



1992 - 1993

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

The Dalles, Oregon
For Fiscal Year Ended June 30, 1993

CITY OF THE DALLES, OREGON

Comprehensive Annual Financial Report

Year Ended June 30, 1993

**Prepared by:
Finance Department**

**Donald W. Gower
Finance Director/Treasurer**

CITY OF THE DALLES, OREGON

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INTRODUCTORY SECTION



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

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October 27, 1993

City Council
City of The Dalles
The Dalles, Oregon 97058

The comprehensive Annual Financial Report of the City of The Dalles, Oregon, for the year ended June 30, 1993, is submitted herewith. This report presents a comprehensive and detailed picture of The Dalles' financial transactions during 1992-93 and the financial condition of the various funds and account groups at June 30, 1993. The report was prepared by the City's Finance Department. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the City. To the best of our knowledge and belief, the report is accurate and complete in all material respects, including all funds, account groups, and financial transactions, and is presented fairly to disclose the financial position and the results of operations of the City at June 30, 1993, and for the year then ended. Further, it is our belief that all disclosures necessary to enable the reader to gain an understanding of the City's financial operations have been included. The organization and content of this report, including the financial statements, supplementary information and statistical tables, follow the standards for annual financial reporting recommended by the Governmental Accounting Standards Board.

The Columbia Gateway Urban Renewal Agency (Redevelopment Agency) was organized on August 23, 1990. All significant activities and organizations with which the City exercises oversight responsibility have been included in this report. 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. The Redevelopment Agency was formed to undertake urban renewal projects and activities pursuant to the City's redevelopment plan. The City Council has continuing oversight responsibility as determined on the basis of budget adoption, taxing authority, funding and appointment of the governing body for the Redevelopment Agency. Accordingly, the City has included the financial operations of the Redevelopment Agency in this report.

This report is divided into three sections:

The first section is an introductory section, which contains this letter of transmittal, the City officials and officers, and an organizational chart of the City.

The second section is the financial section. This section consists of the Independent Auditor's Report, the general purpose financial statements which disclose fully and fairly the City's financial position as of June 30, 1993, and the results of its operations for the year then ended. This is followed by supplemental information containing individual fund and combining statements, general fixed assets, other schedules, and audit comments and disclosures required by the Minimum Standards for Audits of Oregon Municipal Corporations.

The third section contains statistical information of interest to bond rating agencies, dealers in municipal securities, investors and citizens who are interested in financial statistics of the City.

CITY HISTORY AND GEOGRAPHICAL AREA

The City of The Dalles, Oregon, is located on the Columbia River approximately 80 miles east of Portland, Oregon. It is the county seat and largest community within Wasco County. The Dalles is one of Oregon's most historic cities. Archaeologic evidence suggests the area has been inhabited more or less continuously for nearly 12,000 years. The City was first incorporated by the Oregon Territorial Government in 1857 as "Dalles City" and was made the county seat shortly thereafter. It has historically been an economic hub of the Pacific Northwest, linking major transportation routes between Eastern and Southern Oregon and Washington State. Agriculture, timber, tourism, health care, and aluminum smelting are the area's major industries.

In accordance with the City Charter of 1899, the City of The Dalles is governed by a City Council. The City Council consists of an elected mayor and five council members. The City operates under a council-manager form of government.

ECONOMIC CONDITIONS

The City has a population currently estimated at 11,370, but the City serves a trading area of about 70,000 persons. Principal economic activities are agriculture, aluminum manufacture, tourism, health care, government, and retail services.

The major agricultural product of the City is sweet cherries. The Dalles is a primary producer for both domestic and overseas markets. There are in excess of 6,000 acres of cherry trees around the City. Wheat is another important agricultural product with 50,000 acres currently in cultivation in The Dalles area.

Northwest Aluminum Company, the largest manufacturing employer in the City, recently completed a new \$16 million smelter facility. The new facility has allowed the firm, which has produced primary metals, to move into the production of secondary metals and has increased employment.

Tourism is a growing industry for the City. The Dalles has an excellent and diverse natural resource base. These include the Columbia River and its gorge, not only from the scenic and aesthetic perspective, but also because of water, transportation and power generation. The designated Columbia River Gorge Scenic Area is also a natural resource asset as are the views of the Cascade Mountains and the Columbia Plateau from parts of The Dalles.

The City is a strategic home base for year-round recreation. Water sport enthusiasts will find boating, excellent fishing, and one of the finest windsurfing areas in the United States on the Columbia River. To the east are substantial opportunities to camp, fish, hike, and sight-see. To the west, ski enthusiasts will have the opportunity to challenge the ski slopes of magnificent Mt. Hood; and there are numerous resorts that lie on Mt. Hood and at its base.

The Columbia Gorge Interpretive Center is proposed along the Columbia River bordering the City. Adjacent to this, an Oregon Trail Center is projected. Thousands of visitors are expected annually at these attractions.

Mid-Columbia Medical Center is the major hospital in the Mid-Columbia Region of Oregon and Washington. It is also the major trauma center in the region. This first class medical facility has attracted numerous health care professionals to The Dalles area.

Wasco County Courthouse and offices are located in the City. The Dalles Dam at the eastern edge of the City is a major power generating facility. Also at the eastern edge of the City is the Celilo Converter Station, one of the world's largest electric power converter stations.

The Dalles is the major shopping center in the Mid-Columbia area. Two large retail outlets opened in late 1990. A 14 acre shopping mall is in the planning stage.

On November 6, 1990, the Oregon voters approved a State constitutional limit on property taxes for schools and non-school government operations. Under the provisions of the limitation, taxes are separated into those for public school systems and those for other local government operations. The limitation specifies the maximum allowable tax to be imposed for all non-school local governments at \$10 for each \$1000 of real market value. If the total allowable levies for all non-school governments exceed \$10 per \$1000 of real market value, only \$10 is imposed and collections are distributed to the pertinent local governments on a pro rata basis, thereby reducing the allowable taxes to the limitation. The

limitation reduced the 1992-93 property tax levy of the City by \$343,686. The estimated reduction for the 1993-94 year will be \$293,780.

The City has revised certain fees and charges of the general fund to enhance revenues other than property taxes and through prudent budgeting is operating on a fiscally sound basis. The general fund balance decreased \$329,215 during the 1992-93 fiscal year. The primary reason for this decrease was a \$299,000 loan to the Tourism Fund.

MAJOR INITIATIVES

Utilities Master Plan

A master plan addressing the current and future needs of the water and wastewater utilities was completed, and adopted by the City Council, during 1991-92. Environmental concerns are addressed in this comprehensive report. Major renovation and construction at the existing sewer treatment plant, including an additional clarifier, was 42% complete at year end. The City has contracted for wastewater treatment operations at the City Treatment Plant. Sanitary/storm sewer separation in the downtown business area was partially completed in 1992-93 with completion scheduled next year.

Water system improvements scheduled for 1992-93 included complete metering of the water system to be completed during 1993-94. Meters had been installed at approximately 20% of the residential services at year end. An additional 3MG terminal reservoir is budgeted for 1993-94.

Street Master Plan.

A Street Master Plan study was initiated during 1991-92 and was completed subsequent to June 30, 1993. Future needs as well as scheduled repair and preventive maintenance is addressed by this program. Reconstruction of some streets is budgeted for 1993-94.

Airport Master Plan

An Airport Master Plan study was authorized by City Council. This comprehensive long-term improvement plan for all future development of The Dalles Municipal Airport and its property was completed during 1992-93.

Comprehensive Management and Growth Study

City Council authorized the Oregon State University Extension Sea Grant Program to conduct this study during 1991-92. This comprehensive study was presented to the City during July, 1992. It addresses the major community strengths and assets of material

resources, geography, administration and management, development, finance, and community character. The study also addresses opportunities for improvement which include the areas of administration, management, community development, community services, finances, appearance and atmosphere, community change, tourism entrepreneurship, and intergovernmental relations. Some of the suggestions for improvement have been put in place and initial planning has commenced on others. It is anticipated the study will have a sizeable impact on the City's future direction.

Computer and Accounting System

Installation of a new mid-range computer and accounting software system was started during April, 1990. This new accounting system became fully operational during 1991-92. Additional computer applications scheduled during 1992-93 included electronic meter reading. This new application will become fully operational during the 1993-94 year.

Oregon Trail Celebration

The Convention and Visitors Bureau of the City assumed the leadership role for this celebration which was held from May 15 to September 26, 1993. The celebration was held on the future site of the Oregon Trail Center and Columbia Gorge Interpretive Center. Exhibits obtained for the celebration will also be used in the Oregon Trail Center. The Dalles was a decision point of the Oregon Trail, where the emigrants had to choose between going down river through the rapids and cascades or taking the Barlow Road, a toll road, across the south slopes of Mt. Hood. The celebration was a live, first person, interpretation of life on the trail at The Dalles in 1846 and is being considered for presentation again next summer.

FINANCIAL INFORMATION

Accounting System and Budgetary Controls

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

Management of the City is responsible for establishing and maintaining an internal control structure designed to protect the assets of the City from loss, theft or misuse, and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives

are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. Management recognizes the significance of internal controls which are incorporated in the accounting system. We believe our internal accounting controls adequately safeguard the assets and provide reasonable assurance of proper recording of all financial transactions.

A budget is prepared and legally adopted by the City Council for each fund, except the Deferred Compensation Agency Fund. All changes to the budget must be approved by the City Council. These budgets are all prepared on the modified accrual basis of accounting, which complies with Oregon Local Budget Law. The ordinance authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. All funds, except the general fund, establish the levels of budgetary control at the personal services, materials and services, capital outlay, operation contingencies, debt service and all other requirements levels. For the general fund, appropriations are at the department level for city council, city manager, city clerk, legal and judiciary, finance, personnel, community and economic development, police, fire, ambulance, risk management, library, City Hall, and other uses.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council. The City Council approved several appropriation transfer resolutions during the year ended June 30, 1993. Appropriations lapse at year end.

The City has established a procurement policy for the purchases of goods and services. All items purchased by the City require a purchase order. Purchase orders are initiated at the department level and are reviewed at the finance office. Purchase orders greater than \$7,500 require the approval of the City Manager and those greater than \$15,000 require approval from the City Council.

Cash Management

The City has a cash management policy which allows investing of cash funds which are in excess of immediate need. This policy coincides with Oregon statutes restricting the types of investments that may be made by municipalities. Primary importance is placed on the safety of principal and then on the maximization of interest income. The City commingles cash and investments and allocates interest earnings based upon monthly cash balances in the various funds.

General Government Functions

Major functions included are general government, public safety (police, fire and ambulance), highways and streets, culture and recreation, capital outlay, debt services, and other financing sources and uses. The functions are accounted for in the generic fund types of General, Special Revenue, Debt Service and Capital Projects Funds.

Revenues/Other Financing Sources

Revenues for general government functions totaled \$5,628,653 compared to \$5,571,670 in 1991-92, an increase of \$56,983. General property taxes accounted for 35.9 percent of general revenue compared to 41.9 percent in 1991-92. The following table compares revenue and other financing sources for 1992-93 and 1991-92.

REVENUE SOURCES	Amount of Revenue	Percentage of Total	Increase (Decrease) from Prior Year	Percent of Increase (Decrease)
Taxes: Property	\$ 2,020,867	29.3 %	\$ (315,431)	(13.5) %
Other	<u>599,302</u>	<u>8.7 %</u>	<u>102,630</u>	<u>20.7 %</u>
	2,620,169	38.0 %	(212,801)	(7.5) %
Special Assessments	107,696	1.5 %	(130,480)	(54.8) %
Intergovernmental	1,818,669	26.3 %	520,159	40.1 %
Franchise fees	190,604	2.8 %	25,062	15.1 %
Fines & Forfeits	81,748	1.2 %	8,558	11.7 %
Charges for Services	405,077	5.9 %	(3,858)	(.9) %
Interest on Investments	144,874	2.1 %	(160,959)	(52.6) %
Miscellaneous	<u>259,816</u>	<u>3.8 %</u>	<u>11,302</u>	<u>4.5 %</u>
	\$ 5,628,653	81.6 %	\$ 56,983	1.0 %
Other Financing Sources	<u>1,271,596</u>	<u>18.4 %</u>	<u>(1,695,662)</u>	<u>(57.1) %</u>
Total Resources	<u>\$ 6,900,249</u>	<u>100.0 %</u>	<u>\$(1,638,679)</u>	<u>(19.2) %</u>

The tabulation shows that property taxes were a major revenue source in 1992-93. A comparative tabulation of property taxes by fund is shown below:

	1992-93	Percent of Total	1991-92	Percent of Total
General Fund	\$ 1,645,892	81.4 %	\$ 1,536,956	65.8 %
Kelly Avenue Landslide Fund	-	-	1,470	.1 %
Parks Reserve Fund	-	-	270	-
Water Bond Debt Fund	361,720	17.9 %	437,137	18.7 %
Columbia Gateway Urban Renewal Agency	<u>13,255</u>	<u>.7 %</u>	<u>360,465</u>	<u>15.4 %</u>
Total	<u>\$ 2,020,867</u>	<u>100.0 %</u>	<u>\$ 2,336,298</u>	<u>100.0 %</u>

The substantial decrease in property taxes resulted from the Urban Renewal Agency not certifying a property tax levy for debt service as all outstanding bonds were defeased in July, 1992.

There was a concerted effort during 1990-91 and 1991-92 to bring the special assessments receivable current. All special assessments receivable are current and revenues have decreased significantly as there have been no past due collections.

The large increase in intergovernmental revenues over the previous year is attributable to grants for housing rehabilitation and Oregon Trail Celebration received during the year.

The use of cash for the defeasance of the Columbia Gateway Urban Renewal Agency bonds at the beginning of the year and lower interest rates accounts for the substantial decrease in interest earnings during the year.

During 1992-93, the City acquired a fire engine through a lease-purchase agreement with \$193,000 reflected in other financing sources. There was also a \$299,000 loan from the General Fund to the Tourist Promotion Fund recorded in other financing sources. The Columbia Gateway Urban Renewal Agency issued tax increment bonds in the amount of \$2,345,000 during 1991-92. These transactions account for the major changes in other financing sources.

Expenditures/Other Financing Uses

Expenditures for general government fund types increased \$3,875,339 from \$5,208,903 in 1991-92 to \$9,084,242 in 1992-93. The following table compares expenditures by major functions and other financing uses for 1992-93 and 1991-92.

	Amount of Expenditure	Percentage of Total	Increase (Decrease) from Prior Year	Percent of Increase (Decrease)
General Government	\$ 2,024,769	20.3 %	\$ 581,582	40.3 %
Public Safety	1,891,226	18.9 %	176,972	10.3 %
Highway and Streets	734,023	7.4 %	181,592	32.9 %
Culture and Recreation	283,644	2.8 %	21,798	8.3 %
Capital Outlay	1,183,995	11.9 %	516,738	77.4 %
Debt Service	<u>2,966,585</u>	<u>29.7 %</u>	<u>2,396,657</u>	<u>420.5 %</u>
	\$ 9,084,242	91.0 %	\$ 3,875,339	74.4 %
Other Financing Uses	<u>895,287</u>	<u>9.0 %</u>	<u>520,187</u>	<u>138.7 %</u>
Total Uses	<u>\$ 9,979,529</u>	<u>100.0 %</u>	<u>\$ 4,395,526</u>	<u>78.7 %</u>

NOTE: This table includes expenditures of all general government fund types including general, special revenue, debt service and capital projects funds.

The general government expenditures of the General Fund increased \$135,485 or 13 percent. The Oregon Trail Celebration resulted in a \$218,000 increase in the Tourist Promotion Fund and housing rehabilitation accounted for \$267,000 increase in The Special Grants Fund.

Public safety expenditures for police, fire and ambulance services increased 10.3 percent compared to a 16.3 percent increase during 1991-92.

Increased operations within the Street and Storm Sewer Fund accounts for the substantial increase in highway and street expenditures.

Capital outlay expenditures include \$193,000 for a new fire truck and \$621,805 Tourist Promotion capital outlay expenditures related to the Oregon Trail Celebration site.

The Special Revenue Funds account for revenue derived from specific sources which are restricted to finance particular functions or activities. Funds included in this fund category are the Street and Storm Sewer Fund, Tourist Promotion, Ambulance Reserve, Public Works Reserve, Unemployment Insurance Reserve, Vietnam Memorial, Street and Bridge Replacement, Kelly Avenue Landslide, Energy, Fire Equipment Reserve, Special Grants, Parks Reserve, and FAA Grant Master Plan. The results of operations include revenues and other sources of \$2,419,991 and expenditures and other uses of \$2,713,536.

The \$2,396,657 increase in debt service expenditures resulted from the defeasement of the Columbia Gateway Urban Renewal Agency Bonds. These bonds were defeased in July, 1992 from cash and investments on hand. Other debt service requirements for the year were \$506,560 compared to \$510,033 for 1991-92.

The Capital Projects funds includes the Special Assessment Fund and the Columbia Gateway Urban Renewal Fund. The results of operations include revenues of \$149,674 and expenditures and other uses of \$2,556,468 including the bond defeasance.

Enterprise Funds

Water Utility

Gross revenues of the water utility increased from \$1,935,617 in 1991-92 to \$1,954,983 in 1992-93, or \$19,366. A comparative tabulation of gross revenue is shown on the next page:

	1992-93	1991-92	Increase (Decrease)
Service Charges and Fees	\$ 1,835,214	\$ 1,807,260	\$ 27,954
Interest Earnings	117,430	124,744	(7,314)
Other Non-operating Income	<u>2,339</u>	<u>3,613</u>	<u>(1,274)</u>
Totals	<u>\$ 1,954,983</u>	<u>\$ 1,935,617</u>	<u>\$ 19,366</u>

Gross revenues of the Water Utility increased because of rate increases effective the beginning of the year. Interest earnings decreased because of the lower interest rates in effect during 1992-93.

A comparative tabulation of operating expenses including transfers to the general fund for services provided is shown below:

	1992-93	1991-92	Increase (Decrease)
Salaries and Wages	\$ 647,593	\$ 664,479	\$ (16,886)
Operations and Maintenance	389,305	437,075	(47,770)
General, Administration	100,204	81,360	18,844
Depreciation	177,986	147,686	30,300
Transfer to General Fund	<u>188,953</u>	<u>152,960</u>	<u>35,993</u>
Totals	<u>\$ 1,504,041</u>	<u>\$ 1,483,560</u>	<u>\$ 20,481</u>

Wastewater Utility

Gross revenues of the wastewater utility increased from \$1,538,977 in 1991-92 to \$1,636,788 in 1992-93, or \$97,811. A comparative tabulation of gross revenues is shown below:

	1992-93	1991-92	Increase (Decrease)
Service Charges and Fees	\$ 1,560,464	\$ 1,471,649	\$ 88,815
Interest Earnings	72,191	67,328	4,863
Other Non-operating Income	<u>4,133</u>	<u>-</u>	<u>4,133</u>
Totals	<u>\$ 1,636,788</u>	<u>\$ 1,538,977</u>	<u>\$ 97,811</u>

A rate increase at the beginning of the year accounts for the increase in revenues. This rate increase is in accordance with the utility master plan to improve and replace the utility plant in service.

A comparative tabulation of operating expenses, including transfers to the general fund for services provided, is shown on the next page:

	1992-93	1991-92	Increase (Decrease)
Salaries and Wages	\$ 486,593	\$ 485,604	\$ 989
Operation and Maintenance	221,281	277,819	(56,538)
General Administration	52,605	46,602	6,003
Depreciation	72,678	66,157	6,521
Transfer to General Fund	<u>\$ 145,771</u>	<u>\$ 115,391</u>	<u>\$ 30,380</u>
Totals	<u>\$ 978,928</u>	<u>\$ 991,573</u>	<u>\$ (12,645)</u>

Airport

Gross revenues and other financing sources decreased from \$153,491 in 1991-92 to \$91,588 in 1992-93, or \$61,903. A comparative tabulation is shown below:

	1992-93	1991-92	Increase (Decrease)
Service Charges and Fees	\$ 65,754	\$ 129,231	\$ (63,477)
Rental Income	10,460	8,680	1,780
Other Non-operating Income	<u>15,374</u>	<u>8,530</u>	<u>6,844</u>
Sub total	\$ 91,588	\$ 146,441	\$ (54,853)
Operating Transfer from General Fund	<u>-</u>	<u>7,050</u>	<u>(7,050)</u>
Total	<u>\$ 91,588</u>	<u>\$ 153,491</u>	<u>\$ (61,903)</u>

During 1992-93 the City contracted with a fixed base operator to manage and operate the airport. The City sold the fuel and other inventory items to the F.B.O. at cost. This accounts for the major decrease in revenues and expenditures for 1992-93. Further decreases are expected during 1993-94.

A comparative tabulation of operating expenses is shown below:

	1992-93	1991-92	Increase (Decrease)
Salaries and Wages	\$ 4,003	\$ 6,944	\$ (2,941)
Operation and Maintenance	70,057	143,658	(73,601)
General Administration	5,712	8,663	(2,951)
Depreciation	<u>316</u>	<u>216</u>	<u>100</u>
Total	<u>\$ 80,088</u>	<u>\$ 159,481</u>	<u>\$ (79,393)</u>

Agency Fund

Deferred compensation of current and former City employees is accounted for in this fund. A qualified deferred compensation plan is available to all City employees. The fund had a net increase of \$22,324 in assets and liabilities during 1992-93.

Account Groups

The General Fixed Assets Account Group records all those fixed assets of the City used in the performance of general government functions and excludes the fixed assets of Enterprise Funds. As of June 30, 1993, the general fixed assets of the City amounted to \$4,130,600. This amount represents the original cost, estimated historical cost, or donated value of the assets and is considerably less than their present value. Depreciation of general fixed assets is not recognized in the City's accounting system.

The General Long-Term Obligation Account Group records all debt and other obligations which will be repaid from governmental resources. Long-term obligations in this account group consist of unmatured general obligation bonds, capitalized lease obligations, long-term loans, and accrued compensated absences.

DEBT ADMINISTRATION

Long-term indebtedness totaled \$2,775,408 as of June 30, 1993. This total is represented by the following:

<u>City of The Dalles:</u>	
1988 Advance Refunding General Obligation Bonds	\$ 2,290,000
Note Payable to Oregon Department of Energy	19,012
Capital leases	273,140
Compensated Absences Payable	<u>193,256</u>
Total	\$ 2,775,408

The City's long-term debt per capita is \$244.10 based upon an estimated population of 11,370, as of June 30, 1993.

The ratio of the City's long-term debt to the assessed valuation as of June 30, 1993, is approximately one percent.

RISK MANAGEMENT

The City continued to review and evaluate its risk management program during 1992-93. A city-wide safety program with regular committee meetings and inspections is in force. A risk manager was employed in 1992-93.

The City maintains property and liability insurance coverage. The City will continue to evaluate loss potential, risk retention, and insurance coverage to achieve optimum levels of risk management.

The City does not engage in risk financing activities where the risk is retained (self-insurance) by the City at this time.

OTHER INFORMATION

Independent Audit

Oregon Revised Statutes Chapter 297 requires that an independent audit be made of all City funds and account groups within six months following the close of a fiscal year. The independent auditors, who were selected by the City Council, have completed their audit of the City's funds and account groups; and their opinion and State of Oregon required audit comments and disclosures are included in this report.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of The Dalles, Oregon, for its comprehensive annual financial report for the fiscal year ended June 30, 1992. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standard. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for one year only. The City of The Dalles, Oregon, has received a Certificate of Achievement for the fiscal year ended June 30, 1992. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

The preparation of this report on a timely basis has been accomplished through the diligent efforts of the entire staff of the Finance Department. I should like to express my appreciation to all members of this department who assisted and contributed to its preparation. I also thank the Mayor and members of City Council for their interest and support in planning and conducting the financial operations of the City.

Respectfully submitted,

A handwritten signature in cursive script, reading "Donald W. Gower".

Donald W. Gower
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of The Dalles,
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1992

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Arnold H. Hahn

President

Jeffrey L. Esser

Executive Director

CITY OF THE DALLES, OREGON

OFFICIALS OF THE CITY
JUNE 30, 1993

CITY COUNCIL

	<u>Term Expires</u> <u>December 31</u>
L.D. "Les" Cochenour, Mayor 319 West 20th Street The Dalles, Oregon 97058	1994
Jon Bailey 1300 East 11th Street The Dalles, Oregon 97058	1996
Mary Ann Davis 1814 East 14th Street The Dalles, Oregon 97058	1996
Bill Holt P.O. Box 1212 The Dalles, Oregon 97058	1994
Dr. Raymond Koch 2904 Old Dufur Road The Dalles, Oregon 97058	1994
Carolyn Wood 415 West 15th Street The Dalles, Oregon 97058	1994

CITY ADMINISTRATION

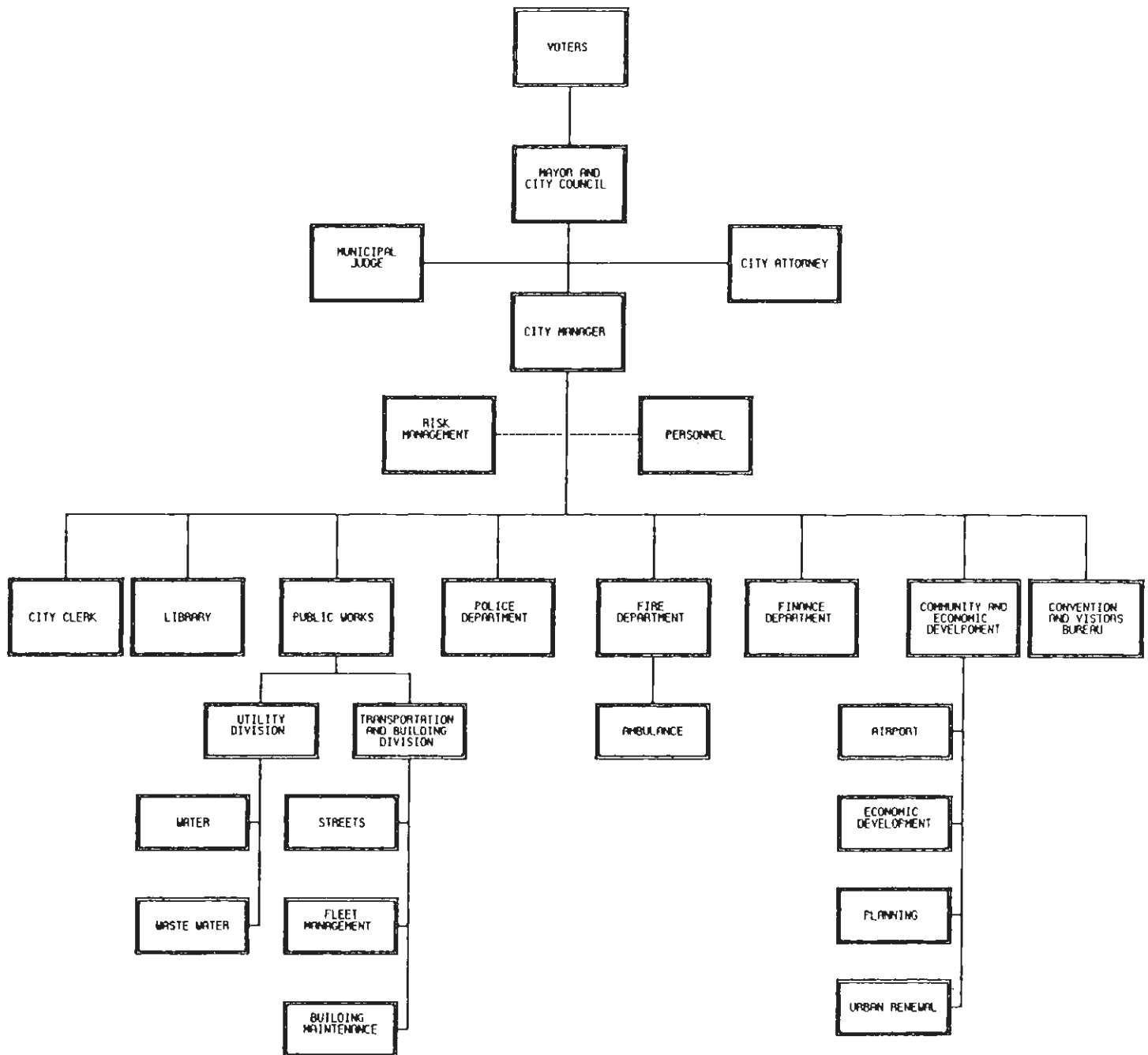
William B. Elliott
Julie Krueger
Donald W. Gower
Gene E. Parker

City Manager - Budget Officer
City Clerk
Finance Director/Treasurer
City Attorney

CITY ADDRESS

City Hall
313 Court Street
The Dalles, Oregon 97058

CITY OF THE DALLES, OREGON ORGANIZATION CHART



FINANCIAL SECTION

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Talbot, Korvola & Warwick
Certified Public Accountants

6420 S.W. Macadam, Suite 300
Portland, Oregon 97201-3519
(503) 452-7172, FAX (503) 452-7174

INDEPENDENT AUDITOR'S REPORT

September 3, 1993

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 and for the year ended June 30, 1993, as listed in the financial section of the table of contents. 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 general purpose 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 in the first paragraph present fairly, in all material respects, the financial position of the City of The Dalles, Oregon, as of June 30, 1993, 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.

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 27 through 68 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT (Continued)

City Council
City of The Dalles
September 3, 1993
Page 2

The information listed in the statistical section of the table of contents has not been audited by us and, accordingly, we express no opinion on it.

TALBOT, KORVOLA & WARWICK
Certified Public Accountants

By Roger A. Korvola

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF THE DALLES, OREGON

**COMBINED BALANCE SHEET -
ALL FUND TYPES AND ACCOUNT GROUPS**

JUNE 30, 1993

	Governmental Fund		
	General	Special Revenue	Debt Service
<u>ASSETS AND OTHER DEBITS</u>			
ASSETS:			
Cash and cash equivalents	\$ 662,118	\$ 1,494,820	\$ 100,224
Property taxes receivable	458,971	-	99,345
Assessment liens receivable	-	-	-
Accounts receivable	425,325	43,328	-
Fines and forfeitures receivable	241,989	-	-
Inventories	-	-	-
Restricted assets - cash and cash equivalents	-	-	-
Deferred compensation assets	-	-	-
Assets held for sale	-	-	-
Fixed assets, net	-	-	-
OTHER DEBITS:			
Amount available for debt service	-	-	-
Amount to be provided for retirement of general long-term obligations	-	-	-
TOTAL ASSETS AND OTHER DEBITS	<u>\$ 1,788,403</u>	<u>\$ 1,538,148</u>	<u>\$ 199,569</u>
<u>LIABILITIES, FUND EQUITY AND OTHER CREDITS</u>			
LIABILITIES:			
Accounts payable	\$ 86,400	\$ 215,152	\$ -
Customer deposits	-	-	-
Compensated absences payable	-	-	-
Current liabilities payable from restricted assets:			
Accounts payable	-	-	-
Retainage	-	-	-
Deferred compensation payable	-	-	-
Deferred revenues:			
Property taxes	433,840	-	94,278
Assessment liens	-	-	-
Other	507,894	-	-
Note payable	-	-	-
General obligation bonds payable	-	-	-
Obligations under capital leases	-	-	-
TOTAL LIABILITIES	<u>1,028,134</u>	<u>215,152</u>	<u>94,278</u>
FUND EQUITY AND OTHER CREDITS:			
OTHER CREDITS:			
Investment in general fixed assets	-	-	-
FUND EQUITY:			
Contributed capital	-	-	-
Retained earnings:			
Reserved for construction	-	-	-
Unreserved	-	-	-
Fund balances:			
Unreserved:			
Designated for debt service	-	-	105,291
Undesignated	760,269	1,322,996	-
TOTAL FUND EQUITY AND OTHER CREDITS	<u>760,269</u>	<u>1,322,996</u>	<u>105,291</u>
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	<u>\$ 1,788,403</u>	<u>\$ 1,538,148</u>	<u>\$ 199,569</u>

See notes to general purpose financial statements.

<u>Types</u> <u>Capital</u> <u>Projects</u>	<u>Proprietary</u> <u>Fund Type</u>	<u>Fiduciary</u> <u>Fund Type</u>	<u>Account Groups</u>		<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
	<u>Enterprise</u>	<u>Agency</u>	<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-Term</u> <u>Obligations</u>	
\$ 682,457	\$ 837,155	\$ -	\$ -	\$ -	\$ 3,776,774
26,172	-	-	-	-	584,488
111,071	-	-	-	-	111,071
-	174,557	-	-	-	643,210
-	-	-	-	-	241,989
-	198,380	-	-	-	198,380
-	3,564,976	-	-	-	3,564,976
-	-	103,499	-	-	103,499
46,000	-	-	-	-	46,000
-	9,918,421	-	4,130,600	-	14,049,021
-	-	-	-	105,291	105,291
-	-	-	-	2,670,117	2,670,117
<u>\$ 865,700</u>	<u>\$14,693,489</u>	<u>\$ 103,499</u>	<u>\$ 4,130,600</u>	<u>\$ 2,775,408</u>	<u>\$26,094,816</u>
\$ 28,305	\$ 263,556	\$ -	\$ -	\$ -	\$ 593,413
-	22,085	-	-	-	22,085
-	44,240	-	-	193,256	237,496
-	233,751	-	-	-	233,751
-	49,977	-	-	-	49,977
-	-	103,499	-	-	103,499
25,203	-	-	-	-	553,321
157,071	-	-	-	-	157,071
-	-	-	-	-	507,894
-	-	-	-	19,012	19,012
-	-	-	-	2,290,000	2,290,000
-	-	-	-	273,140	273,140
<u>210,579</u>	<u>613,609</u>	<u>103,499</u>	<u>-</u>	<u>2,775,408</u>	<u>5,040,659</u>
-	-	-	4,130,600	-	4,130,600
-	2,420,571	-	-	-	2,420,571
-	3,285,340	-	-	-	3,285,340
-	8,373,969	-	-	-	8,373,969
-	-	-	-	-	105,291
<u>655,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,738,386</u>
<u>655,121</u>	<u>14,079,880</u>	<u>-</u>	<u>4,130,600</u>	<u>-</u>	<u>21,054,157</u>
<u>\$ 865,700</u>	<u>\$14,693,489</u>	<u>\$ 103,499</u>	<u>\$ 4,130,600</u>	<u>\$ 2,775,408</u>	<u>\$26,094,816</u>

CITY OF THE DALLES, OREGON

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

YEAR ENDED JUNE 30, 1993

	<u>Governmental Fund Types</u>		
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
REVENUES:			
Taxes	\$ 1,885,316	\$ 359,878	\$ 361,720
Special assessments	-	-	-
Intergovernmental	531,512	1,283,977	3,180
Franchise fees	190,604	-	-
Fines and forfeits	81,748	-	-
Charges for services	294,217	26,341	84,519
Interest on investments	44,693	64,205	7,415
Miscellaneous	108,882	150,772	-
Total revenues	<u>3,136,972</u>	<u>1,885,173</u>	<u>456,834</u>
EXPENDITURES:			
Current:			
General government	1,181,655	797,961	-
Public safety	1,891,226	-	-
Highways and streets	-	734,023	-
Culture and recreation	283,644	-	-
Capital outlay	311,622	841,383	-
Debt service:			
Principal	-	-	331,295
Interest	-	-	173,235
Bond defeasance	-	-	-
Trustee fees	-	-	2,030
Total expenditures	<u>3,668,147</u>	<u>2,373,367</u>	<u>506,560</u>
Expenditures over revenues	<u>(531,175)</u>	<u>(488,194)</u>	<u>(49,726)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	543,638	534,818	-
Proceeds of capital lease	193,140	-	-
Operating transfers out	<u>(534,818)</u>	<u>(340,169)</u>	<u>-</u>
Total other financing sources (uses)	<u>201,960</u>	<u>194,649</u>	<u>-</u>
Expenditures and other financing uses over revenues and other financing sources	<u>(329,215)</u>	<u>(293,545)</u>	<u>(49,726)</u>
FUND BALANCES, July 1, 1992	<u>1,089,484</u>	<u>1,616,541</u>	<u>155,017</u>
FUND BALANCES, June 30, 1993	<u>\$ 760,269</u>	<u>\$ 1,322,996</u>	<u>\$ 105,291</u>

See notes to general purpose financial statements.

<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
\$ 13,255	\$ 2,620,169
107,696	107,696
-	1,818,669
-	190,604
-	81,748
-	405,077
28,561	144,874
<u>162</u>	<u>259,816</u>
<u>149,674</u>	<u>5,628,653</u>

45,153	2,024,769
-	1,891,226
-	734,023
-	283,644
30,990	1,183,995
-	331,295
-	173,235
2,460,025	2,460,025
<u>-</u>	<u>2,030</u>
<u>2,536,168</u>	<u>9,084,242</u>

(2,386,494) (3,455,589)

-	1,078,456
-	193,140
<u>(20,300)</u>	<u>(895,287)</u>

(20,300) 376,309

(2,406,794) (3,079,280)

3,061,915 5,922,957

\$ 655,121 \$ 2,843,677

CITY OF THE DALLES, OREGON

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL -
ALL GOVERNMENTAL FUND TYPES - BUDGETARY BASIS**

YEAR ENDED JUNE 30, 1993

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavor- able)	Budget	Actual	Variance Favorable (Unfavor- able)
REVENUES:						
Taxes	\$ 1,733,680	\$ 1,885,316	\$ 151,636	\$ 394,430	\$ 359,878	\$ (34,552)
Special assessments	-	-	-	-	-	-
Intergovernmental	650,233	531,512	(118,721)	1,218,050	1,283,977	65,927
Franchise fees	147,000	190,604	43,604	-	-	-
Fines and forfeits	83,000	81,748	(1,252)	-	-	-
Charges for services	300,000	294,217	(5,783)	20,130	26,341	6,211
Interest on investments	40,000	44,693	4,693	26,705	64,205	37,500
Miscellaneous	169,436	108,882	(60,554)	153,283	150,772	(2,511)
Total revenues	3,123,349	3,136,972	13,623	1,812,598	1,885,173	72,575
EXPENDITURES:						
Current:						
General government	1,323,056	1,181,655	141,401	930,960	797,961	132,999
Public safety	1,956,935	1,891,226	65,709	-	-	-
Highways and streets	-	-	-	955,242	734,023	221,219
Culture and recreation	290,852	283,644	7,208	-	-	-
Capital outlay	256,306	118,482	137,824	1,560,956	841,383	719,573
Contingency	-	-	-	40,888	-	40,888
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Bond defeasance	-	-	-	-	-	-
Trustee fees	-	-	-	-	-	-
Total expenditures	3,827,149	3,475,007	352,142	3,488,046	2,373,367	1,114,679
Expenditures over revenues	(703,800)	(338,035)	365,765	(1,675,448)	(488,194)	1,187,254
OTHER FINANCING SOURCES (USES):						
Operating transfers in	541,978	543,638	1,660	533,136	534,818	1,682
Operating transfers out	(534,818)	(534,818)	-	(342,259)	(340,169)	2,090
Total other financing sources (uses)	7,160	8,820	1,660	190,877	194,649	3,772
Expenditures and other financing uses over revenues and other financing sources	(696,640)	(329,215)	367,425	(1,484,571)	(293,545)	1,191,026
FUND BALANCES, July 1, 1992	831,640	1,089,484	257,844	1,484,571	1,616,541	131,970
FUND BALANCES, June 30, 1993	\$ 135,000	\$ 760,269	\$ 625,269	\$ -	\$ 1,322,996	\$ 1,322,996

See notes to general purpose financial statements.

Debt Service Funds			Capital Projects Funds			Totals (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavor- able)	Budget	Actual	Variance Favorable (Unfavor- able)	Budget	Actual	Variance Favorable (Unfavor- able)
\$ 352,511	\$ 361,720	\$ 9,209	\$ -	\$ 13,255	\$ 13,255	\$ 2,480,621	\$ 2,620,169	\$ 139,548
-	-	-	100,000	107,696	7,696	100,000	107,696	7,696
3,180	3,180	-	-	-	-	1,871,463	1,818,669	(52,794)
-	-	-	-	-	-	147,000	190,604	43,604
-	-	-	-	-	-	83,000	81,748	(1,252)
102,109	84,519	(17,590)	-	-	-	422,239	405,077	(17,162)
3,500	7,415	3,915	27,000	28,561	1,561	97,205	144,874	47,669
-	-	-	-	162	162	322,719	259,816	(62,903)
<u>461,300</u>	<u>456,834</u>	<u>(4,466)</u>	<u>127,000</u>	<u>149,674</u>	<u>22,674</u>	<u>5,524,247</u>	<u>5,628,653</u>	<u>104,406</u>
-	-	-	86,000	45,153	40,847	2,340,016	2,024,769	315,247
-	-	-	-	-	-	1,956,935	1,891,226	65,709
-	-	-	-	-	-	955,242	734,023	221,219
-	-	-	-	-	-	290,852	283,644	7,208
-	-	-	578,173	30,990	547,183	2,395,435	990,855	1,404,580
-	-	-	-	-	-	40,888	-	40,888
331,310	331,295	15	-	-	-	331,310	331,295	15
173,221	173,235	(14)	-	-	-	173,221	173,235	(14)
-	-	-	2,474,458	2,460,025	14,433	2,474,458	2,460,025	14,433
5,800	2,030	3,770	-	-	-	5,800	2,030	3,770
<u>510,331</u>	<u>506,560</u>	<u>3,771</u>	<u>3,138,631</u>	<u>2,536,168</u>	<u>602,463</u>	<u>10,964,157</u>	<u>8,891,102</u>	<u>2,073,055</u>
<u>(49,031)</u>	<u>(49,726)</u>	<u>(695)</u>	<u>(3,011,631)</u>	<u>(2,386,494)</u>	<u>625,137</u>	<u>(5,439,910)</u>	<u>(3,262,449)</u>	<u>2,177,461</u>
-	-	-	-	-	-	1,075,114	1,078,456	3,342
-	-	-	(20,300)	(20,300)	-	(897,377)	(895,287)	2,090
-	-	-	(20,300)	(20,300)	-	177,737	183,169	5,432
(49,031)	(49,726)	(695)	(3,031,931)	(2,406,794)	625,137	(5,262,173)	(3,079,280)	2,182,893
<u>124,975</u>	<u>155,017</u>	<u>30,042</u>	<u>3,031,931</u>	<u>3,061,915</u>	<u>29,984</u>	<u>5,553,633</u>	<u>5,922,957</u>	<u>369,324</u>
<u>\$ 75,944</u>	<u>\$ 105,291</u>	<u>\$ 29,347</u>	<u>\$ -</u>	<u>\$ 655,121</u>	<u>\$ 655,121</u>	<u>\$ 291,460</u>	<u>\$ 2,843,677</u>	<u>\$ 2,552,217</u>

CITY OF THE DALLES, OREGON

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

YEAR ENDED JUNE 30, 1993

	<u>Enterprise</u>
OPERATING REVENUES:	
Service charges and fees	\$ 3,461,432
Rental income	<u>10,460</u>
Total operating revenues	<u>3,471,892</u>
OPERATING EXPENSES:	
Personal services	1,138,189
Operations and maintenance	680,643
General administration	158,521
Depreciation	<u>250,980</u>
Total operating expenses	<u>2,228,333</u>
Operating income	<u>1,243,559</u>
NON-OPERATING INCOME:	
Interest earnings	189,621
Other non-operating income	<u>21,846</u>
Total non-operating income	<u>211,467</u>
Net income before operating transfers	<u>1,455,026</u>
OPERATING TRANSFERS:	
Transfers in	951,555
Transfers out	<u>(1,134,724)</u>
Net operating transfers	<u>(183,169)</u>
Net income	<u>1,271,857</u>
RETAINED EARNINGS, July 1, 1992, as previously reported	10,306,793
Prior period adjustment	<u>80,659</u>
RETAINED EARNINGS, July 1, 1992, as restated	<u>10,387,452</u>
RETAINED EARNINGS, June 30, 1993	<u><u>\$11,659,309</u></u>

See notes to general purpose financial statements.

CITY OF THE DALLES, OREGON

STATEMENT OF CHANGES IN FUND EQUITY -
PROPRIETARY FUND TYPE

YEAR ENDED JUNE 30, 1993

	<u>Retained Earnings</u>	<u>Contributed Capital</u>	<u>Total</u>
Balance, July 1, 1992, as previously reported	\$10,306,793	\$ 2,420,571	\$12,727,364
Prior period adjustment	<u>80,659</u>	<u>-</u>	<u>80,659</u>
Balance, July 1, 1992, as restated	10,387,452	2,420,571	12,808,023
Net income	<u>1,271,857</u>	<u>-</u>	<u>1,271,857</u>
Balance, June 30, 1993	<u>\$11,659,309</u>	<u>\$ 2,420,571</u>	<u>\$14,079,880</u>

See notes to general purpose financial statements.

CITY OF THE DALLES, OREGON

STATEMENT OF CASH FLOWS -
PROPRIETARY FUND TYPE

YEAR ENDED JUNE 30, 1993

	<u>Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Operating income	\$ 1,243,559
Adjustments to reconcile operating income to net cash provided by operations:	
Depreciation	250,980
Decrease in accounts receivable	11,188
Increase in inventories	(10,380)
Increase in accounts payable	189,969
Increase in customer deposits	7,420
Decrease in compensated absences payable	(19,632)
Increase in current liabilities payable from restricted assets	<u>283,728</u>
Net cash provided by operations	<u>1,956,832</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Grants received	6,065
Operating transfers in	951,555
Operating transfers out	<u>(1,134,724)</u>
Net cash used in noncapital financing activities	<u>(177,104)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Proceeds from sale of fixed assets	2,395
Acquisition of fixed assets	<u>(1,480,440)</u>
Net cash used in capital and related financing activities	<u>(1,478,045)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Other non-operating income	21,368
Interest earnings	<u>189,621</u>
Net cash provided by investing activities	<u>210,989</u>
NET INCREASE IN CASH	512,672
CASH AND CASH EQUIVALENTS, July 1, 1992	<u>3,889,459</u>
CASH AND CASH EQUIVALENTS, June 30, 1993	<u>\$ 4,402,131</u>

See notes to general purpose financial statements.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1993

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:

Financial Reporting Entity

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.

- Financial interdependency - The City is responsible for its debts and is entitled to surpluses. No separate agency receives a financial benefit nor imposes a financial burden on the City.
- Election of the governing authority - The locally elected City Council is exclusively responsible for all public decisions and accountable for the decisions it makes.
- Designation of management - The City Council appoints management of the City. The activities under the purview of management are within the scope of the reporting entity and management is accountable to the City Council for the activities being managed.
- Ability to significantly influence operations - The City Council has the statutory authority under the provisions of the Oregon Revised Statutes to significantly influence operations. This authority includes, but is not limited to, adoption of the budget; control over all assets, including facilities and properties; short-term borrowing; signing contracts; and developing the programs to be provided.
- Accountability of fiscal matters - The responsibility and accountability over all funds is vested with the City Council.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting Entity (Continued)

The Columbia Gateway Urban Renewal Agency (Redevelopment Agency) was formed to undertake urban renewal projects and activities pursuant to the City's redevelopment plan. The City Council has continuing oversight responsibility as determined on the basis of budget adoption, taxing authority, funding and appointment of the governing body for the Redevelopment Agency. Accordingly, the City has included the financial operations of the Redevelopment Agency in the general purpose financial statements. Such operations are included as a Capital Projects Fund. There are various other governmental agencies and special service districts which provide services within the City's boundaries. However, the City does not manifest any oversight responsibility in accordance with the criteria described above. Therefore, financial information for these entities is not included in the 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 three categories: governmental, proprietary and fiduciary. The governmental category is divided into separate fund types.

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.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Governmental Fund Types (Continued):

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

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

Capital Projects Funds - These funds account for resources used for the acquisition and construction of major capital facilities other than those financed by proprietary funds. The principal revenue sources are special assessments, property taxes, 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, waste water and the airport.

Fiduciary Fund Type:

Agency Fund - This fund is custodial in nature (assets equal liabilities) and does not involve measurement of the results of operations. This fund accounts for deferred compensation amounts payable to employees.

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.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Accounting (Continued)

Account Groups (Continued):

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

Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

The proprietary fund type is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets.

Bases of Accounting

The governmental fund types are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when they become measurable and available as net current assets. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is 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 when due.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bases of Accounting (Continued)

Significant revenues which are measurable and available at June 30, 1993 under the modified accrual basis of accounting are as follows:

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

The proprietary fund type is accounted for using 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 assets and liabilities of the agency fund are accounted for using the modified accrual basis of accounting.

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

Budgets

A budget is prepared and legally adopted for each fund, except the Deferred Compensation Agency Fund. These budgets are all prepared on the modified accrual basis of accounting, which complies with Oregon Local Budget Law.

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring.

Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. All changes and amendments to the budget require the approval of the City Council.

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,

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets (Continued)

capital outlay, operating contingencies, debt service, and all other requirements levels. For the general fund, appropriations are at the department level for city council, city manager, city clerk, legal and judicial, finance, personnel, community and economic development, risk management, city hall, police, fire, ambulance, library, and operating transfers out.

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. Such transfers require approval by the City Council. The City Council approved several appropriation transfer resolutions during the year ended June 30, 1993. Appropriations lapse at year end.

Cash and Cash Equivalents

For financial reporting purposes, the City considers all highly liquid investments, with a maturity of three months or less when purchased to be cash equivalents. Those investments with a maturity of more than three months when purchased are recorded at cost.

Receivables

Property taxes are assessed on all taxable property as of July 1, the beginning of the fiscal year, and become a lien on that date. Property taxes are levied on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Property taxes receivable 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 revenue because they are not deemed available to finance operations of the current period.

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

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Receivables (Continued)

deferred assessment lien 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 provided but not billed.

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 when the original cost is not available. Purchases of these assets are recorded as expenditures in the 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 governmental 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.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fixed Assets (Continued)

Fixed assets in the proprietary fund type are stated at cost or estimated cost when the original cost is not available. 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 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 Obligations

All unmatured long-term debt is recorded in the General Long-Term Obligations Account Group. Repayment of all General Long-Term Obligations Account Group liabilities except compensated absences payable are 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 Obligations Account Group. Earned but unpaid sick pay does not accumulate and is recorded as an expense or expenditure when paid.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

- 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 and set aside for construction as designated by the City Council.

Totals (Memorandum Only) Columns

The totals column on the general purpose financial statements is captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

CASH AND CASH EQUIVALENTS

The City maintains a pooled cash account that is available for use by all funds. Additionally, cash and cash equivalents are separately held by several of the City's funds.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

CASH AND CASH EQUIVALENTS (Continued)

Cash and cash equivalents are comprised of the following at June 30, 1993:

Petty cash	\$ 2,250
Deposits with financial institutions	137,305
Deposits with County Treasurer	37,778
Local government investment pool	<u>7,161,742</u>
	<u>\$ 7,339,075</u>

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

Cash and cash equivalents:	
Unrestricted	\$ 3,776,774
Restricted	3,564,976
Cash overdrafts included in accounts payable	<u>(2,675)</u>
	<u>\$ 7,339,075</u>

Total financial institution (bank) balances at June 30, 1993, per the bank statements, were \$545,958. These deposits were fully covered by federal depository insurance or were collateralized with securities held by financial institutions acting as the agents of the City in the City's name. 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.

Cash with the county treasurer is held by the county's agent in investments in the City's name.

The local government investment pool funds are not required to be categorized by risk in accordance with Governmental Accounting Standards Board Statement No. 3.

The City is restricted by State of Oregon statutes in the types of investments in which it may invest excess cash balances. Authorized investments include general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the local government investment pool. As of June 30, 1993, and for the year then ended, the City was in compliance with the aforementioned State of Oregon statutes.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

PROPERTY TAX LIMITATION

In November 1990, the voters of the State of Oregon approved a constitutional limit on property taxes for schools and nonschool government operations. Under the provisions of the limitation, tax revenues for local government operations other than the public school system are limited to \$10 for each \$1,000 of property market value. Generally, this limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

Presently, City management believes that the effects of this measure will not have a financial impact beyond that anticipated in the City's adopted budget for the fiscal year ending June 30, 1994.

ASSESSMENT LIENS RECEIVABLE

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

FIXED ASSETS

Fixed assets, by major classes, and changes for the year ended June 30, 1993 are as follows:

General Fixed Assets:

	<u>Land</u>	<u>Buildings and Improve- ments</u>	<u>Machinery and Equipment</u>	<u>Total</u>
Balance, July 1, 1992	\$ 117,285	\$ 1,583,722	\$ 2,392,395	\$ 4,093,402
Add expenditures from:				
General Fund	-	-	327,964	327,964
Special Revenue Funds	2,274	-	41,827	44,101
Deduct dispositions	-	(98,735)	(236,132)	(334,867)
Balance, June 30, 1993	<u>\$ 119,559</u>	<u>\$ 1,484,987</u>	<u>\$ 2,526,054</u>	<u>\$ 4,130,600</u>

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

FIXED ASSETS (Continued)

Enterprise Funds:

	<u>Land</u>	<u>Buildings and Improve- ments</u>	<u>Plant In Service</u>	<u>Machinery and Equipment</u>	<u>Accumulated Depreciation</u>	<u>Total</u>
Balance, July 1, 1992, as previously reported	\$ 3,948,450	\$ 4,502,619	\$ 1,841,689	\$ 1,448,015	\$ (3,124,489)	\$ 8,616,284
Prior period adjustment	80,659	-	-	-	-	80,659
Balance, July 1, 1992, as restated	4,029,109	4,502,619	1,841,689	1,448,015	(3,124,489)	8,696,943
Additions	129,821	17,306	1,227,410	105,903	(250,980)	1,229,460
Deduct dispositions	-	-	-	(27,728)	19,746	(7,982)
Balance, June 30, 1993	<u>\$ 4,158,930</u>	<u>\$ 4,519,925</u>	<u>\$ 3,069,099</u>	<u>\$ 1,526,190</u>	<u>\$ (3,355,723)</u>	<u>\$ 9,918,421</u>

The prior period adjustment is to record land not previously recorded.

PURCHASE COMMITMENT

The City has a purchase commitment in the amount of \$1,706,522 for the purchase and installation of water meters. The balance remaining at June 30, 1993 is \$1,068,461.

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 \$19,012 at June 30, 1993, is due in monthly payments of \$265, including interest at 9.35%. Transactions for the year ended June 30, 1993, are as follows:

	<u>Balance July 1, 1992</u>	<u>Payments</u>	<u>Balance June 30, 1993</u>
Note payable	<u>\$ 20,307</u>	<u>\$ 1,295</u>	<u>\$ 19,012</u>

BONDS PAYABLE

In November 1988, the City defeased General Obligation Bonds by placing the proceeds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account and defeased bonds are not included in the City's general purpose financial statements. At June 30, 1993, \$2,055,000 of General Obligation Bonds are considered defeased.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

BONDS PAYABLE (Continued)

On July 1, 1992, the Columbia Gateway Urban Renewal Agency of the City of The Dalles irrevocably exercised its option to call and redeem all outstanding 1991 Series A and Series B Bonds. Accordingly, \$2,460,025 was deposited with an escrow agent to provide for all future debt service payment on the bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the General Long-term Obligations Account Group. At June 30, 1993, the \$1,730,000 of bonds outstanding are considered in-substance defeased.

Bond principal transactions for the year ended June 30, 1993 are as follows:

	Out- standing July 1, 1992	Redeemed	Defeased	Out- standing June 30, 1993
<u>General Obligation Bonds</u>				
1988 Advance Refunding Bonds; interest ranges from 5.60% to 6.85%; payable from Debt Service Fund revenues	\$2,515,000	\$ 225,000	\$ -	\$2,290,000
<u>General Obligation Revenue Supported Bonds</u>				
1978 State Office Building Revenue Bonds; interest ranges from 4.9% to 5.25%; payable from lease payments from State of Oregon	105,000	105,000	-	-
<u>Columbia Gateway Urban Renewal Agency Bonds</u>				
1991 Urban Renewal and Redevelopment Series A Bonds; interest ranges from 5% to 7%; payable from property tax incre- ment revenues	1,775,000	-	1,775,000	-
1991 Urban Renewal and Redevelopment Series B Bonds; interest at 7%; payable from property tax increment revenue	570,000	-	570,000	-
	<u>\$4,965,000</u>	<u>\$ 330,000</u>	<u>\$2,345,000</u>	<u>\$2,290,000</u>

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

BONDS PAYABLE (Continued)

Future maturities of bond principal and interest are as follows:

<u>Fiscal Year</u>	<u>1988 Advance Refunding Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
1994	\$ 240,000	\$ 151,888
1995	250,000	136,767
1996	265,000	120,768
1997	280,000	103,542
1998	290,000	85,063
There- after	<u>965,000</u>	<u>133,287</u>
	<u>\$ 2,290,000</u>	<u>\$ 731,315</u>

OBLIGATIONS UNDER CAPITAL LEASES

Capital lease transactions for the year ended June 30, 1993, are as follows:

Balance, July 1, 1992	\$ 120,000
Additions	193,140
Reductions	<u>(40,000)</u>
Balance, June 30, 1993	<u>\$ 273,140</u>

During April 1990, the City entered into a five-year lease purchase agreement for the purpose of financing the acquisition of a new computer system. The lease amount is \$196,000 payable in annual installments with interest at 7.25% annually, payable in semi-annual installments. The principal balance outstanding at June 30, 1993 was \$80,000.

During February 1993, the City entered into a five-year lease purchase agreement for the purpose of financing the acquisition of a new fire truck. The lease amount and principal balance outstanding at June 30, 1993 is \$193,140, payable in annual installments with interest at 4.15% annually.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

OBLIGATIONS UNDER CAPITAL LEASES (Continued)

Future payments under these leases are as follows:

<u>Fiscal Year</u>	<u>Computer System</u>		<u>Fire Truck</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
1994	\$ 40,000	\$ 5,800	\$ 40,735	\$ 1,405	\$ 87,940
1995	40,000	2,900	35,806	6,334	85,040
1996	-	-	37,295	4,845	42,140
1997	-	-	38,845	3,295	42,140
1998	-	-	40,459	1,681	42,140
	<u>\$ 80,000</u>	<u>\$ 8,700</u>	<u>\$ 193,140</u>	<u>\$ 17,560</u>	<u>\$ 299,400</u>

COMPENSATED ABSENCES PAYABLE

Compensated absences payable transactions for the year ended June 30, 1993, are as follows:

	<u>Balance July 1, 1992</u>	<u>Additions</u>	<u>Retire- ments</u>	<u>Balance June 30, 1993</u>
Compensated absences payable	<u>\$ 233,392</u>	<u>\$ 222,444</u>	<u>\$ (218,340)</u>	<u>\$ 237,496</u>

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 employees are required to make contributions. In addition, the employees may make additional voluntary contributions. Currently, the City's contribution rate is 16.6% for police, fire department and ambulance employees and 7.5% for other employees. The mandatory employee contribution rate is 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 OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

PENSION PLAN (Continued)

City's total payroll for the year ended June 30, 1993 was \$3,273,934. The City's payroll for employees covered by the plan was \$2,567,142. The City's employer and mandatory employee contribution for the year ended June 30, 1993 was \$421,683 or 16.43% of the year's covered payroll.

OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in the previous note, the City provides post retirement health care benefits, in accordance with a prior union contract, for all employees who retired from the City prior to July 1, 1991, and before attaining age 65. This post retirement benefit ends upon reaching age 65. Currently, three retirees meet these eligibility requirements. The City pays for health care benefits equal to the current employee health care benefits for the pertinent employee classification. The City's contributions are financed on a pay-as-you-go basis. During the year ended June 30, 1993, expenditures of \$10,498 were recognized for post retirement health care. This post retirement benefit will end in July 1996.

DEFERRED COMPENSATION PAYABLE

The City offers all employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts deferred under the plan and all income attributable to those amounts are solely the property of the City until paid or made available to the employee or other beneficiary (without being restricted to the provisions of benefits under the plan), and are subject only to the claims of the City's general creditors. Participants' rights under the plan are equal to those of general creditors of the City in an amount equal to the fair market value of the deferred account for each participant.

The amounts contributed and held by the City, as well as income from the invested funds, are included as Agency Fund assets with the obligation recognized as a liability.

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

SEGMENT INFORMATION - ENTERPRISE FUNDS

The City's Enterprise Funds account for the acquisition, operation, and maintenance of water, waste water and airport facilities which are supported by user charges. Segment information for the year ended June 30, 1993 is as follows:

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Airport</u>	<u>Total</u>
Operating revenues	\$ 1,835,214	\$ 1,560,464	\$ 76,214	\$ 3,471,892
Depreciation	177,986	72,678	316	250,980
Operating income (loss)	520,126	727,307	(3,874)	1,243,559
Net operating trans- fers out	(37,398)	(145,771)	-	(183,169)
Operating grants	-	-	6,065	6,065
Net income	602,497	657,860	11,500	1,271,857
Fixed asset additions	1,016,158	461,197	3,085	1,480,440
Net working capital	462,443	383,386	34,382	880,211
Total assets	10,140,715	3,428,260	1,124,514	14,693,489
Total equity	9,703,631	3,252,179	1,124,070	14,079,880

INDIVIDUAL FUND DISCLOSURES

For the year ended June 30, 1993, Special Revenue Funds - Tourist Promotion Fund - personal services expenditures exceeded budgeted appropriations by \$12,530. Additionally, at June 30, 1993, this fund had a deficit of \$19,705 in budgetary basis fund balance. The overexpenditures and deficit budgetary fund balance are not in compliance with Local Budget Law.

RECONCILIATION OF REVENUES AND EXPENDITURES/EXPENSES - GAAP BASIS TO BUDGETARY BASIS

Oregon Local Budget Law allows accounting for certain transactions to be a basis other than generally accepted accounting principles (GAAP basis). Differences arising through the use of a basis of accounting for budgetary purposes which differs from the basis of accounting appropriate when reporting in accordance with GAAP, are summarized in the following schedule:

CITY OF THE DALLES, OREGON

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1993

RECONCILIATION OF REVENUES AND EXPENDITURES/EXPENSES - GAAP BASIS TO BUDGETARY BASIS (Continued):

	<u>General Fund</u>	<u>Enterprise Funds</u>
Revenues and other financing sources over (under) expenditures/expenses and other financing uses on a GAAP basis	\$ (329,215)	\$ 1,271,857
Add expenditures required by GAAP not recorded under budgetary basis:		
Capital leases	193,140	-
Depreciation	-	250,980
Subtract GAAP resources not recorded under budgetary basis:		
Capital leases	(193,140)	-
Proceeds from sale of fixed assets	-	(2,395)
Subtract budget requirements not recorded as expenses under GAAP:		
Fixed asset additions	-	(1,480,440)
Other	-	(2)
Revenues and other financing sources over (under) expenditures and other financing uses on a budgetary basis	<u>\$ (329,215)</u>	<u>\$ 40,000</u>

SUPPLEMENTAL INFORMATION

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GENERAL FUND

CITY OF THE DALLES, OREGON

GENERAL FUND

SCHEDULE OF REVENUES -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Local:			
Property taxes:			
Current year taxes	\$ 1,325,630	\$ 1,472,276	\$ 146,646
Prior year taxes	<u>178,050</u>	<u>173,616</u>	<u>(4,434)</u>
Total property taxes	<u>1,503,680</u>	<u>1,645,892</u>	<u>142,212</u>
Hotel-motel tax	230,000	239,424	9,424
Franchise fees	147,000	190,604	43,604
Ambulance services	300,000	294,217	(5,783)
Fines and forfeitures	83,000	81,748	(1,252)
Miscellaneous local revenue	<u>169,436</u>	<u>108,882</u>	<u>(60,554)</u>
Total local revenues	<u>929,436</u>	<u>914,875</u>	<u>(14,561)</u>
Intergovernmental:			
State for library	142,967	4,296	(138,671)
County for library	146,066	142,712	(3,354)
State liquor and amusement tax	84,700	82,877	(1,823)
State cigarette tax	33,500	34,103	603
State revenue sharing	55,000	55,023	23
Urban renewal services	-	7,855	7,855
PUD intergovernmental agreement	155,000	175,180	20,180
Other intergovern- mental revenue	<u>33,000</u>	<u>29,466</u>	<u>(3,534)</u>
Total intergovern- mental revenues	<u>650,233</u>	<u>531,512</u>	<u>(118,721)</u>
Investment income	40,000	44,693	4,693
Operating transfers in	<u>541,978</u>	<u>543,638</u>	<u>1,660</u>
TOTAL REVENUES	<u>\$ 3,665,327</u>	<u>\$ 3,680,610</u>	<u>\$ 15,283</u>

CITY OF THE DALLES, OREGON

GENERAL FUND

SCHEDULE OF EXPENDITURES -
BUDGET AND ACTUAL - BUDGETARY BASIS

YEAR ENDED JUNE 30, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
<u>BY APPROPRIATION CATEGORY:</u>			
GENERAL GOVERNMENT:			
City council	\$ 73,233	\$ 70,724	\$ 2,509
City manager	148,219	146,171	2,048
City clerk	100,115	52,877	47,238
Legal and judicial	143,503	141,126	2,377
Finance	390,422	358,385	32,037
Personnel	57,096	56,854	242
Community and economic development	262,271	225,276	36,995
Risk management	61,037	58,046	2,991
City hall	97,150	86,810	10,340
Operating transfers out	<u>534,818</u>	<u>534,818</u>	<u>-</u>
Total general government	<u>1,867,864</u>	<u>1,731,087</u>	<u>136,777</u>
PUBLIC SAFETY:			
Police	1,064,340	1,051,243	13,097
Fire	685,385	675,658	9,727
Ambulance	<u>276,610</u>	<u>268,008</u>	<u>8,602</u>
Total public safety	<u>2,026,335</u>	<u>1,994,909</u>	<u>31,426</u>
CULTURE AND RECREATION:			
Library	<u>467,768</u>	<u>283,829</u>	<u>183,939</u>
Total culture and recreation	<u>467,768</u>	<u>283,829</u>	<u>183,939</u>
TOTAL EXPENDITURES	<u><u>\$ 4,361,967</u></u>	<u><u>\$ 4,009,825</u></u>	<u><u>\$ 352,142</u></u>

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SPECIAL REVENUE FUNDS

CITY OF THE DALLES, OREGON

SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1993

	Street and Storm Sewer	Tourist Promotion	Ambulance Reserve	Public Works Reserve	Unemploy- ment Insurance Reserve
<u>ASSETS</u>					
Cash and cash equivalents	\$ 939,079	\$ 53,506	\$ 32,859	\$ 128,617	\$ 31,703
Accounts receivable	<u>77</u>	<u>37,633</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 939,156</u></u>	<u><u>\$ 91,139</u></u>	<u><u>\$ 32,859</u></u>	<u><u>\$ 128,617</u></u>	<u><u>\$ 31,703</u></u>
<u>LIABILITIES AND FUND EQUITY</u>					
Liabilities:					
Accounts payable	\$ 98,690	\$ 110,844	\$ -	\$ -	\$ -
Total liabilities	<u>98,690</u>	<u>110,844</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund equity:					
Fund balances:					
Unreserved:					
Undesignated	<u>840,466</u>	<u>(19,705)</u>	<u>32,859</u>	<u>128,617</u>	<u>31,703</u>
Total fund equity	<u>840,466</u>	<u>(19,705)</u>	<u>32,859</u>	<u>128,617</u>	<u>31,703</u>
TOTAL LIABILITIES AND FUND EQUITY	<u><u>\$ 939,156</u></u>	<u><u>\$ 91,139</u></u>	<u><u>\$ 32,859</u></u>	<u><u>\$ 128,617</u></u>	<u><u>\$ 31,703</u></u>

<u>Vietnam Memorial</u>	<u>Street and Bridge Replace- ment</u>	<u>Energy</u>	<u>Fire Equipment Reserve</u>	<u>Special Grants</u>	<u>Parks Reserve</u>	<u>Total</u>
\$ 1,831	\$ 261,034	\$ 39,615	\$ 805	\$ -	\$ 5,771	\$1,494,820
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,618</u>	<u>-</u>	<u>43,328</u>
<u>\$ 1,831</u>	<u>\$ 261,034</u>	<u>\$ 39,615</u>	<u>\$ 805</u>	<u>\$ 5,618</u>	<u>\$ 5,771</u>	<u>\$1,538,148</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,618	\$ -	\$ 215,152
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,618</u>	<u>-</u>	<u>215,152</u>
<u>1,831</u>	<u>261,034</u>	<u>39,615</u>	<u>805</u>	<u>-</u>	<u>5,771</u>	<u>1,322,996</u>
<u>1,831</u>	<u>261,034</u>	<u>39,615</u>	<u>805</u>	<u>-</u>	<u>5,771</u>	<u>1,322,996</u>
<u>\$ 1,831</u>	<u>\$ 261,034</u>	<u>\$ 39,615</u>	<u>\$ 805</u>	<u>\$ 5,618</u>	<u>\$ 5,771</u>	<u>\$1,538,148</u>

CITY OF THE DALLES, OREGON

SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1993

	Street and Storm Sewer	Tourist Promotion	Ambulance Reserve	Public Works Reserve	Unemploy- ment Insurance Reserve	Vietnam Memorial
REVENUES:						
Taxes	\$ 289,359	\$ 70,519	\$ -	\$ -	\$ -	\$ -
Intergovernmental	479,448	387,480	-	-	-	-
Charges for services	26,341	-	-	-	-	-
Interest on invest- ments	47,177	2,246	948	5,409	1,746	74
Miscellaneous revenues	14,789	124,901	-	-	-	100
Total revenues	857,114	585,146	948	5,409	1,746	174
EXPENDITURES:						
General government	-	500,961	-	-	12,693	-
Highways and streets	734,023	-	-	-	-	-
Capital outlay	206,184	621,805	-	-	-	-
Total expenditures	940,207	1,122,766	-	-	12,693	-
Revenues over (under) expen- ditures	(83,093)	(537,620)	948	5,409	(10,947)	174
OTHER FINANCING SOURCES (USES):						
Operating transfers in	-	517,445	15,000	-	-	-
Operating transfers out	(186,954)	-	-	-	-	-
Total other finan- cing sources (uses)	(186,954)	517,445	15,000	-	-	-
Revenues and other financing sources over (under) expenditures and other financing uses	(270,047)	(20,175)	15,948	5,409	(10,947)	174
FUND BALANCES, July 1, 1992	1,110,513	470	16,911	123,208	42,650	1,657
FUND BALANCES, June 30, 1993	\$ 840,466	\$ (19,705)	\$ 32,859	\$ 128,617	\$ 31,703	\$ 1,831

Street and Bridge Replace- ment	Kelly Avenue Landslide	Energy	Fire Equipment Reserve	Special Grants	Parks Reserve	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 359,878
150,000	-	-	-	267,049	-	1,283,977
-	-	-	-	-	-	26,341
4,669	-	1,666	270	-	-	64,205
-	-	-	-	10,982	-	150,772
154,669	-	1,666	270	278,031	-	1,885,173
-	-	-	-	284,307	-	797,961
-	-	-	-	-	-	734,023
-	5,425	-	7,969	-	-	841,383
-	5,425	-	7,969	284,307	-	2,373,367
154,669	(5,425)	1,666	(7,699)	(6,276)	-	(488,194)
-	-	-	-	2,373	-	534,818
-	(151,555)	-	-	-	(1,660)	(340,169)
-	(151,555)	-	-	2,373	(1,660)	194,649
154,669	(156,980)	1,666	(7,699)	(3,903)	(1,660)	(293,545)
106,365	156,980	37,949	8,504	3,903	7,431	1,616,541
\$ 261,034	\$ -	\$ 39,615	\$ 805	\$ -	\$ 5,771	\$1,322,996

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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Taxes	\$ 324,000	\$ 289,359	\$ (34,641)
Intergovernmental	490,050	479,448	(10,602)
Charges and services	20,130	26,341	6,211
Interest on investments	18,000	47,177	29,177
Other miscellaneous revenues	-	14,789	14,789
Total revenue	<u>852,180</u>	<u>857,114</u>	<u>4,934</u>
EXPENDITURES:			
Personal services	520,508	490,727	29,781
Materials and services	434,734	243,296	191,438
Capital outlay	649,580	206,184	443,396
Contingency	<u>40,608</u>	<u>-</u>	<u>40,608</u>
Total expenditures	<u>1,645,430</u>	<u>940,207</u>	<u>705,223</u>
EXPENDITURES OVER REVENUES	<u>(793,250)</u>	<u>(83,093)</u>	<u>710,157</u>
OTHER FINANCING USES:			
Operating transfers out	<u>(186,954)</u>	<u>(186,954)</u>	<u>-</u>
Total other financing uses	<u>(186,954)</u>	<u>(186,954)</u>	<u>-</u>
EXPENDITURES AND OTHER FINANCING USES OVER REVENUES	<u>(980,204)</u>	<u>(270,047)</u>	<u>710,157</u>
FUND BALANCE, July 1, 1992	<u>980,204</u>	<u>1,110,513</u>	<u>130,309</u>
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ 840,466</u>	<u>\$ 840,466</u>

CITY OF THE DALLES, OREGON

TOURIST PROMOTION FUND

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

YEAR ENDED JUNE 30, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Oregon Trail tax	\$ 70,280	\$ 70,519	\$ 239
Intergovernmental	391,000	387,480	(3,520)
Interest on investments	-	2,246	2,246
Admissions and concessions	56,625	41,113	(15,512)
Gifts and donations	50,572	50,572	-
Other miscellaneous revenues	<u>32,986</u>	<u>33,216</u>	<u>230</u>
Total revenues	<u>601,463</u>	<u>585,146</u>	<u>(16,317)</u>
EXPENDITURES:			
Personal services	170,557	183,087	(12,530)
Materials and services	323,242	317,874	5,368
Capital outlay	625,920	621,805	4,115
Contingency	<u>280</u>	<u>-</u>	<u>280</u>
Total expenditures	<u>1,119,999</u>	<u>1,122,766</u>	<u>(2,767)</u>
EXPENDITURES OVER REVENUES	<u>(518,536)</u>	<u>(537,620)</u>	<u>(19,084)</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>518,136</u>	<u>517,445</u>	<u>(691)</u>
Total other financing sources	<u>518,136</u>	<u>517,445</u>	<u>(691)</u>
EXPENDITURES OVER REVENUES AND OTHER FINANCING SOURCES	<u>(400)</u>	<u>(20,175)</u>	<u>(19,775)</u>
FUND BALANCE, July 1, 1992	<u>400</u>	<u>470</u>	<u>70</u>
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ (19,705)</u>	<u>\$ (19,705)</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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ 1,125	\$ 948	\$ (177)
Total revenues	<u>1,125</u>	<u>948</u>	<u>(177)</u>
EXPENDITURES:			
Capital outlay	<u>33,616</u>	<u>-</u>	<u>33,616</u>
Total expenditures	<u>33,616</u>	<u>-</u>	<u>33,616</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(32,491)</u>	<u>948</u>	<u>33,439</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) EXPENDI- TURES	<u>(17,491)</u>	<u>15,948</u>	<u>33,439</u>
FUND BALANCE, July 1, 1992	<u>17,491</u>	<u>16,911</u>	<u>(580)</u>
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ 32,859</u>	<u>\$ 32,859</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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ 2,700	\$ 5,409	\$ 2,709
Total revenues	<u>2,700</u>	<u>5,409</u>	<u>2,709</u>
EXPENDITURES:			
Capital outlay	<u>125,122</u>	<u>-</u>	<u>125,122</u>
Total expenditures	<u>125,122</u>	<u>-</u>	<u>125,122</u>
REVENUES OVER (UNDER) EXPENDITURES	(122,422)	5,409	127,831
FUND BALANCE, July 1, 1992	<u>122,422</u>	<u>123,208</u>	<u>786</u>
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ 128,617</u>	<u>\$ 128,617</u>

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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ 1,900	\$ 1,746	\$ (154)
Total revenues	<u>1,900</u>	<u>1,746</u>	<u>(154)</u>
EXPENDITURES:			
Materials and services	<u>47,286</u>	<u>12,693</u>	<u>34,593</u>
Total expenditures	<u>47,286</u>	<u>12,693</u>	<u>34,593</u>
EXPENDITURES OVER REVENUES	(45,386)	(10,947)	34,439
FUND BALANCE, July 1, 1992	<u>45,386</u>	<u>42,650</u>	<u>(2,736)</u>
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ 31,703</u>	<u>\$ 31,703</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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Gifts and donations	\$ 100	\$ 100	\$ -
Interest on investments	30	74	44
Total revenues	130	174	44
EXPENDITURES:			
Materials and services	375	-	375
Capital outlay	1,425	-	1,425
Total expenditures	1,800	-	1,800
REVENUES OVER (UNDER) EXPENDITURES	(1,670)	174	1,844
FUND BALANCE, July 1, 1992	1,670	1,657	(13)
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ 1,831</u>	<u>\$ 1,831</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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Intergovernmental	\$ -	\$ 150,000	\$ 150,000
Interest on investments	<u>900</u>	<u>4,669</u>	<u>3,769</u>
Total revenues	<u>900</u>	<u>154,669</u>	<u>153,769</u>
EXPENDITURES:			
Capital outlay	<u>107,407</u>	<u>-</u>	<u>107,407</u>
Total expenditures	<u>107,407</u>	<u>-</u>	<u>107,407</u>
REVENUES OVER (UNDER) EXPENDITURES	(106,507)	154,669	261,176
FUND BALANCE, July 1, 1992	<u>106,507</u>	<u>106,365</u>	<u>(142)</u>
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ 261,034</u>	<u>\$ 261,034</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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES	\$ -	\$ -	\$ -
EXPENDITURES:			
Capital outlay	5,426	5,425	1
Total expenditures	5,426	5,425	1
EXPENDITURES OVER REVENUES	(5,426)	(5,425)	1
OTHER FINANCING USES:			
Operating transfers out	(153,645)	(151,555)	2,090
Total other financing uses	(153,645)	(151,555)	2,090
EXPENDITURES AND OTHER FINANCING USES OVER REVENUES	(159,071)	(156,980)	2,091
FUND BALANCE, July 1, 1992	159,071	156,980	(2,091)
FUND BALANCE, June 30, 1993	\$ -	\$ -	\$ -

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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	<u>\$ 1,700</u>	<u>\$ 1,666</u>	<u>\$ (34)</u>
Total revenues	<u>1,700</u>	<u>1,666</u>	<u>(34)</u>
EXPENDITURES:			
Materials and services	<u>39,500</u>	<u>-</u>	<u>39,500</u>
Total expenditures	<u>39,500</u>	<u>-</u>	<u>39,500</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(37,800)</u>	<u>1,666</u>	<u>39,466</u>
FUND BALANCE, July 1, 1992	<u>37,800</u>	<u>37,949</u>	<u>149</u>
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ 39,615</u>	<u>\$ 39,615</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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ 350	\$ 270	\$ (80)
Total revenues	350	270	(80)
EXPENDITURES:			
Capital outlay	8,384	7,969	415
Total expenditures	8,384	7,969	415
EXPENDITURES OVER REVENUES	(8,034)	(7,699)	335
FUND BALANCE, July 1, 1992	8,034	8,504	470
FUND BALANCE, June 30, 1993	\$ -	\$ 805	\$ 805

CITY OF THE DALLES, OREGON

SPECIAL GRANTS FUND

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

YEAR ENDED JUNE 30, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Intergovernmental	\$ 337,000	\$ 267,049	\$ (69,951)
Gifts and donations	<u>13,000</u>	<u>10,982</u>	<u>(2,018)</u>
Total revenues	<u>350,000</u>	<u>278,031</u>	<u>(71,969)</u>
EXPENDITURES:			
Materials and services	<u>350,000</u>	<u>284,307</u>	<u>65,693</u>
Total expenditures	<u>350,000</u>	<u>284,307</u>	<u>65,693</u>
EXPENDITURES OVER REVENUES	-	(6,276)	(6,276)
OTHER FINANCING SOURCES:			
Operating transfers in	<u>-</u>	<u>2,373</u>	<u>2,373</u>
Total other financing sources	<u>-</u>	<u>2,373</u>	<u>2,373</u>
EXPENDITURES OVER REVENUES AND OTHER FINANCING SOURCES	-	(3,903)	(3,903)
FUND BALANCE, July 1, 1992	<u>-</u>	<u>3,903</u>	<u>3,903</u>
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Taxes	\$ 150	\$ -	\$ (150)
Total revenues	150	-	(150)
EXPENDITURES:			
Capital outlay	4,076	-	4,076
Total expenditures	4,076	-	4,076
EXPENDITURES OVER REVENUES	(3,926)	-	3,926
OTHER FINANCING USES:			
Operating transfers out	(1,660)	(1,660)	-
Total other financing uses	(1,660)	(1,660)	-
EXPENDITURES AND OTHER FINANCING USES OVER REVENUES	(5,586)	(1,660)	3,926
FUND BALANCE, July 1, 1992	5,586	7,431	1,845
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ 5,771</u>	<u>\$ 5,771</u>

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DEBT SERVICE FUNDS

CITY OF THE DALLES, OREGON

DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1993

	<u>Debt Service</u>	<u>Water Bond Debt</u>	<u>Senior Center Grant Debt Service</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ -	\$ 100,224	\$ -	\$ 100,224
Property taxes receivable	-	99,345	-	99,345
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 199,569</u>	<u>\$ -</u>	<u>\$ 199,569</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Deferred revenue - property taxes	\$ -	\$ 94,278	\$ -	\$ 94,278
Total lia- bilities	-	94,278	-	94,278
Fund equity:				
Fund balances:				
Unreserved:				
Designated for debt service	-	105,291	-	105,291
Total fund equity	-	105,291	-	105,291
TOTAL LIA- BILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ 199,569</u>	<u>\$ -</u>	<u>\$ 199,569</u>

CITY OF THE DALLES, OREGON

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1993

	<u>Debt Service</u>	<u>Water Bond Debt</u>	<u>Senior Center Grant Debt Service</u>	<u>Total</u>
REVENUES:				
Property taxes	\$ -	\$ 361,720	\$ -	\$ 361,720
Intergovernmental	-	-	3,180	3,180
Rentals	84,519	-	-	84,519
Interest on investments	<u>2,752</u>	<u>4,663</u>	<u>-</u>	<u>7,415</u>
Total revenues	<u>87,271</u>	<u>366,383</u>	<u>3,180</u>	<u>456,834</u>
EXPENDITURES:				
Debt service:				
Bond principal	105,000	225,000	1,295	331,295
Interest	5,512	165,838	1,885	173,235
Trustee fees	<u>1,312</u>	<u>718</u>	<u>-</u>	<u>2,030</u>
Total expenditures	<u>111,824</u>	<u>391,556</u>	<u>3,180</u>	<u>506,560</u>
EXPENDITURES OVER REVENUES	(24,553)	(25,173)	-	(49,726)
FUND BALANCES, July 1, 1992	<u>24,553</u>	<u>130,464</u>	<u>-</u>	<u>155,017</u>
FUND BALANCES, June 30, 1993	<u>\$ -</u>	<u>\$ 105,291</u>	<u>\$ -</u>	<u>\$ 105,291</u>

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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Rentals	\$ 102,109	\$ 84,519	\$ (17,590)
Interest on invest- ments	<u>-</u>	<u>2,752</u>	<u>2,752</u>
Total revenues	<u>102,109</u>	<u>87,271</u>	<u>(14,838)</u>
EXPENDITURES:			
Debt service:			
Principal	105,000	105,000	-
Interest	5,513	5,512	1
Trustee fees	<u>2,300</u>	<u>1,312</u>	<u>988</u>
Total expenditures	<u>112,813(1)</u>	<u>111,824</u>	<u>989</u>
EXPENDITURES OVER REVENUES	<u>(10,704)</u>	<u>(24,553)</u>	<u>(13,849)</u>
FUND BALANCE, July 1, 1992	<u>10,704</u>	<u>24,553</u>	<u>13,849</u>
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Legally adopted appropriation level.

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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Taxes	\$ 352,511	\$ 361,720	\$ 9,209
Interest on invest- ments	<u>3,500</u>	<u>4,663</u>	<u>1,163</u>
Total revenues	<u>356,011</u>	<u>366,383</u>	<u>10,372</u>
EXPENDITURES:			
Debt service:			
Principal	225,000	225,000	-
Interest	165,838	165,838	-
Trustee fees	<u>3,500</u>	<u>718</u>	<u>2,782</u>
Total expenditures	<u>394,338(1)</u>	<u>391,556</u>	<u>2,782</u>
EXPENDITURES OVER REVENUES	(38,327)	(25,173)	13,154
FUND BALANCE, July 1, 1992	<u>114,271</u>	<u>130,464</u>	<u>16,193</u>
FUND BALANCE, June 30, 1993	<u>\$ 75,944</u>	<u>\$ 105,291</u>	<u>\$ 29,347</u>

(1) Legally adopted appropriation level.

CITY OF THE DALLES, OREGON

SENIOR CENTER GRANT DEBT SERVICE FUND

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

YEAR ENDED JUNE 30, 1993

	<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>3,180</u>	<u>-</u>
EXPENDITURES:			
Debt service:			
Principal	1,310	1,295	15
Interest	<u>1,870</u>	<u>1,885</u>	<u>(15)</u>
Total expenditures	<u>3,180(1)</u>	<u>3,180</u>	<u>-</u>
REVENUES OVER EXPENDITURES	-	-	-
FUND BALANCE, July 1, 1992	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(1) Legally adopted appropriation level.

CAPITAL PROJECTS FUNDS

CITY OF THE DALLES, OREGON

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1993

	<u>Special Assessments</u>	<u>Columbia Gateway Urban Renewal Agency</u>	<u>Total</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 594,320	\$ 88,137	\$ 682,457
Property taxes receivable	-	26,172	26,172
Assessments receivable	111,071	-	111,071
Assets held for sale	<u>46,000</u>	<u>-</u>	<u>46,000</u>
TOTAL ASSETS	<u>\$ 751,391</u>	<u>\$ 114,309</u>	<u>\$ 865,700</u>
<u>LIABILITIES AND FUND EQUITY</u>			
Liabilities:			
Accounts payable	\$ 26,265	\$ 2,040	\$ 28,305
Deferred revenue - assess- ments and liens	157,071	-	157,071
Deferred revenue - property taxes	<u>-</u>	<u>25,203</u>	<u>25,203</u>
Total liabilities	<u>183,336</u>	<u>27,243</u>	<u>210,579</u>
Fund equity:			
Fund balances:			
Unreserved:			
Undesignated	<u>568,055</u>	<u>87,066</u>	<u>655,121</u>
Total fund equity	<u>568,055</u>	<u>87,066</u>	<u>655,121</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 751,391</u>	<u>\$ 114,309</u>	<u>\$ 865,700</u>

CITY OF THE DALLES, OREGON

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1993

	Special Assessments	Columbia Gateway Urban Renewal Agency	Total
REVENUES:			
Property taxes	\$ -	\$ 13,255	\$ 13,255
Interest on investments	24,739	3,822	28,561
Assessment collections	107,696	-	107,696
Miscellaneous revenues	-	162	162
Total revenues	<u>132,435</u>	<u>17,239</u>	<u>149,674</u>
EXPENDITURES:			
Materials and services	18,245	26,908	45,153
Capital outlay	30,990	-	30,990
Debt service:			
Bond defeasance	-	2,460,025	2,460,025
Total expenditures	<u>49,235</u>	<u>2,486,933</u>	<u>2,536,168</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>83,200</u>	<u>(2,469,694)</u>	<u>(2,386,494)</u>
OTHER FINANCING USES:			
Operating transfers out	<u>(20,300)</u>	<u>-</u>	<u>(20,300)</u>
Total other financing uses	<u>(20,300)</u>	<u>-</u>	<u>(20,300)</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>62,900</u>	<u>(2,469,694)</u>	<u>(2,406,794)</u>
FUND BALANCES, July 1, 1992	<u>505,155</u>	<u>2,556,760</u>	<u>3,061,915</u>
FUND BALANCES, June 30, 1993	<u>\$ 568,055</u>	<u>\$ 87,066</u>	<u>\$ 655,121</u>

CITY OF THE DALLES, OREGON

SPECIAL ASSESSMENTS FUND

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

YEAR ENDED JUNE 30, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ 22,000	\$ 24,739	\$ 2,739
Assessment collections - non-bonded:			
Principal	1,000	36,464	35,464
Interest	100	187	87
Assessment collections - bonded:			
Principal	64,000	59,785	(4,215)
Interest	34,900	11,260	(23,640)
Total revenues	<u>122,000</u>	<u>132,435</u>	<u>10,435</u>
EXPENDITURES:			
Materials and services	21,500	18,245	3,255
Capital outlay	<u>578,173</u>	<u>30,990</u>	<u>547,183</u>
Total expenditures	<u>599,673</u>	<u>49,235</u>	<u>550,438</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(477,673)</u>	<u>83,200</u>	<u>560,873</u>
OTHER FINANCING USES:			
Operating transfers out	<u>(20,300)</u>	<u>(20,300)</u>	<u>-</u>
Total other financing uses	<u>(20,300)</u>	<u>(20,300)</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(497,973)</u>	<u>62,900</u>	<u>560,873</u>
FUND BALANCE, July 1, 1992	<u>497,973</u>	<u>505,155</u>	<u>7,182</u>
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ 568,055</u>	<u>\$ 568,055</u>

CITY OF THE DALLES, OREGON

COLUMBIA GATEWAY
URBAN RENEWAL AGENCY

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

YEAR ENDED JUNE 30, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Property taxes	\$ -	\$ 13,255	\$ 13,255
Interest on investments	5,000	3,822	(1,178)
Other miscellaneous revenues	<u>-</u>	<u>162</u>	<u>162</u>
Total revenues	<u>5,000</u>	<u>17,239</u>	<u>12,239</u>
EXPENDITURES:			
Intergovernmental	64,500	26,908	37,592
Debt service:			
Bond defeasance	<u>2,474,458</u>	<u>2,460,025</u>	<u>14,433</u>
Total expenditures	<u>2,538,958</u>	<u>2,486,933</u>	<u>52,025</u>
EXPENDITURES OVER REVENUES	<u>(2,533,958)</u>	<u>(2,469,694)</u>	<u>64,264</u>
FUND BALANCE, July 1, 1992	<u>2,533,958</u>	<u>2,556,760</u>	<u>22,802</u>
FUND BALANCE, June 30, 1993	<u>\$ -</u>	<u>\$ 87,066</u>	<u>\$ 87,066</u>

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ENTERPRISE FUNDS

CITY OF THE DALLES, OREGON

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1993

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Airport</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 490,323	\$ 315,053	\$ 31,779	\$ 837,155
Accounts receivable	82,318	89,192	3,047	174,557
Inventories	178,914	19,466	-	198,380
Total current assets	<u>751,555</u>	<u>423,711</u>	<u>34,826</u>	<u>1,210,092</u>
Restricted cash and cash equivalents	<u>2,050,877</u>	<u>1,514,099</u>	<u>-</u>	<u>3,564,976</u>
Fixed assets:				
Land and land improvements	3,004,993	69,139	1,084,798	4,158,930
Buildings and improvements	2,979,810	1,504,802	35,313	4,519,925
Machinery and equipment	828,071	667,298	30,821	1,526,190
Plant in service	2,649,250	419,849	-	3,069,099
Total fixed assets	<u>9,462,124</u>	<u>2,661,088</u>	<u>1,150,932</u>	<u>13,274,144</u>
Accumulated depreciation	<u>(2,123,841)</u>	<u>(1,170,638)</u>	<u>(61,244)</u>	<u>(3,355,723)</u>
	<u>7,338,283</u>	<u>1,490,450</u>	<u>1,089,688</u>	<u>9,918,421</u>
TOTAL ASSETS	<u>\$10,140,715</u>	<u>\$ 3,428,260</u>	<u>\$ 1,124,514</u>	<u>\$14,693,489</u>
LIABILITIES AND FUND EQUITY				
Current liabilities:				
Accounts payable	\$ 233,486	\$ 29,626	\$ 444	\$ 263,556
Compensated absences payable	33,541	10,699	-	44,240
Customer deposits	22,085	-	-	22,085
Total current liabilities	<u>289,112</u>	<u>40,325</u>	<u>444</u>	<u>329,881</u>
Current liabilities payable from restricted assets:				
Accounts payable	127,452	106,299	-	233,751
Retainage	20,520	29,457	-	49,977
Total current liabilities payable from restricted assets	<u>147,972</u>	<u>135,756</u>	<u>-</u>	<u>283,728</u>
Total liabilities	<u>437,084</u>	<u>176,081</u>	<u>444</u>	<u>613,609</u>
Fund equity:				
Contributed capital	905,800	913,183	601,588	2,420,571
Retained earnings:				
Reserved for construction	1,902,905	1,382,435	-	3,285,340
Unreserved	6,894,926	956,561	522,482	8,373,969
Total fund equity	<u>9,703,631</u>	<u>3,252,179</u>	<u>1,124,070</u>	<u>14,079,880</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$10,140,715</u>	<u>\$ 3,428,260</u>	<u>\$ 1,124,514</u>	<u>\$14,693,489</u>

CITY OF THE DALLES, OREGON

ENTERPRISE FUNDS

**COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS**

YEAR ENDED JUNE 30, 1993

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Airport</u>	<u>Total</u>
OPERATING REVENUES:				
Service charges and fees	\$ 1,835,214	\$ 1,560,464	\$ 65,754	\$ 3,461,432
Rental income	-	-	10,460	10,460
Total operating revenues	<u>1,835,214</u>	<u>1,560,464</u>	<u>76,214</u>	<u>3,471,892</u>
OPERATING EXPENSES:				
Personal services	647,593	486,593	4,003	1,138,189
Operations and maintenance	389,305	221,281	70,057	680,643
General administration	100,204	52,605	5,712	158,521
Depreciation	<u>177,986</u>	<u>72,678</u>	<u>316</u>	<u>250,980</u>
Total operating expenses	<u>1,315,088</u>	<u>833,157</u>	<u>80,088</u>	<u>2,228,333</u>
Operating income (loss)	<u>520,126</u>	<u>727,307</u>	<u>(3,874)</u>	<u>1,243,559</u>
NON-OPERATING INCOME:				
Interest earnings	117,430	72,191	-	189,621
Other non-operating income	<u>2,339</u>	<u>4,133</u>	<u>15,374</u>	<u>21,846</u>
Total non-operating income	<u>119,769</u>	<u>76,324</u>	<u>15,374</u>	<u>211,467</u>
Net income before operating transfers	<u>639,895</u>	<u>803,631</u>	<u>11,500</u>	<u>1,455,026</u>
OPERATING TRANSFERS:				
Transfers in	451,555	500,000	-	951,555
Transfers out	<u>(488,953)</u>	<u>(645,771)</u>	<u>-</u>	<u>(1,134,724)</u>
Net operating transfers	<u>(37,398)</u>	<u>(145,771)</u>	<u>-</u>	<u>(183,169)</u>
Net income	<u>602,497</u>	<u>657,860</u>	<u>11,500</u>	<u>1,271,857</u>
RETAINED EARNINGS, July 1, 1992, as previously reported	8,114,675	1,681,136	510,982	10,306,793
Prior period adjustment	<u>80,659</u>	<u>-</u>	<u>-</u>	<u>80,659</u>
RETAINED EARNINGS, July 1, 1992, as restated	<u>8,195,334</u>	<u>1,681,136</u>	<u>510,982</u>	<u>10,387,452</u>
RETAINED EARNINGS, June 30, 1993	<u>\$ 8,797,831</u>	<u>\$ 2,338,996</u>	<u>\$ 522,482</u>	<u>\$11,659,309</u>

CITY OF THE DALLES, OREGON

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS

YEAR ENDED JUNE 30, 1993

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Airport</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating income (loss)	\$ 520,126	\$ 727,307	\$ (3,874)	\$ 1,243,559
Adjustments to reconcile operating income (loss) to net cash provided by operations:				
Depreciation	177,986	72,678	316	250,980
(Increase) decrease in accounts receivable	5,824	(4,740)	10,104	11,188
(Increase) decrease in inventories	(37,910)	1,880	25,650	(10,380)
Increase (decrease) in accounts payable	188,445	15,402	(13,878)	189,969
Increase in customer deposits	7,420	-	-	7,420
Decrease in compensated absences payable	(10,630)	(9,002)	-	(19,632)
Increase in current liabilities payable from restricted assets	<u>147,972</u>	<u>135,756</u>	<u>-</u>	<u>283,728</u>
Net cash provided by operations	<u>999,233</u>	<u>939,281</u>	<u>18,318</u>	<u>1,956,832</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Grants received	-	-	6,065	6,065
Operating transfers in	451,555	500,000	-	951,555
Operating transfers out	<u>(488,953)</u>	<u>(645,771)</u>	<u>-</u>	<u>(1,134,724)</u>
Net cash provided by (used in) noncapital financing activities	<u>(37,398)</u>	<u>(145,771)</u>	<u>6,065</u>	<u>(177,104)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of fixed assets	2,395	-	-	2,395
Acquisition of fixed assets	<u>(1,016,158)</u>	<u>(461,197)</u>	<u>(3,085)</u>	<u>(1,480,440)</u>
Net cash used in capital and related financing activities	<u>(1,013,763)</u>	<u>(461,197)</u>	<u>(3,085)</u>	<u>(1,478,045)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Other non-operating income	7,926	4,133	9,309	21,368
Interest earnings	<u>117,430</u>	<u>72,191</u>	<u>-</u>	<u>189,621</u>
Net cash provided by investing activities	<u>125,356</u>	<u>76,324</u>	<u>9,309</u>	<u>210,989</u>
NET INCREASE (DECREASE) IN CASH	73,428	408,637	30,607	512,672
CASH AND CASH EQUIVALENTS, July 1, 1992	<u>2,467,772</u>	<u>1,420,515</u>	<u>1,172</u>	<u>3,889,459</u>
CASH AND CASH EQUIVALENTS, June 30, 1993	<u>\$ 2,541,200</u>	<u>\$ 1,829,152</u>	<u>\$ 31,779</u>	<u>\$ 4,402,131</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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Charges and services	\$ 2,020,481	\$ 1,815,915	\$ (204,566)
Interest on investments	13,000	20,776	7,776
Other miscellaneous revenues	<u>5,000</u>	<u>10,322</u>	<u>5,322</u>
Total revenues	<u>2,038,481</u>	<u>1,847,013</u>	<u>(191,468)</u>
EXPENDITURES:			
Personal services	739,173	647,592	91,581
Materials and services	770,345	526,144	244,201
Capital outlay	377,551	318,201	59,350
Contingency	<u>79,865</u>	<u>-</u>	<u>79,865</u>
Total expenditures	<u>1,966,934</u>	<u>1,491,937</u>	<u>474,997</u>
REVENUES OVER EXPENDITURES	<u>71,547</u>	<u>355,076</u>	<u>283,529</u>
OTHER FINANCING USES:			
Operating transfers out	<u>(488,953)</u>	<u>(488,953)</u>	<u>-</u>
Total other financing uses	<u>(488,953)</u>	<u>(488,953)</u>	<u>-</u>
EXPENDITURES AND OTHER FINANCING USES OVER REVENUES	<u>(417,406)</u>	<u>(133,877)</u>	<u>283,529</u>
FUND BALANCE, July 1, 1992 (budgetary basis)	<u>417,406</u>	<u>417,406</u>	<u>-</u>
FUND BALANCE, June 30, 1993 (budgetary basis)	<u>\$ -</u>	<u>\$ 283,529</u>	<u>\$ 283,529</u>

CITY OF THE DALLES, OREGON

WATER CAPITAL IMPROVEMENT FUND

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

YEAR ENDED JUNE 30, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Interest on investments	\$ 4,320	\$ 63,645	\$ 59,325
Total revenues	<u>4,320</u>	<u>63,645</u>	<u>59,325</u>
EXPENDITURES:			
Capital outlay	1,427,099	685,191	741,908
Contingency	<u>100,000</u>	<u>-</u>	<u>100,000</u>
Total expenditures	<u>1,527,099</u>	<u>685,191</u>	<u>841,908</u>
EXPENDITURES OVER REVENUES	(1,522,779)	(621,546)	901,233
FUND BALANCE, July 1, 1992 (budgetary basis)	<u>1,522,779</u>	<u>1,532,640</u>	<u>9,861</u>
FUND BALANCE, June 30, 1993 (budgetary basis)	<u>\$ -</u>	<u>\$ 911,094</u>	<u>\$ 911,094</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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Charges and services	\$ 28,850	\$ 19,299	\$ (9,551)
Interest on investments	<u>15,750</u>	<u>33,009</u>	<u>17,259</u>
Total revenues	<u>44,600</u>	<u>52,308</u>	<u>7,708</u>
EXPENDITURES:			
Capital outlay	<u>1,000,717</u>	<u>14,042</u>	<u>986,675</u>
Total expenditures	<u>1,000,717</u>	<u>14,042</u>	<u>986,675</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(956,117)</u>	<u>38,266</u>	<u>994,383</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>459,071</u>	<u>451,555</u>	<u>(7,516)</u>
Total other financing sources	<u>459,071</u>	<u>451,555</u>	<u>(7,516)</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDI- TURES	<u>(497,046)</u>	<u>489,821</u>	<u>986,867</u>
FUND BALANCE, July 1, 1992 (budgetary basis)	<u>497,046</u>	<u>501,990</u>	<u>4,944</u>
FUND BALANCE, June 30, 1993 (budgetary basis)	<u>\$ -</u>	<u>\$ 991,811</u>	<u>\$ 991,811</u>

CITY OF THE DALLES, OREGON

WASTE WATER FUND

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

YEAR ENDED JUNE 30, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Charges and services	\$ 1,542,671	\$ 1,460,949	\$ (81,722)
Interest on investments	13,500	12,692	(808)
Other miscellaneous revenues	<u>-</u>	<u>4,133</u>	<u>4,133</u>
Total revenues	<u>1,556,171</u>	<u>1,477,774</u>	<u>(78,397)</u>
EXPENDITURES:			
Personal services	565,223	486,593	78,630
Materials and services	328,629	261,256	67,373
Capital outlay	264,623	59,884	204,739
Contingency	<u>177,824</u>	<u>-</u>	<u>177,824</u>
Total expenditures	<u>1,336,299</u>	<u>807,733</u>	<u>528,566</u>
REVENUES OVER EXPENDITURES	<u>219,872</u>	<u>670,041</u>	<u>450,169</u>
OTHER FINANCING USES:			
Operating transfers out	<u>(645,771)</u>	<u>(645,771)</u>	<u>-</u>
Total other financing uses	<u>(645,771)</u>	<u>(645,771)</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	<u>(425,899)</u>	<u>24,270</u>	<u>450,169</u>
FUND BALANCE, July 1, 1992 (budgetary basis)	<u>425,899</u>	<u>335,828</u>	<u>(90,071)</u>
FUND BALANCE, June 30, 1993 (budgetary basis)	<u>\$ -</u>	<u>\$ 360,098</u>	<u>\$ 360,098</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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Charges and services	\$ 35,328	\$ 99,515	\$ 64,187
Interest on investments	<u>45,000</u>	<u>59,499</u>	<u>14,499</u>
Total revenues	<u>80,328</u>	<u>159,014</u>	<u>78,686</u>
EXPENDITURES:			
Capital outlay	<u>1,703,659</u>	<u>412,063</u>	<u>1,291,596</u>
Total expenditures	<u>1,703,659</u>	<u>412,063</u>	<u>1,291,596</u>
EXPENDITURES OVER REVENUES	<u>(1,623,331)</u>	<u>(253,049)</u>	<u>1,370,282</u>
OTHER FINANCING SOURCES:			
Operating transfers in	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Total other financing sources	<u>500,000</u>	<u>500,000</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	<u>(1,123,331)</u>	<u>246,951</u>	<u>1,370,282</u>
FUND BALANCE, July 1, 1992 (budgetary basis)	<u>1,123,331</u>	<u>1,135,484</u>	<u>12,153</u>
FUND BALANCE, June 30, 1993 (budgetary basis)	<u>\$ -</u>	<u>\$ 1,382,435</u>	<u>\$ 1,382,435</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, 1993

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavor- able)</u>
REVENUES:			
Charges and services (net of sales taxes)	\$ 120,400	\$ 65,754	\$ (54,646)
Rental income	37,462	10,460	(27,002)
Intergovernmental revenue - grants	4,500	6,065	1,565
Other miscellaneous revenues	-	9,309	9,309
Total revenues	<u>162,362</u>	<u>91,588</u>	<u>(70,774)</u>
EXPENDITURES:			
Personal services	4,005	4,003	2
Materials and services	135,145	50,118	85,027
Capital outlay	20,207	3,086	17,121
Contingency	3,005	-	3,005
Total expenditures	<u>162,362</u>	<u>57,207</u>	<u>105,155</u>
REVENUES OVER EXPENDITURES	<u>-</u>	<u>34,381</u>	<u>34,381</u>
FUND BALANCE, July 1, 1992 (budgetary basis)	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30, 1993 (budgetary basis)	<u>\$ -</u>	<u>\$ 34,381</u>	<u>\$ 34,381</u>

AGENCY FUND

CITY OF THE DALLES, OREGON

AGENCY FUND - DEFERRED COMPENSATION

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 1993

	Balance July 1, 1992	Additions	Deletions	Balance June 30, 1993
<u>ASSETS</u>				
Restricted assets:				
Deferred compensation assets	\$ 81,175	\$ 26,661	\$ (4,337)	\$ 103,499
TOTAL ASSETS	<u>\$ 81,175</u>	<u>\$ 26,661</u>	<u>\$ (4,337)</u>	<u>\$ 103,499</u>
<u>LIABILITIES</u>				
Deferred compensation payable	\$ 81,175	\$ 26,661	\$ (4,337)	\$ 103,499
TOTAL LIABILITIES	<u>\$ 81,175</u>	<u>\$ 26,661</u>	<u>\$ (4,337)</u>	<u>\$ 103,499</u>

GENERAL FIXED ASSETS

CITY OF THE DALLES, OREGON
SCHEDULE OF GENERAL FIXED ASSETS
JUNE 30, 1993

GENERAL FIXED ASSETS:

Land and land improvements	\$ 119,559
Buildings and improvements	1,484,987
Machinery and equipment	<u>2,526,054</u>

TOTAL GENERAL FIXED ASSETS	<u>\$ 4,130,600</u>
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INVESTMENTS IN GENERAL FIXED ASSETS:

General fund	\$ 2,989,175
Special revenues funds	<u>1,141,425</u>

TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	<u>\$ 4,130,600</u>
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CITY OF THE DALLES, OREGON

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY SOURCE

YEAR ENDED JUNE 30, 1993

	<u>Land and Land Improve- ments</u>	<u>Buildings and Improve- ments</u>	<u>Machinery and Equipment</u>	<u>Totals</u>
General fixed assets at July 1, 1992	<u>\$ 117,285</u>	<u>\$ 1,583,722</u>	<u>\$ 2,392,395</u>	<u>\$ 4,093,402</u>
Add expenditures from:				
General fund	-	-	327,964	327,964
Special revenue funds	<u>2,274</u>	<u>-</u>	<u>41,827</u>	<u>44,101</u>
Total additions	<u>2,274</u>	<u>-</u>	<u>369,791</u>	<u>372,065</u>
Deduct retirements from:				
General fund	-	-	(79,601)	(79,601)
Special revenue funds	<u>-</u>	<u>(98,735)</u>	<u>(156,531)</u>	<u>(255,266)</u>
Total deductions	<u>-</u>	<u>(98,735)</u>	<u>(236,132)</u>	<u>(334,867)</u>
General fixed assets at June 30, 1993	<u>\$ 119,559</u>	<u>\$ 1,484,987</u>	<u>\$ 2,526,054</u>	<u>\$ 4,130,600</u>

CITY OF THE DALLES, OREGON

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

JUNE 30, 1993

	<u>Land and Land Improve- ments</u>	<u>Buildings and Improve- ments</u>	<u>Machinery and Equipment</u>	<u>Totals</u>
General government	\$ 43,499	\$ 1,105,725	\$ 262,860	\$ 1,412,084
Public safety	-	-	1,295,182	1,295,182
Highways and streets	2,274	117,154	856,632	976,060
Culture and recreation	<u>73,786</u>	<u>262,108</u>	<u>111,380</u>	<u>447,274</u>
	<u>\$ 119,559</u>	<u>\$ 1,484,987</u>	<u>\$ 2,526,054</u>	<u>\$ 4,130,600</u>

CITY OF THE DALLES, OREGON

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

YEAR ENDED JUNE 30, 1993

	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets</u>	<u>Culture and Recreation</u>	<u>Total</u>
General fixed assets at July 1, 1992	\$1,374,877	\$1,124,304	\$1,045,816	\$ 548,405	\$4,093,402
Additions	39,451	310,053	22,392	169	372,065
Deductions	<u>(2,244)</u>	<u>(139,175)</u>	<u>(92,148)</u>	<u>(101,300)</u>	<u>(334,867)</u>
General fixed assets at June 30, 1993	<u>\$1,412,084</u>	<u>\$1,295,182</u>	<u>\$ 976,060</u>	<u>\$ 447,274</u>	<u>\$4,130,600</u>

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ADDITIONAL SCHEDULES

CITY OF THE DALLES, OREGON
SCHEDULE OF BONDED DEBT TRANSACTIONS
YEAR ENDED JUNE 30, 1993

		<u>Bond</u>		
	<u>Interest</u> <u>Rate</u>	<u>Outstanding</u> <u>at July 1,</u> <u>1992</u>	<u>Issued</u>	<u>Matured</u>
<u>GENERAL OBLIGATION BONDS</u>				
1988 Advance Refunding Bonds	5.60% to 6.85%	\$ 2,515,000	\$ -	\$ 225,000
 <u>GENERAL OBLIGATION</u> <u>REVENUE SUPPORTED BONDS</u>				
1978 State Office Building Revenue Bonds	4.9% to 5.25%	<u>105,000</u>	<u>-</u>	<u>105,000</u>
Total City of The Dalles Debt Service		<u>2,620,000</u>	<u>-</u>	<u>330,000</u>
 <u>COLUMBIA GATEWAY</u> <u>URBAN RENEWAL AGENCY</u> <u>TAX INCREMENT BONDS</u>				
1991 Urban Renewal and Redevelopment Bonds, Series A	5.0% to 7.0%	1,775,000	-	-
1991 Urban Renewal and Redevelopment Bonds, Series B	7.0%	<u>570,000</u>	<u>-</u>	<u>-</u>
Total Urban Renewal Agency Debt Service		<u>2,345,000</u>	<u>-</u>	<u>-</u>
TOTAL DEBT		<u>\$ 4,965,000</u>	<u>\$ -</u>	<u>\$ 330,000</u>

<u>Principal</u>			<u>Interest</u>			
<u>Redeemed</u>	<u>Defeased</u>	<u>Outstanding at June 30, 1993</u>	<u>Outstanding at July 1, 1992</u>	<u>Matured</u>	<u>Redeemed</u>	<u>Outstanding at June 30, 1993</u>
\$ 225,000	\$ -	\$ 2,290,000	\$ -	\$ 165,838	\$ 165,838	\$ -
<u>105,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,512</u>	<u>5,512</u>	<u>-</u>
<u>330,000</u>	<u>-</u>	<u>2,290,000</u>	<u>-</u>	<u>171,350</u>	<u>171,350</u>	<u>-</u>
-	1,775,000	-	-	-	-	-
<u>-</u>	<u>570,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>2,345,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 330,000</u>	<u>\$2,345,000</u>	<u>\$ 2,290,000</u>	<u>\$ -</u>	<u>\$ 171,350</u>	<u>\$ 171,350</u>	<u>\$ -</u>

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CITY OF THE DALLES, OREGON

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS

JUNE 30, 1993

<u>Fiscal Year</u>	<u>1988 Advance Refunding Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1993-94	\$ 240,000	\$ 151,888	\$ 391,888
1994-95	250,000	136,767	386,767
1995-96	265,000	120,768	385,768
1996-97	280,000	103,542	383,542
1997-98	290,000	85,063	375,063
1998-99	310,000	65,632	375,632
1999-2000	320,000	44,708	364,708
2000-01	335,000	22,947	357,947
	<u>\$2,290,000</u>	<u>\$ 731,315</u>	<u>\$3,021,315</u>

CITY OF THE DALLES, OREGON
SCHEDULE OF PROPERTY TAX TRANSACTIONS
YEAR ENDED JUNE 30, 1993

	<u>Tax Year</u>	<u>Uncollected July 1, 1992</u>	<u>Levy as Extended by Assessor</u>
<u>GENERAL FUND:</u>			
Current	1992-93	\$ -	\$ 1,724,351
Prior	1991-92	142,203	-
	1990-91	126,895	-
	1989-90	85,696	-
	1988-89	38,513	-
	1987-88	4,671	-
	1986-87	3,111	-
	1985-86		
	and prior	3,537	-
Total Prior		404,626	-
Total General Fund		404,626	1,724,351
<u>WATER BOND DEBT FUND:</u>			
Current	1992-93	-	384,405
Prior	1991-92	43,235	-
	1990-91	20,407	-
	1989-90	12,426	-
	1988-89	4,231	-
	1987-88	1,111	-
	1986-87	593	-
	1985-86		
	and prior	876	-
Total Prior		82,879	-
Total Water Bond Debt Fund		82,879	384,405
<u>COLUMBIA GATEWAY URBAN RENEWAL AGENCY:</u>			
Prior and total		38,978	-
TOTAL ALL FUNDS		\$ 526,483	\$ 2,108,756

<u>Discounts Allowed</u>	<u>Interest</u>	<u>Adjustments</u>	<u>Collections</u>	<u>Uncollected June 30, 1993</u>
\$ (34,660)	\$ 403	\$ (19,967)	\$(1,462,255)	\$ 207,872
-	4,261	(1,542)	(49,795)	95,127
-	7,871	(1,384)	(42,111)	91,271
-	15,458	(2,632)	(59,004)	39,518
-	6,112	(2,150)	(21,725)	20,750
-	527	(1,836)	(1,979)	1,383
-	505	(1,659)	(1,495)	462
-	245	(144)	(1,050)	2,588
-	34,979	(11,347)	(177,159)	251,099
(34,660)	35,382	(31,314)	(1,639,414)	458,971
(7,727)	90	(4,451)	(325,977)	46,340
-	1,316	56	(15,219)	29,388
-	1,266	(220)	(6,773)	14,680
-	2,241	(381)	(8,556)	5,730
-	672	(237)	(2,387)	2,279
-	74	(713)	(278)	194
-	96	(317)	(285)	87
-	62	(25)	(266)	647
-	5,727	(1,837)	(33,764)	53,005
(7,727)	5,817	(6,288)	(359,741)	99,345
-	1,172	(424)	(13,554)	26,172
\$ (42,387)	\$ 42,371	\$ (38,026)	\$(2,012,709)	\$ 584,488

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**AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**

STATE REGULATION DISCLOSURES

Oregon Administrative Rules 162-10-050 through 162-10-320 incorporated in the *Minimum Standards for Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, enumerate the financial statements, schedules, and comments and disclosures required in audit reports. The required statements and schedules are set forth in the preceding sections of this report. Required comments and disclosures related to the audit of such statements and schedules are set forth in the following pages.

Talbot, Korvola & Warwick
Certified Public Accountants

6420 S.W. Macadam, Suite 300
Portland, Oregon 97201-3519
(503) 452-7172, FAX (503) 452-7174

**AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**

September 3, 1993

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, 1993, and have issued our report thereon dated September 3, 1993.

We have 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.

ACCOUNTING AND INTERNAL CONTROL STRUCTURE

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, 1993, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The 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

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS
Page 2

ACCOUNTING AND INTERNAL CONTROL STRUCTURE (Continued)

evaluation of the 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:

- Receivables/cash receipts
- Purchasing and receiving
- Accounts payable/cash disbursements
- Payroll
- Fixed assets
- General ledger

For all of the internal 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.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. 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. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City of The Dalles, Oregon in a separate letter dated September 3, 1993.

AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS
Page 3

COLLATERAL

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.

Our review of the adequacy of collateral security depository balances indicated the collateral was sufficient during the year ended June 30, 1993.

INDEBTEDNESS

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

BUDGET COMPLIANCE

The City appears to have complied with Local Budget Law (ORS 294.305 to 294.520 and 294.555) in the preparation and adoption of its budgets and tax levies for fiscal years 1992-93 and 1993-94.

The City complied with Local Budget Law in the execution of its 1992-93 budget, except for the overexpenditure of its appropriation for Special Revenue Funds - Tourist Promotion Fund - personal services for \$12,530 and this fund's deficit of \$19,705 in budgetary basis fund balance at June 30, 1993.

INSURANCE POLICIES AND FIDELITY BONDS

We have reviewed the City's insurance and fidelity bond coverage at June 30, 1993 and we ascertained that such policies appeared to be in force. We are not competent by training to comment on the adequacy of the insurance policies covering City-owned property at June 30, 1993.

PROGRAMS FUNDED FROM OUTSIDE SOURCES

Based upon our review, the City appears to be in compliance with appropriate laws, rules, and regulations pertaining to programs funded wholly or partially by other governmental agencies.

**AUDIT COMMENTS AND DISCLOSURES
REQUIRED BY STATE REGULATIONS**

Page 4

FINANCIAL REPORTING REQUIREMENTS

We have reviewed the City's compliance with federal and state financial reporting requirements. Based on audit procedures performed, it appears that required reports and related data are filed with appropriate governmental agencies and such reports are in agreement with and supported by accounting records.

INVESTMENTS

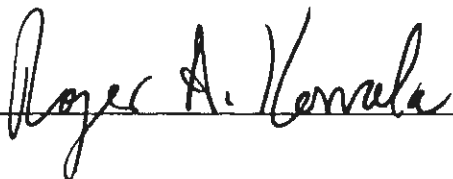
Our review of deposit and investment balances indicated that the City was in compliance with ORS 294, as it pertains to investment of public funds, during the year ended June 30, 1993.

PUBLIC CONTRACTS AND PURCHASING

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

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STATISTICAL SECTION

CITY OF THE DALLES, OREGON

GENERAL REVENUES BY SOURCE

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Taxes</u>	<u>Franchise Fees</u>	<u>Inter- govern- mental Revenues</u>	<u>Charges for Services</u>
1984	\$ 1,301,631	\$ 300,079	\$ 999,839	\$ 292,994
1985	1,652,006	286,879	764,994	355,338
1986	1,235,591	194,042	975,500	235,781
1987	1,999,202	219,322	1,116,148	224,675
1988	2,149,265	275,560	1,035,890	326,230
1989	2,301,305	260,171	632,041	352,954
1990	2,435,763	272,819	985,155	186,417
1991	2,883,615	318,128	809,562	223,815
1992	2,832,970	328,689	1,146,363	408,935
1993	2,620,169	190,604	1,818,669	405,077

Note: The schedule above includes only those revenues recorded in the governmental fund types, and does not include other financing sources.

Source: Combined Statements of Revenues, Expenditures and Changes in Fund Balance for all Governmental Fund Types by Year.

<u>Fines and Forfeitures</u>	<u>Investment Income</u>	<u>Special Assessments</u>	<u>Other Revenues</u>	<u>Totals</u>
\$ 103,072	\$ 201,557	\$ 27,303	\$ 137,183	\$ 3,363,658
77,667	143,570	71,553	103,731	3,455,738
51,790	87,731	220,503	228,173	3,229,111
60,956	111,268	132,114	221,110	4,084,795
81,882	218,201	214,087	423,069	4,724,184
77,631	192,975	59,120	54,540	3,930,737
106,012	185,252	242,622	392,490	4,806,530
73,193	196,954	305,646	84,841	4,895,754
73,190	305,833	238,176	237,514	5,571,670
81,748	144,874	107,696	259,816	5,628,653

CITY OF THE DALLES, OREGON

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

<u>Year</u>	<u>General Govern- ment</u>	<u>Public Safety</u>	<u>Highways and Streets</u>
1984	\$ 653,109	\$ 1,286,042	\$ 339,574
1985	782,791	1,547,072	623,112
1986	706,351	1,171,565	374,962
1987	660,496	1,113,819	277,875
1988	862,903	1,447,375	325,569
1989	1,055,807	1,587,096	378,323
1990	1,351,295	1,478,940	582,474
1991	1,499,011	1,473,773	492,511
1992	1,375,512	1,714,254	552,431
1993	2,024,769	1,891,226	734,023

Note: The schedule above includes only those expenditures recorded in the governmental fund types, and does not include other financing uses.

Source: Combined Statements of Revenues, Expenditures and Changes in Fund Balance for all Governmental Fund Types by Year.

<u>Culture and Recreation</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Totals</u>
\$ 338,934	\$ 595,776	\$ 128,117	\$ 3,341,552
431,936	96,864	127,631	3,609,406
335,453	416,942	143,991	3,149,264
183,687	703,926	510,709	3,450,512
216,726	955,876	512,802	4,321,251
221,916	407,931	339,144	3,990,217
227,172	618,986	505,885	4,764,752
244,990	370,173	562,719	4,643,177
261,846	734,932	569,928	5,208,903
283,644	1,183,995	2,966,585	9,084,242

CITY OF THE DALLES, OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Tax Levy Year</u>	<u>Total Levy</u>	<u>Current Year Collec- tions</u>	<u>Percent of Tax Levy collected</u>	<u>Delinquent Tax Collec- tions</u>	<u>Total Tax Collec- tions</u>	<u>Total Collec- tions as Percent of Current Tax Levy</u>
1984	\$1,374,138	\$1,229,733	89.49%	\$ 140,078	\$1,369,811	99.69%
1985	1,444,772	1,273,240	88.13	147,259	1,420,499	98.32
1986	1,468,490	1,243,879	84.70	191,183	1,435,062	97.72
1987	1,975,351	1,624,864	82.26	228,672	1,853,536	93.83
1988	2,098,750	1,751,821	83.47	221,625	1,973,446	94.03
1989	1,954,689	1,621,232	82.94	268,229	1,889,461	96.66
1990	2,096,136	1,812,273	86.46	300,909	2,113,182	100.81
1991	2,210,998	1,917,228	86.71	425,475	2,342,703	105.96
1992	2,346,777	2,062,986	87.91	273,971	2,336,957	99.58
1993	2,108,756	1,788,232	84.80	224,477	2,012,709	95.45

Sources: Wasco County Department of Assessment and Taxation. Schedules of property tax transactions by year.

CITY OF THE DALLES, OREGON

ASSESSED AND TRUE CASH
VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Assessed Value</u>	<u>True Cash Value</u>	<u>Ratio of Assessed Value to True Cash Value</u>
1984	\$278,905,449	\$251,851,620	90.30%
1985	297,431,942	285,534,664	96.00
1986	277,468,751	277,468,751	100.00
1987	270,712,403	270,712,403	100.00
1988	235,636,929	235,636,929	100.00
1989	238,595,098	238,595,098	100.00
1990	250,408,479	250,408,479	100.00
1991	261,778,914	261,778,914	100.00
1992	305,002,343	305,002,343	100.00
1993	338,832,980	338,832,980	100.00

Source: Wasco County Department of Assessment and Taxation.

CITY OF THE DALLES, OREGON

PROPERTY TAX RATES - ALL
DIRECT AND OVERLAPPING GOVERNMENTS

LAST TEN FISCAL YEARS

<u>Year</u>	<u>City of The Dalles</u>	<u>Wasco County</u>	<u>Port of The Dalles</u>	<u>Northern Wasco County Parks and Recreation District</u>
1984	\$ 4.92	\$ 3.55	\$.16	\$ -
1985	4.86	3.56	.17	-
1986	5.30	3.73	1.29	.79
1987	7.30	4.72	1.24	.86
1988	8.91	6.66	1.45	.89
1989	8.19	7.17	1.60	.93
1990	8.37	7.41	1.57	1.00
1991	8.44	6.34	1.31	.99
1992	8.00	6.23	1.21	1.24
1993	7.23	5.40	1.03	1.06

Note: Property tax rates listed are per \$1,000 assessed value.

Source: Wasco County Department of Assessment and Taxation.

<u>School District No. 12</u>	<u>School District No. 9</u>	<u>School District No. 14</u>	<u>Wasco County Educa- tional Service District</u>	<u>Columbia Gorge Community College</u>
\$ 13.43	\$ 18.58	\$ 12.20	\$ 1.21	\$.71
13.02	19.67	13.76	1.30	.71
16.98	18.19	12.46	1.06	.78
17.33	22.05	13.96	1.38	.85
19.98	24.48	15.40	1.74	1.03
19.74	19.65	15.51	1.84	1.08
19.74	23.24	15.20	1.87	1.16
18.80	22.93	10.37	1.71	1.06
22.60	21.54	13.94	1.72	1.06
21.51	16.15	12.20	1.53	.94

CITY OF THE DALLES, OREGON
COMPUTATION OF LEGAL DEBT MARGIN
JUNE 30, 1993

Total estimated true cash value		<u>\$338,832,980</u>
State debt limit - 3% of total equalized value		\$ 10,164,989
Amount of debt applicable to debt limit:		
General bonded long-term debt	\$ 2,290,000	
Bonded debt excluded from limitation - water utility debt	<u>(2,290,000)</u>	
Bonded debt applicable to debt limit	-	
Less amount in debt service funds available for payment of principal:		
Debt service fund balance	\$ 105,291	
Amount excluded(1)	<u>(105,291)</u>	
Amount available for payment of principal	<u>-</u>	
Total amount of debt applicable to limit		<u>-</u>
LEGAL DEBT MARGIN PER CITY		<u>\$ 10,164,989</u>

Notes: (1) Per ORS 287.004, limitations do not apply to bonds issued for water utility.

CITY OF THE DALLES, OREGON

RATIOS OF NET GENERAL BONDED DEBT TO
ASSESSED VALUE; AND NET BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Net General Bonded Debt</u>	<u>Assessed Value</u>	<u>Ratio of Net General Bonded Debt to Assessed Value</u>	<u>Popula- tion</u>	<u>Net Bonded Debt Per Capita</u>
1984	\$3,385,000	\$278,905,449	1.21%	10,960	\$ 309
1985	3,250,000	297,431,942	1.09	10,900	298
1986	3,100,000	277,468,751	1.12	10,630	292
1987	2,945,000	270,712,403	1.09	10,265	287
1988	2,825,000	235,636,929	1.20	10,715	264
1989	3,125,000	238,595,098	1.31	10,590	295
1990	2,935,000	250,408,479	1.17	11,060	265
1991	2,730,000	261,778,914	1.04	11,130	245
1992	2,515,000	305,002,343	.82	11,200	225
1993	2,290,000	338,832,980	.68	11,370	201

Notes: Population information for fiscal year ended June 30, 1993 estimated.
1980 Water Utility Bond issue was defeased during fiscal year 1988-89 through a refunding issue.

Sources: Wasco County Department of Assessment and Taxation.
Statements of Bond Transactions by Year.
Center for Population Research and Census, Portland State University.

CITY OF THE DALLES, OREGON

RATIOS OF ANNUAL DEBT SERVICE
EXPENDITURES FOR GENERAL BONDED DEBT TO
TOTAL GENERAL GOVERNMENTAL EXPENDITURES

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Annual Debt Service Expen- ditures for General Bonded Debt</u>	<u>Total General Government Expen- ditures</u>	<u>Ratio of Debt Service to Total Expen- ditures</u>
1984	\$ 582,020	\$ 3,341,552	17.42%
1985	573,195	3,609,406	15.88
1986	561,790	3,149,264	17.84
1987	555,470	3,450,512	16.10
1988	509,400	4,321,251	11.79
1989	510,148	3,990,217	12.78
1990	502,706	4,764,752	10.55
1991	506,954	4,643,177	10.92
1992	504,715	5,208,903	9.69
1993	501,350	9,084,242	5.52

Sources: Schedules of Future Debt Service Requirements by Year.
Combined Statements of Revenues, Expenditures and Changes
in Fund Balances for all Governmental Fund Types by Year.

CITY OF THE DALLES, OREGON

DIRECT AND OVERLAPPING GROSS BONDED DEBT

JUNE 30, 1993

	<u>Percent Within the City</u>	<u>Gross Bonded Debt</u>
<u>GOVERNMENTS:</u>		
City of The Dalles	100.00%	\$ 2,290,000
Wasco County	43.47	80,855
Northern Wasco Parks and Recreation District	74.42	532,084
Port of The Dalles	54.33	2,273,681
Wasco Rural Fire Protection District	19.40	9,470
Wasco County School District 12	80.92	408,646
Wasco County School District 9	9.85	379,151

Source: Municipal Debt Advisory Commission, State of Oregon.

CITY OF THE DALLES, OREGON
ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Assessments Billed</u>	<u>Assessments Collected</u>
1984	\$ 174,281	\$ 27,303
1985	155,638	71,553
1986	148,845	220,503
1987	140,415	132,114
1988	128,030	214,087
1989	110,526	59,120
1990	97,408	242,622
1991	86,370	305,646
1992	56,499	238,176
1993	46,055	107,696

Sources: Assessment ledger cards.
Combined Statements of Revenues, Expenditures and Changes
in Fund Balance for all Governmental Fund Types by Year.

CITY OF THE DALLES, OREGON

DEMOGRAPHIC STATISTICS

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Population</u>	<u>Per Capita Income</u>	<u>Unemploy- ment Rate</u>
1984	10,960	\$ 11,587	12.1%
1985	10,900	11,237	14.9
1986	10,630	12,040	14.0
1987	10,265	13,014	9.0
1988	10,715	14,400	7.8
1989	10,590	15,506	8.3
1990	11,060	16,501	7.6
1991	11,130	16,726	7.7
1992	11,200	-	9.7
1993	11,370	-	-

Notes: Per capita income and unemployment rate figures are stated for Wasco County in its entirety.
Per capita information for 1991 is the most recent available.
Population and unemployment rate information for 1992 is the most recent available.

Sources: U.S. Bureau of Economic Analysis.
Center for Population and Census, Portland State University.
State of Oregon Employment Division

CITY OF THE DALLES, OREGON

PROPERTY VALUES, CONSTRUCTION AND BANK DEPOSITS

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Commercial</u>		<u>Residential</u>		<u>Bank Deposits</u>	<u>Property Value True Cash Valuation</u>
	<u>Permits</u>	<u>Value</u>	<u>Permits</u>	<u>Value</u>		
1984	47	\$2,279,074	114	\$ 836,592	\$138,716,000	\$251,851,620
1985	62	1,117,265	68	611,779	145,843,000	285,534,664
1986	53	1,888,500	75	476,892	145,519,000	277,468,751
1987	39	1,214,483	61	389,754	145,704,000	270,712,403
1988	54	1,622,709	73	566,743	153,269,000	235,636,929
1989	45	1,502,335	66	897,311	114,220,000	238,595,098
1990	47	8,020,012	92	1,587,212	117,530,000	250,408,479
1991	70	5,583,917	84	1,213,445	163,525,000	261,778,914
1992	89	6,939,871	105	3,401,321	172,455,000	305,002,343
1993	79	4,228,750	120	2,542,930	201,855,000	338,832,980

Sources: State of Oregon, Commerce Department/Building Codes Agency.
Oregon Bankers' Association.
Wasco County Department of Assessment and Taxation.

CITY OF THE DALLES, OREGON

PRIMARY TAXPAYERS

1993

	<u>Assessed Valuation</u>	<u>Percentage of Total District's Assessed Value</u>
United Telephone Co.	\$ 7,149,960	2.11%
Northern Wasco County P.U.D.	5,406,637	1.60
GFI The Dalles Investment LTD.	5,242,270	1.55
Portland Fixture	3,949,300	1.17
Union Pacific Railroad Company	3,791,839	1.12
Metropolitan Life Insurance Company	3,390,700	1.00
Fedderly, Michael W. Sr.	3,263,820	.96
Stadelman, Lorraine et al	3,182,060	.94
Oregon Cherry Growers, Inc.	2,965,870	.87
Martin & Martin, Inc.	<u>2,788,610</u>	<u>.82</u>
Subtotal	41,131,066	12.14
All other taxpayers	<u>297,701,914</u>	<u>87.86</u>
Grand total	<u>\$338,832,980</u>	<u>100.00%</u>

Source: Wasco County Department of Assessment and Taxation.

CITY OF THE DALLES, OREGON

MISCELLANEOUS STATISTICS

City's charter granted by Territorial Legislature	1857
Total Housing units	4,856
Total area of the City of The Dalles in square miles	4,649
Altitude in feet	Ranges from 75 to 750
Mean temperature - Fahrenheit	55
Annual rainfall in inches	14
Water Enterprise:	
Daily consumption in gallons (winter average)	3,000,000
System storage capacity in gallons	16,600,000
Total connections/services	4,116
Number of motel rooms	509
Miles of paved streets within City	70
Employees:	
Total employees	122
Full-time	95
Part-time/temporary	27

<u>Major Employers in Wasco County</u>	<u>Product or Service</u>	<u>1992 Employment</u>
Oregon Cherry Growers	Fruit growing/packing	18-429(a)
Northwest Aluminum	Aluminum	408
Mid-Columbia Medical Center	Health care	453
Wasco County School District #12	Education	322(b)
Cascade Fruit Company	Fruit packing	25-300(a)
Federal Government	Various	318
Wasco County	Government	365
State of Oregon	Government	218
Columbia Gorge Community College	Education	74(b)
Fred Meyer	Retail	143

- (a) Seasonal peak and low
(b) Full time equivalents 1992-93

Sources: Bureau of Governmental Research, University of Oregon.
Dalles Area Chamber of Commerce.
Contact with each employer.
Personnel Department, City of The Dalles.
Department of Public Works, City of The Dalles.
Oregon Employment Division; Research Section

Talbot, Korvola & Warwick
Certified Public Accountants

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Portland, Oregon 97201-3519
(503) 452-7172, FAX (503) 452-7174

September 3, 1993

City Council
City of The Dalles
The Dalles, Oregon

In planning and performing our audit of the general purpose financial statements of the City of The Dalles, Oregon (the City) for the year ended June 30, 1993, we considered the City's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

However, during our audit we noted several matters that are opportunities for strengthening internal controls and operating efficiency. Attachment A that accompanies this letter summarizes our comments and suggestions regarding those matters. Attachment B to this letter discusses the status of the prior year's comments.

We have already discussed these comments with various Finance Department personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the City Council, management, and grantor agencies. This restriction is not intended to limit the distribution of this report which is a matter of public record upon its acceptance by the City Council.



Certified Public Accountants

CITY OF THE DALLES
LETTER OF RECOMMENDATIONS
JUNE 30, 1993

ATTACHMENT A
Current Year Comments

RECEIVABLES

In this time of constricting resources as a result of Measure No. 5, and citizen's demands for more efficient government, we believe that the collection of receivables and the conversion of other assets into available resources will be more important in the coming years. Therefore, we recommend that management consider additional emphasis be placed on the collection of receivables, especially those related to the court system and the ambulance service.

Receivables at June 30 include the following:

	<u>1993</u>	<u>1992</u>	<u>% Increase</u>
Court receivables	\$241,989	\$158,127	53%
Ambulance receivables	312,136	177,099	76

We understand that past due balances for these types of receivables can be difficult to collect. Examples would include traffic tickets for out-of-area individuals, and ambulance receivables consisting of insurance payments, which are often slow and sometimes only partial payments, thereby leaving individuals to pay the remainder of the amount.

However, with this growth in receivables without a corresponding growth in revenues, we urge management to assess current collection practices. Management may want to consider the feasibility of the following:

- Bringing ambulance receivables in-house, where they may be more timely monitored.
- Turn receivables over to outside collection agencies sooner.
- Hire an employee whose job responsibilities are primarily directed towards collection of receivables.

CITY OF THE DALLES
LETTER OF RECOMMENDATIONS (Continued)
JUNE 30, 1993

ATTACHMENT A
Current Year Comments (Continued)

BUDGET COMPLIANCE

The Tourism Fund overexpended personal services by \$12,530 in 1992-93 and had a deficit fund balance for the year ended June 30, 1993 of \$19,705. Over expenditures of appropriations are a violation of Oregon Local Budget Law, and a deficit fund balance which is not eliminated within one year constitutes an unauthorized borrowing under that same statute.

From our discussions with City management, we understand that management has formulated a plan to eliminate this deficit fund balance in 1993-94.

**CITY OF THE DALLES
LETTER OF RECOMMENDATIONS
JUNE 30, 1993**

**ATTACHMENT B
Prior Year's Comments**

INVENTORY

In the prior year, we noted that the City did not have an accountability system for water department inventory to determine inventory quantities, location, and use. We also noted the City had no formal system in place to evaluate which inventory items require a valuation allowance. In the course of our current year testwork, we noted that the City still does not have a formal system in place. However, we did note that physical inventory has been reorganized and culled for obsolete items. Our testwork also indicated the physical inventory was more accurate at June 30, 1993 than in the prior year.

DEFERRED COMPENSATION ASSETS

In the prior year, we suggested that management review its policies in this area and record all deferred compensation assets and liabilities within this fund. Based on testwork performed, the City appears to have correctly recorded all deferred compensation assets and liabilities.

COLLATERALIZATION

In the prior year, the City was undercollateralized on its bank deposits during one month. Based on testwork performed, the City appears to have been adequately collateralized during the year ended June 30, 1993.