



**1997 - 1998**

**Comprehensive Annual  
Financial Report**

The Dalles, Oregon  
For Fiscal Year Ended June 30, 1998

# **CITY OF THE DALLES, OREGON**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Year Ended June 30, 1998

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Finance Department

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**CITY OF THE DALLES, OREGON**

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**INTRODUCTORY SECTION**







City Council  
City of The Dalles  
The Dalles, Oregon 97058

December 17, 1998

The Comprehensive Annual Financial Report of the City of The Dalles, Oregon, for the year ended June 30, 1998, is submitted herewith. This report presents a comprehensive and detailed picture of The Dalles' financial transactions during 1997-98 and the financial condition of the various funds and account groups at June 30, 1998. 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, 1998, 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.

This report is divided into three sections:

The first section is an introduction containing this letter of transmittal, the City officials and officers, and an organizational chart of the City.

Following the introduction 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, 1998, 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, additional 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 situated in the north-central part of the state on the Columbia River, the nation's second largest river. It is the county seat and the largest community in Wasco County. The Dalles is one of Oregon's most historic cities and was known earlier in its history as the town at the end of the Oregon Trail. Archaeological evidence suggests the area has been inhabited more or less continuously for more than 10,000 years. The City was first incorporated by the Oregon Territorial Government in 1857 as "Dalles City" and was made the county seat shortly thereafter. Strategically located on the Columbia River and bordered by the Cascade Mountains to the West, The Dalles provides an ideal distribution or manufacturing setting with available riverside locations, as well as bulk container and international shipping options. It has historically been an economic hub of the Pacific Northwest, linking major transportation routes between Eastern and Southern Oregon and Washington State. It offers residents the pleasures of rural living while providing the advantages of access to metropolitan amenities in Portland, only 80 miles to the west.

In accordance with the City Charter of 1899, revised in 1994, the City of The Dalles is governed by a City Council. This Council consists of an elected mayor and five council members. The City operates under a council-manager form of government.

## **ECONOMIC CONDITIONS**

The City has a population currently estimated at 11,765, yet the City serves a trading area of about 70,000 persons. Principal economic activities are agriculture, aluminum smelting and alloys and tourism, along with healthcare, 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 sweet cherry trees around the City. Wheat is another important agricultural product with 50,000 acres currently in cultivation in The Dalles area. Additional agricultural products include cattle, hay and tree fruits.

Northwest Aluminum Company is the largest manufacturing employer in the area. In addition to the production of primary metals, several years ago the firm added a sixteen million-dollar smelter facility allowing a move into production of secondary metals.

Tourism continues to be 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 treasured natural resource asset, as are the spectacular views of the Cascade Mountains and the Columbia Plateau from 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 sightsee. To the west, ski enthusiasts 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.

Construction of the Columbia Gorge National Scenic Area Discovery Center and Wasco County Museum was completed in May 1997, in time to open for the Memorial Day weekend. The Center is located along the Columbia River bordering the City. Thousands of visitors are expected annually at this attraction. About 100,000 visited during its first year of operation. It has become a center for many community festivities.

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.

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

Through a competitive process, The Dalles was selected as the site for a 150 bed Veterans' long-term nursing and care home. The facility opened in November 1997, currently providing 136 jobs and has 85 residents.

The Dalles is the major shopping center in the Mid-Columbia area. The last few years, several retail developments have been completed in the community.

The City has an Urban Renewal District that is working to renovate the older commercial areas of the community. In 1996, a Phase 1 Downtown Renovation Project was completed.

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 had no significant impact on the 1996-97 property tax collections, as the City moved out from under compression. It is estimated that there will be no significant impact on the City resulting from Measure 5 for the 1997-98 year.

In November 1996, the voters of the State approved Ballot Measure 47, placing further limitations on property taxes in Oregon. The measure called for rolling property tax bills back to 1994-95 levels, or 1995-96 levels less 10%, and capping future growth in tax bills at 3% per year. The measure had several other components relating to property taxes, assessed value, bonded debt and fees charged by governments. In addressing the implementation of the measure, the Oregon Legislature put another measure on the May 1997 ballot. This measure, Ballot Measure 50, incorporated the main concepts, while attempting to simplify many of the complexities of the previous measure. Ballot Measure 50 was passed at the May election, and the Legislature enacted implementing legislation, calling for a reduction in property taxes of 17% statewide. While impacts to specific areas may be greater or less than the target 17%, the legislation calls for maintaining the statewide average at 17%. The impact of Ballot Measure on the City was a \$204,470 reduction in property tax collections relative to the prior fiscal year.

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 remained relatively stable during the 1997-98 fiscal year.

## **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 completed in 1993-94. Additional improvements to the plant including ultra violet disinfection and outfall projects were completed during 1996-97. The City entered into a new 5-year contract for wastewater treatment operations at the City Treatment Plant in fiscal year 1996-97.

The City purchased a site for a wastewater treatment expansion in 1997-98. During 1998-99, the City will update its wastewater master plan. A 5-year water and wastewater capital improvement plan was implemented in 1997-98.

### **Street Master Plan**

A Street Master Plan study was initiated during 1991-92 and completed during 1993-94. Future needs as well as scheduled repair and preventive maintenance is addressed by this program. A 5-year capital improvement plan has been implemented for street development. Continuing work in connection with this plan was budgeted for 1997-98.

### **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. The City received a grant from the FAA for taxiway extensions and other improvements. These improvements were completed during 1995-96. Further improvements to the airport, funded in part by the FAA, are in the planning stages, and are expected to commence during 1998-99.

### **Columbia Gateway Urban Renewal Agency**

The Columbia Gateway Urban Renewal Agency, a component unit of the City of the Dalles, operated throughout the 1997-98 fiscal year. The Agency consists of an Urban Renewal District, formed by the citizens, to resolve issues of blight within the boundaries of the District. The Agency did levy and collect tax increment proceeds during 1997-98. With the passage of Ballot Measure 50, future collections of tax increment proceeds will be significantly higher. The Agency is working with a consultant and the Oregon Department of Revenue to maximize benefits to the District in the implementation of the measure.

## FINANCIAL INFORMATION

### Accounting System and Budgetary Controls

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

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

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

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council. 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, 1998. 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 that 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 investment earnings. The City co-mingles 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), highways and streets, culture and recreation, capital outlay, debt service, 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 \$5,467,984, compared to \$5,171,810 in 1996-97, an increase of \$296,174 (5.7%). This increase is due primarily to additional property taxes received by the Urban Renewal Agency. General property taxes accounted for 37.2 percent of general revenue compared to 30.2 percent in 1996-97. There were three other significant changes in general revenue sources:

- 1). Charges for service dropped \$162,422, reversing a similar increase in 1996-97 associated with the dedication of a portion of the State Office Building lease to the Police Station Debt Retirement Fund.
- 2). The almost \$1.2 million reduction in "other financing" was because of the issuance of the police bond in 1996-97 which inflated that line item.
- 3). Special assessments increased 86.5 per cent because of a major Local Improvement District project (Cherry Heights extension)

The following table compares revenue and other financing sources for 1997-98 with increases or (decreases) compared to 1996-97.

<u>Revenue Sources</u>	<u>Amount of Revenue</u>	<u>Percentage of Total</u>	<u>Increase From Prior Year</u>	<u>Increase (Decrease)</u>
Taxes: Property	\$2,245,839	37.2 %	\$154,774	6.9 %
Other	<u>566,698</u>	9.4 %	<u>(34,921)</u>	-6.2 %
	2,812,537	46.6 %	119,853	4.5%
Franchise Fees	248,688	4.1%	(1,603)	-0.6%
Intergovernmental	1,350,496	22.4%	177,590	15.1%
Charges for Services	171,570	2.9%	(162,422)	-48.6%
Fines & Forfeitures	168,922	2.8%	23,100	15.8%
Interest on Investments	242,908	4.0%	84,331	53.2%
Special Assessments	261,614	4.4%	121,383	86.5%
Miscellaneous	<u>211,249</u>	3.5%	<u>(66,058)</u>	-23.8%
	5,467,984	90.7%	296,174	5.7%
Other Financing Sources	<u>563,037</u>	9.3%	<u>(1,186,956)</u>	-67.8%
Total Resources	<u>\$6,031,021</u>	<u>100.0 %</u>	<u>\$ (890,782)</u>	-12.9 %



The tabulation shows that property taxes were a major revenue source in 1997-98. In May of 1997, the voters of Oregon approved a major renovation of the state's property tax system. This resulted in a reduction of property taxes to the General Fund of \$204,470. The legislation that implemented Ballot Measure 50 made it possible for the City to collect, for the first time, 100% of Urban Renewal division of property taxes. This resulted in an additional \$376,821 of urban Renewal property taxes. A comparative tabulation of property taxes by fund is shown below:

	<u>1997-1998</u>	<u>Percent of Total</u>	<u>1996-1997</u>	<u>Percent of Total</u>
General Fund	\$1,289,307	57.4%	\$1,493,777	71.5%
Water Bond Debt Fund	353,202	15.7%	370,779	17.7%
Columbia Gateway Urban Renewal Agency	<u>603,330</u>	<u>26.9%</u>	<u>226,509</u>	<u>10.8%</u>
Total	<u>\$2,245,839</u>	<u>100.0%</u>	<u>\$2,091,065</u>	<u>100%</u>

Expenditures/Other Financing Uses

Expenditures for general government fund types increased from \$5,276,523 in 1996-97 to \$5,513,234 in 1997-98. The following table compares expenditures by major functions and other financing uses for 1997-98 with increases and (decreases) as compared to 1996-97.

	<u>Amount of Expenditure</u>	<u>Percentage of Total</u>	<u>Increase (Decrease) From Prior Year</u>	<u>Percent of Increase (Decrease)</u>
General Government	\$1,734,701	29.1%	\$(227,191)	-11.6%
Public Safety	1,272,708	21.3%	(34,687)	-2.7 %
Highway and Streets	774,485	13.0%	(66,192)	-7.9 %
Culture and Recreation	306,413	5.1%	(209,986)	-40.7 %
Capital Outlay	917,209	15.4%	639,490	230.3%
Debt Service	<u>507,718</u>	<u>8.5%</u>	<u>135,277</u>	<u>36.3%</u>
	5,513,234	92.4%	236,711	4.5 %
Other Financing Uses	<u>456,611</u>	<u>7.6%</u>	<u>67,171</u>	<u>17.2%</u>
Total Uses	<u>\$5,969,845</u>	<u>100.0 %</u>	<u>\$303,882</u>	<u>5.4 %</u>

**NOTE:** This table includes expenditures of all general government fund types including general, special revenue, debt service, capital projects funds and the City's component unit.

Expenditures for general government decreased \$227,191 or 11.6 percent primarily due to a reduction of activity in the Special Assessments Fund relating to local improvement district projects as compared to the prior year.

Culture and recreation expenditures decreased significantly in 1997-98. The decrease is partly attributable to decreased service levels at the library, which was reduced from 6 days of operation to 5 days in 1997-98, due to decreased funding under Ballot Measure 50 property tax funding. Additionally, a change in how motel tax funds were distributed to the Chamber of Commerce has caused a reduction.

Capital outlay in the Capital Projects Fund increased sharply \$639,490 compared to 1996-97, relating to the purchase of the PUD Building for a new police station.

The increase in Debt Service is the new Police Department Revenue Bond.

**Enterprise Funds**

**Water Utility**

Gross revenues of the water utility decreased from \$2,393,331 in 1996-97 to \$2,143,703 in 1997-98, or \$249,628. A comparative tabulation of gross revenue is shown below.

	<u>1997-1998</u>	<u>1996-1997</u>	<u>Increase (Decrease)</u>
Service Charges and Fees	\$2,014,789	\$2,121,781	(106,992)
Interest on Investments	119,672	76,371	43,301
Other Non-Operating Income	<u>9,242</u>	<u>195,179</u>	<u>(185,937)</u>
Totals	<u>\$2,143,703</u>	<u>\$2,393,331</u>	<u>\$(249,628)</u>

Gross revenues of the water utility decreased relative to the previous year as indicated in the table. The decrease in non-operating revenues is primarily due to timber harvest receipts in 1996-97 that was not duplicated this year. Service charges and fees decreased 5.1% under the second full fiscal year using metered water rates. Those metered rates were implemented in March of 1996. The first year of metered rates had shown a 12.7% increase from FY 1995-96. This swing in rate collection is to be expected with a consumption-based system that is affected by the weather.

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

	<u>1997-1998</u>	<u>1996-1997</u>	<u>Increase (Decrease)</u>
Salaries and Wages	\$791,070	\$763,071	\$27,999
Operations and Maintenance	277,211	221,651	55,560
General Administration	201,981	398,087	(196,106)
Depreciation	354,281	343,354	10,927
General Fund Administrative Charge	<u>245,297</u>	<u>199,542</u>	<u>45,755</u>
Total	<u>\$1,869,840</u>	<u>\$1,925,705</u>	<u>\$(55,865)</u>

### Wastewater Utility

Gross revenues of the wastewater utility decreased from \$1,899,039 in 1996-97 to \$1,866,037 in 1997-98, or \$33,002, the primary decrease was in user fees. A comparative tabulation of gross revenues is shown in the following table:

	<u>1997-1998</u>	<u>1996-1997</u>	<u>Increase (Decrease)</u>
Service Charges and Fees	\$1,724,469	\$1,779,811	\$(55,342)
Interest on Investments	127,580	100,329	27,251
Other Non-Operating Income	<u>13,988</u>	<u>18,899</u>	<u>(4,911)</u>
Totals	<u>\$1,866,037</u>	<u>\$1,899,039</u>	<u>\$(33,002)</u>

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

	<u>1997-1998</u>	<u>1996-1997</u>	<u>Increase (Decrease)</u>
Salaries and Wages	\$341,580	\$323,574	\$18,006
Operations and Maintenance	661,373	680,860	(19,487)
General Administration	67,933	76,930	(8,997)
Depreciation	247,043	201,593	45,450
General Fund Administrative Charge	<u>192,319</u>	<u>111,070</u>	<u>81,249</u>
Total	<u>\$1,510,248</u>	<u>\$1,394,027</u>	<u>\$116,221</u>

### Airport

Gross revenues increased from \$81,677 in 1996-97 to \$108,885 in 1997-98, or \$27,208. The transfers from the General Fund to the Airport Fund were the primary sources of the increase. A comparative tabulation is shown below:

	<u>1997-1998</u>	<u>1996-1997</u>	<u>Increase (Decrease)</u>
Service Charges and Fees	\$1,516	\$16,259	\$(14,743)
Rental Income	11,900	18,117	(6,217)
Interest on Investments	607	887	(280)
Other Non-Operating Income	<u>94,862</u>	<u>46,414</u>	<u>48,448</u>
Totals	<u>\$108,885</u>	<u>\$81,677</u>	<u>\$27,208</u>

Operating expenses of the Airport Fund increased slightly during 1997-98 as compared to the prior year.

A comparative tabulation of operating expenses is shown below:

	<u>1997-1998</u>	<u>1996-1997</u>	<u>Increase (Decrease)</u>
Salaries and Wages	\$ 125	\$ 5,155	\$ (5,030)
Operations and Maintenance	77,499	54,230	23,269
Depreciation	<u>9,583</u>	<u>21,923</u>	<u>(12,340)</u>
Total	<u>\$87,207</u>	<u>\$81,308</u>	<u>\$ 5,899</u>

### Agency Funds

Deferred compensation of current and former City employees is accounted for in the Deferred Compensation Agency Fund. A qualified deferred compensation plan is available to all City employees. The fund had a net increase of \$67,038 in assets and liabilities during 1997-98.

### 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 the enterprise funds. As of June 30, 1998, the general fixed assets of the City amounted to \$5,061,992. 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 increase in the General Fixed Asset Account Group relative to 1996-97 reflects the net of acquisition and disposition of assets.

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

Long-term indebtedness totaled \$2,125,395 as of June 30, 1998. This total is represented by the following:

<u>City of The Dalles:</u>	
1993 Advance Refunding General Obligation Bonds	\$ 975,000
1997 Police Facility Revenue Bonds	1,005,000
Note Payable to Columbia River Bank	39,663
Compensated Absences Payable	<u>105,732</u>
Total	<u>\$2,125,395</u>

The City's long-term debt per capita is \$182.44 based upon an estimated population of 11,650, as of June 30, 1998.

The ratio of the City's long-term debt to the assessed valuation as of June 30, 1997, is less than one half of one percent.

## RISK MANAGEMENT

The City continued to review and evaluate its risk management program during 1997-98. A citywide safety program with regular committee meetings and inspections is in force.

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, Yergen and Meyer, LLP, 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 (CAFR) for the fiscal year ended June 30, 1997. 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 a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

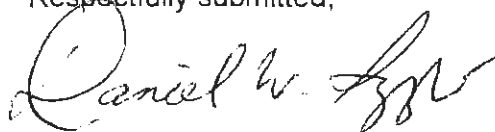
A Certificate of Achievement is valid for one year only. The City of The Dalles, Oregon, has received a Certificate of Achievement for the fiscal year ended June 30, 1997. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are again submitting it to the GFOA.

### Acknowledgments

The preparation of this report on a timely basis has been accomplished through the diligent efforts of the Finance Department's entire staff. I should like to express my appreciation to all the members of this department for their assistance and contributions to its preparation. I also

thank the Mayor and members of City Council for their interest and support in planning and conducting the financial operations of the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Daniel W. Izzo". The signature is written in a cursive style with a large initial "D".

Daniel W. Izzo  
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, 1997

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.



*Linda K. Savitsky*  
President

*Jeffrey L. Esser*  
Executive Director



CITY OF THE DALLES, OREGON

OFFICIALS OF THE CITY  
JUNE 30, 1998

CITY COUNCIL

	<u>Term Expires</u> <u>December 31,</u>
David R. Beckley, Mayor 623 East Brentwood The Dalles, Oregon 97058 Resigned - effective July 14, 1998	1998
Sean Barrett 512 Liberty Street The Dalles, Oregon 97058	1998
Mary Ann Davis 1814 East 14th Street The Dalles, Oregon 97058	2000
Bill Gosiak P.O. Box 1150 The Dalles, Oregon 97058	2000
Bob McFadden 2904 Old Dufur Road The Dalles, Oregon 97058	1998
Robb Van Cleave 912 E. 15th Place The Dalles, Oregon 97058 Mayor Pro-tem	1998

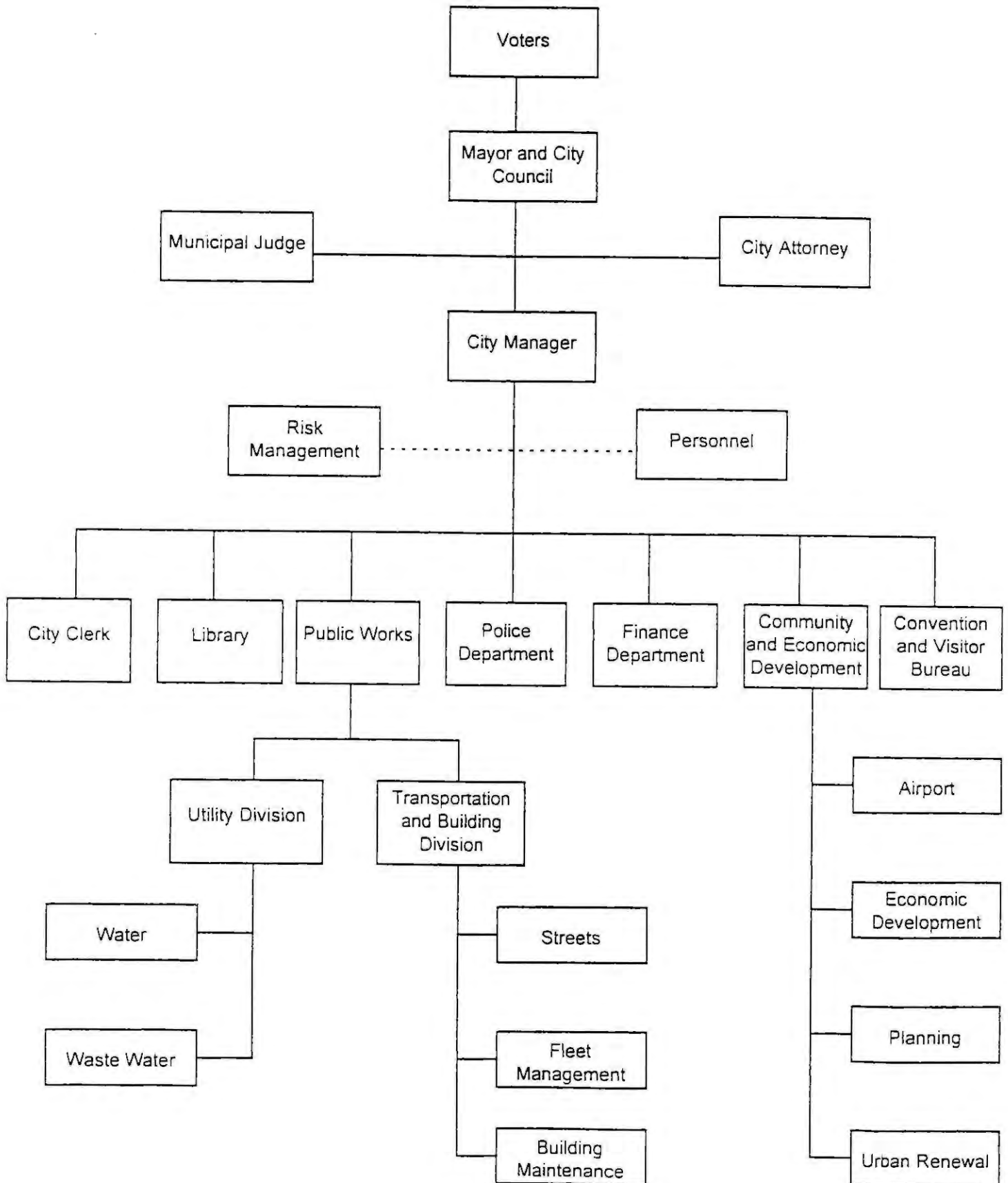
CITY ADMINISTRATION

Nolan Young	City Manager - Budget Officer
Julie Krueger	City Clerk
Robert G. Moody, Jr. Resigned - effective April 4, 1998	Finance Director/Treasurer
Daniel W. Izzo Effective July 1, 1998	Finance Director/Treasurer
Gene E. Parker	City Attorney

CITY ADDRESS

City Hall  
313 Court Street  
The Dalles, Oregon 97058

# CITY OF THE DALLES, OREGON ORGANIZATION CHART







## INDEPENDENT AUDITOR'S REPORT

110 SE First St.  
P.O. Box 1533  
Pendleton, OR 97801  
Phone: (541) 276-6862  
Fax: (541) 276-9040  
[www.yergen.com](http://www.yergen.com)

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, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of The Dalles', Oregon management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The City of The Dalles has included such disclosures in Notes to General Purpose Financial Statements. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the City of The Dalles' disclosures with respect to the year 2000 issue made in Notes to General Purpose Financial Statements. Further, we do not provide assurance that the City of The Dalles is or will be year 2000 ready, that

Portland  
Bellevue  
Eugene  
Medford  
North Bend  
Chehalis  
Pendleton  
Astoria



**INDEPENDENT AUDITOR'S REPORT (Continued)**

City Council  
City of The Dalles  
Page 2

the City of The Dalles' year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City of The Dalles does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of The Dalles, Oregon, as of June 30, 1998, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 4, 1998, on our consideration of the City of The Dalles' internal control structure and on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the financial section of the table of contents are presented for purposes of additional analysis and are 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.

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.



**YERGEN AND MEYER, LLP**  
Certified Public Accountants

December 4, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS**







**CITY OF THE DALLES, OREGON**

**COMBINED BALANCE SHEET  
ALL FUND TYPES, ACCOUNT GROUPS  
AND DISCRETELY PRESENTED COMPONENT UNIT**

**JUNE 30, 1998**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>				
<b>Assets:</b>				
Cash and cash equivalents	\$ 1,249,440	\$ 1,073,933	\$ 160,368	\$ 1,262,193
Collections held by the county	13,384	-	3,315	-
Receivables	512,900	72,611	32,378	287,399
Inventories	-	-	-	-
Restricted assets - cash and cash equivalents	-	-	-	-
Fixed assets, net	-	-	-	-
<b>OTHER DEBITS:</b>				
Amount available for debt service	-	-	-	-
Amount to be provided for retirement of general long term debt	-	-	-	-
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 1,775,724</b>	<b>\$ 1,146,544</b>	<b>\$ 196,061</b>	<b>\$ 1,549,592</b>
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>				
<b>LIABILITIES:</b>				
Accounts payable	\$ 100,178	\$ 152,467	\$ -	\$ 2,420
Accounts payable from restricted assets	-	-	-	-
Customer deposits	40	-	-	-
Retainage payable	-	-	-	5,164
Compensated absences payable	22,992	4,721	-	-
Deferred compensation payable	-	-	-	-
Deferred revenues:				
Property taxes	116,825	-	29,318	-
Assessment liens	-	-	-	287,399
Other	226,694	-	-	-
Notes payable	-	-	-	-
Contracts payable from restricted assets	-	-	-	-
General obligation bonds payable	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>466,729</b>	<b>157,188</b>	<b>29,318</b>	<b>294,983</b>
<b>FUND EQUITY AND OTHER CREDITS:</b>				
<b>OTHER CREDITS:</b>				
Investment in general fixed assets	-	-	-	-
<b>FUND EQUITY:</b>				
Contributed capital	-	-	-	-
Retained earnings:				
Reserved for construction	-	-	-	-
Unreserved	-	-	-	-
Fund balances (deficits):				
Reserved for debt service	-	-	166,743	-
Reserved for tourism agency	-	-	-	-
Unreserved:				
Undesignated	1,308,995	989,356	-	1,254,609
<b>TOTAL FUND EQUITY (DEFICIT) AND OTHER CREDITS</b>	<b>1,308,995</b>	<b>989,356</b>	<b>166,743</b>	<b>1,254,609</b>
<b>TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>	<b>\$ 1,775,724</b>	<b>\$ 1,146,544</b>	<b>\$ 196,061</b>	<b>\$ 1,549,592</b>

See notes to general purpose financial statements.

Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Groups		Totals Primary Government (Memorandum Only)	Component Unit-Columbia Gateway Urban Renewal Agency	Totals Reporting Entity (Memorandum Only)
		General Fixed Assets	General Long-Term Debt			
\$ 1,531,388	\$ -	\$ -	\$ -	\$ 5,277,322	\$ 781,988	\$ 6,059,310
107	-	-	-	16,806	3,958	20,764
320,128	-	-	-	1,225,416	38,380	1,263,796
200,365	-	-	-	200,365	-	200,365
2,190,133	248,546	-	-	2,438,679	-	2,438,679
15,140,364	-	5,061,992	-	20,202,356	-	20,202,356
-	-	-	166,743	166,743	-	166,743
-	-	-	1,958,652	1,958,652	-	1,958,652
<u>\$ 19,382,485</u>	<u>\$ 248,546</u>	<u>\$ 5,061,992</u>	<u>\$ 2,125,395</u>	<u>\$ 31,486,339</u>	<u>\$ 824,326</u>	<u>\$ 32,310,665</u>
\$ 182,975	\$ 1,092	\$ -	\$ -	\$ 439,132	\$ 62,061	\$ 501,193
36,771	-	-	-	36,771	-	36,771
-	-	-	-	40	-	40
1,493	-	-	-	6,657	-	6,657
61,503	-	-	105,732	194,948	-	194,948
-	248,457	-	-	248,457	-	248,457
-	-	-	-	146,143	35,339	181,482
-	-	-	-	287,399	-	287,399
-	-	-	-	226,694	-	226,694
-	-	-	39,663	39,663	-	39,663
304,936	-	-	-	304,936	-	304,936
-	-	-	1,980,000	1,980,000	-	1,980,000
<u>587,678</u>	<u>249,549</u>	<u>-</u>	<u>2,125,395</u>	<u>3,910,840</u>	<u>97,400</u>	<u>4,008,240</u>
-	-	5,061,992	-	5,061,992	-	5,061,992
3,010,077	-	-	-	3,010,077	-	3,010,077
3,269,562	-	-	-	3,269,562	-	3,269,562
12,515,168	-	-	-	12,515,168	-	12,515,168
-	-	-	-	166,743	-	166,743
-	(1,003)	-	-	(1,003)	-	(1,003)
-	-	-	-	3,552,960	726,926	4,279,886
<u>18,794,807</u>	<u>(1,003)</u>	<u>5,061,992</u>	<u>-</u>	<u>27,575,499</u>	<u>726,926</u>	<u>28,302,425</u>
<u>\$ 19,382,485</u>	<u>\$ 248,546</u>	<u>\$ 5,061,992</u>	<u>\$ 2,125,395</u>	<u>\$ 31,486,339</u>	<u>\$ 824,326</u>	<u>\$ 32,310,665</u>

**CITY OF THE DALLES, OREGON**

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

**YEAR ENDED JUNE 30, 1998**

	Governmental Fund Types				Totals Primary Government (Memorandum Only)	Component Unit-Columbia Gateway Urban Renewal Agency	Totals Reporting Entity (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects			
	<b>REVENUES:</b>						
Taxes	\$ 1,552,583	\$ 303,422	\$ 353,202	\$ -	\$ 2,209,207	\$ 603,330	\$ 2,812,537
Special assessment collections	-	-	-	261,614	261,614	-	261,614
Intergovernmental	572,625	563,717	164,154	50,000	1,350,496	-	1,350,496
Franchise fees	248,688	-	-	-	248,688	-	248,688
Fines and forfeitures	168,922	-	-	-	168,922	-	168,922
Charges for services	-	161,570	-	10,000	171,570	-	171,570
Investment income	72,249	56,915	24,779	61,894	215,837	27,071	242,908
Miscellaneous	76,264	58,771	186	50	135,271	100	135,371
<b>Total revenues</b>	<b>2,691,331</b>	<b>1,144,395</b>	<b>542,321</b>	<b>383,558</b>	<b>4,761,605</b>	<b>630,501</b>	<b>5,392,106</b>
<b>EXPENDITURES:</b>							
Current:							
General government	1,071,108	255,047	30,368	281,483	1,638,006	96,695	1,734,701
Public safety	1,272,708	-	-	-	1,272,708	-	1,272,708
Highway and streets	-	774,485	-	-	774,485	-	774,485
Culture and recreation	306,413	-	-	-	306,413	-	306,413
Capital outlay	79,980	215,196	-	622,033	917,209	-	917,209
Debt service:							
Principal	-	-	402,915	-	402,915	-	402,915
Interest	-	-	104,803	-	104,803	-	104,803
<b>Total expenditures</b>	<b>2,730,209</b>	<b>1,244,728</b>	<b>538,086</b>	<b>903,516</b>	<b>5,416,539</b>	<b>96,695</b>	<b>5,513,234</b>
Revenues over (under) expenditures	(38,878)	(100,333)	4,235	(519,958)	(654,934)	533,806	(121,128)
<b>OTHER FINANCING SOURCES (USES):</b>							
Operating transfers in	362,329	156,878	-	119,708	638,915	-	638,915
Operating transfers out	(368,413)	(62,053)	-	(26,145)	(456,611)	-	(456,611)
<b>Total other financing sources (uses)</b>	<b>(6,084)</b>	<b>94,825</b>	<b>-</b>	<b>93,563</b>	<b>182,304</b>	<b>-</b>	<b>182,304</b>
Revenues and other financing sources over (under) expenditures and other financing uses	(44,962)	(5,508)	4,235	(426,395)	(472,630)	533,806	61,176
<b>FUND BALANCES, July 1, 1997</b>	<b>1,353,957</b>	<b>994,864</b>	<b>162,508</b>	<b>1,681,004</b>	<b>4,192,333</b>	<b>193,120</b>	<b>4,385,453</b>
<b>FUND BALANCES, June 30, 1998</b>	<b>\$ 1,308,995</b>	<b>\$ 989,356</b>	<b>\$ 166,743</b>	<b>\$ 1,254,609</b>	<b>\$ 3,719,703</b>	<b>\$ 726,926</b>	<b>\$ 4,446,629</b>

See notes to general purpose financial statements.



**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, 1998**

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavor- able)	Budget	Actual	Variance Favorable (Unfavor- able)
<b>REVENUES:</b>						
Taxes	\$1,502,533	\$1,552,583	\$ 50,050	\$ 310,000	\$ 303,422	\$ (6,578)
Special assessment collections	-	-	-	-	-	-
Intergovernmental	547,341	572,625	25,284	794,710	563,717	(230,993)
Franchise fees	259,813	248,688	(11,125)	-	-	-
Fines and forfeitures	129,000	168,922	39,922	-	-	-
Charges for services	-	-	-	304,422	161,570	(142,852)
Investment income	60,588	72,249	11,661	35,066	56,915	21,849
Miscellaneous	173,087	76,264	(96,823)	97,378	58,771	(38,607)
<b>Total revenues</b>	<b>2,672,362</b>	<b>2,691,331</b>	<b>18,969</b>	<b>1,541,576</b>	<b>1,144,395</b>	<b>(397,181)</b>
<b>EXPENDITURES:</b>						
Current:						
General government	2,158,108	1,071,108	1,087,000	519,675	255,047	264,628
Public safety	1,310,170	1,272,708	37,462	-	-	-
Highway and streets	-	-	-	919,372	774,485	144,887
Culture and recreation	319,625	306,413	13,212	-	-	-
Capital outlay	88,015	79,980	8,035	558,950	215,196	343,754
Contingency	-	-	-	83,829	-	83,829
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total expenditures</b>	<b>3,875,918</b>	<b>2,730,209</b>	<b>1,145,709</b>	<b>2,081,826</b>	<b>1,244,728</b>	<b>837,098</b>
Revenues over (under) expenditures	(1,203,556)	(38,878)	1,164,678	(540,250)	(100,333)	439,917
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	362,329	362,329	-	81,000	156,878	75,878
Operating transfers out	(368,413)	(368,413)	-	(62,053)	(62,053)	-
Bond proceeds	-	-	-	-	-	-
<b>Total other financing Sources (uses)</b>	<b>(6,084)</b>	<b>(6,084)</b>	<b>-</b>	<b>18,947</b>	<b>94,825</b>	<b>75,878</b>
Revenues and other financing sources over (under) expenditures and other financing uses	(1,209,640)	(44,962)	1,164,678	(521,303)	(5,508)	515,795
<b>FUND BALANCES, July 1, 1997</b>	<b>1,209,640</b>	<b>1,353,957</b>	<b>144,317</b>	<b>704,403</b>	<b>994,864</b>	<b>290,461</b>
<b>FUND BALANCES, June 30, 1998</b>	<b>\$ -</b>	<b>\$ 1,308,995</b>	<b>\$ 1,308,995</b>	<b>\$ 183,100</b>	<b>\$ 989,356</b>	<b>\$ 806,256</b>

See notes to general purpose financial statements.

Debt Service Funds			Capital Projects Funds			Totals City of The Dalles (Memorandum Only)		
Budget	Actual	Variance Favorable (Unfavor- able)	Budget	Actual	Variance Favorable (Unfavor- able)	Budget	Actual	Variance Favorable (Unfavor- able)
\$ 351,670	\$ 353,202	\$ 1,532	\$ -	\$ -	\$ -	\$ 2,164,203	\$ 2,209,207	\$ 45,004
63,750	-	(63,750)	188,947	261,614	72,667	252,697	261,614	8,917
174,154	164,154	(10,000)	1,295,708	50,000	(1,245,708)	2,811,913	1,350,496	(1,461,417)
-	-	-	-	-	-	259,813	248,688	(11,125)
-	-	-	-	-	-	129,000	168,922	39,922
-	-	-	10,000	10,000	-	314,422	171,570	(142,852)
9,150	24,779	15,629	20,000	61,894	41,894	124,804	215,837	91,033
-	186	186	-	50	50	270,465	135,271	(135,194)
<u>598,724</u>	<u>542,321</u>	<u>(56,403)</u>	<u>1,514,655</u>	<u>383,558</u>	<u>(1,131,097)</u>	<u>6,327,317</u>	<u>4,761,605</u>	<u>(1,565,712)</u>
19,900	30,368	(10,468)	1,652,896	281,483	1,371,413	4,350,579	1,638,006	2,712,573
-	-	-	-	-	-	1,310,170	1,272,708	37,462
-	-	-	-	-	-	919,372	774,485	144,887
-	-	-	-	-	-	319,625	306,413	13,212
-	-	-	2,342,004	622,033	1,719,971	2,988,969	917,209	2,071,760
-	-	-	-	-	-	83,829	-	83,829
407,010	402,915	4,095	-	-	-	407,010	402,915	4,095
<u>139,040</u>	<u>104,803</u>	<u>34,237</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>139,040</u>	<u>104,803</u>	<u>34,237</u>
<u>565,950</u>	<u>538,086</u>	<u>27,864</u>	<u>3,994,900</u>	<u>903,516</u>	<u>3,091,384</u>	<u>10,518,594</u>	<u>5,416,539</u>	<u>5,102,055</u>
<u>32,774</u>	<u>4,235</u>	<u>(28,539)</u>	<u>(2,480,245)</u>	<u>(519,958)</u>	<u>1,960,287</u>	<u>(4,191,277)</u>	<u>(654,934)</u>	<u>3,536,343</u>
-	-	-	119,708	119,708	-	563,037	638,915	75,878
-	-	-	(26,145)	(26,145)	-	(456,611)	(456,611)	-
-	-	-	750,000	-	(750,000)	750,000	-	(750,000)
-	-	-	<u>843,563</u>	<u>93,563</u>	<u>(750,000)</u>	<u>856,426</u>	<u>182,304</u>	<u>(674,122)</u>
32,774	4,235	(28,539)	(1,636,682)	(426,395)	1,210,287	(3,334,851)	(472,630)	2,862,221
<u>168,432</u>	<u>162,508</u>	<u>(5,924)</u>	<u>1,636,682</u>	<u>1,681,004</u>	<u>44,322</u>	<u>3,719,157</u>	<u>4,192,333</u>	<u>473,176</u>
<u>\$ 201,206</u>	<u>\$ 166,743</u>	<u>\$ (34,463)</u>	<u>\$ -</u>	<u>\$ 1,254,609</u>	<u>\$ 1,254,609</u>	<u>\$ 384,306</u>	<u>\$ 3,719,703</u>	<u>\$ 3,335,397</u>



CITY OF THE DALLES, OREGON

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

YEAR ENDED JUNE 30, 1998

	<u>Enterprise</u>
<b>OPERATING REVENUES:</b>	
Service charges and fees	\$ 3,739,773
Rental income	11,900
Other operating income	<u>118,092</u>
 Total operating revenues	 <u>3,869,765</u>
 <b>OPERATING EXPENSES:</b>	
Salaries and benefits	1,132,775
Operations and maintenance	1,016,083
General administration	269,914
General Fund administrative charge	437,616
Depreciation	<u>610,907</u>
 Total operating expenses	 <u>3,467,295</u>
 Operating income	 402,470
 <b>NONOPERATING INCOME:</b>	
Interest earnings	<u>247,859</u>
 Net income	 650,329
 <b>RETAINED EARNINGS, July 1, 1997, as restated</b>	 <u>15,134,401</u>
 <b>RETAINED EARNINGS, June 30, 1998</b>	 <u>\$ 15,784,730</u>
 Comprised as follows:	
Reserved for construction	\$ 3,269,562
Unreserved	<u>12,515,168</u>
	 <u>\$ 15,784,730</u>

See notes to general purpose financial statements.

CITY OF THE DALLES, OREGON

**COMBINED STATEMENT OF CASH FLOWS  
PROPRIETARY FUND TYPE**

YEAR ENDED JUNE 30, 1998

	<u>Enterprise</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Operating income	\$ 402,470
Adjustments to reconcile operating income to net cash provided by operations:	
Depreciation	610,907
Change in current assets and liabilities:	
Receivables - as restated	(34,559)
Inventories	(82,666)
Accounts payable	115,578
Retainage payable	855
Compensated absences payable	1,613
Contract payable	<u>304,936</u>
Net cash provided by operations	<u>1,319,134</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition of fixed assets	<u>(1,966,721)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest earnings	<u>247,859</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(399,728)</b>
<b>CASH AND CASH EQUIVALENTS, July 1, 1997</b>	<u>4,121,356</u>
<b>CASH AND CASH EQUIVALENTS, June 30, 1998</b>	<b>\$ <u>3,721,628</u></b>
<b>COMPRISED AS FOLLOWS:</b>	
Cash and cash equivalents	\$ 1,531,495
Restricted cash and cash equivalents	<u>2,190,133</u>
	<b>\$ <u>3,721,628</u></b>
<b>SCHEDULE OF NONCASH TRANSACTIONS:</b>	
Loss on disposal of fixed assets	<u>\$ 1,351</u>

See notes to general purpose financial statements.

**CITY OF THE DALLES, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 1998**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Reporting Entity**

**The City:**

The City of The Dalles, Oregon (the City) is organized under the general laws of the State of Oregon. The City Council, composed of the mayor and five Council members, comprises the legislative branch of the City. Individual departments are under the direction of the City Manager, who is appointed by the City Council. As required by generally accepted accounting principles, these financial statements present the City and its component unit, Columbia Gateway Urban Renewal Agency (the Agency), for which the City is considered to be financially accountable. The Agency, a discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the City. Both the City, and the Agency have June 30 year ends.

There are various other governmental agencies and special service districts which provide services within the City's boundaries. However, the City is not financially accountable for any of these entities and accordingly their financial information is not included in these financial statements.

**Discretely Presented Component Unit:**

The Agency was formed to undertake urban renewal projects and activities pursuant to the City's redevelopment plan. The Board of Directors of the Agency consists of the Mayor and the five elected City Council members, and an additional five non-council members appointed by the City Council. The City is required to certify to the County Assessor any incremental taxes to be levied for the benefit of the Agency. The City has the ability to significantly influence the operations and provides a financial benefit to the Agency. The Agency's financial information is presented as a governmental fund type.

Financial statements for the Agency may be obtained at the City's administrative offices, 313 Court Street, The Dalles, Oregon 97058.

**CITY OF THE DALLES, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 1998**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting and Basis of Presentation**

The accounts of the City are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

The City has the following fund types and account groups:

**Governmental Fund Types:**

Governmental funds - Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e. when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term obligations which is recognized when due, and certain compensated absences which are recognized when the obligation is expected to be liquidated with expendable available financial resources.

Property taxes, franchise fees, state shared revenues, transient room taxes and local fuel taxes are susceptible to accrual. Other receipts become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlement revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

**CITY OF THE DALLES, OREGON**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 1998**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Governmental Fund Types (Continued)**

Governmental funds include the following fund types:

General Fund

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

Special Revenue Funds

- The Special Revenue Funds account for revenue sources that are legally restricted to expenditure for specific purposes (not including major capital projects). Principal revenue sources are taxes, charges for services, rent and an allocation of state gas tax proceeds. Major expenditures are for street maintenance, general governmental operations and capital improvements.

Debt Service Funds

- The Debt Service Funds account for the payment of principal and interest on general long-term debt. The principal source of revenue is property taxes.

Capital Projects Funds

- The Capital Projects Funds account for the acquisition and construction of major capital projects other than those being financed by proprietary funds. The principal revenue sources are special assessment collections and rental of buildings.

**CITY OF THE DALLES, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 1998**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Proprietary Fund Type:**

Proprietary (Enterprise) funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City has applied all applicable Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict Governmental Accounting Standards Board (GASB) pronouncements.

These funds account for those operations that are financed and operated in a manner similar to private business or where the City Council has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. Services accounted for through Enterprise Funds are water utility, waste water utility, and the airport.

**Fiduciary Fund Type:**

Fiduciary Funds account for assets held by the City as an agent on behalf of others. The City maintains Agency Funds which are custodial in nature and do not present results of operations or have a measurement focus. Agency Funds are used to account for assets that the City holds for others in an agent capacity. The Agency Funds are accounted for on the modified accrual basis of accounting.

**General Fixed Assets Account Group:**

The General Fixed Assets Account Group is used to account for fixed assets not accounted for in the Enterprise Funds.

**General Long-Term Debt Account Group:**

The General Long-Term Debt Account Group is used to account for general long-term debt, capital leases, notes payable and the long-term portion of compensated absences as applicable.

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)**

**Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of certain assets, liabilities, revenues, expenditures, expenses and other disclosures. Accordingly, actual results could differ from those estimates.

**Assets, Liabilities and Equity**

**Cash and Cash Equivalents:**

Cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Oregon Revised Statutes authorize the City to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasurers' Short-Term Investment Pool. As of June 30, 1998, and for the year then ended, the City was in compliance with the aforementioned statutes.

Investments are stated at cost, except for investments in the Deferred Compensation Agency Fund which are reported at market value.

**Receivables:**

Property taxes are levied as of January 1 of each fiscal year on values assessed at that date. Property taxes attach as an enforceable lien on all taxable property as of July 1 and are due and payable on 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 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.

**CITY OF THE DALLES, OREGON**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 1998**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Equity (Continued)**

**Receivables (Continued):**

Assessment liens receivable in the Capital Projects Funds are recorded as receivables at the time property owners are assessed for property improvements. The liens and related interest receivable are offset by deferred revenue and accordingly, have not been recorded as revenue.

Receivables for federal and state grants, and state, county and local shared revenue are recorded as revenue in all fund types as earned. No allowance for doubtful accounts is necessary.

Receivables of the Enterprise Funds are recorded as revenue in all funds as earned. The allowance for doubtful accounts is established on a specific identification basis.

**Restricted Assets:**

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

**Fixed Assets:**

Fixed assets are recorded in the General Fixed Assets Account Group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. General fixed assets are not depreciated.

Public domain (infrastructure) general fixed assets (e.g., roads, bridges, sidewalks, storm sewers and other assets that are immovable and of value to the City) are not capitalized.

Property, plant and equipment in the Enterprise Funds are recorded at cost. Donated property, plant and equipment is recorded at its estimated fair value at the date of donation. Interest incurred during the construction phase of Enterprise Fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. No interest was capitalized in 1997 - 1998.



**CITY OF THE DALLES, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 1998**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Equity (Continued)**

Upon disposal of property, plant and equipment in the Enterprise Funds, 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.

Property, plant and equipment are depreciated in the Enterprise Funds of the City using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	45
Plant in service	45
Machinery and equipment	5-20

**Compensated Absences:**

It is the City's policy to permit employees to accumulate earned but unused vacation, holiday, and sick pay benefits. No liability is reported for unpaid accumulated sick pay benefits. Vacation and holiday pay is accrued when incurred in the Enterprise Funds and recorded as a liability. Vacation and holiday pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability in the Governmental Funds. Amounts not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group.

**Long-Term Debt:**

The City reports long-term debt at face value in the General Long-Term Debt Account Group. Certain other obligations, such as capital leases, notes payable and compensated absences, not expected to be financed with current available financial resources are also reported in the General Long-Term Debt Account Group. These obligations are to be repaid from governmental fund resources.

**CITY OF THE DALLES, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 1998**

**SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Assets, Liabilities and Equity (Continued)**

**Long-Term Debt (Continued)**

For Governmental Funds, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source, net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures

**Fund Equity:**

Reservations of fund balance represent amounts that are legally segregated for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Contributed capital in the Enterprise Funds represent 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 Enterprise 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.
- Fixed assets contributed by developers.

**Memorandum Only Total Columns**

Total Columns on the general purpose financial statements are captioned "Totals Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles.

**CITY OF THE DALLES, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 1998**

**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**Budgetary Information**

Generally, Oregon Local Budget Law requires annual budgets be adopted for all funds except agency funds. The modified accrual basis of accounting is used for all budgets. All annual appropriations lapse at June 30.

The City begins its budgeting process by appointing Budget Committee members in the fall of each year. Budget recommendations are developed by management through early spring, with the Budget Committee meeting and approving the budget document in late spring. Public notices of the budget hearing are generally published in May or June and the hearing is held in June. The City Council adopts the budget, makes appropriations, and declares the tax levy no later than June 30. Expenditure appropriations may not be legally over expended, except in the case of grant receipts and bond sale proceeds which could not be reasonably estimated at the time the budget was adopted.

The ordinance authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The General Fund level of budgetary control is established at the department level for personal services, materials and services, capital outlay, operating contingency and operating transfers. For all other funds, except the Special Grants Fund, the level of budgetary control is established at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirements levels. For the Special Grants Fund, appropriations are at the grant level. The budget for the Governmental Funds includes capital outlay in each program for capital outlays applicable to that program.

Budget amounts shown in the general purpose financial statements have been revised since the original budget amounts were approved by City Council. These revisions were not significant. Management must obtain City Council authorization for all appropriation transfers and supplementary budgetary appropriations.

**CITY OF THE DALLES, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 1998**

**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**Budgetary Information (Continued)**

Appropriations lapse at the end of the fiscal year. The City overexpended its appropriations for the following when compared to the published budget.

General Fund:	
City Council Department - Materials and services	\$ (2,058)
City Manager Department - Capital outlay	(2,291)
City Clerk Department - Personal services	(10)
Finance Department - Materials and services	(11,964)
Capital outlay	(262)
Community Development Department - Capital outlay	(235)
City Hall Department - Personal services	(4,077)
Library Department - Capital outlay	(611)
Capital Projects Fund:	
F.A.A. Grant Improvement - Materials and services	(380)
Water Capital Reserve Fund:	
Materials and services	(411)
Airport Fund:	
Materials and services	(7,756)

Only one overexpenditure was noted when actual expenditures were compared to the budgets' appropriations level of control by department:

Debt service Fund:	
General government	(10,468)

The budget of the City is prepared differently from generally accepted accounting principles. Therefore, the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - All Governmental Fund Types is presented on the budgetary basis and is adjusted to the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types are presented on the generally accepted accounting principle basis.

**CITY OF THE DALLES, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 1998**

**STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

	<u>General Fund</u>	<u>Special Revenue Funds</u>
Expenditures - generally accepted accounting principles basis	\$ 2,880,209	\$ -
Agency Fund expenditures budgeted as operating transfers out	<u>(150,000)</u>	<u>-</u>
Expenditures - budgetary basis	\$ <u>2,730,209</u>	\$ <u>-</u>
Other financing sources (uses) - generally accepted accounting principles basis	\$ 143,916	\$ 18,947
Agency Fund expenditures budgeted as an operating transfer	<u>(150,000)</u>	<u>-</u>
Other financing sources (uses) - budgetary basis	\$ <u>(6,084)</u>	\$ <u>18,947</u>

**Component Unit Budget and Actual**

The following summarizes revenues, expenditures and changes in fund balance - budget and actual, for the year ended June 30, 1998, of the Columbia Gateway Urban Renewal Agency, the City's discretely presented component unit.

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Property taxes	\$ 646,428	\$ 603,330	\$ (43,098)
Interest on investments	12,734	27,071	14,337
Miscellaneous	<u>-</u>	<u>100</u>	<u>100</u>
Total revenues	<u>659,162</u>	<u>630,501</u>	<u>(28,661)</u>
Expenditures:			
Materials and services	837,562	96,695	740,867
Contingency	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total expenditures	<u>852,562</u>	<u>96,695</u>	<u>755,867</u>
Revenues over (under) expenditures	(193,400)	533,806	727,206
Fund balance, July 1, 1997	<u>193,400</u>	<u>193,120</u>	<u>(280)</u>
Fund balance, June 30, 1998	\$ <u>-</u>	\$ <u>726,926</u>	\$ <u>726,926</u>

**CITY OF THE DALLES, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 1998**

**DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**Deposits and Investments**

At June 30, 1998 the City's carrying amount of deposits was \$1,640,300 and the bank balance was \$2,264,695 . These deposits were fully covered by federal depository insurance and collateral pledged by the depository to secure the deposit of public funds. 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.

The carrying amount of deposits was \$4,163 and the bank balance for the Agency, the City's discretely presented component unit, was \$8,449, which was covered by federal depository insurance.

The City's investments consist solely of the State Treasurers' Short-Term Investment Pool - \$6,607,732 and deferred compensation assets held by a custodian, primarily annuity contracts-\$248,457. These investments are not subject to categorization under the provisions of GASB No. 3.

Cash and cash equivalents are comprised of the following:

Cash on hand	\$ 1,500
Deposits with financial institutions	1,640,300
State Treasurers' Short-Term Investment Pool (at cost)	6,607,732
Deferred compensation assets (at market)	<u>248,457</u>
	<u>\$ 8,497,989</u>
Cash and cash equivalents	\$ 6,059,310
Cash and cash equivalents - Restricted	<u>2,438,679</u>
Total per combined balance sheet	<u>\$ 8,497,989</u>

**CITY OF THE DALLES, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 1998**

**DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**Receivables**

Receivables are comprised of the following:

	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Columbia Gateway Urban Renewal Agency</u>	<u>Total</u>
Receivables:							
Taxes	\$ 244,440	\$ -	\$ 32,378	\$ -	\$ -	\$ 38,380	\$ 315,198
Accounts	51,626	72,611	-	-	324,628	-	448,865
Fines and forfeitures	216,834	-	-	-	-	-	216,834
Assessments	-	-	-	<u>287,399</u>	-	-	<u>287,399</u>
	<u>512,900</u>	<u>72,611</u>	<u>32,378</u>	<u>287,399</u>	<u>324,628</u>	<u>38,380</u>	<u>1,268,296</u>
Less: Allowance for doubtful accounts	-	-	-	-	<u>(4,500)</u>	-	<u>(4,500)</u>
	<u>\$ 512,900</u>	<u>\$ 72,611</u>	<u>\$ 32,378</u>	<u>\$ 287,399</u>	<u>\$ 320,128</u>	<u>\$ 38,380</u>	<u>\$ 1,263,796</u>

**Fixed Assets**

Changes in general fixed assets were as follows:

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 1998</u>
Land and land improvements	\$ 165,964	\$ 259,602	\$ -	\$ 425,566
Buildings and improvements	1,866,700	700,584	-	2,567,284
Machinery and equipment	<u>1,972,432</u>	<u>99,673</u>	<u>(2,963)</u>	<u>2,069,142</u>
	<u>\$ 4,005,096</u>	<u>\$ 1,059,859</u>	<u>\$ (2,963)</u>	<u>\$ 5,061,992</u>

**CITY OF THE DALLES, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 1998**

**DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**Fixed Assets (Continued)**

Enterprise Funds fixed assets at June 30, 1998, are comprised of the following:

Land and land improvements	\$	5,923,786
Buildings and improvements		4,814,262
Plant in service		7,594,730
Machinery and equipment		<u>2,552,522</u>
		20,885,300
Less: Accumulated depreciation		<u>(5,744,936)</u>
	\$	<u>15,140,364</u>

**Capital Leases**

Fiscal year end June 30, 1998 reflects no further capital leases in force. Final payment of \$65,827 was made during the year completing the capital lease listed at June 30, 1997.

**Contracts Payable**

Final contract payment of \$304,936 to the Port of The Dalles for real property and buildings. Payment is due within 15 days after Mid-Columbia Producers, Inc. signs a termination and cancellation agreement, but no later than June 30, 1999.

**Long-term Debt**

Changes in long-term debt are as follows:

	<u>Outstanding July 1, 1997</u>	<u>Matured and Redeemed</u>	<u>Outstanding June 30, 1998</u>
<b><u>General Obligation Bonds</u></b>			
1993 Advance Refunding Bonds, interest rates from 2.75% to 4.25%; payable from property taxes	\$ 1,285,000	\$ (310,000)	\$ 975,000
1997 Revenue Bonds, interest rates from 4.5% to 5.4%; payable from state office building lease proceeds	<u>1,095,000</u>	<u>(90,000)</u>	<u>1,005,000</u>
	<u>\$ 2,380,000</u>	<u>\$ (400,000)</u>	<u>\$ 1,980,000</u>



**CITY OF THE DALLES, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 1998**

**DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**Long-Term Debt (Continued)**

Notes Payable:

Due in semi-annual installments, including interest at 7.25% to 9.10%, due through March 2002

\$ 57,180                      \$ (17,517)                      \$ 39,663

Future maturities are as follows:

Year Ending June 30, _____	Bond Principal	Notes Payable Principal	Total	Bond Interest
1999	\$ 415,000	\$ 17,372	\$ 432,372	\$ 90,945
2000	420,000	18,281	438,281	73,870
2001	430,000	2,928	432,928	55,755
2002	105,000	1,082	106,082	36,930
2003	110,000	-	110,000	31,785
2004-2007	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>68,175</u>
	<u>\$1,980,000</u>	<u>\$ 39,663</u>	<u>\$2,019,663</u>	<u>\$ 357,460</u>

Changes in the General Long-Term Debt Account Group for the year ended June 30, 1998, were as follows:

	Balance July 1, 1997	Additions	Reductions	Balance June 30, 1998
Compensated absences	\$ 110,361	\$ 105,732	\$ (110,361)	\$ 105,732
General obligation bond	1,285,000	-	(310,000)	975,000
Revenue bond	1,095,000	-	(90,000)	1,005,000
Capital leases	65,827	-	(65,827)	-
Notes payable	<u>57,180</u>	<u>-</u>	<u>(17,517)</u>	<u>39,663</u>
	<u>\$ 2,613,368</u>	<u>\$ 105,732</u>	<u>\$ (593,705)</u>	<u>\$ 2,125,395</u>

**CITY OF THE DALLES, OREGON**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 1998**

**DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)**

**Operating Transfers**

Operating transfers in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Discretely Presented Component Unit do not equal because of transfers made to the Enterprise and Agency Funds. Following is a reconciliation of operating transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
Total operating transfers included in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types and Discretely Presented Component Unit	\$ 638,915	\$ 456,611
Transfers to Agency Funds:		
Tourism Agency Fund	150,000	
Transfers from Enterprise Funds:		
Shown as Administrative Charge paid to General Fund	-	437,616
Shown as Other Operating Income for the		
Airport Fund	92,705	-
Water Utility Fund	4,584	-
Waste Water Fund	<u>8,023</u>	<u>-</u>
	<u>\$ 894,227</u>	<u>\$ 894,227</u>

**OTHER INFORMATION**

**Risk Management**

The City is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City does not engage in risk financing activities where the risk is retained (self-insurance) by the City. For the past three years insurance coverage has been sufficient to cover any losses.

**CITY OF THE DALLES, OREGON**

**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**

**YEAR ENDED JUNE 30, 1998**

**OTHER INFORMATION (Continued)**

**Segment Information - Enterprise Funds**

The City maintains three Enterprise Funds. The Water Utility Fund accounts for the provision of water service, the Waste Water Fund accounts for the operations and maintenance related to collection and treatment of waste water and the Airport Fund accounts for the maintenance and operation of the Columbia Gorge Regional/The Dalles Municipal Airport located in Dallesport, Washington. Selected segment information for the year ended June 30, 1998, is as follows:

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Airport</u>	<u>Totals</u>
Operating revenues	\$ 2,023,030	\$ 1,738,457	\$ 108,278	\$ 3,869,765
Depreciation	354,281	247,043	9,583	610,907
Operating income	153,190	228,209	21,071	402,470
Net income	272,862	355,789	21,678	650,329
Fixed asset additions	563,369	1,392,178	11,174	1,966,721
Net working capital	741,844	673,618	48,848	1,464,310
Total assets	11,467,783	6,360,270	1,554,432	19,382,485
Total equity	11,245,949	5,996,313	1,552,545	18,794,807

**Deferred Compensation Plan**

The City offers all employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Substantially all plan assets are maintained by insurance companies, and are valued at market. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) solely the property of the City 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 amount for each participant. It is the opinion of the

**CITY OF THE DALLES, OREGON**  
**NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED JUNE 30, 1998**

**OTHER INFORMATION (Continued)**

**Deferred Compensation Plan (Continued)**

City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City believes it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

To conform with recent changes to Section 457, the plan must be amended to provide that all amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held for the exclusive benefit of the employees and their beneficiaries.

The amount deferred under the plan, including investment earnings thereon, totaled \$248,457 as of June 30, 1998, and is included as a restricted asset cash and cash equivalents and offset by a corresponding liability in the Agency Fund on the Combined Balance Sheet.

**Employee Retirement Plans**

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 of the City 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 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 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 payroll for employees covered by the plan for the year ended June 30, 1998, was approximately \$2,342,149 and the City's total payroll was approximately \$2,716,579. Total contributions for the year ended June 30, 1998, were approximately \$379,429 or 16.2% of the year's covered payroll.

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS (Continued)

YEAR ENDED JUNE 30, 1998

OTHER INFORMATION (Continued)

Contingencies

The City is currently assessing its computer systems and other electronic equipment to fully develop a year 2000 compliant plan. No specific budget had been developed for such compliance at the time of this report.

Certain of the City's operations are subject to regulations promulgated and administered by the Environmental Protection Agency (EPA) and the State of Oregon's Department of Environmental Quality (DEQ). The complexity of these regulations could result in remedial actions and/or civil penalties that could have an adverse effect on the City's operations.

Prior Period Adjustments

Retained earnings at July 1, 1997, for the Water Utility and Waster Water Utility funds, has been adjusted to correct an error in accounts receivable and charges and services revenue made in the fiscal year 1996 - 97. Had the error not been made, net income for the year ended June 30, 1997 would have been decreased by \$33,346 and \$22,097 for a total decrease of \$55,443.

**COMBINING INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS**



**CITY OF THE DALLES, OREGON**

**FUND DESCRIPTIONS**

**YEAR ENDED JUNE 30, 1998**

The City maintains the following funds:

**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, transient room taxes and state shared revenues. Expenditures are primarily for general government operations, public safety, and culture and recreation.

**Special Revenue Funds** - These funds are used to account for revenue from specific sources that are legally restricted to expenditures for specified purposes. Funds included in this category are:

- The Street and Storm Sewer Fund provides for a range of services involved with the construction, maintenance and repair of streets and storm sewer system. Principal revenue sources include allocations of state fuel tax proceeds and local fuel tax receipts as well as interest on investments.
- The Public Works Reserve Fund provides for the replacing or adding to the machinery and equipment of the Public Works Department. Resources are provided through operating transfers from the Street and Storm Sewer Fund and from interest earned on investments.
- The Unemployment Insurance Reserve Fund provides for the payment of unemployment benefits. Resources are provided by transfer from other funds.
- The Vietnam Memorial Fund expends monies for the preservation, enhancement, protection, maintenance, repair, replacement or restoration of the Mid-Columbia Vietnam Veterans' Memorial and its surroundings. Revenues consist primarily of donations and interest earnings.
- The Street and Bridge Replacement Fund accounts for the replacement of streets and bridges. Resources consist of interest earned on investments.
- The Retirement Reserve Fund accounts for the reimbursement to employees for retirement contributions made under Measure 8.
- The Special Grants Fund accounts for a variety of revenues and expenditures related to various grants.
- The Parks Reserve Fund accounts for the acquisition and development of park and recreation facilities.



**CITY OF THE DALLES, OREGON**

**FUND DESCRIPTIONS (continued)**

**YEAR ENDED JUNE 30, 1998**

**Special Revenue Funds (continued)**

- The State Office Building Fund accounts for resources received and expended for the operation, repairs and maintenance of the State Office Building owned by the City. Revenues consist of a portion of the building's lease payments collected by the City.

**Debt Service Funds** - These funds are used to account for revenues and expenditures related to the City's long-term indebtedness. Funds included in this category are:

- The Water Bond Debt Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest relating to the City's 1993 outstanding general obligation bonds.
- The Senior Center Grant Debt Service fund accounts for the repayment of a loan from the State of Oregon, Department of Energy. Revenues consist of monthly rental payments from the Senior Center.
- The Police Facility Revenue Bond Fund accounts for the accumulation of resources for, and the repayment of, revenue bonds relating to the remodeling of the Police facilities.
- The LID Debt Service Fund accounts for the accumulation of resources for , and the payment of bonded indebtedness related to various LID projects. Resources for payment of debt consist primarily of assessments paid by benefited property holders.

**Capital Projects Funds** - These funds account for construction projects related primarily to infrastructions. Funds included in this category are:

- The Special Assessments Fund accounts for the financing of public improvements or services deemed to benefit primarily the properties against which the assessments are levied. Revenues consist primarily of assessment principal and interest collected.
- The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by the enterprise funds. Principal resources to the fund are grants, a portion of lease payments received on the State Office Building owned by the City, and interest earned on investments.

**CITY OF THE DALLES, OREGON**

**FUND DESCRIPTION (continued)**

**YEAR ENDED JUNE 30, 1998**

Capital Project Funds (continued)

- The F.A.A. Grant Improvement Fund accounts for Federal Aviation Administration (F.A.A.) funded improvements to the Columbia Gorge Regional/The Dalles Municipal Airport.

Enterprise Funds - These funds account for the City's utility operations. Funds included in this category are:

- The Water Utility Fund accounts for all activity related to the treatment and distribution of water from source to the customer. Primary revenues are user charges for services. Expenditures relate to the operation and maintenance of the water system and capital improvements. Included are the budgetary Water Utility and Water Capital Reserve Funds.
- The Waste Water Utility Fund accounts for the operations of the waste water collection and processing plant and system. Revenues consist primarily of user charges for services. Primary expenditures are for the operation and maintenance of plant in service and capital improvements. Included are the budgetary Waste Water and Sewer Special Reserve Funds.
- The Airport Fund accounts for revenues and expenditures relating to the operation and maintenance of the Columbia Gorge Regional/The Dalles Municipal Airport located in Dallesport, Washington.

Component Unit - Columbia Gateway Urban Renewal Agency - The component unit accounts for the operations of the City's urban renewal agency. The operations include the financing and expending of monies for urban renewal projects and activities pursuant to the City's redevelopment plan.

Agency Funds - These funds account for resources received and disbursed for which the City acts as fiduciary. Included are the City's Deferred Compensation and Tourism Agency Funds.



**GENERAL FUND**



CITY OF THE DALLES, OREGON

GENERAL FUND

STATEMENT OF REVENUES AND OTHER FINANCING SOURCES -  
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Local:			
Property taxes:			
Current year	\$ 1,199,493	\$ 1,205,994	\$ 6,501
Prior years	<u>63,040</u>	<u>83,313</u>	<u>20,273</u>
Total property taxes	<u>1,262,533</u>	<u>1,289,307</u>	<u>26,774</u>
Hotel-motel tax	240,000	263,276	23,276
Franchise fees	259,813	248,688	(11,125)
Fines and forfeitures	129,000	168,922	39,922
Miscellaneous	153,087	76,264	(76,823)
Sale of fixed assets	<u>20,000</u>	<u>-</u>	<u>(20,000)</u>
Total local revenues	<u>801,900</u>	<u>757,150</u>	<u>(44,750)</u>
Intergovernmental:			
State library grant	3,800	5,443	1,643
County share of library	145,612	145,710	98
State liquor and amusement tax	78,883	100,769	21,886
State cigarette tax	30,645	30,221	(424)
State revenue sharing	53,151	66,612	13,461
Urban renewal services	34,500	25,712	(8,788)
PUD intergovernmental agreement	200,000	181,405	(18,595)
Other intergovernmental revenue	<u>750</u>	<u>16,753</u>	<u>16,003</u>
Total intergovernmental revenues	<u>547,341</u>	<u>572,625</u>	<u>25,284</u>
Investment income	<u>60,588</u>	<u>72,249</u>	<u>11,661</u>
<b>TOTAL REVENUES</b>	<u>2,672,362</u>	<u>2,691,331</u>	<u>18,969</u>
<b>OTHER FINANCING SOURCES:</b>			
Operating transfers in	<u>362,329</u>	<u>362,329</u>	<u>-</u>
<b>TOTAL REVENUE AND OTHER FINANCING SOURCES</b>	<u>3,034,691</u>	<u>3,053,660</u>	<u>18,969</u>
<b>FUND BALANCE, July 1, 1997, as restated</b>	<u>1,209,640</u>	<u>1,353,957</u>	<u>144,317</u>
	<u>\$ 4,244,331</u>	<u>\$ 4,407,617</u>	<u>\$ 163,286</u>

## GENERAL FUND

STATEMENT OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
<b>GENERAL GOVERNMENT:</b>			
City council:			
Personal services	\$ 24,201	\$ 14,317	\$ 9,884
Materials and services	62,064	64,122	(2,058)
Total City council	86,265	78,439	7,826
City manager:			
Personal services	108,939	105,805	3,134
Materials and services	22,545	12,343	10,202
Capital outlay	250	2,541	(2,291)
Total City manager	131,734	120,689	11,045
City clerk:			
Personal services	62,057	62,067	(10)
Materials and services	6,125	3,953	2,172
Capital outlay	-	-	-
Total City clerk	68,182	66,020	2,162
Legal and judicial:			
Personal services	169,151	167,274	1,877
Materials and services	32,750	31,723	1,027
Capital outlay	2,700	2,559	141
Total legal and judicial	204,601	201,556	3,045
Finance:			
Personal services	170,236	154,628	15,608
Materials and services	82,874	94,838	(11,964)
Capital outlay	6,000	6,262	(262)
Total Finance	259,110	255,728	3,382
Personnel:			
Personal services	4,067	2,398	1,669
Materials and services	17,665	17,532	133
Capital outlay	-	-	-
Total personnel	21,732	19,930	1,802
Community and economic development:			
Personal services	202,646	179,706	22,940
Materials and services	33,344	32,266	1,078
Capital outlay	1,230	1,465	(235)
Total community and economic development	237,220	213,437	23,783

**CITY OF THE DALLES, OREGON**

**GENERAL FUND**

**STATEMENT OF EXPENDITURES AND OTHER FINANCING USES -  
BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 1998**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>GENERAL GOVERNMENT(continued):</b>			
City hall:			
Personal services	\$ 20,182	\$ 24,259	\$ (4,077)
Materials and services	109,020	92,288	16,732
Capital outlay	<u>48,340</u>	<u>48,306</u>	<u>34</u>
Total City hall	<u>177,542</u>	<u>164,853</u>	<u>12,689</u>
Codes enforcement:			
Personal services	10,486	7,695	2,791
Materials and services	4,990	3,894	1,096
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total codes enforcement	<u>15,476</u>	<u>11,589</u>	<u>3,887</u>
Total general government	<u>1,201,862</u>	<u>1,132,241</u>	<u>69,621</u>
<b>PUBLIC SAFETY:</b>			
Police:			
Personal services	1,100,532	1,069,836	30,696
Materials and services	209,638	202,872	6,766
Capital outlay	<u>24,000</u>	<u>18,236</u>	<u>5,764</u>
Total police	<u>1,334,170</u>	<u>1,290,944</u>	<u>43,226</u>
<b>CULTURE AND RECREATION:</b>			
Library:			
Personal services	206,779	198,816	7,963
Materials and services	112,846	107,597	5,249
Capital outlay	<u>-</u>	<u>611</u>	<u>(611)</u>
Total library	<u>319,625</u>	<u>307,024</u>	<u>12,601</u>
<b>COMMUNITY DEVELOPMENT:</b>			
Volunteer center:			
Personal services	28,021	-	28,021
Materials and services	20,559	-	20,559
Capital outlay	<u>5,495</u>	<u>-</u>	<u>5,495</u>
Total volunteer center	<u>54,075</u>	<u>-</u>	<u>54,075</u>
<b>CONTINGENCY</b>	<u>966,186</u>	<u>-</u>	<u>966,186</u>
<b>TOTAL EXPENDITURES</b>	<u>3,875,918</u>	<u>2,730,209</u>	<u>1,145,709</u>
<b>OTHER FINANCING USE:</b>			
Operating transfers out	<u>368,413</u>	<u>368,413</u>	<u>-</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 4,244,331</u>	<u>\$ 3,098,622</u>	<u>\$ 1,145,709</u>





**SPECIAL REVENUE FUNDS**





**CITY OF THE DALLES, OREGON**

**SPECIAL REVENUE FUNDS**

**COMBINING BALANCE SHEET**

**JUNE 30, 1998**

	<u>Street and Storm Sewer</u>	<u>Public Works Reserve</u>	<u>Unemploy- ment Insurance Reserve</u>	<u>Vietnam Memorial</u>
<b><u>ASSETS</u></b>				
Cash and cash equivalents	\$ 573,940	\$ 128,152	\$ 31,373	\$ 1,833
Accounts receivable	<u>72,611</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 646,551</u></b>	<b><u>\$ 128,152</u></b>	<b><u>\$ 31,373</u></b>	<b><u>\$ 1,833</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>				
Liabilities:				
Accounts payable	\$ 76,923	\$ 63,825	\$ 6,024	\$ -
Compensated absences payable	<u>4,721</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b>81,644</b>	<b>63,825</b>	<b>6,024</b>	<b>-</b>
Fund equity:				
Fund balances:				
Unreserved:				
Undesignated	<u>564,907</u>	<u>64,327</u>	<u>25,349</u>	<u>1,833</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b><u>\$ 646,551</u></b>	<b><u>\$ 128,152</u></b>	<b><u>\$ 31,373</u></b>	<b><u>\$ 1,833</u></b>

Street and Bridge Replace- ment	Special Grants	Parks Reserve	State Office Building	Total
\$ 131,884	\$ 156,969	\$ 57	\$ 49,725	\$ 1,073,933
-	-	-	-	72,611
<u>\$ 131,884</u>	<u>\$ 156,969</u>	<u>\$ 57</u>	<u>\$ 49,725</u>	<u>\$ 1,146,544</u>
\$ -	\$ -	\$ -	\$ 5,695	\$ 152,467
-	-	-	-	4,721
-	-	-	5,695	157,188
<u>131,884</u>	<u>156,969</u>	<u>57</u>	<u>44,030</u>	<u>989,356</u>
<u>\$ 131,884</u>	<u>\$ 156,969</u>	<u>\$ 57</u>	<u>\$ 49,725</u>	<u>\$ 1,146,544</u>

**CITY OF THE DALLES, OREGON**

**SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**YEAR ENDED JUNE 30, 1998**

	<u>Street and Storm Sewer</u>	<u>Public Works Reserve</u>	<u>Unemploy- ment Insurance Reserve</u>	<u>Vietnam Memorial</u>
<b>REVENUES:</b>				
Taxes	\$ 303,422	\$ -	\$ -	\$ -
Intergovernmental	499,437	-	-	-
Charges for services	56,022	-	-	-
Interest on investments	32,782	6,970	2,083	98
Rental income	-	-	-	-
Other	40,829	-	-	-
Total revenues	<u>932,492</u>	<u>6,970</u>	<u>2,083</u>	<u>98</u>
<b>EXPENDITURES:</b>				
General government	-	-	14,398	-
Highways and streets	774,485	-	-	-
Public safety	-	-	-	-
Capital outlay	142,429	63,825	-	-
Total expenditures	<u>916,914</u>	<u>63,825</u>	<u>14,398</u>	<u>-</u>
Revenues over (under) expenditures	<u>15,578</u>	<u>(56,855)</u>	<u>(12,315)</u>	<u>98</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	75,878	60,000	-	-
Operating transfers out	(56,967)	-	-	-
Total other financing sources (uses)	<u>18,911</u>	<u>60,000</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures and other financing uses	34,489	3,145	(12,315)	98
<b>FUND BALANCES, July 1, 1997</b>	<u>530,418</u>	<u>61,182</u>	<u>37,664</u>	<u>1,735</u>
<b>FUND BALANCES, June 30, 1998</b>	<u>\$ 564,907</u>	<u>\$ 64,327</u>	<u>\$ 25,349</u>	<u>\$ 1,833</u>

Street and Bridge Replace- ment	Retirement Reserve	Special Grants	Parks Reserve	State Office Building	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,422
-	-	64,280	-	-	563,717
-	-	-	-	-	56,022
7,322	-	7,129	531	-	56,915
-	-	-	-	105,548	105,548
-	-	17,942	-	-	58,771
<u>7,322</u>	<u>-</u>	<u>89,351</u>	<u>531</u>	<u>105,548</u>	<u>1,144,395</u>
-	-	96,386	11,633	132,630	255,047
-	-	-	-	-	774,485
-	-	-	-	-	-
<u>8,942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,196</u>
<u>8,942</u>	<u>-</u>	<u>96,386</u>	<u>11,633</u>	<u>132,630</u>	<u>1,244,728</u>
<u>(1,620)</u>	<u>-</u>	<u>(7,035)</u>	<u>(11,102)</u>	<u>(27,082)</u>	<u>(100,333)</u>
15,000	-	6,000	-	-	156,878
<u>-</u>	<u>(2,586)</u>	<u>(2,500)</u>	<u>-</u>	<u>-</u>	<u>(62,053)</u>
<u>15,000</u>	<u>(2,586)</u>	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>94,825</u>
13,380	(2,586)	(3,535)	(11,102)	(27,082)	(5,508)
<u>118,504</u>	<u>2,586</u>	<u>160,504</u>	<u>11,159</u>	<u>71,112</u>	<u>994,864</u>
<u>\$ 131,884</u>	<u>\$ -</u>	<u>\$ 156,969</u>	<u>\$ 57</u>	<u>\$ 44,030</u>	<u>\$ 989,356</u>



CITY OF THE DALLES, OREGON

STREET AND STORM SEWER FUND

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Taxes	\$ 310,000	\$ 303,422	\$ (6,578)
Intergovernmental	624,310	499,437	(124,873)
Charges for services	203,440	56,022	(147,418)
Interest on investments	20,000	32,782	12,782
Other	-	40,829	40,829
Total revenues	<u>1,157,750</u>	<u>932,492</u>	<u>(225,258)</u>
<b>EXPENDITURES:</b>			
Personal services	486,874	456,723	30,151
Materials and services	432,498	317,762	114,736
Capital outlay	338,157	142,429	195,728
Contingency	83,829	-	83,829
Total expenditures	<u>1,341,358</u>	<u>916,914</u>	<u>424,444</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(183,608)</u>	<u>15,578</u>	<u>199,186</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	75,878	75,878	-
Operating transfers out	<u>(56,967)</u>	<u>(56,967)</u>	<u>-</u>
Total other financing sources (uses)	<u>18,911</u>	<u>18,911</u>	<u>-</u>
<b>EXPENDITURES AND OTHER FINANCING USES OVER (UNDER) REVENUES</b>	<u>(164,697)</u>	<u>34,489</u>	<u>199,186</u>
<b>FUND BALANCE, July 1, 1997</b>	<u>347,797</u>	<u>530,418</u>	<u>182,621</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ 183,100</u>	<u>\$ 564,907</u>	<u>\$ 381,807</u>

**CITY OF THE DALLES, OREGON**

**PUBLIC WORKS RESERVE FUND**

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

**YEAR ENDED JUNE 30, 1998**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Interest on investments	\$ 4,000	\$ 6,970	\$ 2,970
<b>EXPENDITURES:</b>			
Capital outlay	<u>124,544</u>	<u>63,825</u>	<u>60,719</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(120,544)	(56,855)	63,689
<b>OTHER FINANCING SOURCES:</b>			
Operating transfers in	<u>60,000</u>	<u>60,000</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	(60,544)	3,145	63,689
<b>FUND BALANCE, July 1, 1997</b>	<u>60,544</u>	<u>61,182</u>	<u>638</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ -</u>	<u>\$ 64,327</u>	<u>\$ 64,327</u>

CITY OF THE DALLES, OREGON

UNEMPLOYMENT INSURANCE RESERVE FUND

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Interest on investments	\$ 1,250	\$ 2,083	\$ 833
<b>EXPENDITURES:</b>			
Personal services	<u>39,587</u>	<u>14,398</u>	<u>25,189</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(38,337)	(12,315)	26,022
<b>FUND BALANCE, July 1, 1997</b>	<u>38,337</u>	<u>37,664</u>	<u>(673)</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ -</u>	<u>\$ 25,349</u>	<u>\$ 25,349</u>

CITY OF THE DALLES, OREGON

VIETNAM MEMORIAL FUND

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Interest on investments	\$ 60	\$ 98	\$ 38
<b>EXPENDITURES:</b>			
Materials and services	<u>1,774</u>	<u>-</u>	<u>1,774</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(1,714)	98	1,812
<b>FUND BALANCE, July 1, 1997</b>	<u>1,714</u>	<u>1,735</u>	<u>21</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ -</u>	<u>\$ 1,833</u>	<u>\$ 1,833</u>

CITY OF THE DALLES, OREGON

STATEMENT AND BRIDGE REPLACEMENT FUND

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Interest on investments	\$ 5,000	\$ 7,322	\$ 2,322
<b>EXPENDITURES:</b>			
Capital outlay	<u>96,249</u>	<u>8,942</u>	<u>87,307</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(91,249)	(1,620)	89,629
<b>OTHER FINANCING SOURCES:</b>			
Operating transfer in	<u>15,000</u>	<u>15,000</u>	<u>-</u>
<b>EXPENDITURES (OVER) UNDER REVENUES AND OTHER FINANCING SOURCES</b>	(76,249)	13,380	89,629
<b>FUND BALANCE, July 1, 1997</b>	<u>76,249</u>	<u>118,504</u>	<u>42,255</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ -</u>	<u>\$ 131,884</u>	<u>\$ 131,884</u>

CITY OF THE DALLES, OREGON

RETIREMENT RESERVE FUND

**STATEMENT OF EXPENDITURES, OTHER FINANCING USES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>OTHER FINANCING USES</b>			
Operating transfers out	<u>\$ 2,586</u>	<u>\$ 2,586</u>	<u>\$ -</u>
<b>FUND BALANCE, July 1, 1997</b>	<u>2,586</u>	<u>2,586</u>	<u>-</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF THE DALLES, OREGON

SPECIAL GRANTS FUND

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Intergovernmental	\$ 170,400	\$ 64,280	\$ (106,120)
Interest on investments	4,300	7,129	2,829
Program income	<u>21,000</u>	<u>17,942</u>	<u>(3,058)</u>
Total revenues	<u>195,700</u>	<u>89,351</u>	<u>(106,349)</u>
<b>EXPENDITURES:</b>			
Community action program	106,424	17,848	88,576
ODOT bike paths	74,992	-	74,992
SHPO	14,000	7,507	6,493
Downtown improvements	<u>111,300</u>	<u>71,031</u>	<u>40,269</u>
Total expenditures	<u>306,716</u>	<u>96,386</u>	<u>210,330</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(111,016)</u>	<u>(7,035)</u>	<u>103,981</u>
<b>OTHER FINANCING SOURCES (USED):</b>			
Operating transfers in	6,000	6,000	-
Operating transfers out	<u>(2,500)</u>	<u>(2,500)</u>	<u>-</u>
Total other financing sources (uses)	<u>3,500</u>	<u>3,500</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>(107,516)</u>	<u>(3,535)</u>	<u>103,981</u>
<b>FUND BALANCE, July 1, 1997</b>	<u>107,516</u>	<u>160,504</u>	<u>52,988</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ -</u>	<u>\$ 156,969</u>	<u>\$ 156,969</u>

CITY OF THE DALLES, OREGON

PARKS RESERVE FUND

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Interest on investments	\$ 456	\$ 531	\$ 75
Miscellaneous	<u>500</u>	<u>-</u>	<u>(500)</u>
Total revenues	956	531	(425)
<b>EXPENDITURES:</b>			
Materials and services	<u>12,104</u>	<u>11,633</u>	<u>471</u>
REVENUES OVER (UNDER) EXPENDITURES	(11,148)	(11,102)	46
FUND BALANCE, July 1, 1997	<u>11,148</u>	<u>11,159</u>	<u>11</u>
FUND BALANCE, June 30, 1998	<u>\$ -</u>	<u>\$ 57</u>	<u>\$ 57</u>



CITY OF THE DALLES, OREGON

STATE OFFICE BUILDING FUND

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Rental income	\$ 100,982	\$ 105,548	\$ 4,566
<b>EXPENDITURES:</b>			
Materials and services	<u>159,494</u>	<u>132,630</u>	<u>26,864</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(58,512)	(27,082)	31,430
<b>FUND BALANCE, July 1, 1997</b>	<u>58,512</u>	<u>71,112</u>	<u>12,600</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ -</u>	<u>\$ 44,030</u>	<u>\$ 44,030</u>

DEBT SERVICE FUNDS



CITY OF THE DALLES, OREGON

DEBT SERVICE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

<u>ASSETS</u>	<u>Water Bond Debt</u>	<u>Senior Center Grant Debt</u>	<u>Police Facility Revenue Bond</u>	<u>Total</u>
Cash and cash equivalents	\$ 52,226	\$ 268	\$ 107,874	\$ 160,368
Collections held by the County	3,315	-	-	3,315
Property taxes receivable	<u>32,378</u>	<u>-</u>	<u>-</u>	<u>32,378</u>
<b>TOTAL ASSETS</b>	<u>87,919</u>	<u>268</u>	<u>107,874</u>	<u>196,061</u>
 <u>LIABILITY AND FUND EQUITY</u>				
Liability:				
Deferred revenue - property taxes	29,318	-	-	29,318
Fund equity:				
Fund balances:				
Reserved:				
Reserved for debt service	<u>58,601</u>	<u>268</u>	<u>107,874</u>	<u>166,743</u>
<b>TOTAL LIABILITY AND FUND EQUITY</b>	<u>\$ 87,919</u>	<u>\$ 268</u>	<u>\$ 107,874</u>	<u>\$ 196,061</u>

CITY OF THE DALLES, OREGON

DEBT SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1998

	<u>Water Bond Debt</u>	<u>Senior Center Grant Debt Service</u>	<u>Police Facility Revenue Bond</u>	<u>Total</u>
<b>REVENUES:</b>				
Property taxes	\$ 353,202	\$ -	\$ -	\$ 353,202
Interest on investments	2,386	3	22,390	24,779
Intergovernmental	-	3,180	160,974	164,154
Miscellaneous	186	-	-	186
	<u>355,774</u>	<u>3,183</u>	<u>183,364</u>	<u>542,321</u>
<b>EXPENDITURES:</b>				
Debt service:				
Bond principal	310,000	2,915	90,000	402,915
Interest	52,536	-	52,267	104,803
Trustee fees	400	-	29,968	30,368
	<u>362,936</u>	<u>2,915</u>	<u>172,235</u>	<u>538,086</u>
<b>REVENUES OVER (UNDER) EXPENDITURE</b>	<b>(7,162)</b>	<b>268</b>	<b>11,129</b>	<b>4,235</b>
<b>FUND BALANCES, July 1, 1997</b>	<u>65,763</u>	<u>-</u>	<u>96,745</u>	<u>162,508</u>
<b>FUND BALANCES, June 30, 1998</b>	<u>\$ 58,601</u>	<u>\$ 268</u>	<u>\$ 107,874</u>	<u>\$ 166,743</u>

CITY OF THE DALLES, OREGON

WATER BOND DEBT FUND

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

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Taxes	\$ 351,670	\$ 353,202	\$ 1,532
Interest on investments	3,150	2,386	(764)
Miscellaneous	-	186	186
Total revenues	<u>354,820</u>	<u>355,774</u>	<u>954</u>
<b>EXPENDITURES:</b>			
Debt service:*			
Principal	310,000	310,000	-
Interest	52,875	52,536	339
Trustee fees	<u>2,400</u>	<u>400</u>	<u>2,000</u>
Total expenditures	<u>365,275</u>	<u>362,936</u>	<u>2,339</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(10,455)</b>	<b>(7,162)</b>	<b>3,293</b>
<b>FUND BALANCE, July 1, 1997</b>	<u>30,693</u>	<u>65,763</u>	<u>35,070</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ 20,238</u>	<u>\$ 58,601</u>	<u>\$ 38,363</u>

\*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

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Interest on investments	\$ -	\$ 3	\$ 3
Intergovernmental	<u>3,180</u>	<u>3,180</u>	<u>-</u>
Total revenues	<u>3,180</u>	<u>3,183</u>	<u>3</u>
<b>EXPENDITURES:</b>			
Debt service:*			
Principal	2,010	2,915	(905)
Interest	<u>1,170</u>	<u>-</u>	<u>1,170</u>
Total expenditures	<u>3,180</u>	<u>2,915</u>	<u>265</u>
<b>REVENUES OVER EXPENDITURES</b>	-	268	268
<b>FUND BALANCE, July 1, 1997</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ -</u>	<u>\$ 268</u>	<u>\$ 268</u>

\*Legally adopted appropriation level.

CITY OF THE DALLES, OREGON

POLICE FACILITY REVENUE BOND DEBT FUND

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

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Interest on investments	\$ 6,000	\$ 22,390	\$ 16,390
Intergovernmental	<u>170,974</u>	<u>160,974</u>	<u>(10,000)</u>
Total revenues	<u>176,974</u>	<u>183,364</u>	<u>6,390</u>
<b>EXPENDITURES:</b>			
Debt service:*			
Principal	95,000	90,000	5,000
Interest	62,495	52,267	10,228
Trustee fees	<u>17,500</u>	<u>29,968</u>	<u>(12,468)</u>
Total expenditures	<u>174,995</u>	<u>172,235</u>	<u>2,760</u>
<b>REVENUES OVER EXPENDITURES</b>	1,979	11,129	9,150
<b>FUND BALANCE, July 1, 1997</b>	<u>137,739</u>	<u>96,745</u>	<u>(40,994)</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ 139,718</u>	<u>\$ 107,874</u>	<u>\$ (31,844)</u>

\*Legally adopted appropriation level.



CITY OF THE DALLES, OREGON

LID DEBT SERVICE FUND

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

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Assessment collections	\$ 63,750	\$ -	\$ (63,750)
<b>EXPENDITURES:</b>			
Debt service:			
Interest	<u>22,500</u>	<u>-</u>	<u>22,500</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	41,250	-	(41,250)
<b>FUND BALANCE, July 1, 1997</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ 41,250</u>	<u>\$ -</u>	<u>\$ (41,250)</u>

CAPITAL PROJECTS FUNDS



CITY OF THE DALLES, OREGON

CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

	<u>Special Assessments</u>	<u>Capital Projects</u>	<u>F.A.A. Grant Improvement</u>	<u>Total</u>
<u>ASSETS</u>				
Cash and cash equivalents	\$ 390,366	\$ 806,536	\$ 65,291	\$ 1,262,193
Assessments receivable	<u>287,399</u>	<u>-</u>	<u>-</u>	<u>287,399</u>
<b>TOTAL ASSETS</b>	<u>677,765</u>	<u>806,536</u>	<u>65,291</u>	<u>1,549,592</u>
<u>LIABILITIES AND FUND EQUITY</u>				
Liabilities:				
Accounts payable	-	-	2,420	2,420
Retainage payable	-	5,164	-	5,164
Deferred revenues	<u>287,399</u>	<u>-</u>	<u>-</u>	<u>287,399</u>
Total liabilities	287,399	5,164	2,420	294,983
Fund equity:				
Fund balances:				
Unreserved:				
Undesignated	<u>390,366</u>	<u>801,372</u>	<u>62,871</u>	<u>1,254,609</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 677,765</u>	<u>\$ 806,536</u>	<u>\$ 65,291</u>	<u>\$ 1,549,592</u>

CITY OF THE DALLES, OREGON

CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

YEAR ENDED JUNE 30, 1998

	Special Assessments	Capital Projects	F.A.A. Grant Improvement	Total
<b>REVENUES:</b>				
Interest on investments	\$ 17,625	\$ 44,269	\$ -	\$ 61,894
Intergovernmental	-	-	50,000	50,000
Assessment collections	261,614	-	-	261,614
Rental income	-	10,000	-	10,000
Other	-	-	50	50
Total revenues	<u>279,239</u>	<u>54,269</u>	<u>50,050</u>	<u>383,558</u>
<b>EXPENDITURES:</b>				
General government	92,707	188,396	380	281,483
Capital outlay	<u>2,375</u>	<u>509,099</u>	<u>110,559</u>	<u>622,033</u>
Total expenditures	<u>95,082</u>	<u>697,495</u>	<u>110,939</u>	<u>903,516</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>184,157</u>	<u>(643,226)</u>	<u>(60,889)</u>	<u>(519,958)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	119,708	119,708
Operating transfers out	<u>(24,895)</u>	<u>(1,250)</u>	<u>-</u>	<u>(26,145)</u>
Total other financing sources (uses)	<u>(24,895)</u>	<u>(1,250)</u>	<u>119,708</u>	<u>93,563</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>159,262</u>	<u>(644,476)</u>	<u>58,819</u>	<u>(426,395)</u>
<b>FUND BALANCE, July 1, 1997</b>	<u>231,104</u>	<u>1,445,848</u>	<u>4,052</u>	<u>1,681,004</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ 390,366</u>	<u>\$ 801,372</u>	<u>\$ 62,871</u>	<u>\$ 1,254,609</u>

CITY OF THE DALLES, OREGON

SPECIAL ASSESSMENTS FUND

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

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Interest on investments	\$ 10,000	\$ 17,625	\$ 7,625
Assessment collections - non-bonded:			
Principal	150,000	225,342	75,342
Interest	500	4,402	3,902
Assessment collections - bonded:			
Principal	20,567	25,216	4,649
Interest	<u>17,880</u>	<u>6,654</u>	<u>(11,226)</u>
 Total revenues	<u>198,947</u>	<u>279,239</u>	<u>80,292</u>
 <b>EXPENDITURES:</b>			
Materials and services	1,008,629	92,707	915,922
Capital outlay	<u>126,588</u>	<u>2,375</u>	<u>124,213</u>
 Total expenditures	<u>1,135,217</u>	<u>95,082</u>	<u>1,040,135</u>
 <b>EXPENDITURES UNDER (OVER) REVENUES</b>	<u>(936,270)</u>	<u>184,157</u>	<u>1,120,427</u>
 <b>OTHER FINANCING SOURCES (USED):</b>			
Bond proceeds	750,000	-	(750,000)
Operating transfers out	<u>(24,895)</u>	<u>(24,895)</u>	<u>-</u>
 Total other financing sources (uses)	<u>725,105</u>	<u>(24,895)</u>	<u>(750,000)</u>
 <b>EXPENDITURES AND OTHER FINANCING USES UNDER (OVER) REVENUES AND OTHER FINANCING SOURCES</b>	<u>(211,165)</u>	<u>159,262</u>	<u>370,427</u>
 <b>FUND BALANCE, July 1, 1997</b>	<u>211,165</u>	<u>231,104</u>	<u>19,939</u>
 <b>FUND BALANCE, June 30, 1998</b>	<u>\$ -</u>	<u>\$ 390,366</u>	<u>\$ 390,366</u>

CITY OF THE DALLES, OREGON

CAPITAL PROJECTS FUND

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

YEAR ENDED JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Rental income	\$ 10,000	\$ 10,000	\$ -
Interest on investments	10,000	44,269	34,269
Total revenues	20,000	54,269	34,269
<b>EXPENDITURES:</b>			
Materials and services	644,267	188,396	455,871
Capital outlay	800,000	509,099	290,901
Total expenditures	1,444,267	697,495	746,772
REVENUES OVER (UNDER) EXPENDITURES	(1,424,267)	(643,226)	781,041
<b>OTHER FINANCING USES:</b>			
Operating transfers out	(1,250)	(1,250)	-
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(1,425,517)	(644,476)	781,041
FUND BALANCE, July 1, 1997	1,425,517	1,445,848	20,331
FUND BALANCE, June 30, 1998	\$ -	\$ 801,372	\$ 801,372

CITY OF THE DALLES, OREGON

F.A.A. GRANT IMPROVEMENT FUND

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Intergovernmental revenue	\$ 1,295,708	\$ 50,000	\$ (1,245,708)
Other revenue	-	50	50
Total revenues	<u>1,295,708</u>	<u>50,050</u>	<u>(1,245,658)</u>
<b>EXPENDITURES:</b>			
Materials and services	-	380	(380)
Capital outlay	<u>1,415,416</u>	<u>110,559</u>	<u>1,304,857</u>
Total expenditures	<u>1,415,416</u>	<u>110,939</u>	<u>1,304,477</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(119,708)	(60,889)	58,819
<b>OTHER FINANCING SOURCES:</b>			
Operating transfers in	<u>119,708</u>	<u>119,708</u>	-
<b>REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	-	58,819	58,819
<b>FUND BALANCE, July 1, 1997</b>	<u>-</u>	<u>4,052</u>	<u>4,052</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ -</u>	<u>\$ 62,871</u>	<u>\$ 62,871</u>





**ENTERPRISE FUNDS**



CITY OF THE DALLES, OREGON

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

<u>ASSETS</u>	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Airport</u>	<u>Total</u>
Current assets:				
Cash and cash equivalents	\$ 665,018	\$ 816,234	\$ 50,243	\$ 1,531,495
Receivables	122,180	197,456	492	320,128
Inventories	176,480	23,885	-	200,365
Total current assets	<u>963,678</u>	<u>1,037,575</u>	<u>50,735</u>	<u>2,051,988</u>
Restricted assets-cash and cash equivalents	<u>1,304,607</u>	<u>885,526</u>	<u>-</u>	<u>2,190,133</u>
Fixed assets	12,877,970	6,396,502	1,610,828	20,885,300
Accumulated depreciation	<u>(3,678,472)</u>	<u>(1,959,333)</u>	<u>(107,131)</u>	<u>(5,744,936)</u>
Net fixed assets	<u>9,199,498</u>	<u>4,437,169</u>	<u>1,503,697</u>	<u>15,140,364</u>
<b>TOTAL ASSETS</b>	<u>\$ 11,467,783</u>	<u>\$ 6,360,270</u>	<u>\$ 1,554,432</u>	<u>\$ 19,382,485</u>
 <u>LIABILITIES AND FUND EQUITY</u>				
Current liabilities:				
Accounts payable	142,471	38,617	1,887	182,975
Retainage payable	1,493	-	-	1,493
Compensated absences payable	41,099	20,404	-	61,503
Total current liabilities	<u>185,063</u>	<u>59,021</u>	<u>1,887</u>	<u>245,971</u>
Current liabilities payable from restricted assets:				
Accounts payable	36,771	-	-	36,771
Contract payable	-	304,936	-	304,936
Total current liabilities - restricted assets	<u>36,771</u>	<u>304,936</u>	<u>-</u>	<u>341,707</u>
Total liabilities	<u>221,834</u>	<u>363,957</u>	<u>1,887</u>	<u>587,678</u>
Fund equity:				
Contributed capital	912,674	1,037,393	1,060,010	3,010,077
Retained earnings:				
Reserved for construction	1,542,478	1,727,084	-	3,269,562
Unreserved	8,790,797	3,231,836	492,535	12,515,168
Total fund equity	<u>11,245,949</u>	<u>5,996,313</u>	<u>1,552,545</u>	<u>18,794,807</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ 11,467,783</u>	<u>\$ 6,360,270</u>	<u>\$ 1,554,432</u>	<u>\$ 19,382,485</u>

**CITY OF THE DALLES, OREGON**

**ENTERPRISE FUNDS**

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

**YEAR ENDED JUNE 30, 1998**

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Airport</u>	<u>Total</u>
<b>OPERATING REVENUES:</b>				
Service charges and fees	\$ 2,018,372	\$ 1,732,492	\$ 1,516	\$ 3,752,380
Rental income	-	-	11,900	11,900
Other operating income	<u>4,658</u>	<u>5,965</u>	<u>94,862</u>	<u>105,485</u>
Total operating revenues	<u>2,023,030</u>	<u>1,738,457</u>	<u>108,278</u>	<u>3,869,765</u>
<b>OPERATING EXPENSES:</b>				
Salaries and benefits	791,070	341,580	125	1,132,775
Operations and maintenance	277,211	661,373	77,499	1,016,083
General administration	201,981	67,933	-	269,914
General Fund administration	245,297	192,319	-	437,616
Depreciation	<u>354,281</u>	<u>247,043</u>	<u>9,583</u>	<u>610,907</u>
Total operating expenses	<u>1,869,840</u>	<u>1,510,248</u>	<u>87,207</u>	<u>3,467,295</u>
Operating income (loss)	153,190	228,209	21,071	402,470
<b>NONOPERATING INCOME:</b>				
Interest earnings	<u>119,672</u>	<u>127,580</u>	<u>607</u>	<u>247,859</u>
Net Income	<u>272,862</u>	<u>355,789</u>	<u>21,678</u>	<u>650,329</u>
<b>RETAINED EARNINGS, July 1, 1997</b>	10,093,759	4,625,228	470,857	15,189,844
Prior period adjustment	<u>(33,346)</u>	<u>(22,097)</u>	<u>-</u>	<u>(55,443)</u>
<b>RETAINED EARNINGS, July 1, 1997 as restated</b>	<u>10,060,413</u>	<u>4,603,131</u>	<u>470,857</u>	<u>15,134,401</u>
<b>RETAINED EARNINGS, June 30, 1998</b>	<u>\$ 10,333,275</u>	<u>\$ 4,958,920</u>	<u>\$ 492,535</u>	<u>\$ 15,784,730</u>

**CITY OF THE DALLES, OREGON**

**ENTERPRISE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS**

**YEAR ENDED JUNE 30, 1998**

	<u>Water Utility</u>	<u>Waste Water Utility</u>	<u>Airport</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 153,190	\$ 228,209	\$ 21,071	\$ 402,470
Adjustments to reconcile operating income to net cash provided by operations:				
Depreciation	354,281	247,043	9,583	610,907
Change in current assets and liabilities:				
Receivables	6,113	(40,804)	132	(34,559)
Inventories	(85,255)	2,589	-	(82,666)
Accounts payable	97,467	19,306	(1,195)	115,578
Retainage payable	855	-	-	855
Compensated absences payable	(1,423)	3,036	-	1,613
Contract payable	-	304,936	-	304,936
Net cash provided by operations	<u>525,228</u>	<u>764,315</u>	<u>29,591</u>	<u>1,319,134</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition of fixed assets	<u>(563,369)</u>	<u>(1,392,178)</u>	<u>(11,174)</u>	<u>(1,966,721)</u>
Net cash used by capital and related financing activities	<u>(563,369)</u>	<u>(1,392,178)</u>	<u>(11,174)</u>	<u>(1,966,721)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest earnings	<u>119,672</u>	<u>127,580</u>	<u>607</u>	<u>247,859</u>
<b>NET INCREASE (DECREASE) IN     CASH AND CASH EQUIVALENTS</b>	81,531	(500,283)	19,024	(399,728)
CASH AND CASH EQUIVALENTS, July 1, 1997	<u>1,888,094</u>	<u>2,202,043</u>	<u>31,219</u>	<u>4,121,356</u>
CASH AND CASH EQUIVALENTS, June 30, 1998	<u>\$ 1,969,625</u>	<u>\$ 1,701,760</u>	<u>\$ 50,243</u>	<u>\$ 3,721,628</u>
<b>COMPRISED AS FOLLOWS:</b>				
Cash and cash equivalents	665,018	816,234	50,243	1,531,495
Restricted cash and cash equivalents	<u>1,304,607</u>	<u>885,526</u>	<u>-</u>	<u>2,190,133</u>
	<u>\$ 1,969,625</u>	<u>\$ 1,701,760</u>	<u>\$ 50,243</u>	<u>\$ 3,721,628</u>
<b>SCHEDULE OF NONCASH TRANSACTIONS</b>				
Loss on disposal of fixed assets	<u>\$ 1,001</u>	<u>\$ 350</u>	<u>\$ -</u>	<u>\$ 1,351</u>

CITY OF THE DALLES, OREGON

WATER UTILITY FUND

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP) AND ACTUAL**

**YEAR ENDED JUNE 30, 1998**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Charges and services	\$ 2,041,279	\$ 1,981,935	\$ (59,344)
Interest on investments	15,000	49,776	34,776
Sale of fixed assets	64,750	770	(63,980)
Other	<u>-</u>	<u>3,888</u>	<u>3,888</u>
Total revenues	<u>2,121,029</u>	<u>2,036,369</u>	<u>(84,660)</u>
<b>EXPENDITURES:</b>			
Personal services	846,321	791,070	55,251
Materials and services	715,683	468,486	247,197
Capital outlay	547,426	298,530	248,896
Contingency	<u>205,251</u>	<u>-</u>	<u>205,251</u>
Total expenditures	<u>2,314,681</u>	<u>1,558,086</u>	<u>756,595</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(193,652)</u>	<u>478,283</u>	<u>671,935</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	4,584	4,584	-
Operating transfers out	<u>(495,297)</u>	<u>(495,297)</u>	<u>-</u>
Total other financing sources (uses)	<u>(490,713)</u>	<u>(490,713)</u>	<u>-</u>
<b>EXPENDITURES AND OTHER FINANCING USES OVER (UNDER) REVENUES</b>	<u>(684,365)</u>	<u>(12,430)</u>	<u>671,935</u>
<b>FUND BALANCE, July 1, 1997</b>	684,365	697,510	13,145
Prior period adjustment	<u>-</u>	<u>(33,346)</u>	<u>(33,346)</u>
<b>FUND BALANCE, July 1, 1997 as restated</b>	<u>684,365</u>	<u>664,164</u>	<u>(20,201)</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ -</u>	<u>\$ 651,734</u>	<u>\$ 651,734</u>

CITY OF THE DALLES, OREGON

WATER CAPITAL RESERVE FUND

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP) AND ACTUAL**

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Charges and services	\$ 26,880	\$ 32,854	\$ 5,974
Interest on investments	<u>40,000</u>	<u>69,896</u>	<u>29,896</u>
Total revenues	<u>66,880</u>	<u>102,750</u>	<u>35,870</u>
<b>EXPENDITURES:</b>			
Materials and services	-	411	(411)
Capital outlay	<u>1,307,174</u>	<u>276,135</u>	<u>1,031,039</u>
Total expenditures	<u>1,307,174</u>	<u>276,546</u>	<u>1,030,628</u>
REVENUES OVER (UNDER) EXPENDITURES	(1,240,294)	(173,796)	1,066,498
<b>OTHER FINANCING SOURCES:</b>			
Operating transfers in	<u>250,000</u>	<u>250,000</u>	<u>-</u>
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(990,294)	76,204	1,066,498
FUND BALANCE, July 1, 1997	<u>990,294</u>	<u>1,190,139</u>	<u>199,845</u>
FUND BALANCE, June 30, 1998	<u>\$ -</u>	<u>\$ 1,266,343</u>	<u>\$ 1,266,343</u>



CITY OF THE DALLES, OREGON

WATER UTILITY FUND

**SCHEDULE OF RECONCILIATION OF  
REVENUES AND EXPENDITURES  
TO NET INCOME**

YEAR ENDED JUNE 30, 1998

	<u>Revenues</u>	<u>Expenditures</u>	<u>Net Income (Loss)</u>
<b>BUDGETARY BASIS (NON-GAAP):</b>			
Water Utility fund	\$ 2,036,369	\$ 1,558,086	\$ 478,283
Water Capital Reserve Fund	<u>102,750</u>	<u>276,546</u>	<u>(173,796)</u>
	<u>\$ 2,139,119</u>	<u>\$ 1,834,632</u>	304,487
Adjustments:			
Depreciation expense			(354,281)
Disposal of fixed assets			(1,001)
Expenditures capitalized			564,370
Expenses budgeted as other financing uses			<u>(240,713)</u>
<b>GENERALLY ACCEPTED ACCOUNTING PRINCIPLES BASIS (GAAP)</b>			<u>\$ 272,862</u>

CITY OF THE DALLES, OREGON

WASTE WATER FUND

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP) AND ACTUAL**

YEAR ENDED JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Charges for services	\$ 1,625,250	\$ 1,696,378	\$ 71,128
Intergovernmental	10,900	5,954	(4,946)
Interest on Investments	25,000	53,801	28,801
Other	-	11	11
Total revenues	<u>1,661,150</u>	<u>1,756,144</u>	<u>94,994</u>
<b>EXPENDITURES:</b>			
Personal services	357,599	341,580	16,019
Materials and services	727,570	704,030	23,540
Capital outlay	281,070	256,328	24,742
Contingency	184,666	-	184,666
Total expenditures	<u>1,550,905</u>	<u>1,301,938</u>	<u>248,967</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>110,245</u>	<u>454,206</u>	<u>343,961</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	8,023	8,023	-
Operating transfers out	<u>(592,319)</u>	<u>(592,319)</u>	<u>-</u>
Total other financing sources (uses)	<u>(584,296)</u>	<u>(584,296)</u>	<u>-</u>
<b>REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<u>(474,051)</u>	<u>(130,090)</u>	<u>343,961</u>
<b>FUND BALANCE, July 1, 1997</b>	474,051	1,101,136	627,085
Prior period adjustment	-	<u>(22,097)</u>	<u>(22,097)</u>
<b>FUND BALANCE, July 1, 1997 as restated</b>	<u>474,051</u>	<u>1,079,039</u>	<u>604,988</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ -</u>	<u>\$ 948,949</u>	<u>\$ 948,949</u>

CITY OF THE DALLES, OREGON

SEWER SPECIAL RESERVE FUND

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP) AND ACTUAL**

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Charges for services	\$ 10,560	\$ 28,091	\$ 17,531
Interest on investments	60,000	73,779	13,779
Intergovernmental	<u>100,000</u>	<u>-</u>	<u>(100,000)</u>
Total revenues	<u>170,560</u>	<u>101,870</u>	<u>(68,690)</u>
<b>EXPENDITURES:</b>			
Materials and services	80,000	14,632	65,368
Capital outlay	<u>1,877,150</u>	<u>1,146,494</u>	<u>730,656</u>
Total expenditures	<u>1,957,150</u>	<u>1,161,126</u>	<u>796,024</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,786,590)</u>	<u>(1,059,256)</u>	<u>727,334</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers in	400,000	400,000	-
Long-term debt proceeds	600,000	-	(600,000)
Loan principal payments	<u>(600,000)</u>	<u>-</u>	<u>600,000</u>
Total other financing sources (uses)	<u>400,000</u>	<u>400,000</u>	<u>-</u>
<b>EXPENDITURES OVER REVENUES AND OTHER FINANCING SOURCES</b>	<u>(1,386,590)</u>	<u>(659,256)</u>	<u>727,334</u>
<b>FUND BALANCE, July 1, 1997</b>	<u>1,386,590</u>	<u>1,232,629</u>	<u>(153,961)</u>
<b>FUND BALANCE, June 30, 1998</b>	<u>\$ -</u>	<u>\$ 573,373</u>	<u>\$ 573,373</u>

CITY OF THE DALLES, OREGON

WASTE WATER FUND

SCHEDULE OF RECONCILIATION OF  
REVENUES AND EXPENDITURES  
TO NET INCOME

YEAR ENDED JUNE 30, 1998

	<u>Revenues</u>	<u>Expenditures</u>	<u>Net Income (Loss)</u>
<b>BUDGETARY BASIS (NON-GAAP):</b>			
Water Utility fund	\$ 1,756,144	\$ 1,301,938	\$ 454,206
Sewer Special Reserve Fund	<u>101,870</u>	<u>1,161,126</u>	<u>(1,059,256)</u>
	<u>\$ 1,858,014</u>	<u>\$ 2,463,064</u>	(605,050)
Adjustments:			
Depreciation expense			(247,043)
Disposal of fixed assets			(350)
Expenditures capitalized			1,392,528
Expenses budgeted as other financing uses			<u>(184,296)</u>
<b>GENERALLY ACCEPTED ACCOUNTING PRINCIPLES BASIS (GAAP)</b>			<u>\$ 355,789</u>

CITY OF THE DALLES, OREGON

AIRPORT FUND

**STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP) AND ACTUAL**

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES:</b>			
Rental income	\$ 12,000	\$ 11,900	\$ (100)
Charges for services (net of sales taxes)	1,500	1,516	16
Interest on investments	-	607	607
Other	-	2,157	2,157
	<u>13,500</u>	<u>16,180</u>	<u>2,680</u>
<b>EXPENDITURES:</b>			
Personal services	325	125	200
Materials and services	69,743	77,499	(7,756)
Capital outlay	63,008	11,174	51,834
	<u>133,076</u>	<u>88,798</u>	<u>44,278</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(119,576)	(72,618)	46,958
<b>OTHER FINANCING SOURCES:</b>			
Operating transfers in	92,705	92,705	-
	<u>92,705</u>	<u>92,705</u>	<u>-</u>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	(26,871)	20,087	46,958
<b>FUND BALANCE, July 1, 1997</b>	26,871	28,759	1,888
	<u>26,871</u>	<u>28,759</u>	<u>1,888</u>
<b>FUND BALANCE, June 30, 1998</b>	\$ -	\$ 48,846	\$ 48,846
	<u>\$ -</u>	<u>\$ 48,846</u>	<u>\$ 48,846</u>
<b>RECONCILIATION OF REVENUES AND EXPENDITURES/EXPENSES BUDGETARY BASIS TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES BASIS:</b>		<u>Revenues</u>	<u>Expenditures/ Expenses</u>
Budgetary basis - (Non-GAAP)		\$ 16,180	\$ 88,798
Revenues budgeted as other financing sources		92,705	-
Capital outlay		-	(11,174)
Depreciation expense		-	9,583
		<u>-</u>	<u>9,583</u>
<b>GENERALLY ACCEPTED ACCOUNTING PRINCIPLES BASIS - (GAAP)</b>		\$ 108,885	\$ 87,207
		<u>\$ 108,885</u>	<u>\$ 87,207</u>

COMPONENT UNIT



CITY OF THE DALLES, OREGON

COLUMBIA GATEWAY URBAN RENEWAL AGENCY  
A COMPONENT UNIT

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

YEAR ENDED JUNE 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
<b>REVENUES:</b>			
Property taxes	\$ 646,428	\$ 603,330	\$ (43,098)
Interest on investments	12,734	27,071	14,337
Miscellaneous	<u>-</u>	<u>100</u>	<u>100</u>
Total Revenues	<u>659,162</u>	<u>630,501</u>	<u>(28,661)</u>
<b>EXPENDITURES:</b>			
Materials and services	837,562	96,695	740,867
Contingency	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total Expenditures	<u>852,562</u>	<u>96,695</u>	<u>755,867</u>
REVENUES OVER (UNDER) EXPENDITURES	(193,400)	533,806	727,206
FUND BALANCE, July 1, 1997	<u>193,400</u>	<u>193,120</u>	<u>(280)</u>
FUND BALANCE, June 30, 1998	<u>\$ -</u>	<u>\$ 726,926</u>	<u>\$ 726,926</u>





AGENCY FUNDS



CITY OF THE DALLES, OREGON

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN  
ASSETS AND LIABILITIES

YEAR ENDED JUNE 30, 1998

	<u>Balance July 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 1998</u>
<b><u>DEFERRED COMPENSATION FUND</u></b>				
<b><u>ASSETS</u></b>				
Restricted assets:				
Cash and cash equivalents	\$ 181,419	\$ 67,038	\$ -	\$ 248,457
<b><u>LIABILITIES</u></b>				
Deferred compensation payable	\$ 181,419	\$ 67,038	\$ -	\$ 248,457
<b><u>TOURISM AGENCY FUND</u></b>				
<b><u>ASSETS</u></b>				
Restricted assets:				
Cash and cash equivalents	\$ -	\$ 150,910	\$ (150,821)	\$ 89
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ -	\$ 151,913	\$ (150,821)	\$ 1,092
<b><u>FUND EQUITY</u></b>				
Fund balance:				
Reserved for Tourism Agency	-	-	(1,003)	(1,003)
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ -</b>	<b>\$ 151,913</b>	<b>\$ (151,824)</b>	<b>\$ 89</b>
<b><u>TOTAL AGENCY FUNDS</u></b>				
<b><u>ASSETS</u></b>				
Restricted assets:				
Cash and cash equivalents	\$ 181,419	\$ 217,948	\$ (150,821)	\$ 248,546
<b>TOTAL ASSETS</b>	<b>\$ 181,419</b>	<b>\$ 217,948</b>	<b>\$ (150,821)</b>	<b>\$ 248,546</b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ -	\$ 151,913	\$ (150,821)	\$ 1,092
Deferred compensation payable	181,419	67,038	-	248,457
<b>TOTAL LIABILITIES</b>	<b>181,419</b>	<b>218,951</b>	<b>(150,821)</b>	<b>249,549</b>
<b><u>FUND EQUITY</u></b>				
Fund balance (deficit):				
Reserved for Tourism Agency	-	-	(1,003)	(1,003)
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 181,419</b>	<b>\$ 218,951</b>	<b>\$(151,824)</b>	<b>\$ 248,546</b>



GENERAL FIXED ASSETS



CITY OF THE DALLES, OREGON

SCHEDULE OF GENERAL FIXED ASSETS BY SOURCE

JUNE 30, 1998

**GENERAL FIXED ASSETS:**

Land and land improvements	\$ 425,566
Buildings and improvements	2,567,284
Machinery and equipment	<u>2,069,142</u>

**TOTAL GENERAL FIXED ASSETS** \$ 5,061,992

**INVESTMENTS IN GENERAL FIXED ASSETS:**

General Fund	\$ 2,069,369
Special Revenue Funds	1,746,853
Capital Projects Funds	<u>1,245,770</u>

**TOTAL INVESTMENT IN GENERAL FIXED ASSETS** \$ 5,061,992



SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY SOURCEYEAR ENDED JUNE 30, 1998

	<u>Land and Land Improvements</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Totals</u>
Balance, July 1, 1997	\$ 165,964	\$ 1,866,700	\$ 1,972,432	\$ 4,005,096
Additions:				
General Fund	-	-	31,675	31,675
Special Revenue Funds	137,227	12,662	67,998	217,887
Capital Projects Funds	122,375	687,922	-	810,297
Total additions	<u>259,602</u>	<u>700,584</u>	<u>99,673</u>	<u>1,059,859</u>
Deduct retirements:				
General Fund	-	-	(2,963)	(2,963)
Balance, June 30, 1998	<u>\$ 425,566</u>	<u>\$ 2,567,284</u>	<u>\$ 2,069,142</u>	<u>\$ 5,061,992</u>

CITY OF THE DALLES, OREGON

SCHEDULE OF GENERAL FIXED ASSETS BY FUNCTION

JUNE 30, 1998

	<u>Land and Land Improvements</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Totals</u>
General government	\$ 205,116	\$ 2,107,871	\$ 261,625	\$ 2,574,612
Public safety	-	-	436,118	436,118
Highways and streets	144,165	158,388	1,231,248	1,533,801
Culture and recreation	<u>76,285</u>	<u>301,025</u>	<u>140,151</u>	<u>517,461</u>
	<u>\$ 425,566</u>	<u>\$ 2,567,284</u>	<u>\$ 2,069,142</u>	<u>\$ 5,061,992</u>

CITY OF THE DALLES, OREGON

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS BY FUNCTION

YEAR ENDED JUNE 30, 1998

	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets</u>	<u>Culture and Recreation</u>	<u>Total</u>
Balance, July 1, 1997	\$ 1,754,450	\$ 417,882	\$ 1,315,914	\$ 516,850	\$ 4,005,096
Additions	823,125	18,236	217,887	611	1,059,859
Retirements	<u>(2,963)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,963)</u>
Balance, June 30, 1998	<u>\$ 2,574,612</u>	<u>\$ 436,118</u>	<u>\$ 1,533,801</u>	<u>\$ 517,461</u>	<u>\$ 5,061,992</u>

**SUPPLEMENTAL INFORMATION**



ADDITIONAL SCHEDULES







CITY OF THE DALLES, OREGON

SCHEDULE OF BONDED DEBT TRANSACTIONS

YEAR ENDED JUNE 30, 1998

	Interest Rate	Principal			Outstanding June 30, 1998
		Outstanding July 1, 1997	Issued	Matured and Redeemed	
1993 Advance Refunding Bonds	2.75% to 4.25%	\$ 1,285,000	\$ -	\$ 310,000	\$ 975,000
1997 Police Facility Revenue Bonds	4.50% to 5.40%	<u>1,095,000</u>	<u>-</u>	<u>90,000</u>	<u>1,005,000</u>
		<u>\$ 2,380,000</u>	<u>\$ -</u>	<u>\$ 400,000</u>	<u>\$ 1,980,000</u>

Interest

Outstanding July 1, 1997	Matured	Redeemed	Outstanding June 30, 1998
\$ -	\$ 52,536	\$ 52,536	\$ -
<u>-</u>	<u>52,267</u>	<u>52,267</u>	<u>-</u>
<u>\$ -</u>	<u>\$ 104,803</u>	<u>\$ 104,803</u>	<u>\$ -</u>

CITY OF THE DALLES, OREGON

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS

JUNE 30, 1998

Fiscal Year	Series 1993 Bonds		1997 Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
1998-99	\$ 320,000	\$ 40,475	\$ 95,000	\$ 50,470	\$ 415,000	\$ 90,945
1999-00	325,000	27,675	95,000	46,195	420,000	73,870
2000-01	330,000	14,025	100,000	41,730	430,000	55,755
2001-02	-	-	105,000	36,930	105,000	36,930
2002-03	-	-	110,000	31,785	110,000	31,785
2003-07	-	-	500,000	68,175	500,000	68,175
	<u>\$ 975,000</u>	<u>\$ 82,175</u>	<u>\$ 1,005,000</u>	<u>\$ 275,285</u>	<u>\$ 1,980,000</u>	<u>\$ 357,460</u>



CITY OF THE DALLES, OREGON

SCHEDULE OF PROPERTY TAX TRANSACTIONS

YEAR ENDED JUNE 30, 1998

CITY OF THE DALLES:

		<u>Tax Year</u>	<u>Uncollected July 1, 1997</u>	<u>Extended by Assessor</u>	<u>Discounts Allowed</u>
<b>GENERAL FUND:</b>					
Current		1997-98	\$ -	\$ 1,304,545	\$ (32,373)
Prior	As restated -	1996-97	65,804		(27)
		1995-96	32,256		(17)
		1994-95	28,171		-
		1993-94	9,446		-
		1992-93	774		-
		1991-92	295		-
		1990-91			
		and prior	3,313	-	-
Total prior			<u>140,059</u>	<u>-</u>	<u>(44)</u>
Total General fund			<u>140,059</u>	<u>1,304,545</u>	<u>(32,417)</u>
<b>WATER BOND DEBT FUND:</b>					
Current		1997-98	-	362,392	(8,993)
Prior	As restated -	1996-97	16,537		(7)
		1995-96	6,850		(4)
		1994-95	4,831		-
		1993-94	2,254		-
		1992-93	173		-
		1991-92	91		-
		1990-91			
		and prior	537	-	-
Total prior			<u>31,273</u>	<u>-</u>	<u>(11)</u>
Total Water Bond Debt Fund			<u>31,273</u>	<u>362,392</u>	<u>(9,004)</u>
Total City of The Dalles			<u>\$ 171,332</u>	<u>\$ 1,666,937</u>	<u>\$ (41,421)</u>
<b>COLUMBIA GATEWAY URBAN RENEWAL AGENCY:</b>					
Current	As restated -	1997-98	\$ -	686,893	(17,046)
Prior			<u>10,811</u>	<u>-</u>	<u>(4)</u>
Total Columbia Urban Renewal Agency			<u>\$ 10,811</u>	<u>\$ 686,893</u>	<u>\$ (17,050)</u>

Interest	Adjustments	Collections	Uncollected June 30, 1998
<u>\$ 522</u>	<u>\$ (2,990)</u>	<u>\$ (1,208,052)</u>	<u>\$ 61,652</u>
1,964	2,265	(33,769)	36,237
2,187	1,102	(17,104)	18,424
4,598	915	(23,706)	9,978
2,863	670	(11,487)	1,492
157	344	(978)	297
115	94	(471)	33
<u>442</u>	<u>-</u>	<u>(2,491)</u>	<u>1,264</u>
<u>12,326</u>	<u>5,390</u>	<u>(90,006)</u>	<u>67,725</u>
<u>12,848</u>	<u>2,400</u>	<u>(1,298,058)</u>	<u>129,377</u>
<u>145</u>	<u>(831)</u>	<u>(335,587)</u>	<u>17,126</u>
493	569	(8,485)	9,107
464	234	(3,631)	3,913
788	157	(4,065)	1,711
683	160	(2,740)	357
35	77	(218)	67
35	29	(145)	10
-	-	(448)	89
<u>2,498</u>	<u>1,226</u>	<u>(19,732)</u>	<u>15,254</u>
<u>2,643</u>	<u>395</u>	<u>(355,319)</u>	<u>32,380</u>
<u>\$ 15,491</u>	<u>\$ 2,795</u>	<u>\$ (1,653,377)</u>	<u>\$ 161,757</u>
275	(1,574)	(636,086)	32,462
<u>352</u>	<u>395</u>	<u>(5,636)</u>	<u>5,918</u>
<u>\$ 627</u>	<u>\$ (1,179)</u>	<u>\$ (641,722)</u>	<u>\$ 38,380</u>



**AUDITOR'S COMMENTS AND REPORTS**







**Report on Compliance and on Internal Control over Financial Reporting  
Based on an Audit of Financial Statements Performed in Accordance  
with *Government Auditing Standards***

110 SE First St.  
P.O. Box 1533  
Pendleton, OR 97801  
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To the Honorable Mayor and  
Members of the City Council  
City of 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, 1998, and have issued our report thereon dated December 4, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of The Dalles, Oregon's internal control over financial reporting 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 over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal

Portland  
Bellevue  
Eugene  
Medford  
North Bend  
Chehalis  
Pendleton  
Astoria



control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in the 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 over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the Honorable Mayor, members of the City Council, the City Administrator, and management of the City of The Dalles, Oregon, federal grantor agencies and the Secretary of State, Division of Audits, of the State of Oregon. However, this report is a matter of public record.



Partner

Pendleton, Oregon  
December 4, 1998



To the Mayor and Council Members of the  
City of The Dalles  
The Dalles, Oregon

110 SE First St.  
P.O. Box 1533  
Pendleton, OR 97801  
Phone: (541) 276-6862  
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We have audited the general purpose financial statements of the City of The Dalles, Oregon, and its component unit, the Columbia Gateway Urban Renewal Agency as of and for the year ended June 30, 1998, and our report thereon, dated December 4, 1998, is included in the preceding Financial Section of this report. Our audit was made in accordance with generally accepted auditing standards, *Government Auditing Standards* issued by the Comptroller General of the United States, and the Oregon Minimum Standards for Audits of Municipal Corporations. Accordingly, we included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Oregon Administrative rules 162-10-000 through 162-10-330 set forth the Oregon Minimum Standards for Audits of Municipal Corporations. The standards were developed by the Secretary of State in cooperation with the Oregon State Board of Accountancy, and enumerate the financial statements, schedules, comments and disclosures required in audit reports. The required statements and schedules are set forth in the Financial Section of this report. Required comments and disclosures related to our audit of such statements and schedules are set forth in this Audit Section.

This report is intended solely for the use of management of the City of The Dalles, Oregon. However, this report is a matter of public record and its distribution is not limited.

Portland  
Bellevue  
Eugene  
Medford  
North Bend  
Chehalis  
Pendleton  
Astoria

December 4, 1998

  
Partner





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

**ACCOUNTING SYSTEMS**

We found the accounting system of the City of The Dalles, Oregon to be generally well maintained and adequate for audit purposes.

**COLLATERAL**

Oregon Revised Statutes (ORS) Chapter 295 provides that public officials maintain sufficient collateral certificates to secure deposits of public funds, in excess of those insured by the Federal Deposit Insurance Corporation.

Our review of the adequacy of collateral certificates securing depository balances indicated collateral was not adequate at times during the months of March through June 30, 1998.

**INDEBTEDNESS**

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

**BUDGET**

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 1997-98 and 1998-99, and the execution of its 1997-98 budget, except as follows:

The City overexpended its appropriations for:

General Fund:		
City Council Department - Materials and services	\$	(2,058)
City Manager Department - Capital outlay		(2,291)
City Clerk Department - Personal services		(10)
Finance Department - Materials and services		(11,964)
Capital outlay		(262)
Community Development Department - Capital outlay		(235)
City Hall Department - Personal services		(4,077)
Library Department - Capital outlay		(611)
Capital Projects Fund:		
F.A.A. Grant Improvement - Materials and services		(380)
Water Capital Reserve Fund:		
Materials and services		(411)
Airport Fund:		
Materials and services		(7,756)

**AUDIT COMMENTS AND DISCLOSURES**  
**REQUIRED BY STATE REGULATIONS (Continued)**

The City established the levels of budgetary control at the personal services, materials and services, capital outlay, operating contingencies, debt service, and all other requirements levels for all funds except the General Fund and the Special Grants Fund. For the General Fund, budgetary control is at the department level and then personal services, materials and services, capital outlay, and non-departmental level. For the Special Grants Fund, appropriations are at the grant level.

**INSURANCE AND FIDELITY BONDS**

We reviewed the City's insurance and fidelity bond coverage at June 30, 1998, and 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, 1998.

**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.

**HIGHWAY FUNDS**

The City appears to have complied with the provisions of Article IX, Section 3a of the Oregon Constitution and ORS Sections 294, 368 and 373 in regards to the expenditures of motor vehicle use funds.

**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, 1998,

**PUBLIC CONTRACTS AND PURCHASING**

We have reviewed the City's compliance with ORS 279, pertaining to the awarding of public contracts and the construction of public improvements. Our review disclosed no conditions which we considered to be matters of noncompliance.

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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-governmental Revenues</u>	<u>Charges for Services</u>
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
1994	2,682,851	219,477	1,147,154	411,252
1995	3,241,507	230,359	1,683,909	418,362
1996	2,354,125	237,642	1,820,162	139,022
1997	2,466,175	250,291	1,172,906	333,992
1998	2,209,207	248,688	1,350,496	171,570

Note: The schedule above includes only those revenues recorded in the governmental fund types, and does not include the City's component unit.

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

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

LAST TEN FISCAL YEARS

<u>Year</u>	<u>General Government</u>	<u>Public Safety</u>	<u>Highways and Streets</u>
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
1994	1,567,628	2,030,700	740,212
1995	1,517,413	2,126,472	763,453
1996	1,590,782	1,221,837	756,693
1997	1,866,720	1,307,395	840,677
1998	1,638,006	1,272,708	774,485

Note: The schedule above includes only those expenditures recorded in the governmental fund types, and does not include the City's component unit.

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>
\$ 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
101,474	98,317	118,505	521,410	5,300,440
101,844	144,716	116,953	379,588	6,317,238
128,354	192,448	17,696	345,792	5,235,241
145,822	151,935	140,231	277,307	4,938,659
168,922	215,837	261,614	211,149	4,837,483

<u>Culture and Recreation</u>	<u>Capital Outlay</u>	<u>Debt Service</u>	<u>Totals</u>
\$ 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
297,728	921,545	440,008	5,997,821
267,656	1,217,615	382,767	6,275,376
339,522	1,191,750	380,533	5,481,117
516,399	277,719	372,441	5,181,351
306,413	917,209	507,718	5,416,539

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 Collections</u>	<u>Percent of Tax Levy Collected</u>	<u>Deliquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections as Percent of Current Tax Levy</u>
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%
1994	2,205,323	1,766,206	80.09%	273,341	2,039,547	92.48%
1995	2,491,195	2,251,730	90.38%	491,763	2,743,493	110.12%
1996	1,725,455	1,596,041	92.50%	183,978	1,780,019	103.16%
1997	1,899,755	1,734,435	91.30%	142,344	1,876,779	98.79%
1998	1,666,937	1,543,639	92.60%	109,738	1,653,377	99.19%

Source: Wasco County Department of Assessment and Taxation, Schedules of Property tax transactions by year.

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



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>Mid-Columbia Fire and Rescue</u>
1989	\$ 8.19	\$ 7.17	\$ 1.60	\$ 4.08
1990	8.37	7.41	1.57	4.55
1991	8.44	6.34	1.31	4.12
1992	8.00	6.23	1.21	3.45
1993	7.23	5.40	1.03	2.62
1994	7.12	5.38	1.04	3.09
1995	8.24	4.95	0.89	2.83
1996	5.76	4.25	0.76	2.14
1997	6.89	4.20	0.75	2.08
1998	3.85	4.25	0.81	2.10

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

Source: Wasco County Department of Assessment and Taxation.

Northern Wasco County Parks and Recreation District	School District No. 12	School District No. 9	School District No. 14	Wasco County Educational Service District	Columbia Gorge Community College	Norco
\$ 0.93	\$ 19.74	\$ 19.65	\$ 15.51	\$ 1.84	\$ 1.08	\$ -
1.00	19.74	23.24	15.20	1.87	1.16	-
0.99	18.80	22.93	10.37	1.71	1.06	-
1.24	22.60	21.54	13.94	1.72	1.06	-
1.06	21.51	16.15	12.20	1.53	0.94	-
1.12	21.05	20.10	13.54	1.58	1.65	-
0.89	18.25	19.54	13.65	1.49	1.57	-
0.85	17.87	15.27	10.33	1.37	1.38	-
0.75	18.20	15.63	12.02	1.36	1.31	-
0.90	5.49	6.18	4.49	0.47	0.84	0.47



CITY OF THE DALLES, OREGON  
COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 1998

Total estimated true cash value		<u>\$ 541,217,509</u>
State debt limit - 3% of total equalized value		16,236,525
Amount of debt applicable to debt limit		
General bonded long-term debt	\$ 1,980,000	
Less amount in debt service funds available for payment of principal:		
Debt Service Fund Balance	<u>(166,743)</u>	
Total amount of debt applicable to limit:		<u>1,813,257</u>
<b>LEGAL DEBT MARGIN</b>		<u><u>\$ 14,423,268</u></u>

CITY OF THE DALLES, OREGON

**RATIOS OF GROSS GENERAL BONDED DEBT TO TRUE CASH AND  
ASSESSSED VALUE AND GROSS BONDED DEBT PER CAPITA**

LAST TEN FISCAL YEARS

<u>Year</u>	<u>Gross General Bonded Debt</u>	<u>True Cash Value and Assessed Value</u>	<u>Ratio of Gross General Bonded Debt to Assessed Value</u>	<u>Population</u>	<u>Gross Bonded Debt per Capita</u>
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	0.82%	11,200	225
1993	2,290,000	338,832,980	0.68%	11,370	201
1994	2,165,000	361,571,408	0.60%	11,325	191
1995	1,885,000	444,517,119	0.42%	11,325	166
1996	1,590,000	464,027,786	0.34%	11,355	140
1997	2,380,000	496,383,585	0.48%	11,460	208
1998	1,980,000	541,217,509	0.37%	11,765	168

Notes: Population information for fiscal year ended June 30, 1998 estimated.

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

RATIO 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>
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%
1994	401,856	5,997,821	6.70%
1995	379,587	6,275,376	6.04%
1996	377,618	5,481,117	6.88%
1997	369,261	5,181,351	7.13%
1998	507,718	5,416,539	9.37%

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, 1998

<b>GOVERNMENTS:</b>	<u>Percent Within The City</u>	<u>Gross Bonded Debt</u>
City of The Dalles	100.00%	\$1,980,000
Wasco County	41.90%	1,865,116
Northern Wasco Parks and Recreation District	75.03%	176,320
Port of The Dalles	54.39%	1,707,802
Wasco County School District 9	13.85%	429,192
Columbia Gorge Community College	42.07%	2,946,982

Source: Municipal Debt Advisory Commission, State of Oregon

CITY OF THE DALLES, OREGON

ASSESSMENTS LEVIED AND COLLECTIONS

LAST TEN FISCAL YEARS

<u>Year</u>	<u>New Assessments Levied</u>	<u>Assessments Collected</u>
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
1994	25,459	118,505
1995	120,135	116,953
1996	1,096	17,696
1997	213,454	140,231
1998	188,947	261,614

Source: Assessment Subsidiary Ledger, Lien Docket #4  
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>
1989	10,590	\$ 15,506	8.30
1990	11,060	16,501	7.60
1991	11,130	16,726	7.70
1992	11,200	18,667	9.70
1993	11,370	19,437	7.10
1994	11,325	17,990	7.30
1995	11,325	N/A	7.10
1996	11,355	N/A	7.50
1997	11,460	N/A	N/A
1998	11,765	N/A	N/A

Notes: Per capita income and unemployment rate figures are stated for Wasco county in its entirety.

N/A-Not available

Sources: US 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>		
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
1994	85	6,646,121	122	1,752,115	196,120,000	361,571,408
1995	81	4,781,849	142	4,471,773	177,366,000	444,517,119
1996	78	5,371,334	177	2,753,471	209,880,000	464,027,786
1997	64	14,107,657	194	4,001,277	209,072,000	496,383,585
1998	132	16,370,229	123	3,877,808	222,893,000	541,217,509

Sources: State of Oregon, Commerce Department/Building Codes Agency  
State of Oregon, Division of Finance and Corporate Securities  
Wasco County Department of Assessment and Taxation

CITY OF THE DALLES, OREGON

PRIMARY TAXPAYERS

JUNE 30, 1998

	<u>Assessed Valuation</u>	<u>Percentage of Total District's Assessed Value</u>
Sprint Corporation	\$ 8,692,542	1.97 %
Northern Wasco County PUD	6,572,312	1.49
Kerr McGee Chemical Corp.	5,974,820	1.35
GFI The Dalles Investment Ltd.	4,990,460	1.13
Oregon Cherry Growers	4,884,470	1.11
Union Pacific Railroad Company	4,713,887	1.07
Cascade Fruit Co.	4,166,190	0.94
Portland Fixture	4,043,580	0.91
Gershman Harold Family Trust	3,810,450	0.86
Stadelman, George P., et al.	<u>3,743,610</u>	<u>0.85</u>
Sub total	51,592,321	11.68
All other taxpayers	<u>390,209,070</u>	<u>88.32</u>
Grand Total - Assessed Value on Roll	<u>\$ 441,801,391</u>	<u>100.00 %</u>

Source: Wasco County Department of Assessment and Taxation



CITY OF THE DALLES, OREGON

MISCELLANEOUS STATISTICS

JUNE 30, 1998

City's charter granted by Territorial Legislature	1857
Total Housing Units (within City limits)	4843
Vacancy rate	6.20%
Total areas of the City of The Dalles in square miles	4646
Altitude in feet	Ranges from 80 - 720
Mean temperatures-Fahrenheit	58
Annual rainfall in inches	13.97
Water Enterprise:	
Daily consumption in gallons (winter average)	2,407,800
System storage capacity in gallons	16,000,000
Total connections/services	4334
Number of motel rooms	591
Miles of paved streets within the City	73
Employees:	
Total employees	86
Full-time	75
Part-time/temporary	11

Sources: Bureau of Governmental Research, University of Oregon  
Dalles Area Chamber of Commerce  
Finance Department, City of the Dalles  
Oregon Employment Division; Research Section  
Planning Department, City of the Dalles  
Oregon Economic Development Dept.