

**AGENDA**

**REGULAR CITY COUNCIL MEETING**

**JANUARY 24, 2022**

**5:30 p.m.**

**VIA ZOOM**

<https://us06web.zoom.us/j/88147760127?pwd=bzF6UVBBS0EvaDIxTEVyRngrbExmQT09>

Meeting ID: 881 4776 0127

Passcode: 007612

Dial    +1 253 215 8782    +1 346 248 7799

1. CALL TO ORDER
2. ROLL CALL OF COUNCIL
3. PLEDGE OF ALLEGIANCE
4. APPROVAL OF AGENDA
5. PRESENTATIONS/PROCLAMATIONS

A. City of The Dalles Audit Report Fiscal Year 20-21

B. Columbia Gorge Regional Airport Audit Report Fiscal Year 20-21

6. AUDIENCE PARTICIPATION

During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Five minutes per person will be allowed. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.

7. CITY MANAGER REPORT
8. CITY COUNCIL REPORTS
9. CONSENT AGENDA

Items of a routine and non-controversial nature are placed on the Consent Agenda to allow the City Council to spend its time and energy on the important items and issues. Any Councilor may request an item be “pulled” from the Consent Agenda and be considered separately. Items pulled from the Consent Agenda

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**CITY OF THE DALLES**

**"By working together, we will provide services that enhance the vitality of The Dalles."**

will be placed on the Agenda at the end of the "Action Items" section.

- A. Approval of the January 10, 2022 Regular City Council Meeting Minutes
- B. Resolution No. 22- 004 Abatement Lien 412 West 7<sup>th</sup> Street

#### 10. PUBLIC HEARINGS

- A. Special Ordinance No. 22-593 Annexing a Certain Additional Property Located in the Urban Growth Boundary of the City of The Dalles Pursuant to ORS 222.125 (Consent Annexation: Anx#79-21-Nelson)

#### 11. CONTRACT REVIEW BOARD ACTIONS

- A. Approval of Local Agency Agreement with Oregon Department of Transportation to provide funding for the West 6<sup>th</sup> Street Improvement Project
- B. Contract No. 2021-011 Trevitt Street Utilities Upgrade Phase 1 Project, rejection of bids

#### 12. ACTION ITEMS

- A. Special Ordinance No. 22-591 Correcting Legal Description of Property in Special Ordinance No. 21-589 to Correct the Map to Match the Legal Description
- B. Special Ordinance No. 22-592 Correcting the Legal Description of Property in Special Ordinance No. 21-587 to Correct Legal Descriptions and Map

#### 13. ADJOURNMENT

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This meeting conducted VIA Zoom

Prepared by/  
Izetta Grossman, CMC  
City Clerk

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**CITY OF THE DALLES**

"By working together, we will provide services that enhance the vitality of The Dalles."



# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2021**

**Prepared by:  
The City of The Dalles  
Finance Department**

# **CITY OF THE DALLES, OREGON**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2021**

**Prepared by:  
The City of The Dalles  
Finance Department**



**CITY OF THE DALLES, OREGON**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2021**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

Introductory Letter	i – viii
Officials of the City of The Dalles	ix
GFOA Certificate of Achievement	x
Organizational Chart	xi

<b>INDEPENDENT AUDITOR’S REPORT</b>	<b>A - C</b>
-------------------------------------	--------------

<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	<b>a - k</b>
---	--------------

**FINANCIAL SECTION**

**BASIC FINANCIAL STATEMENTS**

Government-wide Financial Statements:	1
Statement of Net Position	2
Statement of Activities	3
Fund Financial Statements:	4
Governmental Funds	
Balance Sheet	5
Statement of Revenues, Expenditures, and Changes in Fund Balances	6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	7
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
General Fund	8
Street Fund	9
Proprietary Funds:	10
Statement of Net Position	11
Statement of Revenues, Expenses and Changes in Fund Net Position	12
Statement of Cash Flows	13

<b>NOTES TO THE BASIC FINANCIAL STATEMENTS</b>	<b>14 - 39</b>
--	----------------

**REQUIRED SUPPLEMENTAL INFORMATION**

Schedule of Changes in the City’s Total OPEB Liability and Related Ratios	40
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**CITY OF THE DALLES, OREGON**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2021**

**TABLE OF CONTENTS (CONTINUED)**

<b>OTHER SUPPLEMENTAL INFORMATION</b>	41 - 42
Combining Statements:	
Non-major Governmental Funds Combining Balance Sheet	43
Non-major Governmental Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	44
Non-major Special Revenue Funds Combining Balance Sheet	45
Non-major Special Revenue Funds Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	46
Non-major Debt Service Funds Combining Balance Sheet	47
Non-major Debt Service Funds Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	48
Non-major Capital Projects Funds Combining Balance Sheet	49
Non-major Capital Projects Funds Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances	50
General Fund – Combining Balance Sheet	51
General Fund – Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	52
Budgetary Comparison Schedules:	53
General Fund – Budgetary Basis – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	54
General Fund – Budgetary Basis – Schedule of Expenditures – Budget and Actual	55-56
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Governmental Funds:	
Budgetary Basis (Combined into General Fund for Generally Accepted Accounting Principles):	
Public Works Reserve Fund – Budgetary Basis	57
Transportation Systems Reserve Fund – Budgetary Basis	58
Unemployment Reserve Fund – Budgetary Basis	59
Special Assessment Fund	60
Non-major Special Revenue Funds:	
Library	61
Community Benevolence	62
Special Grants	63
State Office Building	64
Special Enterprise Zone	65

**CITY OF THE DALLES, OREGON**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2021**

**TABLE OF CONTENTS (CONTINUED)**

**OTHER SUPPLEMENTAL INFORMATION (Continued)**

Budgetary Comparison Schedules (Continued):

Debt Service Funds:

FFCO 2008 Bond	66
2009 FFCO Bond	67
Urban Renewal Debt	68

Capital Projects Funds:

Capital Projects	69
Urban Renewal Capital Projects	70

Proprietary Funds:

Enterprise Funds:

All Water Funds Combined	71
Water Utility	72
Water Capital Reserve	73
All Wastewater Funds Combined	74
Wastewater	75
Wastewater Capital Reserve	76
Sewer Plant Construction	77
2018 Utility Bond Fund	78

**STATISTICAL SECTION**

Net Position by Component – Last Ten Fiscal Years	80
Changes in Net Position – Last Ten Fiscal Years	81 - 82
Fund Balances, Governmental Funds – Last Ten Fiscal Years	83
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	84
Program Revenues by Function/Program – Last Ten Fiscal Years	85
Tax Revenues by Source, Governmental Funds – Last Ten Fiscal Years	86
Assessed Valuation and Actual Values of Taxable Property – Last Ten Fiscal Years	87
Property Tax Rates – Direct and Overlapping Governments – Last Ten Fiscal Years	88
Property Tax Levies and Collections – Last Ten Fiscal Years	89
Principal Taxpayers – Current Year and Nine Years Ago	90
Ratios of Outstanding Debt By type – Last Ten Fiscal Years	91
Ratios of General Obligation Bonded Debt Outstanding – Last Ten Fiscal Years	92
Direct and Overlapping Governmental Activities Debt	93
Legal Debt Margin Information – Last Ten Fiscal Years	94
Demographic and Economic Statistics – Last Ten Years	95
Principal Employers – Current Year and Nine Years Ago	96
Full-Time Equivalent City Employees by Function/Program and Bargaining Unit – Last Ten Fiscal Years	97
Operating Indicators by Function/Program – Last Ten Fiscal Years	98
Capital Asset and Infrastructure Statistics by Function/Program – Last Ten Fiscal Years	99

**CITY OF THE DALLES, OREGON**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**For the Fiscal Year Ended June 30, 2021**

**TABLE OF CONTENTS (CONTINUED)**

**AUDIT COMMENTS AND DISCLOSURES**

Independent Auditor's Report on Compliance and on Internal Control over  
Financial Reporting on an Audit of Financial Statements Performed in  
Accordance with *Oregon State Regulation*

100 - 101



## INTRODUCTORY SECTION

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## **CITY of THE DALLES**

313 COURT STREET  
THE DALLES, OREGON 97058

(541) 296-5481

City Council  
City of The Dalles  
The Dalles, Oregon 97058

December 23, 2021

The Comprehensive Annual Financial Report (CAFR) of the City of The Dalles, Oregon, for the year ended June 30, 2021, is submitted herewith. This report presents a comprehensive and detailed picture of The Dalles' financial transactions during fiscal year 2020-2021 and the financial condition of the various funds at June 30, 2021. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including disclosures, rests with the City. To the best of our knowledge and belief, the report is accurate and complete in all material respects, including all activities, funds, and financial transactions, and is presented fairly to disclose the financial position and the results of operations of the City at June 30, 2021, and for the year then ended. Further, it is our belief that all disclosures necessary to enable the reader to gain an understanding of the City's financial operations have been included. The organization and content of this report, including the financial statements, supplementary information and statistical tables, follow the standards for annual financial reporting recommended by the Governmental Accounting Standards Board.

### **CITY HISTORY AND GEOGRAPHICAL AREA**

The City of The Dalles, Oregon, is situated in the north-central part of the state on the Columbia River, the nation's second largest river. It is the county seat and the largest community in Wasco County. The Dalles is one of Oregon's most historic cities and was known earlier in its history as the town at the end of the Oregon Trail. Archaeological evidence suggests the area has been inhabited more or less continuously for more than 10,000 years. The City was first incorporated by the Oregon Territorial Government in 1857 as "Dalles City" and was made the county seat shortly thereafter. We celebrated our Sesquicentennial in June of 2007.

Strategically located on the Columbia River and bordered by the Cascade Mountains to the West, The Dalles provides an ideal distribution or manufacturing setting with available riverside locations, as well as bulk container and international shipping options. It has historically been an economic hub of the Pacific Northwest, linking major transportation routes between Eastern and Southern Oregon and Washington State. It offers residents the pleasures of rural living while providing the advantages of access to metropolitan amenities in Portland, only 80 miles to the West.

In accordance with the City Charter of 1899, which was revised in 2017 and amended November 2020, the City of The Dalles is governed by a City Council. This Council consists of an elected mayor and five council members. The City operates under a council-manager form of government.

The City has eight departments: Administration, Finance, Legal, Police, Planning, Human Resources, Library, and Public Works, that collaborate to provide a wide range of services to our citizens. These services include general administrative services, police, code enforcement, municipal court, planning and development, water treatment and distribution, wastewater collection, transportation systems, and stormwater management. Fire services are provided by the Mid-Columbia Fire & Rescue District, and building services and inspections were provided by Wasco County through the Mid-Columbia Council of Governments (MCCOG). However, in 2018 MCCOG dissolved and buildings services and inspections were transferred to Wasco County in 2019.

## **ECONOMIC CONDITIONS**

The City has a population currently estimated at 16,031, yet the City serves a trading area of about 90,000 persons in both Oregon and Washington. Principal economic activities are agriculture, high tech services, small industrial businesses, hydro and wind power generation/transmission, and tourism, along with healthcare, government, and retail services. Mid-Columbia Medical Center is the area's largest employer with approximately 739 employees in all their affiliated activities.

Major agricultural products of the City are wheat and sweet cherries, with a growing sector of grape production. The Dalles is a primary producer for both domestic and overseas cherry markets. There are in excess of 10,000 acres of sweet cherry trees around the City. Wheat has roughly 50,000 acres currently in cultivation in The Dalles area. Additional agricultural products include cattle, hay and tree fruits.

The Port of The Dalles Industrial Center encompasses the majority of the industrially zoned land within the City. This employment land is home to over 70 small to mid-sized companies employing over 2,200 people. Due to its past success, The Port of The Dalles now has a limited land supply of 10, 2 ± acre lots for businesses looking to expand or locate in The Dalles. This limited supply restricts the size of businesses that can be recruited to the area. In 2005 Google purchased 30 acres from the Port of The Dalles to build its first facility in The Dalles and has since purchased an additional 30 acres from the Port and continued to expand its footprint in the community. At this time Google has four different Enterprise Zone agreements and has completed 4 different project phases with more anticipated. The first of the 15 year Enterprise Zone agreements will be expiring next year and the abated taxes added back to the tax rolls. Small construction projects and reinvestment into the existing businesses continue to occur in the industrial area helping to foster a diverse industrial business sector. This varied mix of traded sector businesses has helped The Dalles weather several economic downturns, and while many businesses struggled during this past year due to COVID-19, the industrial area businesses were largely unaffected.

Beginning in July 2020, Columbia Gorge Community College began construction of a student residential hall and a workforce training skills center in order to support our educational mission. These two projects, both located on The Dalles Campus, represent the most significant expansion



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

The City is a strategic home base for year-round recreation. Water sport enthusiasts will find boating, excellent fishing, and one of the finest windsurfing and kite boarding areas in the United States on the Columbia River. To the east are substantial opportunities to camp, fish, hike, and sightsee. To the west, ski enthusiasts have the opportunity to challenge the ski slopes of magnificent Mt. Hood and then relax at the numerous resorts that lie on Mt. Hood and at its base. Construction of the Columbia Gorge Discovery Center and Wasco County Historical Museum was completed in May 1997. Thousands of people visit the Center annually and it has become a center for many community festivities and events. The Center is located along the Columbia River that borders the City. Historic Downtown The Dalles has new breweries, new restaurants and retail shops, murals (including the completion of two additional murals in 2018), St. Peters Landmark and other historical buildings, and is a strong visitor draw.

In 2012 the City completed the construction of a Columbia River Marine Terminal, adjacent to the downtown area. The Marine Dock is used by one ship, American Queen Steamboat Company and four from American Cruise lines, with an occasional stop from National Geographic. While docked in The Dalles, passengers are able to book visits to various attractions, such as the Discovery Center and Fort Dalles Museum, or they can walk two blocks past the Festival Park to stroll through the downtown area.

Mid-Columbia Medical Center (MCMC) is the major hospital in the Mid-Columbia Region of Oregon and Washington. It is also the major trauma center in the region. This first class medical facility has attracted numerous health care professionals to The Dalles area. Their Oncology Center saves the region's population from traveling to Portland to receive those services and provides a multi-state option in the Northwest. MCMC opened a wellness center called Waters Edge in 2010 that offers exercise equipment, lap and therapy pools, spa services, exercise and nutrition classes, along with cardiac and pulmonary rehab, outpatient therapies, and sleep medicine and labs. However, this last year MCMC opened an Urgent Care at this facility. This expansion of comprehensive wellness services into a convenient, community-based setting, makes it easier for residents to access the programs they need and enjoy for healthier living. Furthermore, the Columbia Gorge Regional Airport recently completed a "flex space" hangar that is home to the new Fixed Base Operator (FBO) as well as Life Flight, which bases a helicopter and Polaris aircraft in the "flex space" hangar, providing emergency transport for medical emergencies.

The Dalles is the site of a 151 bed Veterans' long-term nursing and care home that opened in November 1997. It currently provides 151 jobs and has 145 residents. In 2011 the Oregon Department of Veteran Affairs added a new 9,300 square foot community center and out patient clinic next to the Veterans' home.

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

The Dalles is the major shopping center in the Mid-Columbia area. During the past fifteen years, several retail developments have been completed in the community. A 138,000 square foot regional Home Depot store opened in October 2004. This was followed by Walgreen's in 2005. Both the local Safeway and Fred Meyer stores completed multi-million dollar renovations in 2006. Fred Meyer expanded its retail space by 15,000 square feet, which included enclosing the existing garden area. A new Coastal Farm Supply store opened in The Dalles during the summer of 2012, and a new modern Goodwill retail and job center opened in 2014. In addition a Holiday Inn Express was constructed and opened April 14, 2020, with 93 rooms, creating more than 30 new jobs. The Cascade Square shopping center completed a 4+ million dollar façade renovation in the fall of 2018 and is home to a new, and only, sushi restaurant in the city. These developments are balanced with the closure of JC Penney's (which has been replaced by Discounts Plus), as well as Tony's Town and Country, a clothing store located in the downtown, and the closure of K-Mart. This significantly reduces the options for clothing type items for local residents.

The Urban Renewal Agency (URA) is working to renovate the older commercial areas of the community. A ten block Downtown Renovation Project was completed during the summer of 2001. A \$7 million dollar reconnection of the Downtown to the Columbia River was completed in FY 2003-2004 using Urban Renewal dollars, and they were matched two to one with other grant funds. In October 2009, a Full Faith and Credit Obligation Bond was obtained by the City, with over \$10 million of the proceeds going as a loan to the Urban Renewal Agency to refund their current bond and provide nearly \$8 million for Urban Renewal projects. The East Gateway public infrastructure, that included a round-about to manage traffic in a problem area, was completed in June 2010. That project leveraged approximately \$25 million in private investment, including a new winery now located in a vacant flour mill that employs close to 100 people. The new Marine Terminal Dock and the new Lewis & Clark Festival Area, both Downtown/Riverfront Connection projects, were completed in the summer of 2012, at a cost of \$6.6 million.

The URA decided to demolish the former Tony's Town and County Department Store building in February 2021. The intent of the demolition is to invest in the building removal now so that the Agency may offer the site for sale to private developer who will redevelop it for a future housing and retail building in this prime downtown location. City staff is working to identify environmental clean-up actions that will be needed prior to demolition of the building.

The Urban Renewal Agency completed a controlled demolition on the Recreation Building roof, following its partial collapse in summer 2019. There was a negotiated settlement with CIS insurance to offset loss and demolition costs. Redevelopment of the Recreation Building site is currently underway, with three new storefronts expected by early 2022. The site will occupy a future ice cream/candy shop, art gallery space, family recreation center, and shared outdoor customer space. The 1929 Granada Theater Building, located on the same block, was sold by the Agency in 2020. The theater now holds shows each weekend, including movies and live music performers. The owner of the Granada Theater also started a monthly outdoor live music series this summer in nearby Lewis and Clark Park. They amended ODOT/City agreement and project description for First Street/Riverfront Connection Project includes updated cost estimate and construction schedule. The project includes a new street, sidewalk and utility lines along First Street between Union and Laughlin Streets. The new streetscape will be inviting, bicycle-friendly, and ADA-accessible for the first time in The Dalles' history.

State Tax limitation measures in 1990, 1996 and 1997 have limited property taxes. An upswing in the local economy up until the 2008 recession mitigated most of those impacts.

## **ECONOMIC CLIMATE AND FUTURE**

The City of the Dalles, through years of prudent management, has been able to withstand the economic impact of recent financial crises without diminishing services to our citizens. During the recession, some changes were made to reduce expenses, while continuing to maintain service levels. Currently, the community is facing challenges with school facility maintenance and construction as a result of a bonding authority that failed on the November 2018 ballot. School facility conditions have been attributed to the challenge of retaining highly qualified staff most notably for the hospital. Like many other communities in Oregon, affordable/attainable housing is an increasing challenge. During the past year, revenues from water and sewer rates were determined to be adequate to maintain operations and fund reserves without implementing previously scheduled rate increases. Overall the financial position of the City in the past year has been improved.

The City's management conditions are strong and supported by good financial practices and policies. The City's historical maintenance of strong and stable reserves and support of balanced operations continues. The City provides for long term financial planning by maintaining annually updated five year Capital Improvement Plans for all departments, and long range improvement plans for City infrastructure, including water, wastewater, transportation systems. The City maintains a 20 Year Vision Plan, and has an annual goal setting process and identifies those goals that will have a financial impact on subsequent budget development.

## **MAJOR INITIATIVES**

### **Water Master Plan**

A Water Master Plan update was completed in 2006. A \$7.9 million water revenue bond was issued in 2007. A new reservoir and associated pipelines were constructed in fiscal year 2010-2011, utilizing about \$6 million in grant and loan funds under the American Recovery and Reinvestment Act of 2009. The City completed a review of its water rates and capital needs in 2011 and adopted a rate plan to meet those needs. Additional revenue bonds that was planned to be issued in fiscal years 2016-2017 was not needed because increases in water utility rate revenues from increased residential, commercial and industrial water usage were sufficient to fund identified system improvements. Construction of a new Port Industrial Water Main, expansion of the Lone Pine Well and repainting of Columbia View Reservoir were completed in 2018-2019 utilizing rate revenues, system development charges, and outside private funding. Sorosis Reservoir was repainted in 2019-2020. In 2020-2021, work began on the final design of the Dog River Pipeline Replacement Project. In 2021-22, the final design of the Dog River Pipeline is to be completed and work is to begin on its construction, an update of the City's Water Master Plan will be initiated, a SCADA System Upgrade Phase 1 project is budgeted, and funds are being accumulated for future projects to repair the Sorosis Reservoir Roof and repaint the Garrison Reservoir.

### **Transportation System Plan**

A Transportation System Plan drafted in 1999 was updated and implemented in 2006. The plan was updated again in 2017 utilizing a Transportation Growth Management grant and

Transportation System Development Charges. A five-year capital improvement plan, updated annually, has been implemented for street development and to provide preventative maintenance.

A Transportation System Development Charge has been implemented. In 2019-2020, the East Scenic Dr. Stabilization Phase II project and West 2nd Street/Cherry Height intersection improvements project were completed. In 2020-21, the West 15th Street reconstruction project was initiated and an annual ADA Sidewalk Ramp Upgrade project was completed. Projects were also completed which focused on improving surfaces and integrity of streets.

#### **Storm Water Master Plan**

Storm Water Master Plan was completed in 2007. A System Development Charge and a storm water utility charge have been implemented.

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

The Columbia Gateway Urban Renewal Agency, a component unit of the City of The Dalles, operated throughout the 2020-2021 fiscal year. The Agency consists of an Urban Renewal District, formed by the citizens, to resolve issues of blight within the boundaries of the District. Ordinance No. 09-1301 adopted an amendment to the plan on June 22, 2009. This amendment provided for a new maximum indebted amount that is expected to be reached by the year 2025, thus extending the original expiration date of 2015 for another ten years. The Agency did levy and collect tax increment proceeds during FY 20/21.

#### **Housing Needs Analysis and Residential Buildable Land Needs Assessment**

A comprehensive Housing Needs Analysis and Residential Buildable Land Needs Assessment were completed in 2016/17, this project, in compliance with Oregon Planning Rules #10, identified types of housing needs and assessed future developable land needs. The City obtained a State Transportation and Growth Management Grant to complete state required housing code amendments. The amendments were approved unanimously by the City Council in June 2021.

### **FINANCIAL INFORMATION**

#### **Accounting System and Budgetary Controls**

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

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

A budget is prepared and legally adopted by the City Council for each fund. All changes to the budget must be approved by the City Council. These budgets are all prepared on the modified accrual basis of accounting, complying with Oregon Local Budget Law. The ordinance authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. All funds, excluding the General Fund, maintain levels of budgetary control for personnel services, materials and services, capital outlay, special payments, operation contingencies, debt service and all other requirements levels. For the General Fund, appropriations are at the department level for personal services, materials and services, capital outlay and other uses.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and appropriations ordinance. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council, if the change is greater than, or equal to, 10% of the original budget. Original and supplemental budgets may be modified by the use of appropriation transfers between the levels of control. Such transfers require approval by the City Council. The City Council approved several appropriation transfer resolutions during the year ended June 30, 2021. Appropriations lapse at year-end.

The City has established a procurement policy for the purchases of goods and services. All items purchased by the City require a purchase order. Purchase orders are initiated at the department level and are reviewed at the Finance office. Purchase orders greater than \$15,000 require the approval of the City Manager and those greater than \$50,000 require City Council approval.

The City Council adopted a comprehensive set of Fiscal Management Policies in June 2011. These policies updated and compiled existing policies on budgeting, revenues and expenditures, public contracting, purchasing authority levels, capital asset and capital improvements, cash management and investments, debt, risk management, and accounting and financial reporting.

The new policies also addressed intangible capital assets as required by GASB 51, and the new fund balance structures as required by GASB 54. These policies, in particular the new fund balance structure, were initially applied in the preparation of the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2011.

## **OTHER INFORMATION**

### **Management Discussion and Analysis**

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditor.

### **Independent Audit**

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

### **GFOA Certificate of Achievement for Excellence in Financial Reporting**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of The Dalles for its comprehensive annual financial report for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### **Acknowledgments**

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

Respectfully submitted,



Julie Krueger  
City Manager



Angie Wilson  
Finance Director

**CITY OF THE DALLES  
OFFICIALS OF THE CITY  
AS OF JUNE 30, 2021**

**MAYOR AND CITY COUNCIL**

<u>Name and Address</u>	<u>Term Expires December 31</u>
Rich Mays, Mayor 367 Summit Ridge The Dalles, OR 97058	2022
Darcy Long-Curtiss 2409 Mount Hood St. The Dalles, OR 97058	2024
Tim McGlothlin 328 W 21 <sup>st</sup> The Dalles, OR 97058	2022
Scott Randall 721 E 18 <sup>th</sup> The Dalles, OR 97058	2022
Dan Richardson 3515 Crest Court The Dalles, OR 97058	2024
Rod Runyon 2019 W Scenic The Dalles, OR 97058	2024

**City Administration**

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



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of The Dalles  
Oregon**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

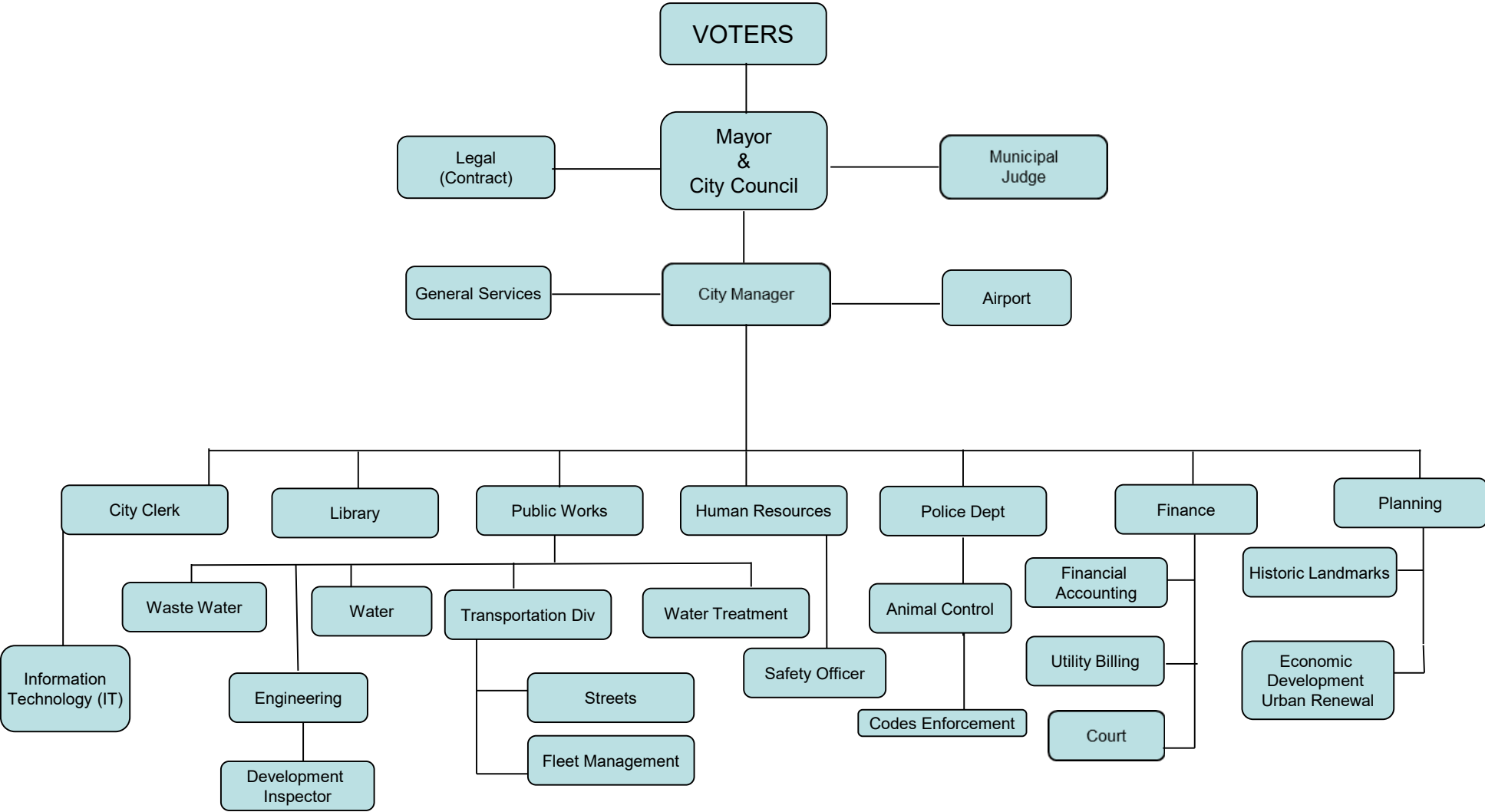
June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



City of The Dalles – Organizational Flow Chart





Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150, Portland, Oregon 97224  
P 503.274.2849 F 503.274.2853 [www.tkw.com](http://www.tkw.com)

## **INDEPENDENT AUDITOR'S REPORT**

Mayor and City Council  
City of The Dalles  
The Dalles, Oregon

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of The Dalles, Oregon (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **OPINIONS**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Mayor and City Council  
City of The Dalles  
Page 2

### **OTHER MATTERS**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the Required Supplementary Information as listed in the Table of Contents and the Notes to Required Supplementary Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements, schedules and other financial schedules, collectively presented as Other Supplementary Information in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Other Supplementary Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Other Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

## INDEPENDENT AUDITOR'S REPORT (Continued)

Mayor and City Council  
City of The Dalles  
Page 3

### REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS

#### **Other Reporting Required by Oregon Minimum Standards**

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 22, 2021 on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

By   
Timothy R. Gillette, Partner

Portland, Oregon  
December 22, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis presents the highlights of financial activities and financial position for the City of The Dalles, Oregon. The analysis focuses on significant financial issues, major financial activities and resulting changes in financial position, budget changes and variances from the budget, and specific issues related to funds and economic factors affecting the City.

Management's Discussion and Analysis (MD&A) focuses on current year activities and resulting changes. Please read it in conjunction with the Transmittal Letter (page i) and the City's financial statements.

### FINANCIAL HIGHLIGHTS

The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2021 by \$122,282,969 (net position). Of this amount \$83,801,962 was invested in capital assets (net of related debt). \$15,050,107 was restricted for specific purposes, resulting in unrestricted net position of \$23,430,900. The unrestricted net position is made up of unrestricted governmental net position of \$20,203,765 and unrestricted business-type net position of \$3,227,135.

The City's net position increased by \$9,386,093 (8.31%), due primarily to increased capital grants and contributions while expenses were relatively constant.

The City's Governmental Funds had an increase in fund balances in the amount of \$2,661,828. The General Fund balance increased by \$665,144. The Street Fund balance increased by \$105,905. The Special Assessment Fund balance decreased by (\$52,685). Nonmajor funds increased by \$1,943,460. The City prepares a budget for all governmental funds on an annual basis.

The City's Enterprise Funds experienced an increase in net position of \$5,007,132, due primarily to continued increases in charges for services with little change in expenses. The City prepares a budget for all enterprise funds on an annual basis.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The City's annual financial report consists of several sections. Taken together they provide a comprehensive financial report of the City. The components of the report include the following:

**Management's Discussion and Analysis.** This section of the report provides financial highlights, overview and economic factors affecting the City.

**Basic Financial Statements.** Includes a Statement of Net Position, a Statement of Activities, fund financial statements and the notes to the financial statements.

Statements of Net Position and Activities focus on an entity-wide presentation using the accrual basis of accounting and provide both long-term and short-term information about the City's financial status. The Governmental activities include most of the City's basic services such as police, street maintenance and improvement, community planning and governance. The Business-type activities include the operation of the City's water and sewer utilities.

## MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City’s major governmental funds are presented in their own column and the remaining funds are combined into a column titled “Other Governmental Funds”. Budgetary comparison statements are presented for the General Fund and Street Fund, which comprise the City’s General and Major Special Revenue Funds.

Statements for the City’s proprietary funds follow the governmental funds and include net position, revenues, expenses and changes in fund net position, and cash flows.

The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City’s financial condition.

**Supplemental Information.** Readers desiring additional information about other funds not represented in the Basic Financial Statements can find it in this section of the report. Included within this section are:

- Combining Schedules of other governmental funds, which are classified as non-major. These schedules include balance sheets and schedules of revenues, expenditures and changes in fund balances.
- Combining Schedule of the General Fund. These schedules include a balance sheet and schedule of revenues, expenditures and changes in fund balance. The Public Works Reserve Fund, Transportation System Reserve Fund, and Unemployment Reserve Fund are budgetary funds required by Oregon Budget Law, but do not qualify as funds based on GASB 54 therefore they are combined into the General Fund to create the General Fund.
- Budgetary Comparisons. Budgetary information for all funds, except General and Street Funds, which are presented within the Basic Financial Statements, are presented here.
- Other Financial Schedules complete the Financial Section of this report.

## FINANCIAL SUMMARY AND ANALYSIS

As mentioned earlier, the City’s net position as of June 30, 2021 was \$122,282,969, an increase from June 30, 2020 of \$9,386,093. By far the largest portion of the net position is comprised of the City’s investment in capital assets (e.g., land, building, equipment, and public infrastructure), less any related debt outstanding that was used to acquire those assets. The City uses capital assets to provide services to citizens; therefore, these assets are not available for future spending. The resources to repay the related debt is not provided by capital assets, but will be provided from other sources.

# MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

## City of The Dalles Net Position

	Governmental Activities		Business-type Activities		Total	
	2020				2020	
	2021	Restated	2021	2020	2021	Restated
<b><u>Assets</u></b>						
Current and						
other assets	\$ 35,252,091	\$ 31,714,899	\$ 15,487,199	\$ 11,892,320	\$ 50,739,290	\$ 43,607,219
Capital assets	35,695,802	35,879,283	59,042,606	58,772,553	94,738,408	94,651,836
<b>Total Assets</b>	<b>70,947,893</b>	<b>67,594,182</b>	<b>74,529,805</b>	<b>70,664,873</b>	<b>145,477,698</b>	<b>138,259,055</b>
Deferred						
outflows of						
resources	-	-	554,404	604,804	554,404	604,804
<b><u>Liabilities</u></b>						
Long-term liabilities	7,515,447	8,502,161	11,166,172	12,637,411	18,681,619	21,139,572
Other liabilities	1,924,683	1,889,552	2,250,475	1,933,959	4,175,158	3,823,511
<b>Total Liabilities</b>	<b>9,440,130</b>	<b>10,391,713</b>	<b>13,416,647</b>	<b>14,571,370</b>	<b>22,856,777</b>	<b>24,963,083</b>
Deferred inflows						
of resources	540,462	614,129	351,894	389,771	892,356	1,003,900
Net investment						
in capital assets	29,105,204	28,892,637	54,696,758	54,091,260	83,801,962	82,983,897
Restricted	11,658,332	10,893,307	3,391,775	1,825,510	15,050,107	12,718,817
Unrestricted	20,203,765	16,802,396	3,227,135	391,766	23,430,900	17,194,162
<b>Total net position</b>	<b>\$ 60,967,301</b>	<b>\$ 56,588,340</b>	<b>\$ 61,315,668</b>	<b>\$ 56,308,536</b>	<b>\$ 122,282,969</b>	<b>\$ 112,896,876</b>

The governmental activities revenue comes primarily from property taxes, franchise fees, charges for services, and various grants and contributions. Between FY19/20 and FY20/21, the City's Taxable Assessed Value (TAV) increased by 5.3%. When compared to the prior year, City property taxes collected increased by 3.4%. When compared to the prior year, Urban Renewal District property taxes collected decreased by 9.1%.

Our natural gas franchise fees decreased 2% over the prior year. This is primarily due to having a less severe winter than the previous year. The electric franchise fees increased 5.0%, while CATV/internet franchise fees decreased 4.9%, and the garbage franchise fees stayed the same. The Street Fund realized a 0.9% increase in the local 3 cent per gallon gas tax. Transient Room Taxes collected increased 2.4% compared to the prior year. Total City charges for services revenue showed a 2.60% decrease.

During the year ending June 30, 2021, the City received revenue from capital grants and contributions that consist primarily of awards for specific special projects. These will not be a continuing source of revenue. Grants and contributions received during the fiscal year included \$142,266 for the CDBG

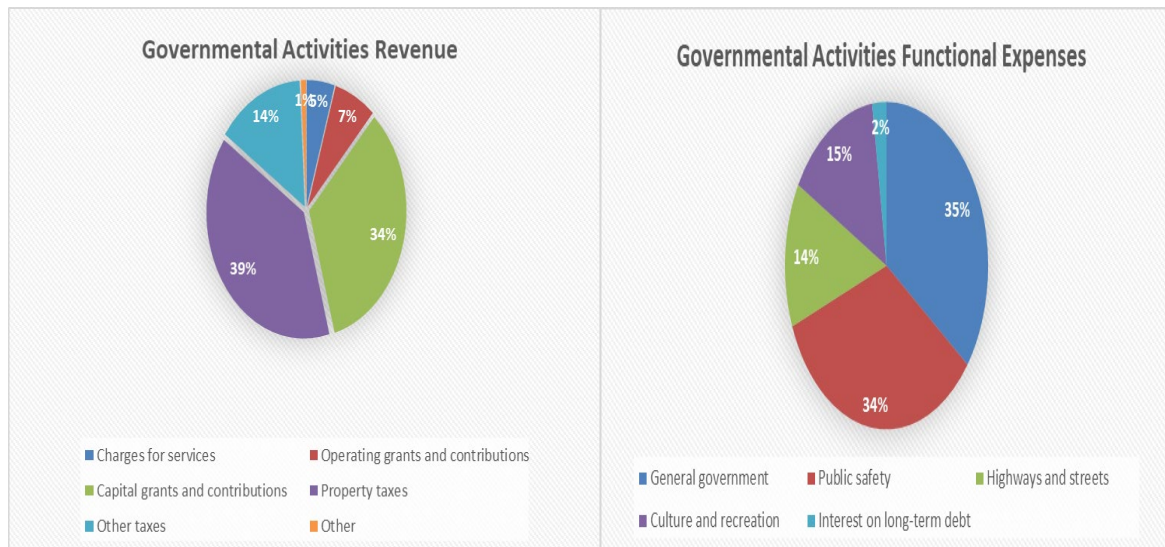
## MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Housing Grant for Integrated Planning Grant, The Brownsfield Grant in the amount of \$11,556, SHPO Grant in the amount of \$10,000, State Covid Grant for the City in the amount of \$435,647 and State Business Grant through Business Oregon in the amount of \$200,000.

The City’s governmental expenses cover a wide variety of services, with general government, public safety and streets accounting for most of these expenses. The 5.9% increase in governmental expenses was primarily due to increase in personnel services and increased Covid expenses funded by the Covid Grant and Business Oregon Grant.

The Business Type activities revenues come mostly from charges for services and various grants for capital outlay expenses for several projects, including the 2<sup>nd</sup>/Cherry Heights Intersection Project, Riverfront Trail repair and Maintenance, Telecom Equipment Upgrade for City Hall and Public Works, and an Armored Vehicle for Police. No water or wastewater rate increases were implemented during the fiscal year. Business type activities expenses remained relatively unchanged during the year.

Property taxes are the City’s primary on-going source of revenue and comprise 39% of the City’s governmental revenue. Property taxes are derived from the permanent tax rate and taxes levied for the repayment of bonded indebtedness.





## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

For the fiscal year ending June 30, 2021, net position of the Governmental activities increased by \$4,378,961, which represents a 7.74% increase. Net position of the Business-type activities increased by \$5,007,132, which represents a 8.89% increase. Key elements of these changes, when compared to the year ending June 30, 2020 are as follows:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b><u>Revenues</u></b>						
Program Revenues						
Charges for services	\$ 761,702	\$ 2,091,724	\$ 14,004,098	\$ 13,067,406	\$ 14,765,800	\$ 15,159,130
Operating grants and contributions	1,147,662	1,114,743	175,000	-	1,322,662	1,114,743
Capital grants and contributions	5,579,603	3,192,842	11,964	3,696	5,591,567	3,196,538
General Revenues						
Property taxes	6,371,956	6,386,169	-	-	6,371,956	6,386,169
Other taxes	2,361,131	2,458,295	-	-	2,361,131	2,458,295
Other	141,450	356,466	96,840	222,703	238,290	579,169
<b>Total revenues</b>	<b>16,363,504</b>	<b>15,600,239</b>	<b>14,287,902</b>	<b>13,293,805</b>	<b>30,651,406</b>	<b>28,894,044</b>
<b><u>Expenses</u></b>						
General government	4,772,981	4,163,662	-	-	4,772,981	4,163,662
Public safety	4,543,577	4,362,967	-	-	4,543,577	4,362,967
Highways and streets	1,925,942	1,984,052	-	-	1,925,942	1,984,052
Culture and recreation	1,961,529	1,909,414	-	-	1,961,529	1,909,414
Interest on long-term debt	306,935	341,850	-	-	306,935	341,850
Water	-	-	3,598,702	3,753,063	3,598,702	3,753,063
Wastewater	-	-	3,861,783	3,704,777	3,861,783	3,704,777
2018 Utility Bond	-	-	293,864	321,923	293,864	321,923
<b>Total expenses</b>	<b>13,510,964</b>	<b>12,761,945</b>	<b>7,754,349</b>	<b>7,779,763</b>	<b>21,265,313</b>	<b>20,541,708</b>
Changes in net position before transfers	2,852,540	2,838,294	6,533,553	5,514,042	9,386,093	8,352,336
Transfers	1,526,421	1,452,132	(1,526,421)	(1,452,132)	-	-
Change in net position	4,378,961	4,290,426	5,007,132	4,061,910	9,386,093	8,352,336
Net position - beginning	56,588,340	52,297,914	56,308,536	52,246,626	112,896,876	104,544,540
<b>Total net position</b>	<b>\$ 60,967,301</b>	<b>\$ 56,588,340</b>	<b>\$ 61,315,668</b>	<b>\$ 56,308,536</b>	<b>\$ 122,282,969</b>	<b>\$ 112,896,876</b>

## **MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)**

### **Governmental Activities**

A significant portion of the increase in net position is due to the City’s increase in operating grants and capital grants.

### **Business-type Activities**

The increase in net position of the business-type activities is due primarily to continued increases in charges for services while expenses remained nearly unchanged.

## **FINANCIAL ANALYSIS OF FUNDS**

As of June 30, 2021, the City’s governmental funds reported a combined fund balance of \$21,448,786, which is an increase of \$2,661,828 from June 30, 2020.

The General Fund is the primary operating fund of the City. Beginning June 30, 2011, the General Fund has been combined with the Public Works Reserve Fund, the Street/Bridge Replacement Fund and the Unemployment Fund, as required by GASB 54. As of June 30, 2021, the combined General Fund balance was \$6,886,340 which is an increase of \$665,144 from June 30, 2020. The combined revenues were \$8,746,882 and combined expenditures were \$9,385,413, resulting in a loss of \$638,531. The combined General Fund received transfers from other funds in the amount of \$1,618,780, and transfers out to other funds in the amount of \$317,443. This, combined with sales of property for \$2,338, resulted in net “Other financing sources” totaling \$1,303,675.

The Street Fund balance as of June 30, 2021 was \$1,350,810, which is an increase of \$105,909 from June 30, 2020. Street Fund revenues were \$1,718,863, while expenditures were \$1,862,393, resulting in a loss of \$143,530. Transfers in from other funds in the amount of \$626,499 and transfers out to other funds in the amount of \$382,838. This, combined with sales of property for \$5,788, resulted in net “Other financing sources” totaling \$249,439.

The Special Assessments Fund balance as of June 30, 2021 was \$469,219, which is a decrease of \$52,685 from June 30, 2020. This decrease was due to no expenditures for the year and additional revenue received for the Special Assessments for LIDS.

The non-major governmental funds balance as of June 30, 2021 was \$12,742,417. This reflects an increase of \$1,943,460. The City received Enterprise Zone Revenue that did not get paid out to Columbia Gorge Community College.

Proprietary funds provide the same type of information as presented in the government-wide statements of net position and activities, but in more detail. The proprietary funds net position amounted to \$61,315,668 as of June 30, 2021, reflecting a \$5,007,132 increase from net position as of June 30, 2020.

The combined Water Funds net position as of June 30, 2021 was \$28,725,848, which is an increase of \$1,567,469 over June 30, 2020. This increase is primarily due to accumulating funds in the Water Capital Reserve to implement the capital improvement plan.

The combined Wastewater Funds net position as of June 30, 2021 was \$40,180,625, which is an increase of \$2,392,227 from June 30, 2020. This increase is primarily due to accumulating funds for the construction-in-progress projects.

The 2018 Utility Bond Fund net position as of June 30, 2021 was (\$7,590,805), which is a increase of \$1,047,436 from June 30, 2020. This increase is primarily due to accumulating funds in the 2018 Utility Bond Fund for the debt payments.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

### **BUDGETARY HIGHLIGHTS**

The original legal appropriations for fiscal year 2020-2021 for the General Fund – Budgetary Basis totaled \$10,210,278, with contingency of \$778,850. The Unappropriated Ending Balance, which is not included in the legal appropriations, was \$2,716,675. Budget amendments during the year resulted in a total budget of 10,845,925, with a contingency of \$638,343. The changes to the budget were made to cover expenses for unanticipated court appointed attorney fees in the Judicial Department, changes in the Legal Department and special legal services caused an increase in the Legal Department. The Police Department had additional expenses for the MDT units that was inadvertently left out of the budget, EIS Computer Aided Dispatch, clothing allowance, increase equipment to the police vehicle, additional services for towing and added a new police officer position. Temporary salaries were added to the Human Resources Department for temporary/part time salaries for the Tutors for school services of city employees. We received two unanticipated Grants from Business Oregon and the State of Oregon for COVID-19. Lastly, additional funds were put in the City Council Budget for 2020 Gorge Commission Scenic Area Review. Expenditures were \$6,090,722 under budget. The General Fund contains the City Administration, Legal, Finance, Planning, Police, and General Maintenance Departments, and budgets for certain anticipated levels of operations, maintenance and projects, along with a 10% Contingency. Some departments, such as Police, budget some items at a worst-case level. Department Managers are expected to work within their budgets and to try to return an average of 4 to 5% of their budgets to roll into the next year. It is also anticipated that the contingency will not be spent and will be available for the beginning fund balance in the new fiscal year.

### **CAPITAL ASSETS AND DEBT ADMINISTRATION**

As of June 30, 2021, the City had invested \$94,738,408 in capital assets of its governmental and business-type activities. This investment includes land and land improvements, buildings, equipment, and public infrastructure of roads and bridges. The investment in governmental activities capital assets decreased by \$183,481 and business-type activities capital assets increased by \$270,055, significant additions during the year ending June 30, 2021 were related to the ongoing Dog River Pipeline Replacement Project, rehab of Wicks Well, Sorosis Water Storage Tank, Public Works Generator Project, 2021 Caterpillar Wheel Loader, Sodium Hypochlorite Tank, the I-84 Undercrossing sanitary sewer project, Case Quad-Trac Tractor, Balzer Manure Spreader, IBAK Camera System, Allen Bradley PLC Processor, and the 2021 Sanitary Sewer Slip-line project.

Additional information on the City's capital assets may be found in Note III.D of the financial statements.

The total governmental long-term debt outstanding at June 30, 2021 was \$8,167,972. Business-type activities long-term debt outstanding was \$12,475,361. During the year the City did not add long-term debt.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

A summary of the City's long-term debt outstanding is as follows:

Airport Taxable LOCAP Bond	\$ 1,565,000
Premium on Airport Taxable LOCAP Bond	12,376
2009 FFCO Bond	6,135,000
Premium on 2009 FFCO Bond	380,035
FFCO 2008 Bond	570,000
Premium on FFCO 2008 Bond	7,153
2018 Utility Revenue and Refunding Bond	8,129,511
CWSRF Loan	1,309,115
SDWRLF Loan	2,128,758
ARRA Note	<u>406,385</u>
 TOTAL	 \$ 20,643,333

Although the City is fully liable for the Airport taxable LOCAP bond, it is anticipated that this bond will be repaid from Airport rental revenue and the City has recorded a receivable from the Airport for the full amount of the bond and premium.

The City operates the Mid-Columbia Regional Airport as a joint venture with Klickitat County, Washington. The City has acted as a conduit for debt for the Airport. The City has not recorded this debt as it was not anticipated that the City would be required to use its resources for repayment. The balance outstanding at June 30, 2021 includes the following:

Airport Klickitat County Loan	\$ 50,000
Airport Klickitat County CERB Loan	350,000
Airport Loan from Port	<u>89,102</u>
 TOTAL AIRPORT	 \$ 489,102

Compensated Absences accruals totaled \$626,769 as of June 30, 2021. Governmental accruals totaled \$397,394, but are not recorded as a liability in the Governmental Funds. Business-type compensated absences accrual totaling \$229,375 are recorded as current period liabilities as of June 30, 2021, because the oldest leave hours accrued are considered to be used first, so the balances are constantly being updated by use and new accruals. The liability for other postemployment benefits totaled \$453,133. The breakdown was \$274,443 for governmental activities and \$178,690 for business-type activities.

Additional information on the City's long-term debt may be found in Note III.F of the financial statements.

## MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

### ECONOMIC FACTORS

Each year, the City of The Dalles has a variety of projects and partnerships to tackle challenges facing the community and encourage economic growth, sustainability, and resiliency.

To begin, the City has continued to work on and completed several different infrastructure projects. One of the largest projects is the replacement of the Dog River Pipeline which is over 100 years old and carries nearly 54% of the City's water supply. The funding for this project is nearly secured through grants and loans from the Safe Drinking Water Revolving Loan Fund, the Oregon Water Resources Department, local funds and others. An Aquifer Storage and Recovery system feasibility study has been completed and potential financing is in place. In 2020-2021, work began on the final design of the Dog River Pipeline Replacement Project. In 2021-22, the final design of the Dog River Pipeline is to be completed and work is to begin on its construction, an update of the City's Water Master Plan will be initiated, a SCADA System Upgrade Phase 1 project is budgeted, and funds are being accumulated for future projects to repair the Sorosis Reservoir Roof and repaint the Garrison Reservoir. In 2020-21, the West 15th Street reconstruction project was initiated and an annual ADA Sidewalk Ramp Upgrade project was completed. Projects were also completed which focused on improving surfaces and integrity of streets.

The Urban Renewal Agency completed a controlled demolition on the Recreation Building roof, following its partial collapse in summer 2019. There was a negotiated settlement with CIS insurance to offset loss and demolition costs. Redevelopment of the Recreation Building site is currently underway, with three new storefronts expected by early 2022. The site will be occupied by a future ice cream/candy shop, art gallery space, family recreation center, and shared outdoor customer space. The 1929 Granada Theater Building, located on the same block, was sold by the Agency in 2020. The theater now holds shows each weekend, including movies and live music performers. The owner of the Granada Theater also started a monthly outdoor live music series this summer in nearby Lewis and Clark Park. The amended ODOT/City agreement and project description for First Street/Riverfront Connection Project includes updated cost estimate and construction schedule. The project includes a new street, sidewalk and utility lines along First Street between Union and Laughlin Streets. The new streetscape will be inviting, bicycle-friendly, and ADA-accessible for the first time in The Dalles' history.

The past few years have seen several enterprise zone applications from businesses in the City such as Hydro USA, PowderPure, and several hotels. All of these agreements require job creation and most of them have average wage and compensation requirements. Design LLC, has completed Phase I of their Taylor Lakes site and completed Phase II in early 2020.

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

Last year changes were also been made to the City's code to encourage various types of housing developments. Finally, the Columbia Gorge Regional Airport successfully installed new gas pumps to be able to fuel up more aircraft. They are continuing building new private hangars. The airport is finalizing its North Apron Rehabilitation project and completed the upgrades of the Jet A+ fuel tanks totaling 24k gallons. The Pacific Coast Cherry Packers built a hydrocooling and cold storage facility in the business park in 2019/20. The FBO TacAero, finished construction of their three new hangar facilities in 2019/20. The airport had record fuel sales with over 251K gallons pumped as of December including over 50K gallons supporting military and firefighting aircrews.

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)**

The Dalles continues to face challenges with housing, school infrastructure, homelessness, and limited industrial and commercial land as a result of the Urban Growth Boundary. The UGB is a complicated process because the City is also located in the National Scenic Area and a process for expanding the UGB, incorporating this dynamic, has been challenging to establish.

### **FINANCIAL CONTACT**

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. The Columbia Gateway Urban Renewal Agency has issued a separate report, which is available for those who are interested.

If you have questions about the report or need additional information, please contact the City Finance Director at 313 Court Street, The Dalles, Oregon.

## **FINANCIAL SECTION**

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## **BASIC FINANCIAL STATEMENTS**

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## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
  - Governmental Funds
  - Proprietary Funds

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**CITY OF THE DALLES, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 11,218,652	\$ 10,274,125	\$ 21,492,777
Receivables:			
Accounts	806,945	1,284,595	2,091,540
Fines and forfeitures, net	530,136	-	530,136
Property taxes	259,872	-	259,872
Assessments	81,178	-	81,178
Prepaid items	174,542	-	174,542
Investment in joint ventures	10,291,575	-	10,291,575
Inventories	119,006	536,704	655,710
Total current assets	23,481,906	12,095,424	35,577,330
Noncurrent assets:			
Notes receivable	1,577,376	-	1,577,376
Restricted assets:			
Cash and cash equivalents	9,479,238	3,391,775	12,871,013
Notes receivable	447,426	-	447,426
Receivable	266,145	-	266,145
Capital assets:			
Land	661,261	4,299,879	4,961,140
Assets available for sale	1,376,233	-	1,376,233
Construction in progress	2,532,490	1,316,425	3,848,915
Depreciable assets, net of depreciation	31,125,818	53,426,302	84,552,120
Total noncurrent assets	47,465,987	62,434,381	109,900,368
Total assets	70,947,893	74,529,805	145,477,698
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred charge on refunding	-	554,404	554,404
Total assets and deferred outflows of resources	70,947,893	75,084,209	146,032,102
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and accrued expenses	530,134	457,360	987,494
Unearned revenue	45,456	-	45,456
Accrued interest payable	24,729	75,861	100,590
Current portion of long-term obligations	1,324,364	1,717,254	3,041,618
Total current liabilities	1,924,683	2,250,475	4,175,158
Noncurrent liabilities:			
Noncurrent portion of long-term obligations	7,241,004	10,987,482	18,228,486
Other postemployment benefit liability	274,443	178,690	453,133
Total noncurrent liabilities	7,515,447	11,166,172	18,681,619
Total liabilities	9,440,130	13,416,647	22,856,777
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflow related to OPEB	540,462	351,894	892,356
<b>NET POSITION</b>			
Net investment in capital assets	29,105,204	54,696,758	83,801,962
Restricted for:			
Capital projects	10,852,444	3,391,775	14,244,219
Debt service	805,888	-	805,888
Unrestricted	20,203,765	3,227,135	23,430,900
Total net position	\$ 60,967,301	\$ 61,315,668	\$ 122,282,969

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

**CITY OF THE DALLES, OREGON**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net Expense Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:							
General government	\$ 4,772,981	\$ 639,682	\$ -	\$ 5,579,603	\$ 1,446,304	\$ -	\$ 1,446,304
Public safety	4,543,577	109,656	4,258	-	(4,429,663)	-	(4,429,663)
Culture and recreation	1,961,529	5,785	3,634	-	(1,952,110)	-	(1,952,110)
Highways and streets	1,925,942	6,579	1,139,770	-	(779,593)	-	(779,593)
Unallocated interest on long-term debt	306,935	-	-	-	(306,935)	-	(306,935)
Total governmental activities	13,510,964	761,702	1,147,662	5,579,603	(6,021,997)	-	(6,021,997)
Business type activities:							
All Water Funds	3,598,702	6,362,649	-	-	-	2,763,947	2,763,947
All Wastewater Funds	3,861,783	7,641,449	175,000	11,964	-	3,966,630	3,966,630
2018 Utility Bond Fund	293,864	-	-	-	-	(293,864)	(293,864)
Total business type activities	7,754,349	14,004,098	175,000	11,964	-	6,436,713	6,436,713
Total government	\$ 21,265,313	\$ 14,765,800	\$ 1,322,662	\$ 5,591,567	(6,021,997)	6,436,713	414,716
General revenues:							
Taxes:							
Property taxes levied for:							
General purposes					4,884,325	-	4,884,325
Urban renewal purposes					1,487,631	-	1,487,631
Franchise and public service taxes					2,361,131	-	2,361,131
Interest and investment earnings					141,450	96,840	238,290
Transfers in (out)					1,526,421	(1,526,421)	-
Total general revenues and transfers					10,400,958	(1,429,581)	8,971,377
Change in net position					4,378,961	5,007,132	9,386,093
Net position - beginning					56,588,340	56,308,536	112,896,876
Net position - ending					\$ 60,967,301	\$ 61,315,668	\$ 122,282,969

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

## **FUND FINANCIAL STATEMENTS**

### **Major Governmental Funds**

#### **General Fund**

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

#### **Street Fund**

The Street Fund accounts for the cost of maintaining City streets system. Principal sources of revenues are state gasoline taxes apportioned from the State of Oregon, local fuel taxes, charges for services to other funds, and transfers.

#### **Special Assessment Fund**

The Special Assessment Fund accounts for the financing of public improvements or services deemed to benefit primarily the properties against which the assessments are levied. Principal sources of revenues are assessment principle and interest collected.

**CITY OF THE DALLES, OREGON**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**June 30, 2021**

	General Fund	Street Fund	Special Assessment Fund	Other Governmental	Total Governmental
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 6,297,253	\$ 1,191,085	\$ 482,415	\$ 12,727,137	\$ 20,697,890
Receivables:					
Accounts	795,769	158,995	10,476	84,914	1,050,154
Fines and forfeitures, net	530,136	-	-	-	530,136
Property taxes	177,381	-	-	82,491	259,872
Assessments	-	-	81,178	22,936	104,114
Notes	-	-	-	447,426	447,426
Prepaid items	174,542	-	-	-	174,542
Inventories	-	119,006	-	-	119,006
<b>Total assets</b>	<b>\$ 7,975,081</b>	<b>\$ 1,469,086</b>	<b>\$ 574,069</b>	<b>\$ 13,364,904</b>	<b>\$ 23,383,140</b>
<b>LIABILITIES:</b>					
Accounts payable and accrued expenses	\$ 370,269	\$ 118,276	\$ -	\$ 41,589	\$ 530,134
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue	718,472	-	104,850	580,898	1,404,220
<b>FUND BALANCES:</b>					
Nonspendable:					
Prepays	174,542	-	-	-	174,542
Inventory	-	119,006	-	-	119,006
Restricted for:					
Grant / contributor specific intent	-	-	-	3,456,315	3,456,315
State statute	-	1,231,804	-	4,866,312	6,098,116
Intergovernmental agreement	-	-	-	2,103,901	2,103,901
Committed for:					
Major capital facilities and associated debt	-	-	-	463,283	463,283
Local improvements and associated debt	-	-	469,219	-	469,219
Agreements with state agencies	-	-	-	1,852,606	1,852,606
Committed by ordinance or resolution by council	1,411,470	-	-	-	1,411,470
Unassigned	5,300,328	-	-	-	5,300,328
<b>Total fund balances</b>	<b>6,886,340</b>	<b>1,350,810</b>	<b>469,219</b>	<b>12,742,417</b>	<b>21,448,786</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 7,975,081</b>	<b>\$ 1,469,086</b>	<b>\$ 574,069</b>	<b>\$ 13,364,904</b>	

Amounts reported in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	35,695,802
Investments in joint ventures are not financial resources and, therefore are not reported in the funds.	10,291,575
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
Earned but unavailable revenue	1,358,764
Long-term liabilities, other postemployment benefits liability, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	(6,987,992)
Interest payable	(24,729)
Other postemployment benefits	(814,905)
<b>Net position of governmental activities</b>	<b>\$ 60,967,301</b>

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

**CITY OF THE DALLES, OREGON**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2021**

	General Fund	Street Fund	Special Assessment Fund	Other Governmental	Total Governmental
<b>REVENUES:</b>					
Property taxes	\$ 3,533,903	\$ -	\$ -	\$ 2,914,238	\$ 6,448,141
Other taxes	1,486,818	479,619	-	-	1,966,437
Franchise fees	284,954	83,512	26,228	-	394,694
Assessments	-	-	31,151	-	31,151
Licenses and fees	42,783	-	-	-	42,783
Intergovernmental	3,026,503	1,139,770	-	1,361,416	5,527,689
Fines and forfeitures, net	109,656	-	-	3,454	113,110
System development charges	95,504	-	-	-	95,504
Rental income	8,152	-	-	407,401	415,553
Interest on investments	46,309	9,383	3,886	81,872	141,450
Miscellaneous	112,300	6,579	-	14,250	133,129
Total revenues	8,746,882	1,718,863	61,265	4,782,631	15,309,641
<b>EXPENDITURES:</b>					
Current:					
General government	3,610,522	-	-	417,335	4,027,857
Public safety	4,212,985	-	-	184,465	4,397,450
Culture and recreation	803,861	-	-	1,123,940	1,927,801
Highways and streets	-	1,324,656	-	715	1,325,371
Capital outlay	758,045	537,737	-	82,206	1,377,988
Debt service:					
Principal	-	-	-	767,318	767,318
Interest	-	-	-	358,565	358,565
Total expenditures	9,385,413	1,862,393	-	2,934,544	14,182,350
Revenues over (under) expenditures	(638,531)	(143,530)	61,265	1,848,087	1,127,291
<b>OTHER FINANCING SOURCES (USES):</b>					
Sale of property	2,338	5,778	-	-	8,116
Transfers in	1,618,780	626,499	-	1,149,483	3,394,762
Transfers out	(317,443)	(382,838)	(113,950)	(1,054,110)	(1,868,341)
Total other financing sources (uses)	1,303,675	249,439	(113,950)	95,373	1,534,537
Net changes in fund balances	665,144	105,909	(52,685)	1,943,460	2,661,828
<b>FUND BALANCES, BEGINNING</b>	6,221,196	1,244,901	521,904	10,798,957	18,786,958
<b>FUND BALANCES, ENDING</b>	<u>\$ 6,886,340</u>	<u>\$ 1,350,810</u>	<u>\$ 469,219</u>	<u>\$ 12,742,417</u>	<u>\$ 21,448,786</u>

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

**CITY OF THE DALLES, OREGON**  
**GOVERNMENTAL FUNDS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2021**

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Amounts reported in the statement of activities are different because:

Net change in fund balances	\$ 2,661,828
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The Statement of Revenues, Expenditures, and Changes in Fund Balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Current year depreciation	\$ (1,061,207)	
Capital asset additions	<u>882,205</u>	(179,002)

The City has equity interests in two joint ventures. The allocated gain from these investments in not a current financial resources and therefore is not reported in the governmental funds.	1,199,576
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The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.	(4,479)
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Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.	
Property taxes, Fines and forfeitures, and Miscellaneous revenues	(149,350)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in compensated absences	\$ (21,087)	
Change in other postemployment benefits	52,527	
Change in debt premium	<u>49,094</u>	80,534

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which repayments exceeded proceeds.

Debt service principal payments	\$ 767,318	
Accrued interest expense	<u>2,536</u>	<u>769,854</u>

Change in net position of governmental activities	<u><u>\$ 4,378,961</u></u>
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**CITY OF THE DALLES, OREGON**  
**GENERAL FUND**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Property taxes	\$ 3,146,889	\$ 3,146,889	\$ 3,533,903	\$ 387,014
Other taxes	1,486,554	1,486,554	1,486,818	264
Franchise fees	273,581	273,581	284,954	11,373
Licenses and fees	38,960	38,960	42,783	3,823
Intergovernmental	3,020,693	3,656,340	3,026,503	(629,837)
Fines and forfeitures, net	170,600	170,600	109,656	(60,944)
System development charges	45,000	45,000	95,504	50,504
Rental income	8,500	8,500	8,152	(348)
Interest on investments	100,920	100,920	46,309	(54,611)
Miscellaneous	66,000	66,000	112,300	46,300
Total revenues	8,357,697	8,993,344	8,746,882	(246,462)
<b>EXPENDITURES:</b>				
General government	3,918,390	4,440,029	3,610,522	829,507
Public safety	4,382,451	4,461,140	4,212,985	248,155
Culture and recreation	776,603	947,929	803,861	144,068
Capital outlay	2,267,519	2,272,019	758,045	1,513,974
Total expenditures	14,840,488	15,476,135	9,385,413	6,090,722
Revenues over (under) expenditures	(6,482,791)	(6,482,791)	(638,531)	5,844,260
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	-	-	2,338	2,338
Transfers in	1,618,780	1,618,780	1,618,780	-
Transfers out	(317,443)	(317,443)	(317,443)	-
Total other financing sources (uses)	1,301,337	1,301,337	1,303,675	2,338
Net changes in fund balances	(5,181,454)	(5,181,454)	665,144	5,846,598
<b>FUND BALANCE, BEGINNING</b>	5,181,454	5,181,454	6,221,196	1,039,742
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 6,886,340	\$ 6,886,340

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



**CITY OF THE DALLES, OREGON**  
**STREET FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Other taxes	\$ 510,000	\$ 510,000	\$ 479,619	\$ (30,381)
Franchise fees	86,402	86,402	83,512	(2,890)
Intergovernmental	1,203,670	1,203,670	1,139,770	(63,900)
Interest on investments	19,000	19,000	9,383	(9,617)
Miscellaneous	1,350	1,350	6,579	5,229
Total revenues	1,820,422	1,820,422	1,718,863	(101,559)
<b>EXPENDITURES:</b>				
Highway and streets				
Personnel service	908,321	908,321	823,800	84,521
Materials and services	664,326	664,326	500,856	163,470
Capital outlay	1,784,910	1,784,910	537,737	1,247,173
Contingency	155,591	155,591	-	155,591
Total expenditures	3,513,148	3,513,148	1,862,393	1,650,755
Revenues over (under) expenditures	(1,692,726)	(1,692,726)	(143,530)	1,549,196
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	-	-	5,778	5,778
Transfers in	626,499	626,499	626,499	-
Transfers out	(382,838)	(382,838)	(382,838)	-
Total other financing sources (uses)	243,661	243,661	249,439	5,778
Net changes in fund balances	(1,449,065)	(1,449,065)	105,909	1,554,974
<b>FUND BALANCES, BEGINNING</b>	1,449,065	1,449,065	1,244,901	(204,164)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 1,350,810	\$ 1,350,810

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

## **FUND FINANCIAL STATEMENTS**

### **Proprietary Funds**

### **Enterprise Funds**

The City of The Dalles uses three Proprietary Funds comprised entirely of Enterprise Funds.

Enterprise Funds are used to report activities for which a fee is charged to external users for goods and services and to account for the acquisition, operation, and maintenance of the water and wastewater facilities. These funds are entirely or predominately self-supported through user charges to the customer. Funds included are:

- Water
- Wastewater
- 2018 Utility Bond Fund

For budgetary purposes (see budget schedules in Supplemental Information), the above funds are accounted for in the following separate funds:

#### **All Water Funds**

##### **Water Utility**

The Water Utility Fund accounts for the acquisition, operation, and maintenance of the City's Water Treatment facilities and Water Distribution systems. Principal sources of revenues are user fees.

##### **Water Capital Reserve**

The Water Capital Reserve Fund accounts for the accumulation of resources to pay for upgrades and expansion of the water systems, and related debt service.

#### **All Wastewater Funds**

##### **Wastewater**

The Wastewater Fund accounts for the acquisition, operation, and maintenance of the City's Sanitary Sewer system and Storm Water system. Principal sources of revenues are user fees.

##### **Wastewater Capital Reserve**

The Wastewater Capital Reserve Fund accounts for the accumulation of resources to pay for upgrades and expansion of the sanitary sewer and storm water systems, and related debt service.

##### **Sewer Plant Construction**

The Sewer Plant Construction Fund accounts for the accumulation of resources to pay for upgrades and expansion of the sewage treatment plant facility and pump stations, and related debt service.

#### **2018 Utility Bond Fund**

The 2018 Utility Bond Fund accounts for the accumulation of resources for, and the repayment of, general long-term debt principal and interest relating to the Series 2018 Revenue and Refunding Bond issued to payoff previously issued Water and Wastewater Revenue Bonds and further sewer system improvements.

**CITY OF THE DALLES, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

	Business-Type Activities - Enterprise Funds			
	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	Total
<b>ASSETS:</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 6,306,532	\$ 3,965,202	\$ 2,391	\$ 10,274,125
Receivables:				
Accounts, net	768,940	515,655	-	1,284,595
Inventory	400,965	135,739	-	536,704
Total current assets	7,476,437	4,616,596	2,391	12,095,424
<b>NONCURRENT ASSETS:</b>				
Restricted cash and cash equivalents	85,171	3,306,604	-	3,391,775
Capital assets:				
Land	2,887,016	1,412,863	-	4,299,879
Construction in progress	485,866	830,559	-	1,316,425
Depreciable assets, net of depreciation	21,415,077	32,011,225	-	53,426,302
Total noncurrent assets	24,873,130	37,561,251	-	62,434,381
Total assets	32,349,567	42,177,847	2,391	74,529,805
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred charge on refunding	-	-	554,404	554,404
Total assets and deferred outflows of resources	\$ 32,349,567	\$ 42,177,847	\$ 556,795	\$ 75,084,209
<b>LIABILITIES:</b>				
<b>CURRENT LIABILITIES:</b>				
Accounts payable	\$ 239,002	\$ 218,358	\$ -	\$ 457,360
Accrued interest payable	45,616	12,157	18,088	75,861
Compensated absences payable	145,894	83,481	-	229,375
Current portion of long-term debt	241,791	122,716	1,123,372	1,487,879
Total current liabilities	672,303	436,712	1,141,460	2,250,475
<b>NONCURRENT LIABILITIES:</b>				
Bonds and notes payable	2,633,902	1,347,440	7,006,140	10,987,482
Other postemployment benefits	106,932	71,758	-	178,690
Total non current liabilities	2,740,834	1,419,198	7,006,140	11,166,172
Total liabilities	3,413,137	1,855,910	8,147,600	13,416,647
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflow related to OPEB	210,582	141,312	-	351,894
<b>NET POSITION:</b>				
Net investment in capital assets	21,912,267	32,784,491	-	54,696,758
Restricted for:				
System development	85,171	3,306,604	-	3,391,775
Unrestricted (deficit)	6,728,410	4,089,530	(7,590,805)	3,227,135
Total net position (deficit)	28,725,848	40,180,625	(7,590,805)	61,315,668
Total liabilities and net position	\$ 32,349,567	\$ 42,177,847	\$ 556,795	\$ 75,084,209

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

**CITY OF THE DALLES, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2021**

	Business-Type Activities - Enterprise Funds			
	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 6,151,403	\$ 5,363,605	\$ -	\$ 11,515,008
System development charges	85,171	1,832,266	-	1,917,437
Rental income	4,797	-	-	4,797
Miscellaneous	117,727	445,748	-	563,475
Total operating revenues	6,359,098	7,641,619	-	14,000,717
<b>OPERATING EXPENSES:</b>				
Personnel service	2,295,478	1,355,168	-	3,650,646
Materials and services	593,288	1,479,867	-	2,073,155
Depreciation and amortization	633,625	979,870	-	1,613,495
Total operating expenses	3,522,391	3,814,905	-	7,337,296
Operating income	2,836,707	3,826,714	-	6,663,421
<b>NON-OPERATING INCOME (EXPENSE):</b>				
Gain (loss) on disposal of capital assets	3,551	(170)	-	3,381
Interest on investments	46,102	50,738	-	96,840
Interest expense	(76,311)	(46,878)	(293,864)	(417,053)
Intergovernmental	-	175,000	-	175,000
Total non-operating income (expenses)	(26,658)	178,690	(293,864)	(141,832)
Net income (loss) before transfers and capital contributions	2,810,049	4,005,404	(293,864)	6,521,589
<b>TRANSFERS:</b>				
Transfers in	1,500,777	2,156,472	1,341,300	4,998,549
Transfers out	(2,743,357)	(3,781,613)	-	(6,524,970)
Total transfers	(1,242,580)	(1,625,141)	1,341,300	(1,526,421)
<b>CAPITAL CONTRIBUTIONS:</b>				
Intergovernmental	-	11,964	-	11,964
Change in net position	1,567,469	2,392,227	1,047,436	5,007,132
<b>NET POSITION (DEFICIT), BEGINNING</b>	27,158,379	37,788,398	(8,638,241)	56,308,536
<b>NET POSITION (DEFICIT), ENDING</b>	<u>\$ 28,725,848</u>	<u>\$ 40,180,625</u>	<u>\$ (7,590,805)</u>	<u>\$ 61,315,668</u>

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

**CITY OF THE DALLES, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2021**

	Business-Type Activities - Enterprise Funds			
	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 6,171,499	\$ 7,756,208	\$ -	\$ 13,927,707
Payments to suppliers	(536,536)	(1,395,092)	-	(1,931,628)
Payments to employees	(2,297,168)	(1,354,995)	-	(3,652,163)
Net cash provided by operating activities	3,337,795	5,006,121	-	8,343,916
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers in	1,500,777	2,156,472	1,341,300	4,998,549
Transfers (out)	(2,743,357)	(3,781,613)	-	(6,524,970)
Proceeds from intergovernmental revenue	-	175,000	-	175,000
Net cash provided by non-capital financing activities	(1,242,580)	(1,450,141)	1,341,300	(1,351,421)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from intergovernmental revenue	-	11,964	-	11,964
Proceeds from sale of capital assets	10,740	1,627	-	12,367
Acquisition of capital assets	(742,537)	(1,149,997)	-	(1,892,534)
Principal paid on long-term obligations	(232,486)	(118,876)	(1,095,004)	(1,446,366)
Interest paid on long-term obligations	(80,782)	(35,848)	(245,901)	(362,531)
Net cash provided by capital and related financing activities	(1,045,065)	(1,291,130)	(1,340,905)	(3,677,100)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	46,102	50,738	-	96,840
Net increase in cash and cash equivalents	1,096,252	2,315,588	395	3,412,235
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>5,295,451</u>	<u>4,956,218</u>	<u>1,996</u>	<u>10,253,665</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 6,391,703</u>	<u>\$ 7,271,806</u>	<u>\$ 2,391</u>	<u>\$ 13,665,900</u>
<b>COMPRISED AS FOLLOWS:</b>				
Cash and cash equivalents	\$ 6,306,532	\$ 3,965,202	\$ 2,391	\$ 10,274,125
Restricted cash and cash equivalents	85,171	3,306,604	-	3,391,775
Total cash and cash equivalents	<u>\$ 6,391,703</u>	<u>\$ 7,271,806</u>	<u>\$ 2,391</u>	<u>\$ 13,665,900</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>				
Operating Income	\$ 2,836,707	\$ 3,826,714	\$ -	\$ 6,663,421
Adjustments				
Depreciation and amortization	633,625	979,870	-	1,613,495
Decrease (increase) in:				
Receivables	(187,599)	114,589	-	(73,010)
Inventories	(75,577)	(34,057)	-	(109,634)
Increase (decrease) in:				
Accounts payable and accrued expenses	132,329	118,832	-	251,161
Other postemployment benefits payable	(10,468)	(9,484)	-	(19,952)
Accrued compensated absences	8,778	9,657	-	18,435
Net cash provided by operating activities	<u>\$ 3,337,795</u>	<u>\$ 5,006,121</u>	<u>\$ -</u>	<u>\$ 8,343,916</u>

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



## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2021**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization**

The City of The Dalles (the City), is organized under the general laws of the State of Oregon. The City Council, composed of the Mayor and five Council members, comprises the legislative branch of the City. Individual departments are under the direction of the City Manager, who is appointed by the City Council.

The accompanying financial statements present all activities, funds and component units for which the City is considered to be financially accountable.

The governmental reporting entity consists of the City, the primary government, and its component unit. Component units are legally separate organizations for which the City is financially accountable, or other organizations whose nature and significant relationship with the City are such that the exclusion would cause the City's financial statements to be misleading or incomplete. Based upon the evaluation of this criteria, the basic financial statements include the Columbia Gateway Urban Renewal Agency. The blended component unit is considered part of the City's operations, and so financial information from this unit is combined with the information of the City.

The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of this criteria, the City is a primary government with the following includable component unit.

**Columbia Gateway Urban Renewal Agency**

The Columbia Gateway Urban Renewal Agency (the Agency) was formed to undertake urban renewal projects and activities pursuant to the City's redevelopment plan. The Urban Renewal Board of Directors is currently a 9-member body made up of representatives from local taxing districts, the City Council, and citizens at large.

Blended component units, although legally separate entities are, in substance, part of the government's operations and data from these units are combined with data of the primary government. The Columbia Gateway Urban Renewal Agency is a blended component unit and, in substance, is part of the City's operations, although it is a legally separate entity. The City provides accounting and operational support for the Columbia Gateway Urban Renewal Agency and has a June 30 year-end. Complete financial statements for the Agency may be obtained at the City's administrative offices, 313 Court Street, The Dalles, OR 97058.



**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City (the primary government) and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Government activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from the *business-types activities*, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues. Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the functions of the City, the elimination of which would distort the direct cost and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 30 days of the end of the current fiscal period. Significant revenues, which are susceptible to accrual under the modified accrual basis of accounting, include property taxes and federal and state grants. Other revenue items are considered to be measurable and available when received by the City. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The bases of accounting described above are in accordance with accounting principles generally accepted in the United States of America.

The City reports the following major governmental funds:

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

The *Street Fund* accounts for the cost of maintaining City streets and storm water drainage systems. Principal sources of revenues are state gasoline taxes apportioned from the State of Oregon, local fuel taxes, charges for services to other funds, and transfers.

The *Special Assessment Fund* accounts for the financing of public improvements or services deemed to benefit primarily the properties against which the assessments are levied. Principal sources of revenues are assessment principle and interest collected.

The City reports the following major proprietary funds:

The *Water Funds* accounts for revenues and expenses related to the City's water utility operations.

The *Wastewater Funds* account for revenues and expenses related to the City's wastewater utility operations.

The *2018 Utility Bond Fund* accounts for the accumulation of resources for, and the repayment of, general long-term debt principal and interest relating to the Series 2018 Revenue and Refunding Bond.

The City also includes the following fund types as other governmental funds:

*Special revenue funds* are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund,

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

*Capital projects funds* account for expenditures on major construction projects or equipment acquisitions. The principal sources of revenues are proceeds from long-term obligations issued to finance capital acquisitions and improvements.

*Debt service funds* account for the resources accumulated and payments made for principal and interest on long-term debt for governmental funds.

**D. Assets, Liabilities and Fund Balance**

**1. Cash, Cash Equivalents, and Investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in the Local Government Investment Pool, and short-term investments with original maturities of three months or less from the date of acquisition.

The City maintains merged bank accounts and investments for its funds in a central pool of cash and investments. The investment policy of the City is to invest in the Local Government Investment Pool, U.S. Government and Agency Obligations, Corporate indebtedness rated A-1 or AA or better, and interest bearing demand deposits with local banks and to transfer resources to the general checking account as the need arises. This policy is in accordance with ORS 294.035, which specifies the types of investments authorized for municipal corporations. The City allocates earnings on investments to selected funds based on the average monthly balances throughout the year.

Investments in the Local Government Investment Pool are stated at amortized cost, which approximates fair value. All other investments are reported at fair value.

**2. Receivables and Payables**

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not available expendable financial resources.

Other receivables including accounts, entitlements, and shared revenues are reported in accordance with the policies enumerated in Section C above. An allowance for

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

uncollectible accounts has been established for the Water and Wastewater funds and represents the portion of receivables not expected to be collected.

**3. Inventories and Prepaid Expenses**

Inventories in Street, Water and Wastewater Funds are determined by physical count and are stated at cost.

Certain payments to vendors reflect cost applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**4. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost when actual cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is expensed.

Property, plant and equipment of the City is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Year</u>
Dams	150
Bridges and Improvements	100
Building and Improvements	50
Plant in Service	45
Machinery and equipment	5-20

It is the City's policy to record no depreciation on capital assets in the year of acquisition and a full year of depreciation in the year of disposition.

**5. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt obligations are reported as liabilities in the applicable governmental activities or business-type activities Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**6. Compensated Absences**

It is the City's policy to permit employees to accumulate earned, but unused, vacation, compensatory time, and sick pay benefits. No liability is reported for unpaid accumulated sick pay benefits. All vacation and compensatory time pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Compensated absences are normally paid from the General, Library, Street, Water, and Wastewater funds. The entire balance of compensated absences has been reported as due within one year because the oldest leave hours accrued are considered to be used first, so the balances are constantly being updated by use and new accruals.

**7. Investment in Joint Ventures**

Investment in joint ventures with other governments is reported at cost plus or minus the City's share of operating income or loss utilizing the equity method of accounting for investments.

**8. Postemployment Benefits Other than Pensions (OPEB)**

For purposes of measuring the OPEB liability and OPEB expense, the City relies on actuarial calculations.

**9. Deferred Outflows/Inflows of Resources.**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The City does not currently have any deferred outflows of resources.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City recognizes deferred inflows related to the OPEB liability in the government-wide financial

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

statements. The City has two items that qualify for reporting in this category under the modified accrual basis of accounting. Accordingly, the item “unavailable revenue,” is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and notes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**10. Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

**Non-Spendable** – Includes amounts not immediately converted to cash, such as prepaid items and inventory.

**Restricted** – Includes amounts that are restricted by external creditors, grantors or contributors, or restricted by enabling legislation.

**Committed** – Includes amounts that have been committed by resolution by the City Council which is the City’s “highest level of decision-making authority.” Committed amounts may not be used for any other purpose unless the City Council removes the constraint by similar board action. Commitments of fund balance must be made prior to the end of the fiscal year.

**Assigned** – Includes amounts assigned for specific purposes by Council action who authorizes, by resolution, the City Manager to assign fund balance. Assigned fund balance is also established by the Council through adoption or amendment of the budget as intended for specific purpose.

**Unassigned** – This is the residual classification used for those balances not assigned to another category in the General Fund. Deficit fund balance in other governmental funds are also presented as unassigned.

**11. Use of Restricted Resources**

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the City’s policy to use committed resources first, then assigned, and then unassigned as they are needed.

**12. Restricted net position**

Restrictions on net position that are either imposed by creditors, grantors, laws or other regulations, or by enabling legislation are reported as restricted net position.

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**13. Estimates**

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

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for all funds, except for the proprietary funds. The annual budget for proprietary funds is adopted on the modified accrual basis of accounting, which is not consistent with GAAP, in order to comply with Oregon Local Budget Law. The FFCO Bond Funds also report transfers in for reimbursement of Water and Wastewater Fund debt service. These amounts are reclassified to reimbursements of debt service expenditures for the GAAP statements. All annual appropriations lapse at fiscal year end.

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

The resolution authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. The level of budgetary control is established at the department level for the General Fund. For all other funds, the level of budgetary control is established at the personal services, materials and services, capital outlay, operating contingency, interfund transfers, debt services, special payments, and contingencies.

Unexpected additional resources may be added to the budget and appropriated for expenditure through the use of a supplemental budget. The supplemental budget process requires publication in the newspaper and approval by the City Council, and, if it is over 10% of the operating budget of the affected fund, a hearing before the public is also required. Oregon Local Budget Law also provides certain specific exceptions to the supplemental budget process to increase appropriations. Management must obtain City

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

Council authorization for all appropriation transfers and supplementary budgetary appropriations.

During the year ended June 30, 2021, five appropriation increases and transfers were approved, and three supplemental budgets were adopted. Appropriations are limited to a single fiscal year; therefore, all spending authority of the City lapses as of year-end.

**B. Deficit Fund Balances**

At June 30, 2021, no funds had a deficit fund balance.

**III. DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**1. Deposits**

*Custodial Credit Risk.* The Governmental Accounting Standards Board has adopted accounting principles generally accepted in the United States of America (GAAP), which includes standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the City at June 30, 2021. If bank deposits at year end are not entirely insured or collateralized by the City or by its agent in the City's name, the City must disclose the custodial credit risk that exists. The City's deposits with financial institutions are comprised of bank demand deposits and certificates of deposit.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City's deposits up to \$250,000 for the combined total of all deposit accounts at each financial institution. The remaining deposits are covered by the Public Funds Collateralization program (PFCP) of the State of Oregon in accordance with ORS 295. Depositories qualified under this program are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank failure or loss. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. As of June 30, 2021, the book value of the City's deposits was \$2,177,833 and the bank balance was \$2,877,199. \$2,595,793 of the City's bank balances were not exposed to custodial credit risk as they were collateralized under PFCP.

The City does not have a formal policy for custodial credit risk.

**2. Investments**

The City of The Dalles has invested funds in the State Treasurer's Oregon Short-Term Fund Local Government Investment Pool during the year. The Oregon Short-Term Fund is the local government investment pool for local governments and was



**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

established by the State Treasurer. It was created to meet the administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an unrated external investment pool managed by the State Treasurer's office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and the participant's equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the City's cash position.

*Credit Risk.* State statutes authorize the City to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers, and the State Treasurer's investment pool, among others. The City has no formal investment policy that further restricts its investment choices.

*Concentration of Credit Risk.* The City is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 5 percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The City has no such investments.

*Interest Rate Risk.* The City has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.

Investments held by the City at June 30, 2021, are as follows:

	Weighted Average Maturity	Fair Value
Investments in the State Treasurer's Local Government Investment Pool	0.00	\$ 32,596,193

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

Cash in the Statement of Net Position is temporarily restricted for the following purposes:

	Governmental Activities	Business-type Activities	Total
Restricted for capital projects	\$ 8,673,350	\$ 3,391,775	\$ 12,065,125
Restricted for debt service	\$ 805,888	\$ -	\$ 805,888
Total restricted cash and cash equivalents	<u>\$ 9,479,238</u>	<u>\$ 3,391,775</u>	<u>\$ 12,871,013</u>

**B. Receivables**

Receivables as of fiscal-year end for the governmental activities individual major funds and non-major funds in the aggregate are as follows:

	General Fund	Street Fund	Special Assessment Fund	Other Governmental	Total Governmental
Receivables:					
Current					
Accounts	\$ 795,769	\$ -	\$ 10,476	\$ 700	\$ 806,945
Fines and forfeitures	530,136	-	-	-	530,136
Property taxes	177,381	-	-	82,491	259,872
Assessments	-	-	81,178	-	81,178
Noncurrent					
Notes	-	-	-	447,426	447,426
Accounts	-	158,995	-	84,214	243,209
Assessments	-	-	-	22,936	22,936
Total receivables	<u>\$ 1,503,286</u>	<u>\$ 158,995</u>	<u>\$ 91,654</u>	<u>\$ 637,767</u>	<u>\$ 2,391,702</u>

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

	Water	Waste Water	Total Business- Type Activity
Accounts	\$ 775,836	\$ 522,359	\$ 1,298,195
Allowance for doubtful accounts	<u>(6,896)</u>	<u>(6,704)</u>	<u>(13,600)</u>
	<u>\$ 768,940</u>	<u>\$ 515,655</u>	<u>\$ 1,284,595</u>

Uncollected property taxes in governmental funds are shown on the statement of net position as receivables. Property taxes are assessed and attach as an enforceable lien on property as of July 1. Taxes are levied on July 1 and are payable on November 15. They may be paid in installments due November 15, February 15, and May 15. Taxes unpaid

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

as of May 16 are considered delinquent. Taxes are billed and collected by Wasco County, and remittance to the City is made at periodic intervals.

For the fiscal year 2020-2021, the City levied property taxes in the amount of \$3,681,853. After reductions for offsets and increases for additional taxes and penalties this resulted in a net levy of \$3,512,611. The tax rate for the fiscal year was \$3.0155 per \$1,000 of assessed value. The assessed valuation for the City as of January 1, 2021 was \$1,255,920,415. The Columbia Gateway Urban Renewal Agency, a blended component unit of the City, levied taxes at its maximum taxing authority of \$1,576,892. After reductions for offsets and additional taxes and penalties, this resulted in a net levy of \$1,500,420.

Following is a summary of property tax transactions for the year ended June 30, 2021:

<u>Fiscal Year</u>	<u>Property Taxes Receivable June 30, 2020</u>	<u>Levy as Extended by Assessor</u>	<u>Collections</u>	<u>Cancellations Discounts and Adjustments</u>	<u>Property Taxes Receivable June 30, 2021</u>
2020-2021	\$ -	\$ 5,258,745	\$ (4,982,891)	\$ (159,224)	\$ 116,630
2019-2020	152,723	-	(53,126)	(29,883)	69,714
2018-2019	95,022	-	(16,309)	(30,183)	48,530
2017-2018	58,321	-	(19,101)	(24,634)	14,586
2016-2017	19,078	-	(13,502)	-	5,576
2015-2016	5,435	-	(2,860)	(12)	2,563
Prior years	5,478	-	(1,427)	(1,778)	2,273
<b>Totals</b>	<b>\$ 336,057</b>	<b>\$ 5,258,745</b>	<b>\$ (5,089,216)</b>	<b>\$ (245,714)</b>	<b>\$ 259,872</b>

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

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

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

**C. Unavailable and Unearned Revenue**

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

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

	General Fund	Special Assessment Fund	Other Governmental	Total Governmental
Property taxes	\$ 177,381	\$ -	\$ 82,491	\$ 259,872
Fines and forfeitures	541,091	-	-	541,091
Loans	-	-	447,426	447,426
Special assessments	-	59,394	22,936	82,330
Other receivables	-	-	28,045	28,045
	<u>\$ 718,472</u>	<u>\$ 59,394</u>	<u>\$ 580,898</u>	<u>\$ 1,358,764</u>

**D. Capital Assets**

Capital asset activity for governmental activities for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Capital assets, non-depreciable:</b>					
Land	\$ 661,261	\$ -	\$ -	\$ -	\$ 661,261
Construction in progress	2,370,146	558,265	-	(395,921)	2,532,490
Assets available for sale	1,376,233	-	-	-	1,376,233
Total capital assets, non-depreciable	<u>4,407,640</u>	<u>558,265</u>	<u>-</u>	<u>(395,921)</u>	<u>4,569,984</u>
<b>Capital assets, depreciable:</b>					
Land improvements	8,792,974	5,991	-	-	8,798,965
Buildings	6,802,413	40,019	-	-	6,842,432
Equipment	3,731,716	163,467	(124,037)	70,920	3,842,066
Infrastructure	24,872,505	114,463	-	325,001	25,311,969
Total capital assets, depreciable	<u>44,199,608</u>	<u>323,940</u>	<u>(124,037)</u>	<u>395,921</u>	<u>44,795,432</u>
<b>Less accumulated depreciation for:</b>					
Land improvements	(1,325,208)	(173,038)	-	-	(1,498,246)
Buildings	(2,683,852)	(145,220)	-	-	(2,829,072)
Equipment	(2,538,403)	(277,768)	119,558	-	(2,696,613)
Infrastructure	(6,180,502)	(465,181)	-	-	(6,645,683)
Total accumulated depreciation	<u>(12,727,965)</u>	<u>(1,061,207)</u>	<u>119,558</u>	<u>-</u>	<u>(13,669,614)</u>
Net depreciable capital assets	<u>31,471,643</u>	<u>(737,267)</u>	<u>(4,479)</u>	<u>395,921</u>	<u>31,125,818</u>
<b>Net capital assets</b>	<u>\$ 35,879,283</u>	<u>\$ (179,002)</u>	<u>\$ (4,479)</u>	<u>\$ -</u>	<u>\$ 35,695,802</u>

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

<b>Governmental functions:</b>	
General government	\$ (266,071)
Public safety	(141,463)
Highways and streets	(604,884)
Culture and recreation	(48,789)
Total depreciation expense - governmental activities	<u>\$ (1,061,207)</u>

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

Capital asset activity for the business-type activities for the year ended June 30, 2021 was as follows:

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Capital assets, non-depreciable:</b>					
Land	\$ 4,299,879	\$ -	\$ -	\$ -	\$ 4,299,879
Construction in progress	377,955	1,034,461	-	(95,991)	1,316,425
Total capital assets, non-depreciable	4,677,834	1,034,461	-	(95,991)	5,616,304
<b>Capital assets, depreciable:</b>					
Land improvements	11,724,405	87,421	-	70,077	11,881,903
Buildings	4,368,328	-	-	-	4,368,328
Equipment	6,569,370	753,258	(61,298)	17,022	7,278,352
Wastewater Treatment Plant	24,329,417	-	-	-	24,329,417
Dams and lines	24,835,377	17,395	-	8,892	24,861,664
Total capital assets, depreciable	71,826,897	858,074	(61,298)	95,991	72,719,664
<b>Less accumulated depreciation for:</b>					
Land improvements	(2,142,492)	(184,892)	-	-	(2,327,384)
Buildings	(2,425,180)	(110,316)	-	-	(2,535,496)
Equipment	(4,175,069)	(250,501)	52,312	-	(4,373,258)
Wastewater Treatment Plant	(3,445,220)	(538,507)	-	-	(3,983,727)
Dams and lines	(5,544,219)	(529,278)	-	-	(6,073,497)
Total accumulated depreciation	(17,732,180)	(1,613,494)	52,312	-	(19,293,362)
Net depreciable capital assets	54,094,717	(755,420)	(8,986)	95,991	53,426,302
<b>Net capital assets</b>	<b>\$ 58,772,551</b>	<b>\$ 279,041</b>	<b>\$ (8,986)</b>	<b>\$ -</b>	<b>\$ 59,042,606</b>

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

<b>Business-type activities:</b>	
Wastewater	\$ (979,870)
Water	(633,624)
Total depreciation expense - business-type activities	<u>\$ 1,613,494</u>

**E. Investment in Joint Ventures**

The QualityLife Intergovernmental Agency (QLife) is jointly owned by the City of The Dalles and Wasco County, Oregon, each party owning 50 percent. QLife operates a fiber optic network to the residents of The Dalles and Wasco County and new Maupin project. The Maupin project was started in fiscal year ended June 30, 2016 and will be a separate operating network from the one that services the City and Wasco County. Revenues earned by the QLife are expended for the continued operations and maintenance of the network. Upon dissolution of QLife, the net position would be shared 50 percent each to the City and Wasco County. The QLife is governed by a five-member board comprised of two appointees from the City, two appointees from Wasco County, and the fifth member is appointed by the other four. The City's net investment and its share of the

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

operating results of the QLife are reported in the City's governmental activities. Net position of the City's governmental fund increased \$248,357 from a net income in fiscal year ended June 30, 2021. The City's investment in QLife is \$2,596,035 and is accounted for using the equity method.

The Columbia Gorge Regional Airport (Airport) is a joint venture created to operate the Columbia Gorge Regional Airport and Business Park. The joint venture is between the City of The Dalles and Klickitat County, Washington, each party owning 50 percent. Revenues earned by the Airport are expended for the continued operations and maintenance of the Airport. Upon dissolution of the Airport, the net position would be shared 50 percent each to the City and Klickitat County. The Airport is governed by a seven-member board comprised of three appointees from the City, three appointees from Klickitat County, and the seventh member is appointed by the other six. The City develops and adopts the budget for the Airport. The City's net investment and its share of any net income of the Airport are reported in the City's governmental activities. Net position of the City's governmental fund increased \$951,219 from a net income in fiscal year ended June 30, 2021. The City's investment in Airport is \$7,695,540 and is accounted for using the equity method.

Complete financial statements for QLife can be obtained from Wasco County administrative offices, 511 Washington Street, Suite 101, The Dalles, OR 97058. The complete financial statements for the Airport can be obtained from the City of The Dalles' administrative offices, 313 Court Street, The Dalles, OR 97058.

**F. Long-Term Obligations**

**1. Full Faith and Credit Obligation Bonds-Governmental and Business-Type Activities**

The City issued full faith and credit obligation bonds in February 2008, with interest rates ranging from 4.0% to 4.2%. The bond principal is payable annually and the interest is payable semiannually, with final payments due June 1, 2023. The bonds are direct obligations and pledge the full faith and credit of the City. These bonds were issued to provide funding for the acquisition and construction of major capital facilities. A portion of the debt is reported in and will be repaid by the Water and Wastewater Funds, which also own a portion of the assets. The city pledged its general non-restricted revenues and other funds. If bond is defaulted, by failure to make required principal or interest payments or other covenants, action to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction.

The City issued \$12,100,000 in 2009 Full Faith and Credit Obligations in October of 2009. \$10,205,000 of the bonds was for the benefit of the Columbia Gateway Urban Renewal Agency and will be repaid from tax increment revenues with the Urban Renewal area with interest rates ranging from 2% to 5%. The remaining \$1,895,000 of the bonds was issued to finance improvements to the Street, Water, and

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

Wastewater systems and have been split between the benefitting funds. \$1,368,000 was allocated to street improvements and has been reported with the governmental activities. The bonds are backed by the full faith and credit of the City and carry interest rates ranging from 2% to 5%. The total bonds were issued to finance construction of public infrastructure improvements, Urban Renewal Projects, to refinance the Urban Renewal Bonds series 2002, to fund an Urban Renewal debt reserve, and to pay the costs of issuance. The City pledged its general non-restricted revenues and other funds, the Urban Renewal Agency has pledged its tax increment revenues and earnings for repayment of the Urban Renewal Portion of the obligation. If bond is defaulted, by failure to make required principal or interest payments or other covenants, action to enforce the financing agreement may take place for the amount of the obligation then outstanding to its satisfaction.

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

Fiscal Year	<b>2008 Full Faith and Credit Bonds</b>		<b>2009 Full Faith and Credit Bonds Urban Renewal Portion</b>	
	Principal	Interest	Principal	Interest
2022	\$ 169,792	\$ 14,390	\$ 550,000	\$ 249,738
2023	175,856	7,386	575,000	227,738
2024	-	-	600,000	200,425
2025	-	-	630,000	171,925
2026	-	-	660,000	142,000
2027-2029	-	-	2,180,000	221,250
Total	<u>\$ 345,648</u>	<u>\$ 21,776</u>	<u>\$ 5,195,000</u>	<u>\$ 1,213,076</u>

Fiscal Year	<b>2009 Full Faith and Credit Bonds Street LID Portion</b>		<b>Full Faith &amp; Credit Bonds Total Governmental</b>	
	Principal	Interest	Principal	Interest
2022	\$ 72,200	\$ 32,616	\$ 791,992	\$ 296,744
2023	75,810	29,728	826,666	264,852
2024	79,420	26,127	679,420	226,552
2025	83,030	22,355	713,030	194,280
2026	86,640	18,410	746,640	160,410
2027-2029	281,580	28,518	2,461,580	249,768
Total	<u>\$ 678,680</u>	<u>\$ 157,754</u>	<u>\$ 6,219,328</u>	<u>\$ 1,392,606</u>

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

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

	<b>Premium on 2008 Full Faith and Credit Bonds</b>	<b>Premium on 2009 Full Faith and Credit Bonds</b>	<b>Total Premium on Governmental Full Faith and Credit</b>
Fiscal Year			
2022	\$ 3,578	\$ 45,516	\$ 49,094
2023	3,575	45,516	49,091
2024	-	45,516	45,516
2025	-	45,516	45,516
2026	-	45,516	45,516
2027-2029	<u>-</u>	<u>136,537</u>	<u>136,537</u>
Total	<u>\$ 7,153</u>	<u>\$ 364,117</u>	<u>\$ 371,270</u>

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

	<b>2008 Full Faith and Credit Wastewater Bonds</b>		<b>2008 Full Faith and Credit Water Bonds</b>		<b>2009 Full Faith and Credit Wastewater Bonds</b>	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 55,104	\$ 4,670	\$ 55,104	\$ 4,670	\$ 4,900	\$ 2,214
2023	57,072	2,397	57,072	2,397	5,145	2,018
2024	-	-	-	-	5,390	1,773
2025	-	-	-	-	5,635	1,517
2026	-	-	-	-	5,880	1,250
2027-2029	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,110</u>	<u>1,936</u>
Total	<u>\$ 112,176</u>	<u>\$ 7,067</u>	<u>\$ 112,176</u>	<u>\$ 7,067</u>	<u>\$ 46,060</u>	<u>\$ 10,708</u>

	<b>2009 Full Faith and Credit Water Bonds</b>		<b>Full Faith and Credit Bonds Business Activity Total</b>	
Fiscal Year	Principal	Interest	Principal	Interest
2022	\$ 22,900	\$ 10,345	\$ 138,008	\$ 21,899
2023	24,045	9,429	143,334	16,241
2024	25,190	8,287	30,580	10,060
2025	26,335	7,091	31,970	8,608
2026	27,480	5,840	33,360	7,090
2027-2029	<u>89,310</u>	<u>9,046</u>	<u>108,420</u>	<u>10,982</u>
Total	<u>\$ 215,260</u>	<u>\$ 50,038</u>	<u>\$ 485,672</u>	<u>\$ 74,880</u>



**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

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

Fiscal Year	Premium on 2009 Full Faith and Credit Wastewater Bonds	Premium on 2009 Full Faith and Credit Water Bonds	Premium on Business Type Bonds Total
2022	\$ 313	\$ 1,463	\$ 1,776
2023	313	1,463	1,776
2024	313	1,463	1,776
2025	313	1,463	1,776
2026	313	1,463	1,776
2027-2029	1,240	5,798	7,038
Total	<u>\$ 2,805</u>	<u>\$ 13,113</u>	<u>\$ 15,918</u>

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

*2018 Utility Bond Fund* - The 2018 Utility Bond Fund has revenue bonds payable used to refund the Wastewater Revenue Bonds, Series 2003, Water Revenue Bonds, Series 2007, and fund additional wastewater projects. The bond principal is payable annually and the interest is payable semiannually with interest rate of 2.67%. Final payment is due June 1, 2032. The city has pledged the net revenues to the payment of principal, premium (if any) and interest on direct borrowings related to business activities of \$9,224,516. This pledge is from the time of the adoption of the master plan and shall be maintained as long as the bonds are outstanding. The bond is subject to redemption prior to maturity in whole or in part at the option of the City on any day on or after June 1, 2025, at par (100%) plus accrued interest thereon to the date of redemption. If the bonds are defaulted, by failure to make required principal or interest payments or other covenants, actions to enforce the financing agreement may take place for the amount of the obligations then outstanding to its satisfaction. However, the bonds shall not be subject to acceleration.

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

Revenue Bond	Revenue Stream	For the Year Ending June 30, of Final Payments	Future Pledged Revenue Debt Outstanding	Revenue, Net of Related Expense For the Year Ending 6/30/21	For the Year Ended 6/30/21 Debt Payments*
Utility Revenue and Refunding Bonds	Water and Wastewater net operating income	2032	\$ 8,129,512	\$ 6,663,421	\$ 1,341,300

\* Principal and interest

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

Future maturities of the bonds payable are as follows:

<b>Utility Revenue and Refunding Bonds</b>		
Fiscal Year	Principal	Interest
2022	\$ 1,123,372	\$ 217,058
2023	621,108	187,064
2024	636,967	170,480
2025	652,611	153,473
2026	673,236	136,049
2027-2031	3,635,216	401,286
2032	787,002	21,013
Total	<u>\$ 8,129,512</u>	<u>\$ 1,286,423</u>

**3. Advance Refunding**

The revenue bond described in Note III.F.2 were used to advance refund the Series 2003 Wastewater Revenue Bonds and the Series 2007 Water Revenue Bonds. The reacquisition price exceeded the net carrying amount of the old debt by \$705,604. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt.

**4. Loan Payable-Business-Type Activities (Direct Borrowings)**

*Water Fund* - The City received approvals of two loans from the State of Oregon through its Oregon Infrastructure Finance Authority of the Business Development Department for water system improvements. The loans consist of the ARRA F-1 Loan for up to \$1,025,149 and the SDWRLF F-2 Loan for up to \$2,553,101. The loan proceeds are disbursed on an expense reimbursement basis. Loan proceeds from the ARRA F-1 and SDWRLF F-2 loan have been accrued in the amount of \$1,025,149 and \$2,521,321, respectively, to match the budgetary revenues to the federal expenditures reported. The ARRA F-1 Loan bears interest at 3% per annum. The SDWRLF F-2 Loan originally carried interest at 3.83% but was reduced to 3% when the State received EPA approval of an amended Oregon Safe Drinking Water Intended Use Plan that allows the interest rate to be reduced. Repayment of the ARRA F-1 and SDWRLF F-2 began December 1, 2014. The principal and interest of these two loans shall be payable from the Net Revenues of the Water System and the full faith and credit of the City. The City pledged its full faith and credit and taxing power to pay the amounts due under the loan agreement and note. If loan is defaulted, by failure to make required principal or interest payments, the State could declare all principal and interest and all other amounts due immediately. It could also prevent the City from applying for future state assistance.

The City also received approval for a loan from the State of Oregon through its Department of Environmental Quality for wastewater system improvements. The loan amount for the CWSRF Loan is for up to \$2,000,000. Of this amount, \$500,000 is forgivable upon completion of the project and no defaults occurring. The loan

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

proceeds are disbursed on an expense reimbursement basis. Loan proceeds have been accrued in the amount of \$1,929,998 to match the budgetary revenues to the federal expenditures reported. The City complied with the loan terms, completed the project as budgeted, and no defaults occurred. This resulted in \$500,000 of the loan being forgiven in FY18/19. The CWSRF Loan bears interest at 2.14% per annum and repayment began September 1, 2019. The principal and interest of the loan shall be payable from the Net Revenue of the Wastewater system. If loan is defaulted, by failure to make required principal or interest payments, the State could declare all principal and interest and all other amounts due immediately.

Future maturities of the loans payable are as follows:

Fiscal Year	ARRA/SDWRLF Note		CWSRF Loan		Loans Payable Business Activity Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 162,324	\$ 76,054	\$ 62,399	\$ 27,683	\$ 224,723	\$ 103,737
2023	167,194	71,185	63,741	26,341	230,935	97,526
2024	172,210	66,169	65,113	24,969	237,323	91,138
2025	177,376	61,003	66,514	23,568	243,890	84,571
2026	182,697	55,681	67,945	22,137	250,642	77,818
2027-2031	999,062	192,828	362,291	88,119	1,361,353	280,947
2032-2036	674,280	40,855	402,976	47,434	1,077,256	88,289
2037-2039	-	-	218,136	7,051	218,136	7,051
Total	<u>\$ 2,535,143</u>	<u>\$ 563,775</u>	<u>\$ 1,309,115</u>	<u>\$ 267,302</u>	<u>\$ 3,844,258</u>	<u>\$ 831,077</u>

## 5. Airport Debt

The City has acted as a conduit for debt issued by the Airport and payable to the Port of The Dalles for rehabilitation of a well at the Airport. The City has also acted as a conduit for a loan from Klickitat County for construction of a new maintenance hangar at the Airport. Additionally, the city has acted as a conduit for repayment of a loan received by Klickitat County to make improvements to the Airport Industrial Park. The total conduit debt outstanding is \$489,102.

In 2015, the City issued \$2,000,000 of full faith and credit bonds to finance a portion of the purchase of and/or construction of two hangar buildings and a flex space building at the Airport. Although a liability of the City, the bonds are to be repaid from rental revenue from the Airport. Prior to the current year, this liability was not recognized by the City. As of June 30, 2021, the City has recorded a liability for the bonds of \$1,577,376 and an offsetting receivable from the Airport in a like amount.

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**6. Changes in Long-Term Obligations**

Long-term obligation activity for the year ended June 30, 2021, is as follows:

	<b>6/30/2020 Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>6/30/2021 Balance</b>	<b>Due Within One Year</b>
<b>Governmental activities</b>					
Total Full Faith and Credit Bonds	\$ 8,631,646	\$ -	\$ (847,318)	\$ 7,784,328	\$ 876,992
Total Premium on bonds	433,624	-	(49,978)	383,646	49,978
Compensated Absences	376,307	397,394	(376,307)	397,394	397,394
Total governmental activity long-term obligations	<u>\$ 9,441,577</u>	<u>\$ 397,394</u>	<u>\$ (1,273,603)</u>	<u>\$ 8,565,368</u>	<u>\$ 1,324,364</u>
<b>Business-type activities</b>					
Revenue bond (direct borrowing)	\$ 9,224,516	\$ -	\$ (1,095,004)	\$ 8,129,512	\$ 1,123,372
Full Faith and Credit Bonds	618,354	-	(132,682)	485,672	138,008
Premium on Bonds	17,694	-	(1,776)	15,918	1,776
Loans Payable (direct borrowing)	4,062,939	-	(218,681)	3,844,258	224,723
Compensated Absences	210,940	229,375	(210,940)	229,375	229,375
Total business-type activity long-term obligations	<u>\$ 14,134,443</u>	<u>\$ 229,375</u>	<u>\$ (1,659,083)</u>	<u>\$ 12,704,735</u>	<u>\$ 1,717,254</u>

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

**G. Post Employment Benefits Other than Pensions**

**1. Plan Description**

The City does not have a formal post-employment benefits plan for any employee groups. However, the City is required by Oregon revised Statutes 243.303 to provide retirees with group health insurance from the date of retirement to age 65 at the same rate provided to current employees. Although the City does not pay any portion of the retiree's health care insurance, a retired employee receives the implicit benefit of a lower healthcare premium which is subsidized among the premium cost of coverage for active employees, which is considered a single employer defined benefit plan. The general fund typically has been and will be used to liquidate this other post-employment benefit obligation. This "plan" is not a stand-alone plan and therefore

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

does not issue its own financial statements. The City does not currently have any retirees who are participating in the plan.

**2. Benefits Provided**

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

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

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

The City's OPEB liability of \$453,133 was measured as of June 30, 2020 and was determined by an actuarial valuation using the entry age normal level percentage of pay method.

For the fiscal year ended June 30, 2021, the City recognized OPEB expense from this plan of \$68,869. At June 30, 2021 the City reported deferred inflows of resources related to this OPEB plan from the following sources:

Difference between expected and actual experience	\$ 212,505
Changes in assumptions	<u>679,851</u>
Total	<u>\$ 892,356</u>

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

<u>Year ended June 30:</u>	<u>Annual Recognitio</u>
2022	\$ (111,544)
2023	(111,544)
2024	(111,544)
2025	(111,544)
2026	(111,544)
Thereafter	<u>(334,636)</u>
Total	<u>\$ (892,356)</u>

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**4. Actuarial Assumptions and Other Inputs**

The total OPEB liability in the June 30, 2020 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Assumptions	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Assets Backing OPEB Liability	\$0
Discount Rate	2.21%
Measurement Date	June 30, 2020
Projected Salary Increases	2.90%
Amortization Period	20
Percentage Future Participation	35%
Mortality Table	RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2019 generational projection of future mortality improvement
Turnover Assumptions	Based on general service turnover rates of Oregon PERS actuarial valuation

The discount rate was based on 20-year tax exempt municipal bond yield.

**5. Changes in the Total OPEB Liability**

Balance as of June 30, 2020	\$	414,068
Changes for the year:		
Service Cost		32,838
Interest		9,837
Benefit Payments		(3,610)
Balance as of June 30, 2021	\$	<u>453,133</u>

**6. Sensitivity of the Total OPEB Liability**

The following presents the City's OPEB liability calculated using the discount rate of 2.21%, as well as what the City's OPEB liability would be if it were calculated using

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) than the current discount rate.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

Discount Rate	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
OPEB Liability	\$493,937	\$453,133	\$414,840

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

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate**

Healthcare Cost Trend	<u>1% Decrease (5.5% decreasing to 4.0%)</u>	<u>Current Health Care Trend Rates (6.5% decreasing to 5.0%)</u>	<u>1% Increase (7.5% decreasing to 6.0%)</u>
Net OPEB Liability	\$398,248	\$453,133	\$517,714

## H. Net Position

The government-wide Statement of Net Position reports \$15,050,107 of restricted net position, of which \$805,888 is restricted by enabling legislation.

## I. Transfers

Net transfers between governmental activities and business-type activities in the government-wide financial statements consist of transfers to the governmental activities and from the business-type activities in the amount of \$1,526,421. A reconciliation of transfers in the fund financial statements is as follows:

	Transfers In	Transfers Out
Governmental activities:		
General fund	\$ 1,618,780	\$ 317,443
Street fund	626,499	382,838
Special assessment fund	-	113,950
Other governmental funds	1,149,483	1,054,110
Business-type activities		
Water fund	1,500,777	2,743,357
Wastewater fund	2,156,472	3,781,613
2018 Utility Bond Fund	1,341,300	-
Total Transfers	<u>\$ 8,393,311</u>	<u>\$ 8,393,311</u>

Transfers between funds provide support for various City programs in accordance with budgetary authorizations and are utilized to provide for additional funding for reserve purposes, contribute towards the cost of capital projects, and to provide for other operational resources.

**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

**J. Tax Abatements**

The City has authorized tax-exempt status for three qualified firms within the City: HIX The Dalles LLC, PowderPure, and Design, LLC. All properties are required to meet State and Federal funding requirements which include annual physical inspections and an annual audit of financial activity and programmatic compliance. The property tax exemption may be removed if the property is no longer eligible under the stated provisions of ORS 307.540 to 307.548. Section E of the renewal application requires the applicant to acknowledge compliance with the requirements annually. For fiscal year ending June 30, 2021, the foregone property tax revenue is \$7,519,888.

**IV. OTHER INFORMATION**

**A. Risk Management**

The City is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; and errors and omissions for which the City carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage for the past four years.

**B. Employee Retirement Plans**

**1. Retirement plan for non-public safety employees**

The City of The Dalles Retirement Plan is a defined contribution plan established by the City to provide benefits at retirement to the non-public safety employees of the City. Standard Retirement Services, Inc., administers this retirement plan. Employees are eligible to participate after one year of employment. The City is required to contribute 6 percent of eligible compensation on behalf of employees and an additional 7.5 percent of eligible compensation as the City's contribution. In addition employees may voluntarily contribute up to 10 percent of their eligible compensation. Plan provisions and contribution requirements are established by, and may be amended by the City Council.

The payroll for non-public safety employees covered by the plan for the year ended June 30, 2021 was \$4,217,229. Total contributions to the plan for the year ended June 30, 2021 were \$585,211 for both the City and employee portion that is paid by the City.

**2. Retirement plan for public safety employees**

The City of The Dalles Public Safety Employees Retirement Plan is a defined contribution plan established by the City to provide benefits at retirement to the public safety employees of the City. Standard Retirement Services, Inc., administers this retirement plan. Employees are eligible to participate after one year of employment. The City is required to contribute 6 percent of eligible compensation on behalf of employees and an additional 16.6 percent of eligible compensation as the



**CITY OF THE DALLES, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For the Fiscal Year Ended June 30, 2021**

City's contribution. In addition employees may voluntarily contribute up to 2.4 percent of their eligible compensation. Plan provisions and contribution requirements are established by, and may be amended by, the City Council.

The payroll for public safety employees covered by the plan for the year ended June 30, 2021 was \$1,776,027. Total contributions to the plan for the year ended June 30, 2021 were \$392,312 for both the City and employee portion that is paid by the City.

**C. Commitments, Contingencies, and Subsequent Events**

**1. Construction in Progress**

The City is committed under various, architectural, engineering, and construction contracts at June 30, 2021.

The Washington Street Underpass costs incurred to date is \$1,688,753 with total estimated costs of \$8.1 million.

The 3<sup>rd</sup> Street Streetscape project costs incurred to date are \$52,668, with estimated costs of \$3 million.

The Downtown Parking Structure Project costs incurred to date are \$19,680 with estimated costs of \$3.3 million.

The Granada Block project costs incurred to date are \$284,774.

2021 ADA Sidewalk Program project costs incurred to date are \$216,643.

Chip Seal 2021 project costs incurred to date are \$162,343.

The Dog River Pipeline project costs incurred to date are \$374,315, with total estimated costs of \$7.9 million.

Slip Line 2021 Project costs incurred to date are \$282,577.

The I-84 Underpass Sanitary Sewer costs incurred to date are \$443,315.

**2. Subsequent Events**

Management has evaluated subsequent events through December 22, 2021, the date on which the financial statements were available to be issued and determined nothing should be recognized.

**D. Related Parties**

During the year the City had the following related party transactions. QLife revenues from rent revenue \$7,752 and right of way \$24,067 and expenditures of \$5,040. QLife owes the City \$1,918 for current year rent. The City pays the Airport \$65,000 per year per the intergovernmental agreement.

## **REQUIRED SUPPLEMENTAL INFORMATION**

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**CITY OF THE DALLES, OREGON**  
**SCHEDULE OF CHANGES IN THE CITY'S TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**Last 10 Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 32,838	\$ 110,586	\$ 99,156	\$ 102,501
Interest	9,837	45,989	-	-
Difference between expected and actual experience	-	(265,631)	-	-
Changes of assumptions	-	(849,813)	-	-
Benefit payments	<u>(3,610)</u>	<u>-</u>	<u>(96,302)</u>	<u>(83,554)</u>
Net change in OPEB liability	39,065	(958,869)	2,854	18,947
Total OPEB Liability - beginning	<u>414,068</u>	<u>1,372,937</u>	<u>1,370,083</u>	<u>1,351,136</u>
Total OPEB Liability - ending	<u><u>\$ 453,133</u></u>	<u><u>\$ 414,068</u></u>	<u><u>\$ 1,372,937</u></u>	<u><u>\$ 1,370,083</u></u>
Covered employee payroll	\$ 6,456,317	\$ 6,274,361	\$ 5,548,044	\$ 4,823,785
Total OPEB liability as a percentage of covered- employee payroll	7%	7%	25%	28%

\* 10-year trend information required by GASB Statement 75 will be presented prospectively

**NOTES TO SCHEDULE**

Current Year Change in Benefit Terms

None

Current Year Change in Assumptions

None

## OTHER SUPPLEMENTAL INFORMATION

Other supplementary information includes financial schedules not required by the GASB, nor a part of the basic financial statements, but presented for purposes of additional analysis.

Such statements and schedules include:

- Combining Schedules – Nonmajor Governmental Funds
- Combining Schedules – General Fund - Generally Accepted Accounting Principles
- Budgetary Comparison Schedules
- Budgetary Comparison Schedules – Enterprise Funds

## COMBINING STATEMENTS

### Nonmajor Governmental Funds

#### **Special Revenue Funds**

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

##### **Library Fund**

The Library Fund accounts for the operation of the City Library, which is the main branch of the County's Special Library District. Principal sources of revenues are funds from the County collected Library District taxes, state grants, library fines, and donations.

##### **Community Benevolence Fund**

The Community Benevolence Fund provides for the accumulation of financial resources to pay for expenses related to the memorials to Veterans of the community. Principal revenues are primarily from grants.

##### **Special Grants Fund**

The Special Grants Fund accounts for various grant programs operated by the City. Revenues consist primarily of grants and interest on investments.

##### **State Office Building Fund**

The State Office Building Fund accounts for the operations and maintenance of a City owned building currently rented by the State of Oregon to provide services to the local community. Principal revenues are from rental income.

##### **Special Enterprise Zone Fund**

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

#### **Debt Service Funds**

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

**FFCO 2008 Bond Fund**

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

**2009 FFCO Bond Fund**

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

**Urban Renewal Debt Fund**

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

**Capital Projects Fund**

These funds account for expenditures on major construction projects or equipment acquisitions. The principal sources of revenues are proceeds from long-term obligations issued to finance capital acquisitions and improvements. Funds included in this category are:

**Capital Projects Fund**

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

**Urban Renewal Capital Projects Fund**

The Urban Renewal Capital Projects Fund accounts for services and construction costs for the development within the Columbia Gateway Urban Renewal District. Principal sources of revenues are property taxes, grants, and interest on investments.

**GENERAL FUND COMBINING**

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

**Public Works Reserve Fund**

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

**Transportation System Reserve Fund**

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

**Unemployment Reserve Fund**

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

**CITY OF THE DALLES, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2021**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Fund	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 7,401,959	\$ 805,888	\$ 4,519,290	\$ 12,727,137
Receivables:				
Accounts	71,356	-	13,558	84,914
Property taxes	-	-	82,491	82,491
Assessments	22,936	-	-	22,936
Notes	-	-	447,426	447,426
Total assets	<u>\$ 7,496,251</u>	<u>\$ 805,888</u>	<u>\$ 5,062,765</u>	<u>\$ 13,364,904</u>
<b>LIABILITIES:</b>				
Accounts payable and accrued expenses	<u>\$ 32,448</u>	<u>\$ -</u>	<u>\$ 9,141</u>	<u>\$ 41,589</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue	<u>50,981</u>	<u>-</u>	<u>529,917</u>	<u>580,898</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Grant / contributor specific intent	3,456,315	-	-	3,456,315
State statute	-	805,888	4,060,424	4,866,312
Intergovernmental agreement	2,103,901	-	-	2,103,901
Committed for:				
Major capital facilities and associated debt	-	-	463,283	463,283
Agreements with state agencies	<u>1,852,606</u>	<u>-</u>	<u>-</u>	<u>1,852,606</u>
Total fund balances	<u>7,412,822</u>	<u>805,888</u>	<u>4,523,707</u>	<u>12,742,417</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,496,251</u>	<u>\$ 805,888</u>	<u>\$ 5,062,765</u>	<u>\$ 13,364,904</u>

**CITY OF THE DALLES, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2021**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Fund	Total
<b>REVENUES:</b>				
Property taxes	\$ 1,397,676	\$ 761,406	\$ 755,156	\$ 2,914,238
Intergovernmental	1,361,416	-	-	1,361,416
Fines and forfeitures, net	3,454	-	-	3,454
Rental income	173,340	124,734	109,327	407,401
Interest on investments	40,671	4,800	36,401	81,872
Miscellaneous	2,331	-	11,919	14,250
Total revenues	2,978,888	890,940	912,803	4,782,631
<b>EXPENDITURES:</b>				
General government	157,372	-	259,963	417,335
Public safety	184,465	-	-	184,465
Culture and recreation	1,123,940	-	-	1,123,940
Highways and streets	715	-	-	715
Capital outlay	56,558	-	25,648	82,206
Debt service:				
Principal	-	767,318	-	767,318
Interest	-	354,393	4,172	358,565
Total expenditures	1,523,050	1,121,711	289,783	2,934,544
Revenues over (under) expenditures	1,455,838	(230,771)	623,020	1,848,087
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	9,824	1,129,659	10,000	1,149,483
Transfers out	(105,716)	(938,570)	(9,824)	(1,054,110)
Total other financing sources (uses)	(95,892)	191,089	176	95,373
Net changes in fund balances	1,359,946	(39,682)	623,196	1,943,460
<b>FUND BALANCES, BEGINNING</b>	6,052,876	845,570	3,900,511	10,798,957
<b>FUND BALANCES, ENDING</b>	\$ 7,412,822	\$ 805,888	\$ 4,523,707	\$ 12,742,417

**CITY OF THE DALLES, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2021**

	Library Fund	Community Benevolence Fund	Special Grants Fund	State Office Building Fund	Special Enterprise Zone Fund	Total
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 2,120,683	\$ 7,536	\$ 3,418,722	\$ 103,559	\$ 1,751,459	\$ 7,401,959
Receivables:						
Accounts	700	-	70,656	-	-	71,356
Assessments	-	-	22,936	-	-	22,936
Total assets	<u>\$ 2,121,383</u>	<u>\$ 7,536</u>	<u>\$ 3,512,314</u>	<u>\$ 103,559</u>	<u>\$ 1,751,459</u>	<u>\$ 7,496,251</u>
<b>LIABILITIES:</b>						
Accounts payable and accrued expenses	\$ 17,482	\$ -	\$ 12,554	\$ 2,412	\$ -	\$ 32,448
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable revenue	-	-	50,981	-	-	50,981
<b>FUND BALANCES:</b>						
Restricted for:						
Grant / contributor specific intent	-	7,536	3,448,779	-	-	3,456,315
Intergovernmental agreement	2,103,901	-	-	-	-	2,103,901
Committed for:						
Agreements with state agencies	-	-	-	101,147	1,751,459	1,852,606
Total fund balances	<u>2,103,901</u>	<u>7,536</u>	<u>3,448,779</u>	<u>101,147</u>	<u>1,751,459</u>	<u>7,412,822</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,121,383</u>	<u>\$ 7,536</u>	<u>\$ 3,512,314</u>	<u>\$ 103,559</u>	<u>\$ 1,751,459</u>	<u>\$ 7,496,251</u>



**CITY OF THE DALLES, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2021**

	Library Fund	Community Benevolence Fund	Special Grants Fund	State Office Building Fund	Special Enterprise Zone Fund	Total
<b>REVENUES:</b>						
Property taxes	\$ 1,397,676	\$ -	\$ -	\$ -	\$ -	\$ 1,397,676
Intergovernmental	3,634	-	163,822	-	1,193,960	1,361,416
Fines and forfeitures, net	3,454	-	-	-	-	3,454
Rental income	-	-	-	173,340	-	173,340
Interest on investments	13,604	61	19,177	758	7,071	40,671
Miscellaneous	2,331	-	-	-	-	2,331
Total revenues	1,420,699	61	182,999	174,098	1,201,031	2,978,888
<b>EXPENDITURES:</b>						
General government	-	-	157,372	-	-	157,372
Public safety	-	-	-	184,465	-	184,465
Culture and recreation	1,123,940	-	-	-	-	1,123,940
Highways and streets	-	715	-	-	-	715
Capital outlay	5,991	-	50,567	-	-	56,558
Total expenditures	1,129,931	715	207,939	184,465	-	1,523,050
Revenues over (under) expenditures	290,768	(654)	(24,940)	(10,367)	1,201,031	1,455,838
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	-	-	-	9,824	-	9,824
Transfers out	(104,196)	-	(1,520)	-	-	(105,716)
Net changes in fund balances	186,572	(654)	(26,460)	(543)	1,201,031	1,359,946
<b>FUND BALANCES, BEGINNING</b>	1,917,329	8,190	3,475,239	101,690	550,428	6,052,876
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,103,901</u>	<u>\$ 7,536</u>	<u>\$ 3,448,779</u>	<u>\$ 101,147</u>	<u>\$ 1,751,459</u>	<u>\$ 7,412,822</u>

**CITY OF THE DALLES, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2021**

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	FFCO 2008 Bond Fund	2009 FFCO Bond Fund	Urban Renewal Debt Fund	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ -	\$ -	\$ 805,888	\$ 805,888
<b>FUND BALANCES:</b>				
Restricted for:				
Debt service	\$ -	\$ -	\$ 805,888	\$ 805,888

**CITY OF THE DALLES, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2021**

	FFCO 2008 Bond Fund	2009 FFCO Bond Fund	Urban Renewal Debt Fund	Total
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ 761,406	\$ 761,406
Rental income	124,734	-	-	124,734
Interest on investments	-	-	4,800	4,800
Total revenues	124,734	-	766,206	890,940
<b>EXPENDITURES:</b>				
Debt service:				
Principal	163,728	603,590	-	767,318
Interest	34,530	319,863	-	354,393
Total expenditures	198,258	923,453	-	1,121,711
Revenues over (under) expenditures	(73,524)	(923,453)	766,206	(230,771)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	179,796	949,863	-	1,129,659
Transfers out	(106,272)	(26,410)	(805,888)	(938,570)
Total other financing sources (uses)	73,524	923,453	(805,888)	191,089
Net changes in fund balances	-	-	(39,682)	(39,682)
<b>FUND BALANCES, BEGINNING</b>	-	-	845,570	845,570
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 805,888	\$ 805,888

**CITY OF THE DALLES, OREGON**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2021**

	Capital Projects Fund	Urban Renewal Capital Projects Fund	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 463,283	\$ 4,056,007	\$ 4,519,290
Receivables:			
Accounts	-	13,558	13,558
Property taxes	-	82,491	82,491
Notes	-	447,426	447,426
Total assets	<u>\$ 463,283</u>	<u>\$ 4,599,482</u>	<u>\$ 5,062,765</u>
<b>LIABILITIES:</b>			
Accounts payable and accrued expenses	<u>\$ -</u>	<u>\$ 9,141</u>	<u>\$ 9,141</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue	<u>-</u>	<u>529,917</u>	<u>529,917</u>
<b>FUND BALANCES:</b>			
Restricted for:			
Capital projects	-	4,060,424	4,060,424
Committed for:			
Major capital facilities and associated debt	<u>463,283</u>	<u>-</u>	<u>463,283</u>
Total fund balances	<u>463,283</u>	<u>4,060,424</u>	<u>4,523,707</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 463,283</u>	<u>\$ 4,599,482</u>	<u>\$ 5,062,765</u>

**CITY OF THE DALLES, OREGON**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2021**

	Capital Projects Fund	Urban Renewal Capital Projects Fund	Total
<b>REVENUES:</b>			
Property taxes	\$ -	\$ 755,156	\$ 755,156
Rental income	109,327	-	109,327
Interest on investments	3,058	33,343	36,401
Miscellaneous	-	11,919	11,919
Total revenues	112,385	800,418	912,803
<b>EXPENDITURES:</b>			
General government	10,978	248,985	259,963
Capital outlay	25,648	-	25,648
Debt service:			
Interest	4,172	-	4,172
Total expenditures	40,798	248,985	289,783
Revenues over (under) expenditures	71,587	551,433	623,020
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	10,000	-	10,000
Transfers out	(9,824)	-	(9,824)
Total other financing sources (uses)	176	-	176
Net changes in fund balances	71,763	551,433	623,196
<b>FUND BALANCES, BEGINNING</b>	391,520	3,508,991	3,900,511
<b>FUND BALANCES, ENDING</b>	<u>\$ 463,283</u>	<u>\$ 4,060,424</u>	<u>\$ 4,523,707</u>

**CITY OF THE DALLES, OREGON**  
**GENERAL FUND**  
**COMBINING BALANCE SHEET**  
**June 30, 2021**

	General Fund - Budgetary Basis	Public Works Reserve Fund	Transportation System Reserve Fund	Unemployment Reserve Fund	Total General Fund
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 4,886,362	\$ 300,773	\$ 1,026,710	\$ 83,408	\$ 6,297,253
Receivables:					
Accounts	795,190	-	579	-	795,769
Fines and forfeitures, net	530,136	-	-	-	530,136
Property taxes	177,381	-	-	-	177,381
Prepaid items	174,542	-	-	-	174,542
Total assets	<u>\$ 6,563,611</u>	<u>\$ 300,773</u>	<u>\$ 1,027,289</u>	<u>\$ 83,408</u>	<u>\$ 7,975,081</u>
<b>LIABILITIES:</b>					
Accounts payable and accrued expenses	\$ 370,269	\$ -	\$ -	\$ -	\$ 370,269
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue	718,472	-	-	-	718,472
<b>FUND BALANCES:</b>					
Nonspendable:					
Prepays	174,542	-	-	-	174,542
Committed for:					
Committed by ordinance or resolution	-	300,773	1,027,289	83,408	1,411,470
Unassigned	5,300,328	-	-	-	5,300,328
Total fund balances	<u>5,474,870</u>	<u>300,773</u>	<u>1,027,289</u>	<u>83,408</u>	<u>6,886,340</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 6,563,611</u>	<u>\$ 300,773</u>	<u>\$ 1,027,289</u>	<u>\$ 83,408</u>	<u>\$ 7,975,081</u>

**CITY OF THE DALLES, OREGON**  
**GENERAL FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2021**

	General Fund - Budgetary Basis	Public Works Reserve Fund	Transportation System Reserve Fund	Unemployment Reserve Fund	Total General Fund
<b>REVENUES:</b>					
Property taxes	\$ 3,533,903	\$ -	\$ -	\$ -	\$ 3,533,903
Other taxes	1,486,818	-	-	-	1,486,818
Franchise fees	284,954	-	-	-	284,954
Licenses and fees	42,783	-	-	-	42,783
Intergovernmental	3,026,503	-	-	-	3,026,503
Fines and forfeitures, net	109,656	-	-	-	109,656
System development charges	-	-	95,504	-	95,504
Rental income	8,152	-	-	-	8,152
Interest on investments	34,772	3,466	7,478	593	46,309
Miscellaneous	112,300	-	-	-	112,300
Total revenues	8,639,841	3,466	102,982	593	8,746,882
<b>EXPENDITURES:</b>					
General government	3,592,664	-	-	17,858	3,610,522
Public safety	4,212,985	-	-	-	4,212,985
Culture and recreation	803,861	-	-	-	803,861
Capital outlay	111,386	582,110	64,549	-	758,045
Total expenditures	8,720,896	582,110	64,549	17,858	9,385,413
Revenues over (under) expenditures	(81,055)	(578,644)	38,433	(17,265)	(638,531)
<b>OTHER FINANCING SOURCES (USES):</b>					
Sale of property	2,338	-	-	-	2,338
Transfers in	1,139,975	444,000	-	34,805	1,618,780
Transfers out	(317,443)	-	-	-	(317,443)
Total other financing sources (uses)	824,870	444,000	-	34,805	1,303,675
Net changes in fund balances	743,815	(134,644)	38,433	17,540	665,144
<b>FUND BALANCES, BEGINNING</b>	4,731,055	435,417	988,856	65,868	6,221,196
<b>FUND BALANCES, ENDING</b>	\$ 5,474,870	\$ 300,773	\$ 1,027,289	\$ 83,408	\$ 6,886,340

## **BUDGETARY COMPARISON SCHEDULES**

### **Nonmajor Governmental Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

In accordance with GASB Statement #34, the City's General Fund and any major special revenue funds are presented as the basic governmental fund financial statements. All other budgetary comparisons are displayed in the following pages as supplemental information.

Major Governmental Budgetary Comparison schedules not included in basic financial statements include the following:

- General Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance
- General Fund - Budgetary Basis Schedule of Expenditures
- Public Works Reserve Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance
- Transportation System Reserve Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance
- Unemployment Reserve Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance
- Special Assessment Fund - Budgetary Basis Schedule of Revenues, Expenditures and Changes in Fund Balance

Non-major Governmental Budgetary Comparison schedules included the following:

- Special Revenue Funds
  - Library Fund
  - Community Benevolence Fund
  - Special Grants Fund
  - State Office Building Fund
  - Special Enterprise Zone Fund
- Debt Service Fund
  - FFCO 2008 Bond Fund
  - 2009 FFCO Bond Fund
  - Urban Renewal Debt Fund
- Capital Project Fund
  - Capital Projects Fund
  - Urban Renewal Capital Projects Fund



**CITY OF THE DALLES, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$ 3,146,889	\$ 3,146,889	\$ 3,533,903	\$ 387,014
Other taxes	1,486,554	1,486,554	1,486,818	264
Franchise fees	273,581	273,581	284,954	11,373
Licenses and fees	38,960	38,960	42,783	3,823
Intergovernmental	2,620,693	3,256,340	3,026,503	(229,837)
Fines and forfeitures, net	170,600	170,600	109,656	(60,944)
Rental income	8,500	8,500	8,152	(348)
Interest on investments	78,000	78,000	34,772	(43,228)
Miscellaneous	66,000	66,000	112,300	46,300
Total revenues	7,889,777	8,525,424	8,639,841	114,417
<b>EXPENDITURES:</b>				
General government	3,823,131	4,344,770	3,592,664	752,106
Public safety	4,382,451	4,461,140	4,212,985	248,155
Culture and recreation	776,603	947,929	803,861	144,068
Capital outlay	131,800	136,300	111,386	24,914
Contingency	3,495,525	3,355,018	-	3,355,018
Total expenditures	12,609,510	13,245,157	8,720,896	4,524,261
Revenues over (under) expenditures	(4,719,733)	(4,719,733)	(81,055)	4,638,678
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	-	-	2,338	2,338
Transfers in	1,139,975	1,139,975	1,139,975	-
Transfers out	(317,443)	(317,443)	(317,443)	-
Total other financing sources (uses)	822,532	822,532	824,870	2,338
Net changes in fund balances	(3,897,201)	(3,897,201)	743,815	4,641,016
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	3,897,201	3,897,201	4,731,055	833,854
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 5,474,870	\$ 5,474,870

**CITY OF THE DALLES, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
General government:				
City Council:				
Materials and services	\$ 780,800	\$ 882,524	\$ 565,151	\$ 317,373
Subtotal	780,800	882,524	565,151	317,373
City Clerk:				
Personnel services	142,202	142,202	142,966	(764)
Materials and services	23,985	23,985	17,700	6,285
Subtotal	166,187	166,187	160,666	5,521
City Manager:				
Personnel services	209,160	209,160	204,195	4,965
Materials and services	18,314	18,314	7,988	10,326
Subtotal	227,474	227,474	212,183	15,291
City Attorney / Judicial:				
Personnel services	69,923	69,923	61,386	8,537
Materials and services	276,418	468,818	425,660	43,158
Subtotal	346,341	538,741	487,046	51,695
Finance / Utility Billing:				
Personnel services	486,985	506,985	479,780	27,205
Materials and services	122,534	122,534	81,783	40,751
Subtotal	609,519	629,519	561,563	67,956
Personnel:				
Personnel services	231,587	280,023	238,397	41,626
Materials and services	42,111	42,111	36,398	5,713
Subtotal	273,698	322,134	274,795	47,339
Technology:				
Personnel services	161,678	161,678	164,774	(3,096)
Materials and services	129,145	193,060	168,927	24,133
Subtotal	290,823	354,738	333,701	21,037

**CITY OF THE DALLES, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
Continued				
Planning:				
Personnel services	\$ 583,438	\$ 583,438	\$ 460,168	\$ 123,270
Materials and services	168,180	218,180	151,404	66,776
Subtotal	751,618	801,618	611,572	190,046
City Hall / Transportation Center:				
Personnel services	76,544	76,544	70,583	5,961
Materials and services	300,127	345,291	315,404	29,887
Subtotal	376,671	421,835	385,987	35,848
Total General government	3,823,131	4,344,770	3,592,664	752,106
Public safety:				
Police:				
Personnel services	3,447,022	3,507,227	3,326,541	180,686
Materials and services	761,976	777,560	733,854	43,706
Subtotal	4,208,998	4,284,787	4,060,395	224,392
Code Enforcement:				
Personnel services	69,395	69,395	69,547	(152)
Materials and services	27,180	30,080	16,166	13,914
Subtotal	96,575	99,475	85,713	13,762
Animal control:				
Personnel services	48,898	48,898	45,671	3,227
Materials and services	27,980	27,980	21,206	6,774
Subtotal	76,878	76,878	66,877	10,001
Total Public safety	4,382,451	4,461,140	4,212,985	248,155
Culture and recreation:				
Non-departmental:				
Materials and services	776,603	947,929	803,861	144,068
Capital outlay	131,800	136,300	111,386	24,914
Total expenditures	\$ 9,113,985	\$ 9,890,139	\$ 8,720,896	\$ 1,169,243

\*Departments are appropriated at the subtotal level. Negative amount is not a budget violation.

**CITY OF THE DALLES, OREGON**  
**PUBLIC WORKS RESERVE FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

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	Budget			Variance
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Interest on investments	\$ 6,600	\$ 6,600	\$ 3,466	\$ (3,134)
<b>EXPENDITURES:</b>				
Capital outlay	888,950	888,950	582,110	306,840
Revenues over (under) expenditures	(882,350)	(882,350)	(578,644)	303,706
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	444,000	444,000	444,000	-
Net changes in fund balance	(438,350)	(438,350)	(134,644)	303,706
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	438,350	438,350	435,417	(2,933)
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,773</u>	<u>\$ 300,773</u>

**CITY OF THE DALLES, OREGON**  
**TRANSPORTATION SYSTEM RESERVE FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ 400,000	\$ 400,000	-	\$ (400,000)
System development charges	45,000	45,000	\$ 95,504	\$ 50,504
Interest on investments	15,000	15,000	7,478	(7,522)
Total revenues	460,000	460,000	102,982	(357,018)
<b>EXPENDITURES:</b>				
Capital outlay	1,246,769	1,246,769	64,549	1,182,220
Revenues over (under) expenditures and net changes in fund balance	(786,769)	(786,769)	38,433	825,202
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	786,769	786,769	988,856	202,087
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 1,027,289	\$ 1,027,289

**CITY OF THE DALLES, OREGON**  
**UNEMPLOYMENT RESERVE FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest on investments	\$ 1,320	\$ 1,320	593	\$ (727)
<b>EXPENDITURES:</b>				
Personnel service	95,259	95,259	17,858	77,401
Revenues over (under) expenditures	(93,939)	(93,939)	(17,265)	76,674
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	34,805	34,805	34,805	-
Net changes in fund balance	(59,134)	(59,134)	17,540	76,674
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	59,134	59,134	65,868	6,734
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 83,408	\$ 83,408

**CITY OF THE DALLES, OREGON**  
**SPECIAL ASSESSMENT FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Franchise fees	\$ 26,500	\$ 26,500	\$ 26,228	(272)
Assessments	12,544	12,544	31,151	18,607
Interest on investments	15,500	15,500	3,886	(11,614)
Miscellaneous	1	1	-	(1)
Total revenues	54,545	54,545	61,265	6,720
<b>EXPENDITURES:</b>				
Materials and services	28,300	28,300	-	28,300
Capital outlay	438,200	438,200	-	438,200
Total expenditures	466,500	466,500	-	466,500
Revenues over (under) expenditures	(411,955)	(411,955)	61,265	473,220
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(113,950)	(113,950)	(113,950)	-
Net changes in fund balance	(525,905)	(525,905)	(52,685)	473,220
<b>FUND BALANCE, BEGINNING</b>	525,905	525,905	521,904	(4,001)
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 469,219	\$ 469,219

**CITY OF THE DALLES, OREGON**  
**LIBRARY FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Property taxes	\$ 1,397,676	\$ 1,397,676	\$ 1,397,676	\$ -
Intergovernmental	55,877	55,877	3,634	(52,243)
Fines and forfeitures, net	14,500	14,500	3,454	(11,046)
Contributions	100	100	-	(100)
Interest on investments	24,500	24,500	13,604	(10,896)
Miscellaneous	100	100	2,331	2,231
Total revenues	1,492,753	1,492,753	1,420,699	(72,054)
<b>EXPENDITURES:</b>				
Personnel service	858,117	858,117	758,194	99,923
Materials and services	877,821	877,821	365,746	512,075
Capital outlay	52,000	52,000	5,991	46,009
Contingency	1,060,706	1,060,706	-	1,060,706
Total expenditures	2,848,644	2,848,644	1,129,931	1,718,713
Revenues over (under) expenditures	(1,355,891)	(1,355,891)	290,768	1,646,659
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(104,196)	(104,196)	(104,196)	-
Net changes in fund balance	(1,460,087)	(1,460,087)	186,572	1,646,659
<b>FUND BALANCE, BEGINNING</b>	1,460,087	1,460,087	1,917,329	457,242
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 2,103,901	\$ 2,103,901



**CITY OF THE DALLES, OREGON**  
**COMMUNITY BENEVOLENCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Interest on investments	\$ 158	\$ 158	\$ 61	\$ (97)
<b>EXPENDITURES:</b>				
Materials and services	8,295	8,295	715	7,580
Revenues over (under) expenditures and net changes in fund balance	(8,137)	(8,137)	(654)	7,483
<b>FUND BALANCE, BEGINNING</b>	8,137	8,137	8,190	53
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 7,536	\$ 7,536

**CITY OF THE DALLES, OREGON**  
**SPECIAL GRANTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 2,364,349	\$ 2,364,349	\$ 163,822	\$ (2,200,527)
Interest on investments	68,000	68,000	19,177	(48,823)
Miscellaneous	150,000	150,000	-	(150,000)
Total revenues	2,582,349	2,582,349	182,999	(2,399,350)
<b>EXPENDITURES:</b>				
Materials and services	510,480	510,480	157,372	353,108
Capital outlay	5,591,705	5,591,705	50,567	5,541,138
Total expenditures	6,102,185	6,102,185	207,939	5,894,246
Revenues over (under) expenditures	(3,519,836)	(3,519,836)	(24,940)	3,494,896
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,520)	(1,520)	(1,520)	-
Net changes in fund balance	(3,521,356)	(3,521,356)	(26,460)	3,494,896
<b>FUND BALANCE, BEGINNING</b>	3,521,356	3,521,356	3,475,239	(46,117)
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 3,448,779	\$ 3,448,779

**CITY OF THE DALLES, OREGON**  
**STATE OFFICE BUILDING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Rental income	\$ 366,050	\$ 366,050	\$ 173,340	\$ (192,710)
Interest on investments	1,500	1,500	758	(742)
Total revenues	367,550	367,550	174,098	(193,452)
<b>EXPENDITURES:</b>				
Personnel service	76,549	76,549	69,470	7,079
Materials and services	118,382	118,382	114,995	3,387
Capital outlay	187,000	187,000	-	187,000
Contingency	75,470	75,470	-	75,470
Total expenditures	457,401	457,401	184,465	272,936
Revenues over (under) expenditures	(89,851)	(89,851)	(10,367)	79,484
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	9,824	9,824	9,824	-
Net changes in fund balance	(80,027)	(80,027)	(543)	79,484
<b>FUND BALANCE, BEGINNING</b>	80,027	80,027	101,690	21,663
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 101,147	\$ 101,147

**CITY OF THE DALLES, OREGON**  
**SPECIAL ENTERPRISE ZONE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 616,872	\$ 616,872	\$ 1,193,960	\$ 577,088
Interest on investments	-	-	7,071	7,071
Total revenues	616,872	616,872	1,201,031	584,159
<b>EXPENDITURES:</b>				
Materials and services	1,162,445	1,162,445	-	1,162,445
Net changes in fund balance	(545,573)	(545,573)	1,201,031	1,746,604
<b>FUND BALANCE, BEGINNING</b>	545,573	545,573	550,428	4,855
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 1,751,459	\$ 1,751,459

**CITY OF THE DALLES, OREGON**  
**FFCO 2008 BOND FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Rental income	\$ 124,735	\$ 124,735	\$ 124,734	\$ (1)
<b>EXPENDITURES:</b>				
Debt service:				
Principal	270,000	270,000	270,000	-
Interest	34,531	34,531	34,530	1
Total expenditures	304,531	304,531	304,530	1
Revenues over (under) expenditures	(179,796)	(179,796)	(179,796)	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	179,796	179,796	179,796	-
Total other financing sources (uses)	179,796	179,796	179,796	-
Net changes in fund balance	-	-	-	-
<b>FUND BALANCE, BEGINNING</b>	-	-	-	-
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ -	\$ -

**CITY OF THE DALLES, OREGON**  
**2009 FFCO BOND FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Debt service:				
Principal	\$ 630,000	\$ 630,000	\$ 630,000	\$ -
Interest	319,863	319,863	319,863	-
	<u>949,863</u>	<u>949,863</u>	<u>949,863</u>	<u>-</u>
Total expenditures	949,863	949,863	949,863	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	949,863	949,863	949,863	-
	<u>949,863</u>	<u>949,863</u>	<u>949,863</u>	<u>-</u>
Net changes in fund balance	-	-	-	-
<b>FUND BALANCE, BEGINNING</b>	-	-	-	-
<b>FUND BALANCE, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF THE DALLES, OREGON**  
**URBAN RENEWAL DEBT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 761,406	\$ 761,406	\$ 761,406	\$ -
Interest on investments	4,800	4,800	4,800	-
Total revenues	766,206	766,206	766,206	-
<b>EXPENDITURES:</b>				
Contingency	805,888	805,888	-	805,888
Revenues over (under) expenditures	(39,682)	(39,682)	766,206	805,888
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(805,888)	(805,888)	(805,888)	-
Net changes in fund balance	(845,570)	(845,570)	(39,682)	805,888
<b>FUND BALANCE, BEGINNING</b>	845,570	845,570	845,570	-
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 805,888	\$ 805,888

**CITY OF THE DALLES, OREGON**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Rental income	\$ 105,400	\$ 105,400	\$ 109,327	\$ 3,927
Interest on investments	6,150	6,150	3,058	(3,092)
Total revenues	111,550	111,550	112,385	835
<b>EXPENDITURES:</b>				
Materials and services	8,000	8,000	-	8,000
Capital outlay	428,296	428,296	25,648	402,648
Debt service:				
Principal	10,150	10,150	10,978	(828) *
Interest	5,000	5,000	4,172	828
Total expenditures	451,446	451,446	40,798	410,648
Revenues over (under) expenditures	(339,896)	(339,896)	71,587	411,483
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	10,000	10,000	10,000	-
Transfers out	(9,824)	(9,824)	(9,824)	-
Total other financing sources (uses)	176	176	176	-
Net changes in fund balance	(339,720)	(339,720)	71,763	411,483
<b>FUND BALANCE, BEGINNING</b>	339,720	339,720	391,520	51,800
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 463,283	\$ 463,283

\* Expenditures are appropriated at functional level. Negative amount is not an overexpenditure



**CITY OF THE DALLES, OREGON**  
**URBAN RENEWAL CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 924,605	\$ 924,605	\$ 755,156	\$ (169,449)
Interest on investments	62,000	62,000	33,343	(28,657)
Miscellaneous	29,737	29,737	11,919	(17,818)
Total revenues	1,016,342	1,016,342	800,418	(215,924)
<b>EXPENDITURES:</b>				
Materials and services	381,060	381,060	248,985	132,075
Capital outlay	4,111,337	4,111,337	-	4,111,337
Total expenditures	4,492,397	4,492,397	248,985	4,243,412
Net changes in fund balance	(3,476,055)	(3,476,055)	551,433	4,027,488
<b>FUND BALANCE, BEGINNING</b>	3,476,055	3,476,055	3,508,991	32,936
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 4,060,424	\$ 4,060,424

## **BUDGETARY COMPARISON SCHEDULES**

### **Enterprise Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules include the following:

- All Water Funds
  - Water Utility
  - Water Capital Reserve
- All Wastewater Funds
  - Wastewater
  - Wastewater Capital Reserve
  - Sewer Plant Construction
- 2018 Utility Bond Fund
  - 2018 Utility Bond Fund

**CITY OF THE DALLES, OREGON**  
**ALL WATER FUNDS COMBINED**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2021**

	Water Utility	Water Capital Reserve	Total All Water Funds
<b>REVENUES:</b>			
Charges for services	\$ 6,151,403	\$ -	\$ 6,151,403
System development charges	-	85,171	85,171
Rental income	4,797	-	4,797
Interest on investments	3,286	42,816	46,102
Miscellaneous	117,727	-	117,727
Total revenues	6,277,213	127,987	6,405,200
<b>EXPENDITURES:</b>			
Personnel service	2,297,168	-	2,297,168
Materials and services	856,636	-	856,636
Capital outlay	241,878	237,311	479,189
Debt service:			
Principal	-	157,596	157,596
Interest	-	80,782	80,782
Total expenditures	3,395,682	475,689	3,871,371
Revenues over (under) expenditures	2,881,531	(347,702)	2,533,829
<b>OTHER FINANCING SOURCES (USES):</b>			
Sale of property	10,740	-	10,740
Transfers in	-	1,500,777	1,500,777
Transfers out	(2,282,304)	(535,944)	(2,818,248)
Total other financing sources (uses)	(2,271,564)	964,833	(1,306,731)
Net changes in fund balances	609,967	617,131	1,227,098
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	850,411	5,245,092	6,095,503
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ 1,460,378	\$ 5,862,223	\$ 7,322,601
		<b>Revenues</b>	<b>Expenditures</b>
Total revenue and expenditures above		\$ 6,405,200	\$ 3,871,371
Transfers in/out		-	1,242,580
Expenditures capitalized		-	(742,537)
Debt service principal payments		-	(157,596)
Other post employment benefits		-	(10,468)
Depreciation		-	633,625
Premium amortization and accrued interest		-	(4,471)
Gain/loss on disposal of capital assets		-	(3,551)
Compensated absences		-	8,778
Total revenues and expenses - generally accepted accounting principles		\$ 6,405,200	4,837,731
Change in net position			\$ 1,567,469

**CITY OF THE DALLES, OREGON**  
**WATER UTILITY**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Charges for services	\$ 5,703,600	\$ 5,703,600	\$ 6,151,403	\$ 447,803
Intergovernmental	4,000	4,000	-	(4,000)
Rental income	4,428	4,428	4,797	369
Interest on investments	12,000	12,000	3,286	(8,714)
Miscellaneous	93,578	93,578	117,727	24,149
Total revenues	5,817,606	5,817,606	6,277,213	459,607
<b>EXPENDITURES:</b>				
Personnel service	2,441,081	2,441,081	2,297,168	143,913
Materials and services	1,224,879	1,224,879	856,636	368,243
Capital outlay	313,800	313,800	241,878	71,922
Contingency	154,164	154,164	-	154,164
Total expenditures	4,133,924	4,133,924	3,395,682	738,242
Revenues over (under) expenditures	1,683,682	1,683,682	2,881,531	1,197,849
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	500	500	10,740	10,240
Transfers out	(2,282,304)	(2,282,304)	(2,282,304)	-
Total other financing sources (uses)	(2,281,804)	(2,281,804)	(2,271,564)	10,240
Net changes in fund balance	(598,122)	(598,122)	609,967	1,208,089
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	598,122	598,122	850,411	252,289
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 1,460,378	\$ 1,460,378

**CITY OF THE DALLES, OREGON**  
**WATER CAPITAL RESERVE**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 5,000,000	\$ 5,000,000	\$ -	\$ (5,000,000)
Contributions	6,500,000	6,500,000	-	(6,500,000)
System development charges	69,510	69,510	85,171	15,661
Interest on investments	105,000	105,000	42,816	(62,184)
Total revenues	11,674,510	11,674,510	127,987	(11,546,523)
<b>EXPENDITURES:</b>				
Materials and services	555,000	555,000	-	555,000
Capital outlay	17,117,977	17,117,977	237,311	16,880,666
Debt service:				
Principal	157,597	157,597	157,596	1
Interest	80,782	80,782	80,782	-
Total expenditures	17,911,356	17,911,356	475,689	17,435,667
Revenues over (under) expenditures	(6,236,846)	(6,236,846)	(347,702)	5,889,144
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,500,777	1,500,777	1,500,777	-
Transfers out	(535,944)	(535,944)	(535,944)	-
Total other financing sources (uses)	964,833	964,833	964,833	-
Net changes in fund balance	(5,272,013)	(5,272,013)	617,131	5,889,144
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	5,272,013	5,272,013	5,245,092	(26,921)
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 5,862,223	\$ 5,862,223

**CITY OF THE DALLES, OREGON**  
**ALL WASTEWATER FUNDS COMBINED**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2021**

	Wastewater	Wastewater Capital Reserve	Sewer Plant Construction	Total All Wastewater Funds
<b>REVENUES:</b>				
Charges for services	\$ 5,363,605	\$ -	\$ -	\$ 5,363,605
Intergovernmental	11,964	-	175,000	186,964
System development charges	-	1,832,266	-	1,832,266
Interest on investments	157	44,143	6,438	50,738
Miscellaneous	445,748	-	-	445,748
Total revenues	5,821,474	1,876,409	181,438	7,879,321
<b>EXPENDITURES:</b>				
Personnel service	1,354,995	-	-	1,354,995
Materials and services	1,798,460	-	-	1,798,460
Capital outlay	108,698	722,709	-	831,407
Debt service:				
Principal	-	-	61,085	61,085
Interest	-	-	35,848	35,848
Total expenditures	3,262,153	722,709	96,933	4,081,795
Revenues over (under) expenditures	2,559,321	1,153,700	84,505	3,797,526
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	1,627	-	-	1,627
Transfers in	-	245,000	1,911,472	2,156,472
Transfers out	(2,294,023)	(707,055)	(838,326)	(3,839,404)
Total other financing sources (uses)	(2,292,396)	(462,055)	1,073,146	(1,681,305)
Net changes in fund balances	266,925	691,645	1,157,651	2,116,221
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	430,640	4,841,305	316,686	5,588,631
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ 697,565</u>	<u>\$ 5,532,950</u>	<u>\$ 1,474,337</u>	<u>\$ 7,704,852</u>
			<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above			\$ 7,879,321	\$ 4,081,795
Transfers in/out			-	1,625,141
Expenditures capitalized			-	(1,150,000)
Debt service principal payments			-	(61,085)
Other post employment benefits			-	(9,484)
Depreciation			-	979,870
Premium amortization and accrued interest			-	11,030
Gain/loss on disposal of capital assets			-	170
Compensated absences			-	9,657
Total revenues and expenses - generally accepted accounting principles			<u>\$ 7,879,321</u>	<u>5,487,094</u>
Change in net position				<u>\$ 2,392,227</u>

**CITY OF THE DALLES, OREGON**  
**WASTEWATER**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Charges for services	\$ 5,404,711	\$ 5,404,711	\$ 5,363,605	\$ (41,106)
Intergovernmental	6,000	6,000	11,964	5,964
Interest on investments	3,000	3,000	157	(2,843)
Miscellaneous	337,291	337,291	445,748	108,457
Total revenues	5,751,002	5,751,002	5,821,474	70,472
<b>EXPENDITURES:</b>				
Personnel service	1,442,890	1,442,890	1,354,995	87,895
Materials and services	1,954,449	1,954,449	1,798,460	155,989
Capital outlay	174,600	174,600	108,698	65,902
Contingency	162,852	162,852	-	162,852
Total expenditures	3,734,791	3,734,791	3,262,153	472,638
Revenues over (under) expenditures	2,016,211	2,016,211	2,559,321	543,110
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of property	-	-	1,627	1,627
Transfers out	(2,294,023)	(2,294,023)	(2,294,023)	-
Total other financing sources (uses)	(2,294,023)	(2,294,023)	(2,292,396)	1,627
Net changes in fund balance	(277,812)	(277,812)	266,925	544,737
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	277,812	277,812	430,640	152,828
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 697,565	\$ 697,565

**CITY OF THE DALLES, OREGON  
WASTEWATER CAPITAL RESERVE  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
System development charges	\$ 63,930	\$ 1,785,260	\$ 1,832,266	\$ 47,006
Interest on investments	60,000	60,000	44,143	(15,857)
Total revenues	123,930	1,845,260	1,876,409	31,149
<b>EXPENDITURES:</b>				
Capital outlay	4,465,439	6,186,769	722,709	5,464,060
Revenues over (under) expenditures	(4,341,509)	(4,341,509)	1,153,700	5,495,209
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	245,000	245,000	245,000	-
Transfers out	(707,055)	(707,055)	(707,055)	-
Total other financing sources (uses)	(462,055)	(462,055)	(462,055)	-
Net changes in fund balance	(4,803,564)	(4,803,564)	691,645	5,495,209
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	4,803,564	4,803,564	4,841,305	37,741
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,532,950</u>	<u>\$ 5,532,950</u>



**CITY OF THE DALLES, OREGON**  
**SEWER PLANT CONSTRUCTION**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 175,000	\$ 175,000
Interest on investments	5,000	5,000	6,438	1,438
Total revenues	5,000	5,000	181,438	176,438
<b>EXPENDITURES:</b>				
Capital outlay	1,477,288	1,477,288	-	1,477,288
Debt service:				
Principal	62,399	62,399	61,085	1,314
Interest	34,229	34,229	35,848	(1,619) *
Total expenditures	1,573,916	1,573,916	96,933	1,476,983
Revenues over (under) expenditures	(1,568,916)	(1,568,916)	84,505	1,653,421
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,911,472	1,911,472	1,911,472	-
Transfers out	(838,326)	(838,326)	(838,326)	-
Total other financing sources (uses)	1,073,146	1,073,146	1,073,146	-
Net changes in fund balance	(495,770)	(495,770)	1,157,651	1,653,421
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	495,770	495,770	316,686	(179,084)
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 1,474,337	\$ 1,474,337

\* Expenditures are appropriated at functional level. Negative amount represents an overexpenditure of \$305.

**CITY OF THE DALLES, OREGON**  
**2018 UTILITY BOND FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget			Variance
	Original	Final	Actual	Positive (Negative)
<b>EXPENDITURES:</b>				
Debt service:				
Principal	\$ 1,095,005	\$ 1,095,005	\$ 1,095,005	\$ -
Interest	246,295	246,295	245,900	395
Contingency	1,148	1,148	-	1,148
Total expenditures	1,342,448	1,342,448	1,340,905	1,543
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,341,300	1,341,300	1,341,300	-
Net changes in fund balance	(1,148)	(1,148)	395	1,543
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	1,148	1,148	1,996	848
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 2,391	\$ 2,391

	Revenues	Expenditures
Total revenue and expenditures above	\$ -	\$ 1,340,905
Transfers in/out	1,341,300	-
Debt service principal payments	-	(1,095,005)
Deferred charge on refunding and accrued interest	-	47,964
Total revenues and expenses - generally accepted accounting principles	\$ 1,341,300	293,864
Change in net position		\$ 1,047,436



## STATISTICAL SECTION

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## STATISTICAL SECTION

This part of the City of The Dalles' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents Page:

### **Financial Trends 80 - 85**

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

### **Revenue Capacity 86 - 90**

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

### **Debt Capacity 91 - 98**

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

### **Demographic and Economic Information 99 - 103**

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

Sources: Unless otherwise noted the information in these schedules is derived from the City's annual comprehensive financial reports for the relevant year.



**CITY OF THE DALLES, OREGON**  
**Net Position By Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 29,105,204	\$ 28,892,637	\$ 27,758,527	\$ 27,204,175	\$ 26,770,740	\$ 25,619,762	\$ 23,781,454	\$ 23,394,331	\$ 22,459,249	\$ 19,672,490
Restricted	11,658,332	10,893,307	9,270,588	8,309,364	7,364,590	6,606,540	6,591,609	6,221,686	6,204,535	6,337,147
Unrestricted	20,203,765	16,802,396	15,268,799	14,499,406	13,033,689	11,480,666	4,480,644	4,055,637	2,969,259	3,975,176
Total governmental activities net position	<u>\$ 60,967,301</u>	<u>\$ 56,588,340</u>	<u>\$ 52,297,914</u>	<u>\$ 50,012,945</u>	<u>\$ 47,169,019</u>	<u>\$ 43,706,968</u>	<u>\$ 34,853,707</u>	<u>\$ 33,671,654</u>	<u>\$ 31,633,043</u>	<u>\$ 29,984,813</u>
<b>Business-Type Activities:</b>										
Net investment in capital assets	\$ 54,696,758	\$ 54,091,260	\$ 52,230,058	\$ 48,435,897	\$ 27,336,873	\$ 23,686,429	\$ 31,902,082	\$ 31,669,652	\$ 25,695,435	\$ 19,854,285
Restricted	3,391,775	1,825,510	1,170,201	4,996,649	15,889,368	12,505,094	10,418,116	8,506,649	6,817,577	6,867,232
Unrestricted	3,227,135	391,766	(1,153,633)	(5,535,813)	(1,051,770)	645,798	2,373,161	942,037	1,301,239	1,179,693
Total business-type activities net position	<u>\$ 61,315,668</u>	<u>\$ 56,308,536</u>	<u>\$ 52,246,626</u>	<u>\$ 47,896,733</u>	<u>\$ 42,174,471</u>	<u>\$ 36,837,321</u>	<u>\$ 44,693,359</u>	<u>\$ 41,118,338</u>	<u>\$ 33,814,251</u>	<u>\$ 27,901,210</u>
<b>Primary Government:</b>										
Net investment in capital assets	\$ 83,801,962	\$ 82,983,897	\$ 79,988,585	\$ 75,640,072	\$ 54,107,613	\$ 49,306,191	\$ 55,683,536	\$ 55,063,983	\$ 48,154,684	\$ 39,526,775
Restricted	15,050,107	12,718,817	10,440,789	13,306,013	23,253,958	19,111,634	17,009,725	14,728,335	13,022,112	13,204,379
Unrestricted	23,430,900	17,194,162	14,115,166	8,963,593	11,981,919	12,126,464	6,853,805	4,997,674	4,270,498	5,154,869
Total primary government net position	<u>\$ 122,282,969</u>	<u>\$ 112,896,876</u>	<u>\$ 104,544,540</u>	<u>\$ 97,909,678</u>	<u>\$ 89,343,490</u>	<u>\$ 80,544,289</u>	<u>\$ 79,547,066</u>	<u>\$ 74,789,992</u>	<u>\$ 65,447,294</u>	<u>\$ 57,886,023</u>

80

Source: Current and prior year's financial statements

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Program Revenues</b>										
Governmental activities:										
Charges for services, fees and fines										
General government	\$ 639,682	\$ 1,869,609	\$ 945,631	\$ 662,698	\$ 1,207,216	\$ 1,111,793	\$ 895,831	\$ 1,741,823	\$ 958,415	\$ 853,937
Public safety	109,656	201,241	223,699	241,242	243,128	235,252	222,585	229,428	194,454	224,448
Highways and streets	6,579	16,346	19,731	12,928	28,342	33,944	12,424	10,573	16,525	20,880
Culture and recreation	5,785	4,528	4,588	18,346	21,681	20,605	18,740	12,401	11,548	11,294
Operating grants and contributions	1,147,662	1,114,743	1,098,952	960,217	2,169,009	2,790,732	1,988,624	1,920,600	1,815,072	1,790,012
Capital grants and contributions	5,579,603	3,192,842	2,680,626	2,077,651	2,739,012	1,970,505	2,318,755	1,286,046	2,144,707	5,816,031
Total governmental activities program revenues	7,488,967	6,399,309	4,973,227	3,973,082	6,408,388	6,162,831	5,456,959	5,200,871	5,140,721	8,716,602
Business-type activities:										
Charges for services:										
Water	6,362,649	5,937,310	5,911,987	5,890,309	5,719,228	5,820,678	5,707,603	5,161,655	4,530,792	4,404,696
Wastewater	7,641,449	7,130,096	6,024,501	5,862,797	6,137,909	5,733,933	5,533,259	5,697,344	5,316,269	5,024,672
Airport	-	-	-	-	-	-	199,548	273,657	219,036	226,622
Operating grants	175,000	-	-	-	-	-	65,000	65,000	65,000	263,347
Capital grants	11,964	3,696	515,897	1,061,609	1,174,329	-	406,533	4,970,071	3,871,454	1,193,231
Total business-type activities program revenues	14,191,062	13,071,102	12,452,385	12,814,715	13,031,466	11,554,611	11,911,943	16,167,727	14,002,551	11,112,568
Total primary government program revenues	21,680,029	19,470,411	17,425,612	16,787,797	19,439,854	17,717,442	17,368,902	21,368,598	19,143,272	19,829,170
<b>Expenses</b>										
Governmental activities:										
General government	4,772,981	4,163,662	4,539,162	3,763,261	3,661,829	4,043,194	4,643,056	3,528,182	3,620,305	3,225,677
Public safety and justice	4,543,577	4,362,967	4,218,386	3,951,495	3,841,288	3,764,858	3,599,408	3,502,386	3,534,026	3,304,009
Highways and streets	1,961,529	1,909,414	1,987,711	1,803,579	1,765,029	1,614,145	1,505,435	1,292,997	1,559,911	1,405,744
Culture and recreation	1,925,942	1,984,052	1,861,808	1,690,671	1,716,486	1,579,320	1,451,383	1,409,998	1,272,743	1,517,951
Interest on long term obligations	306,935	341,850	380,417	412,621	443,633	453,321	517,776	528,148	559,591	578,874
Total governmental activities expenses	13,510,964	12,761,945	12,987,484	11,621,627	11,428,265	11,454,838	11,717,058	10,261,711	10,546,576	10,032,255
Business-type activities:										
Water	3,598,702	3,753,063	3,503,705	3,655,523	3,714,854	3,778,964	3,659,726	3,713,333	3,315,325	4,092,914
Wastewater	3,861,783	3,704,777	3,083,208	3,293,026	2,806,274	3,139,369	2,993,590	3,147,900	3,068,188	3,221,576
2018 Utility Bond	293,864	321,923	349,447	211,414	-	-	-	-	-	-
Airport	-	-	-	-	-	-	260,659	286,049	313,045	440,116
Total business-type activities expenses	7,754,349	7,779,763	6,936,360	7,159,963	6,521,128	6,918,333	6,913,975	7,147,282	6,696,558	7,754,606
Total primary government expenses	21,265,313	20,541,708	19,923,844	18,781,590	17,949,393	18,373,171	18,631,033	17,408,993	17,243,134	17,786,861
<b>Net Expense</b>										
Governmental activities	(6,021,997)	(6,362,636)	(8,014,257)	(7,648,545)	(5,019,877)	(5,292,007)	(6,260,099)	(5,060,840)	(5,405,855)	(1,315,653)
Business-type activities	6,436,713	5,291,339	5,516,025	5,654,752	6,510,338	4,636,278	4,997,968	9,020,445	7,305,993	3,357,962
Total primary government net expense	\$ 414,716	\$ (1,071,297)	\$ (2,498,232)	\$ (1,993,793)	\$ 1,490,461	\$ (655,729)	\$ (1,262,131)	\$ 3,959,605	\$ 1,900,138	\$ 2,042,309

Source: Current and prior years' financial statements



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

(continued)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>General Revenues and Other Changes in Net Position</b>										
General revenues:										
Property taxes levied for:										
General purposes	\$ 4,884,325	\$ 4,722,441	\$ 4,511,219	\$ 4,311,291	\$ 2,950,205	\$ 2,714,277	\$ 2,753,785	\$ 2,657,460	\$ 2,591,274	\$ 2,578,241
Urban renewal purposes	1,487,631	1,663,728	1,645,481	1,525,864	1,485,852	1,378,487	1,407,564	1,327,601	1,353,346	1,218,544
Franchise and public service taxes	2,361,131	2,458,295	2,413,494	2,366,189	2,132,956	2,101,776	1,757,480	1,728,579	1,632,053	1,414,374
Interest and investment earnings	141,450	356,466	326,932	206,646	111,660	54,106	49,936	43,572	46,153	41,322
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of property	-	-	-	-	-	-	-	-	-	-
Transfers	1,526,421	1,452,132	1,402,100	1,300,986	1,334,452	1,299,746	1,473,387	1,507,292	1,431,259	1,297,279
Total governmental activities	10,400,958	10,653,062	10,299,226	9,710,976	8,015,125	7,548,392	7,442,152	7,264,504	7,054,085	6,549,760
Business-type activities:										
Interest and investment earnings	96,840	222,703	235,968	202,863	161,264	73,317	50,440	42,092	38,307	30,800
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	705,604	-	-	-	(37,152)	-	-
Transfers	(1,526,421)	(1,452,132)	(1,402,100)	(1,300,986)	(1,334,452)	(1,299,746)	(1,473,387)	(1,507,292)	(1,431,259)	(1,297,279)
Total business-type activities	(1,429,581)	(1,229,429)	(1,166,132)	(392,519)	(1,173,188)	(1,226,429)	(1,422,947)	(1,502,352)	(1,392,952)	(1,266,479)
Total primary government	8,971,377	9,423,633	9,133,094	9,318,457	6,841,937	6,321,963	6,019,205	5,762,152	5,661,133	5,283,281
<b>Change in Net Position</b>										
Governmental activities	4,378,961	4,290,426	2,284,969	2,062,431	2,995,248	2,256,385	1,182,053	2,203,661	1,648,230	5,234,107
Prior Period Adjustments **	-	-	-	781,495	-	6,596,876	-	(165,050)	-	-
Governmental Activities, as adjusted	4,378,961	4,290,426	2,284,969	2,843,926	2,995,248	8,853,261	1,182,053	2,038,611	1,648,230	5,234,107
Business-type activities	5,007,132	4,061,910	4,349,893	5,262,233	5,337,150	3,409,849	3,575,021	(1,502,352)	5,913,041	2,091,483
Prior Period Adjustments	-	-	-	460,029	-	(11,265,887)	-	(214,006)	-	-
Business-type Activities, as adjusted	5,007,132	4,061,910	4,349,893	5,722,262	5,337,150	(7,856,038)	3,575,021	(1,716,358)	5,913,041	2,091,483
Total primary government change in net position	9,386,093	8,352,336	6,634,862	8,566,188	8,332,398	997,223	4,757,074	322,253	7,561,271	7,325,590
<b>Net Position Beginning</b>										
Governmental activities	56,588,340	52,297,914	50,012,945	47,169,019	44,173,771	34,853,707	33,671,654	31,467,993	29,984,813	24,750,706
Business-type activities	56,308,536	52,246,626	47,896,733	42,174,471	36,837,321	44,693,359	41,118,338	33,600,245	27,901,210	25,809,727
Total primary government net position-beginning	112,896,876	104,544,540	97,909,678	89,343,490	81,011,092	79,547,066	74,789,992	65,068,238	57,886,023	50,560,433
<b>Net Position Ending</b>										
Governmental activities	60,967,301	56,588,340	52,297,914	50,012,945	47,169,019	43,706,968	34,853,707	33,671,654	31,633,043	29,984,813
Business-type activities	61,315,668	56,308,536	52,246,626	47,896,733	42,174,471	36,837,321	44,693,359	41,118,338	33,814,251	27,901,210
<b>Total Primary Government Net Position</b>	<b>\$ 122,282,969</b>	<b>\$ 112,896,876</b>	<b>\$ 104,544,540</b>	<b>\$ 97,909,678</b>	<b>\$ 89,343,490</b>	<b>\$ 80,544,289</b>	<b>\$ 79,547,066</b>	<b>\$ 74,789,992</b>	<b>\$ 65,447,294</b>	<b>\$ 57,886,023</b>

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

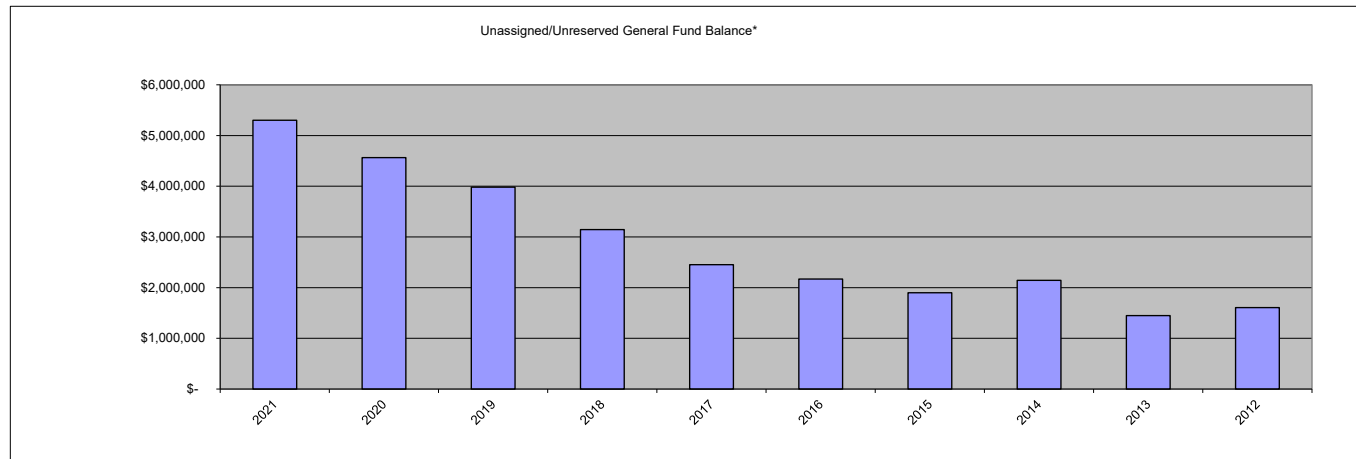
\*\* 2016 prior period adjustments are due to the Airport being reclassified as a joint venture, and being separated from the City as a business activity, and one half of the Airport assets being added to the governmental activities.

Source: Current and prior years' financial statements

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable:										
Prepays	\$ 174,542	\$ 168,235	\$ 163,833	\$ 159,388	\$ 146,177	\$ 144,028	\$ 132,551	\$ 130,172	\$ 123,820	\$ 116,297
Committed:										
Committed by ordinance or resolution	1,411,470	1,490,141	1,438,545	1,352,126	1,369,385	1,107,207	1,169,225	1,256,941	816,807	545,656
Unassigned	5,300,328	4,562,820	3,982,784	3,143,704	2,451,502	2,169,062	1,898,698	2,143,561	1,449,360	1,606,569
Total general fund	6,886,340	6,221,196	5,585,162	4,655,218	3,967,064	3,420,297	3,200,474	3,530,674	2,389,987	2,268,522
All Other Governmental Funds										
Nonspendable:										
Inventory	119,006	106,913	165,400	159,269	154,151	140,366	177,245	148,191	138,798	136,002
Restricted:										
Grant / contributor specific intent	3,456,315	3,483,429	3,464,591	3,400,816	3,365,712	3,411,321	3,508,935	3,458,663	3,584,049	3,723,971
State statute	6,098,116	5,492,459	4,072,925	3,298,134	2,510,012	1,847,330	1,831,201	894,793	845,812	993,088
Full faith and credit debt	-	-	14,370	14,370	-	-	-	-	3	-
Intergovernmental agreement	2,103,901	1,917,329	1,718,702	1,596,044	1,488,866	1,347,889	1,251,473	1,868,231	1,774,671	1,620,088
Committed:										
Major capital facilities and associated debt	463,283	391,520	302,474	299,191	242,548	163,729	219,734	276,844	303,799	496,322
Local improvements and associated debt	469,219	521,904	574,631	535,675	565,598	458,063	107,657	18,401	18,401	677,218
Agreements with state agencies	1,852,606	652,118	91,412	110,105	82,867	37,689	43,449	(2,166)	36,992	36
Total all other governmental funds	14,562,446	12,565,672	10,404,505	9,413,604	8,409,754	7,406,387	7,139,694	6,662,956	6,702,525	7,646,725
Total governmental funds	\$ 21,448,786	\$ 18,786,868	\$ 15,989,667	\$ 14,068,822	\$ 12,376,818	\$ 10,826,684	\$ 10,340,168	\$ 10,193,630	\$ 9,092,512	\$ 9,915,247

\*In 2011 the City implemented GASB 54, which changed the fund balance categories. The City did not restate amount in prior years.



Source: Current and prior years' financial statements

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Revenues</b>										
Taxes	\$ 8,414,578	\$ 8,451,478	\$ 8,179,210	\$ 7,825,266	\$ 6,308,619	\$ 6,025,127	\$ 5,661,611	\$ 5,359,205	\$ 5,219,096	\$ 4,888,001
Inter-governmental	5,527,689	3,905,841	3,105,605	2,722,194	3,899,215	3,848,504	4,235,990	3,161,324	3,954,537	7,577,757
Rents and interest	557,003	807,320	753,549	477,694	544,083	502,604	485,684	431,657	472,656	398,415
Franchise Fees	394,694	383,959	378,063	371,027	258,417	227,827	266,968	331,184	328,287	308,704
Fines and forfeitures	113,110	215,730	242,550	257,822	258,049	249,906	234,947	241,481	205,803	235,699
Charges for services	-	-	67,227	45,992	66,595	49,250	40,507	27,673	33,165	28,774
System Development Charges	95,504	79,764	261,020	72,261	239,963	84,850	35,334	95,479	276,341	168,629
Special assessments	31,151	117,138	111,132	50,493	191,204	469,501	82,657	580,919	28,521	51,641
Other Revenues	175,912	1,315,761	456,517	586,857	447,791	922,148	502,387	273,589	251,617	264,486
Total revenues	15,309,641	15,276,991	13,554,873	12,409,606	12,213,936	12,379,717	11,546,085	10,502,511	10,770,023	13,922,106
<b>Expenditures</b>										
Current:										
General Government	4,027,857	3,566,200	3,372,562	3,256,199	3,260,351	3,237,110	3,363,935	2,910,006	2,847,792	2,861,157
Public safety	4,397,450	4,279,586	4,150,222	3,884,806	3,738,742	3,685,123	3,526,407	3,337,983	3,365,059	3,206,256
Highways and streets	1,927,801	1,388,614	1,396,492	1,218,883	1,179,016	1,082,520	1,021,840	985,621	1,089,640	1,343,365
Culture and recreation	1,325,371	1,860,359	1,811,394	1,646,012	1,680,709	1,543,977	1,414,754	1,231,798	1,234,310	1,009,676
Capital outlay	1,377,988	1,711,648	1,188,912	916,391	1,013,464	2,516,214	2,413,193	1,205,442	3,265,453	7,077,246
Debt service:										
Principal	767,318	732,644	697,970	671,906	642,232	617,558	596,494	760,077	617,719	595,874
Interest	358,565	393,387	432,293	464,393	495,557	524,654	548,296	579,587	606,264	629,844
Total expenditures	14,182,350	13,932,438	13,049,845	12,058,590	12,010,071	13,207,156	12,884,919	11,010,514	13,026,237	16,723,418
Revenues over (under) expenditures	1,127,291	1,344,553	505,028	351,016	203,865	(827,439)	(1,338,834)	(508,003)	(2,256,214)	(2,801,312)
<b>Other Financing Sources (Uses)</b>										
Proceeds of financing agreement	-	-	-	-	-	-	-	101,829	-	-
Sale of fixed capital assets	8,116	606	13,717	40,002	11,817	6,719	11,985	-	2,220	-
Transfers in	3,394,762	3,287,752	2,830,004	2,874,161	2,885,047	3,193,664	3,504,190	3,237,423	3,694,389	2,703,091
Transfers out	(1,868,341)	(1,835,620)	(1,427,904)	(1,573,175)	(1,550,595)	(1,893,918)	(2,030,803)	(1,730,131)	(2,263,130)	(1,405,812)
Total other financing sources (uses)	1,534,537	1,452,738	1,415,817	1,340,988	1,346,269	1,306,465	1,485,372	1,609,121	1,433,479	1,297,279
Net change in fund balances	\$ 2,661,828	\$ 2,797,291	\$ 1,920,845	\$ 1,692,004	\$ 1,550,134	\$ 479,026	\$ 146,538	\$ 1,101,118	\$ (822,735)	\$ (1,504,033)
Debt service as a percentage of noncapital expenditures	8.5%	9.0%	9.1%	10.0%	10.2%	10.2%	10.1%	13.5%	11.9%	12.6%

84

Source: Current and prior years' financial statements

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Function/Program</b>										
Governmental activities										
General government	\$ 6,219,285	\$ 5,062,451	\$ 3,626,257	\$ 2,740,349	\$ 3,946,228	\$ 3,082,298	\$ 3,214,586	\$ 3,027,869	\$ 3,103,122	\$ 6,669,968
Public safety	113,914	213,002	223,699	241,242	243,128	235,252	222,585	229,428	194,454	224,448
Highways and streets	9,419	1,026,143	1,096,920	969,448	900,410	891,733	854,032	835,673	807,308	816,335
Culture and recreation	1,146,349	97,713	26,351	22,043	1,318,622	1,953,548	1,165,756	1,107,901	1,035,837	1,005,851
Total governmental activities	7,488,967	6,399,309	4,973,227	3,973,082	6,408,388	6,162,831	5,456,959	5,200,871	5,140,721	8,716,602
Business-type activities										
Water	6,362,649	5,937,448	5,915,183	6,938,940	6,893,557	5,820,678	5,730,696	8,162,335	4,531,595	4,615,212
Waste water	7,828,413	7,133,654	6,537,202	5,875,775	6,137,909	5,733,933	5,533,259	5,697,344	5,317,072	5,036,842
Airport *	-	-	-	-	-	-	647,988	2,308,048	4,153,884	1,460,514
Total business-type activities	14,191,062	13,071,102	12,452,385	12,814,715	13,031,466	11,554,611	11,911,943	16,167,727	14,002,551	11,112,568
Total Primary government	\$ 21,680,029	\$ 19,470,411	\$ 17,425,612	\$ 16,787,797	\$ 19,439,854	\$ 17,717,442	\$ 17,368,902	\$ 21,368,598	\$ 19,143,272	\$ 19,829,170

\* The Airport has been reclassified as a "joint venture" and so has been removed from the City's business activities as of 2016.

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

<b>Year</b>	<b>Property Taxes (a)</b>	<b>Transient Room Taxes (b)</b>	<b>City Gasoline Taxes</b>
<b>2012</b>	\$ 3,594,046	\$ 545,711	\$ 434,025
<b>2013</b>	3,742,555	526,815	442,468
<b>2014</b>	3,812,124	589,919	449,660
<b>2015</b>	3,965,710	699,538	476,807
<b>2016</b>	3,914,828	774,459	485,409
<b>2017</b>	4,253,171	794,439	501,456
<b>2018</b>	4,359,755	807,020	518,183
<b>2019</b>	4,680,759	824,988	507,552
<b>2020</b>	4,856,548	673,223	475,432
<b>2021</b>	5,003,897	689,146	479,619

**NOTE:**

a) The property taxes listed here include only the collections for the current year's levy for the City's General Fund and the Urban Renewal Agency, but excludes the property taxes collected for levies in prior years and the City's share of the Library's property taxes

b) The transient room tax listed here includes only the collections for the City but excludes the City's portion of the transient room tax collected for parks

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

<b>Year</b>	<b>Real Property Assessed Value</b>	<b>Personal Property Assessed Value</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Real Market Value</b>
<b>2012</b>	\$ 916,125,162	\$ 41,402,894	\$ 957,528,056	\$ 3.0155	\$ 1,488,289,123
<b>2013</b>	946,101,192	38,753,997	984,855,189	3.0155	1,418,883,503
<b>2014</b>	973,218,575	39,433,682	1,012,652,257	3.0155	1,608,434,442
<b>2015</b>	949,356,866	99,175,645	1,048,532,511	3.0155	1,298,752,196
<b>2016</b>	976,761,450	102,771,898	1,079,533,348	3.0155	1,625,848,326
<b>2017</b>	1,021,779,141	106,663,306	1,128,442,447	3.0155	1,795,227,733
<b>2018</b>	1,061,276,720	110,567,256	1,171,843,976	3.0155	1,933,064,130
<b>2019</b>	1,123,378,702	118,429,828	1,241,808,530	3.0155	2,411,848,062
<b>2020</b>	1,167,757,354	117,462,023	1,285,219,377	3.0155	2,426,595,157
<b>2021</b>	1,227,829,800	121,443,646	1,349,273,446	3.0155	2,884,325,345

**CITY OF THE DALLES, OREGON**  
**Property Tax Rates - Direct And Overlapping Governments**  
**(Per \$1,000 of Assessed Valuation)**  
**Last Ten Fiscal Years**

Year	City			Overlapping Governments												Total Direct and Overlapping Rates
	District Adusted Tax Rate	Urban Renewal Tax Rate	City of The Dalles Direct Rate	Wasco County	Wasco County VA Bonds	Port of The Dalles	Mid-Columbia Fire and Rescue	Northern Wasco County Parks and Recreation District	Northern Wasco Co Parks and Recreation District Bond	Wasco County Library District	School District No. 12	School District No. 21	Columbia Gorge Educational Service District	Columbia Gorge Community College	Norcor	
2012	\$ 2.7945	\$ 0.221	\$ 3.0155	\$ 4.2523	\$ 0.2559	\$ 0.2007	\$ 2.2533	\$ 0.6799	\$ -	\$ 0.6800	\$1.8238	\$ 5.2399	\$ 0.4678	\$ 0.6854	\$ 0.2750	\$ 19.83
2013	2.7945	0.221	3.0155	4.2523	0.2536	0.2007	2.2533	0.6799	-	0.6800	1.8104	5.2399	0.4678	0.2703	0.2510	19.37
2014	2.7945	0.221	3.0155	4.2523	-	0.2007	2.2528	0.6799	-	0.6800	1.7765	5.2399	0.4678	0.2703	0.2564	19.09
2015	2.7945	0.221	3.0155	4.2523	-	0.2007	2.2449	0.6799	0.3228	0.6800	1.7588	5.2399	0.4678	0.2703	0.2450	19.38
2016	2.7961	0.2194	3.0155	4.2523	-	0.2007	2.2656	0.6799	0.2953	0.6800	1.7052	5.2399	0.4678	0.2703	0.2487	19.32
2017	2.7952	0.2203	3.0155	4.2523	-	0.2007	2.2588	0.6799	0.2824	0.6800	1.6991	5.2399	0.4678	0.2703	0.0196	19.07
2018	2.797	0.2185	3.0155	4.2523	-	0.2007	2.1841	0.6799	0.2954	0.6800	1.6485	5.2390	0.4678	0.2703	-	18.93
2019	2.7909	0.2246	3.0155	4.2523	-	0.2007	2.2687	0.6799	0.288	0.6800	1.6268	5.2399	0.4678	0.2703	-	18.99
2020	2.7988	0.2167	3.0155	4.2523	-	0.2007	2.2734	0.6799	0.3227	0.6800	1.5589	5.2399	0.4678	0.2703	-	18.96
2021	2.8069	0.2086	3.0155	4.2523	-	0.2007	2.1004	0.6799	0.3067	0.6800	1.5589	5.2399	0.4678	0.2703	-	18.77

(1) School Districts 9 and 12 merged into District 21 for the 2004-05 year. Each District retained their respective bond levies.

(2) Wasco County Library District approved by voters. Began levying taxes 2007.

**CITY OF THE DALLES, OREGON**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

Fiscal Year Ended June 30,	Tax Levy for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years		
		Amount	Percentage of Levy		Amount	Percentage of Levy
<b>2012</b>	\$ 3,872,365	\$ 3,612,471	93.29%	\$ 155,411	\$ 3,767,882	97.30%
<b>2013</b>	4,054,361	3,766,990	92.91%	177,953	3,944,943	97.30%
<b>2014</b>	4,109,378	3,957,676	96.31%	98,699	4,056,375	98.71%
<b>2015</b>	4,236,498	3,914,828	92.41%	140,392	4,055,220	95.72%
<b>2016</b>	4,162,816	3,965,710	95.27%	103,349	4,069,059	97.75%
<b>2017</b>	4,533,590	4,253,171	93.81%	153,999	4,407,170	97.21%
<b>2018</b>	4,679,644	4,359,755	93.16%	89,607	-	95.08%
<b>2019</b>	5,006,827	3,879,906	77.49%	173,552	4,053,458	80.96%
<b>2020</b>	5,158,457	4,856,548	94.15%	265,297	5,121,845	99.29%
<b>2021</b>	5,258,745	5,003,897	95.15%	-	5,003,897	95.15%

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



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

<b>December 31, 2021</b>			
<b>Taxpayer</b>	<b>Real Property Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Union Pacific Railroad Co.	\$ 48,342,440	1	3.58%
Northern Wasco PUD	44,755,702	2	3.32%
BNSF Railway Co	46,602,000	3	3.45%
Centurylink	31,599,000	4	2.34%
Gas Transmission NW Corp	23,607,000	5	1.75%
Metropolitan Life Insurance Co	15,818,534	6	1.17%
Cascade Square LLC	12,335,502	7	0.91%
Design LLC	12,786,508	8	0.95%
Home Depot USA inc	11,611,406	9	0.86%
Northwest Natural Gas Co	12,994,900	10	0.96%
Total Principal Taxpayers	260,452,992		19.30%
Total Assessed Valuation	\$ 1,349,273,446		

<b>December 31, 2012</b>			
	<b>Real Property Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
Northern Wasco PUD	\$ 12,805,800	1	1.34%
Oregon Cherry Growers, Inc.	11,669,171	2	1.22%
Metropolian Life Insurance Co.	11,336,105	3	1.18%
Home Depot USA, Inc.	10,823,036	4	1.13%
Centurylink	8,088,100	5	0.84%
Union Pacific Railroad Co.	7,160,423	6	0.75%
Safeway Inc.	6,828,366	7	0.71%
SHNW Properties, LLC	6,665,414	8	0.70%
Wasco Assisted Living, LLC	6,436,089	9	0.67%
Cascade Square LLC	6,339,485	10	0.66%
Total Principal Taxpayers	88,151,989		9.21%
Total Assessed Valuation	\$ 957,528,056		

Source: Wasco County Department of Assessment and Taxation

**CITY OF THE DALLES, OREGON**  
**Ratios of Outstanding Debt By Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities					Business-type Activities					Percentage of Personal Income *	Per Capita	Percentage of Actual Taxable Value of Property
	General Obligation Bonds	Limited Tax Increment Bonds	Revenue Bonds	FFCO Bonds	Loans Payable	Revenue Bonds	FFCO Bonds	Loan Payable **	Total Primary Government				
2012	\$ -	\$ -	\$ -	\$12,085,732	\$ 311,028	\$ 12,111,000	\$ 1,509,268	\$ 6,664,443	\$ 32,681,471	N/A	\$ 2,263	3.41%	
2013	-	-	-	12,287,934	231,604	11,356,637	1,441,215	6,963,339	32,280,729	N/A	2,236	3.28%	
2014	-	-	-	11,660,378	100,655	10,704,972	1,337,901	3,936,540	27,740,446	N/A	1,921	2.74%	
2015	-	-	-	11,014,790	50,890	10,033,307	3,250,301	4,266,008	28,615,296	N/A	1,976	2.73%	
2016	-	-	-	10,348,138	25,846	9,331,642	3,090,198	4,065,974	26,861,798	N/A	1,851	2.49%	
2017	-	-	-	9,656,812	-	8,604,977	1,008,856	3,138,518	22,409,163	N/A	1,439	1.99%	
2018	-	-	-	8,935,812	-	11,329,860	888,986	4,428,222	25,582,880	N/A	1,635	2.18%	
2019	-	-	-	8,188,748	-	10,289,977	765,181	4,275,743	23,519,649	N/A	1,512	1.89%	
2020	-	-	-	7,407,010	-	9,224,516	636,048	4,062,939	21,330,513	N/A	1,309	1.66%	
2021	-	-	-	6,590,598	-	8,129,512	501,590	3,844,258	19,065,958	N/A	1,189	1.41%	

**Note:** Presented net of original issuance discounts and premiums.

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

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

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Total Taxable Assessed Value</b>	<b>Percentage of Actual Taxable Value of Property</b>
<b>2012</b>	\$ -	\$ 957,528,056	0.00%
<b>2013</b>	-	984,855,189	0.00%
<b>2014</b>	-	1,012,652,257	0.00%
<b>2015</b>	-	1,048,532,511	0.00%
<b>2016</b>	-	1,079,533,348	0.00%
<b>2017</b>	-	1,128,442,447	0.00%
<b>2018</b>	-	1,179,634,596	0.00%
<b>2019</b>	-	1,240,914,769	0.00%
<b>2020</b>		1,285,219,377	0.00%
<b>2021</b>	-	1,349,273,446	0.00%

Source: Current and prior years' financial statements, Wasco County Department of Assessment and Taxation, Center for Population Research and Census at Portland State University

**CITY OF THE DALLES, OREGON**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2021**

<b>Governmental Unit</b>	<b>Gross Property-tax Backed Debt (a)</b>	<b>Percentage Applicable to City of The Dalles</b>	<b>Amount Applicable to City of The Dalles</b>
<b>Debt Repaid with Property Taxes</b>			
Columbia Gorge Comm. Coll (Treaty-Oak AED)	\$ 16,194,834	20.7912%	\$ 3,367,104
Mid-Columbia Fire and Rescue	470,000	76.5104%	359,599
Northern Wasco Co. Parks & Rec District	3,660,108	7.1193%	260,574
Port of The Dalles	2,137,500	66.3953%	1,419,200
Wasco CTY SD 12 (The Dalles) Bonds	17,160,513	84.0903%	14,430,327
Wasco CTY SD 21 (The Dalles/Watonka)	4,590,000	69.6591%	3,197,353
Wasco CTY SD 29	1,138,664	0.8376%	9,537
Subtotal, overlapping debt			23,043,694 (b)
<b>City Direct Debt</b>			<u>6,590,598 (c)</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 29,634,292</u></u>

**NOTE:**

a) "Gross Property-tax Backed Debt" includes all General Obligation (GO) bonds and Full Faith & Credit Bonds, but excludes self-supporting Bancroft bonds and self-supporting revenue bonds.

b) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlap is determined by how much of the real market value is shared by each entity with the City of The Dalles. This information is provided by the Oregon Department of Revenue and used by the Oregon State Treasury Department to develop the Overlapping Debt Reports for the City.

c) City Direct Debt includes property-tax backed debt for the Full Faith & Credit Bonds, but excludes self-supporting revenue bonds.

Source: State of Oregon - Office of the Treasurer, Debt Management Information System, Debt and COPS Obligation Summary - report available online at <http://www.ost.state.or.us/divisions/DMD/Report/emailform.asp>

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

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

<b>Fiscal Year Ended June 30</b>	<b>Real Market Value</b>	<b>Debt Limit Rate</b>	<b>Debt Limit</b>	<b>Less General Bonded Debt June 30</b>	<b>Legal Debt Margin</b>	<b>Total Net Bonded Debt Applicable to the Limit as a Percentage of Debt Limit</b>
<b>2012</b>	\$ 1,488,289,123	3%	\$ 44,648,674	-	\$ 44,648,674	0.00%
<b>2013</b>	1,418,883,503	3%	42,566,505	-	42,566,505	0.00%
<b>2014</b>	1,608,434,442	3%	48,253,033	-	48,253,033	0.00%
<b>2015</b>	1,298,752,196	3%	38,962,566	-	38,962,566	0.00%
<b>2016</b>	1,625,848,326	3%	48,775,450	-	48,775,450	0.00%
<b>2017</b>	1,795,227,733	3%	53,856,832	-	53,856,832	0.00%
<b>2018</b>	1,933,064,130	3%	57,991,924	-	57,991,924	0.00%
<b>2019</b>	2,411,848,062	3%	72,355,442		72,355,442	0.00%
<b>2020</b>	2,426,595,157	3%	72,797,855		72,797,855	0.00%
<b>2021</b>	2,884,325,345	3%	86,529,760	-	86,529,760	0.00%

Note: The City has not had any general obligation bonds subsequent to 2000.

**CITY OF THE DALLES, OREGON**  
**Demographic and Economic Statistics**  
**Last Ten Years**

<b>Year</b>	<b>Population</b>	<b>Personal Income</b>	<b>Per Capita Income</b>	<b>Unemployment Rate</b>
<b>2012</b>	14,440	N/A	N/A	8.10%
<b>2013</b>	14,440	N/A	N/A	7.71%
<b>2014</b>	14,440	N/A	N/A	6.40%
<b>2015</b>	14,480	N/A	N/A	4.30%
<b>2016</b>	14,515	NA	NA	4.00%
<b>2017</b>	15,572	NA	NA	4.30%
<b>2018</b>	15,646	NA	NA	3.70%
<b>2019</b>	15,554	N/A	N/A	3.40%
<b>2020</b>	16,290	N/A	N/A	9.30%
<b>2021</b>	16,031	N/A	N/A	4.20%

N/A Information at City level not available.

Note: The only personal income information available for the City is based on tax returns filed with the State of Oregon.

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

	<b>2020-21</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percent of Total Employment</b>
Mid Columbia Medical Center	<b>739</b>	1	9.36%
School District #21	<b>389</b>	2	4.93%
Fred Meyer	<b>275</b>	3	3.48%
State of Oregon	<b>240</b>	4	3.04%
Google	<b>200</b>	5	2.53%
Columbia Gorge Community College	<b>176</b>	6	2.23%
Oregon Cherry Growers, Inc.	<b>153</b>	7	1.94%
Oregon Veterans Home	<b>151</b>	8	1.91%
Wasco County	<b>137</b>	9	1.74%
U.S. Army Corps of Engineers	<b>119</b>	10	1.51%
	<b>2,579</b>		<b>32.67%</b>
Total employment	<b>7,894</b>		

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

	<b>2011-12</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percent of Total Employment</b>
Mid Columbia Medical Center	676	1	8.72%
School District #21	312	2	4.02%
Oregon Cherry Growers Inc.	295	3	3.80%
State of Oregon	190	4	2.45%
Oregon Veterans Home	184	5	2.37%
Fred Meyers	159	6	2.05%
Wasco County	131	7	1.69%
City of The Dalles	102	8	1.32%
Columbia Gorge Community College	85	9	1.10%
Safeway Food and Drug	84	10	1.08%
	<b>2,218</b>		<b>28.60%</b>
Total employment	<b>7,755</b>		

Source: Oregon Department of Employment and City of The Dalles staff

**CITY OF THE DALLES, OREGON**  
**Full Time Equivalent City Employees**  
**by Function/Program and Bargaining Unit**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Governmental activities:										
General government	13.80	13.80	16.00	15.00	15.00	14.00	19.00	19.00	18.00	16.00
Public safety and justice	28.25	26.25	26.25	26.25	25.25	27.25	28.50	27.50	25.50	25.00
Community services	5.00	5.00	5.00	3.00	4.50	5.00	4.50	4.50	4.50	6.00
Streets and highways	8.00	9.00	11.00	10.00	7.00	8.00	8.50	10.50	11.00	11.00
Library	10.90	10.90	9.90	10.00	10.90	10.90	9.50	9.50	9.00	10.00
Total governmental activities	65.95	64.95	68.15	64.25	62.65	65.15	70.00	71.00	68.00	68.00
Business-type activities:										
Water	22.50	22.50	22.50	20.50	18.00	21.00	22.00	22.00	22.00	21.00
Wastewater	13.50	13.50	14.50	13.50	12.00	13.00	12.00	12.00	9.00	11.00
Airport	-	-	-	-	-	-	-	-	-	-
Total business-type activities	36.00	36.00	37.00	34.00	30.00	34.00	34.00	34.00	31.00	32.00
Total primary government budgeted FTE	101.95	100.95	105.15	98.25	92.65	99.15	104.00	105.00	99.00	100.00
<b>City of The Dalles Employees</b>										
Management and exempt	39.95	39.95	37.9	34.75	34.65	33.65	37.00	37.00	34.00	35.00
Bargaining units										
SEIU (Local 503)	44.00	44.00	45.75	45.50	43.00	44.00	44.00	46.00	45.00	44.00
Police Association	18.00	17.00	17.00	17.00	14.00	19.00	19.00	18.00	18.00	18.00
Total bargaining units	62.00	61.00	62.75	62.50	57.00	63.00	63.00	64.00	63.00	62.00
Temporary City employees	-	-	4.50	1.00	1.00	1.00	4.00	4.00	2.00	3.00
Total actual City employees	101.95	100.95	105.15	98.25	92.65	97.65	104.00	105.00	99.00	100.00

97

Source: City of The Dalles budgets and payroll records



**CITY OF THE DALLES, OREGON**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<b>FUNCTION/PROGRAM</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Governmental Activities:</b>										
<b>Public Safety and Justice</b>										
<b>Police (1)</b>										
Calls for service	16,787	16,648	15,756	13,375	12,218	N/A*	11,166	11,187	11,447	10,340
Crime reports	2,583	2,621	2,559	2,060	2,220	N/A*	2,600	2,423	2,504	2,385
Number of arrests	922	1,125	919	837	1,793	N/A*	1,371	1,233	1,062	1,017
<b>Municipal Court</b>										
Traffic cases	940	1,544	1,692	1,374	1,720	1,467	1,504	1,357	1,180	1,412
Criminal cases	6	0	235	372	279	429	364	511	445	342
Ordinance violations	22	1	9	1	30	19	40	65	78	25
Parking violations	17	3	109	81	47	99	57	44	44	60
Code enforcement cases	0	0	0	5	6	4	9	6	13	11
<b>Library</b>										
Number of registered borrowers	10,563	15,411	15,665	15,562	15,651	14,538	13,534	12,056	11,950	10,920
Total circulation	74,924	182,523	236,571	219,628	197,620	190,785	164,106	157,475	160,295	163,653
Public programs	299	670	784	362	340	472	264	418	462	466
Program attendance	23,620	10,168	14,023	4,194	3,617	5,759	4,706	6,978	7,864	7,226
Books added	5,695	6,632	6,113	6,315	5,425	6,563	8,995	4,688	4,005	3,644
<b>Business-type Activities:</b>										
<b>Water</b>										
Average active metered connections	4,864	4,640	4,773	4,443	4,825	4,617	4,590	4,591	4,604	4,598
Average daily water consumption	3,221,860	2,983,584	3,005,304	2,994,521	3,121,860	2,969,589	3,475,890	2,711,309	2,574,885	2,633,408
Average number of assistance accounts	218	196	159	139	134	183	149	187	166	162
Average daily water production	4,294,605	3,370,000	3,456,900	3,341,700	3,300,000	3,360,415	3,303,658	3,301,370	3,196,986	3,115,781

(1) Police statistics are for the calendar year.

\* N/A: Data was not available for this year.

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

<b>FUNCTION/PROGRAM</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Governmental Activities</b>										
<b>General Government</b>										
Buildings owned	13	13	13	13	13	13	13	13	13	12
Vehicles (excluding automobiles)	44	44	45	41	41	41	41	41	40	36
Heavy Equipment	20	19	19	18	18	18	18	17	16	15
<b>Public Safety and Justice</b>										
Police										
Police vehicles	20	19	19	18	18	17	17	17	17	16
Number of employees	25	26	26	26.25	21	25.75	25.5	25.5	25.5	25
<b>Streets and Highways</b>										
Miles of streets maintained by City:										
Paved	81.19	85.4	85.1	87.5	85.1	69.2	69.2	69.1	69.1	69.1 *
Unpaved	8.3	16.24	13.2	10.8	13.2	16.4	16.4	16.4	16.4	16.4 *
Bridges and underpasses	6	6	6	6	6	6	6	5	5	5
<b>Business-type Activities</b>										
<b>Water</b>										
Miles of water lines (estimated)	104.89	104.79	104.75	104	101.3	101.3	101.3	100.7 *	100.7	87.3 *
Reservoirs	5	5	5	5	5	5	5	5	5	5
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Wells	3	3	3	3	3	3	3	3	3	3
<b>Wastewater</b>										
Treatment plant	1	1	1	1	1	1	1	1	1	1
Miles of sewer lines (estimated)	100.6	100.4	100	100	100	98.8	95.7	95.3	95.3	94.4 *
Lift stations	8	8	9	9	9	9	9	8	8	8
<b>Airport</b>										
Terminal	1	1	1	1	1	1	1	1	1	1
Maintenance and T-hangers	42	42	42	42	42	42 *	42 *	33 *	32	23
Other buildings	4	4	4	4 *	2	2	2 *	2	3	3

\* 2011 miles based on GIS mapping data. Prior to 2011, mileage was manually calculated.

\* 2013 Added in out of City limits Transmission Pipelines from Treatment Plant to town.

\* 2013 Built new Maintenance Hanger and private hanger with 8 T-hangers reverted to Airport ownership.

\* 2014 Now includes Life Flight Hanger and elimated Electrical Bldg, which is now part of New Maint Hanger

\* 2015 Purchased "D" Hanger with 9 T-Hangers.

\* 2018 Flex space and acquired the Shearer Hanger

Source: City of The Dalles Departments

## **AUDIT COMMENTS AND DISCLOSURES**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH OREGON STATE REGULATIONS**

Mayor and City Council  
City of The Dalles  
The Dalles, Oregon

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of The Dalles, Oregon (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the City's basic financial statements and have issued our report thereon dated December 22, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH OREGON STATE REGULATIONS (Continued)**

Mayor and City Council  
City of The Dalles  
Page 2

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except for the following:

- The City had one expenditure in excess of appropriation in the amount of \$305 for Debt Service in the Sewer Plant Construction Fund.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did identify certain deficiencies in internal control that we consider to be material weaknesses and have communicated those deficiencies in a separate letter to management dated December 22, 2021.

**PURPOSE OF THIS REPORT**

This report is intended solely for the information and use of the City Council, Audit Committee, Oregon Secretary of State Audits Division, and management and is not intended to be and should not be used by anyone other than these specified parties.

*Talbot, Kowala & Warwick LLP*

Portland, Oregon  
December 22, 2021



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December 22, 2021

To Management and the Board of Directors  
City of The Dalles  
The Dalles, Oregon

In planning and performing our audit of the financial statements of City of the Dalles (City) as of June 30, 2021 and for the year then ended, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in design exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

*A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the following deficiencies in the City's internal control to be material weaknesses:

- While performing audit procedures, it was noted that the property tax receivable was not calculated and recorded correctly, resulting in an adjusting entry of \$60,567 in the General Fund and \$28,018 in the Urban Renewal Capital Projects Fund. The City should implement a review of property tax workpapers to prevent or detect and correct a material error in financial reporting.
- While performing audit procedures, it was noted the allowance for doubtful accounts for Court receivables was understated. This resulted in an adjusting entry to increase allowance for Doubtful accounts and deferred revenue by \$236,229 in the General Fund. The City should use historical data to estimate Court allowance amounts to ensure that transactions are recorded appropriately.

- While performing audit procedures, it was noted there was a Reimbursement District receivable and payable inappropriately recorded in the Special Assessments Fund in the amount of \$1,061,949, and no supporting documentation was retained. This resulted in an adjusting entry to payables and receivables in the amount of \$1,061,949. The City should implement a review of accounts receivable to prevent or detect and correct a material error in financial reporting.
- While performing audit procedures, it was noted the City issued debt on behalf of the Airport, but it was not recorded on the City's Financial statements, resulting in an adjusting entry to long term debt in the amount of \$1,577,376 and a corresponding receivable from the Airport. The City should implement a review of debt schedules to prevent or detect and correct a material error in financial reporting.

This communication is intended solely for the information and use of management, the Board of Directors, and others within the organization, and is not intended to be, and should not be, used by anyone other than these specified parties.

*Talbot, Kowala & Warwick LLP*

Portland, Oregon

December 22, 2021



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Audit Committee  
City of The Dalles  
The Dalles, Oregon

This letter is to inform the Audit Committee of the City of The Dalles, Oregon (the City), about significant matters related to the conduct of our audit as of and for the year ended June 30, 2021, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

### **The Respective Responsibilities of the Auditor and Management**

Our responsibility under auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, has been described to you in our arrangement letter dated June 4, 2021. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication dated June 4, 2021 regarding the planned scope and timing of our audit and have discussed with you our identification of, and planned audit response to, significant risks of material misstatement.

### **Significant Accounting Practices, Including Policies, Estimates and Disclosures**

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City.

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the City's June 30, 2021, basic financial statements:

- Allowance for Doubtful Accounts, as described in Note I of the Notes to Basic Financial Statements, is computed based upon past due balances.
- Donated Capital Assets, described in Note I of the Notes to Basic Financial Statements, are recorded at acquisition value at the date of donation.



### **Significant Accounting Practices, Including Policies, Estimates and Disclosures (Continued)**

- Depreciation of Capital Assets, described in Note I of the Notes to Basic Financial Statements, including infrastructure, is estimated based on past experience and facts known to be in existence as of year-end.
- Insurance Claims and Liabilities, including claims incurred but not reported (IBNR) described in Note III of the Notes to Basic Financial Statements, are estimated based on past experience and facts known to be in existence as of year-end.
- Postemployment Benefits Other Than Pensions, as described in Note III of the Notes to Basic Financial Statements, are actuarially determined using information provided by the City to the actuaries.
- Compensated Absences, as described in Note I of the Notes to Basic Financial Statements, are accrued when earned or vested in the Statement of Net Position and are considered current liabilities if they are estimated to be used within one year.

### **Audit Adjustments and Uncorrected Misstatements**

Audit adjustments, other than those that are clearly trivial, proposed by us and recorded by the City are as shown in the attached list of Recorded Audit Adjustments.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

### **Consultation with Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

### **Recently Issued Accounting Standards**

The Governmental Accounting Standards Board (GASB) has recently issued the following statements:

- **GASB Statement No. 87, Leases**  
This Statement will now be effective for fiscal years beginning after June 15, 2021 for all leases other than short-term leases. The implementation of this Statement was delayed by 18 months by GASB Statement No. 95 to provide relief related to the COVID-19 pandemic. Among other things, the Statement requires that government lessees:
  - Recognize the following: (a) a lease liability and (b) an intangible asset representing the lessee's right to use the leased asset; and
  - Report in its financial statements: (a) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (b) interest expense on the lease liability and (c) note disclosures about the lease.

### Recently Issued Accounting Standards (Continued)

Under this Statement, government lessors must:

- Recognize: (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and
- Report in its financial statements: (a) lease revenue, recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable; and (c) note disclosures about the lease.

- **GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period***  
This Statement will now be effective for fiscal years beginning after December 15, 2021, with earlier application encouraged. Implementation of this Statement was delayed by one year by GASB Statement 95.

For financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred. Such interest cost should not be capitalized.

For financial statements prepared using the current financial resource measurement focus, interest incurred before the end of a construction period should continue to be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

- **GASB Statement No. 90, *Majority Equity Interest***  
This Statement will now be effective for fiscal years beginning after December 15, 2020, with earlier application encouraged. Implementation of this Statement was delayed by one year by GASB Statement 95. For a majority equity interest in a legally separate entity that does not meet the definition of an investment, Statement 90 requires a government to report the legal separate entity as a component unit.
- **GASB Statement No. 91, *Conduit Debt Obligations***  
This Statement now will be effective for fiscal year beginning after December 15, 2021, with earlier application encouraged. Implementation of this Statement was delayed by one year by GASB Statement 95. This Statement clarifies what is a conduit debt obligation and eliminates the option for government issuers to recognize conduit debt obligations.
- **GASB Statement No. 92, *Omnibus 2020***  
This Statement will be effective for fiscal years beginning after June 15, 2021, with earlier application encouraged. This Statement includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements.
- **GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***  
This Statement will be effective for reporting periods beginning after June 15, 2022. The Statement provides guidance to improve accounting and financial reporting for public-private and public-public partnership arrangements (commonly referred to as P3s) and availability payment arrangements (APAs). It has guidance for P3 arrangements, including those that are outside of the scope of the GASB's existing literature for those transactions, namely Statement No. 60, Accounting and Financial Reporting for Service Concession Arrangements, and Statement No. 87, Leases. The Statement also makes certain improvements to the guidance previously included in Statement 60 and provides accounting and financial reporting guidance for APAs.

#### Recently Issued Accounting Standards (Continued)

- **GASB Statement No. 96, *Subscription-Based Information Technology Arrangements***  
This Statement will be effective for fiscal years beginning after June 15, 2022. The Statement provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, *Leases*.
- **GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32***  
The component unit determination provisions of this Statement are effective immediately. Other provisions are effective for periods beginning after June 15, 2021. The Statement requires that, for purposes of determining whether a primary government is financially accountable for a potential component unit (except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or other employee benefit plan), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically performs. Appointment of a voting majority is a criterion in existing standards used to determine whether a legally separate entity should be incorporated into the government's financial statements.
- **GASB Statement No. 98, *The Annual Comprehensive Financial Report***  
This Statement will be effective for fiscal years beginning after December 15, 2021. This Statement establishes the term *Annual Comprehensive Financial Report* and its acronym ACFR. That new term and acronym replace instances of *Comprehensive Annual Financial Report* and its acronym in generally accepted accounting principles for state and local governments.

#### Management Representations

Attached is a copy of the management representation letter.

#### Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the City.

This report is intended solely for the information and use of the Audit Committee, City Council, and management and is not intended to be, and should not be, used by anyone other than these specified parties.



Portland, Oregon  
December 22, 2021



**CITY of THE DALLES**  
313 COURT STREET  
THE DALLES, OREGON 97058

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(541) 296-5481  
FAX (541) 296-6906

December 22, 2021

Talbot, Korvola & Warwick, LLP  
14945 SW Sequoia Parkway  
Suite 150  
Portland, OR 97224

This representation letter is provided in connection with your audit of the basic financial statements of the City of The Dalles, Oregon (the City) as of and for the year ended June 30, 2021, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of December 22, 2021:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated June 4, 2021, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions, including those with the component unit for which the City is accountable, other organizations for which the nature and significance of their relationship with the City are such that

exclusion would cause the reporting City's financial statements to be misleading or incomplete, joint ventures in which the City has an interest, and jointly governed organizations in which the City participates, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as amended.
7. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
10. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance.
11. We have no knowledge of any uncorrected misstatements in the financial statements.

## **Information Provided**

12. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. Unrestricted access to persons within the City from whom you determined it necessary to obtain audit evidence; and
  - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
15. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process

includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.

16. We have no knowledge of allegations of fraud or suspected fraud affecting the City's financial statements involving:
  - a. Management.
  - b. Employees who have significant roles in internal control.
  - c. Others where the fraud could have a material effect on the financial statements.
17. We have no knowledge of any allegations of fraud or suspected fraud affecting the City's financial statements received in communications from employees, former employees, analysts, regulators, or others.
18. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.
19. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
20. We have disclosed to you the identity of the City's related parties and all the related-party relationships and transactions of which we are aware.
21. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the City's ability to record, process, summarize and report financial data.
22. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
23. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

#### **Supplementary Information**

24. With respect to Other Supplementary Information presented in relation to the financial statements as a whole:
  - e. We acknowledge our responsibility for the presentation of such information.
  - f. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.

- g. The methods of measurement or presentation have not changed from those used in the prior period.
- h. When Other Supplementary Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

25. With respect to Required Supplementary Information presented as required by Governmental Accounting Standards Board to supplement the basic financial statements:

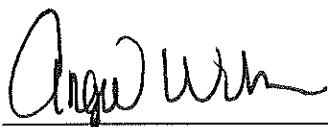
- i. We acknowledge our responsibility for the presentation of such required supplementary information.
- j. We believe such required supplementary information is measured and presented in accordance with guidelines prescribed by U.S. GAAP.
- k. The methods of measurement or presentation have not changed from those used in the prior period.

### **Oregon Minimum Standards Considerations**

26. We have complied with Oregon Minimum Standards, including Oregon Local Budget Law (ORS 294).

27. All information and records pertaining to the preparation, adoption, and execution of the current and subsequent year budgets have been made available to you.

City of The Dalles, Oregon



---

Angie Wilson, Finance Director



---

Julie Krueger, City Manager





**COLUMBIA GORGE REGIONAL AIRPORT**  
**City of The Dalles, Oregon**

**ANNUAL FINANCIAL REPORT**

**For the Fiscal Year Ended June 30, 2021**

# **COLUMBIA GORGE REGIONAL AIRPORT**

## **Annual Financial Report For the Fiscal Year Ended June 30, 2021**

### **TABLE OF CONTENTS**

<b>OFFICIALS OF THE AIRPORT</b>	i
<b>INDEPENDENT AUDITOR’S REPORT</b>	A - C
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	a - d
<b>BASIC FINANCIAL STATEMENTS:</b>	
Proprietary Fund Financial Statements:	1
Statement of Net Position	2
Statement of Revenues, Expenses, and Changes in Net Position	3
Statement of Cash Flows	4
Notes to the Basic Financial Statements	5 - 13
<b>SUPPLEMENTARY INFORMATION:</b>	
Enterprise Funds	14
Schedules of Revenues, Expenditures and Changes in Fund Balance	
All Airport Funds Combined	15
Airport General Fund – (Budget and Actual)	16
Airport Debt Service Fund – (Budget and Actual)	17
<b>INDEPENDENT AUDITOR’S REPORT REQUIRED BY OREGON STATE REGULATIONS</b>	18 - 19
<b>SINGLE AUDIT SECTION:</b>	
Report on Internal Control over Financial Reporting on Compliance and Other Matters Based on Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20 - 21
Report on Compliance for Each Major Federal Program; Report on Internal Controls Over Compliance; Report on Schedule of Expenditures of Federal Awards Required by the Uniform Code	22 - 24
Schedule of Expenditures of Federal Awards	25
Schedule of Findings and Questioned Costs	26 - 27

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## **OFFICIALS OF THE AIRPORT**

## **COLUMBIA GORGE REGIONAL AIRPORT**

### **OFFICIALS OF THE AIRPORT**

**AS OF JUNE 30, 2021**

#### **BOARD OF DIRECTORS**

Jim Wilcox  
416 W. 7<sup>th</sup> Street  
The Dalles OR 97058

Jake Anderson  
115 West Court, MS-201  
Goldendale WA 98620

Tim Urness  
PO Box 326  
Dallesport WA 98617

Terry Trapp  
3111 Old Dufur Road  
The Dalles OR 97058

David Griffith  
PO Box 1787  
The Dalles OR 97058

Norman Deo  
PO Box 267  
Bingen WA 98605

Tim McGlothlin  
328 West 21<sup>st</sup> Place  
The Dalles OR 97058

#### **AIRPORT ADDRESS**

Administrative Offices  
313 Court Street  
The Dalles OR 97058

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## **INDEPENDENT AUDITOR'S REPORT**



Talbot, Korvola & Warwick, LLP 14945 SW Sequoia Parkway, Suite 150, Portland, Oregon 97224  
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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Columbia Gorge Regional Airport  
The Dalles, Oregon

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the Columbia Gorge Regional Airport, The Dalles, Oregon (the Airport), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements as listed in the Table of Contents.

### **MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **AUDITOR'S RESPONSIBILITY**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Airport's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **OPINIONS**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Airport as of June 30, 2021, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



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

Board of Directors  
Columbia Gorge Regional Airport  
Page 2

### **OTHER MATTERS**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Airport's basic financial statements. The other financial schedules, presented as Supplementary Information in the Table of Contents and the Schedule of Expenditures of Federal Awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary Information and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **REPORTS ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2021 on our consideration of the Airport's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control over financial reporting and compliance.

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

Board of Directors  
Columbia Gorge Regional Airport  
Page 3

**Other Reporting Required by Oregon Minimum Standards**

In accordance with *Minimum Standards for Audits of Oregon Municipal Corporations*, we have also issued our report dated December 20, 2021 on our consideration of the Airport's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

By   
Timothy R. Gillette, Partner

Portland, Oregon  
December 20, 2021

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**COLUMBIA GORGE REGIONAL AIRPORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Fiscal Year Ended June 30, 2021**

This discussion is intended to be an easily readable analysis of the Columbia Gorge Regional Airport's (the Airport) financial activities based on currently known facts, decisions and conditions. It focuses on current year activities and should be read in conjunction with the financial statements that follow.

**REPORT CONTENTS**

The report consists of enterprise fund financial statements, notes to the financial statements and individual fund schedules. The enterprise fund financial statements include the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows.

**STATEMENT OF NET POSITION**

The Statement of Net Position focuses on the unrestricted net position of the Airport's proprietary activities. The Statement reflects all assets and liabilities for the Agency.

**STATEMENT OF ACTIVITIES**

The Statement of Revenues, Expenses and Changes in Net Position focuses on the revenues and program costs of providing airport services to the region.

**STATEMENT OF CASH FLOW**

The Statement of Cash Flows presents information on the transactions resulting in cash being provided or used. The statement presents this information for operating activities, non-capital financing activities, capital and related financing activities, and investing activities.

**COLUMBIA GORGE REGIONAL AIRPORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For the Fiscal Year Ended June 30, 2021**

**ENTERPRISE FUND FINANCIAL STATEMENTS**

Summary Statements of Net Position at June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
Current and other assets	\$ 824,206	\$ 717,916
Capital assets, net of depreciation	<u>16,661,318</u>	<u>15,003,781</u>
Total assets	<u>17,485,524</u>	<u>15,721,697</u>
<b>Liabilities</b>		
Long-term liabilities	1,841,492	2,077,456
Other liabilities	<u>252,953</u>	<u>155,599</u>
Total liabilities	<u>2,094,445</u>	<u>2,233,055</u>
<b>Net position</b>		
Net investment in capital assets	14,594,840	12,795,441
Restricted	64,379	63,934
Unrestricted	<u>731,860</u>	<u>629,267</u>
Total net position	<u>\$ 15,391,079</u>	<u>\$ 13,488,642</u>

The net position of the Airport is primarily invested in capital assets, net of related debt. New construction is primarily related to Taxiway improvements.

**COLUMBIA GORGE REGIONAL AIRPORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For the Fiscal Year Ended June 30, 2021**

A summarized version of the Statement of Revenues, Expenses and Changes in Net Position for the years ended June 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
<b>Revenues</b>		
Operating revenues	\$ 435,151	\$ 530,830
Capital grants and contributions	1,808,791	225,284
Other	<u>182,629</u>	<u>18,605</u>
Total revenues	<u>2,426,571</u>	<u>774,719</u>
<b>Expenses</b>		
Operating expenses	447,889	411,747
Interest on long-term debt	<u>76,245</u>	<u>80,546</u>
Total expenses	<u>524,134</u>	<u>492,293</u>
<b>Increase in net position</b>	1,902,437	282,426
Net position - beginning	<u>13,488,642</u>	<u>13,206,216</u>
Total net position	<u><u>\$ 15,391,079</u></u>	<u><u>\$ 13,488,642</u></u>

Net position increased during the year by \$1,902,437, primarily due to the FFA Grant that was received for the Taxi Way Project.

**BUDGETARY HIGHLIGHTS**

The original legal appropriations for the Airport General Fund totaled \$1,770,885 with a contingency of \$385,956. Expenditures were \$751,580 under budget.

The original legal appropriations for the Airport Debt Service Fund totaled \$239,175. No changes to the original budget were made to this fund. Expenditures were \$28,276 under budget.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

*Capital Assets*

As of June 30, 2021, the Airport had investment in capital assets, net of accumulated depreciation, \$16,661,318, consisting primarily of land improvements, such as runways and hangers. Construction in Progress in the amount of \$2,364,544 includes Taxiway Rehab Project, F Hanger Project, and other Airport improvements. Further details of capital assets can be found in the Notes, Section III, item C.

**COLUMBIA GORGE REGIONAL AIRPORT  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
For the Fiscal Year Ended June 30, 2021**

***Debt Outstanding***

As of June 30, 2021, the Airport has long-term debt outstanding totaling of \$2,066,478. Details of the bond and loans that comprise this debt load can be found the Notes, Section III, items D and E.

**ECONOMIC FACTORS**

The Columbia Gorge Regional Airport will continue to be an important partner in economic development within the City of The Dalles and Klickitat County, providing a necessary gateway to air transportation for the Columbia Gorge Region. As the Airport expands their facilities, and develops their business park, the economic viability of the region will increase. In addition, the airport houses Life Flight services, providing emergency medical services to the region.

**FINANCIAL CONTACT**

The Airport's financial statements are designed to present citizens, taxpayers, investors, and creditors with a general overview of the Airport's finances and to demonstrate the Airport's accountability. If you have questions about the report or need additional financial information, please contact the Airport's Finance Director at 313 Court Street, The Dalles, Oregon 97058.

## **BASIC FINANCIAL STATEMENTS**



## **BASIC FINANCIAL STATEMENTS**

The basic financial statements include interrelated sets of financial statements as required by the GASB. The sets of statements include:

➤ **Government-Wide Financial Statements**

- **Proprietary Funds**

In addition, the notes to the basic financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**COLUMBIA GORGE REGIONAL AIRPORT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

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**ASSETS:**

**CURRENT ASSETS:**

Cash and cash equivalents	\$ 737,653
Restricted cash and cash equivalents	62,545
Receivables:	
Accounts, net	<u>24,008</u>
Total current assets	<u>824,206</u>

**NONCURRENT ASSETS:**

Capital assets:	
Land	1,498,200
Construction in progress	2,364,544
Depreciable assets, net of depreciation	<u>12,798,574</u>
Total noncurrent assets	<u>16,661,318</u>
Total assets	<u><u>\$ 17,485,524</u></u>

**LIABILITIES:**

**CURRENT LIABILITIES:**

Accounts payable	\$ 17,236
Accrued interest payable	10,731
Current portion of long-term debt	<u>224,986</u>
Total current liabilities	<u>252,953</u>

**NONCURRENT LIABILITIES:**

Bonds and notes payable	<u>1,841,492</u>
Total noncurrent liabilities	<u>1,841,492</u>
Total liabilities	<u>2,094,445</u>

**NET POSITION:**

Net investment in capital assets	14,594,840
Restricted for:	
Debt service	64,379
Unrestricted	<u>731,860</u>
Total net position	<u>15,391,079</u>
Total liabilities and net position	<u><u>\$ 17,485,524</u></u>

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

**COLUMBIA GORGE REGIONAL AIRPORT**  
**PROPRIETARY FUNDS**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2021**

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**OPERATING REVENUES:**

Charges for services	\$ 19,418
Rental income	394,741
Miscellaneous	20,992
	<hr/>
Total operating revenues	435,151
	<hr/>

**OPERATING EXPENSES:**

Materials and services	205,753
Depreciation and amortization	242,136
	<hr/>
Total operating expenses	447,889
	<hr/>

Operating income (loss)	(12,738)
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**NON-OPERATING INCOME (EXPENSE):**

Interest on investments	2,629
Interest expense	(76,245)
Intergovernmental	180,000
	<hr/>

Total non-operating income (expenses)	106,384
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Net income before capital grants and contributions	93,646
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**CAPITAL GRANTS AND CONTRIBUTIONS:**

Grant	1,797,813
Intergovernmental	10,978
	<hr/>

Total capital contributions	1,808,791
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Change in net position	1,902,437
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<b>NET POSITION, BEGINNING</b>	<hr/> 13,488,642
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<b>NET POSITION, ENDING</b>	<hr/> <hr/> \$ 15,391,079
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*The accompanying notes are an integral part of the basic financial statements.*

**COLUMBIA GORGE REGIONAL AIRPORT  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
For the Fiscal Year Ended June 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers and users	\$ 451,588
Payments to suppliers	(201,348)
Net cash from operating activities	<u>250,240</u>

**CASH FLOWS FROM  
NON-CAPITAL FINANCING ACTIVITIES**

Proceeds from intergovernmental revenue	<u>180,000</u>
Net cash from non-capital financing activities	<u>180,000</u>

**CASH FLOWS FROM CAPITAL AND  
RELATED FINANCING ACTIVITIES**

Proceeds from grants	1,797,813
Proceeds from intergovernmental revenue	10,978
Acquisition of capital assets	(1,899,673)
Principal paid on long-term obligations	(140,978)
Interest paid on long-term obligations	(78,282)
Net cash from capital and related financing activities	<u>(310,142)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest on investments	<u>2,629</u>
Net cash from investing activities	<u>2,629</u>
Net increase in cash and cash equivalents	122,727

**CASH AND CASH EQUIVALENTS, BEGINNING**

677,471

**CASH AND CASH EQUIVALENTS, ENDING**

\$ 800,198

**COMPRISED AS FOLLOWS:**

Cash and cash equivalents	\$ 737,653
Restricted cash and cash equivalents	<u>62,545</u>
Total cash and cash equivalents	<u>\$ 800,198</u>

**RECONCILIATION OF OPERATING LOSS TO  
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating Loss	\$ (12,738)
Adjustments	
Depreciation and amortization	242,136
Decrease (increase) in:	
Receivables	16,437
Increase (decrease) in:	
Accounts payable	<u>4,405</u>
Net cash provided by operating activities	<u>\$ 250,240</u>

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

**COLUMBIA GORGE REGIONAL AIRPORT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**For Fiscal Year Ended June 30, 2021**

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Organization and Fund Structure**

In June, 1999, the City of The Dalles and Klickitat County entered into an Intergovernmental agreement establishing a Regional Management Authority for the Columbia Gorge Regional Airport (the Airport), which had previously been owned and operated by the City of The Dalles. The Regional Board consists of seven members; three positions appointed by the City, three positions appointed by the County, and one position appointed by the collective board members. In 2002, the City of The Dalles and Klickitat County entered into a joint operating agreement, establishing that the City and the County would each have a one-half undivided interest in the Columbia Gorge Regional Airport and that future costs and benefits would be split accordingly. The City of The Dalles remains fiscally responsible for the outstanding debt of the Columbia Gorge Regional Airport and the Columbia Gorge Regional Airport remains fiscally dependent on the grant revenues flowing through the City of The Dalles.

The accompanying financial statements present all funds for which the Airport is considered to be financially accountable. The criteria used in making this determination includes appointment of a voting majority, imposition of will, financial benefit or burden on the primary government, and fiscal dependency on the primary government. Based upon the evaluation of these criteria, the Airport is a primary government with no includable component units.

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

The Airport is accounted for as a business-type activity for financial reporting purposes and its basic financial statements are prepared on the accrual basis of accounting. Under this method, revenues were recorded when earned and expenses are recorded at the time liabilities are incurred.

The Airport distinguishes operating revenues and expenses from non-operation items. Operating revenues generally result from providing services in connection with ongoing operations. Operating expenses include the cost of services in connection with ongoing operations and administrative expenses. All revenues and expenses not meeting these definitions are reported as non-operating revenue and expense.

When both restricted and unrestricted resources are available, it is the Airport's policy to use restricted resources first, then, unrestricted resources, as they are needed.

For financial reporting purposes, management considers the activities relating to the operation of the Airport as those of a unitary nature and those activities are reported as such. For operating and budgetary purposes, the accounts of the Airport are organized on the basis of funds, each of which is considered a separate accounting entity.

**COLUMBIA GORGE REGIONAL AIRPORT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For Fiscal Year Ended June 30, 2021**

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

The funds of the Airport are as follows:

<b>Fund Type - Enterprise</b>	<b>Principal Revenue Source</b>	<b>Primary Expenditure Purpose</b>
General	Grants and Service Fees	General operating expenses
Debt Service	Interest and Property Rental Fees	Loan Payments

**C. Cash and Cash Equivalents**

The Airport's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. The Airport maintains its cash in a common pool of the City of The Dalles.

**D. Customer Accounts Receivables**

Customer accounts receivable are stated at the amount management expects to collect on balances outstanding at year-end.

**E. Capital Assets**

Capital assets are defined by the Airport as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Maintenance and repairs are expensed as incurred. Replacements that improve or extend the lives of property are capitalized. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in income. The estimated useful lives of capital assets are as follows:

Land Improvements	50 years
Buildings	50 years
Equipment	5-20 years

It is the Airport's policy to record no depreciation on capital assets in the year of acquisition and a full year of depreciation in the year of disposition.

**F. Long-Term Obligations**

Long-term debt obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the lives of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

**COLUMBIA GORGE REGIONAL AIRPORT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For Fiscal Year Ended June 30, 2021**

**G. Net Position**

Net position comprises the various net earnings from operating and non-operating revenues, expenses, and contributions of capital. Net position is classified in the following three components: net investment in capital assets; restricted net position; and unrestricted net position.

Net investment in capital assets consists of all capital assets, net of accumulated depreciation, and reduced by outstanding debt that is attributable to the acquisition, construction and improvement of those assets. Restricted net position consists of net earnings for which constraints are placed thereon by external parties, such as lenders, grantors, contributors, laws, regulations, or enabling legislation, including self-imposed mandates. Unrestricted net position consists of all other net earnings not included in the above categories.

**H. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted as part of the City of The Dalles on a basis consistent with accounting principles generally accepted in the United States of America (GAAP) for all funds, except for the proprietary funds. The annual budget for proprietary funds is adopted on the modified accrual basis of accounting, which is not consistent with GAAP, in order to comply with Oregon Local Budget Law.

**B. Deficit Fund Balances**

At June 30, 2021, no funds had a deficit fund balance.

**III. DETAILED NOTES**

**A. CASH AND CASH EQUIVALENTS**

**Deposits**

All deposits are held by the City of The Dalles on behalf of the Airport. The Airport considers these items as a demand deposit account, whereby funds may be deposited or withdrawn without prior notice or penalty. Additional disclosure on deposits can be found in the Annual Comprehensive Financial Report of the City.

**COLUMBIA GORGE REGIONAL AIRPORT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For Fiscal Year Ended June 30, 2021**

**Investments**

The Airport has invested funds in the State Treasurer's Oregon Short-Term Fund Local Government Investment Pool during the year. The Oregon Short-Term Fund is the local government investment pool for local governments and was established by the State Treasurer. It was created to meet the administrative responsibilities of federal arbitrage regulations. The investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). Local Government Investment Pool (LGIP) is an unrated external investment pool managed by the State Treasurer's office, which allows governments within the state to pool their funds for investment purposes. The amounts invested in the pool are not classified by risk categories because they are not evidenced by securities that exist in physical or book entry form as defined by GASB Statement No. 40.

In addition, the Oregon State Treasury LGIP distributes investment income on an amortized cost basis and the participant's equity in the pool is determined by the amount of participant deposits, adjusted for withdrawals and distributed income. Accordingly, the adjustment to fair value would not represent an expendable increase in the Airport's cash position.

Investments in the Oregon State Treasury LGIP are made under the provision of ORS 194.180. These funds are held in the Airport's name and are not subject to collateralization requirements or ORS 295.015. Investments are stated at cost, which approximates fair value.

*Credit Risk.* State statutes authorize the Airport to invest primarily in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers, and the State Treasurer's investment pool, among others. The Airport has no formal investment policy that further restricts its investment choices.

*Concentration of Credit Risk.* The airport is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents five percent or more of the total investments, excluding investments in external investment pools or those issued and explicitly guaranteed by the U.S. Government. The Airport has no such investments.

*Interest Rate Risk.* The Airport has no formal investment policy that explicitly limits investment maturities as a means of managing its exposure to fair value loss arising from increasing interest rates.



**COLUMBIA GORGE REGIONAL AIRPORT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For Fiscal Year Ended June 30, 2021**

**Investments (Continued)**

Investments held by the airport at June 30, 2021 are as follows:

	Weighted Average Maturity (Years)	Fair Value
Investments in the State Treasurer's Local Government Investment Pool	0.00	\$ 332,607

**B. Receivables**

Receivables represent amounts due to the Airport at June 30, 2021, from service charges.

**C. Capital Assets**

Capital assets activity for the year ended June 30, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
<b>Capital Assets, non-depreciable:</b>					
Land	\$ 1,498,200	\$ -	\$ -	\$ -	\$ 1,498,200
Construction in progress	4,579,004	1,849,673	-	(4,064,133)	2,364,544
Total capital assets, non-depreciable	6,077,204	1,849,673	-	(4,064,133)	3,862,744
<b>Capital assets, depreciable:</b>					
Land improvements	10,404,927	50,000	-	4,064,133	14,519,060
Buildings	3,585,236	-	-	-	3,585,236
Equipment	92,098	-	-	-	92,098
Total capital assets, depreciable	14,082,261	50,000	-	4,064,133	18,196,394
<b>Less accumulated depreciation for</b>					
Land improvements	(4,650,690)	(165,595)	-	-	(4,816,285)
Buildings	(440,413)	(71,798)	-	-	(512,211)
Equipment	(64,581)	(4,743)	-	-	(69,324)
Total accumulated depreciation	(5,155,684)	(242,136)	-	-	(5,397,820)
Net depreciable capital assets	8,926,577	(192,136)	-	4,064,133	12,798,574
<b>Net capital assets</b>	<u>\$ 15,003,781</u>	<u>\$ 1,657,537</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,661,318</u>

**COLUMBIA GORGE REGIONAL AIRPORT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For Fiscal Year Ended June 30, 2021**

**C. Capital Assets (Continued)**

**Construction in Progress**

There are various projects in progress at the Airport.

The Airport Improvements project costs incurred to date are \$254,782. The project is currently on hold waiting for completion of an agreement with the Dallesport Water District.

The Airport Tarmac Design Project has incurred \$2,088,258 to date.

The City of The Dalles is in the early design stages of a new F Hangar at the Airport, with costs incurred to date of \$8,902 and total estimated costs of \$1,250,000.

The Hangar Expansion Grading Plan costs incurred to date of \$12,602.

**D. Long-Term Obligations**

**1. City of The Dalles Loan Agreement**

The City issued full faith and credit obligation bonds for the Airport in February 2015 in the amount of \$2,017,682, with interest ranging from 2.0% to 4.55%. The funds were to be used for the purchase of Hanger D, the construction of Hanger F, and the design and construction of a new Flex Hanger. The bonds were issued in return for a loan agreement issued on behalf of the City requiring payments by the Airport to the City sufficient to pay the semi-annual bond payments required by the full faith and credit obligation. Payments will be repaid from Airport rental income. Principal payments will be made annually, while interest payments will be made semiannually, with the final payments due June 1, 2035. The bonds are direct obligations and pledge the full faith and credit of the City of The Dalles. If bond is defaulted, by failure to make required principal or interest payments or other covenants, action to enforce the covenant or agreement may take place.

**COLUMBIA GORGE REGIONAL AIRPORT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For Fiscal Year Ended June 30, 2021**

**1. City of The Dalles Loan Agreement (Continued)**

Future maturities of the loan are as follows:

Fiscal Year End June 30,	Principal	Interest
2022	\$ 85,000	\$ 69,150
2023	85,000	66,600
2024	90,000	62,775
2025	95,000	58,725
2026	100,000	54,450
2027-2031	560,000	201,600
2032-2035	<u>550,000</u>	<u>63,000</u>
Total	<u>\$ 1,565,000</u>	<u>\$ 576,300</u>

**2. Loans Payable**

The Airport, through the City of The Dalles, has a loan from the Port of The Dalles for rehabilitation of a well at the Columbia Gorge Regional Airport. The loan proceeds were received in two separate disbursements. The first portion, received during the 2008 fiscal year, was payable annually with installments of at least \$15,150, including interest at 4%. The final payment was made during fiscal year ending June 30, 2017. The second portion, received during the fiscal year ended June 30, 2009, is payable first from connection fees for each customer connecting to the well water system and 10% of the applicable lease payment of each lease payment made by each third-party tenant of property at the airport that is benefitted by the project. Repayment on the second portion of the loan did not begin until the first customer connected to the well water system at the airport and began making payments under their lease agreement. The second portion of the loan became payable July 1, 2017, the balance of the unpaid principal converted to an interest-bearing loan, with interest to accrue at the rate of 4% per annum. The Airport is obligated to pay a minimum annual payment of not less than \$15,150 on July 1 each year, until the loan is paid in full. The loan is unsecured. If loan is defaulted, by failure to make required principal or interest payments, the Port of The Dalles could declare all principal and interest and all other amounts due immediately.

The Port loan payment is currently being budgeted for and paid by the City of the Dalles debt service fund, and therefore is not reflected in the Airport's budget statements. The loan was paid in full in July 2021.

**COLUMBIA GORGE REGIONAL AIRPORT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For Fiscal Year Ended June 30, 2021**

**2. Loans Payable (Continued)**

The Airport, through the City of The Dalles, received a \$250,000 loan from Klickitat County, Washington in November 2012, for construction of a new maintenance hangar at the Airport. The loan term is for ten years, with annual principal payments of \$25,000 to be paid by August 13 of each year. Klickitat County will calculate interest to be paid and notify the Airport at least 14 days prior to the due date each year. The interest will be calculated on the average rate of the Local Government Investment Pool (LGIP) over the period since the last payment, plus .05% as an administration fee. The loan is secured by the rental income pursuant to the hangar lease dated May 30, 2012. If loan is defaulted, it can be placed in the hands of an attorney for collections for the principal or interest of the note and reasonable attorney fees and court costs.

The Airport, through the City of The Dalles, agreed to make payments for the CERB Loan received by Klickitat County in the amount of \$500,000 to make improvements to the Airport Industrial Park. While Klickitat County received the funds and administered the project, the Airport booked the loan proceeds, assumed the debt and capitalized the portion of the project funded by the loan. Payments will be funded by Airport rent revenues. The final payment will be due in 2035. If loan is defaulted, by failure to make required principal or interest payments, CERB could declare all principal and interest and all other amounts due immediately.

Future maturities of the loans payable are as follows:

	<b>Airport Port Loan</b>		<b>Airport Klickitat Loan</b>		<b>Klickitat CERB Loan</b>	
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest
End June 30,						
2022	\$ 89,102	\$ 933	\$ 25,000	\$ -	\$ 25,000	\$ 5,250
2023	-	-	25,000	-	25,000	4,875
2024	-	-	-	-	25,000	4,500
2025	-	-	-	-	25,000	4,125
2026	-	-	-	-	25,000	3,750
2027-2031	-	-	-	-	125,000	13,125
2032-2035	-	-	-	-	100,000	3,750
	<u>\$ 89,102</u>	<u>\$ 933</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ 39,375</u>

**COLUMBIA GORGE REGIONAL AIRPORT**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)**  
**For Fiscal Year Ended June 30, 2021**

**3. Change in Long-Term Obligation**

Long-term obligation activity for the year ended June 30, 2021, is as follows:

	<u>6/30/2020</u>			<u>6/30/2021</u>	<u>Due Within</u>
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>
City of The Dalles Loan					
Agreement	\$ 1,645,000	\$ -	\$ 80,000	\$ 1,565,000	\$ 85,000
Premium on Debt	13,260	-	884	12,376	884
Loans	<u>550,080</u>	<u>-</u>	<u>60,978</u>	<u>489,102</u>	<u>139,102</u>
	<u>\$ 2,208,340</u>	<u>\$ -</u>	<u>\$ 141,862</u>	<u>\$ 2,066,478</u>	<u>\$ 224,986</u>

**E. Airport Hangar Rentals**

The Airport's main revenue stream comes from aircraft hangar rentals. The Airport has a total of 65 aircraft hangars in various sizes. All leases are 12-month terms with payments ranging between \$190-\$1,600 per month. As of June 30, 2021, all hangars were occupied producing a total revenue of \$394,741.

**F. Related Party Transactions**

The City of The Dalles, Oregon and Klickitat County are considered related parties of The Columbia Gorge Regional Airport. Each party pays the airport \$65,000 per year per the intergovernmental agreement.

**G. Risk Management**

The Airport is exposed to various risks of loss related to torts; theft or damage to and destruction of assets; and errors and omissions for which the City of The Dalles carries commercial insurance. There have been no significant reductions in coverage from the prior year and settlements have not exceeded coverage for the past four years.

**H. Subsequent Events**

Management has evaluated subsequent events through December 20, 2021, the date on which the financial statements were available to be issued and determined nothing should be recognized.

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## **SUPPLEMENTARY INFORMATION**

## **BUDGETARY COMPARISON SCHEDULES**

### **Enterprise Funds**

Pursuant to the provisions of Oregon Revised Statute, an individual schedule of revenues, expenditures, and changes in fund balances - budget and actual be displayed for each fund where legally adopted budgets are required.

Enterprise Budgetary Comparison schedules included the following:

- Airport General Fund
- Airport Debt Service Fund



**COLUMBIA GORGE REGIONAL AIRPORT**  
**ALL AIRPORT FUNDS COMBINED**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2021**

	Airport General Fund	Airport Debt Service Fund	Total All Airport Funds
<b>REVENUES:</b>			
Charges for services	\$ 19,418	\$ -	\$ 19,418
Intergovernmental	180,000	-	180,000
Rental income	190,501	204,240	394,741
Interest on investments	2,116	513	2,629
Grants	1,797,813	-	1,797,813
Miscellaneous	20,992	-	20,992
Total revenues	2,210,840	204,753	2,415,593
<b>EXPENDITURES:</b>			
Materials and services	205,753	-	205,753
Capital outlay	1,899,673	-	1,899,673
Debt service:			
Principal	-	130,000	130,000
Interest	-	78,282	78,282
Total expenditures	2,105,426	208,282	2,313,708
Revenues over (under) expenditures	105,414	(3,529)	101,885
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	3,974	3,974
Transfers out	(3,974)	-	(3,974)
Total other financing sources (uses)	(3,974)	3,974	-
Net changes in fund balances	101,440	445	101,885
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	641,148	63,934	101,885
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ 742,588	\$ 64,379	\$ 203,770

	Revenues	Expenditures
Total revenue and expenditures above	\$ 2,415,593	\$ 2,313,708
Expenditures capitalized	-	(1,899,673)
Debt service principal payments	-	(130,000)
Depreciation and amortization expense	-	242,136
Interest revenue/expense	-	(2,037)
Contributed capital	10,978	-
Total revenues and expenses - generally accepted accounting principles	\$ 2,426,571	524,134
Change in net position		\$ 1,902,437

**COLUMBIA GORGE REGIONAL AIRPORT  
AIRPORT GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2021**

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Charges for services	\$ 13,000	\$ 13,000	\$ 19,418	\$ 6,418
Intergovernmental	180,000	180,000	180,000	-
Rental income	162,411	162,411	190,501	28,090
Interest on investments	8,450	8,450	2,116	(6,334)
Grants	850,000	1,925,229	1,797,813	(127,416)
Miscellaneous	17,500	28,392	20,992	(7,400)
Total revenues	1,231,361	2,317,482	2,210,840	(106,642)
<b>EXPENDITURES:</b>				
Materials and services	234,929	245,821	205,753	40,068
Capital outlay	1,150,000	2,225,229	1,899,673	325,556
Contingency	385,956	385,956	-	385,956
Total expenditures	1,770,885	2,857,006	2,105,426	751,580
Revenues over (under) expenditures	(539,524)	(539,524)	105,414	644,938
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(3,974)	(3,974)	(3,974)	-
Total other financing sources (uses)	(3,974)	(3,974)	(3,974)	-
Net changes in fund balances	(543,498)	(543,498)	101,440	644,938
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	543,498	543,498	641,148	97,650
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 742,588	\$ 742,588

**COLUMBIA GORGE REGIONAL AIRPORT  
AIRPORT DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2021**

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
<b>REVENUES:</b>				
Rental income	\$ 207,120	\$ 207,120	\$ 204,240	\$ (2,880)
Interest on investments	250	250	513	263
Total revenues	207,370	207,370	204,753	(2,617)
<b>EXPENDITURES:</b>				
Debt service:				
Principal	107,500	107,500	130,000	(22,500) *
Interest	102,175	102,175	78,282	23,893 *
Contingency	29,500	29,500	-	29,500
Total expenditures	239,175	239,175	208,282	30,893
Revenues over (under) expenditures	(31,805)	(31,805)	(3,529)	28,276
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,974	3,974	3,974	-
Total other financing sources (uses)	3,974	3,974	3,974	-
Net changes in fund balances	(27,831)	(27,831)	445	28,276
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	27,831	27,831	63,934	36,103
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 64,379	\$ 64,379

\* Appropriation level is total debt service.

**INDEPENDENT AUDITOR'S REPORT REQUIRED  
BY OREGON STATE REGULATION**



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH OREGON STATE REGULATIONS**

Board of Directors  
Columbia Gorge Regional Airport  
The Dalles, Oregon

We have audited the financial statements of Columbia Gorge Regional Airport, The Dalles, Oregon (the Airport), as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the Airport's basic financial statements and have issued our report thereon dated December 20, 2021. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**COMPLIANCE**

As part of obtaining reasonable assurance about whether the Airport's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of 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.

We performed procedures to the extent we considered necessary to address the required comments and disclosures which included, but were not limited to the following:

- Deposit of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Authorized investment of surplus funds (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).

In connection with our testing, nothing came to our attention that caused us to believe the Airport was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND INTERNAL CONTROL OVER  
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH OREGON STATE REGULATIONS (Continued)**

Board of Directors  
Columbia Gorge Regional Airport  
Page 2

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the Airport's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did identify any deficiencies in internal control that we consider to be material weaknesses.

**PURPOSE OF THIS REPORT**

This report is intended solely for the information and use of the Board of Directors, Oregon Secretary of State Audits Division, and management and is not intended to be and should not be used by anyone other than these specified parties.

*Talbot, Kowala & Warwick LLP*

Portland, Oregon  
December 20, 2021

## **SINGLE AUDIT SECTION**



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**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Columbia Gorge Regional Airport  
The Dalles, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Columbia Gorge Regional Airport, Oregon (the Airport) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Airport's basic financial statements, and have issued our report thereon dated December 20, 2021.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the Airport's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



**REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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

Board of Directors  
Columbia Gorge Regional Airport  
Page 2

**COMPLIANCE AND OTHER MATTERS**

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

**PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Airport's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Airport's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Talbot, Kowola & Warwick LLP*

Portland, Oregon  
December 20, 2021



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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Columbia Gorge Regional Airport  
The Dalles, Oregon

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

We have audited the Columbia Gorge Regional Airport, The Dalles, Oregon (the Airport)'s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Airport's major federal program for the year ended June 30, 2021. The Airport's major federal program is identified in the Summary of Independent Auditor's Results Section of the accompanying Schedule of Findings and Questioned Costs.

**MANAGEMENT'S RESPONSIBILITY**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**AUDITOR'S RESPONSIBILITY**

Our responsibility is to express an opinion on compliance for the Airport's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Airport's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Airport's compliance.

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE**

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

Board of Directors  
Columbia Gorge Regional Airport  
Page 2

**OPINION ON EACH MAJOR FEDERAL PROGRAM**

In our opinion, the Airport complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

**REPORT ON INTERNAL CONTROL OVER COMPLIANCE**

Management of the Airport is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Airport's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Board of Directors  
Columbia Gorge Regional Airport  
Page 3

REPORT ON INTERNAL CONTROL OVER COMPLIANCE (Continued)

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Talbot, Kowala & Warwick LLP*

Portland, Oregon  
December 20, 2021

# COLUMBIA GORGE REGIONAL AIRPORT

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2021

<u>Federal Grantor/Pass-Through Grantor Program Title/Cluster</u>	<u>Assistance Listing Number</u>	<u>Pass-Through Number</u>	<u>Federal Expenditures</u>
<b><u>U.S. Department of Transportation</u></b>			
Airport Improvement Program and COVID-19 Airports Programs	20.106	DIRECT	<u>\$ 1,647,813</u>
<b>Total Expenditures of Federal Awards</b>			<u><u>\$ 1,647,813</u></u>

### Notes to Schedule of Expenditures of Federal Awards

Note A - Significant accounting policies: The schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting.

Note B - The Airport has elected to not use the 10 percent de minimis indirect cost rate.

**COLUMBIA GORGE REGIONAL AIRPORT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2021**

**SECTION I - SUMMARY OF INDEPENDENT AUDITOR'S RESULTS**

**Financial Statements:**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes        No   X  

Significant deficiency(ies) identified? Yes        No   X  

Noncompliance material to financial statements noted? Yes        No   X  

**Federal Awards:**

Internal control over major programs:

Material weakness(es) identified? Yes        No   X  

Significant deficiency(ies) identified? Yes        No   X  

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes        No   X  

Identification of major programs:

**ASSISTANCE LISTING  
NUMBER**

**NAME OF PROGRAM OR CLUSTER**

20.016

Airport Improvement Program and Covid-19 Airports Programs

Dollar threshold used to distinguish  
between type A and type B programs \$ 750,000

Auditee qualified as low-risk auditee? Yes        No   X

**COLUMBIA GORGE REGIONAL AIRPORT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2021**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

No findings to report.

**SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

No findings to report.

**SECTION IV – SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

No findings to report.



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Board of Directors  
Columbia Gorge Regional Airport  
The Dalles, Oregon

This letter is to inform the Board of Directors of the Columbia Gorge Regional Airport, The Dalles, Oregon (the Airport), about significant matters related to the conduct of our audit as of and for the year ended June 30, 2021, so that it can appropriately discharge its oversight responsibility and we comply with our professional responsibilities.

The following summarizes various matters that must be communicated to you under auditing standards generally accepted in the United States of America.

### **The Respective Responsibilities of the Auditor and Management**

Our responsibility under auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, has been described to you in our arrangement letter dated June 4, 2021. The audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have issued a separate communication dated June 4, 2021 regarding the planned scope and timing of our audit and have discussed with you our identification of, and planned audit response to, significant risks of material misstatement.

### **Significant Accounting Practices, Including Policies, Estimates and Disclosures**

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Airport.

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Airport's June 30, 2021, basic financial statements:

- Allowance for Doubtful Accounts, as described in Note I of the Notes to Basic Financial Statements, is computed based upon past due balances.
- Donated Capital Assets, described in Note I of the Notes to Basic Financial Statements, are recorded at acquisition value at the date of donation.



### Significant Accounting Practices, Including Policies, Estimates and Disclosures (Continued)

- Depreciation of Capital Assets, described in Note I of the Notes to Basic Financial Statements, including infrastructure, is estimated based on past experience and facts known to be in existence as of year-end.

### Audit Adjustments and Uncorrected Misstatements

Management corrected the following misstatement that was identified as a result of our audit procedures:

Depreciation expense	\$ 37,517	
Accumulated depreciation		\$ 37,517
To correct recorded depreciation		

We are not aware of any uncorrected misstatements, other than misstatements that are clearly trivial.

### Consultation with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

### Recently Issued Accounting Standards

The Governmental Accounting Standards Board (GASB) has recently issued the following statements:

- **GASB Statement No. 87, Leases**  
This Statement will now be effective for fiscal years beginning after June 15, 2021 for all leases other than short-term leases. The implementation of this Statement was delayed by 18 months by GASB Statement No. 95 to provide relief related to the COVID-19 pandemic. Among other things, the Statement requires that government lessees:
  - Recognize the following: (a) a lease liability and (b) an intangible asset representing the lessee's right to use the leased asset; and
  - Report in its financial statements: (a) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (b) interest expense on the lease liability and (c) note disclosures about the lease.

Under this Statement, government lessors must:

- Recognize: (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and
  - Report in its financial statements: (a) lease revenue, recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable; and (c) note disclosures about the lease.
- **GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period**  
This Statement will now be effective for fiscal years beginning after December 15, 2021, with earlier application encouraged. Implementation of this Statement was delayed by one year by GASB statement 95.

For financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred. Such interest cost should not be capitalized.

### **Significant Accounting Practices, Including Policies, Estimates and Disclosures (Continued)**

- Depreciation of Capital Assets, described in Note I of the Notes to Basic Financial Statements, including infrastructure, is estimated based on past experience and facts known to be in existence as of year-end.

### **Uncorrected Misstatements**

We identified the uncorrected misstatement in the attached management representation letter that management has concluded are not, individually or in the aggregate, material to the financial statements. We agree with management's conclusion in that regard.

### **Consultation with Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

### **Recently Issued Accounting Standards**

The Governmental Accounting Standards Board (GASB) has recently issued the following statements:

- **GASB Statement No. 87, Leases**

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- Recognize the following: (a) a lease liability and (b) an intangible asset representing the lessee's right to use the leased asset; and
- Report in its financial statements: (a) amortization expense for using the lease asset over the shorter of the term of the lease or the useful life of the underlying asset, (b) interest expense on the lease liability and (c) note disclosures about the lease.

Under this Statement, government lessors must:

- Recognize: (a) a lease receivable and (b) a deferred inflow of resources and continue to report the leased asset in its financial statements; and
- Report in its financial statements: (a) lease revenue, recognized over the term of the lease, corresponding with the reduction of the deferred inflow, (b) interest income on the receivable; and (c) note disclosures about the lease.

- **GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period**

This Statement will now be effective for fiscal years beginning after December 15, 2021, with earlier application encouraged. Implementation of this Statement was delayed by one year by GASB statement 95.

For financial statements prepared using the economic resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expense in the period in which the cost is incurred. Such interest cost should not be capitalized.

For financial statements prepared using the current financial resource measurement focus, interest incurred before the end of a construction period should continue to be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

#### Recently Issued Accounting Standards (Continued)

- **GASB Statement No. 90, *Majority Equity Interest***  
This Statement will now be effective for fiscal years beginning after December 15, 2020, with earlier application encouraged. Implementation of this Statement was delayed by one year by GASB Statement 95. For a majority equity interest in a legally separate entity that does not meet the definition of an investment, Statement 90 requires a government to report the legal separate entity as a component unit.
- **GASB Statement No. 92, *Omnibus 2020***  
This Statement will be effective for fiscal years beginning after June 15, 2021, with earlier application encouraged. This Statement includes guidance addressing various accounting and financial reporting issues identified during the implementation and application of certain GASB pronouncements.
- **GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***  
This Statement will be effective for reporting periods beginning after June 15, 2022. The Statement provides guidance to improve accounting and financial reporting for public-private and public-public partnership arrangements (commonly referred to as P3s) and availability payment arrangements (APAs). It has guidance for P3 arrangements, including those that are outside of the scope of the GASB's existing literature for those transactions, namely Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, and Statement No. 87, *Leases*. The Statement also makes certain improvements to the guidance previously included in Statement 60 and provides accounting and financial reporting guidance for APAs.
- **GASB Statement No. 96, *Subscription-Based Information Technology Arrangements***  
This Statement will be effective for fiscal years beginning after June 15, 2022. The Statement provides accounting and financial reporting guidance for subscription-based information technology arrangements (SBITAs). It is based on the standards established in Statement 87, *Leases*.

#### Management Representations

Attached is a copy of the management representation letter.

#### Closing

We will be pleased to respond to any questions you have about the foregoing. We appreciate the opportunity to continue to be of service to the Airport.

This report is intended solely for the information and use of the Board of Directors, Airport Council, and management and is not intended to be, and should not be, used by anyone other than these specified parties.



Portland, Oregon  
December 20, 2021



**CITY of THE DALLES**  
313 COURT STREET  
THE DALLES, OREGON 97058

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(541) 296-5481  
FAX (541) 296-6906

December 20, 2021

Talbot, Korvola & Warwick, LLP  
14945 SW Sequoia Parkway  
Suite 150  
Portland, OR 97224

This representation letter is provided in connection with your audit of the basic financial statements of the Columbia Gorge Regional Airport, The Dalles, Oregon (the Airport) as of and for the year ended June 30, 2021, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of December 20, 2021:

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated June 4, 2021, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.

5. Related-party transactions, including those with other organizations for which the nature and significance of their relationship with the Airport are such that their exclusion would cause the Airport's financial statements to be misleading or incomplete, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as amended.
7. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, that is not disclosed in the financial statements.
10. We have complied with all aspects of laws, regulations and provisions of contracts and agreements that would have a material effect on the financial statements in the event of noncompliance.
11. We have no knowledge of any uncorrected misstatements in the financial statements.

### **Information Provided**

12. We have provided you with:
  - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
  - b. Additional information that you have requested from us for the purpose of the audit;
  - c. Unrestricted access to persons within the Airport from whom you determined it necessary to obtain audit evidence; and
  - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
15. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared

with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.

16. We have no knowledge of allegations of fraud or suspected fraud affecting the Airport's financial statements involving:
  - a. Management.
  - b. Employees who have significant roles in internal control.
  - c. Others where the fraud could have a material effect on the financial statements.
17. We have no knowledge of any allegations of fraud or suspected fraud affecting the Airport's financial statements received in communications from employees, former employees, analysts, regulators, or others.
18. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.
19. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
20. We have disclosed to you the identity of the Airport's related parties and all the related-party relationships and transactions of which we are aware.
21. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Airport's ability to record, process, summarize and report financial data.
22. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
23. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

#### **Supplementary Information**

24. With respect to Supplementary Information presented in relation to the financial statements as a whole:
  - e. We acknowledge our responsibility for the presentation of such information.
  - f. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
  - g. The methods of measurement or presentation have not changed from those used in the prior period.

- h. When Supplementary Information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

### **Compliance Considerations**

In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

- 25. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
- 26. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the Airport.
- 27. Is not aware of any instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
- 28. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 29. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
- 30. Has taken timely and appropriate steps to remedy fraud; noncompliance with provisions of laws, regulations, contracts and grant agreements; or abuse that the auditor reports.
- 31. Has a process to track the status of audit findings and recommendations, if any.
- 32. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
- 33. Is not aware of any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 34. Has provided views on the auditor's reported findings, conclusions and recommendations, as well as management's planned corrective actions, for the report.

In connection with your audit of federal awards conducted in accordance with Subpart F of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform

Guidance), we confirm:

35. Management is responsible for complying, and has complied, with the requirements of Uniform Guidance.
36. Management is responsible for understanding and complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of its federal programs.
37. Management is responsible for establishing and maintaining, and has established and maintained, effective internal control over compliance for federal programs that provides reasonable assurance that the Airport is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on its federal programs.
38. Management is responsible for the preparation of the Schedule of Expenditures of Federal Awards, acknowledges and understands its responsibility for the presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; believes the Schedule of Expenditures of Federal Awards, including its form and content, is fairly presented in accordance with the Uniform Guidance; asserts that methods of measurement or presentation have not changed from those used in the prior period, or if the methods of measurement or presentation have changed, the reasons for such changes has been communicated; and is responsible for any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.
40. Management will make the audited financial statements readily available to the intended users of the schedule no later than the issuance date by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
39. Management has identified and disclosed all of its government programs and related activities subject to the Uniform Guidance compliance audit.
40. Management has identified and disclosed to the auditor the requirements of federal statutes, regulations, and the terms and conditions of federal awards that are considered to have a direct and material effect on each major program.
41. Management has made available all federal awards (including amendments, if any) and any other correspondence relevant to federal programs and related activities that have taken place with federal agencies or pass-through entities.
42. Management has identified and disclosed to the auditor all amounts questioned and all known noncompliance with the direct and material compliance requirements of federal awards or stated that there was not such noncompliance.
43. Management believes that the Airport has complied with the direct and material compliance requirements, except for noncompliance it has disclosed to the auditor.
44. Management has made available all documentation related to compliance with the direct and material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.



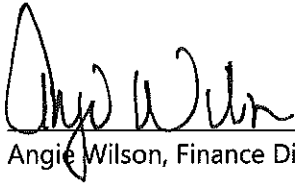
45. Management has provided to the auditor its interpretations of any compliance requirements that are subject to varying interpretations.
46. Management has disclosed to the auditor any communications from federal awarding agencies and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
47. Management has disclosed to the auditor the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
48. Management is responsible for taking corrective action on audit findings of the compliance audit and has developed a corrective action plan that meets the requirements of the Uniform Guidance, if applicable.
49. Management has provided the auditor with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions, if applicable.
50. Management has disclosed the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.
51. Management has disclosed all known noncompliance with direct and material compliance requirements occurring subsequent to the period covered by the auditor's report or stating that there were no such known instances.
52. Management has disclosed whether any changes in internal control over compliance or other factors that might significantly affect internal control, including any corrective action taken by management with regard to significant deficiencies and material weaknesses in internal control over compliance, have occurred subsequent to the period covered by the auditor's report.
53. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared.
54. The copies of federal program financial reports provided to the auditor are true copies of the reports submitted, or electronically transmitted, to the federal agency or pass-through entity, as applicable.
55. Management has charged costs to federal awards in accordance with applicable cost principles.
56. Management is responsible for, and has accurately prepared, the summary schedule of prior audit findings to include all findings required to be included by Uniform Guidance
57. The reporting package does not contain protected personally identifiable information.

58. Management has accurately completed the appropriate sections of the data collection form.
59. If applicable, management has disclosed all contracts or other agreements with service organizations.
60. If applicable, management has disclosed to the auditor all communications from service organizations relating to noncompliance at those organizations.

**Oregon Minimum Standards Considerations**

64. We have complied with Oregon Minimum Standards, including Oregon Local Budget Law (ORS 294).
65. All information and records pertaining to the preparation, adoption, and execution of the current and subsequent year budgets have been made available to you.

Columbia Gorge Regional Airport

A handwritten signature in black ink, appearing to read "Angie Wilson", is written over a horizontal line.

Angie Wilson, Finance Director



## AGENDA STAFF REPORT

**AGENDA LOCATION:** Item #9 A-B

**MEETING DATE:** January 24, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Izetta Grossman, CMC, City Clerk

**ISSUE:** Approving items on the Consent Agenda and authorizing City staff to sign contract documents.

- A. **ITEM:** Approval of the January 10, 2022 Regular City Council Meeting Minutes.

**BUDGET IMPLICATIONS:** None.

**SYNOPSIS:** The minutes of the January 10, 2022 Regular City Council meeting have been prepared and are submitted for review and approval.

**RECOMMENDATION:** That City Council review and approve the minutes of the January 10, 2022 Regular City Council meeting minutes.

- A. **ITEM:** Resolution No. 22-004 Assessing the Real Property at 412 West 7<sup>th</sup> Street for the Abatement of Garbage.

**BUDGET IMPLICATIONS:** None.

**SYNOPSIS:** The process of abating a property have been completed, letters have been sent and received. To place a lien on the property, if abatement isn't paid in the established timeline, requires Council adoption of Resolution No. 22-004.

**RECOMMENDATION:** That City Council review and approve Resolution No. 22- 004 Abatement Lien 412 West 7<sup>th</sup> Street.

MINUTES

CITY COUNCIL MEETING  
JANUARY 10, 2022  
5:30 p.m.

VIA ZOOM  
LIVESTREAM VIA City website

**PRESIDING:** Mayor Richard Mays

**COUNCIL PRESENT:** Darcy Long, Tim McGlothlin, Rod Runyon, Scott Randall, Dan Richardson

**COUNCIL ABSENT:** None

**STAFF PRESENT:** City Manager Julie Krueger, City Attorney Jonathan Kara, City Clerk Izetta Grossman, Human Resource Director Daniel Hunter, Finance Director Angie Wilson, Community Development Director Alice Cannon, Public Works Director Dave Anderson, Police Chief Tom Worthy, Senior Planner Dawn Hert

**CALL TO ORDER**

The meeting was called to order by Mayor Mays at 5:30 p.m.

**ROLL CALL OF COUNCIL**

Roll Call was conducted by City Clerk Grossman. All Councilors present.

**PLEDGE OF ALLEGIANCE**

Mayor Mays asked Councilor Long to lead the Pledge of Allegiance.

Councilor Long invited the audience to join in the Pledge of Allegiance.

## MINUTES

Regular City Council Meeting

January 10, 2022

Page 2

### **APPROVAL OF AGENDA**

It was moved by Long and seconded by Richardson to approve the agenda as submitted. The motion carried 4 to 0 ; Randall absent; Long, Richardson, Runyon, McGlothlin voting in favor; none opposed.

### **PRESENTATIONS PROCLAMATIONS**

#### **Main Street Program Update - Tory Davis**

Tory Davis, Executive Director The Dalles Main Street reviewed the report.

### **CITY COUNCIL REPORTS**

Councilor Runyon reported:

- Google Land Tour
- Wasco County LPSCC
- QLife Board
- Wasco County Commission meeting
- National Veterans Group
- Police Officer swearing in
- City Manager
- County Administrator
- Mayor
- survey of issues with citizens

Councilor McGlothlin reported:

- Airport runway lights – solutions being addressed
- Wasco County Commission meeting
- Police officer swearing in
- Eisland regarding adjacent property to airport
- Kudos to Donny Lewis who has been returning shopping carts to stores

Councilor Long reported:

- Google property tour

Mayor Mays reported:

- Google property tour
- Wasco County Commission meeting

## MINUTES

Regular City Council Meeting

January 10, 2022

Page 3

**Councilor Randall arrived at the meeting.**

### **CONSENT AGENDA**

It was moved by Richardson and seconded by Randall to approve the Consent Agenda as presented. The motion carried 5 to 0; Richardson, Randall, Runyon, Long, McGlothlin voting in favor; none opposed.

Items approved on the consent agenda were: 1) The minutes of the December 6, 2021 Council Work Session Meeting; 2) The minutes of the December 13, 2021 Regular City Council Meeting; 3) Resolution No. 2022 – 001 Concurring with Mayor’s Appointment to Various Commissions and Committees.

### **CONTRACT REVIEW BOARD**

Contract with Ranit Healthcare Consulting LLC to Provide Professional Services and Project Management Regarding Police Department Accreditation

Police Chief Tom Worthy reviewed the report.

In response to questions Worthy reported that hiring a temporary employee would be the way to go, but none were available. The firm recommended was local and known to Kenny LaPointe. He said the accreditation requires an outside evaluation of policies, procedures, set of proofs for records management process.

Worthy said the evaluation was top down; broad and deep, paying careful attention to detail. He said the process could take up to a year.

Worthy said the full grant must be used for the accreditation.

It was moved by McGlothlin and seconded by Runyon to approve contracting authority for the City Manager to execute a contract in support of accreditation in an amount not to exceed \$65,000. The motion carried 5 to 0; McGlothlin, Runyon, Long, Randall, Richardson voting in favor; none opposed.

### **ACTION ITEMS**

Strategic Investment Program Community Service Fee

Mayor Mays said the process for this item would be: staff report, Council questions, allow for

## MINUTES

### Regular City Council Meeting

January 10, 2022

Page 4

public questions/comments, then Council deliberations.

Enterprise Zone Manager Matthew Klebes reviewed the staff report. He said since the staff report was provided to Council he learned that both Projects 1 and 2 distribution had to be determined together.

Klebes said the Strategic Investment Program developed by the State of Oregon has a component that requires an applicant to pay a Community Service Fee each year of an abatement. This fee equals 25% of each year's tax savings, capped at \$2.5 million outside of a Strategic Investment Zone.

He said the distribution of the Community Service Fee could be set by formal agreement between the County, City where the development is located, AND tax districts listed in ORS 198.010 or ORS 198, which have a sum of property tax authority that equals or exceeds 75% of the total for all such districts. Property tax authority consists of the sum of a district's permanent and local option rate authority, whether used and unused but it excludes the levy/tax rates for bonded indebtedness.

He said the Taxing Districts listed in the ORS include:

- City
- County
- Fire and Rescue
- Parks and Rec
- Library
- Port
- 4H
- Soil Conservation
- ESD

Klebes said the distribution formula shall determine the exact percentage of the CSF received or retained and this schedule of distribution formula may vary from year to year. This distribution may also be mutually amended or revised at a later time.

Klebes said there were three items for the Council to decide on:

1. Consensus of support of the process to solicit input from all the Taxing Districts, followed by a meeting with two (2) representatives each from the City of The Dalles, Wasco County, and each of the taxing districts listed in the ORS.

## MINUTES

### Regular City Council Meeting

January 10, 2022

Page 5

2. Approve the City's recommended methodology for distribution: the sum of a district's permanent and local option rate authority, whether used and unused but it excludes the levy/tax rates for bonded indebtedness to all tax districts in that tax code area.
3. Approve a loan from the Initial Fee on Project 1, in the amount of \$750,000.00 to Mid-Columbia Fire and Rescue to provide resources in consideration of the demands placed on their services from the time construction begins. This loan would be paid back over 15 years, through their CSF funding or, if insufficient, any other legal means.

Richardson asked if there were other options for distribution of the CSF.

Klebes said they had looked at other communities plans and found there were no consistent plans. He said it was the recommendation to provide funds to each taxing district using their tax rates, and submit the plan to Business Oregon for approval. He said if the City and County couldn't provide a plan to Business Oregon by the 90-day deadline, Business Oregon would decide.

Richardson said he was not in favor of the loan. He said he needed more details, such as why do they need the funds and what would it be used for.

Long said the loan was against their portion of the CSF, which would be paid back. She said it was Mid-Columbia Fire and Rescues money, the Council couldn't tell them what to do with it.

Tyler Stone, Wasco County Administrator, said Fire Chief Palmer was having audio issues and asked him to let Council know that the loan was needed immediately to hire 6 new employees (2 per shift) to meet Fire Protection Standards. He said the loan would be from the initial fee, paid back over 15 years.

In response to a question Klebes said the District Representatives would take the plan back to their boards for approval.

Travis Dray, Mid-Columbia Medical Center, 3110 Old Dufur Road asked if it would be possible to explore great good projects to enhance the community.

Mayor Mays said there were opportunities for greater good projects using the Annual Fees and Initial Fees.



## MINUTES

### Regular City Council Meeting

January 10, 2022

Page 6

It was moved by Long and seconded by Runyon to approve distribution of Project 1 and 2's Community Service Fee to all taxing districts in the Tax Code Area consistent with the sum of each district's permanent and local option rate authority, whether use or unused but excluding the levy/tax rates for bonded indebtedness. The motion carried 5 to 0; Long, Runyon, Randall, Richardson, McGlothlin voting in favor; none opposed.

It was moved by Randall and seconded by McGlothlin to approve a loan in the amount of \$750,000 to Mid-Columbia Fire and Rescue from the initial fee of Project 1, to be repaid over a 15-year period. The motion carried 4 to 1; Randall, McGlothlin, Long, Runyon in favor; Richardson opposed.

Richardson said he was opposed to coupling the loan with negotiation of CSF.

General Ordinance No. 22-1388, an Ordinance Amending Sections 10.2.030, 10.5.060.030 and 10.5.070.020 of The Dalles Municipal Code, Title 10 - Land Use and Development

Senior Planner Dawn Hert reviewed the staff report. (additional PowerPoint attached).

Hert said there would be a tickler for Planning to bring back a report in the Spring of 2023.

Kenny LaPointe, Mid-Columbia Community Action Council, 313 4<sup>th</sup> Street thanked the Council for the responsiveness to their concerns. He said MCCAC had been selected to participate in a pilot project (Wasco, Hood River, Sherman Counties) for coordination of homeless projects. He said the award was \$1 million over the next two years, pending final approval. He said the funds could help pay for operations.

LaPointe said he planned to come to Council with an update on the Navigation Center in mid-February.

Mayor Mays asked if any Councilor wanted the ordinance read in full. None did.

Mayor Mays asked the City Clerk to read the ordinance by title only.

City Clerk Grossman read General Ordinance No. 22-1388 by title only.

It was moved by Long and seconded by Randall to adopt General Ordinance No. 22-1388 General Ordinance No. 22-1388 Amending Sections 10.2.030, 10.5.060.030 and 10.5.070.020 of The Dalles Municipal Code, Title 10- Land Use and Development by title only. The motion carried 5 to 0; Long, Randall, McGlothlin, Runyon, Richardson voting in favor; none opposed.

Resolution No. 22-002 Approving a Rate Increase Averaging Approximately 5.05% Resulting from Increased Operational and Disposal Fee Costs Incurred by The Dalles Disposal Service, Effective January 1, 2022

Human Resources Director Daniel Hunter reviewed the staff report.

Hunter said he received an email today in response to his inquiry from other cities regarding rate increases. He said Beaverton's ordinance says not to exceed 9% increase and Hillsboro's says not to exceed 8% increase.

He said The Dalles Disposal has a 38.5% gross profit margin.

It was moved by Long and seconded by Randall to adopt Resolution No. 22-002 approving a rate increase averaging approximately 3.0 % resulting from increased operational and disposal fee costs incurred by The Dalles Disposal Service, effective January 1, 2022. The motion carried 3 to 2; Long, Randall, Richardson voting in favor; Runyon, McGlothlin opposed.

Resolution No. 22-003 Authorized under General Ordinance No. 21-1387 and Directing the City Attorney to Issue a Subpoena for the Production of Records Relating to Steven Day and Ensuring Compliance with and Enforcement of The Dalles Municipal Code Chapters 8.02 and 8.04

City Attorney Jonathan Kara reviewed the staff report. Kara said he spoke with Mr. Day's office on November 22, 2022 alerting them that their records were incomplete. Kara said he never received a response.

It was moved by Richardson and seconded by Long to adopt Resolution No. 22-003 Directing the City Attorney to Issue Subpoenas for the Production of Records Relating to Steven Day and Ensuring Compliance with and Enforcement of The Dalles Municipal Code Chapters 8.02 and 8.04. The motion carried 5 to 0; Richardson, Long, Runyon, McGlothlin, Randall voting in favor; none opposed.

Runyon asked if this approval had to come before Council.

Kara said the ordinance was written giving final approval to the Council. Kara said if Council desired it could be a consent agenda item in the future.

Runyon said he would like a memo regarding what should be done.

Mayor Mays said this type of decision needed to be an action item.

Authorizing the City Attorney to Execute and Submit all Necessary Settlement Documents  
Connected with National Opioid Litigations

City Attorney Jonathan Kara reviewed the staff report.

It was moved by Runyon and seconded by McGlothlin to authorize the City Attorney to execute and submit all necessary settlement documents connected with the National Opioid Litigation as substantively described. The motion carried 5 to 0; Runyon, McGlothlin, Long, Richardson, Randall voting in favor; none opposed.

**DISCUSSION ITEMS**

Potential Disposition of Real Property Located at 700 Union

City Attorney Jonathan Kara reviewed the staff report. Kara said there were four different private entities interested in purchasing the State Office Building; 2 committed to continuing to rent to the State.

He said the Council could decide to divide the property and keep the parcel that didn't include the building for future use by the City.

Finance Director Angie Wilson said the rent goes into City Hall fund, Capital Project Fund. She said option for funds, if sold would be Reserve for Future Use – Capital Project Fund. She said the LGIF interest was very low currently.

There was discussion regarding keeping the building for future use as needs of City Hall increased; concern that the State services might leave the community; concern about City being able to afford the capital improvements on the building long term.

City Manager Julie Krueger said the first year could be lean. She said staff would look into creating a Capital Reserve Fund specifically for the State Office building.

It was the consensus of the Council to keep the building at this time.

McGlothlin asked Kara keep Council informed of lease negotiations.

MINUTES  
Regular City Council Meeting  
January 10, 2022  
Page 9

**ADJOURNMENT**

Being no further business, the meeting adjourned at 8:23 p.m.

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Submitted by/  
Izetta Grossman, CMC  
City Clerk

SIGNED:

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Richard A. Mays, Mayor

ATTEST:

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Izetta Grossman, CMC City Clerk



# City of The Dalles City Council

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MONDAY, JANUARY 10 | 5:30 PM

# Zoning Ordinance Text Amendment - ZOA #106-21

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**Proposal:** *Consideration of proposed changes to The Dalles Municipal Code, Title 10 - Land Use and Development. Amendment to expand the permitted uses in the Commercial General and Commercial Light Industrial zones to allow Shelter Housing, also defined as Established and Seasonal Shelters, as permitted uses subject to proposed standards.*

**Properties:** *All properties located in the Commercial General and Commercial Light Industrial Zoning Districts within the City of The Dalles Urban Growth Boundary.*

# City Council Public Hearing

December 13, 2021

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***At the December 13, 2021 City Council public hearing, the Council agreed with a majority of Planning Commission's recommendations at the close of the hearing. However, the Council made two modifications to the proposed code amendments and directed staff to make the following changes to General Ordinance No. 22-1388:***

- *1) For established and seasonal shelters in the CG – General Commercial zone, seasonal shelters were removed from Conditional Uses in the CG – General Commercial zone to uses that are Permitted Outright. (Established and seasonal shelters remain listed as permitted uses in the CLI – Commercial/Light Industrial zone.)*
- *2) Bathing facilities requirement was removed for both established and seasonal shelters.*

*In addition, staff will return to City Council in Spring of 2023 to revisit the Commercial General modifications to the Municipal Code. At that time, Council may direct staff to proceed with a new land use application to make any necessary changes to the shelter housing code.*

# Council Alternatives

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1. **Staff recommendation to City Council:** *Move to adopt General Ordinance No. 22-1388 amending three sections in Title 10 – Land Use and Development of The Dalles Municipal Code.*
2. *Decline the adoption of General Ordinance No. 22-1388.*



**RESOLUTION NO. 22-004**

**A RESOLUTION ASSESSING THE REAL PROPERTY LOCATED AT  
412 WEST 7<sup>th</sup> STREET FOR THE COSTS OF ABATEMENT OF  
JUNK, GARBAGE**

**WHEREAS**, the City Code Enforcement Officer, posted a Notice to Abate Nuisance upon the following listed property on the date shown below:

<u>Property</u>	<u>Assessor's Map No.</u>	<u>Date of Posting</u>
412 West 7 <sup>th</sup> Street	1N 13E 4 AD 5000	September 15, 2021

**WHEREAS**, the following persons are the owner of the following listed property

<u>Property</u>	<u>Owner</u>
412 West 7 <sup>th</sup> Street	Jayne Anderson

**WHEREAS**, the Notice to Abate Nuisance required the removal of junk from the listed property pursuant to the provisions of Section 5.04.110 of The Dalles Municipal Code;

**WHEREAS**, the Notice to Abate Nuisance further provided if the nuisance conditions were not abated the City would hire a contractor to abate the nuisance conditions, and the costs of the abatement would be charged to the owner of the property, and become a lien upon the property;

**WHEREAS**, as a result of the owner's failure to abate the nuisance conditions on the property, the City hired the following listed contractor, who abated the nuisance conditions on the date listed below, for the cost listed below;

<u>Property</u>	<u>Contractor</u>	<u>Date of Abatement</u>	<u>Cost</u>
412 West 7 <sup>th</sup> Street	Get R Done	November 23, 2021	\$645.00

**WHEREAS**, pursuant to Section 5.04.170 of The Dalles Municipal Code, on December 9, 2021, the City Clerk sent a Notice of Assessment by certified mail to Jayne Anderson advising them the total cost of the assessment for the property was \$1,145.00, which included a \$500.00 administrative fee as required by Section 5.04.160(C) of The Dalles Municipal Code, and the listed sum would become a lien upon the property if the amount was not paid by December 27, 2021, by Jayne Anderson;

**WHEREAS**, the December 9, 2021, Notice of Assessment to Jayne Anderson advised them they had until December 16, 2021, to file any objections to the proposed assessment; and

**WHEREAS**, Jayne Anderson failed to file any objection by the stated deadline and failed to pay the balance of the assessment by the deadline listed in the Notice of Assessment, and the City Council finds the statement of the amount of the proposed assessment is correct and no reason exists to justify any delay in proceeding with the imposition of a lien upon the property for the cost of the assessment.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF THE DALLES  
RESOLVES AS FOLLOWS:**

Section 1. Assessment. The cost of the abatement of the nuisance conditions consisting of the removal of garbage and animal feces for the property located at 412 West 7<sup>th</sup> Street, is assessed upon the following property:

<u>Name/Address</u>	<u>Description</u>	<u>Final Assessment</u>
Jayne Anderson 412 West 7 <sup>th</sup> Street The Dalles, OR 97058	Tax ID 1N 13E 4 AD 5000	\$1,145.00

The legal description for the property is shown in the attached Exhibit “A”.

Section 2. Docket Entry. Upon passage of this Resolution and its approval by the Mayor, the following information shall be entered into the City Electronic Lien Docket:

- a. The foregoing legal description of the property assessed.
- b. The name of the owners or statement that the owners are unknown.
- c. The sum assessed upon each lot or tract of land.
- d. The date of the docket entry.

Section 3. Notices/Collection of Assessment. The City Clerk is directed to proceed with notice and collection of the assessment in accordance with the procedures prescribed by State law for enforcement of liens and collection of assessments.

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Section 4. Effective Date. This Resolution shall be effective as of January 24, 2022.

**PASSED AND ADOPTED THIS 24<sup>th</sup> DAY OF JANUARY, 2022.**

Voting Yes, Councilors: \_\_\_\_\_

Voting No, Councilors: \_\_\_\_\_

Absent, Councilors: \_\_\_\_\_

Abstaining, Councilors: \_\_\_\_\_

**AND APPROVED BY THE MAYOR THIS 24<sup>th</sup> DAY OF JANUARY, 2022.**

\_\_\_\_\_  
Richard A. Mays, Mayor

Attest:

\_\_\_\_\_  
Izetta Grossman, CMC, City Clerk

## **EXHIBIT A**

Legal description for 412 W. 7th Street (1N 13E 4 AD 5000):

Lot "1", Block 27, Fort Dalles Military Reservation to The Dalles City, Wasco County, State of Oregon.



## AGENDA STAFF REPORT

**AGENDA LOCATION:** Public Hearing Item# 10 A

**MEETING DATE:** January 24, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Dawn Marie Hert, Senior Planner  
Community Development Department

**ISSUE:** Public Hearing to consider annexation (ANX #79-21) of property located in the 2500 Block of East 18<sup>th</sup> Street and approval of Special Ordinance No. 22-590 annexing the property in the Urban Growth Boundary of the City pursuant to ORS 222.125.

**BACKGROUND** This Public Hearing considers a request to annex property and receive public testimony. The affected property proposed to be annexed is depicted on the map attached to and made part of proposed Special Ordinance No. 22-590 as Exhibit "A". The parcel is zoned residential and the property owner applied to annex as part of a condition of approval for a minor partition with ultimate plans to build residential homes on the properties.

**NOTICE** The City sent a letter to the property owner on January 7, 2022, notifying him of this Public Hearing. Notice of the Hearing was published in the local newspaper, Gorge News, on January 12, 2022, as required by Oregon law and Sections 10.14.010.030 and 10.30.020.060 of The Dalles Municipal Code.

**PROCESS** The annexation application is being processed under the provisions of The Dalles Municipal Code, Title 10 – Land Use and Development, Article 14, Annexations. Per Section 10.14.010.030, all applications for annexation shall be processed as legislative actions. Under the provisions for legislative actions in Section 10.3.020.060, annexation requests shall be heard by the City Council.

## **CRITERIA**

Per **The Dalles Municipal Code, Title 10 – land Use and Development, Section 10.14.010.040**, annexations shall be subject to the following criteria:

- A. *The territory is contiguous to the city limits and qualifies as a consent annexation pursuant to ORS 222.125 or as an island annexation pursuant to ORS 222.750.*

**FINDING #1:** Oregon law defines contiguous as adjacent to or separated from the city limits only by a public right of way. This property is contiguous due to being separated only by a public right of way. In addition, the property owner submitted a consent annexation.

- B. *The territory is within the urban growth area.*

**FINDING #2:** The property is located within the Urban Growth Boundary.

- C. *The development of the property is compatible and consistent with the rational and logical extension of utilities and roads to the surrounding area.*

**FINDING #3:** The property is zoned residential and is currently vacant with plans to site and construct new single-family homes in the near future.

- D. *The City is capable of providing and maintaining its full range of urban services to the territory without negatively impacting the City's ability to adequately serve all areas within the existing city limits.*

**FINDING #4:** The Public Works Director confirms this area can be served without negatively impacting other areas within the City.

- E. *The annexation conforms to the Comprehensive Plan.*

**FINDING #5:** Goal #14, Urbanization, of the City's Comprehensive Plan is "[t]o provide for an orderly and efficient transition from rural to urban land use." Sub-goal #2 of Goal #14 is "[t]o coordinate with Wasco County in order to manage the Urban Growth Boundary and the conversion of land within the boundary for urban uses." The City has complied with Sub-goal #2 of Goal #14 by entering into an intergovernmental agreement with Wasco County for joint management of the Urban Growth Area, which includes the land area within the urban growth boundary and outside the city limits of the City of The Dalles. The proposed annexation is consistent with the provisions of Section 8 of the intergovernmental agreement with Wasco County for annexation of properties within the Urban Growth Area. The proposed annexation has been conducted in accordance with the relevant provisions to annexation set forth under Oregon law, including the provisions of ORS 222.125.

***Policy #5 listed in Goal #14 of the City's Comprehensive Plan provides as follows:***

5. *Encourage the orderly annexation of land within the Urban Growth Boundary to the City of The Dalles.*

A. *Adequate public utilities shall be planned or provided for per local and State statutes, to service an area where annexation is considered. This included, but is not limited to, storm sewers, sanitary sewers and water service.*

B. *Public facilities such as roads, street lights, parks and fire hydrants may be required for development of the area in question and shall be subject to*

*review prior to annexation.*

- C. Upon annexation an official plat of the parcel(s) in question shall be filed if such document does not exist. Any plat shall be subject to review by the Planning Director, City Planning Commission and the City Council as set forth in the Subdivision Ordinance.*

**FINDING #6:** Sub-goal #3 of Goal #14 of the Comprehensive Plan is “[t]o provide for the orderly and efficient provision of public facilities and services.” The proposed annexation complies with Sub-goal #3 of Goal #14 because it encourages the orderly annexation of land within the Urban Growth Boundary of the City of The Dalles. The property to be included in the annexation has been planned for extension of public facilities and utilities. Extension of the city limit boundaries to include the property will allow the City to maintain the facilities and utilities in proper working order to provide services to the future residences located on this property.

Inclusion of this property within the city limits will provide an opportunity for the City to plan and design its public utilities and facilities, including streets, storm systems, water and sanitary sewer systems to ensure the City can provide the necessary public services to its citizens in an orderly and efficient manner. The proposed annexation is reasonable and consistent with the provisions of the City’s Comprehensive Plan and the intergovernmental agreement with Wasco County for the joint management of property within the Urban Growth Area for the reasons set forth above. Annexation will allow the City to continue providing necessary services for the residents of the property. Inclusion of this property within the city limits will also transfer responsibility for law enforcement activities related to this property to the City. This will create a more uniform and efficient system of law enforcement, eliminating confusion over which law-enforcement agency is responsible for providing services to the property

### **PROPERTY TO BE ANNEXED**

Exhibit “A” to proposed Special Ordinance No. 22-590 shows a map of the proposed annexation property. The property is located in the 2500 Block of East 18<sup>th</sup> Street, further depicted in Assessor’s Map No. 1N 13E 11AA as Tax Lot 3200.

### **BUDGET IMPLICATIONS**

Completion of the proposed annexation will result in additional property taxes paid to the City for annexed private property. The annexation is planned to be completed in time for the City to begin receiving its share of property taxes from the designated parcels by November 2023. The City will begin receiving additional revenue from its franchise utilities applicable to the newly annexed property and will begin collecting franchise fees from this property upon annexation.

### **COUNCIL ALTERNATIVES**

1. **Staff Recommendation:** *Move to approve the proposed consent annexation for the property located in the 2500 block of East 18<sup>th</sup>, as detailed in application ANX#79-21, and adopt Special Ordinance No. 22-590 by title only.*
2. Move to deny approval of application ANX#79-21.

**ATTACHMENTS**

Attachment #1 – Special Ordinance No. 22-590 with

Exhibit A – Map of proposed annexation;

Exhibit B – Proposed Findings for Special Ordinance No. 22-590; and

Exhibit C – Legal description of property to be annexed.

Attachment #2 – Nelson Annexation Application



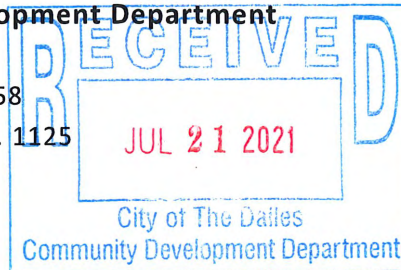
**City of The Dalles****Community Development Department**

313 Court Street

The Dalles, OR 97058

(541) 296-5481, ext. 1125

www.thedalles.org

Application #: ANX 79-21Filing Fee: 245290Receipt #: \$375.00Deemed Complete: 7/26/2021Ready to Issue: n/aDate Issued: n/aReceived: 7/21/2021

## Annexation Property Owner Application

**Applicant**Name: Ed NelsonAddress: 1803 East 9th StreetThe Dalles, OR 97058Phone #: (541)980-5569Email: eddnelson@charter.net**Legal Owner (if different than Applicant)**Name: same as applicant

Address: \_\_\_\_\_

Phone #: \_\_\_\_\_

Email: \_\_\_\_\_

**Property Information**Address: Unassigned, adjoins west side of 2516 E. 18th St.Zone/Overlay: RL-Low Density Residential

Describe current use of property:

The property is currently vacant and undeveloped.

Reason for requesting annexation:

Required as a Condition of Approval of MIP 395-21.

Signature of Applicant(s)/Owner(s)

\_\_\_\_\_

\_\_\_\_\_

Map and Tax Lot: 01N-13E-11AA 3200Contiguous to current City Limits: ☐ Yes ☒ No \*

\*Contiguous to ROW that is adjacent to property in the City Limits. - DMH

Signature of Property Owner(s) or Agent

Edward Nelson

\_\_\_\_\_

**Decision**☐ Approved☐ Denied

Community Development Department

Public Works

Date

Date

TO: The City Council of the City of The Dalles, Wasco County, Oregon

**OWNER CONSENT TO ANNEXATION**

(ORS 222.115)

I/We, Edward D. Nelson, OWNER(S) of the following described real property situated in Wasco County, Oregon:

Lot 4, Block 17, THOMPSON'S ADDITION, in the City of The Dalles, County of Wasco and State of Oregon. Together with the West 25.00 feet of even width Lot 5, Block 17, THOMPSON'S ADDITION, in the City of The Dalles, County of Wasco and State of Oregon.

do hereby consent to and request annexation of the property described above to the City of The Dalles, Wasco County, Oregon; said property is contiguous to the present city limits of the City of The Dalles, Oregon.

Dated this 21<sup>st</sup> day of July, 20 21.

Edward D. Nelson

STATE OF OREGON     )  
                                  ) ss.  
County of Wasco             )

SUBSCRIBED AND SWORN to before me this 21<sup>st</sup>  
day of July, 20 21, by Edward D. Nelson

Paula Lynn Webb  
Notary Public for Oregon  
My Commission expires: 03/09/2025

STATE OF OREGON     )  
                                  ) ss.  
County of Wasco             )

SUBSCRIBED AND SWORN to before me this \_\_\_\_  
day of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_

\_\_\_\_\_  
Notary Public for Oregon  
My Commission expires: \_\_\_\_\_

Received by the City on the 21<sup>st</sup> day of July, 20 21. Jim Marie Hoot

**Grantor**

City of The Dalles  
313 Court Street     **Grantee**  
The Dalles, Oregon 97058

**After recording return to:**  
City Clerk  
City of The Dalles  
313 Court Street  
The Dalles, Oregon 97058

## **SPECIAL ORDINANCE NO. 22-593**

### **AN ORDINANCE ANNEXING A CERTAIN ADDITIONAL PROPERTY LOCATED IN THE URBAN GROWTH BOUNDARY OF THE CITY OF THE DALLES PURSUANT TO ORS 222.125 (CONSENT ANNEXATION: ANX#79-21-NELSON)**

**WHEREAS**, on January 24, 2021, the City Council conducted a public hearing pursuant to ORS 222.120 to consider annexation of a parcel of property where the City has received consent of the property owner proposing to be annexed, which property is depicted on the map attached to and made part of this Special Ordinance as Exhibit “A”;

**WHEREAS**, the City Council has reviewed the written consent to annexation application submitted by the property owner and any electors residing in the territories proposing to be annexed, and the Council finds the consent to annexation application is valid under the provisions of ORS 222.125; and

**WHEREAS**, the City Council has reviewed the proposed findings submitted in support of the proposed consent annexations attached to and made part of this Special Ordinance as Exhibit “B”, and the Council has approved and adopted the proposed findings.

### **NOW, THEREFORE, THE COUNCIL OF THE CITY OF THE DALLES ORDAINS AS FOLLOWS:**

Section 1. Property to be annexed. Based upon the findings set forth in Exhibit “B”, the City Council finds the property shown in Exhibit “A” is contiguous to the City limits, and, where applicable, the elector and landowner residing on the contiguous property to be annexed consented in writing prior to the public hearing conducted on September 13, 2021, consistent with ORS 222.120 and 222.125. The subject property shown in Exhibit “A” is hereby proclaimed to be annexed to the City of The Dalles in accordance with ORS 222.120 and 222.125. The legal description for the subject property is attached to and made part of this Special Ordinance as Exhibit “C”.

Section 2. Submittals. The City Clerk shall submit, within the proper time frames, all necessary copies of this Special Ordinance and any supporting documents required by the various state statutes to the appropriate state and county officials and departments.

Section 3. Effective Date of Annexation. The effective date of this annexation shall be complete from the date of filing the annexation records with the Secretary of State, as set forth in ORS 222.180.

Section 4. Effective Date of Ordinance. The effective date of this Special Ordinance shall be 30 days from its adoption, subject to any referendum being filed.

**PASSED AND ADOPTED THIS 24<sup>TH</sup> DAY OF JANUARY, 2022.**

Voting Yes, Councilor: \_\_\_\_\_

Voting No, Councilor: \_\_\_\_\_

Absent, Councilor: \_\_\_\_\_

Abstaining, Councilor: \_\_\_\_\_

**AND APPROVED BY THE MAYOR THIS 24<sup>TH</sup> DAY OF JANUARY, 2022.**

\_\_\_\_\_  
Richard A. Mays, Mayor

Attest:

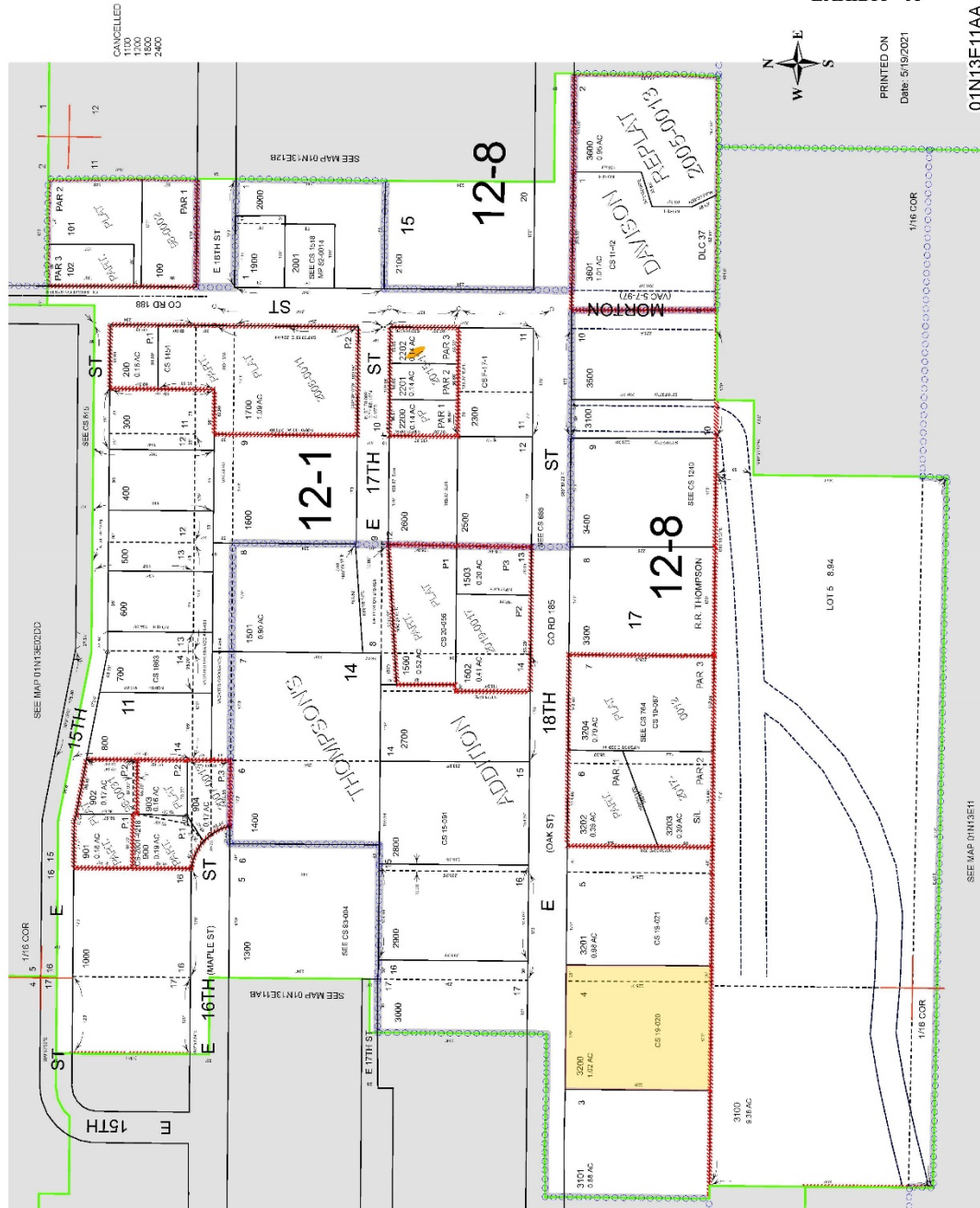
\_\_\_\_\_  
Izetta Grossman, CMC City Clerk

EXHIBIT - A

01N13E11AA

N.E. 1/4 N.E. 1/4 SEC. 11 T.1N. R.13E. W.M.  
Wasco County  
1" = 100'

THIS MAP WAS PREPARED FOR  
ASSESSMENT PURPOSE ONLY



01N13E11AA

PRINTED ON  
Date: 5/19/2021

## **EXHIBIT “B”**

### **PROPOSED FINDINGS FOR SPECIAL ORDINANCE NO. 22-593**

Section 10.14.010.040 of the City’s Municipal Code, Title 10 - Land Use and Development Ordinance provides that annexations shall be subject to the following criteria:

- A. The territory is contiguous to the City limits and qualifies as a consent annexation pursuant to ORS 222.125 or as an island annexation pursuant to ORS 222.750.
- B. The territory is within the Urban Growth Area.
- C. The development of the property is compatible and consistent with the rational and logical extension of utilities and roads to the surrounding area.
- D. The City is capable of providing and maintaining its full range of urban services to the territory without negatively impacting the City’s ability to adequately serve all areas within the existing City limits.
- E. The annexation conforms to the Comprehensive Plan.

For the property listed in Exhibit “A” attached to and made part of Special Ordinance No. 22-590, the Council finds and concludes the property is contiguous to the City limits, and the territory proposed to be annexed qualifies as a consent annexation, pursuant to ORS 222.125. The City Council concludes the criteria in Section 10.14.010.040(A) have been satisfied.

Testimony was also presented during the hearing the property listed in Exhibit “A” is located within the City’s Urban Growth Area. The City Council finds the criteria set forth in Section 10.14.010.040(B) have been satisfied.

The property proposed to be annexed will be served by City utilities. The City has previously annexed portions of property, making the affected property contiguous to the City limits. The City has been planning for the additional resources required to extend utilities and maintain the roads necessary to provide urban services for the annexed properties. The City Council finds and concludes annexation of the property listed in Exhibit “A” is consistent with the rational and logical extension of utilities and roads to the surrounding area, and the City is capable of providing and maintaining its full range of urban services to the properties listed in Exhibit “A” without negatively impacting the City’s ability to adequately serve all areas within the existing City limits. The City Council finds and concludes the criteria set forth in Section 10.14.010.040(C) and (D) have been satisfied.

Goal #14, Urbanization, of the City’s Comprehensive Plan is “[t]o provide for an orderly and efficient transition from rural to urban use”. Goal #14 includes certain sub-goals. Sub-goal #2

of Goal #14 is “[t]o coordinate with Wasco County in order to manage the urban growth boundary and the conversion of land within the boundary for urban uses.” The City has complied with Sub-goal #2 of Goal #14 by entering into an intergovernmental agreement with Wasco County for the joint management of the Urban Growth Area, which includes the land area within the Urban Growth Boundary and outside the city limits of the City of The Dalles. Section 8 of the intergovernmental agreement provides as follows:

8. Annexation

- A. Annexation of areas within the Urban Growth Boundary shall be in accordance with relevant annexation procedures contained in Oregon Revised Statutes, City Ordinances, or approved annexation plan.
- B. Annexation by the City will occur only after development is completed.

The proposed annexation is consistent with the provisions of Section 8 of the intergovernmental agreement with Wasco County for annexation of properties within the Urban Growth Area. The proposed annexation has been conducted in accordance with the relevant provisions for annexation set forth in the Oregon Revised Statutes, including ORS 222.120 and 222.750, and the annexation is occurring for properties where development has been completed.

Policies 6, 7, and 8 for Goal #14 of the City’s Comprehensive Plan provides as follows:

- 6. Encourage the orderly annexation of land within the Urban Growth Boundary to the City of The Dalles.
- 7. Adequate public facilities shall be planned or provided for, per local and State statutes, to service an area when annexation is considered. This includes, but is not limited to, storm sewers, sanitary sewer and water service.
- 8. Public facilities such as roads, water, sewer, and storm sewer will be required for development of the area in question and shall be subject to review prior to annexation and shall comply with The Dalles Transportation Systems Plan (TSP), Water Master Plan, Sewer Master Plan, and Storm Water Master Plan.

The proposed annexation complies with the urbanization goal set forth in Goal #14 by encouraging the orderly annexation of land within the Urban Growth Boundary of the City of The Dalles, and also provides for the orderly and efficient provision of public facilities and services. The property to be included in the annexation has been planned for the extension of public facilities and utilities, to ensure the property will have sufficient services, including but not limited to water and sanitary sewer service, storm sewers, streets, parks, and fire hydrants. Extension of the city limit boundaries to include the property will allow the City to maintain the facilities and utilities in proper working order to provide services to the residents of this property and also provide a basis for the City to continue an orderly process of

continuing to annex other properties within the Urban Growth Boundary, as the City continues to experience economic growth and development. Inclusion of the property within the City limits will provide an opportunity for the City to plan and design its public utilities and facilities, including streets, storm system, and water and sanitary sewer system, to ensure the City can provide necessary public services to its citizens in an orderly and efficient manner, and consistent with the City's Transportation Systems Plan, Water Master Plan, Sewer Master Plan, and Storm Water Master Plan.

The annexation of the subject property is reasonable because it is consistent with the provisions of the City's Comprehensive Plan and the intergovernmental agreement with Wasco County for the joint management of property within the Urban Growth Area, for the reasons set forth above. Annexation of this property will allow the City to maintain the public utilities and facilities serving the property and to make any necessary improvements to allow the City to continue providing necessary services for the residents of the properties. Inclusion of the property within the City limits will transfer responsibility for law enforcement activities related to the property to the City. This will create a more uniform and efficient system of law enforcement, eliminating confusion over which law enforcement agency is responsible for providing services to the property. For all of these reasons, the City Council concludes the proposed annexation complies with the "reasonableness" requirement for annexations under state law.

The City Council finds and concludes the criteria set forth in Section 10.14.010.040(E) have been satisfied.



## **EXHIBIT “C”**

**2500 Block of East 18<sup>th</sup> Street**

**1N 13E 11AA 3200**

LEGAL DESCRIPTION  
for  
Annexation Area  
(Tax Lot 01N-13E-11AA 3200)

Lot 4, Block 17, THOMPSON’S ADDITION, in the City of The Dalles, County of Wasco and State of Oregon. Together with the West 25.00 feet of even width Lot 5, Block 17, THOMPSON’S ADDITION, in the City of The Dalles, County of Wasco and State of Oregon.

Contains 1.015 acre, more or less.





## AGENDA STAFF REPORT

### AGENDA LOCATION: Contract Review Board #11 A

**MEETING DATE:** January 24, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Dave Anderson, Public Works Director.

**ISSUE:** Approval of Local Agency Agreement with ODOT to provide funding for the West 6<sup>th</sup> Street Improvements Project

**BACKGROUND:** The Public Works Department has long planned to extend the center turn lane on West 6<sup>th</sup> Street westward from Snipes where it currently ends to Hostetler. This section of roadway has been the site of numerous motor vehicle accidents over the years, the majority of which have been related to attempted left-turns by westbound vehicles. It has also been reported by City Police officers over the years that head-on near misses have been observed as drivers move into the oncoming lane to make a left turn not realizing that the center turn lane has ended.

Given the identified need to extend a center turn lane from Snipes to Hostetler, staff has developed a concept for the project and sought funding for its implementation for more than 10 years. An application for funding was finally successful in the latest round of ODOT's All Roads Transportation Safety (ARTS) program. The agreement under consideration with this report would finalize the award of that funding.

The project would reconstruct West 6<sup>th</sup> Street from Snipes to Hostetler Streets to

- Widen the street to add a center turn lane
- Regrade and repave the street to improve drainage
- Reconstruct sidewalks to provide ADA-compliant curb ramps, drive approaches and sidewalk slopes
- Add street lighting and make certain safety improvements at the intersection of West 6<sup>th</sup> and Hostetler Streets.

The City would need to acquire right-of-way from two properties along West 6<sup>th</sup> Street for the project to proceed.

Under the ARTS program, ODOT can provide 92.22% of a project's costs. The West 6<sup>th</sup>

Street project was estimated to cost \$1,000,000 therefore the Agreement proposes to provide up to \$922,200 for the project. The City would be obligated to pay \$77,800 for a \$1,000,000 project; the City would also be responsible for project costs in excess of \$1,000,000 barring an amendment to the Agreement. If it was later determined that the City could not afford to provide the required match, the project could be cancelled and the funds declined without penalty.

It is planned that the City would design the project in-house and construct the project with contracted resources. Construction would likely occur in late 2022 or 2023.

**BUDGET ALLOCATION:** If the proposed Local Agency Agreement is authorized, the City would receive up to \$922,200 of federal funds administered by ODOT for the West 6<sup>th</sup> Street Improvements project. The City would be obligated to provide \$77,800 toward completion of the project if it cost \$1,000,000, and any costs of the project in excess of \$1,000,000. The City may also need to expend funds to acquire needed right-of-way for the street widening; those costs have not yet been determined

**ALTERNATIVES:**

1. **Staff Recommendation:** *Move to authorize the City Manager to enter in Local Agency Agreement No. 73000-00003872 with ODOT to provide funding for the West 6<sup>th</sup> Street Improvements project.*
2. Deny authorization to enter in Local Agency Agreement No. 73000-00003872 with ODOT.

**RESOLUTION NO. 22-005**

**A RESOLUTION REJECTING ALL BIDS TO  
TREVITT STREET UTILITY UPGRADES – PHASE I PROJECT,  
CONTRACT NO. 2021-011**

**WHEREAS**, on November 4, 2021, the City of The Dalles (**City**) issued a solicitation inviting sealed bids for Contract No. 2021-011, a contract for furnishing all materials, labor, and equipment necessary to construct approximately 2,205 feet of sanitary sewer pipe ranging from 4” to 10” diameter, the removal or abandonment of existing sanitary sewer pipe, and the construction of manholes and other appurtenances;

**WHEREAS**, at 2:00 p.m. Pacific Prevailing Time on December 16, 2021, the City conducted the sealed bid opening for the solicitation and received three (3) submittals comprising bids from Crestline Construction in the amount of \$746,724.00, James Dean Construction in the amount of \$1,118,417.00, and Beam Construction in the amount of \$1,315,776.50;

**WHEREAS**, Local Contract Review Board (**LCRB**) Rule 04-0420(1)(b)(F) provides the City must reject a bid upon the City’s finding the bid is not in substantial compliance with the solicitation documents;

**WHEREAS**, City staff reviewed the opened bids and determined the bid submitted by Crestline Construction failed to acknowledge Addendum #1 to the solicitation, its failure to acknowledge rendered its bid non-responsive to the solicitation because its failure materially impacted its bid amount and was thus not substantially compliant with the solicitation documents;

**WHEREAS**, LCRB Rule 04-0420(4) provides the City may reject all bids for good cause upon the City’s written finding it is in the public interest to so, and LCRB Rule 04-0420(5)(b) specifies the City may reject all bids upon a written finding the price presented by the bids is too costly to justify acceptance of the bids;

**WHEREAS**, the City budgeted \$750,000 in the Sewer Special Reserve Fund 56, Line Code 7630, for the performance of work solicited under Contract No. 2021-011; and

**WHEREAS**, while the bids submitted by James Dean Construction and Beam Construction are otherwise responsive to the solicitation, the City finds rejection of all bids to further the public interest because the bid submitted by Crestline Construction is non-responsive to the solicitation and the prices presented by both James Dean Construction’s and Beam Construction’s bids each exceed the City’s intended cost for the Trevitt Street Utility Upgrades – Phase I Project as budgeted.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE  
DALLES AS FOLLOWS:**

1. The City of The Dalles hereby rejects all bids submitted for the Trevitt Street Utility Upgrade – Phase I Project, a solicitation for Contract No. 2021-011, pursuant to Local Contract Review Board Rule 04-0420.
2. This Resolution becomes effective upon its adoption.

**PASSED AND ADOPTED THIS 24TH DAY OF JANUARY, 2022.**

Voting Yes, Councilors: \_\_\_\_\_  
Voting No, Councilors: \_\_\_\_\_  
Absent, Councilors: \_\_\_\_\_  
Abstaining, Councilors: \_\_\_\_\_

**AND APPROVED BY THE MAYOR THIS 24TH DAY OF JANUARY, 2022.**

\_\_\_\_\_  
Richard A. Mays, Mayor

Attest:

\_\_\_\_\_  
Izetta Grossman, City Clerk, CMC

**LOCAL AGENCY AGREEMENT**  
**State Funded Local Project Program**  
**All Roads Transportation Safety (City of The Dalles)**

THIS AGREEMENT is made and entered into by and between THE STATE OF OREGON, acting by and through its Department of Transportation, hereinafter referred to as "State" or "ODOT", and the City of The Dalles, an Oregon municipal corporation, acting by and through its City Council, hereinafter referred to as "Agency," both herein referred to individually or collectively as "Party" or "Parties."

**RECITALS**

1. Agency wishes to exchange unspent federal funds allocated to the Project for state funds to fund the Project using state funding. State has determined that Agency is eligible for state funds for the work to be performed under this Agreement through the State Funded Local Project Program. The Parties enter into this Agreement to exchange these funds, identify the Project that will be funded with the state funds, and describe the method State will use to reimburse Agency for work performed on the Project using the state funds, including establishing invoicing requirements and the proportional reimbursement rate.
2. By the authority granted in Oregon Revised Statute (ORS) 190.110, 366.572 and 366.576, state agencies may enter into cooperative agreements with counties, cities, and units of local government for the performance of any or all functions and activities that a party to the Agreement, its officers, or agents have the authority to perform.
3. 6<sup>th</sup> Street, Snipes Street, and Hostetler Way are part of the city street system under the jurisdiction and control of Agency.
4. By the authority granted in ORS [810.210](#), State is authorized to determine the character or type of traffic control devices to be used, and to place or erect them upon state highways at places where State deems necessary for the safe and expeditious control of traffic. No traffic control devices shall be erected, maintained, or operated upon any state highway by any authority other than State, except with its written approval. All traffic control devices on this Project must conform to the current State standards and specifications.

**NOW THEREFORE**, the premises being in general as stated in the foregoing Recitals, it is agreed by and between the Parties hereto as follows:

**TERMS OF AGREEMENT**

1. State and Agency agree to Agency designing and constructing a two-way left turn Lane on West 6th Street from Snipes Street to Hostetler Way, hereinafter referred to as "Project". The location of improvements to be made as part of the project are outlined in the Letter of Approval marked "Exhibit A," attached hereto and by this reference made a part hereof.
2. The total Project cost for the work to be performed under this Agreement is estimated

12-22-17  
Key No.

at \$1,000,000, which is subject to change. The federal share of the total Project cost is \$922,200.00.

- a. Per the 1:1 fund exchange ratio of state dollars to federal dollars, Agency will exchange \$922,200.00 of federal dollars allocated for this Project for \$922,200.00 of state dollars.
  - b. State funds under this Agreement are limited to \$922,200.00.
3. Upon receipt and approval of Agency's invoice(s), State shall proportionately reimburse Agency ninety two and twenty two hundredths (92.22) percent of eligible, actual costs incurred in carrying out the Project, up to the maximum amount of state funds committed for the Project.
4. Agency is solely responsible for any and all costs incurred in excess of the federal funds identified in this Agreement. Any unspent state funds will be retained by State and will not be available for Agency use. State funds transferred to Agency must be used for the Project.
5. To be eligible for reimbursement, expenditures must comply with the requirements of Article IX, Section 3a of the Oregon Constitution. Eligible costs are defined as reasonable and necessary costs incurred by the Agency in performance of the Project.
6. The term of this Agreement will begin upon the date all required signatures are obtained and will terminate upon completion of the Project and final payment or five (5) calendar years following the date of final execution, whichever is sooner.

## **AGENCY OBLIGATIONS**

1. Agency shall perform the work described in TERMS OF AGREEMENT, Paragraph 1 of this Agreement.
2. **Americans with Disabilities Act Compliance:**
  - a. Agency shall ensure that the Project, including all sidewalks, curb ramps, and pedestrian-activated signals, is designed, constructed and maintained to comply with Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990 as amended (together, "ADA").

Agency may follow its own processes or may use ODOT's processes for design, construction, or alteration of Project sidewalks, curb ramps, and pedestrian-activated signals, including using the ODOT Highway Design Manual, ODOT Design Exception process, ODOT Standard Drawings, ODOT Construction Specifications, providing a temporary pedestrian accessible route plan and current Curb Ramp Inspection form, available at:

<https://www.oregon.gov/ODOT/Engineering/Pages/Accessibility.aspx>;



Additional ODOT resources are available at the above-identified link. ODOT has made its forms, processes, and resources available for Agency's use and convenience.

- b. Agency assumes sole responsibility for ensuring that the Project complies with the ADA, including when Agency uses ODOT forms and processes. Agency acknowledges and agrees that ODOT is under no obligation to review or approve Project plans or inspect the completed Project to confirm ADA compliance.
  - c. Agency shall ensure that temporary pedestrian routes are provided through or around any Project work zone. Any such temporary pedestrian route shall include directional and informational signs and include accessibility features equal to or better than the features present in the existing pedestrian route. Agency shall also ensure that advance notice of any temporary pedestrian route is provided in accessible format to the public, people with disabilities, and disability organizations prior to the start of construction
  - d. Agency shall ensure that any portions of the Project under Agency's maintenance jurisdiction are maintained in compliance with the ADA throughout the useful life of the Project. This includes, but is not limited to, Agency ensuring that:
    - i. Pedestrian access is maintained as required by the ADA,
    - ii. Any complaints received by Agency identifying sidewalk, curb ramp, or pedestrian-activated signal safety or access issues are promptly evaluated and addressed,
    - iii. Agency, or abutting property owner, pursuant to local code provisions, performs any repair or removal of obstructions needed to maintain the facility in compliance with the ADA requirements that were in effect at the time the facility was constructed or altered,
    - iv. Any future alteration work on Project or Project features during the useful life of the Project complies with the ADA requirements in effect at the time the future alteration work is performed, and
    - v. Applicable permitting and regulatory actions are consistent with ADA requirements.
  - e. Maintenance obligations in this section shall survive termination of this Agreement.
3. Except as otherwise provided in Agency Obligations Paragraph 2 above, Agency agrees that the Project shall be developed in conformance with the applicable American Association of State Highway and Transportation Officials (AASHTO) standards, including the current edition of A Policy on Geometric Design of Highways and Streets.
4. Agency shall follow the Buy America statute under Title 23, United States Code, Section 313. Such provision shall be included as part of the construction contract.

5. Agency shall obtain a permit to occupy State right of way through the State District 9 Office prior to the commencement of construction, if applicable.
6. If Project includes traffic signal or illumination improvements on or along a state highway, Agency shall:
  - a. Pursuant to Oregon Administrative Rule (OAR) 734-020-0430, obtain the approval of the State Traffic Engineer prior to the design and construction of any traffic signal, or illumination to be installed on a state highway.
  - b. Enter into a separate traffic signal agreement with State to cover obligations for any traffic signal or illumination being installed on a state highway.
  - c. Ensure Agency, or its contractor's, electrical inspectors possess a current State Certified Traffic Signal Inspector certificate, in order to inspect electrical installations on State highways. The State District Permitting Office shall verify compliance with this requirement prior to construction. The permit fee should also cover the State electrician's supplemental inspection.
  - d. Upon completion of the Project and at its own expense, maintain the pavement surrounding any vehicle detector loops installed in the Agency street in such a manner as to provide adequate protection for said detector loops. Failure to do so may result in State requiring Agency to repair or replace the damaged loops at Agency expense. Future Agency roadwork activities involving the detector loops may also result in the same State requirements. Agency shall also adequately maintain the pavement markings and signing installed in accordance with the approved signal plan sheets for the signal installation or current Manual on Uniform Traffic Control Devices standards.
  - e. Ensure that all Project work and maintenance activities involving pedestrian-activated signals comply with the ADA and Agency Obligations Paragraph 2.
7. Agency shall submit all of the following items to State's Project Manager, at Project completion and prior to final payment:
  - a. Final Project completion Inspection form No. 734-5063 (completed with State's Project Manager);
  - b. Final Cost; and
  - c. As-Constructed Drawings.
8. Agency must obtain approval from the Region 10 Traffic Manager for changes to the Project's scope, schedule, or budget by submitting a request through State's project liaison or manager by written notification, e-mail is acceptable. Agency shall be fully responsible for cost increases due to changes to the established Project scope,

schedule, or budget made prior to approval. The Parties shall execute an amendment to this Agreement to memorialize any approved changes referenced in this paragraph.

9. Agency shall present invoices for the eligible, actual costs incurred by Agency on behalf of the Project directly to State's Project Manager listed in this Agreement for review and approval. Such invoices shall be in a form identifying the Project, Key number, the Agreement number, the Project phase and amount charged to each (such as preliminary engineering, right of way, and construction), the invoice number, and will itemize all expenses for which reimbursement is claimed. Invoices shall be presented for periods greater than one month, based on actual expenses incurred, and must clearly specify the percentage of completion of the Project. Agency shall also include with the invoice a Project progress report or summary that describes work accomplished for the period being invoiced and work expected for the next invoicing period. Travel expenses will not be reimbursed.
10. Agency, or its consultant, shall conduct the necessary preliminary engineering and design work required to produce final plans, specifications and cost estimates in accordance with current state and federal laws and regulations; obtain all required permits; be responsible for all utility relocations; advertise for bid proposals; award all contracts; perform all construction engineering; and make all contractor payments required to complete the Project.
11. Agency or its consultant shall acquire all necessary right of way in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, ORS Chapter 35 and the State Right of Way Manual.
12. Agency shall comply with all federal, state, and local laws, regulations, executive orders and ordinances applicable to the work under this Agreement, including, without limitation, the provisions of ORS 279C.505, 279C.515, 279C.520, 279C.530 and 279B.270 incorporated herein by reference and made a part hereof. Without limiting the generality of the foregoing, Agency expressly agrees to comply with (i) Title VI of Civil Rights Act of 1964; (ii) Title V and Section 504 of the Rehabilitation Act of 1973; (iii) the Americans with Disabilities Act of 1990 and ORS 659A.142; (iv) all regulations and administrative rules established pursuant to the foregoing laws; and (v) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations.
13. Agency shall perform the services under this Agreement as an independent contractor and shall be exclusively responsible for all costs and expenses related to its employment of individuals to perform the work under this Agreement including, but not limited to, retirement contributions, workers compensation, unemployment taxes, and state and federal income tax withholdings.
14. All employers, including Agency, that employ subject workers who work under this Agreement in the State of Oregon shall comply with ORS 656.017 and provide the required Workers' Compensation coverage unless such employers are exempt under

ORS 656.126. Employers Liability insurance with coverage limits of not less than \$500,000 must be included. Agency shall ensure that each of its subcontractors complies with these requirements.

15. Agency shall, at its own expense, maintain, operate, and provide power as needed upon Project completion at a minimum level that is consistent with normal depreciation and/or service demand and throughout the useful life of the Project. State and Agency agree that the useful life of this Project is defined as 10 years. Maintenance and power responsibilities shall survive any termination of the Project Agreement.
16. Utility relocation or reconstruction may or may not be an eligible Project expense according to the following standard:
  - a. The expense is an eligible expense if the owner of the utility facility possesses a property right for its location on the public right of way.
  - b. The expense is not an eligible expense if the owner of the utility facility does not possess a property right for its location, but the facility exists on the public right of way solely under the permission of the Agency or other road authority, whether that permission is expressed or implied, and whether written or oral.
17. Agency certifies, at the time this Agreement is executed, that sufficient funds are available and authorized for expenditure to finance costs of this Agreement within Agency's current appropriation or limitation of the current budget. Agency further agrees that they will only submit invoices to State for reimbursement on work that has been performed and paid for by Agency as described in this Agreement.
18. Agency shall require its contractor(s) and subcontractor(s) that are not units of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon, Oregon Transportation Commission and its members, Oregon Department of Transportation and its officers, employees and agents from and against any and all claims, actions, liabilities, damages, losses, or expenses, including attorneys' fees, arising from a tort, as now or hereafter defined in ORS 30.260 (Claims), to the extent such Claims are caused, or alleged to be caused by the negligent or willful acts or omissions of Agency's contractor or any of the officers, agents, employees or subcontractors of the contractor. It is the specific intention of the Parties that State shall, in all instances, except to the extent Claims arise from the negligent or willful acts or omissions of the State, be indemnified from and against all Claims caused or alleged to be caused by the contractor or subcontractor.
19. Any such indemnification shall also provide that neither Agency's contractor and subcontractor nor any attorney engaged by Agency's contractor and subcontractor shall defend any claim in the name of the State of Oregon or any agency of the State of Oregon, nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State of Oregon may, at anytime at its election assume its own defense and settlement in the event that it determines that Agency's contractor is prohibited from defending

the State of Oregon, or that Agency's contractor is not adequately defending the State of Oregon's interests, or that an important governmental principle is at issue or that it is in the best interests of the State of Oregon to do so. The State of Oregon reserves all rights to pursue claims it may have against Agency's contractor if the State of Oregon elects to assume its own defense.

20. If Agency enters into a contract for performance of work under this Agreement, Agency agrees to comply with the following:

a. Contracts:

- a. All contracts must be in writing, executed by Agency, and must incorporate and pass through all of the applicable requirements of this Agreement to the other party or parties to the contract. Use of a contract does not relieve Agency of its responsibilities under this Agreement.
- b. Agency shall require all of its contractors performing work under this Agreement to name State as a third-party beneficiary of the resulting contract with the contractor and to name State as an additional or "dual" obligee on contractor's payment and performance bonds.
- c. Agency shall provide State with a copy of any signed contract upon request by State. This paragraph 20.a.iii shall survive expiration or termination of this Agreement.
- d. Agency must report to State any material breach of a term or condition of a contract within ten (10) days of Agency discovering the breach.

b. Contract Indemnification:

- i. To the fullest extent permitted by law, and except to the extent otherwise void under ORS 30.140, Agency shall require each of its contractors that are not units of local government as defined in ORS 190.003, if any, to indemnify, defend, save and hold harmless the State of Oregon, the Oregon Transportation Commission, and the Oregon Department of Transportation and their respective officers, members, employees and agents from and against all claims, suits, actions, losses, damages, liabilities, costs and expenses of any nature whatsoever (hereinafter, referred to individually and collectively as "Claims") to the extent such Claims result from, arise out of, or relate to the activities or omissions of Agency's contractor, subcontractor(s), or their respective officers, employees, or agents under the resulting contract or otherwise related to the project.
- ii. Any such indemnification shall also provide that Agency's contractor shall ensure that neither Agency's contractor(s) or its subcontractor(s) nor any attorney engaged by any Agency contractor or subcontractor shall defend any claim in the name of the State of Oregon or any agency of the State of Oregon,

nor purport to act as legal representative of the State of Oregon or any of its agencies, without the prior written consent of the Oregon Attorney General. The State of Oregon may, at any time at its election assume its own defense and settlement in the event that it determines that any Agency contractor or subcontractor is prohibited from defending the State of Oregon, or that any Agency contractor or subcontractor is not adequately defending the State of Oregon's interests, or that an important governmental principle is at issue or that it is in the best interests of the State of Oregon to do so. The State of Oregon reserves all rights to pursue claims it may have against Agency's contractor(s) and subcontractor(s) if the State of Oregon elects to assume its own defense.

c. Contract Insurance:

- i. Agency shall require the other party or parties to each of its contracts, that are not units of local government as defined in ORS 190.003, to meet the minimum insurance requirements provided in Exhibit B, attached hereto and by this reference made a part hereof. Agency may specify insurance requirements for its contractor(s) above the minimum insurance requirements specified in Exhibit B. Agency shall verify its contractor(s) meet the insurance requirements in Exhibit B.
- ii. Agency shall determine insurance requirements and insurance types and amounts as deemed appropriate based on the risk of the work outlined within the contract. Agency shall specify insurance requirements and require its contractor(s) to meet the insurance requirements. Agency shall obtain proof of the required insurance coverages, as applicable, from any contractor providing services related to the contract.
- iii. Agency shall require its contractor(s) to require and verify that all subcontractors carry insurance coverage that the contractor(s) deems appropriate based on the risk of the subcontracted work.

- d. Agency shall include provisions in each of its contracts requiring its contractors to comply with the indemnification and insurance requirements in subparagraphs b and c of this Agency Obligations Paragraph 20.

21. Agency acknowledges and agrees that State, the Oregon Secretary of State's Office, and their duly authorized representatives shall have access to the books, documents, papers, and records of Agency which are directly pertinent to the specific Agreement for the purpose of making audit, examination, excerpts, and transcripts during the course of the Project and for a period of six (6) years after final payment. Copies of applicable records shall be made available upon request. Payment for costs of copies is reimbursable by State.

22. Agency certifies and represents that the individual(s) signing this Agreement has been authorized to enter into and execute this Agreement on behalf of Agency, under the

direction or approval of its governing body, commission, board, officers, members or representatives, and to legally bind Agency.

23. Agency's Project Manager for this Agreement is David Anderson – Public Works Director, 1215 West First Street, The Dalles, OR 97058, (541) 296-5401, [danderson@ci.the-dalles.or.us](mailto:danderson@ci.the-dalles.or.us), or assigned designee upon individual's absence. Agency shall notify the other Party in writing of any contact information changes during the term of this Agreement.

## STATE OBLIGATIONS

1. In consideration for the services performed under this Agreement, State shall reimburse Agency 92.22% of eligible costs incurred in carrying out the Project up to the maximum amount of state funds committed for the Project in Terms of Agreement, Paragraph 2 of this Agreement. Reimbursements shall be made by State within forty-five (45) days of State's approval of a request for reimbursement from Agency, except that final payment will be withheld until the State's Project Manager has completed final project inspection and project acceptance.
2. State shall provide the following items to Agency's Project Manager no later than 30 days after execution of this Agreement:
  - a. Scoping Notes; and
  - b. Any other project specific information gathered during the scoping and selection process
3. State's Project Manager will arrange for a final project inspection upon notification from Agency of Project completion, to confirm project completeness and fulfillment of Agreement obligations, prior to final payment.
4. If Project includes traffic signal improvements on or along a State Highway, traffic signal timing shall be the responsibility of State, unless there is an agreement that specifically allows Agency to perform that function. Consistent with Agency Obligations Paragraph 2, State shall:
  - a. Ensure its Region Electrical Crew, at Project expense, perform the signal equipment environmental testing and perform the signal field testing and turn on,
  - b. Retain the right of review of the traffic signal timing for signals on state highways, or those which State maintains, and shall reserve the right to request adjustments when needed,
  - c. Notify the local jurisdiction whenever timing changes that affect the operation of local street connections to the state highway are scheduled. All modifications shall

follow guidelines set forth in the current Manual on Uniform Traffic Control Devices, and the current ODOT State Traffic Signal Policy and Guidelines,

- d. Upon completion of the Project, maintain the pavement surrounding the vehicle detector loops installed in the State highway in such a manner as to provide adequate protection for said detector loops and at State's expense,
  - e. Maintain the pavement markings and signing installed on the State highway in accordance with current ODOT standards, and
  - f. Where Agency has an agreement with State to modify signal timing and the Agency modifies timing to add railroad or emergency vehicle preemption, bus priority, or other changes that affect vehicle or pedestrian clearances, or operation of the state highway, Agency shall promptly report such modifications to State's Region Traffic Engineer. Any such timing modification shall comply with the ADA and Agency Obligations Paragraph 2,
5. State's Project Manager for this Agreement is Paul Singer, Transportation Project Manager, 63055 N. Highway 97, Bldg M, Bend, Oregon 97701, (541) 410-2993, [paul.singer@odot.state.or.us](mailto:paul.singer@odot.state.or.us), or assigned designee upon individual's absence. State shall notify the other Party in writing of any contact information changes during the term of this Agreement.

## GENERAL PROVISIONS

- 1. This Agreement may be terminated by mutual consent of both Parties.
- 2. State may terminate this Agreement effective upon delivery of written notice to Agency, or at such later date as may be established by State, under any of the following conditions:
  - a. If Agency fails to provide services called for by this Agreement within the time specified herein or any extension thereof.
  - b. If Agency fails to perform any of the other provisions of this Agreement or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from State fails to correct such failures within ten (10) days or such longer period as State may authorize.
  - c. If Agency fails to provide payment of its share of the cost of the Project.
  - d. If State fails to receive funding, appropriations, limitations or other expenditure authority sufficient to allow State, in the exercise of its reasonable administrative discretion, to continue to make payments for performance of this Agreement.
  - e. If federal or state laws, regulations or guidelines are modified or interpreted in such a way that either the work under this Agreement is prohibited or if State is prohibited from paying for such work from the planned funding source.



3. If State terminates this Agreement for the reasons described in General Provisions 2(a) or (b) above, Agency must reimburse State for all state funds expended. If Agency fails to reimburse State, State may withhold Agency's proportional share of State Highway Fund distribution necessary to reimburse State for costs incurred by such Agency breach.
4. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.
5. If any third party makes any claim or brings any action, suit or proceeding alleging a tort as now or hereafter defined in ORS 30.260 ("Third Party Claim") against State or Agency with respect to which the other Party may have liability, the notified Party must promptly notify the other Party in writing of the Third Party Claim and deliver to the other Party a copy of the claim, process, and all legal pleadings with respect to the Third Party Claim. Each Party is entitled to participate in the defense of a Third Party Claim, and to defend a Third Party Claim with counsel of its own choosing. Receipt by a Party of the notice and copies required in this paragraph and meaningful opportunity for the Party to participate in the investigation, defense and settlement of the Third Party Claim with counsel of its own choosing are conditions precedent to that Party's liability with respect to the Third Party Claim.
6. With respect to a Third Party Claim for which State is jointly liable with Agency (or would be if joined in the Third Party Claim), State shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by Agency in such proportion as is appropriate to reflect the relative fault of State on the one hand and of Agency on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of State on the one hand and of Agency on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts. State's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if State had sole liability in the proceeding.
7. With respect to a Third Party Claim for which Agency is jointly liable with State (or would be if joined in the Third Party Claim), Agency shall contribute to the amount of expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred and paid or payable by State in such proportion as is appropriate to reflect the relative fault of Agency on the one hand and of State on the other hand in connection with the events which resulted in such expenses, judgments, fines or settlement amounts, as well as any other relevant equitable considerations. The relative fault of Agency on the one hand and of State on the other hand shall be determined by reference to, among other things, the Parties' relative intent, knowledge, access to information and opportunity to correct or prevent the circumstances resulting in such expenses, judgments, fines or settlement amounts.

Agency's contribution amount in any instance is capped to the same extent it would have been capped under Oregon law, including the Oregon Tort Claims Act, ORS 30.260 to 30.300, if it had sole liability in the proceeding.

8. The Parties shall attempt in good faith to resolve any dispute arising out of this Agreement. In addition, the Parties may agree to utilize a jointly selected mediator or arbitrator (for non-binding arbitration) to resolve the dispute short of litigation.
9. State and Agency are the only Parties to this Agreement and, as such, are the only Parties entitled to enforce its terms. Nothing in this Agreement gives or shall be construed to give or provide any benefit, direct, indirect or otherwise to third persons unless such third persons are expressly identified by name and specifically described as intended to be beneficiaries of its terms.
10. This Agreement may be executed in several counterparts (facsimile or otherwise) all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.
11. This Agreement and attached exhibits constitute the entire agreement between the Parties on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both Parties and all necessary approvals have been obtained. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of either Party to enforce any provision of this Agreement shall not constitute a waiver by that Party of that or any other provision.

**THE PARTIES**, by execution of this Agreement, hereby acknowledge that their signing representatives have read this Agreement, understand it, and agree to be bound by its terms and conditions.

This Project is in the 2021-2024 Statewide Transportation Improvement Program (STIP), (Key #21669) that was adopted by the Oregon Transportation Commission on July 15, 2020 (or subsequently by amendment to the STIP).

**SIGNATURE PAGE TO FOLLOW**

**CITY OF THE DALLES**, by and through its  
City Council

By \_\_\_\_\_

Date \_\_\_\_\_

By \_\_\_\_\_

Date \_\_\_\_\_

**LEGAL REVIEW APPROVAL**

By \_\_\_\_\_

Jonathan M. Kara, City Attorney

Date \_\_\_\_\_

**Agency Contact:**

David Anderson  
Public Works Director  
1215 West First Street  
The Dalles, OR 97058  
(541) 296-5401  
[danderson@ci.the-dalles.or.us](mailto:danderson@ci.the-dalles.or.us)

**State Contact:**

Paul Singer  
Transportation Project Manager  
63055 N. Highway 97, Building M  
Bend, Oregon 97701  
(541) 410-2993  
[paul.singer@odot.state.or.us](mailto:paul.singer@odot.state.or.us)

**STATE OF OREGON**, by and through  
its Department of Transportation

By \_\_\_\_\_

Delivery & Operations Division  
Administrator

Date \_\_\_\_\_

By \_\_\_\_\_

Region 4 Manager

Date \_\_\_\_\_

**APPROVED AS TO LEGAL  
SUFFICIENCY**

By Jennifer O'Brien via email  
Assistant Attorney General (If Over  
\$150,000)

Date November 5, 2021

**EXHIBIT A – Letter of Approval (Page 1 of 2)**



**Oregon**

Kate Brown, Governor

**Department of Transportation**

Region 4

63055 N. Hwy 97

Bend, Oregon, 97703

Dave Anderson  
Public Works Director  
1215 West First St.  
The Dalles, OR

RE: Region 4 All Roads Transportation Safety (ARTS) Project Selection Results

Project Key Number: 21669  
Project Name: All Roads Transportation Safety (City of The Dalles)  
Award Amount: \$1,000,000 (Includes 7.78% local match)

Dear Dave,

We are pleased to announce that the above ARTS project has been approved for Preliminary Engineering and Construction funding through the State Funded Local Project (SFLP) Program. Your project was approved to receive funding in federal fiscal years 2021 through 2023.

Project Scope: Widen W. 6th St. to add a two way left turn lane (TWTL), add sidewalks and a bike lane to 6th, add lighting and increase the sight triangle at Hostetler. The TWLTL, bike lanes, and sidewalks will be continuous for the length of the roadway section.

Please confirm that you accept the ARTS award by email to David Amiton David.AMITON@odot.state.or.us. Your confirmation of the award is due no later than 6/30/2021.

Upon your confirmation of award acceptance, an ODOT Transportation Project Manager (TPM) will be assigned to the project and will be contacting you to start the Inter-Governmental Agreement (IGA) process. No reimbursable work may start before the IGA has been fully executed and Notice to Proceed has been sent from the ODOT TPM. Your agency may proceed with the project upon completion of the design regardless of the year it is programmed; there will be a 10 year completion period in the IGA.

**EXHIBIT A, continued – Letter of Approval (Page 2 of 2)**

The ODOT Area Manager and contact information for this project is:

Bob Townsend  
Robert.L.TOWNSEND@odot.state.or.us  
541-388-1838

***Finally, a reminder not to start any work*** on the project until you receive a "Notice to Proceed" after the IGA is executed.

Respectfully,

SERPICO  
Digitally signed by  
SERPICO Daniel S  
Date: 2021.04.16  
13:40:04 -07'00'  
Daniel S  
Dan Serpico, PE  
Region 4 Traffic  
(541) 388-6170  
daniel.s.serpico@odot.state.or.us

cc: Bob Townsend  
David Amiton  
Paul Singer  
Mark Barrett

**EXHIBIT B**  
**Contract Insurance Requirements**

**1. GENERAL.**

- a. Agency shall require, in its contracts with entities that are not units of local government as defined in ORS 190.003 (if any), that its contractors: i) obtain insurance specified under TYPES AND AMOUNTS and meeting the requirements under ADDITIONAL INSURED, "TAIL" COVERAGE, NOTICE OF CANCELLATION OR CHANGE, and CERTIFICATES OF INSURANCE before performance under the contract commences, and ii) maintain the insurance in full force throughout the duration of the contract. The insurance must be provided by insurance companies or entities that are authorized to transact the business of insurance and issue coverage in the State of Oregon and that are acceptable to State. Agency shall not authorize work to begin under the contract until the insurance is in full force. Thereafter, Agency shall monitor continued compliance with the insurance requirements on an annual or more frequent basis. Agency shall incorporate appropriate provisions in the contract permitting it to enforce compliance with the insurance requirements and shall take all reasonable steps to enforce such compliance. In no event shall Agency permit work under a contract when Agency is aware that the contractor is not in compliance with the insurance requirements. All references to "contractor" in this Exhibit B refer to Agency's contractor as identified in this Paragraph 1.a
- b. The insurance specified below is a minimum requirement that the Agency shall require its contractor to meet, and shall include such requirement in Agency's contract with its contractor. Agency may determine insurance types and amounts in excess of the minimum requirement as deemed appropriate based on the risks of the work outlined within the contract.
- c. Agency shall require each of its contractors to require that all of its subcontractors carry insurance coverage that the contractor deems appropriate based on the risks of the subcontracted work. Contractor shall obtain proof of the required insurance coverages, as applicable, from any subcontractor providing services related to the Contract.

**2. TYPES AND AMOUNTS.**

**a. WORKERS COMPENSATION.**

All employers, including Agency's contractor, that employ subject workers, as defined in ORS 656.027, shall comply with ORS 656.017 and shall provide **Workers' Compensation Insurance** coverage for those workers, unless they meet the requirement for an exemption under ORS 656.126(2). The coverage shall include Employer's Liability Insurance with limits not less than \$500,000 each accident. **Contractor shall require compliance with these requirements in each of its subcontractor contracts.**

**b. PROFESSIONAL LIABILITY.**

A&E and Related Services: Professional liability insurance is required for A&E design services and A&E Related Services, except that professional liability coverage may be waived by Agency for low-risk related services, such as public involvement or outreach.

General:

Professional liability insurance must cover damages caused by negligent acts, errors or omissions of contractor and contractor's subcontractors, agents, officers or employees related to the professional services to be provided under the contract.

Coverage shall be written with a per claim, incident or occurrence limit, or the equivalent, of not less than ☒ \$1,000,000 ☐ \$2,000,000 ☐ \$5,000,000.

Annual aggregate limits shall not be less than ☒ \$2,000,000 ☐ \$4,000,000 ☐ \$10,000,000.

If this insurance is provided on a "claims made" basis, Contractor shall maintain continuous claims made liability coverage or shall acquire tail coverage to continue the same coverage for a duration of at least **2 years**, unless ☐ **3 years** or ☐ **5 years** is specified, after completion of the contract or for the foregoing extended period beyond contract expiration or termination. Evidence of any required extended period coverage will be a condition of final payment under the contract.

**c. COMMERCIAL GENERAL LIABILITY.**

Commercial General Liability Insurance shall be issued on an occurrence basis covering bodily injury and property damage and shall include personal and advertising injury liability, products and completed operations, and contractual liability coverage. When work to be performed includes operations or activity within 50 feet of any railroad property, bridge, trestle, track, roadbed, tunnel, underpass or crossing, the Contractor shall provide the Contractual Liability – Railroads CG 24 17 endorsement, or equivalent, on the Commercial General Liability policy. Amounts below are a minimum requirement as determined by State:

Coverage shall be written on an occurrence basis in an amount of not less than ☒ \$1,000,000 ☐ \$2,000,000 ☐ \$5,000,000 per occurrence.

Annual aggregate limit shall not be less than ☒ \$2,000,000 ☐ \$4,000,000 ☐ \$10,000,000.

**d. AUTOMOBILE LIABILITY.**

Automobile Liability Insurance covering Contractor's business-related automobile use covering all owned, non-owned, or hired vehicles for bodily injury and property damage. Amount below is a minimum requirement as determined by State:

Coverage shall be written with a combined single limit of not less than **\$1,000,000**.

This coverage may be written in combination with the Commercial General Liability Insurance (with separate limits for Commercial General Liability and Automobile Liability).

**e. EXCESS/UMBRELLA LIABILITY.**

A combination of primary and Excess/Umbrella Liability Insurance may be used to meet the required limits of insurance.

**f. ADDITIONAL INSURED.**

The liability insurance coverages, except Professional Liability or Workers' Compensation/Employer's Liability, if included, must endorse the **"State of Oregon, the Oregon Transportation Commission and the Department of Transportation, and their respective officers, members, agents and employees"** as an **endorsed** Additional Insured but only with respect to the contractor's activities to be performed under the contract. Coverage shall be primary and non-contributory with any other insurance and self-insurance.

Additional Insured Endorsements on the Commercial General Liability shall be written on ISO Form CG 20 10 07 04, or equivalent, with respect to liability arising out of ongoing operations and ISO Form CG 20 37 07 04, or equivalent, with respect to liability arising out of completed operations.

Additional Insured Endorsements shall be submitted with the Certificate(s) of Insurance and must be acceptable to the Agency.

**g. "TAIL" COVERAGE.**

If any of the required insurance policies is on a "claims made" basis, such as professional liability insurance or pollution liability insurance, the contractor shall maintain either "tail" coverage or continuous "claims made" liability coverage, provided the effective date of the continuous "claims made" coverage is on or before the effective date of the contract, for a minimum of twenty-four (24) months following the later of: (i) the contractor's completion and Agency's acceptance of all Services required under the contract or, (ii) the expiration of all warranty periods provided under the contract. Notwithstanding the foregoing twenty-four (24) month requirement, if the contractor elects to maintain "tail" coverage and if the maximum time period "tail" coverage reasonably available in the marketplace is less than the twenty-four (24) month period described above, then the contractor may request and State may grant approval of the maximum "tail " coverage period reasonably available in the marketplace. If State approval is granted, the contractor shall maintain "tail" coverage for the maximum time period that "tail" coverage is reasonably available in the marketplace.

**3. NOTICE OF CANCELLATION OR CHANGE.**

The contractor or its insurer must provide thirty (30) days' written notice to Agency before cancellation of, material change to, potential exhaustion of



aggregate limits of, or non-renewal of the required insurance coverage(s). **The Agency shall immediately notify State of any change in insurance coverage.**

**4. CERTIFICATE(S) OF INSURANCE.**

Agency shall obtain from the contractor a certificate(s) of insurance for all required insurance before the contractor performs under the contract. The certificate(s) or an attached endorsement must endorse: i) **“State of Oregon, the Oregon Transportation Commission and the Department of Transportation, and their respective officers, members, agents and employees”** as an endorsed Additional Insured in regards to the Commercial General Liability and Automobile Liability policies and ii) that all liability insurance coverages shall be primary and non-contributory with any other insurance and self-insurance, with exception of Workers' Compensation.



## **AGENDA STAFF REPORT**

### **AGENDA LOCATION:** Contract Review Board #11 B

**MEETING DATE:** January 24, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Dale McCabe, PE, City Engineer

**ISSUE:** Recommendation for rejection of all bids for the Trevitt Street  
Utility Upgrades - Phase I project, Contract No. 2021-011

**BACKGROUND:** The City of The Dalles Public Works Department advertised for bids for the Trevitt Street Utility Upgrades – Phase I project, Contract No. 2021-011. The scope of work for the project was stated as follows: “The work to be performed shall consist of furnishing all materials, labor and equipment necessary to construct approximately 2,205 feet of sanitary sewer pipe ranging from 4” to 10” diameter. Work will also include the removal/abandonment of existing sanitary sewer pipe and the construction of manholes and all other appurtenances. All work will be conducted in accordance with the contract documents.”

The Trevitt Street project is required to replace and upsize deteriorated and failing sanitary sewer mains, improve stormwater collection systems, eliminate some of the existing utility conflicts that have occurred between the sanitary sewer main lines and franchise utility lines, and ultimately reconstruct failing street surfaces and non-ADA-compliant sidewalks. The project is planned to be completed through a number of phases over several years. This Phase 1 project was to consist of replacing and upgrading the sanitary sewer mains located in Trevitt Street between the cross streets of W 9<sup>th</sup> Street and W 12<sup>th</sup> Street. Additional phases will ultimately upgrade and correct the utilities in Trevitt Street up to the W 17<sup>th</sup> Street intersection. Once the utility upgrading projects have been completed, we can then issue a contract to rebuild and resurface the entire roadway segment of Trevitt Street between W 6<sup>th</sup> Street and W 17<sup>th</sup> Street.

Prior to the bid opening, one addendum was issued which increased the amount of 8-inch sanitary sewer pipe that was to be installed as part of the project; that addendum was emailed directly to all potential bidders who had pre-qualified for the project. The bid opening for this contract was held on December 16, 2021 at

2:00 pm for which three bids were received. The bids received were as follows:

1. Crestline Construction, in the amount of \$746,724.00
2. James Dean Construction, in the amount of \$1,118,417.00
3. Beam Construction, in the amount of \$1,315,776.50

The bids were reviewed by City staff to make sure that the proper material was submitted. From that review, it was determined that Crestline Construction failed to acknowledge Addendum #1. The remaining two bids were reviewed and were deemed complete.

In consultation with the City Attorney, it was determined that Crestline Construction's bid was non-responsive since its failure to acknowledge Addendum #1 materially impacted its bid. Per the City's Local Contract Review Board Rules, the City must reject a bid upon the City's finding that the bid is not in substantial compliance with the solicitation pursuant to Rule 04-0420(F).

City Staff then further reviewed the remaining two submitted bids and while they were deemed as responsive bids, it was determined that both bids substantially exceeded the funds that were budgeted and available for this project.

The City may reject all bids for good cause upon the City's written finding that it is in the public interest to do so consistent with Local Contract Review Board Rule 04-0420(4); the required findings may be adopted by resolution. With this report, staff is recommending that the City Council find that it is in the public interest to reject all bids due to insufficient funds for the project based upon the responsive bids received. The attached Resolution No. 22-005, presented for the City Council's consideration, makes the required findings and rejects all bids for Contract No. 2021-011.

If the bids for this contract are rejected, staff plans to re-scope, re-budget and re-bid the project in the future.

**BUDGET IMPLICATIONS:** A total of \$750,000 is budgeted for this project in the Sewer Special Reserve Fund 56, Line Code 7630. The lowest responsive bid received was \$368,417 over the budgeted amount. If all bids for Contract No. 2021-011 are rejected, the budgeted funds will carry-over for reallocation in a future fiscal year.

**COUNCIL ALTERNATIVES:**

1. **Staff Recommendation:** *Move to adopt Resolution No. 22-005 rejecting all bids for Contract No. 2021-011, the Trevitt Street Utility Upgrades Phase I project.*
2. Request that staff provide additional information in response to questions raised by City Council.



## **AGENDA STAFF REPORT**

### **AGENDA LOCATION: Action Item #12 A**

**MEETING DATE:** January 24, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Dawn Marie Hert, Senior Planner  
Community Development Department

**ISSUE:** Approval of Special Ordinance No. 22-591, amending Exhibit "A" of Special Ordinance No. 21-589 to correct map to match the legal description.

**BACKGROUND:** On July 24, 2021, the City Council conducted a public hearing and voted unanimously to approve annexation of one parcel pursuant to ORS 222.120. In addition Special Ordinance No. 21-589 was approved that officially memorialized the annexation. The City Clerk forwarded the approval to the Oregon Department of Revenue (DOR) for review and approval. Upon review, the DOR indicated the map did not match the legal descriptions and needed correction. Staff submitted a revised version of Exhibit "A" to the DOR and received approval on December 16, 2021. This new Special Ordinance No. 22-591 will replace the revised and approved Exhibit "A" of Special Ordinance No. 21-589.

Notice of the proposed adoption of Special Ordinance No. 22-591 amending Exhibit "A" to annex the property has been posted in accordance with the relevant provisions of the City's Charter, and the special ordinance may be adopted by title only.

**BUDGET IMPLICATIONS** Completion of the proposed annexation will result in additional property taxes paid to the City for annexed private property. Due to the necessary revision, the annexation is planned to be completed in time for the City to begin receiving its share of property taxes from the designated parcels effective November 2023, one year later than originally anticipated. Upon annexation, the City will begin receiving additional revenue from franchise utilities collected from the subject properties.

## **COUNCIL ALTERNATIVES**

1. **Staff Recommendation:** *Move to adopt Special Ordinance No. 22-591, amending Exhibit “A” of Special Ordinance No. 21-589 to correct the map to match the legal description, by title only.*
2. Move to not adopt Special Ordinance 22-591.

## **ATTACHMENTS**

Attachment #1 – Special Ordinance No. 22-591 with  
Exhibit “A” – Revised map of proposed annexation

## **SPECIAL ORDINANCE NO. 22-591**

### **A SPECIAL ORDINANCE AMENDING EXHIBIT “A” OF SPECIAL ORDINANCE NO. 21-589 TO CORRECT THE MAP TO MATCH THE LEGAL DESCRIPTION**

**WHEREAS**, on July 26, 2021, the City Council adopted Special Ordinance No. 21-589, annexing a parcel of real property identified as 1N 13E 4BB 6201 owned by Cheryl Baker, located in the Urban Growth Boundary in accordance with the provisions of ORS 222.125;

**WHEREAS**, the Special Ordinance included an attached Exhibit “A” which included a map for the parcel;

**WHEREAS**, the information for the identified property was submitted for a preliminary review to the Oregon Department of Revenue, and the Oregon Department of Revenue issued a notice to the City on August 26, 2021, indicating the map did not match the legal description and the error needed to be corrected in order for the annexation to receive final approval from the State of Oregon;

**WHEREAS**, on December 10, 2021, staff submitted a revised version of Exhibit “A” to the Oregon Department of Revenue to correct the indicated map error, and the State of Oregon approved the revised version of Exhibit “A” on December 16, 2021; and

**WHEREAS**, the City Council desires to adopt an ordinance incorporating the revised version of Exhibit “A” as part of the City’s annexation process.

### **NOW, THEREFORE, THE COUNCIL OF THE CITY OF THE DALLES ORDAINS AS FOLLOWS:**

Section 1. Ordinance Amended. Exhibit “A” included in Special Ordinance No. 21-589 shall be amended as set forth in the revised Exhibit “A” attached hereto and incorporated herein by this reference.

Section 2. Submittals. The City Clerk shall submit, within the proper time frames, all necessary copies of this Special Ordinance and any supporting documents required by the various state statutes to the appropriate State and county officials and departments.

Section 3. Effective Date of Annexation. The effective date of this annexation shall be complete from the date of filing the annexation records with the Oregon Secretary of State, as set forth in ORS 222.180.

Section 4. Effective Date of Ordinance. The effective date of this Special Ordinance shall be 30 days from its adoption, subject to any referendum being filed.

**PASSED AND ADOPTED THIS 24<sup>TH</sup> DAY OF JANUARY, 2021.**

Voting Yes, Councilor: \_\_\_\_\_

Voting No, Councilor: \_\_\_\_\_

Absent, Councilor: \_\_\_\_\_

Abstaining, Councilor: \_\_\_\_\_

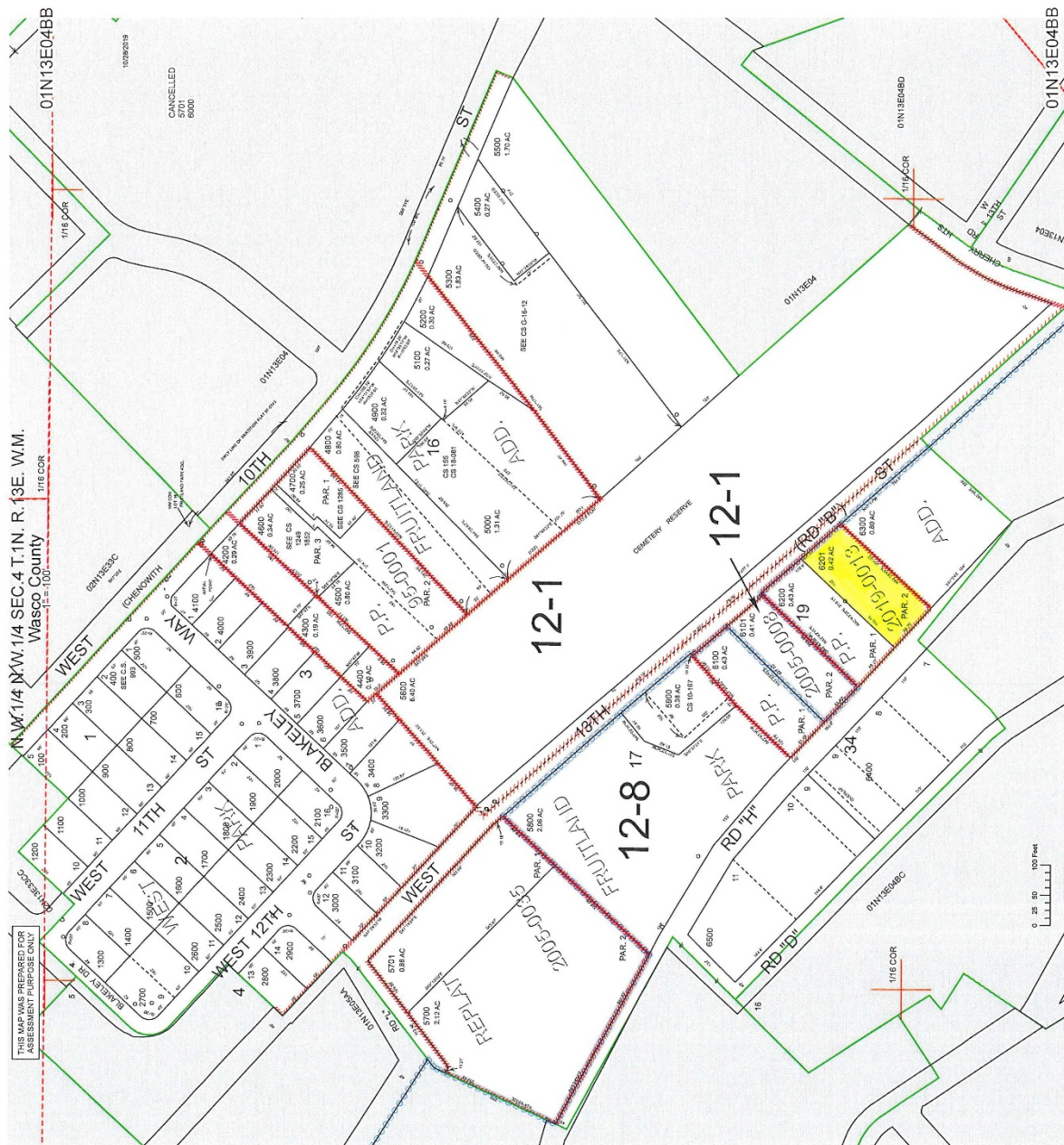
**AND APPROVED BY THE MAYOR THIS 24<sup>TH</sup> DAY OF JANUARY, 2022.**

\_\_\_\_\_  
Richard A. Mays, Mayor

Attest:

\_\_\_\_\_  
Izetta Grossman, CMC City Clerk

# EXHIBIT - A







## **AGENDA STAFF REPORT**

### **AGENDA LOCATION: Action Item #12 B**

**MEETING DATE:** January 24, 2022

**TO:** Honorable Mayor and City Council

**FROM:** Dawn Marie Hert, Senior Planner  
Community Development Department

**ISSUE:** Approval of Special Ordinance No. 22-592, amending Exhibit “A” and Exhibit “C” of Special Ordinance No. 21-587 to correct certain legal descriptions and maps.

**BACKGROUND** On April 26, 2021, the City Council conducted a public hearing and voted unanimously to approve annexation of several parcels, pursuant to ORS 222.120. Staff returned to Council for approval of Special Ordinance No. 21-587 on July 12, 2021 to officially memorialize the annexation. The City Clerk forwarded the approval to the Oregon Department of Revenue (DOR) for review and approval. Upon review, the DOR indicated the map and legal descriptions contained certain errors and needed correction. Staff submitted a revised version of Exhibit “A” and Exhibit “C” to the DOR and received approval on January 4, 2022. This new Special Ordinance No. 22-592 will replace the two revised and approved exhibits of Special Ordinance No. 21-587.

Notice of the proposed adoption of Special Ordinance No. 22-592 amending Exhibit “A” and Exhibit “B” annexing the properties has been posted in accordance with the relevant provisions of the City’s Charter, and the special ordinance may be adopted by title only.

**BUDGET IMPLICATIONS** Completion of the annexations will result in additional property taxes paid to the City for annexed private property. Due to the necessary revisions, the annexations are planned to be completed in time for the City to begin receiving its share of property taxes from the designated parcels effective November 2023, one year later than originally anticipated. Upon annexation, the City will begin receiving additional revenue from franchise utilities collected from the subject properties.

## **COUNCIL ALTERNATIVES**

1. **Staff Recommendation:** *Move to adopt Special Ordinance No. 22-592, amending Exhibit “A” and Exhibit “C” of Special Ordinance No. 21-587 to correct certain legal descriptions and map, by title only.*
2. Move to not adopt Special Ordinance 22-592.

## **ATTACHMENTS**

Attachment #1 – Special Ordinance No. 22-592 with:

Exhibit “A” – Revised maps of properties to be annexed.

Exhibit “C” – Legal descriptions of properties to be annexed.

## **SPECIAL ORDINANCE NO. 22-592**

### **A SPECIAL ORDINANCE AMENDING EXHIBIT “A” AND EXHIBIT “C” OF SPECIAL ORDINANCE NO. 21-587 TO CORRECT CERTAIN LEGAL DESCRIPTIONS AND MAP**

**WHEREAS**, on July 12, 2021, the City Council adopted Special Ordinance No. 21-587, annexing nine (9) parcels of real property identified as 1N 13E 4BB 6100 owned by Bruce and LaJuana Decker; 1N 13E 4BB 6200 owned by Lacy Lloyd; 1N 13E 1C 200 owned by Riverview Orchards, LLC; 1N 13E 1C 201 owned by Riverview Grove, LLC; 1N 13E 11AA 1400 owned by Debra Tipton; 1N 13E 11AA 1500 owned by Scott Gayer; 1N 13E 11AA 1501 owned by Andrew Frater; 1N 13E 11AA 1502 owned by Jerrod and Jessica Donnell; and 1N 13E 11AA 1503 owned by Robert & Nicole Hughes; in addition to all right-of-way adjacent to the properties located in the Urban Growth Boundary in accordance with the provisions of ORS 222.125;

**WHEREAS**, the Special Ordinance included an attached Exhibit “A” which included a map and Exhibit “C” which included legal descriptions for the nine (9) parcels;

**WHEREAS**, the information in the revised map and legal description for the nine (9) identified parcels was submitted for a preliminary review to the Oregon Department of Revenue, and the Oregon Department of Revenue issued a notice to the City on August 26, 2021, indicating the map and the legal descriptions contained certain errors and the errors needed to be corrected in order for the annexation to receive final approval from the State of Oregon;

**WHEREAS**, on December 10, 2021, staff submitted a revised version of Exhibit “A” and Exhibit “C” to the Oregon Department of Revenue to correct the indicated map and legal description errors, and the State of Oregon approved the revised versions of Exhibit “A” and Exhibit “C” on January 4, 2022; and

**WHEREAS**, the City Council desires to adopt an ordinance incorporating the revised version of Exhibit “A” and Exhibit “C” as part of the City’s annexation process.

### **NOW, THEREFORE, THE COUNCIL OF THE CITY OF THE DALLES ORDAINS AS FOLLOWS:**

Section 1. Ordinance Amended. Exhibit “A” and Exhibit “C” included in Special Ordinance No. 21-587 shall be amended as set forth in the revised Exhibit “A” and Exhibit “C”, respectively, attached hereto and incorporated herein by this reference.

Section 2. Submittals. The City Clerk shall submit, within the proper time frames, all necessary copies of this Special Ordinance and any supporting documents required by the various state statutes to the appropriate State and county officials and departments.

Section 3. Effective Date of Annexation. The effective date of these annexations shall be complete from the date of filing the annexation records with the Oregon Secretary of State, as set forth in ORS 222.180.

Section 4. Effective Date of Ordinance. The effective date of this Special Ordinance shall be 30 days from its adoption, subject to any referendum being filed.

**PASSED AND ADOPTED THIS 24<sup>TH</sup> DAY OF JANUARY, 2021.**

Voting Yes, Councilor: \_\_\_\_\_

Voting No, Councilor: \_\_\_\_\_

Absent, Councilor: \_\_\_\_\_

Abstaining, Councilor: \_\_\_\_\_

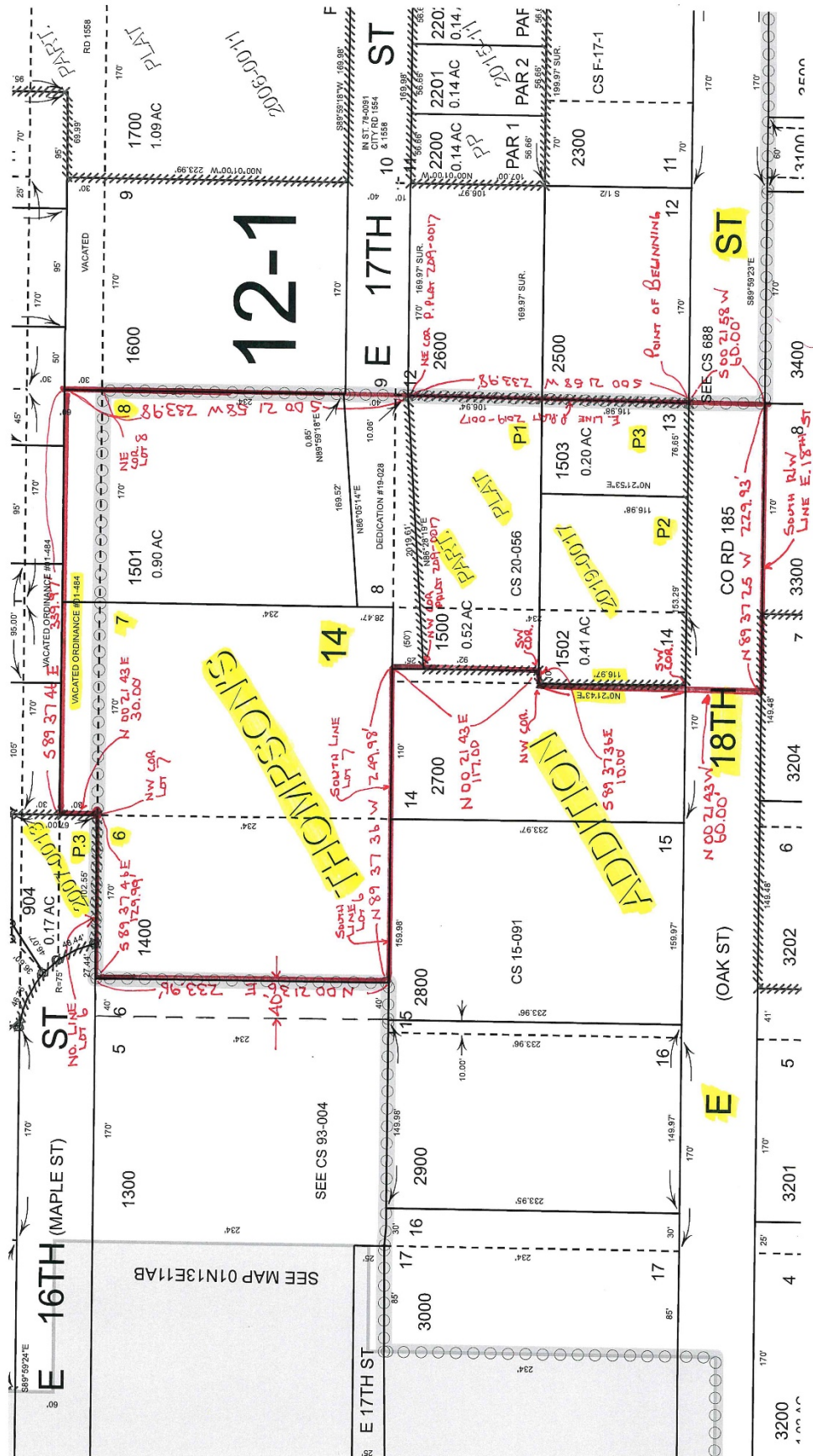
**AND APPROVED BY THE MAYOR THIS 24<sup>TH</sup> DAY OF JANUARY, 2022.**

\_\_\_\_\_  
Richard A. Mays, Mayor

Attest:

\_\_\_\_\_  
Izetta Grossman, CMC City Clerk





## EXHIBIT "C"

### 1. 1400 Block of West 13<sup>th</sup> Street 6100

1N 13E 4BB

LEGAL DESCRIPTION  
for  
Annexation Area  
(Tax Lot 01N-13E-04BB 6100)

A tract of land lying in Parcel 1 of Partition Plat 2005-0008 and in West 13th Street in the Northwest 1/4 of the Northwest 1/4 of Section 4, Township 1 North, Range 13 East, Willamette Meridian, Wasco County, Oregon, being more particularly described as follows:

Beginning at the Westmost corner of said Parcel 1; thence on the Northwesterly line of said Parcel 1, North 42°43'36" West 124.75 feet; thence North 47°49'00" East 110.66 feet to the Northmost corner of said Parcel 1 and intersection with the Southwesterly right-of-way line of said West 13th Street; thence on the Northeasterly extension of the Northwesterly line of said Parcel 1, North 47°49'00" East 45.01 feet to the intersection with the Northeasterly right-of-way line of said West 13th Street; thence on said Northeasterly right-of-way line, South 41°09'00" East 71.34 feet to a point being North 43°25'45" East from the Eastmost corner of said Parcel 1; thence leaving said Northeasterly right-of-way line, South 43°25'45" West 45.20 feet to the Eastmost corner of said Parcel 1; thence on the Southeasterly line of said Parcel 1, South 43°25'45" West 227.32 feet to the Southmost corner of said Parcel 1; thence on the Southwesterly line of said Parcel 1, North 47°03'31" West 81.40 feet to the point of beginning.

Contains 0.50 acre, more or less.

### 2. 1400 Block of West 13<sup>th</sup> Street 6200

1N 13E 4BB

LEGAL DESCRIPTION  
for  
Annexation Area  
(Tax Lot 01N-13E-04BB 6200)

A tract of land lying in Parcel 1 of Partition Plat 2019-0013 and in West 13th Street in the Northwest 1/4 of the Northwest 1/4 of Section 4, Township 1 North, Range 13 East, Willamette Meridian, Wasco County, Oregon, being more particularly described as follows:

Beginning at the Westmost corner of said Parcel 1; thence on the Northwesterly line of said Parcel 1, North 42°42'16" East 219.21 feet to the Northmost corner of said Parcel 1 and intersection with the Southwesterly right-of-way line of said West 13th Street; thence on the Northeasterly extension of said Westerly line, North 42°42'16" East 45.26 feet to the intersection with the Northeasterly right-of-way line of said West 13th Street; thence on said Northeasterly right-of-way line, South 41°09'00" East 88.59 feet to a point which bears North 42°40'30" East from the Eastmost corner of said Parcel 1; thence leaving said Northeasterly right-of-way line, South 42°40'30" West 45.26 feet to the Eastmost corner of said Parcel 1; thence on the Southeasterly line of said Parcel 1, South 42°40'30" West 210.10 feet to the Southmost corner of said Parcel 1; thence on the Southwesterly line of said Parcel 1, North 47°03'01" West 88.21 feet to the point of beginning.



Contains 0.53 acre, more or less.

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| <b>3. 2845 East 12<sup>th</sup> Street<br/>200</b>  | <b>1N 13E 1C</b> |
| <b>4. No site address, 2800 Block of East 10<sup>th</sup> &amp; 12<sup>th</sup> Streets<br/>201</b> | <b>1N 13E 1C</b> |

LEGAL DESCRIPTION  
for  
Annexation Area  
(Tax Lots 01N-13E-01C 200 and 201)

A tract of land lying in Parcels 1 and 2 of Partition Plat 2019-0018, East 12th Street, and Richmond Street in the Southwest 1/4 of Section 1, Township 1 North, Range 13 East, Willamette Meridian, Wasco County, Oregon, being more particularly described as follows:

Beginning at the Northwest corner of said Parcel 1; thence on the North line of said Parcel 1 and Easterly extension thereof, South 89°36'39" East 719.76 feet, more or less, to the intersection with the East right-of-way line of Richmond Street, also being the West line of Block 3, Cherry Park Addition; thence on said West line, South 00°18'47" West 233.57 feet, more or less, to the Southwest corner of said Block 3; thence on the South line of said Block 3, South 89°38'07" East 12.63 feet to the Northwest corner of Block "A", Sorenson's Addition; thence on the West line of said Block "A" and Southerly extension thereof, South 00°21'25" West 293.50 feet, more or less, to the intersection with the Easterly extension of the South line of East 12th Street in Thompson's Addition; thence on said extension and said South right-of-way line, North 89°38'09" West 734.11 feet, more or less, to a point which bears South 00°06'13" West from the Southwest corner of said Parcel 1; thence leaving said South right-of-way line, North 00°06'13" East 60.00 feet to the Southwest corner of said Parcel 1; thence on the West line of said Parcel 1, North 00°06'13" East 233.22 feet; thence North 00°22'08" East 234.22 feet to the point of beginning.

Contains 8.80 acres, more or less.

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| <b>5. No site address, 2500 Block of East 17<sup>th</sup> Street<br/>1400</b> | <b>1N 13E 11AA</b> |
| <b>6. No site address, 2500 Block of East 17<sup>th</sup> Street<br/>1500</b> | <b>1N 13E 11AA</b> |
| <b>7. No site address, 2500 Block of East 17<sup>th</sup> Street<br/>1501</b> | <b>1N 13E 11AA</b> |
| <b>8. No site address, 2500 Block of East 18<sup>th</sup> Street<br/>1502</b> | <b>1N 13E 11AA</b> |
| <b>9. 2549 East 18<sup>th</sup> Street<br/>1503</b>                           | <b>1N 13E 11AA</b> |

LEGAL DESCRIPTION  
for  
Annexation Area  
(Tax Lots 01N-13E-11A 1400, 1500, 1501, 1502, and 1503)



A tract of land lying in vacated 16th Street, Lots 6, 7, 8, 13, and 14 of Block 14, Thompson's Addition, and in East 18th Street in the Northeast 1/4 of Section 11, Township 1 North, Range 13 East, Willamette Meridian, Wasco County, Oregon, being more particularly described as follows:

Beginning at the Southeast corner of Parcel 3 of Partition Plat 2019-0017; thence on the Southerly extension of the East line of said Parcel 3, South 00°21'58" West 60.00 feet to the intersection with the South line of East 18th Street; thence on said South line, North 89°37'25" West 229.93 feet to a point that bears South 00°21'43" West from the Southwest corner of Parcel 2 of said Partition Plat 2019-0017; thence leaving said South line, North 00°21'43" East 60.00 feet to the Southwest corner of said Parcel 2; thence on the West line of said Parcel 2, North 00°21'43" East 116.97 feet to the Northwest corner of said Parcel 2; thence on the North line of said Parcel 2, South 89°37'36" East 10.00 feet to the Southwest corner of Parcel 1 of said Partition Plat 2019-0017; thence on the West line of said Parcel 1 and Northerly extension thereof, North 00°21'43" East 117.00 feet to the Northwest corner of said Partition Plat 2019-0017 and intersection with the South line of said Lot 7; thence on the South line of said Lot 7 and said Lot 6, North 89°37'36" West 249.98 feet to the intersection with the East line of the West 40.00 feet of said Lot 6; thence leaving said South line on the East line of said West 40.00 feet, North 00°21'36" East 233.96 feet to the intersection with the North line of said Lot 6; thence on the North line of said Lot 6, South 89°37'46" East 129.99 feet to the Northwest corner of said Lot 7, said point also being the Southeast corner of Parcel 3 of Partition Plat 2007-0013; thence leaving said North line on the East line of said Parcel 3, North 00°21'43" East 30.00 feet to the intersection with the centerline of East 16th Street, as vacated in Special Ordinance No. 01-484; thence on said vacated centerline, South 89°37'46" East 339.97 feet to a point that bears North 00°21'58" East from the Northeast corner of said Lot 8; thence South 00°21'58" West 30.00 feet to the Northeast corner of said Lot 8; thence on the East line of said Lot 8, South 00°21'58" West 233.98 feet to the Northeast corner of said Partition Plat 2019-0017; thence on the East line of said Partition Plat 2019-0017, South 00°21'58" West 233.98 feet to the point of beginning.

Contains 4.28 acres, more or less.