73.21	109.81	80.53	120.79	88.58	132.86	93.89	140.83	105.35	158.03	115.89	173.84	115.89	182.53	115.89	182.53
Commercial 3/4"	26.30	39.45	28.93	43.40	31.82	47.74	33.72	50.60	38.58	57.88	42.44	63.67	42.44	66.85	42.44	66.85
Commercial 1"	29.69	44.53	32.65	48.98	35.91	53.87	38.06	57.10	43.54	65.31	47.90	71.85	47.90	75.44	47.90	75.44
Commercial 1.5"	36.34	54.52	39.97	59.97	43.96	65.96	46.59	69.91	53.30	79.95	58.63	87.95	58.63	92.35	58.63	92.35
Commercial 2"	46.59	69.88	51.24	76.97	56.36	84.66	59.74	89.73	68.35	102.52	75.19	112.78	75.19	118.42	75.19	118.42
Commercial 2.5"	60.10	81.96	66.11	90.15	72.72	99.16	77.08	105.10	88.18	132.27	97.00	145.50	97.00	152.78	97.00	152.78
Commercial 3"	70.22	105.34	77.24	115.87	84.96	127.45	90.05	135.09	103.02	154.53	113.33	169.99	113.33	178.49	113.33	178.49
Commercial 4"	107.36	161.03	118.09	177.13	129.89	194.84	137.68	206.53	157.51	236.27	173.27	259.90	173.27	272.90	173.27	272.90
Commercial 6"	191.81	287.71	210.99	316.48	232.08	348.12	246.00	369.00	281.43	422.14	309.58	464.36	309.58	487.58	309.58	487.58

\*\* Includes "Quantity Allowance" shown in previous table

### Scheduled Water Rate Increases Per Resolution No. 14-035

Fiscal Year	Base Increase	Volume Increase
FY 2015	5%	5%
FY 2016	5%	5%
FY 2017	5%	5%
FY 2018	5%	5%
FY 2019	5%	5%
FY 2020	5%	5%
FY 2021	5%	5%

City Council directed that is increase not be implemented.

**City of The Dalles, Oregon  
2007 Water Revenue Bond Required SDC Disclosures**

**Water System Development Charges**

**\$2,317.00 per unit (Resolution No. 06-018)**

Service or Water Meter Size	Unit Equivalent	Charge							
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016
3/4 inch	1	2,317	2,317	2,317	2,317	2,317	2,317	2,317	2,317
1 inch	2	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634
1.5 inch	4	9,268	9,268	9,268	9,268	9,268	9,268	9,268	9,268
2 inch	7	16,219	16,219	16,219	16,219	16,219	16,219	16,219	16,219
3 inch	14	32,438	32,438	32,438	32,438	32,438	32,438	32,438	32,438
4 inch	25	57,925	57,925	57,925	57,925	57,925	57,925	57,925	57,925
6 inch	50	115,850	115,850	115,850	115,850	115,850	115,850	115,850	115,850
8 inch	80	185,360	185,360	185,360	185,360	185,360	185,360	185,360	185,360
* 10 inch	122	-	-	-	282,674	282,674	282,674	282,674	282,674
* 12 inch	172	-	-	-	398,524	398,524	398,524	398,524	398,524

\* 10" & 12" meter sizes added 12/01/11 via Resolution No. 11-026

**Top Ten Water Customers for FY15/16**

Top Ten Water Customers	Rank	2015-16		
		Number of Accounts	Annual Water Charges	Percent of Total Charges
Design LLC	1	17	564,483.40	9.90%
Oregon Cherry Growers, Inc.	2	8	533,831.70	9.36%
NWC Parks & Recreation	3	19	141,773.29	2.49%
School District #21	4	10	117,198.06	2.05%
Mid-Columbia Medical Center	5	17	83,672.89	1.47%
Shilo Inn	6	3	45,590.83	0.80%
City of The Dalles	7	13	40,467.22	0.71%
Amerities	8	1	34,050.94	0.60%
Northern Oregon Corrections	9	2	33,029.05	0.58%
Veterans Care Centers of Oregon	10	1	26,431.45	0.46%
Total			1,620,528.83	28.41%
Total Water Charges			5,704,017.07	100.00%

**CITY OF THE DALLES, OREGON**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
**(unaudited)**

ORS 287.004 provides a debt limit on general obligation bonds of 3% of the real market value of all taxable property within the City's boundaries.

<b>Fiscal Year Ended June 30</b>	<b>Real Market Value</b>	<b>Debt Limit Rate</b>	<b>Debt Limit</b>	<b>Less General Bonded Debt June 30</b>	<b>Legal Debt Margin</b>	<b>Total Net Bonded Debt Applicable to the Limit as a Percentage of Debt Limit</b>
<b>2007</b>	\$ 1,278,646,377	3%	\$ 38,359,391	\$ -	\$ 38,359,391	0.00%
<b>2008</b>	1,644,318,481	3%	49,329,554	-	49,329,554	0.00%
<b>2009</b>	1,721,569,341	3%	51,647,080	-	51,647,080	0.00%
<b>2010</b>	1,751,436,903	3%	52,543,107	-	52,543,107	0.00%
<b>2011</b>	1,381,912,299	3%	41,457,369	-	41,457,369	0.00%
<b>2012</b>	1,488,289,123	3%	44,648,674	-	44,648,674	0.00%
<b>2013</b>	1,418,883,503	3%	42,566,505	-	42,566,505	0.00%
<b>2014</b>	1,608,434,442	3%	48,253,033	-	48,253,033	0.00%
<b>2015</b>	1,298,752,196	3%	38,962,566	-	38,962,566	0.00%
<b>2016</b>	1,625,848,326	3%	48,775,450	-	48,775,450	0.00%

Note: The City has not had any general obligation bonds subsequent to 2000.

**CITY OF THE DALLES, OREGON**  
**Demographic and Economic Statistics**  
**Last Ten Years**

<b>Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Income</b>	<b>Unemployment Rate</b>
<b>2007</b>	13,045	N/A	N/A	5.60%
<b>2008</b>	13,112	N/A	N/A	5.33%
<b>2009</b>	13,170	N/A	N/A	10.80%
<b>2010</b>	13,385	N/A	N/A	8.80%
<b>2011</b>	14,441	N/A	N/A	8.40%
<b>2012</b>	14,440	N/A	N/A	8.10%
<b>2013</b>	14,440	N/A	N/A	7.71%
<b>2014</b>	14,440	N/A	N/A	6.40%
<b>2015</b>	14,480	N/A	N/A	4.30%
<b>2016</b>	14,515	NA	NA	4.00%

N/A Information at City level not available.

Note: The only personal income information available for the City is based on tax returns filed with the State of Oregon.

**CITY OF THE DALLES, OREGON**  
**Principal Employers**  
**Current Year and Ten Years Ago**

	<b>2015-16</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percent of Total Employment</b>
Mid Columbia Medical Center	854	1	10.32%
School District #21	362	2	4.37%
Oregon Cherry Growers, Inc.	340	5	2.17%
State of Oregon	216	3	4.11%
Oregon Veterans Home	180	4	2.61%
Wasco County	121	6	1.46%
City of The Dalles	98	7	1.18%
Columbia Gorge Community College	93	8	1.12%
Safeway Food and Drug	85	9	1.03%
Sunshine Mill	43	10	0.52%
	2,392		28.90%
Total employment	8,277		

\* Counts are FTE equivalents and do not include short-term seasonal positions

	<b>2006-07</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percent of Total Employment</b>
Mid Columbia Medical Center	746	1	11.49%
School District #21	355	2	5.47%
State of Oregon	178	3	2.74%
Wasco County	175	4	2.70%
Oregon Cherry Growers, Inc.	108	5	1.66%
Columbia River Bank	117	6	1.80%
Fred Meyer	108	7	1.66%
Columbia gorge community College	96	8	1.48%
Safeway Food and Drug	94	9	1.45%
Northwet Aluminum Specialties	90	10	1.39%
	2,067		31.84%
Total employment	6,492		

Source: Oregon Department of Employment and City of The Dalles staff



**CITY OF THE DALLES, OREGON**  
**Full Time Equivalent City Employees**  
**by Function/Program and Bargaining Unit**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
<b>Governmental activities:</b>											
General government	14.00	19.00	19.00	18.00	16.00	16.00	16.00	14.00	13.75	10.50	9.50
Public safety and justice	27.25	28.50	27.50	25.50	25.00	25.00	25.00	24.50	24.25	26.00	25.00
Community services	4.50	4.50	4.50	4.50	6.00	6.00	6.00	6.00	6.50	6.00	4.00
Streets and highways	7.00	8.50	10.50	11.00	11.00	9.00	10.00	11.00	11.00	10.00	10.00
Library	10.90	9.50	9.50	9.00	10.00	10.00	11.00	11.00	10.00	9.50	5.25
<b>Total governmental activities</b>	<b>63.65</b>	<b>70.00</b>	<b>71.00</b>	<b>68.00</b>	<b>68.00</b>	<b>66.00</b>	<b>68.00</b>	<b>66.50</b>	<b>65.50</b>	<b>62.00</b>	<b>53.75</b>
<b>Business-type activities:</b>											
Water	21.00	22.00	22.00	22.00	21.00	21.50	20.00	19.00	20.00	19.00	19.50
Wastewater	13.00	12.00	12.00	9.00	11.00	11.50	12.00	11.00	11.00	10.00	10.50
Airport	-	-	-	-	-	-	-	0.50	0.25	0.25	0.25
<b>Total business-type activities</b>	<b>34.00</b>	<b>34.00</b>	<b>34.00</b>	<b>31.00</b>	<b>32.00</b>	<b>33.00</b>	<b>32.00</b>	<b>30.50</b>	<b>31.25</b>	<b>29.25</b>	<b>30.25</b>
<b>Total primary government budgeted FTE</b>	<b>97.65</b>	<b>104.00</b>	<b>105.00</b>	<b>99.00</b>	<b>100.00</b>	<b>99.00</b>	<b>100.00</b>	<b>97.00</b>	<b>96.75</b>	<b>91.25</b>	<b>84.00</b>
<b>City of The Dalles Employees</b>											
Management and exempt	33.65	37.00	37.00	34.00	35.00	34.00	36.00	35.00	36.75	37	38
Bargaining units											
SEIU (Local 503)	44.00	44.00	46.00	45.00	44.00	45.00	47.00	46.00	45.00	43	42
Police Association	19.00	19.00	18.00	18.00	18.00	19.00	16.00	16.00	15.00	15	14
Total bargaining units	63.00	63.00	64.00	63.00	62.00	64.00	63.00	62.00	60.00	58	56
Temporary City employees	1.00	4.00	4.00	2.00	3.00	1.00	1.00	-	-	-	0
<b>Total actual City employees</b>	<b>97.65</b>	<b>104.00</b>	<b>105.00</b>	<b>99.00</b>	<b>100.00</b>	<b>99.00</b>	<b>100.00</b>	<b>97.00</b>	<b>96.75</b>	<b>95</b>	<b>94</b>

Source: City of The Dalles budgets and payroll records

**CITY OF THE DALLES, OREGON**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<b>FUNCTION/PROGRAM</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Governmental Activities:</b>										
<b>Public Safety and Justice</b>										
<b>Police (1)</b>										
Calls for service	N/A*	11166	11,187	11,447	10,340	9,359	7,846	8,008	7,508	7,789
Crime reports	N/A*	2600	2,423	2,504	2,385	2,303	2,495	2,707	2,541	2,664
Number of arrests	N/A*	1371	1,233	1,062	1,017	1,055	1,028	1,024	1,144	1,036
<b>Municipal Court</b>										
Traffic cases	1,467	1,504	1,357	1,180	1,412	1,184	1,082	1,218	1,427	1,565
Criminal cases	429	364	511	445	342	375	358	331	440	501
Ordinance violations	19	40	65	78	25	22	15	15	37	25
Parking violations	99	57	44	44	60	76	88	164	162	208
Code enforcement cases	4	9	6	13	11	3	4	6	15	11
<b>Library</b>										
Number of registered borrowers	14,538	13,534	12,056	11,950	10,920	12,573	11,140	13,042	11,302	10,202
Total circulation	190,785	164,106	157,475	160,295	163,653	160,405	145,972	122,432	110,036	98,479
Public programs	472	264	418	462	466	607	490	457	224	74
Program attendance	5,759	4,706	6,978	7,864	7,226	9,775	8,143	8,996	6,573	3,574
Books added	6,563	8,995	4,688	4,005	3,644	6,526	6,283	4,079	11,045	4,481
<b>Business-type Activities:</b>										
<b>Water</b>										
Average active metered connections	4,617	4,590	4,591	4,604	4,598	4,618	4,613	4,598	4,562	4,537
Average daily water consumption	2,969,589	3,475,890	2,711,309	2,574,885	2,633,408	2,598,893	2,674,413	2,615,130	2,620,667	2,302,800
Average number of assistance accounts	183	149	187	166	162	153	168	150	176	162
Average daily water production	3,360,415	3,303,658	3,301,370	3,196,986	3,115,781	3,102,250	3,209,003	3,185,655	2,985,000	2,875,000

(1) Police statistics are for the calendar year.

\* N/A: Data was not available for this year.

Source: City of The Dalles Departments

**CITY OF THE DALLES, OREGON**  
**Capital Asset and Infrastructure Statistics by Function/Program**  
**Last Ten Fiscal Years**

<b>FUNCTION/PROGRAM</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Governmental Activities</b>										
<b>General Government</b>										
Buildings owned	13	13	13	13	12	12	7	7	7	7
Vehicles (excluding automobiles)	41	41	41	40	36	37	33	33	14	12
Heavy Equipment	18	18	17	16	15	15	18	18	16	16
<b>Public Safety and Justice</b>										
Police										
Police vehicles	17	17	17	17	16	16	15	15	14	14
Number of employees	25.75	25.5	25.5	25.5	25	25	23	23	23	23
<b>Streets and Highways</b>										
Miles of streets maintained by City:										
Paved	69.2	69.2	69.1	69.1	69.1	69.1 *	70.38	70.38	70.38	70.38
Unpaved	16.4	16.4	16.4	16.4	16.4	16.4 *	17.82	17.82	17.82	17.82
Bridges and underpasses	6	6	5	5	5	5	5	5	5	5
<b>Business-type Activities</b>										
<b>Water</b>										
Miles of water lines (estimated)	101.3	101.3	100.7	100.7 *	87.3	86.5 *	84.25	84.25	84.25	84
Reservoirs	5	5	5	5	5	6	5	5	5	5
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Wells	3	3	3	3	3	3	3	3	3	3
<b>Wastewater</b>										
Treatment plant	1	1	1	1	1	1	1	1	1	1
Miles of sewer lines (estimated)	98.8	95.7	95.3	95.3	94.4	94.4 *	78	78	78	78
Lift stations	9	9	8	8	8	8	8	8	8	8
<b>Airport</b>										
Terminal	1	1	1	1	1	1	1	1	1	1
Maintenance and T-hangers	42	42 *	33 *	32 *	23	23	23	23	23	23
Other buildings	2	2	2 *	3	3	2	2	2	2	2

\* 2011 miles based on GIS mapping data. Prior to 2011, mileage was manually calculated.  
\* 2013 Added in out of City limits Transmission Pipelines from Treatment Plant to town.  
\* 2013 Built new Maintenance Hanger and private hanger with 8 T-hangers reverted to Airport ownership.  
\* 2014 Now includes Life Flight Hanger and eliminated Electrical Bldg, which is now part of New Maint Hanger  
\* 2015 Purchased "D" Hanger with 9 T-Hangers.

Source: City of The Dalles Departments

**REPORTS OF INDEPENDENT CERTIFIED PUBLIC  
ACCOUNTANTS**

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**INDEPENDENT AUDITOR'S REPORT  
REQUIRED BY OREGON STATE REGULATION**

We have audited the basic financial statements of the City of The Dalles, Oregon (the City), as of and for the year ended June 30, 2016 and have issued our report thereon dated November 18, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds. (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the Oregon

Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

### **OAR 162-10-0230 Internal Control**

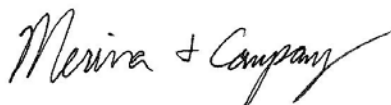
In planning and performing our audit, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the separately issued Schedule of Finding and Response, we identified a certain deficiency in internal control that we consider to be a material weakness.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency as described in the Schedule of Finding and Response to be a material weakness.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be a significant deficiency.

This report is intended solely for the information and use of the Honorable Mayor and City Council, Oregon Secretary of State Audits Division, and management, and is not intended to be and should not be used by anyone other than these specified parties.



Merina & Company, LLP  
West Linn, Oregon  
November 18, 2016

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and City Council  
City of The Dalles, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of The Dalles, Oregon (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated November 18, 2016.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and response we identified certain deficiencies in internal control, that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented,

or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and response as finding 2016-1 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We did not identify any deficiencies in internal control that we consider to be a significant deficiency.

### **Compliance and Other Matters**

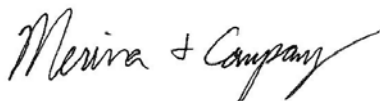
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and response as item 2016-1.

### **City of The Dalles' Response to Finding**

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and response. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Merina & Company, LLP  
West Linn, Oregon  
November 18, 2016



**CITY OF THE DALLES, OREGON**  
**SCHEDULE OF FINDING AND RESPONSE**  
**June 30, 2016**

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2016-1

Condition: The City of the Dalles failed to record some assets purchased as of June 30, 2016.

Criteria: The City purchased assets through the urban renewal agency and took possession prior to June 30, 2016. The assets were not appropriately recognized as either an asset held for sale or construction in process by the City of The Dalles.

Effect: This improper recording resulted in a material misstatement of the City's assets at June 30, 2016.

Cause: The City did not follow their internal control procedure which included adding assets held for sale and construction in process to the list during the year. Had this occurred, the lack of assets would have been detected by City staff.

Recommendation: Merina and Company recommends that the City add a review step to their control procedure to make sure all such assets are recorded properly.

Views of Responsible Officials and Planned Corrective Actions: The City will act on the recommendation of Merina & Company to add a review step to the control procedures to make sure that all assets are recorded properly in the future. Priority will be given to cross-training on assets management so that a second person is trained to review the capital outlay items and reconcile those with the assets list prior to finalization.

