



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2019

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

CITY OF THE DALLES, OREGON

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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 25, 2019

The Comprehensive Annual Financial Report (CAFR) of the City of The Dalles, Oregon, for the year ended June 30, 2019, is submitted herewith. This report presents a comprehensive and detailed picture of The Dalles' financial transactions during fiscal year 2018-2019 and the financial condition of the various funds at June 30, 2019. 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, 2019, 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 1994, the City of The Dalles is governed by a City Council. This Council consists of an elected mayor and five council members. The City operates under a council-manager form of government.

The City has eight departments: Administration, Finance, Legal/Judicial, Police, Planning, Human Resources, Library, and Public Works, that collaborate to provide a wide range of services to our citizens. These services include general administrative services, police, code enforcement, municipal court, planning and development, water treatment and distribution, wastewater collection, transportation systems, and stormwater management. Fire services are provided by the Mid-Columbia Fire & Rescue District, and building services and inspections are provided by Wasco County through the Mid-Columbia Council of Governments (MCCOG). However, last year MCCOG dissolved and currently the State of Oregon provides buildings services and inspections on a temporary basis pending a decision by local partners on whether or not to provide such services themselves or continue to let the State do so.

ECONOMIC CONDITIONS

The City has a population currently estimated at 15,500, yet the City serves a trading area of about 90,000 persons in both Oregon and Washington. Principal economic activities are agriculture, high tech services, small industrial businesses, hydro and wind power generation/transmission, and tourism, along with healthcare, government, and retail services. Mid-Columbia Medical Center is the area's largest employer with approximately 1,000 employees in all their affiliated activities.

Major agricultural products of the City are wheat and sweet cherries, with a growing sector of grape production. The Dalles is a primary producer for both domestic and overseas cherry markets. There are in excess of 6,000 acres of sweet cherry trees around the City. Wheat has roughly 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 72 companies, employing over 2,200 people. In large part, the old Aluminum Smelter was torn down for salvage in 2008, however a company called Hydro Extrusions USA continues to produce aluminum billets. The removal of the aluminum smelter freed up over 300 acres of industrial land which is privately held. Internet giant Google is located in the Port Industrial Park and employs over 150 employees. Google currently has three different Enterprise Zone agreements and has completed 4 different project phases with more anticipated. The Port Industrial Park is seeing significant expansion and investment in other existing businesses such as Columbia PhytoTechnology, also known as PowderPure, which was purchased by a larger company called International Flavors and Fragrances. Other businesses include Integrated 3-D, and Hydro Extrusions USA. These expansions involve millions of dollars and scores of jobs. A major City project has also been completed, a new 18 inch waterline, and will provide enhanced service and redundancy to the Port area.

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 then relax at the numerous resorts that lie on Mt. Hood and at its base. Construction of the Columbia Gorge Discovery Center and Wasco County Historical Museum

was completed in May 1997. Thousands of people visit the Center annually and it has become a center for many community festivities and events. The Center is located along the Columbia River that borders the City. Historic Downtown The Dalles has new breweries, new restaurants and retail shops, murals (including the completion of two additional murals in 2018), St. Peters Landmark and other historical buildings, and is a strong visitor draw. Two recent additions, and major accomplishment for the City, the Urban Renewal Agency, and the investors, is the opening of the National Neon Sign Museum located in the historic Elks building in the downtown as well as the rehabilitation of the Granada Theater. There are also three mixed use vertical housing projects at various stages of negotiation and development totaling over 110 rooms. With roughly 15 apartments currently downtown, this represents a 7 fold increase in downtown housing.

In 2012 the City completed the construction of a Columbia River Marine Terminal, adjacent to the downtown area. The Marine Dock is used by four cruise lines with five ships, including the 300 foot long Queen of the West. There were over 110 cruise ship dockings in The Dalles during the 2019 season. While docked in The Dalles, passengers are able to book visits to various attractions, such as the Discovery Center and Fort Dalles Museum, or they can walk two blocks past the Festival Park to stroll through the downtown area.

Mid-Columbia Medical Center (MCMC) is the major hospital in the Mid-Columbia Region of Oregon and Washington. It is also the major trauma center in the region. This first class medical facility has attracted numerous health care professionals to The Dalles area. Their Oncology Center saves the region's population from traveling to Portland to receive those services and provides a multi-state option in the Northwest. MCMC opened a new wellness center called Waters Edge in 2010 that offers exercise equipment, lap and therapy pools, spa services, exercise and nutrition classes, and a bistro, along with cardiac and pulmonary rehab, outpatient therapies, and sleep medicine and labs. However, the bistro is currently being replaced by an Urgent Care. 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. Furthermore, the Columbia Gorge Regional Airport recently completed a "flex space" hangar that is home to the new Fixed Base Operator (FBO) as well as Life Flight, which bases a helicopter and Polaris aircraft in the "flex space" hangar, providing emergency transport for medical emergencies.

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

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

The Dalles is the major shopping center in the Mid-Columbia area. During the past fifteen years, several retail developments have been completed in the community. A 138,000 square foot regional Home Depot store opened in October 2004. This was followed by Walgreen's in 2005. Both the local Safeway and Fred Meyer stores completed multi-million dollar renovations in 2006. Fred Meyer expanded its retail space by 15,000 square feet, which included enclosing the existing garden area. A new Coastal Farm Supply store opened in The Dalles during the summer

of 2012, and a new modern Goodwill retail and job center opened in 2014. In addition a Fairfield in was constructed and opened June 30, 2014, with 80 rooms, creating 28 new jobs. The Cascade Square shopping center completed a 4+ million dollar façade renovation in the fall of 2018 and is home to a new, and only, sushi restaurant in the city. These developments are balanced with the closure of JC Penney's(which has been replaced by Discounts Plus), as well as Tony's Town and Country, a clothing store located in the downtown, and most recently the closure of K-Mart. This significantly reduces the options for clothing type items for local residents.

The Urban Renewal Agency 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. 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.

The Urban Renewal Agency was a partner in the completion of a mixed used vertical housing development which includes 9 attainable housing units. Two other large housing developments did not go forward. The Urban Renewal Agency also sold the, "Blue Building" to a private developer. Another developer was interested in the purchase and rehabilitation of the "Recreation building" and was awarded a \$200,000 grant through State and The Dalles Main Street program for façade restoration. This building is actually three older buildings underneath one façade. In late Summer/early Fall the building furthest to the West began to have roof failures that prompted the buildings demolition. Given these changing circumstances there will be continuing conversations with the Agency board and the interested private party on how to proceed. The 1st St., street scape project is still under development.

The 1929 Granada Building sold in 2017and is now holding shows at least every month with acts by artists such as Billy Bob Thornton as well as hosting events such as medieval dinner theaters. The agency is actively marketing two other properties, the "Blue building" and the old Recreation bowling lanes, with multiple interested parties.

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

ECONOMIC CLIMATE AND FUTURE

The City of The Dalles, due to many years of prudent management, was able to withstand the economic impacts of the financial crisis of the past few years without impacting services to our citizens. During the recession, some changes were made to reduce expenses, while continuing to maintain service levels. Currently, the community is facing challenges with school facility maintenance and construction and as a result a bonding authority is on the November ballot. School facility conditions have been attributed to the challenge of retaining highly qualified staff

most notably for the hospital. Like many other communities in Oregon, affordable/attainable housing is an increasing challenge. During the past year, revenues from water and sewer rates were determined to be adequate to maintain operations and fund reserves without implementing previously scheduled rate increases. Overall the financial position of the City in the past year has been improved.

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

MAJOR INITIATIVES

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 that was planned to be issued in fiscal years 2016-2017 was not needed because increases in water utility rate revenues from increased residential, commercial and industrial water usage were sufficient to fund identified system improvements. Construction of a new Port Industrial Water Main expansion of the Lone Pine Well is plan was completed and repainting of Columbia View was completed in 2018-2019. Sorosis Reservoir is scheduled for completion in 2019-2020, utilizing rate revenues, system development charges, and outside private funding. In 2019-2020, we will be updating the City's Water Master Plan and Downtown Flood Analysis.

Transportation System Plan

A Transportation System Plan drafted in 1999 was updated and implemented in 2006. The plan was updated again in 2017 utilizing a Transportation Growth Management grant and Transportation System Development Charges. 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. In 2019-2020, we will perform survey and design, and prepare contract documents for the East Scenic Dr. Stabilization project, Phase II and American with Disabilities Act (ADA) compliant ramps for connecting/continuing ADA accessible pedestrian corridors. We will also be focusing on improving surfaces and integrity of streets.

Storm Water Master Plan

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

Columbia Gateway Urban Renewal Agency

The Columbia Gateway Urban Renewal Agency, a component unit of the City of the Dalles, operated throughout the 2018-2019 fiscal year. The Agency consists of an Urban Renewal District, formed by the citizens, to resolve issues of blight within the boundaries of the District. Ordinance No. 09-1301 adopted an amendment to the plan on June 22, 2009. This amendment

provided for a new maximum indebted amount that is expected to be reached by the year 2025, thus extending the original expiration date of 2015 for another ten years. The Agency did levy and collect tax increment proceeds during FY 18/19.

Housing Needs Analysis and Residential Buildable Land Needs Assessment

A comprehensive Housing Needs Analysis and Residential Buildable Land Needs Assessment were completed in 2016/17, this project, in compliance with Oregon Planning Rules #10, identified types of housing needs and assessed future developable land needs. The City is utilizing state assistance to make necessary code changes and insure they are compatible with the recently updated Transportation System Plan.

FINANCIAL INFORMATION

Accounting System and Budgetary Controls

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

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

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

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council, if the change is greater than, or equal to, 10% of the original budget. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by

the City Council. The City Council approved several appropriation transfer resolutions during the year ended June 30, 2019. 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, 2018. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

The preparation of this report on a timely basis has been accomplished through the diligent efforts of the Finance Department's entire staff and staff from other departments. I should like to

express my appreciation to all the members of this department for their assistance and contributions to its preparation. I also thank the Mayor and members of City Council for their interest and support in planning and conducting the financial operations of the City.

Respectfully submitted,



Julie Krueger
City Manager



Angie Wilson
Finance Director

**CITY OF THE DALLES
OFFICIALS OF THE CITY
AS OF JUNE 30, 2019**

MAYOR AND CITY COUNCIL

<u>Name and Address</u>	<u>Term Expires December 31</u>
Rich Mays 367 Summit Ridge The Dalles OR 97058	2020
Darcie Long-Curtiss 2409 Mt. Hood The Dalles OR 97058	2020
Linda Miller 1534 East 9 th Street The Dalles OR 97058	2020
Tim McGlothlin 323 W 2 nd Place The Dalles OR 97058	2022
Russ Brown 903 East 14 th Street The Dalles OR 97058	2022
Rod Runyon 2018 W Scenic The Dalles OR 97058	2020

City Administration

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



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
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Presented to

**City of The Dalles
Oregon**

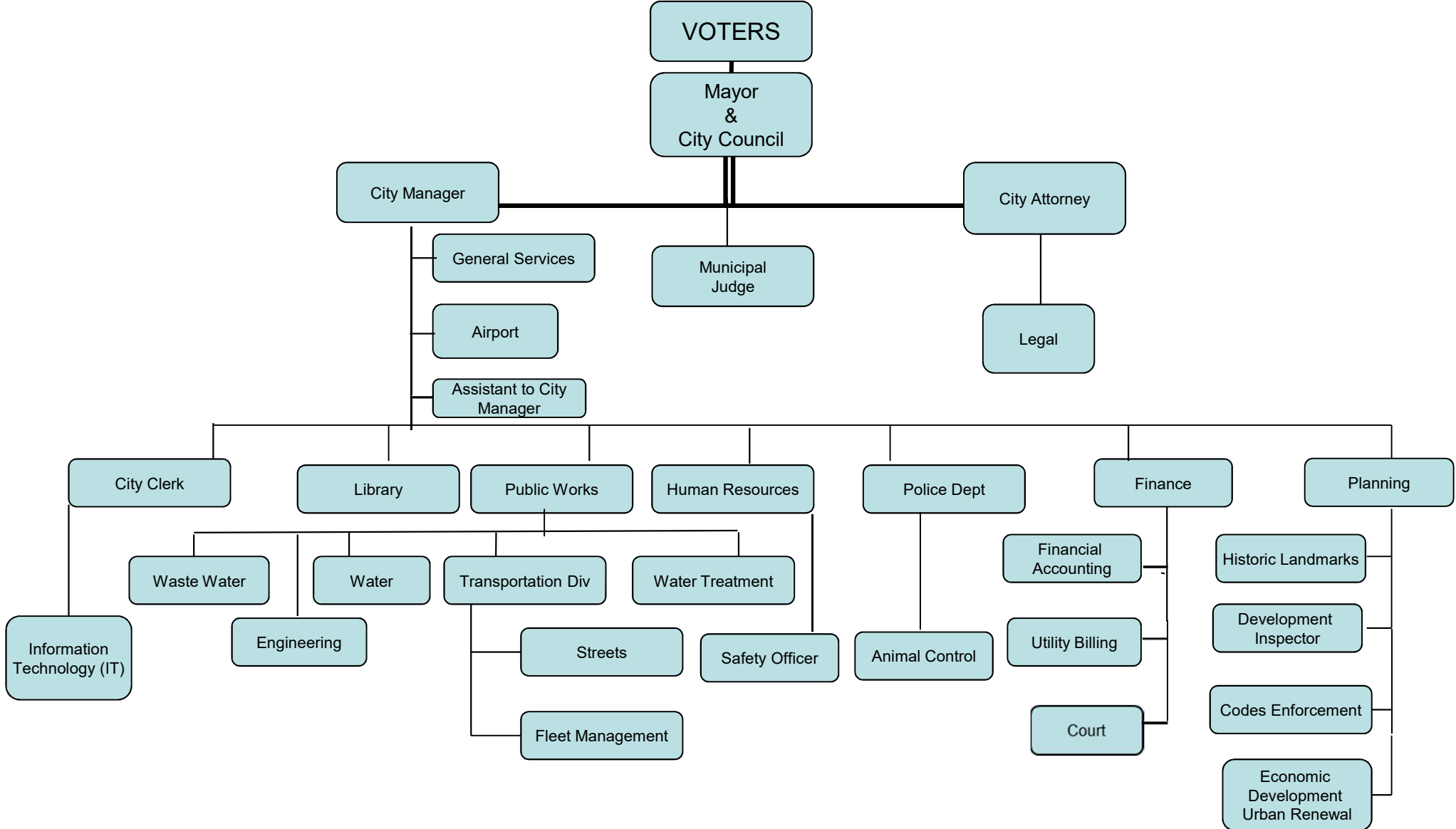
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

City of The Dalles – Organizational Flow Chart



INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of The Dalles, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of The Dalles, Oregon, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise City of The Dalles, Oregon's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

City of The Dalles, Oregon's 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 City of The Dalles, Oregon, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison statements for the General Fund, Street Fund, Library Fund, and Special Grants Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note IV (F) to the financial statements, the City of The Dalles adopted new accounting guidance, GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis schedule of contributions OPEB, and schedule of changes in the City's total OPEB liability and related ratio's, as listed in the table of contents under required supplementary information, 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 and analysis, schedule of contributions OPEB, and schedule of changes in the City's total OPEB liability and related ratio's, as listed in the table of contents under required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental and Other Information

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

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

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

Reports on Other Legal and Regulatory Requirements

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2019 on our consideration of 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 solely 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 the effectiveness of the City of The Dalles, Oregon's 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 City of The Dalles, Oregon's internal control over financial reporting and compliance.

Other Reporting Required by Oregon Minimum Standards

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated November 25, 2019, on our consideration of City of The Dalles, Oregon's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.



For Merina+Co
Tualatin, Oregon
November 25, 2019

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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2019 by \$104,544,540 (net position). Of this amount \$79,988,585 was invested in capital assets (net of related debt). \$10,440,789 was restricted for specific purposes, resulting in unrestricted net position of \$14,115,166. The unrestricted net position is made up of unrestricted governmental net position of \$15,268,799 and unrestricted business-type net position of (\$1,153,633).

The City's net position increased by \$6,634,862 (6.76%), due primarily to the continuation of the Dog River Pipeline Replacement Project, The Sorosis Reservoir painting project, the WWTP Phase 2 Improvements, the Lone Pine Well Expansion, Public Works Roofing Project, 4th Street Grade Sanitary Sewer Project, 2019 Sanitary Sewer Slipline, and the Chenowith LS Pump Upgrade.

The City's Governmental Funds had an increase in fund balances in the amount of \$1,920,845. The General Fund balance increased by \$929,944. The Special Grants Fund balance increased by \$64,186. The Urban Renewal Capital Projects Fund balance increased by \$755,557. The Special Assessment Fund balance increased by \$38,956. The City prepares a budget for all governmental funds on an annual basis.

The City's Enterprise Funds experienced an increase in net position of \$4,349,893, due primarily to the ongoing Dog River Pipeline Replacement Project, The Sorosis Reservoir painting project, the WWTP Phase 2 Improvements, the Lone Well Expansion, Public Works Roofing Project, 4th Street Grade Sanitary Sewer Project, 2019 Sanitary Sewer Slipline, and Chenowith LS Pump Upgrade, as stated above. The City prepares a budget for all enterprise funds on an annual basis.

The increase in net position of the business-type activities is due primarily to the ongoing Dog River Pipeline Replacement Project, The Sorosis Reservoir painting project, the WWTP Phase 2 Improvements, the Lone Pine Expansion, Public Works Roofing Project, 4th Street Grade Sanitary Sewer Project, 2019 Sanitary Sewer Slipline, and Chenowith LS Pump Upgrade, as described previously.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Statements of Net Position and Activities focus on an entity-wide presentation using the accrual basis of accounting and provide both long-term and short-term information about the City's financial status. The Governmental activities include most of the City's basic services such as police, street maintenance and improvement, community planning and governance. The Business-type activities include the operation of the City's water and sewer utilities.

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

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

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

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

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

FINANCIAL SUMMARY AND ANALYSIS

As mentioned earlier, the City's net position as of June 30, 2019 was \$104,544,540, an increase from June 30, 2018 of \$6,634,862. 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	
	2019	2018	2019	2018	2019	2018
<u>Assets</u>						
Current and other assets	\$ 26,657,432	\$ 24,401,919	\$ 11,893,843	\$ 13,108,889	\$ 38,551,275	\$ 37,510,808
Capital assets	35,477,817	36,139,987	57,251,511	53,753,105	92,729,328	89,893,092
Total Assets	62,135,249	60,541,906	69,145,354	66,861,994	131,280,603	127,403,900
<u>Liabilities</u>						
Long-Term liabilities	7,407,010	8,188,748	13,923,504	15,295,011	21,330,514	23,483,759
Other liabilities	2,430,325	2,340,213	2,975,224	3,670,250	5,405,549	6,010,463
Total liabilities	9,837,335	10,528,961	16,898,728	18,965,261	26,736,063	29,494,222
Net investment in capital assets	27,758,527	27,204,175	52,230,058	48,435,897	79,988,585	75,640,072
Restricted	9,270,588	8,309,364	1,170,201	4,996,649	10,440,789	13,306,013
Unrestricted	15,268,799	14,499,406	(1,153,633)	(5,535,813)	14,115,166	8,963,593
Total net position	\$ 52,297,914	\$ 50,012,945	\$ 52,246,626	\$ 47,896,733	\$ 104,544,540	\$ 97,909,678

The governmental activities revenue comes primarily from property taxes, franchise fees, charges for services, and various grants and contributions. Between FY17/18 and FY18/19, the City's Taxable Assessed Value (TAV) increased by 4.96%. When compared to the prior year, City property taxes collected increased by 2.61%. When compared to the prior year, Urban Renewal District property taxes collected increased by 7.65%.

Our natural gas franchise fees increased 3.5% over the prior year. This is primarily due to having a more severe winter than the previous year. The electric franchise fees increased 18.4%, while CATV/internet franchise fees decreased 4.5%, and the garbage franchise fees increased 7.6%. The Street Fund realized a 2% decrease in the local 3 cent per gallon gas tax. Transient Room Taxes collected increased 2.2% compared to the prior year. Total City charges for services revenue showed a 46% increase, due to an increase in planning, licensing and permit fees. Also, the misc. sales and services played a big factor in the increase of revenues.

During the year ending June 30, 2019, the City received revenue from capital grants and contributions that consist primarily of awards for specific special projects. These will not be a continuing source of revenue. Grants and contributions received during the fiscal year included \$23,871 for Integrated Planning Grant, Oregon Community Grant for \$1,000 and state library grant for \$6,445.

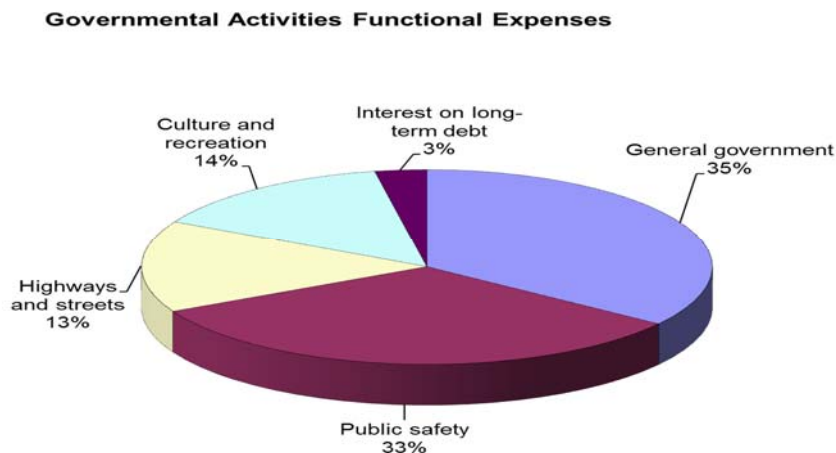
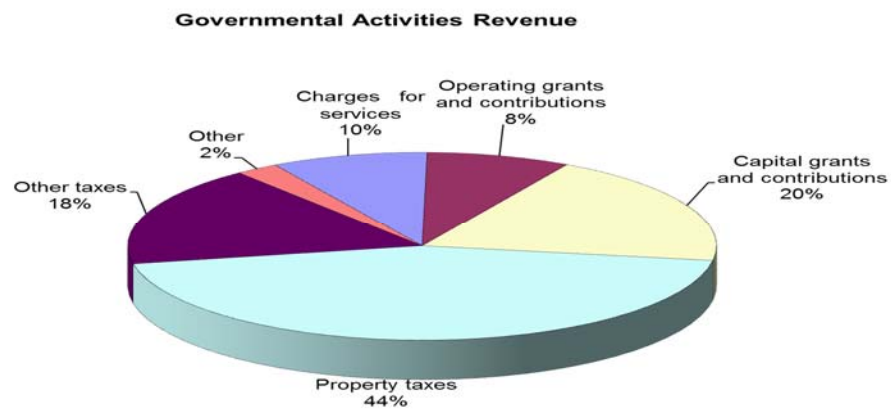
The City's governmental expenses cover a wide variety of services, with general government, public safety and streets accounting for most of these expenses. The 11.75% increase in governmental

expenses was primarily due to The Business Type activities revenues come mostly from charges for services and various grants for capital outlay expenses for several projects, including the Administration Office Remodel, 4 Ton Water Source Heat Pump at the State Office Building, W 2nd Bike Lanes Joint Utility, and the Chip Seal 2019 project.

The Business-type activities revenue comes mostly from charges for services and various grants for capital projects. No Water or wastewater rate increases were implemented during the fiscal year.

The most significant changes to business type activities expenses during the year are related to the ongoing Dog River Pipeline Replacement Project, The Sorosis Reservoir painting project, the WWTP Phase 2 Improvements, the Lone Pine Well Expansion, Public Works Roofing Project, 4th Street Grade Sanitary Sewer Project, 2019 Sanitary Sewer Slipline, and Chenowith LS Pump Upgrade.

Property taxes are the City’s primary on-going source of revenue and comprise 44% 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, 2019, net position of the Governmental activities increased by \$2,284,969, which represents a 4.54% increase. Net position of the Business-type activities increased by \$4,349,893, which represents a 9.08% increase. Key elements of these changes, when compared to the year ending June 30, 2018 are as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Revenues</u>						
Program Revenues						
Charges for services	\$ 1,193,649	\$ 935,214	\$ 11,936,488	\$ 11,753,106	\$ 13,130,137	\$ 12,688,320
Operating grants and contributions	1,098,952	960,217	-	-	1,098,952	960,217
Capital grants and contributions	2,680,626	2,077,651	515,897	1,061,609	3,196,523	3,139,260
General Revenues						
Property taxes	6,156,700	5,837,155	-	-	6,156,700	5,837,155
Other taxes	2,413,494	2,366,189	-	-	2,413,494	2,366,189
Other	326,932	206,646	235,968	908,467	562,900	1,115,113
Total revenues	13,870,353	12,383,072	12,688,353	13,723,182	26,558,706	26,106,254
<u>Expenses</u>						
General government	4,539,162	3,763,261	-	-	4,539,162	3,763,261
Public safety	4,218,386	3,951,495	-	-	4,218,386	3,951,495
Highways and streets	1,987,711	1,803,579	-	-	1,987,711	1,803,579
Culture and recreation	1,861,808	1,690,671	-	-	1,861,808	1,690,671
Interest on long-term debt	380,417	412,621	-	-	380,417	412,621
Water	-	-	3,503,705	3,655,523	3,503,705	3,655,523
Waste water	-	-	3,083,208	3,293,026	3,083,208	3,293,026
2018 Utility Bond	-	-	349,447	211,414	349,447	211,414
Total Expenses	12,987,484	11,621,627	6,936,360	7,159,963	19,923,844	18,781,590
Change net position before transfers	882,869	761,445	5,751,993	6,563,219	6,634,862	7,324,664
Transfers	1,402,100	1,300,986	(1,402,100)	(1,300,986)	-	-
Change in net position	2,284,969	2,062,431	4,349,893	5,262,233	6,634,862	7,324,664
Net position-beginning	50,012,945	47,169,019	47,896,733	42,174,471	97,909,678	89,343,490
Restatement per GASB 75	-	781,495	-	460,029	-	1,241,524
Net position-beginning, as adjusted	50,012,945	47,950,514	47,896,733	42,634,500	97,909,678	90,585,014
Total net position	\$ 52,297,914	\$ 50,012,945	\$ 52,246,626	\$ 47,896,733	\$104,544,540	\$ 97,909,678

Governmental Activities

A significant portion of the increase in net position is due to the City's increase in property taxes and franchise fees. LGIP rates have increased causing our investment earnings to increase. Capital outlay expenditures increased over FY 2018/19.

Business-type Activities

The increase in net position of the business-type activities is due primarily to the ongoing Dog River Pipeline Replacement Project, The Sorosis Reservoir painting project, the WWTP Phase 2 Improvements, the Lone Pine Expansion, Public Works Roofing Project, 4th Street Grade Sanitary Sewer Project, 2019 Sanitary Sewer Slipline, and Chenowith LS Pump Upgrade, as described previously.

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2019, the City's governmental funds reported a combined fund balance of \$15,989,667, which is an increase of \$1,920,845 from June 30, 2018.

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, 2019, the combined General Fund – Generally Accepted Accounting Principles balance was \$5,585,162 which is an increase of \$929,944 from June 30, 2018. The combined revenues were \$7,927,854 and combined expenditures were \$8,374,849, resulting in a loss of \$446,995. However, the combined General Fund received transfers from other funds in the amount of \$1,376,939, and did not send transfers out to other funds. This resulted in net "Other financing sources" totaling \$1,376,939.

The Street Fund balance as of June 30, 2019 was \$1,166,458, which is a decrease of \$18,616 from June 30, 2018. Street Fund revenues were \$1,714,194, while expenditures were \$1,764,651, resulting in a loss of \$50,457. Transfers in from other funds in the amount of \$321,361 and transfers out to other funds in the amount of \$303,237. This resulted in net "Other financing sources" totaling \$31,841.

As of June 30, 2019, the Library Fund balance was \$1,718,702, reflecting an increase of \$122,658 from June 30, 2018. The City's Library Fund provides for the operations of the Library per a contract with the County since the formation of the new County Library District which was approved in November of 2006. The County contributes a share of the property taxes collected, which includes funds for an Unappropriated Fund Balance so the City's other resources do not need to support the Library Fund cash flow until current year property taxes are collected.

The Special Grants Fund balance as of June 30, 2019 was \$3,453,357, which is an increase of \$64,186 from June 30, 2018. This increase was due to the construction projects on hold.

The Urban Renewal Capital Projects Fund balance as of June 30, 2019 was \$2,226,297, which is an increase of \$755,557 from June 30, 2018. This increase is primarily due the fact that Urban Renewal only spent 13.5% of their budget.

The Special Assessments Fund balance as of June 30, 2019 was \$574,631, which is an increase of \$38,956 from June 30, 2018. This increase was due to the collection of assessments.

The non-major governmental funds balance as of June 30, 2019 was \$1,265,060. This reflects an increase of \$28,160, primarily due to rental revenues.

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 \$52,246,626 as of June 30, 2019, reflecting a \$4,349,893 increase from net position as of June 30, 2018.

The combined Water Funds net position as of June 30, 2019 was \$27,222,329, which is an increase of \$1,418,245 over June 30, 2018. This increase is primarily due to accumulating funds in the Water Capital Reserve to implement the capital improvement plan.

The combined Wastewater Funds net position as of June 30, 2019 was \$34,680,817, which is an increase of \$1,938,705 from June 30, 2018. This increase is primarily due to accumulating funds for the construction-in-progress projects.

The 2018 Utility Bond Fund net position as of June 30, 2019 was (\$9,656,520), which is an increase of \$992,943 from June 30, 2018. This increase is primarily due to accumulating funds in the 2018 Utility Bond Fund for the debt payments.

BUDGETARY HIGHLIGHTS

The original legal appropriations for fiscal year 2018-2019 for the General Fund – Budgetary Basis totaled \$9,367,581, with contingency of \$773,827. The Unappropriated Ending Balance, which is not included in the legal appropriations, was \$948,208. Budget amendments during the year resulted in a total budget of 9,367,581, with a contingency of \$701,241. The changes to the budget were made to allocate funds for the Animal Control to add additional funds for health insurance, added additional funds for the legal department for contracted services for legal services, Funding for the safety supplies line item and for City Clerk for Contractual Services. Expenditures were \$3,137,770 under budget. The General Fund contains the City Administration, Legal, Finance, Planning, Police, and General Maintenance Departments, and budgets for certain anticipated levels of operations, maintenance and projects, along with a 10% Contingency. Some departments, such as Police, budget some items at a worst-case level. Department Managers are expected to work within their budgets and to try to return an average of 4 to 5% of their budgets to roll into the next year. It is also anticipated that the contingency will not be spent and will be available for the beginning fund balance in the new fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2019, the City had invested \$92,729,328 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 decreased by \$662,170 and business-type activities capital assets increased by \$3,498,406, significant additions during the year ending June 30, 2019 were related to the completion and capitalization of the Lone Pine Well expansion, Dog River Run, 4th Street Grade Sanitary Sewer, 2019 Sanitary Sewer Slipline, Chenoweth L5 Pump upgrade, Sorosis Reservoir Painting and Public Works Roof 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, 2019 was \$7,407,010. Business-type activities long-term debt outstanding was \$13,923,505. During the year the City did not add long-term debt.

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

2009 FFCO Bond	\$ 7,365,000
Premium on 2009 FFCO Bond	471,188
FFCO 2008 Bond	1,100,000
Premium on FFCO 2008 Bond	17,741
2018 Utility Revenue and Refunding Bond	10,289,977
CWSRF Loan	1,429,998
SDWRLF Loan	2,128,758
ARRA Note	716,987
TOTAL	<u>\$ 23,519,649</u>

The City operates the Mid-Columbia Regional Airport as a joint venture with Klickitat County, Washington. The City has acted as a conduit for debt for the Airport. The City has not recorded this debt as it was not anticipated that the City would be required to use its resources for repayment. The balance outstanding at June 30, 2019 includes the following:

Airport Klickitat County Loan	\$ 100,000
Airport Klickitat County CERB Loan	400,000
Airport Taxable LOCAP Bond	1,725,000
Premium on Airport Taxable LOCAP Bond	14,144
Airport Loan from Port	110,638
TOTAL AIRPORT	<u>\$ 2,349,782</u>

Compensated Absences accruals totaled \$552,228 as of June 30, 2019. Governmental accruals totaled \$375,434, but are not recorded as a liability in the Governmental Funds. Business-type compensated absences accrual totaling \$176,794 are recorded as current period liabilities as of June 30, 2019, because the oldest leave hours accrued are considered to be used first, so the balances are constantly being updated by use and new accruals. Other postemployment benefits totaled \$1,372,937 the breakdown was \$853,151 for governmental activities and \$519,786 for business-type activities.

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

ECONOMIC FACTORS

Each year, the City of The Dalles has a variety of projects and partnerships to tackle challenges facing the community and encourage economic growth, sustainability, and resiliency.

To begin, the City has continued to work on and completed several different infrastructure projects. One of the largest projects is the replacement of the Dog River Pipeline which is over 100 years old and carries nearly 54% of the City's water supply. The funding for this project is nearly secured through grants and loans from the Safe Drinking Water Revolving Loan Fund, the Oregon Water Resources Department, local funds and others. A new Port Water Main project has been completed bringing resiliency to the major industrial area of the City. An Aquifer Storage and Recovery system feasibility study has been completed and potential financing sources are being explored; this project will help address City water needs in a critical ground water area and well as mitigate climate impacts. The Public Works Department has also completed the Waste Water Treatment Plant expansion using

\$500,000 in principal forgiveness on a \$2 million Clean Water State Revolving Fund loan through DEQ, and \$175,000 Renewable Energy Development Grant from Oregon Department of Energy. This project was the first water/wastewater project in Oregon to be delivered using a progressive design building contract and was recognized both nationally and at the state level for its innovative contract method. Finally, the City is intending to apply for a Coalition Assessment Grant under the Environmental Protection Agency (EPA) for up to \$600,000 which will be used to evaluate potential brownfield sites, sites that may have hazardous materials such as petroleum, lead and asbestos, throughout the community but with a focus on the Urban Renewal Area.

The Urban Renewal Agency was a partner in the completion of a mixed used vertical housing development which includes 9 attainable housing units. Two other large housing developments did not go forward. The Urban Renewal Agency also sold the, “Blue Building” to a private developer. Another developer was interested in the purchase and rehabilitation of the “Recreation building” and was awarded a \$200,000 grant through State and The Dalles Main Street program for façade restoration. This building is actually three older buildings underneath one façade. In late Summer/early Fall the building furthest to the West began to have roof failures that prompted the buildings demolition. Given these changing circumstances there will be continuing conversations with the Agency board and the interested private party on how to proceed. The Urban Renewal Agency is also moving forward on the 1st St. Streetscaping project as well as a connection corridor to the Mill Creek Greenway project which is being spearheaded by the Parks and Recreation District. Preliminary scoping and cost estimates for this Greenway project are expected by the end of the year. These projects will create pedestrian and bike corridors from the Riverfront Trail, through the Downtown Area, and into residential areas. Finally, in partnership with the Wasco County PUD, the URA has identified a study area to see if the downtown utilities’ can be both upgraded and placed underground. A RFP for a feasibility study has been prepared and released with a closing date in early December.

The City took over management of the Vertical Housing Zone from the State of Oregon and successfully re-designated the enterprise zone which included an expansion of the zone into other communities in Wasco County. This was done in partnership with the Wasco County Economic Development Commission. The past few years have seen several enterprise zone applications from businesses in the City such as Hydro USA, PowderPure, and several hotels. All of these agreements require job creation and most of them have average wage and compensation requirements. Design LLC, has completed Phase I of their Taylor Lakes site and is nearing completion on Phase II.

The City also completed a Phase I of an Economic Opportunities Analysis which will be followed by Phase II, focusing on an employment land inventory. Changes have also been made to the City’s code to encourage various types of housing developments. Finally, the Columbia Gorge Regional Airport successfully transitioned to a new Airport Manager and Fixed Base Operator (FBO), Tac-Aero. There are three new private hangars nearing completion as well as a potential hydro-cooling station constructed on a non-aviation lot for a cherry processing company. A new and expanded fuel farm is being explored as well as the construction of a “training hangar” that would be used by Columbia Gorge Community College for aviation maintenance training as part of the construction of the their new Treaty Oak Skill Center.

The Dalles continues to face challenges with housing, school infrastructure, homelessness, and limited industrial and commercial land as a result of the Urban Growth Boundary. The UGB is a complicated process because the City is also located in the National Scenic Area and a process for expanding the UGB, incorporating this dynamic, has been challenging to establish.

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

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, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 7,663,161	\$ 8,499,981	\$ 16,163,142
Receivables:			
Accounts	682,229	1,129,444	1,811,673
Fines and forfeitures, net	358,599	-	358,599
Property taxes	327,030	-	327,030
Assessments	214,759	-	214,759
Prepaid items	163,833	-	163,833
Investment in joint ventures	8,690,255	-	8,690,255
Inventories	165,400	439,013	604,413
Total current assets	<u>18,265,266</u>	<u>10,068,438</u>	<u>28,333,704</u>
Noncurrent assets:			
Notes receivable	640,670	-	640,670
Temporarily restricted:			
Cash and cash equivalents	7,498,147	1,170,201	8,668,348
Receivable	253,349	-	253,349
Capital assets:			
Land	661,261	4,299,879	4,961,140
Assets available for sale	1,376,233	-	1,376,233
Construction in progress	1,948,543	17,283,183	19,231,726
Depreciable assets, net of depreciation	31,491,780	35,668,449	67,160,229
Total noncurrent assets	<u>43,869,983</u>	<u>58,421,712</u>	<u>102,291,695</u>
Total assets	<u>62,135,249</u>	<u>68,490,150</u>	<u>130,625,399</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred charge on refunding	-	655,204	655,204
Total deferred outflows of resources	<u>-</u>	<u>655,204</u>	<u>655,204</u>
Total asset and deferred outflows of resources	<u>\$ 62,135,249</u>	<u>\$ 69,145,354</u>	<u>\$ 131,280,603</u>
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued expenses	\$ 344,839	\$ 795,812	\$ 1,140,651
Unearned revenue	45,455	-	45,455
Accrued interest payable	29,708	75,436	105,144
Current portion of long-term obligations	1,157,172	1,584,190	2,741,362
Total current liabilities	<u>1,577,174</u>	<u>2,455,438</u>	<u>4,032,612</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	7,407,010	13,923,504	21,330,514
Net other postemployment benefit liability	853,151	519,786	1,372,937
Total noncurrent liabilities	<u>8,260,161</u>	<u>14,443,290</u>	<u>22,703,451</u>
Total liabilities	<u>9,837,335</u>	<u>16,898,728</u>	<u>26,736,063</u>
NET POSITION			
Net investment in capital assets	27,758,527	52,230,058	79,988,585
Restricted for:			
Capital projects	8,410,648	1,170,201	9,580,849
Debt service	859,940	-	859,940
Unrestricted	15,268,799	(1,153,633)	14,115,166
Total net position	<u>52,297,914</u>	<u>52,246,626</u>	<u>104,544,540</u>
Total liabilities and net position	<u>\$ 62,135,249</u>	<u>\$ 69,145,354</u>	<u>\$ 131,280,603</u>

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

CITY OF THE DALLES, OREGON
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2019

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	\$ 4,539,162	\$ 945,631	\$ -	\$ 2,680,626	\$ (912,905)	\$ -	\$ (912,905)
Public safety	4,218,386	223,699	-	-	(3,994,687)	-	(3,994,687)
Culture and recreation	1,861,808	19,731	6,620	-	(1,835,457)	-	(1,835,457)
Highways and streets	1,987,711	4,588	1,092,332	-	(890,791)	-	(890,791)
Unallocated interest on long-term debt	380,417	-	-	-	(380,417)	-	(380,417)
Total governmental activities	<u>12,987,484</u>	<u>1,193,649</u>	<u>1,098,952</u>	<u>2,680,626</u>	<u>(8,014,257)</u>	<u>-</u>	<u>(8,014,257)</u>
Business type activities:							
All Water Funds	3,503,705	5,911,987	-	3,196	-	2,411,478	2,411,478
All Wastewater Funds	3,083,208	6,024,501	-	512,701	-	3,453,994	3,453,994
2018 Utility Bond Fund	349,447	-	-	-	-	(349,447)	(349,447)
Total business type activities	<u>6,936,360</u>	<u>11,936,488</u>	<u>-</u>	<u>515,897</u>	<u>-</u>	<u>5,516,025</u>	<u>5,516,025</u>
Total government	<u>\$ 19,923,844</u>	<u>\$ 13,130,137</u>	<u>\$ 1,098,952</u>	<u>\$ 3,196,523</u>	<u>(8,014,257)</u>	<u>5,516,025</u>	<u>(2,498,232)</u>
General revenues:							
Taxes:							
Property taxes levied for:							
General purposes					4,511,219	-	4,511,219
Urban renewal purposes					1,645,481	-	1,645,481
Franchise and public service taxes					2,413,494	-	2,413,494
Interest and investment earnings					326,932	235,968	562,900
Transfers in (out)					1,402,100	(1,402,100)	-
Total general revenues and transfers					<u>10,299,226</u>	<u>(1,166,132)</u>	<u>9,133,094</u>
Change in net position					2,284,969	4,349,893	6,634,862
Net position - beginning					<u>50,012,945</u>	<u>47,896,733</u>	<u>97,909,678</u>
Net position - ending					<u>\$ 52,297,914</u>	<u>\$ 52,246,626</u>	<u>\$ 104,544,540</u>

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

FUND FINANCIAL STATEMENTS

Major Governmental Funds

General Fund

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

Street Fund

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

Library Fund

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

Special Grants Fund

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

Urban Renewal Capital Projects Fund

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

Special Assessment Fund

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

CITY OF THE DALLES, OREGON
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2019

	General Fund	Street Fund	Library Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Special Assessment Fund	Other Governmental	Total Governmental
ASSETS:								
Cash and cash equivalents	\$ 4,893,474	\$ 967,326	\$ 1,766,285	\$ 3,482,280	\$ 2,191,734	\$ 594,636	\$ 1,265,573	\$ 15,161,308
Receivables:								
Accounts	672,587	156,967	-	30,274	43,172	9,642	-	912,642
Fines and forfeitures, net	358,599	-	-	-	-	-	-	358,599
Reimbursement districts	-	-	-	-	-	1,061,949	-	1,061,949
Property taxes	217,485	-	-	-	109,545	-	-	327,030
Assessments	-	-	-	22,936	-	214,759	-	237,695
Notes	-	-	-	-	640,670	-	-	640,670
Prepaid items	163,833	-	-	-	-	-	-	163,833
Inventories	-	165,400	-	-	-	-	-	165,400
Total assets	\$ 6,305,978	\$ 1,289,693	\$ 1,766,285	\$ 3,535,490	\$ 2,985,121	\$ 1,880,986	\$ 1,265,573	\$ 19,029,126
LIABILITIES:								
Accounts payable and accrued expenses	\$ 133,747	\$ 123,235	\$ 47,583	\$ 31,152	\$ 8,609	\$ -	\$ 513	\$ 344,839
Reimbursement districts	-	-	-	-	-	1,061,949	-	1,061,949
Total liabilities	133,747	123,235	47,583	31,152	8,609	1,061,949	513	1,406,788
DEFERRED INFLOWS OF RESOURCES:								
Unavailable revenue	587,069	-	-	50,981	750,215	244,406	-	1,632,671
Total deferred inflows of resources	587,069	-	-	50,981	750,215	244,406	-	1,632,671
FUND BALANCES:								
Nonspendable:								
Prepays	163,833	-	-	-	-	-	-	163,833
Inventory	-	165,400	-	-	-	-	-	165,400
Restricted for:								
Grant / contributor specific intent	-	-	-	3,453,357	-	-	11,234	3,464,591
State statute	-	1,001,058	-	-	2,226,297	-	845,570	4,072,925
Intergovernmental agreement	-	-	1,718,702	-	-	-	-	1,718,702
Committed for:								
Major capital facilities and associated debt	-	-	-	-	-	-	302,474	302,474
Local improvements and associated debt	-	-	-	-	-	574,631	-	574,631
Agreements with state agencies	-	-	-	-	-	-	91,412	91,412
Committed by ordinance or resolution by council	1,438,545	-	-	-	-	-	-	1,438,545
Unassigned	3,982,784	-	-	-	-	-	-	3,982,784
Total fund balances	5,585,162	1,166,458	1,718,702	3,453,357	2,226,297	574,631	1,265,060	15,989,667
Total liabilities, deferred inflows of resources and fund balances	\$ 6,305,978	\$ 1,289,693	\$ 1,766,285	\$ 3,535,490	\$ 2,985,121	\$ 1,880,986	\$ 1,265,573	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	35,477,817
Investments in joint ventures are not financial resources and, therefore are not reported in the funds.	8,690,255
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Earned but unavailable revenue	1,587,216
Long-term liabilities, other postemployment benefits liability, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	(8,564,182)
Interest payable	(29,708)
Other postemployment benefits	(853,151)
Net position of governmental activities	\$ 52,297,914

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, 2019

	General Fund	Street Fund	Library Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Special Assessment Fund	Other Governmental	Total Governmental
REVENUES:								
Property taxes	\$ 3,232,736	\$ -	\$ 1,270,314	\$ -	\$ 801,210	\$ -	\$ 839,519	\$ 6,143,779
Other taxes	1,527,879	507,552	-	-	-	-	-	2,035,431
Franchise fees	267,272	84,312	-	-	-	26,479	-	378,063
Assessments	-	-	-	-	-	111,132	-	111,132
Licenses and fees	32,735	-	-	-	-	-	-	32,735
Charges for services	67,227	-	-	-	-	-	-	67,227
Intergovernmental	1,952,264	1,092,332	6,445	54,564	-	-	-	3,105,605
Fines and forfeitures, net	223,699	-	18,851	-	-	-	-	242,550
Contributions	-	-	175	-	-	-	-	175
System development charges	261,020	-	-	-	-	-	-	261,020
Rental income	10,902	-	-	-	-	-	415,715	426,617
Interest on investments	119,008	25,410	31,299	59,818	63,617	13,743	14,037	326,932
Miscellaneous	233,112	4,588	880	-	185,027	-	-	423,607
Total revenues	7,927,854	1,714,194	1,327,964	114,382	1,049,854	151,354	1,269,271	13,554,873
EXPENDITURES:								
Current:								
General government	3,048,185	-	-	35,063	279,164	-	10,150	3,372,562
Public safety	3,961,660	-	-	-	-	-	188,562	4,150,222
Culture and recreation	759,552	-	1,051,842	-	-	-	-	1,811,394
Highways and streets	-	1,395,809	-	-	-	-	683	1,396,492
Capital outlay	605,452	368,842	73,073	15,133	15,133	-	111,279	1,188,912
Debt service:								
Principal	-	-	-	-	-	-	697,970	697,970
Interest	-	-	-	-	-	-	432,293	432,293
Total expenditures	8,374,849	1,764,651	1,124,915	50,196	294,297	-	1,440,937	13,049,845
Revenues over (under) expenditures	(446,995)	(50,457)	203,049	64,186	755,557	151,354	(171,666)	505,028
OTHER FINANCING SOURCES (USES):								
Sale of property	-	13,717	-	-	-	-	-	13,717
Transfers in	1,376,939	321,361	-	-	-	-	1,131,704	2,830,004
Transfers out	-	(303,237)	(80,391)	-	-	(112,398)	(931,878)	(1,427,904)
Total other financing sources (uses)	1,376,939	31,841	(80,391)	-	-	(112,398)	199,826	1,415,817
Net changes in fund balances	929,944	(18,616)	122,658	64,186	755,557	38,956	28,160	1,920,845
FUND BALANCES, BEGINNING	4,655,218	1,185,074	1,596,044	3,389,171	1,470,740	535,675	1,236,900	14,068,822
FUND BALANCES, ENDING	\$ 5,585,162	\$ 1,166,458	\$ 1,718,702	\$ 3,453,357	\$ 2,226,297	\$ 574,631	\$ 1,265,060	\$ 15,989,667

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, 2019

Amounts reported in the statement of activities are different because:

Net change in fund balances \$ 1,920,845

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	\$ (961,401)	
Capital asset additions	682,753	(278,648)

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

673,798

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

(383,522)

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

Deferred revenues	(372,035)
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	(15,793)	
Change in other postemployment benefits	(9,522)	
Change in debt premium	49,094	23,779

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	697,970	
Accrued interest expense	2,782	700,752

Change in net position of governmental activities \$ 2,284,969

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

CITY OF THE DALLES, OREGON
GENERAL FUND
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 3,007,974	\$ 3,007,974	\$ 3,232,736	\$ 224,762
Other taxes	1,438,344	1,438,344	1,527,879	89,535
Franchise fees	240,178	240,178	267,272	27,094
Licenses and fees	35,290	35,290	32,735	(2,555)
Charges for services	33,500	33,500	67,227	33,727
Intergovernmental	2,254,683	2,254,683	1,952,264	(302,419)
Fines and forfeitures, net	233,350	233,350	223,699	(9,651)
System development charges	100,000	100,000	261,020	161,020
Rental income	7,752	7,752	10,902	3,150
Interest on investments	54,650	54,650	119,008	64,358
Miscellaneous	57,000	57,000	233,112	176,112
Total revenues	<u>7,462,721</u>	<u>7,462,721</u>	<u>7,927,854</u>	<u>465,133</u>
EXPENDITURES:				
General government	3,391,362	3,449,190	3,048,185	401,005
Public safety	4,330,464	4,345,222	3,961,660	383,562
Culture and recreation	772,000	772,000	759,552	12,448
Capital outlay	2,244,966	2,244,966	605,452	1,639,514
Contingency	773,827	701,241	-	701,241
Total expenditures	<u>11,512,619</u>	<u>11,512,619</u>	<u>8,374,849</u>	<u>3,137,770</u>
Revenues over (under) expenditures	(4,049,898)	(4,049,898)	(446,995)	3,602,903
OTHER FINANCING SOURCES (USES):				
Transfers in	1,380,939	1,380,939	1,376,939	(4,000)
Transfers out	<u>(48,000)</u>	<u>(48,000)</u>	<u>-</u>	<u>48,000</u>
Total other financing sources (uses)	<u>1,332,939</u>	<u>1,332,939</u>	<u>1,376,939</u>	<u>44,000</u>
Net changes in fund balances	(2,716,959)	(2,716,959)	929,944	3,646,903
FUND BALANCES, BEGINNING				
GENERALLY ACCEPTED ACCOUNTING				
PRINCIPLES				
	<u>3,665,167</u>	<u>3,665,167</u>	<u>4,655,218</u>	<u>990,051</u>
FUND BALANCES, ENDING GENERALLY				
ACCEPTED ACCOUNTING PRINCIPLES				
	<u>\$ 948,208</u>	<u>\$ 948,208</u>	<u>\$ 5,585,162</u>	<u>\$ 4,636,954</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, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Other taxes	\$ 510,000	\$ 510,000	\$ 507,552	\$ (2,448)
Franchise fees	86,402	86,402	84,312	(2,090)
Intergovernmental	1,093,440	1,093,440	1,092,332	(1,108)
Interest on investments	7,000	7,000	25,410	18,410
Miscellaneous	800	800	4,588	3,788
Total revenues	<u>1,697,642</u>	<u>1,697,642</u>	<u>1,714,194</u>	<u>16,552</u>
EXPENDITURES:				
Personnel service	906,688	906,688	813,700	92,988
Materials and services	674,047	674,047	582,109	91,938
Capital outlay	982,022	982,022	368,842	613,180
Contingency	60,483	60,483	-	60,483
Total expenditures	<u>2,623,240</u>	<u>2,623,240</u>	<u>1,764,651</u>	<u>858,589</u>
Revenues over (under) expenditures	(925,598)	(925,598)	(50,457)	875,141
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	13,717	13,717
Transfers in	321,361	321,361	321,361	-
Transfers out	<u>(303,237)</u>	<u>(303,237)</u>	<u>(303,237)</u>	<u>-</u>
Total other financing sources (uses)	<u>18,124</u>	<u>18,124</u>	<u>31,841</u>	<u>13,717</u>
Net changes in fund balances	(907,474)	(907,474)	(18,616)	888,858
FUND BALANCES, BEGINNING	<u>907,474</u>	<u>907,474</u>	<u>1,185,074</u>	<u>277,600</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,166,458</u>	<u>\$ 1,166,458</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, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 1,270,314	\$ 1,270,314	\$ 1,270,314	\$ -
Intergovernmental	37,776	37,776	6,445	(31,331)
Fines and forfeitures, net	12,900	12,900	18,851	5,951
Contributions	400	400	175	(225)
Interest on investments	12,575	12,575	31,299	18,724
Miscellaneous	100	100	880	780
Total revenues	<u>1,334,065</u>	<u>1,334,065</u>	<u>1,327,964</u>	<u>(6,101)</u>
EXPENDITURES:				
Personnel service	829,705	829,705	734,937	94,768
Materials and services	639,943	639,943	316,905	323,038
Capital outlay	20,400	20,400	73,073	(52,673) *
Contingency	217,346	217,346	-	217,346
Total expenditures	<u>1,707,394</u>	<u>1,707,394</u>	<u>1,124,915</u>	<u>582,479</u>
Revenues over (under) expenditures	(373,329)	(373,329)	203,049	576,378
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(80,391)</u>	<u>(80,391)</u>	<u>(80,391)</u>	<u>-</u>
Total other financing sources (uses)	<u>(80,391)</u>	<u>(80,391)</u>	<u>(80,391)</u>	<u>-</u>
Net changes in fund balances	(453,720)	(453,720)	122,658	576,378
FUND BALANCES, BEGINNING	<u>1,270,713</u>	<u>1,270,713</u>	<u>1,596,044</u>	<u>325,331</u>
FUND BALANCES, ENDING	<u>\$ 816,993</u>	<u>\$ 816,993</u>	<u>\$ 1,718,702</u>	<u>\$ 901,709</u>

* Budget appropriations include personnel services, materials and services, and capital outlay

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, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,304,500	\$ 1,304,500	\$ 54,564	\$ (1,249,936)
Interest on investments	31,000	31,000	59,818	28,818
Total revenues	1,335,500	1,335,500	114,382	(1,221,118)
EXPENDITURES:				
Materials and services	82,500	82,500	35,063	47,437
Capital outlay	4,679,530	4,679,530	15,133	4,664,397
Total expenditures	4,762,030	4,762,030	50,196	4,711,834
Revenues over (under) expenditures	(3,426,530)	(3,426,530)	64,186	3,490,716
OTHER FINANCING SOURCES (USES):				
Transfers in	48,000	48,000		(48,000)
Transfers out	(4,000)	(4,000)	-	4,000
Total other financing sources (uses)	44,000	44,000	-	(44,000)
Net changes in fund balances	(3,382,530)	(3,382,530)	64,186	3,446,716
FUND BALANCES, BEGINNING	3,382,530	3,382,530	3,389,171	6,641
FUND BALANCES, ENDING	\$ -	\$ -	\$ 3,453,357	\$ 3,453,357

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

FUND FINANCIAL STATEMENTS

Proprietary Funds

Enterprise Funds

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

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

- Water
- Wastewater
- 2018 Utility Bond Fund

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.

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.

2018 Utility Bond Fund

The 2018 Utility Bond Fund accounts for the accumulation of resources for, and the repayment of, general long-term debt principal and interest relating to the Series 2018 Revenue and Refunding Bond issued to payoff previously issued Water and Wastewater Revenue Bonds and further sewer system improvements.

CITY OF THE DALLES, OREGON
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
June 30, 2019

	Business-Type Activities - Enterprise Funds			
	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	Total
ASSETS:				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 6,253,276	\$ 2,245,557	\$ 1,148	\$ 8,499,981
Restricted cash and cash equivalents	112,356	1,057,845	-	1,170,201
Receivables:				
Accounts, net	522,921	606,523	-	1,129,444
Inventory	345,136	93,877	-	439,013
Total current assets	<u>7,233,689</u>	<u>4,003,802</u>	<u>1,148</u>	<u>11,238,639</u>
NONCURRENT ASSETS:				
Capital assets:				
Land	2,887,016	1,412,863	-	4,299,879
Construction in progress	1,711,707	15,571,476	-	17,283,183
Depreciable assets, net of depreciation	19,294,485	16,373,964	-	35,668,449
Total noncurrent assets	<u>23,893,208</u>	<u>33,358,303</u>	<u>-</u>	<u>57,251,511</u>
Total assets	<u>31,126,897</u>	<u>37,362,105</u>	<u>1,148</u>	<u>68,490,150</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding	-	-	655,204	655,204
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>655,204</u>	<u>655,204</u>
Total assets and deferred outflows of resources	<u>\$ 31,126,897</u>	<u>\$ 37,362,105</u>	<u>\$ 656,352</u>	<u>\$ 69,145,354</u>
LIABILITIES:				
CURRENT LIABILITIES:				
Accounts payable	\$ 82,789	\$ 713,023	\$ -	\$ 795,812
Accrued interest payable	51,541	1,000	22,895	75,436
Compensated absences payable	119,878	56,916	-	176,794
Current portion of long-term debt	226,247	115,689	1,065,460	1,407,396
Total current liabilities	<u>480,455</u>	<u>886,628</u>	<u>1,088,355</u>	<u>2,455,438</u>
NONCURRENT LIABILITIES:				
Bonds and notes payable	3,109,642	1,589,345	9,224,517	13,923,504
Other postemployment benefits	314,471	205,315	-	519,786
Total non current liabilities	<u>3,424,113</u>	<u>1,794,660</u>	<u>9,224,517</u>	<u>14,443,290</u>
Total liabilities	<u>3,904,568</u>	<u>2,681,288</u>	<u>10,312,872</u>	<u>16,898,728</u>
NET POSITION:				
Net investment in capital assets	20,573,358	31,656,700	-	52,230,058
Restricted for:				
System development	112,356	1,057,845	-	1,170,201
Unrestricted	6,536,615	1,966,272	(9,656,520)	(1,153,633)
Total net position	<u>27,222,329</u>	<u>34,680,817</u>	<u>(9,656,520)</u>	<u>52,246,626</u>
Total liabilities and net position	<u>\$ 31,126,897</u>	<u>\$ 37,362,105</u>	<u>\$ 656,352</u>	<u>\$ 69,145,354</u>

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

CITY OF THE DALLES, OREGON
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2019

	Business-Type Activities - Enterprise Funds			Total
	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	
OPERATING REVENUES:				
Charges for services	\$ 5,595,075	\$ 5,365,110	\$ -	\$ 10,960,185
System development charges	112,356	247,582	-	359,938
Rental income	4,059	-	-	4,059
Miscellaneous	199,556	411,120	-	610,676
Total operating revenues	<u>5,911,046</u>	<u>6,023,812</u>	<u>-</u>	<u>11,934,858</u>
OPERATING EXPENSES:				
Personal services	2,154,371	1,200,395	-	3,354,766
Materials and services	704,069	1,386,372	-	2,090,441
Depreciation and amortization	558,279	471,567	-	1,029,846
Total operating expenses	<u>3,416,719</u>	<u>3,058,334</u>	<u>-</u>	<u>6,475,053</u>
Operating income (loss)	2,494,327	2,965,478	-	5,459,805
NON-OPERATING INCOME (EXPENSE):				
Gain (loss) on disposal of capital assets	941	689	-	1,630
Interest on investments	147,448	88,520	-	235,968
Interest expense	(86,986)	(24,874)	(349,447)	(461,307)
Total non-operating income (expenses)	<u>61,403</u>	<u>64,335</u>	<u>(349,447)</u>	<u>(223,709)</u>
Net income (loss) before transfers and capital contributions	2,555,730	3,029,813	(349,447)	5,236,096
TRANSFERS:				
Transfers in	1,900,000	1,348,000	1,342,390	4,590,390
Transfers out	(3,040,681)	(2,951,809)	-	(5,992,490)
Total transfers	<u>(1,140,681)</u>	<u>(1,603,809)</u>	<u>1,342,390</u>	<u>(1,402,100)</u>
Net income (loss) before contributions	1,415,049	1,426,004	992,943	3,833,996
CAPITAL CONTRIBUTIONS:				
Intergovernmental	3,196	512,701	-	515,897
Total capital contributions	<u>3,196</u>	<u>512,701</u>	<u>-</u>	<u>515,897</u>
Change in net position	1,418,245	1,938,705	992,943	4,349,893
NET POSITION, BEGINNING	<u>25,804,084</u>	<u>32,742,112</u>	<u>(10,649,463)</u>	<u>47,896,733</u>
NET POSITION, ENDING	<u>\$ 27,222,329</u>	<u>\$ 34,680,817</u>	<u>\$ (9,656,520)</u>	<u>\$ 52,246,626</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, 2019

	Business-Type Activities - Enterprise Funds			
	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 6,179,489	\$ 6,045,669	\$ -	\$ 12,225,158
Payments to suppliers	(1,079,218)	(1,797,630)	-	(2,876,848)
Payments to employees	(2,154,266)	(1,216,454)	-	(3,370,720)
Net cash provided by operating activities	<u>2,946,005</u>	<u>3,031,585</u>	<u>-</u>	<u>5,977,590</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	1,900,000	1,348,000	1,342,390	4,590,390
Transfers (out)	(3,040,681)	(2,951,809)	-	(5,992,490)
Net cash provided by non-capital financing activities	<u>(1,140,681)</u>	<u>(1,603,809)</u>	<u>1,342,390</u>	<u>(1,402,100)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from intergovernmental revenue	3,196	512,701	-	515,897
Proceeds from sale of capital assets	941	689	-	1,630
Acquisition of capital assets	(494,736)	(4,035,292)	-	(4,530,028)
Principal paid on long-term obligations	(217,215)	(57,294)	(1,039,883)	(1,314,392)
Interest paid on long-term obligations	(89,829)	(25,006)	(301,359)	(416,194)
Net cash provided by capital and related financing activities	<u>(797,643)</u>	<u>(3,604,202)</u>	<u>(1,341,242)</u>	<u>(5,743,087)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	147,448	88,520	-	235,968
Net cash provided by investing activities	<u>147,448</u>	<u>88,520</u>	<u>-</u>	<u>235,968</u>
Net increase in cash and cash equivalents	1,155,129	(2,087,906)	1,148	(931,629)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>5,210,503</u>	<u>5,391,308</u>	<u>-</u>	<u>10,601,811</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 6,365,632</u>	<u>\$ 3,303,402</u>	<u>\$ 1,148</u>	<u>\$ 9,670,182</u>
COMPRISED AS FOLLOWS:				
Cash and cash equivalents	\$ 6,253,276	\$ 2,245,557	\$ 1,148	\$ 8,499,981
Restricted cash and cash equivalents	112,356	1,057,845	-	1,170,201
Total cash and cash equivalents	<u>\$ 6,365,632</u>	<u>\$ 3,303,402</u>	<u>\$ 1,148</u>	<u>\$ 9,670,182</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 2,494,327	\$ 2,965,478	\$ -	\$ 5,459,805
Adjustments				
Depreciation and amortization	558,279	471,567	-	1,029,846
Decrease (increase) in:				
Receivables	268,443	21,857	-	290,300
Inventories	(111,129)	53,846	-	(57,283)
Increase (decrease) in:				
Accounts payable and accrued expenses	(264,020)	(465,104)	-	(729,124)
Other postemployment benefits payable	(5,740)	(928)	-	(6,668)
Accrued compensated absences	5,845	(15,131)	-	(9,286)
Net cash provided by operating activities	<u>\$ 2,946,005</u>	<u>\$ 3,031,585</u>	<u>\$ -</u>	<u>\$ 5,977,590</u>
NON-CASH CAPITAL FINANCING ACTIVITIES				
Transfer of long-term debt between funds	<u>\$ (68,665)</u>	<u>\$ (53,365)</u>	<u>\$ -</u>	<u>\$ (122,030)</u>
Total non-cash capital financing activities	<u>\$ (68,665)</u>	<u>\$ (53,365)</u>	<u>\$ -</u>	<u>\$ (122,030)</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, 2019

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

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

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

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

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

Columbia Gateway Urban Renewal Agency

The Agency was formed to undertake urban renewal projects and activities pursuant to the City's redevelopment plan. The Urban Renewal Board of Directors is currently a 9 member body made up of representatives from local taxing districts, the City Council, and citizens at large. 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 *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 principle and interest collected.

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 *2018 Utility Bond Fund* accounts for the accumulation of resources for, and the repayment of, general long-term debt principal and interest relating to the Series 2018 Revenue and Refunding Bond.

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

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

D. Assets, Liabilities and Fund Balance

1. Cash, Cash Equivalents, and Investments

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

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

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

2. Receivables and Payables

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

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

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

3. Inventories and Prepaid Expenses

Inventories in Street, Water and Wastewater Funds are determined by physical count and are stated at cost. 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 their acquisition 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
Buildings and Improvements	50
Plant in Service	45
Machinery and Equipment	5-20

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

5. Long-Term Obligations

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

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

6. Compensated Absences

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

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

7. Investment in Joint Ventures

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

8. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability and OPEB expense, information about the fiduciary net position of the City's plan and additions to/deductions from the City's fiduciary net position have been determined using the alternative measurement method. For this purpose, the City recognizes benefit payments when due and payable in accordance with the benefit terms.

9. Deferred Outflows/Inflows of Resources.

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

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

revenues from property taxes and notes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

10. Fund Balance

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

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

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

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

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

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

11. 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.

12. 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.

13. 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, 2019, appropriation increases and transfers were approved, and supplemental budgets were adopted. Appropriations are limited to a single fiscal year; therefore, all spending authority of the City lapses as of year-end.

B. Deficit Fund Balances

At June 30, 2019, 2018 Utility Bond Fund had a deficit fund balance.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

1. Deposits

Custodial Credit Risk. 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, 2019. 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. The remaining deposits are covered by the Public Funds Collateralization program (PFCP) of the State of Oregon in accordance with ORS 295. Depositories qualified under this program are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank failure or loss. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. As of June 30, 2019, the book value of the City's deposits was \$2,763,480 and the bank balance was \$3,365,398. \$3,052,900 of the City's bank balances were exposed to custodial credit risk as they were collateralized under PFCP.

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.

2. 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, 2019 are as follows:

	<u>Weighted Average Maturity</u>	<u>Fair Value</u>
Investments in the State Treasurer's Local Government Investment Pool	<u>0.54</u>	<u>\$ 22,068,010</u>
Total cash equivalents	<u>0.54</u>	<u>\$ 22,068,010</u>

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

	Governmental Activities	Business-type Activities	Total
Restricted for capital projects	\$ 6,652,577	\$ 1,170,201	\$ 7,822,778
Restricted for debt service	845,570	-	845,570
Total restricted cash and cash equivalents	<u>\$ 7,498,147</u>	<u>\$ 1,170,201</u>	<u>\$ 8,668,348</u>

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 Fund</u>	<u>Special Grants Fund</u>	<u>Urban Renewal Capital Projects Fund</u>	<u>Special Assessment Fund</u>	<u>Total Governmental</u>
Receivables:							
Accounts	\$ 636,788	\$ 156,967	\$ -	\$ 30,274	\$ 43,172	\$ 9,642	\$ 876,843
Fines and forfeitures, net	720,473	-	-	-	-	-	720,473
Reimbursement districts	-	-	-	-	-	1,061,949	1,061,949
Property taxes	217,485	-	-	-	109,545	-	327,030
Assessments	-	-	-	22,936	-	214,759	237,695
Notes	-	-	-	-	640,670	-	640,670
accounts	(361,874)	-	-	-	-	-	(361,874)
Total receivables	<u>\$ 1,212,872</u>	<u>\$ 156,967</u>	<u>\$ -</u>	<u>\$ 53,210</u>	<u>\$ 793,387</u>	<u>\$ 1,286,350</u>	<u>\$ 3,502,786</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>2018 Utility Bond</u>	<u>Total Business-Type Activity</u>
Receivables:				
Accounts	\$ 529,817	\$ 613,227	\$ -	\$ 1,143,044
Allowance for doubtful accounts	(6,896)	(6,704)	-	(13,600)
	<u>\$ 522,921</u>	<u>\$ 606,523</u>	<u>\$ -</u>	<u>\$ 1,129,444</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 2019, the City levied property taxes in the amount of \$3,463,168. After reductions for offsets and increases for additional taxes and penalties this resulted in a net levy of \$3,320,007. 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, 2019 was \$1,148,455,499. The Columbia Gateway Urban Renewal Agency, a blended component unit of the City, levied taxes at its maximum taxing authority of \$1,758,768. After reductions for offsets and additional taxes and penalties, this resulted in a net levy of \$1,686,820.

Following is a summary of property tax transactions for the year ended June 30, 2019:

<u>Fiscal Year</u>	<u>Property Taxes Receivable June 30, 2018</u>	<u>Levy as Extended by Assessor</u>	<u>Collections</u>	<u>Cancellations Discounts and Adjustments</u>	<u>Property Taxes Receivable June 30, 2019</u>
2018-2019	\$ -	\$ 5,006,827	\$ (4,720,340)	\$ (130,673)	\$ 155,814
2017-2018	151,355	-	(76,042)	16,180	91,493
2016-2017	90,994	-	(38,123)	(1,220)	51,651
2015-2016	42,853	-	(28,261)	582	15,174
2014-2015	14,458	-	(10,173)	(699)	3,586
2013-2014	6,535	-	(2,396)	2,204	6,343
Prior years	7,915	-	(2,247)	(2,699)	2,969
Totals	\$ 314,110	\$ 5,006,827	\$ (4,877,582)	\$ (116,325)	\$ 327,030

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

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

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

C. Unavailable and Unearned Revenue

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. The government-wide financial statements report only unearned income. At the end of the current fiscal year, there was \$45,455 of unearned revenue reported on the Statement of Net Position. The various components of unavailable deferred revenue reported in the governmental funds was as follows:

	<u>General Fund</u>	<u>Special Grants Fund</u>	<u>Urban Renewal Capital Projects Fund</u>	<u>Special Assessment Fund</u>	<u>Total Governmental</u>
Property taxes	\$ 217,485	\$ -	\$ 109,545	\$ -	\$ 327,030
Fines and forfeitures	369,584	-	-	-	369,584
Loans	-	28,045	640,670	-	668,715
Special assessments	-	22,936	-	244,406	267,342
	\$ 587,069	\$ 50,981	\$ 750,215	\$ 244,406	\$ 1,632,671

D. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2019, was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, non-depreciable:					
Land	\$ 661,261	\$ -	\$ -	\$ -	\$ 661,261
Construction in progress	2,043,353	32,792	-	(127,602)	1,948,543
Assets available for sale	1,743,331	-	(367,098)	-	1,376,233
Total capital assets, non-depreciable	<u>4,447,945</u>	<u>32,792</u>	<u>(367,098)</u>	<u>(127,602)</u>	<u>3,986,037</u>
Capital assets, depreciable:					
Land improvements	8,781,401	-	-	-	8,781,401
Buildings	6,735,316	18,969	-	-	6,754,285
Equipment	3,473,733	268,077	(104,100)	31,929	3,669,639
Infrastructure	23,632,822	362,915	-	95,673	24,091,410
Total capital assets, depreciable	<u>42,623,272</u>	<u>649,961</u>	<u>(104,100)</u>	<u>127,602</u>	<u>43,296,735</u>
Less accumulated depreciation for:					
Land improvements	(979,594)	(172,807)	-	-	(1,152,401)
Buildings	(2,393,791)	(144,841)	-	-	(2,538,632)
Equipment	(2,332,870)	(171,085)	87,676	-	(2,416,279)
Infrastructure	(5,224,975)	(472,668)	-	-	(5,697,643)
Total accumulated depreciation	<u>(10,931,230)</u>	<u>(961,401)</u>	<u>87,676</u>	<u>-</u>	<u>(11,804,955)</u>
Net depreciable capital assets	<u>31,692,042</u>	<u>(311,440)</u>	<u>(16,424)</u>	<u>127,602</u>	<u>31,491,780</u>
Net capital assets	<u>\$ 36,139,987</u>	<u>\$ (278,648)</u>	<u>\$ (383,522)</u>	<u>\$ -</u>	<u>\$ 35,477,817</u>

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

Governmental functions:

General government	\$ (262,433)
Public safety	(62,056)
Highways and streets	(589,164)
Culture and recreation	(47,748)
Total depreciation expense - governmental activities	<u>\$ (961,401)</u>

Capital asset activity for the business-type activities for the year ended June 30, 2019 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital assets, non-depreciable:					
Land	\$ 4,299,879	\$ -	\$ -	\$ -	\$ 4,299,879
Construction in progress	17,499,454	3,917,731	-	(4,134,002)	17,283,183
Total capital assets, non-depreciable	<u>21,799,333</u>	<u>3,917,731</u>	<u>-</u>	<u>(4,134,002)</u>	<u>21,583,062</u>
Capital assets, depreciable:					
Land improvements	10,445,495	37,955	-	129,835	10,613,285
Buildings	4,332,253	-	-	-	4,332,253
Equipment	5,788,303	641,571	(99,390)	-	6,330,484
Wastewater Treatment Plant	8,908,257	-	-	-	8,908,257
Dams and lines	17,971,590	32,161	-	4,004,167	22,007,918
Total capital assets, depreciable	<u>47,445,898</u>	<u>711,687</u>	<u>(99,390)</u>	<u>4,134,002</u>	<u>52,192,197</u>
Less accumulated depreciation for:					
Land improvements	(1,775,070)	(183,131)	-	-	(1,958,201)
Buildings	(2,204,548)	(110,316)	-	-	(2,314,864)
Equipment	(3,826,434)	(230,732)	99,390	-	(3,957,776)
Wastewater Treatment Plant	(2,985,051)	(230,084)	-	-	(3,215,135)
Dams and lines	(4,701,023)	(376,749)	-	-	(5,077,772)
Total accumulated depreciation	<u>(15,492,126)</u>	<u>(1,131,012)</u>	<u>99,390</u>	<u>-</u>	<u>(16,523,748)</u>
Net depreciable capital assets	<u>31,953,772</u>	<u>(419,325)</u>	<u>-</u>	<u>4,134,002</u>	<u>35,668,449</u>
Net capital assets	<u>\$ 53,753,105</u>	<u>\$ 3,498,406</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,251,511</u>

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

Business-type activities:	
Wastewater	\$ (560,991)
Water	<u>(570,021)</u>
Total depreciation expense - business-type activities	<u><u>\$(1,131,012)</u></u>

E. Investment in Joint Ventures

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

increased \$447,728 from a net gain in fiscal year ended June 30, 2019. The City's investment in QLife is \$2,087,147 is accounted for using the equity method.

The Columbia Gorge Regional/The Dalles Airport (Airport) is a joint venture created to operate the Columbia Gorge Regional Airport and Business Park. The joint venture is between the City of The Dalles and Klickitat County, Washington, each party owning 50 percent. Revenues earned by the Airport are expended for the continued operations and maintenance of the Airport. Upon dissolution of the Airport, the net position would be shared 50 percent each to the City and Klickitat County. The Airport is governed by a seven-member board comprised of three appointees from the City, three appointees from Klickitat County, and the seventh member is appointed by the other six. The City develops and adopts the budget for the Airport. The City's net investment and its share of the operating results of the Airport are reported in the City's governmental activities. Net position of the City's governmental fund increased \$226,070 from a net gain in fiscal year ended June 30, 2019. The City's investment in Airport is \$6,603,108 is accounted for using the equity method.

The complete financial statements for Qlife can be obtained from Wasco County administrative offices, 511 Washington Street, Suite 101, The Dalles, OR 97058. The complete financial statements for the Airport can be obtained from the City of The Dalles' administrative offices, 313 Court Street, The Dalles, OR 97058.

F. Long-Term Obligations

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

The City issued full faith and credit obligation bonds in February 2008, with interest rates ranging from 4.0% to 4.2%. The bond principal is payable annually and the interest is payable semiannually, with final payments due June 1, 2023. The bonds are direct obligations and pledge the full faith and credit of the City. These bonds were issued to provide funding for the acquisition and construction of major capital facilities. A portion of the debt is reported in and will be repaid by the Water and Wastewater Funds, which also own a portion of the assets. The City pledged its general non-restricted revenues and other funds. If bond is defaulted, by failure to make required principal or interest payments or other covenants, action to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction.

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 pledged its general non-restricted revenues and other funds, the Urban Renewal has pledged its tax increment revenues and earnings for repayment of the Urban Renewal Portion of the obligation. If bond is defaulted, by failure to make required principal or interest payments or other covenants, action to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction.

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
2020	\$ 157,664	\$ 27,246	\$ 510,000	\$ 291,287
2021	163,728	20,938	535,000	270,887
2022	169,792	14,390	550,000	249,738
2023	175,856	7,386	575,000	227,738
2024	-	-	600,000	200,425
2025-2029	<u>-</u>	<u>-</u>	<u>3,470,000</u>	<u>535,175</u>
Total	<u>\$ 667,040</u>	<u>\$ 69,960</u>	<u>\$ 6,240,000</u>	<u>\$ 1,775,250</u>

	2009 Full Faith and Credit Bonds Street LID portion		Full Faith & Credit Bonds Total Governmental	
	Principal	Interest	Principal	Interest
2020	\$ 64,980	\$ 37,959	\$ 732,644	\$ 356,492
2021	68,590	35,360	767,318	327,185
2022	72,200	32,616	791,992	296,744
2023	75,810	29,728	826,666	264,852
2024	79,420	26,127	679,420	226,552
2025-2029	<u>451,250</u>	<u>69,283</u>	<u>3,921,250</u>	<u>604,458</u>
Total	<u>\$ 812,250</u>	<u>\$ 231,073</u>	<u>\$ 7,719,290</u>	<u>\$ 2,076,283</u>

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
2020	\$ 3,578	\$ -	\$ 45,516	\$ -	\$ 49,094	\$ -
2021	3,578	-	45,516	-	49,094	-
2022	3,578	-	45,516	-	49,094	-
2023	3,575	-	45,516	-	49,091	-
2024	-	-	45,516	-	45,516	-
2025-2029	<u>-</u>	<u>-</u>	<u>227,569</u>	<u>-</u>	<u>227,569</u>	<u>-</u>
Total	<u>\$ 14,309</u>	<u>\$ -</u>	<u>\$ 455,149</u>	<u>\$ -</u>	<u>\$ 469,458</u>	<u>\$ -</u>

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		Credit Wastewater Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 51,168	\$ 8,842	\$ 51,168	\$ 8,842	\$ 4,410	\$ 2,576
2021	53,136	6,796	53,136	6,796	4,655	2,400
2022	55,104	4,670	55,104	4,670	4,900	2,214
2023	57,072	2,397	57,072	2,397	5,145	2,018
2024	-	-	-	-	5,390	1,773
2025-2029	-	-	-	-	30,625	4,703
Total	\$ 216,480	\$ 22,705	\$ 216,480	\$ 22,705	\$ 55,125	\$ 15,684

	2009 Full Faith and Credit Water Bonds		Full Faith and Credit Bonds Business Activity Total	
	Principal	Interest	Principal	Interest
2020	\$ 20,610	\$ 12,040	2020	\$ 127,356
2021	21,755	11,215	2021	132,682
2022	22,900	10,345	2022	138,008
2023	24,045	9,429	2023	143,334
2024	25,190	8,287	2024	30,580
2025-2029	143,125	21,977	2025-2029	173,750
Total	\$ 257,625	\$ 73,293	Total	\$ 745,710

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

	Premium on 2009 Full Faith and Credit Wastewater Bonds		Premium on 2009 Full Faith and Credit Water Bonds		Premium on Business Type Bonds Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 313	\$ -	\$ 1,463	\$ -	\$ 1,776	\$ -
2021	313	-	1,463	-	1,776	-
2022	313	-	1,463	-	1,776	-
2023	313	-	1,463	-	1,776	-
2024	313	-	1,463	-	1,776	-
2025-2029	1,565	-	7,315	-	8,880	-
2030-2034	302	-	1,409	-	1,711	-
Total	\$ 3,432	\$ -	\$16,039	\$ -	\$ 19,471	\$ -

2. Bonds Payable-Business-Type Activities

2018 Utility Bond Fund - The 2018 Utility Bond Fund has revenue bonds payable used to refund the Wastewater Revenue Bonds, Series 2003, Water Revenue Bonds, Series 2007, and fund additional wastewater projects. The bond principal is payable annually and the interest is payable semiannually with interest rate of 2.67%. Final payment is due June 1, 2032. The City pledged the net revenues of the City’s water and wastewater system. This pledge if from the time of the adoption of the master plan and shall be maintained as long as the bonds are outstanding. The bond is subject to redemption prior to maturity in whole or in part at the option of the City on any day on or after June 1, 2025, at par (100%) plus accrued interest thereon to the date of redemption.

Future maturities of the bonds payable are as follows:

	Utility Revenue and Refunding Bonds	
	Principal	Interest
2020	\$ 1,065,460	\$ 274,742
2021	1,095,005	246,295
2022	1,123,372	217,058
2023	621,108	187,064
2024	636,967	170,480
2025-2029	3,450,692	588,049
2030-2034	<u>2,297,373</u>	<u>123,772</u>
Total	<u>\$10,289,977</u>	<u>\$ 1,807,460</u>

3. Advance Refunding

The City issued \$12,189,570 in revenue bonds with an interest rate of 2.67%. The proceeds were used to advance refund \$8,580,000 of outstanding Series 2003 Wastewater Revenue Bonds which had interest rates ranging from 4.0% to 4.4% and Series 2007 Water Revenue Bonds which had interest rates ranging from 2.0% to 4.2%. \$8,691,691 of the net proceeds of \$12,266,909 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. The remaining \$3,500,000 (after \$75,219 of underwriting fees and other issuance costs) was disbursed to the City to be used on the Wastewater Treatment Plant project. As a result, the Series 2003 Wastewater Revenue Bonds and Series 2007 Water Revenue Bonds are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$705,604. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt.

4. Loan Payable-Business-Type Activities

Water Fund - The City received approvals of three loans through the State of Oregon for water system improvements. The loans consist of the ARRA Forgivable Note for

up to \$2,988,773, the ARRA F-1 Note for up to \$1,025,149, and the SDWRLF-2 Loan for up to \$2,553,101. The loan proceeds are disbursed on an expense reimbursement basis in the order listed above. Proceeds from the ARRA Forgivable Note, ARRA F-1, and SDWRLF-2 loan have been accrued in the amount of \$2,988,773, \$1,025,149, and \$2,521,321 respectively to match the budgetary revenues to the Federal expenditures reported. The ARRA F-1 Note bears interest at 3% per annum. The SDWRLF F-2 Loan originally carried interest at 3.83% but was reduced to 3% when the State received EPA approval of an amended Oregon Safe Drinking Water Intended Use Plan that allows the interest rate to be reduced. Repayment of the ARRA F-1 and SDWRLF-2 began December 1, 2014. The principal and interest of these two loans shall be payable from the Net Revenues of the Water System and the full faith and credit of the City. Net water revenues are pledged to pay the obligation. If loan is defaulted, by failure to make required principal or interest payments, the State could declare all principal and interest and all other amounts due immediately. It could also prevent the City from applying for future state assistance.

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

Future maturities of the loans payable are as follows:

	ARRA Note		CWSRF Loan		Loans Payable Business Activity Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 153,006	\$ 85,372	\$ 59,798	\$ 30,284	\$ 212,804	\$ 115,656
2021	157,596	80,782	61,085	28,997	218,681	109,779
2022	162,324	76,054	62,399	27,683	224,723	103,737
2023	167,194	71,185	63,741	26,341	230,935	97,526
2024	172,210	66,169	65,113	24,969	237,323	91,138
2025-2029	941,712	250,179	347,191	103,219	1,288,903	353,398
2030-2034	1,091,703	100,188	386,181	54,706	1,477,884	154,894
2035-2039	-	-	384,490	29,907	384,490	29,907
2040-2044	-	-	-	477	-	-
	<u>\$ 2,845,745</u>	<u>\$ 729,929</u>	<u>\$ 1,429,998</u>	<u>\$ 326,583</u>	<u>\$ 4,275,743</u>	<u>\$ 1,056,035</u>

5. Conduit Debt

The City has acted as a conduit for debt issued by the Airport and payable to the Port of The Dalles for rehabilitation of a well at the Airport. The City has also acted as a conduit for a loan from Klickitat County for construction of a new maintenance hangar at the Airport. Additionally, the City has acted as a conduit for repayment of a loan received by Klickitat County to make improvements to the Airport Industrial Park. The total conduit debt outstanding is \$2,349,782. The City has no obligation for the debt beyond the resources provided by the debt agreements.

6. Changes in Long-Term Obligations

Long-term obligation activity for the year ended June 30, 2019, is as follows:

	<u>6/30/19</u> <u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>6/30/19</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities					
Full Faith and Credit Bonds	\$ 8,417,260	\$ -	\$ 697,970	\$ 7,719,290	\$ 732,644
Premium on FFCO Bonds	518,552	-	49,094	469,458	49,094
Compensated Absences	359,641	15,793	-	375,434	375,434
Total Governmental activity Long-term obligations	<u>\$ 9,295,453</u>	<u>\$ 15,793</u>	<u>\$ 747,064</u>	<u>\$ 8,564,182</u>	<u>\$ 1,157,172</u>
Business-Type Activities					
Revenue Bonds	\$ 11,329,860	\$ -	\$ 1,039,883	\$ 10,289,977	\$ 1,065,460
Full Faith and Credit Bonds	867,740	-	122,030	745,710	127,356
Premium on Bonds	21,246	-	1,775	19,471	1,776
Loans Payable	4,428,222	496,071	648,550	4,275,743	212,804
Compensated Absences	186,080	-	9,286	176,794	176,794
Total Business-type activity Long-term obligations	<u>\$ 16,833,148</u>	<u>\$ 496,071</u>	<u>\$ 1,821,524</u>	<u>\$ 15,507,695</u>	<u>\$ 1,584,190</u>

G. Post Employment Benefits Other than Pensions

1. Plan Description

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. 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.

2. Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the measurement date of June 30, 2019, the following employees were covered by the benefit terms:

Subscribers by Status:

Active	98
Retired	-
Terminated	-
Deceased	-
Total	<u>98</u>

3. Total OPEB Liability and OPEB Expense Related to OPEB

The City's OPEB liability of \$1,372,937 was measured as of June 30, 2019 and was determined by an actuarial valuation using the alternative measurement method.

For the fiscal year ended June 30, 2019, the City recognized OPEB expense from this plan of \$2,853.

4. Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2019 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Assumptions:	
Age Adjustment Factor	2.0096331
Average Retirement Age	64
Employer Future Premium Contribution	Remain a level % of the total cost over time
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Assets Backing OPEB Liability	\$0
Plan Asset Return	0.000%
Bond Yield	3.100%
Discount Rate	3.100%
Measurement Date	June 30, 2019
Prior Measurement Date	June 30, 2018
Prior Year Discount Rate	3.950%
Projected Salary Increases	2.90%
Amortization Period	20
Percentage Participation	100.00%
NOL and ADC	Calculated using the Alternative Measurement Method in accordance with GASB methodology
Mortality Table	RP2000 Mortality Table for Males and Females Projected 18 years; this assumption does not include a margin for future improvement in longevity
Turnover Assumptions	Derived from data maintained by the U. S. Office of Personnel Management regarding the most recent experience of the employee group covered by the Federal Employees Retirement System

The discount rate was based on 20-year tax exempt municipal bond yield.

5. Sensitivity of the Total OPEB Liability

The following presents the City’s OPEB liability calculated using the discount rate of 3.1%, as well as what the City’s OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.1%) or 1-percentage-point higher (4.1%) than the current discount rate.

A similar sensitivity analysis is then presented for changes in the healthcare trend assumption:

Discount Rate	<u>1% Decrease (2.1%)</u>	<u>Current Discount Rate (3.1%)</u>	<u>1% Increase (4.1%)</u>
Net OPEB Liability	\$1,522,402	\$1,372,937	\$1,243,643

Healthcare Cost Trend	<u>1% Decrease (6.6% decreasing to 2.0%)</u>	<u>Current Health Care Trend Rates (7.6% decreasing to 3.0%)</u>	<u>1% Increase (8.6% decreasing to 4.0%)</u>
Net OPEB Liability	\$1,171,033	\$1,372,937	\$1,616,628

H. Net Position

The government-wide statement of net position reports \$10,440,789 of restricted net position, of which \$859,940 is restricted by enabling legislation.

I. 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 \$1,300,986. A reconciliation of transfers in the fund financial statements is as follows:

	Transfers In	Transfers Out
Governmental activity:		
General fund	\$ 1,376,939	\$ -
Street fund	321,361	303,237
Library fund	-	80,391
Special assessment fund	-	112,398
Other governmental funds	1,131,704	931,878
Business-type activities		
Water fund	1,900,000	3,040,681
Wastewater fund	1,348,000	2,951,809
2018 Utility Bond Fund	<u>1,342,390</u>	<u>-</u>
Total Transfers	<u>\$ 7,420,394</u>	<u>\$ 7,420,394</u>

Transfers between funds provide support for various City programs in accordance with budgetary authorizations and are utilized to provide for additional funding for reserve purposes, contribute towards the cost of capital projects, and to provide for other operational resources.

J. Tax Abatements

The City has authorized tax-exempt status for five qualified firms within the City: Escape The Dalles, Integrated 3D, NuCulture, 15 Mile Ventures, LLC, and Design, LLC. All properties are required to meet State and Federal funding requirements which include annual physical inspections and an annual audit of financial activity and programmatic compliance. The property tax exemption may be removed if the property is no longer eligible under the stated provisions of ORS 307.540 to 307.548. Section E of the renewal application requires the applicant to acknowledge compliance with the requirements annually. For fiscal year ending June 30, 2019, the foregone property tax revenue is \$4,279,790.

IV. OTHER INFORMATION

A. Risk Management

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

B. Employee Retirement Plans

1. Retirement plan for non-public safety employees

The City of The Dalles Retirement Plan is a defined contribution plan established by the City to provide benefits at retirement to the non-public safety employees of the City. Standard Retirement Services, Inc., administers this retirement plan. Employees are eligible to participate after one year of employment. The City is required to contribute 6 percent of eligible compensation on behalf of employees and an additional 7.5 percent of eligible compensation as the City's contribution. In addition, employees may voluntarily contribute up to 10 percent of their eligible compensation. Plan provisions and contribution requirements are established by and may be amended by the City Council.

The payroll for non-public safety employees covered by the plan for the year ended June 30, 2019 was \$3,896,924. Total contributions to the plan for the year ended June 30, 2019 were \$608,573, including \$528,505 for both the City and employee portions that is paid by the City, and \$80,068 in employee loan repayments and additional employee voluntary contributions.

2. Retirement plan for public safety employees

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

their eligible compensation. Plan provisions and contribution requirements are established by, and may be amended by, the City Council.

The payroll for public safety employees covered by the plan for the year ended June 30, 2019 was \$1,651,120. Total contributions to the plan for the year ended June 30, 2019 were \$389,773, including \$361,804 for both the City and employee portions that is paid by the City, and \$27,969 in employee loan repayments and additional employee voluntary contributions.

D. Commitments, contingencies, and subsequent events

1. Construction in Progress

The City is committed under various, architectural, engineering, and construction contracts at June 30, 2019.

The Washington Street Underpass costs incurred to date is \$1,531,555 with total estimated costs of \$4.5-5.5 million.

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

The Downtown Parking Structure Project costs incurred to date are \$19,680, with estimated costs of \$5.5-6 million.

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

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

The 2019 ADA Sidewalk Program costs incurred to date are \$615.

The Public Works Shop Shelving and Roofing Projects costs incurred to date are \$8,399.

The Safe Routes to School Sidewalk Project costs incurred to date are \$9,379.

The Granada Block project costs incurred to date are \$284,774.

The Lone Pine Well Expansion costs incurred to date are \$1,355,746.

The Dog River Pipeline project costs incurred to date are \$209,550, with total estimated costs of \$7.883 million.

The Sorosis Reservoir Painting project costs incurred to date of \$102,486, with total estimated costs of \$733,598.

The alley between 10th and 11th Street project costs incurred to date of \$26,267.

The East 9th Street project costs are \$14,892.

There are various improvements at the Wastewater Treatment Plant. Costs incurred to date is \$14,634,470, with total estimated project costs of about \$14.8 million.

The 4th Street Grade Sanitary Survey costs incurred to date are \$320,733, with estimated costs of \$555,000.

2019 Sanitary Sewer Slip Line project costs to date are \$500,945.

Chenoweth Pump Upgrade project costs incurred to date of \$90,104.

The Gitchell/Waldron Drug Building Demo project costs to date are \$4,610.

The Scenic and Jefferson Engineering project costs incurred to date are \$2,400.

Sewer Lines for 13th Street costs incurred to date are \$470.

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

2. Subsequent Events

Management has evaluated subsequent events through November 25, 2019, the date on which the financial statements were available to be issued and determined that nothing should be recognized.

E. Related Parties

During the year the City had the following related party transactions. QLife revenues from rent revenue \$7,079 and right of way \$20,461 and expenditures of \$5,040. QLife owes the City \$3,529 for current year rent and right-of-way fees. The City pays the Airport \$65,000 per year per the intergovernmental agreement.

F. GASB Pronouncement Implemented

The Governmental Accounting Standards Board (GASB) has issued *Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. GASB Statement 88 amends GASB Statement 34 and GASB Statement 38 and improves disclosure requirements for notes to the financial statements related to debt, including direct borrowings and direct placements. GASB Statement 88 requires additional essential information about resources required to liquidate debt and the risks associated with changes in terms associated with debt. The City implemented Statement 88 for the year ending June 30, 2019.



REQUIRED SUPPLEMENTAL INFORMATION

**CITY OF THE DALLES, OREGON
 SCHEDULE OF CONTRIBUTIONS OPEB
 Last 10 Fiscal Years***

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 133,771	\$ 131,046	\$ 143,658
Contributions in relation to the contractually required contributions	<u>(133,771)</u>	<u>(131,046)</u>	<u>(143,658)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,548,044	\$ 4,823,785	\$ 5,340,702
Contributions as a percentage of covered employee payroll	2%	3%	3%

* 10-year trend information required by GASB Statement 75 will be presented prospectively

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Actuarially Determine Contributions:

Actuarial Valuation	June 30, 2018
Effective	July 2017 - June 2019
Actuarial cost method:	Entry Age Normal
Actuarial valuation method:	Level Percentage of Payroll
Actuarial assumption:	
Inflation rate	0.00%
Projected salary increases	2.90%
Investment rate of return	2.98%
Healthcare cost inflation	Ranging from 7.6% in 2017 to 3.0% in 2027

There are no assets in a trust to pay related benefits

CITY OF THE DALLES, OREGON
SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIO'S
Last 10 Fiscal Years*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 99,156	\$ 102,501
Benefit payments	<u>(96,302)</u>	<u>(83,554)</u>
Net change in OPEB liability	2,854	18,947
Total OPEB Liability - beginning	<u>1,370,083</u>	<u>1,351,136</u>
Total OPEB Liability - ending	<u>\$ 1,372,937</u>	<u>\$ 1,370,083</u>
Covered employee payroll	\$ 5,548,044	\$ 4,823,785
Total OPEB liability as a percentage of covered-employee payroll	25%	28%

* 10-year trend information required by GASB Statement 75 will be presented prospectively

NOTES TO SCHEDULE

Change in Benefit Terms

None

Change in Assumptions

None

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

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 Fund

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:

Capital Projects Fund

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

Debt Service Funds

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

FFCO 2008 Bond Fund

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

2009 FFCO Bond Fund

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

Urban Renewal Debt Fund

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

General Fund Combining

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

Public Works Reserve Fund - Budgetary Basis Only

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

Transportation System Reserve Fund - Budgetary Basis Only

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

Unemployment Reserve Fund - Budgetary Basis Only

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

CITY OF THE DALLES, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2019

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total
ASSETS:				
Cash and cash equivalents	\$ 103,159	\$ 859,940	\$ 302,474	\$ 1,265,573
Total assets	<u>\$ 103,159</u>	<u>\$ 859,940</u>	<u>\$ 302,474</u>	<u>\$ 1,265,573</u>
LIABILITIES:				
Accounts payable and accrued expenses	\$ 513	\$ -	\$ -	\$ 513
Total liabilities	<u>513</u>	<u>-</u>	<u>-</u>	<u>513</u>
FUND BALANCES:				
Restricted for:				
Grant / contributor specific intent	11,234	-	-	11,234
State statute	-	845,570	-	845,570
Full faith and credit debt	-	14,370	-	14,370
Committed for:				
Major capital facilities and associated debt	-	-	302,474	302,474
Agreements with state agencies	<u>91,412</u>	<u>-</u>	<u>-</u>	<u>91,412</u>
Total fund balances	<u>102,646</u>	<u>859,940</u>	<u>302,474</u>	<u>1,265,060</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 103,159</u>	<u>\$ 859,940</u>	<u>\$ 302,474</u>	<u>\$ 1,265,573</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, 2019

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total
REVENUES:				
Property taxes	\$ -	\$ 839,519	\$ -	\$ 839,519
Rental income	199,276	124,899	91,540	415,715
Interest on investments	2,120	5,000	6,917	14,037
	<u>201,396</u>	<u>969,418</u>	<u>98,457</u>	<u>1,269,271</u>
EXPENDITURES:				
General government	-	-	10,150	10,150
Public safety	188,562	-	-	188,562
Highways and streets	683	-	-	683
Capital outlay	40,565	-	70,714	111,279
Debt service:				
Principal	-	697,970	-	697,970
Interest	-	427,293	5,000	432,293
	<u>229,810</u>	<u>1,125,263</u>	<u>85,864</u>	<u>1,440,937</u>
Revenues over (under) expenditures	(28,414)	(155,845)	12,593	(171,666)
OTHER FINANCING SOURCES (USES):				
Transfers in	9,310	1,122,394	-	1,131,704
Transfers out	-	(922,568)	(9,310)	(931,878)
	<u>9,310</u>	<u>199,826</u>	<u>(9,310)</u>	<u>199,826</u>
Net changes in fund balances	(19,104)	43,981	3,283	28,160
FUND BALANCES, BEGINNING	<u>121,750</u>	<u>815,959</u>	<u>299,191</u>	<u>1,236,900</u>
FUND BALANCES, ENDING	<u>\$ 102,646</u>	<u>\$ 859,940</u>	<u>\$ 302,474</u>	<u>\$ 1,265,060</u>

CITY OF THE DALLES, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2019

	Community Benevolence Fund	State Office Building Fund	Total
ASSETS:			
Cash and cash equivalents	\$ 11,234	\$ 91,925	\$ 103,159
Total assets	<u>\$ 11,234</u>	<u>\$ 91,925</u>	<u>\$ 103,159</u>
LIABILITIES:			
Accounts payable and accrued expenses	\$ -	\$ 513	\$ 513
Total liabilities	<u>-</u>	<u>513</u>	<u>513</u>
FUND BALANCES:			
Restricted for:			
Grant / contributor specific intent	11,234	-	11,234
Committed for:			
Agreements with state agencies	<u>-</u>	<u>91,412</u>	<u>91,412</u>
Total fund balances	<u>11,234</u>	<u>91,412</u>	<u>102,646</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,234</u>	<u>\$ 91,925</u>	<u>\$ 103,159</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, 2019**

	Community Benevolence Fund	State Office Building Fund	Total
	<u> </u>	<u> </u>	<u> </u>
REVENUES:			
Rental income	\$ -	\$ 199,276	\$ 199,276
Interest on investments	272	1,848	2,120
	<u> </u>	<u> </u>	<u> </u>
Total revenues	272	201,124	201,396
	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES:			
Public safety	-	188,562	188,562
Highways and streets	683	-	683
Capital outlay	-	40,565	40,565
	<u> </u>	<u> </u>	<u> </u>
Total expenditures	683	229,127	229,810
	<u> </u>	<u> </u>	<u> </u>
Revenues over (under) expenditures	(411)	(28,003)	(28,414)
	<u> </u>	<u> </u>	<u> </u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	9,310	9,310
	<u> </u>	<u> </u>	<u> </u>
Total other financing sources (uses)	-	9,310	9,310
	<u> </u>	<u> </u>	<u> </u>
Net changes in fund balances	(411)	(18,693)	(19,104)
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES, BEGINNING	11,645	110,105	121,750
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES, ENDING	<u>\$ 11,234</u>	<u>\$ 91,412</u>	<u>\$ 102,646</u>

CITY OF THE DALLES, OREGON
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2019

	<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	\$ 14,370	\$ -	\$ 845,570	\$ 859,940
Total assets	<u>\$ 14,370</u>	<u>\$ -</u>	<u>\$ 845,570</u>	<u>\$ 859,940</u>
FUND BALANCES:				
Restricted for:				
State statute	\$ -	\$ -	\$ 845,570	\$ 845,570
Full faith and credit debt	<u>14,370</u>	<u>-</u>	<u>-</u>	<u>14,370</u>
Total fund balances	<u>\$ 14,370</u>	<u>\$ -</u>	<u>\$ 845,570</u>	<u>\$ 859,940</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, 2019

	FFCO 2008 Bond Fund	2009 FFCO Bond Fund	Urban Renewal Debt Fund	Total
REVENUES:				
Property taxes	\$ -	\$ -	\$ 839,519	\$ 839,519
Rental income	124,899	-	-	124,899
Interest on investments	-	-	5,000	5,000
Total revenues	<u>124,899</u>	<u>-</u>	<u>844,519</u>	<u>969,418</u>
EXPENDITURES:				
Debt service:				
Principal	151,600	546,370	-	697,970
Interest	<u>54,930</u>	<u>372,363</u>	<u>-</u>	<u>427,293</u>
Total expenditures	<u>206,530</u>	<u>918,733</u>	<u>-</u>	<u>1,125,263</u>
Revenues over (under) expenditures	(81,631)	(918,733)	844,519	(155,845)
OTHER FINANCING SOURCES (USES):				
Transfers in	180,031	942,363	-	1,122,394
Transfers out	<u>(98,400)</u>	<u>(23,630)</u>	<u>(800,538)</u>	<u>(922,568)</u>
Total other financing sources (uses)	<u>81,631</u>	<u>918,733</u>	<u>(800,538)</u>	<u>199,826</u>
Net changes in fund balances	-	-	43,981	43,981
FUND BALANCES, BEGINNING	<u>14,370</u>	<u>-</u>	<u>801,589</u>	<u>815,959</u>
FUND BALANCES, ENDING	<u>\$ 14,370</u>	<u>\$ -</u>	<u>\$ 845,570</u>	<u>\$ 859,940</u>

CITY OF THE DALLES, OREGON
GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES
COMBINING BALANCE SHEET
June 30, 2019

	General Fund - Budgetary Basis	Public Works Reserve Fund - Budgetary Basis	Transportation System Reserve Fund - Budgetary Basis	Unemployment Reserve Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
ASSETS:					
Cash and cash equivalents	\$ 3,446,784	\$ 238,995	\$ 1,147,050	\$ 60,645	\$ 4,893,474
Receivables:					
Accounts	672,587	-	-	-	672,587
Fines and forfeitures, net	358,599	-	-	-	358,599
Property taxes	217,485	-	-	-	217,485
Prepaid items	163,833	-	-	-	163,833
	<u>4,859,288</u>	<u>238,995</u>	<u>1,147,050</u>	<u>60,645</u>	<u>6,305,978</u>
Total assets	<u>\$ 4,859,288</u>	<u>\$ 238,995</u>	<u>\$ 1,147,050</u>	<u>\$ 60,645</u>	<u>\$ 6,305,978</u>
LIABILITIES:					
Accounts payable and accrued expenses	\$ 125,602	\$ -	\$ -	\$ 8,145	\$ 133,747
Total liabilities	<u>125,602</u>	<u>-</u>	<u>-</u>	<u>8,145</u>	<u>133,747</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	587,069	-	-	-	587,069
Total deferred inflows of resources	<u>587,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>587,069</u>
FUND BALANCES:					
Nonspendable:					
Prepays	163,833	-	-	-	163,833
Committed by ordinance or resolution	-	238,995	1,147,050	52,500	1,438,545
Unassigned	3,982,784	-	-	-	3,982,784
Total fund balances	<u>4,146,617</u>	<u>238,995</u>	<u>1,147,050</u>	<u>52,500</u>	<u>5,585,162</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,859,288</u>	<u>\$ 238,995</u>	<u>\$ 1,147,050</u>	<u>\$ 60,645</u>	<u>\$ 6,305,978</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, 2019

	General Fund - Budgetary Basis	Public Works Reserve Fund - Budgetary Basis	Transportation System Reserve Fund - Budgetary Basis	Unemployment Reserve Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
REVENUES:					
Property taxes	\$ 3,232,736	\$ -	\$ -	\$ -	\$ 3,232,736
Other taxes	1,527,879	-	-	-	1,527,879
Franchise fees	267,272	-	-	-	267,272
Licenses and fees	32,735	-	-	-	32,735
Charges for services	67,227	-	-	-	67,227
Intergovernmental	1,952,264	-	-	-	1,952,264
Fines and forfeitures, net	223,699	-	-	-	223,699
System development charges	-	-	261,020	-	261,020
Rental income	10,902	-	-	-	10,902
Interest on investments	82,766	10,732	23,973	1,537	119,008
Miscellaneous	233,112	-	-	-	233,112
Total revenues	7,630,592	10,732	284,993	1,537	7,927,854
EXPENDITURES:					
General government	3,033,619	-	-	14,566	3,048,185
Public safety	3,961,660	-	-	-	3,961,660
Culture and recreation	759,552	-	-	-	759,552
Capital outlay	97,590	491,880	15,982	-	605,452
Total expenditures	7,852,421	491,880	15,982	14,566	8,374,849
Revenues over (under) expenditures	(221,829)	(481,148)	269,011	(13,029)	(446,995)
OTHER FINANCING SOURCES (USES):					
Transfers in	1,065,354	311,585	-	-	1,376,939
Total other financing sources (uses)	1,065,354	311,585	-	-	1,376,939
Net changes in fund balances	843,525	(169,563)	269,011	(13,029)	929,944
FUND BALANCES, BEGINNING	3,303,092	408,558	878,039	65,529	4,655,218
FUND BALANCES, ENDING	\$ 4,146,617	\$ 238,995	\$ 1,147,050	\$ 52,500	\$ 5,585,162

BUDGETARY COMPARISON SCHEDULES

Nonmajor Governmental Funds

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

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

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

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

Non-major Governmental Budgetary Comparison schedules included the following:

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

CITY OF THE DALLES, OREGON
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 3,007,974	\$ 3,007,974	\$ 3,232,736	\$ 224,762
Other taxes	1,438,344	1,438,344	1,527,879	89,535
Franchise fees	240,178	240,178	267,272	27,094
Licenses and fees	35,290	35,290	32,735	(2,555)
Charges for services	33,500	33,500	67,227	33,727
Intergovernmental	1,825,845	1,825,845	1,952,264	126,419
Fines and forfeitures, net	233,350	233,350	223,699	(9,651)
Rental income	7,752	7,752	10,902	3,150
Interest on investments	37,500	37,500	82,766	45,266
Miscellaneous	57,000	57,000	233,112	176,112
Total revenues	<u>6,916,733</u>	<u>6,916,733</u>	<u>7,630,592</u>	<u>713,859</u>
EXPENDITURES:				
General government	3,306,040	3,363,868	3,033,619	330,249
Public safety	4,330,464	4,345,222	3,961,660	383,562
Culture and recreation	772,000	772,000	759,552	12,448
Capital outlay	137,250	137,250	97,590	39,660
Contingency	773,827	701,241	-	701,241
Total expenditures	<u>9,319,581</u>	<u>9,319,581</u>	<u>7,852,421</u>	<u>1,467,160</u>
Revenues over (under) expenditures	(2,402,848)	(2,402,848)	(221,829)	2,181,019
OTHER FINANCING SOURCES (USES):				
Transfers in	1,069,354	1,069,354	1,065,354	(4,000)
Transfers out	(48,000)	(48,000)	-	48,000
Total other financing sources (uses)	<u>1,021,354</u>	<u>1,021,354</u>	<u>1,065,354</u>	<u>44,000</u>
Net changes in fund balances	(1,381,494)	(1,381,494)	843,525	2,225,019
FUND BALANCES, BEGINNING				
BUDGETARY BASIS	<u>2,329,702</u>	<u>2,329,702</u>	<u>3,303,092</u>	<u>973,390</u>
FUND BALANCES, ENDING BUDGETARY				
BASIS	<u>\$ 948,208</u>	<u>\$ 948,208</u>	<u>\$ 4,146,617</u>	<u>\$ 3,198,409</u>

CITY OF THE DALLES, OREGON
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
City Council:				
Materials and services	\$ 249,976	\$ 291,304	\$ 259,068	\$ 32,236
Subtotal	249,976	291,304	259,068	32,236
City Clerk:				
Personnel services	131,600	133,100	129,989	3,111
Materials and services	15,710	15,710	11,991	3,719
Subtotal	147,310	148,810	141,980	6,830
City Manager / Economic Development:				
Personnel services	286,392	286,392	285,507	885
Materials and services	76,444	76,444	66,991	9,453
Subtotal	362,836	362,836	352,498	10,338
City Attorney / Judicial:				
Personnel services	342,761	357,761	343,098	14,663
Materials and services	148,347	148,347	126,228	22,119
Subtotal	491,108	506,108	469,326	36,782
Finance / Utility Billing:				
Personnel services	483,365	483,365	446,374	36,991
Materials and services	147,548	147,548	81,215	66,333
Subtotal	630,913	630,913	527,589	103,324
Personnel:				
Personnel services	205,806	205,806	178,207	27,599
Materials and services	28,109	28,109	23,021	5,088
Subtotal	233,915	233,915	201,228	32,687
Technology:				
Personnel services	108,535	108,535	105,523	3,012
Materials and services	145,104	145,104	117,750	27,354
Capital outlay	7,000	7,000	7,194	(194) *
Subtotal	260,639	260,639	230,467	30,172

CITY OF THE DALLES, OREGON
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Continued				
Planning:				
Personnel services	456,872	456,872	438,864	18,008
Materials and services	144,350	144,350	96,849	47,501
Subtotal	601,222	601,222	535,713	65,509
City Hall / Transportation Center:				
Personnel services	66,697	66,697	64,685	2,012
Materials and services	268,424	268,424	258,259	10,165
Capital outlay	11,000	11,000	7,535	3,465
Subtotal	346,121	346,121	330,479	15,642
Police:				
Personnel services	3,269,603	3,269,603	3,023,745	245,858
Materials and services	870,023	870,023	791,204	78,819
Capital outlay	119,250	119,250	82,861	36,389
Subtotal	4,258,876	4,258,876	3,897,810	361,066
Code Enforcement:				
Personnel services	86,264	86,264	65,963	20,301
Materials and services	34,945	34,945	11,504	23,441
Subtotal	121,209	121,209	77,467	43,742
Animal control:				
Personnel services	38,329	53,087	53,424	(337) *
Materials and services	31,300	31,300	15,820	15,480
Subtotal	69,629	84,387	69,244	15,143
Non-departmental:				
Materials and services	772,000	772,000	759,552	12,448
Subtotal	772,000	772,000	759,552	12,448
Total expenditures	<u>\$ 8,545,754</u>	<u>\$ 8,618,340</u>	<u>\$ 7,852,421</u>	<u>\$ 765,919</u>

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

CITY OF THE DALLES, OREGON
PUBLIC WORKS RESERVE FUND - BUDGETARY BASIS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ 7,000	\$ 7,000	\$ 10,732	\$ 3,732
Total revenues	7,000	7,000	10,732	3,732
EXPENDITURES:				
Capital outlay	706,872	706,872	491,880	214,992
Total expenditures	706,872	706,872	491,880	214,992
Revenues over (under) expenditures	(699,872)	(699,872)	(481,148)	218,724
OTHER FINANCING SOURCES (USES):				
Transfers in	311,585	311,585	311,585	-
Total other financing sources (uses)	311,585	311,585	311,585	-
Net changes in fund balances	(388,287)	(388,287)	(169,563)	218,724
FUND BALANCES, BEGINNING BUDGETARY BASIS	388,287	388,287	408,558	20,271
FUND BALANCES, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 238,995	\$ 238,995

CITY OF THE DALLES, OREGON
TRANSPORTATION SYSTEM RESERVE FUND - BUDGETARY BASIS
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 428,838	\$ 428,838	\$ -	\$ (428,838)
System development charges	100,000	100,000	261,020	161,020
Interest on investments	9,000	9,000	23,973	14,973
Total revenues	<u>537,838</u>	<u>537,838</u>	<u>284,993</u>	<u>(252,845)</u>
EXPENDITURES:				
Capital outlay	<u>1,400,844</u>	<u>1,400,844</u>	<u>15,982</u>	<u>1,384,862</u>
Total expenditures	<u>1,400,844</u>	<u>1,400,844</u>	<u>15,982</u>	<u>1,384,862</u>
Net changes in fund balances	(863,006)	(863,006)	269,011	1,132,017
FUND BALANCES, BEGINNING BUDGETARY BASIS	<u>863,006</u>	<u>863,006</u>	<u>878,039</u>	<u>15,033</u>
FUND BALANCES, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,147,050</u>	<u>\$ 1,147,050</u>

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, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ 1,150	\$ 1,150	\$ 1,537	\$ 387
Total revenues	1,150	1,150	1,537	387
EXPENDITURES:				
Personnel service	85,322	85,322	14,566	70,756
Total expenditures	85,322	85,322	14,566	70,756
Net changes in fund balances	(84,172)	(84,172)	(13,029)	71,143
FUND BALANCES, BEGINNING BUDGETARY BASIS	84,172	84,172	65,529	(18,643)
FUND BALANCES, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 52,500	\$ 52,500

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, 2019

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 736,516	\$ 736,516	\$ 801,210	\$ 64,694
Interest on investments	14,300	14,300	63,617	49,317
Miscellaneous	177,412	177,412	185,027	7,615
Total revenues	928,228	928,228	1,049,854	121,626
EXPENDITURES:				
Materials and services	508,251	508,251	279,164	229,087
Capital outlay	1,675,748	1,675,748	15,133	1,660,615
Total expenditures	2,183,999	2,183,999	294,297	1,889,702
Revenues over (under) expenditures	(1,255,771)	(1,255,771)	755,557	2,011,328
OTHER FINANCING SOURCES (USES):				
Sale of property	20,000	20,000	-	(20,000)
Total other financing sources (uses)	20,000	20,000	-	(20,000)
Net changes in fund balances	(1,235,771)	(1,235,771)	755,557	1,991,328
FUND BALANCES, BEGINNING	1,235,771	1,235,771	1,470,740	234,969
FUND BALANCES, ENDING	\$ -	\$ -	\$ 2,226,297	\$ 2,226,297

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, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Franchise fees	\$ 25,000	\$ 25,000	\$ 26,479	\$ 1,479
Assessments	48,938	48,938	111,132	62,194
Interest on investments	7,100	7,100	13,743	6,643
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	82,038	82,038	151,354	69,316
EXPENDITURES:				
Materials and services	26,800	26,800	-	26,800
Capital outlay	424,532	424,532	-	424,532
Total expenditures	451,332	451,332	-	451,332
Revenues over (under) expenditures	(369,294)	(369,294)	151,354	520,648
OTHER FINANCING SOURCES (USES):				
Transfers out	(112,398)	(112,398)	(112,398)	-
Total other financing sources (uses)	(112,398)	(112,398)	(112,398)	-
Net changes in fund balances	(481,692)	(481,692)	38,956	520,648
FUND BALANCES, BEGINNING	481,692	481,692	535,675	53,983
FUND BALANCES, ENDING	\$ -	\$ -	\$ 574,631	\$ 574,631

**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, 2019**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ 120	\$ 120	\$ 272	\$ 152
Total revenues	120	120	272	152
EXPENDITURES:				
Materials and services	11,642	11,642	683	10,959
Total expenditures	11,642	11,642	683	10,959
Net changes in fund balances	(11,522)	(11,522)	(411)	11,111
FUND BALANCES, BEGINNING	11,522	11,522	11,645	123
BUDGETARY BASIS	\$ -	\$ -	\$ 11,234	\$ 11,234

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, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Rental income	\$ 236,007	\$ 236,007	\$ 199,276	\$ (36,731)
Interest on investments	850	850	1,848	998
Total revenues	<u>236,857</u>	<u>236,857</u>	<u>201,124</u>	<u>(35,733)</u>
EXPENDITURES:				
Personnel service	66,477	66,477	64,407	2,070
Materials and services	126,188	137,666	124,155	13,511
Capital outlay	60,200	60,200	40,565	19,635
Contingency	101,354	89,876	-	89,876
Total expenditures	<u>354,219</u>	<u>354,219</u>	<u>229,127</u>	<u>125,092</u>
Revenues over (under) expenditures	(117,362)	(117,362)	(28,003)	89,359
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>9,310</u>	<u>9,310</u>	<u>9,310</u>	<u>-</u>
Total other financing sources (uses)	<u>9,310</u>	<u>9,310</u>	<u>9,310</u>	<u>-</u>
Net changes in fund balances	(108,052)	(108,052)	(18,693)	89,359
FUND BALANCES, BEGINNING	<u>108,052</u>	<u>108,052</u>	<u>110,105</u>	<u>2,053</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 91,412</u>	<u>\$ 91,412</u>

**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, 2019**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Rental income	\$ 91,425	\$ 91,425	\$ 91,540	\$ 115
Interest on investments	2,400	2,400	6,917	4,517
Total revenues	93,825	93,825	98,457	4,632
EXPENDITURES:				
Materials and services	6,500	6,500	-	6,500
Capital outlay	325,481	325,481	70,714	254,767
Debt service:				
Principal	10,150	10,150	10,150	-
Interest	5,000	5,000	5,000	-
Total expenditures	347,131	347,131	85,864	261,267
Revenues over (under) expenditures	(253,306)	(253,306)	12,593	265,899
OTHER FINANCING SOURCES (USES):				
Transfers out	(9,310)	(9,310)	(9,310)	-
Total other financing sources (uses)	(9,310)	(9,310)	(9,310)	-
Net changes in fund balances	(262,616)	(262,616)	3,283	265,899
FUND BALANCE, BEGINNING	262,616	262,616	299,191	36,575
FUND BALANCE, ENDING	\$ -	\$ -	\$ 302,474	\$ 302,474

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, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Rental income	\$ 124,899	\$ 124,899	\$ 124,899	\$ -
Total revenues	124,899	124,899	124,899	-
EXPENDITURES:				
Debt service:				
Principal	250,000	250,000	250,000	-
Interest	54,930	54,930	54,930	-
Total expenditures	304,930	304,930	304,930	-
Revenues over (under) expenditures	(180,031)	(180,031)	(180,031)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	180,031	180,031	180,031	-
Total other financing sources (uses)	180,031	180,031	180,031	-
Net changes in fund balances	-	-	-	-
FUND BALANCES, BEGINNING	-	-	14,370	14,370
FUND BALANCES, ENDING	\$ -	\$ -	\$ 14,370	\$ 14,370

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, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt service:				
Principal	\$ 570,000	\$ 570,000	\$ 570,000	\$ -
Interest	372,363	372,363	372,363	-
Total expenditures	942,363	942,363	942,363	-
Revenues over (under) expenditures	(942,363)	(942,363)	(942,363)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	942,363	942,363	942,363	-
Total other financing sources (uses)	942,363	942,363	942,363	-
Net changes in fund balances	-	-	-	-
FUND BALANCES, BEGINNING	-	-	-	-
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF THE DALLES, OREGON
URBAN RENEWAL DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 795,538	\$ 795,538	\$ 839,519	\$ 43,981
Interest on investments	5,000	5,000	5,000	-
Total revenues	800,538	800,538	844,519	43,981
OTHER FINANCING SOURCES (USES):				
Transfers out	(800,538)	(800,538)	(800,538)	-
Total other financing sources (uses)	(800,538)	(800,538)	(800,538)	-
Net changes in fund balances	-	-	43,981	43,981
FUND BALANCES, BEGINNING	801,588	801,588	801,589	1
FUND BALANCES, ENDING	<u>\$ 801,588</u>	<u>\$ 801,588</u>	<u>\$ 845,570</u>	<u>\$ 43,982</u>

BUDGETARY COMPARISON SCHEDULES

Enterprise Funds

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

Enterprise Budgetary Comparison schedules include the following:

- All Water Funds
 - Water Utility
 - Water Capital Reserve

- All Wastewater Funds
 - Wastewater
 - Wastewater Capital Reserve
 - Sewer Plant Construction

- 2018 Utility Bond Fund

**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, 2019**

	<u>Water Utility</u>	<u>Water Capital Reserve</u>	<u>Total All Water Funds</u>
REVENUES:			
Charges for services	\$ 5,595,075	\$ -	\$ 5,595,075
Intergovernmental	1,448	1,748	3,196
System development charges	-	112,356	112,356
Rental income	4,059	-	4,059
Interest on investments	16,988	130,460	147,448
Miscellaneous	199,556	-	199,556
	<u>5,817,126</u>	<u>244,564</u>	<u>6,061,690</u>
EXPENDITURES:			
Personnel service	2,154,266	-	2,154,266
Materials and services	806,568	-	806,568
Capital outlay	137,745	254,492	392,237
Debt service:			
Principal	-	148,550	148,550
Interest	-	89,829	89,829
	<u>3,098,579</u>	<u>492,871</u>	<u>3,591,450</u>
Total expenditures	<u>3,098,579</u>	<u>492,871</u>	<u>3,591,450</u>
Revenues over (under) expenditures	2,718,547	(248,307)	2,470,240
OTHER FINANCING SOURCES (USES):			
Sale of property	941	-	941
Transfers in	-	1,900,000	1,900,000
Transfers out	(2,571,694)	(537,652)	(3,109,346)
	<u>(2,570,753)</u>	<u>1,362,348</u>	<u>(1,208,405)</u>
Total other financing sources (uses)	<u>(2,570,753)</u>	<u>1,362,348</u>	<u>(1,208,405)</u>
Net changes in fund balances	147,794	1,114,041	1,261,835
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>1,116,912</u>	<u>4,772,149</u>	<u>5,889,061</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ 1,264,706</u>	<u>\$ 5,886,190</u>	<u>\$ 7,150,896</u>

	<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above	\$ 6,061,690	\$ 3,591,450
Transfers in/out	68,665	1,209,346
Expenditures capitalized	-	(494,736)
Debt service principal payments	-	(148,550)
Other post employment benefits	-	(5,740)
Depreciation and amortization expense	-	558,279
Interest revenue/expense	-	(2,843)
Gain/loss on disposal of capital assets	-	(941)
Increase/decrease compensated absences	-	5,845
	<u>\$ 6,130,355</u>	<u>4,712,110</u>
Total revenues and expenses - generally accepted accounting principles	<u>\$ 6,130,355</u>	<u>4,712,110</u>
Change in net position		<u>\$ 1,418,245</u>

**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, 2019**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 5,635,419	\$ 5,635,419	\$ 5,595,075	\$ (40,344)
Intergovernmental	33,818	33,818	1,448	(32,370)
Rental income	4,428	4,428	4,059	(369)
Interest on investments	3,500	3,500	16,988	13,488
Miscellaneous	90,635	90,635	199,556	108,921
Total revenues	<u>5,767,800</u>	<u>5,767,800</u>	<u>5,817,126</u>	<u>49,326</u>
EXPENDITURES:				
Personnel service	2,251,129	2,251,129	2,154,266	96,863
Materials and services	1,160,420	1,160,420	806,568	353,852
Capital outlay	320,710	320,710	137,745	182,965
Contingency	77,857	77,857	-	77,857
Total expenditures	<u>3,810,116</u>	<u>3,810,116</u>	<u>3,098,579</u>	<u>711,537</u>
Revenues over (under) expenditures	1,957,684	1,957,684	2,718,547	760,863
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	941	941
Transfers out	(2,571,694)	(2,571,694)	(2,571,694)	-
Total other financing sources (uses)	<u>(2,571,694)</u>	<u>(2,571,694)</u>	<u>(2,570,753)</u>	<u>941</u>
Net changes in fund balances	(614,010)	(614,010)	147,794	761,804
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>614,010</u>	<u>614,010</u>	<u>1,116,912</u>	<u>502,902</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,264,706</u>	<u>\$ 1,264,706</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, 2019**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 5,000,000	\$ 5,000,000	\$ 1,748	\$ (4,998,252)
Contributions	6,500,000	6,500,000	-	(6,500,000)
System development charges	23,170	23,170	112,356	89,186
Interest on investments	40,000	40,000	130,460	90,460
Total revenues	<u>11,563,170</u>	<u>11,563,170</u>	<u>244,564</u>	<u>(11,318,606)</u>
EXPENDITURES:				
Capital outlay	16,912,818	16,912,818	254,492	16,658,326
Debt service:				
Principal	148,550	148,550	148,550	-
Interest	89,829	89,829	89,829	-
Total expenditures	<u>17,151,197</u>	<u>17,151,197</u>	<u>492,871</u>	<u>16,658,326</u>
Revenues over (under) expenditures	(5,588,027)	(5,588,027)	(248,307)	5,339,720
OTHER FINANCING SOURCES (USES):				
Transfers in	1,900,000	1,900,000	1,900,000	-
Transfers out	(537,652)	(537,652)	(537,652)	-
Total other financing sources (uses)	<u>1,362,348</u>	<u>1,362,348</u>	<u>1,362,348</u>	<u>-</u>
Net changes in fund balances	(4,225,679)	(4,225,679)	1,114,041	5,339,720
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>4,225,679</u>	<u>4,225,679</u>	<u>4,772,149</u>	<u>546,470</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,886,190</u>	<u>\$ 5,886,190</u>

CITY OF THE DALLES, OREGON
ALL WASTEWATER FUNDS COMBINED
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

	Wastewater	Wastewater Capital Reserve	Sewer Plant Construction	Total All Wastewater Funds
REVENUES:				
Charges for services	\$ 5,365,110	\$ -	\$ -	\$ 5,365,110
Intergovernmental	12,701	-	500,000	512,701
System development charges	-	247,582	-	247,582
Interest on investments	2,732	43,372	42,416	88,520
Miscellaneous	400,521	10,599	-	411,120
Total revenues	5,781,064	301,553	542,416	6,625,033
EXPENDITURES:				
Personnel service	1,216,454	-	-	1,216,454
Materials and services	1,685,439	-	-	1,685,439
Capital outlay	171,933	1,030,201	2,534,091	3,736,225
Debt service:				
Interest	-	-	25,006	25,006
Total expenditures	3,073,826	1,030,201	2,559,097	6,663,124
Revenues over (under) expenditures	2,707,238	(728,648)	(2,016,681)	(38,091)
OTHER FINANCING SOURCES (USES):				
Sale of property	689	-	-	689
Loan proceeds	-	-	496,071	496,071
Transfers in	-	548,000	800,000	1,348,000
Transfers out	(2,161,009)	(6,949)	(837,216)	(3,005,174)
Total other financing sources (uses)	(2,160,320)	541,051	458,855	(1,160,414)
Net changes in fund balances	546,918	(187,597)	(1,557,826)	(1,198,505)
FUND BALANCE, BEGINNING BUDGETARY BASIS	665,883	1,491,303	2,832,111	4,989,297
FUND BALANCE, ENDING BUDGETARY BASIS	\$ 1,212,801	\$ 1,303,706	\$ 1,274,285	\$ 3,790,792

	Revenues	Expenditures
Total revenue and expenditures above	\$ 6,625,033	\$ 6,663,124
Transfers in/out	-	1,603,809
Expenditures capitalized	-	(4,035,292)
Other post employment benefits	-	(928)
Depreciation and amortization expense	-	471,567
Interest revenue/expense	-	(132)
Gain/loss on disposal of capital assets	-	(689)
Increase/decrease compensated absences	-	(15,131)
Total revenues and expenses - generally accepted accounting principles	\$ 6,625,033	4,686,328
Change in net position		\$ 1,938,705

**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, 2019**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 5,289,640	\$ 5,289,640	\$ 5,365,110	\$ 75,470
Intergovernmental	32,426	32,426	12,701	(19,725)
Interest on investments	500	500	2,732	2,232
Miscellaneous	218,000	218,000	400,521	182,521
Total revenues	5,540,566	5,540,566	5,781,064	240,498
EXPENDITURES:				
Personnel service	1,361,861	1,361,861	1,216,454	145,407
Materials and services	1,877,380	1,877,380	1,685,439	191,941
Capital outlay	288,010	288,010	171,933	116,077
Contingency	135,092	135,092	-	135,092
Total expenditures	3,662,343	3,662,343	3,073,826	588,517
Revenues over (under) expenditures	1,878,223	1,878,223	2,707,238	829,015
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	689	689
Transfers out	(2,161,009)	(2,161,009)	(2,161,009)	-
Total other financing sources (uses)	(2,161,009)	(2,161,009)	(2,160,320)	689
Net changes in fund balances	(282,786)	(282,786)	546,918	829,704
FUND BALANCE, BEGINNING BUDGETARY BASIS	282,786	282,786	665,883	383,097
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 1,212,801	\$ 1,212,801

**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, 2019**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
System development charges	\$ 42,620	\$ 42,620	\$ 247,582	\$ 204,962
Interest on investments	25,000	25,000	43,372	18,372
Miscellaneous	-	-	10,599	10,599
Total revenues	67,620	67,620	301,553	233,933
EXPENDITURES:				
Capital outlay	1,697,426	1,697,426	1,030,201	667,225
Total expenditures	1,697,426	1,697,426	1,030,201	667,225
Revenues over (under) expenditures	(1,629,806)	(1,629,806)	(728,648)	901,158
OTHER FINANCING SOURCES (USES):				
Transfers in	548,000	548,000	548,000	-
Transfers out	(6,949)	(6,949)	(6,949)	-
Total other financing sources (uses)	541,051	541,051	541,051	-
Net changes in fund balances	(1,088,755)	(1,088,755)	(187,597)	901,158
FUND BALANCE, BEGINNING BUDGETARY BASIS	1,088,755	1,088,755	1,491,303	402,548
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 1,303,706	\$ 1,303,706

**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, 2019**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 500,000	\$ 500,000
Interest on investments	15,000	15,000	42,416	27,416
Total revenues	15,000	15,000	542,416	527,416
EXPENDITURES:				
Capital outlay	3,002,655	3,002,655	2,534,091	468,564
Debt service:				
Principal	41,594	41,594	-	41,594
Interest	61,570	61,570	25,006	36,564
Total expenditures	3,105,819	3,105,819	2,559,097	546,722
Revenues over (under) expenditures	(3,090,819)	(3,090,819)	(2,016,681)	1,074,138
OTHER FINANCING SOURCES (USES):				
Loan proceeds	-	-	496,071	496,071
Transfers in	800,000	800,000	800,000	-
Transfers out	(837,216)	(837,216)	(837,216)	-
Total other financing sources (uses)	(37,216)	(37,216)	458,855	496,071
Net changes in fund balances	(3,128,035)	(3,128,035)	(1,557,826)	1,570,209
FUND BALANCE, BEGINNING BUDGETARY BASIS	3,128,035	3,128,035	2,832,111	(295,924)
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 1,274,285	\$ 1,274,285

CITY OF THE DALLES, OREGON
2018 UTILITY BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt service:				
Principal	\$ 1,039,883	\$ 1,039,883	\$ 1,039,883	\$ -
Interest	302,507	302,507	301,360	1,147
Total expenditures	1,342,390	1,342,390	1,341,243	1,147
Revenues over (under) expenditures	(1,342,390)	(1,342,390)	(1,341,243)	1,147
OTHER FINANCING SOURCES (USES):				
Transfers in	1,342,390	1,342,390	1,342,390	-
Total other financing sources (uses)	1,342,390	1,342,390	1,342,390	-
Net changes in fund balances	-	-	1,147	1,147
FUND BALANCE, BEGINNING BUDGETARY	-	-	1	1
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,148</u>	<u>\$ 1,148</u>

	Revenues	Expenditures
Total revenue and expenditures above	\$ -	\$ 1,341,243
Transfers in/out	1,342,390	-
Debt service principal payments	-	(1,039,883)
Interest revenue/expense	-	48,087
Total revenues and expenses - generally accepted accounting principles	<u>\$ 1,342,390</u>	<u>349,447</u>
Change in net position		<u>\$ 992,943</u>

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents Page:

Financial Trends 77 - 81

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

Revenue Capacity 82 - 89

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

Debt Capacity 90 - 97

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

Demographic and Economic Information 98 - 100

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

Financial Trends 101 - 102

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

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



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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Governmental Activities:										
Net investment in capital assets	\$ 27,758,527	\$ 27,204,175	\$ 26,770,740	\$ 25,619,762	\$ 23,781,454	\$ 23,394,331	\$ 22,459,249	\$ 19,672,490	\$ 12,688,001	\$ 17,096,182
Restricted	9,270,588	8,309,364	7,364,590	6,606,540	6,591,609	6,221,686	6,204,535	6,337,147	7,765,650	3,060,447
Unrestricted	15,268,799	14,499,406	13,033,689	11,480,666	4,480,644	4,055,637	2,969,259	3,975,176	4,297,055	4,401,964
Total governmental activities net position	<u>\$ 52,297,914</u>	<u>\$ 50,012,945</u>	<u>\$ 47,169,019</u>	<u>\$ 43,706,968</u>	<u>\$ 34,853,707</u>	<u>\$ 33,671,654</u>	<u>\$ 31,633,043</u>	<u>\$ 29,984,813</u>	<u>\$ 24,750,706</u>	<u>\$ 24,558,593</u>
Business-Type Activities:										
Net investment in capital assets	\$ 52,230,058	\$ 48,435,897	\$ 27,336,873	\$ 23,686,429	\$ 31,902,082	\$ 31,669,652	\$ 25,695,435	\$ 19,854,285	\$ 18,412,767	\$ 16,246,937
Restricted	1,170,201	4,996,649	15,889,368	12,505,094	10,418,116	8,506,649	6,817,577	6,867,232	6,534,483	6,500,649
Unrestricted	(1,153,633)	(5,535,813)	(1,051,770)	645,798	2,373,161	942,037	1,301,239	1,179,693	862,477	1,284,163
Total business-type activities net position	<u>\$ 52,246,626</u>	<u>\$ 47,896,733</u>	<u>\$ 42,174,471</u>	<u>\$ 36,837,321</u>	<u>\$ 44,693,359</u>	<u>\$ 41,118,338</u>	<u>\$ 33,814,251</u>	<u>\$ 27,901,210</u>	<u>\$ 25,809,727</u>	<u>\$ 24,031,749</u>
Primary Government:										
Net investment in capital assets	\$ 79,988,585	\$ 75,640,072	\$ 54,107,613	\$ 49,306,191	\$ 55,683,536	\$ 55,063,983	\$ 48,154,684	\$ 39,526,775	\$ 31,100,768	\$ 33,343,119
Restricted	10,440,789	13,306,013	23,253,958	19,111,634	17,009,725	14,728,335	13,022,112	13,204,379	14,300,133	9,561,096
Unrestricted	14,115,166	8,963,593	11,981,919	12,126,464	6,853,805	4,997,674	4,270,498	5,154,869	5,159,532	5,686,127
Total primary government net position	<u>\$ 104,544,540</u>	<u>\$ 97,909,678</u>	<u>\$ 89,343,490</u>	<u>\$ 80,544,289</u>	<u>\$ 79,547,066</u>	<u>\$ 74,789,992</u>	<u>\$ 65,447,294</u>	<u>\$ 57,886,023</u>	<u>\$ 50,560,433</u>	<u>\$ 48,590,342</u>

Source: Current and prior year's financial statements

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Program Revenues										
Governmental activities:										
Charges for services, fees and fines										
General government	\$ 945,631	\$ 662,698	\$ 1,207,216	\$ 1,111,793	\$ 895,831	\$ 1,741,823	\$ 958,415	\$ 853,937	\$ 303,748	\$ 463,177
Public safety	223,699	241,242	243,128	235,252	222,585	229,428	194,454	224,448	255,320	306,615
Highways and streets	19,731	12,928	28,342	33,944	12,424	10,573	16,525	20,880	19,217	30,649
Culture and recreation	4,588	18,346	21,681	20,605	18,740	12,401	11,548	11,294	15,746	11,208
Operating grants and contributions	1,098,952	960,217	2,169,009	2,790,732	1,988,624	1,920,600	1,815,072	1,790,012	1,635,994	2,823,915
Capital grants and contributions	2,680,626	2,077,651	2,739,012	1,970,505	2,318,755	1,286,046	2,144,707	5,816,031	1,780,738	4,814,797
Total governmental activities program revenues	4,973,227	3,973,082	6,408,388	6,162,831	5,456,959	5,200,871	5,140,721	8,716,602	4,010,763	8,450,361
Business-type activities:										
Charges for services:										
Water	5,911,987	5,890,309	5,719,228	5,820,678	5,707,603	5,161,655	4,530,792	4,404,696	3,655,158	3,408,136
Wastewater	6,024,501	5,862,797	6,137,909	5,733,933	5,533,259	5,697,344	5,316,269	5,024,672	4,828,073	4,517,642
Airport	-	-	-	-	199,548	273,657	219,036	226,622	191,157	162,163
Operating grants	-	-	-	-	65,000	65,000	65,000	263,347	142,954	96,382
Capital grants	515,897	1,061,609	1,174,329	-	406,533	4,970,071	3,871,454	1,193,231	383,053	558,895
Total business-type activities program revenues	12,452,385	12,814,715	13,031,466	11,554,611	11,911,943	16,167,727	14,002,551	11,112,568	9,200,395	8,743,218
Total primary government program revenues	17,425,612	16,787,797	19,439,854	17,717,442	17,368,902	21,368,598	19,143,272	19,829,170	13,211,158	17,193,579
Expenses										
Governmental activities:										
General government	4,539,162	3,763,261	3,661,829	4,043,194	4,643,056	3,528,182	3,620,305	3,225,677	3,631,219	2,957,295
Public safety and justice	4,218,386	3,951,495	3,841,288	3,764,858	3,599,408	3,502,386	3,534,026	3,304,009	3,088,742	2,715,894
Highways and streets	1,987,711	1,803,579	1,765,029	1,614,145	1,505,435	1,292,997	1,559,911	1,405,744	1,034,392	1,296,096
Culture and recreation	1,861,808	1,690,671	1,716,486	1,579,320	1,451,383	1,409,998	1,272,743	1,517,951	1,814,647	1,448,982
Interest on long term obligations	380,417	412,621	443,633	453,321	517,776	528,148	559,591	578,874	595,104	443,576
Total governmental activities expenses	12,987,484	11,621,627	11,428,265	11,454,838	11,717,058	10,261,711	10,546,576	10,032,255	10,164,104	8,861,843
Business-type activities:										
Water	3,503,705	3,655,523	3,714,854	3,778,964	3,659,726	3,713,333	3,315,325	4,092,914	2,656,862	3,148,144
Wastewater	3,083,208	3,293,026	2,806,274	3,139,369	2,993,590	3,147,900	3,068,188	3,221,576	3,110,890	2,826,635
2018 Utility Bond	349,447	211,414	-	-	-	-	-	-	-	-
Airport	-	-	-	-	260,659	286,049	313,045	440,116	438,097	443,613
Total business-type activities expenses	6,936,360	7,159,963	6,521,128	6,918,333	6,913,975	7,147,282	6,696,558	7,754,606	6,205,849	6,418,392
Total primary government expenses	19,923,844	18,781,590	17,949,393	18,373,171	18,631,033	17,408,993	17,243,134	17,786,861	16,369,953	15,280,235
Net Expense										
Governmental activities	(8,014,257)	(7,648,545)	(5,019,877)	(5,292,007)	(6,260,099)	(5,060,840)	(5,405,855)	(1,315,653)	(6,153,341)	(411,482)
Business-type activities	5,516,025	5,654,752	6,510,338	4,636,278	4,997,968	9,020,445	7,305,993	3,357,962	2,994,546	2,324,826
Total primary government net expense	\$ (2,498,232)	\$ (1,993,793)	\$ 1,490,461	\$ (655,729)	\$ (1,262,131)	\$ 3,959,605	\$ 1,900,138	\$ 2,042,309	\$ (3,158,795)	\$ 1,913,344

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)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues and Other Changes in Net Position										
General revenues:										
Property taxes levied for:										
General purposes	\$ 4,511,219	\$ 4,311,291	\$ 2,950,205	\$ 2,714,277	\$ 2,753,785	\$ 2,657,460	\$ 2,591,274	\$ 2,578,241	\$ 2,334,460	\$ 2,287,915
Urban renewal purposes	1,645,481	1,525,864	1,485,852	1,378,487	1,407,564	1,327,601	1,353,346	1,218,544	1,239,842	1,261,296
Franchise and public service taxes	2,413,494	2,366,189	2,132,956	2,101,776	1,757,480	1,728,579	1,632,053	1,414,374	1,412,950	1,250,428
Interest and investment earnings	326,932	206,646	111,660	54,106	49,936	43,572	46,153	41,322	109,002	102,530
Miscellaneous	-	-	-	-	-	-	-	-	-	15,454
Transfers	1,402,100	1,300,986	1,334,452	1,299,746	1,473,387	1,507,292	1,431,259	1,297,279	1,249,200	945,279
Total governmental activities	10,299,226	9,710,976	8,015,125	7,548,392	7,442,152	7,264,504	7,054,085	6,549,760	6,345,454	5,862,902
Business-type activities:										
Interest and investment earnings	235,968	202,863	161,264	73,317	50,440	42,092	38,307	30,800	32,632	51,574
Miscellaneous	-	705,604	-	-	-	(37,152)	-	-	-	-
Transfers	(1,402,100)	(1,300,986)	(1,334,452)	(1,299,746)	(1,473,387)	(1,507,292)	(1,431,259)	(1,297,279)	(1,249,200)	(945,279)
Total business-type activities	(1,166,132)	(392,519)	(1,173,188)	(1,226,429)	(1,422,947)	(1,502,352)	(1,392,952)	(1,266,479)	(1,216,568)	(893,705)
Total primary government	9,133,094	9,318,457	6,841,937	6,321,963	6,019,205	5,762,152	5,661,133	5,283,281	5,128,886	4,969,197
Change in Net Position										
Governmental activities	2,284,969	2,062,431	2,995,248	2,256,385	1,182,053	2,203,661	1,648,230	5,234,107	192,113	5,451,420
Prior Period Adjustments **	-	781,495	-	6,596,876	-	(165,050)	-	-	-	1,319,835
Governmental Activities, as adjusted	2,284,969	2,843,926	2,995,248	8,853,261	1,182,053	2,038,611	1,648,230	5,234,107	192,113	6,771,255
Business-type activities	4,349,893	5,262,233	5,337,150	3,409,849	3,575,021	(1,502,352)	5,913,041	2,091,483	1,777,978	1,431,121
Prior Period Adjustments	-	460,029	-	(11,265,887)	-	(214,006)	-	-	-	(1,259,520)
Business-type Activities, as adjusted	4,349,893	5,722,262	5,337,150	(7,856,038)	3,575,021	(1,716,358)	5,913,041	2,091,483	1,777,978	171,601
Total primary government change in net position	6,634,862	8,566,188	8,332,398	997,223	4,757,074	322,253	7,561,271	7,325,590	1,970,091	6,942,856
Net Position Beginning										
Governmental activities	50,012,945	47,169,019	44,173,771	34,853,707	33,671,654	31,467,993	29,984,813	24,750,706	24,558,593	17,787,338
Business-type activities	47,896,733	42,174,471	36,837,321	44,693,359	41,118,338	33,600,245	27,901,210	25,809,727	24,031,749	23,860,148
Total primary government net position-beginning	97,909,678	89,343,490	81,011,092	79,547,066	74,789,992	65,068,238	57,886,023	50,560,433	48,590,342	41,647,486
Net Position Ending										
Governmental activities	52,297,914	50,012,945	47,169,019	43,706,968	34,853,707	33,671,654	31,633,043	29,984,813	24,750,706	24,558,593
Business-type activities	52,246,626	47,896,733	42,174,471	36,837,321	44,693,359	41,118,338	33,814,251	27,901,210	25,809,727	24,031,749
Total Primary Government Net Position	\$ 104,544,540	\$ 97,909,678	\$ 89,343,490	\$ 80,544,289	\$ 79,547,066	\$ 74,789,992	\$ 65,447,294	\$ 57,886,023	\$ 50,560,433	\$ 48,590,342

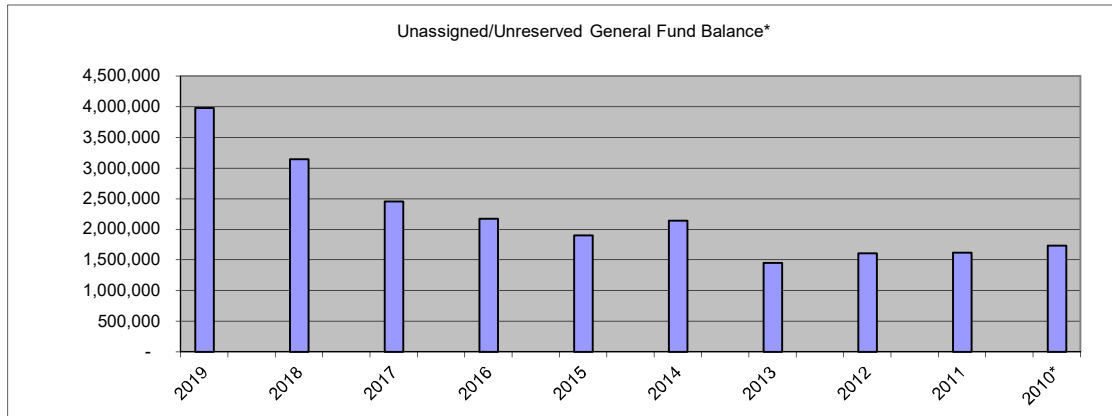
* 2014 net position-beginning are net of prior period adjustments of \$(165,050) governmental and \$(241,006) business-type activities.

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

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
General Fund						
Unreserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonspendable:						
Prepays	163,833	159,388	146,177	144,028	132,551	130,172
Committed:						
Committed by ordinance or resolution	1,438,545	1,352,126	1,369,385	1,107,207	1,169,225	1,256,941
Unassigned	<u>3,982,784</u>	<u>3,143,704</u>	<u>2,451,502</u>	<u>2,169,062</u>	<u>1,898,698</u>	<u>2,143,561</u>
Total general fund	<u>5,585,162</u>	<u>4,655,218</u>	<u>3,967,064</u>	<u>3,420,297</u>	<u>3,200,474</u>	<u>3,530,674</u>
All Other Governmental Funds						
Reserved:						
Inventories	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-
System Development	-	-	-	-	-	-
Unreserved reported in:						
Major funds	-	-	-	-	-	-
Special Revenue Funds	-	-	-	-	-	-
Capital Projects funds	-	-	-	-	-	-
Nonspendable:						
Inventory	165,400	159,269	154,151	140,366	177,245	148,191
Restricted:						
Grant / contributor specific intent	3,464,591	3,400,816	3,365,712	3,411,321	3,508,935	3,458,663
State statute	4,072,925	3,298,134	2,510,012	1,847,330	1,831,201	894,793
Full faith and credit debt	14,370	14,370	-	-	-	-
Intergovernmental agreement	1,718,702	1,596,044	1,488,866	1,347,889	1,251,473	1,868,231
Committed:						
Major capital facilities and associated debt	302,474	299,191	242,548	163,729	219,734	276,844
Local improvements and associated debt	574,631	535,675	565,598	458,063	107,657	18,401
Agreements with state agencies	91,412	110,105	82,867	37,689	43,449	(2,166)
Total all other governmental funds	<u>10,404,505</u>	<u>9,413,604</u>	<u>8,409,754</u>	<u>7,406,387</u>	<u>7,139,694</u>	<u>6,662,956</u>
Total governmental funds	<u>\$ 15,989,667</u>	<u>\$ 14,068,822</u>	<u>\$ 12,376,818</u>	<u>\$ 10,826,684</u>	<u>\$ 10,340,168</u>	<u>\$ 10,193,630</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>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010*</u>
\$ -	\$ -	\$ -	\$ 1,735,195
123,820	116,297	115,143	-
816,807	545,656	618,743	-
<u>1,449,360</u>	<u>1,606,569</u>	<u>1,621,482</u>	<u>-</u>
<u>2,389,987</u>	<u>2,268,522</u>	<u>2,355,368</u>	<u>1,735,195</u>
-	-	-	210,933
-	-	-	1,141,490
-	-	-	8,103,852
-	-	-	640,793
-	-	-	84,268
-	-	-	772,281
138,798	136,002	137,768	-
3,584,049	3,723,971	5,730,710	-
845,812	993,088	566,535	-
3	-	-	-
1,774,671	1,620,088	1,468,405	-
303,799	496,322	428,769	-
18,401	677,218	730,557	-
36,992	36	1,168	-
<u>6,702,525</u>	<u>7,646,725</u>	<u>9,063,912</u>	<u>10,953,617</u>
<u>\$ 9,092,512</u>	<u>\$ 9,915,247</u>	<u>\$ 11,419,280</u>	<u>\$ 12,688,812</u>

Source: Current and prior years' financial statements

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Revenues					
Taxes	\$ 8,179,210	\$ 7,825,266	\$ 6,308,619	\$ 6,025,127	\$ 5,661,611
Inter-governmental	3,105,605	2,722,194	3,899,215	3,848,504	4,235,990
Rents and interest	753,549	477,694	544,083	502,604	485,684
Franchise Fees	378,063	371,027	258,417	227,827	266,968
Fines and forfeitures	242,550	257,822	258,049	249,906	234,947
Charges for services	67,227	45,992	66,595	49,250	40,507
System Development Charges	261,020	72,261	239,963	84,850	35,334
Special assessments	111,132	50,493	191,204	469,501	82,657
Other Revenues	456,517	586,857	447,791	922,148	502,387
Total revenues	<u>13,554,873</u>	<u>12,409,606</u>	<u>12,213,936</u>	<u>12,379,717</u>	<u>11,546,085</u>
Expenditures					
Current:					
General Government	3,372,562	3,256,199	3,260,351	3,237,110	3,363,935
Public safety	4,150,222	3,884,806	3,738,742	3,685,123	3,526,407
Highways and streets	1,396,492	1,218,883	1,179,016	1,082,520	1,021,840
Culture and recreation	1,811,394	1,646,012	1,680,709	1,543,977	1,414,754
Capital outlay	1,188,912	916,391	1,013,464	2,516,214	2,413,193
Debt service:					
Principal	697,970	671,906	642,232	617,558	596,494
Interest	432,293	464,393	495,557	524,654	548,296
Total expenditures	<u>13,049,845</u>	<u>12,058,590</u>	<u>12,010,071</u>	<u>13,207,156</u>	<u>12,884,919</u>
Revenues over (under) expenditures	<u>505,028</u>	<u>351,016</u>	<u>203,865</u>	<u>(827,439)</u>	<u>(1,338,834)</u>
Other Financing Sources (Uses)					
Proceeds from bonds	-	-	-	-	-
Proceeds of financing agreement	-	-	-	-	-
Repayment of financing agreement	-	-	-	-	-
Sale of fixed capital assets	13,717	40,002	11,817	6,719	11,985
Transfers in	2,830,004	2,874,161	2,885,047	3,193,664	3,504,190
Transfers out	(1,427,904)	(1,573,175)	(1,550,595)	(1,893,918)	(2,030,803)
Total other financing sources (uses)	<u>1,415,817</u>	<u>1,340,988</u>	<u>1,346,269</u>	<u>1,306,465</u>	<u>1,485,372</u>
Net change in fund balances	<u>\$ 1,920,845</u>	<u>\$ 1,692,004</u>	<u>\$ 1,550,134</u>	<u>\$ 479,026</u>	<u>\$ 146,538</u>
Debt service as a percentage of noncapital expenditures	<u>9.1%</u>	<u>10.0%</u>	<u>10.2%</u>	<u>10.2%</u>	<u>10.1%</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)

2014	2013	2012	2011	2010
\$ 5,359,205	\$ 5,219,096	\$ 4,888,001	\$ 4,674,232	\$ 4,586,114
3,161,324	3,954,537	7,577,757	3,416,732	10,350,588
431,657	472,656	398,415	477,926	485,217
331,184	328,287	308,704	345,733	313,191
241,481	205,803	235,699	269,448	268,603
27,673	33,165	28,774	42,078	28,070
95,479	276,341	168,629	39,010	99,119
580,919	28,521	51,641	143,689	61,544
273,589	251,617	264,486	88,956	820,386
<u>10,502,511</u>	<u>10,770,023</u>	<u>13,922,106</u>	<u>9,497,804</u>	<u>17,012,832</u>
2,910,006	2,847,792	2,861,157	2,996,122	2,884,919
3,337,983	3,365,059	3,206,256	2,995,877	2,565,847
985,621	1,089,640	1,343,365	979,615	1,079,593
1,231,798	1,234,310	1,009,676	1,300,663	1,263,268
1,205,442	3,265,453	7,077,246	2,518,236	12,522,325
760,077	617,719	595,874	678,222	641,848
579,587	606,264	629,844	648,299	446,355
<u>11,010,514</u>	<u>13,026,237</u>	<u>16,723,418</u>	<u>12,117,034</u>	<u>21,404,155</u>
(508,003)	(2,256,214)	(2,801,312)	(2,619,230)	(4,391,323)
-	-	-	-	13,147,632
101,829	-	-	-	-
-	-	-	-	(2,400,000)
-	2,220	-	-	15,454
3,237,423	3,694,389	2,703,091	2,627,706	1,571,988
(1,730,131)	(2,263,130)	(1,405,812)	(1,278,008)	(456,112)
<u>1,609,121</u>	<u>1,433,479</u>	<u>1,297,279</u>	<u>1,349,698</u>	<u>11,878,962</u>
<u>\$ 1,101,118</u>	<u>\$ (822,735)</u>	<u>\$ (1,504,033)</u>	<u>\$ (1,269,532)</u>	<u>\$ 7,487,639</u>
13.5%	11.9%	12.6%	13.3%	5.9%

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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities										
General government	\$ 3,626,257	\$ 2,740,349	\$ 3,946,228	\$ 3,082,298	\$ 3,214,586	\$ 3,027,869	\$ 3,103,122	\$ 6,669,968	\$ 2,084,486	\$ 1,423,341
Public safety	223,699	241,242	243,128	235,252	222,585	229,428	194,454	224,448	255,320	329,265
Highways and streets	1,096,920	969,448	900,410	891,733	854,032	835,673	807,308	816,335	690,006	5,757,377
Culture and recreation	26,351	22,043	1,318,622	1,953,548	1,165,756	1,107,901	1,035,837	1,005,851	980,951	940,378
Total governmental activities	4,973,227	3,973,082	6,408,388	6,162,831	5,456,959	5,200,871	5,140,721	8,716,602	4,010,763	8,450,361
Business-type activities										
Water	5,915,183	6,938,940	6,893,557	5,820,678	5,730,696	8,162,335	4,531,595	4,615,212	3,736,008	3,449,258
Waste water	6,537,202	5,875,775	6,137,909	5,733,933	5,533,259	5,697,344	5,317,072	5,036,842	5,154,562	4,817,291
Airport *	-	-	-	-	647,988	2,308,048	4,153,884	1,460,514	309,825	476,669
Total business-type activities	12,452,385	12,814,715	13,031,466	11,554,611	11,911,943	16,167,727	14,002,551	11,112,568	9,200,395	8,743,218
Total Primary government	\$ 17,425,612	\$ 16,787,797	\$ 19,439,854	\$ 17,717,442	\$ 17,368,902	\$ 21,368,598	\$ 19,143,272	\$ 19,829,170	\$ 13,211,158	\$ 17,193,579

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

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

<u>Year</u>	<u>Property Taxes</u>	<u>Transient Room Taxes</u>	<u>City Gasoline Taxes</u>
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
2014	3,812,124	589,919	449,660
2015	3,965,710	699,538	476,807
2016	3,914,828	774,459	485,409
2017	4,253,171	794,439	501,456
2018	4,359,755	807,020	518,183
2019	4,680,759	824,988	507,552

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
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
2014	973,218,575	39,433,682	1,012,652,257	3.0155	1,608,434,442
2015	949,356,866	99,175,645	1,048,532,511	3.0155	1,298,752,196
2016	976,761,450	102,771,898	1,079,533,348	3.0155	1,625,848,326
2017	1,021,779,141	106,663,306	1,128,442,447	3.0155	1,795,227,733
2018	1,061,276,720	110,567,256	1,171,843,976	3.0155	1,933,064,130
2019	1,123,378,702	117,536,067	1,240,914,769	3.0155	2,442,165,888

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

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

Year	City			Overlapping Governments													Total Direct and Overlapping Rates
	District Adjusted Tax Rate	Urban Renewal Tax Rate	City of The Dalles Direct Rate	Wasco County	Wasco County VA Bonds	Port of The Dalles	Mid-Columbia Fire and Rescue	Northern Wasco County Parks and Recreation District	Northern Wasco Co Parks and Recreation District Bond	Wasco County Library District	School District No. 12	School District No. 9	School District No. 21	Columbia Gorge Educational Service District	Columbia Gorge Community College	Norcor	
2010	2.7945	0.221	3.0155	4.2523	0.2750	0.2007	2.2790	0.6799	0	0.6800	1.7834	0	5.2399	0.4678	0.6962	0.2772	19.85
2011	2.7945	0.221	3.0155	4.2523	0.2717	0.2007	2.2436	0.6799	0	0.6800	1.8357	0	5.2399	0.4678	0.6893	0.2780	19.85
2012	2.7945	0.221	3.0155	4.2523	0.2559	0.2007	2.2533	0.6799	0	0.6800	1.8238	0	5.2399	0.4678	0.6854	0.2750	19.83
2013	2.7945	0.221	3.0155	4.2523	0.2536	0.2007	2.2533	0.6799	0	0.6800	1.8104	0	5.2399	0.4678	0.2703	0.2510	19.37
2014	2.7945	0.221	3.0155	4.2523	0	0.2007	2.2528	0.6799	0	0.6800	1.7765	0	5.2399	0.4678	0.2703	0.2564	19.09
2015	2.7945	0.221	3.0155	4.2523	0	0.2007	2.2449	0.6799	0.3228	0.6800	1.7588	0	5.2399	0.4678	0.2703	0.2450	19.38
2016	2.7961	0.2194	3.0155	4.2523	0	0.2007	2.2656	0.6799	0.2953	0.6800	1.7052	0	5.2399	0.4678	0.2703	0.2487	19.32
2017	2.7952	0.2203	3.0155	4.2523	0	0.2007	2.2588	0.6799	0.2824	0.6800	1.6991	0	5.2399	0.4678	0.2703	0.0196	19.07
2018	2.797	0.2185	3.0155	4.2523	0	0.2007	2.1841	0.6799	0.2954	0.6800	1.6485	0	5.2390	0.4678	0.2703	0.0000	18.93
2019	2.7909	0.2246	3.0155	4.2523	0	0.2007	2.2687	0.6799	0.2880	0.6800	1.6268	0	5.2390	0.4678	0.2703	0.0000	18.99

(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
2010	3,634,485	3,392,982	93.36%	241,064	3,634,046	99.99%
2011	3,734,344	3,472,350	92.98%	165,052	3,637,402	97.40%
2012	3,872,365	3,612,471	93.29%	155,411	3,767,882	97.30%
2013	4,054,361	3,766,990	92.91%	177,849	3,944,839	97.30%
2014	4,109,378	3,957,676	96.31%	159,205	4,116,881	100.18%
2015	4,236,498	3,914,828	92.41%	139,069	4,053,897	95.69%
2016	4,162,816	3,965,710	95.27%	100,490	4,066,200	97.68%
2017	4,533,590	4,253,171	93.81%	140,498	4,393,669	96.91%
2018	4,679,644	4,359,755	93.16%	-	4,359,755	93.16%
2019	5,006,827	3,879,906	77.49%	157,243	4,037,149	80.63%

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

CITY OF THE DALLES, OREGON
Principal Taxpayers
December 31, 2018 and December 31, 2009

December 31, 2019			
Taxpayer	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BNSF Railway	\$ 54,564,000	1	4.66%
Union Pacific Railroad Co.	44,656,901	2	3.81%
CenturyLink	36,597,000	3	3.12%
Northern Wasco PUD	35,030,304	4	2.99%
Gas Transmission NW Corp	18,512,700	5	1.58%
Metropolitan Life Insurance Co.	13,941,980	6	1.19%
Design LLC	13,434,022	7	1.15%
Orchard View Farms Inc	12,668,296	8	1.08%
Charter Communications	11,834,300	9	1.01%
Cascade Square LLC	11,627,394	10	0.99%
Total Assessed Valuator	<u>\$ 252,866,897</u>		21.58%
	<u>\$ 1,171,843,976</u>		

December 31, 2010			
	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
CenturyLink	\$ 13,219,000	1	1.54%
Northern Wasco PUD	13,043,000	2	1.52%
Metropolitan Life Insurance Co.	11,005,928	3	1.28%
Oregon Cherry Growers, Inc.	11,277,531	4	1.31%
Home Depot USA, Inc.	10,507,804	5	1.22%
Union Pacific Railroad Co.	6,903,867	6	0.80%
Safeway Inc.	7,915,176	7	0.92%
SHNW Properties, LLC	6,488,810	8	0.76%
Wasco Assisted Living, LLC	6,405,652	9	0.75%
Cascade Square LLC	6,154,841	10	0.72%
Total Assessed Valuator	<u>\$ 92,921,609</u>		10.83%
	<u>\$ 858,051,833</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			
2010	-	-	-	13,153,960	460,699	13,381,000	1,691,040	1,905,285	30,591,984	N/A	2,286	3.57%
2011	-	-	-	12,627,878	387,352	12,757,000	1,602,122	1,804,787	29,179,139	N/A	2,021	3.25%
2012	-	-	-	12,085,732	311,028	12,111,000	1,509,268	6,664,443	32,681,471	N/A	2,263	3.41%
2013	-	-	-	12,287,934	231,604	11,356,637	1,441,215	6,963,339	32,280,729	N/A	2,236	3.28%
2014	-	-	-	11,660,378	100,655	10,704,972	1,337,901	3,936,540	27,740,446	N/A	1,921	2.74%
2015	-	-	-	11,014,790	50,890	10,033,307	3,250,301	4,266,008	28,615,296	N/A	1,976	2.73%
2016	-	-	-	10,348,138	25,846	9,331,642	3,090,198	4,065,974	26,861,798	N/A	1,851	2.49%
2017	-	-	-	9,656,812	-	8,604,977	1,008,856	3,138,518	22,409,163	N/A	1,439	1.99%
2018	-	-	-	8,935,812	-	11,329,860	888,986	4,428,222	25,582,880	N/A	1,635	2.18%
2019	-	-	-	8,188,748	-	10,289,977	765,181	4,275,743	23,519,649	N/A	1,512	1.90%

Note: Presented net of original issuance discounts and premiums.

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

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

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

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Per Capita
2009	-	813,469,878	0.00%	-
2010	-	858,051,833	0.00%	-
2011	-	897,333,222	0.00%	-
2012	-	957,528,056	0.00%	-
2013	-	984,855,189	0.00%	-
2014	-	1,012,652,257	0.00%	-
2015	-	1,048,532,511	0.00%	-
2016	-	1,079,533,348	0.00%	-
2017	-	1,128,442,447	0.00%	-
2018	-	1,179,634,596	0.00%	-
2019	-	1,240,914,769	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, 2018

<u>Governmental Unit</u>	<u>Gross Property-tax Backed Debt (a)</u>	<u>Percentage Applicable to City of The Dalles</u>	<u>Amount Applicable to City of The Dalles</u>
Debt Repaid with Property Taxes			
Columbia Gorge Comm. Coll (Treaty-Oak AED)	\$ 16,194,834	20.7912%	\$ 3,367,104
Mid-Columbia Fire and Rescue	470,000	76.5104%	359,599
Northern OR Regional Corrections	1,330,000	0.0000%	-
Northern Wasco Co. Parks & Rec District	3,660,108	7.1193%	260,574
Port of The Dalles	2,137,500	66.3953%	1,419,200
Wasco CTY SD 12 (The Dalles) Bonds	17,160,513	84.0903%	14,430,327
Wasco CTY SD 21 (The Dalles/Watonka)	4,590,000	69.6591%	3,197,353
Wasco CTY SD 29	1,138,664	0.8376%	<u>9,537</u>
Subtotal, overlapping debt			23,043,694 (b)
City Direct Debt			<u>8,188,748 (c)</u>
Total Direct and Overlapping Debt			<u><u>\$ 31,232,442</u></u>

NOTE:

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

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

CITY OF THE DALLES, OREGON
Pledged Revenue Coverage
Last 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
2010	\$ 4,749,653	\$ 2,507,936	\$ 2,241,717	\$ 340,000	\$ 212,540	\$ 552,540	4.06	\$ 38.40	\$ 65.25
2011	5,057,186	2,789,443	2,267,742	350,000	201,830	551,830	4.11	41.85	71.15
2012	4,936,360	2,789,136	2,147,224	365,000	188,705	553,705	3.88	41.85	71.15
2013	5,001,193	2,848,953	2,152,240	380,000	174,105	554,105	3.88	43.29	73.59
2014	5,227,464	2,967,877	2,259,587	395,000	161,185	556,185	4.06	44.78	76.13
2015	5,463,123	3,009,891	2,453,232	405,000	146,965	551,965	4.44	46.32	78.74
2016	5,589,726	2,964,038	2,625,688	420,000	132,385	552,385	4.75	47.91	81.45
2017	7,293,790	3,017,487	4,276,303	435,000	116,845	551,845	7.75	49.56	84.25
2018	6,762,931	3,166,625	3,596,306	2,455,000	93,070	2,548,070	1.41	51.26	87.14
2019	\$ 7,100,818	\$ 3,296,818	\$ 3,804,000	\$ 627,912	\$ 209,304	\$ 837,216	4.54	\$ 53.02	\$ 90.13

Notes:

(1) Under Special Ordinance No. 17-577, authorizing the issuance of water and wastewater utility revenue and refunding bonds to construct, repair, expand and refinance the City's wastewater treatment facilities and water delivery facilities. "Gross Revenues shall mean all fees and charges and other revenues that are properly accrued as revenues of the Wastewater System under generally accepted accounting principles applicable in the United States of America to the Wastewater System, including Reimbursement SDCs but not Improvement SDCs, revenues from product sales and interest earnings on Gross Revenues. Gross Revenues also shall also include transfers out of the Rate Stabilization Account. However, the term "Gross Revenues" shall not include the interest income or other earnings derived from the investment of any escrow fund established for the defeasance or refund of outstanding indebtedness of the City, any gifts, grants, donations or other moneys received by the City from any State or Federal agency or other person if such moneys are restricted by law or the grantor to uses inconsistent with the payment of Bonds. The proceeds of any borrowing, liability or other insurance. The proceeds derived from the sales of assets pursuant to Section 9.9 of the Master Declaration used for the redemption or defeasance of Bonds. Any valorem or other taxes imposed by the City(except charges or payments for Wastewater System services that become "taxes" within the meaning of Article XI, Section 11b of the Oregon Constitution only because they are imposed on property or property owners); Any income, fees, charges, receipts, profits or other moneys derived by the City from its ownership or operation of any Separate Utility System.

(2) Under Special Ordinance No. 17-577, "Operating Expenses shall mean all costs that are properly treated as expenses of operating and maintaining the Wastewater System under generally accepted accounting principles applicable in the United States of America, plus transfers to the Rate Stabilization Account that are permitted under Section 3.1.J. However, Operating Expenses do not include any rebate or penalties paid from Gross Revenues under section 148 of the Code, payments of judgements against the City and payments for the settlement of litigation. Depreciation and amortization of property values or losses, and all amounts treated for accounting purpose as payments for capital expenditures, Debt service payments, paying agent fees, broker-dealer fees and similar charges for the maintenance of borrowings. Expenses of owning, operating or maintaining any Separate Utility System, franchise fees and similar charges impose by the City on the Wastewater System or their operations. Expenditures made from any liability insurance proceeds, expenditures made from grant monies regardless of whether such grant funds are dedicated to a specific purpose or available for the general operation, maintenance and repair or replacement of the Wastewater system and expenditures allocable to any other funding source that does not constitute Gross Revenues."

(3) Annual debt service on revenue bonds issued pursuant to Resolution No. 17-577.

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

CITY OF THE DALLES, OREGON
Pledged-Revenue Coverage
Last Eight 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			
2010	\$ 3,831,124	\$2,839,648	\$ 991,476	\$ -	\$ 335,605	\$ 563,406	1.760	\$ 0.88	\$ 36.60
2011	4,157,198	3,093,516	1,063,682	230,000	335,605	565,605	1.881	0.96	40.28
2012	4,991,317	3,095,876	1,895,441	235,000	326,405	561,405	3.376	1.01	42.67
2013	4,815,101	3,163,757	1,651,345	250,000	317,005	567,005	2.912	1.45	47.88
2014	5,030,272	3,189,530	1,840,742	255,000	307,005	562,005	3.275	1.60	52.67
2015	5,689,218	3,229,056	2,460,162	265,000	296,805	561,805	4.379	1.68	52.67
2016	5,768,925	3,380,153	2,388,772	280,000	286,205	566,205	4.219	1.68	52.67
2017	5,435,427	3,304,515	2,130,912	290,000	275,005	565,005	3.771	1.68	55.30
2018	5,934,744	3,334,987	2,599,757	300,000	263,405	563,405	4.614	1.68	55.30
2019	\$ 5,947,079	\$3,469,466	\$ 2,477,613	\$ 378,881	\$ 126,293	\$ 505,174	4.904	\$ 1.68	\$ 55.30

Notes:

(1) Under Special Ordinance No. 17-577, authorizing the issuance of water and wastewater utility revenue and refunding bonds to construct, repair, expand and refinance the City's water treatment facilities and water delivery facilities. "Gross Revenues shall mean all fees and charges and other revenues that are properly accrued as revenues of the Water System under generally accepted accounting principles applicable in the United States of America to the Water System, including Reimbursement SDCs but not Improvement SDCs, revenues from product sales and interest earnings on Gross Revenues. Gross Revenues also shall also include transfers out of the Rate Stabilization Account. However, the term "Gross Revenues" shall not include the interest income or other earnings derived from the investment of any escrow fund established for the defeasance or refund of outstanding indebtedness of the City, any gifts, grants, donations or other moneys received by the City from any State or Federal agency or other person if such moneys are restricted by law or the grantor to uses inconsistent with the payment of Bonds. The proceeds of any borrowing, liability or other insurance. The proceeds derived from the sales of assets pursuant to Section 9.9 of the Master Declaration used for the redemption or defeasance of Bonds. Any valorem or other taxes imposed by the City(except charges or payments for Water System services that become "taxes" within the meaning of Article XI, Section 11b of the Oregon Constitution only because they are imposed on property or property owners); Any income, fees, charges, receipts, profits or other moneys derived by the City from its ownership or operation of any Separate Utility System.

(2) Under Special Ordinance No. 17-577, "Operating Expenses shall mean all costs that are properly treated as expenses of operating and maintaining the Water System under generally accepted accounting principles applicable in the United States of America, plus transfers to the Rate Stabilization Account that are permitted under Section 3.1.J. However, Operating Expenses do not include any rebate or penalties paid from Gross Revenues under section 148 of the Code, payments of judgements against the City and payments for the settlement of litigation. Depreciation and amortization of property values or losses, and all amounts treated for accounting purpose as payments for capital expenditures, Debt service payments, paying agent fees, broker-dealer fees and similar charges for the maintenance of borrowings. Expenses of owning, operating or maintaining any Separate Utility System, franchise fees and similar charges impose by the City on the Water System or their operations. Expenditures made from any liability insurance proceeds, expenditures made from grant monies regardless of whether such grant funds are dedicated to a specific purpose or available for the general operation, maintenance and repair or replacement of the Water system and expenditures allocable to any other funding source that does not constitute Gross Revenues."

(3) Annual debt service on revenue bonds issued pursuant to Resolution No. 17-577.

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

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

Customer Class*	FY 2011		FY 2012		FY 2013		FY 2014		FY 2015		FY 2016		FY 2017		FY 2018		FY 2019	
	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)	Quantity Allowance (gal)	Volume Charge (\$/1,000 gal)
Residential - (I)	10,000	0.96	10,000	1.01	10,000	1.45	10,000	1.60	10,000	1.68	10,000	1.68	10,000	1.68	10,000	1.68	10,000	1.68
Income Discount A - (I)	15,000	0.54	15,000	0.54	15,000	0.54	15,000	0.54	10,000	1.68	10,000	1.68	10,000	1.68	10,000	1.68	10,000	1.68
Income Discount B - (I)	15,000	0.39	15,000	0.39	15,000	0.39	15,000	0.39	10,000	1.68	10,000	1.68	10,000	1.68	10,000	1.68	10,000	1.68
Commercial - (I)	5,000	12.57	5,000	2.72	5,000	3.12	5,000	3.44	5,000	3.61	5,000	3.61	5,000	3.61	5,000	3.61	5,000	3.61
Residential - (O)	10,000	1.46	10,000	1.54	10,000	2.17	10,000	2.39	10,000	2.52	10,000	2.52	10,000	2.52	10,000	2.52	10,000	2.52
Income Discount A - (O)	15,000	0.81	15,000	0.81	15,000	0.81	15,000	0.81	15,000	2.52	15,000	2.52	15,000	2.52	15,000	2.52	15,000	2.52
Income Discount B - (O)	15,000	0.59	15,000	0.59	15,000	0.59	15,000	0.59	15,000	2.52	15,000	2.52	15,000	2.52	15,000	2.52	15,000	2.52
Commercial - (O)	5,000	3.87	5,000	4.10	5,000	4.68	5,000	5.15	5,000	5.42	5,000	5.42	5,000	5.42	5,000	5.42	5,000	5.42

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

Customer Class & Meter Size **	FY 2011		FY 2012		FY 2013		FY 2014		FY 2015		FY 2016		FY 2017		FY 2018		FY 2019	
	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits	Inside City Limits	Outside City Limits
Residential 3/4"	40.26	60.40	42.67	64.02	47.88	71.81	52.67	79.00	52.67	82.95	52.67	82.95	55.30	82.95	55.30	82.95	55.30	82.95
Residential 1"	40.26	60.40	42.67	64.02	47.88	71.81	52.67	79.00	52.67	82.95	52.67	82.95	55.30	82.95	55.30	82.95	55.30	82.95
Residential 1.5"	48.31	72.47	51.20	76.81	57.45	86.17	63.20	94.79	63.20	99.53	63.20	99.53	66.36	99.53	66.36	99.53	66.36	99.53
Residential 2"	61.19	91.79	64.86	97.29	72.78	109.17	80.06	120.09	80.06	126.09	80.06	126.09	84.06	126.09	84.06	126.09	84.06	126.09
Residential 3"	88.58	132.86	93.89	140.83	105.35	158.03	115.89	173.84	115.89	182.53	115.89	182.53	121.68	182.53	121.68	182.53	121.68	182.53
Commercial 3/4"	31.82	47.74	33.72	50.60	38.58	57.88	42.44	63.67	42.44	66.85	42.44	66.85	44.56	66.85	44.56	66.85	44.56	66.85
Commercial 1"	35.91	53.87	38.06	57.10	43.54	65.31	47.90	71.85	47.90	75.44	47.90	75.44	50.30	75.44	50.30	75.44	50.30	75.44
Commercial 1.5"	43.96	65.96	46.59	69.91	53.30	79.95	58.63	87.95	58.63	92.35	58.63	92.35	61.56	92.35	61.56	92.35	61.56	92.35
Commercial 2"	56.36	84.66	59.74	89.73	68.35	102.52	75.19	112.78	75.19	118.42	75.19	118.42	78.95	118.42	78.95	118.42	78.95	118.42
Commercial 2.5"	72.72	99.16	77.08	105.10	88.18	132.27	97.00	145.50	97.00	152.78	97.00	152.78	101.85	152.78	101.85	152.78	101.85	152.78
Commercial 3"	84.96	127.45	90.05	135.09	103.02	154.53	113.33	169.99	113.33	178.49	113.33	178.49	119.00	178.49	119.00	178.49	119.00	178.49
Commercial 4"	129.89	194.84	137.68	206.53	157.51	236.27	173.27	259.90	173.27	272.90	173.27	272.90	181.93	272.90	181.93	272.90	181.93	272.90
Commercial 6"	232.08	348.12	246.00	369.00	281.43	422.14	309.58	464.36	309.58	487.58	309.58	487.58	325.06	487.58	325.06	487.58	325.06	487.58

** Includes "Quantity Allowance" shown in previous table

Scheduled Water Rate Increases Per Resolution No. 14-035

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

City Council directed that increase not be implemented.

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

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

Service or Water Meter Size	Unit Equivalent	Charge									
		FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	
3/4 inch	1	2,317	2,317	2,317	2,317	2,317	2,317	2,317	2,317	2,317	2,317
1 inch	2	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634	4,634
1.5 inch	4	9,268	9,268	9,268	9,268	9,268	9,268	9,268	9,268	9,268	9,268
2 inch	7	16,219	16,219	16,219	16,219	16,219	16,219	16,219	16,219	16,219	16,219
3 inch	14	32,438	32,438	32,438	32,438	32,438	32,438	32,438	32,438	32,438	32,438
4 inch	25	57,925	57,925	57,925	57,925	57,925	57,925	57,925	57,925	57,925	57,925
6 inch	50	115,850	115,850	115,850	115,850	115,850	115,850	115,850	115,850	115,850	115,850
8 inch	80	185,360	185,360	185,360	185,360	185,360	185,360	185,360	185,360	185,360	185,360
* 10 inch	122	-	282,674	282,674	282,674	282,674	282,674	282,674	282,674	282,674	282,674
* 12 inch	172	-	398,524	398,524	398,524	398,524	398,524	398,524	398,524	398,524	398,524

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

2018-19

Top Ten Water Customers	Rank	Number of Accounts	Annual Water Charges	Percent of Total Charges
Design LLC	1	18	642,510.34	12.16%
Oregon Cherry Growers, Inc.	2	8	364,020.66	6.89%
Mid-Columbia Medical Center	3	15	156,039.47	2.95%
School District 21	4	7	124,764.88	2.36%
Whiting Turner	5	2	110,001.42	2.08%
Northern Oregon Corrections	6	3	67,682.57	1.28%
Veterans Care Centers	7	2	61,491.02	1.16%
Shilo Inn	8	4	60,052.45	1.14%
City of The Dalles	9	16	50,163.47	0.95%
The Springs at Mill Creek	10	2	46,325.14	0.88%
Total			<u>1,683,051.42</u>	<u>31.85%</u>
Total Water Charges			<u>5,402,282.82</u>	<u>100.00%</u>

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
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%
2014	1,608,434,442	3%	48,253,033	-	48,253,033	0.00%
2015	1,298,752,196	3%	38,962,566	-	38,962,566	0.00%
2016	1,625,848,326	3%	48,775,450	-	48,775,450	0.00%
2017	1,795,227,733	3%	53,856,832	-	53,856,832	0.00%
2018	1,933,064,130	3%	57,991,924	-	57,991,924	0.00%
2019	2,442,165,888	3%	73,264,977	-	73,264,977	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
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%
2014	14,440	N/A	N/A	6.40%
2015	14,480	N/A	N/A	4.30%
2016	14,515	NA	NA	4.00%
2017	15,572	NA	NA	4.30%
2018	15,646	NA	NA	3.70%
2019	15,554	N/A	N/A	3.40%

N/A Information at City level not available.

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

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

	2018-19		
	Employees	Rank	Percent of Total Employment
Mid Columbia Medical Center	936	1	11.86%
Fred Meyer	255	2	3.23%
School District #21	245	3	3.10%
State of Oregon	240	4	3.04%
Oregon Cherry Growers, Inc.	230	5	2.91%
Oregon Veterans Home	191	6	2.42%
Columbia Gorge Community College	186	7	2.36%
U.S. Army Corps of Engineers	130	8	1.65%
Wasco County	128	9	1.62%
Google	113	10	1.43%
	2,654		33.62%
Total employment	7,894		

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

	2009-10		
	Employees	Rank	Percent of Total Employment
Mid Columbia Medical Center	587	1	7.57%
School District #21	360	2	4.64%
State of Oregon	201	3	2.59%
Design LLC	200	4	2.58%
Fred Meyers	196	5	2.53%
Oregon Cherry Growers	190	6	2.45%
Oregon Veterans Home	172	7	2.22%
Wasco County	151	8	1.95%
Safeway Food and Drug	135	9	1.74%
Columbia Gorge Community College	126	10	1.62%
	2,318		29.89%
Total employment	7,755		

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

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

Function/Program	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental activities:										
General government	16.00	15.00	15.00	14.00	19.00	19.00	18.00	16.00	16.00	16.00
Public safety and justice	26.25	26.25	25.25	27.25	28.50	27.50	25.50	25.00	25.00	25.00
Community services	5.00	3.00	4.50	5.00	4.50	4.50	4.50	6.00	6.00	6.00
Streets and highways	11.00	10.00	7.00	11.00	8.50	10.50	11.00	11.00	9.00	10.00
Library	9.90	10.00	10.90	9.90	9.50	9.50	9.00	10.00	10.00	11.00
Total governmental activities	68.15	64.25	62.65	67.15	70.00	71.00	68.00	68.00	66.00	68.00
Business-type activities:										
Water	22.50	20.50	18.00	21.00	22.00	22.00	22.00	21.00	21.50	20.00
Wastewater	14.50	13.50	12.00	13.00	12.00	12.00	9.00	11.00	11.50	12.00
Airport			-		-	-	-	-	-	-
Total business-type activities	37.00	34.00	30.00	34.00	34.00	34.00	31.00	32.00	33.00	32.00
Total primary government budgeted FTE	105.15	98.25	92.65	101.15	104.00	105.00	99.00	100.00	99.00	100.00
City of The Dalles Employees										
Management and exempt	37.9	34.75	34.65	33.65	37.00	37.00	34.00	35.00	34.00	36.00
Bargaining units										
SEIU (Local 503)	45.75	45.50	43.00	44.00	44.00	46.00	45.00	44.00	45.00	47.00
Police Association	17.00	17.00	14.00	19.00	19.00	18.00	18.00	18.00	19.00	16.00
Total bargaining units	62.75	62.50	57.00	63.00	63.00	64.00	63.00	62.00	64.00	63.00
Temporary City employees	4.50	1.00	1.00	1.00	4.00	4.00	2.00	3.00	1.00	1.00
Total actual City employees	105.15	98.25	92.65	97.65	104.00	105.00	99.00	100.00	99.00	100.00

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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities:										
Public Safety and Justice										
Police (1)										
Calls for service	15,756	13,375	12,218	N/A*	11,166	11,187	11,447	10,340	9,359	7,846
Crime reports	2,559	2,060	2,220	N/A*	2,600	2,423	2,504	2,385	2,303	2,495
Number of arrests	919	837	1,793	N/A*	1,371	1,233	1,062	1,017	1,055	1,028
Municipal Court										
Traffic cases	1,692	1,374	1,720	1,467	1,504	1,357	1,180	1,412	1,184	1,082
Criminal cases	235	372	279	429	364	511	445	342	375	358
Ordinance violations	9	1	30	19	40	65	78	25	22	15
Parking violations	109	81	47	99	57	44	44	60	76	88
Code enforcement cases	0	5	6	4	9	6	13	11	3	4
Library										
Number of registered borrowers	15,665	15,562	15,651	14,538	13,534	12,056	11,950	10,920	12,573	11,140
Total circulation	236,571	219,628	197,620	190,785	164,106	157,475	160,295	163,653	160,405	145,972
Public programs	784	362	340	472	264	418	462	466	607	490
Program attendance	14,023	4,194	3,617	5,759	4,706	6,978	7,864	7,226	9,775	8,143
Books added	6,113	6,315	5,425	6,563	8,995	4,688	4,005	3,644	6,526	6,283
Business-type Activities:										
Water										
Average active metered connections	4,773	4,443	4,825	4,617	4,590	4,591	4,604	4,598	4,618	4,613
Average daily water consumption	3,005,304	2,994,521	3,121,860	2,969,589	3,475,890	2,711,309	2,574,885	2,633,408	2,598,893	2,674,413
Average number of assistance accounts	159	139	134	183	149	187	166	162	153	168
Average daily water production	3,456,900	3,341,700	3,300,000	3,360,415	3,303,658	3,301,370	3,196,986	3,115,781	3,102,250	3,209,003

(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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Governmental Activities										
General Government										
Buildings owned	13	13	13	13	13	13	13	12	12	7
Vehicles (excluding automobiles)	45	41	41	41	41	41	40	36	37	33
Heavy Equipment	19	18	18	18	18	17	16	15	15	18
Public Safety and Justice										
Police										
Police vehicles	19	18	18	17	17	17	17	16	16	15
Number of employees	26	26.25	21	25.75	25.5	25.5	25.5	25	25	23
Streets and Highways										
Miles of streets maintained by City:										
Paved	85.1	87.5	85.1	69.2	69.2	69.1	69.1	69.1 *	69.1	70.38
Unpaved	13.2	10.8	13.2	16.4	16.4	16.4	16.4	16.4 *	16.4	17.82
Bridges and underpasses	6	6	6	6	6	5	5	5	5	5
Business-type Activities										
Water										
Miles of water lines (estimated)	104.75	104	101.3	101.3	101.3	100.7 *	100.7	87.3 *	86.5	84.25
Reservoirs	5	5	5	5	5	5	5	5	6	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)	100	100	100	98.8	95.7	95.3	95.3	94.4 *	94.4	78
Lift stations	9	9	9	9	9	8	8	8	8	8
Airport										
Terminal	1	1	1	1	1	1	1	1	1	1
Maintenance and T-hangers	42	42	42	42 *	42 *	33 *	32	23	23	23
Other buildings	4	4 *	2	2	2 *	2	3	3	2	2

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

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

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

Honorable Mayor and City Council
City of The Dalles, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities each major fund, and the aggregate remaining fund information of City of The Dalles, Oregon as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise City of The Dalles, Oregon's basic financial statements, and have issued our report thereon dated November 25, 2019.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and responses, that we consider to be a material weakness as item 2019-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of The Dalles, Oregon's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standard*.

City of The Dalles, Oregon's Response to Findings

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

Purpose of this Report

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



For Merina+Co
Tualatin, Oregon
November 25, 2019

SCHEDULE OF FINDINGS AND RESPONSES

CITY OF THE DALLES, OREGON
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2019

2019-1

Condition: The City does not have formal review procedures in place over monitoring year-end reconciliations.

Criteria: Additional oversight and review procedures over trial balance accounts to reconcile at year-end.

Effect: Adjustments were required to correct the accounting records and financial reporting for the affected areas and an adjustment was material, resulting in a material weakness to be reported.

Cause: Year-end adjustments are done through manual processes, which increases the risk of errors.

Recommendation: We recommend that management review its internal controls processes to incorporate additional review of year-end balances. This will help ensure that the accounting records are properly maintained for accurate financial reporting.

Views of Responsible Officials and Planned Corrective Actions: Recommended changes have already been made to internal controls. All manual entries will be reviewed and signed off on, to help ensure that an entry is not incorrect.



**SCCHEDULE OF FINDINGS AND RESPONSES INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *OREGON*
*STATE REGULATION***

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *OREGON STATE REGULATION***

Honorable Mayor and City Council
City of The Dalles, Oregon

We have audited the basic financial statements of City of The Dalles, Oregon, as of and for the year ended June 30, 2019 and have issued our report thereon dated November 25, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State 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 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:

- 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.

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. In connection with our testing, nothing came to our attention that caused us to believe 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 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-10-0230 Internal Control

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

effectiveness of City of The Dalles, Oregon's internal control. Accordingly, we do not express an opinion on the effectiveness of City of The Dalles, Oregon's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control described in the accompanying schedule of findings and responses that we consider to be a material weakness as item 2019-1.

Purpose of this Report

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



For Merina+Co
Tualatin, Oregon
November 25, 2019