ANNUAL FINANCIAL REPORT

OF THE

CITY OF THE DALLES, OREGON

for the fiscal year July 1, 1980 to June 30, 1981

NELSON, ROOPER & ONSTOTT, p.c.
Certified Public Accountants
106 EAST 4TH STREET
P. O. BOX 822
THE DALLES, OREGON 97058

CITY OF THE DALLES, OREGON

Officers and Members of Council

June 30, 1981

John H. Lundell	Mayor	218 W. 4th Street The Dalles, Oregon
Delbert M. Cesar	City Manager	313 Court Street The Dalles, Oregon
John B. Thomas	Clerk-Treasurer	313 Court Street The Dalles, Oregon
Ronald M. Somers	Municipal Judge	313 Court Street The Dalles, Oregon
William F. Cloran	City Attorney	313 Court Street The Dalles, Oregon
Hazel Phillips	Councilwoman at Large	1708 Bridge Street The Dalles, Oregon
John Mabrey	Councilman	1927 Garrison The Dalles, Oregon
Gary Kopperud	Councilman	319 East 5th Street The Dalles, Oregon
Merritt M. Probstfield	Councilman	2911 Old Dufur Road E. The Dalles, Oregon
Dewanda Clark	Councilwoman	900 E. 16th Place The Dalles, Oregon

CITY OF THE DALLES, OREGON

Audit Report as of June 30, 1981

TABLE OF CONTENTS

		Page Number
	Officers and Members of Council	1
	Auditor's Report	2
	BASIC FINANCIAL STATEMENTS	
EXHIBIT A-1	Combined Balance Sheet	3 (double)
EXHIBIT A-2	Combined Statement of Changes in Surplus	4
EXHIBIT A-3	Statement of Revenues and Expenditures - All Governmental Fund Types	5
EXHIBIT A-4	Combined Statement of Operations - Enterprise Funds	6
	INDIVIDUAL FUND STATEMENTS:	
	GENERAL FUND	
EXHIBIT B-1	Balance Sheet	7
EXHIBIT B-2	Statement of Changes in Surplus	8
EXHIBIT B-3	Statement of Revenues and Beginning Balance Compared with Budget Estimates	9
EXHIBIT B-4	Statement of Expenditures Compared with Budget Estimates	10 & 11
	ENTERPRISE FUNDS:	
	WATER UTILITY FUND	
EXHIBIT C-1	Comparative Balance Sheet	12 & 13
EXHIBIT C-2	Statement of Changes in Surplus	14
EXHIBIT C-3	Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	15
EXHIBIT C-4	Statement of Operations	16
EXHIBIT C-5	Reconciliation of Differences	17
EXHIBIT C-6	Statement of Changes in Cash Position	18
EXHIBIT C-7	Schedule of Cash Receipts and Disbursements- General Obligation Water Bonds of 1980	19

		Page Number
	SANITARY SEWERS AND TREATMENT PLANT FUND	
EXHIBIT D-1	Comparative Balance Sheet	20
EXHIBIT D-2	Analysis of Changes in Retained Earnings	21
EXHIBIT D-3	Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	22
EXHIBIT D-4	Comparative Statement of Operations	23
EXHIBIT D-5	Reconciliation of Differences	24
EXHIBIT D-6	Statement of Changes in Cash Position	25
	DEBT SERVICE FUND	
EXHIBIT E	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	26
	SPECIAL REVENUE FUNDS:	
	STREET AND STORM SEWERS FUND (also State Tax Street Fund)	
EXHIBIT F-1	Balance Sheet	27
EXHIBIT F-2	Statement of Changes in Surplus, and Statement of Revenues and Beginning Balance Compared with Budget Estimates	28
EXHIBIT F-3	Statement of Expenditures Compared with Budget Estimates	29
	REVENUE SHARING FUND	
EXHIBIT G-1	Balance Sheet with Details of Changes in Reserves	30
EXHIBIT G-2	Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	31
	AIRPORT FUND	
EXHIBIT H-1	Balance Sheet and Statement of Changes in Surplus	32
EXHIBIT H-2	Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	33
	PARKS AND RECREATION FUND	
EXHIBIT I-1	Balance Sheet and Statement of Changes in Surplus	34
EXHIBIT I-2	Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	35

		Page Number
	SPECIAL SEWER FUND	
EXHIBIT J	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	36
	PARKS AND RECREATION SPECIAL FUND	
EXHIBIT K	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	37
	AMBULANCE SPECIAL FUND	
EXHIBIT L	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	38
	FIRE EQUIPMENT SPECIAL FUND	
EXHIBIT M	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	39
	PUBLIC WORKS EQUIPMENT SPECIAL FUND	
EXHIBIT N	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	40
	CIVIC CENTER SPECIAL FUND	
EXHIBIT O	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	41
	WATER UTILITY CAPITAL RESERVE FUND	
EXHIBIT P	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	42
	SEWAGE TREATMENT BUILDING CONVERSION AND RESERVE FUND	
EXHIBIT Q	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	43

		Page Number
	UNEMPLOYMENT INSURANCE RESERVE FUND	
EXHIBIT R	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	44
	CETA GRANT FUND	
EXHIBIT S	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	45
	TOURIST PROMOTION FUND	
EXHIBIT T	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	46
	SELECTIVE TRAFFIC LAW PROGRAM FUND	
EXHIBIT U	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	47
	CRIME PREVENTION PROGRAM FUND	
EXHIBIT V	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	48
	TRAFFIC STUDY PROGRAM	
EXHIBIT W	Balance Sheet and Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	49
	SPECIAL ASSESSMENT FUND:	
	IMPROVEMENT FUND	
EXHIBIT X-1	Balance Sheet and Statement of Changes in Surplus	50
EXHIBIT X-2	Statement of Revenues and Expenditures	51
EXHIBIT X-3	Statement of Receipts, Disbursements and Beginning Balance Compared with Budget Estimates	52
EXHIBIT X-4	Reconciliation of Cash with Accrual Basis	53

		Page Number
	CAPITAL PROJECTS FUNDS:	
	EASTSIDE WATER CONSTRUCTION FUND	
EXHIBIT Y-1	Balance Sheet and Statement of Revenues and Expenditures Cumulative to Date	54
EXHIBIT Y-2	Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates	55
	NOTES TO FINANCIAL STATEMENTS	56 - 61
	SUPPLEMENTARY SCHEDULES	
Schedule A	Summary Statement of Cash and Security Therefor	62
Schedule B	Statement of Taxes Assessed, Received and Receivable	63
Schedule C	Statement of Bond Transactions	64
Schedule D	Statement of Future Requirements for Bond and Interest Payments	65 - 67
	AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS	68 - 73

NELSON, ROOPER & ONSTOTT, p.c.
Certified Public Accountants

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106 EAST FOURTH STREET
P. O. Box 822
THE DALLES, OREGON 97058

October 2, 1981

The Honorable John Lundell, Mayor
and Members of the City Council
City of The Dalles
The Dalles, Oregon

We have examined the basic financial statements of the various funds and account groups of the City of The Dalles for the year ended June 30, 1981, as listed in the foregoing table of contents. Our examination was made in accordance with generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations and, accordingly, included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances.

The amounts shown as Fixed Assets represent an accumulation of additions, less sales and retirements. Since no fixed asset register is maintained by the City we are in no position to express an opinion on these values as shown on the various balance sheets.

In our opinion, subject to the above comments on Fixed Assets, the financial statements referred to above present fairly the financial position of the various funds and account groups of the City of The Dalles at June 30, 1981, and the results of operations of such funds and the changes in financial position of the Water and Sewer utility funds for the year then ended in conformity with generally accepted accounting principles which, except for the changes, with which we concur, in the method of accounting for inventories and vacation pay as described in "Notes to Financial Statements," have been applied on a basis consistent with that of the preceding year.

The accompanying supplemental schedules and related information presented on pages 62 to 67 are not necessary for a fair presentation of the basic financial statements in accordance with generally accepted accounting principles but are presented as additional analytical data. This information has been subjected to the tests and other auditing procedures applied in the examination of the basic financial statements mentioned above and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Nelson, Rooper and Onstott, P. C.
Certified Public Accountants

by: W. S. Rooper
W. S. Rooper

BASIC FINANCIAL STATEMENTS

EXHIBIT A-1

CITY OF THE DALLES, OREGON

ALL FUNDS

Combined Balance Sheet as of June 30, 1981

ASSETS	General Fund	Enterprise Funds
Cash with Oregon Bank Trustee	-	-
Cash on hand and in banks	420,019	3,390,341
Cash with County Treasurer	8,791	-
Due from other funds	15,369	-
Assessments receivable	-	-
Accounts receivable (Net)	83,605	153,422
Inventory of supplies	-	182,984
Work in progress	-	23,105
Taxes receivable	116,732	-
Amount available for bond redemption	-	-
To be provided for bonds	-	-
Fixed assets	-	5,513,328
TOTAL ASSETS	644,516	9,263,180
LIABILITIES, RESERVES AND SURPLUS		
LIABILITIES:		
Estimated assessments	-	-
Accounts payable	3,852	7,595
Accrued vacation pay	-	26,599
Accrued interest	-	143,423
Prepayments and deposits	50	1,476
Bonds payable	-	3,756,000
Due to other funds	-	11,727
TOTAL LIABILITIES	3,902	3,946,820
RESERVES:		
For taxes receivable	116,732	-
For special purposes	85	-
For inventory of supplies		
TOTAL RESERVES	116,817	-
SURPLUS (Fund Balance):		
Contributions from U.S.A.	-	1,818,983
Invested in fixed assets	-	-
Surplus (Fund Balance) (deficit)	523,797	3,497,377
TOTAL SURPLUS & CONTRIBUTIONS	523,797	5,316,360
TOTAL LIABILITIES, RESERVES, SURPLUS	644,516	9,263,180

"See Auditor's Comments and Notes to Financial Statements"

Debt Service Fund	Special Revenue Funds	Special Assessment Fund	Capital Projects Funds	General Fixed Assets	General Long Term Debt
36,475	-	-	-	-	-
-	23,483	-	-	-	-
-	-	-	-	-	-
-	572,130	-	-	-	-
-	-	605,473	-	-	-
-	13,787	-	-	-	-
-	59,437	-	98,310	-	-
-	52,235	123,715	-	-	-
-	21,632	-	-	-	36,475
-	-	-	-	-	-
-	-	-	-	-	1,000,525
-	-	-	-	2,926,663	-
36,475	745,704	729,188	98,310	2,926,663	1,037,000
-	-	40,638	-	-	-
-	13,752	-	2,869	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,000	-	-	1,037,000
-	122,475	240,153	95,441	-	-
-	136,227	284,791	98,310	-	1,037,000
-	24,632	-	-	-	-
36,475	475,658	23,000	-	-	-
-	59,437	-	-	-	-
36,475	559,727	23,000	-	-	-
-	-	-	-	-	-
-	-	-	-	2,926,663	-
-	49,750	421,397	-	-	-
-	49,750	421,397	-	2,942,628	-
36,475	745,704	729,188	98,310	2,926,663	1,037,000

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT A-2

CITY OF THE DALLES, OREGON

ALL FUNDS

Combined Statement of Changes in Surplus
for the Year Ended June 30, 1981

	General Fund	Enterprise Funds	Special Revenue Funds	Special Assessment Funds
Surplus (Fund Balance) July 1, 1980	360,955	3,231,022	78,541	387,827
Add:				
Revenues	1,944,509	1,438,813	823,189	318,543
Transfers in	111,466	455,348	19,500	-
Increase in work in progress	-	-	-	-
Cumulative effect of change in accounting for inventory	-	151,741	1,238	
TOTAL ADDITIONS	2,055,975	2,045,902	843,972	409,453
Deduct:				
Expenditures	1,861,270	1,339,715	872,763	375,883
Transfers out	31,863	-	-	-
TOTAL DEDUCTIONS	1,893,133	1,779,547	872,763	375,883
Surplus (Fund Balance) June 30, 1981	523,797	3,497,377	49,750	421,397

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT A-3

CITY OF THE DALLES, OREGON

Statement of Revenues and Expenditures
All Governmental Fund Types
for the Year Ended June 30, 1981

	General Fund	Debt Service Fund	Special Revenue Funds	Special Assessment Fund	Capital Projects Funds
REVENUES:					
Property Taxes:					
Current	949,954	-	202,623	-	-
Delinquent	72,672	-	14,460	-	-
	1,022,626	-	217,083	-	-
Other Revenues:					
Other taxes	239,340	-	86,616	-	-
Intergovernmental revenues	254,285	-	696,192	-	-
Licenses and permit fees	4,344	-	-	-	-
Fines and forfeitures	140,100	-	-	-	-
Miscellaneous	283,814	112,141	420,022	409,453	450,313
Total Other Revenues	921,883	112,141	1,202,830	409,453	450,313
Transfers In:	111,466	15,210	59,500	-	-
TOTAL REVENUE	2,055,975	127,351	1,479,413	409,453	450,313
EXPENDITURES:					
General government	633,673	1,143	155,884	375,547	122,219
Public safety and health	1,089,943	-	97,876	-	-
Highways and streets	-	-	782,899	-	-
Culture and recreation	137,654	-	246,570	-	-
Debt service:	-	-	-	-	-
Principal	-	73,000	-	-	-
Interest	-	56,185	-	336	-
	1,861,270	130,328	1,283,229	375,883	122,219
Transfers Out:	31,863	-	9,500	-	-
TOTAL EXPENDITURES	1,893,133	130,328	1,292,729	375,883	122,219

"See Auditor's Comments and Notes to Financial Statements"

CITY OF THE DALLES, OREGON

Combined Statement of Operations
Enterprise Funds
for the Year Ended June 30, 1981

	Water Fund	Sewer Fund	Totals (Memorandum Only)
Operating Revenues:			
User fees	873,076	357,645	1,230,721
Connection and installation charges	51,582	11,250	62.832
Engineering and Inspection Fees	11,186	11,186	22,372
Miscellaneous sales and service	-	116,187	116,187
Total Operating Revenues	935,844	496,268	1,432,112
Operating Expenses:			
Administrative expenses including personnel charges	490,116	383,369	873,485
Supplies and maintenance	196,571	164,256	360,827
Total Operating Expense Before Depreciation	686,687	547,625	1,234,312
Depreciation	43,530	50,532	94,062
Total Operating Expenses	730,217	598,157	1,328,374
Net Operating Income (Loss)	205,627	(101,889)	103,738
Non-operating income			
Interest income	634	6,067	6,701
Interest expense	9,562-	523-	10,085-
Allowance for uncollectible accounts	1,128-	128-	1,256-
Transfers in		-	
Income before cumulative effect of a change in accounting principle	195,571	(96,473)	(99,098)
Cumulative effect of changing to a different inventory method	151,741	-	151,741
NET INCOME (LOSS)	347,312	(96,473)	250,839

"See Auditor's Comments and Notes to Financial Statements"

GENERAL FUND

The General Fund accounts for the financial operations of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, state and county shared revenues and federal and state grants. Primary expenditures in the General Fund are made for police protection, fire protection, library and general government.

EXHIBIT B-1

CITY OF THE DALLES, OREGON

GENERAL FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks	420,019	
Cash with County Treasurer	8,791	
Due from other funds for cash advanced	15,369	
Total Cash Available		444,179
Taxes receivable - Schedule B	116,732	
Accounts receivable - miscellaneous	83,605	200,337
TOTAL ASSETS		644,516

LIABILITIES, RESERVES AND SURPLUS

Liabilities:		
Accounts payable	3,852	
Deposits and prepayments	50	
Total Liabilities		3,902
Reserves:		
Reserved for taxes receivable	116,732	
Reserved for covered swim pool	85	
Total Reserves		116,817
Surplus: (Fund Balance) Exhibit B-2		523,797
TOTAL LIABILITIES, RESERVES AND SURPLUS		644,516

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT B-2

CITY OF THE DALLES, OREGON

GENERAL FUND

Statement of Changes in Surplus
for the Year Ended June 30, 1981

Surplus or Fund Balance as of July 1, 1980		360,955
Plus: Excess of revenues over expenditures for fiscal 1980-81		
Revenues - Exhibit B-3	2,055,975	
Expenditures - Exhibit B-4	1,893,133-	162,842
Surplus or Fund Balance as of June 30, 1981		523,797

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT B-3

CITY OF THE DALLES, OREGON

GENERAL FUND

Statement of Revenues and Beginning Balance Compared
with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	120,000	360,955	240,955
Revenues:			
Property Taxes:			
Current	953,498	949,954	(3,544)
Delinquent	70,000	72,672	2,672
Total Taxes	1,023,498	1,022,626	(872)
Other Revenues:			
Franchises	120,000	151,683	31,683
State Revenue Sharing	61,000	63,358	2,358
County share library	67,487	67,487	-
Transfer from Rev. Shar. for library	9,500	9,500	-
State liquor allocations	88,000	95,953	7,953
Transient room taxes	74,000	87,658	13,658
Burglar Alarm	-	5,400	5,400
State cigarette tax allocation	25,500	27,487	1,987
Fees and licenses	3,400	4,344	944
Parking meters	26,000	25,056	(944)
Towing and abandoned cars	3,500	4,585	1,085
Ambulance service	60,000	51,969	(8,031)
Court fines and forfeitures	90,000	136,724	46,724
Library fines	1,800	3,376	1,576
Misc. sales and service	2,000	4,188	2,188
Interest income	16,000	14,084	(1,916)
Land sales	5,000	38,902	33,902
Admin. fees from water fund	45,766	45,766	-
Admin. fees from sewer fund	30,000	30,000	-
Admin. fees from public works	26,200	26,200	-
Engineering fees from improvement fund	12,000	-	(12,000)
Agencies for teletype service	2,500	3,551	1,051
Rentals - Stadelman Building	21,000	19,761	(1,239)
Rentals - State Office Building	114,818	115,118	300
Rentals - Art Association	1,200	1,200	-
Total Other Revenues	906,671	1,033,350	126,679
Total Revenues	1,930,169	2,055,976	125,807
TOTAL REVENUES AND BEGINNING BALANCE	2,050,169	2,416,931	366,762

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT B-4

CITY OF THE DALLES, OREGON

GENERAL FUND

Statement of Expenditures Compared
with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
FINANCE AND GENERAL DEPARTMENT:			
Personal Services	88,520	83,565	4,955
Supplies and Maintenance	181,258	168,248	13,010
Transfers Out	6,000	6,653	(653)
Capital Outlay	17,000	8,470	8,530
Mall Expense	1,500	1,805	(305)
Contingencies and Balance	87,990	-	87,990
Total Finance & General Department	382,268	268,741	113,527
ADMINISTRATION DEPARTMENT:			
Personal Services	80,863	78,554	2,309
Supplies and Maintenance	7,534	7,103	431
Capital Outlay	1,266	1,118	148
Total Administration Department	89,663	86,775	2,888
PLANNING DEPARTMENT:			
Personal Services	38,703	33,114	5,589
Supplies and Maintenance	3,000	2,751	249
Capital Outlay	1,000	-	1,000
Total Planning Department	42,703	35,865	6,838
LEGAL AND JUDICIARY DEPARTMENT:			
Personal Services	56,547	54,658	1,889
Contractual Services	12,000	11,960	40
Supplies and Maintenance	2,900	3,104	(204)
Capital Outlay	7,035	5,617	1,418
Total Legal & Judiciary Department	78,482	75,339	3,143
POLICE DEPARTMENT:			
Personal Services	459,149	446,589	12,560
Supplies and Maintenance	81,800	84,302	(2,502)
Capital Outlay	18,500	17,915	585
Total Police Department	559,449	548,806	10,643
POLICE METER DEPARTMENT:			
Personal Services	26,466	21,536	4,930
Supplies and Maintenance	5,900	5,242	658
Capital Outlay	2,800	1,699	1,101
Total Police Meter Department	35,166	28,477	6,689

"See Auditor's Comments and Notes to Financial Statements"

CITY OF THE DALLES, OREGON

GENERAL FUND

Statement of Expenditures Compared
with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
FIRE DEPARTMENT:			
Personal Services	306,022	302,141	3,881
Supplies and Maintenance	31,010	29,257	1,753
Transfers Out	5,000	5,000	-
Capital Outlay	32,580	28,656	3,924
Total Fire Department	374,612	365,054	9,558
AMBULANCE DEPARTMENT:			
Personal Services	81,167	79,497	1,670
Supplies and Maintenance	9,475	9,333	142
Transfer to Ambulance Reserve Fund	5,000	5,000	-
Capital Outlay	1,000	971	29
Total Ambulance Department	96,642	94,801	1,841
LIBRARY DEPARTMENT:			
Personal Services	95,728	93,887	1,841
Supplies and Maintenance	39,246	43,200	(3,954)
Transfer to Debt Service	15,210	15,210	-
Capital Outlay	-	567	(567)
Total Library Department	150,184	152,864	(2,680)
COMMUNICATIONS DEPARTMENT:			
Personal Services	85,632	80,572	5,060
Supplies and Maintenance	12,150	10,037	2,113
Capital Outlay	1,900	1,644	256
Total Communications Department	99,682	92,253	7,429
PROPERTIES DEPARTMENT:			
Supplies and Maintenance:			
Stadelman Property	19,000	19,567	(567)
State Office Building	122,318	124,591	(2,273)
Total Properties Department	141,318	144,158	(2,840)
GRAND TOTAL GENERAL FUND EXPENDITURES	2,050,169	1,893,133	157,036

"See Auditor's Comments and Notes to Financial Statements"

ENTERPRISE FUNDS

The Sewer Fund and Water Fund are used to finance and account for the acquisition, operation and maintenance of sewer and water facilities and services which are entirely or predominantly self-supporting by user charges. The operations of these funds are accounted for in such a manner as to show a profit or loss similar to a comparable private enterprise.

EXHIBIT C-1

CITY OF THE DALLES, OREGON

WATER UTILITY FUND

Comparative Balance Sheet

June 30, 1981 and 1980

ASSETS

	1981	1980
Current Assets:		
Cash	-	-
Accounts receivable	43,642	37,585
Less estimated amount uncollectible	5,192-	4,064-
Work in progress	8,799	
Inventories at cost	151,741	
Total Current Assets	198,990	33,521
Restricted Assets:		
Construction account cash	3,166,649	
Debt Service account cash	110,929	
Debt Service accounts receivable	8,275	
Construction account accrued interest	87,447	
Total Restricted Assets	3,373,300	-
Property, Plant, and Equipment:		
Land	2,508,608	1,773,886
Buildings	1,643,859	1,092,535
Wells and Land Improvements	217,483	136,863
Machinery and Equipment	335,026	323,486
Construction in Progress (see note *)	(57,550)	-
	4,647,426	3,326,770
Less accumulated depreciation	465,579-	422,049-
Net Property, Plant and Equipment	4,181,847	2,904,721
TOTAL ASSETS	7,754,137	2,938,242

*Note: Interest earned on bond sale proceeds exceeded capital expenditures for 1980-81.

"See Auditor's Comments and Notes to Financial Statements"

CITY OF THE DALLES, OREGON

WATER UTILITY FUND

Comparative Balance Sheet

June 30, 1981 and 1980

LIABILITIES AND FUND EQUITY

	1981	1980
Liabilities		
Current Liabilities (payable from Current Assets)		
Accounts Payable	-	5,807
Accrued Interest on G.O. Bonds	2,915	3,323
Customer Meter Deposits	1,476	1,476
Current portion of G.O. Bonds	35,000	35,000
Due other funds for cash advanced	11,727	109,435
Accrued vacation pay	13,348	-
Total Current Liabilities (payable from Current Assets)	64,466	155,041
Current Liabilities (payable from Restricted Assets)		
Construction Contracts	7,595	-
Accrued G.O. Bond interest	140,247	-
Current portion of G.O. Bonds	75,000	-
Total Current Liabilities (payable from Restricted Assets)	222,842	-
Long Term Liabilities		
G.O. Bonds (Net of Current Portion)	3,635,000	245,000
Total Liabilities	3,922,308	400,041
Fund Equity:		
Contributed Capital from USA	905,800	-
Retained Earnings - Exhibit C-2	2,926,029	2,538,201
Total Fund Equity	3,831,829	2,538,201
Total Liabilities and Fund Equity	7,754,137	2,938,242

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT C-2

CITY OF THE DALLES, OREGON

WATER UTILITY FUND

Statement of Changes in Surplus
for the Years Ended June 30, 1981 and 1980

Retained Earnings, June 30, 1979		2,540,604
Deduct:		
Net Income (Loss) for the year 1979-80 (Exhibit C-4)		(2,403)
Retained Earnings, June 30, 1980 (To Exhibit C-1)		2,538,201
Add:		
Net Income (Loss) for the year 1980-81 (Exhibit C-4)		347,312
Capital assets transferred from East Side Water Construction Fund	1,361,148	
Less Contributed Capital from USA	905,800-	455,348
Less:		
Transfer to East Side Water Const. Fund		292,832-
Transfer to Water Capital Reserve Fund		122,000-
Retained Earnings, June 30, 1981 (To Exhibit C-1)		2,926,029

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT C-3

CITY OF THE DALLES, OREGON

Water Utility Fund Expenditures

Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	25,265	(79,133)	(104,398)
Revenues:			
Miscellaneous sales and services	36,000	37,898	1,898
Interdepartmental revenue	16,900	13,684	(3,216)
Consumer service charge	680,000	873,076	193,076
Hydrant replacements	2,000	-	(2,000)
Main extension charges	15,000	-	(15,000)
Interest on savings	4,000	634	(3,366)
Transfer from Revenue Sharing	-	-	-
Engineering and Bldg. Inspection fees	7,100	11,186	4,086
Total Revenues	761,000	936,478	175,478
TOTAL REVENUES AND BEGINNING BALANCE	786,265	857,345	71,080
EXPENDITURES:			
TREATMENT PLANT DEPT.			
Personal Services	199,389	195,403	3,986
Supplies and Maintenance	86,800	67,324	19,476
Transfers Out	5,000	2,846	2,154
Capital Outlay	15,450	15,637	(187)
Contingencies and Balance	5,000	-	5,000
Total Treatment Plant	311,639	281,210	30,429
DISTRIBUTION DEPT.			
Personal Services	197,135	199,685	(2,550)
Supplies and Maintenance	67,525	72,176	(4,651)
Debt Service	45,000	44,970	30
Transfers Out	93,466	84,188	9,278
Capital Outlay	71,500	61,937	9,563
	474,626	462,956	11,670
TOTAL EXPENDITURES	786,265	744,166	42,099

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT C-4

CITY OF THE DALLES, OREGON

Water Utility Fund

Comparative Statement of Operations
for the Years Ending June 30, 1981 and June 30, 1980

	June 30, 1981	June 30, 1980
Operating Revenues:		
Water Sales	873,076	618,898
Service Connects and Misc.	51,582	43,345
Sales of Construction Services	-	25,128
Less Cost of Construction	-	25,128- -
Engineering and Bldg. Inspect. Fees	11,186	13,657
Total Operating Revenue	935,844	675,900
Operating Revenue Deductions:		
General System Maintenance	207,304	185,292
Treatment Plant and Watershed Operation & Maintenance	256,786	233,324
Reservoir Maintenance	7,948	13,879
Electricity for Pumping	34,512	37,580
Equipment Maintenance	22,268	20,947
Mapping Tools & Yard Maint.	14,733	11,947
Maintenance - Other	8,007	5,969
Fire Protection & Well Gauging	1,767	1,345
Meter Reading, Repair & Service Calls	38,334	40,547
Administration Fees to General Fund	45,766	40,903
Building Rent to Street Fund	4,500	4,280
Depreciation Expense	43,530	45,483
Engineering	31,414	31,020
Vacation Expense	13,348	-
Total Operating Revenue Deductions	730,217	672,516
Net Operating Income (Loss)	205,627	3,384
Non-Operating Income and Expense:		
Interest Income	634	-
Interest Expense on G.O. Bonds	9,562-	10,787-
Allowance for Uncollectible Accounts	1,128-	-
Transfer from Rev. Share Fund	-	5,000
Income before cumulative effect of a change in accounting principle	195,571	(2,403)
Cumulative Effect of changing to a different inventory method	151,741	-
Net Income	347,312	(2,403)

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT C-5

CITY OF THE DALLES, OREGON

Water Utility Fund

Reconciliation of Difference between Exhibit C-3 and Exhibit C-4

Revenues per Exhibit C-3	936,478	
Less Expenditures per Exhibit C-3	744,166-	
Increase in Surplus per Exhibit C-3		192,312
Add:		
Bond Interest per Cash Basis	9,970	
Less Bond Interest per Accrual Basis	9,562-	408
Principal of Bonds Redeemed		35,000
Cost of Equipment Purchased		17,058
Increase in Work in Progress		8,799
Increase in Inventories		151,741
Deduct:		
Allowance for Uncollectible Accounts Increase		1,128-
Depreciation Expense		43,530-
Vacation Pay Expense		13,348-
Net Income per Exhibit C-4		347,312

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT C-6

CITY OF THE DALLES, OREGON

Water Utility Fund

Statement of Changes in Cash Position
for the Year Ended June 30, 1981

	Operating Accounts	Bond Accounts	Total
Cash Funds were Provided by:			
Net Income (Loss) per Exhibit C-4	347,312		347,312
Plus Non-cash Expense - Depreciation	43,530		43,530
Cash Provided from Operations	390,842		390,842
Sale of G.O. Bonds		3,536,464	3,536,464
Increase in Current Liabilities	7,133		7,133
Interest earned on bond time deposits		215,742	215,742
Allocation of operating income to bond accounts	(82,740)	82,740	-
Total Cash Funds Provided	315,235	3,834,946	4,150,181
Cash Funds were Applied to:			
Purchase of Equipment	17,058		17,058
Payment of Construction costs		46,814	46,814
Transfers to other funds		414,832	414,832
G.O. Bonds redeemed	35,000		35,000
Increase in Accounts Receivable	4,929	95,722	100,651
Increase in Work in Progress	8,799		8,799
Increase in Inventory	151,741		151,741
Total Cash Funds Applied	217,527	557,368	744,895
Increase in Cash Funds	97,708	3,277,578	3,375,286
Cash Balance July 1, 1980 (deficit)	(109,435)	-	(109,435)
Cash Balance June 30, 1981 (deficit)	(11,727)	3,277,578	3,265,851

132,881 ACTUAL CASH DEFICIT

"See Auditor's Comments and Notes to Financial Statements"

65,000

EXHIBIT C-7

CITY OF THE DALLES, OREGON

Water Utility Fund

Schedule of Cash Receipts and Disbursements
General Obligation Water Bonds of 1980

	Construction Account	Debt Service Accounts	Total
Cash and Investments at July 1, 1980	-	-	-
Cash Receipts:			
Sale of Bonds	3,500,000		3,500,000
Accrued Interest	-	36,464	36,464
Interest on Time Deposits	128,295		128,295
Customer Charges	-	74,465	74,465
Tax Levy	-	-	-
Total Cash Receipts	3,628,295	110,929	3,739,224
Total Cash and Investments available	3,628,295	110,929	3,739,224
Cash Disbursements:			
Construction Contracts	-		-
Engineering Fees	7,028		7,028
Land and Easements	25,750		25,750
Legal and Administrative	14,036		14,036
City Share-East Side Water Project	292,832		292,832
Repay loan from Regular Water Fund - Wicks Repair	122,000		122,000
Total Cash Disbursements	461,646	-	461,646
Cash and Investments at June 30, 1981	3,166,649	110,929	3,277,578

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT D-1

CITY OF THE DALLES, OREGON

Sanitary Sewers and Treatment Plant Fund

Comparative Balance Sheet
As of June 30, 1981 and June 30, 1980

ASSETS

	1981	1980
Current Assets:		
Cash	112,763	28,798
Accounts Receivable	21,389	20,106
Less estimated amount uncollectible	2,139-	2,011-
Due from other funds for cash advanced		200,000
Work in Progress	14,306	22,894
Inventory - pipe at cost	31,243	-
Total Current Assets	177,562	269,787
Property Plant and Equipment:		
Buildings	1,393,636	1,393,636
Machinery and Equipment	329,387	306,114
	1,723,023	1,699,750
Less accumulated depreciation	391,542-	341,010-
Net Property Plant and Equipment	1,331,481	1,358,740
Total Assets	1,509,043	1,628,527

LIABILITIES AND FUND EQUITY

Liabilities:		
Current Liabilities		
Accounts Payable	-	-
Accrued Interest on G.O. Bonds	261	523
Accrued Vacation Pay	13,251	-
Current Portion of G.O. Bonds	11,000	11,000
Total Current Liabilities	24,512	11,523
Long Term Liabilities		
G.O. Bonds (Net of Current Portion)	-	11,000
Total Liabilities	24,512	22,523
Fund Equity:		
Contributions from USA and Oregon	913,183	913,183
Retained Earnings - Exhibit D-2	571,348	692,821
Total Liabilities and Fund Equity	1,509,043	1,628,527

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT D-2

CITY OF THE DALLES, OREGON

SANITARY SEWERS AND TREATMENT PLANT FUND

Analysis of Changes in Retained Earnings
for the Years Ended June 30, 1980 and June 30, 1981

Balance in Retained Earnings, June 30, 1979	682,885
Plus:	
Work in Progress at July 1, 1979	4,612
Net income for the year 1979-80 (Exhibit D-4)	5,325
Adjust for rounding	1-
Balance in Retained Earnings June 30, 1980	692,821
Less:	
Net loss for the year 1980-81 (Exhibit D-4)	96,473-
Transfer to Sewage Treatment Reserve Fund	25,000-
Balance in Retained Earnings June 30, 1981	571,348

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT D-3

CITY OF THE DALLES, OREGON

SANITARY SEWERS AND TREATMENT PLANT FUND

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	195,700	248,904	53,204
Revenues:			
Misc. sales and services	3,000	3,165	165
Sewer connection fees	20,000	11,250	(8,750)
Customer service charges	355,200	357,645	2,445
Interest on savings	5,000	6,067	1,067
Main extensions	10,000	38,741	28,741
Interdepartmental revenue	42,000	74,281	32,281
Engineering and Bldg. Inspect Fees	7,100	11,186	4,086
Total Revenues	442,300	502,335	60,035
TOTAL REVENUES AND BEGINNING BALANCE	638,000	751,239	113,239
Expenditures			
Personal Services	323,163	307,972	15,191
Supplies and Maintenance	90,650	108,901	(18,251)
Debt Service	11,800	11,784	16
Transfers Out	112,710	111,884	826
Capital Outlay	95,825	76,546	19,279
Contingencies & Balance	3,852	-	3,852
TOTAL EXPENDITURES	638,000	617,087	20,913

-114752

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT D-4

CITY OF THE DALLES, OREGON

SANITARY SEWERS AND TREATMENT PLANT FUND

Comparative Statement of Operations
for the Years Ending June 30, 1981 and June 30, 1980

	June 30, 1981	June 30, 1980
Operating Revenues:		
Sewer Service Charges	357,645	355,992
Sewer Connection Fees	11,250	21,570
Misc. Sales and Services	116,187	82,590
Engineering and Bldg. Inspect Fees	11,186	13,657
Total Operating Revenues	496,268	473,809
Operating Revenue Deductions:		
Personal Services	307,972	259,722
Supplies and Maintenance	108,901	75,471
Street Fund Maint. Charges	24,737	16,842
Major Repair and Replacements	22,030	29,106
Depreciation Expense	50,532	49,709
Engineering Services	27,646	31,020
Administration Fee-General Fund	30,000	28,048
Building Rental	4,500	4,280
Vacation Pay	13,251	-
Total Operating Revenue Deductions	589,569	494,198
Less increase or plus decrease in Work in Progress	8,588	18,282-
Net Operating Revenue Deductions	598,157	475,916
Net Operating Income (Loss)	(101,889)	(2,107)
Non-Operating Income and Expense:		
Interest Income	6,067	8,967
Interest Expense on Bonds	523-	1,283-
Allowance for Uncollectible Accounts	128-	252-
Net Income (Loss)	(96,473)	5,325

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT D-5

CITY OF THE DALLES, OREGON

SANITARY SEWERS AND TREATMENT PLANT FUND

Reconciliation of Difference between Exhibit D-3 and Exhibit D-4

Revenues per Exhibit D-3	502,335	
Less: Expenditures per Exhibit D-3	617,087-	
Decrease in Surplus per Exhibit D-3		114,752-
Add:		
Principal of bonds redeemed		11,000
Cost of equipment purchased		23,273
Transfer of Reserve Fund		25,000
Inventory of pipe on hand		31,243
Bond Interest per cash basis	784	
Less Bond Interest per accrual basis	523-	261
Deduct:		
Depreciation expense		50,532-
Vacation Pay accrual		13,251-
Increase in allowance for uncollectible accounts		128-
Decrease in Work in Progress		8,588-
Net Income (Loss) per Exhibit D-4		(96,473)

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT D-6

CITY OF THE DALLES, OREGON

SANITARY SEWERS AND TREATMENT PLANT FUND

Statement of Changes in Cash Position
for the Year Ended June 30, 1981

Cash Funds were Provided by:		
Net Income (Loss) per Exhibit D-4	(96,473)	
Plus non-cash expenses - Depreciation	50,532	
Cash Provided from Operations (deficit)	(45,941)	
Increase in Accounts Payable	12,989	
Decrease in Work in Progress	8,588	
Total Cash Funds Provided (deficit)		(24,364)
Cash Funds were Applied to:		
Purchase of Inventory of Pipe	31,243	
Increase in Accounts Receivable	1,155	
Retirement of General Obligation Bonds	11,000	
Purchase of Equipment (net)	23,273	
Transfer to Reserve Fund	25,000	
Total Cash Funds Applied		91,671-
Decrease in Cash Funds during the year		116,035-
Cash Balance July 1, 1980		228,798
Cash Balance June 30, 1981		112,763
Summary per Exhibit D-1		
Cash on hand and in banks		112,763
Total as Above		112,763

"See Auditor's Comments and Notes to Financial Statements"

BONDED DEBT (DEBT SERVICE) FUND

The Bonded Debt (Debt Service) Fund provides for the payment of principal and interest on general obligation Library Bonds and the State Office Building Revenue Bonds.

Bonded debt issued for the water, sewer, and special assessment funds are a liability of those respective funds and serviced by them. The principal sources of revenue for the Debt Service Fund are property taxes transferred from the General Fund and rental revenues from the State Office Building.

EXHIBIT E

CITY OF THE DALLES, OREGON

DEBT SERVICE FUND

Balance Sheet as of June 30, 1981

ASSETS

Amount Available for Debt Service (Cash with Oregon Bank, Trustee)		36,475
Total Assets		36,475
Reserve for Debt Service:		
Reserve Balance at July 1, 1980	39,452	
Revenues (see below)	127,351	
Expenditures (see below)	130,328-	
Less excess of expenditures over revenues	2,977	
Reserve Balance June 30, 1981		36,475
TOTAL RESERVES		36,475

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates
for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	-	39,452	39,452
Revenues:			
Transfer from the General Fund	15,210	15,210	-
State Office Building Rents	114,818	104,718	(10,100)
Interest Income	-	7,423	7,423
Total Revenues	130,028	127,351	(2,677)
Total Revenues and Beginning Balance	130,028	166,803	36,775
Expenditures:			
Debt Service:			
Principal retirement	73,000	73,000	-
Interest charges	57,028	56,185	843
Trustee Fees	-	1,143	(1,143)
Total Expenditures	130,028	130,328	(300)

"See Auditor's Comments and Notes to Financial Statements"

SPECIAL REVENUE FUNDS

These funds account for revenue derived from specific tax or other earmarked revenue sources, including state gas tax, grants and funds set aside to finance particular functions or activities. Funds included in the special revenue category follow:

- Street & Storm Sewers Fund
- Revenue Sharing Fund
- Airport Fund
- Parks and Recreation Fund
- Special Sewer Fund
- Parks and Recreation Special Fund
- Ambulance Special Fund
- Fire Equipment Special Fund
- Public Works Equipment Special Fund
- Civic Center Special Fund
- Water Utility Capital Reserve Fund
- Sewage Treatment Building Conversion and Reserve Fund
- Unemployment Insurance Reserve Fund
- CETA Grant Fund
- Tourist Promotion Fund
- Selective Traffic Law Program Grant
- Crime Prevention Program Fund
- Traffic Study Program Grant

EXHIBIT F-1

CITY OF THE DALLES, OREGON

STREET AND STORM SEWERS FUND
(Also State Tax Street Fund)

Balance Sheet as of June 30, 1981

ASSETS

Accounts receivable - miscellaneous	3,551	
Work in progress - 1981 paving program	52,235	
Inventory of Supplies and Gravel	59,437	
TOTAL ASSETS		115,223

LIBILITIES, RESERVES AND SURPLUS

Liabilities:		
Accounts payable	2,323	
Due Other Funds for cash advanced	122,906	125,229
Reserves:		
For Inventory of Supplies and Gravel		59,437
Surplus: (Fund Balance)		
Surplus (Fund Balance) Exhibit F-2 (deficit)		(69,443)
TOTAL LIABILITIES, RESERVES AND SURPLUS		115,223

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT F-2

CITY OF THE DALLES, OREGON

STREET AND STORM SEWERS FUND
(Also State Tax Street Fund)

Statement of Changes in Surplus
for the Year Ended June 30, 1981

Surplus or Fund Balance as of July 1, 1980 (deficit)		(32,736)
Deduct: Excess of expenditures over revenues		
Revenues - see below	579,409	
Expenditures - Exhibit F-3	617,399-	37,990-
Add: Increase in work in progress		1,283
Surplus or Fund Balance as of June 30, 1981 (deficit)		(69,443)

Statement of Revenues and Beginning Balance Compared
with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	1,000	(32,736)	(33,736)
Revenues:			
State Motor Vehicle Fund	135,700	153,424	17,724
Miscellaneous sales and service	3,000	52,538	49,538
Inter-Department revenue	30,500	56,594	26,094
Interest on savings	200	189	(11)
Received from Water Fund	4,500	4,500	-
Received from Sewer Fund	4,500	4,500	-
Received from Improvement Fund	60,000	47,576	(12,424)
Received from Engineering and Bldg. Inspection Fees	7,100	11,186	4,086
Received from Special Sewer Fund	-	10,500	10,500
Received from Revenue Sharing	165,500	151,786	(13,714)
Received from Equipment Reserve Fund	-	-	-
Fuel License Tax	85,500	86,616	1,116
Total Revenues	496,500	579,409	82,909
TOTAL REVENUES AND BEGINNING BALANCE	497,500	546,673	49,173

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT F-3

CITY OF THE DALLES, OREGON

STREET AND STORM SEWERS FUND
(Also State Tax Street Fund)

Statement of Expenditures Compared with Budget Estimates
as of June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Personal Services	210,621	206,483	4,138
Supplies and Maintenance	131,200	247,003	(115,803)
Transfers Out	105,900	146,599	(40,699)
Capital Outlay	42,000	17,314	24,686
Contingencies and Balance	7,779	-	7,779
TOTAL EXPENDITURES	497,500	617,399	(119,899)

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT G-1

CITY OF THE DALLES, OREGON

REVENUE SHARING FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks	728	
Due from Other Funds for Cash Advanced	40,000	
TOTAL ASSETS		40,728

LIABILITIES, RESERVES AND SURPLUS

Accounts payable	-
Reserved for 1981-82 Expenditures	40,728
TOTAL LIABILITIES, RESERVES AND SURPLUS	40,728

Note: This fund was set up to keep separate the moneys received from the U.S.A. as part of their "Revenue Sharing" program.

Statement of Changes in Reserves
for the Year Ended June 30, 1981

Reserve balance at July 1, 1980		5,328
Plus revenues (Exhibit G-2)	245,400	
Less expenditures (Exhibit G-2)	210,000-	35,400
Reserve balance at June 30, 1981		40,728

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT G-2

CITY OF THE DALLES, OREGON

REVENUE SHARING FUND

Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	- - - -	5,328	5,328
Revenues:			
Grants from U.S.A.	200,000	244,683	44,683
Interest income	10,000	717	(9,283)
Total Revenues	210,000	245,400	35,400
TOTAL REVENUES AND BEGINNING BALANCE	210,000	250,728	40,728
Expenditures:			
Parks & Recreation	-	-	-
Library	9,500	9,500	-
Water Department	-		
Street Department	165,500	165,500	-
Airport	-	-	-
Miscellaneous Projects	35,000	35,000	-
TOTAL EXPENDITURES	210,000	210,000	-

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT H-1

CITY OF THE DALLES, OREGON

AIRPORT FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks		691
Accounts receivable - miscellaneous		1,845
Due from Other Funds for Cash Advanced		23,000
TOTAL ASSETS		25,536

LIBILITIES, RESERVES AND SURPLUS

Liabilities:			
Accounts payable			None
Reserves:			None
Surplus:			
Surplus or Fund Balance July 1, 1980		24,740	
Less excess of expenditures over revenues:			
Revenues, Exhibit H-2	10,021		
Expenditures, Exhibit H-2	9,225-	796	
Surplus or Fund Balance June 30, 1981			25,536
TOTAL LIABILITIES, RESERVES AND SURPLUS			25,536

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT H-2

CITY OF THE DALLES, OREGON

AIRPORT FUND

Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	4,000	24,740	20,740
Revenues:			
Rental receipts	5,000	6,668	1,668
Sale of gasoline	3,250	2,659	(591)
Interest on savings	300	694	394
Total Revenues	8,550	10,021	1,471
TOTAL REVENUES AND BEGINNING BALANCE	12,550	34,761	22,211
Expenditures:			
Personal Services	150	-	150
Supplies and Maintenance	11,350	9,225	2,125
Capital Outlay	550	-	550
Contingency	500	-	500
TOTAL EXPENDITURES	12,550	9,225	3,325

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT I-1

CITY OF THE DALLES, OREGON

PARKS AND RECREATION FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks		836	
Accounts receivable - miscellaneous		1,390	
Taxes receivable, Schedule B		24,632	
Due from Other Funds for Cash Advanced		91,000	
TOTAL ASSETS			117,858

LIABILITIES, RESERVES AND SURPLUS

Liabilities:			
Accounts payable			none
Reserves:			
Reserve for taxes receivable			24,632
Surplus:			
Surplus or Fund Balance July 1, 1980		86,537	
Revenues, Exhibit I-2	253,259		
Expenditures, Exhibit I-2	246,570-	6,689	
Surplus or Fund Balance at June 30, 1981			93,226
TOTAL LIABILITIES, RESERVES AND SURPLUS			117,858

"See Auditor's Comments and Notes to Financial Statements"

CITY OF THE DALLES, OREGON

PARKS AND RECREATION FUND

Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	12,000	86,537	74,537
Revenues:			
Current taxes	203,400	202,623	(777)
Back tax and interest	9,000	14,460	5,460
County share of recreation	6,000	6,000	-
Natatorium fees	8,000	12,750	4,750
Civic Auditorium rental	500	893	393
Interest income	-	2,728	2,728
Gifts and Misc. Revenue	-	50	50
Federal Grants	-	13,755	13,755
Total Revenues	226,900	253,259	26,359
TOTAL REVENUES AND BEGINNING BALANCE	238,900	339,796	100,896
Expenditures:			
Personal Services	114,550	99,906	14,644
Supplies and Maintenance	52,850	61,359	(8,509)
Capital Outlay	71,500	85,305	(13,805)
TOTAL EXPENDITURES	238,900	246,570	(7,670)

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT J

CITY OF THE DALLES, OREGON

SPECIAL SEWER FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks	404	
Due from Other Funds for Cash Advanced	27,000	
TOTAL ASSETS		27,404

RESERVES

Reserve for sewer construction at July 1, 1980	36,893	
Plus revenues (see below)	1,011	
Less expenditures (see below)	10,500-	27,404
TOTAL RESERVES		27,404

Note: This fund was set up as a result of a special election held in May, 1964, in which the voters of the City of The Dalles authorized a special tax levy of $18,000 annually for ten years beginning in 1964-65, for the purpose of providing money to be used for the construction, improvement and maintenance of the sewer system in the City of The Dalles. 1973-74 was the last year of this Special Levy, and all uncollected taxes have now been collected or written off by the County Sheriff.

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	10,000	36,893	26,893
Revenues: Interest on savings	500	1,011	511
Total Revenues	500	1,011	511
TOTAL REVENUES AND BEGINNING BALANCE	10,500	37,904	27,404
Expenditures:			
Major repairs and replacements	10,500	10,500	-

"See Auditor's Comments and Notes to Financial Statements"

CITY OF THE DALLES, OREGON

PARKS AND RECREATION SPECIAL FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks	539	
Due from Other Funds for Cash Advanced	6,000	
TOTAL ASSETS		6,539

RESERVES

Reserve for future park acquisition:

Reserve balance July 1, 1980	5,999	
Plus revenues (see below)	540	
Less expenditures (see below)	-	
Reserve balance June 30, 1981		6,539
TOTAL RESERVES		6,539

Note: This fund was set up in February, 1964, under O.R.S. 280.100 for a ten-year period from the date of the first deposit (1/31/64), to hold funds received as payments in lieu of the dedication of land for park and recreation purposes, pursuant to city ordinances relating to new sub-divisions. Moneys are to be used to acquire and develop park and recreation facilities in the City of The Dalles as directed by the Council. The ten-year life of this fund expired 1/31/74, and a new ten-year fund was established October 21, 1974 to continue the accumulation of money to acquire and develop park and recreation facilities until February 4, 1984.

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	6,000	5,999	1
Revenues:			
Payments in lieu of dedication real property	500	-	(500)
Interest income	400	540	140
Total Revenues	900	540	(360)
TOTAL REVENUES AND BEGINNING BALANCE	6,900	6,539	(361)
Expenditures:			
Reserve for Capital Outlay	6,900	-	6,900

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT L

CITY OF THE DALLES, OREGON

AMBULANCE SPECIAL FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks		527	
Due from Other Funds for Cash Advanced		26,000	
TOTAL ASSETS			26,527

RESERVES

Reserve for future ambulance replacement:

Reserve balance July 1, 1980	19,543		
Plus revenues (see below)	6,984		
Less expenditures (see below)	-		
Reserve balance June 30, 1981		26,527	
TOTAL RESERVES			26,527

Note: This fund was set up in September, 1961, under O.R.S. 280.100 for a ten-year period from the date of the first deposit (Jan. 1962), to make funds available to replace or add to the City's ambulance equipment. As determined by Council, net receipts from the operation of the ambulance are to be deposited in this fund, either annually or semi-annually. As the ten-year life of this fund expired in January 1972, a new ten-year fund was established July 1, 1972 to continue the accumulation of money for the replacement of ambulance and equipment. A new ambulance was purchased in 1979-80.

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	15,000	19,543	4,543
Revenues:			
Sale of ambulance	3,500	-	(3,500)
General fund transfer	5,000	5,000	-
Interest on savings	800	1,984	1,184
Total Revenues	9,300	6,984	(2,316)
TOTAL REVENUES AND BEGINNING BALANCE	24,300	26,527	2,227
Expenditures:			
Reserve for purchase of ambulance and equipment	24,300	-	24,300

"See Auditor's Comments and Notes to Financial Statements"

CITY OF THE DALLES, OREGON

FIRE EQUIPMENT SPECIAL FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks	430	
Due from Other Funds for Cash Advanced	51,000	
TOTAL ASSETS		51,430

RESERVES

Reserved for fire equipment acquisition:

Reserve balance July 1, 1980	42,390	
Plus revenues (see below)	9,040	
Less expenditures (see below)	-	
Reserve balance June 30, 1981		51,430
TOTAL RESERVES		51,430

Note: This fund was set up in November, 1966 under O.R.S. 280.100 for a period of ten years from July 1, 1966 to provide funds for replacing or adding to the fire department equipment. Deposits are to be made annually, to the extent funds are available, sufficient to cover reasonable depreciation charges for the preceding year. Funds previously set aside for this purpose were included in this fund. As the ten-year life of this fund expired during 1976-77, a new ten-year fund was established to continue the accumulation of money.

Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	33,000	42,390	9,390
Revenues:			
Transfer from General Fund	5,000	5,000	-
Interest income	1,500	4,040	2,540
Total Revenues	6,500	9,040	2,540
TOTAL REVENUES AND BEGINNING BALANCE	39,500	51,430	11,930
Expenditures:			
Reserved for fire equipment	39,500	-	39,500

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT N

CITY OF THE DALLES, OREGON

PUBLIC WORKS EQUIPMENT SPECIAL FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks	570	
Due from Other Funds for Cash Advanced	19,000	
TOTAL ASSETS		19,570

RESERVES

Reserve for equipment replacement:		
Reserve balance July 1, 1980	8,367	
Plus revenues (see below)	11,203	
Less expenditures (see below)	-	
Reserve balance June 30, 1980	19,570	
TOTAL RESERVES		19,570

Note: This fund was set up in September, 1961 under O.R.S. 280.100 for a period of ten years from the date of the first deposit, to provide funds for replacement of public works equipment. Deposits are to be made annually to the extent funds are available, sufficient to cover reasonable depreciation charges for the previous year. As the ten-year life of this fund expired during 1971, a new ten-year fund was established July 1, 1972 to continue the accumulation of money for large equipment replacements.

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	20,000	8,367	(11,633)
Revenues:			
Public Works Fund transfer	10,000	10,000	-
Interest income	-	1,203	1,203
Total Revenues	10,000	11,203	1,203
TOTAL REVENUES AND BEGINNING BALANCE	30,000	19,570	(10,430)
Expenditures:			
Reserve for future expenses	30,000	-	30,000

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT O

CITY OF THE DALLES, OREGON

CIVIC CENTER SPECIAL FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks		973	
Due from Other Funds for Cash Advanced		50,000	
TOTAL ASSETS			50,973

RESERVES

Reserve for Civic Center construction:			
Reserve balance July 1, 1980	89,480		
Plus revenues (see below)	8,053		
Less expenditures (see below)	46,560-		
Reserve balance June 30, 1981		50,973	
TOTAL RESERVES			50,973

Note: This fund was set up in December, 1967 under O.R.S. 280.100 for a period of ten years from July 1, 1967, to provide funds to establish, construct and equip a Civic Center. Deposits are to be made annually, to the extent funds are available for that purpose. As the ten-year life of this fund expired during 1976-77, a new ten-year fund was established to continue the accumulation of money.

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	78,000	89,480	11,480
Revenues:			
Interest	7,000	8,053	1,053
Total Revenues	7,000	8,053	1,053
TOTAL REVENUES AND BEGINNING BALANCE	85,000	97,533	12,533
Expenditures:			
Land and improvements	85,000	46,560	38,440

"See Auditor's Comments and Notes to Financial Statements"

CITY OF THE DALLES, OREGON

WATER UTILITY CAPITAL RESERVE FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks	391	
Accounts receivable	154,000	
TOTAL ASSETS		154,391

LIABILITIES AND RESERVES

Liabilities		
Accounts Payable and Encumbrances	none	
Reserved for Replacement or Addition to the Water System:		
Reserve balance July 1, 1980	(24,517)	
Plus revenues (see below)	21,255	
Plus refunds expenditures (see below)	157,653	
Reserve balance June 30, 1981	154,391	
TOTAL LIABILITIES AND RESERVES		154,391

Note: This fund was set up on March 4, 1974 under O.R.S. 280.100 for a ten-year period beginning January 1, 1974 to hold funds received as capital payments under Section (6)h of City Ordinance No. 878, and additional sums as the council may elect. The funds are to be used for replacing or adding to the City's water supply, transmission and storage system and works. Costs of remodeling the Wicks Filter Plant has exhausted this fund. Upon the sale of water bonds in 1980-81 the Wicks Plant costs were returned to this fund and are shown as minus expenditures below.

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	-0-	(24,517)	(24,517)
Revenues:			
Interest income	2,000	9,040	7,040
Capital payments - hook on charges	30,000	12,215	(17,785)
Total Revenues	32,000	21,255	(10,745)
TOTAL REVENUES AND BEGINNING BALANCE	32,000	(3,262)	(35,262)
Expenditures:			
Capital outlay (Repay prior years)	20,000	(157,653)	177,653
Reserve for future	12,000	-	12,000
TOTAL EXPENDITURES	32,000	(157,653)	189,653

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT Q

CITY OF THE DALLES, OREGON

SEWAGE TREATMENT BUILDING CONVERSION & RESERVE FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks		717	
Due from Other Funds for Cash Advanced		81,000	
TOTAL ASSETS			81,717

RESERVES

Reserve for future construction:			
Reserve balance July 1, 1980	50,196		
Plus revenues (see below)	31,521		
Reserve balance June 30, 1981		81,717	
TOTAL RESERVES			81,717

Note: This fund was set up in 1974 as part of the Sewage Treatment Plant Conversion Construction Fund to accumulate funds for the extension of the sewer outfall. Funds were transferred from the Sewage Treatment Fund at various times. This fund has not been legally set up under O.R.S. 280.100. It is technically part of the Sewage Treatment Plant Fund surplus.

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	40,000	50,196	10,196
Revenues:			
Interest income	3,500	6,521	3,021
Transfer from Sanitary Sewer Fund	35,000	25,000	(10,000)
Total Revenues	38,500	31,521	(6,979)
TOTAL REVENUES AND BEGINNING BALANCE	78,500	81,717	3,217
Expenditures:			
Reserve for future	78,500	-	78,500

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT R

CITY OF THE DALLES, OREGON

UNEMPLOYMENT INSURANCE RESERVE FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks		16,650	
Due from Other Funds for Cash Advanced		888	
TOTAL ASSETS			17,538

RESERVES

Reserved for future unemployment claims:			
Reserve balance July 1, 1980	23,217		
Plus revenues (see below)	643		
Less expenditures (see below)	6,322-		
Reserve balance June 30, 1981		17,538	
TOTAL RESERVES			17,538

Note: This fund was set up in 1974-75 to provide for possible claims against the City in accordance with a new state law subjecting municipalities to the provisions of the Unemployment Compensation Act. The City chose to reimburse the State for actual claims paid, instead of paying the tax based on gross payroll. Revenues are from transfers to this fund from other funds. The fund was formalized in November 1979 by City ordinance.

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	21,000	23,217	2,217
Revenues:			
Interest income	500	643	143
Total Revenues	500	643	143
TOTAL REVENUES AND BEGINNING BALANCE	21,500	23,860	2,360
Expenditures:			
Unemployment claims	21,500	6,322	(15,178)

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT S

CITY OF THE DALLES, OREGON

C.E.T.A. GRANT FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash in bank		-0-
TOTAL ASSETS		-0-

LIABILITIES AND RESERVES

Due to Other Funds for Cash Advanced		124
Reserve for future		
Reserve balance July 1, 1981	-0-	
Revenues (see below)	42,670	
Less expenditures (see below)	42,794-	
Reserve balance June 30, 1981 (deficit)		(124)
TOTAL LIABILITIES AND RESERVES		-0-

Note: This fund was set up to account for receipts and expenditures under the Comprehensive Employment and Training Act. Due to the time factor between the payment of wages and reimbursement from CETA, this fund is overdrawn.

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30, 1980

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	-	-	-
Receipts:			
CETA Grant	54,776	42,670	12,106
Interest income	-	-	-
Total Receipts	54,776	42,670	12,106
TOTAL RECEIPTS AND BEGINNING BALANCE	54,776	42,670	12,106
Expenditures:			
Personal Services	54,776	42,974	11,982

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT T

CITY OF THE DALLES, OREGON

TOURIST PROMOTION FUND

Balance Sheet as of June 30, 1981

ASSETS

Due from Other Funds for Cash Advanced	3,242	
TOTAL ASSETS		3,242

RESERVES

Reserve for Tourist Promotion:		
Balance July 1, 1980	1,880	
Revenues (see below)	6,845	
Less expenditures (see below)	5,483-	
TOTAL RESERVES		3,242

Note: This fund was set up under Ordinance No. 950, which provides for a 5% tax on transient room rentals. It is established to promote tourism in The Dalles; 7% of all moneys collected on the 5% transient room rental tax is to be transferred into this fund. The City has contracted with The Chamber of Commerce to do this tourist promotion, and the expenditures this year have been made to the Chamber.

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	-	1,880	1,880
Revenues:			
Transfer from General Fund	6,000	6,653	653
Interest income	-	192	192
Total Revenues	6,000	6,845	845
TOTAL REVENUES AND BEGINNING BALANCE	6,000	8,725	2,725
Expenditures:			
Tourist Promotion - Chamber of Commerce	6,000	5,483	517

"See Auditor's Comments and Notes to Financial Statements"

SPECIAL ASSESSMENT FUND

This fund was established to account for the construction of improvements or provision of services which are to be paid for, wholly or in part, from special assessments levied against benefited property and to account for the payment of principal and interest on improvement bonds.

EXHIBIT U

CITY OF THE DALLES, OREGON

Selective Traffic Law Program Fund

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks	-	
Accounts Receivable - State of Oregon	5,001	
TOTAL ASSETS		5,001

LIABILITIES AND RESERVES

Due to Other Funds for Cash Advanced		9,429
Reserved for future expenditures:		
Reserve balance July 1, 1980	-	
Revenues (see below)	66,378	
Expenditures (see below)	70,806-	
Reserve Balance June 30, 1981 (deficit)		(4,428)
Total Liabilities & Reserves		5,001

Note: This fund was set up to account for the proceeds of a Traffic Safety Grant from the State of Oregon. The program period is from June 1, 1980 to May 31, 1983, and is for the purpose of increasing traffic safety by reducing accident risks.

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30,1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	-0-	-0-	-0-
Revenues:			
Traffic Safety Grant	72,513	66,378	(6,135)
Total Revenues	72,513	66,378	(6,135)
TOTAL REVENUES AND BEGINNING BALANCE	72,513	66,378	(6,135)
Expenditures:			
Personal Services	60,160	59,405	755
Materials & Supplies	-	-	-
Capital outlay	12,353	11,401	952
TOTAL EXPENDITURES	72,513	70,806	1,707

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT V

CITY OF THE DALLES, OREGON

Crime Prevention Program Fund

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks	458	
Total Assets		458
Reserved for future expenditures:		
Reserve balance June 30, 1980	-	
Revenues (see below)	2,144	
Expenditures (see below)	1,686-	
Reserve balance June 30, 1981		458

Note: This fund was set up to account for donations received for a Crime Prevention Program instituted by The Dalles Police Department. Only cash donations have been included. In-kind donations of office space, labor and materials have been considerable.

Statement of Revenues, Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	- - -	- - -	- - -
Revenues: Donations	7,000	2,144	(4,856)
TOTAL REVENUES & BEGINNING BALANCES:	7,000	2,144	(4,856)
Expenditures:			
Materials and supplies	5,900	1,686	4,214
Capital outlay	1,100	-	1,100
TOTAL EXPENDITURES	7,000	1,686	5,314

"See Auditor's Comments and Notes to Financial Statements

EXHIBIT W

CITY OF THE DALLES, OREGON

Traffic Study Program Grant

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks	-	
Accounts Receivable - State of Oregon	2,000	
TOTAL ASSETS		2,000

LIABILITIES AND RESERVES

Due to Other Funds for Cash Advanced	655	
Accounts payable	1,345	2,000
Reserved for Future Expenditures:		
Reserve balance June 30, 1980	-	
Revenues	25,384	
Expenditures	25,384-	
Reserve balance June 30, 1981		-
Total Liabilities and Reserves		2,000

Note: This fund was set up to account for the proceeds of a Traffic Safety Grant from the State of Oregon. The program period is from September 1, 1980 to August 31, 1981 and the purpose is to prepare a Traffic Safety management program. The program has been completed except for final audit and closing the file.

Statement of Revenues and Expenditures and Beginning Balance
Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	-	-	-
Revenues:			
Traffic Safety Grant	-	25,384	25,384
TOTAL REVENUES AND BEGINNING BALANCES	-	25,384	25,384
Expenditures:			
Engineering Services	-	24,197	24,197
Equipment	-	1,187	1,187
TOTAL EXPENDITURES	-	25,384	25,384

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT X-1

CITY OF THE DALLES, OREGON

IMPROVEMENT FUND

Balance Sheet as of June 30, 1981

ASSETS

Assessments receivable:		
Bonded	525,895	
Non-bonded	79,578	605,473
Work in progress - parking lots & mall	113,719	
Work in progress - streets & sidewalks	9,996	
Work in progress - sanitary sewers	-	123,715
TOTAL ASSETS		729,188

LIABILITIES AND SURPLUS

Liabilities:		
Due to Other Funds	240,153	
Bonds payable, Schedule C	4,000	
Estimated assessments	40,638	
Total Liabilities		284,791
Surplus: (Fund Balance) July 1, 1980	387,827	
Plus excess of revenues over expenditures as per Exhibit X-2	33,570	
Surplus (Fund Balance) June 30, 1981		421,397
Surplus reserved for future parking lots		23,000
TOTAL LIABILITIES AND SURPLUS		729,188

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT X-2

CITY OF THE DALLES, OREGON

IMPROVEMENT FUND

Statement of Revenue and Expenditures for the Year Ended June 30, 1981

Revenue:		
Improvement projects assessed during year		355,326
Improvement projects billed during year		-
City's share of improvements:		
Streets	9,694	
Sanitary sewers	497	
Storm sewers	5,476	15,667
Interest Income:		
Bonded assessments	26,794	
Non-bonded assessments	593	
Time deposits	11,073	38,460
TOTAL REVENUE		409,453
Expenditures:		
Improvement Costs:		
Public Works Fund	47,576	
Water Const. Fund	223,788	
Engineering, etc.	7,776	
Sewage Treatment Fund	38,741	
Contractors	53,112	370,993
Interest Expense:		
Matured bond coupons	336	
Warrants	-	336
Accounting and auditing	3,200	
Notices and publications	1,354	4,554
TOTAL EXPENDITURES		375,883
Excess of Revenues over Expenditures		33,570

"See Auditor's Comments and Notes to Financial Statements"

CITY OF THE DALLES, OREGON

IMPROVEMENT FUND

Statement of Receipts, Disbursements and Beginning Balance Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	270,000	387,827	117,827
Receipts:			
Principal, non-bonded assessments	25,000	24,517	(483)
Interest, non-bonded assessments	1,000	593	(407)
Principal, bonded assessments	100,000	110,585	10,585
Interest, bonded assessments	35,000	26,794	(8,206)
Interest on savings	16,000	11,073	(4,927)
Transfer from Other Funds	15,000	15,667	667
Less refunds of Assessments - E.S. water	-	(55,656)	(55,656)
Total Receipts	192,000	133,573	(58,427)
TOTAL RECEIPTS AND BEGINNING BALANCE	462,000	521,400	59,400
Disbursements:			
Administration expense	8,000	4,554	3,446
Interest on bonds	336	336	-
Principal on bonds	4,000	4,000	-
Total Debt Service and Administration	12,336	8,890	3,446
Engineering service	10,000	7,776	2,224
Street and storm sewer construction	154,664	47,577	107,087
Sewer improvements	50,000	38,741	11,259
Sidewalk improvements	35,000	51,966	(16,966)
Water improvements	200,000	47,936	152,064
Total Improvements	449,664	193,996	255,668
TOTAL DISBURSEMENTS	462,000	202,886	259,114

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT X-4

CITY OF THE DALLES, OREGON

IMPROVEMENT FUND

Reconciliation of Differences between the Excess of Revenues Over Expenditures as per Exhibit X-2 and Receipts and Disbursements as per Exhibit X-3 - Reconcile Cash with Accrual Basis

Total Receipts as per Exhibit X-3	133,573	
Total Disbursements as per Exhibit X-3	202,886-	
Excess of Disbursements over Receipts		69,313-
Deduct:		
Current year project costs	193,996	
Less costs allocated to current year assessments	370,993-	176,997-
Add:		
Bonds Redeemed		4,000
Current year assessments and billings	370,993	
Less current year collections	95,113-	275,880
Excess of Revenues over Expenditures as per Exhibit X-2		33,570

"See Auditor's Comments and Notes to Financial Statements"

CAPITAL PROJECTS FUNDS

Capital projects funds account for the acquisition and use of resources for the construction or purchase of major, long-lived assets. The construction funds are listed below:

- Eastside Water Construction Fund

EXHIBIT Y-1

CITY OF THE DALLES, OREGON

EASTSIDE WATER CONSTRUCTION FUND

Balance Sheet as of June 30, 1981

ASSETS

Cash on hand and in banks	-	
Due from Improvement Fund	-	
Due from USA	98,310	
TOTAL ASSETS		98,310

LIABILITIES AND RESERVES

Accounts payable	2,869	
Due to Other Funds for Cash Advanced	95,441	
Total Liabilities		98,310
Reserved for Water Main Construction:		
Reserve balance July 1, 1980	(328,096)	
Revenues (see below)	450,313	
Less warrants issued	-	
Less expenditures (see below)	122,219-	
Plus warrants repaid	-	
Reserve balance June 30, 1981 (deficit)		-0-
TOTAL LIABILITIES AND RESERVES		98,310

Statement of Revenues and Expenditures Cumulative to June 30, 1981

	Fiscal Year 1980-81	Construction to date
Revenues:		
Federal - State Grants	98,310	905,800
City share	292,832	312,832
Property owner's share	59,171	223,788
Sale of warrants	-	814,506
Total Revenues	450,313	2,256,926
Expenditures:		
Contractors	88,034	1,114,712
Engineering	11,163	170,210
Legal and Administrative	12,367	16,123
Right of Way Easements	-	573
Contingencies	9,008	31,733
Interest	1,647	109,070
Repay warrants	-	814,505
Total Expenditures	122,219	2,256,926

"See Auditor's Comments and Notes to Financial Statements"

EXHIBIT Y-2

CITY OF THE DALLES, OREGON

EASTSIDE WATER CONSTRUCTION FUND

Statement of Revenues, Expenditures and Beginning Balance Compared with Budget Estimates for the Year Ended June 30, 1981

	Budget	Actual	Variance Favorable (Unfavorable)
Beginning Balance	-	(328,096)	(328,096)
Revenues:			
Property owner's share	95,000	59,171	(35,829)
City share	20,000	292,832	272,832
Federal Grant	200,000	98,310	(101,690)
Sale of warrants	-	-	-
Other	-	-	-
Total Revenues	315,000	450,313	135,313
TOTAL REVENUES AND ENDING BALANCE	315,000	122,217	192,783
Expenditures:			
Contractual services	220,000	88,034	131,966
Engineering & Inspection	35,000	11,163	23,837
Administration and Legal	10,000	12,367	(2,367)
Easements	-	-	-
Project contingencies	50,000	9,008	40,992
Warrants and interest	-	1,647	(1,647)
TOTAL EXPENDITURES	315,000	122,219	192,781

"See Auditor's Comments and Notes to Financial Statements"

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies:

The following is a summary of significant accounting policies utilized by the City in preparation of the accompanying financial statements:

Bases of Accounting

The following funds are maintained using the modified accrual basis of accounting:

General Fund
Special revenue funds
Bonded Debt (Debt Service) Fund

Under such modified accrual basis of accounting, revenues are recorded as received in cash, except for revenues susceptible to accrual, and expenditures are recorded when the liability for them is incurred except for:

Interfund transactions for services which are recorded on the accrual basis.

Interest expense on general obligation bonds which is recorded on its due date.

Earned but unpaid vacations which are recorded as expenditures when paid.

The following funds are accounted for utilizing the accrual basis of accounting:

Enterprise funds
Special assessment funds

Under the accrual basis of accounting, revenues are recorded at the time they are earned and expenditures are recorded at the time liabilities are incurred.

The bases of accounting described above are in accordance with generally accepted accounting principles.

Investments

Investments are carried at cost, which approximates market.

1. Summary of Significant Accounting Policies, Continued:

Property Taxes Receivable

All uncollected property taxes are shown in the balance sheet as assets but are offset by a reserve and, accordingly, are not included in revenues.

Accounts and Loans Receivable and Federal and State Grants Receivable

Revenues which are susceptible to accrual in the general and special revenue funds include accounts receivable and federal and state grants receivable. These receivables are shown in the balance sheet as assets and are included in revenues. Federal and state grant revenues are recognized when the related reimbursable grant expenditures are incurred.

Inventory of Materials and Supplies

The City accounts for materials and supplies using the purchases method of accounting, except for Enterprise Funds where inventories are valued at the lower of cost or market on a first-in, first-out basis. (Also, see Note: Change in Method of Accounting for Inventories: Enterprise Funds.) Under the purchases method, materials and supplies are expensed when purchased. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "availabe spendable resources" since they are not a component of net current assets.

Enterprise Fund Fixed Assets

Fixed assets are capitalized at cost. Depreciation is computed using the straight-line method over the assets' estimated useful lives (five to fifty years). No depreciation is taken in the year the assets are acquired. Normal maintenance and repairs are charged to operations as incurred. Expenditures for major additions, improvements and replacements are capitalized. Gains or losses from sales or retirements of enterprise funds' fixed assets are included in operations.

General Fixed Assets

General fixed assets are stated at cost. Fixed assets are charged to expenditures in the budgetary funds as purchased and capitalized in the General Fixed Assets Account Group. Proceeds from sales of general fixed assets are recorded as General Fund revenue. Depreciation is not computed on fixed assets in the General Fixed Assets Account Group.

1. Summary of Significant Accounting Policies, Continued:

Budget

An annual budget is prepared for the general and special revenue funds in accordance with the modified accrual basis of accounting and legal requirements set forth in the Oregon Local Budget Law. Budget amounts shown in the basic financial statements include the original budget amounts and all appropriation transfer amounts approved by the City Council. The debt service fund is not budgeted as a separate fund although it should be.

2. Organization and Operation:

The City of The Dalles, under its charter of 1899, is governed by an elected mayor and four councilmembers who comprise the City Council. The City has adopted the manager-council form of government with the manager the chief executive officer and the council acting as a legislative body. The City Clerk-Treasurer is the financial officer and all financial transactions are handled by his office. The City's financial operations are accounted for in the following funds and account groups:

General Fund

The General Fund accounts for the ordinary activities of the City which are not accounted for in any other fund.

Special Revenue Funds

Street and Storm Sewer Fund - This fund accounts for revenues from motor vehicle fee apportionments from the State of Oregon and expenditures as specified under Article IX, Section 3 of the Constitution of the State of Oregon. Other revenues include those from the newly enacted City fuel license tax, which became effective May 1, 1980, and various interfund transfers and interdepartmental revenues. Motor Vehicle fees from the State are not accounted for in a separate fund as they are in some municipalities. Expenditures for street maintenance and construction exceed these license fees each year.

City engineering costs are no longer accounted for as a separate department of the General Fund. Rather, engineering costs are now charged equally to the Water, Sewer, and Street and Storm Sewer Funds. Also, revenues from engineering department fees that previously had been included in General Fund revenue are now shared equally by the above three funds.

2. Organization and Operation, Continued:

Federal Revenue Sharing Fund - This fund accounts for revenue sharing funds received from the United States Government and the expenditure thereof.

Airport Fund - This fund accounts for revenues derived from rentals from the operator of the airport and the Federal Aviation Administration, and a City aviation gas tax (2 cents per gallon). Expenditures are for basic maintenance and capital outlay incurred in providing airport services to the general public.

Parks and Recreation Fund - This fund accounts for revenues derived from a special three-year levy and expenditure thereof.

Unemployment Reserve Fund - This fund accounts for revenues derived from transfers from other funds to provide for possible unemployment claims under the Unemployment Compensation Act and expenditures thereof. No transfers were made this year as the carryover balance was sufficient to meet claims.

Tourist Promotion Fund - This fund accounts for revenues derived from a 5% tax on transient room rentals and expenditures for tourist promotion by The Chamber of Commerce.

Equipment Reserve Funds - These funds account for the accumulation of resources to provide for the replacement of equipment. Resources of these funds are provided by transfers from other funds.

CETA Fund - This fund accounts for CETA receipts from the Mid-Columbia Economic Development District, and/or the Mid-Columbia Council of Governments, and dispersements for personal services by CETA employees.

Selective Traffic Law Program Fund - This fund accounts for grant revenues from a State of Oregon Traffic Safety Grant and expenditures for selective traffic enforcement.

Crime Prevention Program Fund - This fund accounts for donations received for crime prevention and expenditures for the promotion of crime prevention.

Traffic Safety Program Grant - This fund accounts for grant revenues received from a second Oregon State Traffic Safety Grant and expenditures for consulting services for traffic safety studies.

Bonded Debt (Debt Service) Fund

The Bonded Debt (Debt Service) Fund accounts for monies provided for the payment of general obligation bond principal and interest not specifically payable by other funds, and bond principal and interest on the State Office Building Revenue Bonds.

Enterprise Funds

The Sewer and Water Funds account for the acquisition, operation and maintenance of the municipal sewer and water systems.

2. Organization and Operation, Continued:

Enterprise Funds, Continued:

Change in Method of Accounting for Inventories: Enterprise Funds

The City has accounted for inventories at the lower of cost or market on a first-in, first-out basis for the fiscal year ending June 30, 1981. In prior years inventories in the Enterprise Funds were accounted for using the purchases method of accounting and expensed as purchased.

The new method of accounting for inventories was adopted to recognize changes in accounting for governmental entities as a result of new requirements by the Municipal Finance Officers Association as set forth in Governmental Accounting, Auditing, and Financial Reporting, 1980. Because information relating to inventory balances at June 30, 1980 were not available, prior years financial statements and the beginning balances in Retained Earnings for the fiscal year ending June 30, 1981 have not been retroactively adjusted. The cumulative effect of the change for the fiscal year ending June 30, 1981, was to increase net income by $151,741 and $31,243 in the Water utility and Sewer utility funds, repectively.

Change in Method of Accounting for Vacation Pay: Enterprise Funds

The City has accrued the liability for vacation pay in the Water Utility and Sewer Utility funds for the fiscal year ending June 30, 1981. In prior years vacation pay was expensed as employees utilized vacation time earned. The new method of accounting for governmental entities as a result of new requirements by the Municipal Finance Officers Organization and Financial Accounting Standards Board Statement No. 43, Accounting for Compensated Absences. Because information relating to the liability for vacation pay at June 30, 1980 was not available, prior years financial statements and the beginning balances in Retained Earnings for the fiscal year ending June 30, 1981 have not been retroactively adjusted. The cumulative effect of the change for the fiscal year ending June 30, 1981, was to decrease net income by $13,348 and $13,251 in the Water Utility and Sewer Utlility funds, respectively.

Special Assessment Funds

Improvement Fund - This fund accounts for the construction and financing of specific street and sewer projects, the collection of assessments from the benefited property owners and payment of principal and interest on Bancroft Improvement Bonds.

Capital Projects Fund

The Eastside Water Construction Fund was set up to account for the cost of constructing new water mains and a reservoir in the east side of the City. It is financed by U.S. grants, property owner assessments, sale of warrants, and transfers from the Water Fund. The assessments are collected by the Improvement Fund and turned over to this fund. Construction was completed during 1980-81 and the fund was closed early in the 1981-82 fiscal year.

2. Organization and Operation, Continued:

Account Groups

General Fixed Assets Account Group - This account group accounts for the City's investment in fixed assets, with the exception of those assets held by enterprise funds.

General Long-Term Debt Account Group - This account group accounts for the amount of unmatured long-term indebtedness not recorded in the enterprise and special assessment funds and is backed by the full faith and credit of the City.

3. Commitments and Contingencies:

Vacation Pay

Accumulated unpaid vacation pay is accrued when incurred in enterprise funds. Such amounts are not accrued in governmental funds. At June 30, 1981, unrecorded General and Special Revenue Fund liabilities for accumulated unpaid vacation pay was $47,908 and $17,584 respectively. These amounts do not exceeed a normal year's accumulation.

Schedule C

CITY OF THE DALLES, OREGON

Statement of Bond Transactions

for the Fiscal Year Ended June 30, 1981

	Balances Outstanding 7/1/80	Issued	Paid or Redeemed	Balances Outstanding 6/30/81
General Fund:				
Library 1-1-65	65,000	-	13,000	52,000
State Office Building Revenue bonds 5-1-78	1,045,000	-	60,000	985,000
Total General Fund	1,110,000	-	73,000	1,037,000
Water Fund:				
Water 3-1-67	280,000	-	35,000	245,000
Water 2-2-81	-	3,500,000	-	3,500,000
Total Water Fund	280,000	3,500,000	35,000	3,745,000
Sewage Treatment Plant Fund:				
Storm Sewer 7-1-73	22,000	-	11,000	11,000
Improvement Fund:				
32nd Bluff 10-1-70	8,000	-	4,000	4,000
Total All Funds	1,420,000	3,500,000	123,000	4,797,000

"See Auditor's Comments and Notes to Financial Statements"

CITY OF THE DALLES, OREGON

Statement of Future Requirements

for Bond and Interest Payments

June 30, 1981

General Fund:	Date Due	Bonds	Interest	Total
General Obligation Library Bond of 1968	7-1-81	-	884	884
	1-1-82	13,000	884	13,884
Due Fiscal	1981-82	13,000	1,768	14,768
Due Fiscal	1982-83	13,000	1,326	14,326
Due Fiscal	1983-84	13,000	884	13,884
Due Fiscal	1984-85	13,000	442	13,442
Total Requirements Library Bonds		52,000	4,420	56,420
State Office Building Revenue Bonds of 5-1-78	11-1-79	-	1,106	1,106
	5-1-80	-	616	616
	11-1-80	-	616	616
	5-1-81	-	616	616
	11-1-81	-	25,384	25,384
	5-1-82	60,000	25,384	85,384
Due Fiscal	1981-82	60,000	53,722	113,722
Due Fiscal	1982-83	65,000	47,318	112,318
Due Fiscal	1983-84	70,000	43,580	113,580
Due Fiscal	1984-85	70,000	40,255	110,255
Due Fiscal	1985-86	75,000	36,895	111,895
Due Fiscal	1986-87	80,000	33,220	113,220
Due Fiscal	1987-88	85,000	29,220	114,220
Due Fiscal	1988-89	90,000	24,928	114,928
Due Fiscal	1989-90	90,000	20,338	110,338
Due Fiscal	1990-91	95,000	15,702	110,702
Due Fiscal	1991-92	100,000	10,762	110,762
Due Fiscal	1992-93	105,000	5,512	110,512
Total Requirements State Office Building		985,000	361,452	1,346,452
Total Requirements General Fund		1,037,000	365,872	1,402,872

"See Auditor's Comments and Notes to Financial Statements"

CITY OF THE DALLES, OREGON

Statement of Future Requirements

for Bond and Interest Payments

June 30, 1981

Water Fund:	Date Due	Bonds	Interest	Total
General Obligation Water Bonds of 1967	9-1-81	-	4,372	4,372
	3-1-82	35,000	4,373	39,373
Due Fiscal	1981-82	35,000	8,745	43,745
Due Fiscal	1982-83	40,000	7,520	47,520
Due Fiscal	1983-84	40,000	6,120	46,120
Due Fiscal	1984-85	40,000	4,680	44,680
Due Fiscal	1985-86	45,000	3,240	48,240
Due Fiscal	1986-87	45,000	1,620	46,620
Total Requirements		245,000	31,925	276,925
General Obligation Water Bonds of 1981	8-1-81	-	168,296	168,296
	2-1-82	75,000	168,296	243,296
Due Fiscal	1981-82	75,000	336,592	411,592
	1982-83	80,000	327,218	407,218
	1983-84	90,000	317,218	407,218
	1984-85	95,000	306,868	401,868
	1985-86	105,000	296,655	401,655
	1986-87	110,000	285,630	395,630
	1987-88	120,000	275,180	395,180
	1988-89	130,000	265,220	395,220
	1989-90	140,000	254,560	394,560
	1990-91	155,000	242,800	397,800
	1991-92	165,000	229,470	394,470
	1992-93	180,000	214,950	394,950
	1993-94	195,000	198,750	393,750
	1994-95	210,000	180,712	390,712
	1995-96	225,000	161,288	386,288
	1996-97	245,000	139,912	384,912
	1997-98	260,000	116,638	376,638
	1998-99	285,000	91,287	376,287
	1999-2000	305,000	63,500	368,500
	2000-2001	330,000	33,000	363,000
Total Requirements		3,500,000	4,337,448	7,837,448
Total Requirements Water Fund		3,745,000	4,369,373	8,114,373

"See Auditor's Comments and Notes to Financial Statements"

CITY OF THE DALLES, OREGON

Statement of Future Requirements

for Bond and Interest Payments

June 30, 1981

Sewage Treatment Plant Fund:	Date Due	Bonds	Interest	Total
General Obligation Sewer Bonds of 7-1-73	7-1-80	11,000	261	11,261
	1-1-82	-	-	-
Due Fiscal	1981-82	11,000	261	11,261
Total Requirements Sewage Treatment Fund		11,000	261	11,261
Improvement Fund:				
32nd Bluff Improvement	10-1-81	4,000	112	4,112
	4-1-82	-	-	-
Due Fiscal	1981-82	4,000	112	4,112
Total Requirements Improvement Fund		4,000	112	4,112

"See Auditor's Comments and Notes to Financial Statements"

AUDIT COMMENTS AND DISCLOSURES REQUIRED BY STATE REGULATIONS

CITY OF THE DALLES, OREGON
AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS

Oregon Administrative Rules 165-30-100 through 165-30-295 of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to our examination of such statements and schedules are set forth following.

CITY OF THE DALLES, OREGON
AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS

I. Internal Accounting Control:

We have examined the financial statements of the City of The Dalles, Oregon for the year ended June 30, 1980, and have issued our report thereon dated October 2, 1981. As part of our examination, we made a study and evaluation of the City's system of internal accounting control to the extent we considered necessary to evaluate the system as required by generally accepted auditing standards. Under these standards, the purposes of such evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing his examination of the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our examination of the financial statements made in accordance with generally accepted auditing standards, including the study and evaluation of the City's system of internal accounting control for the year ended June 30, 1981, that was made for the purposes set forth in the first paragraph above, would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data.

CITY OF THE DALLES, OREGON
AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS, Continued

I. Internal Accounting Control, Continued:

The Internal Control system could be improved by separating the cashier function from the account receivable posting function, but staff limitations seem to preclude this.

II. Accounting Records:

The accounting records are kept on a Burroughs automatic bookkeeping machine and are quite adequate considering the limitations of the equipment. If the water and sewer flat rate billings were not posted on the machine, or if some of the posting were done at night, the machine could be used for additional purposes.

III. Adequacy of Collateral Securing Depository Balances:

We examined certificates of participation issued by the City's depositories stating that eligible securities have been pledged by them for the purpose of complying with the provisions of ORS 295.

We compared the City's deposits with the total collateral certificates of participation and the amount insured by F.D.I.C. This comparison revealed that collateral was sufficient during the fiscal year to comply with ORS 295, with the exception of January, February and March when the Oregon Bank collateral was short by $1,000.

IV. Indebtedness:

The general obligation indebtedness of the City is in compliance with the limitation imposed by ORS 287.004 and 223.295.

V. Budgets and Budgeting Practices:

The City's budgets for fiscal years June 30, 1980 and June 30, 1981 were reviewed. Except as mentioned below, the City has complied with statutory provisions in the preparation and adoption of budgets for the year under audit and the ensuing year:

V. Budgets and Budgeting Practices, Continued:

ORS 294.435(4) stipulates that no greater expenditure of public money shall be made for any specific purpose than the amount appropriated therefor. Expenditures exceeded appropriations for several funds, although such expenditures were for the purpose for which the funds were established.

ORS 294.460(1) stipulates that the payment of any loans not repaid in the year in which the loan is made shall be budgeted as a requirement in the ensuing year. Although there are interfund loans, the City has not budgeted any loan repayments.

ORS 294.396 stipulates that the budget message and the budget document shall be prepared a sufficient length of time in advance to allow adoption of the budget by the close of the current fiscal year. The budget resolutions appropriating funds for 1980-81 and 1981-82 were adopted after June 30 of the respective years.

VI. Tax Levies:

The tax levies as certified to the Wasco County Assessor are as follows:

	1980-81	1979-80
General Fund - within 6% limitation	$ 716,661*	$ 663,453*
Annexation increase	5,207	12,642
Parks and Recreation Levy	237,641	139,814
Bonded Debt (Debt Service) Fund not subject to 6% limitation	325,942	15,431
	$1,285,451	$ 831,340

* 106% of largest levy of the prior three years, constituting General Fund tax base as provided by Article XI, Section 11, Oregon Constitution.

VII. Programs Funded from Outside Sources:

A. Federal and State Grants:

We reviewed and tested, to the extent deemed appropriate, transactions and reports of the federal and state programs in which the City participates. We did not consider the scope of our audit engagement required us to make a complete audit examination of each project and our audit opinion on the City's basic financial statements does not cover each individual grant. Each grant is subject to audit by the grantor agency and any adjustments may become a liability of the appropriate fund.

Based on our tests of the accounting records and examination of reports to grantor agencies, we were satisfied as to the propriety of accounting for such expenditures and revenues for the fiscal year ended June 30, 1980, subject to any adjustments subsequently required as a result of audits performed by the grantor agencies.

B. Federal Revenue Sharing:

We reviewed and tested the City's participation in the Federal Revenue Sharing Program for financial compliance as prescribed in the audit guide issued by the Office of Revenue Sharing. The review disclosed no conditions which we considered to be matters of noncompliance.

VIII. Insurance and Fidelity Bonds:

We have examined the City's insurance and fidelity bond coverage at June 30, 1980. We ascertained that such policies appeared to be in force and comply with legal requirements relating to fidelity bond coverage. We are not competent by training to comment on the adequacy of the insurance policies covering City-owned property at June 30, 1981.

CITY OF THE DALLES, OREGON
AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS, Continued

IX. Other Comments:

A. In April 1977 the City contracted with U.S. Appraisal Co. to appraise the City's fixed assets for insurance purposes. This appraisal updated in March, 1980, did not cover automotive and movable equipment, but by using this appraisal and other listings prepared for insurance purposes a starting place is available for setting up Fixed Asset records. As noted in our report letter, the City has no Fixed Asset ledger, and consequently, no effective control over fixed assets.

B. The City's retirement plan for employees is a money purchase plan in which the City matches contributions made by employees. There is no unfunded liability.

C. Pending litigation involving the City, will, according to counsel, have no adverse impact upon City finances.