



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2020

**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

December 10, 2020

The Comprehensive Annual Financial Report (CAFR) of the City of The Dalles, Oregon, for the year ended June 30, 2020, is submitted herewith. This report presents a comprehensive and detailed picture of The Dalles' financial transactions during fiscal year 2019-2020 and the financial condition of the various funds at June 30, 2020. 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, 2020, 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 2017, amended November 2020. 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. This last year City of The Dalles started a new fund Called the Enterprise Zone Fund. 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 were provided by Wasco County through the Mid-Columbia Council of Governments (MCCOG). However, in 2018 MCCOG dissolved and buildings services and inspections were transferred to Wasco County in 2019.

ECONOMIC CONDITIONS

The City has a population currently estimated at 14,820, 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 there are more than 200 people employed at Google. Google currently has four 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 project completed was the Columbia Gorge Veterinarian Clinic that is employing over 35 people. Northern Wasco County PUD and Bonneville Power are continuing to expand substations for electrical infrastructure. A major City project has also been completed, a new 18 inch waterline, and will provide enhanced service and redundancy to the Port area.

Beginning in July, 2020, Columbia Gorge Community College will begin construction of two facilities designed to support our educational mission. These two projects- a student residential hall and a workforce training skills center, both on The Dalles Campus- represent the most

significant expansion of the college's physical space in more than a decade. Both buildings have plans to open fall term 2021. The residential hall will provide affordable, long-term housing for students throughout our region, and the workforce skills center will support training in welding and metals fabrication, construction and other trades.

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. Peter's Landmark and other historical buildings, and is a strong visitor draw. Two recent additions, and major accomplishments 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. During the 2019 and 2020 season, no ships docked due to COVID-19. 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 outpatient 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 Inn 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 entered into an Exclusive Negotiating Agreement with TD Fitness Hub, LLC for the redevelopment of the Tony's Building property. The Urban Renewal Agency completed a controlled demolition on the Recreation Building roof, following its partial collapse in summer 2019. There was a negotiated settlement with CIS insurance to offset loss and demolition costs. Urban Renewal Agency undertook and completed a state grant-funded downtown visioning exercise, which following a public process resulted in a series vision statements to guide public and private investment in the downtown. They amended ODOT/City agreement and project description for First Street/Riverfront Connection Project, updated estimated construction cost estimates and project schedule.

The 1929 Granada Building sold in 2017 and 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.

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 that failed on the November 2018 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 Covid-19 pandemic has caused direct impacts on income due to premature deaths, workplace absenteeism, and reduction in productivity and has created a negative supply shock, with manufacturing productive activity slowing down to global supply chain disruptions and closures of factories. When the pandemic hit, it has shut down a lot of small businesses and the impact is still unknown but is expected to put most countries into recession.

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 and repainting of Columbia View Reservoir were completed in 2018-2019 utilizing rate revenues, system development charges, and outside private funding. Sorosis Reservoir was repainted in 2019-2020. In 2020-2021, we will be completing structural repairs on the Sorosis Reservoir, initiating design of the Dog River Pipeline Replacement Project, and 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, the East Scenic Dr. Stabilization Phase II project and West 2nd Street/Cherry Height intersection improvements project were completed. Projects were also completed which focused 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 2019-2020 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 19/20.

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, 2020. 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, 2019. 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, 2020**

MAYOR AND CITY COUNCIL

<u>Name and Address</u>	<u>Term Expires December 31</u>
Rich Mays, Mayor 367 Summit Ridge The Dalles OR 97058	2020
Darcy Long-Curtiss 2409 Mount Hood St. The Dalles OR 97058	2020
Linda Miller 1534 East 9 th Street The Dalles OR 97058	2020
Tim McGlothlin 328 West 21 st Place The Dalles OR 97058	2022
Rod Runyon 397 Summit Ridge Drive The Dalles OR 97058	2020
Scott Randall 721 East 18 th St. The Dalles OR 97058	2022

City Administration

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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of The Dalles
Oregon**

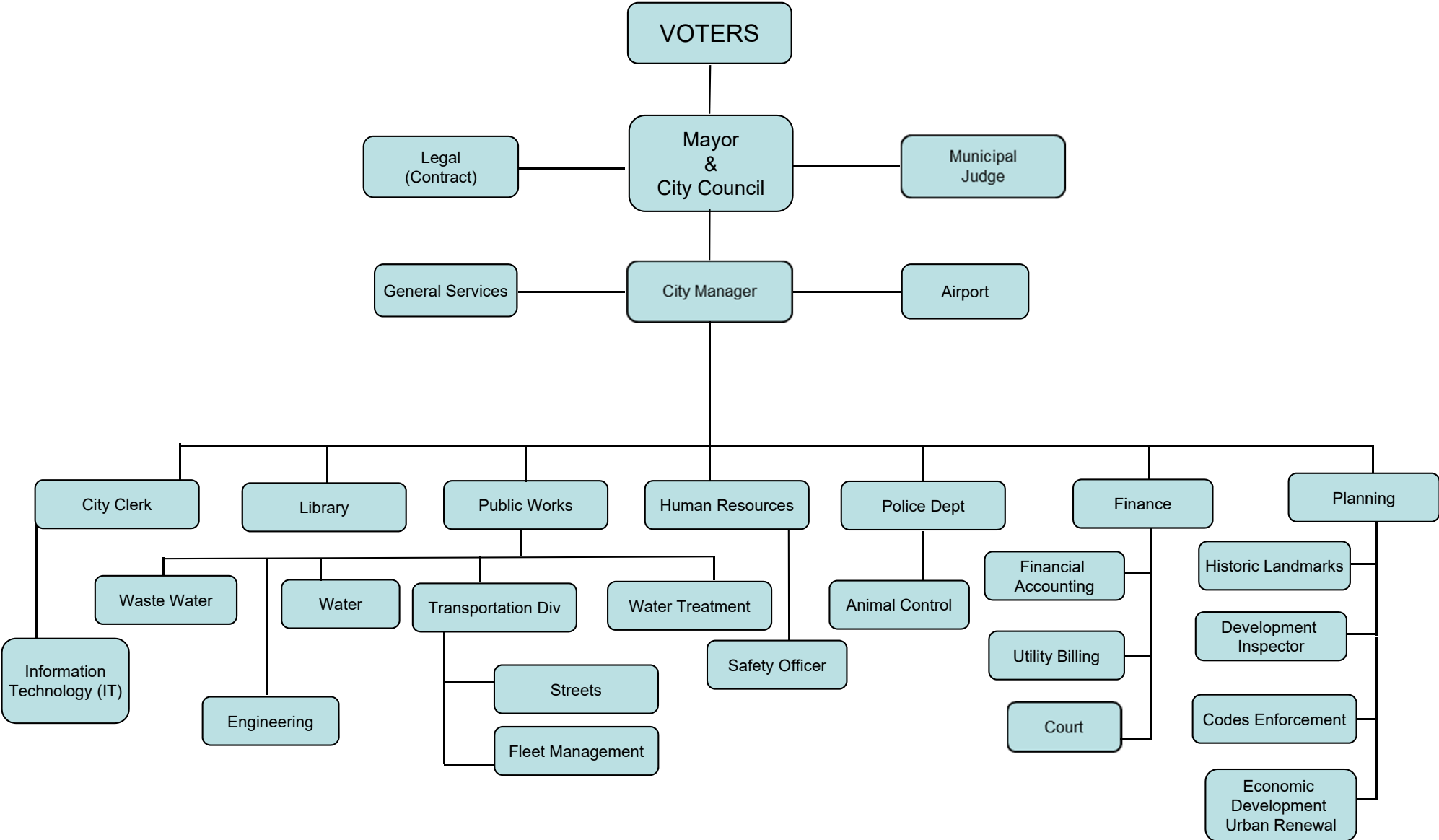
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

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 the City of The Dalles, Oregon, as of and for the year ended June 30, 2020, 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 the City of The Dalles, Oregon, as of June 30, 2020, 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 (E) to the financial statements, the City of The Dalles adopted new accounting guidance, GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. 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, 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 the City of The Dalles, Oregon's basic financial statements. The introductory section, other supplemental information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplemental information, as listed in the table of contents, is the responsibility of management and was derived from and 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 December 7, 2020 on our consideration of the City of The Dalles, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 December 10, 2020, on our consideration of the City of The Dalles, Oregon's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.



For Merina+Co
Tualatin, Oregon
December 10, 2020

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, 2020 by \$112,896,876 (net position). Of this amount \$82,893,897 was invested in capital assets (net of related debt). \$12,718,817 was restricted for specific purposes, resulting in unrestricted net position of \$17,194,162. The unrestricted net position is made up of unrestricted governmental net position of \$16,802,396 and unrestricted business-type net position of \$391,766.

The City's net position increased by \$8,352,336 (7.99%), due primarily to the continuation of the Dog River Pipeline Replacement Project, the Scenic Drive Stabilization Phase 2 project, an Aquifer Storage and Recovery project, repayment of a loan related to the Lone Pine Well Expansion project, the West 2nd Street Sanitary and Storm Sewer Phase 2 project, the I-84 Undercrossing sanitary sewer project, the Scenic Drive Sanitary Sewer Upgrade project, the 2020 Sanitary Sewer Slip-line project and future Wastewater Treatment Plant upgrade projects.

The City's Governmental Funds had an increase in fund balances in the amount of \$2,797,291. The General Fund balance increased by \$636,034. The Special Grants Fund balance increased by \$21,882. The Urban Renewal Capital Projects Fund balance increased by \$1,282,694. The Special Assessment Fund balance decreased by (\$52,727). The City prepares a budget for all governmental funds on an annual basis.

The City's Enterprise Funds experienced an decrease in net position of \$4,061,910, due primarily to the ongoing Dog River Pipeline Replacement Project, , the Scenic Drive Stabilization Phase 2 project, an Aquifer Storage and Recovery project, repayment of a loan related to the Lone Pine Well Expansion project, the West 2nd Street Sanitary and Storm Sewer Phase 2 project, the I-84 Undercrossing sanitary sewer project, the Scenic Drive Sanitary Sewer Upgrade project, the 2020 Sanitary Sewer Slip-line project and future Wastewater Treatment Plant upgrade projects. 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 Scenic Drive Stabilization Phase 2 project, an Aquifer Storage and Recovery project, repayment of a loan related to the Lone Pine Well Expansion project, the West 2nd Street Sanitary and Storm Sewer Phase 2 project, the I-84 Undercrossing sanitary sewer project, the Scenic Drive Sanitary Sewer Upgrade project, the 2020 Sanitary Sewer Slip-line project and future Wastewater Treatment Plant upgrade projects, 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, 2020 was \$112,896,876, an increase from June 30, 2019 of \$8,352,336. 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	
	2020	2019	2020	2019	2020	2019
<u>Assets</u>						
Current and other assets	\$ 30,056,639	\$ 26,657,432	\$ 11,892,320	\$ 11,238,639	\$ 41,948,959	\$ 37,896,071
Capital assets	<u>35,879,283</u>	<u>35,477,817</u>	<u>58,772,553</u>	<u>57,251,511</u>	<u>94,651,836</u>	<u>92,729,328</u>
Total Assets	<u>65,935,922</u>	<u>62,135,249</u>	<u>70,664,873</u>	<u>68,490,150</u>	<u>136,600,795</u>	<u>130,625,399</u>
Deferred outflows of resources	-	-	604,804	655,204	604,804	655,204
<u>Liabilities</u>						
Long-term liabilities	6,843,901	1,443,290	12,637,411	14,443,290	19,481,312	15,886,580
Other liabilities	<u>1,889,552</u>	<u>8,394,045</u>	<u>1,933,959</u>	<u>2,455,438</u>	<u>3,823,511</u>	<u>10,849,483</u>
Total Liabilities	<u>8,733,453</u>	<u>9,837,335</u>	<u>14,571,370</u>	<u>16,898,728</u>	<u>23,304,823</u>	<u>26,736,063</u>
Deferred inflows of resources	614,129	-	389,771	-	1,003,900	-
Net investment in capital assets	28,892,637	27,758,527	54,091,260	52,230,058	82,983,897	79,988,585
Restricted	10,893,307	9,270,588	1,825,510	1,170,201	12,718,817	10,440,789
Unrestricted	<u>16,802,396</u>	<u>15,268,799</u>	<u>391,766</u>	<u>(1,153,633)</u>	<u>17,194,162</u>	<u>14,115,166</u>
Total net position	<u>\$ 56,588,340</u>	<u>\$ 52,297,914</u>	<u>\$ 56,308,536</u>	<u>\$ 52,246,626</u>	<u>\$ 112,896,876</u>	<u>\$ 104,544,540</u>

The governmental activities revenue comes primarily from property taxes, franchise fees, charges for services, and various grants and contributions. Between FY18/19 and FY19/20, the City's Taxable Assessed Value (TAV) increased by 3.72%. When compared to the prior year, City property taxes collected increased by 5.76%. When compared to the prior year, Urban Renewal District property taxes collected increased by 1.64%.

Our natural gas franchise fees decreased 2.9% over the prior year. This is primarily due to having a less severe winter than the previous year. The electric franchise fees increased 12.0%, while CATV/internet franchise fees increased 2.1%, and the garbage franchise fees increased 5.6%. The Street Fund realized a 6.3% decrease in the local 3 cent per gallon gas tax. Transient Room Taxes collected decreased 18.4% compared to the prior year. Total City charges for services revenue showed a 5.42% decrease, due to COVID-19.

During the year ending June 30, 2020, 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 \$257,734 for the CDBG Housing Grant for Integrated Planning Grant, The Dalles Riverfront Access Project in the amount of \$69,677, SHPO Grant in the amount of \$12,403, PUD Grant for \$14,621 and Google grant for \$44,735 and \$3,612 and \$77,755 for the Google grant for the Library.

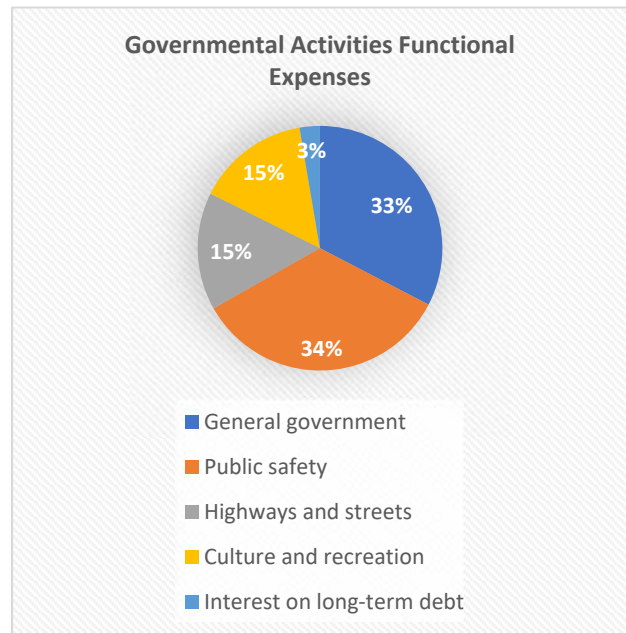
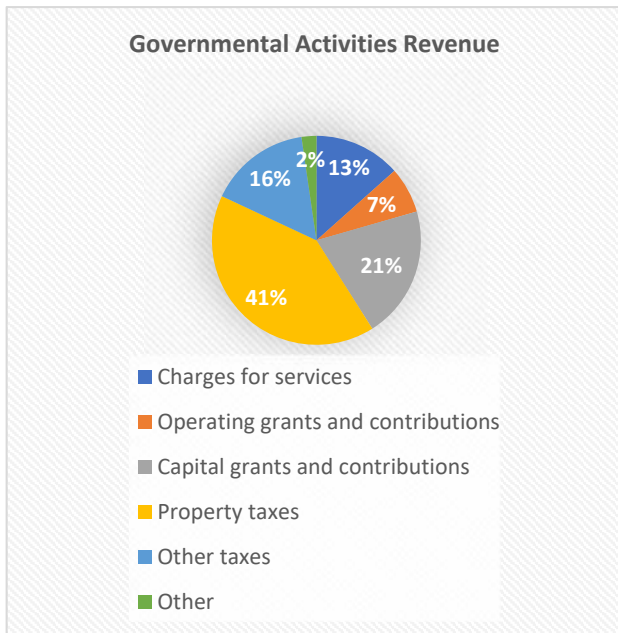
The City's governmental expenses cover a wide variety of services, with general government, public safety and streets accounting for most of these expenses. The .002% decrease in governmental expenses

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 replacement of HVAC unit, Riverfront Trail repair and Maintenance, 4 new HVAC system were replace at the State Office Building, W 2nd Bike Lanes Joint Utility, and the Chip Seal 2020 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 Scenic Drive Stabilization Phase 2 project, an Aquifer Storage and Recovery project, repayment of a loan related to the Lone Pine Well Expansion project, the West 2nd Street Sanitary and Storm Sewer Phase 2 project, the I-84 Undercrossing sanitary sewer project, the Scenic Drive Sanitary Sewer Upgrade project, the 2020 Sanitary Sewer Slip-line project and future Wastewater Treatment Plant upgrade

Property taxes are the City’s primary on-going source of revenue and comprise 41% 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, 2020, net position of the Governmental activities increased by \$4,290,426, which represents a 8.20% increase. Net position of the Business-type activities increased by \$4,061,910, which represents a 7.77% increase. Key elements of these changes, when compared to the year ending June 30, 2019 are as follows:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Totals</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Revenues</u>						
Program Revenues						
Charges for services	\$ 2,091,724	\$ 1,193,649	\$ 13,067,406	\$ 11,936,488	\$ 15,159,130	\$ 13,130,137
Operating grants and contributions	1,114,743	1,098,952	-	-	1,114,743	1,098,952
Capital grants and contributions	3,192,842	2,680,626	3,696	515,897	3,196,538	3,196,523
General Revenues						
Property taxes	6,386,169	6,156,700	-	-	6,386,169	6,156,700
Other taxes	2,458,295	2,413,494	-	-	2,458,295	2,413,494
Other	356,466	326,932	222,703	235,968	579,169	562,900
Total revenues	15,600,239	13,870,353	13,293,805	12,688,353	28,894,044	26,558,706
<u>Expenses</u>						
General government	4,163,662	4,539,162	-	-	4,163,662	4,539,162
Public safety	4,362,967	4,218,386	-	-	4,362,967	4,218,386
Highways and streets	1,984,052	1,987,711	-	-	1,984,052	1,987,711
Culture and recreation	1,909,414	1,861,808	-	-	1,909,414	1,861,808
Interest on long-term debt	341,850	380,417	-	-	341,850	380,417
Water	-	-	3,753,063	3,503,705	3,753,063	3,503,705
Wastewater	-	-	3,704,777	3,083,208	3,704,777	3,083,208
2018 Utility Bond	-	-	321,923	349,447	321,923	349,447
Total expenses	12,761,945	12,987,484	7,779,763	6,936,360	20,541,708	19,923,844
Change in net position before transfers	2,838,294	882,869	5,514,042	5,751,993	8,352,336	6,634,862
Transfers	1,452,132	1,402,100	(1,452,132)	(1,402,100)	-	-
Change in net position	4,290,426	2,284,969	4,061,910	4,349,893	8,352,336	6,634,862
Net position - beginning	52,297,914	50,012,945	52,246,626	47,896,733	104,544,540	97,909,678
Net position - ending	\$ 56,588,340	\$ 52,297,914	\$ 56,308,536	\$ 52,246,626	\$ 112,896,876	\$ 104,544,540

Governmental Activities

A significant portion of the increase in net position is due to the City's increase in property taxes and franchise fees. Capital outlay expenditures increased over FY 2019/20.

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 Scenic Drive Stabilization Phase 2 project, an Aquifer Storage and Recovery project, repayment of a loan related to the Lone Pine Well Expansion project, the West 2nd Street Sanitary and Storm Sewer Phase 2 project, the I-84 Undercrossing sanitary sewer project, the Scenic Drive Sanitary Sewer Upgrade project, the 2020 Sanitary Sewer Slip-line project and future Wastewater Treatment Plant upgrade projects.

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2020, the City's governmental funds reported a combined fund balance of \$18,786,958, which is an increase of \$2,797,291 from June 30, 2019.

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, 2020, the combined General Fund – Generally Accepted Accounting Principles balance was \$6,221,196 which is an increase of \$636,034 from June 30, 2019. The combined revenues were \$8,250,957 and combined expenditures were \$8,828,487, resulting in a loss of \$577,530. The combined General Fund received transfers from other funds in the amount of \$1,529,395, and transfers out to other funds in the amount of \$316,332. This resulted in net "Other financing sources" totaling \$1,213,564.

The Street Fund balance as of June 30, 2020 was \$1,244,901, which is an increase of \$78,443 from June 30, 2019. Street Fund revenues were \$1,603,415, while expenditures were \$1,792,933, resulting in a loss of \$189,518. Transfers in from other funds in the amount of \$625,736 and transfers out to other funds in the amount of \$357,880. This resulted in net "Other financing sources" totaling \$267,961.

As of June 30, 2020, the Library Fund balance was \$1,917,329, reflecting an increase of \$198,627 from June 30, 2019. 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, 2020 was \$3,475,239, which is an increase of \$21,882 from June 30, 2019. This increase was due to the construction projects on hold.

The Urban Renewal Capital Projects Fund balance as of June 30, 2020 was \$3,508,991, which is an increase of \$1,282,694 from June 30, 2019. This increase is primarily due the fact that Urban Renewal only spent 9% of their budget.

The Special Assessments Fund balance as of June 30, 2020 was \$521,904, which is a decrease of \$52,727 from June 30, 2019. This decrease was due to The Dalles Riverfront Trail Repair. The trail repair was the portion that the city offered to pay to help repair the trail.

The non-major governmental funds balance as of June 30, 2020 was \$1,897,398. This reflects an increase of \$632,338, 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 \$56,308,536 as of June 30, 2020, reflecting a \$4,061,910 increase from net position as of June 30, 2019.

The combined Water Funds net position as of June 30, 2020 was \$27,158,379, which is a decrease of \$63,950 over June 30, 2019. 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, 2020 was \$37,788,398, which is an increase of \$3,107,581 from June 30, 2019. 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, 2020 was (\$8,638,241), which is a decrease of \$1,018,279 from June 30, 2019. This decrease 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 2019-2020 for the General Fund – Budgetary Basis totaled \$9,963,448, with contingency of \$791,493. The Unappropriated Ending Balance, which is not included in the legal appropriations, was \$2,096,496. Budget amendments during the year resulted in a total budget of 10,020,439, with a contingency of \$647,506. The changes to the budget were made to cover expenses for unanticipated court appointed attorney fees in the Judicial Department, changes in the Legal Department and special legal services caused an increase in the Legal Department , the Police Department had additional expenses for the MDT units that was inadvertently left out of the budget. Also a new Community Development analyst position was opened up to create additional expenses in the Planning Department and due to COVID related expenses additional funds were needed in the General Services budget, and lastly additional funds were put in the City Council Budget for 2020 Gorge Commission Scenic Area Review. Expenditures were \$2,911,019 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, 2020, the City had invested \$94,651,836 in capital assets of its governmental and business-type activities. This investment includes land and land improvements, buildings, equipment, and public infrastructure of roads and bridges. The investment in governmental activities capital assets increased by \$401,466 and business-type activities capital assets increased by \$1,521,042, significant additions during the year ending June 30, 2020 were related to the ongoing Dog River Pipeline Replacement Project, The Scenic Drive Stabilization Phase 2 project, an Aquifer Storage and Recovery project, the I-84 Undercrossing sanitary sewer project, the Scenic Drive Sanitary Sewer Upgrade project, the 2020 Sanitary Sewer Slip-line project and future Wastewater Treatment Plant upgrade projects.

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, 2020 was \$6,590,598. Business-type activities long-term debt outstanding was \$12,476,646. These amounts are not including principal due within one year. 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	\$ 6,765,000
Premium on 2009 FFCO Bond	424,209
FFCO 2008 Bond	840,000
Premium on FFCO 2008 Bond	13,849
2018 Utility Revenue and Refunding Bond	9,224,516
CWSRF Loan	1,370,200
SDWRLF Loan	2,128,758
ARRA Note	<u>563,981</u>
Total	<u>\$ 21,330,513</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, 2020 includes the following:

Airport Klickitat County Loan	\$ 75,000
Airport Klickitat County CERB Loan	375,000
Airport Taxable LOCAP Bond	1,645,000
Premium on Airport Taxable LOCAP Bond	13,260
Airport Loan from Port	<u>100,080</u>
Total Airport	<u>\$ 2,208,340</u>

Compensated Absences accruals totaled \$587,247 as of June 30, 2020. Governmental accruals totaled \$376,306, but are not recorded as a liability in the Governmental Funds. Business-type compensated absences accrual totaling \$210,940 are recorded as current period liabilities as of June 30, 2020, 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 \$414,068 the breakdown was \$253,303 for governmental activities and \$160,765 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. 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 is designing the West 2nd Street Sanitary and Storm Sewer project and the I-84 Sanitary Sewer Undercrossing project which together will increase the capacity of the sanitary sewer collection system and install a stormwater collection system to allow development/ redevelopment of currently vacant industrial properties. 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 entered into an Exclusive Negotiating Agreement with TD Fitness Hub, LLC for the redevelopment of the Tony's Building Property. The Urban Renewal Agency also completed a controlled demolition on the Recreation Building roof, following its partial collapse in summer 2019. We negotiated a settlement with CIS insurance to offset loss and demolition costs. Urban Renewal also amended ODOT/City agreement and project description for First Street/Riverfront Connection Project, updated estimated construction cost estimates and project schedule. The Urban Renewal Agency is 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 but was put on hold due to COVID-19.

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 completed Phase II in early 2020.

The City went into partnership with the Port of The Dalles and Wasco County for joint work required concerning the Columbia River Gorge Commission "Gorge 2020" Management Plan for the Columbia River gorge national Scenic Area.

The City has completed the Economic Opportunities Analysis which included employment land inventory. Last year changes were also been made to the City's code to encourage various types of housing developments. Finally, the Columbia Gorge Regional Airport successfully installed new gas pumps to be able to fuel up more aircraft. . They are continuing building new private hangars. The airport completed its North Apron Rehabilitation project and installed two new Jet A+ fuel tanks totaling 24k gallons. The Pacific Coast Cherry Packers built a hydrocooling and cold storage facility in the business park. The FBO TacAero, finished construction of their three new hangar facilities. The airport had record fuel sales with over 200K gallons pumped as of 1December including over 50K gallons supporting military and fire fighting aircrews.

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

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, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 9,276,165	\$ 8,428,155	\$ 17,704,320
Receivables:			
Accounts	731,123	1,211,585	1,942,708
Fines and forfeitures, net	578,058	-	578,058
Property taxes	336,057	-	336,057
Assessments	97,459	-	97,459
Prepaid items	168,235	-	168,235
Investment in joint ventures	9,091,999	-	9,091,999
Inventories	106,913	427,070	533,983
Total current assets	20,386,009	10,066,810	30,452,819
Noncurrent assets:			
Restricted assets:			
Notes receivable	450,221	-	450,221
Temporarily restricted:			
Cash and cash equivalents	8,973,191	1,825,510	10,798,701
Receivable	247,218	-	247,218
Capital assets:			
Land	661,261	4,299,879	4,961,140
Assets available for sale	1,376,233	-	1,376,233
Construction in progress	2,370,146	377,955	2,748,101
Depreciable assets, net of depreciation	31,471,643	54,094,719	85,566,362
Total noncurrent assets	45,549,913	60,598,063	106,147,976
Total assets	65,935,922	70,664,873	136,600,795
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred charge on refunding	-	604,804	604,804
Total deferred outflows of resources	-	604,804	604,804
Total asset and deferred outflows of resources	\$ 65,935,922	\$ 71,269,677	\$ 137,205,599
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued expenses	\$ 624,112	\$ 206,199	\$ 830,311
Unearned revenue	45,456	-	45,456
Accrued interest payable	27,265	69,963	97,228
Current portion of long-term obligations	1,192,719	1,657,797	2,850,516
Total current liabilities	1,889,552	1,933,959	3,823,511
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	6,590,598	12,476,646	19,067,244
Net other postemployment benefit liability	253,303	160,765	414,068
Total noncurrent liabilities	6,843,901	12,637,411	19,481,312
Total liabilities	8,733,453	14,571,370	23,304,823
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflow related to OPEB	614,129	389,771	1,003,900
Total deferred inflows of resources	614,129	389,771	1,003,900
NET POSITION			
Net investment in capital assets	28,892,637	54,091,260	82,983,897
Restricted for:			
Capital projects	10,047,737	1,825,510	11,873,247
Debt service	845,570	-	845,570
Unrestricted	16,802,396	391,766	17,194,162
Total net position	56,588,340	56,308,536	112,896,876
Total liabilities and net position	\$ 65,935,922	\$ 71,269,677	\$ 137,205,599

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, 2020

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	\$ 4,163,662	\$ 1,869,609	\$ -	\$ 3,192,842	\$ 898,789	\$ -	\$ 898,789
Public safety	4,362,967	201,241	11,761	-	(4,149,965)	-	(4,149,965)
Culture and recreation	1,909,414	16,346	81,367	-	(1,811,701)	-	(1,811,701)
Highways and streets	1,984,052	4,528	1,021,615	-	(957,909)	-	(957,909)
Unallocated interest on long-term debt	341,850	-	-	-	(341,850)	-	(341,850)
Total governmental activities	12,761,945	2,091,724	1,114,743	3,192,842	(6,362,636)	-	(6,362,636)
Business type activities:							
All Water Funds	3,753,063	5,937,310	-	138	-	2,184,385	2,184,385
All Wastewater Funds	3,704,777	7,130,096	-	3,558	-	3,428,877	3,428,877
2018 Utility Bond Fund	321,923	-	-	-	-	(321,923)	(321,923)
Total business type activities	7,779,763	13,067,406	-	3,696	-	5,291,339	5,291,339
Total government	\$ 20,541,708	\$ 15,159,130	\$ 1,114,743	\$ 3,196,538	(6,362,636)	5,291,339	(1,071,297)
General revenues:							
Taxes:							
Property taxes levied for:							
General purposes					4,722,441	-	4,722,441
Urban renewal purposes					1,663,728	-	1,663,728
Franchise and public service taxes					2,458,295	-	2,458,295
Interest and investment earnings					356,466	222,703	579,169
Transfers in (out)					1,452,132	(1,452,132)	-
Total general revenues and transfers					10,653,062	(1,229,429)	9,423,633
Change in net position					4,290,426	4,061,910	8,352,336
Net position - beginning					52,297,914	52,246,626	104,544,540
Net position - ending					\$ 56,588,340	\$ 56,308,536	\$ 112,896,876

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, 2020**

	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	\$ 5,745,815	\$ 1,161,398	\$ 1,942,716	\$ 3,410,769	\$ 3,547,264	\$ 542,517	\$ 1,898,877	\$ 18,249,356
Receivables:								
Accounts	721,927	115,656	-	94,105	14,521	9,196	-	955,405
Fines and forfeitures, net	578,058	-	-	-	-	-	-	578,058
Reimbursement districts	-	-	-	-	-	1,061,949	-	1,061,949
Property taxes	224,635	-	-	-	111,422	-	-	336,057
Assessments	-	-	-	22,936	-	97,459	-	120,395
Notes	-	-	-	-	450,221	-	-	450,221
Prepaid items	168,235	-	-	-	-	-	-	168,235
Inventories	-	106,913	-	-	-	-	-	106,913
Total assets	\$ 7,438,670	\$ 1,383,967	\$ 1,942,716	\$ 3,527,810	\$ 4,123,428	\$ 1,711,121	\$ 1,898,877	\$ 22,026,589
LIABILITIES:								
Accounts payable and accrued expenses	\$ 403,796	\$ 139,066	\$ 25,387	\$ 1,590	\$ 52,794	\$ -	\$ 1,479	\$ 624,112
Reimbursement districts	-	-	-	-	-	1,061,949	-	1,061,949
Total liabilities	403,796	139,066	25,387	1,590	52,794	1,061,949	1,479	1,686,061
DEFERRED INFLOWS OF RESOURCES:								
Unavailable revenue	813,678	-	-	50,981	561,643	127,268	-	1,553,570
Total deferred inflows of resources	813,678	-	-	50,981	561,643	127,268	-	1,553,570
FUND BALANCES:								
Nonspendable:								
Prepays	168,235	-	-	-	-	-	-	168,235
Inventory	-	106,913	-	-	-	-	-	106,913
Restricted for:								
Grant / contributor specific intent	-	-	-	3,475,239	-	-	8,190	3,483,429
State statute	-	1,137,988	-	-	3,508,991	-	845,570	5,492,549
Intergovernmental agreement	-	-	1,917,329	-	-	-	-	1,917,329
Committed for:								
Major capital facilities and associated debt	-	-	-	-	-	-	391,520	391,520
Local improvements and associated debt	-	-	-	-	-	521,904	-	521,904
Agreements with state agencies	-	-	-	-	-	-	652,118	652,118
Committed by ordinance or resolution by council	1,490,141	-	-	-	-	-	-	1,490,141
Unassigned	4,562,820	-	-	-	-	-	-	4,562,820
Total fund balances	6,221,196	1,244,901	1,917,329	3,475,239	3,508,991	521,904	1,897,398	18,786,958
Total liabilities, deferred inflows of resources and fund balances	\$ 7,438,670	\$ 1,383,967	\$ 1,942,716	\$ 3,527,810	\$ 4,123,428	\$ 1,711,121	\$ 1,898,877	

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.	35,879,283
Investments in joint ventures are not financial resources and, therefore are not reported in the funds.	9,091,999
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Earned but unavailable revenue	1,508,114
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	(7,783,317)
Interest payable	(27,265)
Other postemployment benefits	(867,432)
Net position of governmental activities	\$ 56,588,340

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, 2020

	General Fund	Street Fund	Library Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Special Assessment Fund	Other Governmental	Total Governmental
REVENUES:								
Property taxes	\$ 3,406,868	\$ -	\$ 1,308,423	\$ -	\$ 865,563	\$ -	\$ 796,288	\$ 6,377,142
Other taxes	1,598,904	475,432	-	-	-	-	-	2,074,336
Franchise fees	276,341	81,897	-	-	-	25,721	-	383,959
Assessments	-	-	-	-	-	117,138	-	117,138
Licenses and fees	34,552	-	-	-	-	-	-	34,552
Intergovernmental	2,403,688	1,021,615	81,367	399,171	-	-	-	3,905,841
Fines and forfeitures, net	201,241	-	14,489	-	-	-	-	215,730
System development charges	79,764	-	-	-	-	-	-	79,764
Rental income	8,252	-	-	-	-	-	442,602	450,854
Interest on investments	127,050	19,943	33,545	53,915	84,070	19,846	18,097	356,466
Miscellaneous	114,297	4,528	1,857	-	614,954	-	545,573	1,281,209
Total revenues	8,250,957	1,603,415	1,439,681	453,086	1,564,587	162,705	1,802,560	15,276,991
EXPENDITURES:								
Current:								
General government	3,091,999	-	-	259,509	201,643	2,493	10,556	3,566,200
Public safety	4,101,930	-	-	-	-	-	177,656	4,279,586
Culture and recreation	735,703	-	1,124,656	-	-	-	-	1,860,359
Highways and streets	-	1,385,385	-	-	-	-	3,229	1,388,614
Capital outlay	898,855	407,548	11,556	165,440	80,250	100,000	47,999	1,711,648
Debt service:								
Principal	-	-	-	-	-	-	732,644	732,644
Interest	-	-	-	-	-	-	393,387	393,387
Total expenditures	8,828,487	1,792,933	1,136,212	424,949	281,893	102,493	1,365,471	13,932,438
Revenues over (under) expenditures	(577,530)	(189,518)	303,469	28,137	1,282,694	60,212	437,089	1,344,553
OTHER FINANCING SOURCES (USES):								
Sale of property	501	105	-	-	-	-	-	606
Transfers in	1,529,395	625,736	-	-	-	-	1,132,621	3,287,752
Transfers out	(316,332)	(357,880)	(104,842)	(6,255)	-	(112,939)	(937,372)	(1,835,620)
Total other financing sources (uses)	1,213,564	267,961	(104,842)	(6,255)	-	(112,939)	195,249	1,452,738
Net changes in fund balances	636,034	78,443	198,627	21,882	1,282,694	(52,727)	632,338	2,797,291
FUND BALANCES, BEGINNING	5,585,162	1,166,458	1,718,702	3,453,357	2,226,297	574,631	1,265,060	15,989,667
FUND BALANCES, ENDING	\$ 6,221,196	\$ 1,244,901	\$ 1,917,329	\$ 3,475,239	\$ 3,508,991	\$ 521,904	\$ 1,897,398	\$ 18,786,958

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, 2020

Amounts reported in the statement of activities are different because:

Net change in fund balances \$ 2,797,291

The statement of revenues, expenditures, and changes if 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	\$	(992,643)	
Capital asset additions		1,403,466	410,823

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.

401,744

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

(9,357)

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

Deferred revenues	(79,102)
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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	(873)		
Change in other postemployment benefits		(14,281)	
Change in debt premium		49,094	33,940

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	732,644		
Accrued interest expense		2,443	735,087

Change in net position of governmental activities \$ 4,290,426

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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 3,191,207	\$ 3,191,207	\$ 3,406,868	\$ 215,661
Other taxes	1,152,368	1,152,368	1,598,904	446,536
Franchise fees	261,054	261,054	276,341	15,287
Licenses and fees	18,260	18,260	34,552	16,292
Charges for services	48,258	48,258	-	(48,258)
Intergovernmental	3,172,974	3,172,974	2,403,688	(769,286)
Fines and forfeitures, net	255,000	255,000	201,241	(53,759)
Contributions	-	-	-	-
System development charges	100,000	100,000	79,764	(20,236)
Rental income	8,500	8,500	8,252	(248)
Interest on investments	80,200	80,200	127,050	46,850
Miscellaneous	45,000	45,000	114,297	69,297
Total revenues	8,332,821	8,332,821	8,250,957	(81,864)
EXPENDITURES:				
General government	3,586,245	3,714,332	3,091,999	622,333
Public safety	4,409,649	4,482,540	4,101,930	380,610
Culture and recreation	743,092	743,092	735,703	7,389
Capital outlay	2,152,036	2,152,036	898,855	1,253,181
Contingency	791,493	647,506	-	647,506
Total expenditures	11,682,515	11,739,506	8,828,487	2,911,019
Revenues over (under) expenditures	(3,349,694)	(3,406,685)	(577,530)	2,829,155
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	501	501
Transfers in	1,523,140	1,523,140	1,529,395	6,255
Transfers out	(390,932)	(390,932)	(316,332)	74,600
Total other financing sources (uses)	1,132,208	1,132,208	1,213,564	81,356
Net changes in fund balances	(2,217,486)	(2,274,477)	636,034	2,910,511
FUND BALANCES, BEGINNING				
GENERALLY ACCEPTED ACCOUNTING				
PRINCIPLES				
	4,313,982	4,370,973	5,585,162	1,214,189
FUND BALANCES, ENDING GENERALLY				
ACCEPTED ACCOUNTING PRINCIPLES				
	\$ 2,096,496	\$ 2,096,496	\$ 6,221,196	\$ 4,124,700

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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Other taxes	\$ 505,000	\$ 505,000	\$ 475,432	\$ (29,568)
Franchise fees	86,402	86,402	81,897	(4,505)
Intergovernmental	1,086,034	1,086,034	1,021,615	(64,419)
Interest on investments	15,000	15,000	19,943	4,943
Miscellaneous	700	700	4,528	3,828
Total revenues	1,693,136	1,693,136	1,603,415	(89,721)
EXPENDITURES:				
Personnel service	876,925	888,334	765,408	122,926
Materials and services	688,842	688,842	619,977	68,865
Capital outlay	1,049,113	1,049,113	407,548	641,565
Contingency	97,123	97,123	-	97,123
Total expenditures	2,712,003	2,723,412	1,792,933	930,479
Revenues over (under) expenditures	(1,018,867)	(1,030,276)	(189,518)	840,758
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	105	105
Transfers in	625,736	625,736	625,736	-
Transfers out	(357,880)	(357,880)	(357,880)	-
Total other financing sources (uses)	267,856	267,856	267,961	105
Net changes in fund balances	(751,011)	(762,420)	78,443	840,863
FUND BALANCES, BEGINNING	751,011	762,420	1,166,458	404,038
FUND BALANCES, ENDING	\$ -	\$ -	\$ 1,244,901	\$ 1,244,901

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, 2020

	Budget		Actual	Variance
	Original	Final		Positive (Negative)
REVENUES:				
Property taxes	\$ 1,308,423	\$ 1,308,423	\$ 1,308,423	\$ -
Intergovernmental	3,445	81,200	81,367	167
Fines and forfeitures, net	14,300	14,300	14,489	189
Contributions	300	300	-	(300)
Interest on investments	21,500	21,500	33,545	12,045
Miscellaneous	100	100	1,857	1,757
Total revenues	<u>1,348,068</u>	<u>1,425,823</u>	<u>1,439,681</u>	<u>13,858</u>
EXPENDITURES:				
Personnel service	801,710	801,710	751,989	49,721
Materials and services	687,764	765,519	372,667	392,852
Capital outlay	33,600	33,600	11,556	22,044
Contingency	217,455	217,455	-	217,455
Total expenditures	<u>1,740,529</u>	<u>1,818,284</u>	<u>1,136,212</u>	<u>682,072</u>
Revenues over (under) expenditures	(392,461)	(392,461)	303,469	695,930
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(104,842)</u>	<u>(104,842)</u>	<u>(104,842)</u>	<u>-</u>
Total other financing sources (uses)	<u>(104,842)</u>	<u>(104,842)</u>	<u>(104,842)</u>	<u>-</u>
Net changes in fund balances	(497,303)	(497,303)	198,627	695,930
FUND BALANCES, BEGINNING	<u>1,386,290</u>	<u>1,386,290</u>	<u>1,718,702</u>	<u>332,412</u>
FUND BALANCES, ENDING	<u>\$ 888,987</u>	<u>\$ 888,987</u>	<u>\$ 1,917,329</u>	<u>\$ 1,028,342</u>

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

CITY OF THE DALLES, OREGON
SPECIAL GRANTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,955,187	\$ 2,414,543	\$ 399,171	\$ (2,015,372)
Interest on investments	58,000	58,000	53,915	(4,085)
Total revenues	2,013,187	2,472,543	453,086	(2,019,457)
EXPENDITURES:				
Materials and services	601,745	1,001,745	259,509	742,236
Capital outlay	4,934,774	4,994,130	165,440	4,828,690
Total expenditures	5,536,519	5,995,875	424,949	5,570,926
Revenues over (under) expenditures	(3,523,332)	(3,523,332)	28,137	3,551,469
OTHER FINANCING SOURCES (USES):				
Transfers in	105,600	105,600	-	(105,600)
Transfers out	(6,255)	(6,255)	(6,255)	-
Total other financing sources (uses)	99,345	99,345	(6,255)	(105,600)
Net changes in fund balances	(3,423,987)	(3,423,987)	21,882	3,445,869
FUND BALANCES, BEGINNING	3,423,987	3,423,987	3,453,357	29,370
FUND BALANCES, ENDING	\$ -	\$ -	\$ 3,475,239	\$ 3,475,239

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, 2020**

	Business-Type Activities - Enterprise Funds			
	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	Total
ASSETS:				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 5,230,803	\$ 3,195,356	\$ 1,996	\$ 8,428,155
Restricted cash and cash equivalents	64,648	1,760,862	-	1,825,510
Receivables:				
Accounts, net	581,341	630,244	-	1,211,585
Inventory	325,388	101,682	-	427,070
Total current assets	6,202,180	5,688,144	1,996	11,892,320
NONCURRENT ASSETS:				
Capital assets:				
Land	2,887,016	1,412,863	-	4,299,879
Construction in progress	277,185	100,770	-	377,955
Depreciable assets, net of depreciation	21,522,035	32,572,684	-	54,094,719
Total noncurrent assets	24,686,236	34,086,317	-	58,772,553
Total assets	30,888,416	39,774,461	1,996	70,664,873
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding	-	-	604,804	604,804
Total deferred outflows of resources	-	-	604,804	604,804
Total assets and deferred outflows of resources	\$ 30,888,416	\$ 39,774,461	\$ 606,800	\$ 71,269,677
LIABILITIES:				
CURRENT LIABILITIES:				
Accounts payable	\$ 106,673	\$ 99,526	\$ -	\$ 206,199
Accrued interest payable	48,624	814	20,525	69,963
Compensated absences payable	137,116	73,824	-	210,940
Current portion of long-term debt	233,950	117,902	1,095,005	1,446,857
Total current liabilities	526,363	292,066	1,115,530	1,933,959
NONCURRENT LIABILITIES:				
Bonds and notes payable	2,875,692	1,471,443	8,129,511	12,476,646
Other postemployment benefits	95,776	64,989	-	160,765
Total non current liabilities	2,971,468	1,536,432	8,129,511	12,637,411
Total liabilities	3,497,831	1,828,498	9,245,041	14,571,370
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflow related to OPEB	232,206	157,565	-	389,771
Total deferred inflows of resources	232,206	157,565	-	389,771
NET POSITION:				
Net investment in capital assets	21,591,170	32,500,090	-	54,091,260
Restricted for:				
System development	64,648	1,760,862	-	1,825,510
Unrestricted	5,502,561	3,527,446	(8,638,241)	391,766
Total net position	27,158,379	37,788,398	(8,638,241)	56,308,536
Total liabilities and net position	\$ 30,888,416	\$ 39,774,461	\$ 606,800	\$ 71,269,677

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, 2020

	Business-Type Activities - Enterprise Funds			
	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	Total
OPERATING REVENUES:				
Charges for services	\$ 5,694,578	\$ 5,353,342	\$ -	\$ 11,047,920
System development charges	64,648	1,375,790	-	1,440,438
Rental income	4,428	-	-	4,428
Miscellaneous	172,698	400,038	-	572,736
Total operating revenues	5,936,352	7,129,170	-	13,065,522
OPERATING EXPENSES:				
Personnel service	2,256,680	1,334,751	-	3,591,431
Materials and services	824,054	1,700,257	-	2,524,311
Depreciation and amortization	589,874	632,521	-	1,222,395
Total operating expenses	3,670,608	3,667,529	-	7,338,137
Operating income (loss)	2,265,744	3,461,641	-	5,727,385
NON-OPERATING INCOME (EXPENSE):				
Gain (loss) on disposal of capital assets	958	926	-	1,884
Interest on investments	124,931	97,772	-	222,703
Interest expense	(82,455)	(37,248)	(321,923)	(441,626)
Total non-operating income (expenses)	43,434	61,450	(321,923)	(217,039)
Net income (loss) before transfers and capital contributions	2,309,178	3,523,091	(321,923)	5,510,346
TRANSFERS:				
Transfers in	2,250,000	3,767,934	1,340,202	7,358,136
Transfers out	(4,623,266)	(4,187,002)	-	(8,810,268)
Total transfers	(2,373,266)	(419,068)	1,340,202	(1,452,132)
Net income (loss) before contributions	(64,088)	3,104,023	1,018,279	4,058,214
CAPITAL CONTRIBUTIONS:				
Intergovernmental	138	3,558	-	3,696
Total capital contributions	138	3,558	-	3,696
Change in net position	(63,950)	3,107,581	1,018,279	4,061,910
NET POSITION, BEGINNING	27,222,329	34,680,817	(9,656,520)	52,246,626
NET POSITION, ENDING	\$ 27,158,379	\$ 37,788,398	\$ (8,638,241)	\$ 56,308,536

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, 2020

	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	\$ 5,877,932	\$ 7,105,449	\$ -	\$ 12,983,381
Payments to suppliers	(780,422)	(2,321,559)	-	(3,101,981)
Payments to employees	(2,225,931)	(1,300,604)	-	(3,526,535)
Net cash provided by operating activities	<u>2,871,579</u>	<u>3,483,286</u>	<u>-</u>	<u>6,354,865</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	2,250,000	3,767,934	1,340,202	7,358,136
Transfers (out)	(4,623,266)	(4,187,002)	-	(8,810,268)
Net cash provided by non-capital financing activities	<u>(2,373,266)</u>	<u>(419,068)</u>	<u>1,340,202</u>	<u>(1,452,132)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from intergovernmental revenue	138	3,558	-	3,696
Proceeds from sale of capital assets	958	926	-	1,884
Acquisition of capital assets	(1,384,365)	(1,360,848)	-	(2,745,213)
Principal paid on long-term obligations	(224,784)	(115,376)	(1,065,461)	(1,405,621)
Interest paid on long-term obligations	(85,372)	(37,434)	(273,893)	(396,699)
Net cash provided by capital and related financing activities	<u>(1,693,425)</u>	<u>(1,509,174)</u>	<u>(1,339,354)</u>	<u>(4,541,953)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	124,931	97,772	-	222,703
Net cash provided by investing activities	<u>124,931</u>	<u>97,772</u>	<u>-</u>	<u>222,703</u>
Net increase in cash and cash equivalents	(1,070,181)	1,652,816	848	583,483
CASH AND CASH EQUIVALENTS, BEGINNING	<u>6,365,632</u>	<u>3,303,402</u>	<u>1,148</u>	<u>9,670,182</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 5,295,451</u>	<u>\$ 4,956,218</u>	<u>\$ 1,996</u>	<u>\$ 10,253,665</u>
COMPRISED AS FOLLOWS:				
Cash and cash equivalents	\$ 5,230,803	\$ 3,195,356	\$ 1,996	\$ 8,428,155
Restricted cash and cash equivalents	64,648	1,760,862	-	1,825,510
Total cash and cash equivalents	<u>\$ 5,295,451</u>	<u>\$ 4,956,218</u>	<u>\$ 1,996</u>	<u>\$ 10,253,665</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income	\$ 2,265,744	\$ 3,461,641	\$ -	\$ 5,727,385
Adjustments				
Depreciation and amortization	589,874	632,521	-	1,222,395
Decrease (increase) in:				
Receivables	(58,420)	(23,721)	-	(82,141)
Inventories	19,748	(7,805)	-	11,943
Increase (decrease) in:				
Accounts payable and accrued expenses	23,884	(613,497)	-	(589,613)
Other postemployment benefits payable	13,511	17,239	-	30,750
Accrued compensated absences	17,238	16,908	-	34,146
Net cash provided by operating activities	<u>\$ 2,871,579</u>	<u>\$ 3,483,286</u>	<u>\$ -</u>	<u>\$ 6,354,865</u>
NON-CASH CAPITAL FINANCING ACTIVITIES				
Transfer of long-term debt between funds	\$ (71,778)	\$ (55,578)	\$ -	\$ (127,356)
Total non-cash capital financing activities	<u>\$ (71,778)</u>	<u>\$ (55,578)</u>	<u>\$ -</u>	<u>\$ (127,356)</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, 2020

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 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.

Blended component units, although legally separate entities are, in substance, part of the government's operations and data from these units are combined with data of the primary government. The Columbia Gateway Urban Renewal Agency is a blended component unit and, in substance is part of the City's operations, although it is a legally separate entity. The Columbia Gateway Urban Renewal Agency has a June 30 year-end. The Columbia Gateway Urban Renewal Agency is governed by the City Council of the City of The Dalles. As such, the City of The Dalles has operational responsibility for the Columbia Gateway Urban Renewal Agency. 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, 2020, 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, 2020, the 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, 2020. 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, 2020, the book value of the City's deposits was \$2,152,123 and the bank balance was \$2,026,763. \$1,743,467 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, 2020 are as follows:

	<u>Weighted Average Maturity</u>	<u>Fair Value</u>
Investments in the State Treasurer’s Local Government Investment Pool	<u>0.00</u>	<u>\$ 26,350,898</u>
Total cash equivalents	<u><u>0.00</u></u>	<u><u>\$ 26,350,898</u></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	\$ 8,127,621	\$ 1,825,510	\$ 9,953,131
Restricted for debt service	845,570	-	845,570
Total restricted cash and cash equivalents	<u>\$ 8,973,191</u>	<u>\$ 1,825,510</u>	<u>\$ 10,798,701</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:

	General Fund	Street Fund	Special Grants Fund	Urban Renewal Capital Projects Fund	Special Assessment Fund	Total Governmental
Receivables:						
Accounts	\$ 721,927	\$ 115,656	\$ 94,105	\$ 14,521	\$ 9,196	\$ 955,405
Fines and forfeitures	578,058	-	-	-	-	578,058
Reimbursement districts	-	-	-	-	1,061,949	1,061,949
Property taxes	224,635	-	-	111,422	-	336,057
Assessments	-	-	22,936	-	97,459	120,395
Notes	-	-	-	450,221	-	450,221
Total receivables	<u>\$ 1,524,620</u>	<u>\$ 115,656</u>	<u>\$ 117,041</u>	<u>\$ 576,164</u>	<u>\$ 1,168,604</u>	<u>\$ 3,502,085</u>

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

	Water	Waste Water	Total Business- Type Activity
Accounts	\$ 588,237	\$ 636,948	\$ 1,225,185
Allowance for doubtful accounts	(6,896)	(6,704)	(13,600)
	<u>\$ 581,341</u>	<u>\$ 630,244</u>	<u>\$ 1,211,585</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 2020, the City levied property taxes in the amount of \$3,596,991. After reductions for offsets and increases for additional taxes and penalties this resulted in a net levy of \$3,468,951. 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, 2020 was \$1,192,834,151. The Columbia Gateway Urban Renewal Agency, a blended component unit of the City, levied

taxes at its maximum taxing authority of \$1,751,360. After reductions for offsets and additional taxes and penalties, this resulted in a net levy of \$1,689,645.

Following is a summary of property tax transactions for the year ended June 30, 2020:

<u>Fiscal Year</u>	<u>Property Taxes Receivable June 30, 2019</u>	<u>Levy as Extended by Assessor</u>	<u>Collections</u>	<u>Cancellations Discounts and Adjustments</u>	<u>Property Taxes Receivable June 30, 2020</u>
2019-2020	\$ -	\$ 5,158,596	\$ (4,884,357)	\$ (121,516)	\$ 152,723
2018-2019	155,814	-	(75,676)	14,884	95,022
2017-2018	91,493	-	(31,573)	(1,599)	58,321
2016-2017	51,651	-	(33,545)	972	19,078
2015-2016	15,174	-	(10,934)	1,195	5,435
2014-2015	3,586	-	(593)	(1,352)	1,641
2013-2014	6,343	-	(2,538)	(950)	2,855
Prior years	2,969	-	6	(1,993)	982
Totals	\$ 327,030	\$ 5,158,596	\$ (5,039,210)	\$ (110,359)	\$ 336,057

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

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

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

C. Unavailable and Unearned Revenue

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

	<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	\$ 224,635	\$ -	\$ 111,422	\$ -	\$ 336,057
Fines and forfeitures	589,043	-	-	-	589,043
Loans	-	-	450,221	-	450,221
Special assessments	-	50,981	-	127,268	178,249
	\$ 813,678	\$ 50,981	\$ 561,643	\$ 127,268	\$ 1,553,570

D. Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2020, was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, non-depreciable:					
Land	\$ 661,261	\$ -	\$ -	\$ -	\$ 661,261
Construction in progress	1,948,543	616,956	-	(195,353)	2,370,146
Assets available for sale	1,376,233	-	-	-	1,376,233
Total capital assets, non-depreciable	<u>3,986,037</u>	<u>616,956</u>	<u>-</u>	<u>(195,353)</u>	<u>4,407,640</u>
Capital assets, depreciable:					
Land improvements	8,781,401	11,573	-	-	8,792,974
Buildings	6,754,285	12,044	-	36,084	6,802,413
Equipment	3,669,639	141,067	(78,990)	-	3,731,716
Infrastructure	24,091,410	621,826	-	159,269	24,872,505
Total capital assets, depreciable	<u>43,296,735</u>	<u>786,510</u>	<u>(78,990)</u>	<u>195,353</u>	<u>44,199,608</u>
Less accumulated depreciation for:					
Land improvements	(1,152,401)	(172,807)	-	-	(1,325,208)
Buildings	(2,538,632)	(145,220)	-	-	(2,683,852)
Equipment	(2,416,279)	(191,757)	69,633	-	(2,538,403)
Infrastructure	(5,697,643)	(482,859)	-	-	(6,180,502)
Total accumulated depreciation	<u>(11,804,955)</u>	<u>(992,643)</u>	<u>69,633</u>	<u>-</u>	<u>(12,727,965)</u>
Net depreciable capital assets	<u>31,491,780</u>	<u>(206,133)</u>	<u>(9,357)</u>	<u>195,353</u>	<u>31,471,643</u>
Net capital assets	<u>\$ 35,477,817</u>	<u>\$ 410,823</u>	<u>\$ (9,357)</u>	<u>\$ -</u>	<u>\$ 35,879,283</u>

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

Governmental functions:	
General government	\$ (265,361)
Public safety	(83,044)
Highways and streets	(595,329)
Culture and recreation	(48,909)
Total depreciation expense - governmental activities	<u>\$ (992,643)</u>

Capital asset activity for the business-type activities for the year ended June 30, 2020 was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets, non-depreciable:					
Land	\$ 4,299,879	\$ -	\$ -	\$ -	\$ 4,299,879
Construction in progress	17,283,183	1,768,636	-	(18,673,864)	377,955
Total capital assets, non-depreciable	<u>21,583,062</u>	<u>1,768,636</u>	<u>-</u>	<u>(18,673,864)</u>	<u>4,677,834</u>
Capital assets, depreciable:					
Land improvements	10,613,285	66,479	-	1,044,641	11,724,405
Buildings	4,332,253	-	-	36,074	4,368,327
Equipment	6,330,484	254,627	(15,741)	-	6,569,370
Wastewater Treatment Plant	8,908,257	288,354	-	15,132,806	24,329,417
Dams and lines	22,007,918	367,116	-	2,460,343	24,835,377
Total capital assets, depreciable	<u>52,192,197</u>	<u>976,576</u>	<u>(15,741)</u>	<u>18,673,864</u>	<u>71,826,896</u>
Less accumulated depreciation for:					
Land improvements	(1,958,201)	(184,291)	-	-	(2,142,492)
Buildings	(2,314,864)	(110,316)	-	-	(2,425,180)
Equipment	(3,957,776)	(233,033)	15,741	-	(4,175,068)
Wastewater Treatment Plant	(3,215,135)	(230,084)	-	-	(3,445,219)
Dams and lines	(5,077,772)	(466,446)	-	-	(5,544,218)
Total accumulated depreciation	<u>(16,523,748)</u>	<u>(1,224,170)</u>	<u>15,741</u>	<u>-</u>	<u>(17,732,177)</u>
Net depreciable capital assets	<u>35,668,449</u>	<u>(247,594)</u>	<u>-</u>	<u>18,673,864</u>	<u>54,094,719</u>
Net capital assets	<u>\$ 57,251,511</u>	<u>\$ 1,521,042</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,772,553</u>

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

Business-type activities:	
Wastewater	\$ (632,834)
Water	<u>(591,337)</u>
Total depreciation expense - business-type activities	<u>\$ (1,224,170)</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 \$260,531 from a net gain in fiscal year ended June 30, 2020. The City's investment in QLife is \$2,347,678 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 \$141,213 from a net gain in fiscal year ended June 30, 2020. The City's investment in Airport is \$6,744,321 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:

Fiscal Year	2008 Full Faith and Credit Bonds		2009 Full Faith and Credit Bonds Urban Renewal portion	
	Principal	Interest	Principal	Interest
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	-	-	630,000	171,925
2026-2030	-	-	2,840,000	363,250
Total	<u>\$ 509,376</u>	<u>\$ 42,714</u>	<u>\$ 5,730,000</u>	<u>\$ 1,483,963</u>

Fiscal Year	2009 Full Faith and Credit Bonds Street LID portion		Full Faith & Credit Bonds Total Governmental	
	Principal	Interest	Principal	Interest
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	83,030	22,355	713,030	194,280
2026-2030	368,220	46,928	3,208,220	410,178
Total	<u>\$ 747,270</u>	<u>\$ 193,114</u>	<u>\$ 6,986,646</u>	<u>\$ 1,719,791</u>

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

Fiscal Year	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
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	-	-	45,516	-	45,516	-
2026-2030	-	-	182,053	-	182,053	-
Total	<u>\$ 10,731</u>	<u>\$ -</u>	<u>\$ 409,633</u>	<u>\$ -</u>	<u>\$ 420,364</u>	<u>\$ -</u>

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

Fiscal Year	2008 Full Faith and Credit Wastewater Bonds		2008 Full Faith and Credit Water Bonds		2009 Full Faith and Credit Wastewater Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
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	-	-	-	-	5,635	1,517
2026-2030	-	-	-	-	24,990	3,186
Total	<u>\$ 165,312</u>	<u>\$ 13,863</u>	<u>\$ 165,312</u>	<u>\$ 13,863</u>	<u>\$ 50,715</u>	<u>\$ 13,108</u>

Fiscal Year	2009 Full Faith and Credit Water Bonds		Full Faith and Credit Bonds Business Activity Total	
	Principal	Interest	Principal	Interest
2021	\$ 21,755	\$ 11,215	\$ 132,682	\$ 27,207
2022	22,900	10,345	138,008	21,899
2023	24,045	9,429	143,334	16,241
2024	25,190	8,287	30,580	10,060
2025	26,335	7,091	31,970	8,608
2026-2030	116,790	14,886	141,780	18,072
Total	<u>\$ 237,015</u>	<u>\$ 61,253</u>	<u>\$ 618,354</u>	<u>\$ 102,087</u>

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

Fiscal Year	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
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	313	-	1,463	-	1,776	-
2026-2030	1,553	-	7,261	-	8,814	-
Total	<u>\$ 3,118</u>	<u>\$ -</u>	<u>\$ 14,576</u>	<u>\$ -</u>	<u>\$ 17,694</u>	<u>\$ -</u>

2. Bonds Payable-Business-Type Activities (Direct Borrowings)

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 has pledged the net revenues to the payment of principal of, premium (if any) and interest on direct borrowings related to business activities of \$9,224,516. This pledge is 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. If the bonds are defaulted, by failure to make required principal or interest payments or other

covenants, actions to enforce the financing agreement may take place for the amount of the obligations then outstanding to its satisfaction. However, the bonds shall not be subject to acceleration.

Annual debt service requirements to maturity for the revenue bond is as follows:

<u>Revenue Bond</u>	<u>Revenue Stream</u>	<u>For the Year Ending June 30, of Final Payments</u>	<u>Future Pledged Revenue Debt Outstanding</u>	<u>Revenue, Net of Related Expense For the Year Ending 6/30/20</u>	<u>For the Year Ended 6/30/20 Debt Payments*</u>
Utility Revenue and Refunding Bonds	Water and Wastewater net operating income	2032	\$ 9,224,516	\$ 5,727,385	\$ 1,340,202

*Principal and interest

Future maturities of the bonds payable are as follows:

<u>Utility Revenue and Refunding Bonds</u>		
<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,095,005	\$ 246,295
2022	1,123,372	217,058
2023	621,108	187,064
2024	636,967	170,480
2025	652,611	153,473
2026-2030	3,544,196	495,916
2031-2035	<u>1,551,257</u>	<u>62,432</u>
Total	<u>\$ 9,224,516</u>	<u>\$ 1,532,718</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 (Direct Borrowings)

Water Fund - The City received approvals of three loans through the State of Oregon for water system improvements. The loans consist of the ARRA Forgivable Note for up to \$2,988,773, the ARRA F-1 Note for up to \$1,025,149, and the SDWRLF-2 Loan for up to \$2,553,101. The loan proceeds are disbursed on an expense reimbursement basis in the order listed above. Proceeds from the ARRA Forgivable

Note, ARRA F-1, and SDWRLF-2 loan have been accrued in the amount of \$2,988,773, \$1,025,149, and \$2,521,321 respectively to match the budgetary revenues to the Federal expenditures reported. The ARRA F-1 Note bears interest at 3% per annum. The SDWRLF F-2 Loan originally carried interest at 3.83% but was reduced to 3% when the State received EPA approval of an amended Oregon Safe Drinking Water Intended Use Plan that allows the interest rate to be reduced. Repayment of the ARRA F-1 and SDWRLF-2 began December 1, 2014. The principal and interest of these two loans shall be payable from the Net Revenues of the Water System and the full faith and credit of the City. The City pledged its full faith and credit and taxing power to pay the amounts due under the loan agreement and note. 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:

Fiscal Year	ARRA Note		CWSRF Loan		Loans Payable Business Activity Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 157,596	\$ 80,782	\$ 59,798	\$ 28,997	\$ 217,394	\$ 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	177,376	61,003	66,514	23,568	243,890	84,571
2026-2030	969,963	221,927	354,661	95,749	1,324,624	317,676
2031-2035	886,076	67,437	394,489	48,131	1,280,565	115,568
2036-2040	-	-	303,485	20,861	303,485	20,861
	<u>\$ 2,692,739</u>	<u>\$ 644,557</u>	<u>\$ 1,370,200</u>	<u>\$ 296,299</u>	<u>\$ 4,062,939</u>	<u>\$ 940,856</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 \$2,208,340. 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, 2020, is as follows:

	6/30/19 Balance	Additions	Reductions	6/30/20 Balance	Due Within One Year
Governmental activities					
Full faith and credit bonds	\$ 7,719,290	\$ -	\$ (732,644)	\$ 6,986,646	\$ 767,318
Premium on bonds	469,458	-	(49,094)	420,364	49,094
Compensated absences	375,434	376,307	(375,434)	376,307	376,307
Total governmental activity long-term obligations	<u>\$ 8,564,182</u>	<u>\$ 376,307</u>	<u>\$ (1,157,172)</u>	<u>\$ 7,783,317</u>	<u>\$ 1,192,719</u>
Business-type activities					
Revenue bond (direct borrowing)	\$ 10,289,977	\$ -	\$ (1,065,461)	\$ 9,224,516	\$ 1,095,005
Full faith and credit bonds	745,710	-	(127,356)	618,354	132,682
Premium on bonds	19,471	-	(1,777)	17,694	1,776
Loans payable (direct borrowing)	4,275,743	-	(212,804)	4,062,939	217,394
Compensated absences	176,794	210,940	(176,794)	210,940	210,940
Total business-type activity long-term obligations	<u>\$ 15,507,695</u>	<u>\$ 210,940</u>	<u>\$ 1,407,398</u>	<u>\$ 14,134,443</u>	<u>\$ 1,657,797</u>

If not described above, in the event of default, outstanding amounts may become immediately due unless waived by the lender.

The City has an unused line of credit in the amount of \$2,128,758.

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, 2020, the following employees were covered by the benefit terms:

Subscribers by Status:	
Active	101
Retired	-
Terminated	-
Deceased	-
Total	<u>101</u>

3. Total OPEB Liability, OPEB Expense, and Deferred Inflows of Resources Related to OPEB

The City’s OPEB liability of \$414,068 was measured as of June 30, 2020 and was determined by an actuarial valuation using the alternative measurement method.

For the fiscal year ended June 30, 2020, the City recognized OPEB expense from this plan of \$45,031. At June 30, 2020 the City reported deferred inflows of resources related to this OPEB plan from the following sources:

Difference between expected and actual experience	\$ 239,068
Changes in assumptions	<u>764,832</u>
Total	<u>\$ 1,003,900</u>

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	<u>Annual Recognition</u>
2021	\$ (111,544)
2022	(111,544)
2023	(111,544)
2024	(111,544)
2025	(111,544)
Thereafter	<u>(446,180)</u>
Total	<u>\$ (1,003,900)</u>

4. Actuarial Assumptions and Other Inputs

The total OPEB liability in the June 30, 2020 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	2.21%

Discount Rate	2.21%
Measurement Date	June 30, 2020
Prior Measurement Date	June 30, 2019
Prior Year Discount Rate	3.10%
Projected Salary Increases	2.90%
Amortization Period	20
Percentage Future Participation	35%
NOL and ADC	Calculated using the Alternative Measurement Method in accordance with GASB methodology
Mortality Table	RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2019 generational projection of future mortality improvement
Turnover Assumptions	Based on general service turnover rates of Oregon PERS actuarial valuation

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 2.21%, 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 (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate.

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

Discount Rate	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Net OPEB Liability	\$451,354	\$414,068	\$379,076

Healthcare Cost Trend	<u>1% Decrease (5.5% decreasing to 4.0%)</u>	<u>Current Health Care Trend Rates (6.5% decreasing to 5.0%)</u>	<u>1% Increase (7.5% decreasing to 6.0%)</u>
Net OPEB Liability	\$363,915	\$414,068	\$473,081

H. Net Position

The government-wide statement of net position reports \$12,718,817 of restricted net position, of which \$845,570 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 \$1,452,132. A reconciliation of transfers in the fund financial statements is as follows:

	Transfers In	Transfers Out
Governmental activities:		
General fund	\$ 1,529,395	\$ 316,332
Street fund	625,736	357,880
Library fund	-	104,842
Special grants fund	-	6,255
Special assessment fund	-	112,939
Other governmental funds	1,132,621	937,372
Business-type activities		
Water fund	2,250,000	4,623,266
Wastewater fund	3,767,934	4,187,002
2018 Utility Bond Fund	1,340,202	-
	<u>\$ 10,645,888</u>	<u>\$ 10,645,888</u>
Total Transfers		

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, 2020, the foregone property tax revenue is \$6,188,549.

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, 2020 was \$3,896,924. Total contributions to the plan for the year ended June 30, 2020 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. The liabilities for non-public safety employees for retirement related obligations are liquidated by the general, water, and sewer funds.

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, 2020 was \$1,651,120. Total contributions to the plan for the year ended June 30, 2020 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. The liabilities for public safety employees for retirement related obligations is liquidated by the general fund.

C. Commitments, Contingencies, and Subsequent Events

1. Construction in Progress

The City is committed under various, architectural, engineering, and construction contracts at June 30, 2020.

The Washington Street Underpass costs incurred to date is \$1,638,186 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 Safe Routes to School Sidewalk Project costs incurred to date are \$9,379.

The Granada Block project costs incurred to date are \$284,775.

The 2019 ADA Sidewalk Program project costs incurred to date are \$261,082.

The Telecom Equipment Upgrade – City Hall and Public Works project costs incurred to date are \$42,180.

The Cisco Catalyst 48 Port Switch project costs incurred to date are \$5,060.

The Armored Vehicle S-99 project costs incurred to date are \$10,051.

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

The alley between 10th and 11th Street project costs incurred to date of \$26,227.

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

Replace Wicks Septic Tank costs incurred to date of \$5,775.

Water vault replacement 2020 costs incurred to date of \$8,478.

Poweredge T440 Server costs incurred to date of \$7,494.

Sodium Hypochlorite Tank costs incurred to date of \$4,770.

Chenowith 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.

I-84 Underpass Sanitary Sewer project costs incurred to date of \$3,185.

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

2. Subsequent Events

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the U.S., accelerating during the first half of March, as federal, state and local governments react to the public health crisis, creating significant uncertainties in the U.S. economy. The situation is rapidly changing and additional impacts may arise that we are not aware of currently. While the disruption is currently expected to be temporary, there is uncertainty around the duration. The ultimate impact of the pandemic on the results of operations, financial position, liquidity or capital resources cannot be reasonably estimated at this time.

D. Related Parties

During the year the City had the following related party transactions. QLife revenues from rent revenue \$7,752 and right of way \$21,363 and expenditures of \$5,040. QLife owes the City \$3,618 for current year rent and right-of-way fees. The City pays the Airport \$65,000 per year per the intergovernmental agreement.

E. GASB Pronouncement Implemented

The Governmental Accounting Standards Board (GASB) has issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The guidance postpones by one year the effective dates of certain provisions in the following pronouncements: Statement No. 83, Certain Asset Retirement Obligations, Statement No. 84, Fiduciary Activities, Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements, Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, Statement No. 90, Majority Equity Interests, Statement No. 91 Conduit Debt Obligations, Statement No. 92, Omnibus 2020, Statement No. 93, Replacement of Interbank Offered Rates, Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting), Implementation Guide No. 2018-1, Implementation Guidance Update–2018, Implementation Guide No. 2019-1, Implementation Guidance Update–2019, and Implementation Guide No. 2019-2, Fiduciary Activities. The Statement is intended to provide relief to governments and other stakeholders in light of the COVID-19 pandemic. The City implemented Statement 95 for the year ending June 30, 2020.

REQUIRED SUPPLEMENTAL INFORMATION

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Contractually required contributions	\$ 123,794	\$ 133,771	\$ 131,046	\$ 143,658
Contributions in relation to the contractually required contributions	<u>(123,794)</u>	<u>(133,771)</u>	<u>(131,046)</u>	<u>(143,658)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,641,603	\$ 5,548,044	\$ 4,823,785	\$ 5,340,702
Contributions as a percentage of covered employee payroll	2%	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:

	June 30, 2020	June 30, 2018
Actuarial Valuation	July 2019 - June 2020	July 2017 - June 2019
Effective	Entry Age Normal	Entry Age Normal
Actuarial cost method:	Level Percentage of Payroll	Level Percentage of Payroll
Actuarial valuation method:		
Actuarial assumption:		
Inflation rate	2.50%	0.00%
Projected salary increases	2.90%	2.90%
Investment rate of return	2.21%	2.98%
Healthcare cost inflation	Ranging from 6.5% in 2019 to 5.0% in 2027	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>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 110,586	\$ 99,156	\$ 102,501
Interest	45,989	-	-
Difference between expected and actual experience	(265,631)	-	-
Changes of assumptions or other inputs	(849,813)	-	-
Benefit payments	<u>-</u>	<u>(96,302)</u>	<u>(83,554)</u>
Net change in OPEB liability	(958,869)	2,854	18,947
Total OPEB Liability - beginning	<u>1,372,937</u>	<u>1,370,083</u>	<u>1,351,136</u>
Total OPEB Liability - ending	<u><u>\$ 414,068</u></u>	<u><u>\$ 1,372,937</u></u>	<u><u>\$ 1,370,083</u></u>
Covered employee payroll	\$ 5,641,603	\$ 5,548,044	\$ 4,823,785
Total OPEB liability as a percentage of covered-employee payroll	7%	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

The City of The Dalles adopted assumption changes that were used to measure the June 30, 2020 total OPEB liability. The changes include lowering of the discount rate to 2.21 percent from 3.10 percent. The mortality assumption changed to the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP-2019 generational projection of future mortality improvement. The turnover and retirement assumptions were adjusted to reflect changes to the most recent pension valuation for Oregon PERS. Participation rates were introduced for future retiree participation at 35% and spouse participation at 20%. In addition, no explicit subsidy was included in the valuation.

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.

Special Enterprise Zone Fund

The Enterprise Zone Tax Abatement Proceeds Special Reserve fund accounts for funds associated with the Enterprise Zone Tax Abatement agreement between the City of The Dalles, Wasco County, and Design LLC dated August 17, 2015.

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. The fund included in this category is:

Capital Projects Fund

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

Debt Service Funds

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

FFCO 2008 Bond Fund

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

2009 FFCO Bond Fund

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

Urban Renewal Debt Fund

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

General Fund Combining

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

Public Works Reserve Fund - Budgetary Basis Only

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

Transportation System Reserve Fund - Budgetary Basis Only

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

Unemployment Reserve Fund - Budgetary Basis Only

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

CITY OF THE DALLES, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2020

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total
ASSETS:				
Cash and cash equivalents	\$ 661,787	\$ 845,570	\$ 391,520	\$ 1,898,877
Total assets	<u>\$ 661,787</u>	<u>\$ 845,570</u>	<u>\$ 391,520</u>	<u>\$ 1,898,877</u>
LIABILITIES:				
Accounts payable and accrued expenses	\$ 1,479	\$ -	\$ -	\$ 1,479
Total liabilities	<u>1,479</u>	<u>-</u>	<u>-</u>	<u>1,479</u>
FUND BALANCES:				
Restricted for:				
Grant / contributor specific intent	8,190	-	-	8,190
State statute	-	845,570	-	845,570
Committed for:				
Major capital facilities and associated debt	-	-	391,520	391,520
Agreements with state agencies	652,118	-	-	652,118
Total fund balances	<u>660,308</u>	<u>845,570</u>	<u>391,520</u>	<u>1,897,398</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 661,787</u>	<u>\$ 845,570</u>	<u>\$ 391,520</u>	<u>\$ 1,898,877</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, 2020

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total
REVENUES:				
Property taxes	\$ -	\$ 796,288	\$ -	\$ 796,288
Rental income	210,512	110,530	121,560	442,602
Interest on investments	6,595	5,000	6,502	18,097
Miscellaneous	545,573	-	-	545,573
	<u>762,680</u>	<u>911,818</u>	<u>128,062</u>	<u>1,802,560</u>
EXPENDITURES:				
General government	-	-	10,556	10,556
Public safety	177,656	-	-	177,656
Highways and streets	3,229	-	-	3,229
Capital outlay	32,861	-	15,138	47,999
Debt service:				
Principal	-	732,644	-	732,644
Interest	-	388,793	4,594	393,387
	<u>213,746</u>	<u>1,121,437</u>	<u>30,288</u>	<u>1,365,471</u>
Total expenditures	213,746	1,121,437	30,288	1,365,471
Revenues over (under) expenditures	548,934	(209,619)	97,774	437,089
OTHER FINANCING SOURCES (USES):				
Transfers in	8,728	1,123,893	-	1,132,621
Transfers out	-	(928,644)	(8,728)	(937,372)
	<u>8,728</u>	<u>195,249</u>	<u>(8,728)</u>	<u>195,249</u>
Total other financing sources (uses)	8,728	195,249	(8,728)	195,249
Net changes in fund balances	557,662	(14,370)	89,046	632,338
FUND BALANCES, BEGINNING	<u>102,646</u>	<u>859,940</u>	<u>302,474</u>	<u>1,265,060</u>
FUND BALANCES, ENDING	<u><u>\$ 660,308</u></u>	<u><u>\$ 845,570</u></u>	<u><u>\$ 391,520</u></u>	<u><u>\$ 1,897,398</u></u>

CITY OF THE DALLES, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2020

	Community Benevolence Fund	State Office Building Fund	Special Enterprise Zone Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS:				
Cash and cash equivalents	\$ 8,190	\$ 103,169	\$ 550,428	\$ 661,787
Total assets	<u>\$ 8,190</u>	<u>\$ 103,169</u>	<u>\$ 550,428</u>	<u>\$ 661,787</u>
LIABILITIES:				
Accounts payable and accrued expenses	\$ -	\$ 1,479	\$ -	\$ 1,479
Total liabilities	<u>-</u>	<u>1,479</u>	<u>-</u>	<u>1,479</u>
FUND BALANCES:				
Restricted for:				
Grant / contributor specific intent	8,190	-	-	8,190
Committed for:				
Agreements with state agencies	<u>-</u>	<u>101,690</u>	<u>550,428</u>	<u>652,118</u>
Total fund balances	<u>8,190</u>	<u>101,690</u>	<u>550,428</u>	<u>660,308</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,190</u>	<u>\$ 103,169</u>	<u>\$ 550,428</u>	<u>\$ 661,787</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, 2020

	Community Benevolence Fund	State Office Building Fund	Special Enterprise Zone Fund	Total
REVENUES:				
Rental income	\$ -	\$ 210,512	\$ -	\$ 210,512
Interest on investments	185	1,555	4,855	6,595
Miscellaneous	-	-	545,573	545,573
	<u>185</u>	<u>212,067</u>	<u>550,428</u>	<u>762,680</u>
Total revenues				
EXPENDITURES:				
Public safety	-	177,656	-	177,656
Highways and streets	3,229	-	-	3,229
Capital outlay	-	32,861	-	32,861
	<u>3,229</u>	<u>210,517</u>	<u>-</u>	<u>213,746</u>
Total expenditures				
Revenues over (under) expenditures	(3,044)	1,550	550,428	548,934
OTHER FINANCING SOURCES (USES):				
Transfers in	-	8,728	-	8,728
	<u>-</u>	<u>8,728</u>	<u>-</u>	<u>8,728</u>
Total other financing sources (uses)				
Net changes in fund balances	(3,044)	10,278	550,428	557,662
FUND BALANCES, BEGINNING	<u>11,234</u>	<u>91,412</u>	<u>-</u>	<u>102,646</u>
FUND BALANCES, ENDING	<u>\$ 8,190</u>	<u>\$ 101,690</u>	<u>\$ 550,428</u>	<u>\$ 660,308</u>

CITY OF THE DALLES, OREGON
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
June 30, 2020

	<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	\$ -	\$ -	\$ 845,570	\$ 845,570
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 845,570</u>	<u>\$ 845,570</u>
FUND BALANCES:				
Restricted for:				
State statute	\$ -	\$ -	\$ 845,570	\$ 845,570
Total fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 845,570</u>	<u>\$ 845,570</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, 2020

	FFCO 2008 Bond Fund	2009 FFCO Bond Fund	Urban Renewal Debt Fund	Total
REVENUES:				
Property taxes	\$ -	\$ -	\$ 796,288	\$ 796,288
Rental income	110,530	-	-	110,530
Interest on investments	-	-	5,000	5,000
Total revenues	110,530	-	801,288	911,818
EXPENDITURES:				
Debt service:				
Principal	157,664	574,980	-	732,644
Interest	44,930	343,863	-	388,793
Total expenditures	202,594	918,843	-	1,121,437
Revenues over (under) expenditures	(92,064)	(918,843)	801,288	(209,619)
OTHER FINANCING SOURCES (USES):				
Transfers in	180,030	943,863	-	1,123,893
Transfers out	(102,336)	(25,020)	(801,288)	(928,644)
Total other financing sources (uses)	77,694	918,843	(801,288)	195,249
Net changes in fund balances	(14,370)	-	-	(14,370)
FUND BALANCES, BEGINNING	14,370	-	845,570	859,940
FUND BALANCES, ENDING	\$ -	\$ -	\$ 845,570	\$ 845,570

CITY OF THE DALLES, OREGON
GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES
COMBINING BALANCE SHEET
June 30, 2020

	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	\$ 4,050,391	\$ 435,417	\$ 1,184,497	\$ 75,510	\$ 5,745,815
Receivables:					
Accounts	714,187	-	7,740	-	721,927
Fines and forfeitures, net	578,058	-	-	-	578,058
Property taxes	224,635	-	-	-	224,635
Prepaid items	168,235	-	-	-	168,235
Total assets	<u>\$ 5,735,506</u>	<u>\$ 435,417</u>	<u>\$ 1,192,237</u>	<u>\$ 75,510</u>	<u>\$ 7,438,670</u>
LIABILITIES:					
Accounts payable and accrued expenses	<u>\$ 190,773</u>	<u>\$ -</u>	<u>\$ 203,381</u>	<u>\$ 9,642</u>	<u>\$ 403,796</u>
Total liabilities	<u>190,773</u>	<u>-</u>	<u>203,381</u>	<u>9,642</u>	<u>403,796</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue	<u>813,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>813,678</u>
Total deferred inflows of resources	<u>813,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>813,678</u>
FUND BALANCES:					
Nonspendable:					
Prepays	168,235	-	-	-	168,235
Committed by ordinance or resolution	-	435,417	988,856	65,868	1,490,141
Unassigned	<u>4,562,820</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,562,820</u>
Total fund balances	<u>4,731,055</u>	<u>435,417</u>	<u>988,856</u>	<u>65,868</u>	<u>6,221,196</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,735,506</u>	<u>\$ 435,417</u>	<u>\$ 1,192,237</u>	<u>\$ 75,510</u>	<u>\$ 7,438,670</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, 2020

	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	\$ 3,406,868	\$ -	\$ -	\$ -	\$ 3,406,868
Other taxes	1,598,904	-	-	-	1,598,904
Franchise fees	276,341	-	-	-	276,341
Licenses and fees	34,552	-	-	-	34,552
Intergovernmental	1,999,383	-	404,305	-	2,403,688
Fines and forfeitures, net	201,241	-	-	-	201,241
System development charges	-	-	79,764	-	79,764
Rental income	8,252	-	-	-	8,252
Interest on investments	94,360	7,545	23,792	1,353	127,050
Miscellaneous	114,297	-	-	-	114,297
Total revenues	7,734,198	7,545	507,861	1,353	8,250,957
EXPENDITURES:					
General government	3,070,729	-	-	21,270	3,091,999
Public safety	4,101,930	-	-	-	4,101,930
Culture and recreation	735,703	-	-	-	735,703
Capital outlay	121,677	111,123	666,055	-	898,855
Total expenditures	8,030,039	111,123	666,055	21,270	8,828,487
Revenues over (under) expenditures	(295,841)	(103,578)	(158,194)	(19,917)	(577,530)
OTHER FINANCING SOURCES (USES):					
Sale of property	501	-	-	-	501
Transfers in	1,196,110	300,000	-	33,285	1,529,395
Transfers out	(316,332)	-	-	-	(316,332)
Total other financing sources (uses)	880,279	300,000	-	33,285	1,213,564
Net changes in fund balances	584,438	196,422	(158,194)	13,368	636,034
FUND BALANCES, BEGINNING	4,146,617	238,995	1,147,050	52,500	5,585,162
FUND BALANCES, ENDING	\$ 4,731,055	\$ 435,417	\$ 988,856	\$ 65,868	\$ 6,221,196

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
 - Special Enterprise Zone 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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 3,191,207	\$ 3,191,207	\$ 3,406,868	\$ 215,661
Other taxes	1,152,368	1,152,368	1,598,904	446,536
Franchise fees	261,054	261,054	276,341	15,287
Licenses and fees	18,260	18,260	34,552	16,292
Charges for services	48,258	48,258		(48,258)
Intergovernmental	2,672,974	2,672,974	1,999,383	(673,591)
Fines and forfeitures, net	255,000	255,000	201,241	(53,759)
Rental income	8,500	8,500	8,252	(248)
Interest on investments	51,000	51,000	94,360	43,360
Miscellaneous	45,000	45,000	114,297	69,297
Total revenues	<u>7,703,621</u>	<u>7,703,621</u>	<u>7,734,198</u>	<u>30,577</u>
EXPENDITURES:				
General government	3,491,082	3,619,169	3,070,729	548,440
Public safety	4,409,649	4,482,540	4,101,930	380,610
Culture and recreation	743,092	743,092	735,703	7,389
Capital outlay	137,200	137,200	121,677	15,523
Contingency	791,493	647,506	-	647,506
Total expenditures	<u>9,572,516</u>	<u>9,629,507</u>	<u>8,030,039</u>	<u>1,599,468</u>
Revenues over (under) expenditures	(1,868,895)	(1,925,886)	(295,841)	1,630,045
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	501	501
Transfers in	1,189,855	1,189,855	1,196,110	6,255
Transfers out	(390,932)	(390,932)	(316,332)	74,600
Total other financing sources (uses)	<u>798,923</u>	<u>798,923</u>	<u>880,279</u>	<u>81,356</u>
Net changes in fund balances	(1,069,972)	(1,126,963)	584,438	1,711,401
FUND BALANCES, BEGINNING				
BUDGETARY BASIS	<u>3,166,468</u>	<u>3,223,459</u>	<u>4,146,617</u>	<u>923,158</u>
FUND BALANCES, ENDING BUDGETARY				
BASIS	<u>\$ 2,096,496</u>	<u>\$ 2,096,496</u>	<u>\$ 4,731,055</u>	<u>\$ 2,634,559</u>

CITY OF THE DALLES, OREGON
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
City Council:				
Materials and services	\$ 352,981	\$ 402,981	195,421	\$ 207,560
Subtotal	352,981	402,981	195,421	207,560
City Clerk:				
Personnel services	135,176	135,176	136,098	(922)
Materials and services	23,535	23,535	20,138	3,397
Subtotal	158,711	158,711	156,236	2,475
City Manager / Economic Development:				
Personnel services	310,240	281,207	243,873	37,334
Materials and services	84,305	84,305	12,533	71,772
Subtotal	394,545	365,512	256,406	109,106
City Attorney / Judicial:				
Personnel services	331,648	331,648	259,707	71,941
Materials and services	155,907	233,994	270,863	(36,869)
Subtotal	487,555	565,642	530,570	35,072
Finance / Utility Billing:				
Personnel services	467,605	467,605	436,955	30,650
Materials and services	151,573	151,573	87,836	63,737
Subtotal	619,178	619,178	524,791	94,387
Personnel:				
Personnel services	213,670	213,670	208,858	4,812
Materials and services	29,019	29,019	22,665	6,354
Subtotal	242,689	242,689	231,523	11,166
Technology:				
Personnel services	163,943	163,943	137,528	26,415
Materials and services	136,852	136,852	120,448	16,404
Capital outlay	5,100	5,100	5,060	40
Subtotal	305,895	305,895	263,036	42,859

CITY OF THE DALLES, OREGON
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
Continued				
Planning:				
Personnel services	478,963	507,996	475,120	32,876
Materials and services	92,075	92,075	122,815	(30,740)
Capital outlay	5,000	5,000	-	5,000
Subtotal	<u>576,038</u>	<u>605,071</u>	<u>597,935</u>	<u>7,136</u>
City Hall / Transportation Center:				
Personnel services	73,232	73,232	69,360	3,872
Materials and services	290,358	290,358	250,511	39,847
Subtotal	<u>363,590</u>	<u>363,590</u>	<u>319,871</u>	<u>43,719</u>
Police:				
Personnel services	3,325,518	3,382,509	3,147,136	235,373
Materials and services	891,815	907,715	831,178	76,537
Capital outlay	127,100	127,100	116,617	10,483
Subtotal	<u>4,344,433</u>	<u>4,417,324</u>	<u>4,094,931</u>	<u>322,393</u>
Code Enforcement:				
Personnel services	67,658	67,658	69,209	(1,551)
Materials and services	26,130	26,130	7,543	18,587
Subtotal	<u>93,788</u>	<u>93,788</u>	<u>76,752</u>	<u>17,036</u>
Animal control:				
Personnel services	69,728	69,728	31,932	37,796
Materials and services	28,800	28,800	14,932	13,868
Subtotal	<u>98,528</u>	<u>98,528</u>	<u>46,864</u>	<u>51,664</u>
Non-departmental:				
Materials and services	743,092	743,092	735,703	7,389
Subtotal	<u>743,092</u>	<u>743,092</u>	<u>735,703</u>	<u>7,389</u>
Total expenditures	<u>\$ 8,781,023</u>	<u>\$ 8,982,001</u>	<u>\$ 8,030,039</u>	<u>\$ 951,962</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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ 9,000	\$ 9,000	7,545	\$ (1,455)
Total revenues	9,000	9,000	7,545	(1,455)
EXPENDITURES:				
Capital outlay	542,643	542,643	111,123	431,520
Total expenditures	542,643	542,643	111,123	431,520
Revenues over (under) expenditures	(533,643)	(533,643)	(103,578)	430,065
OTHER FINANCING SOURCES (USES):				
Transfers in	300,000	300,000	300,000	-
Total other financing sources (uses)	300,000	300,000	300,000	-
Net changes in fund balances	(233,643)	(233,643)	196,422	430,065
FUND BALANCES, BEGINNING BUDGETARY BASIS	233,643	233,643	238,995	5,352
FUND BALANCES, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 435,417	\$ 435,417

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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 404,305	\$ (95,695)
System development charges	100,000	100,000	79,764	(20,236)
Interest on investments	19,000	19,000	23,792	4,792
Total revenues	619,000	619,000	507,861	(111,139)
EXPENDITURES:				
Capital outlay	1,472,193	1,472,193	666,055	806,138
Total expenditures	1,472,193	1,472,193	666,055	806,138
Net changes in fund balances	(853,193)	(853,193)	(158,194)	694,999
FUND BALANCES, BEGINNING BUDGETARY BASIS	853,193	853,193	1,147,050	293,857
FUND BALANCES, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 988,856	\$ 988,856

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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ 1,200	\$ 1,200	\$ 1,353	\$ 153
Total revenues	1,200	1,200	1,353	153
EXPENDITURES:				
Personnel service	95,163	95,163	21,270	73,893
Total expenditures	95,163	95,163	21,270	73,893
Revenues over (under) expenditures	(93,963)	(93,963)	(19,917)	74,046
OTHER FINANCING SOURCES (USES):				
Transfers in	33,285	33,285	33,285	-
Total other financing sources (uses)	33,285	33,285	33,285	-
Net changes in fund balances	(60,678)	(60,678)	13,368	74,046
FUND BALANCES, BEGINNING BUDGETARY BASIS	60,678	60,678	52,500	(8,178)
FUND BALANCES, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 65,868	\$ 65,868

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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 862,517	\$ 862,517	\$ 865,563	\$ 3,046
Interest on investments	69,272	69,272	84,070	14,798
Miscellaneous	152,932	152,932	614,954	462,022
	<u>1,084,721</u>	<u>1,084,721</u>	<u>1,564,587</u>	<u>479,866</u>
EXPENDITURES:				
Materials and services	398,081	398,081	201,643	196,438
Capital outlay	2,724,998	2,724,998	80,250	2,644,748
	<u>3,123,079</u>	<u>3,123,079</u>	<u>281,893</u>	<u>2,841,186</u>
Net changes in fund balances	(2,038,358)	(2,038,358)	1,282,694	3,321,052
FUND BALANCES, BEGINNING	<u>2,038,358</u>	<u>2,038,358</u>	<u>2,226,297</u>	<u>187,939</u>
FUND BALANCES, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,508,991</u></u>	<u><u>\$ 3,508,991</u></u>

CITY OF THE DALLES, OREGON
SPECIAL ASSESSMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Franchise fees	\$ 26,000	\$ 26,000	\$ 25,721	\$ (279)
Assessments	40,371	40,371	117,138	76,767
Interest on investments	12,100	12,100	19,846	7,746
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	79,471	79,471	162,705	83,234
EXPENDITURES:				
Materials and services	26,800	26,800	2,493	24,307
Capital outlay	445,246	445,246	100,000	345,246
Total expenditures	472,046	472,046	102,493	369,553
Revenues over (under) expenditures	(392,575)	(392,575)	60,212	452,787
OTHER FINANCING SOURCES (USES):				
Transfers out	(112,939)	(112,939)	(112,939)	-
Total other financing sources (uses)	(112,939)	(112,939)	(112,939)	-
Net changes in fund balances	(505,514)	(505,514)	(52,727)	452,787
FUND BALANCES, BEGINNING	505,514	505,514	574,631	69,117
FUND BALANCES, ENDING	\$ -	\$ -	\$ 521,904	\$ 521,904

**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, 2020**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ 189	\$ 189	\$ 185	\$ (4)
Total revenues	189	189	185	(4)
EXPENDITURES:				
Materials and services	11,042	11,042	3,229	7,813
Total expenditures	11,042	11,042	3,229	7,813
Net changes in fund balances	(10,853)	(10,853)	(3,044)	7,809
FUND BALANCES, BEGINNING	10,853	10,853	11,234	381
FUND BALANCES, ENDING	\$ -	\$ -	\$ 8,190	\$ 8,190

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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Rental income	\$ 266,671	\$ 266,671	\$ 210,512	\$ (56,159)
Interest on investments	1,480	1,480	1,555	75
Total revenues	268,151	268,151	212,067	(56,084)
EXPENDITURES:				
Personnel service	73,012	73,012	69,034	3,978
Materials and services	127,686	127,686	108,622	19,064
Capital outlay	89,000	89,000	32,861	56,139
Contingency	82,108	82,108	-	82,108
Total expenditures	371,806	371,806	210,517	161,289
Revenues over (under) expenditures	(103,655)	(103,655)	1,550	105,205
OTHER FINANCING SOURCES (USES):				
Transfers in	8,728	8,728	8,728	-
Total other financing sources (uses)	8,728	8,728	8,728	-
Net changes in fund balances	(94,927)	(94,927)	10,278	105,205
FUND BALANCES, BEGINNING	94,927	94,927	91,412	(3,515)
FUND BALANCES, ENDING	\$ -	\$ -	\$ 101,690	\$ 101,690

**CITY OF THE DALLES, OREGON
SPECIAL ENTERPRISE ZONE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ -	\$ -	\$ 4,855	\$ 4,855
Miscellaneous	545,573	545,573	545,573	-
Total revenues	545,573	545,573	550,428	4,855
EXPENDITURES:				
Materials and services	545,573	545,573	-	545,573
Total expenditures	545,573	545,573	-	545,573
Net changes in fund balances	-	-	550,428	550,428
FUND BALANCES, BEGINNING	-	-	-	-
FUND BALANCES, ENDING	\$ -	\$ -	\$ 550,428	\$ 550,428

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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Rental income	\$ 93,124	\$ 93,124	\$ 121,560	\$ 28,436
Interest on investments	6,150	6,150	6,502	352
Total revenues	99,274	99,274	128,062	28,788
EXPENDITURES:				
Materials and services	8,000	8,000	-	8,000
Capital outlay	306,052	306,052	15,138	290,914
Debt service:				
Principal	10,150	10,150	10,556	(406)
Interest	5,000	5,000	4,594	406
Total expenditures	329,202	329,202	30,288	298,914
Revenues over (under) expenditures	(229,928)	(229,928)	97,774	327,702
OTHER FINANCING SOURCES (USES):				
Transfers out	(104,728)	(104,728)	(8,728)	96,000
Total other financing sources (uses)	(104,728)	(104,728)	(8,728)	96,000
Net changes in fund balances	(334,656)	(334,656)	89,046	423,702
FUND BALANCE, BEGINNING	334,656	334,656	302,474	(32,182)
FUND BALANCE, ENDING	\$ -	\$ -	\$ 391,520	\$ 391,520

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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Rental income	\$ 110,530	\$ 110,530	\$ 110,530	\$ -
Total revenues	110,530	110,530	110,530	-
EXPENDITURES:				
Principal	260,000	260,000	260,000	-
Interest	44,930	44,930	44,930	-
Total expenditures	304,930	304,930	304,930	-
Revenues over (under) expenditures	(194,400)	(194,400)	(194,400)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	180,030	180,030	180,030	-
Total other financing sources (uses)	180,030	180,030	180,030	-
Net changes in fund balances	(14,370)	(14,370)	(14,370)	-
FUND BALANCES, BEGINNING	14,370	14,370	14,370	-
FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -

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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
EXPENDITURES:				
Debt service:				
Principal	\$ 600,000	\$ 600,000	\$ 600,000	\$ -
Interest	343,863	343,863	343,863	-
Total expenditures	943,863	943,863	943,863	-
OTHER FINANCING SOURCES (USES):				
Transfers in	943,862	943,862	943,863	1
Total other financing sources (uses)	943,862	943,862	943,863	1
Net changes in fund balances	(1)	(1)	-	1
FUND BALANCES, BEGINNING	1	1	-	(1)
FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -

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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 796,288	\$ 796,288	\$ 796,288	\$ -
Interest on investments	5,000	5,000	5,000	-
Total revenues	801,288	801,288	801,288	-
OTHER FINANCING SOURCES (USES):				
Transfers out	(801,288)	(801,288)	(801,288)	-
Total other financing sources (uses)	(801,288)	(801,288)	(801,288)	-
Net changes in fund balances	-	-	-	-
FUND BALANCES, BEGINNING	801,588	801,588	845,570	43,982
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, 2020**

	Water Utility	Water Capital Reserve	Total All Water Funds
REVENUES:			
Charges for services	\$ 5,694,578	\$ -	\$ 5,694,578
Intergovernmental	138	-	138
System development charges	-	64,648	64,648
Rental income	4,428	-	4,428
Interest on investments	8,354	116,577	124,931
Miscellaneous	172,698	-	172,698
Total revenues	5,880,196	181,225	6,061,421
EXPENDITURES:			
Personnel service	2,225,931	-	2,225,931
Materials and services	838,122	-	838,122
Capital outlay	245,117	1,125,180	1,370,297
Debt service:			
Principal	-	153,006	153,006
Interest	-	85,372	85,372
Total expenditures	3,309,170	1,363,558	4,672,728
Revenues over (under) expenditures	2,571,026	(1,182,333)	1,388,693
OTHER FINANCING SOURCES (USES):			
Sale of property	958	-	958
Transfers in	-	2,250,000	2,250,000
Transfers out	(2,986,279)	(1,708,765)	(4,695,044)
Total other financing sources (uses)	(2,985,321)	541,235	(2,444,086)
Net changes in fund balances	(414,295)	(641,098)	(1,055,393)
FUND BALANCE, BEGINNING BUDGETARY BASIS	1,264,706	5,886,190	7,150,896
FUND BALANCE, ENDING BUDGETARY BASIS	\$ 850,411	\$ 5,245,092	\$ 6,095,503

	Revenues	Expenditures
Total revenue and expenditures above	\$ 6,061,421	\$ 4,672,728
Transfers in/out	71,778	2,445,044
Expenditures capitalized	-	(1,384,365)
Debt service principal payments	-	(153,006)
Other post employment benefits	-	13,511
Depreciation and amortization expense	-	589,874
Interest revenue/expense	-	(2,917)
Gain/loss on disposal of capital assets	-	(958)
Increase/decrease compensated absences	-	17,238
Total revenues and expenses - generally accepted accounting principles	\$ 6,133,199	6,197,149
Change in net position		\$ (63,950)

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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 5,787,779	\$ 5,787,779	\$ 5,694,578	\$ (93,201)
Intergovernmental	2,500	2,500	138	(2,362)
Rental income	4,428	4,428	4,428	-
Interest on investments	15,000	15,000	8,354	(6,646)
Miscellaneous	29,520	29,520	172,698	143,178
Total revenues	<u>5,839,227</u>	<u>5,839,227</u>	<u>5,880,196</u>	<u>40,969</u>
EXPENDITURES:				
Personnel service	2,283,701	2,321,137	2,225,931	95,206
Materials and services	1,231,905	1,231,905	838,122	393,783
Capital outlay	275,410	275,410	245,117	30,293
Contingency	45,040	45,040	-	45,040
Total expenditures	<u>3,836,056</u>	<u>3,873,492</u>	<u>3,309,170</u>	<u>564,322</u>
Revenues over (under) expenditures	2,003,171	1,965,735	2,571,026	605,291
OTHER FINANCING SOURCES (USES):				
Sale of property	500	500	958	458
Transfers out	(2,986,279)	(2,986,279)	(2,986,279)	-
Total other financing sources (uses)	<u>(2,985,779)</u>	<u>(2,985,779)</u>	<u>(2,985,321)</u>	<u>458</u>
Net changes in fund balances	(982,608)	(1,020,044)	(414,295)	605,749
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>982,608</u>	<u>1,020,044</u>	<u>1,264,706</u>	<u>244,662</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 850,411</u>	<u>\$ 850,411</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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 5,000,000	\$ 5,000,000	\$ -	\$ (5,000,000)
Contributions	6,500,000	6,500,000	-	(6,500,000)
System development charges	50,974	50,974	64,648	13,674
Interest on investments	85,000	85,000	116,577	31,577
Total revenues	11,635,974	11,635,974	181,225	(11,454,749)
EXPENDITURES:				
Materials and services	475,000	475,000	-	475,000
Capital outlay	16,591,787	16,591,787	1,125,180	15,466,607
Debt service:				
Principal	153,007	153,007	153,006	1
Interest	85,373	85,373	85,372	1
Total expenditures	17,305,167	17,305,167	1,363,558	15,941,609
Revenues over (under) expenditures	(5,669,193)	(5,669,193)	(1,182,333)	4,486,860
OTHER FINANCING SOURCES (USES):				
Transfers in	2,250,000	2,250,000	2,250,000	-
Transfers out	(1,708,765)	(1,708,765)	(1,708,765)	-
Total other financing sources (uses)	541,235	541,235	541,235	-
Net changes in fund balances	(5,127,958)	(5,127,958)	(641,098)	4,486,860
FUND BALANCE, BEGINNING BUDGETARY	5,127,958	5,127,958	5,886,190	758,232
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 5,245,092	\$ 5,245,092

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, 2020

	Wastewater	Wastewater Capital Reserve	Sewer Plant Construction	Total All Wastewater Funds
REVENUES:				
Charges for services	\$ 5,353,342	\$ -	\$ -	\$ 5,353,342
Intergovernmental	3,558	-	-	3,558
System development charges	-	1,375,790	-	1,375,790
Interest on investments	2,074	80,959	14,739	97,772
Miscellaneous	400,038	-	-	400,038
Total revenues	5,759,012	1,456,749	14,739	7,230,500
EXPENDITURES:				
Personnel service	1,300,604	-	-	1,300,604
Materials and services	1,786,399	-	-	1,786,399
Capital outlay	57,918	430,098	786,690	1,274,706
Debt service:				
Principal	-	-	59,798	59,798
Interest	-	-	37,434	37,434
Total expenditures	3,144,921	430,098	883,922	4,458,941
Revenues over (under) expenditures	2,614,091	1,026,651	(869,183)	2,771,559
OTHER FINANCING SOURCES (USES):				
Sale of property	926	-	-	926
Transfers in	-	2,517,934	1,250,000	3,767,934
Transfers out	(3,397,178)	(6,986)	(838,416)	(4,242,580)
Total other financing sources (uses)	(3,396,252)	2,510,948	411,584	(473,720)
Net changes in fund balances	(782,161)	3,537,599	(457,599)	2,297,839
FUND BALANCE, BEGINNING BUDGETARY BASIS	1,212,801	1,303,706	1,274,285	3,790,792
Prior period adjustment	-	-	(500,000)	(500,000)
FUND BALANCE, BEGINNING BUDGETARY BASIS AS ADJUSTED	1,212,801	1,303,706	774,285	3,290,792
FUND BALANCE, ENDING BUDGETARY BASIS	\$ 430,640	\$ 4,841,305	\$ 316,686	\$ 5,588,631

	Revenues	Expenditures
Total revenue and expenditures above	\$ 7,230,500	\$ 4,458,941
Transfers in/out	-	419,068
Expenditures capitalized	-	(1,360,848)
Debt service principal payments	-	(59,798)
Other post employment benefits	-	17,239
Depreciation and amortization expense	-	632,521
Interest revenue/expense	-	(186)
Gain/loss on disposal of capital assets	-	(926)
Increase/decrease compensated absences	-	16,908
Total revenues and expenses - generally accepted accounting principles	\$ 7,230,500	4,122,919
Change in net position		\$ 3,107,581

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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 5,662,109	\$ 5,662,109	\$ 5,353,342	\$ (308,767)
Intergovernmental	8,000	8,000	3,558	(4,442)
Interest on investments	1,000	1,000	2,074	1,074
Miscellaneous	76,854	76,854	400,038	323,184
Total revenues	<u>5,747,963</u>	<u>5,747,963</u>	<u>5,759,012</u>	<u>11,049</u>
EXPENDITURES:				
Personnel service	1,318,700	1,348,449	1,300,604	47,845
Materials and services	1,945,676	1,945,676	1,786,399	159,277
Capital outlay	150,000	150,000	57,918	92,082
Contingency	119,459	119,459	-	119,459
Total expenditures	<u>3,533,835</u>	<u>3,563,584</u>	<u>3,144,921</u>	<u>418,663</u>
Revenues over (under) expenditures	2,214,128	2,184,379	2,614,091	429,712
OTHER FINANCING SOURCES (USES):				
Sale of property	-	-	926	926
Transfers out	(3,303,573)	(3,397,178)	(3,397,178)	-
Total other financing sources (uses)	<u>(3,303,573)</u>	<u>(3,397,178)</u>	<u>(3,396,252)</u>	<u>926</u>
Net changes in fund balances	(1,089,445)	(1,212,799)	(782,161)	430,638
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>1,089,445</u>	<u>1,212,799</u>	<u>1,212,801</u>	<u>2</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 430,640</u>	<u>\$ 430,640</u>

**CITY OF THE DALLES, OREGON
WASTEWATER CAPITAL RESERVE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
System development charges	\$ 46,882	\$ 46,882	\$ 1,375,790	\$ 1,328,908
Interest on investments	30,000	30,000	80,959	50,959
Total revenues	76,882	76,882	1,456,749	1,379,867
EXPENDITURES:				
Capital outlay	2,904,052	2,717,207	430,098	2,287,109
Total expenditures	2,904,052	2,717,207	430,098	2,287,109
Revenues over (under) expenditures	(2,827,170)	(2,640,325)	1,026,651	3,666,976
OTHER FINANCING SOURCES (USES):				
Transfers in	1,250,000	1,343,605	2,517,934	1,174,329
Transfers out	(6,986)	(6,986)	(6,986)	-
Total other financing sources (uses)	1,243,014	1,336,619	2,510,948	1,174,329
Net changes in fund balances	(1,584,156)	(1,303,706)	3,537,599	4,841,305
FUND BALANCE, BEGINNING BUDGETARY BASIS	1,584,156	1,303,706	1,303,706	-
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 4,841,305	\$ 4,841,305

**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, 2020**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Interest on investments	\$ 20,000	\$ 20,000	\$ 14,739	\$ (5,261)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>14,739</u>	<u>(5,261)</u>
EXPENDITURES:				
Capital outlay	1,216,454	1,216,454	786,690	429,764
Debt service:				
Principal	59,798	59,798	59,798	-
Interest	<u>37,434</u>	<u>37,434</u>	<u>37,434</u>	<u>-</u>
Total expenditures	<u>1,313,686</u>	<u>1,313,686</u>	<u>883,922</u>	<u>429,764</u>
Revenues over (under) expenditures	(1,293,686)	(1,293,686)	(869,183)	424,503
OTHER FINANCING SOURCES (USES):				
Transfers in	1,250,000	1,250,000	1,250,000	-
Transfers out	<u>(838,416)</u>	<u>(838,416)</u>	<u>(838,416)</u>	<u>-</u>
Total other financing sources (uses)	<u>411,584</u>	<u>411,584</u>	<u>411,584</u>	<u>-</u>
Net changes in fund balances	(882,102)	(882,102)	(457,599)	424,503
FUND BALANCE, BEGINNING BUDGETARY BASIS	882,102	882,102	1,274,285	392,183
Prior period adjustment	<u>-</u>	<u>-</u>	<u>(500,000)</u>	<u>(500,000)</u>
FUND BALANCE, BEGINNING BUDGETARY BASIS AS ADJUSTED	<u>882,102</u>	<u>882,102</u>	<u>774,285</u>	<u>(107,817)</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 316,686</u>	<u>\$ 316,686</u>

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, 2020

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
EXPENDITURES:				
Principal	\$ 1,065,460	\$ 1,065,460	\$ 1,065,461	\$ (1)
Interest	274,742	274,742	273,893	849
Total expenditures	1,340,202	1,340,202	1,339,354	848
Revenues over (under) expenditures	(1,340,202)	(1,340,202)	(1,339,354)	848
OTHER FINANCING SOURCES (USES):				
Transfers in	1,340,202	1,340,202	1,340,202	-
Total other financing sources (uses)	1,340,202	1,340,202	1,340,202	-
Net changes in fund balances	-	-	848	848
FUND BALANCE, BEGINNING BUDGETARY BASIS	-	-	1,148	1,148
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	\$ 1,996	\$ 1,996

	Revenues	Expenditures
Total revenue and expenditures above	\$ -	\$ 1,339,354
Transfers in/out	1,340,202	-
Debt service principal payments	-	(1,065,461)
Interest revenue/expense	-	48,030
Total revenues and expenses - generally accepted accounting principles	\$ 1,340,202	321,923
Change in net position		\$ 1,018,279



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 79 - 85

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

Revenue Capacity 86 - 91

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

Debt Capacity 92 - 99

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

Demographic and Economic Information 100 - 104

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

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>2020</u>	<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>
Governmental Activities:										
Net investment in capital assets	\$ 28,892,637	\$ 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
Restricted	10,893,307	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
Unrestricted	16,802,396	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
Total governmental activities net position	<u>\$ 56,588,340</u>	<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>
Business-Type Activities:										
Net investment in capital assets	\$ 54,091,260	\$ 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
Restricted	1,825,510	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
Unrestricted	391,766	(1,153,633)	(5,535,813)	(1,051,770)	645,798	2,373,161	942,037	1,301,239	1,179,693	862,477
Total business-type activities net position	<u>\$ 56,308,536</u>	<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>
Primary Government:										
Net investment in capital assets	\$ 82,983,897	\$ 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
Restricted	12,718,817	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
Unrestricted	17,194,162	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
Total primary government net position	<u>\$ 112,896,876</u>	<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>

Source: Current and prior year's financial statements

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

	<u>2020</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services, fees and fines										
General government	\$ 1,869,609	\$ 945,631	\$ 662,698	\$ 1,207,216	\$ 1,111,793	\$ 895,831	\$ 1,741,823	\$ 958,415	\$ 853,937	\$ 303,748
Public safety	201,241	223,699	241,242	243,128	235,252	222,585	229,428	194,454	224,448	255,320
Highways and streets	16,346	19,731	12,928	28,342	33,944	12,424	10,573	16,525	20,880	19,217
Culture and recreation	4,528	4,588	18,346	21,681	20,605	18,740	12,401	11,548	11,294	15,746
Operating grants and contributions	1,114,743	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
Capital grants and contributions	3,192,842	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
Total governmental activities program revenues	<u>6,399,309</u>	<u>4,973,227</u>	<u>3,973,082</u>	<u>6,408,388</u>	<u>6,162,831</u>	<u>5,456,959</u>	<u>5,200,871</u>	<u>5,140,721</u>	<u>8,716,602</u>	<u>4,010,763</u>
Business-type activities:										
Charges for services:										
Water	5,937,310	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
Wastewater	7,130,096	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
Airport	-	-	-	-	-	199,548	273,657	219,036	226,622	191,157
Operating grants	-	-	-	-	-	65,000	65,000	65,000	263,347	142,954
Capital grants	3,696	515,897	1,061,609	1,174,329	-	406,533	4,970,071	3,871,454	1,193,231	383,053
Total business-type activities program revenues	<u>13,071,102</u>	<u>12,452,385</u>	<u>12,814,715</u>	<u>13,031,466</u>	<u>11,554,611</u>	<u>11,911,943</u>	<u>16,167,727</u>	<u>14,002,551</u>	<u>11,112,568</u>	<u>9,200,395</u>
Total primary government program revenues	<u>19,470,411</u>	<u>17,425,612</u>	<u>16,787,797</u>	<u>19,439,854</u>	<u>17,717,442</u>	<u>17,368,902</u>	<u>21,368,598</u>	<u>19,143,272</u>	<u>19,829,170</u>	<u>13,211,158</u>
Expenses										
Governmental activities:										
General government	4,163,662	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
Public safety and justice	4,362,967	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
Highways and streets	1,909,414	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
Culture and recreation	1,984,052	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
Interest on long term obligations	341,850	380,417	412,621	443,633	453,321	517,776	528,148	559,591	578,874	595,104
Total governmental activities expenses	<u>12,761,945</u>	<u>12,987,484</u>	<u>11,621,627</u>	<u>11,428,265</u>	<u>11,454,838</u>	<u>11,717,058</u>	<u>10,261,711</u>	<u>10,546,576</u>	<u>10,032,255</u>	<u>10,164,104</u>
Business-type activities:										
Water	3,753,063	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
Wastewater	3,704,777	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
2018 Utility Bond	321,923	349,447	211,414	-	-	-	-	-	-	-
Airport	-	-	-	-	-	260,659	286,049	313,045	440,116	438,097
Total business-type activities expenses	<u>7,779,763</u>	<u>6,936,360</u>	<u>7,159,963</u>	<u>6,521,128</u>	<u>6,918,333</u>	<u>6,913,975</u>	<u>7,147,282</u>	<u>6,696,558</u>	<u>7,754,606</u>	<u>6,205,849</u>
Total primary government expenses	<u>20,541,708</u>	<u>19,923,844</u>	<u>18,781,590</u>	<u>17,949,393</u>	<u>18,373,171</u>	<u>18,631,033</u>	<u>17,408,993</u>	<u>17,243,134</u>	<u>17,786,861</u>	<u>16,369,953</u>
Net Expense										
Governmental activities	(6,362,636)	(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)
Business-type activities	5,291,339	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
Total primary government net expense	<u>\$ (1,071,297)</u>	<u>\$ (2,498,232)</u>	<u>\$ (1,993,793)</u>	<u>\$ 1,490,461</u>	<u>\$ (655,729)</u>	<u>\$ (1,262,131)</u>	<u>\$ 3,959,605</u>	<u>\$ 1,900,138</u>	<u>\$ 2,042,309</u>	<u>\$ (3,158,795)</u>

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)

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Position										
General revenues:										
Property taxes levied for:										
General purposes	\$ 4,722,441	\$ 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
Urban renewal purposes	1,663,728	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
Franchise and public service taxes	2,458,295	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
Interest and investment earnings	356,466	326,932	206,646	111,660	54,106	49,936	43,572	46,153	41,322	109,002
Transfers	1,452,132	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
Total governmental activities	10,653,062	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
Business-type activities:										
Interest and investment earnings	222,703	235,968	202,863	161,264	73,317	50,440	42,092	38,307	30,800	32,632
Miscellaneous	-	-	705,604	-	-	-	(37,152)	-	-	-
Transfers	(1,452,132)	(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)
Total business-type activities	(1,229,429)	(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)
Total primary government	9,423,633	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
Change in Net Position										
Governmental activities	4,290,426	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
Prior Period Adjustments **	-	-	781,495	-	6,596,876	-	(165,050)	-	-	-
Governmental Activities, as adjusted	4,290,426	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
Business-type activities	4,061,910	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
Prior Period Adjustments	-	-	460,029	-	(11,265,887)	-	(214,006)	-	-	-
Business-type Activities, as adjusted	4,061,910	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
Total primary government change in net position	8,352,336	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
Net Position Beginning										
Governmental activities	52,297,914	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
Business-type activities	52,246,626	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
Total primary government net position-beginning	104,544,540	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
Net Position Ending										
Governmental activities	56,588,340	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
Business-type activities	56,308,536	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
Total Primary Government Net Position	\$ 112,896,876	\$ 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

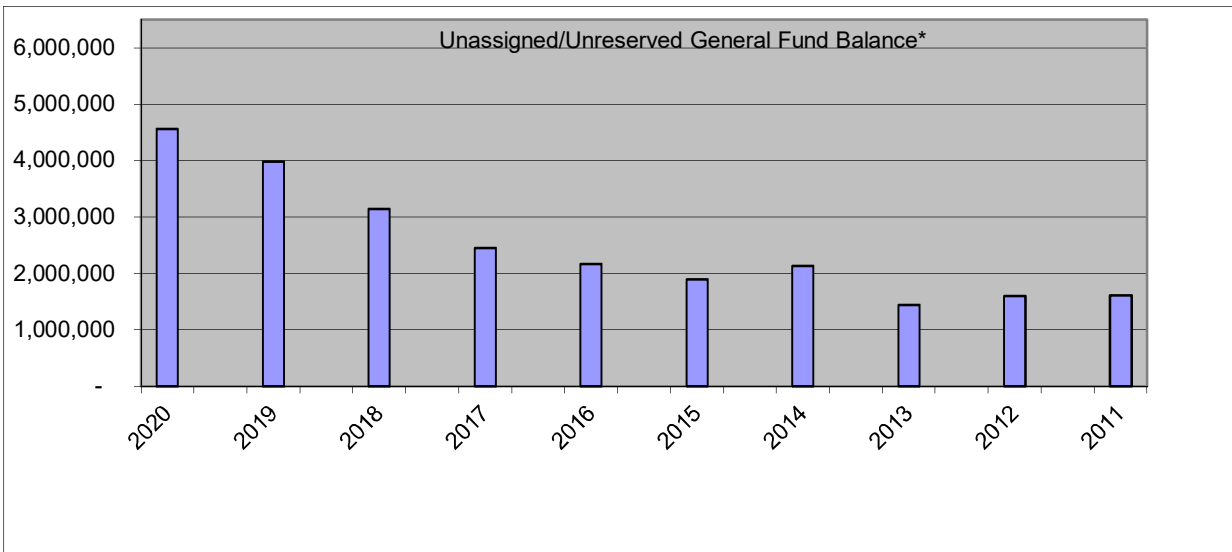
* 2014 net position-beginning are net of prior period adjustments of \$(165,050) governmental and \$(241,006) business-type activities.

** 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>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
General Fund				
Nonspendable:				
Prepays	\$ 168,235	\$ 163,833	\$ 159,388	\$ 146,177
Committed:				
Committed by ordinance or resolution	1,490,141	1,438,545	1,352,126	1,369,385
Unassigned	4,562,820	3,982,784	3,143,704	2,451,502
Total general fund	<u>6,221,196</u>	<u>5,585,162</u>	<u>4,655,218</u>	<u>3,967,064</u>
All Other Governmental Funds				
Nonspendable:				
Inventory	106,913	165,400	159,269	154,151
Restricted:				
Grant / contributor specific intent	3,483,429	3,464,591	3,400,816	3,365,712
State statute	5,492,549	4,072,925	3,298,134	2,510,012
Full faith and credit debt	-	14,370	14,370	-
Intergovernmental agreement	1,917,329	1,718,702	1,596,044	1,488,866
Committed:				
Major capital facilities and associated debt	391,520	302,474	299,191	242,548
Local improvements and associated debt	521,904	574,631	535,675	565,598
Agreements with state agencies	652,118	91,412	110,105	82,867
Total all other governmental funds	<u>12,565,762</u>	<u>10,404,505</u>	<u>9,413,604</u>	<u>8,409,754</u>
Total governmental funds	<u>\$ 18,786,958</u>	<u>\$ 15,989,667</u>	<u>\$ 14,068,822</u>	<u>\$ 12,376,818</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 144,028	\$ 132,551	\$ 130,172	\$ 123,820	\$ 116,297	\$ 115,143
1,107,207	1,169,225	1,256,941	816,807	545,656	618,743
<u>2,169,062</u>	<u>1,898,698</u>	<u>2,143,561</u>	<u>1,449,360</u>	<u>1,606,569</u>	<u>1,621,482</u>
<u>3,420,297</u>	<u>3,200,474</u>	<u>3,530,674</u>	<u>2,389,987</u>	<u>2,268,522</u>	<u>2,355,368</u>
140,366	177,245	148,191	138,798	136,002	137,768
3,411,321	3,508,935	3,458,663	3,584,049	3,723,971	5,730,710
1,847,330	1,831,201	894,793	845,812	993,088	566,535
-	-	-	3	-	-
1,347,889	1,251,473	1,868,231	1,774,671	1,620,088	1,468,405
163,729	219,734	276,844	303,799	496,322	428,769
458,063	107,657	18,401	18,401	677,218	730,557
37,689	43,449	(2,166)	36,992	36	1,168
<u>7,406,387</u>	<u>7,139,694</u>	<u>6,662,956</u>	<u>6,702,525</u>	<u>7,646,725</u>	<u>9,063,912</u>
<u>\$ 10,826,684</u>	<u>\$ 10,340,168</u>	<u>\$ 10,193,630</u>	<u>\$ 9,092,512</u>	<u>\$ 9,915,247</u>	<u>\$ 11,419,280</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Revenues				
Taxes	\$ 8,451,478	\$ 8,179,210	\$ 7,825,266	\$ 6,308,619
Inter-governmental	3,905,841	3,105,605	2,722,194	3,899,215
Rents and interest	807,320	753,549	477,694	544,083
Franchise Fees	383,959	378,063	371,027	258,417
Fines and forfeitures	215,730	242,550	257,822	258,049
Charges for services	-	67,227	45,992	66,595
System Development Charges	79,764	261,020	72,261	239,963
Special assessments	117,138	111,132	50,493	191,204
Other Revenues	1,315,761	456,517	586,857	447,791
Total revenues	<u>15,276,991</u>	<u>13,554,873</u>	<u>12,409,606</u>	<u>12,213,936</u>
Expenditures				
Current:				
General Government	3,566,200	3,372,562	3,256,199	3,260,351
Public safety	4,279,586	4,150,222	3,884,806	3,738,742
Highways and streets	1,388,614	1,396,492	1,218,883	1,179,016
Culture and recreation	1,860,359	1,811,394	1,646,012	1,680,709
Capital outlay	1,711,648	1,188,912	916,391	1,013,464
Debt service:				
Principal	732,644	697,970	671,906	642,232
Interest	393,387	432,293	464,393	495,557
Total expenditures	<u>13,932,438</u>	<u>13,049,845</u>	<u>12,058,590</u>	<u>12,010,071</u>
Revenues over (under) expenditures	<u>1,344,553</u>	<u>505,028</u>	<u>351,016</u>	<u>203,865</u>
Other Financing Sources (Uses)				
Proceeds of financing agreement	-	-	-	-
Sale of fixed capital assets	606	13,717	40,002	11,817
Transfers in	3,287,752	2,830,004	2,874,161	2,885,047
Transfers out	(1,835,620)	(1,427,904)	(1,573,175)	(1,550,595)
Total other financing sources (uses)	<u>1,452,738</u>	<u>1,415,817</u>	<u>1,340,988</u>	<u>1,346,269</u>
Net change in fund balances	<u>\$ 2,797,291</u>	<u>\$ 1,920,845</u>	<u>\$ 1,692,004</u>	<u>\$ 1,550,134</u>
Debt service as a percentage of noncapital expenditures	<u>9.0%</u>	<u>9.1%</u>	<u>10.0%</u>	<u>10.2%</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>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 6,025,127	\$ 5,661,611	\$ 5,359,205	\$ 5,219,096	\$ 4,888,001	\$ 4,674,232
3,848,504	4,235,990	3,161,324	3,954,537	7,577,757	3,416,732
502,604	485,684	431,657	472,656	398,415	477,926
227,827	266,968	331,184	328,287	308,704	345,733
249,906	234,947	241,481	205,803	235,699	269,448
49,250	40,507	27,673	33,165	28,774	42,078
84,850	35,334	95,479	276,341	168,629	39,010
469,501	82,657	580,919	28,521	51,641	143,689
922,148	502,387	273,589	251,617	264,486	88,956
<u>12,379,717</u>	<u>11,546,085</u>	<u>10,502,511</u>	<u>10,770,023</u>	<u>13,922,106</u>	<u>9,497,804</u>
3,237,110	3,363,935	2,910,006	2,847,792	2,861,157	2,996,122
3,685,123	3,526,407	3,337,983	3,365,059	3,206,256	2,995,877
1,082,520	1,021,840	985,621	1,089,640	1,343,365	979,615
1,543,977	1,414,754	1,231,798	1,234,310	1,009,676	1,300,663
2,516,214	2,413,193	1,205,442	3,265,453	7,077,246	2,518,236
617,558	596,494	760,077	617,719	595,874	678,222
524,654	548,296	579,587	606,264	629,844	648,299
<u>13,207,156</u>	<u>12,884,919</u>	<u>11,010,514</u>	<u>13,026,237</u>	<u>16,723,418</u>	<u>12,117,034</u>
<u>(827,439)</u>	<u>(1,338,834)</u>	<u>(508,003)</u>	<u>(2,256,214)</u>	<u>(2,801,312)</u>	<u>(2,619,230)</u>
-	-	101,829	-	-	-
6,719	11,985	-	2,220	-	-
3,193,664	3,504,190	3,237,423	3,694,389	2,703,091	2,627,706
<u>(1,893,918)</u>	<u>(2,030,803)</u>	<u>(1,730,131)</u>	<u>(2,263,130)</u>	<u>(1,405,812)</u>	<u>(1,278,008)</u>
<u>1,306,465</u>	<u>1,485,372</u>	<u>1,609,121</u>	<u>1,433,479</u>	<u>1,297,279</u>	<u>1,349,698</u>
<u>\$ 479,026</u>	<u>\$ 146,538</u>	<u>\$ 1,101,118</u>	<u>\$ (822,735)</u>	<u>\$ (1,504,033)</u>	<u>\$ (1,269,532)</u>
<u>10.2%</u>	<u>10.1%</u>	<u>13.5%</u>	<u>11.9%</u>	<u>12.6%</u>	<u>13.3%</u>

Source: Current and prior years' financial statements

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

Function/Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities										
General government	\$ 5,062,451	\$ 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
Public safety	213,002	223,699	241,242	243,128	235,252	222,585	229,428	194,454	224,448	255,320
Highways and streets	1,026,143	1,096,920	969,448	900,410	891,733	854,032	835,673	807,308	816,335	690,006
Culture and recreation	97,713	26,351	22,043	1,318,622	1,953,548	1,165,756	1,107,901	1,035,837	1,005,851	980,951
Total governmental activities	6,399,309	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
Business-type activities										
Water	5,937,448	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
Waste water	7,133,654	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
Airport *	-	-	-	-	-	647,988	2,308,048	4,153,884	1,460,514	309,825
Total business-type activities	13,071,102	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
Total Primary government	\$ 19,470,411	\$ 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

* The Airport has been reclassified as a "joint venture" and so has been removed from the City's business activities as of 2017.

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

Year	Property Taxes	Transient Room Taxes	City Gasoline Taxes
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
2020	4,856,548	673,223	475,432

Source: Current and prior years' financial statements

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

Year	Real Property Assessed Value	Personal Property Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Real Market Value
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	2,269,214,936
2020	1,167,757,354	117,462,023	1,285,219,377	3.0155	2,426,595,157

* 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		
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	
2020	2.7988	0.2167	3.0155	4.2523	0	0.2007	2.2734	0.6799	0.3227	0.6800	1.5589	0	5.2399	0.4678	0.2703	0.0000	18.96	

(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
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%
2020	5,158,457	4,856,548	94.15%	212,171	5,068,719	98.26%

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

CITY OF THE DALLES, OREGON
Principal Taxpayers
Current Year and Nine Years Ago

December 31, 2020

Taxpayer	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
BNSF Railway	\$ 57,210,900	1	4.45%
Union Pacific Railroad Co	46,138,004	2	3.59%
CenturyLink	37,937,500	3	2.95%
Northern Wasco PUD	29,941,000	4	2.33%
Gas Transmission NW Corp	14,360,239	5	1.12%
Metropolitan Life Insurance Co	20,451,000	6	1.59%
Design LLC	11,976,216	7	0.93%
Orchard View Farms Inc	12,752,910	8	0.99%
Charter Communications	12,329,500	9	0.96%
Cascade Square LLC	12,766,613	10	0.99%
Total Assessed Valuator	<u>\$ 255,863,882</u>		19.91%
	<u>\$ 1,285,219,377</u>		

December 31, 2011

Taxpayer	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
CenturyLink	\$ 12,805,800	1	1.34%
Northern Wasco PUD	11,669,171	2	1.22%
Metropolitan Life Insurance Co	11,336,105	3	1.18%
Oregon Cherry Growers, Inc	10,823,036	4	1.13%
Home Depot USA, Inc.	8,088,100	5	0.84%
Union Pacific Railroad Co	7,160,423	6	0.75%
Safeway Inc.	6,828,366	7	0.71%
SHNW Properties, LLC	6,665,414	8	0.70%
Wasco Assisted Living, LLC	6,436,089	9	0.67%
Cascade Square LLC	6,339,485	10	0.66%
Total Assessed Valuator	<u>\$ 88,151,989</u>		9.21%
	<u>\$ 957,528,056</u>		

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			
2011	-	-	-	12,627,878	387,352	12,757,000	1,602,122	1,804,787	29,179,139	N/A	2,021	3.05%
2012	-	-	-	12,085,732	311,028	12,111,000	1,509,268	6,664,443	32,681,471	N/A	2,263	3.32%
2013	-	-	-	12,287,934	231,604	11,356,637	1,441,215	6,963,339	32,280,729	N/A	2,236	3.19%
2014	-	-	-	11,660,378	100,655	10,704,972	1,337,901	3,936,540	27,740,446	N/A	1,921	2.65%
2015	-	-	-	11,014,790	50,890	10,033,307	3,250,301	4,266,008	28,615,296	N/A	1,976	2.65%
2016	-	-	-	10,348,138	25,846	9,331,642	3,090,198	4,065,974	26,861,798	N/A	1,851	2.38%
2017	-	-	-	9,656,812	-	8,604,977	1,008,856	3,138,518	22,409,163	N/A	1,439	1.91%
2018	-	-	-	8,935,812	-	11,329,860	888,986	4,428,222	25,582,880	N/A	1,635	2.06%
2019	-	-	-	8,188,748	-	10,289,977	765,181	4,275,743	23,519,649	N/A	1,512	1.83%
2020	-	-	-	7,407,010	-	9,224,516	636,048	4,062,939	21,330,513	N/A	1,309.42	0.00%

Note: Presented net of original issuance discounts and premiums.

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

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

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

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

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Per Capita
2011	-	897,333,222	0.00%	-
2012	-	984,855,189	0.00%	-
2013	-	1,012,652,257	0.00%	-
2014	-	1,048,532,511	0.00%	-
2015	-	1,079,533,348	0.00%	-
2016	-	1,128,442,447	0.00%	-
2017	-	1,171,843,976	0.00%	-
2018	-	1,179,634,596	0.00%	-
2019	-	1,240,914,769	0.00%	-
2020	-	1,285,219,377	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, 2020

Governmental Unit	Gross Property-tax Backed Debt (a)	Percentage Applicable to City of The Dalles	Amount Applicable to City of The Dalles
Debt Repaid with Property Taxes			
Columbia Gorge Comm. Coll (Treaty-Oak AED)	\$ 16,194,834	20.7912%	\$ 3,367,104
Mid-Columbia Fire and Rescue	470,000	76.5104%	359,599
Northern OR Regional Correction	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%	9,537
Subtotal, overlapping deb			23,043,694 (b)
City Direct Debt			<u>7,407,010 (c)</u>
Total Direct and Overlapping Debt			<u><u>\$ 30,450,704</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
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
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
2017	7,293,790	3,017,487	4,276,303	435,000	116,845	551,845	7.75	46.32	78.74
2018	6,762,931	3,166,625	3,596,306	2,455,000	93,070	2,548,070	1.41	46.32	78.74
2019	7,100,818	3,296,818	3,804,000	627,912	209,304	837,216	4.54	53.02	90.13
2020	5,756,385	3,535,773	2,220,612	490,000	63,770	553,770	4.01	46.32	78.74

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 Ten 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			
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	563,406	4.614	1.68	55.30
2019	5,947,079	3,469,466	378,881	126,293	505,174	505,174	4.904	1.68	55.30
2020	5,945,661	3,599,398	2,346,263	325,000	237,268	562,268	4.173	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
Last Ten Fiscal Years
(Unaudited)

Customer Class*	FY 2011		FY 2012		FY 2013		FY 2014		FY 2015		FY 2016		FY 2017		FY 2018		FY 2019		FY 2020	
	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)	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	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	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	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	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	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	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	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	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		FY 2020	
	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	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	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	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	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	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	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	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	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	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	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	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	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	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	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	Base Increase	Volume Increase
FY 2015	5%	5%	5%	5%
FY 2016	5%	5%	5%	5%
FY 2017	5%	5%	5%	5%
FY 2018	5%	5%	5%	5%
FY 2019	5%	5%	5%	5%
FY 2020	5%	5%	5%	5%
FY 2021	5%	5%	5%	5%

City Council directed that is increase not be implemented

City of The Dalles, Oregon
2007 Water Revenue Bond Required SDC Disclosures
Last Ten Fiscal Years
(Unaudited)

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	FY 2020
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	57,935	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

2019-20

Top Ten Water Customers	Rank	Number of Accounts	Annual Water Charges	Percent of Total Charges
Design LLC	1	14	867,704.97	16.42%
Oregon Cherry Growers, Inc.	2	7	349,256.67	6.61%
School District 21	3	6	182,752.98	3.46%
Mid-Columbia Medical Center	4	11	173,414.08	3.28%
Northern Oregon Corrections	5	2	93,302.59	1.77%
Veterans Care Centers	6	1	77,244.50	1.46%
Shilo Inn	7	2	76,543.93	1.45%
NWC Parks & Recreation	8	3	70,450.37	1.33%
Flagstone Assisted Living	9	3	62,227.20	1.18%
The Springs at Mill Creek	10	2	60,386.09	1.14%
Total			2,013,283.38	38.10%
Total Water Charges			5,479,857.97	100.00%

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

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

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
2011	1,381,912,299	3%	41,457,369	-	41,457,369	0.00%
2012	1,418,883,503	3%	42,566,505	-	42,566,505	0.00%
2013	1,608,434,442	3%	48,253,033	-	48,253,033	0.00%
2014	1,298,752,196	3%	38,962,566	-	38,962,566	0.00%
2015	1,625,848,326	3%	48,775,450	-	48,775,450	0.00%
2016	1,795,227,733	3%	53,856,832	-	53,856,832	0.00%
2017	1,933,064,130	3%	57,991,924	-	57,991,924	0.00%
2018	2,269,214,936	3%	68,076,448	-	68,076,448	0.00%
2019	2,426,595,157	3%	72,797,855	-	72,797,855	0.00%
2020	2,426,595,157	3%	72,797,855	-	72,797,855	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
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%
2020	16,290	N/A	N/A	9.30%

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.

Source: Oregon Department of Revenue, Center for Population Research and Census at Portland State University

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

	2019-20		
	Employees	Rank	Percent of Total Employment
Mid Columbia Medical Center	807	1	10.22%
Fred Meyer	320	2	2.91%
School District #21	230	3	2.15%
State of Oregon	227	4	4.05%
Columbia Gorge Community College	180	5	2.28%
Oregon Cherry Growers, Inc.	170	6	2.88%
Oregon Veterans Home	155	7	1.96%
Wasco County	130	8	1.65%
U.S. Army Corps of Engineers	126	9	1.43%
Google	113	10	1.43%
	2,458		31.14%
Total employment	7,894		

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

	2010-11		
	Employees	Rank	Percent of Total Employment
Mid Columbia Medical Center	692	1	8.99%
School District #21	312	2	4.05%
State of Oregon	247	3	3.21%
Design LLC	200	4	2.60%
Fred Meyers	195	5	2.53%
Oregon Veterans Home	160	6	2.08%
Oregon Cherry Growers	145	7	1.88%
Wasco County	88	8	1.14%
Safeway Food and Drug	83	9	1.08%
Columbia Gorge Community College	77	10	1.00%
	2,199		28.57%
Total employment	7,696		

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
General government	13.80	16.00	15.00	15.00	14.00	19.00	19.00	18.00	16.00	16.00
Public safety and justice	26.25	26.25	26.25	25.25	27.25	28.50	27.50	25.50	25.00	25.00
Community services	5.00	5.00	3.00	4.50	5.00	4.50	4.50	4.50	6.00	6.00
Streets and highways	9.00	11.00	10.00	7.00	9.00	8.50	10.50	11.00	11.00	9.00
Library	10.90	9.90	10.00	10.90	10.90	9.50	9.50	9.00	10.00	10.00
Total governmental activities	64.95	68.15	64.25	62.65	66.15	70.00	71.00	68.00	68.00	66.00
Business-type activities:										
Water	22.50	22.50	20.50	18.00	21.00	22.00	22.00	22.00	21.00	21.50
Wastewater	13.50	14.50	13.50	12.00	13.00	12.00	12.00	9.00	11.00	11.50
Total business-type activities	36.00	37.00	34.00	30.00	34.00	34.00	34.00	31.00	32.00	33.00
Total primary government budgeted FTE	100.95	105.15	98.25	92.65	100.15	104.00	105.00	99.00	100.00	99.00
City of The Dalles Employees										
Management and exempt	39.95	37.9	34.75	34.65	33.65	37.00	37.00	34.00	35.00	34.00
Bargaining units										
SEIU (Local 503)	44.00	45.75	45.50	43.00	44.00	44.00	46.00	45.00	44.00	45.00
Police Association	17.00	17.00	17.00	14.00	19.00	19.00	18.00	18.00	18.00	19.00
Total bargaining units	61.00	62.75	62.50	57.00	63.00	63.00	64.00	63.00	62.00	64.00
Temporary City employees	-	4.50	1.00	1.00	1.00	4.00	4.00	2.00	3.00	1.00
Total actual City employees	100.95	105.15	98.25	92.65	97.65	104.00	105.00	99.00	100.00	99.00

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	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities:										
Public Safety and Justice										
Police (1)										
Calls for service	16,648	15,756	13,375	12,218	N/A*	11,166	11,187	11,447	10,340	9,359
Crime reports	2,621	2,559	2,060	2,220	N/A*	2,600	2,423	2,504	2,385	2,303
Number of arrests	1,125	919	837	1,793	N/A*	1,371	1,233	1,062	1,017	1,055
Municipal Court										
Traffic cases	1,544	1,692	1,374	1,720	1,467	1,504	1,357	1,180	1,412	1,184
Criminal cases	0	235	372	279	429	364	511	445	342	375
Ordinance violation:	1	9	1	30	19	40	65	78	25	22
Parking violation:	3	109	81	47	99	57	44	44	60	76
Code enforcement case:	0	0	5	6	4	9	6	13	11	3
Library										
Number of registered borrower:	15,411	15,665	15,562	15,651	14,538	13,534	12,056	11,950	10,920	12,573
Total circulation	182,523	236,571	219,628	197,620	190,785	164,106	157,475	160,295	163,653	160,405
Public programs	670	784	362	340	472	264	418	462	466	607
Program attendance	10,168	14,023	4,194	3,617	5,759	4,706	6,978	7,864	7,226	9,775
Books added	6,632	6,113	6,315	5,425	6,563	8,995	4,688	4,005	3,644	6,526
Business-type Activities:										
Water										
Average active metered connection	4,640	4,773	4,443	4,825	4,617	4,590	4,591	4,604	4,598	4,618
Average daily water consumption	2,983,584	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
Average number of assistance account	196	159	139	134	183	149	187	166	162	153
Average daily water production	3,370,000	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

(1) Police statistics are for the calendar year
* N/A: Data was not available for this year

Source: City of The Dalles Departments

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

FUNCTION/PROGRAM	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental Activities										
General Government										
Buildings owned	13	13	13	13	13	13	13	13	12	12
Vehicles (excluding automobiles)	44	45	41	41	41	41	41	40	36	37
Heavy Equipment	19	19	18	18	18	18	17	16	15	15
Public Safety and Justice										
Police										
Police vehicles	19	19	18	18	17	17	17	17	16	16
Number of employees	26	26	26.25	21	25.75	25.5	25.5	25.5	25	25
Streets and Highways										
Miles of streets maintained by City:										
Paved	85.4	85.1	87.5	85.1	69.2	69.2	69.1	69.1	69.1 *	69.1
Unpaved	16.24	13.2	10.8	13.2	16.4	16.4	16.4	16.4	16.4 *	16.4
Bridges and underpasses	6	6	6	6	6	6	5	5	5	5
Business-type Activities										
Water										
Miles of water lines (estimated)	104.79	104.75	104	101.3	101.3	101.3	100.7 *	100.7	87.3 *	86.5
Reservoirs	5	5	5	5	5	5	5	5	5	6
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)	100.4	100	100	100	98.8	95.7	95.3	95.3	94.4 *	94.4
Lift stations	8	9	9	9	9	9	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 *	42 *	33 *	32	23	23
Other buildings	4	4	4 *	2	2	2 *	2	3	3	2

- * 2011 miles based on GIS mapping data. Prior to 2011, mileage was manually calculated.
- * 2013 Added in out of City limits Transmission Pipelines from Treatment Plant to town.
- * 2013 Built new Maintenance Hanger and private hanger with 8 T-hangers reverted to Airport ownership.
- * 2014 Now includes Life Flight Hanger and eliminated Electrical Bldg, which is now part of New Maint Hanger
- * 2015 Purchased "D" Hanger with 9 T-Hangers.
- * 2018 Flex space and acquired the Shearer Hangar

Source: City of The Dalles Departments

AUDIT COMMENTS AND DISCLOSURES

**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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of The Dalles, Oregon as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City of The Dalles, Oregon's basic financial statements, and have issued our report thereon dated December 10, 2020.

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) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 financial statements. 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 Standards*.

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
December 10, 2020

**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 the City of The Dalles, Oregon, as of and for the year ended June 30, 2020 and have issued our report thereon dated December 10, 2020. 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 the 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 grant agreements, 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*, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

- 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-10-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the City of The Dalles, Oregon's internal control over financial reporting (internal control) as a basis for designing 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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
December 10, 2020