



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013

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

CITY OF THE DALLES, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2013

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



CITY OF THE DALLES, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2013

TABLE OF CONTENTS

INTRODUCTORY SECTION

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

INDEPENDENT AUDITOR’S REPORT	A - D
-------------------------------------	--------------

MANAGEMENT’S DISCUSSION AND ANALYSIS	a - h
---	--------------

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

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

NOTES TO THE BASIC FINANCIAL STATEMENTS	16 - 42
--	----------------

REQUIRED SUPPLEMENTAL INFORMATION

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

OTHER SUPPLEMENTAL INFORMATION

Combining Statements:	44
Non-major Governmental Funds Combining Balance Sheet	45
Non-major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	46
Non-major Special Revenue Funds Combining Balance Sheet	47
Non-major Special Revenue Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	48
Non-major Capital Projects Funds Combining Balance Sheet	49
Non-major Capital Projects Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	50
Non-major Debt Service Funds Combining Balance Sheet	51
Non-major Debt Service Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	52
General Fund – Generally Accepted Accounting Principles Combining Balance Sheet	53
General Fund – Generally Accepted Accounting Principles Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	54
Budgetary Comparison Schedules:	55
General Fund – Budgetary Basis – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	56
General Fund – Budgetary Basis – Schedule of Expenditures – Budget and Actual	57
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Governmental Funds:	
Budgetary Basis (Combined into General Fund for Generally Accepted Accounting Principles and required for Oregon Budget Law):	
Public Works Reserve Fund – Budgetary Basis	60
Street and Bridge Replacement Fund – Budgetary Basis	61
Unemployment Reserve Fund – Budgetary Basis	62
Urban Renewal Capital Projects Fund	63
Non-major Special Revenue Funds:	
Community Benevolence	64
State Office Building	65
Capital Projects Funds:	
Special Assessment	66
Capital Projects	67
Debt Service Funds:	
FFCO 2008 Bond	68
2009 FFCO Bond	69
Urban Renewal Debt	70

Proprietary Funds:	
Enterprise Funds:	71
All Water Funds Combined	72
Water Utility	73
Water Capital Reserve	74
Water Bond Debt	75
All Wastewater Funds Combined	76
Wastewater	77
Wastewater Capital Reserve	78
Sewer Plant Construction	79
Sewer Debt Service	80
All Airport Funds Combined	81
Airport	82
Airport Debt Service	83

STATISTICAL SECTION

Net Position by Component – Last Ten Fiscal Years	84
Changes in Net Position – Last Ten Fiscal Years	85 - 86
Fund Balances, Governmental Funds – Last Ten Fiscal Years	87 - 88
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	89 - 90
Program Revenues by Function/Program – Last Ten Fiscal Years	91
Tax Revenues by Source, Governmental Funds – Last Ten Fiscal Years	92
Assessed Valuation and Actual Values of Taxable Property – Last Ten Fiscal Years	93
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	94
Property Tax Levies and Collections – Last Ten Fiscal Years	95
Principal Taxpayers – December 31, 2012 and December 31, 2003	96
Ratios of Outstanding Debt By type – Last Ten Fiscal Years	97
Ratios of General Bonded Debt Outstanding – Last Ten Fiscal Years	98
Direct and Overlapping Governmental Activities Debt	99
Pledged Revenue Coverage – Wastewater Revenue Bonds – Last Ten Fiscal Years	100
Pledged Revenue Coverage – Water Revenue Bonds – Last Six Fiscal Years	101
Legal Debt Margin Information – Last Ten Fiscal Years	102
Demographic and Economic Statistics – Last Ten Years	103
Principal Employers – Current and Ten Years Ago	104
Full-Time Equivalent City Employees by Function/Program and Bargaining Unit – Last Ten Fiscal Years	105
Operating Indicators by Function/Program – Last Ten Fiscal Years	106
Capital Asset and Infrastructure Statistics by Function/Program – Last Ten Fiscal Years	107

REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor’s Report Required by Oregon State Regulations	108 - 110
---	-----------



INTRODUCTORY SECTION



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481

City Council
City of The Dalles
The Dalles, Oregon 97058

November 12, 2013

The Comprehensive Annual Financial Report (CAFR) of the City of The Dalles, Oregon, for the year ended June 30, 2013, is submitted herewith. This report presents a comprehensive and detailed picture of The Dalles' financial transactions during fiscal year 2012-2013 and the financial condition of the various funds at June 30, 2013. 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, 2013, 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 2014. 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 80 cruise ship stops are booked for 2013 and over 100 stops are booked for 2014, 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.

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.

Through a competitive process, 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 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 150,000 square foot super Wal-Mart store is planned for 2014 that will employ around four hundred people. A new modern Goodwill retail and job center is currently under construction.

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 have 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 2013, and constructed in 2014. A renovation of the Granada Block is scheduled for 2014 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 2012. 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 should 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 2014-2015, 2016-2017 and 2019-2020 to fund identified system improvements.

Street Master Plan

A Transportation Master 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.

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 2012-2013. 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 2013-2014. This \$2.2 million project is being funded 90% by the FAA and 10% by the Airport sponsors. A major fiscal year 2013-2014 project is construction of a 17 lot industrial park development, including roads and utilities. A flex space building has been proposed as 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 2012-2013 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 FY12/13.

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, 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, 2013. 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, 2012. 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, 2013**

MAYOR AND CITY COUNCIL

<u>Name and Address</u>	<u>Term Expires December 31</u>
Stephen Lawrence, Mayor 222 West 12 th 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 th Street The Dalles OR 97058	2014
Tim McGlothlin 328 West 21 st 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
Reporting**

Presented to

**City of The Dalles
Oregon**

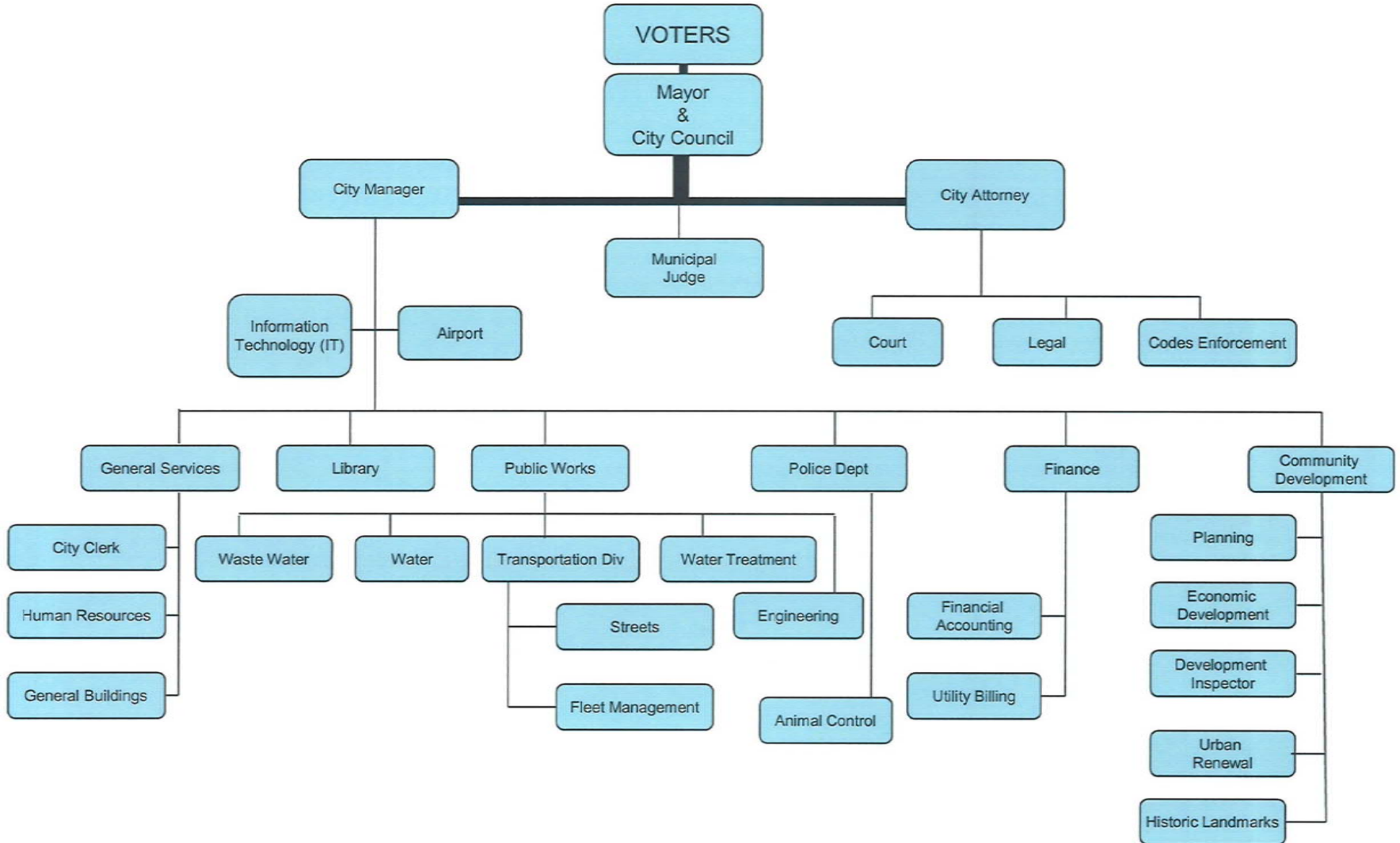
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

City of The Dalles, Oregon

ORGANIZATIONAL FLOW CHART





INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of The Dalles, Oregon
The Dalles, Oregon

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of The Dalles, Oregon, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison 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.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the 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 the management's discussion 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, 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. The 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 schedule of expenditure of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The other supplemental 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. The 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.

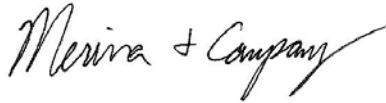
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards* and Oregon Revised Statutes

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2013, 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 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.

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated November 12, 2013, on our consideration of the City's internal control over financial reporting and on tests of its compliance with the provisions of Oregon

Revised Statutes as specified in Oregon Administrative Rules OAR 162-10-000 to 162-10-321. 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.

A handwritten signature in cursive script that reads "Merina & Company". The signature is written in black ink and is positioned above the typed name.

Merina & Company, LLP
West Linn, Oregon
November 12, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

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 at June 30, 2013 by \$65,447,294 (net position). Of this amount \$48,154,684 was invested in capital assets (net of related debt). \$13,022,112 was restricted for specific purposes, resulting in unrestricted net position of \$4,270,498. The unrestricted net position is made up of unrestricted governmental net position of \$2,969,259 and unrestricted business-type net position of \$1,301,239.

The City's net position increased by \$7,561,271 (13.1%) primarily due to the ongoing runway rehabilitation project, funded mainly by Connect Oregon III grant funds, and construction of a new maintenance hanger at the Airport, funded by debt to be repaid with airport rental income.

The City's Governmental Funds had a decrease in fund balances in the amount of \$822,735, which was due primarily to expenditure of funds for capital projects, including the construction of the new Marine Dock and Festival Area, the West First Street Phase II project. The Urban Renewal Fund balance decreased approximately \$150,164 mainly due to improvements to buildings purchased last year that are part of an Urban Renewal project to redevelop a portion of the downtown area.

The City's Enterprise Funds experienced an increase in net position of \$5,913,041, due mostly to the ongoing runway rehabilitation project, and completion and capitalization of the Terminal Reservoir project, the Slipline project, and the replacement of two sewer lift stations.

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, 2013 was \$65,447,294, an increase from June 30, 2012 of \$7,561,271. 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	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 11,513,816	\$ 12,687,752	\$ 9,404,006	\$ 10,361,325	\$ 20,917,822	\$ 23,049,077
Capital assets	34,978,787	32,882,366	45,456,626	40,204,199	80,435,413	73,086,565
Total Assets	46,492,603	45,570,118	54,860,632	50,565,524	101,353,235	96,135,642
Liabilities						
Long-Term liabilities	13,913,733	14,321,190	20,546,800	20,963,105	34,460,533	35,284,295
Other liabilities	945,827	1,264,115	499,581	1,701,209	1,445,408	2,965,324
Total liabilities	14,859,560	15,585,305	21,046,381	22,664,314	35,905,941	38,249,619
Net position invested in capital assets, net of related debt	22,459,249	19,672,490	25,695,435	19,854,285	48,154,684	39,526,775
Restricted	6,204,535	6,337,147	6,817,577	6,867,233	13,022,112	13,204,380
Unrestricted	2,969,259	3,975,176	1,301,239	1,179,692	4,270,498	5,154,868
Total net position	\$ 31,633,043	\$ 29,984,813	\$ 33,814,251	\$ 27,901,210	\$ 65,447,294	\$ 57,886,023

The governmental activities revenue comes primarily from property taxes, franchise fees, charges for services, and various grants and contributions, including over \$1,014,829 from a Library Special District formed in 2006. Between 2010 and 2011, the City's Taxable Assessed Value (TAV) increased by 7.56% due mainly to some delayed annexations added to the tax rolls. However, between 2011 and 2012, the City's TAV only increased by 2.1%. When compared to the prior year, City property taxes collected increased by only .4%, but taken as an average of the past two years, collections have increased by an average of 4.6%. When compared to the prior year, Urban Renewal District property taxes collected increased by 10.2%, mostly due to the completion of a new car dealership on the former City Public Works site and improvements to the Sunshine Mill that added to property values. Natural gas franchise fees decreased 4.8% from the prior year, while garbage franchise fees increased 3.7% and CATV/internet franchise fees increased 3.4%. Electric franchise fees decreased 5.7%. The Street Fund realized a 1.9% increase in the local 3 cent per gallon gas tax. Transient Room Taxes collected decreased 3.5% compared to the prior year. Charges for services revenue showed a 7% increase, due primarily to Transportation SDCs received in FY12/13. Total new revenues in the General Fund decreased by 2.2%.

During the year ending June 30, 2013, 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

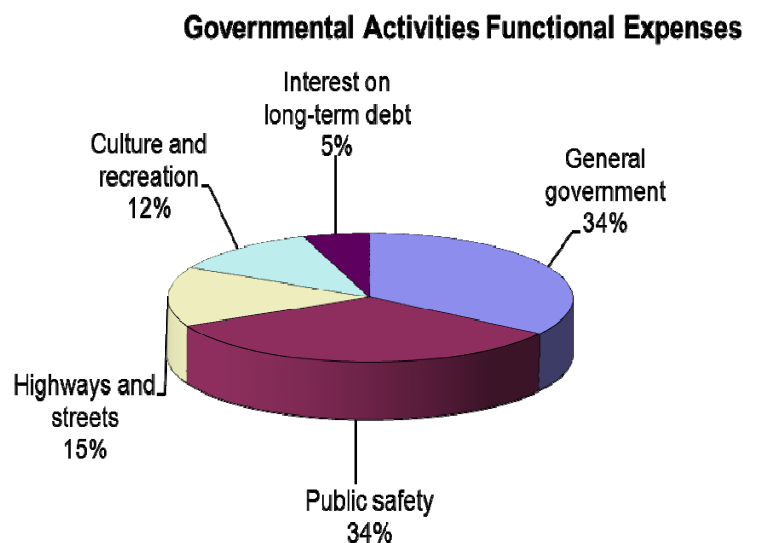
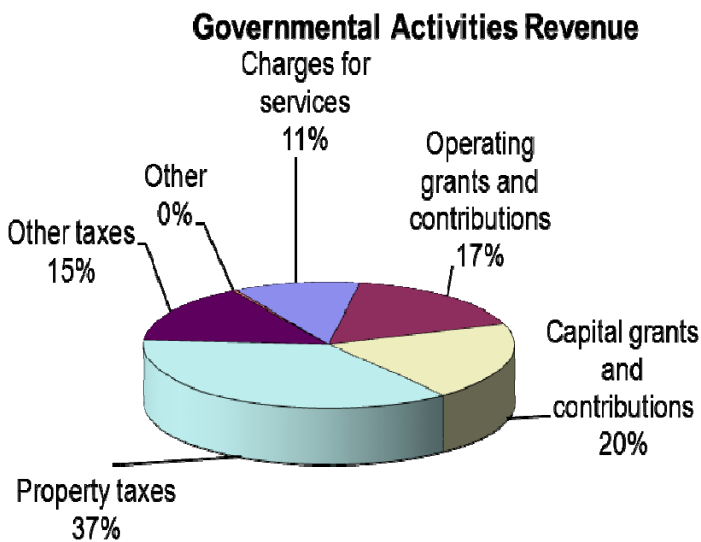
included \$3.175 million from a Connect Oregon III grant and \$694,049 from the Federal Aviation Administration for the Airport Runway Rehabilitation project, and \$304,776 from the Oregon Dept of Transportation for street improvements.

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 5.1% increase in governmental expenses was primarily due to capital projects, including the West 1st Street LID, the 19th Street project, the Granada Block project, and the completion of the Marine Terminal and Festival Area. 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. FAA (\$694,049) and Connect Oregon III grant (\$3.175 million) funds were received for the Airport Runway Rehabilitation project. An associated taxi-way project is under way in FY13/14.

The most significant changes to Business Type expenses during the year are related to the completion of Terminal Reservoir project, the Sewer Slipline project, and the Airport Runway Rehabilitation project.

Property taxes are the City’s primary on-going source of revenue and comprise 37% of the City’s governmental revenue. Property taxes are derived from the permanent tax rate and taxes levied for the repayment of bonded indebtedness.



For the fiscal year ending June 30, 2013, net position of the Governmental activities increased by \$1,648,230, which represents a 5.5% increase. Net position of the Business-type activities increased by \$5,913,041, or 21.2%. Key elements of these changes, when compared to the year ending June 30, 2012 are as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues						
Program Revenues						
Charges for services	\$ 1,180,942	\$ 1,110,559	\$ 10,066,097	\$ 9,655,990	\$ 11,247,039	\$ 10,766,549
Operating grants and contributions	1,815,072	1,790,012	65,000	263,347	1,880,072	2,053,359
Capital grants and contributions	2,144,707	5,816,031	3,871,454	1,193,231	6,016,161	7,009,262
General Revenues						
Property taxes	3,944,620	3,796,785	-	-	3,944,620	3,796,785
Other taxes	1,632,053	1,414,374	-	-	1,632,053	1,414,374
Other	46,153	41,322	38,307	30,800	84,460	72,122
Total revenues	10,763,547	13,969,083	14,040,858	11,143,368	24,804,405	25,112,451
Expenses						
General						
government	3,620,305	3,225,677	-	-	3,620,305	3,225,677
Public safety	3,534,026	3,304,009	-	-	3,534,026	3,304,009
Highways and streets	1,559,911	1,517,951	-	-	1,559,911	1,517,951
Culture and recreation	1,272,743	1,405,744	-	-	1,272,743	1,405,744
Interest on long-term debt	559,591	578,874	-	-	559,591	578,874
Water	-	-	3,315,325	4,092,914	3,315,325	4,092,914
Waste water	-	-	3,068,188	3,221,576	3,068,188	3,221,576
Airport	-	-	313,045	440,116	313,045	440,116
Total Expenses	10,546,576	10,032,255	6,696,558	7,754,606	17,243,134	17,786,861
Change net position before transfers	216,971	3,936,828	7,344,300	3,388,762	7,561,271	7,325,590
Transfers	1,431,259	1,297,279	(1,431,259)	(1,297,279)	-	-
Change in net position	1,648,230	5,234,107	5,913,041	2,091,483	7,561,271	7,325,590
Net position-beginning	29,984,813	24,750,706	27,901,210	25,809,727	57,886,023	50,560,433
Total net position	\$ 31,633,043	\$ 29,984,813	\$ 33,814,251	\$ 27,901,210	\$ 65,447,294	\$ 57,886,023

Governmental Activities

A significant portion of the increase in net position is due to the completion of the new Marine Dock and Festival Area projects, the West 1st Street LID, and the continuing Granada Block and Washington Street Underpass projects. Other construction in progress projects includes The East Scenic Drive Stabilization project.

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, to the construction of the Airport Runway Rehabilitation Project, and to rate increases for water services (10%).

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2013 the City's governmental funds reported a combined fund balance of \$9,092,512, which is a decrease of \$822,735 from June 30, 2012.

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, 2013, the combined General Fund – Generally Accepted Accounting Principles balance was \$2,389,987, which is an increase of \$121,465 from June 30, 2012. The combined revenues were \$5,632,345 and combined expenditures were \$6,696,076, resulting in a loss of \$1,063,731. However, the combined General Fund received \$1,046 from sale of surplus property, had transfers from other funds in the amount of \$1,456,489, and sent transfers out to other funds in the amount of \$272,339. This resulted in net "Other financing sources" totaling \$1,185,196.

The Street Fund balance as of June 30, 2013 was \$674,640, which is an increase of \$5,684 from June 30, 2012. Street Fund revenues were \$1,252,016, while expenditures were \$1,209,880, resulting in a gain of \$42,136. \$1,174 from sale of surplus property, transfers in from other funds in the amount of \$264,959, and transfers out to other funds in the amount of \$302,585, resulted in net "Other financing sources" totaling a negative \$36,452.

As of June 30, 2013, the Library Fund balance was \$963,562, reflecting an increase of \$154,583 from June 30, 2012. 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, 2013 was \$3,572,259, which is a decrease of \$140,297 from June 30, 2012. 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, 2013 was \$309,970, which is a decrease of \$150,164 from June 30, 2012. This decrease is primarily due to costs associated with the Granada Block project.

The non-major governmental funds balance as of June 30, 2013 was \$1,182,094. This reflects a decrease of \$814,006, primarily due to the reduction long term debt by the annual payments made.

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 \$33,814,251 as of June 30, 2013, reflecting a \$5,913,041 increase over net position as of June 30, 2012.

The combined Water Funds net position as of June 30, 2013 was \$8,434,796, which is an increase of \$498,399 over June 30, 2012. This increase is primarily due to the completion and capitalization of the Terminal Reservoir project.

The combined Wastewater Funds net position as of June 30, 2013 was \$16,683,077, which is an increase of \$1,495,351 from June 30, 2012. 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, 2013 was \$8,696,378 which is an increase of \$3,919,291 from June 30, 2012. This increase is due primarily to the construction of the Airport Runway Rehabilitation Project.

BUDGETARY HIGHLIGHTS

The original legal appropriations for fiscal year 2012-2013 for the General Fund – Budgetary Basis totaled \$7,355,420, with contingency of \$626,541. The Unappropriated Ending Balance, which is not included in the legal appropriations, was \$768,902. Budget amendments during the year resulted in a total budget of \$7,379,494, with a contingency of \$608,897. The changes to the budget were made to allocate additional transfers from other funds, and to reallocate funds between categories. Expenditures were \$1,024,368 under budget.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2013, the City had invested \$80,435,413 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 \$2,096,421 and business-type activities capital assets increased by \$5,252,425. Significant additions during the year ending June 30, 2013 were related to the completion and capitalization of the Marine Dock, Festival Area, Terminal Reservoir project, and the Airport Runway Rehabilitation 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, 2013 was \$12,917,501. Business-type activities long-term debt outstanding was \$19,611,193. During the year the City retired a total of \$1,993,781 in principle long-term debt, and added \$1,170,019.

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

2009 FFCO Bond	\$ 10,480,000
Premium on 2009 FFCO Bond	758,372
2008 FFCO Bond	2,455,000
Premium on 2008 FFCO Bond	35,777
Loans Payable (OIB)	181,614
Airport Loan from Port	178,096
Airport Loan from Klicktat County	250,000
Wastewater Revenue Bond	4,110,000

Water Revenue Bond	7,215,000
Premium on Water Revenue Bonds	31,637
Oklahoma State Bank (Lease Option)	49,990
SDWRLF Loan	2,521,321
ARRA F-1 Note & Amendment	1,025,149
ARRA Forgivable Note	<u>2,988,773</u>
TOTAL	<u>\$ 32,280,729</u>

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, 2013 was \$344,554.

Compensated Absences accruals totaled \$428,629 as of June 30, 2013. Governmental accruals totaled \$286,027, but are not recorded as a liability in the Governmental Funds. Business-type compensated absences accrual totaling \$142,602 are recorded as current period liabilities as of June 30, 2013, 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 \$1,108,168 for governmental activities and \$643,007 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 seven years, and has plans to expand their facilities in FY13/14. Home Depot, a Fortune 500 company, operates a retail and commercial outlet here. A Good-Will facility and a new four-story motel are currently under construction. 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.

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

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, 2013

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,322,143	\$ 1,003,631	\$ 4,325,774
Receivables:			
Accounts	595,508	940,038	1,535,546
Fines and forfeitures, net	425,580	-	425,580
Property taxes	349,995	-	349,995
Assessments	197,743	-	197,743
Notes	9,636	-	9,636
Due from other fund	8,461	-	8,461
Prepaid items	123,820	-	123,820
Inventories	138,798	307,314	446,112
Total current assets	5,171,684	2,250,983	7,422,667
Noncurrent assets:			
Bond issuance costs	165,050	214,006	379,056
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	5,185,167	6,936,959	12,122,126
Receivable	991,915	2,058	993,973
Capital assets:			
Land	661,261	5,782,215	6,443,476
Assets available for sale	1,530,311	-	1,530,311
Construction in progress	3,716,725	6,249,272	9,965,997
Depreciable assets, net of depreciation	29,070,490	33,425,139	62,495,629
Total noncurrent assets	41,320,919	52,609,649	93,930,568
Total assets	\$ 46,492,603	\$ 54,860,632	\$ 101,353,235
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 791,673	\$ 133,218	\$ 924,891
Due to other fund	8,461	-	8,461
Unearned revenue	52,947	-	52,947
Accrued interest payable	44,008	260,090	304,098
Retainage payable	48,738	106,273	155,011
Total current liabilities	945,827	499,581	1,445,408
Noncurrent liabilities:			
Long-term obligations:			
Due within one year	996,232	935,607	1,931,839
Due in more than one year	12,917,501	19,611,193	32,528,694
Total noncurrent liabilities	13,913,733	20,546,800	34,460,533
Total liabilities	14,859,560	21,046,381	35,905,941
NET POSITION			
Invested in capital assets, net of related debt	22,459,249	25,695,435	48,154,684
Restricted for:			
Capital projects	5,393,423	6,556,463	11,949,886
Debt Service	811,112	261,114	1,072,226
Unrestricted	2,969,259	1,301,239	4,270,498
Total net position	31,633,043	33,814,251	65,447,294
Total liabilities and net position	\$ 46,492,603	\$ 54,860,632	\$ 101,353,235

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, 2013

Functions/Programs	Expenses	Program Revenues		Net Expense Revenue and Change in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:							
General government	\$ 3,620,305	\$ 958,415	\$ -	\$ 2,144,707	\$ (517,183)	\$ -	\$ (517,183)
Public safety	3,534,026	194,454	-	-	(3,339,572)	-	(3,339,572)
Culture and recreation	1,272,743	11,548	1,024,289	-	(236,906)	-	(236,906)
Highways and streets	1,559,911	16,525	790,783	-	(752,603)	-	(752,603)
Unallocated interest on long-term debt	559,591	-	-	-	(559,591)	-	(559,591)
Total governmental activities	10,546,576	1,180,942	1,815,072	2,144,707	(5,405,855)	-	(5,405,855)
Business type activities:							
All Water Funds	3,315,325	4,530,792	-	803	-	1,216,270	1,216,270
All Wastewater Funds	3,068,188	5,316,269	-	803	-	2,248,884	2,248,884
All Airport Funds	313,045	219,036	65,000	3,869,848	-	3,840,839	3,840,839
Total business type activities	6,696,558	10,066,097	65,000	3,871,454	-	7,305,993	7,305,993
Total government	\$ 17,243,134	\$ 11,247,039	\$ 1,880,072	\$ 6,016,161	(5,405,855)	7,305,993	1,900,138
General revenues:							
Taxes:							
Property taxes levied for:							
General purposes					2,591,274	-	2,591,274
Urban renewal purposes					1,353,346	-	1,353,346
Franchise and public service taxes					1,632,053	-	1,632,053
Interest and investment earnings					46,153	38,307	84,460
Transfers in (out)					1,431,259	(1,431,259)	-
Total general revenues and transfers					7,054,085	(1,392,952)	5,661,133
Change in net position					1,648,230	5,913,041	7,561,271
Net position - beginning					29,984,813	27,901,210	57,886,023
Net position - ending					\$ 31,633,043	\$ 33,814,251	\$ 65,447,294

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, 2013**

	General Fund Generally Accepted Accounting Principles	Street Fund	Library Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Other Governmental	Total Governmental
ASSETS							
Cash and cash equivalents	\$ 1,900,087	\$ 492,261	\$ 973,077	\$ 3,074,736	\$ 801,299	\$ 1,265,850	\$ 8,507,310
Receivables:							
Accounts	421,893	108,873	96	682,726	1,842	4,680	1,220,110
Intergovernmental	15,769	-	-	-	-	46,163	61,932
Fines and forfeitures, net	425,580	-	-	-	-	-	425,580
Property taxes	231,450	-	-	-	118,545	-	349,995
Assessments	-	-	-	22,936	-	197,743	220,679
Notes	-	-	-	-	282,445	9,636	292,081
Due from other fund	8,461	-	-	-	-	-	8,461
Prepaid items	123,820	-	-	-	-	-	123,820
Inventories	-	138,798	-	-	-	-	138,798
Total assets	\$ 3,127,060	\$ 739,932	\$ 973,173	\$ 3,780,398	\$ 1,204,131	\$ 1,524,072	\$ 11,348,766
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable and accrued expenses	\$ 80,043	\$ 65,292	\$ 9,611	\$ 141,274	\$ 493,171	\$ 2,282	\$ 791,673
Due to other fund	-	-	-	-	-	8,461	8,461
Deferred revenue	657,030	-	-	66,865	400,990	282,497	1,407,382
Retainage payable	-	-	-	-	-	48,738	48,738
Total liabilities	737,073	65,292	9,611	208,139	894,161	341,978	2,256,254
FUND BALANCES:							
Nonspendable:							
Prepays	123,820	-	-	-	-	-	123,820
Inventory	-	138,798	-	-	-	-	138,798
Restricted for:							
Grant / contributor specific intent	-	-	-	3,572,259	-	11,790	3,584,049
State statute	-	535,842	-	-	309,970	-	845,812
Full faith and credit debt	-	-	-	-	-	3	3
Intergovernmental agreement	-	-	963,562	-	-	811,109	1,774,671
Committed for:							
Major capital facilities and associated debt	-	-	-	-	-	303,799	303,799
Local improvements and associated debt	-	-	-	-	-	18,401	18,401
Agreements with state agencies	-	-	-	-	-	36,992	36,992
Committed by ordinance or resolution	816,807	-	-	-	-	-	816,807
Unassigned	1,449,360	-	-	-	-	-	1,449,360
Total fund balance	2,389,987	674,640	963,562	3,572,259	309,970	1,182,094	9,092,512
Total liabilities and fund balance	\$ 3,127,060	\$ 739,932	\$ 973,173	\$ 3,780,398	\$ 1,204,131	\$ 1,524,072	

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.	34,978,787
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Deferred revenue	1,354,435
Bond issuance costs are not financial resources, and therefore, are not reported in the funds	165,050
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	(13,913,733)
Interest payable	(44,008)
Net position of governmental activities	\$ 31,633,043

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, 2013

	Generally Accepted Accounting Principles	Street Fund	Library Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Other Governmental	Total Governmental
REVENUES:							
Property taxes	\$ 2,573,057	\$ -	\$ -	\$ -	\$ 541,335	\$ 800,938	\$ 3,915,330
Other taxes	861,298	442,468	-	-	-	-	1,303,766
Franchise fees	304,547	-	-	-	-	23,740	328,287
Assessments	-	-	-	-	-	28,521	28,521
Licenses and fees	13,385	-	-	-	-	-	13,385
Charges for services	20,980	12,185	-	-	-	-	33,165
Intergovernmental	1,270,782	790,783	1,019,047	852,310	-	21,615	3,954,537
Fines and forfeitures, net	194,454	-	11,349	-	-	-	205,803
Contributions	-	-	5,242	-	-	-	5,242
System development charges	276,341	-	-	-	-	-	276,341
Rental income	7,406	-	-	-	4,576	414,521	426,503
Interest on investments	10,846	2,240	3,854	13,869	7,588	7,756	46,153
Miscellaneous	99,249	4,340	199	94,701	26,601	7,900	232,990
Total revenues	5,632,345	1,252,016	1,039,691	960,880	580,100	1,304,991	10,770,023
EXPENDITURES:							
Current:							
General government	2,486,122	-	-	123,547	197,065	41,058	2,847,792
Public safety	3,189,484	-	-	-	-	175,575	3,365,059
Culture and recreation	386,772	-	847,538	-	-	-	1,234,310
Highways and streets	-	1,087,955	-	-	-	1,685	1,089,640
Capital outlay	633,698	121,925	-	990,420	533,199	986,211	3,265,453
Debt service:							
Principal	-	-	-	-	-	617,719	617,719
Interest	-	-	-	-	-	606,264	606,264
Total expenditures	6,696,076	1,209,880	847,538	1,113,967	730,264	2,428,512	13,026,237
Revenues over (under) expenditures	(1,063,731)	42,136	192,153	(153,087)	(150,164)	(1,123,521)	(2,256,214)
OTHER FINANCING SOURCES (USES):							
Sale of property	1,046	1,174	-	-	-	-	2,220
Transfers in	1,456,489	264,959	-	40,364	-	1,932,577	3,694,389
Transfers out	(272,339)	(302,585)	(37,570)	(27,574)	-	(1,623,062)	(2,263,130)
Total other financing sources (uses)	1,185,196	(36,452)	(37,570)	12,790	-	309,515	1,433,479
Net changes in fund balances	121,465	5,684	154,583	(140,297)	(150,164)	(814,006)	(822,735)
FUND BALANCES, BEGINNING	2,268,522	668,956	808,979	3,712,556	460,134	1,996,100	9,915,247
FUND BALANCES, ENDING	\$ 2,389,987	\$ 674,640	\$ 963,562	\$ 3,572,259	\$ 309,970	\$ 1,182,094	\$ 9,092,512

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, 2013

Amounts reported in the statement of activities are different because:

Net change in fund balances \$ (822,735)

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	\$ (621,358)	
Capital asset additions	2,735,613	2,114,255

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position. (17,834)

Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.
 Deferred revenues (8,696)

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	(23,818)	
Change in other postemployment benefits	(259,063)	
Change in accrued interest payable	49,094	
Amortization of bond issue cost	(21,796)	(255,583)

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	641,244	
Accrued interest expense	(2,421)	638,823

Change in net position of governmental activities \$ 1,648,230

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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 2,639,515	\$ 2,639,515	\$ 2,573,057	\$ (66,458)
Other taxes	927,146	927,146	861,298	(65,848)
Franchise fees	308,819	308,819	304,547	(4,272)
Licenses and fees	10,700	10,700	13,385	2,685
Charges for services	10,100	10,100	20,980	10,880
Intergovernmental	1,505,396	1,505,396	1,270,782	(234,614)
Fines and forfeitures, net	244,062	244,062	194,454	(49,608)
System development charges	200,000	200,000	276,341	76,341
Rental income	7,306	7,306	7,406	100
Interest on investments	6,000	6,000	10,846	4,846
Miscellaneous	27,400	27,400	99,249	71,849
Total revenues	<u>5,886,444</u>	<u>5,886,444</u>	<u>5,632,345</u>	<u>(254,099)</u>
EXPENDITURES:				
General government	2,710,491	2,745,045	2,486,122	258,923
Public safety	3,325,362	3,327,712	3,189,484	138,228
Culture and recreation	441,495	441,495	386,772	54,723
Capital outlay	1,639,479	1,512,191	633,698	878,493
Contingency	626,541	608,897	-	608,897
Total expenditures	<u>8,743,368</u>	<u>8,635,340</u>	<u>6,696,076</u>	<u>1,939,264</u>
Revenues over (under) expenditures	(2,856,924)	(2,748,896)	(1,063,731)	1,685,165
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	1,046	1,046
Transfers in	1,432,415	1,456,489	1,456,489	-
Transfers out	(157,525)	(289,627)	(272,339)	17,288
Total other financing sources (uses)	<u>1,274,890</u>	<u>1,166,862</u>	<u>1,185,196</u>	<u>18,334</u>
Net changes in fund balances	(1,582,034)	(1,582,034)	121,465	1,703,499
FUND BALANCES, BEGINNING				
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES	<u>2,350,936</u>	<u>2,350,936</u>	<u>2,268,522</u>	<u>(82,414)</u>
FUND BALANCES, ENDING GENERALLY				
ACCEPTED ACCOUNTING PRINCIPLES	<u>\$ 768,902</u>	<u>\$ 768,902</u>	<u>\$ 2,389,987</u>	<u>\$ 1,621,085</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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Other taxes	\$ 415,304	\$ 415,304	\$ 442,468	\$ 27,164
Charges for services	21,500	21,500	12,185	(9,315)
Intergovernmental	810,372	810,372	790,783	(19,589)
Interest on investments	1,000	1,000	2,240	1,240
Miscellaneous	500	2,386	4,340	1,954
Total revenues	<u>1,248,676</u>	<u>1,250,562</u>	<u>1,252,016</u>	<u>1,454</u>
EXPENDITURES:				
Personal service	680,853	684,539	645,979	38,560
Materials and service	513,110	513,110	441,976	71,134
Capital outlay	388,129	388,129	121,925	266,204
Contingency	48,573	48,573	-	48,573
Total expenditures	<u>1,630,665</u>	<u>1,634,351</u>	<u>1,209,880</u>	<u>424,471</u>
Revenues over (under) expenditures	(381,989)	(383,789)	42,136	425,925
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	1,174	1,174
Transfers in	264,959	264,959	264,959	-
Transfers out	(302,585)	(302,585)	(302,585)	-
Total other financing sources (uses)	<u>(37,626)</u>	<u>(37,626)</u>	<u>(36,452)</u>	<u>1,174</u>
Net changes in fund balances	(419,615)	(421,415)	5,684	427,099
FUND BALANCES, BEGINNING	<u>419,615</u>	<u>421,415</u>	<u>668,956</u>	<u>247,541</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 674,640</u>	<u>\$ 674,640</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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,019,012	\$ 1,019,012	\$ 1,019,047	\$ 35
Fines and forfeitures, net	10,249	10,249	11,349	1,100
Contributions	8,314	8,314	5,242	(3,072)
Interest on investments	1,806	1,806	3,854	2,048
Miscellaneous	100	100	199	99
Total revenues	<u>1,039,481</u>	<u>1,039,481</u>	<u>1,039,691</u>	<u>210</u>
EXPENDITURES:				
Personal service	622,786	625,311	594,827	30,484
Materials and service	323,596	323,596	252,711	70,885
Contingency	105,351	105,351	-	105,351
Total expenditures	<u>1,051,733</u>	<u>1,054,258</u>	<u>847,538</u>	<u>206,720</u>
Revenues over (under) expenditures	(12,252)	(14,777)	192,153	206,930
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(37,570)</u>	<u>(37,570)</u>	<u>(37,570)</u>	<u>-</u>
Total other financing sources (uses)	<u>(37,570)</u>	<u>(37,570)</u>	<u>(37,570)</u>	<u>-</u>
Net changes in fund balances	(49,822)	(52,347)	154,583	206,930
FUND BALANCES, BEGINNING	<u>751,138</u>	<u>753,663</u>	<u>808,979</u>	<u>55,316</u>
FUND BALANCES, ENDING	<u>\$ 701,316</u>	<u>\$ 701,316</u>	<u>\$ 963,562</u>	<u>\$ 262,246</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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 5,111,395	\$ 8,370,813	\$ 852,310	\$ (7,518,503)
Contributions	-	-	-	-
Interest on investments	18,000	18,000	13,869	(4,131)
Total revenues	5,129,395	8,388,813	960,880	(7,427,933)
EXPENDITURES:				
Materials and service	140,000	152,205	123,547	28,658
Capital outlay	8,821,464	13,167,991	990,420	12,177,571
Total expenditures	8,961,464	13,320,196	1,113,967	12,206,229
Revenues over (under) expenditures	(3,832,069)	(4,931,383)	(153,087)	4,778,296
OTHER FINANCING SOURCES (USES):				
Loan proceeds	-	1,206,036	-	(1,206,036)
Transfers in	35,550	40,364	40,364	-
Transfers out	(3,500)	(27,574)	(27,574)	-
Total other financing sources (uses)	32,050	1,218,826	12,790	(1,206,036)
Net changes in fund balances	(3,800,019)	(3,712,557)	(140,297)	3,572,260
FUND BALANCES, BEGINNING	3,800,019	3,712,557	3,712,556	(1)
FUND BALANCES, ENDING	\$ -	\$ -	\$ 3,572,259	\$ 3,572,259

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, 2013

	Business-Type Activities - Enterprise Funds			
	All Water Funds	All Wastewater Funds	All Airport Funds	Total
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 344,986	\$ 307,066	\$ 351,579	\$ 1,003,631
Restricted cash and cash equivalents	1,515,329	5,337,931	83,699	6,936,959
Receivables:				
Accounts, net	400,545	525,040	14,453	940,038
Restricted intergovernmental	-	-	2,058	2,058
Inventory	213,524	93,790	-	307,314
Total current assets	2,474,384	6,263,827	451,789	9,190,000
NONCURRENT ASSETS:				
Bond issuance costs	163,179	50,629	198	214,006
Capital assets:				
Land	2,874,516	1,409,499	1,498,200	5,782,215
Construction in progress	373,855	187,921	5,687,496	6,249,272
Depreciable assets, net of depreciation	17,998,604	13,824,502	1,602,033	33,425,139
Total noncurrent assets	21,410,154	15,472,551	8,787,927	45,670,632
Total assets	\$ 23,884,538	\$ 21,736,378	\$ 9,239,716	\$ 54,860,632
LIABILITIES AND NET POSITION				
CURRENT LIABILITIES:				
Accounts payable	\$ 78,009	\$ 46,120	\$ 9,089	\$ 133,218
Accrued interest payable	217,328	42,218	544	260,090
Retainage payable	-	664	105,609	106,273
Compensated absences payable	86,843	55,759	-	142,602
Current portion of long-term debt	315,647	439,332	38,026	793,005
Total current liabilities	697,827	584,093	153,268	1,435,188
NONCURRENT LIABILITIES:				
Bonds and notes payable	14,340,594	4,237,522	390,070	18,968,186
Other postemployment benefits	411,321	231,686	-	643,007
Total non current liabilities	14,751,915	4,469,208	390,070	19,611,193
Total liabilities	15,449,742	5,053,301	543,338	21,046,381
NET POSITION:				
Invested in capital assets, net of related debt	6,590,734	10,745,068	8,359,633	25,695,435
Restricted for:				
System development	1,472,589	5,083,874	-	6,556,463
Debt service	-	222,828	38,286	261,114
Unrestricted	371,473	631,307	298,459	1,301,239
Total net position	8,434,796	16,683,077	8,696,378	33,814,251
Total liabilities and net position	\$ 23,884,538	\$ 21,736,378	\$ 9,239,716	\$ 54,860,632

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

CITY OF THE DALLES, OREGON
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Fiscal Year Ended June 30, 2013

	Business-Type Activities - Enterprise Funds			
	All Water Funds	All Wastewater Funds	All Airport Funds	Total
OPERATING REVENUES:				
Charges for services	\$ 4,388,068	\$ 4,970,919	\$ 13,056	\$ 9,372,043
System development charges	117,773	300,792	-	418,565
Rental income	4,428	-	205,750	210,178
Miscellaneous	16,706	44,555	230	61,491
Total operating revenues	<u>4,526,975</u>	<u>5,316,266</u>	<u>219,036</u>	<u>10,062,277</u>
OPERATING EXPENSES:				
Personal services	1,949,286	1,097,953	-	3,047,239
Materials and services	608,022	1,301,804	59,099	1,968,925
Depreciation and amortization	342,381	497,696	249,702	1,089,779
Total operating expenses	<u>2,899,689</u>	<u>2,897,453</u>	<u>308,801</u>	<u>6,105,943</u>
Operating income (loss)	1,627,286	2,418,813	(89,765)	3,956,334
NON-OPERATING INCOME (EXPENSE):				
Gain (loss) on disposal of capital assets	3,817	3	-	3,820
Interest on investments	8,790	28,590	927	38,307
Interest expense	(415,636)	(170,735)	(4,244)	(590,615)
Intergovernmental	-	-	65,000	65,000
Total non-operating income (expenses)	<u>(403,029)</u>	<u>(142,142)</u>	<u>61,683</u>	<u>(483,488)</u>
Net income (loss) before transfers and capital contributions	1,224,257	2,276,671	(28,082)	3,472,846
TRANSFERS:				
Transfers in	1,367,005	2,097,105	77,525	3,541,635
Transfers out	(2,093,666)	(2,879,228)	-	(4,972,894)
Total transfers	<u>(726,661)</u>	<u>(782,123)</u>	<u>77,525</u>	<u>(1,431,259)</u>
Net income (loss) before contributions	497,596	1,494,548	49,443	2,041,587
CAPITAL CONTRIBUTIONS:				
Intergovernmental	803	803	3,869,848	3,871,454
Total capital contributions	<u>803</u>	<u>803</u>	<u>3,869,848</u>	<u>3,871,454</u>
Change in net position	498,399	1,495,351	3,919,291	5,913,041
NET POSITION, BEGINNING	<u>7,936,397</u>	<u>15,187,726</u>	<u>4,777,087</u>	<u>27,901,210</u>
NET POSITION, ENDING	<u>\$ 8,434,796</u>	<u>\$ 16,683,077</u>	<u>\$ 8,696,378</u>	<u>\$ 33,814,251</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, 2013

	Business-Type Activities - Enterprise Funds			
	All Water Funds	All Wastewater Funds	All Airport Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 5,585,198	\$ 5,327,557	\$ 954,481	\$ 11,867,236
Payments to suppliers	(1,586,043)	(1,274,326)	(484,774)	(3,345,143)
Payments to employees	(1,840,698)	(1,034,121)	-	(2,874,819)
Net cash provided by operating activities	<u>2,158,457</u>	<u>3,019,110</u>	<u>469,707</u>	<u>5,647,274</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	1,367,005	2,097,105	77,525	3,541,635
Transfers (out)	(2,093,666)	(2,879,228)	-	(4,972,894)
Proceeds from intergovernmental revenue	-	-	65,000	65,000
Net cash provided by non-capital financing activities	<u>(726,661)</u>	<u>(782,123)</u>	<u>142,525</u>	<u>(1,366,259)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from intergovernmental revenue	803	803	3,869,848	3,871,454
Proceeds from capital debt	61,421	-	250,000	311,421
Proceeds from sale of capital assets	3,817	3	-	3,820
Acquisition of capital assets	(623,636)	(1,376,764)	(4,330,737)	(6,331,137)
Principal paid on long-term obligations	(305,390)	(422,790)	(168,525)	(896,705)
Interest paid on long-term obligations	(317,004)	(174,105)	(4,700)	(495,809)
Net cash provided by capital and related financing activities	<u>(1,179,989)</u>	<u>(1,972,853)</u>	<u>(384,114)</u>	<u>(3,536,956)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	8,790	28,590	927	38,307
Net cash provided by investing activities	<u>8,790</u>	<u>28,590</u>	<u>927</u>	<u>38,307</u>
Net increase in cash and cash equivalents	260,597	292,724	229,045	782,366
CASH AND CASH EQUIVALENTS, BEGINNING	<u>1,599,718</u>	<u>5,352,273</u>	<u>206,233</u>	<u>7,158,224</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 1,860,315</u>	<u>\$ 5,644,997</u>	<u>\$ 435,278</u>	<u>\$ 7,940,590</u>
COMPRISED AS FOLLOWS:				
Cash and cash equivalents	\$ 344,986	\$ 307,066	\$ 351,579	\$ 1,003,631
Restricted cash and cash equivalents	1,515,329	5,337,931	83,699	6,936,959
Total cash and cash equivalents	<u>\$ 1,860,315</u>	<u>\$ 5,644,997</u>	<u>\$ 435,278</u>	<u>\$ 7,940,590</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 1,627,286	\$ 2,418,813	\$ (89,765)	\$ 3,956,334
Adjustments				
Depreciation and amortization	342,381	497,696	249,705	1,089,782
Decrease (increase) in:				
Receivables	1,058,223	11,291	735,445	1,804,959
Inventories	(88,252)	8,465	-	(79,787)
Increase (decrease) in:				
Accounts payable and accrued expenses	(889,769)	19,013	(425,678)	(1,296,434)
Other postemployment benefits payable	110,282	60,624	-	170,906
Accrued compensated absences	(1,694)	3,208	-	1,514
Net cash provided by operating activities	<u>\$ 2,158,457</u>	<u>\$ 3,019,110</u>	<u>\$ 469,707</u>	<u>\$ 5,647,274</u>
NON-CASH CAPITAL FINANCING ACTIVITIES				
Transfer of long-term debt between funds	\$ (55,390)	\$ (42,790)	\$ (12,525)	\$ (110,705)
Total non-cash capital financing activities	<u>\$ (55,390)</u>	<u>\$ (42,790)</u>	<u>\$ (12,525)</u>	<u>\$ (110,705)</u>

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



NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF THE DALLES, OREGON
NOTES TO THE BASIC FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2013

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 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, as well as issuance costs, are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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. **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.

8. **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.

9. 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.

10. 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, 2013, 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.

Expenditures in the following fund exceeded appropriations for the year ended June 30, 2013:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount of Over Expenditure</u>
General Fund	Judicial Department	\$14,180

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, 2013. 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, 2013 are as follows:

	Weighted Average Maturity	Fair Value
Investments in the State Treasurer's Local Government Investment Pool	0.00	\$ 12,608,169
Total cash equivalents	0.00	\$ 12,608,169

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

	Governmental Activities	Business-type Activities	Total
Restricted for capital projects:	\$ 4,374,058	\$ 6,674,125	\$11,048,183
Restricted for debt service	811,109	262,834	1,073,943
Total cash and cash equivalents	\$ 5,185,167	\$ 6,936,959	\$12,122,126

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:

	<u>General Fund</u>	<u>Street Fund</u>	<u>Library</u>	<u>Special</u>	<u>Urban Renewal</u>	<u>Other</u>	<u>Total</u>
Receivables:							
Accounts	\$ 421,893	\$ 108,873	\$ 96	\$ 682,726	\$ 1,842	\$ 4,680	\$ 1,220,110
Intergovernmental	15,769	-	-	-	-	46,163	61,932
Fines and forfeitures, net	787,354	-	-	-	-	-	787,354
Property taxes	231,450	-	-	-	118,545	-	349,995
Assessments	-	-	-	22,936	-	197,743	220,679
Notes	-	-	-	-	282,445	9,636	292,081
Allowance for doubtful accounts	(361,774)	-	-	-	-	-	(361,774)
Total receivables	<u>\$ 1,094,692</u>	<u>\$ 108,873</u>	<u>\$ 96</u>	<u>\$ 705,662</u>	<u>\$ 402,832</u>	<u>\$ 258,222</u>	<u>\$ 2,570,377</u>

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

	<u>Water</u>	<u>Waste Water</u>	<u>Airport</u>	<u>Total Business-Type Activity</u>
Receivables:				
Accounts	\$ 408,786	\$ 531,881	\$ 16,953	\$ 957,620
Restricted intergovernmental	-	-	2,058	2,058
Allowance for doubtful accounts	(8,241)	(6,841)	(2,500)	(17,582)
	<u>\$ 400,545</u>	<u>\$ 525,040</u>	<u>\$ 16,511</u>	<u>\$ 942,096</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 2012-2013, the City levied property taxes in the amount of \$2,756,215. After reductions for offsets and increases for additional taxes and penalties this resulted in a net levy of \$2,663,448. 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, 2012 was \$914,015,929. The Columbia Gateway Urban Renewal Agency, a blended component unit of the City, levied taxes at its maximum taxing authority of \$1,436,482. After reductions for offsets and additional taxes and penalties, this resulted in a net levy of \$1,390,913.

Following is a summary of property tax transactions for the year ended June 30, 2013:

Tax Year	Property Taxes Receivable July 1, 2012	Add Levy as Extended By Assessor	Deduct Discounts Cancellations and Adjustments	Deduct Collections	Property Taxes Receivable June 30, 2013
2012-2013	\$ -	\$4,054,361	\$ (104,298)	\$(3,766,990)	\$ 183,073
2011-2012	160,982	-	(610)	(75,458)	84,914
2010-2011	91,527	-	(216)	(33,125)	58,186
2009-2010	48,721	-	(271)	(32,346)	16,104
2008-2009	15,253	-	(231)	(9,740)	5,282
2007-2008	2,251	-	(296)	(1,188)	767
2006-2007	557	-	(23)	(46)	488
Prior	1,414	-	(72)	(161)	1,181
	<u>\$ 320,705</u>	<u>\$4,054,361</u>	<u>\$ (106,017)</u>	<u>\$(3,919,054)</u>	<u>\$ 349,995</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 Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. The government-wide financial statements report deferred 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 deferred revenue. The various components of unavailable deferred revenue reported in the governmental funds was as follows:

	General Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Other Governmental	Total Governmental
Property taxes	\$ 231,450	\$ -	\$ 118,545	\$ -	\$ 349,995
Fines and forfeitures	425,580	-	-	-	425,580
Loans	-	43,929	282,445	9,636	336,010
Special assessments	-	22,936	-	272,861	295,797
	<u>\$ 657,030</u>	<u>\$ 66,865</u>	<u>\$ 400,990</u>	<u>\$ 282,497</u>	<u>\$ 1,407,382</u>

D. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, non-depreciable:					
Land	\$ 661,261	\$ -	\$ -	\$ -	\$ 661,261
Construction in progress	9,789,883	2,513,794	-	(8,586,952)	3,716,725
Assets available for sale	1,530,311	-	-	-	1,530,311
Total capital assets, non-depreciable	<u>11,981,455</u>	<u>2,513,794</u>	<u>-</u>	<u>(8,586,952)</u>	<u>5,908,297</u>
Capital assets, depreciable:					
Land improvements	378,411	-	-	7,248,484	7,626,895
Buildings	5,678,740	8,628	-	-	5,687,368
Equipment	2,888,980	123,516	(95,266)	-	2,917,230
Infrastructure	18,404,108	89,675	-	1,338,468	19,832,251
Total capital assets, depreciable	<u>27,350,239</u>	<u>221,819</u>	<u>(95,266)</u>	<u>8,586,952</u>	<u>36,063,744</u>
Less accumulated depreciation for:					
Land improvements	(182,619)	(8,050)	-	-	(190,669)
Buildings	(1,617,116)	(127,907)	-	-	(1,745,023)
Equipment	(1,919,552)	(130,047)	77,432	-	(1,972,167)
Infrastructure	(2,730,041)	(355,354)	-	-	(3,085,395)
Total accumulated depreciation	<u>(6,449,328)</u>	<u>(621,358)</u>	<u>77,432</u>	<u>-</u>	<u>(6,993,254)</u>
Net depreciable capital assets	<u>20,900,911</u>	<u>(399,539)</u>	<u>(17,834)</u>	<u>8,586,952</u>	<u>29,070,490</u>
Net capital assets	<u>\$32,882,366</u>	<u>\$ 2,114,255</u>	<u>\$ (17,834)</u>	<u>\$ -</u>	<u>\$34,978,787</u>

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

General government	\$ (74,302)
Public safety	(65,103)
Highways and streets	(463,191)
Culture and recreation	(18,762)
Total depreciation expense - governmental activities	<u>\$ (621,358)</u>

Capital asset activity for the business-type activities for the year ended June 30, 2013 was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, non-depreciable:					
Land	\$ 5,782,215	\$ -	\$ -	\$ -	\$ 5,782,215
Construction in progress	9,646,912	6,009,877	-	(9,407,517)	6,249,272
Total capital assets, non-depreciable	<u>15,429,127</u>	<u>6,009,877</u>	<u>-</u>	<u>(9,407,517)</u>	<u>12,031,487</u>
Capital assets, depreciable:					
Land improvements	12,077,973	-	-	702,593	12,780,566
Buildings	4,953,595	20,359	-	278,726	5,252,680
Equipment	4,647,472	216,982	(32,283)	32,167	4,864,338
Wastewater Treatment Plant	8,590,433	-	-	14,378	8,604,811
Dams and lines	7,194,000	116,200	-	8,379,653	15,689,853
Total capital assets, depreciable	<u>37,463,473</u>	<u>353,541</u>	<u>(32,283)</u>	<u>9,407,517</u>	<u>47,192,248</u>
Less accumulated depreciation for:					
Land improvements	(4,120,663)	(381,100)	-	-	(4,501,763)
Buildings	(1,674,834)	(128,244)	-	-	(1,803,078)
Equipment	(2,642,425)	(181,524)	32,283	-	(2,791,666)
Wastewater Treatment Plant	(1,476,489)	(270,935)	-	-	(1,747,424)
Dams and lines	(2,773,988)	(149,190)	-	-	(2,923,178)
Total accumulated depreciation	<u>(12,688,399)</u>	<u>(1,110,993)</u>	<u>32,283</u>	<u>-</u>	<u>(13,767,109)</u>
Net depreciable capital assets	<u>24,775,074</u>	<u>(757,452)</u>	<u>-</u>	<u>9,407,517</u>	<u>33,425,139</u>
Net capital assets	<u>\$40,204,201</u>	<u>\$ 5,252,425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$45,456,626</u>

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

Wastewater	\$ (492,234)
Water	(369,204)
Airport	(249,555)
Total depreciation expense - business-type activities	<u>\$ (1,110,993)</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 5, 2012. 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.

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

	2008 Full Faith and Credit Bonds		2009 Full Faith and Credit Bonds Urban Renewal portion	
	Principal	Interest	Principal	Interest
2014	\$ 124,312	\$ 60,112	\$ 400,000	\$ 401,238
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
2019-2023	818,640	103,270	2,655,000	1,355,187
2024-2028	-	-	3,310,000	697,600
2029-2033	-	-	760,000	38,000
Total	\$ 1,488,712	\$ 352,408	\$ 8,880,000	\$ 3,947,427

	2009 Full Faith and Credit Bonds Street LID portion		Full Faith & Credit Bonds Total Governmental	
	Principal	Interest	Principal	Interest
2014	\$ 54,150	\$ 52,363	\$ 578,462	\$ 513,713
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
2019-2023	342,950	176,691	3,816,590	1,635,148
2024-2028	433,200	90,537	3,743,200	788,137
2029-2033	97,470	4,873	857,470	42,873
Total	\$ 1,155,200	\$ 513,737	\$ 11,523,912	\$ 4,813,572

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

	Premium on 2008 Full Faith and Credit Bonds		Premium on 2009 Full Faith and Credit Bonds		Total Premium on Governmental Full Faith and Credit Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 3,578	\$ -	\$ 45,516	\$ -	\$ 49,094	\$ -
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	-
2019-2023	17,887	-	227,580	-	245,467	-
2024-2028	-	-	227,580	-	227,580	-
2029-2033	-	-	45,505	-	45,505	-
Total	\$ 35,777	\$ -	\$ 728,245	\$ -	\$ 764,022	\$ -

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

	2008 Full Faith and Credit Wastewater Bonds		2008 Full Faith and Credit Water Bonds		2009 Full Faith and Credit Wastewater Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 40,344	\$ 19,509	\$ 40,344	\$ 19,509	\$ 3,675	\$ 3,554
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
2019-2023	265,680	33,515	265,680	33,515	23,275	11,992
2024-2028	-	-	-	-	29,400	6,145
2029-2033	-	-	-	-	6,615	331
Total	\$ 483,144	\$ 114,371	\$ 483,144	\$ 114,371	\$ 78,400	\$ 34,867

	2009 Full Faith and Credit Water Bonds		Full Faith and Credit Bonds Business Activity Total	
	Principal	Interest	Principal	Interest
2014	\$ 17,175	\$ 16,608	\$ 101,538	\$ 59,180
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
2019-2023	108,775	56,042	663,410	135,064
2024-2028	137,400	28,718	166,800	34,863
2029-2033	30,915	1,546	37,530	1,877
Total	\$ 366,400	\$ 162,946	\$ 1,411,088	\$ 426,555

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

	Premium on 2009 Full Faith and Credit Wastewater Bonds		Premium on 2009 Full Faith and Credit Water Bonds	
	Principal	Interest	Principal	Interest
2014	\$ 313	\$ -	\$ 1,463	\$ -
2015	313	-	1,463	-
2016	313	-	1,463	-
2017	313	-	1,463	-
2018	313	-	1,463	-
2019-2023	1,565	-	7,315	-
2024-2028	1,565	-	7,315	-
2029-2033	615	-	2,872	-
Total	\$ 5,310	\$ -	\$ 24,817	\$ -

	Premium on Water Revenue Bonds		Premium on Business Type Bonds Total	
	Principal	Interest	Principal	Interest
2014	\$ 1,665	\$ -	\$ 3,441	\$ -
2015	1,665	-	3,441	-
2016	1,665	-	3,441	-
2017	1,665	-	3,441	-
2018	1,665	-	3,441	-
2019-2023	8,325	-	17,205	-
2024-2028	8,325	-	17,205	-
2029-2033	6,662	-	10,149	-
Total	\$ 31,637	\$ -	\$ 61,764	\$ -

2. Loans Payable-Governmental Activities

The City has a loan payable to the Oregon Investment Board for riverfront improvements. The loan is payable semi-annually with installments of \$32,423, including interest at 4%. The final payment is due June 30, 2016. The loan is unsecured, and is payable from general government revenues. The City also 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. Future maturities of the loans payable are as follows:

	Oregon Investment Board		Oklahoma State Bank		Loans Payable - Governmental Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 58,157	\$ 6,689	\$ 24,492	\$ 2,055	\$ 82,649	\$ 8,744
2015	60,507	4,339	25,498	1,048	86,005	5,387
2016	<u>62,950</u>	<u>1,895</u>	<u>-</u>	<u>-</u>	<u>62,950</u>	<u>1,895</u>
Total	<u>\$ 181,614</u>	<u>\$ 12,923</u>	<u>\$ 49,990</u>	<u>\$ 3,103</u>	<u>\$ 231,604</u>	<u>\$ 16,026</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 Airport Fund has revenue bonds payable used to finance improvements to the City's airport hangars. The bond principal is payable annually and the interest is payable semiannually with a 5.15% interest rate. Final payment was made during the year ended June 30, 2013.

Future maturities of the bonds payable are as follows:

	Wastewater System Revenue Bonds		Water Revenue Bonds		Revenue Bonds Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 395,000	\$ 161,185	\$ 255,000	\$ 307,005	\$ 650,000	\$ 468,190
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
2019-2023	2,000,000	212,280	1,705,000	1,114,301	3,705,000	1,326,581
2024-2028	-	-	2,095,000	721,563	2,095,000	721,563
2029-2033	-	-	2,025,000	227,480	2,025,000	227,480
Total	\$ 4,110,000	\$ 869,975	\$ 7,215,000	\$ 3,491,769	\$ 11,325,000	\$ 4,361,744

4. Loan Payable-Business-Type Activities

Water Fund - The City has 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 Forgivable Note and the ARRA F-1 Note bear interest at 3% per annum, but if the City complies with the loan terms, completes the project as budgeted, and no event of defaults occur, the State shall forgive repayment of all or a portion of the ARRA Forgivable Note. The SDWRLF F-2 Loan bears interest at 3.83%, but will be reduced to 3% if the State receives EPA approval of an amended Oregon Safe Drinking Water Intended Use Plan that allows the interest rate to be reduced. Repayment is not required until December 1 following the project completion date and amortization of the ARRA F-1 and SDWRLF-2 is not yet available. The principal and interest of all loans shall be payable from the Net Revenues of the Water System and the full faith and credit of the City.

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:

	Airport Port Loan		Airport Klickitat Loan		Loans Payable Business Activity Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 13,026	\$ 2,124	\$ 25,000	\$ 286	\$ 38,026	\$ 2,410
2015	13,547	1,603	25,000	-	38,547	1,603
2016	14,089	1,061	25,000	-	39,089	1,061
2017	12,434	497	25,000	-	37,434	497
2018	-	-	25,000	-	25,000	-
2019-2023	54,975	20,775	125,000	-	179,975	20,775
2024-2028	70,025	8,863	-	-	70,025	8,863
Total	<u>\$ 178,096</u>	<u>\$ 34,923</u>	<u>\$ 250,000</u>	<u>\$ 286</u>	428,096	<u>\$ 35,209</u>
				ARRA Forgivable	2,988,773	
				ARRA F-1 Note	1,025,149 *	
				SDWRLF-2 Loan	2,521,321 *	
					<u>\$ 6,963,339</u>	

*Project completion date and future maturities schedules are not available until the project is completed

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, 2013 is \$344,555. 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, 2013, is as follows:

	<u>6/30/12</u> Balance	<u>Additions</u>	<u>Reductions</u>	<u>6/30/13</u> Balance	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
Full Faith and Credit Bonds	\$ 12,085,732	\$ -	\$ 561,820	\$ 11,523,912	\$ 578,462
Premium on FFCO Bonds	813,116	-	49,094	764,022	49,094
Loans Payable	311,028	-	79,424	231,604	82,649
Compensated Absences	262,209	286,027	262,209	286,027	286,027
Other Postemployment Benefits	849,105	259,063	-	1,108,168	-
	<u>\$ 14,321,190</u>	<u>\$ 545,090</u>	<u>\$ 952,547</u>	<u>\$ 13,913,733</u>	<u>\$ 996,232</u>
Business-Type Activities					
Revenue Bonds	\$ 12,111,000	\$ -	\$ 786,000	\$ 11,325,000	\$ 650,000
Full Faith and Credit Bonds	1,509,268	-	98,180	1,411,088	101,538
Premium on Bonds	65,205	-	3,441	61,764	3,441
Loans Payable	6,664,443	311,421	12,525	6,963,339	38,026
Compensated Absences	141,088	142,602	141,088	142,602	142,602
Other Postemployment Benefits	472,101	170,906	-	643,007	-
	<u>\$ 20,963,105</u>	<u>\$ 624,929</u>	<u>\$ 1,041,234</u>	<u>\$ 20,546,800</u>	<u>\$ 935,607</u>

F. Net Position

The government-wide statement of net position reports \$13,022,112 of restricted net position, of which \$845,812 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 \$1,431,259. A reconciliation of transfers in the fund financial statements is as follows:

	Transfers In	Transfers Out
Governmental activity:		
General fund	\$ 1,456,489	\$ 272,339
Street fund	264,959	302,585
Library fund	-	37,570
Special grants fund	40,364	27,574
Other governmental funds	1,932,577	1,623,062
Business-type activities		
Water fund	1,367,005	2,093,666
Waste water fund	2,097,105	2,879,228
Airport fund	77,525	-
	<u>\$ 7,236,024</u>	<u>\$ 7,236,024</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	\$ 453,513
Interstet on net OPEB obligation	13,212
Adjustment to annual required	<u>(36,756)</u>
Annual OPEB cost	429,969
Less OPEB contributions (Amounts paid by the City during the year)	<u>-</u>
Change in net OPEB obligation	429,969
Net OPEB obligation - beginning of year	<u>1,321,206</u>
Net OPEB obligation - end of year	<u><u>\$1,751,175</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, 2013 was as follows:

Health Insurance Continuation				
Fiscal Year Ended	Annual OPEB Cost	Percent of Annual OPEB Contributions	Net OPEB Obligation	
06/30/2011	\$ 368,720	0%	\$ 880,902	
06/30/2012	440,304	0%	1,321,206	
06/30/2013	429,969	0%	1,751,175	

Funded Status and Funding Progress: The funded status of the plan as of June 30, 2013, was as follows:

	Health Insurance Continuation
Employer's normal cost	\$ 3,289,224
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability	<u><u>\$ 3,289,224</u></u>
Funded ratio	0.00%
Covered payroll (active plan members)	\$ 5,035,113
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, 2013 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.

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, 2013 was \$725,977. Total contributions to the plan for the year ended June 30, 2013 were \$545,868, including \$484,341 for both the City and employee portions that is paid by the City, and \$61,527 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, 2013 was \$1,478,405. Total contributions to the plan for the year ended June 30, 2013 were \$372,301, including \$329,716 for both the City and employee portions that is paid by the City, and \$42,585 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 30th, 2013. Funding for the majority of the projects are anticipated from the \$5.6 million in unspent bond proceeds from the 2009 Full Faith and Credit Obligations issued to the City and Columbia Gateway Urban Renewal Agency and numerous grants, as detailed in subsequent events.

The Washington Street Underpass is approximately 20 % complete. Costs incurred to date are \$1,502,162, with total estimated costs of \$8.08 million.

The Flour Mill project is approximately 95% complete. Costs incurred to date are \$715,952.

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

The 3rd 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 \$51,443 with estimated costs of \$3 million.

The Downtown Parking Structure Project is in the early stages. Costs incurred to date are \$13,600, with estimated costs of \$3.3 million.

The ODOT- Welcome signs, is in the early stages. Costs incurred to date are \$1,572.

The Server Upgrade project for City hall is 97% complete. Costs incurred to date are \$39,164 with estimated costs of \$45,422.

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

West First Street Phase 2 is approximately 99% complete. Costs incurred to date are \$976,010.

The Downtown WIFI Phase 2 project is approximately 51% complete. Costs incurred to date are \$26,897, with estimated costs of \$52,000.

The Granada Block project costs incurred to date are \$188,423.

Other major projects in progress at June 30, 2013 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 is currently on hold until the Terminal Reservoir Project is complete.

The Dog River Pipeline project is approximately 7% complete. Costs incurred to date are \$137,971, with total estimated costs of \$7.883 million.

The Webber St Water Main project is in the early stages. Costs incurred to date are \$2,500, with estimated costs of \$280,000.

There are various improvements in the early stages at the Wastewater Treatment Plant. Costs incurred to date for the Phase 2, with total estimated project costs of about \$13.4 million.

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

West 2nd 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 83% complete. Costs incurred to date are \$309,174, with total estimated costs of \$372,164.

There are various projects in progress at the airport. There is also a well project with costs to date of \$254,782. The 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 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

After June 30, 2013 the City, in its normal course of business, has awarded contracts for projects that include:

- Airport Taxiway Project \$1,898,000
- Oil Emulsion Chip Seal Projects \$82,280
- Skid-Steer Compact Loader \$110,103

At the July 8, 2013 meeting the City Council adopted Resolution No 13-023 Fraud Policy for the City.

At their, July 22, 2013 meeting the Council adopted Resolution No 13-026 adopting the final report of the City Engineer, proposing an assessment and providing for Notices and a hearing for the West First Street, Terminal Way and Bargeway Road Reconstruction, Phase II Project.

At their July 22, 2013 meeting, the Council action item Special Ordinance No. 13-557 renewing and extending the term of the Franchise Granted to Waste Connections (The Dalles Disposal) and Declaring an Emergency.



REQUIRED SUPPLEMENTAL INFORMATION

CITY OF THE DALLES, OREGON
OTHER POST EMPLOYMENT BENEFITS SCHEDULE OF FUNDING PROGRESS
For the Fiscal Year Ended June 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/(c)
06/30/11	-	\$ 2,622,780	\$ 2,622,780	0%	\$ 5,072,673	51.70%
06/30/12	-	3,289,224	3,289,224	0%	5,035,113	65.33%
06/30/13	-	3,289,224	3,289,224	0%	5,228,715	62.91%

OTHER SUPPLEMENTAL INFORMATION

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
- Other Financial Schedules

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.

CITY OF THE DALLES, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2013

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
ASSETS				
Cash and cash equivalents	\$ 11,790	\$ 811,112	\$ 442,948	\$ 1,265,850
Receivables:				
Accounts	-	-	4,680	4,680
Intergovernmental	46,163	-	-	46,163
Assessments	-	-	197,743	197,743
Notes	-	-	9,636	9,636
	<u>57,953</u>	<u>811,112</u>	<u>655,007</u>	<u>1,524,072</u>
Total assets	<u>\$ 57,953</u>	<u>\$ 811,112</u>	<u>\$ 655,007</u>	<u>\$ 1,524,072</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued expenses	\$ 710	\$ -	\$ 1,572	\$ 2,282
Due to other fund	8,461	-	-	8,461
Deferred revenue	-	-	282,497	282,497
Retainage payable	-	-	48,738	48,738
	<u>9,171</u>	<u>-</u>	<u>332,807</u>	<u>341,978</u>
Total liabilities	<u>9,171</u>	<u>-</u>	<u>332,807</u>	<u>341,978</u>
FUND BALANCES:				
Restricted for:				
Grant / contributor specific intent	11,790	-	-	11,790
Full faith and credit debt	-	3	-	3
Intergovernmental agreement	-	811,109	-	811,109
Committed for:				
Major capital facilities and associated debt	-	-	303,799	303,799
Local improvements and associated debt	-	-	18,401	18,401
Agreements with state agencies	36,992	-	-	36,992
	<u>48,782</u>	<u>811,112</u>	<u>322,200</u>	<u>1,182,094</u>
Total fund balance	<u>48,782</u>	<u>811,112</u>	<u>322,200</u>	<u>1,182,094</u>
Total liabilities and fund balance	<u>\$ 57,953</u>	<u>\$ 811,112</u>	<u>\$ 655,007</u>	<u>\$ 1,524,072</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, 2013

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
REVENUES:				
Property taxes	\$ -	\$ 800,938	\$ -	\$ 800,938
Franchise fees	-	-	23,740	23,740
Assessments	-	-	28,521	28,521
Intergovernmental	-	-	21,615	21,615
Rental income	207,530	125,801	81,190	414,521
Interest on investments	61	2,000	5,695	7,756
Miscellaneous	2,000	-	5,900	7,900
	<u>209,591</u>	<u>928,739</u>	<u>166,661</u>	<u>1,304,991</u>
EXPENDITURES:				
General government	-	-	41,058	41,058
Public safety	175,575	-	-	175,575
Highways and streets	1,685	-	-	1,685
Capital outlay	-	-	986,211	986,211
Debt service:				
Principal	-	561,820	55,899	617,719
Interest	-	594,692	11,572	606,264
	<u>177,260</u>	<u>1,156,512</u>	<u>1,094,740</u>	<u>2,428,512</u>
Total expenditures	<u>177,260</u>	<u>1,156,512</u>	<u>1,094,740</u>	<u>2,428,512</u>
Revenues over (under) expenditures	32,331	(227,773)	(928,079)	(1,123,521)
OTHER FINANCING SOURCES (USES):				
Transfers in	5,000	1,128,894	798,683	1,932,577
Transfers out	-	(901,118)	(721,944)	(1,623,062)
	<u>5,000</u>	<u>227,776</u>	<u>76,739</u>	<u>309,515</u>
Total other financing sources (uses)	<u>5,000</u>	<u>227,776</u>	<u>76,739</u>	<u>309,515</u>
Net changes in fund balances	37,331	3	(851,340)	(814,006)
FUND BALANCES, BEGINNING	<u>11,451</u>	<u>811,109</u>	<u>1,173,540</u>	<u>1,996,100</u>
FUND BALANCES, ENDING	<u><u>\$ 48,782</u></u>	<u><u>\$ 811,112</u></u>	<u><u>\$ 322,200</u></u>	<u><u>\$ 1,182,094</u></u>

CITY OF THE DALLES, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2013

	Community Benevolence Fund	State Office Building Fund	Total
ASSETS			
Cash and cash equivalents	\$ 11,790	\$ -	\$ 11,790
Receivables:			
Intergovernmental	-	46,163	46,163
Total assets	<u>\$ 11,790</u>	<u>\$ 46,163</u>	<u>\$ 57,953</u>
 LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable and accrued expenses	\$ -	\$ 710	\$ 710
Due to other fund	-	8,461	8,461
Total liabilities	<u>-</u>	<u>9,171</u>	<u>9,171</u>
 FUND BALANCES:			
Restricted for:			
Grant / contributor specific intent	11,790	-	11,790
Committed for:			
Agreements with state agencies	-	36,992	36,992
Total fund balance	<u>11,790</u>	<u>36,992</u>	<u>48,782</u>
Total liabilities and fund balance	<u>\$ 11,790</u>	<u>\$ 46,163</u>	<u>\$ 57,953</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, 2013

	Community Benevolence Fund	State Office Building Fund	Total
REVENUES:			
Rental income	\$ -	\$ 207,530	\$ 207,530
Interest on investments	60	1	61
Miscellaneous	2,000	-	2,000
	<hr/>	<hr/>	<hr/>
Total revenues	2,060	207,531	209,591
	<hr/>	<hr/>	<hr/>
EXPENDITURES:			
Public safety	-	175,575	175,575
Highways and streets	1,685	-	1,685
	<hr/>	<hr/>	<hr/>
Total expenditures	1,685	175,575	177,260
	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	375	31,956	32,331
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	5,000	5,000
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	5,000	5,000
	<hr/>	<hr/>	<hr/>
Net changes in fund balances	375	36,956	37,331
	<hr/>	<hr/>	<hr/>
FUND BALANCES, BEGINNING	11,415	36	11,451
	<hr/>	<hr/>	<hr/>
FUND BALANCES, ENDING	\$ 11,790	\$ 36,992	\$ 48,782
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

CITY OF THE DALLES, OREGON
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
June 30, 2013

	Special Assessment Fund	Capital Projects Fund	Total
ASSETS			
Cash and cash equivalents	\$ 88,839	\$ 354,109	\$ 442,948
Receivables:			
Accounts	4,680	-	4,680
Assessments	197,743	-	197,743
Notes	-	9,636	9,636
	<u>291,262</u>	<u>363,745</u>	<u>655,007</u>
Total assets	<u>\$ 291,262</u>	<u>\$ 363,745</u>	<u>\$ 655,007</u>
LIABILITIES AND FUND BALANCE			
LIABILITIES:			
Accounts payable and accrued expenses	\$ -	\$ 1,572	\$ 1,572
Deferred revenue	272,861	9,636	282,497
Retainage payable	-	48,738	48,738
	<u>272,861</u>	<u>59,946</u>	<u>332,807</u>
Total liabilities	<u>272,861</u>	<u>59,946</u>	<u>332,807</u>
FUND BALANCES:			
Committed for:			
Major capital facilities and associated debt	-	303,799	303,799
Local improvements and associated debt	18,401	-	18,401
	<u>18,401</u>	<u>303,799</u>	<u>322,200</u>
Total fund balance	<u>18,401</u>	<u>303,799</u>	<u>322,200</u>
Total liabilities and fund balance	<u>\$ 291,262</u>	<u>\$ 363,745</u>	<u>\$ 655,007</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, 2013

	Special Assessment Fund	Capital Projects Fund	Total
REVENUES:			
Franchise fees	\$ 23,740	\$ -	\$ 23,740
Assessments	28,521	-	28,521
Intergovernmental	-	21,615	21,615
Rental income	-	81,190	81,190
Interest on investments	3,299	2,396	5,695
Miscellaneous	1,100	4,800	5,900
Total revenues	<u>56,660</u>	<u>110,001</u>	<u>166,661</u>
EXPENDITURES:			
General government	41,058	-	41,058
Capital outlay	-	986,211	986,211
Debt service:			
Principal	-	55,899	55,899
Interest	-	11,572	11,572
Total expenditures	<u>41,058</u>	<u>1,053,682</u>	<u>1,094,740</u>
Revenues over (under) expenditures	15,602	(943,681)	(928,079)
OTHER FINANCING SOURCES (USES):			
Transfers in	-	798,683	798,683
Transfers out	(674,419)	(47,525)	(721,944)
Total other financing sources (uses)	<u>(674,419)</u>	<u>751,158</u>	<u>76,739</u>
Net changes in fund balances	(658,817)	(192,523)	(851,340)
FUND BALANCES, BEGINNING	<u>677,218</u>	<u>496,322</u>	<u>1,173,540</u>
FUND BALANCES, ENDING	<u>\$ 18,401</u>	<u>\$ 303,799</u>	<u>\$ 322,200</u>

**CITY OF THE DALLES, OREGON
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2013**

	<u>FFCO 2008 Bond Fund</u>	<u>2009 FFCO Bond Fund</u>	<u>Urban Renewal Debt Fund</u>	<u>Total</u>
ASSETS				
Cash and cash equivalents	\$ 2	\$ 1	\$ 811,109	\$ 811,112
Total assets	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 811,109</u>	<u>\$ 811,112</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES:				
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCES:				
Restricted for:				
Full faith and credit debt	2	1	-	3
Intergovernmental agreement	<u>-</u>	<u>-</u>	<u>811,109</u>	<u>811,109</u>
Total fund balance	<u>2</u>	<u>1</u>	<u>811,109</u>	<u>811,112</u>
Total liabilities and fund balance	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 811,109</u>	<u>\$ 811,112</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, 2013

	FFCO 2008 Bond Fund	2009 FFCO Bond Fund	Urban Renewal Debt Fund	Total
REVENUES:				
Property taxes	\$ -	\$ -	\$ 800,938	\$ 800,938
Rental income	125,801	-	-	125,801
Interest on investments	-	-	2,000	2,000
Total revenues	<u>125,801</u>	<u>-</u>	<u>802,938</u>	<u>928,739</u>
EXPENDITURES:				
Debt service:				
Principal	121,280	440,540	-	561,820
Interest	<u>107,130</u>	<u>487,562</u>	<u>-</u>	<u>594,692</u>
Total expenditures	<u>228,410</u>	<u>928,102</u>	<u>-</u>	<u>1,156,512</u>
Revenues over (under) expenditures	(102,609)	(928,102)	802,938	(227,773)
OTHER FINANCING SOURCES (USES):				
Transfers in	181,331	947,563	-	1,128,894
Transfers out	<u>(78,720)</u>	<u>(19,460)</u>	<u>(802,938)</u>	<u>(901,118)</u>
Total other financing sources (uses)	<u>102,611</u>	<u>928,103</u>	<u>(802,938)</u>	<u>227,776</u>
Net changes in fund balances	2	1	-	3
FUND BALANCES, BEGINNING	<u>-</u>	<u>-</u>	<u>811,109</u>	<u>811,109</u>
FUND BALANCES, ENDING	<u><u>\$ 2</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 811,109</u></u>	<u><u>\$ 811,112</u></u>

CITY OF THE DALLES, OREGON
GENERAL FUND - GENERALLY ACCEPTED ACCCOUNTING PRINCIPLES
COMBINING BALANCE SHEET
June 30, 2013

	General Fund - Budgetary Basis	Public Works Reserve Fund - Budgetary Basis	Street and Bridge Replacement Fund - Budgetary Basis	Unemployment Reserve Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
ASSETS					
Cash and cash equivalents	\$ 1,126,526	\$ 155,954	\$ 574,604	\$ 43,003	\$ 1,900,087
Receivables:					
Accounts	377,893	-	44,000	-	421,893
Intergovernmental	15,769	-	-	-	15,769
Fines and forfeitures, net	425,580	-	-	-	425,580
Property taxes	231,450	-	-	-	231,450
Due from other fund	8,461	-	-	-	8,461
Prepaid items	123,820	-	-	-	123,820
	<u>2,309,499</u>	<u>155,954</u>	<u>618,604</u>	<u>43,003</u>	<u>3,127,060</u>
Total assets	<u>\$ 2,309,499</u>	<u>\$ 155,954</u>	<u>\$ 618,604</u>	<u>\$ 43,003</u>	<u>\$ 3,127,060</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES:					
Accounts payable and accrued expenses	\$ 79,289	\$ -	\$ -	\$ 754	\$ 80,043
Deferred revenue	657,030	-	-	-	657,030
	<u>736,319</u>	<u>-</u>	<u>-</u>	<u>754</u>	<u>737,073</u>
Total liabilities	<u>736,319</u>	<u>-</u>	<u>-</u>	<u>754</u>	<u>737,073</u>
FUND BALANCES:					
Nonspendable:					
Prepays	123,820	-	-	-	123,820
Committed for:					
Committed by ordinance or resolution	-	155,954	618,604	42,249	816,807
Unassigned	1,449,360	-	-	-	1,449,360
	<u>1,573,180</u>	<u>155,954</u>	<u>618,604</u>	<u>42,249</u>	<u>2,389,987</u>
Total fund balance	<u>1,573,180</u>	<u>155,954</u>	<u>618,604</u>	<u>42,249</u>	<u>2,389,987</u>
Total liabilities and fund balance	<u>\$ 2,309,499</u>	<u>\$ 155,954</u>	<u>\$ 618,604</u>	<u>\$ 43,003</u>	<u>\$ 3,127,060</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, 2013

	General Fund - Budgetary Basis	Public Works Reserve Fund - Budgetary Basis	Street & Bridge Replacement Fund - Budgetary Basis	Unemployment Reserve Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
REVENUES:					
Property taxes	\$ 2,573,057	\$ -	\$ -	\$ -	\$ 2,573,057
Other taxes	861,298	-	-	-	861,298
Franchise fees	304,547	-	-	-	304,547
Licenses and fees	13,385	-	-	-	13,385
Charges for services	20,980	-	-	-	20,980
Intergovernmental	966,006	-	304,776	-	1,270,782
Fines and forfeitures, net	194,454	-	-	-	194,454
System development charges	-	-	276,341	-	276,341
Rental income	7,406	-	-	-	7,406
Interest on investments	7,819	492	2,387	148	10,846
Miscellaneous	91,209	8,040	-	-	99,249
Total revenues	5,040,161	8,532	583,504	148	5,632,345
EXPENDITURES:					
General government	2,484,662	-	-	1,460	2,486,122
Public safety	3,189,484	-	-	-	3,189,484
Culture and recreation	386,772	-	-	-	386,772
Capital outlay	131,869	138,579	363,250	-	633,698
Total expenditures	6,192,787	138,579	363,250	1,460	6,696,076
Revenues over (under) expenditures	(1,152,626)	(130,047)	220,254	(1,312)	(1,063,731)
OTHER FINANCING SOURCES (USES):					
Sale of property	1,046	-	-	-	1,046
Transfers in	1,164,233	235,000	30,000	27,256	1,456,489
Transfers out	(162,339)	-	(110,000)	-	(272,339)
Total other financing sources (uses)	1,002,940	235,000	(80,000)	27,256	1,185,196
Net changes in fund balances	(149,686)	104,953	140,254	25,944	121,465
FUND BALANCES, BEGINNING	1,722,866	51,001	478,350	16,305	2,268,522
FUND BALANCES, ENDING	\$ 1,573,180	\$ 155,954	\$ 618,604	\$ 42,249	\$ 2,389,987

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
- Street & Bridge Replacement 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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 2,639,515	\$ 2,639,515	\$ 2,573,057	\$ (66,458)
Other taxes	927,146	927,146	861,298	(65,848)
Franchise fees	308,819	308,819	304,547	(4,272)
Licenses and fees	10,700	10,700	13,385	2,685
Charges for services	10,100	10,100	20,980	10,880
Intergovernmental	1,050,664	1,050,664	966,006	(84,658)
Fines and forfeitures, net	244,062	244,062	194,454	(49,608)
Rental income	7,306	7,306	7,406	100
Interest on investments	4,500	4,500	7,819	3,319
Miscellaneous	27,400	27,400	91,209	63,809
Total revenues	<u>5,230,212</u>	<u>5,230,212</u>	<u>5,040,161</u>	<u>(190,051)</u>
EXPENDITURES:				
General government	2,664,097	2,698,651	2,484,662	213,989
Public safety	3,325,362	3,327,712	3,189,484	138,228
Culture and recreation	441,495	441,495	386,772	54,723
Capital outlay	140,400	140,400	131,869	8,531
Contingency	626,541	608,897	-	608,897
Total expenditures	<u>7,197,895</u>	<u>7,217,155</u>	<u>6,192,787</u>	<u>1,024,368</u>
Revenues over (under) expenditures	(1,967,683)	(1,986,943)	(1,152,626)	834,317
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	1,046	1,046
Transfers in	1,140,159	1,164,233	1,164,233	-
Transfers out	(157,525)	(162,339)	(162,339)	-
Total other financing sources (uses)	<u>982,634</u>	<u>1,001,894</u>	<u>1,002,940</u>	<u>1,046</u>
Net changes in fund balances	(985,049)	(985,049)	(149,686)	835,363
FUND BALANCES, BEGINNING BUDGETARY BASIS	<u>1,753,951</u>	<u>1,753,951</u>	<u>1,722,866</u>	<u>(31,085)</u>
FUND BALANCES, ENDING BUDGETARY BASIS	<u>\$ 768,902</u>	<u>\$ 768,902</u>	<u>\$ 1,573,180</u>	<u>\$ 804,278</u>

CITY OF THE DALLES, OREGON
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
City council:				
Materials and services	\$ 237,431	\$ 237,431	\$ 185,927	\$ 51,504
Subtotal	237,431	237,431	185,927	51,504
City clerk:				
Personal services	132,345	134,620	132,553	2,067
Materials and services	6,838	6,838	3,403	3,435
Subtotal	139,183	141,458	135,956	5,502
City manager:				
Personal services	268,746	317,460	314,851	2,609
Materials and services	27,630	37,630	28,115	9,515
Subtotal	296,376	355,090	342,966	12,124
City attorney:				
Personal services	207,639	212,664	208,090	4,574
Materials and services	38,796	38,796	33,355	5,441
Subtotal	246,435	251,460	241,445	10,015
Judicial:				
Personal services	116,009	116,009	108,177	7,832
Materials and services	88,168	88,168	110,180	(22,012)
Subtotal	204,177	204,177	218,357	(14,180)
Finance:				
Personal services	279,292	277,402	267,018	10,384
Materials and services	62,906	62,906	29,062	33,844
Subtotal	342,198	340,308	296,080	44,228
Utility billing:				
Personal services	128,073	128,073	119,013	9,060
Materials and services	42,054	42,054	34,244	7,810
Subtotal	170,127	170,127	153,257	16,870
Personnel:				
Materials and services	10,100	10,100	7,251	2,849
Subtotal	10,100	10,100	7,251	2,849

CITY OF THE DALLES, OREGON
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (continued)
For the Fiscal Year Ended June 30, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Technology:				
Personal services	85,451	85,451	81,886	3,565
Materials and services	116,402	116,402	112,575	3,827
Capital outlay	44,400	44,400	39,164	5,236
Subtotal	246,253	246,253	233,625	12,628
Planning:				
Personal services	482,907	453,337	420,007	33,330
Materials and services	71,991	71,991	29,823	42,168
Capital outlay	1,500	1,500	-	1,500
Subtotal	556,398	526,828	449,830	76,998
City hall:				
Personal services	56,520	56,520	58,457	(1,937)
Materials and services	202,901	202,901	199,716	3,185
Capital outlay	20,000	20,000	18,658	1,342
Subtotal	279,421	279,421	276,831	2,590
Transportation center:				
Materials and services	1,898	1,898	959	939
Subtotal	1,898	1,898	959	939
Police:				
Personal services	2,662,082	2,664,432	2,590,561	73,871
Materials and services	534,398	534,398	496,316	38,082
Capital outlay	74,500	74,500	74,047	453
Subtotal	3,270,980	3,273,330	3,160,924	112,406
Code enforcement:				
Personal services	54,875	54,875	54,000	875
Materials and services	32,231	32,231	32,705	(474)
Subtotal	87,106	87,106	86,705	401
Animal Control				
Personal services	28,176	28,176	11,075	17,101
Materials and services	13,600	13,600	4,827	8,773
Capital outlay	-	-	-	-
Subtotal	41,776	41,776	15,902	25,874
Non-departmental:				
Materials and services	441,495	441,495	386,772	54,723
Subtotal	441,495	441,495	386,772	54,723
Total expenditures	\$ 6,571,354	\$ 6,608,258	\$ 6,192,787	\$ 415,471

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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ 500	\$ 500	\$ 492	\$ (8)
Miscellaneous	-	-	8,040	8,040
Total revenues	500	500	8,532	8,032
EXPENDITURES:				
Capital outlay	279,737	279,737	138,579	141,158
Total expenditures	279,737	279,737	138,579	141,158
Revenues over (under) expenditures	(279,237)	(279,237)	(130,047)	149,190
OTHER FINANCING SOURCES (USES):				
Transfers in	235,000	235,000	235,000	-
Total other financing sources (uses)	235,000	235,000	235,000	-
Net changes in fund balances	(44,237)	(44,237)	104,953	149,190
FUND BALANCES, BEGINNING BUDGETARY BASIS				
	44,237	44,237	51,001	6,764
FUND BALANCES, ENDING BUDGETARY BASIS				
	\$ -	\$ -	\$ 155,954	\$ 155,954

CITY OF THE DALLES, OREGON
STREET & BRIDGE REPLACEMENT FUND - BUDGETARY BASIS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 454,732	\$ 454,732	\$ 304,776	\$ (149,956)
System development charges	200,000	200,000	276,341	76,341
Interest on investments	1,000	1,000	2,387	1,387
Total revenues	655,732	655,732	583,504	(72,228)
EXPENDITURES:				
Capital outlay	1,219,342	1,092,054	363,250	728,804
Total expenditures	1,219,342	1,092,054	363,250	728,804
Revenues over (under) expenditures	(563,610)	(436,322)	220,254	656,576
OTHER FINANCING SOURCES (USES):				
Transfers in	30,000	30,000	30,000	-
Transfers out	-	(127,288)	(110,000)	17,288
Total other financing sources (uses)	30,000	(97,288)	(80,000)	17,288
Net changes in fund balances	(533,610)	(533,610)	140,254	673,864
FUND BALANCES, BEGINNING BUDGETARY BASIS	533,610	533,610	478,350	(55,260)
FUND BALANCES, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 618,604	\$ 618,604

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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ -	\$ -	\$ 148	\$ 148
Total revenues	-	-	148	148
EXPENDITURES:				
Personal service	46,394	46,394	1,460	44,934
Total expenditures	46,394	46,394	1,460	44,934
Revenues over (under) expenditures	(46,394)	(46,394)	(1,312)	45,082
OTHER FINANCING SOURCES (USES):				
Transfers in	27,256	27,256	27,256	-
Total other financing sources (u	27,256	27,256	27,256	-
Net changes in fund balances	(19,138)	(19,138)	25,944	45,082
FUND BALANCES, BEGINNING BUDGETARY BASIS				
	19,138	19,138	16,305	(2,833)
FUND BALANCES, ENDING BUDGETARY BASIS				
	\$ -	\$ -	\$ 42,249	\$ 42,249

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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 440,935	\$ 548,935	\$ 541,335	\$ (7,600)
Rental income		-	4,576	4,576
Interest on investments	-	-	7,588	7,588
Miscellaneous	106,077	106,077	26,601	(79,476)
Total revenues	547,012	655,012	580,100	(74,912)
EXPENDITURES:				
Materials and service	544,733	544,733	197,065	347,668
Capital outlay	1,581,524	2,184,398	533,199	1,651,199
Total expenditures	2,126,257	2,729,131	730,264	1,998,867
Revenues over (under) expenditures	(1,579,245)	(2,074,119)	(150,164)	1,923,955
OTHER FINANCING SOURCES (USES):				
Sale of property	1,140,233	783,986	-	(783,986)
Loan proceeds	-	830,000	-	(830,000)
Total other financing sources (uses)	1,140,233	1,613,986	-	(1,613,986)
Net changes in fund balances	(439,012)	(460,133)	(150,164)	309,969
FUND BALANCES, BEGINNING	439,012	460,133	460,134	1
FUND BALANCES, ENDING	\$ -	\$ -	\$ 309,970	\$ 309,970

**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, 2013**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ 25	\$ 25	\$ 60	\$ 35
Miscellaneous	2,000	2,000	2,000	-
Total revenues	2,025	2,025	2,060	35
EXPENDITURES:				
Materials and service	11,425	11,425	1,685	9,740
Total expenditures	11,425	11,425	1,685	9,740
Net changes in fund balances	(9,400)	(9,400)	375	9,775
FUND BALANCES, BEGINNING	9,400	9,400	11,415	2,015
BUDGETARY BASIS	\$ -	\$ -	\$ 11,790	\$ 11,790

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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Rental income	187,523	187,523	207,530	20,007
Interest on investments	-	-	1	1
Total revenues	187,523	187,523	207,531	20,008
EXPENDITURES:				
Personal service	54,406	54,406	51,150	3,256
Materials and service	131,342	131,342	124,425	6,917
Contingency	6,775	6,775	-	6,775
Total expenditures	192,523	192,523	175,575	16,948
Revenues over (under) expenditures	(5,000)	(5,000)	31,956	36,956
OTHER FINANCING SOURCES (USES):				
Transfers in	5,000	5,000	5,000	-
Total other financing sources (uses)	5,000	5,000	5,000	-
Net changes in fund balances	-	-	36,956	36,956
FUND BALANCES, BEGINNING	-	-	36	36
FUND BALANCES, ENDING	\$ -	\$ -	\$ 36,992	\$ 36,992

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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Franchise fees	\$ 27,000	\$ 27,000	\$ 23,740	\$ (3,260)
Assessments	51,000	51,000	28,521	(22,479)
Interest on investments	3,000	3,000	3,299	299
Miscellaneous	1,000	1,000	1,100	100
Total revenues	82,000	82,000	56,660	(25,340)
EXPENDITURES:				
Materials and service	22,000	62,000	41,058	20,942
Capital outlay	601,491	1,491	-	1,491
Total expenditures	623,491	63,491	41,058	22,433
Revenues over (under) expenditures	(541,491)	18,509	15,602	(2,907)
OTHER FINANCING SOURCES (USES):				
Transfers out	(114,419)	(674,419)	(674,419)	-
Total other financing sources (uses)	(114,419)	(674,419)	(674,419)	-
Net changes in fund balances	(655,910)	(655,910)	(658,817)	(2,907)
FUND BALANCE, BEGINNING	655,910	655,910	677,218	21,308
FUND BALANCE, ENDING	\$ -	\$ -	\$ 18,401	\$ 18,401

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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 21,616	\$ 21,616	\$ 21,615	\$ (1)
Rental income	100,005	100,005	81,190	(18,815)
Interest on investments	2,000	2,000	2,396	396
Miscellaneous	2,665	2,665	4,800	2,135
Total revenues	126,286	126,286	110,001	(16,285)
EXPENDITURES:				
Materials and service	5,000	5,000	-	5,000
Capital outlay	548,182	1,365,470	986,211	379,259
Debt service:				
Principal	68,425	68,425	68,424	1
Interest	11,572	11,572	11,572	-
Total expenditures	633,179	1,450,467	1,066,207	384,260
Revenues over (under) expenditures	(506,893)	(1,324,181)	(956,206)	367,975
OTHER FINANCING SOURCES (USES):				
Transfers in	43,230	860,518	798,683	(61,835)
Transfers out	(35,000)	(35,000)	(35,000)	-
Total other financing sources (uses)	8,230	825,518	763,683	(61,835)
Net changes in fund balances	(498,663)	(498,663)	(192,523)	306,140
FUND BALANCE, BEGINNING	498,663	498,663	496,322	(2,341)
FUND BALANCE, ENDING	\$ -	\$ -	\$ 303,799	\$ 303,799

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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Rental income	\$ 125,801	\$ 125,801	\$ 125,801	\$ -
Total revenues	125,801	125,801	125,801	-
EXPENDITURES:				
Debt service:				
Principal	200,000	200,000	200,000	-
Interest	107,132	107,132	107,130	2
Total expenditures	307,132	307,132	307,130	2
Revenues over (under) expenditures	(181,331)	(181,331)	(181,329)	2
OTHER FINANCING SOURCES (USES):				
Transfers in	181,331	181,331	181,331	-
Total other financing sources (uses)	181,331	181,331	181,331	-
Net changes in fund balances	-	-	2	2
FUND BALANCES, BEGINNING		-	-	-
FUND BALANCES, ENDING	\$ -	\$ -	\$ 2	\$ 2

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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt service:				
Principal	\$ 460,000	\$ 460,000	\$ 460,000	\$ -
Interest	487,563	487,563	487,562	1
Total expenditures	947,563	947,563	947,562	1
Revenues over (under) expenditures	(947,563)	(947,563)	(947,562)	1
OTHER FINANCING SOURCES (USES):				
Transfers in	947,563	947,563	947,563	-
Total other financing sources (uses)	947,563	947,563	947,563	-
Net changes in fund balances	-	-	1	1
FUND BALANCES, BEGINNING	-	-	-	-
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

CITY OF THE DALLES, OREGON
URBAN RENEWAL DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 800,938	\$ 800,938	\$ 800,938	\$ -
Interest on investments	2,000	2,000	2,000	-
Total revenues	802,938	802,938	802,938	-
EXPENDITURES:				
Contingency	806,445	806,445	-	806,445
Total expenditures	806,445	806,445	-	806,445
Revenues over (under) expenditures	(3,507)	(3,507)	802,938	806,445
OTHER FINANCING SOURCES (USES):				
Transfers out	(802,938)	(802,938)	(802,938)	-
Total other financing sources (uses)	(802,938)	(802,938)	(802,938)	-
Net changes in fund balances	(806,445)	(806,445)	-	806,445
FUND BALANCES, BEGINNING	806,445	806,445	811,109	4,664
FUND BALANCES, ENDING	\$ -	\$ -	\$ 811,109	\$ 811,109

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, 2013

	Water Utility	Water Capital Reserve	Water Bond Debt	Total All Water Funds
REVENUES:				
Charges for services	\$ 4,388,068	\$ -	\$ -	\$ 4,388,068
Intergovernmental	803	-	-	803
System development charges	-	117,773	-	117,773
Rental income	4,428	-	-	4,428
Interest on investments	2,757	6,033	-	8,790
Miscellaneous	16,706	-	-	16,706
Total revenues	4,412,762	123,806	-	4,536,568
EXPENDITURES:				
Personal service	1,840,698	-	-	1,840,698
Materials and service	737,689	7,099	-	744,788
Capital outlay	141,558	345,312	-	486,870
Debt service:				
Principal	-	-	250,000	250,000
Interest	-	-	317,005	317,005
Total expenditures	2,719,945	352,411	567,005	3,639,361
Revenues over (under) expenditures	1,692,817	(228,605)	(567,005)	897,207
OTHER FINANCING SOURCES (USES):				
Sale of property	3,817	-	-	3,817
Loan proceeds	-	61,421	-	61,421
Transfers in	-	800,000	567,005	1,367,005
Transfers out	(1,544,488)	(604,568)	-	(2,149,056)
Total other financing sources (uses)	(1,540,671)	256,853	567,005	(716,813)
Net changes in fund balances	152,146	28,248	-	180,394
FUND BALANCE, BEGINNING BUDGETARY BASIS	771,634	1,444,341	-	2,215,975
FUND BALANCE, ENDING BUDGETARY BASIS	\$ 923,780	\$ 1,472,589	\$ -	\$ 2,396,369

	Revenues	Expenditures
Total revenue and expenditures above	\$ 4,536,568	\$ 3,639,361
Transfers in/out	-	726,661
Expenditures capitalized	-	(623,636)
Debt service principal payments	-	(250,000)
Other post employment benefits	-	110,282
Depreciation and amortization expense	-	342,381
Interest revenue/expense	-	98,631
Gain/loss on disposal of capital assets	-	(3,817)
Increase/decrease compensated absences	-	(1,694)
Total revenues and expenses - generally accepted accounting principles	\$ 4,536,568	4,038,169
Change in net position		\$ 498,399

**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, 2013**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 4,356,972	\$ 4,356,972	\$ 4,388,068	\$ 31,096
Intergovernmental	-	-	803	803
Rental income	4,428	4,428	4,428	-
Interest on investments	1,500	1,500	2,757	1,257
Miscellaneous	635	635	16,706	16,071
Total revenues	<u>4,363,535</u>	<u>4,363,535</u>	<u>4,412,762</u>	<u>49,227</u>
EXPENDITURES:				
Personal service	1,905,740	1,912,538	1,840,698	71,840
Materials and service	1,054,598	1,054,598	737,689	316,909
Capital outlay	221,500	269,225	141,558	127,667
Contingency	46,496	46,496	-	46,496
Total expenditures	<u>3,228,334</u>	<u>3,282,857</u>	<u>2,719,945</u>	<u>562,912</u>
Revenues over (under) expenditures	1,135,201	1,080,678	1,692,817	612,139
OTHER FINANCING SOURCES (USES):				
Sale of property	50	50	3,817	3,767
Transfers out	<u>(1,544,488)</u>	<u>(1,544,488)</u>	<u>(1,544,488)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,544,438)</u>	<u>(1,544,438)</u>	<u>(1,540,671)</u>	<u>3,767</u>
Net changes in fund balances	(409,237)	(463,760)	152,146	615,906
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>409,237</u>	<u>463,760</u>	<u>771,634</u>	<u>307,874</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 923,780</u>	<u>\$ 923,780</u>

**CITY OF THE DALLES, OREGON
WATER CAPITAL RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
System development charges	\$ 23,170	\$ 23,170	\$ 117,773	\$ 94,603
Interest on investments	4,000	4,000	6,033	2,033
Total revenues	<u>27,170</u>	<u>27,170</u>	<u>123,806</u>	<u>96,636</u>
EXPENDITURES:				
Materials and service	260,000	260,000	7,099	252,901
Capital outlay	966,626	956,626	345,312	611,314
Debt service:				
Principal	126,116	126,116	-	126,116
Interest	101,664	101,664	-	101,664
Contingency	400,000	400,000	-	400,000
Total expenditures	<u>1,854,406</u>	<u>1,844,406</u>	<u>352,411</u>	<u>1,491,995</u>
Revenues over (under) expenditures	(1,827,236)	(1,817,236)	(228,605)	1,588,631
OTHER FINANCING SOURCES (USES):				
Loan proceeds	250,000	250,000	61,421	(188,579)
Transfers in	800,000	800,000	800,000	-
Transfers out	(601,124)	(611,124)	(604,568)	6,556
Total other financing sources (uses)	<u>448,876</u>	<u>438,876</u>	<u>256,853</u>	<u>(182,023)</u>
Net changes in fund balances	(1,378,360)	(1,378,360)	28,248	1,406,608
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>1,378,360</u>	<u>1,378,360</u>	<u>1,444,341</u>	<u>65,981</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,472,589</u>	<u>\$ 1,472,589</u>

CITY OF THE DALLES, OREGON
WATER BOND DEBT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt service:				
Principal	\$ 250,000	\$ 250,000	\$ 250,000	\$ -
Interest	318,005	318,005	317,005	1,000
Total expenditures	568,005	568,005	567,005	1,000
Revenues over (under) expenditures	(568,005)	(568,005)	(567,005)	1,000
OTHER FINANCING SOURCES (USES):				
Transfers in	568,005	568,005	567,005	(1,000)
Total other financing sources (uses)	568,005	568,005	567,005	(1,000)
Net changes in fund balances	-	-	-	-
FUND BALANCE, BEGINNING BUDGETARY BASIS				
	-	-	-	-
FUND BALANCE, ENDING BUDGETARY BASIS				
	\$ -	\$ -	\$ -	\$ -

**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, 2013**

	Wastewater	Wastewater Capital Reserve	Sewer Plant Construction	Sewer Debt Service	Total All Wastewater Funds
REVENUES:					
Charges for services	\$ 4,970,919	\$ -	\$ -	\$ -	\$ 4,970,919
Intergovernmental	803	-	-	-	803
System development charges	-	300,792	-	-	300,792
Interest on investments	987	9,216	17,156	1,231	28,590
Miscellaneous	44,555	-	-	-	44,555
Total revenues	5,017,264	310,008	17,156	1,231	5,345,659
EXPENDITURES:					
Personal service	1,034,121	-	-	-	1,034,121
Materials and service	1,353,856	-	205,405	-	1,559,261
Capital outlay	81,933	352,339	685,035	-	1,119,307
Debt service:					
Principal	-	-	-	380,000	380,000
Interest	-	-	-	174,105	174,105
Total expenditures	2,469,910	352,339	890,440	554,105	4,266,794
Revenues over (under) expenditures	2,547,354	(42,331)	(873,284)	(552,874)	1,078,865
OTHER FINANCING SOURCES (USES):					
Sale of property	3	-	-	-	3
Transfers in	-	343,000	1,200,000	554,105	2,097,105
Transfers out	(2,279,817)	(88,096)	(554,105)	-	(2,922,018)
Total other financing sources (uses)	(2,279,814)	254,904	645,895	554,105	(824,910)
Net changes in fund balances	267,540	212,573	(227,389)	1,231	253,955
FUND BALANCE, BEGINNING BUDGETARY BASIS	642,802	1,617,615	3,481,075	221,597	5,963,089
FUND BALANCE, ENDING BUDGETARY BASIS	\$ 910,342	\$ 1,830,188	\$ 3,253,686	\$ 222,828	\$ 6,217,044

	Revenues	Expenditures
Total revenue and expenditures above	\$ 5,345,659	\$ 4,266,794
Transfers in/out	-	782,123
Expenditures capitalized	-	(1,376,764)
Debt service principal payments	-	(380,000)
Other post employment benefits	-	60,624
Depreciation and amortization expense	-	497,696
Interest revenue/expense	-	(3,370)
Gain/loss on disposal of capital assets	-	(3)
Increase/decrease compensated absences	-	3,208
Total revenues and expenses - generally accepted accounting principles	\$ 5,345,659	3,850,308
Change in net position		\$ 1,495,351

**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, 2013**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 4,864,381	\$ 4,864,381	\$ 4,970,919	\$ 106,538
Intergovernmental	-	-	803	803
Interest on investments	1,000	1,000	987	(13)
Miscellaneous	25,000	25,000	44,555	19,555
Total revenues	4,890,381	4,890,381	5,017,264	126,883
EXPENDITURES:				
Personal service	1,103,496	1,107,051	1,034,121	72,930
Materials and service	1,555,838	1,555,838	1,353,856	201,982
Capital outlay	127,270	139,995	81,933	58,062
Contingency	19,995	19,995	-	19,995
Total expenditures	2,806,599	2,822,879	2,469,910	352,969
Revenues over (under) expenditures	2,083,782	2,067,502	2,547,354	479,852
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	3	3
Transfers out	(2,279,817)	(2,279,817)	(2,279,817)	-
Total other financing sources (uses)	(2,279,817)	(2,279,817)	(2,279,814)	3
Net changes in fund balances	(196,035)	(212,315)	267,540	479,855
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>196,035</u>	<u>212,315</u>	<u>642,802</u>	<u>430,487</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 910,342</u>	<u>\$ 910,342</u>

**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, 2013**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
System development charges	\$ 21,310	\$ 21,310	\$ 300,792	\$ 279,482
Interest on investments	5,000	5,000	9,216	4,216
Total revenues	26,310	26,310	310,008	283,698
EXPENDITURES:				
Capital outlay	1,927,562	1,807,562	352,339	1,455,223
Total expenditures	1,927,562	1,807,562	352,339	1,455,223
Revenues over (under) expenditures	(1,901,252)	(1,781,252)	(42,331)	1,738,921
OTHER FINANCING SOURCES (USES):				
Transfers in	343,000	343,000	343,000	-
Transfers out	(7,087)	(127,087)	(88,096)	38,991
Total other financing sources (uses)	335,913	215,913	254,904	38,991
Net changes in fund balances	(1,565,339)	(1,565,339)	212,573	1,777,912
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>1,565,339</u>	<u>1,565,339</u>	<u>1,617,615</u>	<u>52,276</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,830,188</u>	<u>\$ 1,830,188</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, 2013**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ 12,000	\$ 12,000	\$ 17,156	\$ 5,156
Total revenues	12,000	12,000	17,156	5,156
EXPENDITURES:				
Materials and service	107,000	216,940	205,405	11,535
Capital outlay	3,964,282	3,922,032	685,035	3,236,997
Total expenditures	4,071,282	4,138,972	890,440	3,248,532
Revenues over (under) expenditures	(4,059,282)	(4,126,972)	(873,284)	3,253,688
OTHER FINANCING SOURCES (USES):				
Transfers in	1,200,000	1,200,000	1,200,000	-
Transfers out	(554,105)	(554,105)	(554,105)	-
Total other financing sources (uses)	645,895	645,895	645,895	-
Net changes in fund balances	(3,413,387)	(3,481,077)	(227,389)	3,253,688
FUND BALANCE, BEGINNING BUDGETARY BASIS	3,413,387	3,481,077	3,481,075	(2)
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 3,253,686	\$ 3,253,686

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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ 500	\$ 500	\$ 1,231	\$ 731
Total revenues	500	500	1,231	731
EXPENDITURES:				
Debt service:				
Principal	380,000	380,000	380,000	-
Interest	174,105	174,105	174,105	-
Contingency	221,683	221,683	-	221,683
Total expenditures	775,788	775,788	554,105	221,683
Revenues over (under) expenditures	(775,288)	(775,288)	(552,874)	222,414
OTHER FINANCING SOURCES (USES):				
Transfers in	554,105	554,105	554,105	-
Total other financing sources (uses)	554,105	554,105	554,105	-
Net changes in fund balances	(221,183)	(221,183)	1,231	222,414
FUND BALANCE, BEGINNING BUDGETARY BASIS	221,183	221,183	221,597	414
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 222,828	\$ 222,828

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, 2013

	<u>Airport</u>	<u>Airport Debt Service</u>	<u>Total All Airport Funds</u>
REVENUES:			
Charges for services	\$ 13,056	\$ -	\$ 13,056
Intergovernmental	3,934,848	-	3,934,848
Rental income	109,726	96,024	205,750
Interest on investments	570	357	927
Miscellaneous	230	-	230
	<u>4,058,430</u>	<u>96,381</u>	<u>4,154,811</u>
EXPENDITURES:			
Materials and service	183,720	-	183,720
Capital outlay	4,206,116	-	4,206,116
Debt service:			
Principal	-	156,000	156,000
Interest	-	4,699	4,699
	<u>4,389,836</u>	<u>160,699</u>	<u>4,550,535</u>
Total expenditures	<u>4,389,836</u>	<u>160,699</u>	<u>4,550,535</u>
Revenues over (under) expenditures	(331,406)	(64,318)	(395,724)
OTHER FINANCING SOURCES (USES):			
Loan proceeds	250,000	-	250,000
Transfers in	65,000	-	65,000
	<u>315,000</u>	<u>-</u>	<u>315,000</u>
Total other financing sources (uses)	<u>315,000</u>	<u>-</u>	<u>315,000</u>
Net changes in fund balances	(16,406)	(64,318)	(80,724)
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>315,210</u>	<u>102,604</u>	<u>417,814</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u><u>\$ 298,804</u></u>	<u><u>\$ 38,286</u></u>	<u><u>\$ 337,090</u></u>

	<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above	\$ 4,154,811	\$ 4,550,535
Transfers in/out	77,525	-
Expenditures capitalized	-	(4,330,737)
Debt service principal payments	-	(156,000)
Depreciation and amortization expense	-	249,702
Interest revenue/expense	-	(455)
	<u>4,232,336</u>	<u>313,045</u>
Total revenues and expenses - generally accepted accounting principles	<u>\$ 4,232,336</u>	<u>313,045</u>
Change in net position		<u><u>\$ 3,919,291</u></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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 7,000	\$ 7,000	\$ 13,056	\$ 6,056
Intergovernmental	5,882,000	5,882,000	3,934,848	(1,947,152)
Rental income	140,000	140,000	109,726	(30,274)
Interest on investments	1,500	1,500	570	(930)
Miscellaneous	5,000	5,000	230	(4,770)
Total revenues	6,035,500	6,035,500	4,058,430	(1,977,070)
EXPENDITURES:				
Materials and service	245,254	245,254	183,720	61,534
Capital outlay	6,377,725	6,377,725	4,206,116	2,171,609
Contingency	3,200	3,200	-	3,200
Total expenditures	6,626,179	6,626,179	4,389,836	2,236,343
Revenues over (under) expenditures	(590,679)	(590,679)	(331,406)	259,273
OTHER FINANCING SOURCES (USES):				
Loan proceeds	250,000	250,000	250,000	-
Transfers in	65,000	65,000	65,000	-
Total other financing sources (uses)	315,000	315,000	315,000	-
Net changes in fund balances	(275,679)	(275,679)	(16,406)	259,273
FUND BALANCE, BEGINNING BUDGETARY BASIS	275,679	275,679	315,210	39,531
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 298,804	\$ 298,804

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, 2013

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Rental income	\$ 91,572	\$ 91,572	\$ 96,024	\$ 4,452
Interest on investments	200	200	357	157
Total revenues	<u>91,772</u>	<u>91,772</u>	<u>96,381</u>	<u>4,609</u>
EXPENDITURES:				
Debt service:				
Principal	181,000	181,000	156,000	25,000
Interest	13,200	13,200	4,699	8,501
Contingency	274	274	-	274
Total expenditures	<u>194,474</u>	<u>194,474</u>	<u>160,699</u>	<u>33,775</u>
Net changes in fund balances	(102,702)	(102,702)	(64,318)	38,384
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>102,702</u>	<u>102,702</u>	<u>102,604</u>	<u>(98)</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,286</u>	<u>\$ 38,286</u>

STATISTICAL SECTION

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

	<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>	<u>2004</u>
Governmental Activities:										
Invested in capital assets, net of related debt	\$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	\$8,813,333
Restricted	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	2,805,731
Unrestricted	2,969,259	3,975,176	4,297,055	4,401,964	4,314,633	3,772,300	3,001,516	3,140,189	3,156,416	2,724,852
Total governmental activities net position	<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>	<u>\$14,343,916</u>
Business-Type Activities:										
Invested in capital assets, net of related debt	\$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	\$13,783,100
Restricted	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	2,640,941
Unrestricted	1,301,239	1,179,693	862,477	1,284,163	1,089,738	942,405	616,007	848,910	904,094	1,286,774
Total business-type activities net position	<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>	<u>\$17,710,815</u>
Primary Government:										
Invested in capital assets, net of related debt	\$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	\$22,596,433
Restricted	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	5,446,672
Unrestricted	4,270,498	5,154,869	5,159,532	5,686,127	5,404,371	4,714,705	3,617,523	3,989,099	4,060,510	4,011,626
Total primary government net position	<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>	<u>\$32,054,731</u>

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

	<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>	<u>2004</u>
Program Revenues										
Governmental activities:										
Charges for services, fees and fines										
General government	\$ 958,415	\$ 853,937	\$ 303,748	\$ 463,177	\$ 383,838	\$ 405,366	\$ 464,980	\$ 468,999	\$ 432,237	\$ 328,627
Public safety	194,454	224,448	255,320	306,615	283,213	381,661	358,683	253,504	415,666	379,210
Highways and streets	16,525	20,880	19,217	30,649	16,262	76,652	35,102	34,318	29,927	1,043
Culture and recreation	11,548	11,294	15,746	11,208	9,775	8,256	6,081	7,244	7,996	7,024
Operating grants and contributions	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	207,202
Capital grants and contributions	2,144,707	5,816,031	1,780,738	4,814,797	2,550,663	1,032,300	503,768	793,421	743,701	2,305,553
Total governmental activities program revenues	<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>	<u>3,228,659</u>
Business-type activities:										
Charges for services:										
Water	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	2,217,640
Wastewater	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	2,403,918
Airport	219,036	226,622	191,157	162,163	177,701	134,232	130,694	122,021	103,815	162,004
Operating grants	65,000	263,347	142,954	96,382	78,262	77,698	15,430	17,999	6,188	-
Capital grants	3,871,454	1,193,231	383,053	558,895	480,349	303,723	88,980	265,256	566,350	64,897
Total business-type activities program revenues	<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>	<u>4,848,459</u>
Total primary government program revenues	<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>	<u>8,077,118</u>
Expenses										
Governmental activities:										
General government	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	2,496,078
Public safety and justice	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	1,901,095
Highways and streets	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	1,645,515
Culture and recreation	1,272,743	1,517,951	1,814,647	1,448,982	1,230,708	1,079,123	764,592	836,038	730,140	655,938
Interest on long term obligations	559,591	578,874	595,104	443,576	294,504	208,259	181,684	199,136	213,268	224,780
Total governmental activities expenses	<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>	<u>6,923,406</u>
Business-type activities:										
Water	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	1,947,973
Wastewater	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	2,094,490
Airport	313,045	440,116	438,097	443,613	455,624	525,739	440,756	320,789	342,058	383,133
Total business-type activities expenses	<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>	<u>4,425,596</u>
Total primary government expenses	<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>	<u>11,349,002</u>
Net Expense										
Governmental activities	(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)	(3,694,747)
Business-type activities	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	422,863
Total primary government net expense	<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>	<u>\$ (3,271,884)</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)

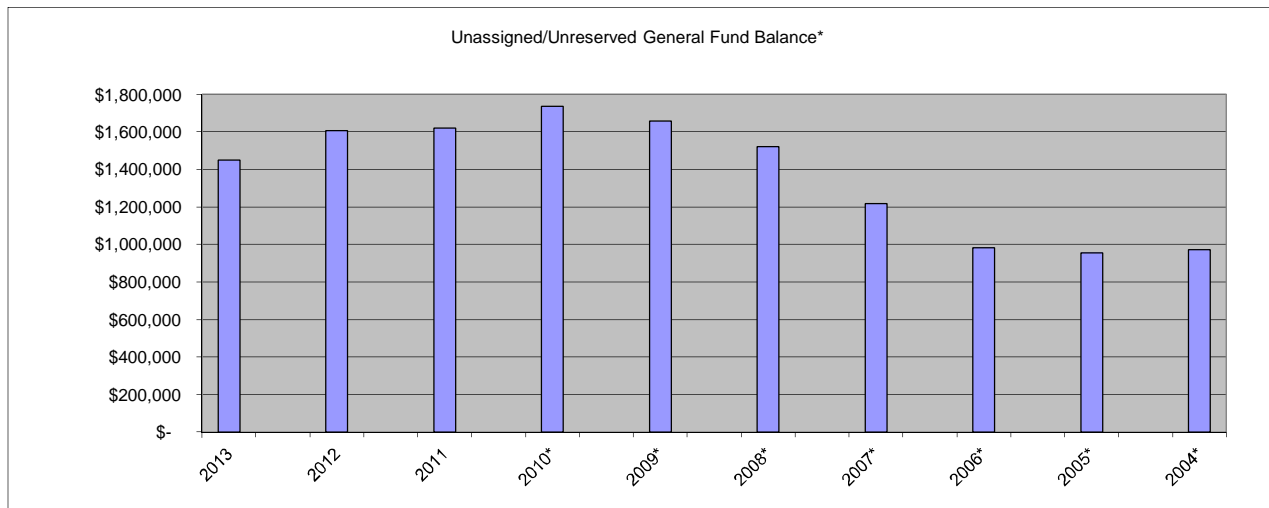
	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Revenues and Other Changes in Net Position										
General revenues:										
Property taxes levied for:										
General purposes	\$ 2,591,274	\$ 2,578,241	\$ 2,334,460	\$ 2,287,915	\$ 2,160,553	\$ 2,032,760	\$ 1,849,162	\$ 1,706,294	\$ 2,143,861	\$ 2,056,701
Urban renewal purposes	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	480,283
Franchise and public service taxes	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	955,082
Interest and investment earnings	46,153	41,322	109,002	102,530	142,654	259,086	200,116	152,808	82,814	77,849
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	1,150,724
Miscellaneous	-	-	-	15,454	134,003	42,851	21,733	5,313	10,271	40,075
Gain (loss) on sale of property	-	-	-	-	(16,712)	179,457	-	(491)	12,772	2,238
Transfers	1,431,259	1,297,279	1,249,200	945,279	(1,067,352)	922,246	778,104	642,400	639,178	535,216
Total governmental activities	<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>	<u>5,298,168</u>
Business-type activities:										
Interest and investment earnings	38,307	30,800	32,632	51,574	153,474	483,983	234,296	179,470	197,141	134,100
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	150,281
Miscellaneous	-	-	-	-	-	-	-	-	-	10,672
Transfers	(1,431,259)	(1,297,279)	(1,249,200)	(945,279)	1,067,352	(922,246)	(778,104)	(642,400)	(639,178)	(535,216)
Total business-type activities	<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>	<u>(240,163)</u>
Total primary government	<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>	<u>5,058,005</u>
Change in Net Position										
Governmental activities	1,648,230	5,234,107	192,113	5,451,420	56,727	1,732,856	809,011	504,374	340,454	1,603,421
Prior Period Adjustments	-	-	-	1,319,835	-	-	-	-	-	-
Governmental Activities, as adjusted	<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>	<u>1,603,421</u>
Business-type activities	5,913,041	2,091,483	1,777,978	1,431,121	3,584,463	966,236	462,664	601,520	534,450	182,700
Prior Period Adjustments	-	-	-	(1,259,520)	-	-	-	-	-	-
Business-type Activities, as adjusted	<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>	<u>182,700</u>
Total primary government change in net position	<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>	<u>1,786,121</u>
Net Position Beginning										
Governmental activities	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	12,740,495
Business-type activities	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	17,528,115
Total primary government net position-beginning	<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>	<u>30,268,610</u>
Net Position Ending										
Governmental activities	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	14,343,916
Business-type activities	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	17,710,815
Total Primary Government Net Position	<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>	<u>\$ 32,054,731</u>

* 2004 net position-beginning are net of prior period adjustments of \$289,243 governmental and \$(6,798) business-type activities.

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010*</u>	<u>2009*</u>	<u>2008*</u>
General Fund						
Unreserved	\$ -	\$ -	\$ -	\$ 1,735,195	\$ 1,657,050	\$ 1,522,373
Nonspendable:						
Prepays	123,820	116,297	115,143	-	-	-
Committed:						
Committed by ordinance or resolution	816,807	545,656	618,743	-	-	-
Unassigned	<u>1,449,360</u>	<u>1,606,569</u>	<u>1,621,482</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total general fund	<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>	<u>1,522,373</u>
All Other Governmental Funds						
Reserved:						
Inventories	-	-	-	210,933	135,071	57,535
Debt Service	-	-	-	1,141,490	464,524	597,998
System Development	-	-	-	8,103,852	-	-
Unreserved reported in:						
Major funds	-	-	-	640,793	1,554,656	5,190,932
Special Revenue Funds	-	-	-	84,268	628,787	832,793
Capital Projects funds	-	-	-	772,281	700,768	-
Nonspendable:						
Inventory	138,798	136,002	137,768	-	-	-
Restricted:						
Grant / contributor specific intent	3,584,049	3,723,971	5,730,710	-	-	-
State statute	845,812	993,088	566,535	-	-	-
Full faith and credit debt	3	-	-	-	-	-
Intergovernmental agreement	1,774,671	1,620,088	1,468,405	-	-	-
Committed:						
Major capital facilities and associated debt	303,799	496,322	428,769	-	-	-
Local improvements and associated debt	18,401	677,218	730,557	-	-	-
Agreements with state agencies	<u>36,992</u>	<u>36</u>	<u>1,168</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<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>	<u>6,679,258</u>
Total governmental funds	<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>	<u>\$ 8,201,631</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>2007*</u>	<u>2006*</u>	<u>2005*</u>	<u>2004*</u>
\$ 1,218,851	\$ 982,436	954,584	974,048
-	-	-	-
-	-	-	-
-	-	-	-
<u>1,218,851</u>	<u>982,436</u>	<u>954,584</u>	<u>974,048</u>
57,187	44,174	66,157	58,056
594,747	587,605	571,348	568,370
2,125,573	1,915,131	1,875,583	1,736,795
283,646	347,968	384,710	430,272
86,027	101,698	19,427	563,275
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>3,147,180</u>	<u>2,996,576</u>	<u>2,917,225</u>	<u>3,356,768</u>
<u>\$ 4,366,031</u>	<u>\$ 3,979,012</u>	<u>3,871,809</u>	<u>4,330,816</u>

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

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Revenues				
Taxes	\$ 5,219,096	\$ 4,888,001	\$ 4,674,232	\$ 4,586,114
Inter-governmental	3,954,537	7,577,757	3,416,732	10,350,588
Rents and interest	472,656	398,415	477,926	485,217
Franchise Fees	328,287	308,704	345,733	313,191
Fines and forfeitures	205,803	235,699	269,448	268,603
Charges for services	33,165	28,774	42,078	28,070
System Development Charges	276,341	168,629	39,010	99,119
Special assessments	28,521	51,641	143,689	61,544
Other Revenues	251,617	264,486	88,956	820,386
Total revenues	<u>10,770,023</u>	<u>13,922,106</u>	<u>9,497,804</u>	<u>17,012,832</u>
Expenditures				
Current:				
General Government	2,847,792	2,861,157	2,996,122	2,884,919
Public safety	3,365,059	3,206,256	2,995,877	2,565,847
Highways and streets	1,089,640	1,343,365	979,615	1,079,593
Culture and recreation	1,234,310	1,009,676	1,300,663	1,263,268
Capital outlay	3,265,453	7,077,246	2,518,236	12,522,325
Debt service:				
Principal	617,719	595,874	678,222	641,848
Interest	606,264	629,844	648,299	446,355
Total expenditures	<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>(2,256,214)</u>	<u>(2,801,312)</u>	<u>(2,619,230)</u>	<u>(4,391,323)</u>
Other Financing Sources (Uses)				
Proceeds from bonds	-	-	-	13,147,632
Bond premium	-	-	-	-
Proceeds of financing agreement	-	-	-	-
Repayment of financing agreement	-	-	-	(2,400,000)
Sale of fixed capital assets	2,220	-	-	15,454
Transfers in	3,694,389	2,703,091	2,627,706	1,571,988
Transfers out	(2,263,130)	(1,405,812)	(1,278,008)	(456,112)
Total other financing sources (uses)	<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>\$ (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 expenditures	<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)

2009	2008	2007	2006	2005	2004
\$ 4,391,942	\$ 4,120,722	\$ 3,883,042	\$ 3,480,345	\$ 3,210,462	\$ 3,204,061
4,129,300	3,142,656	1,799,046	1,890,303	1,808,354	3,600,045
459,573	546,745	546,403	512,524	380,304	377,487
357,640	341,373	320,293	315,756	357,888	287,277
293,498	343,146	293,095	262,586	301,926	243,023
33,295	100,555	51,806	186,576	130,896	73,099
281,081	-	-	-	-	-
10,323	28,777	71,560	129,261	34,443	34,562
212,881	89,367	60,832	75,785	58,225	58,433
<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>	<u>7,877,987</u>
2,874,613	2,802,945	2,384,742	2,096,835	2,393,538	2,386,803
2,470,968	2,286,508	2,086,746	1,937,095	1,835,348	1,847,535
1,018,038	1,046,162	967,521	987,453	855,464	955,540
1,180,839	1,045,711	749,698	815,881	708,990	640,457
5,870,508	1,588,061	528,504	882,084	964,615	2,155,293
668,709	530,856	499,076	472,364	460,719	444,138
318,840	163,381	181,208	197,970	212,898	226,011
<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>8,655,777</u>
<u>(4,232,982)</u>	<u>(750,283)</u>	<u>(371,418)</u>	<u>(536,546)</u>	<u>(1,149,074)</u>	<u>(777,790)</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	1,026,676
(387,482)	(551,885)	(632,687)	(563,131)	(488,340)	(502,201)
<u>1,172,207</u>	<u>4,560,263</u>	<u>758,437</u>	<u>643,780</u>	<u>690,067</u>	<u>524,475</u>
<u>\$ (3,060,775)</u>	<u>\$ 3,809,980</u>	<u>\$ 387,019</u>	<u>\$ 107,234</u>	<u>\$ (459,007)</u>	<u>\$ (253,315)</u>
<u>8.7%</u>	<u>8.4%</u>	<u>9.8%</u>	<u>9.9%</u>	<u>9.9%</u>	<u>9.6%</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)

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities										
General government	\$ 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	\$ 358,850
Public safety	194,454	224,448	255,320	329,265	307,956	402,120	380,562	279,624	521,613	389,881
Highways and streets	807,308	816,335	690,006	5,757,377	2,583,451	1,621,414	1,045,676	1,406,445	935,106	2,284,981
Culture and recreation	1,035,837	1,005,851	980,951	940,378	1,196,469	793,745	28,217	188,905	222,793	194,947
Total governmental activities	5,140,721	8,716,602	4,010,763	8,450,361	5,578,484	4,066,816	2,739,426	2,821,235	2,824,631	3,228,659
Business-type activities										
Water	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	2,282,537
Waste water	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	2,403,918
Airport	4,153,884	1,460,514	309,825	476,669	249,830	502,183	219,674	387,277	670,165	162,004
Total business-type activities	14,002,551	11,112,568	9,200,395	8,743,218	8,039,549	7,469,721	6,489,426	5,843,923	5,576,358	4,848,459
Total Primary government	\$ 19,143,272	\$ 19,829,170	\$ 13,211,158	\$ 17,193,579	\$ 13,618,033	\$ 11,536,537	\$ 9,228,852	\$ 8,665,158	\$ 8,400,989	\$ 8,077,118

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

Year	Property Taxes	Transient Room Taxes	City Gasoline Taxes
2004	2,492,541	427,692	283,828
2005	2,532,266	388,031	290,165
2006	2,655,640	506,037	318,668
2007	3,016,064	560,854	306,124
2008	3,122,823	633,609	364,290
2009	3,328,967	688,367	374,608
2010	3,524,712	652,591	405,097
2011	3,454,107	545,281	396,102
2012	3,594,046	545,711	434,025
2013	3,742,555	526,815	442,468

Source: Current and prior years' financial statements

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

Year	Real Property Assessed Value	Personal Property Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Real Market Value
2004	*	*	608,490,694	3.0155	703,928,628
2005	*	*	624,534,189	3.0155	749,478,665
2006	*	*	654,996,245	3.0155	999,867,545
2007	*	*	692,289,954	3.0155	1,278,646,377
2008	*	*	761,887,014	3.0155	1,644,318,481
2009	*	*	813,469,878	3.0155	1,721,569,341
2010	*	*	858,051,833	3.0155	1,751,436,903
2011	*	*	897,333,222	3.0155	1,381,912,299
2012	916,125,162	41,402,894	957,528,056	3.0155	1,488,289,123
2013	946,101,192	38,753,997	984,855,189	3.0155	1,418,883,503

* 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

Year	City of The Dalles	Wasco County	Wasco County VA Bonds	Port of The Dalles	Mid-Columbia Fire and Rescue	Northern Wasco County Parks and Recreation District	Wasco County Library District	School District No. 12	School District No. 9	School District No. 21	Columbia Gorge Educational Service District	Columbia Gorge Community College	Norcor
2004	3.0155	4.2523	0.3200	0.2007	2.1004	0.6799		7.6400	6.1200	(1)	0.4678	0.7800	0.4200
2005	3.0155	4.2523	0.3100	0.2007	2.1004	0.6799		2.0700	1.0600	5.2399	0.4678	0.7700	0.3200
2006	3.0155	4.2523	0.2399	0.2007	2.4171	0.6799		2.0694	1.0965	5.2399	0.4678	0.7222	0.3374
2007	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
2008	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
2009	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
2010	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
2011	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
2012	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
2013	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

(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)

Fiscal Year Ended June 30,	Tax Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy				
		Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2004	2,624,004	2,386,451	90.95%	168,868	2,555,319	97.38%
2005	2,654,643	2,415,879	91.01%	103,547	2,519,426	94.91%
2006	2,755,383	2,539,836	92.18%	139,242	2,679,078	97.23%
2007	2,939,125	2,767,621	94.16%	96,115	2,863,736	97.43%
2008	3,231,903	3,021,923	93.50%	119,066	3,140,990	97.19%
2009	3,464,010	3,221,917	93.01%	135,730	3,357,648	96.93%
2010	3,634,485	3,392,982	93.36%	226,915	3,619,897	99.60%
2011	3,734,344	3,472,350	92.98%	109,390	3,581,740	95.91%
2012	3,872,365	3,612,471	93.29%	75,458	3,687,929	95.24%
2013	4,054,361	3,766,990	92.91%	-	3,766,990	92.91%

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

CITY OF THE DALLES, OREGON
Principal Taxpayers
December 31, 2012 and December 31, 2003

December 31, 2012			
Taxpayer	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Northern Wasco County PUD	\$ 12,258,800	1	1.28%
Oregon Cherry Growers, Inc.	12,183,141	2	1.27%
Metropolitan Life Insurance Co	11,676,188	3	1.22%
Home Depot USA, Inc.	10,603,615	4	1.11%
CenturyLink	7,932,700	5	0.83%
Union Pacific Railroad Co.	7,566,295	6	0.79%
Safeway, Inc.	7,033,215	7	0.73%
Wasco Assisted Living, LLC	6,996,705	8	0.73%
SHNW Properties, LLC	6,832,868	9	0.71%
Cascade Square, LLC	6,529,668	10	0.68%
	<u>\$ 89,613,195</u>		<u>9.36%</u>
Total Assessed Valuator	<u>\$ 957,528,056</u>		

December 31, 2003			
Taxpayer	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Sprint, Inc	\$ 13,805,845	1	2.54%
Northern Wasco County PUD	9,909,153	2	1.82%
Kerr McGee Chemical, Inc.	8,743,210	3	1.61%
Oregon Cherry Growers, Inc.	6,484,537	4	1.19%
Oregon Cherry Growers, Inc.	5,880,164	5	1.08%
GFI The Dalles Investment, LTD	5,785,309	6	1.06%
Northwest Natural Gas	5,362,307	7	0.99%
Union Pacific Railroad Company	5,351,109	8	0.98%
LZ Properties, LLC	4,687,605	9	0.86%
Shilo Inn	4,429,903	10	0.81%
	<u>\$ 70,439,142</u>		<u>12.95%</u>
Total Assessed Valuator	<u>\$ 543,993,019</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			
2004	-	4,020,000	635,000	-	613,244	7,598,000	-	-	12,866,244	N/A	1,042	2.11%
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	-	-	-	11,523,912	231,604	11,325,000	1,411,088	6,963,339	31,454,943	N/A	2,178	3.19%

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

** Amount includes proceeds for the ARRA Forgivable Loan have been accrued on a reimbursement basis.

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

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Per Capita
2004	-	608,490,694	0.00%	-
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%	-

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

Governmental Unit	Gross Property-tax Backed Debt (a)	Percentage Applicable to City of The Dalles	Amount Applicable to City of The Dalles
Debt Repaid with Property Taxes			
Columbia Gorge Comm. Coll (Treaty-Oak AED)	\$ 18,068,097	21.9337%	\$ 3,962,994
Mid-Columbia Fire and Rescue	1,035,000	76.9534%	796,468
Northern OR Regional Corrections	4,835,000	0.0000%	-
Wasco County	329,615	0.0000%	-
Wasco CTY SD 12 (The Dalles) Bonds	21,941,017	84.9054%	18,629,108
Wasco CTY SD 21 (The Dalles/Watonka)	3,910,000	69.9621%	2,735,518
Wasco CTY SD 29	2,380,000	0.9401%	<u>22,374</u>
Subtotal, overlapping debt			26,146,462 (b)
City Direct Debt			<u>12,935,000 (c)</u>
Total Direct and Overlapping Debt			<u><u>\$ 39,081,462</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 Ten 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
2004	\$ 2,380,171	\$ 1,748,633	\$ 631,538	\$ 215,000	\$ 233,787	\$ 448,787	1.41	\$ 22.05	\$ 37.45
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

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. 02-029, set Sewer Rates with annual increases through FY12/13. 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 Six
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

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. 02-028, set Water Rates with annual increases through FY15/16. 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.

Fiscal Year Ended June 30	Real Market Value	Debt Limit Rate	Debt Limit	Less General Bonded Debt June 30	Legal Debt Margin	Total Net Bonded Debt Applicable to the Limit as a Percentage of Debt Limit
2004	\$ 703,928,628	3%	\$ 21,117,859	-	\$ 21,117,859	0.00%
2005	749,478,665	3%	22,484,360	-	22,484,360	0.00%
2006	815,950,410	3%	24,478,512	-	24,478,512	0.00%
2007	1,278,646,377	3%	38,359,391	-	38,359,391	0.00%
2008	1,644,318,481	3%	49,329,554	-	49,329,554	0.00%
2009	1,721,569,341	3%	51,647,080	-	51,647,080	0.00%
2010	1,751,436,903	3%	52,543,107	-	52,543,107	0.00%
2011	1,381,912,299	3%	41,457,369	-	41,457,369	0.00%
2012	1,488,289,123	3%	44,648,674	-	44,648,674	0.00%
2013	1,418,883,503	3%	42,566,505	-	42,566,505	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

Year	Population	Personal Income	Per Capita Income	Unemployment Rate
2004	12,350	274,296,000	22,210	7.90%
2005	12,410	N/A	N/A	6.90%
2006	12,505	N/A	N/A	6.20%
2007	13,045	N/A	N/A	5.60%
2008	13,112	N/A	N/A	5.33%
2009	13,170	N/A	N/A	10.80%
2010	13,385	N/A	N/A	8.80%
2011	14,441	N/A	N/A	8.40%
2012	14,440	N/A	N/A	8.10%
2013	14,440	N/A	N/A	7.71%

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**

	2012-13		
Employer	Employees	Rank	Percent of Total Employment
Mid Columbia Medical Center	730	1	8.96%
Oregon Cherry Growers, Inc.	339	3	4.16%
School District #21	327	2	4.01%
State of Oregon	200	4	2.45%
Oregon Veterans Home	195	5	2.39%
Wasco County	126	6	1.55%
City of The Dalles	99	7	1.22%
Columbia Gorge Community College	86	8	1.06%
Sunshine Mill	86	9	1.06%
Safeway Food and Drug	78	10	0.96%
	2,266		27.81%
Total employment	8,147		

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

2003-04

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

Function/Program	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
General government	18.00	16.00	16.00	16.00	14.00	13.75	10.50	9.50	9.50	9.00
Public safety and justice	25.50	25.00	25.00	25.00	24.50	24.25	26.00	25.00	25.00	25.00
Community services	4.50	6.00	6.00	6.00	6.00	6.50	6.00	4.00	4.00	4.00
Streets and highways	11.00	11.00	9.00	10.00	11.00	11.00	10.00	10.00	10.00	10.33
Library	9.00	10.00	10.00	11.00	11.00	10.00	9.50	5.25	5.25	5.25
Total governmental activities	68.00	68.00	66.00	68.00	66.50	65.50	62.00	53.75	53.75	53.58
Business-type activities:										
Water	22.00	21.00	21.50	20.00	19.00	20.00	19.00	19.50	21.50	20.84
Wastewater	9.00	11.00	11.50	12.00	11.00	11.00	10.00	10.50	10.50	9.83
Airport	-	-	-	-	0.50	0.25	0.25	0.25	0.50	0.45
Total business-type activities	31.00	32.00	33.00	32.00	30.50	31.25	29.25	30.25	32.50	31.12
Total primary government budgeted FTE	99.00	100.00	99.00	100.00	97.00	96.75	91.25	84.00	86.25	84.70
City of The Dalles Employees										
Management and exempt	34.00	35.00	34.00	36.00	35.00	36.75	37	38	35	34
Bargaining units										
SEIU (Local 503)	45.00	44.00	45.00	47.00	46.00	45.00	43	42	50	40
Police Association	18.00	18.00	19.00	16.00	16.00	15.00	15	14	13	13
Total bargaining units	63.00	62.00	64.00	63.00	62.00	60.00	58	56	63	53
Temporary City employees	2.00	3.00	1.00	1.00	-	-	-	0	3	1
Total actual City employees	99.00	100.00	99.00	100.00	97.00	96.75	95	94	101	88

Source: City of The Dalles budgets and payroll records

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

FUNCTION/PROGRAM	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities:										
Public Safety and Justice										
Police (1)										
Calls for service	N/A*	10,340	9,359	7,846	8,008	7,508	7,789	7,861	8,729	8,901
Crime reports	N/A*	2,385	2,303	2,495	2,707	2,541	2,664	2,599	2,847	3,086
Number of arrests	N/A*	1,017	1,055	1,028	1,024	1,144	1,036	1,013	1,326	1,502
Municipal Court										
Traffic cases	1,180	1,412	1,184	1,082	1,218	1,427	1,565	1,146	1,263	1,661
Criminal cases	445	342	375	358	331	440	501	377	486	444
Ordinance violations	78	25	22	15	15	37	25	6	14	11
Parking violations	44	60	76	88	164	162	208	218	228	299
Code enforcement cases	13	11	3	4	6	15	11	-	3	-
Library										
Number of registered borrowers	11,950	10,920	12,573	11,140	13,042	11,302	10,202	12,355	12,855	11,587
Total circulation	160,295	163,653	160,405	145,972	122,432	110,036	98,479	114,667	120,057	118,811
Public programs	462	466	607	490	457	224	74	102	72	67
Program attendance	7,864	7,226	9,775	8,143	8,996	6,573	3,574	3,556	2,679	2,163
Books added	4,005	3,644	6,526	6,283	4,079	11,045	4,481	5,440	5,831	5,788
Business-type Activities										
Water										
Average active metered connections	4,604	4,598	4,618	4,613	4,598	4,562	4,537	4,520	4,470	4,457
Average daily water consumption	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	2,471,000
Average number of assistance accounts	166	162	153	168	150	176	162	179	175	153
Average daily water production	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	2,996,482

(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

FUNCTION/PROGRAM	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental Activities										
General Government										
Buildings owned	13	12	12	7	7	7	7	7	7	7
Vehicles (excluding automobiles)	40	36	37	33	33	14	12	12	14	14
Heavy Equipment	16	15	15	18	18	16	16	16	16	14
Public Safety and Justice										
Police										
Police vehicles	17	16	16	15	15	14	14	14	14	13
Number of employees	25.5	25	25	23	23	23	23	22	22	22
Streets and Highways										
Miles of streets maintained by City:										
Paved	69.1	69.1	69.1 *	70.38	70.38	70.38	70.38	70.32	70.32	70.07
Unpaved	16.4	16.4	16.4 *	17.82	17.82	17.82	17.82	10.69	10.69	10.69
Bridges and underpasses	5	5	5	5	5	5	5	5	5	5
Business-type Activities										
Water										
Miles of water lines (estimated)	100.7 *	87.3	86.5 *	84.25	84.25	84.25	84	82.5	82	82
Reservoirs	5	5	6	5	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
Wastewater										
Treatment plant	1	1	1	1	1	1	1	1	1	1
Miles of sewer lines (estimated)	95.3	94.4	94.4 *	78	78	78	78	78	77	77
Lift stations	8	8	8	8	8	8	8	8	7	7
Airport										
Terminal	1	1	1	1	1	1	1	1	1	1
Maintenance and T-hangers	32 *	23	23	23	23	23	23	23	23	23
Other buildings	3	3	2	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
ACCOUNTANT**

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

We have audited the basic 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, 2013 and have issued our report thereon dated November 12, 2013. 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:

1. The City was not in compliance with ORS 294.473 as the City did not publish the notice of the public hearing regarding a supplemental budget.
2. The General Fund's Judicial Department exceeded appropriations by \$14,180.

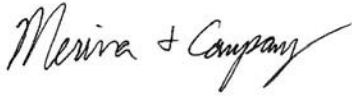
OAR 162-10-0230 Internal Control

Management of City of The Dalles, Oregon is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered City of The Dalles, Oregon's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of The Dalles, Oregon's internal control over financial reporting.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

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.

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

Merina & Company, LLP
West Linn, Oregon
November 12, 2013

