

| CITY OF THE DALLES
THE DALLES, OREGON
ANNUAL COMPREHENSIVE
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2024



City of
The Dalles
OREGON

Annual Comprehensive Financial Report

**Fiscal Year Ended
June 30, 2024**

As prepared by:
**The City of The Dalles
Finance Department**



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CITY OF THE DALLES

YEAR ENDED JUNE 30, 2024

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City of
The Dalles
OREGON

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| INTRODUCTORY SECTION



CITY of THE DALLES

313 COURT STREET
THE DALLES, OREGON 97058

(541) 296-5481

December 4, 2024

City Council and the Citizens
City of The Dalles
The Dalles, Oregon 97058

The Annual Comprehensive Financial Report (ACFR) of the City of The Dalles, Oregon, for the year ended June 30, 2024, is submitted herewith. This report presents a comprehensive and detailed picture of The Dalles' financial transactions during fiscal year 2023-2024 and the financial condition of the various funds at June 30, 2024. 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, 2024, 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 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 has historically been an economic hub of the Pacific Northwest, linking major transportation routes between Eastern and Southern Oregon and Washington State via waterway, interstate, rail, and aviation. 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 Councilors. The City operates under a council-manager form of government.

The City has ten departments: Administration, Finance, Legal, Police, Community Development, Human Resources, IT Library, Columbia Gorge Regional Airport, 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 economic development, aviation in partnership with Klickitat County in Washington State, water treatment and distribution, wastewater collection, transportation systems, and stormwater management. Fire services are provided by the Mid-Columbia Fire & Rescue District, park services are provided by Northern Wasco County Parks and Recreation, and building services and inspections are provided by Wasco County.

GENERAL ECONOMIC CONDITIONS

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, which has recently been acquired and is now Adventist Health Columbia Gorge, remains the area's largest employer with approximately 900 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 Dalles is the site of a 151 bed Veterans' long-term nursing and care home and currently provides 167 jobs and has 96 residents. The Oregon Department of Veteran Affairs has 9,300 square foot community center and outpatient clinic next to the Veterans' home. The Wasco County Courthouse and offices are located in the City as are various other 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. In the past decade or so, a 138,000 square foot regional Home Depot, Walgreen's and both the local Safeway and Fred Meyer stores completed multi-million dollar renovations. 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 several businesses and a sushi restaurant. 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 (which has been replaced by a U-Haul center). This significantly reduces the options for clothing type items for local residents.

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 popular site for many community festivities and events. Historic Downtown The Dalles is home to several wineries and a brewery, is home of the new National Neon Sign Museum and Jantzen Beach Carousel, has new restaurants and retail shops, murals, St. Peters Landmark and other historical buildings all of which draw visitors to the community. Notably, in the past year a new grocery store, The Farmstand, opened in the old Chronicle Newspaper building and will likely include a new restaurant as well.

Industrial/Commercial Land

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 an extremely limited supply of developable land. Nearly all of the remaining parcels available for development are only a few acres in size and there are no readily available parcels for larger scale development. This limited supply restricts the size of businesses that can be recruited to the area. Small construction projects and reinvestment into existing businesses continue to occur in the industrial area helping to foster a diverse industrial and commercial business sector. An EPA supported Brownfield program has made available \$600,000 to address properties that may have environmental contamination and are being used to support redevelopment. This varied mix of traded sector businesses has helped The Dalles weather several economic downturns, including COVID-19 in which the industrial area businesses were largely unaffected except for qualified labor challenges.

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 two active Enterprise Zone agreements and has completed 4 main data center facilities with substantial supporting infrastructure. A prior Enterprise Zone agreement signed in 2005 has expired and the abated taxes added back to the tax rolls resulting in additional tax revenue for *all* tax districts in the City.

A new Strategic Investment Program (SIP) agreement has also been finalized for the construction of up to 2 additional large data center facilities on the former aluminum plant site. Similar to the Enterprise Zone program, the SIP program is different in several key ways. Most notably, the SIP agreement does levy taxes on a certain amount of the developments value, has a community service fee that will be distributed to taxing districts that levy taxes at the development site, along with an Initial Fee and Guaranteed Annual payment. This agreement also requires Google to transfer 35 acres of land, primarily the former Rodeo Grounds and The Dalles landfill to Wasco County. The first datacenter under this agreement has received a Certificate of Occupancy and construction is rapidly progressing on a second datacenter.

EDUCATION

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 system. 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 in the fall term of 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. CGCC has also partnered with the City and Klickitat County through its airport in the development of an aviation maintenance technician program. This program is hoped to be housed in a newly built hangar constructed utilizing U.S. Economic Development Administration (EDA) funds and will also extend utilities to several other airport business park lots. The community recently passed a new bond for CGCC, replacing an expiring one, and will fund improvements at both The Dalles and Hood River Campuses. The most recent attempt to pass a bond to fund a new high school failed and school facilities remain a critical priority for the community.

HEALTHCARE

Mid-Columbia Medical Center (MCMC) was recently acquired by the Adventist Health system and is now Adventist Health Columbia Gorge (AHCG), and remains 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, which once saved the region's population from traveling to Portland to receive those services and provides a multi-state option in the Northwest, closed many of their services early in 2023. A wellness center called Waters Edge 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 remains operational along with the region's first immediate care center, bringing a much-needed service to the local community. 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.

Like many other communities in Oregon, affordable/attainable housing is an increasing challenge along with a substantial rise in houselessness, addiction and mental health challenges. Mid-Columbia Community Action Council (MCCAC) is a key City partner in addressing housing concerns and with City support has completed construction of a Navigation Center named, "The Gloria Center" to improve service provision and coordination. MCCAC was also awarded several million dollars under Project Turnkey 2.0 which it used to purchase and renovate the Oregon Motor Hotel into a transitional housing facility. This motel had substantial deferred maintenance and was already frequently used for transitional services via motel vouchers. MCCAC will now directly operate this facility and will have staff on-site 24 hours a day. This new facility has proven successful in supporting individuals transitioning into permanent housing. The City also relies on the services offered by Mid-Columbia Center for Living (CFL) which provides behavioral and mental health services to the region. CFL faces significant funding and staffing challenges and recently went through a substantial administrative transition with the support of Wasco County.

MAJOR INITIATIVES

The City constructed the Columbia River Marine Terminal in 2010, adjacent to the downtown area, as part of an effort to reconnect the downtown core to the riverfront. The City entered into a lease agreement with American Cruise Lines (ACL) to operate the dock for an annual fee of \$65,000. These funds will be critical to address ongoing maintenance and upgrades to the dock facility. Under this lease, ACL will be permitted first dock scheduling rights and will manage all other dockings within certain lease requirements that manage dock fees, dock availabilities, amongst other provisions. While docked in The Dalles, passengers are able to book visits to various attractions, such as the Discovery Center, National Neon Sign Museum, Fort Dalles Museum, or they can walk two blocks past the Festival Park to stroll through the downtown area.

The Columbia Gorge Regional Airport completed a “flex space” hangar several years ago 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 airport was also recently awarded several Critical Oregon Airport Relief grants for airport fuel system upgrades, generators, as well as a roughly 3 million dollar FAA grant for critical airport apron and tarmac improvements. A project funded by the US EDA is progressing to stub in utilities to several lots in the business park with the CGCC as an anchor tenant for an aviation maintenance training program.

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 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 has moved forward with the demolition of the Tony’s Town and Country Department Store which involved the abatement of hazardous materials. The intent of the demolition is to create a site ready development parcel that the Agency may offer for sale to private developer who will redevelop it for a future housing and retail building in this prime downtown location. City staff has completed several required environmental assessment tasks in late 2021 and 2022 through an Environmental Protection Agency (EPA) grant program. The last step is asbestos removal and building demolition. The Agency has completed demolition of the building and has issued a Request for Expression of Interest (RFEI) to solicit proposals for the site.

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 two new storefronts occupied and open for business. The third storefront is still under development as a unique outdoor music and venue space.

The 1929 Granada Theater Building, located on the same block as the Recreation building, 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 in summer 2022 and continued it in 2023 summer in nearby Lewis and Clark Park.

The Agency also completed demolition of the “Soda Works” building on the East end of the downtown. This project also utilized the City’s Brownfield program. This building had been essentially abandoned for many years and it is hoped that the private property owner will revitalized the site following Agency assistance with demolition.

The Agency and City also terminated an agreement with ODOT and returned unused Federal grant funds for the First Street/Riverfront Connection Project after assessing that the Agency could

complete the project more quickly and at lower cost without the additional administrative oversight and timelines associated with the grant dollars. 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 URA recommended an increase to the Agency Maximum Indebtedness to the City Council which is expected to pass and will allow this project to move forward for bid and construction in 2025.

ECONOMIC CLIMATE AND FUTURE

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.

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. During the past years, revenues from water and sewer rates were determined to be adequate to maintain operations and fund reserves without implementing previously scheduled rate increases. However, a recently completed water master plan update has indicated and recommended that the City begin annual water rate increases starting in 2025. The City will also begin a Wastewater Master Plan updated in 2025 with a likely similar recommendation. 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, and 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.

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.

CITY PLANNING

Water Master Plan

A Water Master Plan update was completed in 2006 and is undergoing a major update this year. A \$7.9 million water revenue bond was issued in 2007. Bond funds were used to construct a new clearwell and upgrade filters at the Wicks Water Treatment Plant, design a new reservoir, and enhance the Lone Pine Well. 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 were planned to be issued in fiscal years 2016-2017 were 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 was

mostly completed and work began on its construction; construction is scheduled to be completed in 2024-25. A total of \$9,030,000 has been secured in grants and low-interest loans to supplement City water utility rate revenues and SDCs to fund the project. In 2022-23, a SCADA System Upgrade Phase 1 project and repairs to the Sorosis Reservoir roof are budgeted, and funds are being accumulated for a future project to 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 completed in 2021-22, and an annual ADA Sidewalk Ramp Upgrade project was completed. In 2021-22 the Scenic Drive Stabilization Phase III was initiated. Projects were also completed which focused on improving surfaces and integrity of streets. In 2022-23, funds are budgeted for an annual ADA Sidewalk Ramp Upgrade project, a 50/50 cost share Sidewalk Maintenance Program, and the West 6th Street Improvements project.

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. In 2022-23, a project is planned to construct a new storm water collection system in East 12th Street using American Rescue Plan Act (ARPA) funds in support of a new sidewalk construction project.

Columbia Gateway Urban Renewal Agency

The Columbia Gateway Urban Renewal Agency, a component unit of the City of The Dalles, operated throughout the 2023-2024 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 established the expiration of the district as the projected year of the district's maximum indebtedness, now estimated to be 2029. The Agency did levy and collect tax increment proceeds during FY 23/24.

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. The City has recently begun a process to update the HNA as well as align with Governor Kotek's objectives to increase housing production due to the housing crisis. This process is nearing completion with a detailed report on recommended strategies and actions to undertake over the next decade. An update to the Buildable Land Inventory as industrial land, in particular the Google sites, is being developed.

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 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, 2024. Appropriations lapse at year-end.

The City has established a procurement policy for the purchases of goods and services. Any items over \$5,000 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 \$25,000 require the approval of the City Manager and those greater than \$100,000 require City Council approval.

The City Council has 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.

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 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 annual comprehensive financial report for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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,



Matthew Klebes
City Manager



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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

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graph TD
    Voters[VOTERS] --- Mayor[Mayor & City Council]
    Mayor --- CityManager[City Manager]
    Mayor --- CityAttorney[City Attorney]
    CityManager --- Airport[Airport]
    CityManager --- IT[Information Technology (IT)]
    CityManager --- CityClerk[City Clerk]
    CityManager --- Library[Library]
    CityManager --- PublicWorks[Public Works]
    CityManager --- HR[Human Resources]
    CityManager --- Police[Police Dept]
    CityManager --- Finance[Finance]
    CityManager --- Planning[Planning]
    CityManager --- MunicipalJudge[Municipal Judge]
    CityManager --- Legal[Legal]
    IT --- ITSpecialist[IT Specialist]
    ITSpecialist --- ITHelpDesk[IT Help Desk]
    CityClerk --- WasteWater[Waste Water]
    CityClerk --- Water[Water]
    CityClerk --- Engineering[Engineering]
    CityClerk --- DevelopmentInspector[Development Inspector]
    Library --- TransportationDiv[Transportation Div]
    Library --- Streets[Streets]
    Library --- FleetManagement[Fleet Management]
    PublicWorks --- WaterTreatment[Water Treatment]
    PublicWorks --- SafetyOfficer[Safety Officer]
    HR --- AnimalControl[Animal Control]
    HR --- CodesEnforcement[Codes Enforcement]
    Police --- FinancialAccounting[Financial Accounting]
    Police --- UtilityBilling[Utility Billing]
    Police --- Court[Court]
    Finance --- HistoricLandmarks[Historic Landmarks]
    Finance --- EconomicDevelopment[Economic Development]
    Finance --- UrbanRenewal[Urban Renewal]
    Finance --- GeneralServices[General Services]
  
```

The organizational chart for the City of San Diego is structured as follows:

- VOTERS**
 - Mayor & City Council**
 - City Manager**
 - Airport**
 - Information Technology (IT)**
 - IT Specialist**
 - IT Help Desk**
 - City Clerk**
 - Waste Water**
 - Water**
 - Engineering**
 - Development Inspector**
 - Library**
 - Transportation Div**
 - Streets**
 - Fleet Management**
 - Public Works**
 - Water Treatment**
 - Safety Officer**
 - Human Resources**
 - Animal Control**
 - Codes Enforcement**
 - Police Dept**
 - Financial Accounting**
 - Utility Billing**
 - Court**
 - Finance**
 - Historic Landmarks**
 - Economic Development**
 - Urban Renewal**
 - General Services**
 - Planning**
 - Municipal Judge**
 - Legal**

**CITY OF THE DALLES
OFFICIALS OF THE CITY
AS OF JUNE 30, 2024**

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	2026
Darcy Long 2409 Mount Hood St. The Dalles, OR 97058	2024
Tim McGlothlin 328 W 21 st The Dalles, OR 97058	2026
Scott Randall 721 E 18 th The Dalles, OR 97058	2026
Dan Richardson 3515 Crest Court The Dalles, OR 97058	2024
Rod Runyon 2019 W Scenic The Dalles, OR 97058	2024

City Administration

Matthew Klebes, City Manager – Budget Officer
Izetta Grossman, City Clerk
Angie Wilson, Finance Director

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| FINANCIAL SECTION

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| INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying 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, 2024, 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.

Other Matter – Reissuance of Financial Statements

Subsequent to the date of our originally issued audit report dated December 4, 2024, it was identified that federal grant awards from the Federal Aviation Administration to the City's joint venture investment, Columbia Gorge Regional Airport (Airport), should be accounted for within the City, to whom the federal single audit requirement should apply. The effect of this change resulted in an increase in intergovernmental revenues and capital outlays within the Capital Projects Fund of \$3,102,827 on the Statement of Revenues, Expenditures and Changes in Fund Balance, and capitalization and contribution of the associated improvements to the Airport of the same amounts on the Statement of Activities. There was no impact to ending fund balance of governmental funds or ending net position of governmental activities following this change.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards*, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, general fund and major special revenue fund budgetary comparison information, and certain other post-employment benefit schedules as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 management's discussion and analysis and analysis and certain other postemployment benefit schedules 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.

The general fund and major special revenue funds budgetary comparison information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 general fund and major special revenue funds budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Supplementary 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 other supplementary information as listed 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* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such 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. The 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 as listed in the Table of Contents 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.

Other Information Included in the Annual Comprehensive Financial Report

Management is responsible for the other information included in the Annual Comprehensive Financial Report (ACFR). The other information comprises the Introductory Section and Statistical Section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 3, 2025 on our consideration of the City'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 solely 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 the effectiveness of the City's 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 City's internal control over financial reporting and compliance.

Other Reporting Required by *Oregon State Regulations*

In accordance with *Oregon State Regulations*, we have also issued our report dated April 3, 2025 on our consideration of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.

A handwritten signature in black ink, appearing to read "Jeny Grupe". The signature is fluid and cursive, with the first name "Jeny" and last name "Grupe" clearly distinguishable.

Jeny Grupe, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
April 3, 2025



| MANAGEMENT'S DISCUSSION AND ANALYSIS

**CITY OF THE DALLES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2024**

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. Changes discussed below exclude the impact of restatements of net position and fund balance which are outlined in Note 1 to the financial statements. Additionally, changes discussed below are from restated net position and fund balance figures. Prior year balances have not been adjusted to reflect the effect of restatements.

HIGHLIGHTS

- The City's assets exceeded its liabilities and deferred inflows of resources at June 30, 2024 by \$149,619,166 (net position). Of this amount \$88,647,049, was invested in capital assets (net of related debt). \$10,626,638 was restricted for specific purposes, resulting in unrestricted net position of \$50,345,479. The unrestricted net position is made up of unrestricted governmental net position of \$35,278,086 and unrestricted business-type net position of \$15,067,393.
- The City's net position increased by \$15,257,255 (11.4%), a greater amount than the prior year due primarily to a increase in capital grants and contributions and charges for services.
- At the close of the current fiscal year, the City's Governmental Funds reported a combined ending fund balance of \$31,579,317, an increase of \$5,684,247 from the prior fiscal year. Of this amount, \$10,001,049 is available for spending at the City's discretion and is reported as unassigned fund balance.
- The City's Enterprise Funds experienced an increase in net position of \$6,802,908, a greater amount than the prior year due primarily to an increase in system development charge revenue. The City prepares a budget for all enterprise funds annually.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's annual comprehensive 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 presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, police, street maintenance and improvement, community planning and governance. The business-type activities of the City include Water and Wastewater utilities.

CITY OF THE DALLES
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024

Fund financial statements focus separately on major governmental funds and proprietary funds. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Statements for the City's governmental funds follow the more traditional presentation of financial statements and focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Nonmajor Governmental 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. Proprietary funds follow the same accrual basis of accounting as used in the government-wide financial statements, only in more detail.

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.

Required Supplemental Information (RSI). The RSI section includes budget to actual schedules for the General Fund and major special revenue funds including the Street Fund, Special Grants Fund, Library Fund and Special Enterprise Zone Fund as well as certain schedules relating to the City's other post-employment benefits (OPEB) plan.

Other 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 including special revenue, debt service and capital projects 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, as reported in the basic financial statements.
- Budgetary Comparisons. Budgetary information for all funds, except General Fund, Street Fund, Special Grants Fund, Library Fund and Special Enterprise Zone Fund, which are presented within the Basic Financial Statements, are presented here.
- Other Financial Schedules complete the Financial Section of this report which include combining schedules for All Water Funds and All Wastewater Funds as well as budget to actual schedules for all proprietary funds including the 2018 Utility Bond Fund with legally adopted budgets.

FINANCIAL SUMMARY AND ANALYSIS

As mentioned earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities and deferred inflows of resources by \$149,619,166, and increased from June 30, 2023 by \$15,257,255. 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.

CITY OF THE DALLES
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024

Summary statements of net position for the years ended June 30, 2024 and 2023 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 50,585,760	\$ 42,855,111	\$ 16,588,907	\$ 14,776,961	\$ 67,174,667	\$ 57,632,072
Capital Assets, Net	35,746,111	36,435,905	74,099,615	67,144,951	109,845,726	103,580,856
Total Assets	86,331,871	79,291,016	90,688,522	81,921,912	177,020,393	161,212,928
Long-term Liabilities	5,592,033	4,238,483	15,897,210	13,283,068	21,489,243	17,521,551
Other Liabilities	3,725,552	6,447,539	1,120,233	1,769,214	4,845,785	8,216,753
Total Liabilities	9,317,585	10,686,022	17,017,443	15,052,282	26,335,028	25,738,304
Deferred Inflows of Resources	773,130	818,185	293,069	294,528	1,066,199	1,112,713
Net Position						
Net Investment in						
Capital Assets	30,336,432	30,243,503	58,310,617	60,407,312	88,647,049	90,650,815
Restricted	10,626,638	9,779,961	-	-	10,626,638	9,779,961
Unrestricted	35,278,086	27,763,345	15,067,393	6,167,790	50,345,479	33,931,135
Total Net Position	\$ 76,241,156	\$ 67,786,809	\$ 73,378,010	\$ 66,575,102	\$ 149,619,166	\$ 134,361,911

The governmental activities revenue comes primarily from property taxes, franchise fees, charges for services, and various grants and contributions. Between FY22/23 and FY23/24, the City's Taxable Assessed Value (TAV) increased by 3.3%. When compared to the prior year, City property taxes collected increased by 16.2%. When compared to the prior year, Urban Renewal District property taxes collected decreased by 0.3%.

Our natural gas franchise fees decreased 5.5% over the prior year. This is primarily due to decreases in natural gas prices during the year. The electric franchise fees increased 23.20%, while CATV/internet franchise fees decreased 14.71%, and the garbage franchise fees decreased 11.64%. The Street Fund realized a 2.59% increase in the local 3 cent per gallon gas tax. Transient Room Taxes collected increased 0.86% compared to the prior year. Total City charges for services revenue showed a 41.4% increase.

During the year ending June 30, 2024, 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 \$1,090,808 in ARPA Economic Recovery Funds.

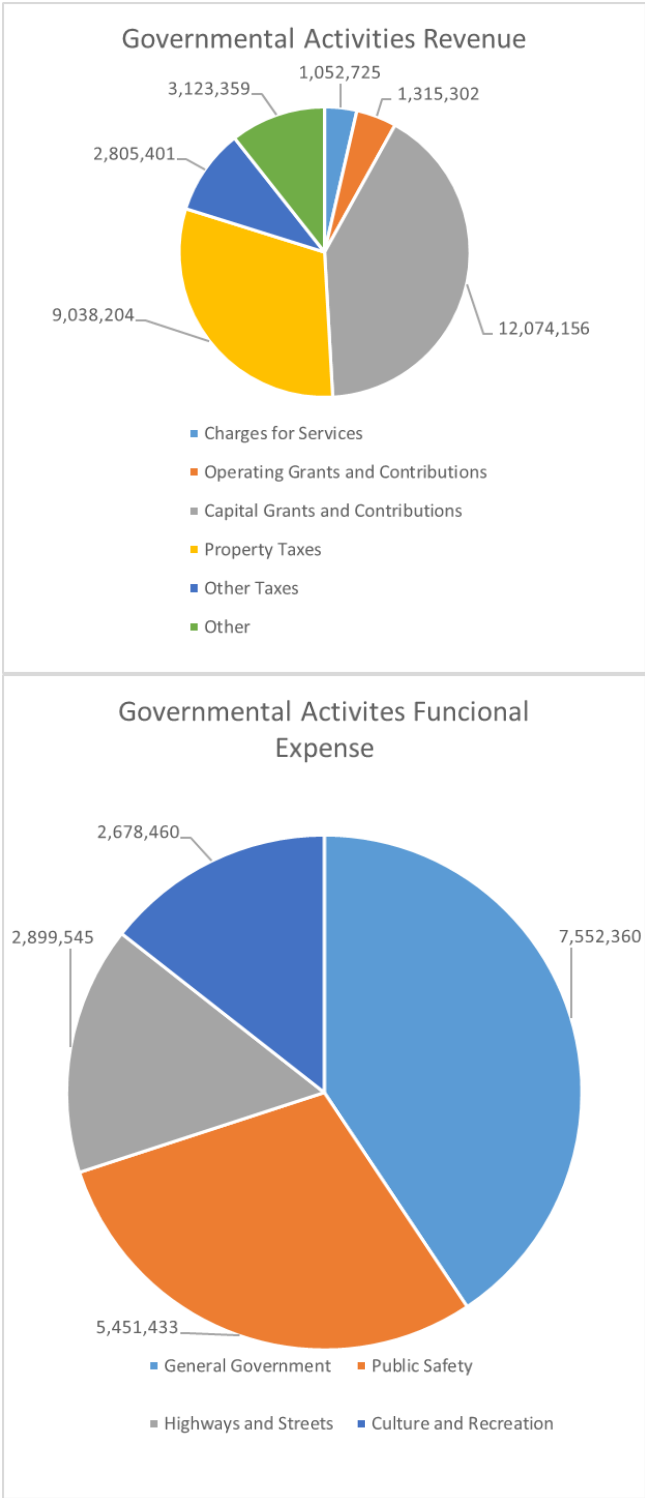
The City's governmental expenses cover a wide variety of services, with general government, public safety and streets accounting for most of these expenses. The 9.6% increase in governmental expenses was primarily due to increase in personnel services.

The Business Type activities revenues come mostly from charges for services and various grants for capital outlay expenses for several projects, including the West 2nd Street Sanitary and Storm Water project, the Sorosis Reservoir roof repair project, and the ongoing Dog River Pipeline Project. No water or wastewater rate increases were implemented during the year.

CITY OF THE DALLES
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024

Business type activities expenses increased 9.57%, primarily due to increases in material and services and personnel service in the Wastewater Funds.

Property taxes are the City’s primary on-going source of revenue and comprise 30.73% of the City’s governmental revenue. Property taxes are derived from the permanent tax rate and taxes levied for the repayment of bonded indebtedness.



CITY OF THE DALLES
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024

For the fiscal year ending June 30, 2024, net position of the Governmental activities increased by \$8,454,347, which represents a 12.5% increase. Net position of the Business-type activities increased by \$6,802,908, which represents a 10.2% increase. Key elements of these changes, when compared to the year ending June 30, 2023 are as follows:

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
REVENUES						
Program Revenues						
Charges for Services	\$ 1,052,725	\$ 944,126	\$ 17,537,521	\$ 12,436,765	\$ 18,590,246	\$ 13,380,891
Operating Grants and Contributions	1,315,302	1,345,197	-	-	1,315,302	1,345,197
Capital Grants and Contributions	12,074,156	5,226,194	45,833	233,780	12,119,989	5,459,974
General Revenues						
Property Taxes	9,038,204	7,781,178	-	-	9,038,204	7,781,178
Other Taxes	2,805,401	2,805,489	-	-	2,805,401	2,805,489
Other	3,123,359	1,034,605	740,508	516,919	3,863,867	1,551,524
Total Revenues	29,409,147	19,136,789	18,323,862	13,187,464	47,733,009	32,324,253
EXPENSES						
General Government	7,552,360	6,471,736	-	-	7,552,360	6,471,736
Public Safety	5,451,433	5,444,623	-	-	5,451,433	5,444,623
Highways and Streets	2,899,545	2,630,885	-	-	2,899,545	2,630,885
Culture and Recreation	2,678,460	2,462,928	-	-	2,678,460	2,462,928
Interest on Long-Term Debt	207,201	119,572	-	-	207,201	119,572
Water	-	-	5,259,612	4,510,105	5,259,612	4,510,105
Sewer	-	-	4,692,278	4,541,607	4,692,278	4,541,607
2018 Utility Bond	-	-	168,739	184,599	168,739	184,599
Total Expenses	18,788,999	17,129,744	10,120,629	9,236,311	28,909,628	26,366,055
Change in Net Position Before Transfers	10,620,148	2,007,045	8,203,233	3,951,153	18,823,381	5,958,198
Transfers	1,400,325	1,742,002	(1,400,325)	(1,742,002)	-	-
SPECIAL ITEMS						
Special item - Impairment loss (see Note 10)	(463,299)	-	-	-	(463,299)	-
Special item - Contributions made (see Note 9)	(3,102,827)	-	-	-	(3,102,827)	-
Change in Net Position	8,454,347	3,749,047	6,802,908	2,209,151	15,257,255	5,958,198
Net Position, July 1	67,786,809	64,037,762	66,575,102	64,365,951	134,361,911	128,403,713
Net Position, June 30	\$ 76,241,156	\$ 67,786,809	\$ 73,378,010	\$ 66,575,102	\$ 149,619,166	\$ 134,361,911

GOVERNMENTAL ACTIVITIES

A significant portion of the increase in net position from the prior year is primarily due to the City's increase in grant revenues in the current year. Of the capital grants and contribution revenue, \$3,102,827 represents funding from a Federal Aviation Administration (FAA) Airport Improvement Program (AIP) grant. This revenue was recognized and spent by the Capital Projects fund of the City for construction at the Columbia Gorge Regional Airport, a joint venture investment of the City and Klickitat County, Washington, who are the FAA sponsors.

BUSINESS-TYPE ACTIVITIES

A significant portion of the increase in net position of business-type activities over the prior year is primarily due to the City's increase in grant revenues in the current year.

**CITY OF THE DALLES
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2024, the City's governmental funds reported a combined fund balance of \$31,579,317, which is an increase of \$5,684,247 from June 30, 2023.

The General Fund is the primary operating fund of the City. 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, 2024, the combined General Fund balance was \$10,019,501 which is an increase of \$619,742 from June 30, 2023. This increase is due primarily due to an increase of \$539,937 in revenues from the prior year because of increases in fees from an intergovernmental agreement with Wasco County.

The Street Fund balance as of June 30, 2024 was \$1,549,366, which is an decrease of \$156,169 from June 30, 2023. This decrease is due primarily to due transfers in (net of transfers out) decreasing by \$240,459 from the prior year.

The Special Grants Fund balance as of June 30, 2024 was \$3,356,200, which is an increase of \$62,822 from June 30, 2023. The increase is due primarily due to an increase in grant revenue of \$1,094,244 from the prior year, while highways and streets expenditures increased by \$446,470 from the prior year. The Special Grants Fund also had a transfer out of \$100,000, while there were no transfers out were made in the prior year.

The Capital Projects Fund balance as of June 30, 2024 was \$2,831,021, which is an increase of \$2,395,263 from June 30, 2023. This increase is primarily due to an increase in intergovernmental revenues of \$3,102,827 and transfers in of \$2,393,427 from the prior year, while expenditures for capital outlay increased by \$3,584,199 from the prior year. The increases in intergovernmental revenues and capital outlay were associated with an FAA AIP grant previously mentioned and had no impact on ending fund balance.

The Special Enterprise Zone Fund balance as of June 30, 2024 was \$3,941,632, which is an increase of \$1,811,015 from June 30, 2023. The increase is due primarily to an increase in abatements received from Wasco County of \$1,500,000 from the prior year.

The proprietary funds net position amounted to \$73,378,010 as of June 30, 2024, reflecting a \$6,802,908 increase from net position as of June 30, 2023. Increase is primarily due to an increase in system development charge revenue of \$5,021,210 from the prior year. This increase was the result of a major new commercial customer being added to the system for the Wastewater Funds.

The combined Water Funds net position as of June 30, 2024 was \$31,876,248, which is an increase of \$204,250 over June 30, 2023. This increase is primarily due to accumulating funds in the Water Capital Reserve to implement the capital improvement plan, including the Dog River Pipeline Replacement Project.

The combined Wastewater Funds net position as of June 30, 2024 was \$47,257,840, which is an increase of \$5,959,949 from June 30, 2023. This increase is primarily due to accumulating funds for the construction-in-progress projects to include the West 2nd Street Sanitary and Storm Water project for the noted new commercial customer added.

The 2018 Utility Bond Fund net position as of June 30, 2024 was (\$5,756,078) which is an increase of \$638,709 from June 30, 2024. This increase is primarily due to transfers exceeding debt service expenses as reported on the Statement of Activities.

CITY OF THE DALLES
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024

BUDGETARY HIGHLIGHTS

The original legal appropriations for fiscal year 2023-2024 for the General Fund – Budgetary Basis totaled \$12,684,664 with contingency of \$1,062,247. The Unappropriated Ending Balance, which is not included in the legal appropriations, was \$2,480,813. Expenditures for the General Fund were \$2,308,175 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

As of June 30, 2024, the City had invested \$109,845,726 in capital assets of its governmental and business-type activities. This investment includes leases, land and land improvements, buildings, equipment, and public infrastructure of roads and bridges. The investment in governmental activities capital assets increased by \$284,459 and business-type activities capital assets increased by \$6,954,664, significant additions during the year ending June 30, 2024 were related to the ongoing West 2nd Street Sanitary and Storm Water project, the Sorosis Reservoir roof repair project, and the ongoing Dog River Pipeline Project.

Additional information on the City's capital assets may be found in Note 9 of the financial statements.

DEBT ADMINISTRATION

The total governmental long-term debt outstanding at June 30, 2024 was \$5,311,974. Business-type activities long-term debt outstanding was \$15,788,998. During the year the City added direct borrowings of \$3,574,090. A summary of the City's long-term debt outstanding is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Full faith and credit obligations	\$ 5,226,250	\$ 5,995,670	\$ 173,750	\$ 204,330	\$ 5,400,000	\$ 6,200,000
Revenue bonds	-	-	5,748,064	6,385,032	5,748,064	6,385,032
Premium on bonds	85,724	117,870	3,105	5,993	88,829	123,863
Loans payable	-	-	9,864,079	6,527,315	9,864,079	6,527,315
Total long-term debt	<u>\$ 5,311,974</u>	<u>\$ 6,113,540</u>	<u>\$ 15,788,998</u>	<u>\$ 13,122,670</u>	<u>\$ 21,100,972</u>	<u>\$ 19,236,210</u>

Although the City is fully liable for the Airport taxable LOCAP bond which represents \$1,305,000 of governmental activities full faith and credit obligations outstanding for 2024 (\$1,395,000 in 2023), 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.

CITY OF THE DALLES
MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024

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, 2024 includes the following:

Airport Klickitat County CERB Loan	<u>\$ 275,000</u>
TOTAL	<u><u>\$ 275,000</u></u>

Compensated absences totaled \$719,365 as of June 30, 2024. Governmental accruals totaled \$473,629 but are not recorded as a liability in the Governmental Funds. Business-type compensated absences accrual totaling \$245,736 are recorded as current period liabilities as of June 30, 2024. The liability for other postemployment benefits totaled \$290,566. The breakdown was \$182,354 for governmental activities and \$108,212 for business-type activities in accordance with the City’s policy to allocate balances based on payroll costs by fund.

Additional information on the City’s long-term debt may be found in Note 12 of the financial statements.

ECONOMIC FACTORS

Each year, the City of The Dalles has a variety of projects and partnership that are being explored, developed and executed, in order to tackle community challenges and embrace opportunities that will foster economic growth, sustainability, and resiliency.

To begin, investments in Public Works infrastructure are the foundation of any community and need to be prioritized to ensure the supply of basic necessities such as water and resulting waste water management. To that end, the City advanced work on the Dog River Pipeline replacement project to 95% completion. This project has replaced a 3.5 mile segment of water line that is 110 years old and carries nearly 54% of the City’s water supply. This pipeline is made of wood and at peak flow would leak nearly 1 million gallons a day. An Aquifer Storage and Recovery (ASR) system feasibility study has been completed and the first ASR well is under construction by a private industry. The City is also moving forward with an update to the City’s Water System Master Plan which will incorporate new infrastructure being developed in coordination with industrial and commercial users as well as address potential impacts from climate change. Concurrently, the City is also updating its state-required Water Management and Conservation Plan and developing a Watershed Stewardship Plan to guide management of forest resources in its municipal watershed which supplies about 80% of the City’s annual water supply. A project to upgrade and upsize sanitary sewer mains and install stormwater collection systems in West 2nd Street was completed. Public Works investment also include repairs and improvements to our reservoirs as well as continuing to execute an ADA ramp transition plan and maintaining the Pavement Management Index of City streets. Monies are also being saved in reserve funds for future Transportation, Water and Sewer projects.

The Urban Renewal Agency has completed the demolition of the Tony’s Building and is engaging the Urban Renewal Agency on the future re-development of the property through the issuance of a Request for Expressions of Interest (RFEI). Redevelopment of the Recreation Building site is currently underway, two new storefronts completed which include retail as well as a ice cream/candy shop. The third storefront is nearing completion and will become an outdoor space that will complement an adjacent restaurant. 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 Agency is also continuing efforts to move forward with the 1st Streetscaping Project and recently returned grant funding and severed the project relationship with ODOT. This decision will allow the project to move forward more quickly and at a lower cost. This project also prompted discussion and needed action to raise the Maximum Indebtedness of the Agency in order to permit the expenditure of collected TIF revenues through 2029 to complete Agency projects. 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 Agency has also had preliminary discussions with the City around the development of a plaza on downtown Federal St., and will likely be assisting the City in the development of a new parking lot on 3rd St., in support of several new projects in the downtown core including a nearly 100 unit mixed use vertical housing product in the downtown as well as a new grocery store located at the former Chronicle building, and the relocation of County administrative offices into the former Greater Oregon Behavioral Health (GOBHI) building.

**CITY OF THE DALLES
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

The Enterprise Zone still has several active abatements and zone sponsors have adjusted some of the employment requirements due to the Covid-19 pandemic and labor challenges. City and County leadership also completed incentive negotiations with Google for up to 2 new data centers under the States Strategic Investment Program (SIP). SIP and EZ provide up to 15 years of tax abatement but the SIP has several distinct components where a portion of the development is taxed and there is a community service fee that will be distributed to all taxing districts that levy taxes at the development site.

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. The City is also leading a Brownfield Coalition Assessment Grant program in partnership with the Port and Wasco County, this program seeks to mitigate environmental concerns with underutilized property and get them into more productive use.

Last year changes were also been made to the City's code to encourage various types of housing developments. The Columbia Gorge Regional Airport successfully completed the installation of bulk Jet A tanks and are now in the planning and grant searching/submission stage (such as an OEM, BIL, and/or COAR grants) for projects such as construction of a new fuel tank and pump station in coordination with the decommissioning of the existing underground fuel system. Other upcoming projects include design and bidding for the South Apron Rehab, fuel apron design and planning, and Quonset building paint/roof repairs. There are continued inquiries about additional private hangar construction and the Airport is exploring options for how to support such construction. The North Apron Rehabilitation project has been completed and is awaiting the final FAA closeout report so the final drawn down can be completed. The Airport continues to have record fuel sales of over \$260,000 this year despite a less robust fire season as prior years. Continued growth in private jet, military, and general public aviation activity has played a strong role in these sales. The flowage fees associated with these sales is just over \$18,000.

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.



| BASIC FINANCIAL STATEMENTS

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| GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF THE DALLES, OREGON
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 32,656,919	\$ 14,479,701	\$ 47,136,620
Accounts receivable, net			
Accounts	2,737,557	1,656,658	4,394,215
Airport	95,962	-	95,962
Restricted assets			
Notes receivable - current portion	25,000	-	25,000
Prepaid items	18,452	-	18,452
Inventories	123,484	452,548	576,032
Total current assets	<u>35,657,374</u>	<u>16,588,907</u>	<u>52,246,281</u>
Non-current assets			
Airport receivable	1,215,221	-	1,215,221
Investment in joint ventures	12,144,941	-	12,144,941
Restricted assets			
Notes receivable - noncurrent portion	282,445	-	282,445
Lease receivable	279,263	-	279,263
Capital assets			
Lease assets, net	56,063	-	56,063
Right-of-use assets - software, net	40,422	-	40,422
Land	705,460	4,299,879	5,005,339
Construction in progress	3,004,629	15,475,928	18,480,557
Depreciable assets, net	31,939,537	54,323,808	86,263,345
Assets held-for-sale	1,006,516	-	1,006,516
Total non-current assets	<u>50,674,497</u>	<u>74,099,615</u>	<u>124,774,112</u>
Total assets	<u>86,331,871</u>	<u>90,688,522</u>	<u>177,020,393</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	1,328,004	815,587	2,143,591
Unearned revenue	1,899,808	-	1,899,808
Accrued interest payable	24,111	58,910	83,021
Compensated absences	473,629	245,736	719,365
Current portion of long-term obligations	834,720	929,475	1,764,195
Current portion of lease liability	22,037	-	22,037
Current portion of subscription liability	19,807	-	19,807
Current portion of total OPEB liability	5,077	3,013	8,090
Total current liabilities	<u>4,607,193</u>	<u>2,052,721</u>	<u>6,659,914</u>
Non-current liabilities			
Non-current portion of long-term obligations	4,477,254	14,859,523	19,336,777
Non-current portion of lease liability	33,453	-	33,453
Non-current portion of subscription liability	22,408	-	22,408
Non-current portion of total OPEB liability	177,277	105,199	282,476
Total non-current liabilities	<u>4,710,392</u>	<u>14,964,722</u>	<u>19,675,114</u>
Total liabilities	<u>9,317,585</u>	<u>17,017,443</u>	<u>26,335,028</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to leases	279,263	-	279,263
Deferred inflows related to OPEB	493,867	293,069	786,936
Total deferred inflows of resources	<u>773,130</u>	<u>293,069</u>	<u>1,066,199</u>
NET POSITION			
Net investment in capital assets	30,336,432	58,310,617	88,647,049
Restricted for			
Capital projects	9,756,233	-	9,756,233
Debt service	870,405	-	870,405
Unrestricted	35,278,086	15,067,393	50,345,479
Total net position	<u>76,241,156</u>	<u>73,378,010</u>	<u>149,619,166</u>
Total liabilities and net position	<u>\$ 86,331,871</u>	<u>\$ 90,688,522</u>	<u>\$ 177,020,393</u>

The notes to the financial statements are an integral part of this statement.

CITY OF THE DALLES, OREGON
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

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	\$ 7,552,360	\$ 913,778	\$ -	\$ 12,074,156	\$ 5,435,574	\$ -	\$ 5,435,574
Public safety	5,451,433	85,350	7,123	-	(5,358,960)	-	(5,358,960)
Culture and recreation	2,678,460	8,415	9,147	-	(2,660,898)	-	(2,660,898)
Highways and streets	2,899,545	45,182	1,299,032	-	(1,555,331)	-	(1,555,331)
Interest expense	207,201	-	-	-	(207,201)	-	(207,201)
Total governmental activities	18,788,999	1,052,725	1,315,302	12,074,156	(4,346,816)	-	(4,346,816)
Business-type activities:							
All water funds	5,259,612	6,326,575	-	5,662	-	1,072,625	1,072,625
All wastewater funds	4,692,278	11,210,946	-	40,171	-	6,558,839	6,558,839
2018 utility bond fund	168,739	-	-	-	-	(168,739)	(168,739)
Total business-type activities	10,120,629	17,537,521	-	45,833	-	7,462,725	7,462,725
TOTAL GOVERNMENT	\$ 28,909,628	\$ 18,590,246	\$ 1,315,302	\$ 12,119,989	(4,346,816)	7,462,725	3,115,909
General revenues:							
Taxes:							
Property taxes levied for:							
General purposes					7,367,924	-	7,367,924
Urban renewal purposes					1,670,280	-	1,670,280
Franchise and public service taxes					2,805,401	-	2,805,401
Investment earnings					1,301,968	477,579	1,779,547
Gain on investment in joint ventures					1,622,931	-	1,622,931
Miscellaneous					198,460	262,929	461,389
Transfers in (out)					1,400,325	(1,400,325)	-
Total general revenues and transfers					16,367,289	(659,817)	15,707,472
Special item - impairment loss (see Note 10)					(463,299)	-	(463,299)
Special item - capital contribution (see Note 9)					(3,102,827)	-	(3,102,827)
CHANGE IN NET POSITION					8,454,347	6,802,908	15,257,255
NET POSITION, beginning of year					67,786,809	66,575,102	134,361,911
NET POSITION, end of year					\$ 76,241,156	\$ 73,378,010	\$ 149,619,166

The notes to the financial statements are an integral part of this statement.

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| FUND FINANCIAL STATEMENTS

CITY OF THE DALLES, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Street Fund	Special Grants Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 9,158,427	\$ 1,534,583	\$ 5,230,382	\$ 2,834,745	\$ 13,898,780	\$ 32,656,917
Receivables						
Accounts	1,163,931	189,300	564,499	-	74,967	1,992,697
Leases	279,263	-	-	-	-	279,263
Fines and forfeitures, net	489,479	-	-	-	-	489,479
Property taxes	181,087	-	-	-	74,294	255,381
Notes	-	-	-	-	307,445	307,445
Prepaid items	18,452	-	-	-	-	18,452
Inventories	-	123,484	-	-	-	123,484
Total assets	<u>\$ 11,290,639</u>	<u>\$ 1,847,367</u>	<u>\$ 5,794,881</u>	<u>\$ 2,834,745</u>	<u>\$ 14,355,486</u>	<u>\$ 36,123,118</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 354,118	\$ 298,001	\$ 538,873	\$ 3,724	\$ 133,288	\$ 1,328,004
Unearned revenue	-	-	1,899,808	-	-	1,899,808
Total liabilities	<u>354,118</u>	<u>298,001</u>	<u>2,438,681</u>	<u>3,724</u>	<u>133,288</u>	<u>3,227,812</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - property taxes	181,087	-	-	-	65,480	246,567
Unavailable revenue - fines and forfeitures	456,670	-	-	-	26,044	482,714
Unavailable revenue - notes	-	-	-	-	307,445	307,445
Unavailable revenue - leases	279,263	-	-	-	-	279,263
Total deferred inflows of resources	<u>917,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>398,969</u>	<u>1,315,989</u>
FUND BALANCES						
Nonspendable						
Prepays	18,452	-	-	-	-	18,452
Inventory	-	123,484	-	-	-	123,484
Restricted for						
Grant / contributor specific intent	-	-	3,356,200	-	5,307	3,361,507
Debt service	-	-	-	-	804,925	804,925
Capital projects	-	1,425,882	-	-	5,575,669	7,001,551
Intergovernmental agreement	-	-	-	-	-	-
Committed for						
Major capital facilities and associated debt	-	-	-	2,831,021	411,560	3,242,581
Agreements with state agencies	-	-	-	-	7,025,768	7,025,768
Unassigned	10,001,049	-	-	-	-	10,001,049
Total fund balances	<u>10,019,501</u>	<u>1,549,366</u>	<u>3,356,200</u>	<u>2,831,021</u>	<u>13,823,229</u>	<u>31,579,317</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 11,290,639</u>	<u>\$ 1,847,367</u>	<u>\$ 5,794,881</u>	<u>\$ 2,834,745</u>	<u>\$ 14,355,486</u>	<u>\$ 36,123,118</u>

The notes to the financial statements are an integral part of this statement.

CITY OF THE DALLES, OREGON
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

TOTAL FUND BALANCES – governmental funds \$ 31,579,317

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds 35,649,626

Assets held-for-sale are not current financial resources and, therefore, are not reported in the funds 1,006,516

Lease intangible right of use assets are not financial resources and, therefore, are not reported in the funds 56,063

Software intangible right of use assets are not financial resources and, therefore, are not reported in the funds 40,422

Investments in joint ventures are not financial resources and, therefore are not reported in the funds 12,144,941

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds

Airport receivable	\$ 1,311,183	
Unavailable revenue	1,036,726	
	<hr/>	2,347,909

Long-term liabilities, other postemployment benefits liability and related deferred inflows, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds

Long-term debt	\$ (5,226,250)	
Premium	(85,724)	
Compensated absences	(473,629)	
Net present value of lease liabilities	(55,490)	
Net present value of software liabilities	(42,215)	
Interest payable	(24,111)	
Other postemployment benefits	<hr/> (676,219)	(6,583,638)

NET POSITION - governmental activities \$ 76,241,156

CITY OF THE DALLES, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General Fund	Street Fund	Special Grants Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 4,947,513	\$ -	\$ -	\$ -	\$ 4,086,657	\$ 9,034,170
Other taxes	1,866,178	504,942	-	-	-	2,371,120
Franchise fees	284,535	113,957	-	-	35,789	434,281
Assessments	-	-	-	-	27,179	27,179
Licenses and fees	44,818	-	-	-	-	44,818
Intergovernmental	4,248,346	1,299,032	2,262,973	3,102,827	2,476,280	13,389,458
Fines and forfeitures, net	85,350	-	-	-	8,415	93,765
System development charges	146,229	-	-	-	-	146,229
Rental income	81,553	-	-	224,824	253,231	559,608
Interest on investments	416,147	65,143	201,600	73,215	546,094	1,302,199
Miscellaneous	263,934	45,181	-	5	16,174	325,294
Total revenues	<u>12,384,603</u>	<u>2,028,255</u>	<u>2,464,573</u>	<u>3,400,871</u>	<u>7,449,819</u>	<u>27,728,121</u>
EXPENDITURES						
Current						
General government	3,588,511	-	-	7,205	541,799	4,137,515
Public safety	4,855,369	-	-	-	508,552	5,363,921
Planning and economic development	664,407	-	-	-	-	664,407
Culture and recreation	891,446	-	-	-	1,707,517	2,598,963
Highways and streets	-	2,189,958	2,016,840	-	-	4,206,798
Capital outlay	762,902	160,879	284,911	3,677,195	666,032	5,551,919
Debt service						
Principal	22,153	-	-	-	679,420	701,573
Interest	516	-	-	-	226,553	227,069
Total expenditures	<u>10,785,304</u>	<u>2,350,837</u>	<u>2,301,751</u>	<u>3,684,400</u>	<u>4,329,873</u>	<u>23,452,165</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,599,299</u>	<u>(322,582)</u>	<u>162,822</u>	<u>(283,529)</u>	<u>3,119,946</u>	<u>4,275,956</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of property	560	7,406	-	-	-	7,966
Transfers in	2,464,152	1,089,125	-	2,690,435	1,208,256	7,451,968
Transfers out	(3,444,269)	(930,118)	(100,000)	(11,643)	(1,565,613)	(6,051,643)
Total other financing sources (uses)	<u>(979,557)</u>	<u>166,413</u>	<u>(100,000)</u>	<u>2,678,792</u>	<u>(357,357)</u>	<u>1,408,291</u>
NET CHANGE IN FUND BALANCE	619,742	(156,169)	62,822	2,395,263	2,762,589	5,684,247
FUND BALANCE, beginning of year	<u>9,399,759</u>	<u>1,705,535</u>	<u>3,293,378</u>	<u>435,758</u>	<u>11,060,640</u>	<u>25,895,070</u>
FUND BALANCE, end of year	<u>\$ 10,019,501</u>	<u>\$ 1,549,366</u>	<u>\$ 3,356,200</u>	<u>\$ 2,831,021</u>	<u>\$ 13,823,229</u>	<u>\$ 31,579,317</u>

The notes to the financial statements are an integral part of this statement.

CITY OF THE DALLES, OREGON
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

TOTAL NET CHANGE IN FUND BALANCES - governmental funds		\$	5,684,247
Amounts reported for governmental activities in the statement of activities are different because:			
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	\$	(1,105,640)	
Current year additions		<u>4,606,161</u>	3,500,521
Governmental funds report expenditures for improvements to assets held-for-sale while governmental activities capitalize improvements to assets held-for-sale not to exceed the lesser of cost or net realizable value. The following represents capitalized costs and the impairment loss for valuation purposes as noted.			
Capitalized costs	\$	495,562	
Impairment loss		<u>(463,299)</u>	32,263
The Statement of Activities reports capital contributions made as expenses; however, this is not reported by governmental funds.			
			(3,102,827)
The City has equity interests in two joint ventures. The allocated gain from these investments are not current financial resources and therefore is not reported in the governmental funds.			
			1,622,931
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.			
			(39,458)
Some revenue reported in the statement of activities do not provide current financial resources the governmental funds.			
Property taxes, Fines and forfeitures, and Miscellaneous revenues			48,947
Lease assets are recognized as an intangible right of use asset and are amortized over their estimated useful life and lease liabilities are recognized at the net present value of all future payments in the Statement of Net Position. In the current year principle payments exceeded amortization.			
			68
Software assets are recognized as an intangible right of use asset and are amortized over their estimated useful life and software liabilities are recognized at the net present value of all future payments in the Statement of Net Position. In the current year principle payments exceeded amortization.			
			(1,793)
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.			
Compensated absences	\$	(48,633)	
Other post-employment benefits expense		47,410	
Loss on disposal of assets		<u>(30,262)</u>	(31,485)
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.			
Issuance of software	\$	(60,633)	
Debt service principal payments		765,845	
Premium amortization expense		<u>35,721</u>	740,933
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES			<u>\$ 8,454,347</u>

CITY OF THE DALLES, OREGON
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
JUNE 30, 2024

	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$ 2,950,914	\$ 11,524,012	\$ 4,775	\$ 14,479,701
Accounts receivable, net	830,385	826,273	-	1,656,658
Inventory	318,237	134,311	-	452,548
Total current assets	4,099,536	12,484,596	4,775	16,588,907
NONCURRENT ASSETS				
Capital assets				
Land	2,887,016	1,412,863	-	4,299,879
Construction in progress	13,317,553	2,158,375	-	15,475,928
Depreciable assets, net	21,247,031	33,076,777	-	54,323,808
Total noncurrent assets	37,451,600	36,648,015	-	74,099,615
TOTAL ASSETS	41,551,136	49,132,611	4,775	90,688,522
LIABILITIES				
Current liabilities				
Accounts payable	330,108	485,479	-	815,587
Accrued interest payable	36,175	9,946	12,789	58,910
Compensated absences payable	165,244	80,492	-	245,736
Current portion of long-term debt	204,538	72,326	652,611	929,475
Current portion of OPEB liability	1,888	1,125	-	3,013
Total current liabilities	737,953	649,368	665,400	2,052,721
Non-current liabilities				
Non-current portion of long-term debt	8,687,361	1,076,709	5,095,453	14,859,523
Non-current portion of total OPEB liability	65,923	39,276	-	105,199
Total non-current liabilities	8,753,284	1,115,985	5,095,453	14,964,722
Total liabilities	9,491,237	1,765,353	5,760,853	17,017,443
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB	183,651	109,418	-	293,069
Total deferred inflows of resources	183,651	109,418	-	293,069
NET POSITION				
Net investment in capital assets	28,559,701	35,498,980	(5,748,064)	58,310,617
Unrestricted	3,316,547	11,758,860	(8,014)	15,067,393
TOTAL NET POSITION (DEFICIT)	31,876,248	47,257,840	(5,756,078)	73,378,010
TOTAL LIABILITIES AND NET POSITION (DEFICIT)	\$ 41,551,136	\$ 49,132,611	\$ 4,775	\$ 90,688,522

The notes to the financial statements are an integral part of this statement.

**CITY OF THE DALLES, OREGON
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2024**

	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	Total
OPERATING REVENUES				
Charges for services	\$ 6,263,929	\$ 5,600,564	\$ -	\$ 11,864,493
Systems development charges	58,218	5,610,382	-	5,668,600
Rental income	4,428	-	-	4,428
Miscellaneous	262,929	-	-	262,929
Total operating revenues	6,589,504	11,210,946	-	17,800,450
OPERATING EXPENSES				
Personnel service	2,661,092	1,418,208	-	4,079,300
Materials and services	1,595,934	2,205,543	-	3,801,477
Capital outlay	250,052	-	-	250,052
Depreciation and amortization	640,408	1,036,897	-	1,677,305
Total operating expenses	5,147,486	4,660,648	-	9,808,134
OPERATING INCOME (LOSS)	1,442,018	6,550,298	-	7,992,316
NONOPERATING REVENUES (EXPENSE)				
Gain (loss) on sale of capital assets	(43,163)	(66)	-	(43,229)
Interest on investments	160,620	316,959	-	477,579
Interest expense	(68,963)	(31,564)	(168,739)	(269,266)
Total nonoperating revenues (expenses)	48,494	285,329	(168,739)	165,084
INCOME BEFORE OPERATING TRANSFERS AND CAPITAL CONTRIBUTIONS	1,490,512	6,835,627	(168,739)	8,157,400
TRANSFERS				
Transfers in	-	-	807,448	807,448
Transfers out	(1,291,924)	(915,849)	-	(2,207,773)
Total transfers	(1,291,924)	(915,849)	807,448	(1,400,325)
CAPITAL CONTRIBUTIONS				
Intergovernmental	\$ 5,662	\$ 40,171	-	45,833
CHANGE IN NET POSITION	204,250	5,959,949	638,709	6,802,908
NET POSITION, beginning of year	31,671,998	41,297,891	(6,394,787)	66,575,102
NET POSITION, end of year	<u>\$ 31,876,248</u>	<u>\$ 47,257,840</u>	<u>\$ (5,756,078)</u>	<u>\$ 73,378,010</u>

The notes to the financial statements are an integral part of this statement.

CITY OF THE DALLES, OREGON
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
JUNE 30, 2024

	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 6,797,925	\$ 11,057,151	\$ -	\$ 17,855,076
Payments to suppliers	(2,914,804)	(1,798,695)	-	(4,713,499)
Payments to employees	(2,673,984)	(1,433,207)	-	(4,107,191)
Net cash provided by operating activities	1,209,137	7,825,249	-	9,034,386
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	807,448	807,448
Transfers out	(1,291,924)	(915,849)	-	(2,207,773)
Net cash (used) by noncapital financing activities	(1,291,924)	(915,849)	807,448	(1,400,325)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from intergovernmental revenue	5,662	40,171	-	45,833
Proceeds from capital debt	3,574,087	-	-	3,574,087
Proceeds from sale of capital asset	2,486	5,390	-	7,876
Acquisition of capital assets	(6,500,243)	(2,185,174)	-	(8,685,417)
Principal paid on long-term obligations	(197,400)	(70,503)	(636,967)	(904,870)
Interest paid on long-term obligations	(74,456)	(32,657)	(170,157)	(277,270)
Net cash provided (used) by capital and related financing activities	(3,189,864)	(2,242,773)	(807,124)	(6,239,761)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	160,620	316,959	-	477,579
Net cash provided (used) by investing activities	160,620	316,959	-	477,579
Net change in cash and cash equivalents	(3,112,031)	4,983,586	324	1,871,879
CASH AND CASH EQUIVALENTS, BEGINNING	6,062,945	6,540,426	4,451	12,607,822
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 2,950,914</u>	<u>\$ 11,524,012</u>	<u>\$ 4,775</u>	<u>\$ 14,479,701</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,442,018	\$ 6,550,298	\$ -	\$ 7,992,316
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	640,408	1,036,897	-	1,677,305
Decrease (increase) in:				
Receivables	208,421	(153,795)	-	54,626
Inventories	40,669	(35,362)	-	5,307
Increase (decrease) in:				
Accounts payable and accrued expenses	(1,109,487)	442,210	-	(667,277)
Other postemployment benefits payable	(32,563)	(22,636)	-	(55,199)
Deferred inflows related to other post-employment benefits	2,808	(4,267)	-	(1,459)
Accrued compensated absences	16,863	11,904	-	28,767
Total adjustments	(232,881)	1,274,951	-	1,042,070
Net cash provided by operating activities	<u>\$ 1,209,137</u>	<u>\$ 7,825,249</u>	<u>\$ -</u>	<u>\$ 9,034,386</u>

The notes to the financial statements are an integral part of this statement.



| NOTES TO THE BASIC FINANCIAL STATEMENTS

**CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

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.

Blended component unit – 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 one representative each from the Wasco County Parks and Recreation Agency, Wasco County, Mid-Columbia Fire and Rescue District and the Port of The Dalles, three members from the City of the Dalles City Council and two citizen members appointed by the Mayor. The City Council has the ability to impose its will on the Agency as determined on the basis of budget adoption, taxing authority, and funding for the Agency.

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.

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.

**CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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:

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

Street Fund - 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.

Special Grants Fund - The Special Grants 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 principal and interest collected.

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

Capital Projects fund – The Capital Projects fund accounts 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 and intergovernmental revenues.

The City reports the following major proprietary funds:

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

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

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.

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

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

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

Cash and Cash Equivalents

The City's cash and cash equivalents include cash on hand, demand deposits, and investments in the Oregon State Treasury Local Government Investment Pool (LGIP).

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 LGIP 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 each fund based on average monthly cash balances throughout the year. For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) purchased with a maturity of three months or less to be cash equivalents.

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

**CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 1 - Summary of Significant Accounting Policies (continued)

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 property taxes, accounts, entitlements, and shared revenues are reported in accordance with the policies enumerated in the Government-Wide and Fund Financial Statements paragraph above. An allowance for bad debts is carried in the enterprise funds. The City has strong enforcement procedures including shut off of utility services. An allowance for bad debt is not carried in the governmental funds because the City has determined that any uncollectible amount would be immaterial to the financial statements.

Inventories and Prepaid Expenses

Inventories in Street, Water and Wastewater Funds are determined by annual 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.

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:

Infrastructure	45-150 years
Building and land improvements	50 years
Equipment	5-20 years

Intangible assets (right of use) depends on the life of the lease or subscription. 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.

**CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 1 - Summary of Significant Accounting Policies (continued)

Assets Held-for-Sale

Assets held-for-sale represent capital assets including land and other properties acquired to achieve the Agency's general purpose and are held until development or other opportunities are identified. Assets held-for-sale are recorded at the lower of cost or net realizable value.

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 assets that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The City has no deferred outflow 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 assets 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 and for lease revenue to be earned in future periods in the government-wide financial statements. The City has two items that qualify for reporting in this category under the modified accrual basis of accounting. The item "unavailable revenue," is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes court and assessments, notes and leases receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also records a deferred inflow of resources in the governmental funds balance sheet for lease revenue to be earned in future periods.

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 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.

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.

**CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 1 - Summary of Significant Accounting Policies (continued)

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.

Postemployment Benefits Other than Pensions (OPEB)

The City provides a single-employer defined benefit postemployment benefit plan (the OPEB Plan). For purposes of measuring the total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense, information has been determined on the same basis as reported by the OPEB Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Allocations of OPEB items to the City's governmental and enterprise funds are determined on the basis of payroll expenditures by department. Allocation rates for the current year were 62.8% for governmental activities, 23.3% for the Water Fund and 13.9% for the Wastewater Fund.

Leases

A lessee is required to recognize a lease payable and an intangible right-to-use lease asset. A lease payable is recognized at the net present value of future lease payments and is adjusted over time by interest and payments. Future lease payments include fixed payments. The right-to-use asset is initially recorded at the amount of the lease liability plus prepayments less any lease incentives received prior to lease commencement and is subsequently amortized over the life of the lease.

The City has chosen not to implement GASB 87 for the budgetary basis of accounting. For both the budgetary basis of accounting and for leases that do not meet the criteria for valuation under GASB 87, the City will report inflows of cash for lessor leases and outflows of cash for lessee leases.

The measurement of leases receivable is based on the present value of lease payments expected to be received during the lease term, such as fixed payments, variable payments that depend on an index or rate, variable payments that are fixed in substance, residual value guarantee payments that are fixed in substance, and any lease incentives payable to the lessee. A number of leases have a maximum possible term of 12 months (or less), including options to extend, regardless of their probability of being exercised. Those payments are recognized as inflows of resources based on the payment provisions of the lease contracts and are therefore excluded from the schedule in this section.

Subscription-based Information Technology Arrangements (SBITAs)

Subscription-based information technology arrangements (SBITAs) are recognized in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement defines a SBITA as a contract that conveys control of the right to use another party's (the SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets) as specified in the contract for a period of time in an exchange or exchange-like transaction.

**CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 1 - Summary of Significant Accounting Policies (continued)

Subscription-based Information Technology Arrangements (SBITAs) (continued)

Financial statements prepared using the economic resources measurement focus, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscription asset at the commencement of the subscription term. The subscription liability is recognized at the net present value of future subscription payments and is adjusted over time by payments and interest. Future subscription payments are discounted using the City's estimated incremental borrowing rate. Future subscription payments include fixed and/or variable payments, based on the contract between the subscriber and vendor. The subscription asset is initially recorded as the sum of the subscription liability, payments made at the commencement of the subscription term, and capitalizable implementation costs, less any incentives received prior to the commencement of the subscription term and is subsequently amortized over the life of the subscription. Subscription and capitalizable implementation cost payments made prior to the commencement of the subscription are classified as prepaid assets until the subscription commences; after the subscription commences, the prepaid assets are reclassified as an intangible right-to-use subscription asset.

For financial statements prepared using the current financial resources measurement focus, an other financing source and capital outlay are reported in the year the subscription asset is initially recognized.

The other financing source is reported equal to the net present value of future subscription payments. Capital outlay is reported equal to the sum of the net present value of future subscription payments, payments made at the commencement of the subscription term, and capitalizable implementation costs, less any incentives received prior to the commencement of the subscription term. Subsequent governmental fund subscription payments are recorded as principal and interest payments.

The City has chosen not to implement GASB 96 for the budgetary basis of accounting. For both the budgetary basis of accounting and for SBITAs that do not meet the criteria for valuation under GASB 96, the City will report outflows of cash for subscription payments.

Operating Revenues and Expenses, Non-operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for sales of water, sewer, and electrical services. Operating expenses are necessary costs incurred to provide the goods or services that is the primary activity of the fund.

Non-operating revenues and expenses of the City are those revenues and expenses not directly related to the service provided by the fund. Non-operating revenues and expenses include interest, grants, and gain or loss on disposition of capital assets.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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** – Amounts not immediately converted to cash, such as prepaid items and inventory.

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

- ***Restricted*** – Includes amounts that are restricted by external creditors, granters 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 council 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. Only the general fund may have an unassigned balance.

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.

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use through external restrictions imposed by creditors, grantors or law or regulations of other governments. For specific details see the statement of net position.

Net Position

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- ***Net investment in capital assets*** – This consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- ***Restricted net position*** – This consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- ***Unrestricted net position*** – Includes the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that does not meet the definition of the two preceding categories.

**CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 1 - Summary of Significant Accounting Policies (continued)

Adoption of New GASB Pronouncements

During the year ended June 30, 2024, the District implemented the following GASB Pronouncements:

GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement clarifies the presentation and disclosures requirements for prior period adjustments to beginning net position. There is no effect on the City's financial statements as a result of this Statement.

Future GASB Pronouncements

The following GASB Pronouncements have been issued, but are not effective as of June 30, 2024:

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, this Statement updates recognition and measurement guidelines for compensated absences and is effective for the City for the fiscal year ending June 30, 2025.

GASB Statement No. 102, *Certain Risk Disclosures*. Issued in December 2023, this Statement requires governments to provide essential information about risks related to vulnerabilities due to certain concentrations or constraints that may limit the ability to acquire resources or control spending. This Statement will be effective for the City for the fiscal year ending June 30, 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*. Issued in April 2024, this Statement updates key components of the financial reporting model to enhance the effectiveness of providing information essential for decision making and assessing accountability. This Statement will be effective for the City for the fiscal year ending June 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*. Issued in September 2024, this Statement requires certain information regarding capital assets to be presented by major class. This Statement will be effective for the City for the fiscal year ending June 30, 2026.

Note 2 - Stewardship, Compliance, and Accountability

Budgetary Information

Annual budgets are adopted on a basis consistent with U.S. GAAP for all governmental funds. The annual budgets for the proprietary funds are adopted on a basis not consistent with U.S. GAAP to comply with Oregon Local Budget Law. 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.

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 2 - Stewardship, Compliance, and Accountability (continued)

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 Council authorization for all appropriation transfers and supplementary budgetary appropriations. During fiscal year 2024, the City issued three supplemental budgets.

During the fiscal year ended June 30, 2024, the City was in compliance with Local Budget Law, except for the following:

	<u>Appropriation</u>	<u>Expenditure</u>	<u>Variance</u>
Special Assessment Fund			
Materials and services	\$ 28,658	\$ 48,723	\$ (20,065)
Capital Projects Fund			
Capital outlay	3,237,766	3,677,195	(439,429)
General Fund			
Special payments	879,300	891,446	(12,146)
Principal	21,112	22,153	(1,041)
Interest	416	516	(100)

Note 3 - Deposits and Investments

Deposits – The GASB has adopted U.S. GAAP, which include standards to categorize deposits to give an indication of the level of custodial credit risk assumed by the City at June 30, 2024. If bank deposits at year end are not entirely insured or collateralized with securities held by the City or by its agent in the City's name, the City must disclose the custodial credit risk that exists. Deposits with financial institutions are comprised of bank demand deposits. Any deposits with financial institutions will be covered up to \$250,000 by the Federal Depository Insurance Corporation (FDIC), and the remaining deposited at an approved depository as prescribed by the Oregon State Treasurer.

The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Effective July 1, 2008, state statutes (ORS 295.002) allow public officials to deposit public funds in one or more depositories currently qualified pursuant to ORS 295 .001 to 295 .108. As long as the bank depository has entered into an agreement (ORS 295.008(2)(b)) and has deposited securities pursuant to state statutes (ORS 295.015(1)), there may now be on deposit at any one bank depository and its branches, a sum in excess of the amount insured by the FDIC. For the fiscal year ended June 30, 2024, the total carrying amount of the City's deposits in various financial institutions was \$44,207,146 and the bank balance was \$47,881,182. All deposits are held in the name of the City. Of the bank balance, the entire amount was covered by federal depository insurance or collateralized.

Custodial credit risk – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The 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, 2024, the City's bank balances were not exposed to custodial credit risk as they were collateralized under PFCP.

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 3 - Deposits and Investments (continued)

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

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 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, 2024, are as follows:

<u>Investment Type</u>	<u>Maturity</u>	<u>Percentage of Portfolio</u>	<u>Fair Value</u>
Local Government Investment Pool	1 day	100%	<u>\$ 2,928,239</u>
Cash on hand			\$ 1,235
Carrying amount of deposits			44,207,146
Local Government Investment Pool			<u>2,928,239</u>
Total			<u>\$ 47,136,620</u>

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 3 - Deposits and Investments (continued)

Cash and cash equivalents are shown on the statement of net position as follows:

Governmental Activities	
Cash and cash equivalents	<u>\$ 32,656,919</u>
Total governmental activities	<u>32,656,919</u>
Business-type Activities	
Cash and cash equivalents	<u>14,479,701</u>
Total business-type activities	<u>14,479,701</u>
Total	<u><u>\$ 47,136,620</u></u>

Note 4 - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 – Unadjusted quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board. Investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool.

LGIP balances are measured at amortized cost and are readily available to spend when needed. The balance in this pool is expected to stay fairly static as the interest rate in the pool is desirable. The risk associated with the LGIP is very low. The City only invests in the LGIP. The value of the City's investments as of June 30, 2024 was \$2,928,239.

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 5 – 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 Grants Fund	Library Fund	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:						
Accounts	\$ 1,163,931	\$ 189,300	\$ 564,499	\$ 490	\$ 74,477	\$ 1,992,697
Leases	279,263	-	-	-	-	279,263
Fines and forfeitures, net	489,479	-	-	-	-	489,479
Property taxes	181,087	-	-	-	74,294	255,381
Notes	-	-	-	-	307,445	307,445
	<u>\$ 2,113,760</u>	<u>\$ 189,300</u>	<u>\$ 564,499</u>	<u>\$ 490</u>	<u>\$ 456,216</u>	<u>\$ 3,324,265</u>

In addition to the fund basis receivables above, governmental activities on the accrual basis has receivables from the Airport which represent the current and noncurrent portions of the Full Faith and Credit Obligations, Series 2015, of which there are outstanding bond principal and unamortized premium balances of \$1,305,000 and \$6,184, respectively. The current portion of these amounts of \$95,962 approximates the City's current receivable and the remaining balance is classified as noncurrent.

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

	Water	Wastewater	Business- Type Activities
Receivables:			
Accounts	\$ 966,454	\$ 1,013,463	\$ 1,979,917
Allowance for doubtful accounts	(136,069)	(187,190)	(323,259)
	<u>\$ 830,385</u>	<u>\$ 826,273</u>	<u>\$ 1,656,658</u>

Note 6 - Leases Receivable

The City leases a portion of its properties to various third parties who use the space to conduct their operations on the City grounds, the terms of which expire 2024 through 2033.

The City reports leases receivable with a carrying amount of \$279,263, and a deferred inflow of resources in the amount of \$279,263 as of June 30, 2024.

The following is a schedule by year of minimum payments to be received under the City's leases that are included in the measurement of the lease receivable as of June 30, 2024:

Fiscal Year Ending	Governmental Activities		
	Principal	Interest	Total
2025	\$ 73,170	\$ 728	\$ 73,898
2026	73,367	532	73,899
2027	65,142	358	65,500
2028	65,288	212	65,500
2029	2,296	204	2,500
Total	<u>\$ 279,263</u>	<u>\$ 2,034</u>	<u>\$ 281,297</u>

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 7 - Interfund Receivables and Payables

Outstanding balances between funds may result from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. As of June 30, 2024, there are no interfund receivable (payable) balances.

Note 8 - Internal Transfers

	<u>Transfer In</u>	<u>Transfer Out</u>
Governmental activities		
General Fund	\$ 2,464,152	\$ (3,444,269)
Street Fund	1,089,125	(930,118)
Special Grants Fund	-	(100,000)
Library Fund	-	(159,000)
Special Enterprise Zone Fund	-	(450,000)
Nonmajor Governmental Funds	3,898,691	(968,256)
Total governmental activities transfers	<u>7,451,968</u>	<u>(6,051,643)</u>
Business-type activities		
Water fund	-	(1,291,924)
Wastewater fund	-	(915,849)
2018 Utility Bond fund	807,448	-
Total business-type activities transfers	<u>807,448</u>	<u>(2,207,773)</u>
Total transfers	<u><u>\$ 8,259,416</u></u>	<u><u>\$ (8,259,416)</u></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.

The City made the following transfers:

- From the General Fund to the Street Fund, Unemployment Fund, Capital Projects Fund and the Airport Fund are to supplement current operations.
- From the Library fund to the General Fund and the Capital Project Fund for admin expenditures, legal services, and to start saving for replacement of HVAC system.
- From the Street Fund to the General Fund, Public Works Reserve Fund and Transportation System Fund for future infrastructure improvements and/or replacement.
- From the Water Fund to the General Fund, Street Fund, Public Works Reserve Fund, Unemployment Fund and Water Capital Reserve Fund for future infrastructure improvements and/or replacement and to supplement current operations.
- From the Water Capital Reserve Fund to the 2009 FFCO Debt Service Fund and 2018 Utility Bond Fund for debt service payments.
- From the Wastewater Fund to the General Fund, Street Fund, Public Works Reserve Fund, Sewer Special Reserve Fund and the Sewer Plant Construction Debt Service Fund for future infrastructure improvements and/or replacement and to supplement current operations.

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 8 - Internal Transfers (continued)

- From the Sewer Special Reserve Fund to the 2009 FFCO Debt Service Fund for debt service payments. The City made transfers from the Sewer Plant Construction Debt Service Fund to the 2018 Utility Bond Fund for debt service payments.
- From the Special Assessment Fund to the General Fund and 2009 FFCO Debt Service Fund for admin services provided by the General Fund and debt service payments.
- From the Capital Projects Fund to the State Office Building Fund for phone services and insurance expenditures the City pays for.
- From the Special Grants Fund to the General Fund and the Transportation Reserve Fund for general staff expenditures and 12th Street Sidewalk project expenditures.
- From the Special Enterprise Zone Fund to the Transportation Reserve Fund and the Special Assessment Fund safe route and commercial sidewalk programs.

All transfers were included in the original budget document.

Note 9 - Capital Assets

Capital asset activity for the City for the fiscal year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
GOVERNMENTAL ACTIVITIES					
NONDEPRECIABLE CAPITAL ASSETS					
Land	\$ 705,460	\$ -	\$ -	\$ -	\$ 705,460
Construction in progress	2,674,584	905,910	-	(575,865)	3,004,629
Total nondepreciable capital assets	3,380,044	905,910	-	(575,865)	3,710,089
DEPRECIABLE CAPITAL ASSETS					
Intangible assets - leases	115,595	-	(1,976)	-	113,619
Intangible assets - software	-	60,633	-	-	60,633
Land improvements	8,858,168	34,680	-	145,201	9,038,049
Buildings	7,393,827	14,423	-	265,026	7,673,276
Equipment	3,554,360	487,686	(278,365)	165,638	3,929,319
Infrastructure	26,923,111	-	-	-	26,923,111
Total depreciable capital assets	46,845,061	597,422	(280,341)	575,865	47,738,007
ACCUMULATED DEPRECIATION AND AMORTIZATION					
Amortization of intangible assets - leases	(36,226)	(23,306)	1,976	-	(57,556)
Amortization of intangible assets - software	-	(20,211)	-	-	(20,211)
Land improvements	(1,837,908)	(174,480)	-	-	(2,012,388)
Buildings	(3,094,126)	(193,048)	-	-	(3,287,174)
Equipment	(2,175,064)	(239,752)	208,647	-	(2,206,169)
Infrastructure	(7,620,129)	(498,358)	-	-	(8,118,487)
Total accumulated depreciation and amortization	(14,763,453)	(1,149,155)	210,623	-	(15,701,985)
Total depreciable assets	32,081,608	(551,733)	(69,718)	575,865	32,036,022
NET GOVERNMENTAL CAPITAL ASSETS	\$ 35,461,652	\$ 354,177	\$ (69,718)	\$ -	\$ 35,746,111

Capital outlay expenditures of \$3,102,827 in the Capital Projects Fund were contributed to the Airport. Funding for this activity was provided through FAA AIP grant funding. Annually, amounts completed for the fiscal year are contributed at year end to the Airport until construction in progress is completed.

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 9 - Capital Assets (continued)

Depreciation is allocated as a direct expense to the governmental programs as follows:

General government	\$ 276,801
Public safety	85,632
Highways and streets	664,731
Culture and recreation	78,476
	<u>\$ 1,105,640</u>

	Balance June 30, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
BUSINESS-TYPE ACTIVITIES					
NONDEPRECIABLE CAPITAL ASSETS					
Land	\$ 4,299,879	\$ -	\$ -	\$ -	\$ 4,299,879
Construction in progress	9,542,736	8,343,079	-	(2,409,887)	15,475,928
Total nondepreciable capital assets	<u>13,842,615</u>	<u>8,343,079</u>	<u>-</u>	<u>(2,409,887)</u>	<u>19,775,807</u>
DEPRECIABLE CAPITAL ASSETS					
Land improvements	11,942,317	47,062	(67,747)	1,132,179	13,053,811
Buildings	4,272,749	-	(5,848)	24,515	4,291,416
Equipment	6,151,749	266,373	(166,502)	-	6,251,620
Wastewater treatment plant	24,336,768	-	-	54,603	24,391,371
Dams and lines	27,596,061	27,480	-	1,198,590	28,822,131
Total depreciable capital assets	<u>74,299,644</u>	<u>340,915</u>	<u>(240,097)</u>	<u>2,409,887</u>	<u>76,810,349</u>
ACCUMULATED DEPRECIATION					
Land improvements	(2,561,593)	(211,314)	21,985	-	(2,750,922)
Buildings	(2,740,686)	(89,861)	-	-	(2,830,547)
Equipment	(3,525,259)	(286,252)	166,087	-	(3,645,424)
Wastewater treatment plant	(5,060,887)	(538,654)	-	-	(5,599,541)
Dams and lines	(7,108,883)	(551,224)	-	-	(7,660,107)
Total accumulated depreciation	<u>(20,997,308)</u>	<u>(1,677,305)</u>	<u>188,072</u>	<u>-</u>	<u>(22,486,541)</u>
Total depreciable assets	<u>53,302,336</u>	<u>(1,336,390)</u>	<u>(52,025)</u>	<u>2,409,887</u>	<u>54,323,808</u>
NET BUSINESS-TYPE CAPITAL ASSETS	<u>\$ 67,144,951</u>	<u>\$ 7,006,689</u>	<u>\$ (52,025)</u>	<u>\$ -</u>	<u>\$ 74,099,615</u>

Depreciation is allocated as a direct expense to the business-type activities as follows:

Water	\$ 640,408
Wastewater	1,036,897
	<u>\$ 1,677,305</u>

Note 10 – Assets Held-for-Sale

The Urban Renewal Agency acquires and refurbishes assets for the benefit of the City and local businesses, and any assets during this activity would become the property of the benefiting entity. During the year ended June 30, 2024, demolition costs of \$495,562 were incurred on a property held-for-sale with an initial cost of \$423,934 and an assessed value of \$456,200. As such, the difference of \$32,263 was capitalized and the remaining balance of \$463,299 in excess of the estimated net realizable value was recognized as an impairment loss on the Statement of Activities and reported as a special item.

**CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 10 – Assets Held-for-Sale (continued)

The following is a summary of changes in assets held-for-sale during the fiscal year ended June 30, 2024:

	Beginning Balance	Additions	Deletions	Ending Balance
Assets held-for-sale	\$ 974,253	\$ 32,263	\$ -	\$ 1,006,516

Note 11 – 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 operating results of the QLife are reported in the City's governmental activities. For the fiscal year ended June 30, 2023, the most recent year audited financial statements were available, the investment in QLife increased by \$124,137 as a result of operations. The City's investment in QLife is \$2,777,842 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. For the fiscal year ended June 30, the investment in the Airport increased \$1,498,794 resulting from operations. The City's investment in Airport is \$9,367,099 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.

Note 12 - Long-term Obligations

Full Faith and Credit Obligation Bonds-Governmental and Business-Type Activities

The City issued \$12,100,000 in Full Faith and Credit Obligations, Series 2009, 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 2.0% to 5.0%. The remaining \$1,895,000 of the bonds was issued to finance improvements to the Street, Water, and 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.

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 12 - Long-term Obligations (continued)

Full Faith and Credit Obligation Bonds-Governmental and Business-Type Activities (continued)

The bonds are backed by the full faith and credit of the City and carry interest rates ranging from 2.0% to 5.0%. 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 the 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:

2009 Full Faith and Credit Bonds
Urban Renewal Portion

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
2025	\$ 630,000	\$ 171,925	\$ 22,983	\$ 824,908
2026	660,000	142,000	18,802	820,802
2027	695,000	109,000	14,424	818,424
2028	725,000	74,250	9,822	809,072
2029	760,000	38,000	5,022	803,022
Total	<u>\$ 3,470,000</u>	<u>\$ 535,175</u>	<u>\$ 71,053</u>	<u>\$ 4,076,228</u>

2009 Full Faith and Credit Bonds
Street LID Portion

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
2025	\$ 83,030	\$ 22,355	\$ 2,745	\$ 108,130
2026	86,640	18,410	2,246	107,296
2027	90,250	14,078	1,723	106,051
2028	93,860	9,567	1,173	104,600
2029	97,470	4,873	600	102,943
Total	<u>\$ 451,250</u>	<u>\$ 69,283</u>	<u>\$ 8,487</u>	<u>\$ 529,020</u>

2009 Full Faith and Credit Bonds
Governmental Activities

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
2025	\$ 713,030	\$ 194,280	\$ 25,728	\$ 933,038
2026	746,640	160,410	21,048	928,098
2027	785,250	123,078	16,147	924,475
2028	818,860	83,817	10,995	913,672
2029	857,470	42,873	5,622	905,965
Total	<u>\$ 3,921,250</u>	<u>\$ 604,458</u>	<u>\$ 79,540</u>	<u>\$ 4,605,248</u>

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 12 - Long-term Obligations (continued)

Full Faith and Credit Obligation Bonds-Governmental and Business-Type Activities (continued)

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

2009 Full Faith and Credit Bonds
Wastewater Bonds

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
2025	\$ 5,635	\$ 1,517	\$ 177	\$ 7,329
2026	5,880	1,250	145	7,275
2027	6,125	956	111	7,192
2028	6,370	649	76	7,095
2029	6,615	331	39	6,985
Total	<u>\$ 30,625</u>	<u>\$ 4,703</u>	<u>\$ 548</u>	<u>\$ 35,876</u>

2009 Full Faith and Credit Bonds
Water Bonds

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
2025	\$ 26,335	\$ 7,091	\$ 827	\$ 34,253
2026	27,480	5,840	677	33,997
2027	28,625	4,466	519	33,610
2028	29,770	3,034	353	33,157
2029	30,915	1,546	181	32,642
Total	<u>\$ 143,125</u>	<u>\$ 21,977</u>	<u>\$ 2,557</u>	<u>\$ 167,659</u>

2009 Full Faith and Credit Bonds
Business-type activities

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
2025	\$ 31,970	\$ 8,608	\$ 1,004	\$ 41,582
2026	33,360	7,090	822	41,272
2027	34,750	5,422	630	40,802
2028	36,140	3,683	429	40,252
2029	37,530	1,877	220	39,627
Total	<u>\$ 173,750</u>	<u>\$ 26,680</u>	<u>\$ 3,105</u>	<u>\$ 203,535</u>

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 12 - Long-term Obligations (continued)

Airport Debt

In April 2015, the City issued \$2,000,000 in certificates of participation to finance the acquisition of two hangar buildings and a flex space building at the Airport to be leased for business purposes. Bond principal is due annually and interest is due semiannually with interest rates ranging from 2.0% to 4.5%. The City pledged its full faith and credit and taxing power to pay the amounts due under the obligation. Additionally, the City has pledged rent revenues generated from the lease of the flex space and other properties located at the Airport. As of June 30, 2024, the City has recorded a liability for the bonds of \$1,305,000 and an offsetting receivable of \$1,311,183 from the Airport which includes the unamortized premium balance.

Future maturities of the certificates payable are as follows:

**2015B Certificates of Participation
Governmental Activities**

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Premium</u>	<u>Total</u>
2025	\$ 95,000	\$ 58,725	\$ 962	\$ 154,687
2026	100,000	54,450	891	155,341
2027	105,000	49,950	816	155,766
2028	105,000	45,225	741	150,966
2029	110,000	40,500	663	151,163
2030-2034	645,000	122,400	2,002	769,402
2035	145,000	6,525	109	151,634
Total	<u>\$ 1,305,000</u>	<u>\$ 377,775</u>	<u>\$ 6,184</u>	<u>\$ 1,688,959</u>

Bonds Payable-Business-Type Activities (Direct Borrowings)

The City issued \$12,176,563 in Water and Wastewater Revenue and Refunding Bond, Series 2018, in January 2018. This bond was 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 an 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:

<u>Revenue Bond</u>	<u>Revenue Stream</u>	<u>For the Year Ending June 30, of Final Payments</u>	<u>Future Pledged Revenue Debt Outstanding</u>	<u>Revenue, Net of Related Expenses For the Year Ending June 30, 2024</u>	<u>For the Year Ending June 30, 2024, Debt Payments</u>
Utility Revenue and Refunding Bonds	Water and Wastewater net operating income	2032	\$ 5,748,064	\$ 4,480,051	\$ 807,447

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 12 - Long-term Obligations (continued)

Bonds Payable-Business-Type Activities (Direct Borrowings) (continued)

Future maturities of the bonds payable are as follows:

Utility Revenue

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 652,611	\$ 153,473	\$ 806,084
2026	673,235	136,048	809,283
2027	688,571	118,073	806,644
2028	708,686	99,688	808,374
2029	727,588	80,766	808,354
2030-2032	2,297,373	123,771	2,421,144
Total	<u>\$ 5,748,064</u>	<u>\$ 711,819</u>	<u>\$ 6,459,883</u>

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 (OIFA) of the Business Development Department for water system improvements. The loans consist of the America Recovery and Reinvestment Act (ARRA) Loan for up to \$1,025,149 and the Safe Drinking Water Revolving Loan Fund (SDWRLF-A) Loan for up to \$2,553,101. The loan proceeds are disbursed on an expense reimbursement basis and the associated projects were completed with final loan values of \$1,025,149 and \$3,546,469, for ARRA and SDWRLF-A, respectively. The ARRA Loan bears interest at 3% per annum. The SDWRLF-A 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 and SDWRLF-A began December 1, 2014. The principal and interest of these two loans is 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 the 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. These loans are aggregated in a single amortization as managed by the State in the table below.

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

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 12 - Long-term Obligations (continued)

Loan Payable-Business-Type Activities (Direct Borrowings)

During fiscal year 2022 the City was awarded an additional SDWRLF Loan (SDWRLF-B) through the OIFA to assist with the Dog River pipeline replacement project. The original loan of \$4,030,000 was increased to \$8,030,000 in April of 2022 with a forgivable amount of \$530,000. The loan term is 30 years at an interest rate of 1.00%. To date the City has drawn \$6,712,802 of the available balance. Repayment terms have not yet been established.

Future maturities of the loans payable are as follows:

Fiscal Year	ARRA/SDWRLF-A Loan		CWSRF Loan		SDWRLF-B Loan		Total Principal	Total Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2025	\$ 177,375	\$ 61,002	\$ 66,514	\$ 23,568	\$ -	\$ -	\$ 243,889	\$ 84,570
2026	182,697	55,681	67,945	22,137	-	-	250,642	77,818
2027	188,178	50,200	69,407	20,675	-	-	257,585	70,875
2028	193,823	44,554	70,900	19,182	-	-	264,723	63,736
2029	199,638	38,740	72,425	17,657	-	-	272,063	56,397
2030-2034	1,091,703	100,189	386,181	64,229	-	-	1,477,884	164,418
2035-2039	-	-	384,491	20,861	-	-	384,491	20,861
Undetermined	-	-	-	-	6,712,802	-	6,712,802	-
Total	<u>\$ 2,033,414</u>	<u>\$ 350,366</u>	<u>\$ 1,117,863</u>	<u>\$ 188,309</u>	<u>\$ 6,712,802</u>	<u>\$ -</u>	<u>\$ 9,864,079</u>	<u>\$ 538,675</u>

Long-term obligation activity for the year ended June 30, 2024, is as follows:

	Balance at June 30, 2023	Additions	Reductions	Balance at June 30, 2024	Due Within One Year
Governmental Activities					
Total Full Faith and Credit Bonds	\$ 5,995,670	\$ -	\$ (769,420)	\$ 5,226,250	\$ 808,030
Total Premium on bonds	117,870	-	(32,146)	85,724	26,690
Total governmental activity long-term obligations	<u>\$ 6,113,540</u>	<u>\$ -</u>	<u>\$ (801,566)</u>	<u>\$ 5,311,974</u>	<u>\$ 834,720</u>
Business-Type Activities:					
Revenue Bond (direct borrowing)	\$ 6,385,032	\$ -	\$ (636,968)	\$ 5,748,064	\$ 652,611
Full Faith and Credit Bonds	204,330	-	(30,580)	173,750	31,970
Premium on Bonds	5,993	-	(2,888)	3,105	1,005
Loans Payable (direct borrowing)	6,527,315	3,574,090	(237,326)	9,864,079	243,889
Total business-type activity long-term obligations	<u>\$ 13,122,670</u>	<u>\$ 3,574,090</u>	<u>\$ (907,762)</u>	<u>\$ 15,788,998</u>	<u>\$ 929,475</u>

Lease Liability

At June 30, 2024, the City had nine lease agreements for the rental of copiers and cameras that qualified under GASB Statement No.87. Incremental borrowing rates of 1.2 percent to 2.8 percent were used to measure lease payables. Lease liabilities recorded under lease contracts as of June 30, 2024 were \$55,490.

The lease liability currently outstanding as of June 30, 2024 is as follows:

	Balance at June 30, 2023	Additions	Reductions	Balance at June 30, 2024	Due Within One Year
Governmental Activities					
Lease liability	\$ 78,862	\$ -	\$ (23,372)	\$ 55,490	\$ 22,040

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 12 - Long-term Obligations (continued)

Lease Liability (continued)

Future minimum payments required, on an annual basis, are as follows:

Lease Liability
Governmental Activities

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 22,040	\$ 386	\$ 22,426
2026	22,084	206	22,290
2027	10,488	57	10,545
2028	878	9	887
Total	<u>\$ 55,490</u>	<u>\$ 658</u>	<u>\$ 56,148</u>

Subscription Liability

The City has entered into 1 non-cancellable lease agreement as the subscriber for software. The agreement is qualified as subscription-based information technology agreements under GASB Statement No. 96 covering a period of July 11, 2023 through July 11, 2026. The agreement does not include extensions. Payments made for the current year totaled \$20,638 with an interest rate of 4.52%.

The subscription liability currently outstanding as of June 30, 2024 is as follows:

	<u>Balance at</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at</u> <u>30-Jun-24</u>	<u>Due Within One</u> <u>Year</u>
Governmental Activities					
Lease subscription	\$ -	\$ 60,633	\$ (18,418)	\$ 42,215	\$ 19,807

Future annual subscription commitments as of June 30, 2024 are as follows:

Subscription Liability
Governmental Activities

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 19,807	\$ 1,421	\$ 21,228
2026	22,408	507	22,915
Total	<u>\$ 42,215</u>	<u>\$ 1,928</u>	<u>\$ 44,143</u>

**CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 13 – Accrued Compensated Absences

The changes in accrued compensated absences for the year ended June 30, 2024 are as follows:

	Accrued June 30, 2023	Net Change	Accrued June 30, 2024	Due Within One Year
Governmental Activities	\$ 424,996	\$ 48,633	\$ 473,629	\$ 473,629
Business-Type Activities	216,969	28,767	245,736	245,736
	<u>\$ 641,965</u>	<u>\$ 77,400</u>	<u>\$ 719,365</u>	<u>\$ 719,365</u>

It is the City's opinion that the liability is current in nature as it has capped amounts which can be earned to encourage employees to take their vacation annually.

Note 14 - Other Post-Employment Benefits (OPEB)

Plan Description

The government does not have a formal post-employment benefits plan for any employee groups; however, the government is required by Oregon Revised Statutes 243.303 to provide retirees with group health and dental insurance from the date of retirement to age 65 at the same rate provided to current employees. GASB 75 is applicable to the government due only to the implicit rate subsidy. The implicit employer subsidy is measured as the expected health care cost per retiree and dependent, less the gross premiums charged by the insurance carrier for that coverage. The subsidy is only measured for retirees and spouses younger than age 65, at which point such retirees and spouses typically become eligible for Medicare.

This "plan" is a single employer defined benefit plan. This plan is not considered a trust or equivalent arrangement as there are no plan assets. It is not a stand-alone plan and therefore does not issue its own financial statements.

Benefits Provided

All employees of the government retiring from active service with a pension benefit payable immediately under Oregon PERS is eligible. Retirees and their dependents under age 65 are allowed to continue the health care coverage received prior to retirement. Premiums for retirees are tiered and based upon the premium rate available to active employees. The retiree is responsible for payment of the premiums.

Employees Covered by Benefit Terms

At June 30, 2024, the following employees were covered by the implicit benefit terms:

Active members	105
Inactive members currently receiving benefits	1
Inactive members entitled to but not yet receiving benefits	<u>0</u>
Total	<u><u>106</u></u>

CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Note 14 - Other Post-Employment Benefits (OPEB) (continued)

OPEB Liabilities/Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

As of June 30, 2024, the government reported an OPEB liability of \$290,566. Total OPEB liability is determined using the entry age normal actuarial cost allocation method. In addition, GASB 75 requires that the allocation of costs for accounting purposes be made as a level percentage of employees' projected pay, including future anticipated pay increases. This measurement is based on the June 30, 2024 valuation date and a June 30, 2024 measurement date.

	Total OPEB Liability
Balance as of June 30, 2023	\$ 415,534
Changes for the year:	
Service Cost	34,655
Interest on total OPEB liability	15,734
Effect of changes to benefit terms	-
Effect of economic/demographic gains or losses	(38,570)
Effect of assumptions changes or inputs	(125,336)
Benefit payments	(11,451)
Balance as of June 30, 2024	<u>\$ 290,566</u>

For the year ended June 30, 2024, the City recognized a reduction to OPEB expense of \$58,097. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 218,882
Change of assumptions	-	568,054
Total	<u>\$ -</u>	<u>\$ 786,936</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to other postemployment benefits will be recognized in OPEB expense as follows:

Year Ended June 30,	Net Deferred Outflow/(Inflow) of Resources
2025	\$ (139,989)
2026	(139,989)
2027	(139,989)
2028	(139,989)
2029	(139,989)
Thereafter	(86,991)
Total	<u>\$ (786,936)</u>

CITY OF THE DALLES
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2024

Note 14 - Other Post-Employment Benefits (OPEB) (continued)

Actuarial methods and assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2024 actuarial valuation, the entry age normal cost method was used. Demographic assumptions regarding retirement, mortality, and turnover are based on RP 2014 annuitant district mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement.

Valuation Date	June 30, 2024
Measurement Date	June 30, 2024
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50 percent
Salary Increases	2.90 percent
Withdrawal, retirement, and mortality rates	RP 2014 annuitant distinct mortality table adjusted to 2006 with MP 2021 generational projection of future mortality improvement.
Election and Lapse Rates	25% of eligible employees 20% of male members and 20% of female members will elect spouse coverage.

Discount rate. Under GASB 75, unfunded plans must use a discount rate that reflects a 20-year tax-exempt municipal bond yield or index rate. The assumptions reflect the Bond Buyer 20-Year General Obligation Bond Index. The discount rate in effect for the June 30, 2024 reporting date is 3.93 percent.

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

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current discount rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$ 314,774	\$ 290,566	\$ 267,981

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

The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rate 5.25% decreasing to 5.0%	1% Increase
Total OPEB Liability	\$ 258,396	\$ 290,566	\$ 327,998

**CITY OF THE DALLES
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024**

Note 14 - Other Post-Employment Benefits (OPEB) (continued)

Changes in Assumptions and Methods

A summary of key changes implemented since the June 30, 2022 valuation are noted below.

Discount Rate

- Updated to reflect the current 20-year tax-exempt municipal bond yield which increased from 3.54% to 3.93%.

Retiree Participation Rate

- The future retiree participation rate decreased from 35% to 25% based on the City's recent experience.

Note 15 - Commitments - Construction in Progress

The City has various active construction obligations at June 30, 2024. The total project costs of these obligations are as follows:

Project	Contract Amount	Completed to Date	Remaining Commitment
Washinton Street Underpass	\$ 8,100,000	\$ 2,307,632	\$ 5,792,368
3rd Street Streetscape	3,000,000	52,668	2,947,332
Downtown Parking Structure	3,300,000	19,680	3,280,320
Granada Block	570,000	284,774	285,226
W 2nd Street Utility Improvements - Phase 2	2,149,783	1,693,820	455,963
1st Street Parking	3,720,000	42,866	3,677,134
Total	<u>\$ 20,839,783</u>	<u>\$ 4,401,440</u>	<u>\$ 16,438,343</u>

Note 16 - Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Note 17 - 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 five years.

Note 18 - 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, 2024, the foregone property tax revenue is \$4,529,613.



| REQUIRED SUPPLEMENTARY INFORMATION

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Property taxes	\$ 4,502,041	\$ 4,502,041	\$ 4,947,513	\$ 445,472
Other taxes	1,897,801	1,897,801	1,866,178	(31,623)
Franchise fees	299,270	299,270	284,535	(14,735)
Licenses and fees	41,150	41,150	44,818	3,668
Intergovernmental	6,852,813	6,852,813	4,248,346	(2,604,467)
Fines and forfeitures, net	60,300	60,300	85,350	25,050
System development charges	45,000	45,000	146,229	101,229
Rental income	75,775	75,775	81,553	5,778
Interest on investments	101,020	101,020	416,147	315,127
Miscellaneous	213,000	213,000	263,934	50,934
Total revenues	14,088,170	14,088,170	12,384,603	(1,703,567)
EXPENDITURES				
General government	3,873,102	3,993,217	3,588,511	404,706
Public safety	5,584,593	5,723,503	4,855,369	868,134
Planning and economic development	944,138	953,423	664,407	289,016
Special payments	879,300	879,300	891,446	(12,146)
Capital outlay	7,694,350	7,694,350	762,902	6,931,448
Debt service				
Principal	21,112	21,112	22,153	(1,041)
Interest	416	416	516	(100)
Contingency	1,062,247	793,937	-	793,937
Total expenditures	20,059,258	20,059,258	10,785,304	9,273,954
Revenues over (under) expenditures	(5,971,088)	(5,971,088)	1,599,299	7,570,387
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	-	-	560	560
Transfers in	3,947,299	3,947,299	2,464,152	(1,483,147)
Transfers out	(3,814,192)	(3,814,192)	(3,444,269)	369,923
Total other financing sources (uses)	133,107	133,107	(979,557)	(1,112,664)
Net changes in fund balances	(5,837,981)	(5,837,981)	619,742	6,457,723
FUND BALANCE, beginning of year	8,318,794	8,318,794	9,399,759	1,080,965
FUND BALANCE, end of year	\$ 2,480,813	\$ 2,480,813	\$ 10,019,501	\$ 7,538,688

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
STREET FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Other taxes	\$ 475,000	\$ 475,000	\$ 504,942	\$ 29,942
Franchise fees	81,402	81,402	113,957	32,555
Intergovernmental	1,326,576	1,326,576	1,299,032	(27,544)
Interest on investments	30,000	30,000	65,143	35,143
Miscellaneous	750	750	45,181	44,431
Total revenues	1,913,728	1,913,728	2,028,255	114,527
EXPENDITURES				
Highway and streets				
Personal service	1,245,888	1,245,888	1,088,874	157,014
Materials and services	726,282	904,134	1,101,084	(196,950)
Capital outlay	1,475,120	1,525,120	160,879	1,364,241
Contingency	111,128	111,128	-	111,128
Total expenditures	3,558,418	3,786,270	2,350,837	1,435,433
Revenues over (under) expenditures	(1,644,690)	(1,872,542)	(322,582)	1,549,960
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	8,000	8,000	7,406	(594)
Transfers in	1,089,125	1,089,125	1,089,125	-
Transfers out	(930,118)	(930,118)	(930,118)	-
Total other financing sources (uses)	167,007	167,007	166,413	(594)
Net changes in fund balances	(1,477,683)	(1,705,535)	(156,169)	1,549,366
FUND BALANCE, beginning of year	1,477,683	1,705,535	1,705,535	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 1,549,366	\$ 1,549,366

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL GRANTS FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Intergovernmental	\$ 2,130,255	2,130,255	\$ 2,262,973	\$ 132,718
Interest on investments	55,000	55,000	201,600	146,600
Total revenues	<u>2,185,255</u>	<u>2,185,255</u>	<u>2,464,573</u>	<u>279,318</u>
EXPENDITURES				
Highways and streets				
Materials and services	3,191,861	3,191,861	2,016,840	1,175,021
Capital outlay	<u>3,875,137</u>	<u>3,875,137</u>	<u>284,911</u>	<u>3,590,226</u>
Total expenditures	<u>7,066,998</u>	<u>7,066,998</u>	<u>2,301,751</u>	<u>4,765,247</u>
Revenues over (under) expenditures	<u>(4,881,743)</u>	<u>(4,881,743)</u>	<u>162,822</u>	<u>5,044,565</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,549,147)</u>	<u>(1,549,147)</u>	<u>(100,000)</u>	<u>1,449,147</u>
Total other financing sources (uses)	<u>(1,549,147)</u>	<u>(1,549,147)</u>	<u>(100,000)</u>	<u>1,449,147</u>
Net changes in fund balances	<u>(6,430,890)</u>	<u>(6,430,890)</u>	<u>62,822</u>	<u>6,493,712</u>
FUND BALANCE, beginning of year	<u>6,430,890</u>	<u>6,430,890</u>	<u>3,293,378</u>	<u>(3,137,512)</u>
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,356,200</u>	<u>\$ 3,356,200</u>

CITY OF THE DALLES, OREGON
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS ENDING JUNE 30, 2024

Total OPEB Liability	2024	2023	2022	2021
Service cost	\$ 34,655	\$ 33,678	\$ 33,790	\$ 32,838
Interest	15,734	14,276	10,664	9,837
Differences between expected and actual experience	(38,570)	-	(73,476)	-
Changes of assumption	(125,336)	-	(43,715)	-
Benefit payments	(11,451)	(4,046)	(8,770)	(3,610)
Net change in total OPEB liability	(124,968)	43,908	(81,507)	39,065
Total OPEB liability - beginning	415,534	371,626	453,133	414,068
Total OPEB liability - ending	\$ 290,566	\$ 415,534	\$ 371,626	\$ 453,133
Covered-employee payroll	\$ 8,468,300	\$ 6,746,262	\$ 6,556,134	\$ 6,456,317
Total OPEB liability as a percentage of covered-employee payroll	3.43%	6.16%	5.67%	7.02%
	2020	2019	2018	
Service cost				
Interest	\$ 110,586	\$ 99,156	\$ 102,501	
Differences between expected and actual experience	45,989	-	-	
Changes of assumption	(265,631)	-	-	
Benefit payments	(849,813)	-	-	
Net change in total OPEB liability	-	(96,302)	(83,554)	
Total OPEB liability - beginning	(958,869)	2,854	18,947	
Total OPEB liability - ending	1,372,937	1,370,083	1,351,136	
	\$ 414,068	\$ 1,372,937	\$ 1,370,083	
Covered-employee payroll	\$ 6,274,361	\$ 5,548,044	\$ 4,823,785	
Total OPEB liability as a percentage of covered-employee payroll	6.60%	24.75%	28.40%	

Significant Methods and Assumptions:

The amounts presented for each fiscal year were actuarially determined at July 1 and rolled forward to the measurement date. A summary of assumptions used in the July 1, 2024 valuation are outlined briefly in Note 14 in the notes to the basic financial statements.

Other Information:

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

CITY OF THE DALLES, OREGON
SCHEDULE OF CONTRIBUTIONS - OPEB
LAST EIGHT FISCAL YEARS ENDING JUNE 30, 2024

City of the Dalles Contributions

	2024	2023	2022	2021
Contractually required contributions	\$ 11,451	\$ 4,046	\$ 8,770	\$ 3,610
Contribution in relation to the contractually required	(11,451)	(4,046)	(8,770)	(3,610)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered - employee payroll	\$ 8,468,300	\$ 6,746,262	\$ 6,556,134	\$ 6,456,317
Contributions as a percentage of covered-employee payroll	0.14%	0.06%	0.13%	0.06%
	2020	2019	2018	2017
Contractually required contributions	\$ -	\$ 96,302	\$ 83,554	\$ 143,658
Contribution in relation to the contractually required	-	(96,302)	(83,554)	(143,658)
Contributions deficiency (excess)	\$ -	\$ -	\$ -	\$ -
City's covered - employee payroll	\$ 6,274,361	\$ 5,548,044	\$ 4,823,785	\$ 5,340,702
Contributions as a percentage of covered-employee payroll	0.00%	1.74%	1.73%	2.69%

Significant Methods and Assumptions:

The amounts presented for each fiscal year were actuarially determined at July 1 and rolled forward to the measurement date. A summary of assumptions used in the July 1, 2024 valuation are outlined briefly in Note 14 in the notes to the basic financial statements.

Other Information:

This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.



| OTHER SUPPLEMENTARY INFORMATION

CITY OF THE DALLES, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Fund	Total
ASSETS				
Cash and cash equivalents	\$ 7,047,401	\$ 804,925	\$ 6,046,454	\$ 13,898,780
Receivables				
Accounts	24,007	-	50,960	74,967
Property taxes	-	-	74,294	74,294
Notes	-	-	307,445	307,445
TOTAL ASSETS	<u><u>\$ 7,071,408</u></u>	<u><u>\$ 804,925</u></u>	<u><u>\$ 6,479,153</u></u>	<u><u>\$ 14,355,486</u></u>
LIABILITIES				
Accounts payable and accrued expenses	<u>\$ 40,333</u>	<u>\$ -</u>	<u>\$ 92,955</u>	<u>\$ 133,288</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	65,480	65,480
Unavailable revenue - assessments	-	-	26,044	26,044
Unavailable revenue - notes	-	-	307,445	307,445
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>398,969</u>	<u>398,969</u>
FUND BALANCE				
Restricted for				
Grant / contributor specific intent	5,307	-	-	5,307
Debt service	-	804,925	-	804,925
Capital projects	-	-	5,575,669	5,575,669
Committed for				
Major capital facilities and associated debt	-	-	411,560	411,560
Agreements with state agencies	7,025,768	-	-	7,025,768
Total fund balances	<u>7,031,075</u>	<u>804,925</u>	<u>5,987,229</u>	<u>13,823,229</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u><u>\$ 7,071,408</u></u>	<u><u>\$ 804,925</u></u>	<u><u>\$ 6,479,153</u></u>	<u><u>\$ 14,355,486</u></u>

**CITY OF THE DALLES, OREGON
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Fund	Total
REVENUES				
Property taxes	\$ 2,416,377	\$ 794,712	\$ 875,568	\$ 4,086,657
Franchise fees	-	-	35,789	35,789
Intergovernmental	2,416,280	-	60,000	2,476,280
Fines and forfeitures, net	8,415	-	-	8,415
Assessments	-	-	27,179	27,179
Rental income	253,231	-	-	253,231
Interest on investments	209,005	4,900	332,189	546,094
Miscellaneous	11,157	-	5,017	16,174
Total revenues	5,314,465	799,612	1,335,742	7,449,819
EXPENDITURES				
General government	-	-	541,799	541,799
Public safety	508,552	-	-	508,552
Culture and recreation	1,707,517	-	-	1,707,517
Capital outlay	34,680	-	631,352	666,032
Debt service				
Principal	-	679,420	-	679,420
Interest	-	226,553	-	226,553
Total expenditures	2,250,749	905,973	1,173,151	4,329,873
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	3,063,716	(106,361)	162,591	3,119,946
OTHER FINANCING SOURCES (USES)				
Transfer in	11,643	946,613	250,000	1,208,256
Transfer out	(609,000)	(841,065)	(115,548)	(1,565,613)
Total other financing sources (uses)	(597,357)	105,548	134,452	(357,357)
NET CHANGE IN FUND BALANCE	2,466,359	(813)	297,043	2,762,589
FUND BALANCES, beginning of year	4,564,716	805,738	5,690,186	11,060,640
FUND BALANCES, end of year	\$ 7,031,075	\$ 804,925	\$ 5,987,229	\$ 13,823,229

CITY OF THE DALLES, OREGON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2024

	Library Fund	Special Enterprise Zone Fund	Community Benevolence Fund	State Office Building Fund	Total
ASSETS					
Cash and cash equivalents	\$ 2,793,489	\$ 3,941,632	\$ 5,307	\$ 306,973	\$ 7,047,401
Receivables:					
Accounts	490	-	-	23,517	24,007
TOTAL ASSETS	<u>\$ 2,793,979</u>	<u>\$ 3,941,632</u>	<u>\$ 5,307</u>	<u>\$ 330,490</u>	<u>\$ 7,071,408</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 39,297	\$ -	\$ -	\$ 1,036	\$ 40,333
FUND BALANCES					
Restricted for					
Grant / contributor specific intent	2,754,682	-	5,307	-	2,759,989
Committed for					
Agreements with state agencies	-	3,941,632	-	329,454	4,271,086
Total fund balances	<u>2,754,682</u>	<u>3,941,632</u>	<u>5,307</u>	<u>329,454</u>	<u>7,031,075</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 2,793,979</u>	<u>\$ 3,941,632</u>	<u>\$ 5,307</u>	<u>\$ 330,490</u>	<u>\$ 7,071,408</u>

CITY OF THE DALLES, OREGON
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2024

	Library Fund	Special Enterprise Zone Fund	Community Benevolence Fund	State Office Building Fund	Total
REVENUES					
Property taxes	\$ 2,416,377	\$ -	\$ -	\$ -	\$ 2,416,377
Intergovernmental	9,147	2,407,133	-	-	2,416,280
Fines and forfeitures, net	8,415	-	-	-	8,415
Rental income	-	-	-	253,231	253,231
Interest on investments	90,603	103,882	240	14,280	209,005
Miscellaneous	11,157	-	-	-	11,157
Total revenues	2,535,699	2,511,015	240	267,511	5,314,465
EXPENDITURES					
Public safety	-	250,000	-	258,552	508,552
Culture and recreation	1,706,815	-	702	-	1,707,517
Capital outlay	-	-	-	34,680	34,680
Total expenditures	1,706,815	250,000	702	293,232	2,250,749
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>828,884</u>	<u>2,261,015</u>	<u>(462)</u>	<u>(25,721)</u>	<u>3,063,716</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	-	11,643	11,643
Transfer out	(159,000)	(450,000)	-	-	(609,000)
Total other financing sources (uses)	(159,000)	(450,000)	-	11,643	(597,357)
NET CHANGE IN FUND BALANCE	669,884	1,811,015	(462)	(14,078)	2,466,359
FUND BALANCES, beginning of year	<u>2,084,798</u>	<u>2,130,617</u>	<u>5,769</u>	<u>343,532</u>	<u>4,564,716</u>
FUND BALANCES, end of year	<u>\$ 2,754,682</u>	<u>\$ 3,941,632</u>	<u>\$ 5,307</u>	<u>\$ 329,454</u>	<u>\$ 7,031,075</u>

**CITY OF THE DALLES, OREGON
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2024**

	FFCO 2008 Bond Fund	2009 FFCO Bond Fund	Urban Renewal Debt Fund	Totals
ASSETS				
Cash and cash equivalents	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 801,925</u>	<u>\$ 804,925</u>
FUND BALANCES				
Restricted for:				
Debt service	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 801,925</u>	<u>\$ 804,925</u>

**CITY OF THE DALLES, OREGON
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2024**

	FFCO 2008 Bond Fund	2009 FFCO Bond Fund	Urban Renewal Debt Fund	Totals
REVENUES				
Property taxes	\$ -	\$ -	\$ 794,712	\$ 794,712
Interest on investments	-	-	4,900	4,900
Total revenues	-	-	799,612	799,612
EXPENDITURES				
Debt service				
Principal	-	679,420	-	679,420
Interest	-	226,553	-	226,553
Total expenditures	-	905,973	-	905,973
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	(905,973)	799,612	(106,361)
Other financing sources (uses)				
Transfers in	-	946,613	-	946,613
Transfers out	-	(40,640) *	(800,425) **	(841,065)
Total other financing sources (uses)	-	905,973	(800,425)	105,548
NET CHANGE IN FUND BALANCE	-	-	(813)	(813)
FUND BALANCE, beginning of year	3,000	-	802,738	805,738
FUND BALANCE, end of year	\$ 3,000	\$ -	\$ 801,925	\$ 804,925

* Amount represents transfers to business-type funds for debt service in the amounts of \$30,580 and \$10,060 in principal and interest, respectively. Amounts are reported as debt service expenditures for budgetary purposes and transfers out for GAAP financial reporting purposes.

** Amount represents transfers to the 2009 FFCO Bond Fund for \$600,000 and \$200,425 in debt service of principal and interest, respectively, as reported for budgetary purposes but reclassified above for GAAP financial reporting purposes.

CITY OF THE DALLES, OREGON
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2024

	Special Assessment Fund	Urban Renewal Capital Projects Fund	Total
ASSETS			
Cash and cash equivalents	\$ 419,983	\$ 5,626,471	\$ 6,046,454
Receivables:			
Accounts	50,960	-	50,960
Property taxes	-	74,294	74,294
Notes	-	307,445	307,445
TOTAL ASSETS	<u>\$ 470,943</u>	<u>\$ 6,008,210</u>	<u>\$ 6,479,153</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities			
Accounts payable and accrued expenses	\$ 33,339	\$ 59,616	\$ 92,955
Deferred inflows of resources			
Unavailable revenue - property taxes	-	65,480	65,480
Unavailable revenue - assessments	26,044	-	26,044
Unavailable revenue - notes receivable	-	307,445	307,445
Total deferred inflows of resources	<u>26,044</u>	<u>372,925</u>	<u>398,969</u>
Fund balances			
Restricted for			
Capital projects	-	5,575,669	5,575,669
Committed for			
Major capital facilities and associated debt	<u>411,560</u>	<u>-</u>	<u>411,560</u>
Total fund balances	<u>411,560</u>	<u>5,575,669</u>	<u>5,987,229</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 470,943</u>	<u>\$ 6,008,210</u>	<u>\$ 6,479,153</u>

**CITY OF THE DALLES, OREGON
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2024**

	Special Assessment Fund	Urban Renewal Capital Projects Fund	Total
REVENUES			
Property taxes	\$ -	\$ 875,568	\$ 875,568
Intergovernmental	-	60,000	60,000
Franchise fees	35,789	-	35,789
Assessments	27,179	-	27,179
Rental income	-	-	-
Interest on investments	20,566	311,623	332,189
Miscellaneous	-	5,017	5,017
Total revenues	83,534	1,252,208	1,335,742
EXPENDITURES			
General government	48,723	493,076	541,799
Capital outlay	115,940	515,412	631,352
Total expenditures	164,663	1,008,488	1,173,151
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(81,129)	243,720	162,591
OTHER FINANCING SOURCES (USES)			
Transfer in	250,000	-	250,000
Transfer out	(115,548)	-	(115,548)
Total other financing sources (uses)	134,452	-	134,452
NET CHANGE IN FUND BALANCE	53,323	243,720	297,043
FUND BALANCE, beginning of year	358,237	5,331,949	5,690,186
FUND BALANCE, end of year	\$ 411,560	\$ 5,575,669	\$ 5,987,229

CITY OF THE DALLES, OREGON
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2024

	General Fund - Budgetary Basis	Public Works Reserve Fund	Transportation System Reserve Fund	Unemployment Reserve Fund	Total General Fund
ASSETS					
Cash and cash equivalents	\$ 6,422,454	\$ 412,018	\$ 2,262,601	\$ 61,354	\$ 9,158,427
Receivables:					
Accounts	1,163,931	-	-	-	1,163,931
Leases	279,263				279,263
Fines and forfeitures	489,479	-	-	-	489,479
Property taxes	181,087	-	-	-	181,087
Prepaid items	18,452	-	-	-	18,452
TOTAL ASSETS	\$ 8,554,666	\$ 412,018	\$ 2,262,601	\$ 61,354	\$ 11,290,639
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenses	\$ 302,840	\$ -	\$ 44,660	\$ 6,618	\$ 354,118
Deferred inflows of resources					
Unavailable revenue - property taxes	181,087	-	-	-	181,087
Unavailable revenue - court	456,670	-	-	-	456,670
Unavailable revenue - leases	279,263	-	-	-	279,263
Total deferred inflows of resources	917,020	-	-	-	917,020
Fund balances					
Nonspendable					
Prepays	18,452	-	-	-	18,452
Committed for					
Committed by ordinance or resolution	-	412,018	2,217,941	54,736	2,684,695
Unassigned	7,316,354	-	-	-	7,316,354
Total fund balances	7,334,806	412,018	2,217,941	54,736	10,019,501
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 8,554,666	\$ 412,018	\$ 2,262,601	\$ 61,354	\$ 11,290,639

CITY OF THE DALLES, OREGON
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	General Fund - Budgetary Basis	Public Works Reserve Fund	Transportation System Reserve Fund	Unemployment Reserve Fund	Total General Fund
REVENUES					
Property taxes	\$ 4,947,513	\$ -	\$ -	\$ -	\$ 4,947,513
Other taxes	1,866,178	-	-	-	1,866,178
Franchise fees	284,535	-	-	-	284,535
Licenses and fees	44,818	-	-	-	44,818
Intergovernmental	3,839,816	-	408,530	-	4,248,346
Fines and forfeitures, net	85,350	-	-	-	85,350
System development charges	-	-	146,229	-	146,229
Rental income	81,553	-	-	-	81,553
Interest on investments	312,942	17,795	83,276	2,134	416,147
Miscellaneous	263,934	-	-	-	263,934
Total revenues	11,726,639	17,795	638,035	2,134	12,384,603
EXPENDITURES					
General government	3,575,719	-	-	12,792	3,588,511
Public Safety	4,855,369	-	-	-	4,855,369
Planning and economic development	664,407	-	-	-	664,407
Special payments	891,446	-	-	-	891,446
Capital outlay	366,879	234,159	161,864	-	762,902
Debt service					
Principal	22,153	-	-	-	22,153
Interest	516	-	-	-	516
Total expenditures	10,376,489	234,159	161,864	12,792	10,785,304
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,350,150	(216,364)	476,171	(10,658)	1,599,299
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of property	560	-	-	-	560
Transfer in	1,253,412	275,000	900,000	35,740	2,464,152
Transfer out	(3,444,269)	-	-	-	(3,444,269)
Total other financing sources (uses)	(2,190,297)	275,000	900,000	35,740	(979,557)
NET CHANGE IN FUND BALANCE	(840,147)	58,636	1,376,171	25,082	619,742
FUND BALANCE, beginning of year	8,174,953	353,382	841,770	29,654	9,399,759
FUND BALANCE, end of year	\$ 7,334,806	\$ 412,018	\$ 2,217,941	\$ 54,736	\$ 10,019,501

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Property taxes	\$ 4,502,041	\$ 4,502,041	\$ 4,947,513	\$ 445,472
Other taxes	1,897,801	1,897,801	1,866,178	(31,623)
Franchise fees	299,270	299,270	284,535	(14,735)
Licenses and fees	41,150	41,150	44,818	3,668
Intergovernmental	3,561,797	3,561,797	3,839,816	278,019
Fines and forfeitures, net	60,300	60,300	85,350	25,050
Rental income	75,775	75,775	81,553	5,778
Interest on investments	90,000	90,000	312,942	222,942
Miscellaneous	213,000	213,000	263,934	50,934
Total revenues	10,741,134	10,741,134	11,726,639	985,505
EXPENDITURES				
General government	3,801,517	3,921,632	3,575,719	345,913
Public safety	5,584,593	5,723,503	4,855,369	868,134
Planning and economic development	944,138	953,423	664,407	289,016
Special payments	879,300	879,300	891,446	(12,146)
Capital outlay	391,341	391,341	366,879	24,462
Debt service				
Principal	21,112	21,112	22,153	(1,041)
Interest	416	416	516	(100)
Contingency	1,062,247	793,937	-	793,937
Total expenditures	12,684,664	12,684,664	10,376,489	2,308,175
Revenues over (under) expenditures	(1,943,530)	(1,943,530)	1,350,150	3,293,680
OTHER FINANCING SOURCES (USES)				
Gain on sale of fixed assets	-	-	560	560
Transfers in	1,289,412	1,289,412	1,253,412	(36,000)
Transfers out	(3,814,192)	(3,814,192)	(3,444,269)	369,923
Total other financing sources (uses)	(2,524,780)	(2,524,780)	(2,190,297)	334,483
Net changes in fund balances	\$ (4,468,310)	\$ (4,468,310)	\$ (840,147)	\$ 3,628,163
FUND BALANCE, beginning of year	6,949,123	6,949,123	8,174,953	1,225,830
FUND BALANCE, end of year	\$ 2,480,813	\$ 2,480,813	\$ 7,334,806	\$ 4,853,993

CITY OF THE DALLES, OREGON
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
General government				
City council				
Personnel services	\$ 9,721	\$ 9,721	\$ 9,711	\$ 10
Materials and services	390,172	390,172	282,297	107,875
Subtotal	399,893	399,893	292,008	107,885
City clerk				
Personnel services	183,474	183,474	160,174	23,300
Materials and services	29,385	33,985	21,376	12,609
Subtotal	212,859	217,459	181,550	35,909
City manager				
Personnel services	343,984	343,984	417,856	(73,872)
Materials and services	33,477	33,477	23,379	10,098
Subtotal	377,461	377,461	441,235	(63,774)
Legal				
Personnel services	276,579	276,579	233,949	42,630
Materials and services	399,161	399,161	210,126	189,035
Subtotal	675,740	675,740	444,075	231,665
Finance / utility billing / judicial				
Personnel services	736,658	736,658	707,412	29,246
Materials and services	281,397	281,397	196,922	84,475
Subtotal	1,018,055	1,018,055	904,334	113,721
Human resources				
Personnel services	294,576	294,576	258,556	36,020
Materials and services	204,183	204,183	130,326	73,857
Subtotal	498,759	498,759	388,882	109,877
Technology				
Personnel services	235,297	340,332	287,686	52,646
Materials and services	127,544	128,024	142,561	(14,537)
Capital outlay	38,300	38,300	14,912	23,388
Subtotal	\$ 401,141	\$ 506,656	\$ 445,159	\$ 61,497

CITY OF THE DALLES, OREGON
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
Continued				
City hall/transportation center department				
Personnel services	\$ 144,773	\$ 147,773	\$ 107,898	\$ 39,875
Materials and services	389,177	396,177	385,490	10,687
Capital outlay	75,000	75,000	75,342	(342)
Subtotal	608,950	618,950	568,730	50,220
Total general government	\$ 4,192,858	\$ 4,312,973	\$ 3,665,973	\$ 647,000
Planning and economic development				
Personnel services	\$ 695,798	\$ 705,083	\$ 493,981	\$ 211,102
Materials and services	248,340	248,340	170,426	77,914
Subtotal	944,138	953,423	664,407	289,016
Public safety				
Police/codes enforcement				
Police				
Personnel services	4,175,863	4,280,863	3,804,509	476,354
Materials and services	814,881	824,881	745,663	79,218
Capital outlay	233,926	233,926	232,711	1,215
Subtotal	5,224,670	5,339,670	4,782,883	556,787
Code enforcement				
Personnel services	96,430	96,430	94,546	1,884
Materials and services	93,992	108,992	78,932	30,060
Subtotal	190,422	205,422	173,478	31,944
Total police/codes enforcement	5,415,092	5,545,092	4,956,361	588,731
Animal control				
Personnel services	93,666	93,666	99,712	(6,046)
Materials and services	31,720	40,630	32,007	8,623
Capital outlay	44,115	44,115	43,914	201
Subtotal	169,501	178,411	175,633	2,778
Total public safety	5,584,593	5,723,503	5,131,994	591,509
Special payments	879,300	879,300	891,446	(12,146)
Debt service				
Principal	21,112	21,112	22,153	(1,041)
Interest	416	416	516	(100)
Subtotal	21,528	21,528	22,669	(1,141)
Interfund transfers	3,814,192	3,814,192	3,444,269	369,923
Contingency	1,062,247	793,937	-	793,937
Total expenditures	\$ 16,498,856	\$ 16,498,856	\$ 13,820,758	\$ 2,678,098

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PUBLIC WORKS RESERVE FUND
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Interest on investments	\$ -	\$ -	\$ 17,795	\$ 17,795
EXPENDITURES				
Capital outlay	708,007	708,007	234,159	473,848
Revenues over (under) expenditures	(708,007)	(708,007)	(216,364)	491,643
OTHER FINANCING SOURCES (USES)				
Transfers in	275,000	275,000	275,000	-
Net changes in fund balances	(433,007)	(433,007)	58,636	491,643
FUND BALANCE, beginning of year	433,007	433,007	353,382	(79,625)
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 412,018</u>	<u>\$ 412,018</u>

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
TRANSPORTATION SYSTEM RESERVE FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Intergovernmental	\$ 3,291,016	\$ 3,291,016	\$ 408,530	\$ (2,882,486)
System development charges	45,000	45,000	146,229	101,229
Interest on investments	10,000	10,000	83,276	73,276
Total revenues	3,346,016	3,346,016	638,035	(2,707,981)
EXPENDITURES				
Capital outlay	6,595,002	6,595,002	161,864	6,433,138
Revenues over (under) expenditures	(3,248,986)	(3,248,986)	476,171	3,725,157
OTHER FINANCING SOURCES (USES)				
Transfers in	2,347,147	2,347,147	900,000	(1,447,147)
Net changes in fund balances	(901,839)	(901,839)	1,376,171	2,278,010
FUND BALANCE, beginning of year	901,839	901,839	841,770	(60,069)
FUND BALANCE, end of year	\$ -	\$ -	\$ 2,217,941	\$ 2,217,941

**CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
UNEMPLOYMENT RESERVE FUND
YEAR ENDED JUNE 30, 2024**

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Interest on investments	\$ 1,020	\$ 1,020	\$ 2,134	\$ 1,114
EXPENDITURES				
Personnel service	71,585	71,585	12,792	58,793
Revenues over (under) expenditures	(70,565)	(70,565)	(10,658)	59,907
OTHER FINANCING SOURCES (USES)				
Transfers in	35,740	35,740	35,740	-
Net changes in fund balances	(34,825)	(34,825)	25,082	59,907
FUND BALANCE, beginning of year	34,825	34,825	29,654	(5,171)
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,736</u>	<u>\$ 54,736</u>

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
LIBRARY FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Property taxes	\$ 1,944,428	\$ 1,944,428	\$ 2,416,377	\$ 471,949
Intergovernmental	259,010	259,010	9,147	(249,863)
Fines and forfeitures, net	5,000	5,000	8,415	3,415
Contributions	100	100	-	(100)
Interest on investments	33,812	33,812	90,603	56,791
Miscellaneous	-	-	11,157	11,157
Total revenues	2,242,350	2,242,350	2,535,699	293,349
EXPENDITURES				
Culture and recreation				
Personnel service	1,130,545	1,130,545	1,071,002	59,543
Materials and services	1,031,866	1,031,866	635,813	396,053
Capital outlay	718,000	718,000	-	718,000
Contingency	250,455	250,455	-	250,455
Total expenditures	3,130,866	3,130,866	1,706,815	1,424,051
Revenues over (under) expenditures	(888,516)	(888,516)	828,884	1,717,400
OTHER FINANCING SOURCES (USES)				
Transfers out	(193,000)	(193,000)	(159,000)	34,000
Net changes in fund balances	(1,081,516)	(1,081,516)	669,884	1,751,400
FUND BALANCE, beginning of year	1,977,178	1,977,178	2,084,798	107,620
FUND BALANCE, end of year	\$ 895,662	\$ 895,662	\$ 2,754,682	\$ 1,859,020

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL ENTERPRISE ZONE FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Intergovernmental	\$ 907,133	\$ 907,133	\$ 2,407,133	\$ 1,500,000
Interest on investments	43,000	43,000	103,882	60,882
Total revenues	<u>950,133</u>	<u>950,133</u>	<u>2,511,015</u>	<u>1,560,882</u>
EXPENDITURES				
Highways and streets				
Materials and services	<u>2,608,832</u>	<u>2,608,832</u>	<u>250,000</u>	<u>2,358,832</u>
Revenues over (under) expenditures	<u>(1,658,699)</u>	<u>(1,658,699)</u>	<u>2,261,015</u>	<u>3,919,714</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(450,000)</u>	<u>(450,000)</u>	<u>(450,000)</u>	<u>-</u>
Net changes in fund balances	<u>(2,108,699)</u>	<u>(2,108,699)</u>	<u>1,811,015</u>	<u>3,919,714</u>
FUND BALANCE, beginning of year	<u>2,108,699</u>	<u>2,108,699</u>	<u>2,130,617</u>	<u>21,918</u>
FUND BALANCE, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,941,632</u></u>	<u><u>\$ 3,941,632</u></u>

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
COMMUNITY BENEVOLENCE FUND
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Interest on investments	\$ 82	\$ 82	\$ 240	\$ 158
EXPENDITURES				
Culture and recreation				
Materials and services	5,153	5,153	702	4,451
Revenues over (under) expenditures	(5,071)	(5,071)	(462)	4,609
FUND BALANCE, beginning of year	5,071	5,071	5,769	698
FUND BALANCE, end of year	\$ -	\$ -	\$ 5,307	\$ 5,307

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
STATE OFFICE BUILDING FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Rental income	\$ 581,077	\$ 581,077	\$ 253,231	\$ (327,846)
Interest on investments	2,400	2,400	14,280	11,880
Total revenues	583,477	583,477	267,511	(315,966)
EXPENDITURES				
Public safety				
Personnel service	88,906	88,906	107,003	(18,097)
Materials and services	120,343	120,343	151,549	(31,206)
Capital outlay	281,945	281,945	34,680	247,265
Contingency	265,302	265,302	-	265,302
Total expenditures	756,496	756,496	293,232	463,264
Revenues over (under) expenditures	(173,019)	(173,019)	(25,721)	147,298
OTHER FINANCING SOURCES (USES)				
Transfers in	11,643	11,643	11,643	-
Net changes in fund balances	(161,376)	(161,376)	(14,078)	147,298
FUND BALANCE, beginning of year	161,376	161,376	343,532	182,156
FUND BALANCE, end of year	\$ -	\$ -	\$ 329,454	\$ 329,454

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FFCO 2008 BOND FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
FUND BALANCE, beginning of year	-	-	3,000	3,000
FUND BALANCE, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ 3,000</u>

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
2009 FFCO BOND FUND
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
EXPENDITURES				
Debt service				
Principal	\$ 710,000	\$ 710,000	\$ 710,000	\$ -
Interest	236,616	236,616	236,613	3
Total expenditures	946,616	946,616	946,613	3
OTHER FINANCING SOURCES (USES)				
Transfers in	946,612	946,612	946,613	(1)
Net changes in fund balances	(4)	(4)	-	4
FUND BALANCE, beginning of year	4	4	-	(4)
FUND BALANCE, end of year	\$ -	\$ -	\$ -	\$ -

*Debt service transfers from the Water Capital Reserve Fund of \$33,477 and Wastewater Capital Reserve Fund of \$7,163 were made for debt service principal and interest of \$30,580 and \$10,060, respectively.

**CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
URBAN RENEWAL DEBT FUND
YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Property taxes	\$ 794,712	\$ 794,712	\$ 794,712	\$ -
Interest on investments	4,900	4,900	4,900	-
Total revenues	799,612	799,612	799,612	-
EXPENDITURES				
Debt service:				
Principal	600,000	600,000	600,000	-
Interest	200,425	200,425	200,425	-
Total expenditures	800,425	800,425	800,425	** -
Revenues over (under) expenditures	(813)	(813)	(813)	-
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	-	-
Net changes in fund balances	(813)	(813)	(813)	-
FUND BALANCE, beginning of year	802,738	802,738	802,738	-
FUND BALANCE, end of year	<u>\$ 801,925</u>	<u>\$ 801,925</u>	<u>\$ 801,925</u>	<u>\$ -</u>

** The \$600,000 and \$200,425 in debt service principal and interest was recalssified on the nonmajor debt service funds combining schedule of revenues, expenditures, and changes in fund balance (page 49) as transfers out for GAAP financial reporting purposes, and is reported as debt service principal and interest in the schedule above for budgetary purposes.

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 3,102,827	\$ 3,102,827
Rental income	259,017	259,017	224,824	(34,193)
Interest on investments	10,000	10,000	73,215	63,215
Miscellaneous	-	-	5	5
Total revenues	269,017	269,017	3,400,871	3,131,854
EXPENDITURES				
Materials and services	10,000	10,000	7,205	2,795
Capital outlay	3,237,766	3,237,766	3,677,195	(439,429)
Total expenditures	3,247,766	3,247,766	3,684,400	(436,634)
Revenues over (under) expenditures	(2,978,749)	(2,978,749)	(283,529)	2,695,220
OTHER FINANCING SOURCES (USES)				
Transfers in	2,690,435	2,977,443	2,690,435	(287,008)
Transfers out	(11,643)	(298,651)	(11,643)	287,008
Total other financing sources (uses)	2,678,792	2,678,792	2,678,792	-
Net changes in fund balances	(299,957)	(299,957)	2,395,263	2,695,220
FUND BALANCE, beginning of year	299,957	299,957	435,758	135,801
FUND BALANCE, end of year	\$ -	\$ -	\$ 2,831,021	\$ 2,831,021

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL ASSESSMENT FUND
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Franchise fees	\$ 26,858	\$ 26,858	\$ 35,789	\$ 8,931
Assessments	22,238	22,238	27,179	4,941
Interest on investments	4,800	4,800	20,566	15,766
Total revenues	53,896	53,896	83,534	29,638
EXPENDITURES				
Materials and services	28,658	28,658	48,723	(20,065)
Capital outlay	451,520	517,927	115,940	401,987
Total expenditures	480,178	546,585	164,663	381,922
Revenues over (under) expenditures	(426,282)	(492,689)	(81,129)	411,560
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	250,000	250,000	-
Transfers out	(115,548)	(115,548)	(115,548)	-
Total other financing sources (uses)	134,452	134,452	134,452	-
Net changes in fund balances	(291,830)	(358,237)	53,323	411,560
FUND BALANCE, beginning of year	291,830	358,237	358,237	-
FUND BALANCE, end of year	\$ -	\$ -	\$ 411,560	\$ 411,560

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
URBAN RENEWAL CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Property taxes	\$ 888,276	\$ 888,276	\$ 875,568	\$ (12,708)
Intergovernmental	-	-	60,000	60,000
Interest on investments	29,010	29,010	311,623	282,613
Miscellaneous	25,000	25,000	5,017	(19,983)
Total revenues	942,286	942,286	1,252,208	309,922
EXPENDITURES				
Materials and services	2,975,595	2,975,595	493,076	2,482,519
Capital outlay	2,583,382	2,583,382	515,412	2,067,970
Total expenditures	5,558,977	5,558,977	1,008,488	4,550,489
Revenues over (under) expenditures	(4,616,691)	(4,616,691)	243,720	4,860,411
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	2,824	2,824	-	(2,824)
Total other financing sources (uses)	2,824	2,824	-	(2,824)
Net changes in fund balances	(4,613,867)	(4,613,867)	243,720	4,857,587
FUND BALANCE, beginning of year	4,613,867	4,613,867	5,331,949	718,082
FUND BALANCE, end of year	\$ -	\$ -	\$ 5,575,669	\$ 5,575,669

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
ALL WATER FUNDS COMBINED
YEAR ENDED JUNE 30, 2024

	Water Utility	Water Capital Reserve	Total All Water Funds
REVENUES			
Charges for services	\$ 6,263,929	\$ -	\$ 6,263,929
Intergovernmental	5,662	-	5,662
System development charges	-	58,218	58,218
Rental income	4,428	-	4,428
Interest on investments	22,834	137,786	160,620
Miscellaneous	246,004	16,925	262,929
Total revenues	6,542,857	212,929	6,755,786
EXPENDITURES			
Personnel service	2,669,232	-	2,669,232
Materials and services	1,595,934	-	1,595,934
Capital outlay	153,485	6,596,810	6,750,295
Debt service			
Principal	-	172,210	172,210
Interest	-	66,169	66,169
Total expenditures	4,418,651	6,835,189	11,253,840
Revenues over (under) expenditures	2,124,206	(6,622,260)	(4,498,054)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of property	2,599	-	2,599
Loan proceeds	-	3,574,087	3,574,087
Transfers in	-	1,541,667	1,541,667
Transfers out	(2,330,880)	(536,188)	(2,867,068)
Total other financing sources (uses)	(2,328,281)	4,579,566	2,251,285
Net changes in fund balances	(204,075)	(2,042,694)	(2,246,769)
FUND BALANCE, beginning budgetary basis	1,297,316	4,721,740	6,019,056
FUND BALANCE, ending budgetary basis	\$ 1,093,241	\$ 2,679,046	3,772,287
Change in fund balance			(2,246,769)
Expenditures capitalized			6,500,243
Debt service principal payments			197,400
Other post-employment benefits			25,003
Depreciation			(640,408)
Loan proceeds			(3,574,087)
Premium amortization and accrued interest			5,493
Net book value of disposed assets			(45,762)
Compensated absences			(16,863)
Change in net position			\$ 204,250

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
ALL WATER FUNDS COMBINED
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Charges for services	\$ 6,057,403	\$ 6,057,403	\$ 6,263,929	\$ 206,526
Intergovernmental	42,219	42,219	5,662	(36,557)
Rental income	4,428	4,428	4,428	-
Interest on investments	5,000	5,000	22,834	17,834
Miscellaneous	105,450	105,450	246,004	140,554
Total revenues	6,214,500	6,214,500	6,542,857	328,357
EXPENDITURES				
Personnel service	2,889,021	2,889,021	2,669,232	219,789
Materials and services	1,558,684	1,648,543	1,595,934	52,609
Capital outlay	421,870	471,870	153,485	318,385
Contingency	63,269	63,269	-	63,269
Total expenditures	4,932,844	5,072,703	4,418,651	654,052
Revenues over (under) expenditures	1,281,656	1,141,797	2,124,206	982,409
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	100	100	2,599	2,499
Transfers out	(1,639,213)	(2,439,213)	(2,330,880)	108,333
Total other financing sources (uses)	(1,639,113)	(2,439,113)	(2,328,281)	110,832
Net changes in fund balance	(357,457)	(1,297,316)	(204,075)	1,093,241
FUND BALANCE, beginning budgetary basis	357,457	1,297,316	1,297,316	-
FUND BALANCE, ending budgetary basis	\$ -	\$ -	\$ 1,093,241	\$ 1,093,241

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
WATER CAPITAL RESERVE
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Intergovernmental	\$ 705,857	\$ 915,635	\$ -	\$ (915,635)
System development charges	69,510	69,510	58,218	(11,292)
Interest on investments	30,000	30,000	137,786	107,786
Miscellaneous	-	-	16,925	16,925
Total revenues	805,367	1,015,145	212,929	(802,216)
EXPENDITURES				
Capital outlay	9,399,786	11,509,603	6,596,810	4,912,793
Debt service				
Principal	174,210	174,210	172,210 *	2,000
Interest	66,169	66,169	66,169 *	-
Total expenditures	9,640,165	11,749,982	6,835,189	4,914,793
Revenues over (under) expenditures	(8,834,798)	(10,734,837)	(6,622,260)	4,112,577
OTHER FINANCING SOURCES (USES)				
Loan proceeds	4,899,285	4,899,285	3,574,087	(1,325,198)
Transfers in	850,000	1,650,000	1,541,667	(108,333)
Transfers out	(536,188)	(536,188)	(536,188) *	-
Total other financing sources (uses)	5,213,097	6,013,097	4,579,566	(1,433,531)
Net changes in fund balance	(3,621,701)	(4,721,740)	(2,042,694)	2,679,046
FUND BALANCE, beginning budgetary basis	3,621,701	4,721,740	4,721,740	-
FUND BALANCE, ending budgetary basis	\$ -	\$ -	\$ 2,679,046	\$ 2,679,046

* Debt service transfers from the Water Capital Reserve fund of \$33,477 were made to the 2009 FFCO Debt Service Fund for principal and interest of \$25,190 and \$8,287, respectively.

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGETARY BASIS
ALL WASTEWATER FUNDS COMBINED
YEAR ENDED JUNE 30, 2024

	Wastewater	Wastewater Capital Reserve	Sewer Plant Construction	Total All Wastewater Funds
REVENUES				
Charges for services	\$ 5,600,564	\$ -	\$ -	\$ 5,600,564
Intergovernmental	40,171	-	-	40,171
System development charges	503,343	5,107,039	-	5,610,382
Interest on investments	17,464	162,466	137,029	316,959
Total revenues	6,161,542	5,269,505	137,029	11,568,076
EXPENDITURES				
Personnel service	1,514,779	-	-	1,514,779
Materials and services	2,205,543	-	-	2,205,543
Capital outlay	67,905	1,910,280	116,720	2,094,905
Debt service				
Principal	-	-	65,113	65,113
Interest	-	-	30,884	30,884
Total expenditures	3,788,227	1,910,280	212,717	5,911,224
Revenues over (under) expenditures	2,373,315	3,359,225	(75,688)	5,656,852
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	7,620	-	-	7,620
Transfers in	-	750,000	850,000	1,600,000
Transfers out	(2,211,112)	(7,163)	(304,737)	(2,523,012)
Total other financing sources (uses)	(2,203,492)	742,837	545,263	(915,392)
Net changes in fund balances	169,823	4,102,062	469,575	4,741,460
FUND BALANCE, beginning budgetary basis	1,190,438	3,214,470	2,860,593	7,265,501
FUND BALANCE, ending budgetary basis	\$ 1,360,261	\$ 7,316,532	\$ 3,330,168	12,006,961
Change in fund balance				4,741,460
Expenditures capitalized				2,185,174
Debt service principal payments				70,503
Other post-employment benefits				18,206
Depreciation				(1,036,897)
Premium amortization and accrued interest				1,093
Net book value of disposed assets				(7,686)
Compensated absences				(11,904)
Change in net position				\$ 5,959,949

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
WASTEWATER
YEAR ENDED JUNE 30, 2024

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Charges for services	\$ 5,483,776	\$ 5,483,776	\$ 5,600,564	\$ 116,788
Intergovernmental	36,930	36,930	40,171	3,241
System development charges	360,000	360,000	503,343	143,343
Interest on investments	4,000	4,000	17,464	13,464
Total revenues	5,884,706	5,884,706	6,161,542	276,836
EXPENDITURES				
Personnel service	1,668,734	1,668,734	1,514,779	153,955
Materials and services	2,374,419	2,389,419	2,205,543	183,876
Capital outlay	403,667	779,203	67,905	711,298
Contingency	26,676	26,676	-	26,676
Total expenditures	4,473,496	4,864,032	3,788,227	1,075,805
Revenues over (under) expenditures	1,411,210	1,020,674	2,373,315	1,352,641
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	-	-	7,620	7,620
Transfers out	(2,211,112)	(2,211,112)	(2,211,112)	-
Total other financing sources (uses)	(2,211,112)	(2,211,112)	(2,203,492)	7,620
Net changes in fund balance	(799,902)	(1,190,438)	169,823	1,360,261
FUND BALANCE, beginning budgetary basis	799,902	1,190,438	1,190,438	-
FUND BALANCE, ending budgetary basis	\$ -	\$ -	\$ 1,360,261	\$ 1,360,261

**CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
WASTEWATER CAPITAL RESERVE
YEAR ENDED JUNE 30, 2024**

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
System development charges	\$ 63,930	\$ 63,930	\$ 5,107,039	\$ 5,043,109
Interest on investments	35,000	35,000	162,466	127,466
Total revenues	98,930	98,930	5,269,505	5,170,575
EXPENDITURES				
Capital outlay	3,529,705	4,056,237	1,910,280	2,145,957
Revenues over (under) expenditures	(3,430,775)	(3,957,307)	3,359,225	7,316,532
OTHER FINANCING SOURCES (USES)				
Transfers in	750,000	750,000	750,000	-
Transfers out	(7,163)	(7,163)	(7,163)	-
Total other financing sources (uses)	742,837	742,837	742,837	-
Net changes in fund balance	(2,687,938)	(3,214,470)	4,102,062	7,316,532
FUND BALANCE, beginning budgetary basis	2,687,938	3,214,470	3,214,470	-
FUND BALANCE, ending budgetary basis	\$ -	\$ -	\$ 7,316,532	\$ 7,316,532

**CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SEWER PLANT CONSTRUCTION
YEAR ENDED JUNE 30, 2024**

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
REVENUES				
Interest on investments	\$ 25,000	\$ 25,000	\$ 137,029	\$ 112,029
EXPENDITURES				
Capital outlay	3,199,520	3,334,857	116,720	3,218,137
Debt service				
Principal	65,113	65,113	65,113 *	-
Interest	30,884	30,884	30,884 *	-
Total expenditures	3,295,517	3,430,854	212,717	3,218,137
Revenues over (under) expenditures	(3,270,517)	(3,405,854)	(75,688)	3,330,166
OTHER FINANCING SOURCES (USES)				
Transfers in	850,000	850,000	850,000	-
Transfers out	(304,737)	(304,737)	(304,737) *	-
Total other financing sources (uses)	545,263	545,263	545,263	-
Net changes in fund balance	(2,725,254)	(2,860,591)	469,575	3,330,166
FUND BALANCE, beginning budgetary basis	2,725,254	2,860,593	2,860,593	-
FUND BALANCE, ending budgetary basis	\$ -	\$ 2	\$ 3,330,168	\$ 3,330,166

* Debt service transfers from the Sewer Plant Construction fund of \$7,163 were made to the 2009 FFCO Debt Service Fund for principal and interest of \$5,390 and \$1,773, respectively.

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
2018 UTILITY BOND FUND
YEAR ENDED JUNE 30, 2024

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Adopted	Final		
EXPENDITURES				
Debt service				
Principal	\$ 636,967	\$ 636,967	\$ 636,967	\$ -
Interest	170,480	170,480	170,157	323
Total expenditures	807,447	807,447	807,124	323
OTHER FINANCING SOURCES (USES)				
Transfers in	807,448	807,448	807,448	-
Net changes in fund balance	1	1	324	323
FUND BALANCE, beginning budgetary basis	3,367	3,367	4,449	1,082
FUND BALANCE, ending budgetary basis	<u>\$ 3,368</u>	<u>\$ 3,368</u>	<u>4,773</u>	<u>\$ 1,405</u>
Change in fund balance			324	
Debt service principal payments			636,967	
Accrued interest			<u>1,418</u>	
Change in net position			<u>\$ 638,709</u>	



City of
The Dalles
OREGON



| STATISTICAL SECTION

CITY OF THE DALLES
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets										
Restricted	\$ 30,336,432	\$ 30,243,503	\$ 30,550,494	\$ 29,105,204	\$ 28,892,637	\$ 27,758,527	\$ 27,204,175	\$ 26,770,740	\$ 25,619,762	\$ 23,781,454
Unrestricted	10,626,638	5,086,329	14,416,982	11,658,332	10,893,307	9,270,588	8,309,364	7,364,590	6,606,540	6,591,609
	35,278,086	27,632,630	20,970,990	20,203,765	16,802,396	15,268,799	14,499,406	13,033,689	11,480,666	4,480,644
Total governmental activities net position	\$ 76,241,156	\$ 62,962,462	\$ 65,938,466	\$ 60,967,301	\$ 56,588,340	\$ 52,297,914	\$ 50,012,945	\$ 47,169,019	\$ 43,706,968	\$ 34,853,707
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets										
Restricted	\$ 58,310,617	\$ 60,407,312	\$ 56,803,356	\$ 54,696,758	\$ 54,091,260	\$ 52,230,058	\$ 48,435,897	\$ 27,336,873	\$ 23,686,429	\$ 31,902,082
Unrestricted	-	-	3,915,118	3,391,775	1,825,510	1,470,201	4,996,649	15,889,368	12,505,094	10,418,116
	15,067,393	6,167,790	3,659,500	3,227,135	391,766	(1,153,633)	(5,535,813)	(1,051,770)	645,798	2,373,161
Total business-type activities in net position	\$ 73,378,010	\$ 66,575,102	\$ 64,377,974	\$ 61,315,668	\$ 56,308,536	\$ 52,246,626	\$ 47,896,733	\$ 42,174,471	\$ 36,837,321	\$ 44,693,359
PRIMARY GOVERNMENT										
Net investments in capital assets										
Restricted	\$ 88,647,049	\$ 90,650,815	\$ 87,353,850	\$ 83,801,962	\$ 82,983,897	\$ 79,988,585	\$ 75,640,072	\$ 54,107,613	\$ 49,306,191	\$ 55,683,536
Unrestricted	10,626,638	5,086,329	18,332,100	15,050,107	12,718,817	10,440,789	13,306,013	23,253,958	19,111,634	17,009,725
	50,345,479	33,800,420	24,630,490	23,430,900	17,194,162	14,115,166	8,963,593	11,981,919	12,126,464	6,853,805
Total primary government net position	149,619,166	129,537,564	130,316,440	\$ 122,282,969	\$ 112,896,876	\$ 104,544,540	\$ 97,909,678	\$ 89,343,490	\$ 80,544,289	\$ 79,547,066

CITY OF THE DALLES
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
PROGRAM REVENUES										
Governmental activities										
Charges for services, fees and fines										
General government	\$ 913,778	\$ 827,472	\$ 795,571	\$ 639,682	\$ 1,869,609	\$ 945,631	\$ 662,698	\$ 1,207,216	\$ 1,111,793	\$ 895,831
Public Safety	85,350	80,198	166,977	109,656	201,241	223,699	241,242	243,128	235,252	222,585
Highways and streets	45,182	29,031	16,547	6,579	16,346	19,731	12,928	28,342	33,944	12,424
Culture and recreation	8,415	7,425	10,308	5,785	4,528	4,588	18,346	21,681	20,605	18,740
Operating grants and contributions	1,315,302	1,345,197	1,531,413	1,147,662	1,114,743	1,098,952	960,217	2,169,009	2,790,732	1,988,624
Capital grants and contributions	8,971,329	5,226,194	6,246,040	5,579,603	3,192,842	2,680,626	2,077,651	2,739,012	1,970,505	2,318,755
Total governmental activities program revenues	11,339,356	7,515,517	8,766,856	7,488,967	6,399,309	4,973,227	3,973,082	6,408,388	6,162,831	5,456,959
Business-type activities										
Charges for services										
Water	6,326,575	6,460,016	6,495,686	6,362,649	5,937,310	5,911,987	5,890,309	5,719,228	5,820,678	5,707,603
Wastewater	11,210,946	5,976,749	5,759,046	7,641,449	7,130,096	6,024,501	5,862,797	6,137,909	5,733,933	5,533,259
Airport	-	-	-	-	-	-	-	-	-	199,548
Operating grants	-	-	-	175,000	-	-	-	-	-	65,000
Capital grants	45,833	233,780	811,538	11,964	3,696	515,897	1,061,609	1,174,329	-	406,533
Total business-type activities program revenues	17,583,354	12,670,545	13,066,270	14,191,062	13,071,102	12,452,385	12,814,715	13,031,466	11,554,611	11,911,943
Total primary government program revenues	28,922,710	20,186,062	21,833,126	21,680,029	19,470,411	17,425,612	16,787,797	19,439,854	17,717,442	17,368,902
EXPENSES										
Governmental activities										
General government	7,552,360	1,548,226	4,495,163	4,772,981	4,163,662	4,539,162	3,763,261	3,661,829	4,043,194	4,643,056
Public safety and justice	5,451,433	5,357,961	5,294,311	4,543,577	4,362,967	4,218,386	3,951,495	3,841,288	3,764,858	3,599,408
Highways and streets	2,899,545	1,958,157	2,515,564	1,961,529	1,909,414	1,987,711	1,803,579	1,765,029	1,614,145	1,505,435
Culture and recreation	2,678,460	2,383,508	2,127,335	1,925,942	1,984,052	1,861,808	1,690,671	1,716,486	1,579,320	1,451,383
Interest on long term obligations	207,201	119,572	268,057	306,935	341,850	380,417	412,621	443,633	453,321	517,776
Total governmental activities expenses	18,788,999	11,367,424	14,700,430	13,510,964	12,761,945	12,987,484	11,621,627	11,428,265	11,454,838	11,717,058
Business-type activities										
Water	5,259,612	4,510,105	4,464,661	3,598,702	3,753,063	3,503,705	3,655,523	3,714,854	3,778,964	3,659,726
Wastewater	4,692,278	4,541,607	3,912,610	3,861,783	3,704,777	3,083,208	3,293,026	2,806,274	3,139,369	2,993,590
2018 utility bond	168,739	184,599	263,984	293,864	321,923	349,447	211,414	-	-	-
Airport	-	-	-	-	-	-	-	-	-	260,659
Total business-type activities expenses	10,120,629	9,236,311	8,641,255	7,754,349	7,779,763	6,936,360	7,159,963	6,521,128	6,918,333	6,913,975
Total primary government expenses	28,909,628	20,603,735	23,341,685	21,265,313	20,541,708	19,923,844	18,781,590	17,949,393	18,373,171	18,631,033
NET EXPENSE										
Governmental activities	(7,449,643)	(3,851,907)	(5,933,574)	(6,021,997)	(6,362,636)	(8,014,257)	(7,648,545)	(5,019,877)	(5,292,007)	(6,260,099)
Business-type activities	7,462,725	3,434,234	4,425,015	6,436,713	5,291,339	5,516,025	5,654,752	6,510,338	4,636,278	4,997,968
Total primary government net expense	\$ 13,082	\$ (417,673)	\$ (1,508,559)	\$ 414,716	\$ (1,071,297)	\$ (2,498,232)	\$ (1,993,793)	\$ 1,490,461	\$ (655,729)	\$ (1,262,131)

(continued)

GENERAL REVENUES AND OTHER CHANGES
IN NET POSITION

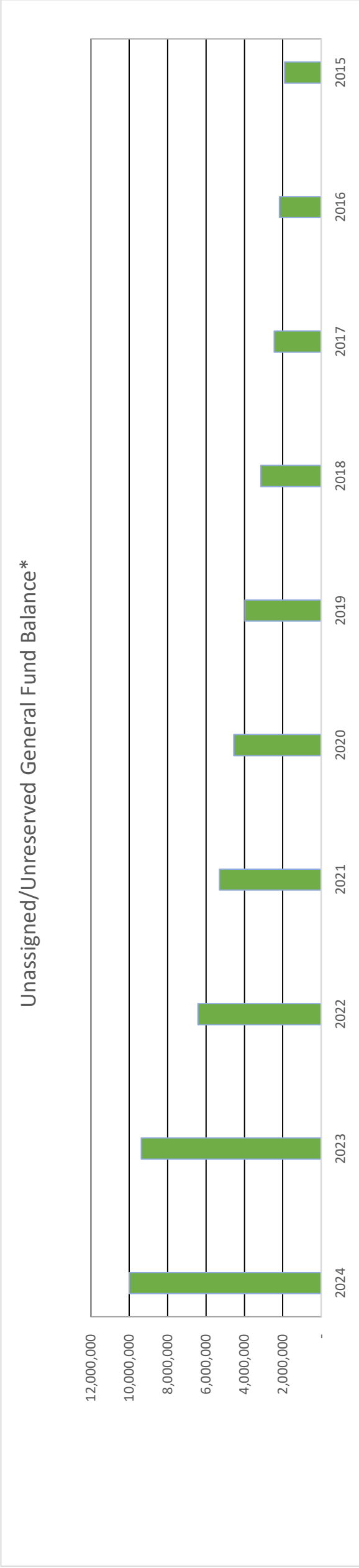
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Revenues										
Property taxes levied for										
General purposes	\$ 7,367,924	\$ 6,107,761	\$ 5,046,652	\$ 4,884,325	\$ 4,722,441	\$ 4,511,219	\$ 4,311,291	\$ 2,950,205	\$ 2,714,277	\$ 2,753,785
Urban renewal purposes	1,670,280	1,673,417	1,569,114	1,487,631	1,663,728	1,645,481	1,525,864	1,485,852	1,378,487	1,407,564
Franchise and public service taxes	2,805,401	2,805,489	2,749,746	2,361,131	2,458,295	2,413,494	2,366,189	2,132,956	2,101,776	1,757,480
Interest and investment earnings	1,301,968	767,129	101,961	141,450	356,466	326,932	206,646	111,660	54,106	49,936
Miscellaneous	198,460	267,476	-	-	-	-	-	-	-	-
Transfers	1,400,325	1,742,002	1,437,266	1,526,421	1,452,132	1,402,100	1,300,986	1,334,452	1,299,746	1,473,387
Special item(s)	(3,566,126)	-	-	-	-	-	-	-	-	-
Total governmental activities	11,178,232	13,363,274	10,904,739	10,400,958	10,653,062	10,299,226	9,710,976	8,015,125	7,548,392	7,442,152
Business-type activities										
Interest and investment earnings	477,579	324,818	74,557	96,840	222,703	235,968	202,863	161,264	73,317	50,440
Miscellaneous	262,929	178,634	-	-	-	-	705,604	-	-	-
Gain (loss) on sale of property	-	13,467	-	-	-	-	-	-	-	-
Transfers	(1,400,325)	(1,742,002)	(1,437,266)	(1,526,421)	(1,452,132)	(1,402,100)	(1,300,986)	(1,334,452)	(1,299,746)	(1,473,387)
Total business-type activities	(659,817)	(1,225,083)	(1,362,709)	(1,429,581)	(1,229,429)	(1,166,132)	(392,519)	(1,173,188)	(1,226,429)	(1,422,947)
Total primary government	10,518,415	12,138,191	9,542,030	8,971,377	9,423,633	9,133,094	9,318,457	6,841,937	6,321,963	6,019,205
CHANGE IN NET POSITION										
Governmental activities	8,454,347	3,749,047	4,971,165	4,378,961	4,290,426	2,284,969	2,062,431	2,995,248	2,256,385	1,182,053
Prior period adjustments ***	-	(1,900,704)	-	-	-	-	781,495	-	6,596,876	-
Governmental activities, as adjusted	8,454,347	1,848,343	4,971,165	4,378,961	4,290,426	2,284,969	2,843,926	2,995,248	8,853,261	1,182,053
Business-type activities	6,802,908	2,209,151	3,062,306	5,007,132	4,061,910	4,349,893	5,262,233	5,337,150	3,409,849	3,575,021
Prior period adjustments***	-	441,577	-	-	-	-	460,029	-	(11,265,887)	-
Business-type activities, as adjusted	6,802,908	2,650,728	3,062,306	5,007,132	4,061,910	4,349,893	5,722,262	5,337,150	(7,856,038)	3,575,021
Total primary government change in net position	15,257,255	4,499,071	8,033,471	9,386,093	8,352,336	6,634,862	8,566,188	8,332,398	997,223	4,757,074
NET POSITION BEGINNING										
Governmental activities	67,786,809	64,037,762	60,967,301	56,588,340	52,297,914	50,012,945	47,169,019	44,173,771	34,853,707	33,671,654
Business-type activities	66,575,102	64,819,551	61,315,668	56,308,536	52,246,626	47,896,733	42,174,471	36,837,321	44,693,359	41,118,338
Total primary government net position-beginning	134,361,911	128,857,313	122,282,969	112,896,876	104,544,540	97,909,678	89,343,490	81,011,092	79,547,066	74,789,992
NET POSITION ENDING										
Governmental activities	76,241,156	67,786,809	65,938,466	60,967,301	56,588,340	52,297,914	50,012,945	47,169,019	43,706,968	34,853,707
Business-type activities	73,378,010	66,575,102	64,377,974	61,315,668	56,308,536	52,246,626	47,896,733	42,174,471	36,837,321	44,693,359
Total primary government net position	\$ 149,619,166	\$ 134,361,911	\$ 130,316,440	\$ 122,282,969	\$ 112,896,876	\$ 104,544,540	\$ 97,909,678	\$ 89,343,490	\$ 80,544,289	\$ 79,547,066

** 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.

***Net position has een restated in relation to implementation of new accounting pronouncements issued by GASB as well as correction of accounting errors.

CITY OF THE DALLES
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
GENERAL FUND										
Nonspendable										
Prepays	\$ 18,452	\$ 17,222	\$ 175,113	\$ 174,542	\$ 168,235	\$ 163,833	\$ 159,388	\$ 146,177	\$ 144,028	\$ 132,551
Committed	-	-	1,467,341	1,411,470	1,490,141	1,438,545	1,352,126	1,369,385	1,107,207	1,169,225
Committed by ordinance or resolution	10,001,049	9,382,537	6,424,835	5,300,328	4,562,820	3,982,784	3,143,704	2,451,502	2,169,062	1,898,698
Unassigned	10,019,501	9,399,759	8,067,289	6,886,340	6,221,196	5,585,162	4,655,218	3,967,064	3,420,297	3,200,474
Total general fund										
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable										
Inventory	123,484	148,059	139,892	119,006	106,913	165,400	159,269	154,151	140,366	177,245
Restricted										
Grant / contributor specific intent										
State statute	3,361,507	3,299,147	4,968,292	3,456,315	3,483,429	3,464,591	3,400,816	3,365,712	3,411,321	3,508,935
Debt service	-	-	7,225,698	6,098,116	5,492,459	4,072,925	3,298,134	2,510,012	1,847,330	1,831,201
Capital projects	804,925	808,738	-	-	-	-	-	-	-	-
Full faith and credit debt	7,001,551	2,192,793	-	-	-	-	-	-	-	-
Intergovernmental agreement	-	-	2,222,992	-	-	14,370	14,370	-	-	-
Committed	2,754,682	2,084,798	-	2,103,901	1,917,329	1,718,702	1,596,044	1,488,866	1,347,889	1,251,473
Major capital facilities and associated debt	3,242,581	793,995	827,941	463,283	391,520	302,474	299,191	242,548	163,729	219,734
Local improvements and associated debt	-	-	-	469,219	521,904	574,631	535,675	565,598	458,063	107,657
Agreements with state agencies	4,271,086	2,474,149	1,729,452	1,852,606	652,118	91,412	110,105	82,867	37,689	43,449
Total all other governmental funds	21,559,816	11,801,679	17,114,267	14,562,446	12,565,672	10,404,505	9,413,604	8,409,754	7,406,387	7,139,694
Total governmental funds	\$ 31,579,317	\$ 21,201,438	\$ 25,181,556	\$ 21,448,786	\$ 18,786,868	\$ 15,989,667	\$ 14,068,822	\$ 12,376,818	\$ 10,826,684	\$ 10,340,168



CITY OF THE DALLES
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES										
Taxes	\$ 11,405,290	\$ 10,122,971	\$ 8,995,455	\$ 8,414,578	\$ 8,451,478	\$ 8,179,210	\$ 7,825,266	\$ 6,308,619	\$ 6,025,127	\$ 5,661,611
Inter-governmental	13,389,458	6,571,391	7,814,189	5,527,689	3,905,841	3,105,605	2,722,194	3,899,215	3,848,504	4,235,990
Franchise fees	434,281	447,569	403,523	394,694	383,959	378,063	371,027	258,417	227,827	266,968
Fines and forfeitures	138,583	141,580	177,280	113,110	215,730	242,550	257,822	258,049	249,906	234,947
Charges for services	-	-	-	-	-	67,227	45,992	66,595	49,250	40,507
System development charges	146,229	154,740	77,564	95,504	79,764	261,020	72,261	239,963	84,850	35,334
Special assessments	27,179	20,347	33,040	31,151	117,138	111,132	50,493	191,204	469,501	82,657
Principal and interest repayments	-	128,709	-	-	-	-	-	-	-	-
Rents and interest	1,861,807	1,394,588	512,972	557,003	807,320	753,549	477,694	544,083	502,604	485,684
Other revenue	325,294	339,525	495,448	175,912	1,315,761	456,517	586,857	447,791	922,148	502,387
Total revenues	27,728,121	19,321,420	18,509,471	15,309,641	15,276,991	13,554,873	12,409,606	12,213,936	12,379,717	11,546,085
EXPENDITURES										
Current										
General government	4,137,515	3,502,657	3,949,134	4,027,857	3,566,200	3,372,562	3,256,199	3,260,351	3,237,110	3,363,935
Public safety	5,363,921	5,357,961	5,256,853	4,397,450	4,279,586	4,150,222	3,884,806	3,738,742	3,685,123	3,526,407
Planning and economic development	664,407	506,230	-	-	-	-	-	-	-	-
Highways and streets	4,206,798	2,731,497	1,735,174	1,927,801	1,388,614	1,396,492	1,218,883	1,179,016	1,082,520	1,021,840
Culture and recreation	2,598,963	2,383,508	2,044,379	1,325,371	1,860,359	1,811,394	1,646,012	1,680,709	1,543,977	1,414,754
Capital outlay	5,551,919	3,050,774	2,202,833	1,377,988	1,711,648	1,188,912	916,391	1,013,464	2,516,214	2,413,193
Debt service										
Principal	701,573	849,444	809,455	767,318	732,644	697,970	671,906	642,232	617,558	596,494
Interest	227,069	265,468	319,809	358,565	393,387	432,293	464,393	495,557	524,654	548,296
Total expenditures	23,452,165	18,647,539	16,317,637	14,182,350	13,932,438	13,049,845	12,058,590	12,010,071	13,207,156	12,884,919
Revenues over (under) expenditures	4,275,956	673,881	2,191,834	1,127,291	1,344,553	505,028	351,016	203,865	(827,439)	(1,338,834)
OTHER FINANCING SOURCES (USES)										
Proceeds of financing agreement	7,966	39,345	-	-	-	-	-	-	-	-
Lease inception	-	22,108	87,072	-	-	-	-	-	-	-
Sale of fixed capital assets	-	-	16,599	8,116	606	13,717	40,002	11,817	6,719	11,985
Transfers in	7,451,968	4,389,310	3,310,515	3,394,762	3,287,752	2,830,004	2,874,161	2,885,047	3,193,664	3,504,190
Transfers out	(6,051,643)	(1,844,570)	(1,873,249)	(1,868,341)	(1,835,620)	(1,427,904)	(1,573,175)	(1,550,595)	(1,893,918)	(2,030,803)
Total other financing sources (uses)	1,408,291	2,606,193	1,540,937	1,534,537	1,452,738	1,415,817	1,340,988	1,346,269	1,306,465	1,485,372
Net change in fund balances	\$ 5,684,247	\$ 3,280,074	\$ 3,732,771	\$ 2,661,828	\$ 2,797,291	\$ 1,920,845	\$ 1,692,004	\$ 1,550,134	\$ 479,026	\$ 146,538
Debt service as a percentage of noncapital expenditures	4.9%	6.7%	8.0%	8.5%	9.0%	9.1%	10.0%	10.2%	10.2%	10.1%

CITY OF THE DALLES
PROGRAM REVENUES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

FUNCTION/PROGRAM	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
General government										
Public safety	\$ 9,885,107	\$ 6,053,666	\$ 7,041,611	\$ 6,219,285	\$ 5,062,451	\$ 3,626,257	\$ 2,740,349	\$ 3,946,228	\$ 3,082,298	\$ 3,214,586
Highways and streets	92,473	137,998	190,609	113,914	213,002	223,699	241,242	243,128	235,252	222,585
Culture and recreation	1,344,214	1,312,418	20,966	9,419	1,026,143	1,096,920	969,448	900,410	891,733	854,032
Total governmental activities	17,562	11,435	1,513,670	1,146,349	97,713	26,351	22,043	1,318,622	1,953,548	1,165,756
	<u>11,339,356</u>	<u>7,515,517</u>	<u>8,766,856</u>	<u>7,488,967</u>	<u>6,399,309</u>	<u>4,973,227</u>	<u>3,973,082</u>	<u>6,408,388</u>	<u>6,162,831</u>	<u>5,456,959</u>
Business-type activities										
Water	6,332,237	6,678,006	7,297,957	6,362,649	5,937,448	5,915,183	6,938,940	6,893,557	5,820,678	5,730,696
Waste water	11,251,117	5,992,539	5,768,313	7,828,413	7,133,654	6,537,202	5,875,775	6,137,909	5,733,933	5,533,259
Airport *	-	-	-	-	-	-	-	-	-	647,988
Total business-type activities	<u>17,583,354</u>	<u>12,670,545</u>	<u>13,066,270</u>	<u>14,191,062</u>	<u>13,071,102</u>	<u>12,452,385</u>	<u>12,814,715</u>	<u>13,031,466</u>	<u>11,554,611</u>	<u>11,911,943</u>
Total primary government	<u>\$ 28,922,710</u>	<u>\$ 20,186,062</u>	<u>\$ 21,833,126</u>	<u>\$ 21,680,029</u>	<u>\$ 19,470,411</u>	<u>\$ 17,425,612</u>	<u>\$ 16,787,797</u>	<u>\$ 19,439,854</u>	<u>\$ 17,717,442</u>	<u>\$ 17,368,902</u>

* 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
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Year	Property Taxes	Transient Room Taxes	City Gasoline Taxes
2015	3,965,710	699,538	476,807
2016	3,914,828	774,459	485,409
2017	4,253,171	794,439	501,456
2018	4,359,755	807,020	518,183
2019	4,680,759	825,988	507,552
2020	4,856,548	673,223	475,432
2021	5,002,897	689,146	479,619
2022	5,085,775	997,209	505,837
2023	6,211,599	1,016,827	492,181
2024	6,390,713	1,025,601	504,942

CITY OF THE DALLES
ASSESSED VALUATION AND ACTUAL VALUES
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Year	Real Poperty Assessed Value	Personal Property Assessed Value	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Real Market Value
2015	949,356,866	99,175,645	1,048,532,511	3.0155	1,298,752,196
2016	976,761,450	102,771,898	1,079,533,348	3.0155	1,625,848,326
2017	101,779,141	106,663,306	208,442,447	3.0155	1,795,227,733
2018	1,061,276,720	110,567,256	1,171,843,976	3.0155	1,933,064,130
2019	1,123,378,702	121,282,394	1,244,661,096	3.0155	241,184,802
2020	1,167,757,354	117,462,023	1,285,219,377	3.0155	2,426,595,157
2021	1,227,829,800	121,443,646	1,349,273,446	3.0155	2,884,325,345
2022	1,255,787,540	125,449,933	1,381,237,473	3.0155	2,741,337,003
2023	1,407,174,151	369,090,384	1,776,264,535	3.0155	3,435,429,142
2024	1,502,277,054	332,074,179	1,834,351,233	3.0155	3,625,526,076

CITY OF THE DALLES
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 Adjusted Tax Rate	Urban Renewal Tax Rate	City of The Dalles Direct Rate	Wasco County	Port of The Dalles	Mid-Columbia Fire and Rescue	Northern Wasco County Parks and Recreation Bond	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	
2015	2.7945	0.221	3.0155	4.2523	0.2007	2.2449	0.6799	0.3228	0.68	1.7588	5.2399	0.4678	0.2703	0.245	19.3779
2016	2.7961	0.2194	3.0155	4.2523	0.2007	2.2656	0.6799	0.2953	0.68	1.7052	5.2399	0.4678	0.2703	0.2487	19.3212
2017	2.7952	0.2203	3.0155	4.2523	0.2007	2.2588	0.6799	0.2824	0.68	1.6991	5.2399	0.4678	0.2703	0.0196	19.0663
2018	2.797	0.2185	3.0155	4.2523	0.2007	2.1841	0.6799	0.2954	0.68	1.6485	5.2399	0.4678	0.2703	-	18.9344
2019	2.7909	0.2246	3.0155	4.2523	0.2007	2.2887	0.6799	0.288	0.68	1.6268	5.2399	0.4678	0.2703	-	18.9899
2020	2.7988	0.2167	3.0155	4.2523	0.2007	2.2734	0.6799	0.3227	0.68	1.5589	5.2399	0.4678	0.2703	-	18.9614
2021	2.8069	0.2086	3.0155	4.2523	0.2007	2.1004	0.6799	0.3067	0.68	1.5589	5.2399	0.4678	0.2703	-	18.7724
2022	2.8055	0.21	3.0155	4.2523	0.2007	2.1004	0.6799	-	0.68	1.5589	5.2399	0.4678	0.2703	-	18.4657
2023	2.8388	0.1767	3.0155	4.2523	0.2007	2.1004	0.6799	-	0.68	1.5589	5.2399	0.4678	0.2703	-	18.4657
2024	2.8475	0.168	3.0155	4.2523	0.2007	2.1004	0.6799	-	0.68	1.5589	5.2399	0.4678	0.2703	-	18.4657

CITY OF THE DALLES
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	Percentage of Levy
		Amount	Percentage of Levy	Percentage of Levy				
2015	4,236,498	3,914,828	92.41%	92.41%	139,069	4,053,897	95.69%	95.69%
2016	4,162,816	3,965,710	95.27%	95.27%	100,490	4,066,200	97.68%	97.68%
2017	4,533,590	4,253,171	93.81%	93.81%	68,096	4,321,267	95.32%	95.32%
2018	4,679,644	4,359,755	93.16%	93.16%	140,498	4,500,253	96.17%	96.17%
2019	5,006,827	3,879,906	77.49%	77.49%	157,243	4,037,149	80.63%	80.63%
2020	5,158,457	4,856,548	94.15%	94.15%	212,171	5,068,719	98.26%	98.26%
2021	5,258,745	5,003,897	95.15%	95.15%	40,708	5,044,605	95.93%	95.93%
2022	5,371,349	5,085,775	94.68%	94.68%	136,416	5,222,191	97.22%	97.22%
2023	6,520,444	6,211,599	95.26%	95.26%	92,884	6,304,483	96.69%	96.69%
2024	6,722,178	6,390,713	95.07%	95.07%	210,628	6,601,341	98.20%	98.20%

CITY OF THE DALLES
PRINCIPAL TAXPAYERS
DECEMBER 31, 2023 AND DECEMBER 31, 2013

Taxpayer	December 31, 2023		
	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Google LLC	\$ 908,470,400	1	51.14%
Design LLC	987,249,700	2	55.58%
Avangrid Renewables LLC	81,159,000	3	4.57%
Union Pacific Railroad CO	53,415,849	4	3.01%
Oregon Cherry Growers LLC	21,979,465	5	1.24%
Northern Wasco County PUD	53,459,346	6	3.01%
BNSF Railway Co	58,594,268	7	3.30%
Hydro Extrusion USA LLC	25,220,470	8	1.42%
Lumen Technologies Inc	18,116,186	9	1.02%
American Cruise Lines Inc	13,928,879	10	0.78%
Total principal taxpayers	2,221,593,563		125.07%

Total assessed valuation \$ 1,776,264,535

Taxpayer	December 31, 2013		
	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Oregon Cherry Growers, Inc.	\$ 12,189,922	1	1.20%
Metropolitan Life Insurance Co	12,026,474	2	1.19%
Northern Wasco County PUD	10,452,860	3	1.03%
Home Depot USA, Inc.	10,192,380	4	1.01%
CenturyLink	9,553,500	5	0.94%
Union Pacific Railroad Co.	7,974,494	6	0.79%
Wasco Assisted Living, LLC	7,334,020	7	0.72%
Safeway, Inc	7,244,211	8	0.72%
Charter Communications	6,939,700	9	0.69%
Cascade Square, LLC	6,843,115	10	0.68%
Total principal taxpayers	90,750,676		8.96%
Total assessed valuation	\$ <u><u>1,012,652,257</u></u>		

CITY OF THE DALLES
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities						Percentage of Personal Income *	Per Government Capita	Percentage of Actual Taxable Value of Property
	FFCO Bonds	Loans Payable	Leases Payable	Revenue Bonds	FFCO Bonds	Dog River Pipeline Loan	Loans Payable	Total Primary Government				
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	-	7,537	8,129,511	501,590	-	3,845,545	19,074,781	N/A	1,189	1.41%	
2022	7,062,393	-	77,144	7,006,140	347,664	-	4,823,850	19,317,191	N/A	1,158	1.38%	
2023	6,113,540	-	78,862	6,385,032	210,323	3,138,715	6,527,315	22,453,787	N/A	1,189	1.08%	
2024	4,320,825	-	121,077	5,748,065	171,974	5,073,115	6,289,992	21,725,048	N/A	1,375	1.18%	

Note: Presented net of original issuance discounts and premiums

CITY OF THE DALLES
RATIOS OF GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Fiscal Year	General Obligation Bonds	Total Taxable Assessed Value	Percentage of Actual Taxable Value of Property	Per Capita
2015	-	1,048,532,511	0.00%	-
2016	-	1,079,533,348	0.00%	-
2017	-	1,128,442,447	0.00%	-
2018	-	1,179,634,596	0.00%	-
2019	-	1,240,914,769	0.00%	-
2020	-	1,285,219,377	0.00%	-
2021	-	1,349,273,446	0.00%	-
2022	-	1,381,237,473	0.00%	-
2023	-	1,776,264,535	0.00%	-
2024	-	1,834,351,233	0.00%	-

CITY OF THE DALLES
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2024

Governmental Unit	Gross Property-tax Backed Debt (a)	Percentage Applicable to City of The Dalles	Amount Applicable to City of The Dalles
Debt repaid with property taxes			
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 OR Regional Corrections	1,330,000	0.0000%	-
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)
City direct debt			4,320,825 (c)
Total direct and overlapping debt			<u>\$ 27,364,519</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.

CITY OF THE DALLES
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year Ended June 30	Real Market Value	Debt Limit Rate	Debt Limit	Less General Bonded Debt June 30	Legal Debt Margin	Total Net Bonded Debt Applicable to the Limit as a Percentage of Debt Limit
2015	1,298,752,196	3%	38,962,566	-	38,962,566	0.00%
2016	1,625,848,326	3%	48,775,450	-	48,775,450	0.00%
2017	1,795,227,733	3%	53,856,832	-	53,856,832	0.00%
2018	1,933,064,130	3%	57,991,924	-	57,991,924	0.00%
2019	2,411,848,062	3%	72,355,442	-	72,355,442	0.00%
2020	2,426,595,157	3%	72,797,855	-	72,797,855	0.00%
2021	2,884,325,345	3%	86,529,760	-	86,529,760	0.00%
2022	2,741,337,003	3%	82,240,110	-	82,240,110	0.00%
2023	3,435,429,142	3%	103,062,874	-	103,062,874	0.00%
2024	3,625,526,076	3%	108,765,782	-	108,765,782	0.00%

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

**CITY OF THE DALLES
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	Population	Personal Income	Per Capita Income	Unemployment Rate
2015	14,480	N/A	N/A	4.30%
2016	14,515	N/A	N/A	4.00%
2017	15,572	N/A	N/A	4.30%
2018	15,646	N/A	N/A	3.70%
2019	15,554	N/A	N/A	3.40%
2020	16,290	N/A	N/A	9.30%
2021	16,031	N/A	N/A	4.20%
2022	16,488	N/A	N/A	3.30%
2023	16,157	N/A	N/A	4.20%
2024	15,711	N/A	N/A	3.50%

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
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

	2023-24		
	Employees	Rank	Percent of Total Employment
Mid Columbia Medical Center	792	1	10.03%
School District #21	385	2	4.88%
Fred Meyer	260	3	3.29%
State of Oregon	259	4	3.28%
Google	205	5	2.60%
Oregon Veterans Home	180	6	2.28%
Wasco County	151	7	1.91%
Columbia Gorge Community College	149	9	1.89%
Pacific Coast Producers	119	8	1.51%
U.S. Army Corps of Engineers	113	10	1.43%
	<u>2,613</u>		<u>33.10%</u>
Total employment	<u>7,894</u>		

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

	2013-14		
	Employees	Rank	Percent of Total Employment
Mid Columbia Medical Center	766	1	8.96%
School District #21	328	2	4.16%
Oregon Cherry Growers, Inc	310	3	4.01%
State of Oregon	197	4	2.45%
Oregon Veterans Home	192	5	2.39%
Wasco County	120	6	1.55%
City of The Dalles	103	7	1.22%
Columbia Gorge Community College	93	8	1.06%
Safeway Food and Drug	83	9	1.06%
Sunshine Mill	73	10	0.96%
	<u>2,265</u>		<u>27.03%</u>
Total employment	<u>8,379</u>		

CITY OF THE DALLES
FULL TIME EQUIVALENT CITY EMPLOYEES
BY FUNCTION/PROGRAM AND BARGAINING UNIT
LAST TEN FISCAL YEARS

FUNCTION/PROGRAM	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
General government	17.00	16.00	13.80	13.80	13.80	16.00	15.00	15.00	14.00	19.00
Public safety	30.50	27.50	27.25	28.25	26.25	26.25	26.25	25.25	27.25	28.50
Community services	5.00	4.00	4.00	5.00	5.00	5.00	3.00	4.50	4.00	4.50
Streets and highways	9.00	8.00	9.00	8.00	9.00	11.00	10.00	7.00	9.00	8.50
Library	12.50	10.40	11.40	10.90	10.90	9.90	10.00	10.90	11.40	9.50
Total governmental activities	74.00	65.90	65.45	65.95	64.95	68.15	64.25	62.65	65.65	70.00
Business-type activities										
Water	23.00	23.00	22.50	22.50	22.50	22.50	20.50	18.00	21.00	22.00
Wastewater	12.00	13.00	13.50	13.50	13.50	14.50	13.50	12.00	13.00	12.00
Total business-type activities	35.00	36.00	36.00	36.00	36.00	37.00	34.00	30.00	34.00	34.00
Total primary government budgeted FTE	109.00	101.90	101.45	101.95	100.95	105.15	98.25	92.65	99.65	104.00
City of The Dalles employees										
Management and exempt	48.00	41.90	39.45	39.95	39.95	37.90	34.75	34.65	33.65	37.00
Bargaining units										
SEIU (Local 503)	44.00	46.00	44.00	44.00	44.00	45.75	45.50	43.00	44.00	44.00
Police association	17.00	14.00	18.00	18.00	17.00	17.00	17.00	14.00	19.00	19.00
Total bargaining units	61.00	60.00	62.00	62.00	61.00	62.75	62.50	57.00	63.00	63.00
Temporary City employees	-	-	-	-	-	4.50	1.00	1.00	1.00	4.00
Total actual City employees	109.00	101.90	101.45	101.95	100.95	105.15	98.25	92.65	97.65	104.00

**CITY OF THE DALLES
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

FUNCTION/PROGRAM	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Public safety and justice										
Police (1)										
Calls for service	19,395	17,693	17,720	16,787	16,648	15,756	13,375	12,218	N/A*	11,166
Crime reports	2,490	2,564	2,495	2,583	2,621	2,559	2,060	2,220	N/A*	2,600
Number of arrests	826	814	823	922	1,125	919	837	1,793	N/A*	1,371
Municipal court										
Traffic cases	614	558	545	940	1,544	1,692	1,374	1,720	1,467	1,504
Criminal cases	-	-	-	6	-	235	372	279	429	364
Ordinance violations	17	12	12	22	1	9	1	30	19	40
Parking violations	7	21	1	17	3	109	81	47	99	57
Code enforcement cases	2	-	-	-	-	-	5	6	4	9
Library										
Number of registered borrowers	8,236	8,885	9,680	10,563	15,411	15,665	15,562	15,651	14,538	13,534
Total circulation	205,903	161,552	137,234	74,924	182,523	236,571	219,628	197,620	190,785	164,106
Public programs	1,434	1,627	349	299	670	784	362	340	472	264
Program attendance	20,825	24,924	4,118	23,620	10,168	14,023	4,194	3,617	5,759	4,706
Books added	5,296	5,224	4,821	5,695	6,632	6,113	6,315	5,425	6,563	8,995
Business-type activities										
Water										
Average active metered connections	5,135	5,103	5,023	4,864	4,640	4,773	4,443	4,825	4,617	4,590
Average daily water consumption	3,393,316	3,249,117	3,295,441	3,221,860	2,983,584	3,005,304	2,994,521	3,121,860	2,989,589	3,475,890
Average number of assistance accounts	148	179	190	218	196	159	139	134	183	149
Average daily water production	3,672,120	3,682,507	3,677,962	4,294,605	3,370,000	3,456,900	3,341,700	3,300,000	3,360,415	3,303,658

(1) Police statistics are for the calendar year.
* N/A: Data was not available for this year.

**CITY OF THE DALLES
CAPITAL ASSET AND INFRASTRUCTURE STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

FUNCTION/PROGRAM	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
General government										
Buildings owneded	12	13	13	13	13	13	13	13	13	13
Vehicles (excluding automobiles)	44	44	44	44	44	45	41	41	41	41
Heavy equipment	20	20	20	20	19	19	18	18	18	18
Public safety and justice										
Police										
Police vehicles	21	20	20	20	19	19	18	18	17	17
Number of employees	27.75	24.4	27.25	25	26	26	26.25	21	25.75	25.5
Streets and highways										
Miles of streets maintained by City										
Paved	81.19	81.19	81.19	81.19	85.4	85.1	87.5	85.1	69.2	69.2 *
Unpaved	8.3	8.3	8.3	8.3	16.24	13.2	10.8	13.2	16.4	16.4 *
Bridges and underpasses	6	6	6	6	6	6	6	6	6	6
Business-type activities										
Water										
Miles of water lines (estimated)	105.57	105.11	104.89	104.89	104.79	104.75	104	101.3	101.3	101.3 *
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
Wastewater										
Treatment plant	1	1	1	1	1	1	1	1	1	1
Miles of sewer lines (estimated)	101.8	101.8	101.0	100.6	100.4	100.0	100	100	98.8	95.7 *
Lift stations	8	8	8	8	8	9	9	9	9	9
Airport										
Terminal	1	1	1	1	1	1	1	1	1	1
Maintenance and T-hangers	42	42	42	42	42	42	42	42	42	42
Other buildings	4	4	4	4	4	4	4	2	2	2

* 2015 Purchased "D" hanger with 9 T-hangers.
* 2018 Flex space and acquired the Shearer Hanger

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| COMPLIANCE SECTION

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**INDEPENDENT AUDITOR'S REPORT
REQUIRED BY OREGON STATE REGULATIONS**

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

We have audited the basic financial statements of the City of The Dalles, Oregon (the City) as of and for the year ended June 30, 2024, and have issued our report thereon dated April 3, 2025. 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 City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters, including the provisions of Oregon Revised Statutes (ORS) as specified in Oregon Administrative Rules 162-010-0000 through 162-010-0330 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 the 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 but were not limited to the following:

- Deposit of public funds with financial institutions under ORS Chapter 295.
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required under ORS Chapter 294.
- Insurance and fidelity under 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 under (ORS Chapters 279A, 279B, 279C).

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 grant agreements and other matters, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-010-0000 through 162-010-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, except as disclosed in *Note 2* of the financial statements.

OAR 162-010-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing auditing 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 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 or significant deficiencies may exist that were not identified.

Restrictions on Use

This report is intended solely for the information and use of the Honorable Mayor and City Council, Management of the City and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.



Jeny Grupe, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
April 3, 2025



**INDEPENDENT AUDITOR'S 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**

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

We have audited, in accordance with the 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 governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the City of the Dalles, Oregon, (the City) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 3, 2025.

Report on 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 (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.

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 Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink, appearing to read "Jeny Grupe". The signature is fluid and cursive, with the first name "Jeny" and last name "Grupe" clearly distinguishable.

Jeny Grupe, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
April 3, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH
MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE UNIFORM GUIDANCE**

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited City of the Dalles, Oregon's (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended June 30, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City 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, 2024.

Basis for Opinion on Each Major Federal Program

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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

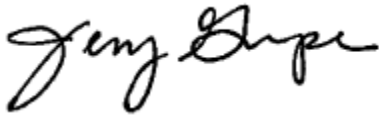
Report on Internal Control over Compliance

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 a 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal controls 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.

A handwritten signature in black ink, appearing to read "Jeny Grupe". The signature is fluid and cursive, with the first name "Jeny" and last name "Grupe" clearly distinguishable.

Jeny Grupe, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
April 3, 2025

CITY OF THE DALLES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Grant/Contract Number	Federal Expenditures
U.S. Department of Housing and Urban Development			
Passed through State of Oregon Department of Administrative Services:			
Coronavirus Community Service Development Block Grant	14.218	N/A	\$ 71,453
Total Coronavirus Community Service Development Block Grant			<u>71,453</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 71,453</u>
U.S. Department of Transportation			
Direct Programs:			
Airport Improvement Program	20.106	N/A	\$ 2,829,227
BIL - Airport Improvement Program	20.106	N/A	<u>273,600</u>
Total Airport Improvement Program			<u>3,102,827</u>
Total U.S. Department of the Transportation			<u>\$ 3,102,827</u>
U.S. Department of the Treasury			
Passed through State of Oregon Department of Administrative Services:			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	\$ 1,090,946
Total Coronavirus State and Local Fiscal Recovery Funds			<u>1,090,946</u>
Total U.S. Department of the Treasury			<u>\$ 1,090,946</u>
Total Expenditures of Federal Awards			<u>\$ 4,265,226</u>

CITY OF THE DALLES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2024

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards activity of City of The Dalles (the City) under programs of the federal government for the year ended June 30, 2024. The information in this schedule is presented in accordance with the 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). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, change in net position/fund balance or cash flows of the City.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Indirect Cost Rate

The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 4 – Subrecipients

The City did not have any awards that were passed through to subrecipients for the year ended June 30, 2024.

**CITY OF THE DALLES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2024**

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- | | | |
|---|------------------------------|---|
| • Material weakness(es) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| • Significant deficiency(ies) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None Reported |

Noncompliance material to financial statements noted?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Federal Awards

Internal control over major federal programs:

- | | | |
|---|------------------------------|---|
| • Material weakness(es) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| • Significant deficiency(ies) identified? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> None reported |

Type of auditor's report issued on compliance for major federal programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Identification of major federal programs:

<u>AL Number(s)</u>	<u>Name of Federal Program or Cluster</u>
#20.106	Airport Improvement Program
#21.027	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as a low-risk auditee?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None