



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2014**

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

# **CITY OF THE DALLES, OREGON**

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**For the Fiscal Year Ended June 30, 2014**

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## **INTRODUCTORY SECTION**

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City Council  
City of The Dalles  
The Dalles, Oregon 97058

October 8, 2014

The Comprehensive Annual Financial Report (CAFR) of the City of The Dalles, Oregon, for the year ended June 30, 2014, is submitted herewith. This report presents a comprehensive and detailed picture of The Dalles' financial transactions during fiscal year 2013-2014 and the financial condition of the various funds at June 30, 2014. 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, 2014, 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.

## ECONOMIC CONDITIONS

The City has a population currently estimated at 14,440, 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 800 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 started construction that will double their investment at The Dalles facility. The work should be completed in 2015. 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.

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 bordering the City. Historic Downtown The Dalles, with its talking murals, St. Peters Landmark and other historical buildings, and antique shops is a strong visitor draw. In 2012 the City completed the construction of a Columbia River Marine Terminal, adjacent to the downtown area. Around 83 cruise ship stops are booked for 2014 and over 100 stops are booked for 2015, from four cruise lines with five ships, including the 300 foot long Queen of the West.

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 175 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 ten 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 2015 that will employ around four hundred people.

The City has 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.

Construction plans for a \$8 million dollar Washington Street Railroad undercrossing and plaza will be completed in 2014, and constructed in 2015. A renovation of the Granada Block is scheduled for 2015 that will include a new \$22 million dollar hotel/conference center and a \$5 million dollar, 320 stall public parking structure.

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. Although the economic situation the past few years has been bleak, the City, through prudent budgeting, is operating on a fiscally sound basis.

## 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 next two to three years.

### **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.

### **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 2014-2015 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.

### **Regional Airport Authority**

Klickitat County and the City of The Dalles formed a Regional Airport Authority in 2001 that now operates the Airport. A new set of aircraft hangars was constructed in 2004. A second set of hangars was completed in 2009 through a partnership with local investors. A new Maintenance Hanger was completed in 2013. The \$5.5 million runway rehabilitation project begun in fiscal year 2011-2012, was completed in fiscal year 2013-2014. This project was funded by a \$3.5 million State of Oregon grant, packaged with a \$2 million FAA grant. Taxiway work is being completed in fiscal year 2014-2015. This \$2.2 million project is being funded 90% by the FAA and 10% by the Airport sponsors. Another major fiscal year 2014-2015 project was construction of a 17 lot industrial park development, including roads and utilities. A flex space building, to be built in FY14/15, will be the anchor building in the new industrial park.

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

The Columbia Gateway Urban Renewal Agency, a component unit of the City of the Dalles, operated throughout the 2013-2014 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 FY13/14.

## 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, 2014. 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**

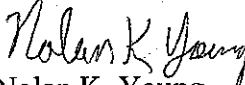
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of The Dalles for its comprehensive annual financial report for the fiscal year ended June 30, 2013. In order to be awarded a Certificate 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.

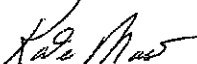
A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **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,

  
Nolan K. Young  
City Manager

  
Kate Mast  
Finance Director

**CITY OF THE DALLES  
OFFICIALS OF THE CITY  
AS OF JUNE 30, 2014**

**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	2014
Dan Spatz 2506 Jordan Street The Dalles OR 97058	2016
Carolyn Wood 1709 Liberty Street The Dalles OR 97058	2014
Bill Dick 2520 East 14 <sup>th</sup> Street The Dalles OR 97058	2014
Tim McGlothlin 328 West 21 <sup>st</sup> Place The Dalles OR 97058	2014
Linda Miller 1534 East 9th Street The Dalles OR 97058	2016

**City Administration**

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



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
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Presented to

**City of The Dalles  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

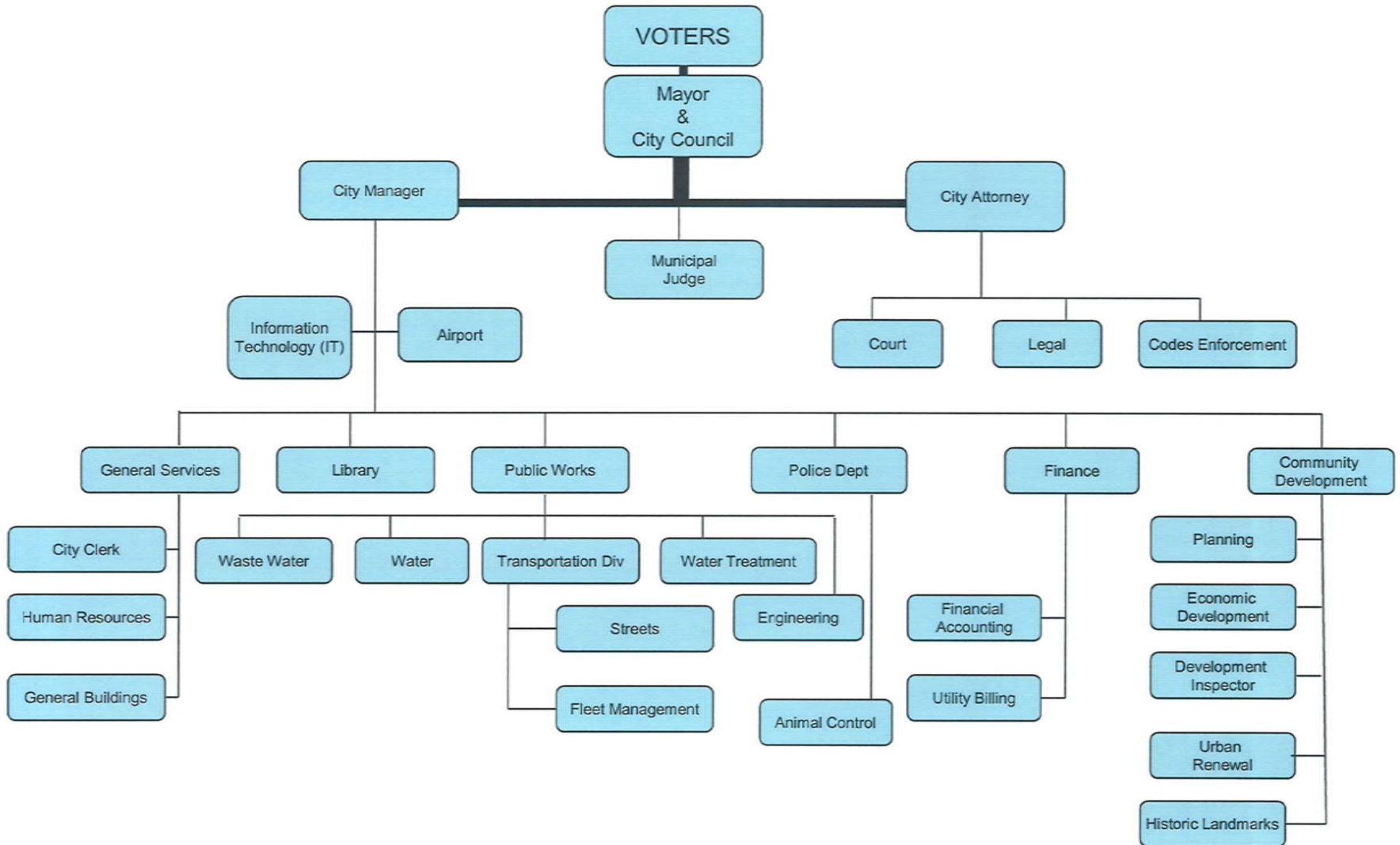
**June 30, 2013**

Executive Director/CEO



City of The Dalles, Oregon

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  
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 City of The Dalles, Oregon, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City of The Dalles, Oregon'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 of The Dalles, Oregon, as of June 30, 2014, 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 the Special Grants Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As described in Note IV.E to the financial statements, in 2014, the City adopted new accounting guidance, GASB Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and other post employment benefits schedule of funding progress, 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, 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.

The other post employment benefits schedule of funding progress, as listed in the table of contents under required supplementary information, 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.

### *Other Information*

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

The other supplemental 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**

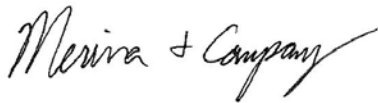
#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2014 on our consideration of the City of The Dalles, Oregon'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 issued separately and is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of The Dalles, Oregon'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 October 8, 2014, on our consideration of the City of The Dalles, Oregon'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.

A handwritten signature in cursive script that reads "Merina & Company".

Merina & Company, LLP  
West Linn, Oregon  
October 8, 2014

## 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 liability and deferred outflows of resources at June 30, 2014 by \$74,789,992 (net position). Of this amount \$55,063,983 was invested in capital assets (net of related debt). \$14,728,335 was restricted for specific purposes, resulting in unrestricted net position of \$4,997,674. The unrestricted net position is made up of unrestricted governmental net position of \$4,055,637 and unrestricted business-type net position of \$942,037.

The City's net position increased by \$9,342,698 (14.28%), due in part to the Airport Runway Rehabilitation and Taxiway Rehabilitation projects funded by FAA. In addition, the Water funds net position improved by \$2,988,773 when all the requirements were met to have the ARRA Forgivable loan forgiven in FY13/14.

The City's Governmental Funds had an increase in fund balances in the amount of \$2,038,611, an increase of \$390,381 in comparison with the prior year. The Urban Renewal Fund balance increased approximately \$294,088 primarily due to projects being delayed until FY14/15.

The City's Enterprise Funds experienced an increase in net position of \$7,304,087, due mostly to the ongoing runway rehabilitation and taxiway rehabilitation projects, and completion and capitalization of the Webber Street Water Main project, the Slipline project, and the ARRA Forgivable Loan (\$2,988,773) being forgiven when all the requirements were met.

### 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, and the City owned airport.



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, 2014 was \$74,789,992, an increase from June 30, 2013 of \$9,342,698. 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

	Governmental Activities		Business-type Activities		Totals	
	2014	2013	2014	2013	2014	2013
<b>Assets</b>						
Current and other assets	\$ 12,203,040	\$ 11,513,816	\$ 10,793,235	\$ 9,404,006	\$ 22,996,275	\$ 20,917,822
Capital assets	35,155,364	34,978,787	47,649,065	45,456,626	82,804,429	80,435,413
<b>Total Assets</b>	<b>47,358,404</b>	<b>46,492,603</b>	<b>58,442,300</b>	<b>54,860,632</b>	<b>105,800,704</b>	<b>101,353,235</b>
<b>Liabilities</b>						
Long-Term liabilities	12,441,918	13,913,733	15,839,132	20,546,800	28,281,050	34,460,533
Other liabilities	1,244,832	945,827	1,484,830	499,581	2,729,662	1,445,408
<b>Total liabilities</b>	<b>13,686,750</b>	<b>14,859,560</b>	<b>17,323,962</b>	<b>21,046,381</b>	<b>31,010,712</b>	<b>35,905,941</b>
<b>Net</b>						
investment in capital assets	23,394,331	22,459,249	31,669,652	25,695,435	55,063,983	48,154,684
Restricted	6,221,686	6,204,535	8,506,649	6,817,577	14,728,335	13,022,112
Unrestricted	4,055,637	2,969,259	942,037	1,301,239	4,997,674	4,270,498
<b>Total net position</b>	<b>\$ 33,671,654</b>	<b>\$ 31,633,043</b>	<b>\$ 41,118,338</b>	<b>\$ 33,814,251</b>	<b>\$ 74,789,992</b>	<b>\$ 65,447,294</b>

The governmental activities revenue comes primarily from property taxes, franchise fees, charges for services, and various grants and contributions, including over \$1,045,274 from a Library Special District formed in 2006. Between FY11/12 and FY12/13, the City's Taxable Assessed Value (TAV) increased by 2.14%. Between FY12/13 and FY13/14, the City's TAV increased by 2.86%. When compared to the prior year, City property taxes collected increased by 2.43%, but taken as an average of the past two years, collections have only increased by an average of 1.76%. When compared to the prior year, Urban Renewal District property taxes collected decreased by -1.79%, mostly due to taxes assessed on heavy equipment located in the Urban Renewal Area during the construction of the Cruise Dock and Festival Park in prior years, and no construction in the Urban Renewal Area in FY13/14.

Our electric franchise fees increased 13.58% over the prior year, mostly due to a rate increase. Natural gas franchise fees increased 7.13%, while garbage franchise fees increased 4.53% and CATV/internet franchise fees increased 3.66%. The Street Fund realized a 1.63% increase in the local 3 cent per gallon gas tax. Transient Room Taxes collected increased 11.98% compared to the prior year, due in part to increased construction activity in the area that resulted in increased business stays, and better weather than the past year years that lengthened the tourism season. Charges for services revenue showed a 16.7% increase, due primarily to rate increases for water (10%) and sewer (3.44%) and increased power consumption attributed to a weather conditions over the past year. Total new revenues in the General Fund increased by 4.7%, due in part to the increases in the franchise fees and Transient Room Taxes as shown above, and a change in distribution from the County of Enterprise Zone payments.

During the year ending June 30, 2014, the City received a significant amount of revenue from capital grants and contributions that consist primarily of awards for specific special projects. These will not be a continuing source of revenue. Significant grants and contributions received during the fiscal year included \$862,343 from the Federal Aviation Administration for the Airport Runway Rehabilitation and Taxiway Rehabilitation projects, A contribution of \$45,931 was received to purchase the design for a new expansion of the library, and a private contribution of \$86,048 was received to fund Phase 5 of the WiFi project.

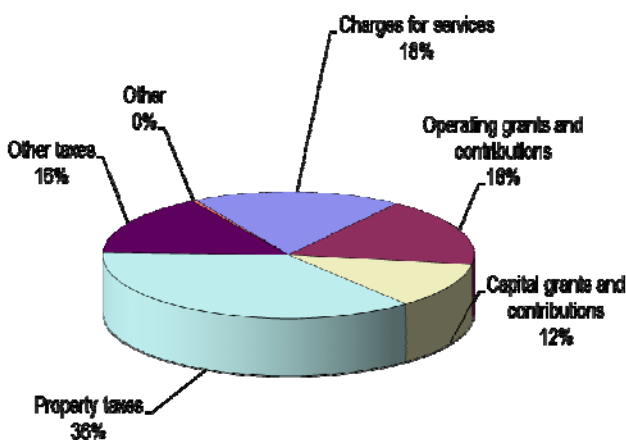
The City’s governmental expenses cover a wide variety of services, with general government, public safety and streets accounting for most of these expenses. The 2.7% decrease in governmental expenses was primarily due to the completion of several capital projects, with less projects being funded in FY13/14. Cost of living and related benefits increased Personnel costs slightly.

The Business Type activities revenues come mostly from charges for services and various grants for capital projects. A 10% water rate increase was implemented during the fiscal year, with further annual increases scheduled, after an analysis of the operational and capital improvement plan needs of the water system. A 3.44% wastewater rate increase was also implemented, with further annual increases scheduled.

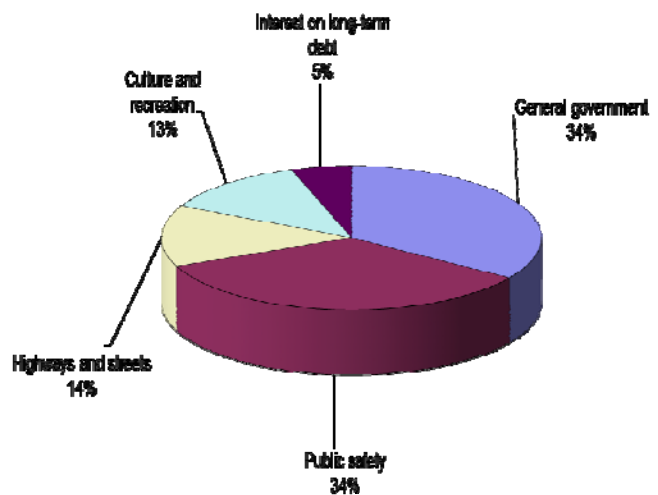
The most significant changes to Business Type expenses during the year are related to the completion of the Sewer Slipline project, and the near completion of the Airport Runway and Taxiway Rehabilitation projects. In addition, the ARRA Forgivable Loan was reclassified from a debt to “grant revenue” when the loan qualified to be forgiven during FY13/14, which increased the Water funds by \$2,988,773.

Property taxes are the City’s primary on-going source of revenue and comprise 36% of the City’s governmental revenue. Property taxes are derived from the permanent tax rate and taxes levied for therepayment of bonded indebtedness.

**Governmental Activities Revenue**



**Governmental Activities Functional Expenses**



For the fiscal year ending June 30, 2014, net position of the Governmental activities increased by \$2,038,611, which represents a 6.4% increase. Net position of the Business-type activities increased by \$7,304,087, or 21.6%. Key elements of these changes, when compared to the year ending June 30, 2013 are as follows:

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Totals</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 1,994,225	\$ 1,180,942	\$ 11,132,656	\$ 10,066,097	\$ 13,126,881	\$ 11,247,039
Operating grants and contributions	1,920,600	1,815,072	65,000	65,000	1,985,600	1,880,072
Capital grants and contributions	1,286,046	2,144,707	4,970,071	3,871,454	6,256,117	6,016,161
General Revenues						
Property taxes	3,985,061	3,944,620	-	-	3,985,061	3,944,620
Other taxes	1,728,579	1,632,053	-	-	1,728,579	1,632,053
Other	43,569	46,153	4,940	38,307	48,509	84,460
<b>Total revenues</b>	<b>10,958,080</b>	<b>10,763,547</b>	<b>16,172,667</b>	<b>14,040,858</b>	<b>27,130,747</b>	<b>24,804,405</b>
<b>Expenses</b>						
General						
government	3,528,182	3,620,305	-	-	3,528,182	3,620,305
Public safety	3,502,386	3,534,026	-	-	3,502,386	3,534,026
Highways and streets	1,409,998	1,559,911	-	-	1,409,998	1,559,911
Culture and recreation	1,292,997	1,272,743	-	-	1,292,997	1,272,743
Interest on long-term debt	528,148	559,591	-	-	528,148	559,591
Water	-	-	3,713,333	3,315,325	3,713,333	3,315,325
Waste water	-	-	3,147,900	3,068,188	3,147,900	3,068,188
Airport	-	-	286,049	313,045	286,049	313,045
<b>Total Expenses</b>	<b>10,261,711</b>	<b>10,546,576</b>	<b>7,147,282</b>	<b>6,696,558</b>	<b>17,408,993</b>	<b>17,243,134</b>
Change net position before transfers	696,369	216,971	9,025,385	7,344,300	9,721,754	7,561,271
Transfers	1,507,292	1,431,259	(1,507,292)	(1,431,259)	-	-
Change in net position	2,203,661	1,648,230	7,518,093	5,913,041	9,721,754	7,561,271
Net position-beginning	31,633,043	29,984,813	33,814,251	27,901,210	65,447,294	57,886,023
Prior Period Adjustment	(165,050)	-	(214,006)	-	(379,056)	-
Net position-beginning, as adjusted	31,467,993	29,984,813	33,600,245	27,901,210	65,068,238	57,886,023
<b>Total net position</b>	<b>\$ 33,671,654</b>	<b>\$ 31,633,043</b>	<b>\$ 41,118,338</b>	<b>\$ 33,814,251</b>	<b>\$ 74,789,992</b>	<b>\$ 65,447,294</b>

### **Governmental Activities**

A significant portion of the increase in net position is due to the completion of the West First Street Phase 2 LID which was split between the Governmental funds and the Enterprise funds, the Server Upgrade project, and the continuing Granada Block and Washington Street Underpass projects. Other construction in progress projects include the East Scenic Drive Stabilization project, the Library expansion project, the West 7th Street survey and right-of-way project, the Flour Mill project, and the Downtown parking structure.

### **Business-type Activities**

The increase in net position of the Business-type activities is due primarily to the capitalization of completed projects that were financed in the governmental funds, but recorded as capital assets in the enterprise funds, the Webber Street Water Main project, the construction of the Airport Runway Rehabilitation Project, and to rate increases for water services (10%) and sewer services (3.44%).

### **FINANCIAL ANALYSIS OF FUNDS**

As of June 30, 2014 the City's governmental funds reported a combined fund balance of \$10,193,630, which is an increase of \$1,101,118 from June 30, 2013.

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, 2014, the combined General Fund – Generally Accepted Accounting Principles balance was \$3,057,756 which is an increase of \$667,769 from June 30, 2013. The combined revenues were \$5,439,172 and combined expenditures were \$6,619,088, resulting in a loss of \$1,179,916. However, the combined General Fund received \$101,829 from a new lease option for equipment, had transfers from other funds in the amount of \$1,814,786, and sent transfers out to other funds in the amount of \$68,930. This resulted in net "Other financing sources" totaling \$1,847,685.

The Street Fund balance as of June 30, 2014 was \$438,926, which is a decrease of \$235,714 from June 30, 2013. Street Fund revenues were \$1,286,738, while expenditures were \$1,268,573, resulting in a gain of \$18,165. Transfers in from other funds in the amount of \$284,388, and transfers out to other funds in the amount of \$538,267, resulted in net "Other financing sources" totaling a negative \$253,879.

As of June 30, 2014, the Library Fund balance was \$1,068,992, reflecting an increase of \$105,430 from June 30, 2013. 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. This increase in the Library Fund balance was due to the County's contribution of a share of the property taxes collected. The County contribution 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, 2014 was \$3,445,747, which is a decrease of \$126,512 from June 30, 2013. This decrease was due to expenditures for several ongoing projects accounted for within that fund.

The Urban Renewal Capital Projects Fund balance as of June 30, 2014 was \$604,058, which is an increase of \$294,088 from June 30, 2013. This increase is primarily due to the delay of the Granada Block project.

The non-major governmental funds balance as of June 30, 2014 was \$1,578,151. This reflects an increase of \$396,057, primarily due to assessments from the West 1<sup>st</sup> Street LID.

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 \$41,118,338 as of June 30, 2014, reflecting a \$7,304,087 increase over net position as of June 30, 2013.

The combined Water Funds net position as of June 30, 2014 was \$11,964,680, which is an increase of \$3,529,884 over June 30, 2013. This increase is primarily due to the ARRA Forgivable Loan being forgiven, and the completion and capitalization of the Webber Street Water Main project.

The combined Wastewater Funds net position as of June 30, 2014 was \$18,355,939, which is an increase of \$1,672,862 from June 30, 2013. This increase is primarily due to building reserves for Phase II of the treatment plant improvements.

The combined Airport Funds net position as of June 30, 2014 was \$10,797,719 which is an increase of \$2,101,341 from June 30, 2013. This increase is due primarily to the construction of the Airport Taxiway Rehabilitation Project.

## **BUDGETARY HIGHLIGHTS**

The original legal appropriations for fiscal year 2013-2014 for the General Fund – Budgetary Basis totaled \$7,350,968, with contingency of \$632,495. The Unappropriated Ending Balance, which is not included in the legal appropriations, was \$783,585. Budget amendments during the year resulted in a total budget of \$7,373,246, with a contingency of \$591,995. The changes to the budget were made to allocate an insurance payment for a totaled police car, and to reallocate funds between categories. Expenditures were \$1,104,491 under budget.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

As of June 30, 2014, the City had invested \$82,804,429 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 \$176,577 and business-type activities capital assets increased by \$2,192,439. Significant additions during the year ending June 30, 2014 were related to the completion and capitalization of the West First Street LID Phase 2, the Webber Street Water Main project, and the Server Upgrade project.

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, 2014 was \$11,761,032. Business-type activities long-term debt outstanding was \$15,979,413. During the year the City added \$101,829 in long-term debt, and retired a total of \$4,642,113 in principle long-term debt. The retirements included pay-offs of the debt for the Union Street Tunnel, and the ARRA Forgivable Note that met all the requirements to be forgiven.

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

2009 FFCO Bond	\$ 10,005,000
Premium on 2009 FFCO Bond	711,080
2008 FFCO Bond	2,250,000
Premium on 2008 FFCO Bond	32,199
Airport Loan from Port	165,070

Airport Loan from Klickitat County	225,000
Wastewater Revenue Bond - 2003	3,715,000
Water Revenue Bond - 2007	6,960,000
Premium on Water Revenue Bonds	29,972
Oklahoma State Bank (Lease Option)	25,498
Peterson Cat (Lease Option)	75,156
SDWRLF Loan	2,521,321
ARRA F-1 Note & Amendment	1,025,149
<b>TOTAL</b>	<b><u>\$ 27,740,445</u></b>

In addition to the above, the City has acted as a conduit for debt for the QualityLife Intergovernmental Agency (QLife). The City obtained a Full Faith and Credit Loan from the Columbia River Bank in May of 2008 in the amount of \$1,079,978, which was used to pay off a prior QLife FFCO loan and two State Special Public Works loans. QLife has pledged to provide the full repayment of the loan and, accordingly, the City has not recorded this debt as it is not anticipated that the City will be required to use its resources for repayment. The balance outstanding at June 30, 2014 was \$128,958.

Compensated Absences accruals totaled \$443,261 as of June 30, 2014. Governmental accruals totaled \$308,410, but are not recorded as a liability in the Governmental Funds. Business-type compensated absences accrual totaling \$134,851 are recorded as current period liabilities as of June 30, 2014, 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 post employment benefits totaled \$1,376,239 for governmental activities and \$807,198 for business-type activities.

Additional information on the City’s long-term debt may be found in Note III.E 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 eight years, and is currently expanding their facilities, with a completion expected near the end of 2014.. 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, 2014**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 4,393,009	\$ 587,022	\$ 4,980,031
Receivables:			
Accounts	112,774	1,080,638	1,193,412
Intergovernmental	166,147	-	166,147
Fines and forfeitures, net	488,059	-	488,059
Property taxes	373,246	-	373,246
Assessments	593,549	-	593,549
Notes	4,179	-	4,179
Internal balances	132,569	(132,569)	-
Prepaid items	130,172	-	130,172
Inventories	148,191	263,823	412,014
<b>Total current assets</b>	<b>6,541,895</b>	<b>1,798,914</b>	<b>8,340,809</b>
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	5,082,013	8,411,831	13,493,844
Receivable	579,132	582,490	1,161,622
Capital assets:			
Land	661,261	5,782,215	6,443,476
Assets available for sale	1,530,311	-	1,530,311
Construction in progress	3,190,529	8,385,795	11,576,324
Depreciable assets, net of depreciation	29,773,263	33,481,055	63,254,318
<b>Total noncurrent assets</b>	<b>40,816,509</b>	<b>56,643,386</b>	<b>97,459,895</b>
<b>Total assets</b>	<b>\$ 47,358,404</b>	<b>\$ 58,442,300</b>	<b>\$ 105,800,704</b>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 146,033	\$ 115,700	\$ 261,733
Unearned revenue	52,947	-	52,947
Accrued interest payable	41,663	128,843	170,506
Retainage payable	426	157,957	158,383
<b>Total current liabilities</b>	<b>241,069</b>	<b>402,500</b>	<b>643,569</b>
Noncurrent liabilities:			
Long-term obligations:			
Due within one year	1,003,763	1,082,330	2,086,093
Due in more than one year	12,441,918	15,839,132	28,281,050
<b>Total noncurrent liabilities</b>	<b>13,445,681</b>	<b>16,921,462</b>	<b>30,367,143</b>
<b>Total liabilities</b>	<b>13,686,750</b>	<b>17,323,962</b>	<b>31,010,712</b>
<b>NET POSITION</b>			
Net investment in capital assets	23,394,331	31,669,652	55,063,983
Restricted for:			
Capital projects	5,422,447	7,779,846	13,202,293
Debt service	799,239	726,803	1,526,042
Unrestricted	4,055,637	942,037	4,997,674
<b>Total net position</b>	<b>33,671,654</b>	<b>41,118,338</b>	<b>74,789,992</b>
<b>Total liabilities and net position</b>	<b>\$ 47,358,404</b>	<b>\$ 58,442,300</b>	<b>\$ 105,800,704</b>

*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, 2014**

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
<b>Governmental activities:</b>							
General government	\$ 3,528,182	\$ 1,741,823	\$ -	\$ 1,286,046	\$ (500,313)	\$ -	\$ (500,313)
Public safety	3,502,386	229,428	-	-	(3,272,958)	-	(3,272,958)
Culture and recreation	1,292,997	12,401	1,095,500	-	(185,096)	-	(185,096)
Highways and streets	1,409,998	10,573	825,100	-	(574,325)	-	(574,325)
Unallocated interest on long-term debt	528,148	-	-	-	(528,148)	-	(528,148)
<b>Total governmental activities</b>	<b>10,261,711</b>	<b>1,994,225</b>	<b>1,920,600</b>	<b>1,286,046</b>	<b>(5,060,840)</b>	<b>-</b>	<b>(5,060,840)</b>
<b>Business type activities:</b>							
All Water Funds	3,713,333	5,161,655	-	3,000,680	-	4,449,002	4,449,002
All Wastewater Funds	3,147,900	5,697,344	-	-	-	2,549,444	2,549,444
All Airport Funds	286,049	273,657	65,000	1,969,391	-	2,021,999	2,021,999
<b>Total business type activities</b>	<b>7,147,282</b>	<b>11,132,656</b>	<b>65,000</b>	<b>4,970,071</b>	<b>-</b>	<b>9,020,445</b>	<b>9,020,445</b>
<b>Total government</b>	<b>\$ 17,408,993</b>	<b>\$ 13,126,881</b>	<b>\$ 1,985,600</b>	<b>\$ 6,256,117</b>	<b>(5,060,840)</b>	<b>9,020,445</b>	<b>3,959,605</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
<b>Property taxes levied for:</b>							
General purposes					2,657,460	-	2,657,460
Urban renewal purposes					1,327,601	-	1,327,601
Franchise and public service taxes					1,728,579	-	1,728,579
Interest and investment earnings					43,569	42,092	85,661
Transfers in (out)					1,507,292	(1,507,292)	-
Extraordinary item - disposal of inventory due to Federal Lead Reduction Act					-	(37,152)	(37,152)
<b>Total general revenues and transfers</b>					<b>7,264,501</b>	<b>(1,502,352)</b>	<b>5,762,149</b>
<b>Change in net position</b>					<b>2,203,661</b>	<b>7,518,093</b>	<b>9,721,754</b>
Net position - beginning as previously reported					31,633,043	33,814,251	65,447,294
Prior period adjustment					(165,050)	(214,006)	(379,056)
Net position - beginning as restated					<b>31,467,993</b>	<b>33,600,245</b>	<b>65,068,238</b>
Net position - ending					<b>\$ 33,671,654</b>	<b>\$ 41,118,338</b>	<b>\$ 74,789,992</b>

*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.

**CITY OF THE DALLES, OREGON**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**June 30, 2014**

	General Fund Generally Accepted Accounting Principles	Street Fund	Library Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Other Governmental	Total Governmental
<b>ASSETS:</b>							
Cash and cash equivalents	\$ 2,468,971	\$ 197,084	\$ 1,101,670	\$ 3,455,300	\$ 617,474	\$ 1,634,523	\$ 9,475,022
Receivables:							
Accounts	1,210	107,489	-	38,376	2,733	4,091	153,899
Intergovernmental	398,773	-	-	-	-	-	398,773
Fines and forfeitures, net	488,059	-	-	-	-	-	488,059
Property taxes	248,093	-	-	-	125,153	-	373,246
Assessments	-	-	-	22,936	-	593,549	616,485
Notes	-	-	-	-	282,445	4,179	286,624
Due from other fund	132,569	-	-	-	-	-	132,569
Prepaid items	130,172	-	-	-	-	-	130,172
Inventories	-	148,191	-	-	-	-	148,191
<b>Total assets</b>	<b>\$ 3,867,847</b>	<b>\$ 452,764</b>	<b>\$ 1,101,670</b>	<b>\$ 3,516,612</b>	<b>\$ 1,027,805</b>	<b>\$ 2,236,342</b>	<b>\$ 12,203,040</b>
<b>LIABILITIES:</b>							
Accounts payable and accrued expenses	\$ 73,939	\$ 13,838	\$ 32,678	\$ 9,127	\$ 16,149	\$ 302	\$ 146,033
Retainage payable	-	-	-	426	-	-	426
<b>Total liabilities</b>	<b>73,939</b>	<b>13,838</b>	<b>32,678</b>	<b>9,553</b>	<b>16,149</b>	<b>302</b>	<b>146,459</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Unavailable revenue	736,152	-	-	61,312	407,598	657,889	1,862,951
<b>Total deferred inflows of resources</b>	<b>736,152</b>	<b>-</b>	<b>-</b>	<b>61,312</b>	<b>407,598</b>	<b>657,889</b>	<b>1,862,951</b>
<b>FUND BALANCES:</b>							
Nonspendable:							
Prepays	130,172	-	-	-	-	-	130,172
Inventory	-	148,191	-	-	-	-	148,191
Restricted for:							
Grant / contributor specific intent	-	-	-	3,445,747	-	12,915	3,458,662
State statute	-	290,735	-	-	604,058	-	894,793
Intergovernmental agreement	-	-	1,068,992	-	-	799,239	1,868,231
Committed for:							
Major capital facilities and associated debt	-	-	-	-	-	276,844	276,844
Local improvements and associated debt	-	-	-	-	-	18,401	18,401
Agreements with state agencies	-	-	-	-	-	(2,166)	(2,166)
Committed by ordinance or resolution	1,256,941	-	-	-	-	-	1,256,941
Unassigned	1,670,643	-	-	-	-	472,918	2,143,561
<b>Total fund balances</b>	<b>3,057,756</b>	<b>438,926</b>	<b>1,068,992</b>	<b>3,445,747</b>	<b>604,058</b>	<b>1,578,151</b>	<b>10,193,630</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 3,867,847</b>	<b>\$ 452,764</b>	<b>\$ 1,101,670</b>	<b>\$ 3,516,612</b>	<b>\$ 1,027,805</b>	<b>\$ 2,236,342</b>	

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.	35,155,364
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Earned but unavailable revenue	1,810,004
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	(13,445,681)
Interest payable	(41,663)
<b>Net position of governmental activities</b>	<b>\$ 33,671,654</b>

*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, 2014**

	Generally Accepted Accounting Principles	Street Fund	Library Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Other Governmental	Total Governmental
<b>REVENUES:</b>							
Property taxes	\$ 2,640,817	\$ -	\$ -	\$ -	\$ 536,426	\$ 784,567	\$ 3,961,810
Other taxes	947,735	449,660	-	-	-	-	1,397,395
Franchise fees	305,750	-	-	-	-	25,434	331,184
Assessments	-	-	-	-	-	580,919	580,919
Licenses and fees	13,245	-	-	-	-	-	13,245
Charges for services	17,417	10,256	-	-	-	-	27,673
Intergovernmental	992,308	825,100	1,050,178	150,783	-	142,955	3,161,324
Fines and forfeitures, net	229,428	-	12,053	-	-	-	241,481
Contributions	-	-	45,322	-	-	-	45,322
System development charges	95,479	-	-	-	-	-	95,479
Rental income	9,864	-	-	-	-	378,224	388,088
Interest on investments	12,356	1,405	4,261	13,751	3,482	8,314	43,569
Miscellaneous	174,773	317	348	4,667	27,019	7,898	215,022
<b>Total revenues</b>	<b>5,439,172</b>	<b>1,286,738</b>	<b>1,112,162</b>	<b>169,201</b>	<b>566,927</b>	<b>1,928,311</b>	<b>10,502,511</b>
<b>EXPENDITURES:</b>							
Current:							
General government	2,572,386	-	-	60,971	258,350	18,299	2,910,006
Public safety	3,185,618	-	-	-	-	152,365	3,337,983
Culture and recreation	366,143	-	865,655	-	-	-	1,231,798
Highways and streets	-	984,688	-	-	-	933	985,621
Capital outlay	494,941	283,885	102,456	231,242	14,489	78,429	1,205,442
Debt service:							
Principal	-	-	-	-	-	760,077	760,077
Interest	-	-	-	-	-	579,587	579,587
<b>Total expenditures</b>	<b>6,619,088</b>	<b>1,268,573</b>	<b>968,111</b>	<b>292,213</b>	<b>272,839</b>	<b>1,589,690</b>	<b>11,010,514</b>
Revenues over (under) expenditures	(1,179,916)	18,165	144,051	(123,012)	294,088	338,621	(508,003)
<b>OTHER FINANCING SOURCES (USES):</b>							
Loan proceeds	101,829	-	-	-	-	-	101,829
Transfers in	1,814,786	284,388	-	-	-	1,138,249	3,237,423
Transfers out	(68,930)	(538,267)	(38,621)	(3,500)	-	(1,080,813)	(1,730,131)
<b>Total other financing sources (uses)</b>	<b>1,847,685</b>	<b>(253,879)</b>	<b>(38,621)</b>	<b>(3,500)</b>	<b>-</b>	<b>57,436</b>	<b>1,609,121</b>
Net changes in fund balances	667,769	(235,714)	105,430	(126,512)	294,088	396,057	1,101,118
<b>FUND BALANCES, BEGINNING</b>	<b>2,389,987</b>	<b>674,640</b>	<b>963,562</b>	<b>3,572,259</b>	<b>309,970</b>	<b>1,182,094</b>	<b>9,092,512</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 3,057,756</b>	<b>\$ 438,926</b>	<b>\$ 1,068,992</b>	<b>\$ 3,445,747</b>	<b>\$ 604,058</b>	<b>\$ 1,578,151</b>	<b>\$ 10,193,630</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, 2014**

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Amounts reported in the statement of activities are different because:

Net change in fund balances \$ 1,101,118

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	\$ (803,739)	
Capital asset additions	1,051,760	248,021

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position. (71,444)

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

Deferred revenues	455,569
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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	(22,383)	
Change in other postemployment benefits	(268,071)	
Change in accrued interest payable	49,094	(241,360)

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	811,241	
Loan proceeds	(101,829)	
Accrued interest expense	2,345	711,757

Change in net position of governmental activities \$ 2,203,661

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 2,759,283	\$ 2,759,283	\$ 2,640,817	\$ (118,466)
Other taxes	922,447	922,447	947,735	25,288
Franchise fees	300,591	300,591	305,750	5,159
Licenses and fees	11,323	11,323	13,245	1,922
Charges for services	30,500	30,500	17,417	(13,083)
Intergovernmental	1,412,147	1,412,147	992,308	(419,839)
Fines and forfeitures, net	229,975	229,975	229,428	(547)
System development charges	200,000	200,000	95,479	(104,521)
Rental income	7,306	7,306	9,864	2,558
Interest on investments	8,900	8,900	12,356	3,456
Miscellaneous	27,500	49,778	174,773	124,995
Total revenues	<u>5,909,972</u>	<u>5,932,250</u>	<u>5,439,172</u>	<u>(493,078)</u>
<b>EXPENDITURES:</b>				
General government	2,777,627	2,811,827	2,572,386	239,441
Public safety	3,462,628	3,452,628	3,185,618	267,010
Culture and recreation	370,030	380,030	366,143	13,887
Capital outlay	1,806,224	1,834,802	494,941	1,339,861
Contingency	632,495	591,995	-	591,995
Total expenditures	<u>9,049,004</u>	<u>9,071,282</u>	<u>6,619,088</u>	<u>2,452,194</u>
Revenues over (under) expenditures	(3,139,032)	(3,139,032)	(1,179,916)	1,959,116
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan proceeds	-	-	101,829	101,829
Transfers in	1,814,786	1,814,786	1,814,786	-
Transfers out	(108,230)	(108,230)	(68,930)	39,300
Total other financing sources (uses)	<u>1,706,556</u>	<u>1,706,556</u>	<u>1,847,685</u>	<u>141,129</u>
Net changes in fund balances	(1,432,476)	(1,432,476)	667,769	2,100,245
<b>FUND BALANCES, BEGINNING GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>	<u>2,216,061</u>	<u>2,216,061</u>	<u>2,389,987</u>	<u>173,926</u>
<b>FUND BALANCES, ENDING GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>	<u>\$ 783,585</u>	<u>\$ 783,585</u>	<u>\$ 3,057,756</u>	<u>\$ 2,274,171</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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Other taxes	\$ 450,000	\$ 450,000	\$ 449,660	\$ (340)
Charges for services	17,000	17,000	10,256	(6,744)
Intergovernmental	826,690	826,690	825,100	(1,590)
Interest on investments	1,500	1,500	1,405	(95)
Miscellaneous	500	500	317	(183)
Total revenues	<u>1,295,690</u>	<u>1,295,690</u>	<u>1,286,738</u>	<u>(8,952)</u>
<b>EXPENDITURES:</b>				
Personnel service	685,705	685,705	600,235	85,470
Materials and services	533,032	533,032	384,453	148,579
Capital outlay	427,050	427,050	283,885	143,165
Contingency	32,967	32,967	-	32,967
Total expenditures	<u>1,678,754</u>	<u>1,678,754</u>	<u>1,268,573</u>	<u>410,181</u>
Revenues over (under) expenditures	(383,064)	(383,064)	18,165	401,229
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	284,388	284,388	284,388	-
Transfers out	<u>(538,269)</u>	<u>(538,269)</u>	<u>(538,267)</u>	<u>2</u>
Total other financing sources (uses)	<u>(253,881)</u>	<u>(253,881)</u>	<u>(253,879)</u>	<u>2</u>
Net changes in fund balances	(636,945)	(636,945)	(235,714)	401,231
<b>FUND BALANCES, BEGINNING</b>	<u>636,945</u>	<u>636,945</u>	<u>674,640</u>	<u>37,695</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 438,926</u>	<u>\$ 438,926</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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 1,049,491	\$ 1,049,491	\$ 1,050,178	\$ 687
Fines and forfeitures, net	9,716	9,716	12,053	2,337
Contributions	8,406	48,406	45,322	(3,084)
Interest on investments	3,349	3,349	4,261	912
Miscellaneous	100	100	348	248
Total revenues	<u>1,071,062</u>	<u>1,111,062</u>	<u>1,112,162</u>	<u>1,100</u>
<b>EXPENDITURES:</b>				
Personnel service	640,573	640,573	613,919	26,654
Materials and services	331,027	319,838	251,736	68,102
Capital outlay	58,600	109,789	102,456	7,333
Contingency	354,070	354,070	-	354,070
Total expenditures	<u>1,384,270</u>	<u>1,424,270</u>	<u>968,111</u>	<u>456,159</u>
Revenues over (under) expenditures	(313,208)	(313,208)	144,051	457,259
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(38,621)</u>	<u>(38,621)</u>	<u>(38,621)</u>	<u>-</u>
Total other financing sources (uses)	<u>(38,621)</u>	<u>(38,621)</u>	<u>(38,621)</u>	<u>-</u>
Net changes in fund balances	(351,829)	(351,829)	105,430	457,259
<b>FUND BALANCES, BEGINNING</b>	<u>887,868</u>	<u>887,868</u>	<u>963,562</u>	<u>75,694</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 536,039</u>	<u>\$ 536,039</u>	<u>\$ 1,068,992</u>	<u>\$ 532,953</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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 7,781,932	\$ 7,882,610	\$ 150,783	\$ (7,731,827)
Interest on investments	3,000	3,000	13,751	10,751
Miscellaneous	-	-	4,667	4,667
Other	1,738,455	1,738,455	-	(1,738,455)
Total revenues	9,523,387	9,624,065	169,201	(9,454,864)
<b>EXPENDITURES:</b>				
Materials and services	225,000	225,000	60,971	164,029
Capital outlay	12,568,520	12,674,198	231,242	12,442,956
Total expenditures	12,793,520	12,899,198	292,213	12,606,985
Revenues over (under) expenditures	(3,270,133)	(3,275,133)	(123,012)	3,152,121
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(3,500)	(3,500)	(3,500)	-
Total other financing sources (uses)	(3,500)	(3,500)	(3,500)	-
Net changes in fund balances	(3,273,633)	(3,278,633)	(126,512)	3,152,121
<b>FUND BALANCES, BEGINNING</b>	3,273,633	3,278,633	3,572,259	293,626
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 3,445,747	\$ 3,445,747

*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, wastewater, and airport facilities. These funds are entirely or predominately self-supported through user charges to the customer. Funds included are:

- Water
- Wastewater
- Airport

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.

#### **All Airport Funds**

##### **Airport**

The Airport Fund accounts for the acquisition, operation, and maintenance of the City's regional airport. Principal sources of revenues are FFA grants and user fees.

##### **Airport Debt Service**

The Airport Debt Service Fund accounts for the accumulation of resources for, and the repayment of, long-term debt principal and interest relating to the 2003 Airport Hanger Facilities Revenue Bond issued to provide for hanger facilities improvements.

**CITY OF THE DALLES, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**June 30, 2014**

	Business-Type Activities - Enterprise Funds			
	All Water Funds	All Wastewater Funds	All Airport Funds	Total
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 434,214	\$ 152,808	\$ -	\$ 587,022
Restricted cash and cash equivalents	1,575,922	6,835,909	-	8,411,831
Receivables:				
Accounts, net	498,896	568,397	13,345	1,080,638
Restricted intergovernmental	-	-	582,490	582,490
Inventory	155,175	108,648	-	263,823
<b>Total current assets</b>	<b>2,664,207</b>	<b>7,665,762</b>	<b>595,835</b>	<b>10,925,804</b>
<b>NONCURRENT ASSETS:</b>				
Capital assets:				
Land	2,874,516	1,409,499	1,498,200	5,782,215
Construction in progress	413,432	19,988	7,952,375	8,385,795
Depreciable assets, net of depreciation	18,086,086	13,955,316	1,439,653	33,481,055
<b>Total noncurrent assets</b>	<b>21,374,034</b>	<b>15,384,803</b>	<b>10,890,228</b>	<b>47,649,065</b>
<b>Total assets</b>	<b>\$ 24,038,241</b>	<b>\$ 23,050,565</b>	<b>\$ 11,486,063</b>	<b>\$ 58,574,869</b>
<b>LIABILITIES:</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	\$ 47,906	\$ 51,099	\$ 16,695	\$ 115,700
Accrued interest payable	89,911	38,516	416	128,843
Retainage payable	-	9,363	148,594	157,957
Compensated absences payable	81,010	53,841	-	134,851
Current portion of long-term debt	458,616	450,316	38,547	947,479
Due to other fund	-	-	132,569	132,569
<b>Total current liabilities</b>	<b>677,443</b>	<b>603,135</b>	<b>336,821</b>	<b>1,617,399</b>
<b>NONCURRENT LIABILITIES:</b>				
Bonds and notes payable	10,893,205	3,787,206	351,523	15,031,934
Other postemployment benefits	502,913	304,285	-	807,198
<b>Total non current liabilities</b>	<b>11,396,118</b>	<b>4,091,491</b>	<b>351,523</b>	<b>15,839,132</b>
<b>Total liabilities</b>	<b>12,073,561</b>	<b>4,694,626</b>	<b>688,344</b>	<b>17,456,531</b>
<b>NET POSITION:</b>				
Net investment in capital assets	10,022,213	11,147,281	10,500,158	31,669,652
Restricted for:				
System development	1,175,787	6,604,059	-	7,779,846
Debt service	400,000	223,976	102,827	726,803
Unrestricted	366,680	380,623	194,734	942,037
<b>Total net position</b>	<b>11,964,680</b>	<b>18,355,939</b>	<b>10,797,719</b>	<b>41,118,338</b>
<b>Total liabilities and net position</b>	<b>\$ 24,038,241</b>	<b>\$ 23,050,565</b>	<b>\$ 11,486,063</b>	<b>\$ 58,574,869</b>

*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 NET POSITION**  
**For the Fiscal Year Ended June 30, 2014**

	Business-Type Activities - Enterprise Funds			
	All Water Funds	All Wastewater Funds	All Airport Funds	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 4,893,333	\$ 4,992,299	\$ 17,084	\$ 9,902,716
System development charges	130,447	457,885	-	588,332
Rental income	4,428	-	195,736	200,164
Miscellaneous	133,447	247,160	60,837	441,444
Total operating revenues	<u>5,161,655</u>	<u>5,697,344</u>	<u>273,657</u>	<u>11,132,656</u>
<b>OPERATING EXPENSES:</b>				
Personal services	1,944,843	1,160,437	-	3,105,280
Materials and services	816,747	1,307,352	123,512	2,247,611
Depreciation and amortization	538,203	522,628	162,380	1,223,211
Total operating expenses	<u>3,299,793</u>	<u>2,990,417</u>	<u>285,892</u>	<u>6,576,102</u>
Operating income (loss)	1,861,862	2,706,927	(12,235)	4,556,554
<b>NON-OPERATING INCOME (EXPENSE):</b>				
Interest on investments	8,941	31,637	1,514	42,092
Interest expense	(413,540)	(157,483)	(157)	(571,180)
Intergovernmental	-	-	65,000	65,000
Grant revenue	2,988,773	-	-	2,988,773
Total non-operating income (expenses)	<u>2,584,174</u>	<u>(125,846)</u>	<u>66,357</u>	<u>2,524,685</u>
Net income (loss) before transfers and capital contributions	4,446,036	2,581,081	54,122	7,081,239
<b>TRANSFERS:</b>				
Transfers in	2,222,005	2,479,185	78,026	4,779,216
Transfers out	(2,949,733)	(3,336,775)	-	(6,286,508)
Total transfers	<u>(727,728)</u>	<u>(857,590)</u>	<u>78,026</u>	<u>(1,507,292)</u>
Net income (loss) before contributions	3,718,308	1,723,491	132,148	5,573,947
<b>CAPITAL CONTRIBUTIONS:</b>				
Intergovernmental	11,907	-	1,969,391	1,981,298
Total capital contributions	<u>11,907</u>	<u>-</u>	<u>1,969,391</u>	<u>1,981,298</u>
<b>EXTRAORDINARY ITEM:</b>				
Disposal of inventory due to Federal Lead Reduction Act	(37,152)	-	-	(37,152)
Change in net position	<u>3,693,063</u>	<u>1,723,491</u>	<u>2,101,539</u>	<u>7,518,093</u>
<b>NET POSITION, BEGINNING AS PREVIOUSLY REPORTED</b>	8,434,796	16,683,077	8,696,378	33,814,251
<b>PRIOR PERIOD ADJUSTMENT</b>	(163,179)	(50,629)	(198)	(214,006)
<b>NET POSITION, BEGINNING AS RESTATED</b>	<u>8,271,617</u>	<u>16,632,448</u>	<u>8,696,180</u>	<u>33,600,245</u>
<b>NET POSITION, ENDING</b>	<u>\$ 11,964,680</u>	<u>\$ 18,355,939</u>	<u>\$ 10,797,719</u>	<u>\$ 41,118,338</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, 2014**

	Business-Type Activities - Enterprise Funds			
	All Water Funds	All Wastewater Funds	All Airport Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 5,063,304	\$ 5,653,987	\$ (305,667)	\$ 10,411,624
Payments to suppliers	(825,653)	(1,308,532)	59,648	(2,074,537)
Payments to employees	(1,859,084)	(1,089,756)	-	(2,948,840)
Net cash provided by operating activities	<u>2,378,567</u>	<u>3,255,699</u>	<u>(246,019)</u>	<u>5,388,247</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers in	2,222,005	2,479,185	78,026	4,779,216
Transfers (out)	(2,949,733)	(3,336,775)	-	(6,286,508)
Proceeds from intergovernmental revenue	-	-	65,000	65,000
Net cash provided by non-capital financing activities	<u>(727,728)</u>	<u>(857,590)</u>	<u>143,026</u>	<u>(1,442,292)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from intergovernmental revenue	11,907	-	1,969,391	1,981,298
Acquisition of capital assets	(668,390)	(485,820)	(2,264,879)	(3,419,089)
Principal paid on long-term obligations	(312,519)	(439,019)	(38,026)	(789,564)
Interest paid on long-term obligations	(540,957)	(161,185)	(285)	(702,427)
Net cash provided by capital and related financing activities	<u>(1,509,959)</u>	<u>(1,086,024)</u>	<u>(333,799)</u>	<u>(2,929,782)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	8,941	31,637	1,514	42,092
Net cash provided by investing activities	<u>8,941</u>	<u>31,637</u>	<u>1,514</u>	<u>42,092</u>
Net increase in cash and cash equivalents	149,821	1,343,722	(435,278)	1,058,265
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>1,860,315</u>	<u>5,644,995</u>	<u>435,278</u>	<u>7,940,588</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 2,010,136</u>	<u>\$ 6,988,717</u>	<u>\$ -</u>	<u>\$ 8,998,853</u>
<b>COMPRISED AS FOLLOWS:</b>				
Cash and cash equivalents	\$ 434,214	\$ 152,808	\$ -	\$ 587,022
Restricted cash and cash equivalents	1,575,922	6,835,909	-	8,411,831
Total cash and cash equivalents	<u>\$ 2,010,136</u>	<u>\$ 6,988,717</u>	<u>\$ -</u>	<u>\$ 8,998,853</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income	\$ 1,861,862	\$ 2,706,927	\$ (12,235)	\$ 4,556,554
Adjustments				
Depreciation and amortization	538,203	522,628	162,380	1,223,211
Decrease (increase) in:				
Receivables	(98,351)	(43,357)	(579,324)	(721,032)
Inventories	21,197	(14,858)	-	6,339
Increase (decrease) in:				
Accounts payable and accrued expenses	(30,103)	13,678	50,591	34,166
Due to other fund	-	-	132,569	132,569
Other postemployment benefits payable	91,592	72,599	-	164,191
Accrued compensated absences	(5,833)	(1,918)	-	(7,751)
Net cash provided by operating activities	<u>\$ 2,378,567</u>	<u>\$ 3,255,699</u>	<u>\$ (246,019)</u>	<u>\$ 5,388,247</u>
<b>NON-CASH CAPITAL FINANCING ACTIVITIES</b>				
Transfer of long-term debt between funds	\$ (57,519)	\$ (44,019)	\$ (13,026)	\$ (114,564)
Total non-cash capital financing activities	<u>\$ (57,519)</u>	<u>\$ (44,019)</u>	<u>\$ (13,026)</u>	<u>\$ (114,564)</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, 2014**

**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. 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 *Airport Funds* account for the activity associated with the operations and capital improvement of the City's municipal airport.

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, Deferred Outflows/Inflows of Resources 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, Wastewater, and Airport 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 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. 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 only has one type of item that qualifies 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 a note receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## **8. 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.

### **9. 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.

### **10. 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.

### **11. 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, 2014, 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, 2014 the State Office Building Fund had a deficit fund balance of \$2,166.

## **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, 2014. 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, 2013, 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, 2014 are as follows:

	Weighted Average Maturity	Fair Value
Investments in the State Treasurer's Local Government Investment Pool	0.00	\$ 15,309,690
Total cash equivalents	0.00	\$ 15,309,690

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

	Governmental Activities	Business-type Activities	Total
Restricted for capital projects:	\$ 5,422,447	\$ 7,779,846	\$13,202,293
Restricted for debt service	799,239	726,803	1,526,042
Total cash and cash equivalents	\$ 6,221,686	\$ 8,506,649	\$14,728,335

## 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	Special	Urban Renewal	Other	Total
Receivables:						
Accounts	\$ 1,210	\$ 107,489	\$ 38,376	\$ 2,733	\$ 4,091	\$ 153,899
Intergovernmental	398,773	-	-	-	-	398,773
Fines and forfeitures, net	849,833	-	-	-	-	849,833
Property taxes	248,093	-	-	125,153	-	373,246
Assessments	-	-	22,936	-	593,549	616,485
Notes	-	-	-	282,445	4,179	286,624
Allowance for doubtful	(361,774)	-	-	-	-	(361,774)
Total receivables	\$ 1,136,135	\$ 107,489	\$ 61,312	\$ 410,331	\$ 601,819	\$ 2,317,086

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

	Water	Waste Water	Airport	Total Business- Type Activity
Receivables:				
Accounts	\$ 507,137	\$ 575,238	\$ 15,845	\$ 1,098,220
Restricted intergovernmental	-	-	582,490	582,490
Allowance for doubtful accounts	<u>(8,241)</u>	<u>(6,841)</u>	<u>(2,500)</u>	<u>(17,582)</u>
	<u>\$ 498,896</u>	<u>\$ 568,397</u>	<u>\$ 595,835</u>	<u>\$ 1,663,128</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 2013-2014, the City levied property taxes in the amount of \$2,835,031. After reductions for offsets and increases for additional taxes and penalties this resulted in a net levy of \$2,727,202. 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, 2013 was \$940,153,044. The Columbia Gateway Urban Renewal Agency, a blended component unit of the City, levied taxes at its maximum taxing authority of \$1,416,068. After reductions for offsets and additional taxes and penalties, this resulted in a net levy of \$1,362,176.

Following is a summary of property tax transactions for the year ended June 30, 2014:

Fiscal Year	Property Taxes Receivable June 30, 2013	Levy as Extended by Assessor	Collections	Cancellations Discounts and Adjustments	Property Taxes Receivable June 30, 2014
2013-2014	\$ -	\$ 4,089,378	\$ (3,809,650)	\$ (106,753)	\$ 172,975
2012-2013	183,073	-	(79,795)	(232)	103,046
2011-2012	84,914	-	(24,469)	(800)	59,645
2010-2011	58,187	-	(33,134)	(141)	24,912
2009-2010	16,104	-	(9,221)	(159)	6,724
2008-2009	5,282	-	(677)	(140)	4,465
Prior years	2,436	-	(730)	(227)	1,479
Totals	<u>\$ 349,996</u>	<u>\$ 4,089,378</u>	<u>\$ (3,957,676)</u>	<u>\$ (108,452)</u>	<u>\$ 373,246</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. Deferred Inflows of Resources**

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. The government-wide financial statements report unearned revenue only for amounts that have been received, but not earned. At the end of the current fiscal year, there was \$52,947 in unearned revenue. The various components of unavailable revenue reported in the governmental funds was as follows:

	General Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Other Governmental	Total Governmental
Property taxes	\$ 248,093	\$ -	\$ 125,153	\$ -	\$ 373,246
Fines and forfeitures	488,059	-	-	-	488,059
Loans	-	38,376	282,445	4,179	325,000
Unearned Rev - SOB Rent	-	-	-	7,215	7,215
Special assessments	-	22,936	-	646,495	669,431
	<u>\$ 736,152</u>	<u>\$ 61,312</u>	<u>\$ 407,598</u>	<u>\$ 657,889</u>	<u>\$ 1,862,951</u>

## D. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2014, 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	3,716,725	322,926	-	(849,122)	3,190,529
Assets available for sale	1,530,311	-	-	-	1,530,311
Total capital assets, non-depreciable	<u>5,908,297</u>	<u>322,926</u>	<u>-</u>	<u>(849,122)</u>	<u>5,382,101</u>
<b>Capital assets, depreciable:</b>					
Land improvements	7,626,895	45,300	-	-	7,672,195
Buildings	5,687,368	-	-	-	5,687,368
Equipment	2,917,230	415,822	(191,802)	45,422	3,186,672
Infrastructure	19,832,251	267,712	-	803,700	20,903,663
Total capital assets, depreciable	<u>36,063,744</u>	<u>728,834</u>	<u>(191,802)</u>	<u>849,122</u>	<u>37,449,898</u>
<b>Less accumulated depreciation for:</b>					
Land improvements	(190,669)	(152,029)	-	-	(342,698)
Buildings	(1,745,023)	(128,080)	-	-	(1,873,103)
Equipment	(1,972,167)	(136,540)	120,358	-	(1,988,349)
Infrastructure	<u>(3,085,395)</u>	<u>(387,090)</u>	<u>-</u>	<u>-</u>	<u>(3,472,485)</u>
Total accumulated depreciation	<u>(6,993,254)</u>	<u>(803,739)</u>	<u>120,358</u>	<u>-</u>	<u>(7,676,635)</u>
Net depreciable capital assets	<u>29,070,490</u>	<u>(52,419)</u>	<u>(71,444)</u>	<u>849,122</u>	<u>29,773,263</u>
<b>Net capital assets</b>	<u>\$ 34,978,787</u>	<u>\$ 270,507</u>	<u>\$ (71,444)</u>	<u>\$ -</u>	<u>\$ 35,155,364</u>

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

General government	\$ (224,012)
Public safety	(71,959)
Highways and streets	(488,833)
Culture and recreation	<u>(18,935)</u>
Total depreciation expense - governmental activities	<u>\$ (803,739)</u>

Capital asset activity for the business-type activities for the year ended June 30, 2014 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Business-type activities totals</b>					
<b>Capital Assets, non-depreciable:</b>					
Land	\$ 5,782,215	\$ -	\$ -	\$ -	\$ 5,782,215
Construction in progress	6,249,272	2,776,657	-	(640,134)	8,385,795
Total capital assets, non-depreciable	<u>12,031,487</u>	<u>2,776,657</u>	<u>-</u>	<u>(640,134)</u>	<u>14,168,010</u>
<b>Capital assets, depreciable:</b>					
Land improvements	12,780,566	-	-	172,377	12,952,943
Buildings	5,252,682	-	-	-	5,252,682
Equipment	4,864,338	287,307	-	-	5,151,645
Wastewater Treatment Plant	8,604,811	98,647	-	-	8,703,458
Dams and lines	15,689,853	256,478	-	467,757	16,414,088
Total capital assets, depreciable	<u>47,192,250</u>	<u>642,432</u>	<u>-</u>	<u>640,134</u>	<u>48,474,816</u>
<b>Less accumulated depreciation for:</b>					
Land improvements	(4,501,763)	(286,818)	-	-	(4,788,581)
Buildings	(1,803,078)	(134,225)	-	-	(1,937,303)
Equipment	(2,791,666)	(200,396)	-	-	(2,992,062)
Wastewater Treatment Plant	(1,747,424)	(271,222)	-	-	(2,018,646)
Dams and lines	(2,923,178)	(333,991)	-	-	(3,257,169)
Total accumulated depreciation	<u>(13,767,109)</u>	<u>(1,226,652)</u>	<u>-</u>	<u>-</u>	<u>(14,993,761)</u>
Net depreciable capital assets	<u>33,425,141</u>	<u>(584,220)</u>	<u>-</u>	<u>640,134</u>	<u>33,481,055</u>
<b>Net capital assets</b>	<u>\$ 45,456,628</u>	<u>\$ 2,192,437</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,649,065</u>

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

Wastewater	\$ (522,941)
Water	(541,331)
Airport	<u>(162,380)</u>
Total depreciation expense - business-type activities	<u><u>\$(1,226,652)</u></u>

## E. 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 a “material event notice”, as required by full disclosure and requirements of the bond issue, on December 3, 2013. The filing was to post the audited City of The Dalles Comprehensive Annual Financial Statement (CAFR), which includes the Columbia Gateway Urban Renewal Agency as a blended component. An additional event notice was filed on April 15, 2014 to disclose a Standard & Poor’s Upgrade of The Dalles rating from A+ to AA-.

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
2015	\$ 127,344	\$ 55,140	\$ 415,000	\$ 386,238
2016	133,408	50,046	430,000	373,788
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
2020-2024	667,040	69,960	2,770,000	1,240,075
2025-2029	-	-	3,470,000	535,175
2030-2034	-	-	-	-
Total	<u>\$ 1,364,400</u>	<u>\$ 292,296</u>	<u>\$8,480,000</u>	<u>\$3,546,189</u>



	<b>2009 Full Faith and Credit Bonds Street LID portion</b>		<b>Full Faith &amp; Credit Bonds Total Governmental</b>	
	Principal	Interest	Principal	Interest
2015	\$ 54,150	\$ 50,197	\$ 596,494	\$ 491,575
2016	54,150	48,573	617,558	472,407
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
2020-2024	361,000	161,790	3,798,040	1,471,825
2025-2029	451,250	69,283	3,921,250	604,458
2030-2034	-	-	-	-
Total	<u>\$ 1,101,050</u>	<u>\$ 461,374</u>	<u>\$ 10,945,450</u>	<u>\$ 4,299,859</u>

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
2015	\$ 3,578	\$ -	\$ 45,516	\$ -	\$ 49,094	\$ -
2016	3,578	-	45,516	-	49,094	-
2017	3,578	-	45,516	-	49,094	-
2018	3,578	-	45,516	-	49,094	-
2019	3,578	-	45,516	-	49,094	-
2020-2024	14,309	-	227,580	-	241,889	-
2025-2029	-	-	227,569	-	227,569	-
2030-2034	-	-	-	-	-	-
Total	<u>\$ 32,199</u>	<u>\$ -</u>	<u>\$ 682,729</u>	<u>\$ -</u>	<u>\$ 714,928</u>	<u>\$ -</u>

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
2015	\$ 41,328	\$ 17,895	\$ 41,328	\$ 17,895	\$ 3,675	\$ 3,407
2016	43,296	16,242	43,296	16,242	3,675	3,296
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
2020-2024	216,480	22,705	216,480	22,705	24,500	10,981
2025-2029	-	-	-	-	30,625	4,703
2030-2034	-	-	-	-	-	-
Total	<u>\$ 442,800</u>	<u>\$ 94,862</u>	<u>\$ 442,800</u>	<u>\$ 94,862</u>	<u>\$ 74,725</u>	<u>\$ 31,313</u>

	<b>2009 Full Faith and Credit Water Bonds</b>		<b>Full Faith and Credit Bonds Business Activity Total</b>	
	Principal	Interest	Principal	Interest
2015	\$ 17,175	\$ 15,921	\$ 103,506	\$ 55,118
2016	17,175	15,406	107,442	51,186
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
2020-2024	114,500	51,316	571,960	107,707
2025-2029	143,125	21,977	173,750	26,680
2030-2034	-	-	-	-
Total	<u>\$ 349,225</u>	<u>\$ 146,338</u>	<u>\$ 1,309,550</u>	<u>\$ 367,375</u>

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

	<b>Premium on 2009 Full Faith and Credit Wastewater Bonds</b>		<b>Premium on 2009 Full Faith and Credit Water Bonds</b>	
	Principal	Interest	Principal	Interest
2015	\$ 313	\$ -	\$ 1,463	\$ -
2016	313	-	1,463	-
2017	313	-	1,463	-
2018	313	-	1,463	-
2019	313	-	1,463	-
2020-2024	1,565	-	7,315	-
2025-2029	1,565	-	7,315	-
2030-2034	302	-	1,409	-
Total	<u>\$ 4,997</u>	<u>\$ -</u>	<u>\$ 23,354</u>	<u>\$ -</u>

	<b>Premium on Water Revenue Bonds</b>		<b>Premium on Business Type Bonds Total</b>	
	Principal	Interest	Principal	Interest
2015	\$ 1,665	\$ -	\$ 3,441	\$ -
2016	1,665	-	3,441	-
2017	1,665	-	3,441	-
2018	1,665	-	3,441	-
2019	1,665	-	3,441	-
2020-2024	8,325	-	17,205	-
2025-2029	8,325	-	17,205	-
2030-2034	4,997	-	6,708	-
Total	<u>\$ 29,972</u>	<u>\$ -</u>	<u>\$ 58,323</u>	<u>\$ -</u>

## 2. Loans Payable-Governmental Activities

The City had a loan payable to the Oregon Investment Board for riverfront improvements, at 4% interest, with the final payment due June 30, 2016. The City retired this loan early, paying the remaining principal and accrued interest in full on February 27, 2014.

The City currently has a loan payable to Oklahoma State Bank for the purchase of equipment. The loan is payable in annual installments of \$26,546 including principal and interest at 4.11%. Final payment is due November 4, 2014. The loan is secured by the equipment and is payable from general government revenues.

An additional loan is 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:

	Oklahoma State Bank		Peterson Cat - Skid Steer		Loans Payable - Governmental Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 25,498	\$ 1,048	\$ 24,267	\$ 2,405	\$ 49,765	\$ 3,453
2016	-	-	25,044	1,628	25,044	1,628
2017	-	-	25,845	827	25,845	827
Total	<u>\$ 25,498</u>	<u>\$ 1,048</u>	<u>\$ 75,156</u>	<u>\$ 4,860</u>	<u>\$ 100,654</u>	<u>\$ 5,908</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.

*Airport Fund* - The last of the Airport Fund revenue bonds used to finance improvements to the City’s airport hangars, was retired early in FY12/13.

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
2015	\$ 405,000	\$ 146,965	\$ 265,000	\$ 296,805	\$ 670,000	\$ 443,770
2016	420,000	132,385	280,000	286,205	700,000	418,590
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
2020-2024	1,530,000	129,710	1,775,000	1,041,839	3,305,000	1,171,549
2025-2029	-	-	2,185,000	632,470	2,185,000	632,470
2030-2034	-	-	1,550,000	138,380	1,550,000	138,380
<b>Total</b>	<b>\$ 3,715,000</b>	<b>\$ 708,790</b>	<b>\$ 6,960,000</b>	<b>\$ 3,184,764</b>	<b>\$ 10,675,000</b>	<b>\$ 3,893,554</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 begins 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 of the ARRA Forgivable Note, completed the project as budgeted, and no defaults occurred. This resulted in the ARRA Forgivable Note being fully forgiven during the year ended June 30, 2014.

*Airport Fund* - The City has a loan from the Port of The Dalles for rehabilitation of a well at the Columbia Gorge Regional Airport. The loan proceeds were received in two separate disbursements. The first portion, received during the 2008 fiscal year, is payable annually with installments of at least \$15,150, including interest at 4%. The final payment is due May 1, 2017. The second portion, received during the fiscal year ended June 30, 2009, is payable first from connection fees for each customer connecting to the well water system and 10% of the applicable lease payment of each lease payment made by each third party tenant of property at the airport that is benefitted by the project. Repayment on the second portion of the loan does not begin until the first customer connects to the well water system at the airport and begins making payments under their lease agreement. If the second portion of the loan is not repaid by July 1, 2017, the balance of the unpaid principal shall convert to an interest bearing loan, with interest to accrue at the rate of 4% per annum. The City will be obligated to pay a minimum annual payment of not less than \$ 15,150 on July 1 each year thereafter, until the loan is paid in full. The loan is unsecured, and is payable from general government revenues.

The City received a \$250,000 loan from Klickitat County, Washington in November 2012, for construction of new maintenance hangar at the Airport. The loan term is for ten years, with annual principal payments of \$25,000 to be paid by August 13 of each year. Klickitat County will calculate interest to be paid and notify the City at least 14 days prior to the due date each year. The interest will be calculated on the average rate of the Local Government Investment Pool (LGIP) over the period since the last payment, plus .05% as an administration fee.

Future maturities of the loans payable are as follows:

	<b>Airport Port Loan</b>		<b>ARRA Note</b>	
	Principal	Interest	Principal	Interest
2015	\$ 13,547	\$ 1,603	2015 \$ 131,985	\$ 106,394
2016	14,089	1,061	2016 135,945	102,435
2017	12,434	497	2017 140,022	98,356
2018	-	-	2018 144,223	94,156
2019	10,150	5,000	2019 148,550	89,829
2020-2024	57,174	18,576	2020-2024 812,330	379,562
2025-2029	57,676	6,062	2025-2029 2,033,415	350,367
<b>Total</b>	<b>\$ 165,070</b>	<b>\$ 32,799</b>	<b>\$ 3,546,470</b>	<b>\$ 1,221,099</b>

Loan	<b>Airport Klickitat Loan</b>		<b>Loans Payable Business Activity Total</b>	
	Principal	Interest	Principal	Interest
2015	\$ 25,000	\$ -	\$ 170,532	\$ 107,997
2016	25,000	-	175,034	103,496
2017	25,000	-	177,456	98,853
2018	25,000	-	169,223	94,156
2019	25,000	-	183,700	94,829
2020-2024	100,000	-	969,504	398,138
2025-2029	-	-	2,091,091	356,429
<b>Total</b>	<b>\$ 225,000</b>	<b>\$ -</b>	<b>3,936,540</b>	<b>\$ 1,253,898</b>

## 5. Conduit Debt

The City has acted as a conduit for debt issued by Quality Life Intergovernmental Agency and payable to the Columbia State Bank to refinance debt the City previously acted as a conduit for and payable to the Oregon Department of Economic and Community Development. In addition, the conduit debt issued by the Agency was used to refinance the Agency's previous loan from Columbia State Bank. The total amount of debt payable to Columbia State Bank at June 30, 2014 is \$128,958. Quality Life Intergovernmental Agency has pledged security to repay the amount; however, the loan documents name the City as the borrower. This amount has not been reported as a liability on the City's financial statements as it is anticipated that Quality Life Intergovernmental Agency will provide the full repayment.

## 6. Changes in Long-Term Obligations

Long-term obligation activity for the year ended June 30, 2014, is as follows:

	<u>6/30/13</u> Balance	<u>Additions</u>	<u>Reductions</u>	<u>6/30/14</u> Balance	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities</b>					
Full Faith and Credit Bonds	\$ 11,523,912	\$ -	\$ 578,462	\$ 10,945,450	\$ 596,494
Premium on FFCO Bonds	764,022	-	49,094	714,928	49,094
Loans Payable	231,604	101,829	232,779	100,654	49,765
Compensated Absences	286,027	308,410	286,027	308,410	308,410
Other Postemployment Benefits	1,108,168	268,071	-	1,376,239	-
Total Governmental activity Long-term obligations	<u>\$ 13,913,733</u>	<u>\$ 678,310</u>	<u>\$ 1,146,362</u>	<u>\$ 13,445,681</u>	<u>\$ 1,003,763</u>
<b>Business-Type Activities</b>					
Revenue Bonds	\$ 11,325,000	\$ -	\$ 650,000	\$ 10,675,000	\$ 670,000
Full Faith and Credit Bonds	1,411,088	-	101,538	1,309,550	103,506
Premium on Bonds	61,764	-	3,441	58,323	3,441
Loans Payable	6,963,339	-	3,026,799	3,936,540	170,532
Compensated Absences	142,603	134,850	142,603	134,850	134,850
Other Postemployment Benefits	643,007	164,191	-	807,198	-
Total Business-type activity Long-term obligations	<u>\$ 20,546,801</u>	<u>\$ 299,041</u>	<u>\$ 3,924,381</u>	<u>\$ 16,921,461</u>	<u>\$ 1,082,329</u>

## F. Net Position

The government-wide statement of net position reports \$14,728,335 of restricted net position, of which \$894,793 is restricted by enabling legislation.

## G. 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 \$1,507,292. A reconciliation of transfers in the fund financial statements is as follows:

	Transfers In	Transfers Out
Governmental activity:		
General fund	\$ 1,814,786	\$ 68,930
Street fund	284,388	538,267
Library fund	-	38,621
Special grants fund	-	3,500
Other governmental funds	1,138,249	1,080,813
Business-type activities:		
Water fund	2,222,005	2,949,733
Waste water fund	2,479,185	3,336,775
Airport fund	78,026	-
	<u>                    </u>	<u>                    </u>
Total Transfers	<u>\$ 8,016,639</u>	<u>\$ 8,016,639</u>

Transfers out of the General Fund were to the Airport Fund for operation of the Airport, to the Capital Projects Fund for debt service purposes, to the Special Grants Fund for matching funds for a grant, and to the Unemployment Reserve Fund. 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. In addition, the Capital Projects Fund paid debt on behalf of the Airport Fund. 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 three 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	\$ 463,468
Interest on net OPEB obligation	17,512
Adjustment to annual required	<u>(48,718)</u>
 Annual OPEB cost	 432,262
Less OPEB contributions (Amounts paid by the City during the year)	 <u>-</u>
Change in net OPEB obligation	432,262
 Net OPEB obligation - beginning of year	 <u>1,751,175</u>
 Net OPEB obligation - end of year	 <u><u>\$2,183,437</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, 2014 was as follows:

Health Insurance Continuation			
Fiscal Year Ended	Annual OPEB Cost	Percent of Annual OPEB Cost Contributions	Net OPEB Obligation
06/30/2012	\$ 440,304	0%	\$ 1,321,206
06/30/2013	429,969	0%	1,751,175
06/30/2014	432,262	0%	2,183,437

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2014, was as follows:

	Health Insurance Continuation
Employer's normal cost	\$ 3,289,224
Actuarial value of plan assets	-
Unfunded actuarial accrued liability	<u>\$ 3,289,224</u>
Funded ratio	0.00%
Covered payroll (active plan members)	\$ 5,020,026
UAAL as a percentage of covered payroll	65.33%

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, 2012 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 and pharmacy premium 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, 2014 actuarial valuation, the entry age actuarial cost method was used. The UAAL is being amortized over 27 years on a closed basis using the level percentage of payroll amortization method. Payroll growth increase assumption is 3.0 percent. Age adjustment factor is 1.816. 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. 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, 2014 was \$1,212,962. Total contributions to the plan for the year ended June 30, 2014 were \$570,682, including \$498,373 for both the City and employee portions that is paid by the City, and \$72,309 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. 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, 2014 was \$1,430,883. Total contributions to the plan for the year ended June 30, 2014 were \$359,508, including \$321,248 for both the City and employee portions that is paid by the City, and \$38,260 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>, 2014.

The Washington Street Underpass is approximately 20 % complete. Costs incurred to date are \$1,505,506, with total estimated costs of \$8.08 million.

The Flour Mill project is approximately 95% complete. Costs incurred to date are \$762,288.

East Scenic ROW Survey project is in the early stages. Costs incurred to date are \$12,460.

The 3<sup>rd</sup> Street Streetscape project is in the final stages of design and engineering and the project is waiting on final approval for construction. Costs incurred to date are \$52,668 with estimated costs of \$3 million.

The Downtown Parking Structure project is in the early stages. Costs incurred to date are \$19,680, with estimated costs of \$3.3 million.

The ODOT- Welcome signs, is in the early stages. Costs incurred to date are \$4,219.

The East Scenic Drive Stabilization project is approximately 98% complete. Costs incurred to date are \$58,474.

The Downtown WIFI project Phases 2, 3 and 4 are approximately 97% complete. Costs incurred to date are \$91,003.

The Granada Block project costs incurred to date are \$263,185.

The West 7th Street Survey project is in the early stages. Costs incurred to date are \$1450.00.

The West 7th Street ROW Survey is also in the early stages, with costs incurred to date of \$28,895.

The 2nd Street Paving project has costs incurred to date of \$8,110.88.

The Library Design project is 99% complete and the costs incurred to date are \$43,031.84. This design project is for the expansion of the Library.

Other major projects in progress at June 30, 2014 are as follows:

The design portion of the Lone Pine Well Expansion is essentially complete, but construction has not yet started. Design Costs incurred to date are \$228,940, with estimated construction costs of \$1 million. This project was on hold until the Terminal Reservoir Project was completed last year.

The Dog River Pipeline project is approximately 8% complete. Costs incurred to date are \$142,175, with total estimated costs of \$7.883 million.

The Dewatering Well #6 Rehab project is in its early stages, with costs incurred to date of \$27,612.79, with total estimated costs of \$60,000.

The Water Shed Seeding Burn project is in its early stages, with costs incurred to date of \$14,454.73. Total estimated cost of this project is \$1,100,000.

Sorosis Surge Tank has just been started, with costs incurred to date of \$250. Total estimated cost of this project is \$179,000.

The 4<sup>th</sup> Street Grade Sanitary Survey is in the early stages. Costs incurred to date are \$6,550, with estimated costs of \$555,000.

West 2<sup>nd</sup> Street Joint Utility project is also in the early stages. Costs incurred to date are \$7,207, with estimated costs of \$550,000.

The Dalles Dam Tour/Shuttle Project is 93% complete. Costs incurred to date are \$345,786, with total estimated costs of \$372,164.

There are various projects in progress at the airport, including a well project with costs to date of \$254,782. This project is currently on hold waiting for completion of an agreement with the Dallesport Water District. The City Runway rehab project for the airport is 98% complete. Costs incurred to date are \$5,428,264, with total estimated costs to be incurred of \$5.5 million. Connect Oregon III (\$3.5 million) and FAA (\$2 million) in grants have been awarded to fund the project. The Airport Taxiway Rehab Project, started in FY13/14 is 97% complete, with costs incurred to date of \$2,210,287. The City is also in the early design stages of a flex hangar at the airport, costs incurred to date are \$4,450, with estimated costs of \$1.25 million.

## **2. Subsequent Events**

Management has evaluated subsequent events through October 8, 2014, the date on which the financial statements were available to be issued. Management is not aware of any subsequent events that require recognition or disclosure in the financial statements.

## **E. New Accounting Pronouncement**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The Agency implemented GASB Statement No. 65 in the year ending June 30, 2014.

## **F. Prior Period Adjustment**

In accordance with the provisions of GASB Statement No. 65, bond issuance costs are to be expensed in the period incurred. This change in accounting principle resulted in a prior period adjustment in the amount of \$165,050 for the governmental activities and \$214,006 for the business-type activities.

## **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, 2014**

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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 )
6/30/2012	\$ -	\$ 3,289,224	\$ 3,289,224	0%	\$ 5,035,113	65.33%
6/30/2013	-	3,289,224	3,289,224	0%	5,228,715	62.91%
6/30/2014	-	3,289,224	3,289,224	0%	5,020,026	65.52%





## **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. Funds included in this category are:

#### **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.

#### **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, 2014**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 13,637	\$ 803,868	\$ 817,018	\$ 1,634,523
Receivables:				
Accounts	-	-	4,091	4,091
Assessments	-	-	593,549	593,549
Notes	-	-	4,179	4,179
Total assets	<u>\$ 13,637</u>	<u>\$ 803,868</u>	<u>\$ 1,418,837</u>	<u>\$ 2,236,342</u>
<b>LIABILITIES:</b>				
Accounts payable and accrued expenses	\$ 302	\$ -	\$ -	\$ 302
Total liabilities	<u>302</u>	<u>-</u>	<u>-</u>	<u>302</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue	<u>2,586</u>	<u>4,629</u>	<u>650,674</u>	<u>657,889</u>
Total deferred inflows of resources	<u>2,586</u>	<u>4,629</u>	<u>650,674</u>	<u>657,889</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Grant / contributor specific intent	12,915	-	-	12,915
Intergovernmental agreement	-	799,239	-	799,239
Committed for:				
Major capital facilities and associated debt	-	-	276,844	276,844
Local improvements and associated debt	-	-	18,401	18,401
Agreements with state agencies	(2,166)	-	-	(2,166)
Unassigned	<u>-</u>	<u>-</u>	<u>472,918</u>	<u>472,918</u>
Total fund balances	<u>10,749</u>	<u>799,239</u>	<u>768,163</u>	<u>1,578,151</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 13,637</u>	<u>\$ 803,868</u>	<u>\$ 1,418,837</u>	<u>\$ 2,236,342</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, 2014**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
<b>REVENUES:</b>				
Property taxes	\$ -	\$ 784,567	\$ -	\$ 784,567
Franchise fees	-	-	25,434	25,434
Assessments	-	-	580,919	580,919
Intergovernmental	-	-	142,955	142,955
Rental income	152,419	124,571	101,234	378,224
Interest on investments	146	4,800	3,368	8,314
Miscellaneous	2,000	-	5,898	7,898
	<u>154,565</u>	<u>913,938</u>	<u>859,808</u>	<u>1,928,311</u>
<b>EXPENDITURES:</b>				
General government	-	-	18,299	18,299
Public safety	152,365	-	-	152,365
Highways and streets	933	-	-	933
Capital outlay	45,300	-	33,129	78,429
Debt service:				
Principal	-	578,462	181,615	760,077
Interest	-	572,893	6,694	579,587
	<u>198,598</u>	<u>1,151,355</u>	<u>239,737</u>	<u>1,589,690</u>
Revenues over (under) expenditures	(44,033)	(237,417)	620,071	338,621
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	6,000	1,128,319	3,930	1,138,249
Transfers out	-	(902,775)	(178,038)	(1,080,813)
	<u>6,000</u>	<u>225,544</u>	<u>(174,108)</u>	<u>57,436</u>
Net changes in fund balances	(38,033)	(11,873)	445,963	396,057
<b>FUND BALANCES, BEGINNING</b>	<u>48,782</u>	<u>811,112</u>	<u>322,200</u>	<u>1,182,094</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 10,749</u>	<u>\$ 799,239</u>	<u>\$ 768,163</u>	<u>\$ 1,578,151</u>

**CITY OF THE DALLES, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2014**

	Community Benevolence Fund	State Office Building Fund	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 12,915	\$ 722	\$ 13,637
Total assets	<u>\$ 12,915</u>	<u>\$ 722</u>	<u>\$ 13,637</u>
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	\$ -	\$ 302	\$ 302
Total liabilities	<u>-</u>	<u>302</u>	<u>302</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue	<u>-</u>	<u>2,586</u>	<u>2,586</u>
Total deferred inflows of resources	<u>-</u>	<u>2,586</u>	<u>2,586</u>
<b>FUND BALANCES:</b>			
Restricted for:			
Grant / contributor specific intent	12,915	-	12,915
Committed for:			
Agreements with state agencies	<u>-</u>	<u>(2,166)</u>	<u>(2,166)</u>
Total fund balances	<u>12,915</u>	<u>(2,166)</u>	<u>10,749</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,915</u>	<u>\$ 722</u>	<u>\$ 13,637</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, 2014**

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	Community Benevolence Fund	State Office Building Fund	Total
<b>REVENUES:</b>			
Rental income	\$ -	\$ 152,419	\$ 152,419
Interest on investments	58	88	146
Miscellaneous	2,000	-	2,000
	<hr/>	<hr/>	<hr/>
Total revenues	2,058	152,507	154,565
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>			
Public safety	-	152,365	152,365
Highways and streets	933	-	933
Capital outlay	-	45,300	45,300
	<hr/>	<hr/>	<hr/>
Total expenditures	933	197,665	198,598
	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	1,125	(45,158)	(44,033)
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	6,000	6,000
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	6,000	6,000
	<hr/>	<hr/>	<hr/>
Net changes in fund balances	1,125	(39,158)	(38,033)
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, BEGINNING</b>	11,790	36,992	48,782
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, ENDING</b>	<u>\$ 12,915</u>	<u>\$ (2,166)</u>	<u>\$ 10,749</u>

**CITY OF THE DALLES, OREGON**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2014**

	Special Assessment Fund	Capital Projects Fund	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 540,174	\$ 276,844	\$ 817,018
Receivables:			
Accounts	4,091	-	4,091
Assessments	593,549	-	593,549
Notes	-	4,179	4,179
Total assets	<u>\$ 1,137,814</u>	<u>\$ 281,023</u>	<u>\$ 1,418,837</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue	<u>\$ 646,495</u>	<u>\$ 4,179</u>	<u>\$ 650,674</u>
Total deferred inflows of resources	<u>646,495</u>	<u>4,179</u>	<u>650,674</u>
<b>FUND BALANCES:</b>			
Committed for:			
Major capital facilities and associated debt	-	276,844	276,844
Local improvements and associated debt	18,401	-	18,401
Unassigned	<u>472,918</u>	<u>-</u>	<u>472,918</u>
Total fund balances	<u>491,319</u>	<u>276,844</u>	<u>768,163</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,137,814</u>	<u>\$ 281,023</u>	<u>\$ 1,418,837</u>



**CITY OF THE DALLES, OREGON**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2014**

	Special Assessment Fund	Capital Projects Fund	Total
<b>REVENUES:</b>			
Franchise fees	\$ 25,434	\$ -	\$ 25,434
Assessments	580,919	-	580,919
Intergovernmental	-	142,955	142,955
Rental income	-	101,234	101,234
Interest on investments	1,951	1,417	3,368
Miscellaneous	-	5,898	5,898
Total revenues	<u>608,304</u>	<u>251,504</u>	<u>859,808</u>
<b>EXPENDITURES:</b>			
General government	17,424	875	18,299
Capital outlay	1,450	31,679	33,129
Debt service:			
Principal	-	181,615	181,615
Interest	-	6,694	6,694
Total expenditures	<u>18,874</u>	<u>220,863</u>	<u>239,737</u>
Revenues over (under) expenditures	589,430	30,641	620,071
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	3,930	3,930
Transfers out	<u>(116,512)</u>	<u>(61,526)</u>	<u>(178,038)</u>
Total other financing sources (uses)	<u>(116,512)</u>	<u>(57,596)</u>	<u>(174,108)</u>
Net changes in fund balances	472,918	(26,955)	445,963
<b>FUND BALANCES, BEGINNING</b>	<u>18,401</u>	<u>303,799</u>	<u>322,200</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 491,319</u>	<u>\$ 276,844</u>	<u>\$ 768,163</u>

**CITY OF THE DALLES, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2014**

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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	\$ 4,629	\$ -	\$ 799,239	\$ 803,868
Total assets	<u>\$ 4,629</u>	<u>\$ -</u>	<u>\$ 799,239</u>	<u>\$ 803,868</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue	\$ 4,629	\$ -	\$ -	\$ 4,629
Total deferred inflows of resources	<u>4,629</u>	<u>-</u>	<u>-</u>	<u>4,629</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Intergovernmental agreement	-	-	799,239	799,239
Total fund balances	<u>-</u>	<u>-</u>	<u>799,239</u>	<u>799,239</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,629</u>	<u>\$ -</u>	<u>\$ 799,239</u>	<u>\$ 803,868</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, 2014**

	FFCO 2008 Bond Fund	2009 FFCO Bond Fund	Urban Renewal Debt Fund	Total
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ 784,567	\$ 784,567
Rental income	124,571	-	-	124,571
Interest on investments	-	-	4,800	4,800
Total revenues	<u>124,571</u>	<u>-</u>	<u>789,367</u>	<u>913,938</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	124,312	454,150	-	578,462
Interest	<u>99,130</u>	<u>473,763</u>	<u>-</u>	<u>572,893</u>
Total expenditures	<u>223,442</u>	<u>927,913</u>	<u>-</u>	<u>1,151,355</u>
Revenues over (under) expenditures	(98,871)	(927,913)	789,367	(237,417)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	179,557	948,762	-	1,128,319
Transfers out	<u>(80,688)</u>	<u>(20,850)</u>	<u>(801,237)</u>	<u>(902,775)</u>
Total other financing sources (uses)	<u>98,869</u>	<u>927,912</u>	<u>(801,237)</u>	<u>225,544</u>
Net changes in fund balances	(2)	(1)	(11,870)	(11,873)
<b>FUND BALANCES, BEGINNING</b>	<u>2</u>	<u>1</u>	<u>811,109</u>	<u>811,112</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 799,239</u>	<u>\$ 799,239</u>

**CITY OF THE DALLES, OREGON**  
**GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**  
**COMBINING BALANCE SHEET**  
**June 30, 2014**

	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	\$ 1,211,547	\$ 192,904	\$ 1,009,818	\$ 54,702	\$ 2,468,971
Receivables:					
Accounts	1,210	-	-	-	1,210
Intergovernmental	398,773	-	-	-	398,773
Fines and forfeitures, net	488,059	-	-	-	488,059
Property taxes	248,093	-	-	-	248,093
Due from other fund	132,569	-	-	-	132,569
Prepaid items	130,172	-	-	-	130,172
	<u>2,610,423</u>	<u>192,904</u>	<u>1,009,818</u>	<u>54,702</u>	<u>3,867,847</u>
Total assets	<u>\$ 2,610,423</u>	<u>\$ 192,904</u>	<u>\$ 1,009,818</u>	<u>\$ 54,702</u>	<u>\$ 3,867,847</u>
<b>LIABILITIES:</b>					
Accounts payable and accrued expenses	\$ 73,456	\$ -	\$ -	\$ 483	\$ 73,939
Total liabilities	<u>73,456</u>	<u>-</u>	<u>-</u>	<u>483</u>	<u>73,939</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue	736,152	-	-	-	736,152
Total deferred inflows of resources	<u>736,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>736,152</u>
<b>FUND BALANCES:</b>					
Nonspendable:					
Prepays	130,172	-	-	-	130,172
Committed for:					
Committed by ordinance or resolution	-	192,904	1,009,818	54,219	1,256,941
Unassigned	1,670,643	-	-	-	1,670,643
	<u>1,800,815</u>	<u>192,904</u>	<u>1,009,818</u>	<u>54,219</u>	<u>3,057,756</u>
Total fund balances	<u>1,800,815</u>	<u>192,904</u>	<u>1,009,818</u>	<u>54,219</u>	<u>3,057,756</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,610,423</u>	<u>\$ 192,904</u>	<u>\$ 1,009,818</u>	<u>\$ 54,702</u>	<u>\$ 3,867,847</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, 2014**

	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	\$ 2,640,817	\$ -	\$ -	\$ -	\$ 2,640,817
Other taxes	947,735	-	-	-	947,735
Franchise fees	305,750	-	-	-	305,750
Licenses and fees	13,245	-	-	-	13,245
Charges for services	17,417	-	-	-	17,417
Intergovernmental	992,308	-	-	-	992,308
Fines and forfeitures, net	229,428	-	-	-	229,428
System development charges	-	-	95,479	-	95,479
Rental income	9,864	-	-	-	9,864
Interest on investments	7,485	788	3,846	237	12,356
Miscellaneous	174,773	-	-	-	174,773
	<u>5,338,822</u>	<u>788</u>	<u>99,325</u>	<u>237</u>	<u>5,439,172</u>
Total revenues					
<b>EXPENDITURES:</b>					
General government	2,570,448	-	-	1,938	2,572,386
Public safety	3,185,618	-	-	-	3,185,618
Culture and recreation	366,143	-	-	-	366,143
Capital outlay	77,616	409,214	8,111	-	494,941
	<u>6,199,825</u>	<u>409,214</u>	<u>8,111</u>	<u>1,938</u>	<u>6,619,088</u>
Total expenditures					
Revenues over (under) expenditures	(861,003)	(408,426)	91,214	(1,701)	(1,179,916)
<b>OTHER FINANCING SOURCES (USES):</b>					
Loan proceeds	-	101,829	-	-	101,829
Transfers in	1,157,568	343,547	300,000	13,671	1,814,786
Transfers out	(68,930)	-	-	-	(68,930)
	<u>1,088,638</u>	<u>445,376</u>	<u>300,000</u>	<u>13,671</u>	<u>1,847,685</u>
Total other financing sources (uses)					
Net changes in fund balances	227,635	36,950	391,214	11,970	667,769
<b>FUND BALANCES, BEGINNING</b>	<u>1,573,180</u>	<u>155,954</u>	<u>618,604</u>	<u>42,249</u>	<u>2,389,987</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 1,800,815</u>	<u>\$ 192,904</u>	<u>\$ 1,009,818</u>	<u>\$ 54,219</u>	<u>\$ 3,057,756</u>

## **BUDGETARY COMPARISON SCHEDULES**

### **Nonmajor 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

Non-major Governmental Budgetary Comparison schedules included the following:

- Special Revenue Funds
  - Community Benevolence Fund
  - State Office Building Fund
- Capital Project Funds
  - Special Assessment 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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 2,759,283	\$ 2,759,283	\$ 2,640,817	\$ (118,466)
Other taxes	922,447	922,447	947,735	25,288
Franchise fees	300,591	300,591	305,750	5,159
Licenses and fees	11,323	11,323	13,245	1,922
Charges for services	30,500	30,500	17,417	(13,083)
Intergovernmental	1,092,615	1,092,615	992,308	(100,307)
Fines and forfeitures, net	229,975	229,975	229,428	(547)
Rental income	7,306	7,306	9,864	2,558
Interest on investments	6,400	6,400	7,485	1,085
Miscellaneous	27,500	49,778	174,773	124,995
Total revenues	<u>5,387,940</u>	<u>5,410,218</u>	<u>5,338,822</u>	<u>(71,396)</u>
<b>EXPENDITURES:</b>				
General government	2,722,385	2,756,585	2,570,448	186,137
Public safety	3,462,628	3,452,628	3,185,618	267,010
Culture and recreation	370,030	380,030	366,143	13,887
Capital outlay	55,200	83,778	77,616	6,162
Contingency	632,495	591,995	-	591,995
Total expenditures	<u>7,242,738</u>	<u>7,265,016</u>	<u>6,199,825</u>	<u>1,065,191</u>
Revenues over (under) expenditures	(1,854,798)	(1,854,798)	(861,003)	993,795
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,157,568	1,157,568	1,157,568	-
Transfers out	(108,230)	(108,230)	(68,930)	39,300
Total other financing sources (uses)	<u>1,049,338</u>	<u>1,049,338</u>	<u>1,088,638</u>	<u>39,300</u>
Net changes in fund balances	(805,460)	(805,460)	227,635	1,033,095
<b>FUND BALANCES, BEGINNING</b>				
<b>BUDGETARY BASIS</b>	<u>1,589,045</u>	<u>1,589,045</u>	<u>1,573,180</u>	<u>(15,865)</u>
<b>FUND BALANCES, ENDING BUDGETARY</b>				
<b>BASIS</b>	<u>\$ 783,585</u>	<u>\$ 783,585</u>	<u>\$ 1,800,815</u>	<u>\$ 1,017,230</u>



**CITY OF THE DALLES, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
City council:				
Materials and services	\$ 236,598	\$ 260,798	\$ 216,448	\$ 44,350
Subtotal	236,598	260,798	216,448	44,350
City clerk:				
Personnel services	137,673	137,673	132,837	4,836
Materials and services	5,258	5,258	4,335	923
Subtotal	142,931	142,931	137,172	5,759
City manager/economic development:				
Personnel services	345,323	345,323	333,076	12,247
Materials and services	41,015	41,015	28,228	12,787
Subtotal	386,338	386,338	361,304	25,034
City attorney and judicial:				
Personnel services	339,335	339,335	326,406	12,929
Materials and services	137,510	147,510	150,043	(2,533) *
Subtotal	476,845	486,845	476,449	10,396
Finance/utility billing:				
Personnel services	415,749	415,749	400,939	14,810
Materials and services	93,542	93,542	61,946	31,596
Capital outlay	12,700	12,700	12,314	386
Subtotal	521,991	521,991	475,199	46,792
Personnel:				
Materials and services	9,650	9,650	2,791	6,859
Subtotal	9,650	9,650	2,791	6,859
Technology:				
Personnel services	99,214	99,214	95,588	3,626
Materials and services	117,178	117,178	119,440	(2,262) *
Capital outlay	-	6,300	6,258	42
Subtotal	216,392	222,692	221,286	1,406

\*Departments are appropriated at the subtotal level. Negative amount is not a budget violation.

**CITY OF THE DALLES, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Continued				
Planning:				
Personnel services	424,180	424,180	408,534	15,646
Materials and services	56,990	56,990	26,176	30,814
Subtotal	481,170	481,170	434,710	46,460
City hall/transportation center:				
Personnel services	56,122	56,122	54,807	1,315
Materials and services	207,048	207,048	208,854	(1,806) *
Capital outlay	12,500	12,500	8,376	4,124
Subtotal	275,670	275,670	272,037	3,633
Police:				
Personnel services	2,764,062	2,764,062	2,566,493	197,569
Materials and services	541,328	531,328	489,365	41,963
Capital outlay	30,000	52,278	50,668	1,610
Subtotal	3,335,390	3,347,668	3,106,526	241,142
Code enforcement:				
Personnel services	57,168	57,168	56,739	429
Materials and services	22,934	22,934	17,396	5,538
Subtotal	80,102	80,102	74,135	5,967
Animal control:				
Personnel services	38,536	38,536	32,974	5,562
Materials and services	38,600	38,600	22,651	15,949
Subtotal	77,136	77,136	55,625	21,511
Non-departmental:				
Materials and services	370,030	380,030	366,143	13,887
Subtotal	370,030	380,030	366,143	13,887
Total expenditures	\$ 6,610,243	\$ 6,673,021	\$ 6,199,825	\$ 473,196

\*Departments are appropriated at the subtotal level. Negative amount is not a budget violation.

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest on investments	\$ 500	\$ 500	\$ 788	\$ 288
Total revenues	500	500	788	288
<b>EXPENDITURES:</b>				
Capital outlay	512,965	512,965	409,214	103,751
Total expenditures	512,965	512,965	409,214	103,751
Revenues over (under) expenditures	(512,465)	(512,465)	(408,426)	104,039
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan proceeds	-	-	101,829	101,829
Transfers in	343,547	343,547	343,547	-
Total other financing sources (uses)	343,547	343,547	445,376	101,829
Net changes in fund balances	(168,918)	(168,918)	36,950	205,868
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>				
	168,918	168,918	155,954	(12,964)
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>				
	\$ -	\$ -	\$ 192,904	\$ 192,904

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 319,532	\$ 319,532	\$ -	\$ (319,532)
System development charges	200,000	200,000	95,479	(104,521)
Interest on investments	2,000	2,000	3,846	1,846
Total revenues	521,532	521,532	99,325	(422,207)
<b>EXPENDITURES:</b>				
Capital outlay	1,238,059	1,238,059	8,111	1,229,948
Total expenditures	1,238,059	1,238,059	8,111	1,229,948
Revenues over (under) expenditures	(716,527)	(716,527)	91,214	807,741
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	300,000	300,000	300,000	-
Total other financing sources (uses)	300,000	300,000	300,000	-
Net changes in fund balances	(416,527)	(416,527)	391,214	807,741
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	416,527	416,527	618,604	202,077
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 1,009,818	\$ 1,009,818

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest on investments	\$ -	\$ -	\$ 237	\$ 237
Total revenues	-	-	237	237
<b>EXPENDITURES:</b>				
Personnel service	55,242	55,242	1,938	53,304
Total expenditures	55,242	55,242	1,938	53,304
Revenues over (under) expenditures	(55,242)	(55,242)	(1,701)	53,541
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	13,671	13,671	13,671	-
Total other financing sources (uses)	13,671	13,671	13,671	-
Net changes in fund balances	(41,571)	(41,571)	11,970	53,541
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	41,571	41,571	42,249	678
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 54,219	\$ 54,219

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 603,197	\$ 603,197	\$ 536,426	\$ (66,771)
Interest on investments	3,000	3,000	3,482	482
Miscellaneous	25,577	25,577	27,019	1,442
Total revenues	631,774	631,774	566,927	(64,847)
<b>EXPENDITURES:</b>				
Materials and services	630,811	630,811	258,350	372,461
Capital outlay	1,061,053	1,061,053	14,489	1,046,564
Contingency	27,016	27,016	-	27,016
Total expenditures	1,718,880	1,718,880	272,839	1,446,041
Revenues over (under) expenditures	(1,087,106)	(1,087,106)	294,088	1,381,194
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	845,312	845,312	-	(845,312)
Total other financing sources (uses)	845,312	845,312	-	(845,312)
Net changes in fund balances	(241,794)	(241,794)	294,088	535,882
<b>FUND BALANCES, BEGINNING</b>	241,794	241,794	309,970	68,176
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 604,058	\$ 604,058

**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, 2014**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest on investments	\$ 25	\$ 25	\$ 58	\$ 33
Miscellaneous	2,000	2,000	2,000	-
Total revenues	2,025	2,025	2,058	33
<b>EXPENDITURES:</b>				
Materials and services	15,500	15,500	933	14,567
Total expenditures	15,500	15,500	933	14,567
Net changes in fund balances	(13,475)	(13,475)	1,125	14,600
<b>FUND BALANCES, BEGINNING</b>	13,475	13,475	11,790	(1,685)
<b>BUDGETARY BASIS</b>	\$ -	\$ -	\$ 12,915	\$ 12,915

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Rental income	213,659	213,659	152,419	(61,240)
Interest on investments	-	-	88	88
Total revenues	<u>213,659</u>	<u>213,659</u>	<u>152,507</u>	<u>(61,152)</u>
<b>EXPENDITURES:</b>				
Personnel service	56,117	56,117	54,831	1,286
Materials and services	153,013	107,713	97,534	10,179
Capital outlay	-	45,300	45,300	-
Contingency	<u>45,360</u>	<u>45,360</u>	<u>-</u>	<u>45,360</u>
Total expenditures	<u>254,490</u>	<u>254,490</u>	<u>197,665</u>	<u>56,825</u>
Revenues over (under) expenditures	(40,831)	(40,831)	(45,158)	(4,327)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total other financing sources (uses)	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Net changes in fund balances	(34,831)	(34,831)	(39,158)	(4,327)
<b>FUND BALANCES, BEGINNING</b>	<u>34,831</u>	<u>34,831</u>	<u>36,992</u>	<u>2,161</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,166)</u>	<u>\$ (2,166)</u>



**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Franchise fees	\$ 22,000	\$ 22,000	\$ 25,434	\$ 3,434
Assessments	203,000	203,000	580,919	377,919
Interest on investments	4,000	4,000	1,951	(2,049)
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	230,000	230,000	608,304	378,304
<b>EXPENDITURES:</b>				
Materials and services	33,000	33,000	17,424	15,576
Capital outlay	93,098	93,098	1,450	91,648
Total expenditures	126,098	126,098	18,874	107,224
Revenues over (under) expenditures	103,902	103,902	589,430	485,528
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(116,513)	(116,513)	(116,512)	1
Total other financing sources (uses)	(116,513)	(116,513)	(116,512)	1
Net changes in fund balances	(12,611)	(12,611)	472,918	485,529
<b>FUND BALANCE, BEGINNING</b>	12,611	12,611	18,401	5,790
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 491,319	\$ 491,319

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 21,616	\$ 151,307	\$ 142,955	\$ (8,352)
Rental income	101,234	101,234	101,234	-
Interest on investments	1,300	1,300	1,417	117
Miscellaneous	2,664	2,664	5,898	3,234
Total revenues	126,814	256,505	251,504	(5,001)
<b>EXPENDITURES:</b>				
Materials and services	5,000	5,000	875	4,125
Capital outlay	323,966	323,966	31,679	292,287
Debt service:				
Principal	71,184	200,875	194,641	6,234
Interest	8,813	8,813	6,694	2,119
Total expenditures	408,963	538,654	233,889	304,765
Revenues over (under) expenditures	(282,149)	(282,149)	17,615	299,764
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	43,230	43,230	3,930	(39,300)
Transfers out	(48,500)	(48,500)	(48,500)	-
Total other financing sources (uses)	(5,270)	(5,270)	(44,570)	(39,300)
Net changes in fund balances	(287,419)	(287,419)	(26,955)	260,464
<b>FUND BALANCE, BEGINNING</b>	287,419	287,419	303,799	16,380
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 276,844	\$ 276,844

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Rental income	\$ 124,571	\$ 124,571	\$ 124,571	\$ -
Total revenues	124,571	124,571	124,571	-
<b>EXPENDITURES:</b>				
Debt service:				
Principal	205,000	205,000	205,000	-
Interest	99,130	99,130	99,130	-
Total expenditures	304,130	304,130	304,130	-
Revenues over (under) expenditures	(179,559)	(179,559)	(179,559)	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	179,559	179,559	179,557	(2)
Total other financing sources (uses)	179,559	179,559	179,557	(2)
Net changes in fund balances	-	-	(2)	(2)
<b>FUND BALANCES, BEGINNING</b>	-	-	2	2
<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, 2014**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Debt service:				
Principal	\$ 475,000	\$ 475,000	\$ 475,000	\$ -
Interest	473,763	473,763	473,763	-
Total expenditures	948,763	948,763	948,763	-
Revenues over (under) expenditures	(948,763)	(948,763)	(948,763)	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	948,763	948,763	948,762	(1)
Total other financing sources (uses)	948,763	948,763	948,762	(1)
Net changes in fund balances	-	-	(1)	(1)
<b>FUND BALANCES, BEGINNING</b>	-	-	1	1
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ -	\$ -

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 784,567	\$ 784,567	\$ 784,567	\$ -
Interest on investments	4,800	4,800	4,800	-
Total revenues	<u>789,367</u>	<u>789,367</u>	<u>789,367</u>	<u>-</u>
<b>EXPENDITURES:</b>				
Contingency	<u>801,238</u>	<u>801,238</u>	<u>-</u>	<u>801,238</u>
Total expenditures	<u>801,238</u>	<u>801,238</u>	<u>-</u>	<u>801,238</u>
Revenues over (under) expenditures	(11,871)	(11,871)	789,367	801,238
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(801,238)</u>	<u>(801,238)</u>	<u>(801,237)</u>	<u>1</u>
Total other financing sources (uses)	<u>(801,238)</u>	<u>(801,238)</u>	<u>(801,237)</u>	<u>1</u>
Net changes in fund balances	(813,109)	(813,109)	(11,870)	801,239
<b>FUND BALANCES, BEGINNING</b>	<u>813,109</u>	<u>813,109</u>	<u>811,109</u>	<u>(2,000)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 799,239</u>	<u>\$ 799,239</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
  
- All Airport Funds
  - Airport
  - Airport 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, 2014**

	Water Utility	Water Capital Reserve	Water Bond Debt	Total All Water Funds
<b>REVENUES:</b>				
Charges for services	\$ 4,893,333	\$ -	\$ -	\$ 4,893,333
Intergovernmental	-	11,907	-	11,907
System development charges	-	130,447	-	130,447
Rental income	4,428	-	-	4,428
Interest on investments	3,003	5,938	-	8,941
Miscellaneous	127,687	5,760	-	133,447
<b>Total revenues</b>	<b>5,028,451</b>	<b>154,052</b>	<b>-</b>	<b>5,182,503</b>
<b>EXPENDITURES:</b>				
Personnel service	1,859,083	-	-	1,859,083
Materials and services	845,953	23,283	-	869,236
Capital outlay	158,070	457,831	-	615,901
Debt service:				
Principal	-	-	255,000	255,000
Interest	-	233,952	307,005	540,957
<b>Total expenditures</b>	<b>2,863,106</b>	<b>715,066</b>	<b>562,005</b>	<b>4,140,177</b>
Revenues over (under) expenditures	2,165,345	(561,014)	(562,005)	1,042,326
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	1,260,000	962,005	2,222,005
Transfers out	(2,011,464)	(995,788)	-	(3,007,252)
<b>Total other financing sources (uses)</b>	<b>(2,011,464)</b>	<b>264,212</b>	<b>962,005</b>	<b>(785,247)</b>
<b>EXTRAORDINARY ITEM:</b>				
Disposal of inventory due to Federal Lead Reduction Act	(37,152)	-	-	(37,152)
Net changes in fund balances	116,729	(296,802)	400,000	219,927
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<b>923,780</b>	<b>1,472,589</b>	<b>-</b>	<b>2,396,369</b>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<b>\$ 1,040,509</b>	<b>\$ 1,175,787</b>	<b>\$ 400,000</b>	<b>\$ 2,616,296</b>

	Revenues	Expenditures
Total revenue and expenditures above	\$ 5,182,503	\$ 4,140,177
Transfers in/out	-	727,728
Extraordinary item	-	37,152
Expenditures capitalized	-	(668,390)
Debt service principal payments	-	(255,000)
Other post employment benefits	-	91,593
Depreciation and amortization expense	-	538,203
Interest revenue/expense	-	(127,417)
ARRA loan converted to grant revenue	-	(2,988,773)
Increase/decrease compensated absences	-	(5,833)
<b>Total revenues and expenses - generally accepted accounting principles</b>	<b>\$ 5,182,503</b>	<b>1,489,440</b>
<b>Change in net position</b>		<b>\$ 3,693,063</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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 4,782,308	\$ 4,782,308	\$ 4,893,333	\$ 111,025
Rental income	4,428	4,428	4,428	-
Interest on investments	3,000	3,000	3,003	3
Miscellaneous	72,185	152,185	127,687	(24,498)
Total revenues	4,861,921	4,941,921	5,028,451	86,530
<b>EXPENDITURES:</b>				
Personnel service	1,973,192	1,973,192	1,859,083	114,109
Materials and services	1,045,763	1,055,763	845,953	209,810
Capital outlay	291,000	291,000	158,070	132,930
Contingency	9,245	9,245	-	9,245
Total expenditures	3,319,200	3,329,200	2,863,106	466,094
Revenues over (under) expenditures	1,542,721	1,612,721	2,165,345	552,624
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	50	50	-	(50)
Transfers out	(2,011,463)	(2,044,263)	(2,011,464)	32,799
Total other financing sources (uses)	(2,011,413)	(2,044,213)	(2,011,464)	32,749
<b>EXTRAORDINARY ITEM:</b>				
Disposal of inventory due to Federal Lead Reduction Act	-	(37,200)	(37,152)	48
Net changes in fund balances	(468,692)	(468,692)	116,729	585,421
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	468,692	468,692	923,780	455,088
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 1,040,509	\$ 1,040,509



**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 61,200	\$ 11,907	\$ (49,293)
System development charges	46,340	46,340	130,447	84,107
Interest on investments	4,000	4,000	5,938	1,938
Miscellaneous	-	-	5,760	5,760
Total revenues	50,340	111,540	154,052	42,512
<b>EXPENDITURES:</b>				
Materials and services	50,000	50,000	23,283	26,717
Capital outlay	953,703	1,084,903	457,831	627,072
Debt service:				
Interest	233,952	233,952	233,952	-
Total expenditures	1,237,655	1,368,855	715,066	653,789
Revenues over (under) expenditures	(1,187,315)	(1,257,315)	(561,014)	696,301
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,260,000	1,330,000	1,260,000	(70,000)
Transfers out	(995,788)	(995,788)	(995,788)	-
Total other financing sources (uses)	264,212	334,212	264,212	(70,000)
Net changes in fund balances	(923,103)	(923,103)	(296,802)	626,301
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	923,103	923,103	1,472,589	549,486
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 1,175,787	\$ 1,175,787

**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, 2014**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Debt service:				
Principal	\$ 255,000	\$ 255,000	\$ 255,000	\$ -
Interest	307,005	307,005	307,005	-
Contingency	400,000	400,000	-	400,000
Total expenditures	962,005	962,005	562,005	400,000
Revenues over (under) expenditures	(962,005)	(962,005)	(562,005)	400,000
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	962,005	962,005	962,005	-
Total other financing sources (uses)	962,005	962,005	962,005	-
Net changes in fund balances	-	-	400,000	400,000
<b>FUND BALANCE, BEGINNING BUDGETARY</b>	-	-	-	-
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 400,000</u>

**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, 2014**

	Wastewater	Wastewater Capital Reserve	Sewer Plant Construction	Sewer Debt Service	Total All Wastewater Funds
<b>REVENUES:</b>					
Charges for services	\$ 4,992,299	\$ -	\$ -	\$ -	\$ 4,992,299
System development charges	-	457,885	-	-	457,885
Interest on investments	1,145	11,731	17,613	1,148	31,637
Miscellaneous	247,160	-	-	-	247,160
Total revenues	<u>5,240,604</u>	<u>469,616</u>	<u>17,613</u>	<u>1,148</u>	<u>5,728,981</u>
<b>EXPENDITURES:</b>					
Personnel service	1,089,756	-	-	-	1,089,756
Materials and services	1,414,660	-	-	-	1,414,660
Capital outlay	51,882	227,983	98,647	-	378,512
Debt service:					
Principal	-	-	-	395,000	395,000
Interest	-	-	-	161,185	161,185
Total expenditures	<u>2,556,298</u>	<u>227,983</u>	<u>98,647</u>	<u>556,185</u>	<u>3,439,113</u>
Revenues over (under) expenditures	2,684,306	241,633	(81,034)	(555,037)	2,289,868
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	623,000	1,300,000	556,185	2,479,185
Transfers out	(2,817,380)	(7,229)	(556,185)	-	(3,380,794)
Total other financing sources (uses)	<u>(2,817,380)</u>	<u>615,771</u>	<u>743,815</u>	<u>556,185</u>	<u>(901,609)</u>
Net changes in fund balances	(133,074)	857,404	662,781	1,148	1,388,259
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>910,342</u>	<u>1,830,188</u>	<u>3,253,686</u>	<u>222,828</u>	<u>6,217,044</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ 777,268</u>	<u>\$ 2,687,592</u>	<u>\$ 3,916,467</u>	<u>\$ 223,976</u>	<u>\$ 7,605,303</u>

	Revenues	Expenditures
Total revenue and expenditures above	\$ 5,728,981	\$ 3,439,113
Transfers in/out	-	857,590
Expenditures capitalized	-	(485,820)
Debt service principal payments	-	(395,000)
Other post employment benefits	-	72,598
Depreciation and amortization expense	-	522,628
Interest revenue/expense	-	(3,702)
Increase/decrease compensated absences	-	(1,917)
Total revenues and expenses - generally accepted accounting principles	<u>\$ 5,728,981</u>	<u>4,005,490</u>
Change in net position		<u>\$ 1,723,491</u>

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 4,902,302	\$ 4,902,302	\$ 4,992,299	\$ 89,997
Interest on investments	900	900	1,145	245
Miscellaneous	162,050	162,050	247,160	85,110
Total revenues	5,065,252	5,065,252	5,240,604	175,352
<b>EXPENDITURES:</b>				
Personnel service	1,110,713	1,110,713	1,089,756	20,957
Materials and services	1,564,615	1,564,615	1,414,660	149,955
Capital outlay	97,500	97,500	51,882	45,618
Contingency	16,260	16,260	-	16,260
Total expenditures	2,789,088	2,789,088	2,556,298	232,790
Revenues over (under) expenditures	2,276,164	2,276,164	2,684,306	408,142
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(2,817,380)	(2,817,380)	(2,817,380)	-
Total other financing sources (uses)	(2,817,380)	(2,817,380)	(2,817,380)	-
Net changes in fund balances	(541,216)	(541,216)	(133,074)	408,142
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	541,216	541,216	910,342	369,126
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 777,268	\$ 777,268

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
System development charges	\$ 42,620	\$ 42,620	\$ 457,885	\$ 415,265
Interest on investments	8,000	8,000	11,731	3,731
Total revenues	50,620	50,620	469,616	418,996
<b>EXPENDITURES:</b>				
Capital outlay	2,280,102	2,280,102	227,983	2,052,119
Total expenditures	2,280,102	2,280,102	227,983	2,052,119
Revenues over (under) expenditures	(2,229,482)	(2,229,482)	241,633	2,471,115
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	623,000	623,000	623,000	-
Transfers out	(7,229)	(7,229)	(7,229)	-
Total other financing sources (uses)	615,771	615,771	615,771	-
Net changes in fund balances	(1,613,711)	(1,613,711)	857,404	2,471,115
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>1,613,711</u>	<u>1,613,711</u>	<u>1,830,188</u>	<u>216,477</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,687,592</u>	<u>\$ 2,687,592</u>

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest on investments	\$ 16,000	\$ 16,000	\$ 17,613	\$ 1,613
Total revenues	16,000	16,000	17,613	1,613
<b>EXPENDITURES:</b>				
Capital outlay	4,006,480	4,006,480	98,647	3,907,833
Total expenditures	4,006,480	4,006,480	98,647	3,907,833
Revenues over (under) expenditures	(3,990,480)	(3,990,480)	(81,034)	3,909,446
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,300,000	1,300,000	1,300,000	-
Transfers out	(556,185)	(556,185)	(556,185)	-
Total other financing sources (uses)	743,815	743,815	743,815	-
Net changes in fund balances	(3,246,665)	(3,246,665)	662,781	3,909,446
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>3,246,665</u>	<u>3,246,665</u>	<u>3,253,686</u>	<u>7,021</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,916,467</u>	<u>\$ 3,916,467</u>

**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, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest on investments	\$ 750	\$ 750	\$ 1,148	\$ 398
Total revenues	750	750	1,148	398
<b>EXPENDITURES:</b>				
Debt service:				
Principal	395,000	395,000	395,000	-
Interest	161,185	161,185	161,185	-
Contingency	223,096	223,096	-	223,096
Total expenditures	779,281	779,281	556,185	223,096
Revenues over (under) expenditures	(778,531)	(778,531)	(555,037)	223,494
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	556,185	556,185	556,185	-
Total other financing sources (uses)	556,185	556,185	556,185	-
Net changes in fund balances	(222,346)	(222,346)	1,148	223,494
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	222,346	222,346	222,828	482
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 223,976	\$ 223,976

**CITY OF THE DALLES, OREGON**  
**ALL AIRPORT FUNDS COMBINED**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2014**

	<u>Airport</u>	<u>Airport Debt Service</u>	<u>Total All Airport Funds</u>
<b>REVENUES:</b>			
Charges for services	\$ 17,084	\$ -	\$ 17,084
Intergovernmental	2,034,391	-	2,034,391
Rental income	106,181	89,555	195,736
Interest on investments	1,242	272	1,514
Miscellaneous	60,837	-	60,837
	<u>2,219,735</u>	<u>89,827</u>	<u>2,309,562</u>
<b>EXPENDITURES:</b>			
Materials and services	178,802	-	178,802
Capital outlay	2,209,589	-	2,209,589
Debt service:			
Principal	-	25,000	25,000
Interest	-	286	286
	<u>2,388,391</u>	<u>25,286</u>	<u>2,413,677</u>
Total expenditures	<u>2,388,391</u>	<u>25,286</u>	<u>2,413,677</u>
Revenues over (under) expenditures	(168,656)	64,541	(104,115)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	65,000	-	65,000
	<u>65,000</u>	<u>-</u>	<u>65,000</u>
Total other financing sources (uses)	<u>65,000</u>	<u>-</u>	<u>65,000</u>
Net changes in fund balances	(103,656)	64,541	(39,115)
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>298,804</u>	<u>38,286</u>	<u>337,090</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ 195,148</u>	<u>\$ 102,827</u>	<u>\$ 297,975</u>

	<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above	\$ 2,309,562	\$ 2,413,677
Transfers in/out	78,026	-
Expenditures capitalized	-	(2,264,879)
Debt service principal payments	-	(25,000)
Depreciation and amortization expense	-	162,380
Interest revenue/expense	-	(129)
	<u>2,387,588</u>	<u>286,049</u>
Total revenues and expenses - generally accepted accounting principles	<u>\$ 2,387,588</u>	<u>286,049</u>
Change in net position		<u>\$ 2,101,539</u>



**CITY OF THE DALLES, OREGON**  
**AIRPORT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 10,000	\$ 10,000	\$ 17,084	\$ 7,084
Intergovernmental	1,595,000	2,320,000	2,034,391	(285,609)
Rental income	124,000	124,000	106,181	(17,819)
Interest on investments	1,000	1,000	1,242	242
Miscellaneous	1,000	61,000	60,837	(163)
Total revenues	<u>1,731,000</u>	<u>2,516,000</u>	<u>2,219,735</u>	<u>(296,265)</u>
<b>EXPENDITURES:</b>				
Materials and services	228,822	208,822	178,802	30,020
Capital outlay	1,815,000	2,670,983	2,209,589	461,394
Contingency	102,213	-	-	-
Total expenditures	<u>2,146,035</u>	<u>2,879,805</u>	<u>2,388,391</u>	<u>491,414</u>
Revenues over (under) expenditures	(415,035)	(363,805)	(168,656)	195,149
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Total other financing sources (uses)	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Net changes in fund balances	(350,035)	(298,805)	(103,656)	195,149
<b>FUND BALANCE, BEGINNING BUDGETARY</b>	<u>350,035</u>	<u>298,805</u>	<u>298,804</u>	<u>(1)</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 195,148</u>	<u>\$ 195,148</u>

**CITY OF THE DALLES, OREGON**  
**AIRPORT DEBT SERVICE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2014**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Rental income	\$ 103,387	\$ 103,387	\$ 89,555	\$ (13,832)
Interest on investments	200	200	272	72
Total revenues	<u>103,587</u>	<u>103,587</u>	<u>89,827</u>	<u>(13,760)</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal	83,000	83,000	25,000	58,000
Interest	16,500	16,500	286	16,214
Contingency	<u>44,536</u>	<u>44,536</u>	<u>-</u>	<u>44,536</u>
Total expenditures	<u>144,036</u>	<u>144,036</u>	<u>25,286</u>	<u>118,750</u>
Net changes in fund balances	(40,449)	(40,449)	64,541	104,990
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>40,449</u>	<u>40,449</u>	<u>38,286</u>	<u>(2,163)</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,827</u>	<u>\$ 102,827</u>



## **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 85 - 91**

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 92 - 97**

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

### **Debt Capacity 98 - 103**

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 104 - 105**

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 106 - 108**

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>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 23,394,331	\$ 22,459,249	\$ 19,672,490	\$ 12,688,001	\$ 17,096,182	\$ 11,762,990	\$ 8,487,617	\$ 10,562,441	\$ 10,062,961	\$ 9,463,165
Restricted	6,221,686	6,204,535	6,337,147	7,765,650	3,060,447	1,709,715	5,470,694	2,433,798	1,985,594	2,064,789
Unrestricted	<u>4,055,637</u>	<u>2,969,259</u>	<u>3,975,176</u>	<u>4,297,055</u>	<u>4,401,964</u>	<u>4,314,633</u>	<u>3,772,300</u>	<u>3,001,516</u>	<u>3,140,189</u>	<u>3,156,416</u>
Total governmental activities net position	<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>	<u>\$ 15,188,744</u>	<u>\$ 14,684,370</u>
<b>Business-Type Activities:</b>										
Net investment in capital assets	\$ 31,669,652	\$ 25,695,435	\$ 19,854,285	\$ 18,412,767	\$ 16,246,937	\$ 16,319,490	\$ 12,686,680	\$ 15,678,476	\$ 15,238,035	\$ 10,492,831
Restricted	8,506,649	6,817,577	6,867,232	6,534,483	6,500,649	6,450,920	6,646,601	3,014,966	2,759,840	6,848,340
Unrestricted	<u>942,037</u>	<u>1,301,239</u>	<u>1,179,693</u>	<u>862,477</u>	<u>1,284,163</u>	<u>1,089,738</u>	<u>942,405</u>	<u>616,007</u>	<u>848,910</u>	<u>904,094</u>
Total business-type activities net position	<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>	<u>\$ 18,846,785</u>	<u>\$ 18,245,265</u>
<b>Primary Government:</b>										
Net investment in capital assets	\$ 55,063,983	\$ 48,154,684	\$ 39,526,775	\$ 31,100,768	\$ 33,343,119	\$ 28,082,480	\$ 21,174,297	\$ 26,240,917	\$ 25,300,996	\$ 19,955,996
Restricted	14,728,335	13,022,112	13,204,379	14,300,133	9,561,096	8,160,635	12,117,295	5,448,764	4,745,434	8,913,129
Unrestricted	<u>4,997,674</u>	<u>4,270,498</u>	<u>5,154,869</u>	<u>5,159,532</u>	<u>5,686,127</u>	<u>5,404,371</u>	<u>4,714,705</u>	<u>3,617,523</u>	<u>3,989,099</u>	<u>4,060,510</u>
Total primary government net position	<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>	<u>\$ 34,035,529</u>	<u>\$ 32,929,635</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services, fees and fines										
General government	\$ 1,741,823	\$ 958,415	\$ 853,937	\$ 303,748	\$ 463,177	\$ 383,838	\$ 405,366	\$ 464,980	\$ 468,999	\$ 432,237
Public safety	229,428	194,454	224,448	255,320	306,615	283,213	381,661	358,683	253,504	415,666
Highways and streets	10,573	16,525	20,880	19,217	30,649	16,262	76,652	35,102	34,318	29,927
Culture and recreation	12,401	11,548	11,294	15,746	11,208	9,775	8,256	6,081	7,244	7,996
Operating grants and contributions	1,920,600	1,815,072	1,790,012	1,635,994	2,823,915	2,334,733	2,162,581	1,370,812	1,263,749	1,195,104
Capital grants and contributions	1,286,046	2,144,707	5,816,031	1,780,738	4,814,797	2,550,663	1,032,300	503,768	793,421	743,701
Total governmental activities program revenues	<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>	<u>2,821,235</u>	<u>2,824,631</u>
Business-type activities:										
Charges for services:										
Water	5,161,655	4,530,792	4,404,696	3,655,158	3,408,136	3,153,707	2,912,204	2,635,824	2,243,421	2,144,103
Wastewater	5,697,344	5,316,269	5,024,672	4,828,073	4,517,642	4,149,530	4,042,032	3,618,498	3,195,226	2,755,902
Airport	273,657	219,036	226,622	191,157	162,163	177,701	134,232	130,694	122,021	103,815
Operating grants	65,000	65,000	263,347	142,954	96,382	78,262	77,698	15,430	17,999	6,188
Capital grants	4,970,071	3,871,454	1,193,231	383,053	558,895	480,349	303,723	88,980	265,256	566,350
Total business-type activities program revenues	<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>	<u>5,843,923</u>	<u>5,576,358</u>
Total primary government program revenues	<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>	<u>8,665,158</u>	<u>8,400,989</u>
<b>Expenses</b>										
Governmental activities:										
General government	3,528,182	3,620,305	3,225,677	3,631,219	2,957,295	4,125,878	3,110,350	2,533,876	2,385,912	2,823,951
Public safety and justice	3,502,386	3,534,026	3,304,009	3,088,742	2,715,894	2,614,704	2,383,926	2,171,312	2,021,934	1,902,747
Highways and streets	1,292,997	1,559,911	1,405,744	1,034,392	1,296,096	1,160,309	1,360,741	1,264,372	1,357,785	1,129,313
Culture and recreation	1,409,998	1,272,743	1,517,951	1,814,647	1,448,982	1,230,708	1,079,123	764,592	836,038	730,140
Interest on long term obligations	528,148	559,591	578,874	595,104	443,576	294,504	208,259	181,684	199,136	213,268
Total governmental activities expenses	<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>	<u>6,800,805</u>	<u>6,799,419</u>
Business-type activities:										
Water	3,713,333	3,315,325	4,092,914	2,656,862	3,148,144	2,824,800	2,943,966	2,522,187	2,365,038	2,213,779
Wastewater	3,147,900	3,068,188	3,221,576	3,110,890	2,826,635	2,395,488	2,595,685	2,520,011	2,093,646	2,044,034
Airport	286,049	313,045	440,116	438,097	443,613	455,624	525,739	440,756	320,789	342,058
Total business-type activities expenses	<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>	<u>4,779,473</u>	<u>4,599,871</u>
Total primary government expenses	<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>	<u>11,580,278</u>	<u>11,399,290</u>
<b>Net Expense</b>										
Governmental activities	(5,060,840)	(5,405,855)	(1,315,653)	(6,153,341)	(411,482)	(3,847,619)	(4,075,583)	(4,176,410)	(3,979,570)	(3,974,788)
Business-type activities	9,020,445	7,305,993	3,357,962	2,994,546	2,324,826	2,363,637	1,404,499	1,006,472	1,064,450	976,487
Total primary government net expense	<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>	<u>\$ (2,915,120)</u>	<u>\$ (2,998,301)</u>

Source: Current and prior years' financial statements



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

(continued)

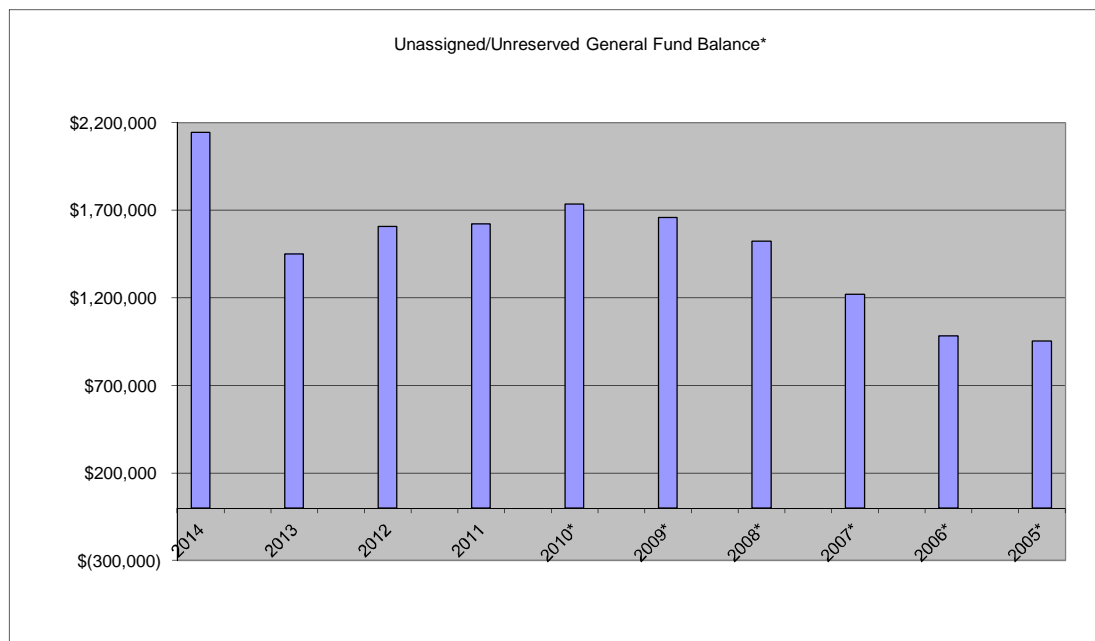
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
<b>General Revenues and Other Changes in Net Position</b>										
General revenues:										
Property taxes levied for:										
General purposes	\$ 2,657,460	\$ 2,591,274	\$ 2,578,241	\$ 2,334,460	\$ 2,287,915	\$ 2,160,553	\$ 2,032,760	\$ 1,849,162	\$ 1,706,294	\$ 2,143,861
Urban renewal purposes	1,327,601	1,353,346	1,218,544	1,239,842	1,261,296	1,217,187	1,122,402	1,003,718	896,529	462,729
Franchise and public service taxes	1,728,579	1,632,053	1,414,374	1,412,950	1,250,428	1,334,013	1,249,637	1,132,588	1,081,091	963,617
Interest and investment earnings	43,572	46,153	41,322	109,002	102,530	142,654	259,086	200,116	152,808	82,814
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	15,454	134,003	42,851	21,733	5,313	10,271
Gain (loss) on sale of property	-	-	-	-	-	(16,712)	179,457	-	(491)	12,772
Transfers	1,507,292	1,431,259	1,297,279	1,249,200	945,279	(1,067,352)	922,246	778,104	642,400	639,178
Total governmental activities	<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>	<u>4,483,944</u>	<u>4,315,242</u>
Business-type activities:										
Interest and investment earnings	42,092	38,307	30,800	32,632	51,574	153,474	483,983	234,296	179,470	197,141
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	(37,152)	-	-	-	-	-	-	-	-	-
Transfers	(1,507,292)	(1,431,259)	(1,297,279)	(1,249,200)	(945,279)	1,067,352	(922,246)	(778,104)	(642,400)	(639,178)
Total business-type activities	<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>	<u>(462,930)</u>	<u>(442,037)</u>
Total primary government	<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>	<u>4,021,014</u>	<u>3,873,205</u>
<b>Change in Net Position</b>										
Governmental activities	2,203,661	1,648,230	5,234,107	192,113	5,451,420	56,727	1,732,856	809,011	504,374	340,454
Prior Period Adjustments	(165,050)	-	-	-	1,319,835	-	-	-	-	-
Governmental Activities, as adjusted	<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>	<u>504,374</u>	<u>340,454</u>
Business-type activities	(1,502,352)	5,913,041	2,091,483	1,777,978	1,431,121	3,584,463	966,236	462,664	601,520	534,450
Prior Period Adjustments	(214,006)	-	-	-	(1,259,520)	-	-	-	-	-
Business-type Activities, as adjusted	<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>	<u>601,520</u>	<u>534,450</u>
Total primary government change in net position	<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>	<u>1,105,894</u>	<u>874,904</u>
<b>Net Position Beginning</b>										
Governmental activities	31,467,993	29,984,813	24,750,706	24,558,593	17,787,338	17,730,611	15,997,755	15,188,744	14,684,370	14,343,916
Business-type activities	33,600,245	27,901,210	25,809,727	24,031,749	23,860,148	20,275,685	19,309,449	18,846,785	18,245,265	17,710,815
Total primary government net position-beginning	<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>	<u>32,929,635</u>	<u>32,054,731</u>
<b>Net Position Ending</b>										
Governmental activities	33,671,654	31,633,043	29,984,813	24,750,706	24,558,593	17,787,338	17,730,611	15,997,755	15,188,744	14,684,370
Business-type activities	41,118,338	33,814,251	27,901,210	25,809,727	24,031,749	23,860,148	20,275,685	19,309,449	18,846,785	18,245,265
<b>Total Primary Government Net Position</b>	<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>	<u>\$ 34,035,529</u>	<u>\$ 32,929,635</u>

Source: Current and prior years' financial statements

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010*</u>	<u>2009*</u>
General Fund						
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ 1,735,195	\$ 1,657,050
Nonspendable:						
Prepays	130,172	123,820	116,297	115,143	-	-
Committed:						
Committed by ordinance or resolution	1,256,941	816,807	545,656	618,743	-	-
Unassigned	2,143,561	1,449,360	1,606,569	1,621,482	-	-
Total general fund	<u>3,530,674</u>	<u>2,389,987</u>	<u>2,268,522</u>	<u>2,355,368</u>	<u>1,735,195</u>	<u>1,657,050</u>
All Other Governmental Funds						
Reserved:						
Inventories	-	-	-	-	210,933	135,071
Debt Service	-	-	-	-	1,141,490	464,524
System Development	-	-	-	-	8,103,852	-
Unreserved reported in:						
Major funds	-	-	-	-	640,793	1,554,656
Special Revenue Funds	-	-	-	-	84,268	628,787
Capital Projects funds	-	-	-	-	772,281	700,768
Nonspendable:						
Inventory	148,191	138,798	136,002	137,768	-	-
Restricted:						
Grant / contributor specific intent	3,458,663	3,584,049	3,723,971	5,730,710	-	-
State statute	894,793	845,812	993,088	566,535	-	-
Full faith and credit debt	-	3	-	-	-	-
Intergovernmental agreement	1,868,231	1,774,671	1,620,088	1,468,405	-	-
Committed:						
Major capital facilities and associated debt	276,844	303,799	496,322	428,769	-	-
Local improvements and associated debt	18,401	18,401	677,218	730,557	-	-
Agreements with state agencies	(2,166)	36,992	36	1,168	-	-
Total all other governmental funds	<u>6,662,956</u>	<u>6,702,525</u>	<u>7,646,725</u>	<u>9,063,912</u>	<u>10,953,617</u>	<u>3,483,806</u>
Total governmental funds	<u>\$ 10,193,630</u>	<u>\$ 9,092,512</u>	<u>\$ 9,915,247</u>	<u>\$ 11,419,280</u>	<u>\$ 12,688,812</u>	<u>\$ 5,140,856</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>2008*</u>	<u>2007*</u>	<u>2006*</u>	<u>2005*</u>
\$ 1,522,373	\$ 1,218,851	\$ 982,436	954,584
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,522,373</u>	<u>1,218,851</u>	<u>982,436</u>	<u>954,584</u>
57,535	57,187	44,174	66,157
597,998	594,747	587,605	571,348
-	-	-	-
5,190,932	2,125,573	1,915,131	1,875,583
832,793	283,646	347,968	384,710
-	86,027	101,698	19,427
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>6,679,258</u>	<u>3,147,180</u>	<u>2,996,576</u>	<u>2,917,225</u>
<u>\$ 8,201,631</u>	<u>\$ 4,366,031</u>	<u>\$ 3,979,012</u>	<u>3,871,809</u>

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

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Revenues</b>					
Taxes	\$ 5,359,205	\$ 5,219,096	\$ 4,888,001	\$ 4,674,232	\$ 4,586,114
Inter-governmental	3,161,324	3,954,537	7,577,757	3,416,732	10,350,588
Rents and interest	431,657	472,656	398,415	477,926	485,217
Franchise Fees	331,184	328,287	308,704	345,733	313,191
Fines and forfeitures	241,481	205,803	235,699	269,448	268,603
Charges for services	27,673	33,165	28,774	42,078	28,070
System Development Charges	95,479	276,341	168,629	39,010	99,119
Special assessments	580,919	28,521	51,641	143,689	61,544
Other Revenues	273,589	251,617	264,486	88,956	820,386
Total revenues	<u>10,502,511</u>	<u>10,770,023</u>	<u>13,922,106</u>	<u>9,497,804</u>	<u>17,012,832</u>
<b>Expenditures</b>					
Current:					
General Government	2,910,006	2,847,792	2,861,157	2,996,122	2,884,919
Public safety	3,337,983	3,365,059	3,206,256	2,995,877	2,565,847
Highways and streets	985,621	1,089,640	1,343,365	979,615	1,079,593
Culture and recreation	1,231,798	1,234,310	1,009,676	1,300,663	1,263,268
Capital outlay	1,205,442	3,265,453	7,077,246	2,518,236	12,522,325
Debt service:					
Principal	760,077	617,719	595,874	678,222	641,848
Interest	579,587	606,264	629,844	648,299	446,355
Total expenditures	<u>11,010,514</u>	<u>13,026,237</u>	<u>16,723,418</u>	<u>12,117,034</u>	<u>21,404,155</u>
Revenues over (under) expenditures	<u>(508,003)</u>	<u>(2,256,214)</u>	<u>(2,801,312)</u>	<u>(2,619,230)</u>	<u>(4,391,323)</u>
<b>Other Financing Sources (Uses)</b>					
Proceeds from bonds	-	-	-	-	13,147,632
Bond premium	-	-	-	-	-
Proceeds of financing agreement	101,829	-	-	-	-
Repayment of financing agreement	-	-	-	-	(2,400,000)
Sale of fixed capital assets	-	2,220	-	-	15,454
Transfers in	3,237,423	3,694,389	2,703,091	2,627,706	1,571,988
Transfers out	(1,730,131)	(2,263,130)	(1,405,812)	(1,278,008)	(456,112)
Total other financing sources (uses)	<u>1,609,121</u>	<u>1,433,479</u>	<u>1,297,279</u>	<u>1,349,698</u>	<u>11,878,962</u>
Net change in fund balances	<u>\$ 1,101,118</u>	<u>\$ (822,735)</u>	<u>\$ (1,504,033)</u>	<u>\$ (1,269,532)</u>	<u>\$ 7,487,639</u>
Debt service as a percentage of noncapital expenditure:	<u>13.5%</u>	<u>11.9%</u>	<u>12.6%</u>	<u>13.3%</u>	<u>5.9%</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)**

<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>
\$ 4,391,942	\$ 4,120,722	\$ 3,883,042	\$ 3,480,345	\$ 3,210,462
4,129,300	3,142,656	1,799,046	1,890,303	1,808,354
459,573	546,745	546,403	512,524	380,304
357,640	341,373	320,293	315,756	357,888
293,498	343,146	293,095	262,586	301,926
33,295	100,555	51,806	186,576	130,896
281,081	-	-	-	-
10,323	28,777	71,560	129,261	34,443
212,881	89,367	60,832	75,785	58,225
<u>10,169,533</u>	<u>8,713,341</u>	<u>7,026,077</u>	<u>6,853,136</u>	<u>6,282,498</u>
2,874,613	2,802,945	2,384,742	2,096,835	2,393,538
2,470,968	2,286,508	2,086,746	1,937,095	1,835,348
1,018,038	1,046,162	967,521	987,453	855,464
1,180,839	1,045,711	749,698	815,881	708,990
5,870,508	1,588,061	528,504	882,084	964,615
668,709	530,856	499,076	472,364	460,719
318,840	163,381	181,208	197,970	212,898
<u>14,402,515</u>	<u>9,463,624</u>	<u>7,397,495</u>	<u>7,389,682</u>	<u>7,431,572</u>
<u>(4,232,982)</u>	<u>(750,283)</u>	<u>(371,418)</u>	<u>(536,546)</u>	<u>(1,149,074)</u>
-	3,330,000	-	-	-
-	51,971	-	-	-
-	-	-	-	38,117
-	-	-	-	-
11,000	240,046	-	1,350	12,772
1,548,689	1,490,131	1,391,124	1,205,561	1,127,518
(387,482)	(551,885)	(632,687)	(563,131)	(488,340)
<u>1,172,207</u>	<u>4,560,263</u>	<u>758,437</u>	<u>643,780</u>	<u>690,067</u>
<u>\$ (3,060,775)</u>	<u>\$ 3,809,980</u>	<u>\$ 387,019</u>	<u>\$ 107,234</u>	<u>\$ (459,007)</u>
<u>8.7%</u>	<u>8.4%</u>	<u>9.8%</u>	<u>9.9%</u>	<u>9.9%</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)**

<b>Function/Program</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>2005</b>
<b>Governmental activities</b>										
General government	\$ 3,027,869	\$ 3,103,122	\$ 6,669,968	\$ 2,084,486	\$ 1,423,341	\$ 1,490,608	\$ 1,249,537	\$ 1,284,971	\$ 946,261	\$ 1,145,119
Public safety	229,428	194,454	224,448	255,320	329,265	307,956	402,120	380,562	279,624	521,613
Highways and streets	835,673	807,308	816,335	690,006	5,757,377	2,583,451	1,621,414	1,045,676	1,406,445	935,106
Culture and recreation	1,107,901	1,035,837	1,005,851	980,951	940,378	1,196,469	793,745	28,217	188,905	222,793
<b>Total governmental activities</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>	<b>2,821,235</b>	<b>2,824,631</b>
<b>Business-type activities</b>										
Water	8,162,335	4,531,595	4,615,212	3,736,008	3,449,258	3,277,782	2,918,855	2,638,539	2,252,576	2,147,197
Waste water	5,697,344	5,317,072	5,036,842	5,154,562	4,817,291	4,511,937	4,048,683	3,631,213	3,204,070	2,758,996
Airport	2,308,048	4,153,884	1,460,514	309,825	476,669	249,830	502,183	219,674	387,277	670,165
<b>Total business-type activities</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>5,843,923</b>	<b>5,576,358</b>
<b>Total Primary government</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>	<b>\$ 8,665,158</b>	<b>\$ 8,400,989</b>

**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>2005</b>	2,532,266	388,031	290,165
<b>2006</b>	2,655,640	506,037	318,668
<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

**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>2005</b>	*	*	624,534,189	3.0155	749,478,665
<b>2006</b>	*	*	654,996,245	3.0155	999,867,545
<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

\* 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**

**Overlapping Rates**

<b>Year</b>	<b>City of The Dalles</b>	<b>Wasco County</b>	<b>Wasco County VA Bonds</b>	<b>Port of The Dalles</b>	<b>Mid-Columbia Fire and Rescue</b>	<b>Northern Wasco County Parks and Recreation District</b>	<b>Wasco County Library District</b>	<b>School District No. 12</b>	<b>School District No. 9</b>	<b>School District No. 21</b>	<b>Columbia Gorge Educational Service District</b>	<b>Columbia Gorge Community College</b>	<b>Norcor</b>
<b>2005</b>	3.0155	4.2523	0.3100	0.2007	2.1004	0.6799		2.0700	1.0600	5.2399	0.4678	0.7700	0.3200
<b>2006</b>	3.0155	4.2523	0.2399	0.2007	2.4171	0.6799		2.0694	1.0965	5.2399	0.4678	0.7222	0.3374
<b>2007</b>	3.0155	4.2521	0.3282	0.2007	2.3918	0.6799	(2)	2.0061	1.1309	5.2399	0.4678	0.7346	0.3285
<b>2008</b>	3.0155	4.2523	0.2725	0.2007	2.3897	0.6799	0.6800	1.8761	0.8094	5.2399	0.4678	0.6725	0.3008
<b>2009</b>	3.0155	4.2523	0.2417	0.2007	2.3877	0.6799	0.6800	1.7454	(1)	5.2399	0.4678	0.6839	0.3123
<b>2010</b>	3.0155	4.2523	0.2750	0.2007	2.2790	0.6799	0.6800	1.7834	0	5.2399	0.4678	0.6962	0.2772
<b>2011</b>	3.0155	4.2523	0.2717	0.2007	2.2436	0.6799	0.6800	1.8357	0	5.2399	0.4678	0.6893	0.2780
<b>2012</b>	3.0155	4.2523	0.2559	0.2007	2.2533	0.6799	0.6800	1.8238	0	5.2399	0.4678	0.6854	0.2750
<b>2013</b>	3.0155	4.2523	0.2536	0.2007	2.2533	0.6799	0.6800	1.8104	0	5.2399	0.4678	0.2703	0.2510
<b>2014</b>	3.0155	4.2523	0	0.2007	2.2528	0.6799	0.6800	1.7765	0	5.2399	0.4678	0.2703	0.2564

(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>2005</b>	2,654,643	2,415,879	91.01%	103,547	2,519,426	94.91%
<b>2006</b>	2,755,383	2,539,836	92.18%	139,242	2,679,078	97.23%
<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%	119,066	3,140,990	97.19%
<b>2009</b>	3,464,010	3,221,917	93.01%	135,730	3,357,648	96.93%
<b>2010</b>	3,634,485	3,392,982	93.36%	226,915	3,619,897	99.60%
<b>2011</b>	3,734,344	3,472,350	92.98%	109,390	3,581,740	95.91%
<b>2012</b>	3,872,365	3,612,471	93.29%	75,458	3,687,929	95.24%
<b>2013</b>	4,054,361	3,766,990	92.91%	-	3,766,990	92.91%
<b>2014</b>	4,089,378	3,957,676	96.78%	-	3,957,676	96.78%

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

CITY OF THE DALLES, OREGON  
Principal Taxpayers  
December 31, 2013 and December 31, 2004

<b>December 31, 2013</b>			
<b>Taxpayer</b>	<b>Real Property Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Oregon Cherry Growers, Inc.	\$ 12,189,922	1	1.20%
Metropolitan Life Insurance Co.	12,026,474	2	1.19%
Northern Wasco PUD	10,452,860	3	1.03%
Home Depot USA, Inc.	10,192,380	4	1.01%
CenturyLink	9,553,500	5	0.94%
Union Pacific Railroad Co.	7,974,494	6	0.79%
Wasco Assisted Living LLC	7,334,020	7	0.72%
Safeway Inc.	7,244,211	8	0.72%
Charter Communications	6,939,700	9	0.69%
Cascade Square LLC	6,843,115	10	0.68%
	<u>\$ 90,750,676</u>		<u>8.96%</u>
Total Assessed Valuator	<u>\$ 1,012,652,257</u>		

<b>December 31, 2004</b>			
<b>Taxpayer</b>	<b>Real Property Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Oregon Cherry Growers, Inc.	\$ 10,286,456	1	1.78%
Home Depot USA Inc	9,974,480	2	1.73%
Northern Wasco County PUD	9,595,400	3	1.66%
United Telephone Northwest	9,288,600	4	1.61%
Amerities West LLC	7,147,020	5	1.24%
Union Pacific Railroad Company	5,752,526	6	1.00%
Northwest Natural Gas	5,615,032	7	0.97%
Cascade Square LLC	5,056,763	8	0.88%
Troy Coolidge No 31 LLC	5,361,750	9	0.93%
Shilo Inn The Dalles LLC	4,665,105	10	0.81%
	<u>\$ 72,743,132</u>		<u>12.95%</u>
Total Assessed Valuator	<u>\$ 577,238,384</u>		

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			
2005	-	3,715,000	520,000	-	609,932	7,261,000	-	-	12,105,932	N/A	983	1.94%
2006	-	3,405,000	400,000	-	558,789	6,917,000	-	-	11,280,789	N/A	910	1.72%
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%

**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.

**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>
2005	-	624,534,189	0.00%	-
2006	-	654,996,245	0.00%	-
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%	-

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, 2013**

<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)	\$ 17,098,919	22.0100%	\$ 3,763,479
Mid-Columbia Fire and Rescue	865,000	77.2274%	668,017
Northern OR Regional Corrections	3,725,000	0.0000%	-
Northern Wasco Co. Parks & Rec District	3,700,000		-
Wasco County	289,316	0.0000%	-
Wasco CTY SD 12 (The Dalles) Bonds	20,453,063	84.9036%	17,365,387
Wasco CTY SD 21 (The Dalles/Watonka)	4,935,000	70.5533%	3,481,805
Wasco CTY SD 29	1,955,000	0.9393%	<u>18,363</u>
Subtotal, overlapping debt			25,297,051 (b)
<b>City Direct Debt</b>			<u>11,761,033 (c)</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 37,058,084</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.

**CITY OF THE DALLES, OREGON**  
**Pledged Revenue Coverage**  
**Last Eleven 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
2005	\$ 2,740,572	\$ 1,893,835	\$ 846,737	\$ 305,000	\$ 250,740	\$ 555,740	1.52	\$ 24.95	\$ 42.40
2006	3,111,896	2,006,485	1,105,411	310,000	244,640	554,640	1.99	27.20	46.25
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

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.

**CITY OF THE DALLES, OREGON**  
**Pledged-Revenue Coverage**  
**Last Seven**  
**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	0.96	40.26
2011	4,157,198	3,093,516	1,063,682	230,000	335,605	565,605	1.881	1.01	42.67
2012	4,991,317	3,095,876	1,895,441	235,000	326,405	561,405	3.376	1.31	43.52
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

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**  
**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>2005</b>	749,478,665	3%	22,484,360	-	22,484,360	0.00%
<b>2006</b>	815,950,410	3%	24,478,512	-	24,478,512	0.00%
<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%

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>2005</b>	12,410	N/A	N/A	6.90%
<b>2006</b>	12,505	N/A	N/A	6.20%
<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%

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>2013-14</b>		
<b>Employer</b>	<b>Employees</b>	<b>Rank</b>	<b>Percent of Total Employment</b>
Mid Columbia Medical Center	766	1	9.14%
School District #21	328	2	3.91%
Oregon Cherry Growers, Inc.	310	3	3.70%
State of Oregon	197	4	2.35%
Oregon Veterans Home	192	5	2.29%
Wasco County	120	6	1.43%
City of The Dalles	103	7	1.23%
Columbia Gorge Community College	93	8	1.11%
Safeway Food and Drug	83	9	0.99%
Sunshine Mill	73	10	0.87%
	2,265		27.03%
Total employment	8,379		

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

**2004-05**

Information is not readily  
available prior to FY05/06.

**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>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>2005</b>
<b>Governmental activities:</b>										
General government	19.00	18.00	16.00	16.00	16.00	14.00	13.75	10.50	9.50	9.50
Public safety and justice	27.50	25.50	25.00	25.00	25.00	24.50	24.25	26.00	25.00	25.00
Community services	4.50	4.50	6.00	6.00	6.00	6.00	6.50	6.00	4.00	4.00
Streets and highways	10.50	11.00	11.00	9.00	10.00	11.00	11.00	10.00	10.00	10.00
Library	9.50	9.00	10.00	10.00	11.00	11.00	10.00	9.50	5.25	5.25
<b>Total governmental activities</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>53.75</b>
<b>Business-type activities:</b>										
Water	22.00	22.00	21.00	21.50	20.00	19.00	20.00	19.00	19.50	21.50
Wastewater	12.00	9.00	11.00	11.50	12.00	11.00	11.00	10.00	10.50	10.50
Airport	-	-	-	-	-	0.50	0.25	0.25	0.25	0.50
<b>Total business-type activities</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>32.50</b>
<b>Total primary government budgeted FTE</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>86.25</b>
<b>City of The Dalles Employees</b>										
Management and exempt	37.00	34.00	35.00	34.00	36.00	35.00	36.75	37	38	35
Bargaining units										
SEIU (Local 503)	46.00	45.00	44.00	45.00	47.00	46.00	45.00	43	42	50
Police Association	18.00	18.00	18.00	19.00	16.00	16.00	15.00	15	14	13
<b>Total bargaining units</b>	<b>64.00</b>	<b>63.00</b>	<b>62.00</b>	<b>64.00</b>	<b>63.00</b>	<b>62.00</b>	<b>60.00</b>	<b>58</b>	<b>56</b>	<b>63</b>
Temporary City employees	4.00	2.00	3.00	1.00	1.00	-	-	-	0	3
<b>Total actual City employees</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>	<b>101</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>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>2005</b>
<b>Governmental Activities:</b>										
<b>Public Safety and Justice</b>										
<b>Police (1)</b>										
Calls for service	N/A*	11,447	10,340	9,359	7,846	8,008	7,508	7,789	7,861	8,729
Crime reports	N/A*	2,504	2,385	2,303	2,495	2,707	2,541	2,664	2,599	2,847
Number of arrests	N/A*	1,062	1,017	1,055	1,028	1,024	1,144	1,036	1,013	1,326
<b>Municipal Court</b>										
Traffic cases	1,357	1,180	1,412	1,184	1,082	1,218	1,427	1,565	1,146	1,263
Criminal cases	511	445	342	375	358	331	440	501	377	486
Ordinance violations	65	78	25	22	15	15	37	25	6	14
Parking violations	44	44	60	76	88	164	162	208	218	228
Code enforcement cases	6	13	11	3	4	6	15	11	-	3
<b>Library</b>										
Number of registered borrowers	12,056	11,950	10,920	12,573	11,140	13,042	11,302	10,202	12,355	12,855
Total circulation	157,475	160,295	163,653	160,405	145,972	122,432	110,036	98,479	114,667	120,057
Public programs	418	462	466	607	490	457	224	74	102	72
Program attendance	6,978	7,864	7,226	9,775	8,143	8,996	6,573	3,574	3,556	2,679
Books added	4,688	4,005	3,644	6,526	6,283	4,079	11,045	4,481	5,440	5,831
<b>Business-type Activities</b>										
<b>Water</b>										
Average active metered connections	4,591	4,604	4,598	4,618	4,613	4,598	4,562	4,537	4,520	4,470
Average daily water consumption	2,711,309	2,574,885	2,633,408	2,598,893	2,674,413	2,615,130	2,620,667	2,302,800	2,359,000	2,429,000
Average number of assistance accounts	187	166	162	153	168	150	176	162	179	175
Average daily water production	3,301,370	3,196,986	3,115,781	3,102,250	3,209,003	3,185,655	2,985,000	2,875,000	2,859,241	2,808,435

(1) Police statistics are for the calendar year.

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

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

<b>FUNCTION/PROGRAM</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>2005</b>
<b>Governmental Activities</b>										
<b>General Government</b>										
Buildings owned	13	13	12	12	7	7	7	7	7	7
Vehicles (excluding automobiles)	41	40	36	37	33	33	14	12	12	14
Heavy Equipment	17	16	15	15	18	18	16	16	16	16
<b>Public Safety and Justice</b>										
Police										
Police vehicles	17	17	16	16	15	15	14	14	14	14
Number of employees	25.5	25.5	25	25	23	23	23	23	22	22
<b>Streets and Highways</b>										
Miles of streets maintained by City:										
Paved	69.1	69.1	69.1	69.1 *	70.38	70.38	70.38	70.38	70.32	70.32
Unpaved	16.4	16.4	16.4	16.4 *	17.82	17.82	17.82	17.82	10.69	10.69
Bridges and underpasses	5	5	5	5	5	5	5	5	5	5
<b>Business-type Activities</b>										
<b>Water</b>										
Miles of water lines (estimated)	100.7	100.7 *	87.3	86.5 *	84.25	84.25	84.25	84	82.5	82
Reservoirs	5	5	5	6	5	5	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)	95.3	95.3	94.4	94.4 *	78	78	78	78	78	77
Lift stations	8	8	8	8	8	8	8	8	8	7
<b>Airport</b>										
Terminal	1	1	1	1	1	1	1	1	1	1
Maintenance and T-hangers	33 *	32 *	23	23	23	23	23	23	23	23
Other buildings	2 *	3	3	2	2	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.

**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, as of and for the year ended June 30, 2014 and have issued our report thereon dated October 8, 2014. 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 City of The Dalles, Oregon'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 162-10-320 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 of The Dalles, Oregon 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 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows:

An error made by the Dalles Chronicle resulted in only a portion of the LB-1 being published, as required by Oregon Budget Law.

At June 30, 2014 the State Office Building Fund had a deficit fund balance of \$2,166.

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

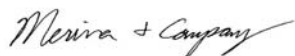
In planning and performing our audit, we considered City of The Dalles, Oregon's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for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

*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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We have noted certain matters that we reported to management of City of The Dalles, Oregon in a separate letter to management dated October 8, 2014.

This report is intended solely for the information and use of the 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  
October 8, 2014