

CITY OF THE DALLES, OREGON

Report on Audit of General Purpose
Financial Statements and
Supplemental Information

Year Ended June 30, 1989

CITY OF THE DALLES, OREGON

OFFICIALS OF THE CITY

JUNE 30, 1989

CITY COUNCIL

	<u>Term Expires</u> <u>December 31,</u>
W.J. "Webb" Peterson, Mayor 1527 East 18th Street The Dalles, Oregon 97058	1990
Dewanda Clark 900 East 16th Street The Dalles, Oregon 97058	1993
Jim Parrish 717 East 21st Street The Dalles, Oregon 97058	1990
Merrit M. Probstfield 2911 Old Dufur Road East The Dalles, Oregon 97058	1993
Cindy Spadt 2114 W. 6th The Dalles, Oregon 97058	1990
Jim Will 810 E. Scenic Drive The Dalles, Oregon 97058	1990

CITY ADMINISTRATION

Paul Koch	City Manager - Budget Officer
Barbara Schroeder	City Clerk
Frank Kaminski	General Services Director
B.J. Matzen	City Attorney

CITY ADDRESS

City Hall
313 Court Street
The Dalles, Oregon 97058

CITY OF THE DALLES, OREGON

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1
GENERAL PURPOSE FINANCIAL STATEMENTS:	
Combined balance sheet - all fund types and account groups	3
Combined statement of revenues, expenditures and changes in fund balances - all governmental fund types	4
Combined statement of revenues, expenditures and changes in fund balances - budget and actual - all governmental fund types - budgetary basis	5
Combined statement of revenues, expenses and changes in retained earnings - proprietary fund type	6
Combined statement of cash flows - proprietary fund type	7
Notes to general purpose financial statements	8
SUPPLEMENTAL INFORMATION:	
General Fund:	
Statement of revenues, expenditures, and changes in fund balance - budget and actual - budgetary basis	23
Statement of revenues - budget and actual - budgetary basis	24
Statement of expenditures - budget and actual - budgetary basis	25
Special Revenue Funds:	
Combining balance sheet	26
Combining statement of revenues, expenditures and changes in fund balances	27
Statement of revenues, expenditures and changes in fund balance - budget and actual - budgetary basis:	
Street and Storm Sewer Fund	28
Energy Fund	29
Crime Prevention Fund	30
Land Conservation and Development Fund	31
Fire Equipment Reserve Fund	32
Fire Station Reserve Fund	33
Ambulance Reserve Fund	34
Public Works Reserve Fund	35
Parks Reserve Fund	36
Unemployment Insurance Reserve Fund	37

CITY OF THE DALLES, OREGON

TABLE OF CONTENTS (Continued)

	<u>Page</u>
SUPPLEMENTAL INFORMATION (Continued):	
Special Revenue Funds (Continued):	
Statement of revenues, expenditures and changes in fund balance - budget and actual -budgetary basis (Continued):	
Vietnam Memorial Fund	38
State Historic Preservation Fund	39
Kelly Avenue Landslide Fund	40
Street and Bridge Replacement Fund	41
Senior Center Grant Fund	42
Debt Service Funds:	
Combining balance sheet	43
Combining statement of revenues, expenditures and changes in fund balances	44
Statement of revenues, expenditures and changes in fund balance - budget and actual - budgetary basis:	
Debt Service Fund	45
Water Bond Debt Fund	46
Capital Projects Fund:	
Statement of revenues, expenditures and changes in fund balance - budget and actual - budgetary basis	47
Enterprise Funds:	
Combining balance sheet	48
Combining statement of revenues, expenses and change in retained earnings	49
Combining statement of cash flows	50
Statement of revenues, expenditures and changes in fund balance - budget and actual - budgetary basis:	
Water Utility Fund	51
Water Asset Replacement Fund	52
Water Capital Reserve Fund	53
Water System Capital Improvement Fund	54
Water Bond Reserve Fund	55
Wastewater Fund	56
Wastewater Treatment Reserve Fund	57
Wastewater Collection Replacement Fund	58
Special Sewer Reserve Fund	59
Corps of Engineers Sewer Fund	60
Airport Fund	61

CITY OF THE DALLES, OREGON

TABLE OF CONTENTS (Continued)

	<u>Page</u>
SUPPLEMENTAL INFORMATION (Continued):	
Additional schedules:	
Schedule of property tax transactions	62
Schedule of bonded debt transactions	63
Schedule of future debt service requirements	64
 AUDIT COMMENTS AND DISCLOSURES REQUIRED BY FEDERAL AND STATE REGULATIONS:	
Independent auditor's report on internal control structure related matters noted in a financial statement audit conducted in accordance with government auditing standards	65
 Independent auditor's report on compliance with laws and regulations based on an audit of financial statements performed in accordance with government auditing standards issued by the GAO	69
 State regulation disclosures	71

Talbot, Korvola & Warwick
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

April 26, 1990

City Council
City of The Dalles
The Dalles, Oregon

We have audited the accompanying general purpose financial statements of the City of The Dalles, Oregon, as of June 30, 1989 and for the year then ended. These general purpose financial statements are the responsibility of the City of The Dalles' management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the Minimum Standards for Audits of Oregon Municipal Corporations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of The Dalles, Oregon, as of June 30, 1989, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

INDEPENDENT AUDITOR'S REPORT (Continued)

City Council
City of The Dalles
April 26, 1990
Page Two

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information on pages 23 through 64 is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the City of The Dalles, Oregon. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

TALBOT, KORVOLA & WARWICK
Certified Public Accountants

By Robert A. Korvola

GENERAL PURPOSE FINANCIAL STATEMENTS

Types	Proprietary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets	General Long-Term Debt	
Capital Projects	Enterprise			
\$ -	\$ 447,651	\$ -	\$ -	\$ 2,705,640
621,701	-	-	-	639,643
-	136,567	-	-	621,701
-	-	-	-	266,652
-	89,148	-	-	130,983
-	2,329,340	-	-	89,148
-	8,612,761	3,951,862	-	2,329,340
-	-	-	214,098	12,564,623
-	-	-	-	214,098
-	-	-	3,432,828	3,432,828
<u>\$ 621,701</u>	<u>\$11,615,467</u>	<u>\$ 3,951,862</u>	<u>\$ 3,646,926</u>	<u>\$22,994,656</u>
\$ 135,174	\$ 109,724	\$ -	\$ -	\$ 296,643
-	-	-	-	12,619
30,162	-	-	-	30,162
-	61,426	-	131,926	193,352
-	-	-	-	627,121
621,701	-	-	-	621,701
-	-	-	-	159,588
-	-	-	-	23,518
-	-	-	3,515,000	3,515,000
<u>787,037</u>	<u>171,150</u>	<u>-</u>	<u>3,646,926</u>	<u>5,479,704</u>
-	2,113,983	-	-	2,113,983
-	-	3,951,862	-	3,951,862
-	2,329,340	-	-	2,329,340
-	7,000,994	-	-	7,000,994
-	-	-	-	646
-	-	-	-	214,098
(165,336)	-	-	-	1,904,029
<u>(165,336)</u>	<u>11,444,317</u>	<u>3,951,862</u>	<u>-</u>	<u>17,514,952</u>
<u>\$ 621,701</u>	<u>\$11,615,467</u>	<u>\$ 3,951,862</u>	<u>\$ 3,646,926</u>	<u>\$22,994,656</u>

CITY OF THE DALLES, OREGON

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

YEAR ENDED JUNE 30, 1989

	<u>Governmental Fund Types</u>				<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	
REVENUES:					
Taxes	\$ 1,715,377	\$ 407,270	\$ 178,658	\$ -	\$ 2,301,305
Special assessments	-	-	-	59,120	59,120
Intergovernmental	293,151	338,890	-	-	632,041
Fees, fines and forfeits	416,645	-	-	-	416,645
Charges for services	-	160,531	113,580	-	274,111
Interest on investments and assessments	68,314	87,148	14,093	23,420	192,975
Miscellaneous	54,540	-	-	-	54,540
Total revenues	<u>2,548,027</u>	<u>993,839</u>	<u>306,331</u>	<u>82,540</u>	<u>3,930,737</u>
EXPENDITURES:					
Current:					
General government	1,047,461	6,901	1,445	-	1,055,807
Public safety	1,585,701	1,395	-	-	1,587,096
Highways and streets	-	378,323	-	-	378,323
Culture and recreation	221,916	-	-	-	221,916
Capital outlay	-	332,953	-	74,978	407,931
Debt service:					
Bond principal	-	-	130,000	-	130,000
Interest	-	-	209,144	-	209,144
Total expenditures	<u>2,855,078</u>	<u>719,572</u>	<u>340,589</u>	<u>74,978</u>	<u>3,990,217</u>
Revenues over (under) expenditures	<u>(307,051)</u>	<u>274,267</u>	<u>(34,258)</u>	<u>7,562</u>	<u>(59,480)</u>
OTHER FINANCING SOURCES (USES):					
Operating transfers in	155,800	89,128	136,220	-	381,148
Operating transfers out	(40,526)	(54,679)	-	-	(95,205)
Proceeds from refunding bonds	-	-	3,165,000	-	3,165,000
Payment to escrow agent for refunded bonds	-	-	(3,163,196)	-	(3,163,196)
Total other financing sources (uses)	<u>115,274</u>	<u>34,449</u>	<u>138,024</u>	<u>-</u>	<u>287,747</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(191,777)</u>	<u>308,716</u>	<u>103,766</u>	<u>7,562</u>	<u>228,267</u>
FUND BALANCES, June 30, 1988, as previously reported	1,112,972	1,791,330	110,332	(93,388)	2,921,246
Prior period restatements	(80,099)	-	-	(79,510)	(159,609)
Equity transfer due to reclassification of funds	-	(871,131)	-	-	(871,131)
FUND BALANCES, June 30, 1988, as restated	<u>1,032,873</u>	<u>920,199</u>	<u>110,332</u>	<u>(172,898)</u>	<u>1,890,506</u>
FUND BALANCES, June 30, 1989	<u>\$ 841,096</u>	<u>\$ 1,228,915</u>	<u>\$ 214,098</u>	<u>\$ (165,336)</u>	<u>\$ 2,188,773</u>

See notes to general purpose financial statements.

Debt Service Funds			Capital Projects Fund			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 223,500	\$ 178,658	\$ (44,842)	\$ -	\$ -	\$ -	\$ 2,357,511	\$ 2,301,305	\$ (56,206)
-	-	-	165,000	59,120	(105,880)	165,000	59,120	(105,880)
-	-	-	-	-	-	939,111	632,041	(307,070)
-	-	-	-	-	-	404,000	416,645	12,645
113,600	113,580	(20)	-	-	-	151,700	274,111	122,411
8,500	14,093	5,593	60,000	23,420	(36,580)	107,801	192,975	85,174
-	-	-	-	-	-	71,900	54,540	(17,360)
<u>345,600</u>	<u>306,331</u>	<u>(39,269)</u>	<u>225,000</u>	<u>82,540</u>	<u>(142,460)</u>	<u>4,197,023</u>	<u>3,930,737</u>	<u>(266,286)</u>
2,000	1,445	555	-	-	-	1,176,490	1,055,807	120,683
-	-	-	-	-	-	1,574,409	1,587,096	(12,687)
-	-	-	-	-	-	472,964	378,323	94,641
-	-	-	-	-	-	231,509	221,916	9,593
-	-	-	557,000	74,978	482,022	1,704,733	407,931	1,296,802
220,000	130,000	90,000	-	-	-	220,000	130,000	90,000
<u>290,148</u>	<u>209,144</u>	<u>81,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>294,673</u>	<u>209,144</u>	<u>85,529</u>
<u>512,148</u>	<u>340,589</u>	<u>171,559</u>	<u>557,000</u>	<u>74,978</u>	<u>482,022</u>	<u>5,674,778</u>	<u>3,990,217</u>	<u>1,684,561</u>
<u>(166,548)</u>	<u>(34,258)</u>	<u>132,290</u>	<u>(332,000)</u>	<u>7,562</u>	<u>339,562</u>	<u>(1,477,755)</u>	<u>(59,480)</u>	<u>1,418,275</u>
167,720	136,220	(31,500)	-	-	-	455,100	381,148	(73,952)
-	-	-	-	-	-	(194,657)	(95,205)	99,452
-	-	-	332,000	-	(332,000)	332,000	-	(332,000)
-	3,165,000	3,165,000	-	-	-	-	3,165,000	3,165,000
<u>-</u>	<u>(3,163,196)</u>	<u>(3,163,196)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,163,196)</u>	<u>(3,163,196)</u>
<u>167,720</u>	<u>138,024</u>	<u>(29,696)</u>	<u>332,000</u>	<u>-</u>	<u>(332,000)</u>	<u>592,443</u>	<u>287,747</u>	<u>(304,696)</u>
<u>1,172</u>	<u>103,766</u>	<u>102,594</u>	<u>-</u>	<u>7,562</u>	<u>7,562</u>	<u>(885,312)</u>	<u>228,267</u>	<u>1,113,579</u>
72,000	110,332	38,332	-	(93,388)	(93,388)	1,646,238	2,921,246	1,275,008
-	-	-	-	(79,510)	(79,510)	-	(159,609)	(159,609)
-	-	-	-	-	-	-	(871,131)	(871,131)
<u>72,000</u>	<u>110,332</u>	<u>38,332</u>	<u>-</u>	<u>(172,898)</u>	<u>(172,898)</u>	<u>1,646,238</u>	<u>1,890,506</u>	<u>244,268</u>
<u>\$ 73,172</u>	<u>\$ 214,098</u>	<u>\$ 140,926</u>	<u>\$ -</u>	<u>\$ (165,336)</u>	<u>\$ (165,336)</u>	<u>\$ 760,926</u>	<u>\$ 2,118,773</u>	<u>\$ 1,357,847</u>

CITY OF THE DALLES, OREGON

COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE

YEAR ENDED JUNE 30, 1989

	<u>Enterprise</u>
OPERATING REVENUES:	
Service charges and fees	\$ 1,783,113
Rental income	<u>13,437</u>
Total operating revenues	<u>1,796,550</u>
OPERATING EXPENSES:	
Salaries and wages	906,303
Operating supplies	298,084
Professional services	19,069
Repairs and maintenance	32,913
Utilities	134,443
Operation and maintenance	434,545
General, administrative and engineering	47,291
Depreciation	<u>223,500</u>
Total operating expenses	<u>2,096,148</u>
Operating loss	(299,598)
NON-OPERATING INCOME:	
Investment income	<u>225,658</u>
Net loss before operating transfers	(73,940)
OPERATING TRANSFERS OUT	<u>(285,943)</u>
Net loss	<u>(359,883)</u>
RETAINED EARNINGS, June 30, 1988, as previously reported	8,815,462
Prior period restatement	3,624
Equity transfers due to reclassification of funds	<u>871,131</u>
RETAINED EARNINGS, June 30, 1988, as restated	<u>9,690,217</u>
RETAINED EARNINGS, June 30, 1989	<u>\$ 9,330,334</u>

See notes to general purpose financial statements.

CITY OF THE DALLES, OREGON

COMBINED STATEMENT OF CASH FLOWS -
PROPRIETARY FUND TYPE

YEAR ENDED JUNE 30, 1989

	<u>Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating loss	\$ (299,598)
Adjustments to reconcile operating loss to net cash provided by operations:	
Depreciation	223,500
Loss on disposition of assets	355
Decrease in accounts receivable	11,815
Decrease in inventories	94,979
Increase in accounts payable	68,323
Increase in compensated absences payable	<u>16,288</u>
Net cash provided by operations	<u>115,662</u>
CASH FLOWS USED IN NONCAPITAL FINANCIAL ACTIVITIES:	
Operating transfers out	<u>(285,943)</u>
CASH FLOWS USED IN CAPITAL AND RELATED FINANCIAL ACTIVITIES:	
Acquisition of fixed assets	<u>(105,953)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest on investments	<u>225,658</u>
NET DECREASE IN CASH	<u>(50,576)</u>
CASH AND INVESTMENTS, June 30, 1988, as previously reported)	1,956,108
Cash and investment transfers due to reclassification of funds	<u>871,459</u>
CASH AND INVESTMENTS, June 30, 1988, as restated	<u>2,827,567</u>
CASH AND INVESTMENTS, June 30, 1989	<u>\$ 2,776,991</u>

See notes to general purpose financial statements.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1989

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the City of The Dalles, Oregon (the City) is presented to assist in understanding the City's general purpose financial statements. The following is a summary of the more significant policies:

Organization

The City of The Dalles operates under a charter adopted in 1899. The City Council, composed of the Mayor and five Council members, comprises the legislative branch of the government. Individual departments are under the direction of the City Manager, who is appointed by the Council. All significant activities and organizations with which the City exercises oversight responsibility have been included in the general purpose financial statements. The primary criteria considered by the City to determine oversight responsibility is financial interdependency, authority to appoint governing authority and management of the organization's ability to influence operations and accountability for fiscal matters. No entities meet this criteria for inclusion in these general purpose financial statements.

Fund Accounting

The City uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain City functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into two categories: governmental and proprietary. The governmental category is divided into separate fund types.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Governmental Fund Types:

General Fund - This fund accounts for the financial operations of the City not accounted for in any other fund. Principal sources of revenue are property taxes, franchise fees, hotel-motel tax and state shared revenues. Expenditures are primarily for general government operations, public safety and culture and recreation.

Special Revenue Funds - These funds account for revenue from specific sources that are legally restricted to expenditure for specified purposes. Principal revenue sources are property taxes, interest and an allocation of state gas tax proceeds. Major expenditures are for street maintenance, parks and capital improvements.

Debt Service Funds - These funds account for the payment of principal and interest on general obligation debt. The principal sources of revenue are property taxes, rental income and interest.

Capital Projects Fund - This fund accounts for resources used for the acquisition and construction of major capital facilities other than those financed by proprietary funds. The principal revenue sources are bond proceeds, special assessments and interest earned on investments.

Proprietary Fund Type:

Enterprise Funds - These funds account for the acquisition, operation and maintenance of City facilities and services which are entirely or predominantly self-supporting through service charges to customers. Services accounted for through enterprise funds are water, wastewater and the airport.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (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 the proprietary fund type. Expenditures for the acquisition of general fixed assets are recorded in the various governmental fund types; the costs of such assets are capitalized in this account group.

As fixed assets are disposed of, the estimated original cost is removed from this account group; receipts from the sale of general fixed assets are accounted for as revenue in the appropriate fund.

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

Bases of Accounting

The governmental fund types are accounted for using a current financial resources measurement focus and are maintained using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded in the accounting period in which they become measurable and available and expenditures are recorded at the time liabilities are incurred, except for:

- Interfund transactions which are recorded on the accrual basis.
- Revenues for grants which are recorded as earned.
- Interest on general long-term debt which is recorded as due.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bases of Accounting (Continued)

Significant revenues which were measurable and available at June 30, 1989 under the modified accrual basis of accounting were as follows:

- Property tax revenues which are collected within 60 days subsequent to year end.
- Intergovernmental revenues, fines and forfeitures, franchise fees and others.

The proprietary fund type is accounted for on a flow of economic resources measurement focus, utilizing the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded at the time they are earned and expenses are recorded at the time liabilities are incurred.

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

Budgets

The City budgets its funds on the modified accrual basis of accounting, which complies with Oregon budget law. The ordinance authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. All funds, except the general fund, establish the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service and all other requirements levels. For the general fund, appropriations are at the department level for administration, finance and general, planning and building, legal and judiciary, police, fire, ambulance, communications and library. Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets (Continued)

Such transfers require approval by the City Council. The City Council adopted one supplemental budget and approved several appropriation transfer resolutions during the year ended June 30, 1989. Appropriations lapse at year end.

Cash and Investments

The City maintains cash and investments in a common pool; therefore, cash and investments are combined in the balance sheet. Investments are carried at cost, which approximates market value. Investments at June 30, 1989 were invested in the Oregon State Treasurer's Short-Term Investment Fund.

Receivables

Property taxes receivable of the governmental fund types which have been collected within 60 days subsequent to year end are considered measurable and available and are recognized as revenues. All other property taxes receivable are offset by deferred property tax revenues and, accordingly, have not been recorded as revenue. Property taxes are assessed on January 1, become a lien against the property as of July 1 each year, and are payable in three installments on November 15, February 15 and May 15.

Assessment liens receivable in the capital projects fund are recorded as receivables at the time property owners are assessed for property improvements. Assessment liens receivable are offset by deferred assessment liens revenues and, accordingly, have not been recorded as revenue. Assessment interest receivable is recorded as earned, but offset by deferred revenue until received.

Receivables of the proprietary fund types are recorded as revenue as earned, including services earned but not billed.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables (Continued)

Receivables for federal and state grants, and state, county and local shared revenue are recorded as revenue in all fund types as earned.

Inventories

Inventories in the proprietary fund type are stated at the lower of cost (first-in, first-out basis) or market. The costs of governmental fund type inventories are recorded as expenditures when purchased.

Restricted Assets

Assets, whose use is restricted for construction by City Charter or the City Council, are segregated on the combined balance sheet.

Fixed Assets

Fixed assets in the General Fixed Assets Account Group are stated at cost or estimated cost. Purchases of such assets are recorded as expenditures in governmental fund types and capitalized in the General Fixed Assets Account Group.

Maintenance and repairs are charged to expenditures in various governmental funds as incurred and not capitalized. Depreciation is not recorded on general fixed assets. Upon disposal, the General Fixed Assets Account Group is relieved of the related cost; proceeds from sales of general fixed assets are recorded as revenues in the appropriate fund.

Expenditures for public domain fixed assets (streets, sidewalks, curbs and gutters, lighting systems and similar assets) that are immovable and of value only to the City as a governmental unit are reported as expenditures as incurred and are not capitalized.

Fixed assets in the proprietary fund type are stated at cost or estimated cost. Donated fixed assets are recorded at their estimated fair market value at the time received. Maintenance and repairs are expensed as incurred. Replacements which improve or extend the lives of property are capitalized. Depreciation is

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets (Continued)

computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation and resulting gains or losses are reflected in income. Depreciation taken on contributed fixed assets is recorded as an expense of operations and charged to retained earnings. Estimated useful lives used in computing depreciation are:

Buildings and improvements	45 years
Water and sewer lines	45 years
Equipment	5-20 years

Long-Term Debt

All unmatured long-term debt is recorded in the General Long-Term Debt Account Group. Repayment of all General Long-Term Debt Account Group liabilities except, compensated absences payable is recorded in the debt service funds. Repayment of compensated absences payable will be made from the appropriate governmental fund.

Compensated Absences

Earned but unpaid vacation and holiday pay is recorded as an expense in the proprietary fund type when earned. In the governmental fund types, the amounts, if any, expected to be liquidated with expendable available resources, are accrued in the funds and the amounts payable from future resources are recorded in the General Long-Term Debt Account Group. Earned but unpaid sick pay does not accumulate and is recorded as an expense or expenditure when paid.

Contributed Capital

Contributed capital in the proprietary fund type represents the accumulation of contributions in the form of cash or other assets which generally do not have to be returned to the contributor. Such contributions are recorded directly to contributed capital and, accordingly, are not recognized as revenue. The following transactions are recorded as contributions in the proprietary funds:

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Capital (Continued)

- Fixed assets contributed from other funds or the General Fixed Assets Account Group.
- Fixed assets contributed from intergovernmental agencies.
- Cash transfers of equity from other funds.
- Proceeds of federal and state grants for acquisition of fixed assets.
- Contributions from customers for the acquisition of fixed assets.

Retained Earnings Reserved for Construction

A portion of retained earnings in the proprietary funds has been segregated from unreserved retained earnings for amounts set aside for construction as designated by the City Council.

Totals (Memorandum Only) Columns on
the General Purpose Financial Statements

The totals (memorandum only) columns on the general purpose financial statements represent an aggregate of the columnar statements by fund type and account group; they do not represent consolidated financial information.

CASH AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash and Investments". In addition, cash and investments are separately held by several of the City's funds.

Cash and investments are comprised of the following at June 30, 1989:

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

CASH AND INVESTMENTS (Continued)

Deposits with financial institutions	\$ 1,827,685
Deposits with County Treasurer	50,220
Investments	2,975,018
Petty cash	<u>1,275</u>
	<u>\$ 4,854,198</u>

Cash and investments are reflected on the combined balance sheet as follows:

Unrestricted	\$ 2,705,640
Restricted	2,329,340
Cash overdrafts, included in accounts payable	<u>(180,782)</u>
	<u>\$ 4,854,198</u>

Deposits

Deposits with financial institutions include bank demand deposits and time certificates of deposit. The total bank balance, as recorded in the bank records at June 30, 1989, is \$2,071,270. Of these deposits, \$500,000 was covered by federal depository insurance, \$1,558,225 was collateralized with securities held by financial institutions acting as the agents of the City in the City's name, and the remainder of \$13,045 was uncollateralized. Oregon Revised Statutes require the depository institution to maintain on deposit with a collateral pool manager securities having a value not less than 25% of the outstanding certificates of participation issued by the pool manager.

Investments

State statutes authorize the City to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial paper and the Oregon State Treasurer's Short-Term Investment Fund, among others. At June 30, 1989, the only investment the City held was \$2,975,018 (both cost and market value) in the Oregon State Treasurer's Short-Term Investment Fund. These funds are not required to be categorized by risk in accordance with Governmental Accounting Standards Board Statement No. 3. As of June 30, 1989 and for the year then ended, the City was in compliance with all State of Oregon investment restrictions.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

ASSESSMENT LIENS RECEIVABLE

Assessment liens receivable represent the uncollected amounts levied against benefited property for cost of local improvements. The assessments are fully offset by deferred revenue and are payable over a period of ten to twenty years and bear interest at 7% to 10%.

FIXED ASSETS

Fixed assets by major classes for the General Fixed Assets Account Group and Enterprise Funds comprise:

	<u>Enterprise Funds</u>	<u>General Fixed Assets</u>
Land and land improvements	\$3,572,724	\$ 281,900
Buildings and improvements	4,269,050	1,660,038
Wells and land improvements	1,749,860	-
Machinery and equipment	1,893,959	2,009,924
Accumulated depreciation	<u>(2,872,832)</u>	<u>-</u>
Total	<u>\$8,612,761</u>	<u>\$3,951,862</u>

The changes in the general fixed assets account group for the year ended June 30, 1989 are as follows:

	<u>Land</u>	<u>Buildings and Improve- ments</u>	<u>Machinery and Equipment</u>	<u>Total</u>
Balance, June 30, 1988	\$ 281,900	\$1,581,216	\$1,918,341	\$3,781,457
Add expenditures from:				
General Fund	-	78,822	66,801	145,623
Special Revenue Funds	-	-	27,364	27,364
Deduct:				
Retirements	<u>-</u>	<u>-</u>	<u>(2,582)</u>	<u>(2,582)</u>
Balance, June 30, 1989	<u>\$ 281,900</u>	<u>\$1,660,038</u>	<u>\$2,009,924</u>	<u>\$3,951,862</u>

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

NOTE PAYABLE

During June 1986, the City entered into a loan agreement with the State of Oregon's Department of Energy, Small Scale Energy Loan Program, to finance the purchase of energy equipment for the Senior Citizens' Center. The balance of \$23,518 at June 30, 1989, is due in monthly payments of \$265, including interest at 9.35%.

BONDS PAYABLE

Bond principal transactions for the year ended June 30, 1989 are as follows:

	Out- standing June 30, 1988	Issued	Refunded	Redeemed	Out- standing June 30, 1989
<u>General Obligation Bonds</u>					
1980 Water Utility Improvement Bonds, interest ranges from 9.39% to 10%; advance refunded in November 1988	\$2,825,000	\$ -	\$2,825,000	\$ -	\$ -
1988 Advance Refunding Bonds; interest ranges from 5.60% to 6.85%; payable from Debt Service Fund revenues	-	3,165,000	-	40,000	3,125,000
<u>General Obligation Revenue Supported Bonds</u>					
1978 State Office Building Revenue Bonds; interest ranges from 4.9% to 5.25%; original amount - \$1,150,000; payable from lease payments from State of Oregon	480,000	-	-	90,000	390,000
	<u>\$3,305,000</u>	<u>\$3,165,000</u>	<u>\$2,825,000</u>	<u>\$ 130,000</u>	<u>\$3,515,000</u>

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

BONDS PAYABLE (Continued)

In November 1988, the City issued \$3,165,000 in general obligation Advance Refunding Bonds with interest from 5.60% to 6.85% to advance refund \$2,825,000 of the 1980 Water Utility Improvement Bonds with interest from 9.39% to 10%. \$3,075,606 of the net proceeds of \$3,120,757 (including accrued interest of \$11,935 and after payment of \$56,178 of underwriting fees) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1980 Water Utility Improvement Bonds. As a result, the 1980 series bonds are considered to be defeased and the liability for those bonds has been removed from the general long-term debt account group.

The City advance refunded the 1980 series bonds to reduce its total debt service payments over the next 13 years by approximately \$210,000 and to obtain an economic gain (difference between the present values of debt service payments on the old and new debt) of approximately \$203,000.

Future maturities of bond principal and interest are as follows:

Fiscal Year	1978 State Office Building Revenue Bonds		1988 Advance Refunding Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
1990	\$ 90,000	\$ 20,338	\$ 190,000	\$ 202,368	\$ 280,000	\$ 222,706
1991	95,000	15,702	205,000	191,252	300,000	206,954
1992	100,000	10,762	215,000	178,953	315,000	189,715
1993	105,000	5,512	225,000	165,837	330,000	171,349
1994	-	-	240,000	151,888	240,000	151,888
1995-1999	-	-	1,395,000	511,772	1,395,000	511,772
2000-2004	-	-	655,000	67,655	655,000	67,655
	<u>\$ 390,000</u>	<u>\$ 52,314</u>	<u>\$3,125,000</u>	<u>\$1,469,725</u>	<u>\$3,515,000</u>	<u>\$1,522,039</u>

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

COMPENSATED ABSENCES PAYABLE

Compensated absences payable transactions for the year ended June 30, 1989, are as follows:

	Balance June 30, 1988	Additions	Retire- ments	Balance June 30, 1989
Compensated absences payable	\$ 157,079	\$ 193,352	\$ (157,079)	\$ 193,352

PENSION PLAN

The City provides pension benefits for substantially all of its full-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after one year of employment. Under terms of the plan, both the City and the employee are required to make contributions. In addition, the employees may make additional voluntary contributions. Beginning September 1, 1988, the City's contribution rate was 16.6% for primarily police and fire department employees and 7.5% for other employees. The mandatory employee contribution rate was 6% for all employees. The City pays both the employer and mandatory employee contributions. In addition, police and fire department employees may contribute up to an additional 2.4% of their compensation and other employees up to 10% of their compensation. All contributions to the plan are fully vested when made.

The City's total payroll for the year ended June 30, 1989 was \$2,337,872. The City's payroll for employees covered by the plan was \$2,139,502. The City's employer and mandatory employee contribution for the year ended June 30, 1989 was \$308,423 or 14.4% of the year's covered payroll.

SEGMENT INFORMATION - ENTERPRISE FUNDS

The City's Enterprise Funds account for the acquisition, operation, and maintenance of water, wastewater and airport facilities which are supported by user charges. Segment information for the year ended June 30, 1989 is as follows:

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

SEGMENT INFORMATION - ENTERPRISE FUNDS (Continued)

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Airport</u>	<u>Total</u>
Operating revenues	\$1,092,394	\$ 574,243	\$ 129,913	\$ 1,796,550
Depreciation	165,082	58,315	103	223,500
Operating loss	(192,700)	(59,464)	(47,434)	(299,598)
Net loss	(266,229)	(46,220)	(47,434)	(359,883)
Fixed asset additions	85,036	11,367	9,550	105,953
Net working capital (deficiency)	293,841	273,540	(65,165)	502,216
Total assets	8,778,998	2,046,231	790,238	11,615,467
Total equity	8,711,080	2,018,093	715,144	11,444,317

INDIVIDUAL FUND DISCLOSURES

For the year ended June 30, 1989, the following expenditures did not comply with Oregon Statutes since they exceeded budgeted appropriations as follows:

General Fund:

Administration	\$ 11,627
Planning and building	7,196
Police	14,588
Communications	57,176

Special Revenue Funds:

Street and Storm Sewer - personal services	32,474
Senior Center Grant - other expenditures	1,991

Enterprise Funds:

Water Utility - personal services	7,231
Wastewater - materials and services	51,458
Airport:	
Materials and services	65,148
Capital outlay	9,550

Additionally, since the City Council did not legally adopt an appropriation resolution until July 12, 1988, expenditures of \$75,398 from July 1, 1988 to that date do not comply with Oregon Statutes.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1989

INDIVIDUAL FUND DISCLOSURES (Continued)

As of June 30, 1989, funds with deficits in budgetary basis fund balances were as follows:

Special Revenue Fund - Senior Center Grant	\$ (23,452)
Capital Projects Fund	(165,336)
Enterprise Fund - Airport	(69,835)

PRIOR PERIOD RESTATEMENTS

Prior to July 1, 1988, the City had recorded ambulance receivables in the General Fund and interest receivable in the Capital Projects Fund on the accrual basis of accounting. Since these amounts should be properly recorded on the modified accrual basis of accounting and recorded as deferred revenue, to the extent they have not been collected within sixty days of year-end, fund balances at July 1, 1988, of the General Fund and Capital Projects Fund, have been reduced by \$80,099 and \$79,510, respectively. In addition, certain errors were noted in recording fixed assets of the enterprise funds. Therefore, as of July 1, 1988, retained earnings for the enterprise fund type has been increased by \$3,624.

RECLASSIFICATION OF FUNDS

Effective July 1, 1988, for financial reporting purposes, the Water Capital Reserve Fund and the Water Asset Replacement Fund were reclassified from the Special Revenue Fund type to the Water Utility Fund in the Enterprise Fund type. Also, the Sewer Special Reserve Fund, Wastewater Treatment Reserve Fund, Corps of Engineers Sewer Fund and Wastewater Collection Replacement Fund were reclassified from the Special Revenue Fund type to the Wastewater Utility Fund in the Enterprise Fund type. These reclassifications resulted in a decrease of fund equity in the Special Revenue Fund type and an increase in fund equity in the Enterprise Fund type of \$871,131.

Additionally, in the prior year, a pension trust fund had been incorrectly included in the combined balance sheet as a fiduciary fund type having assets and reserved fund balance of \$4,741,232. Since the assets of this defined contribution pension plan are not under control or management of the City, this fund has properly been excluded from the combined balance sheet at June 30, 1989.

SUPPLEMENTAL INFORMATION

GENERAL FUND

CITY OF THE DALLES, OREGON

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Taxes	\$ 1,727,011	\$ 1,715,377	\$ (11,634)
Fees, fines and forfeitures	404,000	416,645	12,645
Intergovernmental	370,904	293,151	(77,753)
Investment income	5,000	68,314	63,314
Other revenues	<u>71,900</u>	<u>54,540</u>	<u>(17,360)</u>
Total revenues	<u>2,578,815</u>	<u>2,548,027</u>	<u>(30,788)</u>
EXPENDITURES:			
General government	1,072,921	1,047,461	25,460
Public safety	1,572,409	1,585,701	(13,292)
Culture and recreation	<u>231,509</u>	<u>221,916</u>	<u>9,593</u>
Total expenditures	<u>2,876,839</u>	<u>2,855,078</u>	<u>21,761</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(298,024)</u>	<u>(307,051)</u>	<u>(9,027)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	155,778	155,800	22
Operating transfers out	<u>(60,000)</u>	<u>(40,526)</u>	<u>19,474</u>
Total other financing sources (uses)	<u>95,778</u>	<u>115,274</u>	<u>19,496</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(202,246)</u>	<u>(191,777)</u>	<u>10,469</u>
FUND BALANCE, June 30, 1988, as previously reported	890,000	1,112,972	222,972
Prior period restatement	<u>-</u>	<u>(80,099)</u>	<u>(80,099)</u>
FUND BALANCE, June 30, 1988, as restated	<u>890,000</u>	<u>1,032,873</u>	<u>142,873</u>
FUND BALANCE, June 30, 1989	<u>\$ 687,754</u>	<u>\$ 841,096</u>	<u>\$ 153,342</u>

CITY OF THE DALLES, OREGON

GENERAL FUND

STATEMENT OF REVENUES -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Local:			
Property taxes:			
Current year taxes	\$ 1,497,011	\$ 1,362,773	\$ (134,238)
Prior year taxes	<u>110,000</u>	<u>197,810</u>	<u>87,810</u>
Total property taxes	1,607,011	1,560,583	(46,428)
Hotel-motel tax	120,000	154,794	34,794
Franchise fees	239,000	260,171	21,171
Ambulance services	105,000	78,843	(26,157)
Fines and forfeitures	60,000	77,631	17,631
Miscellaneous local revenue	<u>71,900</u>	<u>54,540</u>	<u>(17,360)</u>
Total local revenues	<u>2,202,911</u>	<u>2,186,562</u>	<u>(16,349)</u>
Intergovernmental:			
State for library	4,548	4,548	-
County for library	101,760	101,760	-
State liquor and amusement tax	70,000	69,691	(309)
State cigarette tax	24,000	36,717	12,717
State revenue sharing	48,000	52,251	4,251
Other intergovernmental revenue	<u>122,596</u>	<u>28,184</u>	<u>(94,412)</u>
Total intergovern- mental revenues	370,904	293,151	(77,753)
Investment income	5,000	68,314	63,314
Operating transfers in	<u>155,778</u>	<u>155,800</u>	<u>22</u>
TOTAL REVENUES	<u>\$ 2,734,593</u>	<u>\$ 2,703,827</u>	<u>\$ (30,766)</u>

CITY OF THE DALLES, OREGON

GENERAL FUND

STATEMENT OF EXPENDITURES -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
<u>BY APPROPRIATION CATEGORY:</u>			
GENERAL GOVERNMENT:			
Administration	\$ 104,860	\$ 116,487	\$ (11,627)
Finance and general	668,560	652,601	15,959
Planning and building	137,537	144,733	(7,196)
Legal and judiciary	139,994	133,640	6,354
Contingency	21,970	-	21,970
Operating transfers out	<u>60,000</u>	<u>40,526</u>	<u>19,474</u>
Total general government	<u>1,132,921</u>	<u>1,087,987</u>	<u>44,934</u>
PUBLIC SAFETY:			
Police	725,670	740,258	(14,588)
Fire	538,409	486,088	52,321
Ambulance	144,934	138,783	6,151
Communications	<u>163,396</u>	<u>220,572</u>	<u>(57,176)</u>
Total public safety	<u>1,572,409</u>	<u>1,585,701</u>	<u>(13,292)</u>
CULTURE AND RECREATION:			
Library	<u>231,509</u>	<u>221,916</u>	<u>9,593</u>
Total culture and recreation	<u>231,509</u>	<u>221,916</u>	<u>9,593</u>
TOTAL EXPENDITURES	<u>\$ 2,936,839</u>	<u>\$ 2,895,604</u>	<u>\$ 41,235</u>

SPECIAL REVENUE FUNDS

<u>Ambulance Reserve</u>	<u>Public Works Reserve</u>	<u>Parks Reserve</u>	<u>Unemployment Insurance Reserve</u>	<u>Vietnam Memorial</u>	<u>Kelly Avenue Landslide</u>	<u>Street and Bridge Replacement</u>	<u>Senior Center Grant</u>	<u>Total</u>
\$ 53,257	\$ 82,372	\$ 17,480	\$ 76,253	\$ 1,841	\$ 205,034	\$ 102,820	\$ 66	\$1,242,272
-	-	-	-	-	13,158	-	-	13,158
-	-	-	-	-	-	-	-	14,069
<u>\$ 53,257</u>	<u>\$ 82,372</u>	<u>\$ 17,480</u>	<u>\$ 76,253</u>	<u>\$ 1,841</u>	<u>\$ 218,192</u>	<u>\$ 102,820</u>	<u>\$ 66</u>	<u>\$1,269,499</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,090	\$ -	\$ -	\$ 4,174
-	-	-	-	-	12,892	-	-	12,892
-	-	-	-	-	-	-	23,518	23,518
-	-	-	-	-	13,982	-	23,518	40,584
<u>53,257</u>	<u>82,372</u>	<u>17,480</u>	<u>76,253</u>	<u>1,841</u>	<u>204,210</u>	<u>102,820</u>	<u>(23,452)</u>	<u>1,228,915</u>
<u>53,257</u>	<u>82,372</u>	<u>17,480</u>	<u>76,253</u>	<u>1,841</u>	<u>204,210</u>	<u>102,820</u>	<u>(23,452)</u>	<u>1,228,915</u>
<u>\$ 53,257</u>	<u>\$ 82,372</u>	<u>\$ 17,480</u>	<u>\$ 76,253</u>	<u>\$ 1,841</u>	<u>\$ 218,192</u>	<u>\$ 102,820</u>	<u>\$ 66</u>	<u>\$1,269,499</u>

<u>Ambulance Reserve</u>	<u>Public Works Reserve</u>	<u>Parks Reserve</u>	<u>Unemployment Insurance Reserve</u>	<u>Vietnam Memorial</u>	<u>State Historic Preservation</u>	<u>Kelly Avenue Landslide</u>	<u>Street and Bridge Replacement</u>	<u>Senior Center Grant</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106,751	\$ -	\$ -	\$ 407,270
-	-	-	-	-	-	14,500	-	-	338,890
-	-	-	-	-	-	-	-	-	160,531
<u>4,250</u>	<u>5,553</u>	<u>1,341</u>	<u>5,239</u>	<u>13</u>	<u>-</u>	<u>13,479</u>	<u>7,889</u>	<u>-</u>	<u>87,148</u>
<u>4,250</u>	<u>5,553</u>	<u>1,341</u>	<u>5,239</u>	<u>13</u>	<u>-</u>	<u>134,730</u>	<u>7,889</u>	<u>-</u>	<u>993,839</u>
-	-	-	2,913	-	-	-	-	1,991	6,901
-	-	-	-	-	-	-	-	-	1,395
-	-	-	-	-	-	-	-	-	378,323
<u>12,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,703</u>	<u>-</u>	<u>-</u>	<u>332,953</u>
<u>12,265</u>	<u>-</u>	<u>-</u>	<u>2,913</u>	<u>-</u>	<u>-</u>	<u>60,703</u>	<u>-</u>	<u>1,991</u>	<u>719,572</u>
<u>(8,015)</u>	<u>5,553</u>	<u>1,341</u>	<u>2,326</u>	<u>13</u>	<u>-</u>	<u>74,027</u>	<u>7,889</u>	<u>(1,991)</u>	<u>274,267</u>
8,000	20,000	-	19,602	-	-	-	-	3,180	89,128
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(22)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,679)</u>
<u>8,000</u>	<u>20,000</u>	<u>-</u>	<u>19,602</u>	<u>-</u>	<u>(22)</u>	<u>-</u>	<u>-</u>	<u>3,180</u>	<u>34,449</u>
(15)	25,553	1,341	21,928	13	(22)	74,027	7,889	1,189	308,716
<u>53,272</u>	<u>56,819</u>	<u>16,139</u>	<u>54,325</u>	<u>1,828</u>	<u>22</u>	<u>130,183</u>	<u>94,931</u>	<u>(24,641)</u>	<u>920,199</u>
<u>\$ 53,257</u>	<u>\$ 82,372</u>	<u>\$ 17,480</u>	<u>\$ 76,253</u>	<u>\$ 1,841</u>	<u>\$ -</u>	<u>\$ 204,210</u>	<u>\$ 102,820</u>	<u>\$ (23,452)</u>	<u>\$ 1,228,915</u>

CITY OF THE DALLES, OREGON

STREET AND STORM SEWER FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Taxes	\$ 282,000	\$ 300,519	\$ 18,519
Intergovernmental	312,627	324,390	11,763
Charges and services	37,500	158,518	121,018
Interest on investments	<u>10,000</u>	<u>42,044</u>	<u>32,044</u>
Total revenue	<u>642,127</u>	<u>825,471</u>	<u>183,344</u>
EXPENDITURES:			
Personal services	265,964	298,438	(32,474)
Materials and services	112,500	79,885	32,615
Capital outlay	359,945	259,985	99,960
Debt service	4,525	-	4,525
Contingency	<u>94,500</u>	<u>-</u>	<u>94,500</u>
Total expenditures	<u>837,434</u>	<u>638,308</u>	<u>199,126</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(195,307)</u>	<u>187,163</u>	<u>382,470</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	44,000	19,000	(25,000)
Operating transfers out	<u>(134,657)</u>	<u>(54,657)</u>	<u>80,000</u>
Total other financing sources (uses)	<u>(90,657)</u>	<u>(35,657)</u>	<u>55,000</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDI- TURES AND OTHER FINANCING USES	<u>(285,964)</u>	<u>151,506</u>	<u>437,470</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>285,964</u>	<u>460,254</u>	<u>174,290</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 611,760</u>	<u>\$ 611,760</u>

CITY OF THE DALLES, OREGON

ENERGY FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	<u>\$ -</u>	<u>\$ 2,359</u>	<u>\$ 2,359</u>
Total revenues	<u>-</u>	<u>2,359</u>	<u>2,359</u>
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER EXPENDITURES	<u>-</u>	<u>2,359</u>	<u>2,359</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>-</u>	<u>28,383</u>	<u>28,383</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 30,742</u>	<u>\$ 30,742</u>

CITY OF THE DALLES, OREGON

CRIME PREVENTION FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Charges and services	\$ 500	\$ 2,013	\$ 1,513
Interest on investments	<u>-</u>	<u>123</u>	<u>123</u>
Total revenues	<u>500</u>	<u>2,136</u>	<u>1,636</u>
EXPENDITURES:			
Materials and services	<u>2,000</u>	<u>1,395</u>	<u>605</u>
Total expenditures	<u>2,000</u>	<u>1,395</u>	<u>605</u>
REVENUES OVER (UNDER) EXPENDITURES	(1,500)	741	2,241
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>1,500</u>	<u>1,157</u>	<u>(343)</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 1,898</u>	<u>\$ 1,898</u>

CITY OF THE DALLES, OREGON

LAND AND CONSERVATION AND DEVELOPMENT FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ <u>125</u>	\$ <u>545</u>	\$ <u>420</u>
Total revenues	<u>125</u>	<u>545</u>	<u>420</u>
EXPENDITURES:			
Personal services	<u>3,367</u>	<u>-</u>	<u>3,367</u>
Materials and services	<u>2,450</u>	<u>1,997</u>	<u>453</u>
Total expenditures	<u>5,817</u>	<u>1,997</u>	<u>3,820</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(5,692)</u>	<u>(1,452)</u>	<u>4,240</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>5,692</u>	<u>7,466</u>	<u>1,774</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 6,014</u>	<u>\$ 6,014</u>

CITY OF THE DALLES, OREGON

FIRE EQUIPMENT RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ 2,002	\$ 4,313	\$ 2,311
Total revenues	<u>2,002</u>	<u>4,313</u>	<u>2,311</u>
EXPENDITURES:			
Capital outlay	<u>57,044</u>	<u>-</u>	<u>57,044</u>
Total expenditures	<u>57,044</u>	<u>-</u>	<u>57,044</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(55,042)</u>	<u>4,313</u>	<u>59,355</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total other financing sources	<u>15,000</u>	<u>15,000</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPEN- DITURES	<u>(40,042)</u>	<u>19,313</u>	<u>59,355</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>40,042</u>	<u>44,407</u>	<u>4,365</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 63,720</u>	<u>\$ 63,720</u>

CITY OF THE DALLES, OREGON

FIRE STATION RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
EXPENDITURES:			
Capital outlay	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 25,000</u>
Total expenditures	<u>25,000</u>	<u>-</u>	<u>25,000</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(25,000)</u>	<u>-</u>	<u>25,000</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
Total other financing sources	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>
OTHER FINANCING SOURCES OVER EXPEN- DITURES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF THE DALLES, OREGON

AMBULANCE RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	<u>\$ 2,344</u>	<u>\$ 4,250</u>	<u>\$ 1,906</u>
Total revenues	<u>2,344</u>	<u>4,250</u>	<u>1,906</u>
EXPENDITURES:			
Capital outlay	<u>57,227</u>	<u>12,265</u>	<u>44,962</u>
Total expenditures	<u>57,227</u>	<u>12,265</u>	<u>44,962</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(54,883)</u>	<u>(8,015)</u>	<u>46,868</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Total other financing sources	<u>8,000</u>	<u>8,000</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPEN- DITURES	<u>46,883</u>	<u>(15)</u>	<u>46,868</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>46,883</u>	<u>53,272</u>	<u>6,389</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 53,257</u>	<u>\$ 53,257</u>

CITY OF THE DALLES, OREGON

PUBLIC WORKS RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ 3,300	\$ 5,553	\$ 2,253
Total revenues	<u>3,300</u>	<u>5,553</u>	<u>2,253</u>
EXPENDITURES:			
Capital outlay	<u>78,346</u>	<u>-</u>	<u>78,346</u>
Total expenditures	<u>78,346</u>	<u>-</u>	<u>78,346</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(75,046)</u>	<u>5,553</u>	<u>80,599</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total other financing sources	<u>20,000</u>	<u>20,000</u>	<u>-</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPEN- DITURES	<u>(55,046)</u>	<u>25,553</u>	<u>80,599</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>55,046</u>	<u>56,819</u>	<u>1,773</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 82,372</u>	<u>\$ 82,372</u>

CITY OF THE DALLES, OREGON

PARKS RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ 750	\$ 1,341	\$ 591
Total revenues	750	1,341	591
EXPENDITURES:			
Capital outlay	15,611	-	15,611
Total expenditures	15,611	-	15,611
REVENUES OVER (UNDER) EXPENDITURES	(14,861)	1,341	16,202
FUND BALANCE, June 30, 1988 (budgetary basis)	14,861	16,139	1,278
FUND BALANCE, June 30, 1989 (budgetary basis)	\$ -	\$ 17,480	\$ 17,480

CITY OF THE DALLES, OREGON

UNEMPLOYMENT INSURANCE RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ <u>2,000</u>	\$ <u>5,239</u>	\$ <u>3,239</u>
Total revenues	<u>2,000</u>	<u>5,239</u>	<u>3,239</u>
EXPENDITURES:			
Materials and services	<u>93,302</u>	<u>2,913</u>	<u>90,389</u>
Total expenditures	<u>93,302</u>	<u>2,913</u>	<u>90,389</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(91,302)</u>	<u>2,326</u>	<u>93,628</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>19,602</u>	<u>19,602</u>	<u>-</u>
Total other financing sources	<u>19,602</u>	<u>19,602</u>	<u>-</u>
REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPEN- DITURES	<u>(71,700)</u>	<u>21,928</u>	<u>93,628</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>71,700</u>	<u>54,325</u>	<u>(17,375)</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 76,253</u>	<u>\$ 76,253</u>

CITY OF THE DALLES, OREGON

VIETNAM MEMORIAL FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Charges and services	\$ 100	\$ -	\$ (100)
Interest on investments	<u>80</u>	<u>13</u>	<u>(67)</u>
Total revenues	<u>180</u>	<u>13</u>	<u>(167)</u>
EXPENDITURES:			
Materials and services	50	-	50
Capital outlay	<u>1,680</u>	<u>-</u>	<u>1,680</u>
Total expenditures	<u>1,730</u>	<u>-</u>	<u>1,730</u>
REVENUES OVER (UNDER) EXPENDITURES	(1,550)	13	1,563
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>1,550</u>	<u>1,828</u>	<u>278</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 1,841</u>	<u>\$ 1,841</u>

CITY OF THE DALLES, OREGON

STATE HISTORIC PRESERVATION FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Intergovernmental	\$ 2,400	\$ -	\$ (2,400)
Total revenues	<u>2,400</u>	<u>-</u>	<u>(2,400)</u>
EXPENDITURES:			
Contractual services	<u>2,400</u>	<u>-</u>	<u>2,400</u>
Total expenditures	<u>2,400</u>	<u>-</u>	<u>2,400</u>
REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING USES:			
Operating transfers out	<u>-</u>	<u>(22)</u>	<u>(22)</u>
Total other financing uses	<u>-</u>	<u>(22)</u>	<u>(22)</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>-</u>	<u>(22)</u>	<u>(22)</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>-</u>	<u>22</u>	<u>22</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF THE DALLES, OREGON

KELLY AVENUE LANDSLIDE FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Taxes	\$ 125,000	\$ 106,751	\$ (18,249)
Intergovernmental	250,000	14,500	(235,500)
Interest on investments	<u>10,000</u>	<u>13,479</u>	<u>3,479</u>
Total revenues	<u>385,000</u>	<u>134,730</u>	<u>(250,270)</u>
EXPENDITURES:			
Capital outlay	<u>485,000</u>	<u>60,703</u>	<u>424,297</u>
Total expenditures	<u>485,000</u>	<u>60,703</u>	<u>424,297</u>
REVENUES OVER (UNDER) EXPENDITURES	(100,000)	74,027	174,027
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>100,000</u>	<u>130,183</u>	<u>30,183</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 204,210</u>	<u>\$ 204,210</u>

CITY OF THE DALLES, OREGON
STREET AND BRIDGE REPLACEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ <u>3,700</u>	\$ <u>7,889</u>	\$ <u>4,189</u>
Total revenues	<u>3,700</u>	<u>7,889</u>	<u>4,189</u>
EXPENDITURES:			
Capital outlay	<u>64,700</u>	<u>-</u>	<u>64,700</u>
Total expenditures	<u>64,700</u>	<u>-</u>	<u>64,700</u>
REVENUES OVER (UNDER) EXPENDITURES	(61,000)	7,889	68,889
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>61,000</u>	<u>94,931</u>	<u>33,931</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 102,820</u>	<u>\$ 102,820</u>

CITY OF THE DALLES, OREGON

SENIOR CENTER GRANT FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Intergovernmental	\$ 3,180	\$ -	\$ (3,180)
Total revenues	<u>3,180</u>	<u>-</u>	<u>(3,180)</u>
EXPENDITURES:			
Capital outlay	3,180	-	3,180
Other expenditures	<u>-</u>	<u>1,991</u>	<u>(1,991)</u>
Total expenditures	<u>3,180</u>	<u>1,991</u>	<u>1,189</u>
REVENUES OVER EXPENDITURES	<u>-</u>	<u>(1,991)</u>	<u>(1,991)</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>-</u>	<u>3,180</u>	<u>3,180</u>
Total other financing sources	<u>-</u>	<u>3,180</u>	<u>3,180</u>
REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>-</u>	<u>1,189</u>	<u>1,189</u>
FUND BALANCE (DEFICIT), June 30, 1988 (budgetary basis)	<u>-</u>	<u>(24,641)</u>	<u>(24,641)</u>
FUND BALANCE (DEFICIT), June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ (23,452)</u>	<u>\$ (23,452)</u>

DEBT SERVICE FUNDS

CITY OF THE DALLES, OREGON

DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1989

	<u>Debt Service</u>	<u>Water Bond Debt</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and investments	\$ 82,904	\$ 129,798	\$ 212,702
Property taxes receivable	<u>-</u>	<u>72,536</u>	<u>72,536</u>
Total assets	<u>\$ 82,904</u>	<u>\$ 202,334</u>	<u>\$ 285,238</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Deferred revenue - property taxes	<u>\$ -</u>	<u>\$ 71,140</u>	<u>\$ 71,140</u>
Total liabilities	-	71,140	71,140
Fund equity:			
Fund balances:			
Unreserved:			
Designated for debt service	<u>82,904</u>	<u>131,194</u>	<u>214,098</u>
Total fund equity	<u>82,904</u>	<u>131,194</u>	<u>214,098</u>
Total liabilities and fund equity	<u>\$ 82,904</u>	<u>\$ 202,334</u>	<u>\$ 285,238</u>

CITY OF THE DALLES, OREGON

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1989

	<u>Debt Service</u>	<u>Water Bond Debt</u>	<u>Total</u>
REVENUES:			
Taxes	\$ -	\$ 178,658	\$ 178,658
Charges for services	113,580	-	113,580
Interest on investments	9,627	4,466	14,093
Total revenues	123,207	183,124	306,331
EXPENDITURES:			
Debt service:			
Bond principal	90,000	40,000	130,000
Interest	24,927	184,217	209,144
Trustee fees	1,445	-	1,445
Total expenditures	116,372	224,217	340,589
REVENUES OVER (UNDER) EXPENDITURES	6,835	(41,093)	(34,258)
OTHER FINANCING SOURCES (USES):			
Operating transfers in	-	136,220	136,220
Proceeds from refunding bonds	-	3,165,000	3,165,000
Payment to escrow agent for refunded bonds	-	(3,163,196)	(3,163,196)
Total other financing sources (uses)	-	138,024	138,024
REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	6,835	96,931	103,766
FUND BALANCES, June 30, 1988	76,069	34,263	110,332
FUND BALANCES, June 30, 1989	\$ 82,904	\$ 131,194	\$ 214,098

CITY OF THE DALLES, OREGON

DEBT SERVICE FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Rentals	\$ 113,600	\$ 113,580	\$ (20)
Interest on investments	<u>4,500</u>	<u>9,627</u>	<u>5,127</u>
Total revenues	<u>118,100</u>	<u>123,207</u>	<u>5,107</u>
EXPENDITURES:			
Debt service:			
Principal	90,000	90,000	-
Interest	24,928	24,927	1
Trustee fees	<u>2,000</u>	<u>1,445</u>	<u>555</u>
Total expenditures	<u>116,928</u>	<u>116,372</u>	<u>556</u>
REVENUES OVER EXPENDITURES	1,172	6,835	5,663
FUND BALANCE, June 30, 1988	<u>72,000</u>	<u>76,069</u>	<u>4,069</u>
FUND BALANCE, June 30, 1989	<u>\$ 73,172</u>	<u>\$ 82,904</u>	<u>\$ 9,732</u>

CITY OF THE DALLES, OREGON

WATER BOND DEBT FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Taxes	\$ 223,500	\$ 178,658	\$ (44,842)
Interest on investments	<u>4,000</u>	<u>4,466</u>	<u>466</u>
Total revenues	<u>227,500</u>	<u>183,124</u>	<u>(44,376)</u>
EXPENDITURES:			
Debt service:			
Principal	130,000	40,000	90,000
Interest	<u>265,220</u>	<u>184,217</u>	<u>81,003</u>
Total expenditures	<u>395,220</u>	<u>224,217</u>	<u>171,003</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(167,720)</u>	<u>(41,093)</u>	<u>126,627</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	167,720	136,220	(31,500)
Proceeds from refunding bonds	-	3,165,000	3,165,000
Payment to escrow agent for refunded bonds	<u>-</u>	<u>(3,163,196)</u>	<u>(3,163,196)</u>
Total other financing sources (uses)	<u>167,720</u>	<u>138,024</u>	<u>(29,696)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPEN- DITURES AND OTHER FINANCING USES	-	96,931	96,931
FUND BALANCE, June 30, 1988	<u>-</u>	<u>34,263</u>	<u>34,263</u>
FUND BALANCE, June 30, 1989	<u>\$ -</u>	<u>\$ 131,194</u>	<u>\$ 131,194</u>

CAPITAL PROJECTS FUND

CITY OF THE DALLES, OREGON

CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Assessment collections - non-bonded:			
Principal	\$ 50,000	\$ 4,845	\$ (45,155)
Interest	5,000	393	(4,607)
Assessment collections - bonded:			
Principal	115,000	54,275	(60,725)
Interest	55,000	23,027	(31,973)
Total revenues	<u>225,000</u>	<u>82,540</u>	<u>(142,460)</u>
EXPENDITURES:			
Contractual services	4,000	-	4,000
Materials and services	8,000	74	7,926
Capital outlay	<u>545,000</u>	<u>74,904</u>	<u>470,096</u>
Total expenditures	<u>557,000</u>	<u>74,978</u>	<u>482,022</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(332,000)</u>	<u>7,562</u>	<u>339,562</u>
OTHER FINANCING SOURCES:			
Sale of bonds and warrants	<u>332,000</u>	<u>-</u>	<u>(332,000)</u>
Total other financing sources	<u>332,000</u>	<u>-</u>	<u>(332,000)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPEN- DITURES	<u>-</u>	<u>7,562</u>	<u>7,562</u>
FUND BALANCE (DEFICIT), June 30, 1988, a previously reported	-	(93,388)	(93,388)
Prior period restatement	-	(79,510)	(79,510)
FUND BALANCE (DEFICIT), June 30, 1988, as restated	-	(172,898)	(172,898)
FUND BALANCE (DEFICIT), June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ (165,336)</u>	<u>\$ (165,336)</u>

ENTERPRISE FUNDS

CITY OF THE DALLES, OREGON

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1989

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Airport</u>	<u>Total</u>
<u>ASSETS</u>				
Current assets:				
Cash and investments	\$ 228,791	\$ 218,860	\$ -	\$ 447,651
Accounts receivables	72,703	58,606	5,258	136,567
Inventories	60,265	24,212	4,671	89,148
Total current assets	361,759	301,678	9,929	673,366
Restricted cash and investments	1,622,361	706,979	-	2,329,340
Fixed assets:				
Land and land improvements	2,794,513	-	778,211	3,572,724
Buildings and improvements	2,838,604	1,395,336	35,110	4,269,050
Machinery and equipment	1,212,014	655,655	26,290	1,893,959
Wells and land improvements	1,749,860	-	-	1,749,860
Accumulated depreciation	8,594,991 (1,800,113)	2,050,991 (1,013,417)	839,611 (59,302)	11,485,593 (2,872,832)
	6,794,878	1,037,574	780,309	8,612,761
Total assets	<u>\$ 8,778,998</u>	<u>\$ 2,046,231</u>	<u>\$ 790,238</u>	<u>\$11,615,467</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Current liabilities:				
Accounts payable	\$ 28,648	\$ 5,982	\$ 75,094	\$ 109,724
Compensated absences payable	39,270	22,156	-	61,426
Total current liabilities	67,918	28,138	75,094	171,150
Fund equity:				
Contributed capital	905,800	913,183	295,000	2,113,983
Retained earnings:				
Reserved for construction	1,622,361	706,979	-	2,329,340
Unreserved	6,182,919	397,931	420,144	7,000,994
Total fund equity	8,711,080	2,018,093	715,144	11,444,317
Total liabilities and fund equity	<u>\$ 8,778,998</u>	<u>\$ 2,046,231</u>	<u>\$ 790,238</u>	<u>\$11,615,467</u>

CITY OF THE DALLES, OREGON

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

YEAR ENDED JUNE 30, 1989

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Airport</u>	<u>Total</u>
OPERATING REVENUES:				
Service charges and fees	\$ 1,092,394	\$ 574,243	\$ 116,476	\$ 1,783,113
Rental income	-	-	13,437	13,437
Total operating revenues	<u>1,092,394</u>	<u>574,243</u>	<u>129,913</u>	<u>1,796,550</u>
OPERATING EXPENSES:				
Salaries and wages	630,156	276,147	-	906,303
Operating supplies	194,706	10,963	92,415	298,084
Professional services	-	780	18,289	19,069
Repairs and maintenance	9,310	23,534	69	32,913
Utilities	76,245	53,498	4,700	134,443
Operation and maintenance	184,657	203,456	46,432	434,545
General, administrative and engineering	24,938	7,014	15,339	47,291
Depreciation	<u>165,082</u>	<u>58,315</u>	<u>103</u>	<u>223,500</u>
Total operating expenses	<u>1,285,094</u>	<u>633,707</u>	<u>177,347</u>	<u>2,096,148</u>
Operating loss	(192,700)	(59,464)	(47,434)	(299,598)
NON-OPERATING INCOME:				
Interest on investment	<u>150,437</u>	<u>75,221</u>	<u>-</u>	<u>225,658</u>
Net loss before operating transfers	(42,263)	15,757	(47,434)	(73,940)
OPERATING TRANSFERS OUT	<u>(223,966)</u>	<u>(61,977)</u>	<u>-</u>	<u>(285,943)</u>
Net loss	<u>(266,229)</u>	<u>(46,220)</u>	<u>(47,434)</u>	<u>(359,883)</u>
RETAINED EARNINGS, June 30, 1988, as previously reported	7,830,096	509,888	475,478	8,815,462
Prior period restatement	11,359	165	(7,900)	3,624
Equity transfers due to reclassification of funds	<u>230,054</u>	<u>641,077</u>	<u>-</u>	<u>871,131</u>
RETAINED EARNINGS, June 30, 1988, as restated	<u>8,071,509</u>	<u>1,151,130</u>	<u>467,578</u>	<u>9,690,217</u>
RETAINED EARNINGS, June 30, 1989	<u>\$ 7,805,280</u>	<u>\$ 1,104,910</u>	<u>\$ 420,144</u>	<u>\$ 9,330,334</u>

CITY OF THE DALLES, OREGON

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 1989

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Airport</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating loss	\$ (192,700)	\$ (59,464)	\$ (47,434)	\$ (299,598)
Adjustments to reconcile operating loss to net cash provided by (used in) operations:				
Depreciation	165,082	58,315	103	223,500
Loss on disposition of assets	355	-	-	355
(Increase) decrease in account receivable	26,284	(23,201)	8,732	11,815
(Increase) decrease in inventories	102,368	(7,389)	-	94,979
Increase (decrease) in accounts payable	16,357	(20,153)	72,119	68,323
Increase in compensated absences payable	<u>11,967</u>	<u>4,321</u>	<u>-</u>	<u>16,288</u>
Net cash provided by (used in) operations	<u>129,713</u>	<u>(47,571)</u>	<u>33,520</u>	<u>115,662</u>
CASH FLOWS USED IN NONCAPITAL FINANCIAL ACTIVITIES:				
Operating transfers out	<u>(223,966)</u>	<u>(61,977)</u>	<u>-</u>	<u>(285,943)</u>
CASH FLOWS USED IN CAPITAL AND RELATED FINANCIAL ACTIVITIES:				
Acquisition of fixed assets	<u>(85,036)</u>	<u>(11,367)</u>	<u>(9,550)</u>	<u>(105,953)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	<u>150,437</u>	<u>75,221</u>	<u>-</u>	<u>225,658</u>
NET INCREASE (DECREASE) IN CASH	<u>(28,852)</u>	<u>(45,694)</u>	<u>23,970</u>	<u>(50,576)</u>
CASH AND INVESTMENTS, June 30, 1988, as previously reported	1,649,950	330,128	(23,970)	1,956,108
Cash and investment transfers due to reclassification of funds	<u>230,054</u>	<u>641,405</u>	<u>-</u>	<u>871,459</u>
CASH AND INVESTMENTS, June 30, 1988, as restated	<u>1,880,004</u>	<u>971,533</u>	<u>(23,970)</u>	<u>2,827,567</u>
CASH AND INVESTMENTS, June 30, 1989	<u>\$1,851,152</u>	<u>\$ 925,839</u>	<u>\$ -</u>	<u>\$2,776,991</u>

CITY OF THE DALLES, OREGON

WATER UTILITY FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Charges and services	\$ 1,004,000	\$ 972,749	\$ (31,251)
Interest on investments	<u>12,000</u>	<u>19,019</u>	<u>7,019</u>
Total revenues	<u>1,016,000</u>	<u>991,768</u>	<u>(24,232)</u>
EXPENDITURES:			
Personal services	622,925	630,156	(7,231)
Materials and services	325,709	231,661	94,048
Capital outlay	174,191	134,605	39,586
Contingency	<u>30,600</u>	<u>-</u>	<u>30,600</u>
Total expenditures	<u>1,153,425</u>	<u>996,422</u>	<u>157,003</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(137,425)</u>	<u>(4,654)</u>	<u>132,771</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	50,000	50,000	-
Operating transfers out	<u>(112,575)</u>	<u>(108,834)</u>	<u>3,741</u>
Total other financing sources (uses)	<u>(62,575)</u>	<u>(58,834)</u>	<u>3,741</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(200,000)	(63,488)	136,512
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>200,000</u>	<u>297,063</u>	<u>97,063</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 233,575</u>	<u>\$ 233,575</u>

CITY OF THE DALLES, OREGON
WATER ASSET REPLACEMENT FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS
YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ 4,000	\$ 6,931	\$ 2,931
Total revenues	<u>4,000</u>	<u>6,931</u>	<u>2,931</u>
EXPENDITURES:			
Capital outlay	<u>71,710</u>	<u>-</u>	<u>71,710</u>
Total expenditures	<u>71,710</u>	<u>-</u>	<u>71,710</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(67,710)</u>	<u>6,931</u>	<u>74,641</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>-</u>	<u>14,829</u>	<u>14,829</u>
Total other financing sources (uses)	<u>-</u>	<u>14,829</u>	<u>14,829</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>(67,710)</u>	<u>21,760</u>	<u>89,470</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>67,710</u>	<u>81,131</u>	<u>13,421</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 102,891</u>	<u>\$ 102,891</u>

CITY OF THE DALLES, OREGON

WATER CAPITAL RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Charges and services	\$ 3,000	\$ 2,845	\$ (155)
Interest on investments	<u>15,000</u>	<u>6,261</u>	<u>(8,739)</u>
Total revenues	<u>18,000</u>	<u>9,106</u>	<u>(8,894)</u>
EXPENDITURES:			
Capital outlay	<u>253,654</u>	<u>100,000</u>	<u>153,654</u>
Total expenditures	<u>253,654</u>	<u>100,000</u>	<u>153,654</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(235,654)</u>	<u>(90,894)</u>	<u>(144,760)</u>
OTHER FINANCING USES:			
Operating transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing uses	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPEN- DITURES AND OTHER FINANCING USES	<u>(285,654)</u>	<u>(140,894)</u>	<u>144,760</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>285,654</u>	<u>148,923</u>	<u>(136,731)</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 8,029</u>	<u>\$ 8,029</u>

CITY OF THE DALLES, OREGON

WATER SYSTEM CAPITAL IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER EXPENDITURES	-	-	-
OTHER FINANCING SOURCES:			
Operating transfers in	<u>-</u>	<u>1,511,441</u>	<u>1,511,441</u>
Total other financing sources	<u>-</u>	<u>1,511,441</u>	<u>1,511,441</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPEN- DITURES	-	1,511,441	1,511,441
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 1,511,441</u>	<u>\$ 1,511,441</u>

CITY OF THE DALLES, OREGON

WATER BOND RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Charges and services	\$ 120,000	\$ 120,000	\$ -
Interest on investments	<u>80,000</u>	<u>115,381</u>	<u>35,381</u>
Total revenues	200,000	235,381	35,381
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
REVENUES OVER EXPENDITURES	<u>200,000</u>	<u>235,381</u>	<u>35,381</u>
OTHER FINANCING USES:			
Operating transfers out	<u>(167,720)</u>	<u>(1,647,661)</u>	<u>(1,479,941)</u>
Total other financing uses	<u>(167,720)</u>	<u>(1,647,661)</u>	<u>(1,479,941)</u>
EXCESS OF REVENUES OVER (UNDER) EXPEN- DITURES AND OTHER FINANCING USES	32,280	(1,412,280)	(1,444,560)
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>1,329,783</u>	<u>1,412,280</u>	<u>82,497</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ 1,362,063</u>	<u>\$ -</u>	<u>\$(1,362,063)</u>

CITY OF THE DALLES, OREGON

WASTEWATER FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Charges and services	\$ 590,000	\$ 567,443	\$ (22,557)
Interest on investments	<u>7,000</u>	<u>21,119</u>	<u>14,119</u>
Total revenues	<u>597,000</u>	<u>588,562</u>	<u>(8,438)</u>
EXPENDITURES:			
Personal services	306,710	276,147	30,563
Materials and services	153,600	205,058	(51,458)
Capital outlay	194,900	112,944	81,956
Other expenditures	<u>37,627</u>	<u>-</u>	<u>37,627</u>
Total expenditures	<u>692,837</u>	<u>594,149</u>	<u>98,688</u>
REVENUES OVER EXPENDITURES	<u>(95,837)</u>	<u>(5,587)</u>	<u>90,250</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	15,000	15,000	-
Operating transfers out	<u>(81,977)</u>	<u>(81,977)</u>	<u>-</u>
Total other financing sources (uses)	<u>(66,977)</u>	<u>(66,977)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(162,814)	(72,564)	90,250
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>162,814</u>	<u>321,891</u>	<u>159,077</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 249,327</u>	<u>\$ 249,327</u>

CITY OF THE DALLES, OREGON

WASTEWATER TREATMENT RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	<u>\$ 15,000</u>	<u>\$ 25,228</u>	<u>\$ 10,228</u>
Total revenues	<u>15,000</u>	<u>25,228</u>	<u>10,228</u>
EXPENDITURES:			
Capital outlay	<u>302,000</u>	<u>-</u>	<u>302,000</u>
Total expenditures	<u>302,000</u>	<u>-</u>	<u>302,000</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(287,000)</u>	<u>25,228</u>	<u>312,228</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>287,000</u>	<u>303,590</u>	<u>16,590</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 328,818</u>	<u>\$ 328,818</u>

CITY OF THE DALLES, OREGON

WASTEWATER COLLECTION REPLACEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ <u>3,500</u>	\$ <u>5,970</u>	<u>2,470</u>
Total revenues	<u>3,500</u>	<u>5,970</u>	<u>2,470</u>
EXPENDITURES:			
Capital outlay	<u>59,500</u>	<u>-</u>	<u>59,500</u>
Total expenditures	<u>59,500</u>	<u>-</u>	<u>59,500</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(56,000)</u>	<u>5,970</u>	<u>61,970</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>-</u>	<u>20,000</u>	<u>20,000</u>
Total other financing sources	<u>-</u>	<u>20,000</u>	<u>20,000</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>(56,000)</u>	<u>25,970</u>	<u>81,970</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>56,000</u>	<u>57,561</u>	<u>1,561</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 83,531</u>	<u>\$ 83,531</u>

CITY OF THE DALLES, OREGON

SPECIAL SEWER RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavor- able)
REVENUES:			
Charges and services	\$ 7,000	\$ 6,800	\$ (200)
Interest on investments	<u>7,000</u>	<u>10,619</u>	<u>3,619</u>
Total revenues	<u>14,000</u>	<u>17,419</u>	<u>3,419</u>
EXPENDITURES:			
Capital outlay	<u>133,244</u>	<u>-</u>	<u>133,244</u>
Total expenditures	<u>133,244</u>	<u>-</u>	<u>133,244</u>
REVENUES OVER (UNDER) EXPENDITURES	(119,244)	17,419	136,663
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>119,244</u>	<u>124,590</u>	<u>5,346</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 142,009</u>	<u>\$ 142,009</u>

CITY OF THE DALLES, OREGON

CORPS OF ENGINEERS SEWER FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ 9,000	\$ 12,285	\$ 3,285
Total revenues	<u>9,000</u>	<u>12,285</u>	<u>3,285</u>
EXPENDITURES:			
Capital outlay	<u>142,495</u>	<u>-</u>	<u>142,495</u>
Total expenditures	<u>142,495</u>	<u>-</u>	<u>142,495</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(133,495)</u>	<u>12,285</u>	<u>145,780</u>
OTHER FINANCING USES:			
Operating transfers out	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
Total other financing uses	<u>(15,000)</u>	<u>(15,000)</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPEN- DITURES AND OTHER FINANCING USES	<u>(148,495)</u>	<u>(2,715)</u>	<u>145,780</u>
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>148,495</u>	<u>155,336</u>	<u>6,841</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ 152,621</u>	<u>\$ 152,621</u>

CITY OF THE DALLES, OREGON

AIRPORT FUND

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1989

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Charges and services (net of sales taxes)	\$ 112,227	\$ 129,913	\$ 17,686
Total revenues	<u>112,227</u>	<u>129,913</u>	<u>17,686</u>
EXPENDITURES:			
Contractual services	18,420	18,289	131
Materials and services	93,807	158,955	(65,148)
Capital outlay	<u>-</u>	<u>9,550</u>	<u>(9,550)</u>
Total expenditures	<u>112,227</u>	<u>186,794</u>	<u>(74,567)</u>
REVENUES OVER (UNDER) EXPENDITURES	-	(56,881)	(56,881)
FUND BALANCE, June 30, 1988 (budgetary basis)	<u>-</u>	<u>(12,954)</u>	<u>(12,954)</u>
FUND BALANCE, June 30, 1989 (budgetary basis)	<u>\$ -</u>	<u>\$ (69,835)</u>	<u>\$ (69,835)</u>

ADDITIONAL SCHEDULES

<u>Interest</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Uncollected June 30, 1989</u>
\$ 1,423	\$ -	\$ (1,460,730)	\$ 262,033
7,357	(4,261)	(89,356)	154,086
11,097	(105)	(60,641)	93,008
13,375	(314)	(50,997)	24,842
4,260	(217)	(14,438)	5,242
257	(179)	(740)	4,372
<u>464</u>	<u>(202)</u>	<u>(1,080)</u>	<u>10,366</u>
<u>36,810</u>	<u>(5,278)</u>	<u>(217,252)</u>	<u>291,916</u>
<u>38,233</u>	<u>(5,278)</u>	<u>(1,677,982)</u>	<u>553,949</u>
<u>156</u>	<u>-</u>	<u>(160,502)</u>	<u>28,791</u>
1,120	(649)	(13,602)	23,457
2,112	(20)	(11,542)	17,695
3,381	(79)	(12,893)	6,284
1,422	(72)	(4,821)	(4,525)
81	(56)	(232)	(1,263)
<u>110</u>	<u>(43)</u>	<u>(257)</u>	<u>2,097</u>
<u>8,226</u>	<u>(919)</u>	<u>(43,347)</u>	<u>43,745</u>
<u>8,382</u>	<u>(919)</u>	<u>(203,849)</u>	<u>72,536</u>
<u>628</u>	<u>(364)</u>	<u>(7,630)</u>	<u>13,158</u>
<u>628</u>	<u>(364)</u>	<u>(7,630)</u>	<u>13,158</u>
<u>\$ 47,243</u>	<u>\$ (6,561)</u>	<u>\$ (1,889,461)</u>	<u>\$ 639,643</u>

<u>Principal</u>		<u>Interest</u>			
<u>Redeemed</u>	<u>Outstanding at June 30, 1989</u>	<u>Outstanding at June 30, 1988</u>	<u>Matured</u>	<u>Redeemed</u>	<u>Outstanding at June 30, 1989</u>
\$ 130,000	\$ 2,695,000	\$ 420	\$ 265,220	\$ 265,640	\$ -
40,000	3,125,0000	-	51,152	51,152	-
90,000	390,000	-	24,928	24,928	-
<u>\$ 260,000</u>	<u>\$ 6,210,000</u>	<u>\$ 420</u>	<u>\$ 341,300</u>	<u>\$ 341,720</u>	<u>\$ -</u>

1978 State Office Building

Revenue Bonds

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$ 90,000	\$ 20,338	\$ 110,338
95,000	15,702	110,702
100,000	10,762	110,762
105,000	5,512	110,512
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ 390,000</u>	<u>\$ 52,314</u>	<u>\$ 442,314</u>

Total Outstanding Issues

<u>Principal</u>	<u>Interest</u>	<u>Total</u>
\$ 280,000	\$ 222,706	\$ 502,706
300,000	206,954	506,954
315,000	189,715	504,715
330,000	171,349	501,349
240,000	151,888	391,888
250,000	136,767	386,767
265,000	120,768	385,768
280,000	103,542	383,542
290,000	85,063	375,063
310,000	65,632	375,632
320,000	44,708	364,708
335,000	22,947	357,947
<u>\$3,515,000</u>	<u>\$1,522,039</u>	<u>\$5,037,039</u>

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

April 26, 1990

City Council
City of The Dalles
The Dalles, Oregon

We have audited the general purpose financial statements of the City of The Dalles, Oregon for the year ended June 30, 1989, and have issued our report thereon dated April 26, 1990.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the City of The Dalles, Oregon for the year ended June 30, 1989, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Management of the City of The Dalles, Oregon is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

April 26, 1990

City Council
City of The Dalles
The Dalles, Oregon

We have audited the general purpose financial statements of the City of The Dalles, Oregon for the year ended June 30, 1989, and have issued our report thereon dated April 26, 1990.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS (Continued)

Page 2

structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

- Cash receipts
- Cash disbursements
- Payroll
- Fixed assets
- General ledger

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. These reportable conditions include the following:

Deficiencies in internal control structure design:

- Absence of appropriate reviews and approvals of transactions, accounting entries, and systems output
- Inadequate procedures for appropriately assessing and applying accounting principles
- Evidence that the system fails to provide complete and accurate output that is consistent with objectives and current needs

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS (Continued)

Page 3

Failures in the operation of the internal control structure:

- Evidence of failure of identified controls in preventing or detecting misstatement of accounting information
- Evidence that the system fails to provide complete and accurate output consistent with the City's control objectives because of the lack of application of control procedures
- Evidence of failure to safeguard assets from loss, damage or misappropriation
- Evidence of failure to perform tasks that are part of the internal control structure, such as reconciliations not prepared or not timely prepared
- Evidence that employees and management lack the qualifications and training to fulfill their assigned functions

Other:

- Absence of a sufficient level of control consciousness within the organization
- Failure to follow up and correct previously identified internal control structure deficiencies

The above listed reportable conditions occurred primarily as a result of a significant breakdown in the operation of the City's internal control structure during the year ended June 30, 1989. This breakdown was a result of high personnel turnover, using personnel who were not qualified for their assignments, lack of management supervision, and a computer failure in which significant accounting records were lost. As a result of this overall situation, City management was required to reconstruct most of the accounting records for the year. After this reconstruction, adjustments were made to various asset, liability, revenues and expenditures or expense accounts to reflect supportable balances. Subsequent to June 30, 1989, City management has taken measures to minimize or eliminate these reportable conditions.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL
STATEMENT AUDIT CONDUCTED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS (Continued)

Page 4

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe that the nature and number of reportable conditions listed above result in the following overall material weaknesses:

- Deficiencies in the design of the internal control structure which do not provide for appropriate review and approval of transactions, accounting entries, or system output by qualified employees.
- Failures in the operation of identified controls in preventing or detecting errors misstatements of accounting information as well as failure of personnel to perform tasks, such as reconciliations, on a timely basis.

These material weaknesses have been discussed above in the discussion on reportable conditions.

We also noted other matters involving the internal control structure and its operation that we have reported to the City Council and management of the City of The Dalles in a separate letter dated April 26, 1990.

This report is intended for the information of the City Council, management, the State of Oregon Division of Audits and federal grantor agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO

April 26, 1990

City Council
City of The Dalles
The Dalles, Oregon

We have audited the general purpose financial statements of the City of The Dalles, Oregon as of and for the year ended June 30, 1989, and have issued our report thereon dated April 26, 1990.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts and grants applicable to the City of The Dalles, Oregon is the responsibility of the City's management. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the City complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe the City had not complied, in all material respects, with those provisions.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
LAWS AND REGULATIONS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS ISSUED BY THE GAO (Continued)
Page 2

This report is intended for the information of the City Council, management, the State of Oregon Division of Audits, and federal grantor agencies. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

Talbot, Korvola & Warwick

Certified Public Accountants

CITY OF THE DALLES, OREGON

STATE REGULATION DISCLOSURES

YEAR ENDED JUNE 30, 1989

ACCOUNTING RECORDS

During our audit of the general purpose financial statements of the City of The Dalles for the year ended June 30, 1989, we noted numerous reportable conditions and several material weaknesses in the internal control structure policies and procedures. These conditions and weaknesses are included in our "Independent Auditor's Report on Internal Control Structure Related Matters Noted in a Financial Statement Audit Conducted in Accordance with Government Auditing Standards" included elsewhere in this report. Additionally, we did note certain areas in which other improvements should be made and our recommendations have been communicated to the City Council and other management personnel.

ADEQUACY OF COLLATERAL SECURING DEPOSITORY BALANCES

ORS Chapter 295 provides that each depository throughout the period of its possession of public fund deposits shall maintain on deposit with its custodians, at its own expense, securities having a value not less than 25% of the certificates of participation issued by the pool manager for funds in excess of those insured by the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation.

Our review of the adequacy of collateral securing depository balances indicated the collateral was not sufficient for several periods during the year ended June 30, 1989.

INVESTMENTS

Our review of deposit and investment balances indicated that the City was in compliance with ORS 294, as it pertains to investment of public funds, during the year ended June 30, 1989.

LEGAL REQUIREMENTS RELATING TO DEBT

During the audit, nothing came to our attention that caused us to believe the City was not in compliance with statutory requirements.

CITY OF THE DALLES, OREGON

STATE REGULATION DISCLOSURES (Continued)

YEAR ENDED JUNE 30, 1989

BUDGET COMPLIANCE

The City appears to have complied with Local Budget Law (ORS 294.305 to 294.520) in the preparation and adoption of its budgets and tax levies for fiscal 1989 and 1990, and complied with Local Budget Law in the execution of its 1989 budget except as follows:

During fiscal year 1989, the City was in violation of ORS 294.361, Estimate of Budget Resources. The statute requires that the excess of actual resources over actual expenditures in the second preceding year be equal to the beginning balance in the first preceding year. The budget document was \$17,333 over the required amount.

Local budget law requires that a good faith estimate be made of the beginning fund balance to be included as a budget resource. The City used a budget estimate of \$272,246 when in fact the actual cash carryover was \$827,776. However, a supplemental budget process was completed and adopted on May 15, 1989, which included this amount in unappropriated ending fund balance to be used as a budget resource in the fiscal 1990 budget.

Form LB-50, Notice of Property Tax Levy, which is filed by July 15th each year with the County Assessor instructing the County of the amounts to be levied for the City did not include an amount of \$145,000 for a special serial levy which had been approved in the prior year by the voters. This oversight on the part of City staff resulted in loss of these revenues to the City.

Local Budget Law ORS 294.435 requires that appropriations be established prior to expenditure of funds. The City Council failed to adopt an appropriation resolution at its final meeting in June 1988. Since expenditures were made in the amount of \$75,398 prior to adoption of a resolution at the Council's July 12, 1988 meeting, they are in violation of this statute. Additionally, other expenditures exceeded budgeted appropriations as follows:

CITY OF THE DALLES, OREGON

STATE REGULATION DISCLOSURES (Continued)

YEAR ENDED JUNE 30, 1989

BUDGET COMPLIANCE (Continued)

General Fund:	
Administration	\$ 11,627
Planning and building	7,196
Police	14,588
Communications	57,176
Special Revenue Funds:	
Street and Storm Sewer - personal services	32,474
Senior Center Grant - other expenditures	1,991
Enterprise Funds:	
Water Utility - personal services	7,231
Wastewater - materials and services	51,458
Airport:	
Materials and services	65,148
Capital outlay	9,550

As of June 30, 1989, funds with deficits in budgetary basis fund balances were as follows:

Special Revenue Fund - Senior Center Grant	\$ (23,452)
Capital Projects Fund	(165,336)
Enterprise Fund - Airport	(69,835)

INSURANCE POLICIES AND FIDELITY BONDS

We have reviewed the City's insurance and fidelity bond coverage at June 30, 1989. We ascertained that such policies appeared to be in force and comply with legal requirements relating to insurance and 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, 1989.

PROGRAMS FUNDED FROM OUTSIDE SOURCES

See "Independent Auditor's Report on Compliance with Laws and Regulations Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards Issued by the GAO" included elsewhere in this report.

CITY OF THE DALLES, OREGON

STATE REGULATION DISCLOSURES (Continued)

YEAR ENDED JUNE 30, 1989

PUBLIC CONTRACTS

The City's procedures for awarding public contracts were reviewed and found to be in compliance with ORS Chapter 279.

TALBOT, KORVOLA & WARWICK
Certified Public Accountants

By 