AGENDA

REGULAR CITY COUNCIL MEETING
February 12, 2024
5:30 p.m.

CITY HALL COUNCIL CHAMBER
313 COURT STREET
and
LIVE STREAMED
https://www.thedalles.org/Live_Streaming

CHANGES TO ONLINE PARTICIPATION
To speak online, register with the City Clerk no later than noon the day of the council meeting.
Email amell@ci.the-dalles.or.us Phone (541) 296-5481 ext. 1119
When registering include: your first & last name, city of residence, and the topic you will address.

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

   A. FY 22/23 City Audit Presentation by KDP Certified Public Accountants

6. AUDIENCE PARTICIPATION

   During this portion of the meeting, anyone may speak on any subject which does not later appear on the agenda. Up to three minutes per person will be allowed. Citizens are encouraged to ask questions with the understanding that the City can either answer the question tonight or refer that question to the appropriate staff member who will get back to you within a reasonable amount of time. If a response by the City is requested, the speaker will be referred to the City Manager for further action. The issue may appear on a future meeting agenda for City Council consideration.

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

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

A. Approval of the January 22, 2024 Regular City Council Meeting Minutes

B. Approval of Resolution No. 24-004 Concurring with the Mayor's Appointments to the City Budget Committee and Urban Renewal Budget Committee

10. CONTRACT REVIEW BOARD ACTIONS

A. Award of Engineering Services Contract for Design of the East 12th Street Storm and Sidewalk Improvements Project

B. Award of SCADA System Upgrade Phase 1 Engineering Services Contract

11. ACTION ITEMS

A. Columbia Gorge Regional Airport Tower Lease

12. EXECUTIVE SESSION

A. Executive Session in accordance with ORS 192.660(2)(h) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed.

B. Reconvene to Open Session

13. ADJOURNMENT

This meeting conducted VIA Zoom

Prepared by/
Amie Ell
City Clerk

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

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MEMORANDUM

AGENDA LOCATION: Item #5A

MEETING DATE: February 12, 2024

TO: Honorable Mayor and City Council

PRESENTOR: KDP Certified Public Accountants

TOPIC: Fiscal Year 2022/23 City Audit Presentation

ATTACHMENTS:

A. City of The Dalles, Oregon Annual Comprehensive Financial Report; Year Ended June 30, 2023

B. Columbia Gorge Regional Airport Annual Comprehensive Financial Report; Year Ended June 30, 2023

CITY OF THE DALLES
THE DALLES, OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2023




CITY OF THE DALLES
OREGON
City of
The Dalles
OREGON

Annual Comprehensive Financial Report

Fiscal Year Ended
June 30, 2023

As prepared by:
The City of The Dalles
Finance Department


CITY OF THE DALLES
OREGON
City of
The Dalles
OREGON

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CITY OF THE DALLES

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The Hub of the Pacific Northwest
CITY of THE DALLES

INTRODUCTORY SECTION

CITY of THE DALLES
313 COURT STREET
THE DALLES, OREGON 97058
(541) 296-5481

December 15, 2023

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, 2023, is submitted herewith. This report presents a comprehensive and detailed picture of The Dalles' financial transactions during fiscal year 2022-2023 and the financial condition of the various funds at June 30, 2023. 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, 2023, 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 nine departments: Administration, Finance, Legal, Police, Community Development, Human Resources, 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 were provided by Wasco County.

GENERAL ECONOMIC CONDITIONS

Per the United State Census bureau, the City population estimate as of July 1, 2022 is 15,932 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 be acquired and is now Adventist Health Columbia Gorge, remains the areaôs largest employer with approximately 897 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 Veteransô 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, Walgreenôs 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 fa-ade renovation in the fall of 2018 and is home several businesses and a sushi restaurant. These developments are balanced with the closure of JC Penneyôs (which has been replaced by Discounts Plus), as well as Tonyôs 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.

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 as 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.

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 collegeôs 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 will also vote on a major bond for the potential construction of a new High School in November 2023, to replace the current high school that was constructed in 1941.

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 regionôs 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 regionôs 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 is currently construction a Navigation Center named, ñThe Gloria Centerò 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. 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. This year 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. The dock continues to be used by one ship from the American Queen Steamboat Company and four from American Cruise lines, with an occasional stop from National Geographic. While docked in The Dalles, passengers are able to book visits to various attractions, such as the Discovery Center, 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 ñflex spaceò 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 ñflex spaceò 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.

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 Tonyôs Town and County 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 hopes to complete the demolition of the building in late 2023.

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 will be completed in winter 2023.

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 ñSoda Worksò building on the East end of the downtown. This project also utilized the Cityôs 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 Dallesô history.

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 year, revenues from water and sewer rates were determined to be adequate to maintain operations and fund reserves without implementing previously scheduled rate increases. Overall, the financial position of the City in the past year has been improved.

The Cityôs management conditions are strong and supported by good financial practices and policies. The Cityôs 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. The November 2023 ballot has a 140 million bond measure to construct a new high school.

CITY PLANNING

Water Master Plan

A Water Master Plan update was completed in 2006. 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 2023-24. 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. Also in 2021-22, an RFP was advertised for an update of the Cityôs Water Master Plan which will be completed in 2023-24 or 2024-25. 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 2022-2023 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 districtôs maximum indebtedness, now estimated to be 2029. The Agency did levy and collect tax increment proceeds during FY 22/23.

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 Kotekôs objetives to increase housing production due to the housing crisis. An update to the Buildable Land Inventory as industrial land, in particular the Google sites, is 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 Cityôs 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, 2022. 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 comprehensive annual financial report for the fiscal year ended June 30, 2022. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

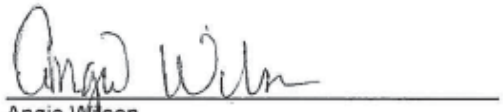
Acknowledgments

The preparation of this report on a timely basis has been accomplished through diligent efforts of the Finance Departmentôs 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,



Mathew 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

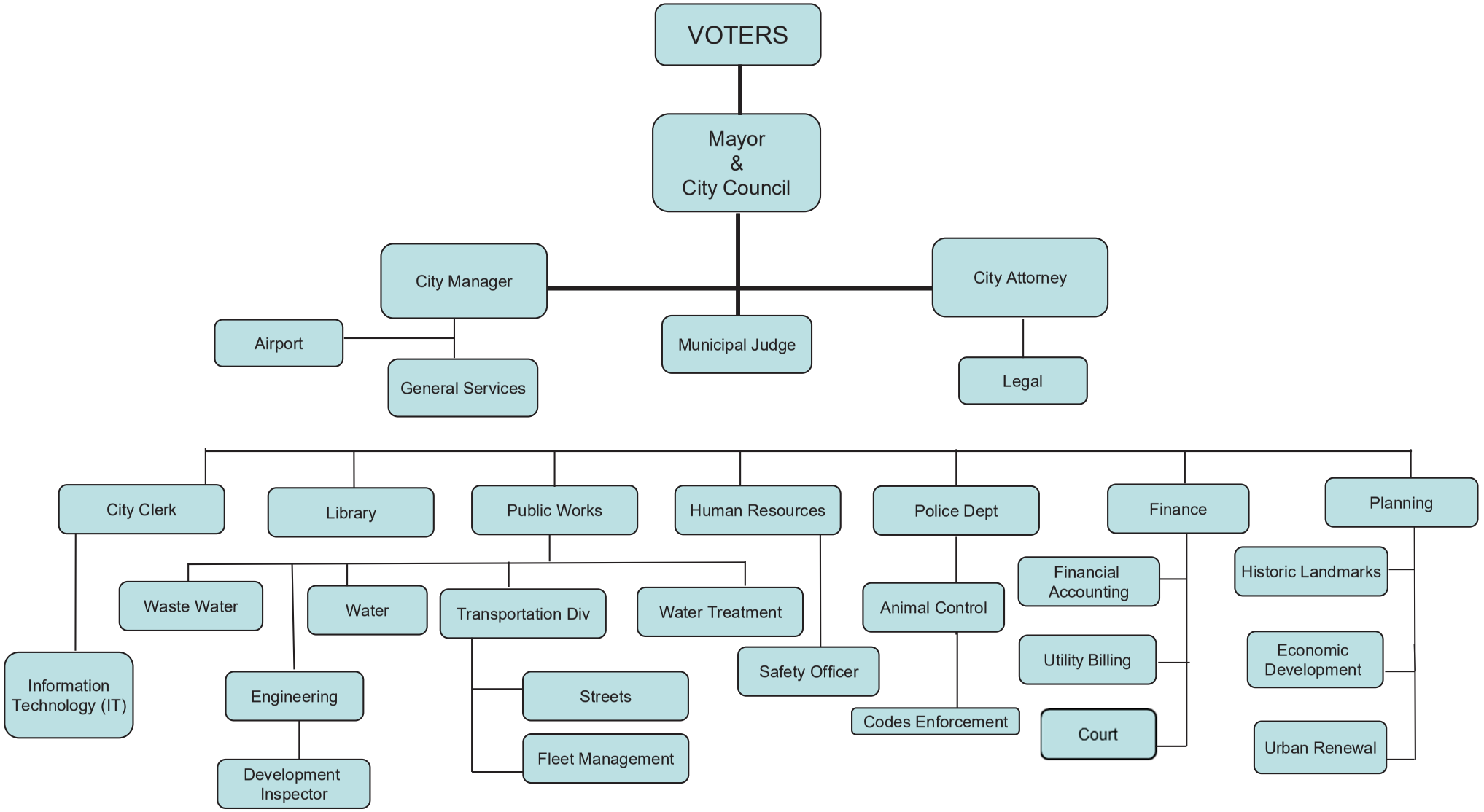
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morrill

Executive Director/CEO

City of The Dalles – Organizational Flow Chart



CITY OF THE DALLES
OFFICIALS OF THE CITY
AS OF JUNE 30, 2023

MAYOR AND CITY COUNCIL

Name and Address	Term Expires December 31
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 21st The Dalles, OR 97058	2026
Scott Randall 721 E 18th 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 ï Budget Officer
Izetta Grossman, City Clerk
Angie Wilson, Finance Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Certified Public Accountants, LLP

Oregon Office
841 O'Hare Pkwy, Ste.200
Medford, OR 97504
T: 541.773.6633

www.KDPLLP.com

Idaho Office
155 E. 50th St.
Boise, ID 83714
T: 208.373.7890

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of 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, 2023, 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, 2023, 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.

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.

Emphasis of Matter – Restatements of Beginning Net Position and Fund Balance

As discussed in Note 1 to the financial statements, the City recorded various restatements to the beginning net position and fund balances. Our opinion is not modified with respect to this matter.

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 required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The general fund and major special revenue fund 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 fund 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) is presented for purposes of additional analysis and is 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 financial statements and our auditor's report thereon. Our opinions on the 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 December 15, 2023 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 December 15, 2023 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 162-10-0000 through 162-10-0320 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.



Jeny Grupe, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
December 15, 2023

MANGEMENT'S DISCUSSION AND ANALYSIS

CITY OF THE DALLES
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2023

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 and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2023 by $134,361,911 (net position). Of this amount $90,650,815, was invested in capital assets (net of related debt). $9,779,961 was restricted for specific purposes, resulting in unrestricted net position of $33,931,135. The unrestricted net position is made up of unrestricted governmental net position of $27,763,345 and unrestricted business-type net position of $6,167,790.

- The City's net position increased by $5,958,198 (4.6%), a lesser amount than the prior year due primarily to a reduction in capital grants and contributions while expenses increased.

- The City's Governmental Funds had an increase in fund balances in the amount of $2,477,336. The General Fund balance increased by $1,390,464. The Street Fund balance decreased by $139,406. The Special Grants Fund balance increased by $12,404 and Nonmajor funds increased by $1,213,874. The City prepares a budget for all governmental funds annually.

- The City's Enterprise Funds experienced an increase in net position of $2,209,151, a lesser amount than the prior year due primarily to a reduction in miscellaneous revenue with an increase in expenses. 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 and Activities focus on an entity-wide presentation using the accrual basis of accounting and provide both long-term and short-term information about the City's financial status. The Governmental activities include most of the City's basic services such as police, street maintenance and improvement, community planning and governance. The Business-type activities include the operation of the City's water and wastewater utilities.

Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "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.

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 and Special Grants 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.

- Budgetary Comparisons. Budgetary information for all funds, except General Fund, Street Fund and Special Grants 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, the City's net position as of June 30, 2023 was $134,361,911, an increase from June 30, 2022 of $5,958,198. 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.

Summary statements of net position for the years ended June 30, 2023 and 2022 are as follows:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	$ 42,855,111	$ 38,821,115	$ 14,776,961	$ 15,565,193	$ 57,632,072	$ 54,386,308
Capital Assets, Net	36,435,905	36,377,150	67,144,951	61,485,009	103,580,856	97,862,159
Total Assets	79,291,016	75,198,265	81,921,912	77,050,202	161,212,928	152,248,467
Deferred Outflows of Resources	-	-	-	504,003	-	504,003
Long-term Liabilities	5,623,525	6,337,054	12,376,853	11,342,292	18,000,378	17,679,346
Other Liabilities	5,062,497	2,351,976	2,675,429	1,481,815	7,737,926	3,833,791
Total Liabilities	10,686,022	8,689,030	15,052,282	12,824,107	25,738,304	21,513,137
Deferred Inflows of Resources	818,185	570,769	294,528	352,124	1,112,713	922,893
Net Position						
Net Investment in Capital Assets	30,243,503	30,544,869	60,407,312	56,299,353	90,650,815	86,844,222
Restricted	9,779,961	14,416,982	-	3,915,118	9,779,961	18,332,100
Unrestricted	27,763,345	20,976,615	6,167,790	4,163,503	33,931,135	25,140,118
Total Net Position	$ 67,786,809	$ 65,938,466	$ 66,575,102	$ 64,377,974	$ 134,361,911	$ 130,316,440

The governmental activities revenue comes primarily from property taxes, franchise fees, charges for services, and various grants and contributions. Between FY21/22 and FY22/23, the City's Taxable Assessed Value (TAV) increased by 28.6%. When compared to the prior year, City property taxes collected increased by 20.2%. When compared to the prior year, Urban Renewal District property taxes collected increased by 5.6%.

Our natural gas franchise fees increased 27.56% over the prior year. This is primarily due to increases in natural gas prices during the year. The electric franchise fees increased 30.44%, while CATV/internet franchise fees decreased 1.35%, and the garbage franchise fees increased 10.98%. The Street Fund realized a 2.70% decrease in the local 3 cent per gallon gas tax. Transient Room Taxes collected increased 1.97% compared to the prior year. Total City charges for services revenue showed a 1% increase.

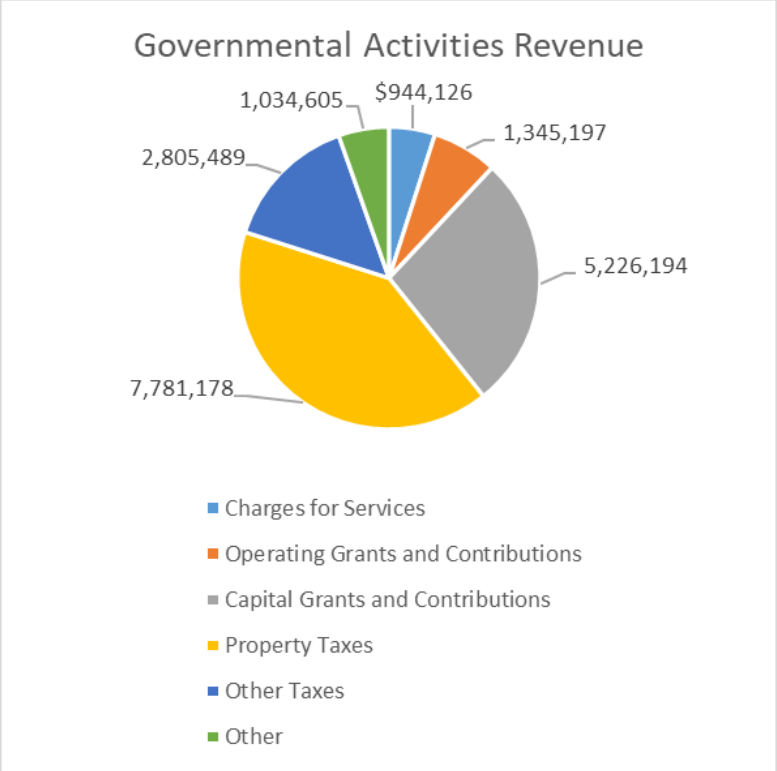
During the year ending June 30, 2023, the City received revenue from capital grants and contributions that consist primarily of awards for specific special projects. These will not be a continuing source of revenue. Grants and contributions received during the fiscal year included $442,483 for the CDBG Housing Grant for Integrated Planning Grant, The Brownsfield Grant in the amount of $210,437, and $440,000 in ARPA Economic Recovery Funds.

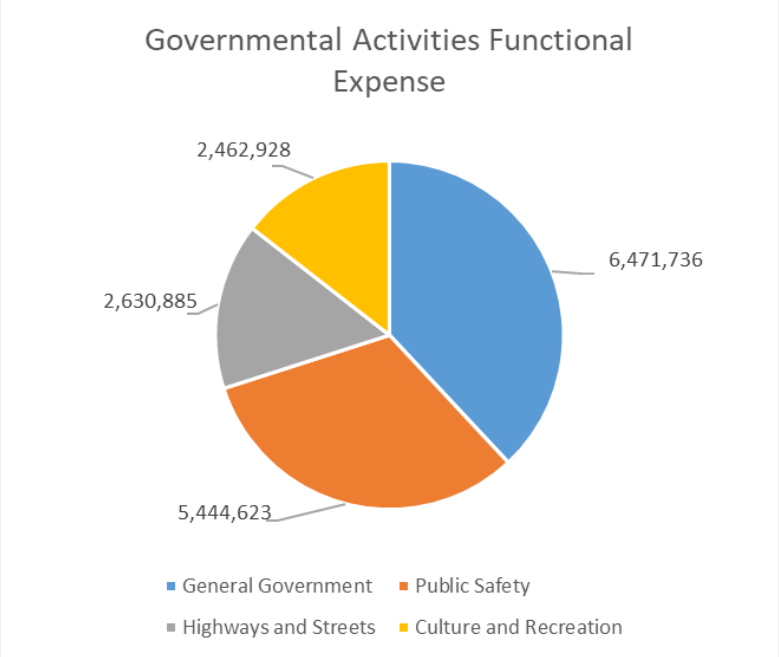
The City's governmental expenses cover a wide variety of services, with general government, public safety and streets accounting for most of these expenses. The 37.9% increase in governmental expenses was primarily due to increase in personnel services and capital outlay expenses for the transportation department and legal department.

The Business Type activities revenues come mostly from charges for services and various grants for capital outlay expenses for several projects, including the Trevitt street and 8th through 12th street Sanitary Sewer Project, Sorosis Reservoir roof repair project, Slipline 2022 Project, Rehab Wicks Well and the ongoing Dog River Pipeline Project, No water or wastewater rate increases were implemented during the year.

Business type activities expenses increased 6.9%, 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 40.7% of the City's governmental revenue. Property taxes are derived from the permanent tax rate and taxes levied for the repayment of bonded indebtedness.





For the fiscal year ending June 30, 2023, net position of the Governmental activities increased by $3,749,047, which represents a 5.85% increase. Net position of the Business-type activities increased by $2,209,151, which represents a 3.4% increase. Key elements of these changes, when compared to the year ending June 30, 2022 are as follows:

	Governmental Activities		Business-type Activities		Total	
REVENUES	2023	2022	2023	2022	2023	2022
Program Revenues						
Charges for Services	$ 944,126	$ 989,403	$ 12,436,765	$ 12,254,732	$ 13,380,891	$ 13,244,135
Operating Grants and Contributions	1,345,197	1,531,413	-	-	1,345,197	1,531,413
Capital Grants and Contributions	5,226,194	6,246,040	233,780	811,538	5,459,974	7,057,578
General Revenues						
Property Taxes	7,781,178	6,615,766	-	-	7,781,178	6,615,766
Other Taxes	2,805,489	2,749,746	-	-	2,805,489	2,749,746
Other	1,034,605	101,961	516,919	74,557	1,551,524	176,518
Total Revenues	19,136,789	18,234,329	13,187,464	13,140,827	32,324,253	31,375,156
EXPENSES						
General Government	6,471,736	4,495,163	-	-	6,471,736	4,495,163
Public Safety	5,444,623	5,294,311	-	-	5,444,623	5,294,311
Highways and Streets	2,630,885	2,515,564	-	-	2,630,885	2,515,564
Culture and Recreation	2,462,928	2,127,335	-	-	2,462,928	2,127,335
Interest on Long-Term Debt	119,572	268,057	-	-	119,572	268,057
Water	-	-	4,510,105	4,464,661	4,510,105	4,464,661
Sewer	-	-	4,541,607	3,912,610	4,541,607	3,912,610
2018 Utility Bond	-	-	184,599	263,984	184,599	263,984
Total Expenses	17,129,744	14,700,430	9,236,311	8,641,255	26,366,055	23,341,685
Change in Net Position Before Transfers	2,007,045	3,533,899	3,951,153	4,499,572	5,958,198	8,033,471
Transfers	1,742,002	1,437,266	(1,742,002)	(1,437,266)	-	-
Change in Net Position	3,749,047	4,971,165	2,209,151	3,062,306	5,958,198	8,033,471
Net Position, July 1	64,037,762	60,967,301	64,365,951	61,315,668	128,403,713	122,282,969
Net Position, June 30	$ 67,786,809	$ 65,938,466	$ 66,575,102	$ 64,377,974	$ 134,361,911	$ 130,316,440

GOVERNMENTAL ACTIVITIES

A significant portion of the increase in net position being less than the prior year is primarily due to the City's increase in general government expenses and a decrease in Economic Recovery Grant received from the American Rescue Plan Act (ARPA) from the prior year.

BUSINESS-TYPE ACTIVITIES

The increase in net position of the business-type activities is less than the prior year due primarily due to the ongoing Dog River Pipeline Replacement Project, Sewer Slipline Contract and Trevitt and 8th through 12th street Sanitary Sewer Upgrade as described previously.

FINANCIAL ANALYSIS OF FUNDS

As of June 30, 2023, the City's governmental funds reported a combined fund balance of $25,895,070, which is an increase of $2,477,336 from June 30, 2022.

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, 2023, the combined General Fund balance was $9,399,759 which is an increase of $1,390,464 from June 30, 2022. The combined revenues were $10,911,268 and combined expenditures were $10,677,010, resulting in an excess of revenues over expenditures of $244,258. The combined General Fund received transfers from other funds in the amount of $1,861,106 and transfers out to other funds in the amount of $737,008. This, combined with lease inceptions of $22,108, resulted in net "Other financing sources" totaling $1,146,206.

The Street Fund balance as of June 30, 2023 was $1,705,535, which is an decrease of $139,406 from June 30, 2022. Street Fund revenues were $1,976,929, while expenditures were $2,555,146, resulting in a deficit of revenues under expenditures of $578,217. Transfers in from other funds in the amount of $805,981 and transfers out to other funds in the amount of $406,515 This, combined with sales of property for $39,345 resulted in net "Other financing sources" totaling $438,811.

The Special Grants Fund balance as of June 30, 2023 was $3,293,378, which is an increase of $12,404 from June 30, 2022. Revenues totaled $1,322,067, while expenses were $1,309,663.

Proprietary funds provide the same type of information as presented in the government-wide statements of net position and activities, but in more detail. The proprietary funds net position amounted to $66,575,102 as of June 30, 2023, reflecting a $2,209,151 increase from net position as of June 30, 2022.

The combined Water Funds net position as of June 30, 2023 was $31,671,998, which is an increase of $1,089,333 over June 30, 2022. 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, 2023 was $41,297,891, which is an increase of $496,243 from June 30, 2022. This increase is primarily due to accumulating funds for the construction-in-progress projects to include the Sewer Slipline contract and the Trevitt Street Sanitary Sewer Phase I.

The 2018 Utility Bond Fund net position as of June 30, 2023 was ($6,394,787) which is an increase of $623,575 from June 30, 2022. This increase is primarily due to transfers exceeding debt service expenses as reported on the Statement of Activities.

BUDGETARY HIGHLIGHTS

The original legal appropriations for fiscal year 2022-2023 for the General Fund – Budgetary Basis totaled $11,900,744, with contingency of $950,493. The Unappropriated Ending Balance, which is not included in the legal appropriations, was $3,177,509. Budget amendments during the year resulted in a total budget of $12,355,004, with a contingency of $402,058. The changes to the budget were made to cover expenses for additional compensation for the Planning Department to complete the community visions project, procurement of body armor vests for the police department, a new lease for mobile computers for the police department, higher than anticipated legal services, adding a new facilities manager for the Community Development Department, an assessment of IT systems, purchase of a more robust IT cyber security policy, and additional compensation to the police department for additional overtime. Expenditures for the General Fund were $4,106,962 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, 2023, the City had invested $90,674,190 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 decreased by $277,991 and business-type activities capital assets increased by $4,107,959, significant additions during the year ending June 30, 2023 were related to the ongoing Dog River Pipeline Replacement Project, rehab of Wicks Well, Trevitt Street Sanitary Sewer, The Slipline 2022 Project, East Scenic Drive Stabilization Project, 2023 ADA Sidewalk Program, 2023 Overlay Program, East 9th Street galvanization, Getac tablet computers, Sorosis Reservoir roof repair, and a 2009 Freightliner.

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, 2023 was $6,113,540. Business-type activities long-term debt outstanding was $13,122,670. During the year the City added direct borrowings of $1,934,400. A summary of the City's long-term debt outstanding is as follows:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Full faith and credit obligations	$ 5,995,670	$ 6,907,336	$ 204,330	$ 347,664	$ 6,200,000	$ 7,255,000
Revenue bonds	-	-	6,385,032	7,006,140	6,385,032	7,006,140
Premium on bonds	117,870	333,668	5,993	14,142	123,863	347,810
Loans payable	-	-	6,527,315	4,823,850	6,527,315	4,823,850
Total long-term debt	$ 6,113,540	$ 7,241,004	$ 13,122,670	$ 12,191,796	$ 19,236,210	$ 19,432,800

Although the City is fully liable for the Airport taxable LOCAP bond which represents $1,395,000 of governmental activities full faith and credit obligations outstanding for 2023 ($1,480,000 in 2022), it is anticipated that this bond will be repaid from Airport rental revenue and the City has recorded a receivable from the Airport for the full amount of the bond and premium.

The City operates the Mid-Columbia Regional Airport as a joint venture with Klickitat County, Washington. The City has acted as a conduit for debt for the Airport. The City has not recorded this debt as it was not anticipated that the City would be required to use its resources for repayment. The balance outstanding at June 30, 2023 includes the following:

Airport Klickitat County CERB Loan	$ 300,000
TOTAL	$ 300,000

Compensated absences totaled $641,965 as of June 30, 2023. Governmental accruals totaled $424,996 but are not recorded as a liability in the Governmental Funds. Business-type compensated absences accrual totaling $216,969 are recorded as current period liabilities as of June 30, 2023, because the oldest leave hours accrued are considered to be used first, so the balances are updated during the year by use and new accruals. The liability for other postemployment benefits totaled $415,535. The breakdown was $255,137 for governmental activities and $160,398 for business-type activities.

Additional information on the City's long-term debt may be found in Note 11 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 has begun work on the Dog River Pipeline replacement project. This project will replace an over 3 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 system feasibility study has been completed with potential financing in place and the City is also moving forward with an update to the City's Water 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. Public Works investment also include repairs and improvements to our reservoirs as well as continuing to execute of ADA ramp transition plan and maintaining the Pavement Management Index. One project will replace failing and undersized sanitary and storm sewer mains in a 5-block section of Trevitt Street. Monies are also being saved in reserve funds for future Transportation, Water and Sewer projects.

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. The Agency has completed the demolition of the Tony's Buildingand is engaging the Urban Renewal Agency on the future re-development of the property.. 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. 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.

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


The Hub of the Pacific Northwest
CITY of THE DALLES

BASIC FINANCIAL STATEMENTS

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

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

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

CITY OF THE DALLES, OREGON
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets			
Cash and cash equivalents	$ 28,111,367	$ 12,607,822	$ 40,719,189
Accounts receivable, net			
Accounts	1,997,101	1,711,284	3,708,385
Airport	91,030	-	91,030
Prepaid items	17,222	-	17,222
Inventories	148,059	457,855	605,914
Total current assets	30,364,779	14,776,961	45,141,740
Non-current assets			
Airport receivable	1,311,184	-	1,311,184
Investment in joint ventures	10,522,010	-	10,522,010
Restricted assets			
Notes receivable	307,445	-	307,445
Lease receivable	349,693	-	349,693
Capital assets			
Lease assets, net	79,369	-	79,369
Land	705,460	4,299,879	5,005,339
Assets available for sale	974,253	-	974,253
Construction in progress	2,674,584	9,542,736	12,217,320
Depreciable assets, net	32,002,239	53,302,336	85,304,575
Total non-current assets	48,926,237	67,144,951	116,071,188
Total assets	79,291,016	81,921,912	161,212,928
LIABILITIES			
Current liabilities			
Accounts payable and accrued expenses	770,577	1,487,962	2,258,539
Unearned revenue	3,018,799	-	3,018,799
Accrued interest payable	24,111	64,283	88,394
Compensated absences	424,996	216,969	641,965
Current portion of long-term obligations	800,639	906,215	1,706,854
Current portion of lease liability	23,375	-	23,375
Total current liabilities	5,062,497	2,675,429	7,737,926
Non-current liabilities			
Non-current portion of long-term obligations	5,312,901	12,216,455	17,529,356
Lease liability	55,487	-	55,487
Total other post-employment benefits liability	255,137	160,398	415,535
Total non-current liabilities	5,623,525	12,376,853	18,000,378
Total liabilities	10,686,022	15,052,282	25,738,304
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to leases	349,693	-	349,693
Deferred inflows related to OPEB	468,492	294,528	763,020
Total deferred inflows of resources	818,185	294,528	1,112,713
NET POSITION			
Net investment in capital assets	30,243,503	60,407,312	90,650,815
Restricted for			
Capital projects	8,974,223	-	8,974,223
Debt service	805,738	-	805,738
Unrestricted	27,763,345	6,167,790	33,931,135
Total net position	67,786,809	66,575,102	134,361,911
Total liabilities and net position	$ 79,291,016	$ 81,921,912	$ 161,212,928

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, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities	Net (Expense) Revenue and Change in Net Position: Business-type Activities	Net (Expense) Revenue and Change in Net Position: Total
Governmental activities:							
General government	$ 6,471,736	$ 827,472	$ -	$ 5,226,194	$ (418,070)	$ -	$ (418,070)
Public safety	5,444,623	80,198	57,800	-	(5,306,625)	-	(5,306,625)
Culture and recreation	2,462,928	7,425	4,010	-	(2,451,493)	-	(2,451,493)
Highways and streets	2,630,885	29,031	1,283,387	-	(1,318,467)	-	(1,318,467)
Interest expense	119,572	-	-	-	(119,572)	-	(119,572)
Total governmental activities	17,129,744	944,126	1,345,197	5,226,194	(9,614,227)	-	(9,614,227)
Business-type activities:							
All water funds	4,510,105	6,460,016	-	217,990	-	2,167,901	2,167,901
All wastewater funds	4,541,607	5,976,749	-	15,790	-	1,450,932	1,450,932
2018 utility bond fund	184,599	-	-	-	-	(184,599)	(184,599)
Total business-type activities	9,236,311	12,436,765	-	233,780	-	3,434,234	3,434,234
TOTAL GOVERNMENT	$ 26,366,055	$ 13,380,891	$ 1,345,197	$ 5,459,974	(9,614,227)	3,434,234	(6,179,993)
General revenues:							
Taxes:							
Property taxes levied for:							
General purposes					6,107,761	-	6,107,761
Urban renewal purposes					1,673,417	-	1,673,417
Franchise and public service taxes					2,805,489	-	2,805,489
Investment earnings					767,129	324,818	1,091,947
Gain on sale of capital assets					-	13,467	13,467
Miscellaneous					267,476	178,634	446,110
Transfers in (out)					1,742,002	(1,742,002)	-
Total general revenues and transfers					13,363,274	(1,225,083)	12,138,191
CHANGE IN NET POSITION					3,749,047	2,209,151	5,958,198
NET POSITION, beginning of year (as restated)					64,037,762	64,365,951	128,403,713
NET POSITION, end of year					$ 67,786,809	$ 66,575,102	$ 134,361,911

The notes to the financial statements are an integral part of this statement. 2

FUND FINANCIAL STATEMENTS
Major Governmental Funds

General Fund

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

Street Fund

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

Special Grants Fund

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

CITY OF THE DALLES, OREGON
BALANCE SHEET
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Street Fund	Special Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 8,813,359	$ 1,531,503	$ 6,199,421	$ 11,567,084	$ 28,111,367
Receivables					
Accounts	999,347	193,395	164,719	34,444	1,391,905
Leases	349,693	-	-	-	349,693
Fines and forfeitures, net	350,895	-	-	-	350,895
Property taxes	173,330	-	-	80,971	254,301
Notes	-	-	-	307,445	307,445
Prepaid items	17,222	-	-	-	17,222
Inventories	-	148,059	-	-	148,059
Total assets	$ 10,703,846	$ 1,872,957	$ 6,364,140	$ 11,989,944	$ 30,930,887
LIABILITIES					
Accounts payable and accrued expenses	$ 460,338	$ 167,422	$ 51,963	$ 90,854	$ 770,577
Unearned revenue	-	-	3,018,799	-	3,018,799
Total liabilities	460,338	167,422	3,070,762	90,854	3,789,376
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	173,330	-	-	69,203	242,533
Unavailable revenue - fines and forfeitures	320,726	-	-	26,044	346,770
Unavailable revenue - notes	-	-	-	307,445	307,445
Unavailable revenue - leases	349,693	-	-	-	349,693
Total deferred inflows of resources	843,749	-	-	402,692	1,246,441
FUND BALANCES					
Nonspendable					
Prepaids	17,222	-	-	-	17,222
Inventory	-	148,059	-	-	148,059
Restricted for					
Grant / contributor specific intent	-	-	3,293,378	5,769	3,299,147
Debt service	-	-	-	805,738	805,738
Capital projects	-	1,557,476	-	-	1,557,476
Sytem development				5,331,949	5,331,949
Intergovernmental agreement	-	-	-	2,084,798	2,084,798
Committed for					
Major capital facilities and associated debt	-	-	-	793,995	793,995
Agreements with state agencies	-	-	-	2,474,149	2,474,149
Unassigned	9,382,537	-	-	-	9,382,537
Total fund balances	9,399,759	1,705,535	3,293,378	11,496,398	25,895,070
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 10,703,846	$ 1,872,957	$ 6,364,140	$ 11,989,944	$ 30,930,887

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, 2023

TOTAL FUND BALANCES – governmental funds		$ 25,895,070
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds		36,356,536
Lease intangible right of use assets are not financial resources and, therefore, are not reported in the funds		79,369
Investments in joint ventures are not financial resources and, therefore are not reported in the funds		10,522,010
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds		
Airport receivable	$ 1,402,214	
Unavailable revenue	896,748	
		2,298,962
Long-term liabilities, other postemployment benefits liability, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds		
Long-term debt	$ (5,992,095)	
Premium	(121,445)	
Compensated absences	(424,996)	
Net present value of lease liabilities	(78,862)	
Interest payable	(24,111)	
Other postemployment benefits	(723,629)	
		(7,365,138)
NET POSITION - governmental activities		$ 67,786,809

The notes to the financial statements are an integral part of this statement. 4

CITY OF THE DALLES, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General Fund	Street Fund	Special Grants Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	$ 4,644,868	$ -	$ -	$ 3,120,183	$ 7,765,051
Other taxes	1,865,739	492,181	-	-	2,357,920
Franchise fees	289,097	120,597	-	37,875	447,569
Assessments	-	-	-	20,347	20,347
Licenses and fees	53,957	-	-	-	53,957
Intergovernmental	3,208,132	1,283,387	1,168,729	911,143	6,571,391
Fines and forfeitures, net	80,198	-	-	7,425	87,623
System development charges	154,740	-	-	-	154,740
Principal and interest repayments	-	-	-	-	-
Rental Income	77,922	-	-	549,537	627,459
Interest on investments	230,381	51,733	153,338	331,677	767,129
Miscellaneous	306,234	29,031	-	4,260	339,525
Total revenues	10,911,268	1,976,929	1,322,067	4,982,447	19,192,711
EXPENDITURES					
Current					
General government	3,237,555	-	-	265,102	3,502,657
Public safety	4,667,420	-	-	690,541	5,357,961
Planning and economic development	506,230	-	-	-	506,230
Culture and recreation	939,814	-	-	1,443,694	2,383,508
Highways and streets	-	1,570,370	1,159,788	1,339	2,731,497
Capital outlay	1,292,599	984,776	149,875	623,524	3,050,774
Debt service					
Principal	22,778	-	-	1,401,666	1,424,444
Interest	614	-	-	492,592	493,206
Total expenditures	10,667,010	2,555,146	1,309,663	4,918,458	19,450,277
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	244,258	(578,217)	12,404	63,989	(257,566)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of property	-	39,345	-	128,709	168,054
Lease inception	22,108	-	-	-	22,108
Transfers in	1,861,106	805,981	-	1,722,223	4,389,310
Transfers out	(737,008)	(406,515)	-	(541,472)	(1,684,995)
Scheduled debt service transfers	-	-	-	(159,575)	(159,575)
Total other financing sources (uses)	1,146,206	438,811	-	1,149,885	2,734,902
NET CHANGE IN FUND BALANCE	1,390,464	(139,406)	12,404	1,213,874	2,477,336
FUND BALANCE, beginning of year, as restated	8,009,295	1,844,941	3,280,974	10,282,524	23,417,734
FUND BALANCE, end of year	$ 9,399,759	$ 1,705,535	$ 3,293,378	$ 11,496,398	$ 25,895,070

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, 2023

TOTAL NET CHANGE IN FUND BALANCES - governmental funds			$ 2,477,336
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	$	(1,070,514)	
Current year additions		1,897,401	
			826,887
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			267,172
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			(323,092)
With the implementation of GASB 87, 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 lease payments in the Statement of Net Position. In the current year principle payments exceeded amortization.			(5,118)
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	$	(26,218)	
Other post-employement benefits expense		34,507	
Loss on disposal of assets		(427,132)	
			(418,843)
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 lease	$	(22,108)	
Debt service principal payments		911,666	
Premium amortization expense		37,187	
Accrued interest expense		(2,040)	
			924,705
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES			$ 3,749,047

The notes to the financial statements are an integral part of this statement. 6

CITY OF THE DALLES, OREGON
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2023

	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	Total
ASSETS				
Current assets				
Cash and cash equivalents	$ 6,062,945	$ 6,540,426	$ 4,451	$ 12,607,822
Accounts receivable, net	1,038,806	672,478	-	1,711,284
Inventory	358,906	98,949	-	457,855
Total current assets	7,460,657	7,311,853	4,451	14,776,961
NONCURRENT ASSETS				
Capital assets				
Land	2,887,016	1,412,863	-	4,299,879
Construction in progress	8,213,483	1,329,253	-	9,542,736
Depreciable assets, net	20,537,028	32,765,308	-	53,302,336
Total noncurrent assets	31,637,527	35,507,424	-	67,144,951
TOTAL ASSETS	39,098,184	42,819,277	4,451	81,921,912
LIABILITIES				
Current liabilities				
Accounts payable	1,441,595	46,367	-	1,487,962
Accrued interest payable	39,289	10,787	14,207	64,283
Compensated absences payable	148,381	68,588	-	216,969
Current portion of long-term debt	198,508	70,740	636,967	906,215
Total current liabilities	1,827,773	196,482	651,174	2,675,429
NON-CUURENT LIABILITIES				
Bonds and notes payable	5,319,084	1,149,307	5,748,064	12,216,455
Total other post-employment benefits liability	98,486	61,912	-	160,398
Total non-current liabilities	5,417,570	1,211,219	5,748,064	12,376,853
Total liabilities	7,245,343	1,407,701	6,399,238	15,052,282
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to OPEB	180,843	113,685	-	294,528
Total deferred inflows of resources	180,843	113,685	-	294,528
NET POSITION				
Net investment in capital assets	26,119,935	34,287,377	-	60,407,312
Unrestricted	5,552,063	7,010,514	(6,394,787)	6,167,790
TOTAL NET POSITION (DEFICIT)	31,671,998	41,297,891	(6,394,787)	66,575,102
TOTAL LIABILITIES AND NET POSITION (DEFICIT)	$ 39,098,184	$ 42,819,277	$ 4,451	$ 81,921,912

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, 2023

	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	Total
OPERATING REVENUES				
Charges for services	$ 6,411,562	$ 5,373,385	$ -	$ 11,784,947
Systems development charges	44,026	603,364	-	647,390
Rental income	4,428	-	-	4,428
Miscellaneous	163,313	15,321	-	178,634
Total operating revenues	6,623,329	5,992,070	-	12,615,399
OPERATING EXPENSES				
Personnel service	2,444,638	1,309,632	-	3,754,270
Materials and services	1,229,669	2,147,099	-	3,376,768
Capital outlay	135,106	-	-	135,106
Depreciation and amortization	622,010	1,048,694	-	1,670,704
Total operating expenses	4,431,423	4,505,425	-	8,936,848
OPERATING INCOME (LOSS)	2,191,906	1,486,645	-	3,678,551
NONOPERATING REVENUES (EXPENSE)				
Gain (loss) on sale of capital assets	308	13,159	-	13,467
Interest on investments	160,172	164,646	-	324,818
Interest expense	(78,682)	(36,182)	(184,599)	(299,463)
Total nonoperating revenues (expenses)	81,798	141,623	(184,599)	38,822
INCOME BEFORE OPERATING TRANSFERS AND CAPITAL CONTRIBUTIONS	2,273,704	1,628,268	(184,599)	3,717,373
TRANSFERS				
Transfers in	-	-	808,174	808,174
Transfers out	(1,402,361)	(1,147,815)	-	(2,550,176)
Total transfers	(1,402,361)	(1,147,815)	808,174	(1,742,002)
CAPITAL CONTRIBUTIONS				
Intergovernmental	$ 217,990	$ 15,790	-	233,780
CHANGE IN NET POSITION	1,089,333	496,243	623,575	2,209,151
NET POSITION, beginning of year, as restated	30,582,665	40,801,648	(7,018,362)	64,365,951
NET POSITION, end of year	$ 31,671,998	$ 41,297,891	$ (6,394,787)	$ 66,575,102

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, 2023

	All Water Funds	All Wastewater Funds	2018 Utility Bond Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 6,260,614	$ 6,155,389	$ -	$ 12,416,003
Payments to suppliers	(122,481)	(2,146,821)	-	(2,269,302)
Payments to employees	(2,481,697)	(1,319,105)	-	(3,800,802)
Net cash provided by operating activities	3,656,436	2,689,463	-	6,345,899
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	808,174	808,174
Transfers out	(1,402,361)	(1,147,815)	-	(2,550,176)
Net cash (used) by noncapital financing activities	(1,402,361)	(1,147,815)	808,174	(1,742,002)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from intergovernmental revenue	217,990	15,790	-	233,780
Proceeds from capital debt	1,934,400	-	-	1,934,400
Proceeds from sale of capital asset	308	16,457	-	16,765
Acquisition of capital assets	(5,564,342)	(1,769,600)	-	(7,333,942)
Principal paid on long-term obligations	(248,311)	(125,958)	(621,108)	(995,377)
Interest paid on long-term obligations	(83,017)	(36,992)	(185,981)	(305,990)
Net cash provided (used) by capital and related financing activities	(3,742,972)	(1,900,303)	(807,089)	(6,450,364)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on investments	160,172	164,646	-	324,818
Net cash provided (used) by investing activities	160,172	164,646	-	324,818
Net change in cash and cash equivalents	(1,328,725)	(194,009)	1,085	(1,521,649)
CASH AND CASH EQUIVALENTS, BEGINNING	7,391,670	6,734,435	3,366	14,129,471
CASH AND CASH EQUIVALENTS, ENDING	$ 6,062,945	$ 6,540,426	$ 4,451	$ 12,607,822
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	$ 2,191,906	$ 1,486,645	$ -	$ 3,678,551
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization expense	622,010	1,048,694	-	1,670,704
Decrease (increase) in:				
Receivables	(362,715)	163,319	-	(199,396)
Inventories	6,270	5,137		11,407
Increase (decrease) in:				
Accounts payable and accrued expenses	1,236,024	(4,859)	-	1,231,165
Other postemployment benefits payable	6,221	6,528	-	12,749
Deferred inflows related to other post-employment benefits	(39,197)	(18,399)	-	(57,596)
Accrued compensated absences	(4,083)	2,398	-	(1,685)
Total adjustments	1,464,530	1,202,818	-	2,667,348
Net cash provided by operating activities	$ 3,656,436	$ 2,689,463	$ -	$ 6,345,899

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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 representatives from local taxing districts, the City Council, and citizens at large.

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

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.

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 principle and interest collected.

Note 1 - Summary of Significant Accounting Policies (continued)

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.

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.

Note 1 - Summary of Significant Accounting Policies (continued)

Receivables and Payables (continued)

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:

Furnishings and equipment	5–7 years
Infrastructure	10–60 years
Land improvements	5–100 years
Buildings	30–100 years
Other	5–100 years
Right of use assets - lease	Life of the lease

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.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The City's only deferred outflow of resources is a deferred charge incurred on refunding of bonds.

Note 1 - Summary of Significant Accounting Policies (continued)

Deferred Outflows/Inflows of Resources (continued)

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

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)

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

Note 1 - Summary of Significant Accounting Policies (continued)

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 or 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.

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.

- ***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.

Note 1 - Summary of Significant Accounting Policies (continued)

Fund Balance (continued)

- ***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.

Note 1 - Summary of Significant Accounting Policies (continued)

Restatements of Beginning Net Position and Fund Balance

For the year ended June 30, 2023, restatements of previously reported balances were identified as follows:

Governmental and Business-type beginning fund balances were restated due improper recording of a prepaid as the cost was incurred in the prior fiscal year. Also and where noted, a misallocation of cash receipts was recorded to the Urban Renewal Agency Fund which should have been recorded to the General fund. This error required a restatement in the Urban Renewal Agency's stand-alone financial statements. The effect of these corrections is as follows:

Fund Balance	Balance June 30, 2022 as previously reported	Restatement	Balance June 30, 2022 as restated
General Fund	$ 8,067,289		
Prepaid asset error		(69,997)	
Cash allocation error		12,003	
Total		(57,994)	8,009,295
Library Fund	2,222,992	(12,317)	2,210,675
Street Fund	1,857,217	(12,276)	1,844,941
State Office Building Fund	61,886	(1,252)	60,634
Urban Renewal Agency Fund	4,708,635		
Cash allocation error		(12,003)	4,696,632
Water Utility Fund	651,869	(36,996)	614,873
Wastewater Fund	$ 942,998	$ (23,256)	$ 919,742

Special Grants Fund beginning fund balance was restated in relation to advanced paid grant monies received and recorded as revenue as a whole prior to incurring associated grant expenditures as required for revenue recognition.

Special Assessments Fund beginning fund balance was restated in relation to the accrual of an uncollectible balance in accounts receivable and an improper deferral of revenue. The effect of these corrections is as follows:

Fund Balance	Balance June 30, 2022 as previously reported	Restatement	Balance June 30, 2022 as restated
Special Grants Fund	$ 4,961,351	$ (1,680,377)	$ 3,280,974
Special Assessments Fund	406,671		
Uncollectable accounts receivable		(33,059)	
Improper revenue deferral		45,456	
Total		$ 12,397	$ 419,068

Note 1 - Summary of Significant Accounting Policies (continued)

Restatements Due to Correction of Accounting Errors (continued)

Governmental Activities beginning net position was restated as a result of the previously noted errors affecting governmental funds, to correct repair and maintenance expenditures which were incorrectly capitalized as construction in progress, to correct unamortized bond premiums which were done on the straight-line basis although the interest method is required and to correct for assets held-for-sale which were sold but derecognized. The effect of these corrections is as follows:

Net Position	Balance June 30, 2022 as previously reported	Restatement	Balance June 30, 2022 as restated
Governmental Activities	$ 65,938,466		
Grant revenue recognition error		(1,680,377)	
Prepaid asset error		(95,842)	
Premium amortization error		178,611	
Uncollectible receivables accrual		(33,059)	
Improper revenue deferral		45,456	
Construction in progress error		(275,493)	
Assets held-for-sale error		(40,000)	
		$ (1,900,704)	$ 64,037,762

All Water Funds, All Wastewater Funds and 2018 Utility Bond Fund beginning net position balances were restated as a result of the previously noted errors in prepaid expenses, the nonaccrual of unbilled revenue for utility services provided to customers which were not yet billed as of year-end and amortization errors in the deferred charge on refunding. The effect of these corrections is as follows:

Net Position	Balance June 30, 2022 as previously reported	Restatement	Balance June 30, 2022 as restated
Business-type Activities			
All Water Funds	$ 30,403,665		
Prepaid asset error		(36,996)	
Unbilled revenue non accrual		210,390	
Premium amortization error		5,606	
Total		179,000	30,582,665
All Wastewater Funds	40,488,668		
Prepaid asset error		(23,256)	
Unbilled revenue non accrual		335,038	
Premium amortization error		1,198	
Total		312,980	40,801,648
2018 Utility Bond Fund	(6,514,359)		
Deferred charge on refunding error		$ (50,403)	$ (6,564,762)

Note 1 - Summary of Significant Accounting Policies (continued)

Restatements Due to Correction of Accounting Errors (continued)

Business-type Activities was restated in relation to the cumulative matters addressed above related to All Water Funds, All Wastewater Funds and 2018 Utility Bond Fund:

Net Position	Balance June 30, 2022 as previously reported	Restatement	Balance June 30, 2022 as restated
Business-type Activities	$ 64,377,974	$ 441,577	$ 64,819,551

Adoption of New GASB Pronouncements

During the year ended June 30, 2023, the District implemented the following GASB Pronouncements:

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. There is no effect on the District's financial statements as a result of this Statement.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* This Statement's objective is to address accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. There is no effect on the District's financial statements as a result of this Statement.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement's objective is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. There is no effect on the City's financial statements as a result of this Statement.

GASB Statement No. 101, *Compensated Absences*. Issued in June 2022, this Statement updates recognition and measurement guidelines for compensated absences. This statement was issued in June 2022 to recognize (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The statement also amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose the net change in the liability. In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. Change in disclosures are reflected in Note 13.

Future GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2023:

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. This Statement will be effective for the District for fiscal year ending June 30, 2024.

The District will implement new GASB pronouncements no later than the required effective date. The District is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the District's financial statements.

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.

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 2023, the City issued two supplemental budgets.

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, 2023. 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, 2023, the total carrying amount of the City's deposits in various financial institutions was $2,400,715 and the bank balance was $3,182,244. 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.

Note 3 - Deposits and Investments (continued)

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, 2023, the City's bank balances were not exposed to custodial credit risk as they were collateralized under PFCP.

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

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.

Note 3 - Deposits and Investments (continued)

Investments held by the City at June 30, 2023, are as follows:

Investment Type	Maturity	Percentage of Portfolio	Fair Value
Local Government Investment Pool	1 day	100%	$ 38,785,436

Cash and cash equivalents are comprised of the following as of June 30, 2023:

Cash on hand	$ 1,485
Carrying amount of deposits	1,932,268
Local Government Investment Pool	38,785,436
Total	$ 40,719,189

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

Governmental Activities	
Cash and cash equivalents	$ 28,111,367
Total governmental activities	28,111,367
Business-type Activities	
Cash and cash equivalents	12,607,822
Total business-type activities	12,607,822
Total	$ 40,719,189

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.

Note 4 - Fair Value Measurements (continued)

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, 2023 was $38,785,436.

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	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:					
Accounts	$ 999,347	$ 193,395	$ 164,719	$ 46,212	$ 1,403,673
Leases	349,693	-	-	-	349,693
Fines and forfeitures, net	350,895	-	-	-	350,895
Property taxes	173,330	-	-	69,203	242,533
Notes	-	-	-	307,445	307,445
	$ 1,873,265	$ 193,395	$ 164,719	$ 422,860	$ 2,654,239

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 Obiligations, Series 2015, of which there are outstanding bond principal and unamortized premium balances of $1,395,000 and $7,214, respectively. The current portion of these amounts of $91,030 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	$ 1,147,445	$ 824,672	$ 1,972,117
Allowance for doubtful accounts	(108,639)	(152,194)	(260,833)
	$ 1,038,806	$ 672,478	$ 1,711,284

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 2023 through 2028.

The City reports leases receivable with a carrying amount of $349,693, and a deferred inflow of resources in the amount of $349,693 as of June 30, 2023.

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, 2023:

Fiscal Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2024	$ 74,343	$ 809	$ 75,152
2025	72,784	618	73,402
2026	72,970	433	73,403
2027	64,733	267	65,000
2028	64,863	133	64,996
Total	$ 349,693	$ 2,260	$ 351,953

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, 2023, there are no interfund receivable (payable) balances.

Note 8 - Internal Transfers

	Transfer In	Transfer Out
Governmental activities		
General Fund	$ 1,861,106	$ (737,008)
Street Fund	805,981	(406,515)
Nonmajor Governmental Funds	1,722,223	(1,503,785)
Total governmental activities transfers	4,389,310	(2,647,308)
Business-type activities		
Water fund	-	(1,402,361)
Wastewater fund	-	(1,147,815)
2018 Utility Bond fund	808,174	-
Total business-type activities transfers	808,174	(2,550,176)
Total transfers	$ 5,197,484	$ (5,197,484)

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.

Note 9 - Capital Assets

Capital asset activity for the City for the fiscal year ended June 30, 2023 was as follows:

GOVERNMENTAL ACTIVITIES	Balance June 30, 2022 (as restated)	Additions	Deletions and Transfers	Balance June 30, 2023
NONDEPRECIABLE CAPITAL ASSETS				
Land	$ 705,460	$ -	$ -	$ 705,460
Construction in progress	2,328,570	937,040	(591,026)	2,674,584
Assets available for sale	1,336,233	-	(361,980)	974,253
Total nondepreciable capital assets	4,370,263	937,040	(953,006)	4,354,297
DEPRECIABLE CAPITAL ASSETS				
Intangible assets - leases	94,608	22,108	(1,121)	115,595
Land improvements	8,802,350	55,818	-	8,858,168
Buildings	6,948,536	-	445,291	7,393,827
Equipment	3,340,382	529,546	(315,568)	3,554,360
Infrastructure	26,570,222	352,889	-	26,923,111
Total depreciable capital assets	45,756,098	960,361	128,602	46,845,061
ACCUMULATED DEPRECIATION				
Amortization of intangible assets	(11,839)	(23,505)	(882)	(36,226)
Land improvements	(1,664,545)	(173,363)	-	(1,837,908)
Buildings	(3,018,245)	(181,340)	105,459	(3,094,126)
Equipment	(2,249,444)	(216,312)	290,692	(2,175,064)
Infrastructure	(7,120,630)	(499,499)	-	(7,620,129)
Total accumulated depreciation	(14,064,703)	(1,094,019)	395,269	(14,763,453)
Total depreciable assets	31,691,395	(133,658)	523,871	32,081,608
NET GOVERNMENTAL CAPITAL ASSETS	$ 36,061,658	$ 803,382	$ (429,135)	$ 36,435,905

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

General government	$ 273,891
Public safety	84,732
Highways and streets	657,745
Culture and recreation	77,651
	$ 1,094,019

Note 9 - Capital Assets (continued)

BUSINESS-TYPE ACTIVITIES	Balance June 30, 2022	Additions	Deletions and Transfers	Balance June 30, 2023
NONDEPRECIABLE CAPITAL ASSETS				
Land	$ 4,299,879	$ -	$ -	$ 4,299,879
Construction in progress	3,229,715	6,907,015	(593,994)	9,542,736
Total nondepreciable capital assets	7,529,594	6,907,015	(593,994)	13,842,615
DEPRECIABLE CAPITAL ASSETS				
Land improvements	11,765,866	34,739	141,712	11,942,317
Buildings	4,272,749	-	-	4,272,749
Equipment	6,058,319	198,257	(104,827)	6,151,749
Wastewater treatment plant	24,336,768	-	-	24,336,768
Dams and lines	26,949,848	193,931	452,282	27,596,061
Total depreciable capital assets	73,383,550	426,927	489,167	74,299,644
ACCUMULATED DEPRECIATION				
Land improvements	(2,352,769)	(208,824)	-	(2,561,593)
Buildings	(2,633,674)	(107,012)	-	(2,740,686)
Equipment	(3,339,834)	(286,954)	101,529	(3,525,259)
Wastewater treatment plant	(4,522,233)	(538,654)	-	(5,060,887)
Dams and lines	(6,579,623)	(529,260)	-	(7,108,883)
Total accumulated depreciation	(19,428,133)	(1,670,704)	101,529	(20,997,308)
Total depreciable assets	53,955,417	(1,243,777)	590,696	53,302,336
NET BUSINESS-TYPE CAPITAL ASSETS	$ 61,485,011	$ 5,663,238	$ (3,298)	$ 67,144,951

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

Water	$ 622,010
Sewer	1,048,694
	$ 1,670,704

Note 10 – 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, 2022, the most recent year audited financial statements were available, the investment in QLife increased by $219,085 as a result of operations. The City's investment in QLife is $2,653,705 and is accounted for using the equity method.

Note 10 – Investment in Joint Ventures (continued)

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 $48,087 resulting from operations and restatement of beginning net position related to correction of an accounting error. The City's investment in Airport is $7,868,305 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 11 - Long-term Obligations

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

The City issued $3,300,000 in Full Faith and Credit Obligations, Series 2008, in February 2008, with interest rates ranging from 4.0% to 4.2%. The bond principal is payable annually and the interest is payable semiannually, with final payments due June 1, 2023. The bonds are direct obligations and pledge the full faith and credit of the City. These bonds were issued to provide funding for the acquisition and construction of major capital facilities. A portion of the debt is reported in and will be repaid by the Water and Wastewater Funds, which also own a portion of the assets. The city pledged its general non-restricted revenues and other funds. If 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 bond was paid in full as June 1, 2023.

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. 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.

Note 11 - Long-term Obligations (continued)

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

2009 Full Faith and Credit Bonds
Urban Renwewal Portion

Fiscal Year	Principal	Interest	Premium	Total
2024	$ 600,000	$ 200,425	$ 26,968	$ 827,393
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
2029-2032	760,000	38,000	5,023	803,023
Total	$ 4,070,000	$ 735,600	$ 98,022	$ 4,903,622

2009 Full Faith and Credit Bonds
Street LID Portion

Fiscal Year	Principal	Interest	Premium	Total
2024	$ 79,420	$ 26,127	$ 3,221	$ 108,768
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
2029-2032	97,470	4,873	600	102,943
Total	$ 530,670	$ 95,410	$ 11,708	$ 637,788

2009 Full Faith and Credit Bonds
Governmental Activities

Fiscal Year	Principal	Interest	Premium	Total
2024	$ 679,420	$ 226,552	$ 30,189	$ 936,161
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
2029-2032	857,470	42,873	5,623	905,966
Total	$ 4,600,670	$ 831,010	$ 109,730	$ 5,541,410

Note 11 - Long-term Obligations (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

Fiscal Year	Principal	Interest	Premium	Total
2024	$ 5,390	$ 1,773	$ 237	$ 7,400
2025	5,635	1,517	208	7,360
2026	5,880	1,250	177	7,307
2027	6,125	956	145	7,226
2028	6,370	649	111	7,130
2029 - 2032	6,615	331	179	7,125
Total	$ 36,015	$ 6,476	$ 1,057	$ 43,548

2009 Full Faith and Credit Bonds
Water Bonds

Fiscal Year	Principal	Interest	Premium	Total
2024	$ 25,190	$ 8,287	$ 1,108	$ 34,585
2025	26,335	7,091	970	34,396
2026	27,480	5,840	827	34,147
2027	28,625	4,466	677	33,768
2028	29,770	3,034	519	33,323
2029 - 2032	30,915	1,546	835	33,296
Total	$ 168,315	$ 30,264	$ 4,936	$ 203,515

2009 Full Faith and Credit Bonds
Business-type activities

Fiscal Year	Principal	Interest	Premium	Total
2024	$ 30,580	$ 10,060	$ 1,345	$ 41,985
2025	31,970	8,608	1,178	41,756
2026	33,360	7,090	1,004	41,454
2027	34,750	5,422	822	40,994
2028	36,140	3,683	630	40,453
2029 - 2032	37,530	1,877	1,014	40,421
Total	$ 204,330	$ 36,740	$ 5,993	$ 247,063

Note 11 - Long-term Obligations (continued)

Airport Debt

The City has acted as a conduit for a loan from Klickitat County for construction of a new maintenance hangar at the Airport; this loan was repaid in full during the fiscal year. Additionally, the city has acted as a conduit for repayment of a loan received by Klickitat County to make improvements to the Airport Industrial Park. As of June 30, 2023, repayment is current and the outstanding balance is $300,000.

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, 2023, the City has recorded a liability for the bonds of $1,395,000 and an offsetting receivable of $1,402,214 from the Airport which includes the unamortized premium balance.

Future maturities of the certificates payable are as follows:

2015B Certificates of Participation
Governmental Activities

Fiscal Year	Principal	Interest	Premium	Total
2024	$ 90,000	$ 62,775	$ 1,030	$ 153,805
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
2029-2033	615,000	150,075	2,452	767,527
2034-2035	285,000	19,350	322	304,672
Total	$ 1,395,000	$ 440,550	$ 7,214	$ 1,842,764

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 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.

Note 11 - Long-term Obligations (continued)

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

Revenue Bond	Revenue Stream	For the Year Ending June 30, of Final Payments	Future Pledged Revenue Debt Outstanding	Revenue, Net of Related Expense For the Year Ending 6/30/23	For the Year Ended 06/30/23 Debt Payments
Utility Revenue and Refunding Bonds	Water and Wastewater net operating income	2032	$ 6,385,032	$ 7,877,523	$ 808,172

Future maturities of the bonds payable are as follows:

Utility Revenue and Refunding

Fiscal Year	Principal	Interest	Deferred Charge on Refunding	Total
2024	$ 636,967	$ 170,480	$ (50,400)	$ 757,047
2025	652,611	153,473	(50,400)	755,685
2026	673,236	136,049	(50,400)	758,885
2027	688,571	118,073	(50,400)	756,245
2028	708,686	99,688	(50,400)	757,975
2029-2031	3,024,960	204,538	(151,200)	3,078,298
Total	$ 6,385,032	$ 882,302	$ (403,200)	$ 6,864,133

Advance Refunding

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

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 $2,521,321, 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.

Note 11 - Long-term Obligations (continued)

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.

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 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 $3,138,713 of the available balance. Repayment terms have not yet been established.

Future maturities of the loans payable are as follows:

	ARRA/SDWRLF-A Loan		CWSRF Loan		SDWRLF-B Loan			
Fiscal Year	Principal	Interest	Principal	Interest	Principal	Interest	Total Principal	Total Interest
2024	$ 172,210	$ 66,169	$ 65,113	$ 24,969	$ -	$ -	$ 237,323	$ 91,138
2025	177,376	61,002	66,514	23,568	-	-	243,890	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	44,555	70,900	19,182	-	-	264,723	63,737
2029-2033	1,059,906	131,986	378,047	72,363	-	-	1,437,953	204,349
2034-2038	231,435	6,943	420,503	29,907	-	-	651,938	36,850
2039-2040	-	-	44,548	477	-	-	44,548	477
Undetermined	-	-	-	-	3,138,713	-	3,138,713	-
Total	$ 2,205,625	$ 416,537	$ 1,182,977	$ 213,278	$ 3,138,713	$ -	$ 6,527,315	$ 629,815

Long-term obligation activity for the year ended June 30, 2023, is as follows:

	Balance at June 30, 2022 (as restated)	Additions	Reductions	Balance at June 30, 2023	Due Within One Year
Governmental Activities					
Total Full Faith and Credit Bonds	$ 6,907,336	$ -	$ (911,666)	$ 5,995,670	$ 769,420
Total Premium on bonds	155,057	-	(37,187)	117,870	31,219
Total governmental activity long-term obligations	$ 7,639,782	$ -	$ (1,286,392)	$ 6,113,540	$ 800,639
Business-Type Activities:					
Revenue Bond (direct borrowing)	$ 7,006,140	$ -	$ (621,108)	$ 6,385,032	$ 636,967
Full Faith and Credit Bonds	347,664	-	(143,334)	204,330	30,580
Premium on Bonds	7,339	-	(1,346)	5,993	1,345
Loans Payable (direct borrowing)	4,823,850	1,934,400	(230,935)	6,527,315	237,323
Total business-type activity long-term obligations	$ 12,184,993	$ 1,934,400	$ (996,723)	$ 13,122,670	$ 906,215

Note 12 – Leases Payable

At June 30, 2023, the City had eight 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, 2023 were $78,862.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 23,374	$ 542	$ 23,916
2025	22,037	375	22,412
2026	22,084	206	22,290
2027	10,488	57	10,545
2028	879	9	888
Total	$ 78,862	$ 1,189	$ 80,051

Note 13 – Accrued Compensated Absences

The changes in accrued compensated absences for the year ended June 30, 2023 are as follows:

	Accrued June 30, 2022	Net Change	Accrued June 30, 2023	Due Within One Year
Governmental Activities	$ 398,778	$ 26,218	$ 424,996	$ 424,996
Business-Type Activities	218,654	(1,685)	216,969	216,969
	$ 617,432	$ 24,533	$ 641,965	$ 641,965

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 a 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.

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

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, 2023, the following employees were covered by the implicit benefit terms:

Active employees	98
Eligible retirees	0
Spouses of ineligible retirees	0
Total participants	98

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

As of June 30, 2023, the government reported an OPEB liability of $415,534. 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, 2022 valuation date and a June 30, 2023 measurement date.

	Total OPEB Liability
Balance as of June 30, 2022	$ 371,626
Changes for the year:	
Service Cost	33,678
Interest on total OPEB liability	14,276
Effect of changes to benefit terms	-
Effect of economic/demographic gains or losses	-
Effect of assumptions changes or inputs	-
Benefit payments	(4,046)
Balance as of June 30, 2023	$ 415,534

For the year ended June 30, 2023, the City recognized OPEB expense of $34,508. At June 30, 2023, 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	$ -	$ 544,860
Change of assumptions	-	218,159
Total	$ -	$ 763,019

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

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
2024	$ (123,264)
2025	(123,264)
2026	(123,264)
2027	(123,264)
2028	(123,264)
Thereafter	(146,699)
Total	$ (763,019)

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, 2022 actuarial valuation, the entry age normal cost method was used. Demographic assumptions regarding retirement, mortality, and turnover are based on Oregon PERS valuation assumptions as of December 31, 2019.

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Assumptions:	
Actuarial Cost Method	Entry Age Normal
Inflation Rate	2.50 percent
Salary Increases	2.90 percent
Withdrawal, retirement, and mortality rates	December 31, 2019 Oregon PERS valuation
Election and Lapse Rates	35% 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, 2022 reporting date is 3.54 percent.

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

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 (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	$ 451,882	$ 415,534	$ 381,591

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 5.75% decreasing to 5.0%	1% Increase
Total OPEB Liability	$ 366,192	$ 415,534	$ 473,288

Changes in Assumptions and Methods

A summary of key changes implemented since the June 30, 2021 valuation are noted below.

Discount Rate

- Updated to reflect the current 20-year tax-exempt municipal bond yield which increased from 2.21% to 3.54%.

Mortality Assumption

- Changed to the RP-2014 annuitant distinct mortality table adjusted to 2006 with MP-2021 generational projection of future mortality improvement.

Turnover and Retirement

- Updated to reflect assumptions use in the Oregon PERS December 31, 2021 actuarial valuation.

Note 15 - Commitments - Construction in Progress

The City has various active construction obligations at June 30, 2023. The total project costs of these obligations are as follows:

Project	Contract Amount	Completed to Date	Remaining Commitment
Washinton Street Underpass	$ 8,100,000	$ 2,022,721	$ 6,077,279
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
1st Street Parking	3,720,000	42,866	3,677,134
Total	$ 18,690,000	$ 2,422,709	$ 16,267,291

Note 16 - Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by granter 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 granter 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, 2023, the foregone property tax revenue is $5,856,854.

Note 19 - Deficit Fund Net Position

The 2018 Utility Bond Fund reported a deficit net position balance of $5,991,587 in the enterprise funds Statement of Net Position. The deficit is a result of the accounting structure surrounding the financing of capital development of the Water and Wastewater funds capital asset systems, where the debt is reported by the 2018 Utility Bond Fund, but the assets resulting from that debt are reported in the Water and Wastewater funds.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF THE DALLES, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Property taxes	$ 3,862,475	$ 3,862,475	$ 4,644,868	$ 782,393
Other taxes	1,814,456	1,814,456	1,865,739	51,283
Franchise fees	275,420	275,420	289,097	13,677
Licenses and fees	41,960	41,960	53,957	11,997
Intergovernmental	3,719,526	3,736,778	3,208,132	(528,646)
Fines and forfeitures, net	84,300	84,300	80,198	(4,102)
System development charges	45,000	45,000	154,740	109,740
Rental income	8,300	8,300	77,922	69,622
Interest on investments	31,049	31,049	230,381	199,332
Miscellaneous	104,100	254,100	306,234	52,134
Total revenues	9,986,586	10,153,838	10,911,268	757,430
EXPENDITURES				
General government	3,362,305	3,501,500	3,237,555	263,945
Public safety	5,183,680	5,321,840	4,667,420	654,420
Planning and economic development	714,602	927,313	506,230	421,083
Special payments	945,392	995,392	939,814	55,578
Capital outlay	3,352,347	3,599,408	1,292,599	2,306,809
Debt service				-
Principal	-	25,847	22,778	3,069
Interest	-	614	614	-
Contigency	950,493	402,058	-	402,058
Total expenditures	14,508,819	14,773,972	10,667,010	4,106,962
Revenues over (under) expenditures	(4,522,233)	(4,620,134)	244,258	4,864,392
OTHER FINANCING SOURCES (USES)				
Issuance of lease	-	-	22,108	22,108
Transfers in	1,893,073	1,893,073	1,861,106	(31,967)
Transfers out	(515,000)	(802,008)	(737,008)	65,000
Total other financing sources (uses)	1,378,073	1,091,065	1,146,206	55,141
Net changes in fund balances	(3,144,160)	(3,529,069)	1,390,464	4,919,533
FUND BALANCE, beginning of year, as restated	6,321,669	6,706,578	8,009,295	1,302,717
FUND BALANCE, end of year	$ 3,177,509	$ 3,177,509	$ 9,399,759	$ 6,222,250

CITY OF THE DALLES, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
STREET FUND
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Other taxes	$ 475,000	$ 475,000	$ 492,181	$ 17,181
Franchise fees	81,402	81,402	120,597	39,195
Intergovernmental	1,267,053	1,267,053	1,283,387	16,334
Interest on investments	7,000	7,000	51,733	44,733
Miscellaneous	600	600	29,031	28,431
Total revenues	1,831,055	1,831,055	1,976,929	145,874
EXPENDITURES				
Highway and streets				
Personal service	1,012,433	1,012,433	960,267	52,166
Materials and services	634,829	984,829	610,103	374,726
Capital outlay	1,518,835	2,064,067	984,776	1,079,291
Contingency	26,909	26,909	-	26,909
Total expenditures	3,193,006	4,088,238	2,555,146	1,533,092
Revenues over (under) expenditures	(1,361,951)	(2,257,183)	(578,217)	1,678,966
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	500	500	39,345	38,845
Transfers in	805,981	805,981	805,981	-
Transfers out	(406,515)	(406,515)	(406,515)	-
Total other financing sources (uses)	399,966	399,966	438,811	38,845
Net changes in fund balances	(961,985)	(1,857,217)	(139,406)	1,717,811
FUND BALANCE, beginning of year, as restated	961,985	1,857,217	1,844,941	(12,276)
FUND BALANCE, end of year	$ -	$ -	$ 1,705,535	$ 1,705,535

CITY OF THE DALLES, OREGON
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL GRANTS FUND
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 4,480,500	4,630,500	$ 1,168,729	$ (3,461,771)
Interest on investments	5,000	5,000	153,338	148,338
Total revenues	4,485,500	4,635,500	1,322,067	(3,313,433)
EXPENDITURES				
Materials and services	3,431,500	3,581,500	1,159,788	2,421,712
Capital outlay	4,621,677	4,621,677	149,875	4,471,802
Total expenditures	8,053,177	8,203,177	1,309,663	6,893,514
Revenues over (under) expenditures	(3,567,677)	(3,567,677)	12,404	3,580,081
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,000)	(2,000)	-	2,000
Total other financing sources (uses)	(2,000)	(2,000)	-	2,000
Net changes in fund balances	(3,569,677)	(3,569,677)	12,404	- 3,582,081
FUND BALANCE, beginning of year, as restated	3,569,677	3,569,677	3,280,974	(288,703)
FUND BALANCE, end of year	$ -	$ -	$ 3,293,378	$ 3,293,378

CITY OF THE DALLES, OREGON
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST SIX FISCAL YEARS ENDING JUNE 30, 2023

Total OPEB Liability	2023	2022	2021
Service cost	$ 33,678	$ 33,790	$ 32,838
Interest	14,276	10,664	9,837
Differences between expected and actual experience	-	(73,476)	-
Changes of assumption	-	(43,715)	-
Benefit payments	(4,046)	(8,770)	(3,610)
Net change in total OPEB liability	43,908	(81,507)	39,065
Total OPEB liability - beginning	371,626	453,133	414,068
Total OPEB liability - ending	$ 415,534	$ 371,626	$ 453,133
Covered-employee payroll	$ 6,746,262	$ 6,556,134	$ 6,456,317
Total OPEB liability as a percentage of covered-employee payroll	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, 2022 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 SEVEN FISCAL YEARS ENDING JUNE 30, 2023

City of the Dalles Contributions

	2023	2022	2021	2020
Contractually required contributions	$ 4,046	$ 8,770	$ 3,610	$ -
Contribution in relation to the contractually required	(4,046)	(8,770)	(3,610)	-
Contributions deficiency (excess)	$ -	$ -	$ -	$ -
City's covered - employee payroll	$ 6,746,262	$ 6,556,134	$ 6,456,317	$ 6,274,361
Contributions as a percentage of covered-employee payroll	0.06%	0.13%	0.06%	0.00%

	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	$ 5,548,044	$ 4,823,785	$ 5,340,702
Contributions as a percentage of covered-employee payroll	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, 2022 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 SUPPLEMENTAL INFORMATION

OTHER SUPPLEMENTAL INFORMATION

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

Such statements and schedules include:

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

COMBINING SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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

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

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

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

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

Debt Service Funds

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

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

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

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

Capital Projects Fund

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

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

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

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

GENERAL FUND COMBINING

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

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

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

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

CITY OF THE DALLES, OREGON
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Fund	Total
ASSETS				
Cash and cash equivalents	$ 4,647,660	$ 805,738	$ 6,113,686	$ 11,567,084
Receivables				
Accounts	-	-	34,444	34,444
Property taxes	-	-	80,971	80,971
Notes	-	-	307,445	307,445
TOTAL ASSETS	$ 4,647,660	$ 805,738	$ 6,536,546	$ 11,989,944
LIABILITIES				
Accounts payable and accrued expenses	$ 82,944	$ -	$ 7,910	$ 90,854
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	69,203	69,203
Unavailable revenue - assessments	-	-	26,044	26,044
Unavailable revenue - notes	-	-	307,445	307,445
Total deferred inflows of resources	-	-	402,692	402,692
FUND BALANCE				
Restricted for				
Grant / contributor specific intent	5,769	-	-	5,769
Debt service	-	805,738	-	805,738
System development	-	-	5,331,949	5,331,949
Intergovernmental agreement	2,084,798	-	-	2,084,798
Committed for				
Major capital facilities and associated debt	-	-	793,995	793,995
Agreements with state agencies	2,474,149	-	-	2,474,149
Total fund balances	4,564,716	805,738	6,125,944	11,496,398
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 4,647,660	$ 805,738	$ 6,536,546	$ 11,989,944

CITY OF THE DALLES, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Fund	Total
REVENUES				
Property taxes	$ 1,445,846	$ 800,938	$ 873,399	$ 3,120,183
Franchise fees	-	-	37,875	37,875
Intergovernmental	911,143	-	-	911,143
Fines and forfeitures, net	7,425	-	-	7,425
Assessments	-	-	20,347	20,347
Principal and interest repayments	-	-	-	-
Rental income	324,713	126,773	98,051	549,537
Interest on investments	117,914	4,800	208,963	331,677
Miscellaneous	1,687	-	2,573	4,260
Total revenues	2,808,728	932,511	1,241,208	4,982,447
EXPENDITURES				
General government	-	-	265,102	265,102
Public safety	690,541	-	-	690,541
Culture and recreation	1,443,694	-	-	1,443,694
Highways and streets	1,339	-	-	1,339
Capital outlay	214,107	-	409,417	623,524
Debt service				
Principal	-	1,401,666	-	1,401,666
Interest	-	492,592	-	492,592
Total expenditures	2,349,681	1,894,258	674,519	4,918,458
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	459,047	(961,747)	566,689	63,989
OTHER FINANCING SOURCES (USES)				
Transfer in	297,893	1,127,322	297,008	1,722,223
Transfer out	(138,040)	-	(403,432)	(541,472)
Scheduled debt service transfers	-	(159,575)	-	(159,575)
Proceeds from sale of property	-	-	128,709	128,709
Total other financing sources (uses)	159,853	967,747	22,285	1,149,885
NET CHANGE IN FUND BALANCE	618,900	6,000	588,974	1,213,874
FUND BALANCES, beginning of year, as restated	3,945,816	799,738	5,536,970	10,282,524
FUND BALANCES, end of year	$ 4,564,716	$ 805,738	$ 6,125,944	$ 11,496,398

CITY OF THE DALLES, OREGON
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023

	Library Fund	Community Benevolence Fund	State Office Building Fund	Special Enterpise Zone Fund	Total
ASSETS					
Cash and cash equivalents	$ 2,167,324	$ 5,769	$ 343,950	$ 2,130,617	$ 4,647,660
LIABILITIES					
Accounts payable and accrued expenses	$ 82,526	$ -	$ 418	$ -	$ 82,944
FUND BALANCES					
Restricted for					-
Grant / contributor specific intent	-	5,769	-	-	5,769
Intergovernmental agreement	2,084,798	-	-	-	2,084,798
Committed for					-
Agreements with state agencies	-	-	343,532	2,130,617	2,474,149
Total fund balances	2,084,798	5,769	343,532	2,130,617	4,564,716
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,167,324	$ 5,769	$ 343,950	$ 2,130,617	$ 4,647,660

CITY OF THE DALLES, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 2023

	Library Fund	Community Benevolence Fund	State Office Building Fund	Special Enterpise Zone Fund	Total
REVENUES					
Property taxes	$ 1,445,846	$ -	$ -	$ -	$ 1,445,846
Intergovernmental	4,010	-	-	907,133	911,143
Fines and forfeitures, net	7,425	-	-	-	7,425
Rental income	-	-	324,713	-	324,713
Interest on investments	56,089	167	5,740	55,918	117,914
Miscellaneous	1,687	-	-	-	1,687
Total revenues	1,515,057	167	330,453	963,051	2,808,728
EXPENDITURES					
Public safety	-	-	190,541	500,000	690,541
Culture and recreation	1,443,694	-	-	-	1,443,694
Highways and streets	-	1,339	-	-	1,339
Capital outlay	59,200	-	154,907	-	214,107
Total expenditures	1,502,894	1,339	345,448	500,000	2,349,681
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,163	(1,172)	(14,995)	463,051	459,047
OTHER FINANCING SOURCES (USES)					
Transfer in	-	-	297,893	-	297,893
Transfer out	(138,040)	-	-	-	(138,040)
Total other financing sources (uses)	(138,040)	-	297,893	-	159,853
NET CHANGE IN FUND BALANCE	(125,877)	(1,172)	282,898	463,051	618,900
FUND BALANCES, beginning of year, as restated	2,210,675	6,941	60,634	1,667,566	3,945,816
FUND BALANCES, end of year	$ 2,084,798	$ 5,769	$ 343,532	$ 2,130,617	$ 4,564,716

CITY OF THE DALLES, OREGON
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
JUNE 30, 2023

	FFCO 2008 Bond Fund	2009 FFCO Bond Fund	Urban Renewal Debt Fund	Totals
ASSETS				
Cash and cash equivalents	$ 3,000	$ -	$ 802,738	$ 805,738
FUND BALANCES				
Restricted for:				
Debt service	$ 3,000	$ -	$ 802,738	$ 805,738

CITY OF THE DALLES, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 2023

	FFCO 2008 Bond Fund	2009 FFCO Bond Fund	Urban Renewal Debt Fund	Totals
REVENUES				
Property taxes	$ -	$ -	$ 800,938	$ 800,938
Rental income	126,773	-	-	126,773
Interest on investments	-	-	4,800	4,800
Total revenues	126,773	-	805,738	932,511
EXPENDITURES				
Debt service				
Principal	175,856	650,810	575,000	1,401,666
Interest	7,386	257,468	227,738	492,592
Total expenditures	183,242	908,278	802,738	1,894,258
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(56,469)	(908,278)	3,000	(961,747)
Other financing sources (uses)				
Transfers in	178,407	948,915	-	1,127,322
Scheduled debt service transfers	(118,938)	(40,637)	-	(159,575)
Total other financing sources (uses)	59,469	908,278	-	967,747
NET CHANGE IN FUND BALANCE	3,000	-	3,000	6,000
FUND BALANCE, beginning of year	-	-	799,738	799,738
FUND BALANCE, end of year	$ 3,000	$ -	$ 802,738	$ 805,738

CITY OF THE DALLES, OREGON
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2023

	Capital Projects Fund	Special Assessment Fund	Urban Renewal Capital Projects Fund	Total
ASSETS				
Cash and cash equivalents	$ 435,758	$ 356,525	$ 5,321,403	$ 6,113,686
Receivables:				
Accounts	-	34,444	-	34,444
Property taxes	-	-	80,971	80,971
Notes	-	-	307,445	307,445
TOTAL ASSETS	$ 435,758	$ 390,969	$ 5,709,819	$ 6,536,546
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued expenses	$ -	$ 6,688	$ 1,222	$ 7,910
Deferred inflows of resources				
Unavailable revenue - property taxes	-	-	69,203	69,203
Unavailable revenue - assessments	-	26,044	-	26,044
Unavailable revenue - notes	-	-	307,445	307,445
Total deferred inflows of resources	-	26,044	376,648	402,692
Fund balances				
Restricted for				
System development	-	-	5,331,949	5,331,949
Committed for				
Major capital facilities and associated debt	435,758	358,237	-	793,995
Total fund balances	435,758	358,237	5,331,949	6,125,944
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 435,758	$ 390,969	$ 5,709,819	$ 6,536,546

CITY OF THE DALLES, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECTS FUNDS
YEAR ENDED JUNE 30, 2023

	Capital Projects Fund	Special Assessment Fund	Urban Renewal Capital Projects Fund	Total
REVENUES				
Property taxes	$ -	$ -	$ 873,399	$ 873,399
Franchise fees	-	37,875	-	37,875
Assessments	-	20,347	-	20,347
Rental income	98,051	-	-	98,051
Interest on investments	11,767	12,555	184,641	208,963
Miscellaneous	5	-	2,568	2,573
Total revenues	109,823	70,777	1,060,608	1,241,208
EXPENDITURES				
General government	1,454	-	263,648	265,102
Capital outlay	92,996	26,069	290,352	409,417
Total expenditures	94,450	26,069	554,000	674,519
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	15,373	44,708	506,608	566,689
OTHER FINANCING SOURCES (USES)				
Transfer in	297,008	-	-	297,008
Transfer out	(297,893)	(105,539)	-	(403,432)
Proceeds from sale of property	-	-	128,709	128,709
Total other financing sources (uses)	(885)	(105,539)	128,709	22,285
NET CHANGE IN FUND BALANCE	14,488	(60,831)	635,317	588,974
FUND BALANCE, beginning of year, as restated	421,270	419,068	4,696,632	5,536,970
FUND BALANCE, end of year	$ 435,758	$ 358,237	$ 5,331,949	$ 6,125,944

CITY OF THE DALLES, OREGON
COMBINING BALANCE SHEET
GENERAL FUND
JUNE 30, 2023

	General Fund - Budgetary Basis	Public Works Reserve Fund	Transportation System Reserve Fund	Unemployment Reserve Fund	Total General Fund
ASSETS					
Cash and cash equivalents	$ 7,513,915	$ 423,358	$ 841,770	$ 34,316	$ 8,813,359
Receivables:					
Accounts	999,347	-	-	-	999,347
Leases	349,693				349,693
Fines and forfeitures	350,895	-	-	-	350,895
Property taxes	173,330	-	-	-	173,330
Prepaid items	17,222	-	-	-	17,222
TOTAL ASSETS	$ 9,404,402	$ 423,358	$ 841,770	$ 34,316	$ 10,703,846
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenses	$ 385,700	$ 69,976	$ -	$ 4,662	$ 460,338
Deferred inflows of resources					
Unavailable revenue - property taxes	173,330	-	-	-	173,330
Unavailable revenue - court	320,726	-	-	-	320,726
Unavailable revenue - leases	349,693	-	-	-	349,693
Total fund balances	843,749	-	-	-	843,749
Fund balances					
Nonspendable					
Prepaids	17,222	-	-	-	17,222
Committed for					-
Committed by ordinance or resolution	-	353,382	841,770	29,654	1,224,806
Unassigned	8,157,731	-	-	-	8,157,731
Total fund balances	8,174,953	353,382	841,770	29,654	9,399,759
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 9,404,402	$ 423,358	$ 841,770	$ 34,316	$ 10,703,846

CITY OF THE DALLES, OREGON
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	General Fund - Budgetary Basis	Public Works Reserve Fund	Transportation System Reserve Fund	Unemployment Reserve Fund	Total General Fund
REVENUES					
Property taxes	$ 4,644,868	$ -	$ -	$ -	$ 4,644,868
Other taxes	1,865,739	-	-	-	1,865,739
Franchise fees	289,097	-	-	-	289,097
Licenses and fees	53,957	-	-	-	53,957
Intergovernmental	3,208,132	-	-	-	3,208,132
Fines and forfeitures, net	80,198	-	-	-	80,198
System development charges	-	-	154,740	-	154,740
Rental income	77,922	-	-	-	77,922
Interest on investments	199,533	8,316	21,201	1,331	230,381
Miscellaneous	306,234	-	-	-	306,234
Total revenues	10,725,680	8,316	175,941	1,331	10,911,268
EXPENDITURES					
General government	3,205,985	-	-	31,570	3,237,555
Public Safety	4,667,420	-	-	-	4,667,420
Planning and economic development	506,230	-	-	-	506,230
Special payments	939,814	-	-	-	939,814
Capital outlay	341,046	395,352	556,201	-	1,292,599
Debt service					
Principal	22,778	-	-	-	22,778
Interest	614	-	-	-	614
Total expenditures	9,683,887	395,352	556,201	31,570	10,667,010
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,041,793	(387,036)	(380,260)	(30,239)	244,258
OTHER FINANCING SOURCES (USES)					
Lease inception	22,108	-	-	-	22,108
Transfer in	1,306,106	555,000	-	-	1,861,106
Transfer out	(737,008)	-	-	-	(737,008)
Total other financing sources (uses)	591,206	555,000	-	-	1,146,206
NET CHANGE IN FUND BALANCE	1,632,999	167,964	(380,260)	(30,239)	1,390,464
FUND BALANCE, beginning of year, as restated	6,541,954	185,418	1,222,030	59,893	8,009,295
FUND BALANCE, end of year	$ 8,174,953	$ 353,382	$ 841,770	$ 29,654	$ 9,399,759

BUDGETARY COMPARISON SCHEDULES
Nonmajor Governmental Funds

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

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

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

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

Non-major Governmental Budgetary Comparison schedules included the following:

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

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, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Property taxes	$ 3,862,475	$ 3,862,475	$ 4,644,868	$ 782,393
Other taxes	1,814,456	1,814,456	1,865,739	51,283
Franchise fees	275,420	275,420	289,097	13,677
Licenses and fees	41,960	41,960	53,957	11,997
Intergovernmental	2,622,526	2,639,778	3,208,132	568,354
Fines and forfeitures, net	84,300	84,300	80,198	(4,102)
Rental income	8,300	8,300	77,922	69,622
Interest on investments	25,500	25,500	199,533	174,033
Miscellaneous	104,100	254,100	306,234	52,134
Total revenues	8,839,037	9,006,289	10,725,680	1,719,391
EXPENDITURES				
General government	3,287,577	3,426,772	3,205,985	220,787
Public safety	5,183,680	5,321,840	4,667,420	654,420
Planning and economic development	714,602	927,313	506,230	421,083
Special payments	945,392	995,392	939,814	55,578
Capital outlay	304,000	453,160	341,046	112,114
Debt service				
Principal	-	25,847	22,778	3,069
Interest	-	614	614	-
Contingency	950,493	402,058	-	402,058
Total expenditures	11,385,744	11,552,996	9,683,887	1,869,109
Revenues over (under) expenditures	(2,546,707)	(2,546,707)	1,041,793	3,588,500
OTHER FINANCING SOURCES (USES)				
Lease inception	-	-	22,108	22,108
Transfers in	1,338,073	1,338,073	1,306,106	(31,967)
Transfers out	(515,000)	(802,008)	(737,008)	65,000
Total other financing sources (uses)	823,073	536,065	591,206	55,141
Net changes in fund balances	$ (1,723,634)	$ (2,010,642)	$ 1,632,999	$ 3,643,641
FUND BALANCE, beginning of year, as restated	4,901,143	5,188,151	6,541,954	1,353,803
FUND BALANCE, end of year	$ 3,177,509	$ 3,177,509	$ 8,174,953	$ 4,997,444

CITY OF THE DALLES, OREGON
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
General government				
City council				
Personnel services	$ 9,043	$ 18,043	$ 9,059	$ 8,984
Materials and services	594,855	594,855	334,082	260,773
Subtotal	603,898	612,898	343,141	269,757
City clerk				
Personnel services	163,115	163,115	161,825	1,290
Materials and services	27,920	27,920	19,128	8,792
Subtotal	191,035	191,035	180,953	10,082
City manager				
Personnel services	309,641	309,641	268,972	40,669
Materials and services	21,994	21,994	11,893	10,101
Subtotal	331,635	331,635	280,865	50,770
Legal				
Personnel services	248,402	298,402	203,894	94,508
Materials and services	115,628	265,628	262,911	2,717
Subtotal	364,030	564,030	466,805	97,225
Finance / utility billing / judicial				
Personnel services	664,473	664,473	611,357	53,116
Materials and services	216,267	216,267	190,009	26,258
Subtotal	880,740	880,740	801,366	79,374
Personnel				
Personnel services	267,208	267,208	257,583	9,625
Materials and services	89,595	89,595	44,683	44,912
Subtotal	356,803	356,803	302,266	54,537
Technology				
Personnel services	243,437	272,437	243,891	28,546
Materials and services	122,502	172,857	155,136	17,721
Capital outlay	6,000	6,000	-	6,000
Subtotal	$ 371,939	$ 451,294	$ 399,027	$ 52,267

CITY OF THE DALLES, OREGON
SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2023

Continued	Budget Adopted	Budget Final	Actual	Variance with Final Budget Positive (Negative)
City hall/transportation center department				
Personnel services	$ 80,818	$ 80,818	$ 73,267	$ 7,551
Materials and services	361,679	361,679	358,295	3,384
Capital outlay	49,000	49,000	-	49,000
Subtotal	491,497	491,497	431,562	59,935
Total general government	$ 3,591,577	$ 3,879,932	$ 3,205,985	$ 673,947
Planning and economic development				
Personnel services	$ 581,537	$ 581,537	$ 362,433	$ 219,104
Materials and services	133,065	334,776	143,797	190,979
Capital outlay	-	11,000	5,060	5,940
Subtotal	714,602	927,313	511,290	416,023
Public safety				
Police/codes enforement				
Police				
Personnel services	3,911,707	3,911,707	3,721,885	189,822
Materials and services	743,492	743,492	692,415	51,077
Capital outlay	156,000	294,160	286,747	7,413
Subtotal	4,811,199	4,949,359	4,701,047	248,312
Code enforcement				
Personnel services	79,169	79,169	76,424	2,745
Materials and services	89,584	89,584	81,069	8,515
Subtotal	168,753	168,753	157,493	11,260
Total police/codes enforecment	4,979,952	5,118,112	4,858,540	259,572
Animal control				
Personnel services	80,666	80,666	69,330	11,336
Materials and services	30,062	30,062	26,297	3,765
Capital outlay	93,000	93,000	49,239	43,761
Subtotal	203,728	203,728	144,866	58,862
Total public safety	5,183,680	5,321,840	5,003,406	318,434
Special payments	945,392	995,392	939,814	55,578
Debt service				
Principal	-	26,461	22,778	3,683
Interest	-	-	614	(614)
Subtotal	-	26,461	23,392	3,069
Interfund transfers	515,000	802,008	737,008	65,000
Contingency	950,493	402,058	-	402,058
Total expenditures	$ 11,900,744	$ 12,355,004	$ 10,420,895	$ 1,934,109

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, 2023

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Interest on investments	$ 1,000	$ 1,000	$ 8,316	$ 7,316
EXPENDITURES				
Capital outlay	643,517	741,418	395,352	346,066
Revenues over (under) expenditures	(642,517)	(740,418)	(387,036)	353,382
OTHER FINANCING SOURCES (USES)				
Transfers in	555,000	555,000	555,000	-
Net changes in fund balances	(87,517)	(185,418)	167,964	353,382
FUND BALANCE, beginning of year	87,517	185,418	185,418	-
FUND BALANCE, end of year	$ -	$ -	$ 353,382	$ 353,382

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, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 1,097,000	$ 1,097,000	$ -	$ (1,097,000)
System development charges	45,000	45,000	154,740	109,740
Interest on investments	4,000	4,000	21,201	17,201
Total revenues	1,146,000	1,146,000	175,941	(970,059)
EXPENDITURES				
Capital outlay	2,404,830	2,404,830	556,201	1,848,629
Revenues over (under) expenditures	(1,258,830)	(1,258,830)	(380,260)	878,570
FUND BALANCE, beginning of year	1,258,830	1,258,830	1,222,030	(36,800)
FUND BALANCE, end of year	$ -	$ -	$ 841,770	$ 841,770

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
UNEMPLOYEMENT RESERVE FUND
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Interest on investments	$ 549	$ 549	$ 1,331	$ 782
EXPENDITURES				
Personnel service	74,728	74,728	31,570	43,158
Revenues over (under) expenditures	(74,179)	(74,179)	(30,239)	43,940
FUND BALANCE, beginning of year	74,179	74,179	59,893	(14,286)
FUND BALANCE, end of year	$ -	$ -	$ 29,654	$ 29,654

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
LIBRARY FUND
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Property taxes	$ 1,887,794	$ 1,887,794	$ 1,445,846	$ (441,948)
Intergovernmental	9,161	9,161	4,010	(5,151)
Fines and forfeitures, net	5,000	5,000	7,425	2,425
Contributions	100	100	-	(100)
Interest on investments	8,736	8,736	56,089	47,353
Miscellaneous	-	-	1,687	1,687
Total revenues	1,910,791	1,910,791	1,515,057	(395,734)
EXPENDITURES				
Personnel service	971,932	971,932	860,981	110,951
Materials and services	1,028,792	1,028,792	582,713	446,079
Capital outlay	294,800	294,800	59,200	235,600
Contingency	210,000	210,000	-	210,000
Total expenditures	2,505,524	2,505,524	1,502,894	1,002,630
Revenues over (under) expenditures	(594,733)	(594,733)	12,163	606,896
OTHER FINANCING SOURCES (USES)				
Transfers out	(158,007)	(158,007)	(138,040)	19,967
Net changes in fund balances	(752,740)	(752,740)	(125,877)	626,863
FUND BALANCE, beginning of year, as restated	1,631,853	1,631,853	2,210,675	578,822
FUND BALANCE, end of year	$ 879,113	$ 879,113	$ 2,084,798	$ 1,205,685

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
COMMUNITY BENEVOLENCE FUND
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Interest on investments	$ 60	$ 60	$ 167	$ 107
EXPENDITURES				
Materials and services	6,957	6,957	1,339	5,618
Revenues over (under) expenditures	(6,897)	(6,897)	(1,172)	5,725
FUND BALANCE, beginning of year	6,897	6,897	6,941	44
FUND BALANCE, end of year	$ -	$ -	$ 5,769	$ 5,769

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, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Rental income	$ 386,993	$ 386,993	$ 324,713	$ (62,280)
Interest on investments	1,000	1,000	5,740	4,740
Total revenues	387,993	387,993	330,453	(57,540)
EXPENDITURES				
Personnel service	80,933	80,933	72,398	8,535
Materials and services	181,903	468,911	118,143	350,768
Capital outlay	163,367	163,367	154,907	8,460
Contingency	60,000	60,000	-	60,000
Total expenditures	486,203	773,211	345,448	427,763
Revenues over (under) expenditures	(98,210)	(385,218)	(14,995)	370,223
OTHER FINANCING SOURCES (USES)				
Transfers in	10,885	297,893	297,893	-
Net changes in fund balances	(87,325)	(87,325)	282,898	370,223
FUND BALANCE, beginning of year, as restated	87,325	87,325	60,634	(26,691)
FUND BALANCE, end of year	$ -	$ -	$ 343,532	$ 343,532

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, 2023

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Intergovernmental	$ 907,133	$ 907,133	$ 907,133	$ -
Interest on investments	5,300	5,300	55,918	50,618
Total revenues	912,433	912,433	963,051	50,618
EXPENDITURES				
Materials and services	2,576,240	2,576,240	500,000	2,076,240
Revenues over (under) expenditures	(1,663,807)	(1,663,807)	463,051	2,126,858
FUND BALANCE, beginning of year	1,663,807	1,663,807	1,667,566	3,759
FUND BALANCE, end of year	$ -	$ -	$ 2,130,617	$ 2,130,617

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, 2023

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Rental income	$ 126,773	$ 126,773	$ 126,773	$ -
EXPENDITURES				
Debt service				
Principal	293,000	293,000	290,000	3,000
Interest	12,180	12,180	12,180	-
Total expenditures	305,180	305,180	302,180	3,000
Revenues over (under) expenditures	(178,407)	(178,407)	(175,407)	3,000
OTHER FINANCING SOURCES (USES)				
Transfers in	178,407	178,407	178,407	-
Net changes in fund balances	-	-	3,000	3,000
FUND BALANCE, beginning of year	-	-	-	-
FUND BALANCE, end of year	$ -	$ -	$ 3,000	$ 3,000

*Debt service transfers from the Water Capital Reserve Fund of $59,469 and Wastewater Capital Reserve Fund of $59,469 were made for debt service principal and interest of $114,144 and $4,794, respectively.

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, 2023

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
EXPENDITURES				
Debt service				
Principal	$ 680,000	$ 680,000	$ 680,000	$ -
Interest	268,915	268,915	268,915	-
Total expenditures	948,915	948,915	948,915	-
OTHER FINANCING SOURCES (USES)				
Transfers in	948,919	948,919	948,915	4
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 $33,474 and Wastewater Capital Reserve Fund of $7,163 were made for debt service principal and interest of $29,190 and $11,447, 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, 2023

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Property taxes	$ 800,938	$ 800,938	$ 800,938	$ -
Interest on investments	4,800	4,800	4,800	-
Total revenues	805,738	805,738	805,738	-
EXPENDITURES				
Debt service:				
Principal	575,000	575,000	575,000	-
Interest	227,738	227,738	227,738	-
Contingency	802,738	802,738	-	802,738
Total expenditures	1,605,476	1,605,476	802,738	802,738
Net changes in fund balances	(799,738)	(799,738)	3,000	802,738
FUND BALANCE, beginning of year	799,738	799,738	799,738	-
FUND BALANCE, end of year	$ -	$ -	$ 802,738	$ 802,738

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
CAPITAL PROJECTS FUND
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Rental income	$ 105,072	$ 105,072	$ 98,051	$ (7,021)
Interest on investments	3,100	3,100	11,767	8,667
Miscellaneous	-	-	5	5
Total revenues	108,172	108,172	109,823	1,651
EXPENDITURES				
Materials and services	8,500	8,500	1,454	7,046
Capital outlay	562,502	562,502	92,996	469,506
Total expenditures	571,002	571,002	94,450	476,552
Revenues over (under) expenditures	(462,830)	(462,830)	15,373	478,203
OTHER FINANCING SOURCES (USES)				
Transfers in	10,000	297,008	297,008	-
Transfers out	(10,885)	(297,893)	(297,893)	-
Total other financing sources (uses)	(885)	(885)	(885)	-
Net changes in fund balances	(463,715)	(463,715)	14,488	478,203
FUND BALANCE, beginning of year	463,715	463,715	421,270	(42,445)
FUND BALANCE, end of year	$ -	$ -	$ 435,758	$ 435,758

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SPECIAL ASSESSMENT FUND
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Franchise fees	$ 26,800	$ 26,800	$ 37,875	$ 11,075
Assessments	11,248	11,248	20,347	9,099
Interest on investments	2,450	2,450	12,555	10,105
Total revenues	40,498	40,498	70,777	30,279
EXPENDITURES				
Materials and services	28,600	28,600	-	28,600
Capital outlay	260,992	260,992	26,069	234,923
Total expenditures	289,592	289,592	26,069	263,523
Revenues over (under) expenditures	(249,094)	(249,094)	44,708	293,802
OTHER FINANCING SOURCES (USES)				
Transfers out	(115,539)	(115,539)	(105,539)	10,000
Net changes in fund balances	(364,633)	(364,633)	(60,831)	303,802
FUND BALANCE, beginning of year (as restated)	364,633	364,633	419,068	54,435
FUND BALANCE, end of year	$ -	$ -	$ 358,237	$ 358,237

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, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Property taxes	$ 791,018	$ 791,018	$ 873,399	$ 82,381
Interest on investments	21,000	21,000	184,641	163,641
Miscellaneous	10	10	2,568	2,558
Total revenues	812,028	812,028	1,060,608	248,580
EXPENDITURES				
Materials and services	2,350,960	2,350,960	263,648	2,087,312
Capital outlay	3,034,506	3,034,506	290,352	2,744,154
Total expenditures	5,385,466	5,385,466	554,000	4,831,466
Revenues over (under) expenditures	(4,573,438)	(4,573,438)	506,608	5,080,046
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	36,824	36,824	128,709	91,885
Total other financing sources (uses)	36,824	36,824	128,709	91,885
Net changes in fund balances	(4,536,614)	(4,536,614)	635,317	5,171,931
FUND BALANCE, beginning of year (as restated)	4,536,614	4,536,614	4,696,632	160,018
FUND BALANCE, end of year	$ -	$ -	$ 5,331,949	$ 5,331,949

BUDGETARY COMPARISON SCHEDULES
Enterprise Funds

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

Enterprise Budgetary Comparison schedules include the following:

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

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
ALL WATER FUNDS COMBINED
YEAR ENDED JUNE 30, 2023

	Water Utility	Water Capital Reserve	Total All Water Funds
REVENUES			
Charges for services	$ 6,411,562	$ -	$ 6,411,562
Intergovernmental	2,990	215,000	217,990
Fines and forfeitures, net	-	-	-
Contributions	-	-	-
System development charges	-	44,026	44,026
Rental income	4,428	-	4,428
Interest on investments	4,153	156,019	160,172
Miscellaneous	163,313	-	163,313
Total revenues	6,586,446	415,045	7,001,491
EXPENDITURES			
Personnel service	2,481,698	-	2,481,698
Materials and services	1,229,669	-	1,229,669
Capital outlay	146,609	5,552,839	5,699,448
Debt service			
Principal	-	167,194	167,194
Interest	-	71,185	71,185
Total expenditures	3,857,976	5,791,218	9,649,194
Revenues over (under) expenditures	2,728,470	(5,376,173)	(2,647,703)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of property	308	-	308
Loan proceeds	-	1,934,400	1,934,400
Transfers in	-	1,298,333	1,298,333
Transfers out	(2,256,725)	(536,912)	(2,793,637)
Total other financing sources (uses)	(2,256,417)	2,695,821	439,404
Net changes in fund balances	472,053	(2,680,352)	(2,208,299)
FUND BALANCE, beginning budgetary basis	825,263	7,402,092	8,227,355
FUND BALANCE, ending budgetary basis	$ 1,297,316	$ 4,721,740	6,019,056
Change in fund balance			(2,208,299)
Expenditures capitalized			5,564,342
Debt service principal payments			248,311
Other post-employment benefits			32,977
Depreciation			(622,010)
Loan proceeds			(1,934,400)
Premium amortization and accrued interest			4,329
Compensated absences			4,083
Change in net position			$ 1,089,333

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
WATER UTILITY
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 6,599,203	$ 6,599,203	$ 6,411,562	$ (187,641)
Intergovernmental	39,653	39,653	2,990	(36,663)
Rental income	4,428	4,428	4,428	-
Interest on investments	2,000	2,000	4,153	2,153
Miscellaneous	90,450	90,450	163,313	72,863
Total revenues	6,735,734	6,735,734	6,586,446	(149,288)
EXPENDITURES				
Personnel service	2,487,400	2,487,400	2,481,698	5,702
Materials and services	1,369,523	1,369,523	1,229,669	139,854
Capital outlay	396,600	396,600	146,609	249,991
Contingency	44,504	44,504	-	44,504
Total expenditures	4,298,027	4,298,027	3,857,976	440,051
Revenues over (under) expenditures	2,437,707	2,437,707	2,728,470	290,763
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	100	100	308	208
Transfers out	(3,338,392)	(3,338,392)	(2,256,725)	1,081,667
Total other financing sources (uses)	(3,338,292)	(3,338,292)	(2,256,417)	1,081,875
Net changes in fund balance	(900,585)	(900,585)	472,053	1,372,638
FUND BALANCE, beginning budgetary basis (as restated)	900,585	900,585	825,263	(75,322)
FUND BALANCE, ending budgetary basis	$ -	$ -	$ 1,297,316	$ 1,297,316

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
WATER CAPITAL RESERVE
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 8,010,000	$ 8,010,000	$ 215,000	$ (7,795,000)
System development charges	69,510	69,510	44,026	(25,484)
Interest on investments	25,000	25,000	156,019	131,019
Total revenues	8,104,510	8,104,510	415,045	(7,689,465)
EXPENDITURES				
Capital outlay	15,415,403	17,111,311	5,552,839	11,558,472
Debt service				
Principal	167,194	167,194	167,194 *	-
Interest	71,185	71,185	71,185 *	-
Total expenditures	15,653,782	17,349,690	5,791,218	11,558,472
Revenues over (under) expenditures	(7,549,272)	(9,245,180)	(5,376,173)	3,869,007
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	-	1,934,400	1,934,400
Transfers in	2,380,000	2,380,000	1,298,333	(1,081,667)
Transfers out	(536,912)	(536,912)	(536,912) *	-
Total other financing sources (uses)	1,843,088	1,843,088	2,695,821	852,733
Net changes in fund balance	(5,706,184)	(7,402,092)	(2,680,352)	4,721,740
FUND BALANCE, beginning budgetary basis	5,706,184	7,402,092	7,402,092	-
FUND BALANCE, ending budgetary basis	$ -	$ -	$ 4,721,740	$ 4,721,740

* Debt service transfers from the Water Capital Reserve fund of $92,943 were made to the FFCO 2008 Debt Service Fund and 2009 FFCO Debt Service Fund for principal and interest of $57,072 and $2,397; and $24,045 and $9,429, respectively.

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
ALL WASTEWATER FUNDS COMBINED
YEAR ENDED JUNE 30, 2023

	Wastewater	Wastewater Capital Reserve	Sewer Plant Construction	Total All Wastewater Funds
REVENUES				
Charges for services	$ 5,373,385	$ -	$ -	$ 5,373,385
Intergovernmental	15,790	-	-	15,790
System development charges	443,733	159,631	-	603,364
Interest on investments	-	90,469	74,177	164,646
Miscellaneous	15,321	-	-	15,321
Total revenues	5,848,229	250,100	74,177	6,172,506
EXPENDITURES				
Personnel service	1,411,456	-	-	1,411,456
Materials and services	2,147,099	-	-	2,147,099
Capital outlay	67,925	1,560,738	48,579	1,677,242
Debt service				
Principal	-	-	63,741	63,741
Interest	-	-	32,575	32,575
Total expenditures	3,626,480	1,560,738	144,895	5,332,113
Revenues over (under) expenditures	2,221,749	(1,310,638)	(70,718)	840,393
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	16,457	-	-	16,457
Transfers in	-	600,000	800,000	1,400,000
Transfers out	(2,302,547)	(7,163)	(304,737)	(2,614,447)
Total other financing sources (uses)	(2,286,090)	592,837	495,263	(1,197,990)
Net changes in fund balances	(64,341)	(717,801)	424,545	(357,597)
FUND BALANCE, beginning budgetary basis	1,254,779	3,932,271	2,436,048	7,623,098
FUND BALANCE, ending budgetary basis	$ 1,190,438	$ 3,214,470	$ 2,860,593	7,265,501
Change in fund balance				(357,597)
Expenditures capitalized				1,769,600
Debt service principal payments				125,958
Other post-employment benefits				11,864
Depreciation				(1,048,694)
Premium amortization and accrued interest				808
Net book value of disposed assets				(3,298)
Compensated absences				(2,398)
Change in net position				$ 496,243

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
WASTEWATER
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Charges for services	$ 5,502,332	$ 5,502,332	$ 5,373,385	$ (128,947)
Intergovernmental	33,382	33,382	15,790	(17,592)
System development charges	340,000	340,000	443,733	103,733
Miscellaneous	300	300	15,321	15,021
Total revenues	5,876,014	5,876,014	5,848,229	(27,785)
EXPENDITURES				
Personnel service	1,662,199	1,662,199	1,411,456	250,743
Materials and services	2,228,821	2,544,721	2,147,099	397,622
Capital outlay	288,900	288,900	67,925	220,975
Contingency	20,645	20,645	-	20,645
Total expenditures	4,200,565	4,516,465	3,626,480	889,985
Revenues over (under) expenditures	1,675,449	1,359,549	2,221,749	862,200
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	-	-	16,457	16,457
Transfers out	(2,302,547)	(2,302,547)	(2,302,547)	-
Total other financing sources (uses)	(2,302,547)	(2,302,547)	(2,286,090)	16,457
Net changes in fund balance	(627,098)	(942,998)	(64,341)	878,657
FUND BALANCE, beginning budgetary basis (as restated)	627,098	942,998	1,254,779	311,781
FUND BALANCE, ending budgetary basis	$ -	$ -	$ 1,190,438	$ 1,190,438

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
WASTEWATER CAPITAL RESERVE
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
System development charges	$ 63,930	$ 63,930	$ 159,631	$ 95,701
Interest on investments	25,000	25,000	90,469	65,469
Total revenues	88,930	88,930	250,100	161,170
EXPENDITURES				
Capital outlay	3,146,851	4,614,037	1,560,738	3,053,299
Revenues over (under) expenditures	(3,057,921)	(4,525,107)	(1,310,638)	3,214,469
OTHER FINANCING SOURCES (USES)				
Transfers in	600,000	600,000	600,000	-
Transfers out	(7,163)	(7,163)	(7,163)	-
Total other financing sources (uses)	592,837	592,837	592,837	-
Net changes in fund balance	(2,465,084)	(3,932,270)	(717,801)	3,214,469
FUND BALANCE, beginning budgetary basis	2,465,084	3,932,270	3,932,271	1
FUND BALANCE, ending budgetary basis	$ -	$ -	$ 3,214,470	$ 3,214,470

CITY OF THE DALLES, OREGON
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SEWER PLANT CONSTRUCTION
YEAR ENDED JUNE 30, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
REVENUES				
Interest on investments	$ 10,000	$ 10,000	$ 74,177	$ 64,177
EXPENDITURES				
Capital outlay	2,754,060	2,844,994	48,579	2,796,415
Debt service				
Principal	63,741	63,741	63,741 *	-
Interest	32,575	32,575	32,575 *	-
Total expenditures	2,850,376	2,941,310	144,895	2,796,415
Revenues over (under) expenditures	(2,840,376)	(2,931,310)	(70,718)	2,860,592
OTHER FINANCING SOURCES (USES)				
Transfers in	800,000	800,000	800,000	-
Transfers out	(304,737)	(304,737)	(304,737) *	-
Total other financing sources (uses)	495,263	495,263	495,263	-
Net changes in fund balance	(2,345,113)	(2,436,047)	424,545	2,860,592
FUND BALANCE, beginning budgetary basis	2,345,113	2,436,047	2,436,048	1
FUND BALANCE, ending budgetary basis	$ -	$ -	$ 2,860,593	$ 2,860,593

* Debt service transfers from the Sewer Plant Construction fund of $66,632 were made to the FFCO 2008 Debt Service Fund and 2009 FFCO Debt Service Fund for principal and interest of $57,072 and $2,397; and $5,145 and $2,018, 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, 2023

	Budget			Variance with Final Budget Positive
	Adopted	Final	Actual	(Negative)
EXPENDITURES				
Debt service				
Principal	$ 621,108	$ 621,108	$ 621,108	$ -
Interest	187,064	187,064	185,982	1,082
Contingency	2,394	2,394	-	2,394
Total expenditures	810,566	810,566	807,090	3,476
OTHER FINANCING SOURCES (USES)				
Transfers in	808,174	808,174	808,174	-
Net changes in fund balance	(2,392)	(2,392)	1,084	3,476
FUND BALANCE, beginning budgetary basis	2,392	2,392	3,365	973
FUND BALANCE, ending budgetary basis	$ -	$ -	4,449	$ 4,449
Change in fund balance			1,084	
Debt service principal payments			621,108	
Accrued interest			1,383	
Change in net position			$ 623,575	

STATISTICAL SECTION

STATISTICAL SECTION

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

Contents Page:

Financial Trends
These schedules contain trend information to help the reader understand how the Cityôs financial performance and well-being have changed over time.

Revenue Capacity
These schedules contain information to help the reader assess the Cityôs most significant local revenue source, the property taxes.

Debt Capacity
These schedules present information to help the reader assess the affordability of the Cityôs current levels of outstanding debt and the Cityôs ability to issue additional debt in the future.

Demographic and Economic Information
These schedules offer demographic and economic indicators to help the reader understand the environment within which the Cityôs financial activities take place.

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

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	$ 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	$ 23,394,331
Restricted	9,779,961	14,416,982	11,658,332	10,893,307	9,270,588	8,309,364	7,364,590	6,606,540	6,591,609	6,221,686
Unrestricted	27,763,345	20,970,990	20,203,765	16,802,396	15,268,799	14,499,406	13,033,689	11,480,666	4,480,644	4,055,637
Total governmental activities net position	$ 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	$ 33,671,654
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	$ 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	$ 31,669,652
Restricted	-	3,915,118	3,391,775	1,825,510	1,170,201	4,996,649	15,889,368	12,505,094	10,418,116	8,506,649
Unrestricted	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	942,037
Total business-type activities in net position	$ 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	$ 41,118,338
PRIMARY GOVERNMENT										
Net investments in capital assets	$ 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	$ 55,063,983
Restricted	9,779,961	18,332,100	15,050,107	12,718,817	10,440,789	13,306,013	23,253,958	19,111,634	17,009,725	14,728,335
Unrestricted	33,931,135	24,630,490	23,430,900	17,194,162	14,115,166	8,963,593	11,981,919	12,126,464	6,853,805	4,997,674
Total primary government net position	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	$ 74,789,992

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
PROGRAM REVENUES										
Governmental activities										
Charges for services, fees and fines										
General government	$ 827,472	$ 795,571	$ 639,682	$ 1,869,609	$ 945,631	$ 662,698	$ 1,207,216	$ 1,111,793	$ 895,831	$ 1,741,823
Public Safety	80,198	166,977	109,656	201,241	223,699	241,242	243,128	235,252	222,585	229,428
Highways and streets	29,031	16,547	6,579	16,346	19,731	12,928	28,342	33,944	12,424	10,573
Culture and recreation	7,425	10,308	5,785	4,528	4,588	18,346	21,681	20,605	18,740	12,401
Operating grants and contributions	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	1,920,600
Capital grants and contributions	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	1,286,046
Total governmental activities program revenues	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	5,200,871
Business-type activities										
Charges for services										
Water	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	5,161,655
Wastewater	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	5,697,344
Airport	-	-	-	-	-	-	-	-	199,548	273,657
Operating grants	-	-	175,000	-	-	-	-	-	65,000	65,000
Capital grants	233,780	811,538	11,964	3,696	515,897	1,061,609	1,174,329	-	406,533	4,970,071
Total business-type activities program revenues	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	16,167,727
Total primary government program revenues	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	21,368,598
EXPENSES										
Governmental activities										
General government	6,471,736	4,495,163	4,772,981	4,163,662	4,539,162	3,763,261	3,661,829	4,043,194	4,643,056	3,528,182
Public safety and justice	5,444,623	5,294,311	4,543,577	4,362,967	4,218,386	3,951,495	3,841,288	3,764,858	3,599,408	3,502,386
Highways and streets	2,630,885	2,515,564	1,961,529	1,909,414	1,987,711	1,803,579	1,765,029	1,614,145	1,505,435	1,292,997
Culture and recreation	2,462,928	2,127,335	1,925,942	1,984,052	1,861,808	1,690,671	1,716,486	1,579,320	1,451,383	1,409,998
Interest on long term obligations	119,572	268,057	306,935	341,850	380,417	412,621	443,633	453,321	517,776	528,148
Total governmental activities expenses	17,129,744	14,700,430	13,510,964	12,761,945	12,987,484	11,621,627	11,428,265	11,454,838	11,717,058	10,261,711
Business-type activities										
Water	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	3,713,333
Wastewater	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	3,147,900
2018 utility bond	184,599	263,984	293,864	321,923	349,447	211,414	-	-	-	-
Airport	-	-	-	-	-	-	-	-	260,659	286,049
Total business-type activities expenses	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	7,147,282
Total primary government expenses	26,366,055	23,341,685	21,265,313	20,541,708	19,923,844	18,781,590	17,949,393	18,373,171	18,631,033	17,408,993
NET EXPENSE										
Governmental activities	(9,614,227)	(5,933,574)	(6,021,997)	(6,362,636)	(8,014,257)	(7,648,545)	(5,019,877)	(5,292,007)	(6,260,099)	(5,060,840)
Business-type activities	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	9,020,445
Total primary government net expense	$ (6,179,993)	$ (1,508,559)	$ 414,716	$ (1,071,297)	$ (2,498,232)	$ (1,993,793)	$ 1,490,461	$ (655,729)	$ (1,262,131)	$ 3,959,605

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

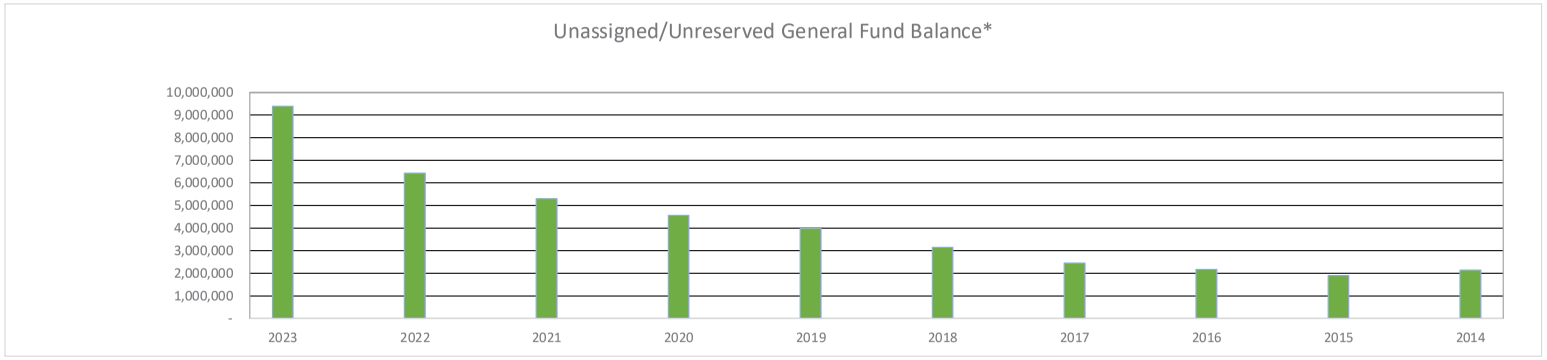
(continued)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
General Revenues										
Property taxes levied for										
General purposes	$ 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	$ 2,657,460
Urban renewal purposes	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	1,327,601
Franchise and public service taxes	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	1,728,579
Interest and investment earnings	767,129	101,961	141,450	356,466	326,932	206,646	111,660	54,106	49,936	43,572
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	267,476	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of property	-	-	-	-	-	-	-	-	-	-
Transfers	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	1,507,292
Total governmental activities	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	7,264,504
Business-type activities										
Interest and investment earnings	324,818	74,557	96,840	222,703	235,968	202,863	161,264	73,317	50,440	42,092
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Miscellaneous	178,634	-	-	-	-	705,604	-	-	-	(37,152)
Gain (loss) on sale of property	13,467	-	-	-	-	-	-	-	-	-
Transfers	(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)	(1,507,292)
Total business-type activities	(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)	(1,502,352)
Total primary government	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	5,762,152
CHANGE IN NET POSITION										
Governmental activities	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	2,203,661
Prior period adjustments ***	(1,900,704)	-	-	-	-	781,495	-	6,596,876	-	(165,050)
Governmental activities, as adjusted	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	2,038,611
Business-type activities	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	(1,502,352)
Prior period adjustments***	(12,023)	-	-	-		460,029	-	(11,265,887)	-	(214,006)
Business-type activities, as adjusted	2,197,128	3,062,306	5,007,132	4,061,910	4,349,893	5,722,262	5,337,150	(7,856,038)	3,575,021	(1,716,358)
Total primary government change in net position	4,045,471	8,033,471	9,386,093	8,352,336	6,634,862	8,566,188	8,332,398	997,223	4,757,074	322,253
NET POSITION BEGINNING										
Governmental activities	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	31,467,993
Business-type activities	64,365,951	61,315,668	56,308,536	52,246,626	47,896,733	42,174,471	36,837,321	44,693,359	41,118,338	33,600,245
Total primary government net position-beginning	128,403,713	122,282,969	112,896,876	104,544,540	97,909,678	89,343,490	81,011,092	79,547,066	74,789,992	65,068,238
NET POSITION ENDING										
Governmental activities	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	33,671,654
Business-type activities	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	41,118,338
Total primary government net postion	$ 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	$ 74,789,992

* 2014 net position-beginning are net of prior period adjustments of $(165,050) governmental and $(241,006) business-type activities.
** 2016 prior period adjustments are due to the Airport being reclassified as a joint venture, and being separated from the City as a business activity, and one half of the Airport assets being added to the governmental activities.
***Net position has een restated in relation to implementation of new accounting proncouncements 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)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
GENERAL FUND										
Nonspendable										
Prepaids	$ 17,222	$ 175,113	$ 174,542	$ 168,235	$ 163,833	$ 159,388	$ 146,177	$ 144,028	$ 132,551	$ 130,172
Committed										
Commited by ordinance or resolution	-	1,467,341	1,411,470	1,490,141	1,438,545	1,352,126	1,369,385	1,107,207	1,169,225	1,256,941
Unassigned	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	2,143,561
Total general fund	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	3,530,674
ALL OTHER GOVERNMENTAL FUNDS										
Nonspendable										
Inventory	148,059	139,892	119,006	106,913	165,400	159,269	154,151	140,366	177,245	148,190
Restricted										
Grant / contributor specific intent	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	3,458,663
State statute	-	7,225,698	6,098,116	5,492,459	4,072,925	3,298,134	2,510,012	1,847,330	1,831,201	894,793
Debt service	805,738	-	-	-	-	-	-	-	-	-
Capital projects	1,557,476	-	-	-	-	-	-	-	-	-
System development	5,331,949									
Full faith and credit debt	-	2,222,992	-	-	14,370	14,370	-	-	-	-
Intergovernmental agreement	2,084,798	-	2,103,901	1,917,329	1,718,702	1,596,044	1,488,866	1,347,889	1,251,473	1,868,231
Committed										
Major capital facilities and assoicated debt	793,995	827,941	463,283	391,520	302,474	299,191	242,548	163,729	219,734	276,844
Local improvements and associated debt	-	-	469,219	521,904	574,631	535,675	565,598	458,063	107,657	18,401
Agreements with state agencies	2,474,149	1,729,452	1,852,606	652,118	91,412	110,105	82,867	37,689	43,449	(2,166)
Total all other governmental funds	16,495,311	17,114,267	14,562,446	12,565,672	10,404,505	9,413,604	8,409,754	7,406,387	7,139,694	6,662,956
Total governmental funds	$ 25,895,070	$ 25,181,556	$ 21,448,786	$ 18,786,868	$ 15,989,667	$ 14,068,822	$ 12,376,818	$ 10,826,684	$ 10,340,168	$ 10,193,630



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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Taxes	$ 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	$ 5,359,205
Inter-governmental	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	3,161,324
Franchise fees	447,569	403,523	394,694	383,959	378,063	371,027	258,417	227,827	266,968	331,184
Fines and forfeitures	141,580	177,280	113,110	215,730	242,550	257,822	258,049	249,906	234,947	241,481
Charges for services	-	-	-	-	67,227	45,992	66,595	49,250	40,507	27,673
System development charges	154,740	77,564	95,504	79,764	261,020	72,261	239,963	84,850	35,334	95,479
Special assessments	20,347	33,040	31,151	117,138	111,132	50,493	191,204	469,501	82,657	580,919
Principal and interest repayments	-	-	-	-	-	-	-	-	-	-
Rents and interest	1,394,588	512,972	557,003	807,320	753,549	477,694	544,083	502,604	485,684	431,657
Other revenue	339,525	495,448	175,912	1,315,761	456,517	586,857	447,791	922,148	502,387	273,589
Total revenues	19,192,711	18,509,471	15,309,641	15,276,991	13,554,873	12,409,606	12,213,936	12,379,717	11,546,085	10,502,511
EXPENDITURES										
Current										
General government	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	2,910,006
Public safety	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	3,337,983
Planning and economic development	506,230	-	-	-	-	-	-	-	-	-
Highways and streets	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	985,621
Culture and recreation	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	1,231,798
Capital outlay	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	1,205,442
Debt service										
Principal	1,424,444	809,455	767,318	732,644	697,970	671,906	642,232	617,558	596,494	760,077
Interest	493,206	319,809	358,565	393,387	432,293	464,393	495,557	524,654	548,296	579,587
Total expenditures	19,450,277	16,317,637	14,182,350	13,932,438	13,049,845	12,058,590	12,010,071	13,207,156	12,884,919	11,010,514
Revenues over (under) expenditures	(257,566)	2,191,834	1,127,291	1,344,553	505,028	351,016	203,865	(827,439)	(1,338,834)	(508,003)
OTHER FINANCING SOURCES (USES)										
Proceeds of financing agreement	168,054	-	-	-	-	-	-	-	-	101,829
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	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	3,237,423
Transfers out	(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)	(1,730,131)
Total other financing sources (uses)	2,734,902	1,540,937	1,534,537	1,452,738	1,415,817	1,340,988	1,346,269	1,306,465	1,485,372	1,609,121
Net change in fund balances	$ 2,477,336	$ 3,732,771	$ 2,661,828	$ 2,797,291	$ 1,920,845	$ 1,692,004	$ 1,550,134	$ 479,026	$ 146,538	$ 1,101,118
Debt service as a percentage of noncapital expenditures	10.9%	8.0%	8.5%	9.0%	9.1%	10.0%	10.2%	10.2%	10.1%	13.5%

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

FUNCTION/PROGRAM	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
General government	$ 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	$ 3,027,869
Public safety	137,998	190,609	113,914	213,002	223,699	241,242	243,128	235,252	222,585	229,428
Highways and streets	1,312,418	20,966	9,419	1,026,143	1,096,920	969,448	900,410	891,733	854,032	835,673
Culture and recreation	11,435	1,513,670	1,146,349	97,713	26,351	22,043	1,318,622	1,953,548	1,165,756	1,107,901
Total governmental activities	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	5,200,871
Business-type activities										
Water	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	8,162,335
Waste water	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	5,697,344
Airport *	-	-	-	-	-	-	-	-	647,988	2,308,048
Total business-type activities	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	16,167,727
Total primary government	$ 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	$ 21,368,598

* The Airport has been reclassified as a "joint venture" and so has been removed form 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
2014	$ 3,812,124	$ 589,919	$ 449,660
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

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
2014	$ 973,218,575	$ 39,433,682	$1,012,652,257	$ 3.0155	$ 1,608,434,442
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

CITY OF THE DALLES
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER $1,000 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS

	City			Overlapping Governments												
Year	District Adjusted Tax Rate	Urban Renewal Tax Rate	City of The Dalles Direct Rate	Wasco County	Wasco County VA Bonds	Port of The Dalles	Mid-Columbia Fire and Rescue	Northern Wasco County Parks and Recreation 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	Total Direct and Overlapping Rates
2014	2.7945	0.221	3.0155	4.2523	0	0.2007	2.2528	0.6799	0	0.68	1.7765	5.2399	0.4678	0.2703	0.2564	19.0921
2015	2.7945	0.221	3.0155	4.2523	0	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	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	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	0.2007	2.1841	0.6799	0.2954	0.68	1.6485	5.2399	0.4678	0.2703	0	18.9344
2019	2.7909	0.2246	3.0155	4.2523	0	0.2007	2.2687	0.6799	0.288	0.68	1.6268	5.2399	0.4678	0.2703	0	18.9899
2020	2.7988	0.2167	3.0155	4.2523	0	0.2007	2.2734	0.6799	0.3227	0.68	1.5589	5.2399	0.4678	0.2703	0	18.9614
2021	2.8069	0.2086	3.0155	4.2523	0	0.2007	2.1004	0.6799	0.3067	0.68	1.5589	5.2399	0.4678	0.2703	0	18.7724
2022	2.8055	0.21	3.0155	4.2523	0	0.2007	2.1004	0.6799	0	0.68	1.5589	5.2399	0.4678	0.2703	0	18.4657
2023	2.8388	0.1767	3.0155	4.2523	0	0.2007	2.1004	0.6799	0	0.68	1.5589	5.2399	0.4678	0.2703	0	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		Amount	Percentatge of Levy
2014	4,109,378	3,957,676	96.31%	159,205	4,116,881	100.18%
2015	4,236,498	3,914,828	92.41%	139,069	4,053,897	95.69%
2016	4,162,816	3,965,710	95.27%	100,490	4,066,200	97.68%
2017	4,533,590	4,253,171	93.81%	68,096	4,321,267	95.32%
2018	4,679,644	4,359,755	93.16%	140,498	4,500,253	96.17%
2019	5,006,827	3,879,906	77.49%	157,243	4,037,149	80.63%
2020	5,158,457	4,856,548	94.15%	212,171	5,068,719	98.26%
2021	5,258,745	5,003,897	95.15%	40,708	5,044,605	95.93%
2022	5,371,349	5,085,775	94.68%	136,416	5,222,190	97.22%
2023	6,520,444	6,211,599	95.26%	92,884	6,304,483	96.69%

CITY OF THE DALLES
PRINCIPAL TAXPAYERS
DECEMBER 31, 2022 AND DECEMBER 31, 2012

	December 31, 2022		
Taxpayer	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Google LLC	$ 234,963,640	1	13.23%
Design LLC	109,698,376	2	6.18%
Union Pacific Railroad Co.	52,388,352	3	2.95%
BNSF Railway Co	50,496,563	4	2.84%
Northern Wasco County PUD	47,588,125	5	2.68%
Lumen Technologies Inc	25,546,000	6	1.44%
Gas Transmission Northwest l	20,079,395	7	1.13%
Oregon Cherry Growers LLC	17,015,806	8	0.96%
FM Dalles F LLC	16,243,060	9	0.91%
Northwest Natural Gas Compa	14,734,000	10	0.83%
Total principal taxpayers	588,753,317		33.15%
Total assessed valuation	$ 1,776,264,535		

	December 31, 2012		
Taxpayer	Real Property Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Northern Wasco County PUD	$ 12,258,800	1	1.28%
Oregon Cherry Growers, Inc.	12,183,141	2	1.27%
Metropolitan Life Insurance Cc	11,676,188	3	1.22%
Home Depot USA, Inc.	10,603,615	4	1.11%
CenturyLink	7,932,700	5	0.83%
Union Pacific Railroad Co.	7,566,295	6	0.79%
Safeway, Inc.	7,033,215	7	0.73%
Wasco Assisted Living, LLC	6,996,705	8	0.73%
SHNW Properties, LLC	6,832,868	9	0.71%
Cascade Square, LLC	6,529,668	10	0.68%
Total principal taxpayers	89,613,195		9.36%
Total assessed valuation	$ 957,528,056		

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

	Governmental Activities						Business-type Activities					
Fiscal Year	General Obligation Bonds	Limited Tax Increment Bonds	Revenue Bonds	FFCO Bonds	Loans Payable	Leases Payable	Revenue Bonds	FFCO Bonds	Loans Payable **	Total Primary Government	Percentage of Personal Income *	Per Capita	Percentage of Actual Taxable Value of Property
2014	-	-	-	$11,660,378	$ 100,655	$ -	$ 10,704,972	$ 1,337,901	$ 3,936,540	$ 27,740,446	N/A	$ 1,921	2.74%
2015	-	-	-	11,014,790	50,890	-	10,033,307	3,250,301	4,266,008	28,615,296	N/A	1,976	2.73%
2016	-	-	-	10,348,138	25,846	-	9,331,642	3,090,198	4,065,974	26,861,798	N/A	1,851	2.49%
2017	-	-	-	9,656,812	-	-	8,604,977	1,008,856	3,138,518	22,409,163	N/A	1,439	1.99%
2018	-	-	-	8,935,812	-	-	11,329,860	888,986	4,428,222	25,582,880	N/A	1,635	2.18%
2019	-	-	-	8,188,748	-	-	10,289,977	765,181	4,275,743	23,519,649	N/A	1,512	1.89%
2020	-	-	-	7,407,010	-	-	9,224,516	636,048	4,062,939	21,330,513	N/A	1,309	1.66%
2021	-	-	-	6,590,598	-	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	6,527,315	19,315,072	N/A	1,189	1.08%

Note: Presented net of origional issuance discounts and preiums

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

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

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
2014	-	$ 1,012,652,257	0.00%	-
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%	-

CITY OF THE DALLES
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2023

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			6,113,540	(c)
Total direct and overlapping debt			$ 29,157,234	

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
2014	$ 1,608,434,442	3%	$ 48,253,033	-	$ 48,253,033	0.00%
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%

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
2014	$ 14,440	N/A	N/A	6.40%
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%

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

	2022-23		
	Employees	Rank	Percent of Total Employment
Mid Columbia Medical Center	**846**	1	10.72%
School District #21	**390**	2	4.94%
Fred Meyer	**265**	3	3.36%
State of Oregon	**235**	4	2.98%
Google	**200**	5	2.53%
Columbia Gorge Community College	**175**	6	2.22%
Oregon Veterans Home	**175**	7	2.22%
Wasco County	**143**	9	1.81%
Pacific Coast Producers	**127**	8	1.61%
U.S. Army Corps of Engineers	**112**	10	1.42%
	2,668		33.80%
Total employment	7,894		

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

	2012-13		
	Employees	Rank	Percent of Total Employment
Mid Columbia Medical Center	730	1	9.25%
Oregon Cherry Growers	339	2	4.29%
School District #21	327	3	4.14%
State of Oregon	200	4	2.53%
Oregon Veterans Home	195	5	2.47%
Wasco County	126	6	1.60%
City of The Dalles	99	7	
Columbia Gorge Community College	86	8	1.09%
Sunshine Mill	86	9	1.09%
Safeway Food and Drug	78	10	0.99%
	2,266		27.81%
Total employment	8,147		

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

FUNCTION/PROGRAM	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
General government	16.00	13.80	13.80	13.80	16.00	15.00	15.00	14.00	19.00	19.00
Public safety	27.50	27.25	28.25	26.25	26.25	26.25	25.25	27.25	28.50	27.50
Community services	4.00	4.00	5.00	5.00	5.00	3.00	4.50	4.00	4.50	4.50
Streets and highways	8.00	9.00	8.00	9.00	11.00	10.00	7.00	9.00	8.50	10.50
Library	10.40	11.40	10.90	10.90	9.90	10.00	10.90	11.40	9.50	9.50
Total governmental activities	66	65.45	65.95	64.95	68.15	64.25	62.65	65.65	70.00	71.00
Business-type activities										
Water	23.00	22.50	22.50	22.50	22.50	20.50	18.00	21.00	22.00	22.00
Wastewater	13.00	13.50	13.50	13.50	14.50	13.50	12.00	13.00	12.00	12.00
Total business-type activities	36	36.00	36.00	36.00	37.00	34.00	30.00	34.00	34.00	34.00
Total primary government budgeted FTE	102	101.45	101.95	100.95	105.15	98.25	92.65	99.65	104.00	105.00
City of The Dalles employees										
Management and exempt	41.90	39.45	39.95	39.95	37.90	34.75	34.65	33.65	37.00	37.00
Bargaining units										
SEIU (Local 503)	46.00	44.00	44.00	44.00	45.75	45.50	43.00	44.00	44.00	46.00
Police association	14.00	18.00	18.00	17.00	17.00	17.00	14.00	19.00	19.00	18.00
Total bargaining units	60.00	62.00	62.00	61.00	62.75	62.50	57.00	63.00	63.00	64.00
Temporary City employees	-	-	-	-	4.50	1.00	1.00	1.00	4.00	4.00
Total actual City employees	101.90	101.45	101.95	100.95	105.15	98.25	92.65	97.65	104.00	105.00

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

FUNCTION/PROGRAM	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
Public safety and justice										
Police (1)										
Calls for service	17,693	17,720	16,787	16,648	15,756	13,375	12,218	N/A*	11,166	11,187
Crime reports	2,564	2,495	2,583	2,621	2,559	2,060	2,220	N/A*	2,600	2,423
Number of arrests	814	823	922	1,125	919	837	1,793	N/A*	1,371	1,233
Municipal court										
Traffic cases	558	545	940	1,544	1,692	1,374	1,720	1,467	1,504	1,357
Criminal cases	-	-	6	-	235	372	279	429	364	511
Ordinance violations	12	12	22	1	9	1	30	19	40	65
Parking violations	21	1	17	3	109	81	47	99	57	44
Code enforcement cases	-	-	-	-	-	5	6	4	9	6
Library										
Number of registered borrowers	8,885	9,680	10,563	15,411	15,665	15,562	15,651	14,538	13,534	12,056
Total circulation	161,552	137,234	74,924	182,523	236,571	219,628	197,620	190,785	164,106	157,475
Public programs	1,627	349	299	670	784	362	340	472	264	418
Program attendance	24,924	4,118	23,620	10,168	14,023	4,194	3,617	5,759	4,706	6,978
Books added	5,224	4,821	5,695	6,632	6,113	6,315	5,425	6,563	8,995	4,688
Business-type activities										
Water										
Average active metered connections	5,103	5,023	4,864	4,640	4,773	4,443	4,825	4,617	4,590	4,591
Average daily water consumption	3,249,117	3,295,441	3,221,860	2,983,584	3,005,304	2,994,521	3,121,860	2,969,589	3,475,890	2,711,309
Average number of assistance accounts	179	190	218	196	159	139	134	183	149	187
Average daily water production	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	3,301,370

(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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental activities										
General government										
Buildings owned	13	13	13	13	13	13	13	13	13	13
Vehicles (excluding automobiles)	44	44	44	44	45	41	41	41	41	41
Heavy equipment	20	20	20	19	19	18	18	18	18	17
Public safety and justice										
Police										
Police vehicles	20	20	20	19	19	18	18	17	17	17
Number of employees	24.4	27.25	25	26	26	26.25	21	25.75	25.5	25.5
Streets and highways										
Miles of streets maintained by City										
Paved	81.19	81.19	81.19	85.4	85.1	87.5	85.1	69.2	69.2	69.1
Unpaved	8.3	8.3	8.3	16.24	13.2	10.8	13.2	16.4	16.4	16.4
Bridges and underpasses	6	6	6	6	6	6	6	6	6	5
Business-type activities										
Water										
Miles of water lines (estimated)	105.11	104.89	104.89	104.79	104.75	104	101.3	101.3	101.3	100.7 *
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	101.0	100.6	100.4	100.0	100	100	98.8	95.7	95.3
Lift stations	8	8	8	8	9	9	9	9	9	8
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 *	33 *
Other buildings	4	4	4	4	4	4 *	2	2	2 *	2

* 2014 Now includes lift flight hanger and eliminated electrical Bldg, which is now part of new maintenance hanger.
* 2015 Purchased "D" hanger with 9 T-hangers.


The Hub of the Pacific Northwest
CITY of THE DALLES

AUDIT COMMENTS AND DISCLOSURES

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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, 2023, and have issued our report thereon dated December 15, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards..

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 162-10-0000 through 162-10-0320 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 162-10-0000 through 162-10-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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
December 15, 2023

Certified Public Accountants, LLP

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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, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 15, 2023.

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 City'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. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider a material weakness.

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*.

Management's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City of the Dalles, Oregon response to finding identified in our audit and described in the accompanying schedule of findings and question costs. The City's response has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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.



Jeny Grupe, CPA
KDP Certified Public Accountants, LLP
Medford, Oregon
December 15, 2023

Certified Public Accountants, LLP
audit | tax | advisory | valuation | wealth

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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 (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, 2023. 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, 2023.

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 programs.

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.



Jeny Grupe, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 15, 2023

CITY OF THE DALLES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

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 the Treasury			
Passed through State of Oregon Department of Administrative Services:			
Coronavirus State and Local Fiscal Recovery Funds	10.553	N/A	$ 440,000
Total Coronavirus State and Local Fiscal Recovery Funds			440,000
Total U.S. Department of the Treasury			**$ 440,000**
U.S. Department of Housing and Urban Development			
Passed through State of Oregon Department of Administrative Services:			
Coronavirus Community Service Development Block Grant	14.228	N/A	$ 442,483
Total Coronavirus Community Service Development Block Grant			442,483
U.S. Department of Housing and Urban Development			**$ 442,483**
Total Expenditures of Federal Awards			**$ 882,483**

CITY OF THE DALLES
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2023

Note 1 – Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal awards activity of City of Rogue River (the City) under programs of the federal government for the year ended June 30, 2023. 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 assets, functional expenses, 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, 2023.

CITY OF THE DALLES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2023

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?	☐ Yes	☒ No
• Significant deficiency(ies) identified?	☐ Yes	☒ None Reported

Noncompliance material to financial statements noted?	☐ Yes	☒ No

Federal Awards

Internal control over major federal programs:

• Material weakness(es) identified?	☐ Yes	☒ No
• Significant deficiency(ies) identified?	☐ Yes	☒ None reported

Type of auditor's report issued on compliance for major federal programs:	Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	☐ Yes	☒ No

Identification of major federal programs:

AL Number(s)	Name of Federal Program or Cluster
#10.553	Coronavirus State and Local Fiscal Recovery Funds

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as a low-risk auditee?	☐ Yes	☒ No

SECTION II – FINANCIAL STATEMENT FINDINGS

None

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

COLUMBIA GORGE REGIONAL AIRPORT
CITY OF THE DALLES, OREGON

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2023
WITH
INDEPENDENT AUDITOR'S REPORT



COLUMBIA GORGE REGIONAL AIRPORT
CITY OF THE DALLES, OREGON
JUNE 30, 2023

Board of Directors

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Tim McGlothlin
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The Dalles OR 97058

Address of Columbia Gorge Regional Airport
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The Dalles, OR 97058

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Columbia Gorge Regional Airport

June 30, 2023

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Independent Auditor's Report

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Independent Auditor's Report

Board of Directors
Columbia Gorge Regional Airport
The Dalles, OR 97058

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Columbia Gorge Regional Airport (the Airport), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Airport'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 financial position of the Airport, as of June 30, 2023, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Airport, 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 opinion.

Emphasis of Matter - Restatement

As discussed in Note 2 to the financial statements, the Airport restated various June 30, 2022 account balances. Our opinion is not modified with respect to this matter.

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 Airport'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 opinion. 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 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, 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 Airport'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 Airport'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 the management’s discussion and analysis 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 analysis 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Airport's basic financial statements. The schedule of revenues, expenditures and changes in fund balance – all airport funds and schedules of revenues, expenditures and changes in fund balance – budget and actual, airport general fund and airport debt service fund listed in the Table of Contents 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 relate 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Oregon State Regulations*

In accordance with *Oregon State Regulations*, we have also issued our report dated December 4, 2023 on our consideration of the Airport'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 162-010-0320 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.



Jeny Grupe, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 4, 2023



Management's Discussion and Analysis

COLUMBIA GORGE REGINAL AIRPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2023

This Management Discussion and Analysis (MD&A) is presented to facilitate financial analysis and provide an overview of the financial activities of the Columbia Gorge Regional Airport (the Airport) for the fiscal year ended June 30, 2023. Information in the MD&A is based on currently known facts, decisions and conditions. Please read it in conjunction with the basic financial statements and the accompanying notes to those financial statements.

HIGHLIGHTS

- The assets of the Airport exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $15,736,609 (net position).

- The Airport's total net position increased by $407. Additionally, there was a restatement of beginning net position resulting from a correction of an accounting error related to grant revenue recognition of $95,766.

- The Airport's total liabilities decreased by $176,527. This was primarily the result of debt service payments of $135,000 but also included the reduction of other liabilities associated with accounts payable.

REPORT CONTENTS

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

STATEMENT OF NET POSITION

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

STATEMENT OF ACTIVITIES

The statement of revenues, expenses, and changes in net position focuses on the revenues and program costs of providing airport services to the region.

STATEMENT OF CASH FLOW

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

Summary statements of net position for the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Assets		
Current and other assets	$ 1,654,232	$ 1,510,561
Capital assets	16,575,950	16,697,028
Total assets	18,230,182	18,207,589
Liabilities		
Long-term liabilities	1,702,214	1,705,608
Other liabilities	38,451	211,581
Total liabilities	1,740,665	1,917,189
Deferred inflows of resources	752,908	649,964
Net position		
Net investment in capital assets	14,873,736	14,855,536
Restricted for debt service	51,637	60,991
Unrestricted	811,236	723,909
Total net position	$ 15,736,609	$ 15,640,436

The net position of the Airport is primarily invested in capital assets, net of related accumulated depreciation. New construction is primarily related to taxiway improvements. Unrestricted net position increased to $811,236 by $87,327 or 12.1%. This balance represents the portion of net position which may be used to meet the Airport's ongoing obligations.

Summary statements of activities for the years ended June 30, 2023 and 2022 are as follows:

	2023	2022
Revenues		
Operating revenues	$ 431,288	$ 427,248
Intergovenmental	130,000	189,827
Capital grants and contributions	115,006	246,897
Other	18,377	4,814
Total revenues	694,671	868,786
Expenses		
Operating expenses	628,008	546,525
Interest on long-term debt	66,256	72,904
Total expenses	694,264	619,429
Change in net position	407	249,357
Net position - beginning of year, as restated	15,640,436	15,391,079
Correction of error	95,766	-
Net position - beginning of year, as restated	15,736,202	15,391,079
Net position - ending	$ 15,736,609	$ 15,640,436

Net position increased during the year by $407 from operations and $95,766 as result of the restatement previously described. The change in net position decreased from fiscal 2022 due to decreases in capital related grant funding.

BUDGETARY HIGHLIGHTS

The original legal appropriations for the Airport General Fund totaled $3,964,109 which included a contingency of $360,374. Expenditures were $3,503,079 under budget. The original legal appropriations for the Airport Debt Service Fund totaled $234,334. No changes to the original budget were made to this fund. Expenditures were $22,451 under budget as the contingency balance was unused but $5,299 was used for material and services.

CAPITAL ASSETS

As of June 30, 2023 the Airport had $16,575,950 invested in capital assets, consisting of land, construction in progress, and land improvements. Currently, the Airport has $530,493 in construction in progress which includes the following projects: Airport Tarmac Design Project – South Apron Rehab, Hangar Expansion Grading Plan and Airport Hangar F Improvements. For further information regarding capital assets refer to Note 6.

DEBT ADMINISTRATION

As of June 30, 2023, the Airport had $1,702,214 in debt outstanding compared to $1,841,492 in the prior year. The decrease of $139,278 resulted from $135,000 in scheduled principal payments and $4,278 from amortization of the bond premium. For further information regarding debt refer to Note 7,

ECONOMIC FACTORS

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

FINANCIAL CONTACT

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





Basic Financial Statements

COLUMBIA GORGE REGIONAL AIRPORT
STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS	
Current assets	
Cash and cash equivalents	$ 868,917
Receivables	
Trade accounts, net	32,408
Current lease receivables	154,023
Total current assets	1,055,348
NONCURRENT ASSETS	
Lease receivable, net of current portion	598,884
Capital assets	
Land	1,498,200
Construction in progress	530,493
Depreciable assets, net	14,547,257
Total noncurrent assets	17,174,834
TOTAL ASSETS	18,230,182
LIABILITIES	
Current liabilities	
Accounts payable	20,307
Unearned revenue	9,175
Accrued interest payable	8,969
Current portion of long-term debt	116,030
Total current liabilities	154,481
NON-CUURENT LIABILITIES	
Bonds and notes payable	1,586,184
Total non-current liabilities	1,586,184
Total liabilities	1,740,665
DEFERRED INFLOWS OF RESOURCES	
Deferred lease resources	752,908
NET POSITION	
Net investment in capital assets	14,873,736
Restricted for debt service	51,637
Unrestricted	811,236
TOTAL NET POSITION	15,736,609
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 18,230,182

See notes to the financial statements

COLUMBIA GORGE REGIONAL AIRPORT
STATEMENT REVENUES, EXPENSES AND
CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2023

OPERATING REVENUES	
Charges for services	$ 18,166
Rental income	395,302
Miscellaneous	17,820
Total operating revenues	431,288
OPERATING EXPENSES	
Materials and services	294,744
Depreciation	333,264
Total operating expenses	628,008
OPERATING INCOME (LOSS)	(196,720)
NONOPERATING REVENUES (EXPENSE)	
Interest on investments	18,377
Interest expense	(66,256)
Intergovernmental	130,000
Total nonoperating revenues (expenses)	82,121
Net income before capital grants and contributions	(114,599)
CAPITAL GRANTS AND CONTRIBUTIONS	
Grant	115,006
Total capital contributions	115,006
CHANGE IN NET POSITION	407
NET POSITION, beginning of year (as restated)	15,736,202
NET POSITION, end of year	$ 15,736,609

See notes to the financial statements

COLUMBIA GORGE REGIONAL AIRPORT
STATEMENT CASH FLOWS
YEAR ENDED JUNE 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 475,009
Payments to suppliers	(381,766)
Net cash provided (used) by operating activities	93,243
CASH FLOWS FROM NON-CAPITAL FINANCING	
Proceeds from intergovernmental revenue	130,000
Net cash provided (used) by noncapital financing activities	130,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Proceeds from grants	115,006
Acquisition of capital assets	171,585
Principal paid on long-term obligations	(135,000)
Interest paid on long-term obligations	(71,584)
Net cash provided (used) by capital and related financing	80,007
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	18,377
Net cash provided (used) by investing activities	18,377
Net change in cash and cash equivalents	321,627
Cash and cash equivalents - beginning of year	782,354
Cash and cash equivalents - end of year	$ 868,917
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	$ (196,720)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	333,264
Change in assets and deferred outflows of resources and liabilities and deferred inflows of resources	
Receivables	43,721
Accounts Payable	(87,022)
Total adjustments	289,963
Net cash provided by operating activities	$ 93,243

See notes to the financial statements





Notes to Basic Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Columbia Gorge Regional Airport (the Airport) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the Airport's accounting policies are described below.

Reporting Entity

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

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

Financial Statement Presentation, Measurement Focus and Basis of Accounting

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

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

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

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

The funds of the Airport are as follows:

Fund Type – Enterprise	Principal Revenue Source	Primary Expenditure Purpose
General	Grants and service fees	General operating expenses
Debt Service	Interest and property rental fees	Loan payments

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

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

The Airport maintains merged bank accounts and investments for its funds in a central pool of cash and investments that are commingled with the City of The Dalles. The investment policy of the Airport 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 Airport allocates earnings on investments to each fund based on average monthly cash balances throughout the year.

Trade Accounts Receivables

Trade accounts receivable are stated at the amount management expects to collect on balances outstanding at year end. As of June 30, 2023, allowance for doubtful accounts was $0.

Lease Receivables

Lease receivables are recorded at the net present value of total expected lease payments to be received over the life of the lease, discounted at the Airport's estimated incremental borrowing rate at lease inception. Payments due in more than one year are considered to be noncurrent.

Capital Assets

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

The estimated useful lives of the various categories of assets are as follows:

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

It is the Airport's policy to record no depreciation on capital assets in the year of acquisition and a full year of depreciation in the capital asset's last year of estimated useful life, unless previously disposed.

Long-term Debt and Bond Issuance Costs

Long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts (if applicable) are deferred and amortized over the life of the bonds using the effective interest method. Long-term debt is reported net of the applicable bond premium or discount. Bond issue costs are recognized as an expense in the period incurred.

Deferred Lease Resources

Deferred lease resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Net Position and Fund Balances

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

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

Adoption of New GASB Pronouncements

During the fiscal year ended June 30, 2023, the District implemented the following GASB Pronouncements:

GASB Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Implementation of this statement had no material effect on the Airport's financial statements.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* This Statement's objective is to address accounting and financial reporting for arrangements in which a government contracts with an operator to provide public services by conveying control of the right to operate or use a capital asset for a period of time in an exchange or exchange-like transaction. Implementation of this statement had no material effect on the Airport's financial statements.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement's objective is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users. Implementation of this statement had no material effect on the Airport's financial statements.

GASB Statement No. 99, *Omnibus 2022.* This Statement includes a variety of small technical revisions to previously issued GASB Statements. Implementation of this statement had no material effect on the Airport's financial statements.

Future GASB Pronouncements

The following GASB pronouncements have been issued, but are not effective as of June 30, 2023:

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. This Statement will be effective for the Airport for fiscal year ending 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 Airport for the fiscal year ending June 30, 2025.

The Airport will implement new GASB pronouncements no later than the required effective date. The Airport is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the Airport's financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

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

NOTE 2 – PRIOR YEAR RESTATEMENT

During the fiscal year ended June 30, 2023, it was determined that the Airport recorded a grant funded addition of $40,601 to construction in progress during the year that should have been included in construction in progress, accounts payable, and accounts receivable for the reimbursement as of the year ended June 30, 2022. This restatement resulted in an increase to construction in progress from $321,199 to $361,800 and an increase in net position as outlined below.

Additionally, it was determined that the Airport recorded revenues during the year for federal grant reimbursements for progress on the North Apron reconstruction project that should have been included in accounts receivable as of the year ended June 30, 2022. This restatement resulted in an increase to net position of $55,165. In addition to the correction above, net position increased from $15,640,436 to $15,736,202.

NOTE 3 – BUDGETARY INFORMATION

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

NOTE 4 – CASH AND INVESTMENTS

Deposits

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

Investments

The Airport has invested funds in the State Treasurer's Oregon Short-term Fund Local Government Investment Pool during fiscal year 2022-2023. 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.

NOTE 4 – CASH AND INVESTMENTS (continued)

Investments (continued)

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

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

As of June 30, 2023, the Airport was in compliance with the aforementioned State of Oregon statutes.

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

Concentration of Credit Risk - The Airport is required to provide information about the concentration of credit risk associated with its investments in one issuer that represents 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 Airport has no such investments.

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

Fair Value of Assets

Fair value is 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 - Unadjusted inputs using quoted prices in active markets for identical investments.

Level 2 - Other significant observable inputs other than level 1 prices, including, but are not limited to, quoted prices for similar investments, inputs other than quoted prices that are observable for investments (such as interest rates, prepayment speeds, credit risk, etc.) or other market corroborated inputs.

Level 3 - Significant inputs based on the best information available in the circumstances, to the extent observable inputs are not available.

NOTE 4 – CASH AND INVESTMENTS (continued)

Fair Value of Assets (continued)

As of June 30, 2023, the Airport had the following investments:

Investments Measured at Fair Value:	Total as of 6/30/2023	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
Local Government Investment Pool	$ 344,363	$ -	$ -	$ -	$ 344,363
Total	$ 344,363	$ -	$ -	$ -	$ 344,363

Cash and investments are comprised of the following as of June 30, 2023:

Demand deposits	$ 524,554
Investments - LGIP	344,363
Total	$ 868,917

NOTE 5 – RECEIVABLES

Trade receivables represent amounts due to the Airport at June 30, 2023, from service charges. Lease receivables represent amounts due from leases.

Receivables are comprised of the following as of June 30, 2023:

General Fund:	
Trade accounts receivable	$ 23,580
Interest receivable	314
Lease receivable	695,576
Debt Service Fund:	
Trade accounts receivable	8,514
Lease receivable	57,331
Total	$ 785,315

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, are as follows:

	Beginning Balance (as restated)	Additions	Deletions	Transfers	Ending Balance
Capital Assets, non-depreciable:					
Land	$ 1,498,200	$ -	$ -	$ -	$ 1,498,200
Construction in progress	361,800	168,693	-	-	530,493
Total capital assets, non-depreciable	1,860,000	168,693	-	-	2,028,693
Capital assets, depreciable:					
Land improvements	16,890,396	2,892	-	-	16,893,288
Buildings	3,585,236	-	-	-	3,585,236
Equipment	74,174	-	-	-	74,174
Total capital assets, depreciable	20,549,806	2,892	-	-	20,552,698
Less accumulated depreciation					
Land improvements	(5,026,646)	(257,845)	-	-	(5,284,491)
Buildings	(584,009)	(71,798)	-	-	(655,807)
Equipment	(61,522)	(3,621)	-	-	(65,143)
Total accumulated depreciation	(5,672,177)	(333,264)	-	-	(6,005,441)
Net depreciable capital assets	14,877,629	(330,372)	-	-	14,547,257
Net capital assets	$ 16,737,629	$ (161,679)	$ -	$ -	$ 16,575,950

Construction in progress consists of the following as of the year ended June 30, 2023:

The Airport Improvements project – Cost incurred to date are $254,782. The project is currently on hold waiting for completion of an agreement with Dallesport Water District.

The S. Apron Tarmac Design Project – Cost incurred to date are $254,207.

F Hangar at the Airport – Cost incurred to date $8,902 and total estimated costs are $1,250,000.

Hangar Expansion Grading Plan – Costs incurred to date are $12,602

NOTE 7 – LONG-TERM LIABILITIES

The following presents current year changes in long-term debt obligations:

	Balance at June 30, 2022	Additions	Reductions	Balance at June 30, 2023	Due Within One Year
Long-Term Debt					
Airport Klickitat Loan - Direct Borrowing	$ 25,000	$ -	$ (25,000)	$ -	$ -
Klickitat CERB Loan	325,000	-	(25,000)	300,000	25,000
Airport Taxable LOCAP Bond	1,480,000	-	(85,000)	1,395,000	90,000
	1,830,000	-	(135,000)	1,695,000	115,000
Unamortized Premium	11,492	-	(4,278)	7,214	1,030
Total Long-Term Debt	$ 1,841,492	$ -	$ (139,278)	$ 1,702,214	$ 116,030

City of the Dalles Bond Agreement

The City issued full faith and credit obligation bonds for the Airport in February 2015 in the amount of $2,017,682, with interest ranging from 2.0% to 4.50%. The funds were to be used for the purchase of Hanger D, the construction of Hanger F, and the design and construction of a new Flex Hanger. The bonds were issued in return for a loan agreement issued on behalf of the City requiring payments by the Airport to the City sufficient to pay the semi-annual bond payments required by the full faith and credit obligation. Payments will be repaid from the Airport rental income. Principal payments will be made annually, while interest payments will be made semiannually, with the final payments due June 1, 2035. The bonds are direct obligations and pledge the full faith and credit of the City of The Dalles. If the bond is defaulted, by failure to make required principal or interest payments or other covenants, action to enforce the covenant or agreement may take place.

Future maturities of bonds payable and the associated premium are as follows:

Year Ending June 30,	Principal	Interest	Premium	Total
2024	$ 90,000	$ 62,775	$ 1,030	$ 153,805
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
2029-2033	615,000	150,075	2,452	767,527
2034-2035	285,000	19,350	322	304,672
	$ 1,395,000	$ 440,550	$ 7,214	$ 1,842,764

Loans Payable

The Airport, Through the City of The Dalles, received a $250,000 loan from Klickitat County, Washington in November 2012, for construction of a new maintenance hangar at the Airport. The loan term is for ten years, with annual principal payments of $25,000 to be paid by August 13 of each year. Klickitat County will calculate interest to be paid and notify the Airport at least 14 days prior to the due date each year. The interest will be calculated on the average rate of the Local Government Investment Pool (LGIP) over the period since the last payment, plus .05% as an administration fee. The loan is secured by the rental income pursuant to the hanger lease dated May 30, 2012. As of June 30, 2023, this loan was repaid in full.

NOTE 7 – LONG-TERM LIABILITIES (continued)

Loans Payable (continued)

The Airport, through the City of The Dalles, agreed to make payments for the CERB Loan received by Klickitat County in the amount of $500,000 to make improvements to the Airport Industrial Park with an interest rate of 1.50%. The loan term is for twenty years, with annual principal payments of $25,000 to be paid by July 31 of each year. While Klickitat County received the funds and administered the project, the Airport booked the loan proceeds, assumed the debt and capitalized the portion of the project funded by the loan. Payments will be funded by Airport rent revenues. The final payment will be due in 2035. If the loan is defaulted on by failure to make required principal or interest payments, CERB could declare all principal and interest and all other amounts due immediately.

Future maturities of loans payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 25,000	$ 4,500	$ 29,500
2025	25,000	4,125	29,125
2026	25,000	3,750	28,750
2027	25,000	3,375	28,375
2028	25,000	3,000	28,000
2029-2033	125,000	9,375	134,375
2034-2035	50,000	1,125	51,125
	$ 300,000	$ 29,250	$ 329,250

NOTE 8 – AIRPORT LEASE RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

The Airport's main revenue stream comes from aircraft hangar rentals. The Airport has a total of 66 aircraft hangers in various sizes. Most leases are 12-month terms with payments ranging between $190-$1,600 per month. The Airport has a number of other real property leases with terms of up to 40 years and payments up to $56,400. As of June 30, 2023, all properties were occupied producing a total revenue of approximately $412,111. Future maturities of leases receivable are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	$ 155,301	$ 9,718	$ 165,019
2025	127,534	7,642	135,176
2026	131,944	5,442	137,386
2027	137,023	3,159	140,182
2028	116,988	1,528	118,516
2029-2033	81,857	1,127	82,984
2034-2035	2,260	14	2,274
Total	$ 752,907	$ 28,630	$ 781,537

NOTE 8 – AIRPORT LEASE RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES (continued)

The following presents current year changes in lease receivables:

	Beginning Balance	Additions	Reductions	Ending Balance
Leases recievable	$ 650,327	$ 285,001	$ (182,421)	$ 752,907

Lease inflows of resources for the year ended June 30, 2023 are as follows:

	Governmental Activities
Lease revenue	$ 182,421
Lease interest income	7,692
Total lease inflows	$ 190,114

NOTE 9 – RELATED PARTY TRANSACTIONS

The City of the Dalles, Oregon and Klickitat County are considered related parties of the Airport. Each party pays the airport $65,000 per year per an intergovernmental agreement.

NOTE 10 – RISK MANAGEMENT

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





Supplementary Information

COLUMBIA GORGE REGIONAL AIRPORT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
ALL AIRPORT FUNDS COMBINED
YEAR ENDED JUNE 30, 2023

	Airport General Fund	Airport Debt Service Fund	Total All Airport Funds
REVENUES			
Charges for services	$ 18,166	$ -	$ 18,166
Intergovernmental	130,000	-	130,000
Rental income	194,977	200,325	395,302
Interest on investments	16,173	2,204	18,377
Grants	115,006	-	115,006
Miscellaneous	17,820	-	17,820
Total revenues	492,142	202,529	694,671
EXPENDITURES			
Materials and services	289,445	5,299	294,744
Capital outlay	171,585	-	171,585
Debt service			
Principal	-	135,000	135,000
Interest	-	71,584	71,584
Total expenditures	461,030	211,883	672,913
Revenues over (under) expenditures and Net changes in fund balances	31,112	(9,354)	21,758
FUND BALANCE, beginning budgetary basis (as restated)	782,818	60,991	843,809
FUND BALANCE, ending budgetary basis	$ 813,930	$ 51,637	$ 865,567

Net change in fund balance	$ 21,758
Expenditures capitalized	171,585
Debt service principal payments	135,000
Depreciation expense	(333,264)
Interest revenue/expense	5,328
Change in net position	$ 407

COLUMBIA GORGE REGIONAL AIRPORT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
AIRPORT GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	$ 17,000	$ 17,000	$ 18,166	$ 1,166
Intergovernmental	130,000	130,000	130,000	-
Rental income	180,080	180,080	194,977	14,897
Interest on investments	8,450	8,450	16,173	7,723
Grants	2,993,780	2,993,780	115,006	(2,878,774)
Miscellaneous	22,500	22,500	17,820	(4,680)
Total revenues	3,351,810	3,351,810	492,142	(2,859,668)
EXPENDITURES				
Materials and services	367,955	376,855	289,445	
Capital outaly	3,235,780	3,235,780	171,585	
Contingency	360,374	351,474	-	
Total expenditures	3,964,109	3,964,109 (1)	461,030	3,503,079
Revenues over (under) expenditures and Net changes in fund balances	(612,299)	(612,299)	31,112	643,411
FUND BALANCE, beginning budgetary basis (as restated)	721,736	721,736	782,818	61,082
FUND BALANCE, ending budgetary basis	$ 109,437	$ 109,437	$ 813,930	$ 704,493

(1) Appropriation Level

COLUMBIA GORGE REGIONAL AIRPORT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
AIRPORT DEBT SERVICE FUND
YEAR ENDED JUNE 30, 2023

	Original Budget	Final Budget		Actual	Variance
REVENUES:					
Rental income	$ 205,140	$ 205,140		$ 200,325	$ (4,815)
Interest on investments	125	125		2,204	2,079
Total revenues	205,265	205,265		202,529	(2,736)
EXPENDITURES					
Materials and services	-	-		5,299	
Debt service					
Principal	135,000	135,000		135,000	
Interest	73,975	73,975		71,584	
Contingency	25,359	25,359		-	
Total expenditures	234,334	234,334	(1)	211,883	22,451
Revenues over (under) expenditures and Net changes in fund balances	(29,069)	(29,069)		(9,354)	19,715
FUND BALANCE, beginning budgetary basis	29,069	29,069		60,991	31,922
FUND BALANCE, ending budgetary basis	$ -	$ -		$ 51,637	$ 51,637

(1) Appropriation Level

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INDEPENDENT AUDITOR'S REPORT REQUIRED BY OREGON STATE REGULATIONS

Board of Directors
Columbia Gorge Regional Airport
The Dalles, OR 97058

We have audited the basic financial statements of the Columbia Gorge Regional Airport (the Airport) as of and for the year ended June 30, 2023, and have issued our report thereon dated December 4, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the Airport'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 162-010-0320 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.
- 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 Airport was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-010-0000 through 162-010-0320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*.

OAR 162-010-0230 Internal Control

In planning and performing our audit of the financial statements, we considered the Airport's internal control over financial reporting (internal control) as a basis for designing our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control. Accordingly, we do not express an opinion on the effectiveness of the Airport's internal control.

Restrictions On Use

This report is intended solely for the information and use of the Airport's Board of Directors and management of the Columbia Gorge Regional Airport and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these specified parties.



Jeny Grupe, CPA, Partner
KDP Certified Public Accountants, LLP
Medford, Oregon
December 4, 2023

CITY of THE DALLES
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THE DALLES, OREGON 97058

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AGENDA STAFF REPORT

AGENDA LOCATION: Item #9 A & B

MEETING DATE: February 12, 2024

TO: Honorable Mayor and City Council

FROM: Amie Ell, City Clerk

ISSUE: Approving items on the Consent Agenda

A. **ITEM**: Approval of the January 22, 2024 Regular City Council meeting minutes

BUDGET IMPLICATIONS: None.

SYNOPSIS: The minutes of the January 22, 2024 Regular City Council meeting have been prepared and are submitted for review and approval.

RECOMMENDATION: That City Council review and approve the minutes of the January 22, 2024 Regular City Council meeting minutes.

B. **ITEM**: Approval of Resolution No. 24-004 Concurring with the Mayor's Appointments to the City Budget Committee and Urban Renewal Budget Committee

BUDGET IMPLICATIONS: None.

SYNOPSIS: The Mayor has met with the applicant and recommends appointment.

RECOMMENDATION: City Council concurs with the Mayor's appointments to the City Budget Committee and the Urban Renewal Budget Committee; and approves Resolution No. 24-004.

MINUTES

CITY COUNCIL MEETNG
COUNCIL CHAMBER, CITY HALL
JANUARY 22, 2024
5:30 p.m.

VIA ZOOM/ IN PERSON

PRESIDING: Mayor Richard Mays

COUNCIL PRESENT: Darcy Long, Tim McGlothlin, Rod Runyon, Scott Randall, Dan Richardson

COUNCIL ABSENT: None

STAFF PRESENT: City Manager Matthew Klebes, City Attorney Jonathan Kara, City Clerk Amie Ell, Public Works Director Dave Anderson, Police Chief Tom Worthy, Finance Director Angie Wilson, Community Development Director Joshua Chandler, Human Resources Director Daniel Hunter, IT Director David Collins, Executive Assistant Abigail Jara

CALL TO ORDER

The meeting was called to order by Mayor Mays at 5:30 p.m.

ROLL CALL OF COUNCIL

Roll Call was conducted by Executive Assistant Jara. Long, McGlothlin, Runyon, Randall, Richardson present. None absent

PLEDGE OF ALLEGIANCE

Mayor Mays asked Councilor McGlothlin to lead the Pledge of Allegiance.

Councilor McGlothlin invited the audience to join in the Pledge of Allegiance.

APPROVAL OF AGENDA

Mayor Mays said the agenda would be amended to remove the Executive Session.

It was moved by Long and seconded by Randall to approve the agenda as amended. The motion carried 5 to 0, Long, Randall, McGlothlin, Richardson, Runyon voting in favor; none opposed; none absent.

AUDIENCE PARTICIPATION

Mike Kilkenny, Chairman of the Traffic Safety Commission read a letter to Council asking the City to hire a traffic safety police officer. (See attached letter)

Councilor Long asked how often the Traffic Safety Commission was discussing this issue at meetings.

Kilkenny said every meeting along with discussions of safety, speed, and people not fully stopping at stop lights and stop signs.

Long asked if the blinking stop signs had helped with lowering the number of cars running through stop signs.

Kilkenny said it had helped for a while, but they are starting to be run again. He said it would help the problem if more tickets for this violation were being issued by the Police Department.

City Manager Matthew Klebes said traffic safety was concern for staff and discussions were occurring to explore the possibility of adding moveable radar to patrol cars as well as reinstating a traffic assignment within the Police department.

CITY MANAGER REPORT

City Manager Matthew Klebes reported;

- Curing City office snow closures last week, many staff worked remotely
- The City worked with St. Vincent DePaul (SVdP) to amend current litigation allowing opening of emergency warming shelter during cold weather event. SvdP reverting back to original agreement tomorrow. City had reached out to set up dates for mediation.
- Mid-Columbia Community Action Council (MCCAC) activated surge capacity and coordinated services and communication of available resources during weather event. Annex currently housing 70 clients. Families accepted during the weather event will remain at shelter while seeking long-term housing options. MCCAC continues to have

staffing challenges, actively seeking employees.
- Met with Pacific Coast Producers to discuss economic support for potential upgrades or expansions, beautification efforts, and odors.
- Met with The Dalles Art Center to discuss deliverables and scope of work for the year.
- RFP issued in partnership with Wasco County to upgrade Computer Aided Dispatch (CAD) and Record Management System (RMS).
- Introduction of new staff
    - Oscar Cuevas, System Administrator - IT Department
    - Betsy Domsic, Paralegal
    - Officer Ramos, sworn in last Friday
- Recognized hard work done by Public Works and Police Departments during extreme weather event.

CITY COUNCIL REPORTS

Councilor Runyon reported;
- Phone meeting with City Attorney.
- Meeting with Port of the Dalles Executive Director Andrea Klaas.
- Worked with Councilor McGlothlin to help get people into shelter during the cold weather event.

Councilor Richardson reported;
- Seeing Public Works crews out working Saturday evening. Expressed appreciation.

Councilor Randall had nothing to report.

Councilor Long reported;
- Phone meeting with City Attorney.
- Thanked city employees who continued to show up and work throughout the weather event.
- Asked for report on numbers who sought shelter during weather event. Hoped to use data for future planning.

Councilor McGlothlin reported;
- During the weather event 12 people admitted to the Annex, 15-19 people sheltered at SVdP and Budget Inn, and 1 refused shelter until 5 days into the cold weather.
- Thanked the Police and Fire Departments for wellness checks.
- Will attend Airport meeting on Friday.
- KODL radio with Mayor Mays.
- Phone meeting with City Attorney.

Mayor Mays reported;

- KODL radio interview.
- Meeting with City Manager and City Attorney.
- Thanked the Police and Public Works departments.

CONSENT AGENDA

It was moved by Richardson and seconded by Long to approve the Consent Agenda as presented. The motion carried 5 to 0, Richardson, Long, Randall, McGlothlin, Runyon voting in favor; none opposed; none absent.

Items approved on the consent agenda were: 1) The minutes of the January 8, 2024 Regular City Council Meeting.

PUBLIC HEARING

A Resolution Adopting a Supplemental Budget for Fiscal Year 2023/2024, Making Appropriations and Authorizing Expenditures from and Within Various Funds of The City of The Dalles Adopted Budget

Mayor Mays opened the public hearing and asked for the staff report.

Finance Manager Angie Wilson presented the staff report.

Mayor Mays asked for public testimony in favor. There was none.

Mayor Mays asked for public testimony opposed. There was none.

Mayor Mays opened for Council discussion.

Runyon asked why there were such large amounts of money being transferred.

Dave Anderson Public Works Director said some came from the water fund. When preparing last year's budget, water revenues were not coming in at the expected rates and it was decided to take a conservative approach pulling back how much money was transferred to the reserve fund. He said in the end the revenue did come in better than expected and that money was now being moved to the water reserve fund for bigger projects.

Runyon asked for clarification of why there was an additional million-dollar revenue for the water capital reserve fund.

Anderson said the majority of that amount was because it was expected the Dog River Pipeline would be complete so it had been budgeted to pay for completion. He said it had not completed so funds would be carried over to pay for work done this year. This was not an adjustment to the budget for the project, it was a carry over of the money not spent last year that would pay for project work done this year.

Anderson said staff do their best to conservatively determine which projects will be able to complete or start so as not to overestimate and cause the budget to be upside down in the next year. He said unspent funds get carried over into the year and this process allows the funds to be available to finish projects in the current year.

Richardson asked if the sewer main project on East 9th Street was on the new road currently under construction where an intruding house had been removed.

Anderson said yes.

Richardson asked that a major street projects list be provided as a BIP in the upcoming budget process.

Anderson said they would be doing this as part of the Capital Improvements Plan.

Klebes said new auditors had given additional guidelines for the Capital Improvement Plan and council could expect to see additional information and refinements.

Richardson asked for information and an estimated timeline for replacement of the 6th Street bridge.

Anderson said the original estimated timeline had been adjusted with the report done by Oregon Department of Transportation (ODOT) who recommended replacement of the bridge now. He said that was why additional funds were being allocated for this. A thorough analysis and conceptual design for the replacement will be completed next. He estimated a timeline for construction would be within the next three to five years.

It was moved by Richardson and seconded by Long to Adopt Resolution No. 24-002 Adopting a Supplemental Budget for Fiscal Year 2023/2024, Making Appropriations and Authorizing Expenditures within Various Funds of The Dalles Adopted Budget. The motion carried 5 to 0, Richardson, Long, McGlothlin, Randall, Runyon voting in favor; none opposed; none absent.

Mayor Mays closed the public hearing at 7:05 p.m.

CONTRACT REVIEW BOARD

Award of Contract to Construct W 2nd St Joint Utilities Phase 2 Project

Public Works Director Dave Anderson presented the staff report.

It was moved by Randall and seconded by McGlothlin to authorize the City Manager to enter into contract with Ajax Northwest, LLC., for the West 2nd Street Utility Improvements – Phase 2, Contract No. 2024-001, in an amount not to exceed $2,149,783.00. The motion carried 5 to 0, Randall, McGlothlin, Runyon, Richardson, Long voting in favor; none opposed; none absent.

ACTION ITEMS

City Council Goal Setting Document Adoption

Sara Singer Wilson, City Council Goal Setting Facilitation Consultant presented to council the Council Goal Setting Retreat document.

Richardson said the facilitated goal setting retreat was beneficial and encouraged the community to review the document. He thanked the City for making it happen.

McGlothlin said effective planning is essential and having participated in many similar goal setting processes in the past, this experience was the best presentation and implementation.

Mayor Mays said it was a very productive use of time.

Long recognized Wilson's unique presentation style and expressed appreciation for the facilitation aligning staff goals with policy and keeping Council focus at the policy level.

It was moved by Richardson and seconded by Long to adopt the 2024 City Council Goal Setting Documentation. The motion carried 5 to 0, Richardson, Long, Runyon, Randall, McGlothlin voting in favor; none opposed; none absent.

IGA between the City of The Dalles, Wasco County, and Wasco County District Attorney's Office

City Manager Matthew Klebes presented the staff report.

Wasco County District Attorney (DA) Matthew Ellis summarized his report to The City of The Dalles. See attached.

Ellis said he had researched what other Oregon District Attorney offices had done when cities had stopped taking criminal cases. He said DA Haroldson of Benton County reported the City of Corvallis provides funding for prosecuting DUIIs, DA Primus of Umatilla County said the City of Hermiston had not followed through after talks of an agreement and this had created a burden on the DA's office until Hermiston took back municipal court, and the DA of Lane County said due to lack of staffing, they were unable to handle all of the misdemeanors so had stopped charging non-person misdemeanors. That policy had gone away when they got back to being fully staffed. He talked with DA Rasmussen of Hood River County who reported the shutting down of municipal court had greatly affected their caseloads.

Ellis said he agreed with City Manager Klebes that the City does not have an obligation to provide money to the DA's office. Instead of soliciting he wanted to provide an overview of what prosecuting a criminal case looks like and how the number of cases had increased since the closing of municipal court.

Klebes thanked DA Ellis for the report and said the City had also communicated with the City of Corvallis who said they did not provide transfer of general funds but instead their Das office received revenue from the fines associated with DUII cases they were prosecuting.

Runyon asked if no action was taken that evening would the City be required to remain in the agreement through 2025. He said the Budget Committee could decide to add back during the budget planning process.

Klebes said the latest date for a termination of the current agreement was February 2, 2024.

Richardson asked that the report provided by DA Ellis be included in the minutes for the public to have access for review. He said the City and County were both fiscally stable and it was the County's responsibility to fund the DAs office. He said he did not see why funding from the City would be in perpetuity and believed it was time to sunset the agreement.

Long said at the time the original agreement was put into place she understood it would not be forever but for a time to soften the blow of the change.

Klebes said one of the recitals of the IGA (Inter-Governmental Agreement) stated the funding was to support the court during the transition.

Long said at the time the agreement was originally brought to Council they were not told it was the responsibility of the County to fund and she did not understand this at that time.

Mayor Mays asked if the $1.1 million provided by the County came from their general fund.

Ellis said his salary was paid by the State or Oregon. He said $100,000 of the funds came from victim advocate grants and the remaining $1 million was from the general fund.

Klebes said if Council decided to terminate the agreement the money would go into the City's general fund.

McGlothlin said he was resistant to the original agreement when it was first brought to council. He said new Council goals involving law enforcement would benefit from more money in the general fund. He said a new agreement could be discussed and considered during the budgeting process.

Runyon said in his view, 3-4 years is considered long term for an agreement. He supported termination of the current agreement with the understanding the community and citizens would have a chance to present a new agreement to the budget committee.

Mayor Mays said he did not recall when approving the original agreement a discussion of if it would be short or long term. He said they were not told they would be the only city in Oregon with this type of agreement.

It was moved by Long and seconded by Runyon to direct the City Manager to provide a notice of intent to terminate pursuant to Section 4 of the IGA between the City of The Dalles, Wasco County, and the Wasco County District Attorney's Office for the Provision of Criminal Prosecution Services and to Begin Discussions on a Possible New IGA. The motion carried 5 to 0, Long, Runyon, Richardson, Randall, McGlothlin voting in favor; none opposed; none absent.

Resolution 24-003 A Resolution Formally Adopting a City Evacuation Plan and Authorizing Mandatory Evacuations

Human Resources Director Daniel Hunter notified that the Council Wasco County Emergency Manager would be pursuing a grant for updating the county emergency operations plan when this is updated annexes in the presented evacuation plan would also be updated to include any new annexes. He then presented the staff report.

Long asked how the evacuation sites were determined specifically on the East side of town.

Hunter said the county had agreements for the locations and the nature of the event would determine where evacuation site would be.

McGlothlin said he would like to see short term emergency shelter locations included in a plan for instances such as extreme weather events.

Hunter said cold weather shelters are not included as part of the evacuation plan.

It was moved by Randall and seconded by McGlothlin to adopt Resolution 24-003 A Resolution Formally Adopting a City Evacuation Plan and Authorizing Mandatory Evacuations. The motion carried 5 to 0, Randall, McGlothlin, Richardson, Long, Runyon voting in favor; none opposed; none absent.

McGlothlin recognized work done by Debby Sandoz who spearheaded efforts to provide shelter to those in need during the recent extreme cold weather event.

ADJOURNMENT

Being no further business, the meeting adjourned at 6:58 p.m.

_____

Submitted by/ Amie Ell, City Clerk

SIGNED: _____
Richard A. Mays, Mayor

ATTEST: _____
Amie Ell, City Clerk

January 10, 2024

City Manager, Chief of Police, City Council and The Dalles Budget Committee –

At the December 2023 meeting The Traffic Safety Commission approved a motion to ask the City to hire a dedicated traffic safety police officer.

For the last couple of years, at every meeting, a concern is brought to the commission regarding the excessive speeds traffic is traveling on 2nd, 3rd and 4th Streets in the downtown corridor. Excessive speeds, rolling stops, phone usage, distracted driving and lack of turn signal usage are continually happening and are only getting more flagrant.

The Traffic Safety Commission believes a dedicated Traffic Safety Officer is imperative for the safety of our citizens. Without police enforcement of the rules no changes will occur and these infractions will only continue to get worse.

The City is beginning the budgeting process for the 2024/2025 budget year and the Traffic Safety Commission believes a dedicated officer for traffic patrol is essential for the public's safety.

Your attention and thoughtful consideration to this progressively deteriorating problem is appreciated.

Mike Kilkenny, Chairman

Traffic Safety Commission

Matthew Ellis, District Attorney
Sally Carpenter, Senior Deputy District Attorney
Caleb Berthelsen, Deputy District Attorney
Danielle DeCant, Deputy District Attorney
Kara Davis, Special Deputy District Attorney
Julie Dalton, Office Manager
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January 22, 2024

District Attorney Report to the City of The Dalles

In 2019, The Dalles Municipal Court stopped taking criminal cases. Due to the increase in caseload that it would cause to the Wasco County District Attorney's Office (WCDA), the City of The Dalles and Wasco County created an Intergovermental Agreement (IGA). In the IGA, The City of The Dalles agreed to give $80,000 with incremental increase each year to the WCDA budget. The City is not required to give that money. The District Attorney's Office is a County office that prosecutes crimes under State statutes. The office receives referrals from City, County, and State Law Enforcement Agencies.

This report is not meant to be solicitous. Rather, it is meant to inform the City Council about the operations and structure of the office, caseloads, and statistics.

Budget

The majority of the funding for the office comes from the County, with the State providing some funds through grants and paying the salary and benefits for the Elected District Attorney, as a State employee. Currently, the WCDA Office's budget is approximately $1.13 million. A little more than $100K comes from grants to victim advocacy. The budget includes the salaries and county benefits for all Deputy District Attorneys and Office Staff, as Wasco County employees. It does not include the salary and benefits to the elected District Attorney, as a State employee. The City's contribution to the budget is approximately 8% of the total budget. The IGA does not fully fund a deputy district attorney position, but it does fully fund any staff position.

Prior to 2021, the IGA financed a Paralegal position at WCDA. The paralegal was the highest paid non-attorney positon in the office. The individual in that position left the office just prior to the administration change. A paralegal is a position more suited for a civil frim, and not a prosecutor's office, so I made the decision to terminate that position. Given an increase in the budget from the county, I was able to add another Deputy District Attorney and another Chief Legal Secretary. Without the money from the IGA, one of those two positions will have to be cut.

Current Office Positions

The Wasco County District Attorney's Office currently consists of eleven (11) staff members. The office staff breaks down as follows: four attorneys, including the elected DA, two victim advocates, an office manager/chief legal secretary, two chief legal secretaries, a discovery clerk, and an office assistant.

Though there is no Bar standard for maximum caseloads for prosecutors, the American Bar Association (ABA) has released standards for maximum caseloads for Criminal Defense Attorneys. Per the ABA standards, a felony criminal defense attorney should carry no more than 150 cases per year, a misdemeanor attorney should carry no more than 400 non-traffic cases per year, and a juvenile attorney should carry no more than 200 cases per year. These numbers should not be used as firm numbers, but just as a rough guideline to the amount of cases a criminal attorney should carry without being overwhelmed or burnt out.

Beyond caseloads, our attorneys and staff are required to participate in State mandated requirements of all District Attorney offices (some of which are unfunded) such as the Multi-Disciplinary Team for both adults and juveniles, tracking and reporting U Visas, tracking and reporting Bias crimes, policy requirements, Sexual Assault Response Team reviews, Child Fatality Reviews, and keeping up with our Grants which fund victim services. One attorney is on call every weekend to respond to law enforcement questions and go the crime scenes, if needed. I personally staff cases with the Wasco County Juvenile Department, even when nothing is ever filed with the court.

The Life of an Adult Criminal Case: A justice system flowchart

1. Incident. An incident occurs within Wasco Co in which a public safety response may be needed.
2. Response. Emergency Communications triage the communication and determine which responding agency is best suited to respond to the incident (police, fire, medical).
3. Law Enforcement. The appropriate law enforcement agency responds.
    a. If probable cause exists (more likely than not than a certain individual committed a specific crime), then police may arrest the person or issue a citation.
    b. Police may send recommendations to the District Attorney's Office without issuing a citation or arresting the individual.
    c. Police also have the option of providing service referrals or take no action.
4. County Jail NORCOR. Individuals taken into custody or arrested on a warrant may be booked into NORCOR where they are given a risk assessment.
5. Pre-Trial Release
    a. Defendants may be held until their first Court appearance (Arraignment). If a defendant is held, then the judge will see the defendant the next business day on the in-custody WebEx docket.
    b. If the individual meets the mandated release criteria in the Presiding Judge's Order, then the defendant will be released with an order to appear three weeks later on the Monday out-of-custody docket

6. Intake and Case Review
    a. Law enforcement will send reports and gathered evidence to the District Attorney's Office.
    b. Office staff will create a file with the recommended charges, reports, and other evidence needed for the prosecutor assigned to the case.
    c. The assigned prosecutor will review the evidence and make a decision about what charges should be filed.
    d. If the prosecutor declines prosecution on a matter, then the prosecutor will notify the arresting officer with an email or disposition memo.
    e. If a felony is charged, the case will be set and presented to the Grand Jury to make a decision on whether the case should be indicted
    f. If the case involves a victim, the victim advocates will make every effort to notify the victim(s) about a charging decision, get the victim's opinion on release of the defendant, assist with any services a victim may need, and inform the victim of upcoming court dates. The victim advocates and attorneys will make efforts to stay in contact with victims through the life of the case.
7. Initial Court Appearance
    a. At the first court appearance, a defendant is given the opportunity to invoke the Constitutional right to have an attorney. Many defendants are provided court-appointed attorneys. Some retain their own attorney.
    b. If a Defendant is in custody, the prosecution gives a release recommendation to the judge, and defense will argue for release. It is ultimately up to the judge to release a defendant with court-ordered conditions or set a bail amount. A victim will also have the opportunity to give an opinion to the judge concerning release.
8. Grand Jury
    a. If a case needs to go to Grand Jury, prosecutors will make sure the proceeding is scheduled in an appropriate period.
    b. District Attorney Staff will coordinate with witnesses, the court, and grand jurors to ensure there is space and time for all cases that need to be indicted.
    c. Victim Advocates will assist with victim, doing all they can to make the victims comfortable in a court like setting.
9. Defense and Discovery
    a. After a defendant is arraigned and has a defense attorney, District Attorney Staff will work with defense to make sure all discovery (reports, audio/video, witness lists) is sent to the defendant's attorney.
    b. The defense attorney will review the discovery and meet with defendant to assess strengths and weaknesses to the case.
10. Court and Disposition
    a. Defendants can go to trial or accept a plea bargain. The vast majority of charged cases result in a plea bargain.
    b. Options for case resolution outside trial include, but are not limited to
        i. Conviction with incarceration
        ii. Conviction with probation

iii. Diversion (probation conditions that will result in dismissal if those conditions are met)
iv. Civil Compromise (agreement on property cases to pay a victim an agreed upon sum to avoid conviction)
v. Entry into one of the 7th Judicial District Specialty Courts
vi. Guilty Except Insanity (GEI). Requires commitment to the Psychiatric Security Review Board.

c. Trial
i. If convicted, then the defendant will be sentenced by the judge
ii. Defendant can be found not guilty if the State cannot prove the charge beyond a reasonable doubt
iii. Trial is risky for both sides, because it takes the result out of the attorney's hands. Trials also create appeal issues that may make a case drag on for a victim, even after the trial is concluded.

11. Probation/Incarceration
a. Several agencies will still be involved with a case after it has resolved.
i. Courts and the District Attorney's Office monitor bench/misdemeanor probation and certain diversions.
ii. Courts will collect fines and restitution, then pay the restitution to a victim.
iii. Parole and Probation monitor felony and certain misdemeanor probation, as well as Community Work Service.
iv. NORCOR is staffed by the Sheriff's Office
v. Prisons are operated by the Oregon State Department of Corrections

b. If a probationer violates the terms of their probation, then the District Attorney's Office, courts, and defense attorneys may be involved in the case again.
i. A formal probation violation (PV) will result the District Attorney's office filing a motion for the PV, arraignment, appointment of an attorney, discovery process, and plea negotiating (similar to a new case).
ii. When a probation violation occurs, the result could be more jail time, or depending on the conviction, a revocation of probation with prison time.
iii. In some instances, when probation violations are the result of addiction or mental health issues, the probationer may have the option of joining one of the 7th Judicial District Specialty Courts to avoid a probation revocation.

Court Dockets

Our attorneys are in court every day. Every Monday, there are three out-of-custody defendant dockets. At 8:30am, new arraignments. At 10:30am, trial call and felony plea dockets. At 2:30pm, misdemeanor plea dockets. These dockets are in person, and always conducted in the large, upstairs courtroom of the Wasco County Courthouse.

There are in custody dockets every day the court is open at 1:15pm, which are open to the public, and can be observed via WebEx.

Every Wednesday morning, we have Grand Jury. These proceedings are not open to the public and the location varies, based on court and county space needs.

On Thursdays, we have our specialty courts. Both courts are open to the public in the basement courtroom. At 9:30am, Judge Ostrye presides over the Treatment Court. At 2:15pm and 4pm, Judge Olson presides over the Aid and Assist and Mental Health Court respectively. At 2:15pm, he takes status on those defendants who have been charged with a crime, but are mentally ill and cannot aid and assist in their own defense. At 4pm, he hears the participants in the Mental Health Court program. Both judges sit in The Dalles on the 1st and 3rd Thursdays of the month, and sit in Hood River on the 2nd and 4th Thursdays, appearing via video.

Referrals and Cases by Law Enforcement Agency

Our three main law enforcement partners are Oregon State Police (OSP), Wasco County Sheriff's Office (WCSO), and The Dalles City Police (TDCP). The charts below give a seven-year window into the amount of referrals to the Wasco County District Attorney's (WCDA), the amount of criminal cases filed, and the rate at which cases are filed, sorted by the three law enforcement agencies.

Referrals by Agency	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Total	**1215**	**1325**	**1536**	**1521**	**1443**	**1590**	**1553**
OSP	309	360	328	242	277	248	234
WCSO	412	426	404	363	304	430	366
TDCP	510	613	842	970	889	973	935

Criminal Cases Filed by Agency	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Total	**768**	**898**	**954**	**980**	**953**	**1047**	**1026**
OSP	262	313	259	195	219	201	196
WCSO	241	272	192	162	179	276	212
TDCP	286	396	533	670	607	644	636

Charge Rate by Agency	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Total	**63.2%**	**67.8%**	**62.1%**	**64.4%**	**66.0%**	**65.8%**	**66.1%**
OSP	84.8%	86.9%	79.0%	80.6%	79.1%	81.0%	83.8%
WCSO	58.5%	63.8%	47.5%	44.6%	58.9%	64.2%	57.9%
TDCP	56.1%	64.6%	63.3%	69.1%	68.3%	66.2%	68.0%

Case Increases from The City of The Dalles

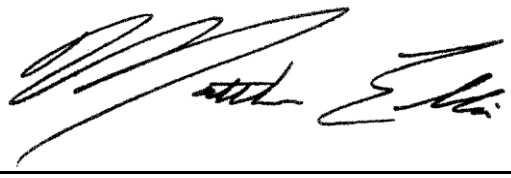
The charts below summarize the increase in workload WCDA has received from TDCP. The first chart is similar to those above, indicating the increase in referrals and cases from the city. The line for misdemeanors was added, as those are the cases that would have otherwise gone to the Municipal Court in the past. The second chart shows the increase in the percentage of the WCDA workload that comes from The Dalles City Police. In my entire time in office, more than 60% of our law enforcement referrals and charged cases have come from the TDCP.

	2017	2018	2019	2020	2021	2022	2023
Total Cases Charged	768	898	954	980	953	1047	1026
Total Cases Charged from City Referrals	286	396	533	670	610	644	636
Total Misdemeanor Cases Charged from City Referrals	174	281	412	557	519	502	505
Percent of City Cases Charged	56.1%	64.6%	63.3%	69.1%	68.6%	66.2%	68.0%

City Referrals	510	613	842	970	889	973	935
Total Referrals from all agencies	1215	1325	1536	1521	1443	1590	1553
Percent of WCDA cases charged from city referrals	37.2%	44.1%	55.9%	68.4%	64.0%	61.5%	62.0%
Percent of WCDA cases referred from the city	42.0%	46.3%	54.8%	63.8%	61.6%	61.2%	60.2%

Conclusion

This report should give the City Council a better understanding of the WCDA operations and workload. If the City decides to terminate the IGA with WCDA, Wasco County will be forced to make a decision on cutting a current position. Regardless of the Council's decision, WCDA will work closely with our city partners, and make all efforts to continue to review and prosecute all the referrals that come to the office.



Matthew Ellis
Wasco County District Attorney

RESOLUTION NO. 24-004

A RESOLUTION CONCURRING WITH THE MAYOR'S APPOINTMENT TO THE CITY BUDGET COMMITTEE AND URBAN RENEWAL BUDGET COMMITTEE

WHEREAS, there are vacant positions on the City Budget Committee and Urban Renewal Budget Committee, and

WHEREAS, the Mayor has elected to appoint Jann Oldenburg to the City Budget Committee and Mike Courtney to the Urban Renewal Budget Committee.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL AS FOLLOWS:

Section 1. The City Council concurs with the appointment of:

Jann Oldenburg to the City Budget Committee; with term expiring June 30, 2026, and

Mike Courtney to the Urban Renewal Budget Committee; with term expiring June 30, 2026.

Section 2. This Resolution shall be effective February 12, 2024.

PASSED AND ADOPTED THIS 12th DAY OF FEBRUARY, 2024.

Voting Yes, Councilors: _____
Voting No, Councilors: _____
Absent, Councilors: _____
Abstaining, Councilors: _____

AND APPROVED BY THE MAYOR THIS 12th DAY OF FEBRUARY, 2024.

SIGNED: ATTEST:

_____ _____
Richard A. Mays, Mayor Amie Ell, City Clerk

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

(541) 296-5481
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AGENDA STAFF REPORT

AGENDA LOCATION: Item # 10A

MEETING DATE: February 12, 2024

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

ISSUE: Award of Engineering Services Contract for Design of the East 12th Street Storm and Sidewalk Improvements Project

BACKGROUND: The City's adopted Transportation System and Stormwater Master Plans identify projects to install stormwater collection and sidewalk systems on East 12th Street, east of Thompson Street. These infrastructure improvements are needed to provide for pedestrian safety considering the City's increased focus on improving pedestrian safety, and installing appropriate stormwater management systems, both in support of existing and future residential development. The project would construct the needed improvements from Thompson Street east, past Morton Street, to a point about 700 feet west of Richmond Street. The project is included in the adopted FY2023/24 budget.

Due to staff workloads and the project schedule necessary to meet funding requirements, the project will be designed and constructed using contracted services. Staff developed and advertised a Request for Proposals (RFP) for engineering services to complete the surveying and design for the project. The contract to be issued under this RFP will complete the engineering design for the new sidewalk and stormwater systems, and develop the construction contract documents that will be used to solicit bids to build the project. Oregon Administrative Rules require that most public contracts for engineering and architectural services that are expected to be over $100,000 be awarded using a Qualification-Based Selection (QBS) process. QBS requires that proposals be received and evaluated without any regard to pricing. Rather than considering price, proposals are to be evaluated based solely upon the qualifications of the proposers to do the work that is being requested. The City then enters into negotiations with the highest-qualified proposer to develop contract terms and pricing to complete the project. If negotiations with the highest-ranked proposer were to be unsuccessful, the City could then enter into negotiations with the second-ranked proposer. Once negotiations are terminated with a proposer, the City cannot later go back to that proposer to re-initiate negotiations.

The City received three proposals in response to its RFP. The proposals were reviewed and scored individually by an evaluation team made up of the Public Works Director, City Engineer and two Project Engineers. The average scores for each proposal are presented below.

Proposer	Avg Score (110 pts possible)
Century West Engineering	97.7
Tenneson Engineering/AKS	90.5
Bell Engineering	70.7

All four reviewers unanimously ranked the proposal from Century West as the best proposal received. Staff also checked references from a neighboring city for which Century West had previously performed similar work; the comments received about that work were quite favorable.

Some of the elements of the Century West Engineering proposal that stood out above others was a recognition of the need for early coordination with other utilities in the design effort, a need to design each driveway approach individually to maintain access and prevent flooding, an option to capitalize on their public outreach experience from other similar projects if desired, utilization of stormwater hydraulic modeling in the design, the most robust allocation of staff resources, and the strongest stated commitment to meeting the project schedule.

The project is to be funded with monies allocated to the City from the American Rescue Plan Act (ARPA). One of the conditions of this funding is that they be committed for a construction contract by December 31, 2024. As such, the schedule for completing the design by July 26, 2024 is critical.

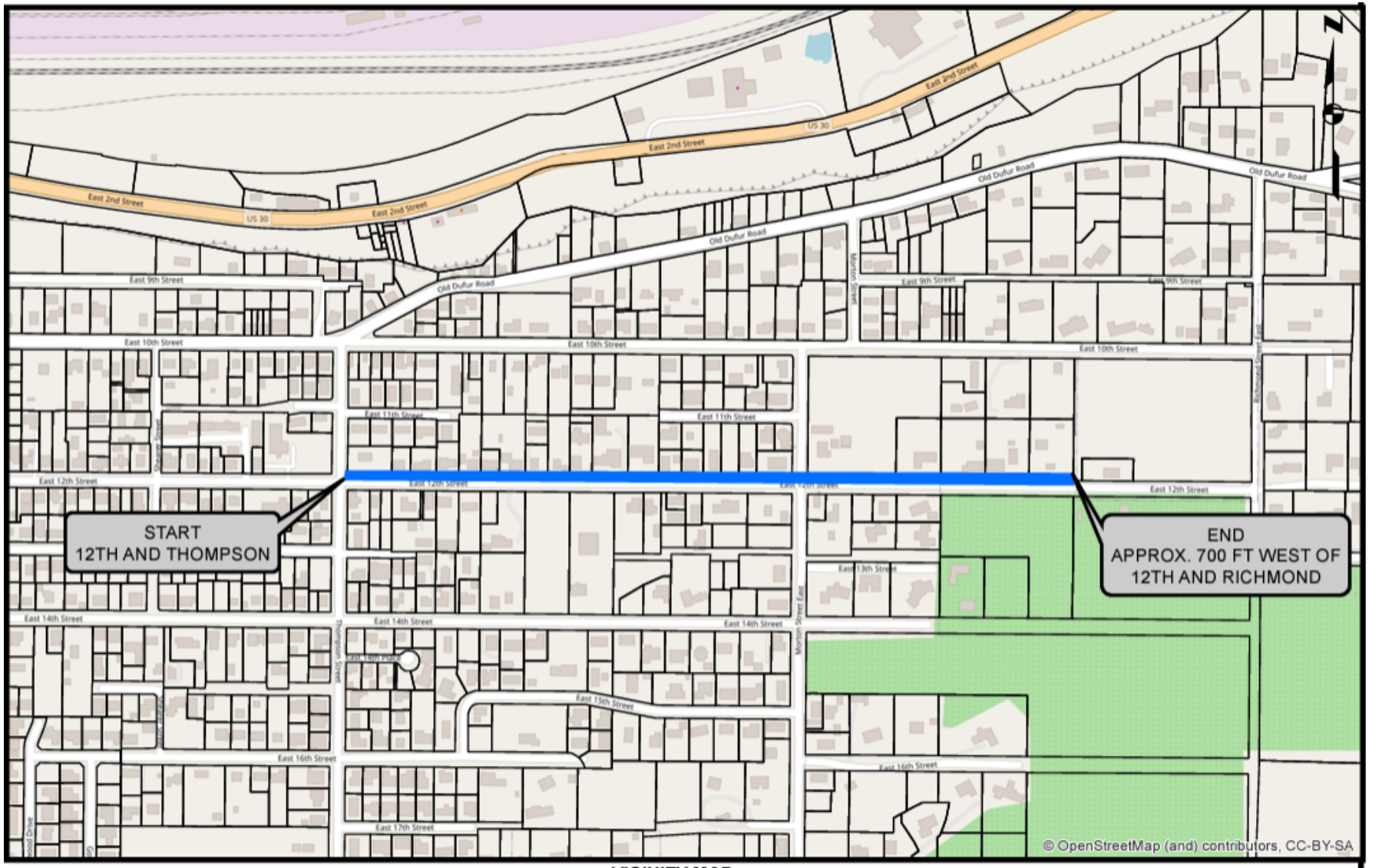
A contract price of $265,455.40 has been negotiated with Century West Engineering for the project. Staff compared the labor rates for Century West with those of two other engineering firms currently working for the City and found them to be inline with those other firms.

BUDGET ALLOCATION: Fund 13, the Transportation System Reserve Fund, allocates $1,547,147 for the project; of that amount, $174,127.50 was estimated for the engineering services. The cost of the proposed engineering services contract, at $265,455.40, is $91,327.90 more than the estimate. However, with $1,547,147.00 budgeted for the project, there are adequate funds available for this engineering services contract to design the project.

ALTERNATIVES:

A. Staff Recommendation: ***Move to authorize the City Manager to enter into contract with Century West Engineering in an amount not to exceed $265,455.40 for Contract No. 2023-014, the Engineering Services for East 12th Street Storm and Sidewalk Improvements contract.***

B. Deny authorization to award contract No. 2023-014 to Century West Engineering and provide additional direction to staff.



VICINITY MAP

AREA OF PROPOSED STORM AND SIDEWALK IMPROVEMENTS

CITY OF THE DALLES 1215 WEST 1ST STREET THE DALLES, OR 97058	City of The Dalles Public Works Department
	ENGINEERING SERVICES FOR
	EAST 12TH STREET STORM
	AND SIDEWALK IMPROVEMENTS
	1 inch = 500 feet / Date: 3/3/2023

CITY of THE DALLES
313 COURT STREET
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AGENDA STAFF REPORT

AGENDA LOCATION: Item # 10B

MEETING DATE: February 12, 2024

TO: Honorable Mayor and City Council

FROM: Dave Anderson, Public Works Director

ISSUE: Award of SCADA System Upgrade Phase 1 Engineering Services Contract

BACKGROUND: The City's water and sewer systems are monitored and controlled by a computerized *Supervisory Control and Data Acquisition* (SCADA) system. The SCADA system that we have was originally developed in two phases. The first phase, completed in 1996, automated much of the Wicks Water Treatment Plant (WTP). The second phase, completed in 2004, integrated the in-city Water Distribution and Wastewater Collection systems into the SCADA system. The current FY 2023-24 budget includes funding to undertake Phase 1 of a project to update and upgrade these essential but aging SCADA systems. Phase 1of this project will upgrade the systems at the Wicks WTP, our oldest and arguably most critical systems.

On July 10, 2023, City Council conducted a public hearing and approved an exemption from competition for the engineering services contracts associated with the SCADA system upgrades. That decision authorized staff to negotiate directly with Jacobs Engineering Group (Jacobs) for related engineering services. Jacobs, previously CH2M Engineers, designed the City's current SCADA systems and has performed all maintenance on those systems over the last 27+ years. Those negotiations have been completed and a proposed scope of work and contract price have been developed.

The SCADA System Upgrade Phase 1 project was estimated at $1.5 million – of that total, about $1 million would be for engineering services to complete conceptual and final designs (including construction and material specifications), assist with contractor and equipment procurement, oversee construction of the project, perform software programming and system start-up testing, and provide record drawings and updated Operations and Maintenance manuals. The remaining $500,000 is intended to be used for paying an electrical contractor, purchasing materials and software, and fabricating

control panels; these elements of the project will be competitively procured.

At the time that the FY2023-24 budget was prepared, it was thought that Phase 1 of the SCADA Upgrade project would focus on the in-city water distribution and wastewater collection systems; the budget was drafted accordingly with half of the funding allocated in each the Water and Sewer Reserve Funds. Since then, it has been determined that Phase 1 should instead address needs at the Wicks Water Treatment Plant since that system is older and City staff with relevant expertise are expected to retire within the next year. With Phase 1 addressing only water system elements of the upgrade project, it needs to be fully funded with water utility monies; the allocated Sewer Fund monies will carry over for future use in Phase 2. The current budget identifies $750,000 in the Water Reserve Fund, Fund 53, for Phase 1 of the upgrade. The proposed contract amount with Jacobs for Phase 1 engineering services is $1,030,542; it is estimated that another $500,000 will also be needed to purchase materials and hire electricians resulting in a total estimated cost for Phase 1 of $1,530,542.

BUDGET ALLOCATION: The adopted FY2023-24 budget includes $750,000 in Fund 53, the Water Reserve Fund, allocated for the SCADA System Upgrade Phase 1 project. Fund 53 also has an estimated $450,000 surplus from the Dog River Pipeline Replacement project and $1,500,000 being saved for a future reservoir painting project; some of these funds can be used to provide the additional $780,542 needed for the SCADA System Upgrade Phase 1 project. With this reallocation of existing funds, there are adequate monies available in the Water Reserve Fund for this contract and for the full Phase 1 project.

COUNCIL ALTERNATIVES:

1. **Staff Recommendation**: ***Move to authorize the City Manager to enter into contract with Jacobs Engineering Group for engineering services related to the SCADA System Upgrade Phase 1 project in an amount not to exceed $1,030,542.00.***

2. Deny authorization of a contract with Jacobs Engineering Group for the SCADA System Upgrade Phase 1 project and provide additional direction to staff.

CITY of THE DALLES
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THE DALLES, OREGON 97058

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AGENDA STAFF REPORT

AGENDA LOCATION: Action Item #11A

MEETING DATE:

TO: Honorable Mayor and City Council

FROM: Matthew Klebes, City Manager

ISSUE: Columbia Gorge Regional Airport Tower Lease

BACKGROUND: In 2002, the City entered into a lease with U.S. Cellular for ground space at the Columbia Gorge Regional Airport (**CGRA**). U.S. Cellular has used this lease to erect and operate a telecommunications tower. This lease has come due and staff has diligently worked to craft the four (4) documents included in your packet:

1. Lease Agreement
2. Tower and Ground Space License
3. Generator Sharing Agreement; and
4. Memorandum of Lease.

Under these agreements, U.S. Cellular (Oregon RSA #2 Inc.) will continue to lease the existing area where its tower is currently located and will possess an access and utility easement over the existing road to the site. The initial term of the lease is five (5) years with additional options to renew for up to five (5) additional five (5) year terms (i.e., for a potential total lease period of 30 years).

The lease charges a monthly rent of $1,500 per month (plus a one-time payment of $2,500 if executed) and will be increased 3% per year. Staff also negotiated a subleasing provision requiring U.S. Cellular to pay the City 25% of any sublet/license payment U.S. Cellular may receive from third-parties using its tower. Finally, the City and Klickitat County are each granted colocation rights on the tower, which allow entity to install up to three (3) antenna each on the tower—the accompanying Generator Sharing Agreement addresses backup power resiliency for any such attachments.

In essence, many of the original lease provisions remain in the same with monthly rent cost escalation and additional detail on attachment and generator use.

BUDGET IMPLICATIONS:

The original monthly rent amount entered into in 2002 was $900.00. The new lease agreement will charge $1,500.00 per month, resulting in a $600.00 per month increase. The initial term of 5 years would generate approximately $90,000.00 (not taking into account annual increases). Such revenues are considered CGRA revenue.

Subleasing revenue is difficult to estimate and would depend on other customers. There is also an undetermined value to the ability for the City attach equipment to the tower and potential use of the backup generator as the City currently does not make use of such attachment options.

COUNCIL ALTERNATIVES:

1. **Staff recommendation:** ***Move to authorize the City Manager to execute the Lease Agreement with Oregon RSA #2 Inc. and the Tower and Ground Space License Agreement, Generator Sharing Agreement, and Memorandum of Lease, as presented.***

2. Direct staff to continue negotiations with Oregon RSA #2 Inc., on specific provisions of concern to the Council.

3. Decline to enter into the lease and begin proceedings to remove the tenant from the property.

TOWER AND GROUND SPACE LICENSE AGREEMENT

THIS TOWER AND GROUND SPACE LICENSE AGREEMENT (the "License Agreement") is made and entered into on ___ 2024 by and between Oregon RSA #2, Inc., an Oregon corporation, having a principal place of business at Attention: Real Estate Lease Administration, 8410 West Bryn Mawr Avenue, Chicago, Illinois 60631 ("Licensor"), and City of the Dalles, a municipal corporation of the State of Oregon, having an address at 313 Court Street, The Dalles, OR 97058 (hereinafter referred to as "Licensee").

WHEREAS, Licensor has a leasehold interest in certain real property located at 135 Dallesport Road, City of Dallesport, in Klickitat County, Washington, at coordinates 45° 77' 1.41" North, 121° 10' 24.05" West (the "Site"). The Site is legally described on Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, Licensee desires to occupy, and Licensor is willing to provide, attachment locations upon the Tower (the "Tower") for the placement of Licensee's antennas, cabling and ancillary equipment (the "Tower Space") as well as certain space on the ground adjacent to the Tower (the "Ground Space") for Licensee's cellular common carrier mobile radio telephone base station equipment, collectively the Tower Space and the Ground Space shall be referred to hereinafter as the "Licensed Space".

NOW, THEREFORE, in consideration of the mutual promises, conditions, and other good and valuable consideration of the parties hereto, it is covenanted and agreed as follows:

1. License Conferred. Licensor hereby confers upon Licensee, and Licensee hereby receives and accepts from Licensor, a license and privilege, which shall be irrevocable for the stated duration hereof unless otherwise stated herein, to do all of the following:

(a) Occupy attachment locations upon the Tower Space with equipment breakdown as confirmed by application and structural for one (1) antenna each at a centerline height of one hundred five feet (105'), one hundred three feet (103'), and one (1) airport identification beacon at a centerline height of one hundred three (103)', and attachment locations upon the Tower Space for four (4) antennas at centerlines above ground level to be determined upon application and structural, all as more particularly described in Exhibit B attached hereto and incorporated herein, oriented in such directions as shall be in accordance with Licensee's needs, subject to existing attached devices of other users.

(b) Occupy up to one hundred twenty (120) square feet of ground space adjacent to the Tower with Licensee's cellular common carrier mobile radio telephone base station transceiver and associated equipment upon a poured concrete foundation, as shown in attached Exhibit C. Licensee's cabinet, transmission lines, radio communications facilities,

including without limitation utility lines, transmission lines, electronic equipment, radio transmitting and receiving antennas and supporting equipment and structures thereto, shall be collectively referred to as "Licensee's Equipment."

(c) Extend and connect lines for signal carriage and amplifier power between Licensee's antennas upon the Tower and Licensee's Equipment upon the ground;

(d) Extend and connect utility lines and related infrastructure between Licensee's Equipment and suitable utility company service connection points;

(e) Traverse the Site as reasonably necessary to accomplish Licensee's purpose contemplated herein;

(f) Licensor's right of access to the Site is an easement granted in the underlying Prime Lease dated September 1, 2023, between Licensor and the owner of the Site. Licensee has read this underlying Prime Lease agreement and is satisfied with the easement rights Licensor is able to grant to Licensee. Licensor makes no representations regarding rights to access the Site; and

2. Improvements and Purpose.

(a) Use. Licensee shall be permitted to use the Site and the Tower to install, operate, and maintain thereon common carrier radio base station equipment, including system networking, station control and performance monitoring functions, and for no other use or purpose. Licensee's installation of Licensee's Equipment on the Tower and the Site shall be limited to the antennas and other equipment and frequencies agreed upon in advance by Licensor. Licensee's equipment shall at all times comply with and conform to all laws and regulations applicable thereto, and shall be subject to Licensor's review and approval which shall not be unreasonably withheld, conditioned or delayed, regarding Licensee's placement of equipment, method of installation, and all other matters which Licensor deems, in Licensor's reasonable opinion, to affect Licensor's own operations or interests.

(b) Plans and Specifications. Licensee, at the Licensee's expense and prior to commencing the installation of Licensee's Equipment, shall submit to Licensor the following: (i) detailed site plans and specifications setting forth the proposed antennas and other equipment, the height and location of such equipment, and the construction, installation, and other work to be performed on the Tower and the Site, (ii) a structural analysis of the Tower addressing the installation of additional antennas and other equipment on the Tower by the Licensee and demonstrating that the installation of such equipment shall not exceed the load capacity of the Tower, and (iii) a list of all known frequencies licensed or assigned to Licensee by the Federal Communications Commission (the "FCC") to be used at the licensed Site. Licensee shall not install any equipment or commence any work on the Tower or Site until Licensor approves, in writing, Licensee's site plan, plans and specifications, structural analysis and frequencies, such approval to be given in Licensor's reasonable/sole and absolute discretion. If Licensor does not approve

Licensee's site plan, plans and specifications, structural analysis or frequencies, Licensee may not install or construct Licensee's Equipment on the Tower or the Site.

(c) Limited Use of Tower. Licensee's installation of Licensee's Equipment on the Tower and the Site shall be limited to the portion of the Tower structure for which Licensee has been granted a license and the portion of the Site for which Licensee has been granted a license, and Licensee shall not have the right to use Licensor's Equipment or other portions of the Tower or the Site.

(d) Time of Installation. Licensee's installation of Licensee's Equipment on the tower and the Site shall be performed on dates and at times and within time frames approved by Licensor in writing and shall not interrupt or interfere with the operation of Licensor's communications system or Licensor's Equipment unless Licensor agrees to such interruption or interference in writing.

(e) Compliance with Laws. Licensee's installation of Licensee's Equipment shall be in compliance with all present and future laws, regulations, and requirements of all federal, state or local authorities, and Licensee shall deliver to Licensor, prior to installing Licensee's Equipment on the Tower and the Site or structurally enhancing the Tower, all certificates, permits, licenses and other approvals required by any federal, state or local authority to install Licensee's Equipment or structurally enhance the Tower.

3. Duration. The initial term of this License Agreement shall be five (5) years, commencing on September 1, 2023 (the "Commencement Date") and expiring on the fifth (5th) anniversary of the Commencement Date. Thereafter, provided that it has faithfully performed its obligations under this License Agreement, Licensee shall have the option to extend its occupation of the Licensed Space, continuing all the same conditions and provisions hereof, for five (5) additional terms of five (5) years each. This License Agreement shall automatically renew unless Licensee shall notify Licensor, in writing, of Licensee's intention not to renew this License Agreement, at least one hundred twenty (120) days prior to the expiration of the initial term, or as applicable, any additional term.

4. License Fee. The rights granted herein to the Licensee are in consideration of the mutual promises, conditions, and other good and valuable consideration of the parties hereto.

5. Utilities. Licensee shall solely and independently be responsible for the separate metering, billing, and payment of utility services consumed by Licensee's operations. Licensor agrees to grant Licensee or its designated utility provider easements reasonably required for the delivery of electricity and telephone services to Licensee's operations.

6. Mechanic's Liens. Licensee shall keep the Tower and the Site free and clear of all mechanic's and materialmen's liens arising from or relating to the installation, repair, maintenance, or removal of the Licensee's Equipment on or from the Tower or the Site and Licensee's structural enhancement of the Tower, if any, and for a one hundred twenty (120) day period after completion of the installation, repair, maintenance, or removal of the Licensee's Equipment on or from the Tower or the Site or any structural enhancements to the Tower. If a mechanic's or materialmen's lien is filed against the Tower or the Site as a result of Licensee's installation, repair, maintenance,

or removal of the Licensee's Equipment on or from the Tower or the Site or structural enhancement of the Tower, Licensee shall cause any such lien to be bonded or discharged of record within twenty (20) days of being notified of the lien. If Licensee fails to bond or discharge the lien within such twenty (20) day period, Licensor, in addition to any other rights or remedies available at law or equity, shall have the right to discharge the lien by paying the amount claimed to be due or to bond the lien. Any amount paid by Licensor in discharging or bonding any lien together with all costs and expenses, including, without limitation, attorney's fees and costs, shall be immediately due and payable by Licensee upon demand from Licensor and Licensee agrees to indemnify and hold Licensor harmless from all such amounts.

7. Taxes. Licensor shall be responsible for payment of all personal and real property taxes assessed directly upon and arising solely from the Tower and Licensor's Equipment or use of Licensor's communications system on the Site; provided, however, if Licensor's personal or real property taxes increase as a result of Licensee's Equipment or any improvements constructed by Licensee on the Site, Licensee shall be responsible for payment of the increase in Licensor's personal and real property taxes. Licensee shall be responsible for payment of all personal property and any other taxes assessed directly upon and arising from Licensee's Equipment or the Licensee's use of Licensee's Equipment on or about Tower or the Site.

8. Maintenance and Repairs.

(a) Tower and Licensor's Equipment. Licensor shall be responsible for proper maintenance of the Tower, and Licensor covenants to keep the Tower in good condition and repair, and in compliance with rules and regulations enforceable by the Federal Communications Commission, the Federal Aviation Administration, and other governmental authorities, provided, however, in the event Licensee's Equipment cause increased maintenance, repairs, or replacements to the Tower, Licensee shall pay the cost of the increased maintenance, repairs and replacements to Licensor within thirty (30) days of receipt of written notice and copy of an itemized invoice from Licensor. Licensee shall be responsible for the proper maintenance of Licensee's Equipment.

(b) Licensee's Equipment. Licensee, at Licensee's expense, shall maintain, repair and replace Licensee's Equipment during the term or any renewal terms of this License Agreement provided that any alterations, modifications, repairs or replacements to Licensee's Equipment do not increase the number of antennas, cables or other equipment in the Tower Space, or increase the size or weight thereof, or materially alter the location thereof without prior written approval from Licensor. In order to protect the integrity of the Tower, Licensee agrees that any maintenance, repair and/or replacement performed on the Licensee's Equipment on the Tower or Site shall be done in a workmanlike manner and all work shall be performed in a manner consistent with Licensor's high-quality construction standards. Further, any maintenance, repair or replacement work performed on the Licensee's Equipment shall not interrupt or interfere with the operation of Licensor's communications system or Licensor's Equipment unless Licensor agrees to such interruption or interference in writing. Prior to the commencement of any maintenance, repair or replacement work on the Licensee's Equipment, Licensee shall submit detailed plans and specifications of the maintenance, repair and replacement work to be performed

to Licensor for Licensor's written approval (Licensee shall not be required to submit to this requirement with regard to any such work which will occur inside Licensee's base station building or Licensee's cabinet located at the Site) to Network Operations Center at (800) 510-6091; email: NOCCM@uscellular.com. Licensor shall have the right to approve the plans, specifications and any contractor(s) performing work on Licensee's behalf prior to the commencement of any maintenance, repair or replacement work on the Licensee's Equipment, such approval not to be unreasonably withheld, conditioned, or delayed. Unreasonably withheld, conditioned, or delayed shall not include, and may not be limited to, any requirement by Licensor to complete a tower mapping, structural analysis or any other similar study and the recommended modifications to the tower based on those studies. Licensee shall have twenty-four (24) hour access seven days per week for routine maintenance of bay station equipment. Licensee shall provide Licensor with at least forty-eight (48) hours' notice prior to any maintenance, repair or replacement that requires access to the Tower unless an emergency exists, in which case notice shall be provided to Licensor at least twenty-four (24) hours after access to the Tower or Site has occurred. Licensor shall have the right to have a representative present during any maintenance, repair or replacement on the Licensee's Equipment that requires access to the Tower or the Site.

9. Access. Licensee shall at all times have unrestricted access to Licensee's equipment; provided, however, that its access to the Tower shall be limited to the installation, removal, and periodic maintenance of Licensee's antennas and lines at Licensee's sole expense by a qualified tower services contractor approved in advance by Licensor, which approval shall not be unreasonably withheld, conditioned or delayed.

10. Interference. Licensee agrees not to allow any use of Licensee's Equipment, the Tower, or the Site that may cause interference with or cause the improper operation of the Tower, Licensor's related equipment, Licensor's communications signal, or system, or any third party's equipment or communications system located on the Tower prior to Licensee's use of the Tower. In the event Licensee's Equipment or Licensee's use of the Tower or the Site causes measurable interference with or the improper operation of the Tower, Licensor's related equipment or communications system or any third party's equipment or communications system located on the Tower prior to Licensee's use of the Tower, Licensee, upon notification of such interference, agrees to promptly remedy such interference at Licensee's cost and, if necessary, agrees to cease operations (other than tests) until such interference is corrected to Licensor's sole satisfaction. Licensor agrees not to allow any subsequent third party's use of equipment, the Tower, or the Site that may cause interference with or cause the improper operation of the Tower, the Licensee's related equipment, or the Licensee's communications signal or system. In the event any subsequent third party causes measurable interference with or the improper operation of the Tower, Licensee's related equipment or communications system, Licensor, upon notification of such interference, agrees to promptly remedy such interference to Licensee's sole satisfaction, at Licensor's cost.

11. Interruptions. Licensor and Licensee agree that Licensor shall have no responsibility or liability whatsoever for interruptions, disruptions, or failures in the Licensee's Equipment or the operation of the Licensee's Equipment including, without limitation, equipment failures, utility failures, structural failures, or otherwise. Licensor shall not give any unauthorized access to

Licensee's Equipment; however, Licensor shall not be responsible to Licensee for any unauthorized access thereto. In all maintenance, repair, or replacement work performed by Licensor on Licensor's Equipment or the Tower, Licensor shall take all reasonable steps to not interrupt or interfere with the operation of Licensee's communications system or equipment without Licensee's written agreement.

12. Compliance with Laws. Licensee shall comply with all present and future laws, regulations, and requirements of all federal, state, and local governments and their agencies as they relate to the use, operation, maintenance, repair, replacement, and occupancy of the Tower, the Site, and the Licensee's Equipment, as the case may be. Without limiting the foregoing, the Licensee shall at all times use, operate, maintain, repair, replace, and occupy the Tower, and the Site, and the Licensee's Equipment, as the case may be, in accordance with all FCC, FAA, and all other regulations, ordinances or laws.

13. Compliance with FCC Radio Frequency Emissions Requirements.

(a) It shall be the responsibility of the Licensee to ensure that Licensee's use, installation, or modification of Licensee's radios, signal carriage devices and antennas (Licensee's Equipment") at the Site does not cause radio frequency exposure levels of all the existing equipment located at the Site and in the surrounding vicinity including the Licensee's Equipment, Licensor's equipment and all other transmitting equipment in the vicinity to exceed those levels permitted by the Federal Communications Commission ("FCC"). Licensor shall require other communications users of the Site to bear the same responsibility.

(b) If it is determined that the radio frequency levels at the Site and surrounding vicinity exceed exposure levels set by the FCC and the responsible party causing such exposure cannot be identified, then Licensee shall reconfigure Licensee's Equipment, including but not limited to reducing power levels, as reasonably directed by Licensor, and shall equitably share in all expenses incurred by Licensor as are necessary in order to meet FCC compliance levels.

(c) Licensee shall reimburse Licensor, within 30 days following receipt of an invoice from Licensor, for reasonable expenses or costs incurred by Licensor to perform FCC RF compliance tests for human exposure to RF radiation as a result of the installation, existence or subsequent modification of Licensee's Equipment at the Site.

(d) Licensee agrees that in the event that there is any change to applicable rules, regulations, and procedures governing exposure to radio frequency radiation which place the Site in non-compliance, Licensee will cooperate with Licensor and other users of the Site to bring the Site into compliance, which cooperation shall include, but not be limited to, sharing pro rata the costs associated with bringing the Site into compliance.

(e) Licensee acknowledges and agrees that, upon reasonable prior notice (except for emergency situations), Licensee shall reduce operating power or cease operation of

Licensee's Equipment when it is necessary to prevent the overexposure of workers on the Tower to RF radiation.

14. Mutual Indemnification. Each party shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless the other party, against all claims, losses, costs, expenses, damages, and liabilities arising from: (i) the negligence, willful misconduct or strict liability of such party, or its agents, employees, or contractors; or (ii) any material breach by such party of any provision of this License Agreement. Neither party shall be responsible or liable to the other for any claim, loss, cost, expense, damage, or liability arising from any claim to the extent attributable to any acts or omissions of the other party or to other third parties at the Tower or Site.

15. Insurance. Licensee shall have adequate insurance at all times at Licensee's expense which coverages shall include but are not limited to the following: Commercial Workers' Compensation Insurance as required by law, Commercial General Liability Insurance with a minimum combined single limit of Five Million Dollars ($5,000,000.00) covering personal injury and property damage, completed operations, independent Licensees and contractual liability (which may be provided in any combination of primary and excess coverage); Employer's Liability Insurance with a minimum combined single limit of One Million Dollars ($2,000,000.00); and Commercial Automobile Liability Insurance for any motor vehicle, covering bodily injury and property damage with a minimum combined single limit of One Million Dollars ($2,000,000.00). The foregoing insurance shall be issued on an occurrence basis, shall be primary with respect to any liability assumed by Licensee hereunder, shall specifically name Licensor as an additional insured, and include a waiver of subrogation in favor of Licensor. Licensee shall provide Licensor with certificates of insurance evidencing the required coverage and shall give Licensor thirty (30) days written notice if the coverage represented in these certificates is reduced or canceled.

Notwithstanding the foregoing, neither Licensee nor any employee, contractor, subcontractor, or agent of Licensee shall allow any person to enter upon or climb on the Tower without inclusion of such person under its insurance policy coverage as required hereunder or without ensuring that such person is adequately insured and using appropriate preventive fall protection.

16. Opportunity to Cure Defaults. If Licensee fails to comply with any provision of this License Agreement which Licensor claims to be a default hereof, Licensor shall serve written notice upon Licensee specifying the default, whereupon a grace period of thirty (30) days shall commence to run during which Licensee shall undertake and diligently pursue a cure of the default. Such grace period shall automatically be extended for an additional thirty (30) days, provided Licensee makes a good faith showing that efforts toward a cure are continuing.

17. Transfer of Licensee's Interest. Licensee's interest under this License Agreement shall be assignable by Licensee, without the necessity of obtaining Licensor's consent, in connection with the transfer to the named holder of a FCC license or to an affiliate, subsidiary or partner of Licensee, provided, however, no such assignment shall relieve Licensee of any obligation under this License Agreement and Licensee and any assignee shall be jointly and

severally liable under this License Agreement. Any other assignment of this License Agreement by Licensee shall require Licensor's prior written consent.

18. Multiple Users. Licensee shall not sublet or otherwise subdivide the Licensed Space or any portion thereof, or permit the Licensed Space to be occupied by multiple simultaneous users claiming through or under Licensee.

19. Removal of Licensee's Property. Licensee's Equipment are agreed to be Licensee's personal property, and Licensee shall at all times be authorized to create security interests in said property specifically itemized, and to remove said property from the Licensed Space free from any lien of Licensor. Upon the expiration or earlier termination of this License Agreement, Licensee (i) shall remove Licensee's Equipment in a good, efficient, and workmanlike manner and in compliance with all applicable legal requirements, (ii) shall repair any damage caused to the Tower and the Site caused by such removal, (iii) shall not interrupt or interfere with the operation of Licensor's communications system or Licensor's Equipment in removing Licensee's Equipment, and (iv) shall surrender the Tower and the Site in good condition, ordinary wear and tear excepted. In the event Licensee fails to remove any of Licensee's Equipment from the Tower or the Site within thirty (30) days of the expiration or earlier termination of this License Agreement, Licensee shall be deemed to have abandoned Licensee's Equipment and Licensor shall be free to remove and dispose of Licensee's Equipment in any manner determined by Licensor, in Licensor's sole and absolute discretion, and without any liability to Licensee therefor. If Licensee is deemed to have abandoned Licensee's Equipment to Licensor, pursuant to the preceding sentence, Licensee shall reimburse Licensor within five (5) days of Licensee's receipt of an invoice from Licensor, for all costs incurred by Licensor in removing and disposing of Licensee's Equipment, such obligation to reimburse Licensor to survive the termination of this License Agreement. Notwithstanding the foregoing, Licensee shall not have the right to, and may not, remove any structural enhancements to the Tower, such structural enhancements becoming the property of Licensor upon the expiration or earlier termination of this License Agreement.

20. Default.

(a) Event of Default. The occurrence of one (1) or more of the following events shall constitute an "Event of Default" hereunder:

(i) Monetary Default. The failure by Licensee to make any payment of rent or any other payment required to be made by Licensee hereunder, as and when due, where such failure shall continue for a period of ten (10) days after written notice thereof is received by Licensee from Licensor.

(ii) Other Default. The failure by a party to observe or perform any of the covenants or provisions of this License Agreement to be observed or performed by such party, where such failure shall continue for a period of fifteen (15) days after written notice thereof is received from the other party; provided, however that it shall not be deemed an Event of Default by a party if the other party commences to cure such failure within such fifteen (15) day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. If there occurs an Event of Default by Licensee, in addition to any other remedies available to Licensor at law or in equity, Licensor shall have the right to terminate this License Agreement and all rights of Licensee hereunder. If there occurs an Event of Default by Licensor or if any permit or any approval of any federal, state or local government entity is cancelled, expires, terminated or withdrawn, or in addition to any other remedies available to Licensee at law or in equity, Licensee shall have the right to terminate this License Agreement without further obligation under this License Agreement other than the removal of Licensee's Equipment.

(c) Licensor's Right to Terminate. Licensor shall have the right to cancel and terminate this License Agreement without penalty upon one hundred eighty (180) day written notice to Licensee and provided that Licensor gives Licensee the opportunity to purchase the permanent improvements and assume Licensor's obligations at the Site as further provided for in Section 21 "Removal of Improvements in the Ground Lease signed between Oregon RSA #2, Inc., an Oregon corporation as Tenant and City of the Dalles, as Landlord (the "Prime Lease") THIS 180-DAY TERMINATION PROVISION ONLY APPLIES IF THE LICENSOR, ITS SUCCESSORS OR ASSIGNS ELECTS TO ABANDON THE SITE OR OTHERWISE DISCONTINUE DOING BUSINESS AT THIS LOCATION. THIS PROVISION DOES NOT APPLY TO NORMAL SALE OF THE FACILITY OR BUSINESS, TRANSFER OF OWNERSHIP, OR OTHER TRANSACTIONS THAT ARE NOT INTENDED TO TERMINATE USE OF THE SITE.

21. Destruction. If the Tower is totally or substantially destroyed, Licensor, in Licensor's sole and absolute discretion, may terminate this License Agreement or may rebuild the Tower at Licensor's expense. If Licensor elects to terminate this License Agreement, Licensor shall reimburse Licensee the pro rata share of the annual rent that has been paid in advance hereunder and all rights and obligations of Licensor and Licensee arising after the termination date shall terminate. If Licensor elects to rebuild the Tower, Licensee shall not be required to pay rent while the Tower is being rebuilt unless Licensor provides Licensee with alternative space.

22. Condemnation.

(a) Permanent and Entire Condemnation. In the event the Tower and the Site are permanently and entirely taken or condemned for public purposes or sold to a condemning authority under threat of condemnation, this License Agreement shall terminate on the date of condemnation or sale. Upon termination of this License Agreement, Licensor shall reimburse Licensee the pro rata share of the annual rent that has been paid in advance hereunder and all rights and obligations of Licensor and Licensee arising after the termination date shall terminate.

(b) Temporary or Partial Condemnation. In the event the Tower and the Site are temporarily taken or condemned in their entirety or in the event a portion of the Tower or the Site is temporarily or permanently taken or condemned, Licensor shall have the right to terminate this License Agreement by giving Licensee written notice thereof or to provide alternative space to Licensee, such alternative space to be acceptable to Licensee in

Licensee's sole and absolute discretion. If the alternative space is unacceptable to Licensee, Licensee shall give Licensor written notice thereof and, upon Licensor's receipt of such written notice, this License Agreement shall terminate. If either Licensor or Licensee elects to terminate this License Agreement, Licensor shall reimburse Licensee the pro rata share of the annual rent that has been paid in advance hereunder and all rights and obligations of Licensor and Licensee arising after the termination date shall terminate, except for the parties' obligations concerning termination.

(c) Condemnation Award. Licensor shall receive the entire condemnation award for the Tower, Licensor's Equipment and the leasehold interest in the Site and Licensee hereby assigns to Licensor any and all right, title and interest of Licensee in and to such award. Licensee shall have the right to recover from such authority, but not from Licensor, any compensation awarded to Licensee on account of Licensee's Equipment, Licensee's moving and relocation expenses, and Licensee's license interest.

23. Quiet Enjoyment. Licensor covenants that Licensee shall have quiet enjoyment of the Licensed Space throughout the duration of the License Agreement, as the same may be renewed and extended, and that Licensor will not intentionally disturb Licensee's occupation thereof as long as Licensee is not in default under this License Agreement.

24. Attorney's Fees. In any action at law or in equity, the substantially prevailing party shall be entitled to recover the reasonable costs and expenses of its successful case, including reasonable attorney's fees and costs of appeal from the non-prevailing party.

25. Binding Effect. All of the covenants, conditions, and provisions of this License Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

26. Entire Agreement. This License Agreement constitutes the entire contract between the parties, and supersedes any prior understanding or oral or written agreements between them respecting the within subject matter.

27. Modifications. This License Agreement may not be modified, except in writing signed by the party against whom such modification is sought to be enforced.

28. Severability. If any term of this License Agreement is found to be void or invalid, such invalidity shall not affect the remaining terms of this License Agreement, which shall continue in full force and effect. The parties shall agree that if any provisions are deemed not enforceable, they shall be deemed modified to the extent necessary to make them enforceable.

29. Authority. The persons who have executed this License Agreement represent and warrant that they are duly authorized to execute this License Agreement in their individual or representative capacity as indicated.

30. Environmental.

(a) Definitions: For purpose of this License, the Term "Hazardous Substances" shall be defined in the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Sections 9601 et seq., and any regulations promulgated pursuant thereto, and as used to define, "Hazardous Wastes" in the Resource Conservation and Recovery Act 42 U.S.C. Sections 6901 et seq., and any regulations promulgated thereto. For purposes of this License, the term "Environmental Laws" shall mean any and all local, state and Federal statutes, regulations or ordinances pertaining to the environmental or natural resources.

(b) Duty of Licensee: Licensee shall not (either with or without negligence) cause or permit the use, storage, generation, escape, disposal or release of any Hazardous Substances or Hazardous Wastes in any manner not sanctioned by law. In all events, Licensee shall indemnify and hold Licensor harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, any and all sums paid for settlement of claims, attorney's fees, and consultants' and experts' fees) from the presence or release of any Hazardous Substances or Hazardous Wastes on the Licensed Space if caused solely by Licensee or persons acting under the direction and control of Licensee. Licensee shall execute such affidavits, representations and the like from, time to time as Licensor may reasonably request concerning Licensee's best knowledge and belief as to the presence of Hazardous Substances or Hazardous Wastes on the Licensed Space.

(c) Licensor shall not (either with or without negligence) cause or permit the use, storage, generation, escape, disposal or release of any Hazardous Substances or Hazardous Wastes in any manner not sanctioned by law. In all events, Licensor shall indemnify and hold Licensee harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitations, any and all sums paid for settlement of claims, attorney's fees, and consultants' and experts' fees) from the presence or release of any Hazardous Substances or Hazardous Wastes on the property unless caused solely by Licensee or person acting under the direction and control of Licensee. Licensor shall execute such affidavits, representations and the like from time to time as Licensee may reasonably request concerning Licensor's best knowledge and belief as to the presence of Hazardous Substances or Hazardous Wastes on the Property.

(d) Effect of Mutual Indemnification: The indemnifications contained in this Section specifically include costs incurred in connection with any investigation of site conditions by either party or third parties or any cleanup remedial, removal or restoration work required by any governmental authority. Notwithstanding any other provisions in this License Agreement, the provisions of this Section will survive the expiration or termination of this License Agreement and either party shall have the right to summarily terminate this License Agreement, without giving notice required under this License Agreement, in the event of default of the other under this Section.

31. Relationship of License Agreement to the Prime Lease. The parties acknowledge that Licensor's interest in and right to use and occupy the Site are derived from and governed by the provisions of the Prime Lease. Licensee understands and agrees that this License Agreement is subject to and subordinate to the provisions of the Prime Lease. Licensor and Licensee

acknowledge and agree that in the event Licensor's rights to occupy and use the Site are terminated as a result of the termination or expiration of the Prime Lease, this License Agreement shall terminate upon the effective termination date of said Prime Lease. In the event of any conflict in or between the terms and conditions of this License Agreement and the Prime Lease, the parties agree that the terms, provisions and conditions of the Prime Lease shall control. Licensor and Licensee each covenant to comply with the terms and provisions of said Prime Lease and to take such steps as shall be necessary to prevent its actions or those of its employees, agents or contractors from resulting in a breach of said Prime Lease.

32. Applicable law. This License Agreement shall be construed, performed and enforced in accordance with the laws of the State in which the Licensed Space is located.

33. Notices. Any notice, request or demand required or permitted to be given pursuant to this License Agreement shall be in writing and shall be deemed sufficiently given if delivered by messenger at the address of the intended recipient, sent prepaid by Federal Express (or a comparable guaranteed overnight delivery service), or deposited in the United States first class mail (registered or certified, postage prepaid, with return receipt requested), addressed to the intended recipient at the address set forth below or at such other address as the intended recipient may have specified by written notice to the sender in accordance with the requirements of this paragraph. Any such notice, request, or demand so given shall be deemed given on the day it is delivered by messenger at the specified address, on the day after deposit with Federal Express (or a comparable overnight delivery service), or on the day that is two (2) days after deposit in the United States mail, as the case may be.

LICENSOR: Oregon RSA #2, Inc.
Attention: Real Estate Lease Administration
8410 West Bryn Mawr Avenue
Chicago, Illinois 60631
Site: West Dalles/385362

LICENSEE: City of the Dalles
313 Court Street
The Dalles, OR 97058
Phone: 541-596-5481

34. Waiver of Compliance. Any failure of the Licensee to comply with any obligation, covenant, agreement, or condition herein may be expressly waived by Licensor, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

35. Survival. The representations, warranties, and indemnifications contained herein shall survive the termination or expiration of this License Agreement.

36. Other. The submission of this License Agreement for examination and negotiation does not constitute an offer to license space, or a reservation or option, and this License Agreement

shall become effective and binding only upon the execution and delivery hereof by both the Licensor and Licensee.

37. Each party agrees that the execution and delivery of this Tower and Ground Space License Agreement by facsimile or electronic signature shall be legal and binding and shall have the same force and effect as delivery of original signatures and that each party may use such facsimile or electronic signature as evidence of the execution.

[END OF LICENSE AGREEMENT - SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto bind themselves to this Tower and Ground Space License Agreement as of the day and year first above written.

LICENSEE

City of The Dalles, an
Oregon municipal corporation

_____
Matthew B. Klebes, City Manager

Date: _____

ATTEST:

_____
Aimee Ell, CMC, City Clerk

Approved as to form:

_____
Jonathan Kara, City Attorney

LICENSOR

Oregon RSA #2, Inc.

_____
Vice President

Date: _____

Exhibit A

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 NORTH, RANGE 13 EAST, W.M., DALLESPORT, KLICKITAT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 34 AS MONUMENTED BY A FOUND 5/8" REBAR, SAID QUARTER CORNER LIES SOUTH 00°01'35" WEST 2638.10 FEET FROM THE NORTHWEST SECTION CORNER; THENCE NORTH 51°42'16" EAST 1210.70 FEET TO A SET 5/8" REBAR AND THE TRUE POINT OF BEGINNING;

THENCE NORTH 00°00'21" WEST 100.07 FEET; THENCE NORTH 89°59'37" EAST 99.95 FEET; THENCE SOUTH 00°03'55" EAST 100.15 FEET; THENCE NORTH 89°57'36" WEST 100.05 FEET TO THE SAID TRUE POINT OF BEGINNING.

TOGETHER WITH AN EASEMENT FOR ACCESS AND UTILITIES BEING 20.00 FEET IN WIDTH, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

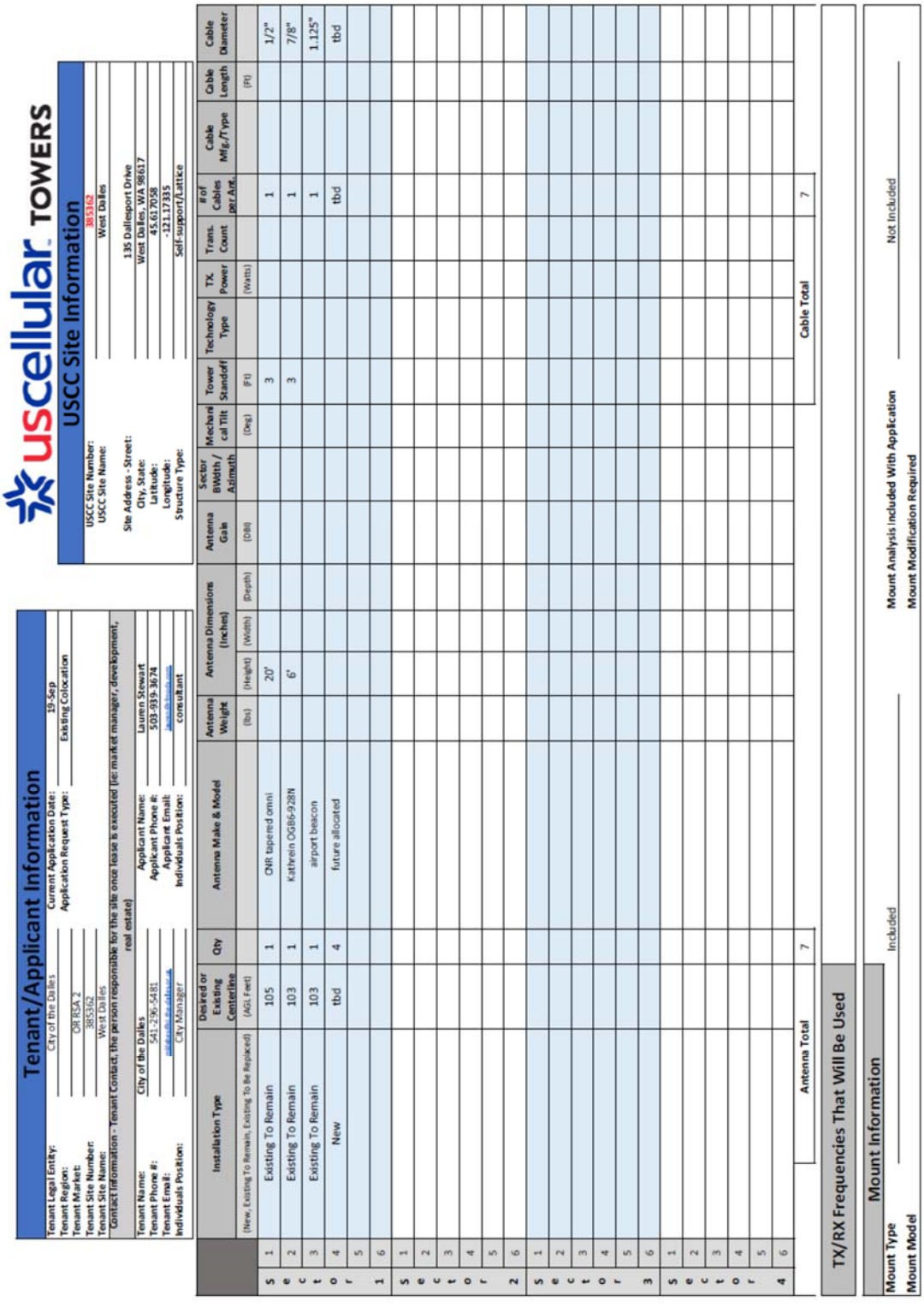
COMMENCING AT THE NORTHWEST CORNER OF THE ABOVE-DESCRIBED PARCEL AS MONUMENTED BY A SET 5/8" REBAR; THENCE SOUTH 00°00'21" EAST ALONG THE WEST LINE OF SAID PARCEL 50.00 FEET TO THE BEGINNING OF SAID CENTERLINE;

THENCE NORTH 42°22'12" WEST 335.26 FEET MORE OR LESS TO THE SOUTH LINE OF A ROAD THAT SERVES AS THE CITY OF THE DALLES AIRPORT ACCESS ROAD AND THE END OF SAID CENTERLINE.

ALSO TOGETHER WITH AND SUBJECT TO EASEMENTS, RESERVATIONS, COVENANTS AND RESTRICTIONS OF RECORD AND IN VIEW.

DESCRIPTION PER AF#1037963
TOGETHER WITH AND SUBJECT TO EASEMENTS, COVENANTS, RESERVATIONS, RIGHT-OF-WAYS AND RESTRICTIONS OF RECORD AND IN VIEW.

Exhibit B



Tenant/Applicant Information

Tenant Legal Entity:	City of the Dalles	Current Application Date:	19-Sep
Tenant Region:		Application Request Type:	Existing Colocation
Tenant Market:	OR RSA 2		
Tenant Site Number:	385362		
Tenant Site Name:	West Dalles		

Contact Information - Tenant Contact, the person responsible for the site once lease is executed (ie: market manager, development, real estate)

Tenant Name:	City of the Dalles	Applicant Name:	Lauren Stewart
Tenant Phone #:	541-296-5481	Applicant Phone #:	503-939-3674
Tenant Email:		Applicant Email:	
Individuals Position:	City Manager	Individuals Position:	consultant

uscellular TOWERS

USCC Site Information

USCC Site Number:	385362
USCC Site Name:	West Dalles
Site Address - Street:	135 Dallesport Drive
City, State:	West Dalles, WA 98617
Latitude:	45.61 7098
Longitude:	-121.17335
Structure Type:	Self-support/Lattice

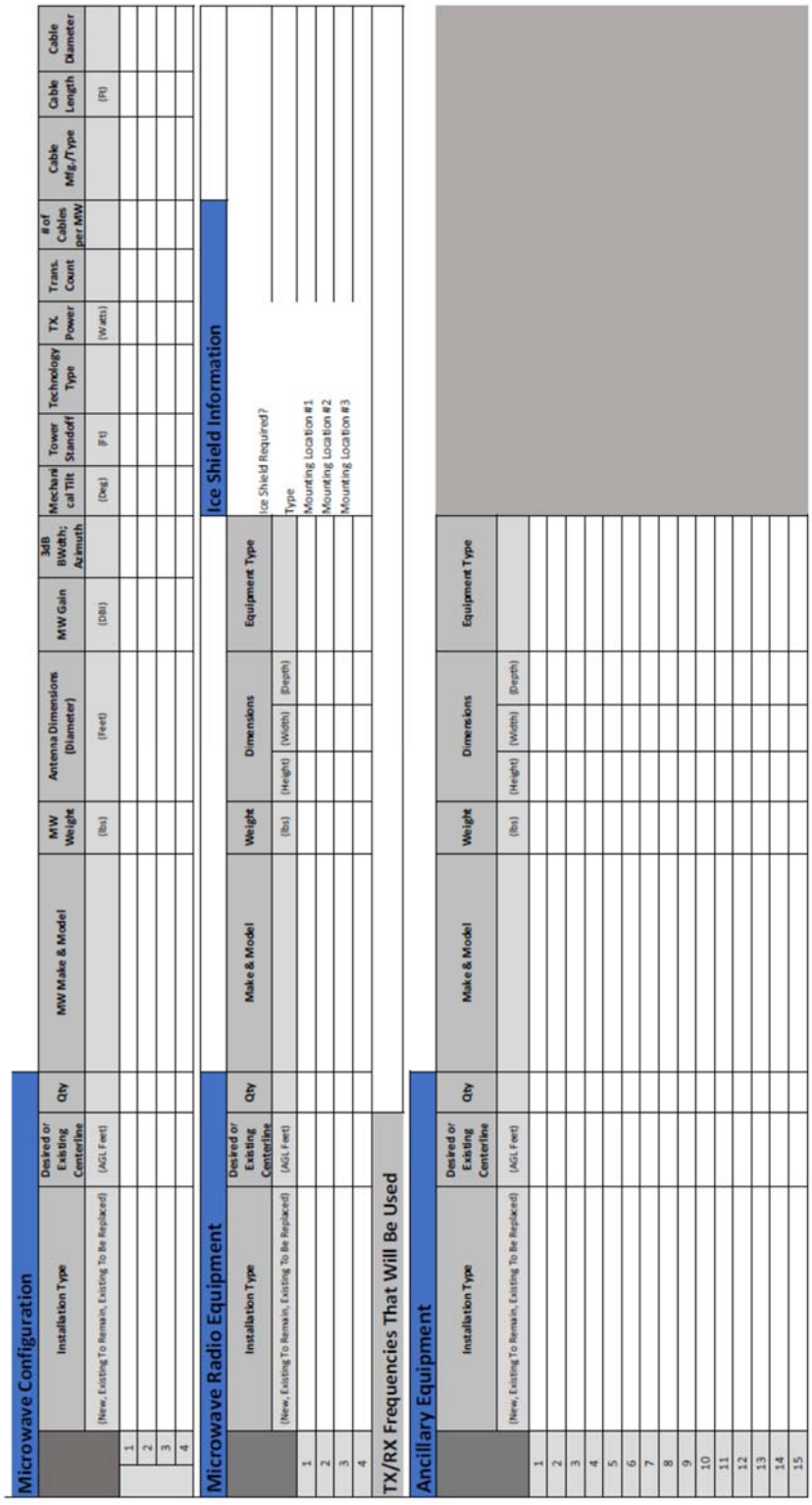
		Installation Type	Desired or Existing Centerline	Qty	Antenna Make & Model	Antenna Weight	Antenna Dimensions (Inches)			Antenna Gain	Sector BWidth / Azimuth	Mechanical Tilt	Tower Standoff	Technology Type	TX. Power	Trans. Count	# of Cables per Ant.	Cable Mfg./Type	Cable Length	Cable Diameter
		(New, Existing To Remain, Existing To Be Replaced)	(AGL Feet)			(lbs)	(Height)	(Width)	(Depth)	(DB)		(Deg)	(Ft)		(Watts)				(Ft)	
Sector 1	1	Existing To Remain	105	1	CNR tapered omni		20'						3				1			1/2"
	2	Existing To Remain	103	1	Kathrein OG86-928N		6'						3				1			7/8"
	3	Existing To Remain	103	1	airport beacon												1			1.125"
	4	New	tbd	4	future allocated												tbd			tbd
	5																			
1	6																			
Sector 2	1																			
	2																			
	3																			
	4																			
	5																			
2	6																			
Sector 3	1																			
	2																			
	3																			
	4																			
	5																			
3	6																			
Sector 4	1																			
	2																			
	3																			
	4																			
	5																			
4	6																			
		Antenna Total		7										Cable Total			7			

TX/RX Frequencies That Will Be Used

Mount Information

Mount Type	Included	Mount Analysis Included With Application	Not Included
Mount Model		Mount Modification Required	

Exhibit B (Continued)



Microwave Configuration

	Installation Type (New, Existing To Remain, Existing To Be Replaced)	Desired or Existing Centerline (AGL Feet)	Qty	MW Make & Model	MW Weight (lbs)	Antenna Dimensions (Diameter) (Feet)	MW Gain (DBi)	3dB BWdth; Azimuth	Mechanical Tilt (Deg)	Tower Standoff (Ft)	Technology Type	TX. Power (Watts)	Trans. Count	# of Cables per MW	Cable Mfg./Type	Cable Length (Ft)	Cable Diameter
1																	
2																	
3																	
4																	

Microwave Radio Equipment

	Installation Type (New, Existing To Remain, Existing To Be Replaced)	Desired or Existing Centerline (AGL Feet)	Qty	Make & Model	Weight (lbs)	Dimensions (Height)	(Width)	(Depth)	Equipment Type
1									
2									
3									
4									

TX/RX Frequencies That Will Be Used

Ice Shield Information

Ice Shield Required?

Type

Mounting Location #1

Mounting Location #2

Mounting Location #3

Ancillary Equipment

	Installation Type (New, Existing To Remain, Existing To Be Replaced)	Desired or Existing Centerline (AGL Feet)	Qty	Make & Model	Weight (lbs)	Dimensions (Height)	(Width)	(Depth)	Equipment Type
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									

Exhibit B (Continued)

Ground Space/Shelter Information	Length (Feet)	Width (Feet)	Total Lease Sq Ft Area:
Lease Area Dimensions	12	10	120 Square Feet
Equipment Pad Dimensions	12	10	120 Square Feet
Equipment Enclosure Category:	Outdoor Shelter		

Generator Information			
Generator Required:	No		
Generator Location:			
	Length (Feet)	Width (Feet)	Total Lease Sq Ft Area:
Generator Ground Space Required			0 Square Feet
Separate Ground Space Required			
Fuel Type:			
Tank Location:			
AC Power:			

Utility Requirements	
Power Requirements:	
Telco/Backhaul Type:	
Telco / Fiber Provider:	

Tower Extension	
Tower Extension Requested	No
Tower Extension Length	

Shared Services	
Is shared shelter space needed?	No
Amount of space needed?	
Is shared power needed?	No
Estimated Monthly Usage?	
Is a shared generator needed?	Yes
Is shared transport needed?	No

Scope of Work Under this Application (REQUIRED) / Other Comments or notes

Equipment to be REMOVED (Qty/Model):
none

Equipment to be INSTALLED (Qty/Model):
none

FINAL TENANT CONFIGURATION ON TOWER (Qty/Model) (to include summary of leased ground space, if applicable):
two omnis (CNR tapered omni & Kathrein OG86-928N), one airport beacon, four future antennas (tbd); 120 ground space.

Other Notes / Information:
Applicant connected to US Cellular generator by separate agreement

Exhibit C

(Page 1 of 2)

Site Plan

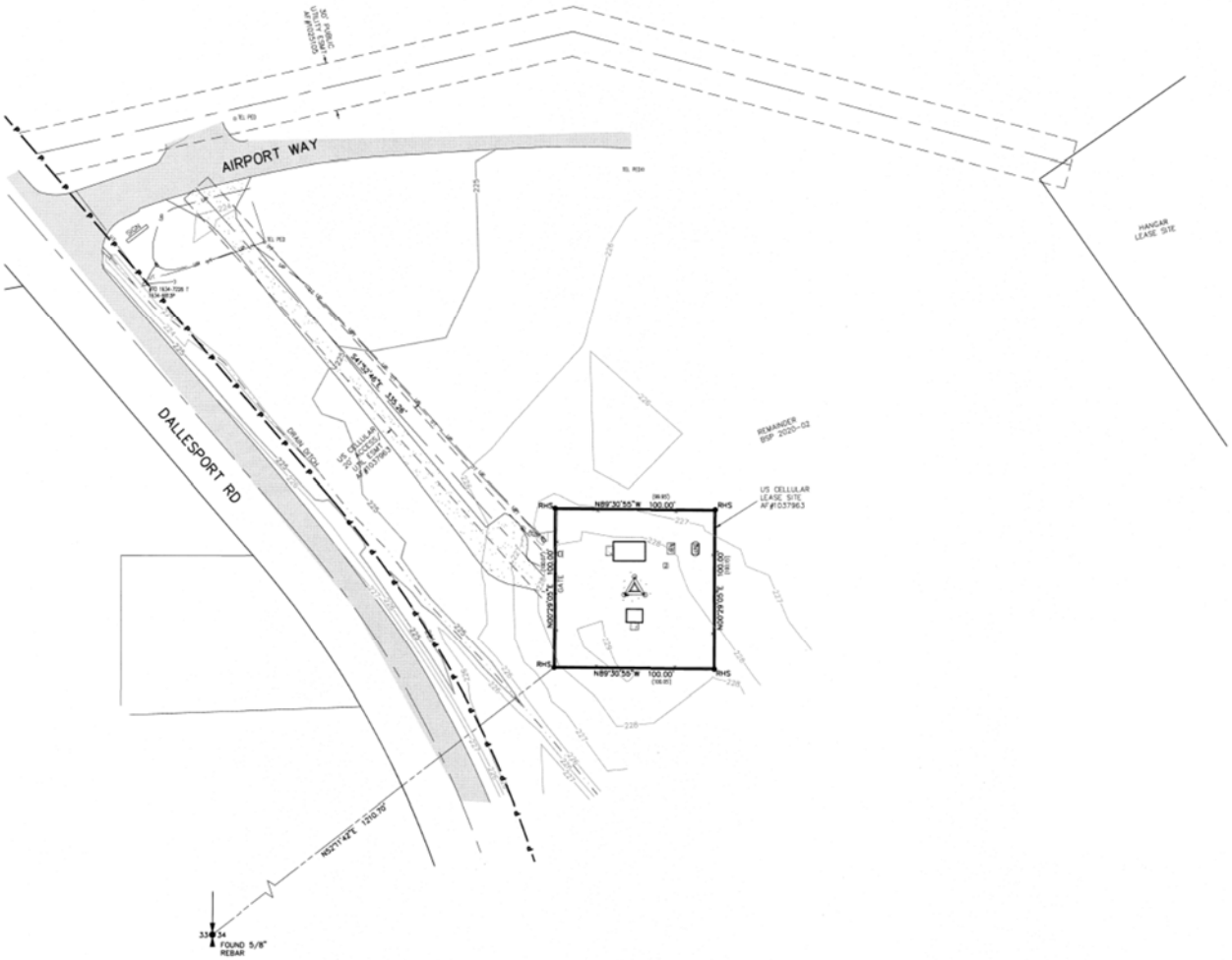
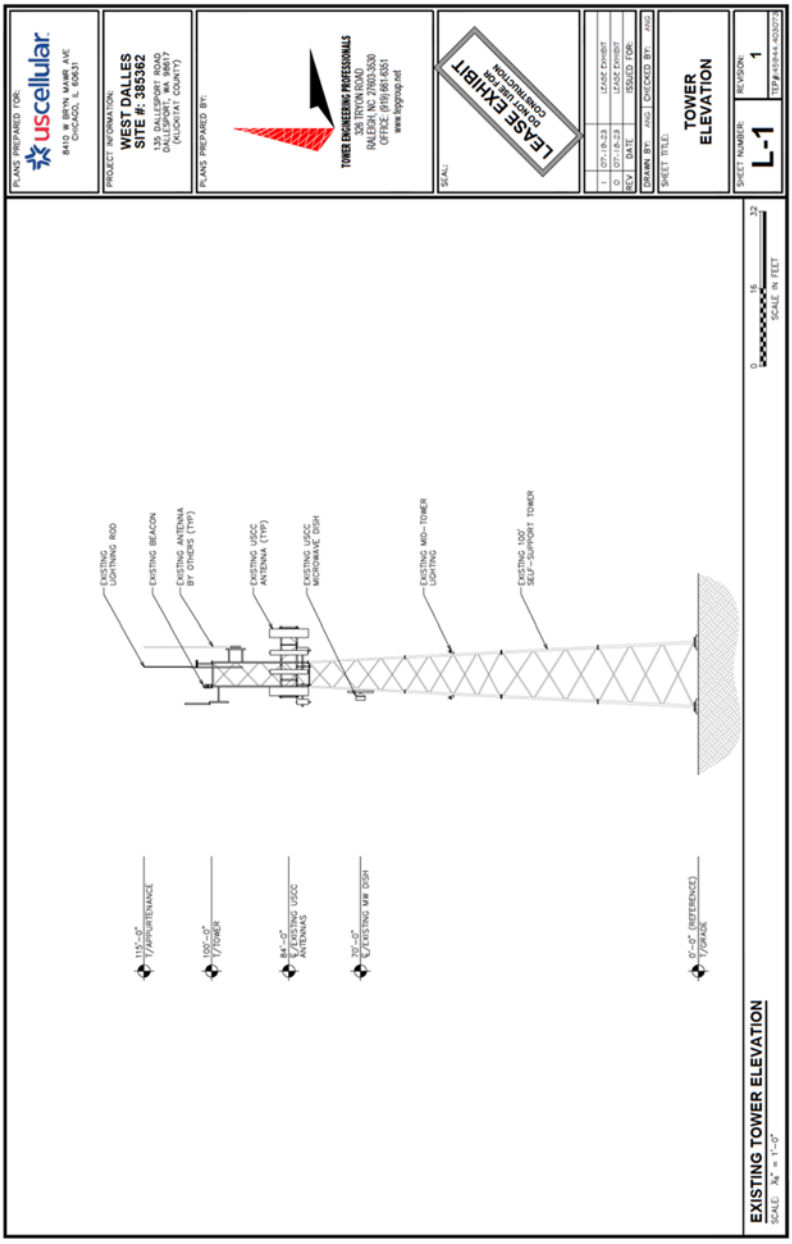


Exhibit C

(Page 2 of 2)

Tower Elevation



LEASE

This Lease (**Lease**) is made and entered into by and between City of the Dalles, a municipal corporation of the State of Oregon, having an address at 313 Court Street, The Dalles, OR 97058, (**Landlord**), and Oregon RSA #2, Inc., an Oregon corporation, having an address at Attention: Real Estate Lease Administration, 8410 West Bryn Mawr Avenue, Chicago, Illinois 60631 (**Tenant**).

WHEREAS, Landlord is the fee owner of property with an address 135 Dallesport Road located in the City of Dallesport of County of Klickitat, State of Washington legally described in Exhibit A attached hereto and incorporated by reference (**Landlord's Parcel**).

WHEREAS, the Landlord and Tenant are parties to a previous lease expiring on June 30, 2023, as amended by Amendment No. 1 to Ground Lease dated September 26, 2023; and,

WHEREAS, Tenant desires to continue to occupy, and Landlord is willing to provide Tenant such Premises (as hereinafter defined) on the Landlord's Parcel for Tenant's use, as set forth in this Lease.

NOW THEREFORE, in consideration of the mutual promises, conditions, and other good and valuable consideration of the Parties ("Landlord" and/or "Tenant") hereto, it is covenanted and agreed as follows:

1. Option to Lease.

Landlord hereby grants to Tenant the right to lease from Landlord the following described parcel (**Leasehold Parcel**):

Approximate dimensions: 100' x 100'

Approximate square footage: 10,000

a. Legal descriptions of the Landlord's Parcel and the Tenant's Premises are attached as Exhibit "A" and a Site Plan of the Leasehold Parcel is attached to and made part of this lease as Exhibit "B".

b. During the Initial Term (as hereinafter defined) and any Renewal Term (as hereinafter defined) of this Lease, Tenant and its agents, engineers, surveyors and other representatives will have the right to enter upon the Leasehold Parcel to inspect, examine, conduct soil borings, drainage testing, material sampling, and other geological or engineering tests or studies of the Leasehold Parcel (collectively, **Tests**), to apply for and obtain licenses, permits, approvals, or other relief required of or deemed necessary or appropriate at Tenant's sole discretion for its use of the Premises (as hereinafter defined) and include without limitation applications for zoning variances, zoning ordinances, amendments, special use permits, and construction permits (collectively, **Governmental Approvals**), and otherwise to do those things on or off the Leasehold Parcel that, in the opinion of Tenant, are necessary in Tenant's sole discretion to determine the physical condition of the Leasehold Parcel, the environmental history of the Leasehold Parcel, Landlord's title to the Leasehold Parcel, and the feasibility or suitability of the Leasehold Parcel for Tenant's Permitted Use (as

hereinafter defined), all at Tenant's expense. Tenant will not be liable to Landlord or any third Party on account of any pre-existing defect or condition on or with respect to the Leasehold Parcel, whether or not such defect or condition is disclosed by Tenant's inspection, unless such pre-existing defect or condition is caused by or results from Tenant's sole conduct.

2. Grant of Easements. Landlord hereby grants to Tenant an access and utility easement twenty (20) feet in width from the Leasehold Parcel to the nearest accessible public right-of-way and to the nearest suitable utility company-approved service connection points (**Easement**); the lands underlying the Easement are referred to herein as the **Easement Parcel**, which Easement Parcel is further described in Exhibits "A" and "B". The Easement granted herein is coterminous with the duration of the Lease and shall include:

   a. The right to clear vegetation, cut timber, and move earthen materials upon the Easement Parcel,

   b. The right to improve an access road within the Easement Parcel,

   c. The right to place use, repair, replace, modify and upgrade utility lines and related infrastructure and equipment within the Easement Parcel,

   d. The right to enter and temporarily rest upon Landlord's adjacent lands for the purposes of

      (i) Installing, repairing, replacing and removing the Improvements (as defined below) and any other personal property of Tenant from the Leasehold Parcel and

      (ii) Improving the Easement Parcel, including the right to bring in and use all necessary tools and machinery, and

   e. The right of pedestrian and vehicular ingress and egress to and from the Leasehold Parcel at any time over and upon the Easement Parcel. The Leasehold Parcel and the Easement Parcel are collectively referred to herein as the **Premises**. Landlord agrees to make such additional direct grants of easement, such grants not to be unreasonably withheld, conditioned or delayed, as Tenant may request in order to further the purposes for which Tenant has been granted the easements set forth in this Section 2.

3. Use of the Premises. Tenant shall be entitled to use the Premises to construct, operate, modify as necessary, and maintain thereon a communications antenna tower (including aviation hazard lights when required), an access road, one or more equipment buildings, back-up power devices and a security fence, together with all necessary lines, anchors, connections, devices, legally required signage and equipment for the transmission, reception, encryption, and translation of voice and data signals by means of radio frequency energy and landline carriage (collectively, **Improvements**); Tenant's use described in this Section 3 is hereinafter referred to as the **Permitted Use**. Tenant shall have unlimited access to the Premises 24 hours per day, 7 days a week.

4. Additional Consideration. As additional consideration for entering into this Lease, Tenant agrees to pay Landlord a one-time, non-refundable fee of Two Thousand Five Hundred and No/100 Dollars (**$2,500.00**) within thirty (30) business days after the Effective Date.

5. Term of Lease. The initial term shall be five (5) years (the "Initial Term"), commencing upon September 1, 2023 (**Commencement Date),** and terminating at midnight on the day in which the fifth (5^{th}) anniversary of the Commencement Date falls.

6. Option to Renew. The Initial Term of this Lease shall automatically extend for up to five (5) additional terms of five (5) years each (each, **Renewal Term**), upon a continuation of all the same provisions hereof, unless Tenant gives Landlord written notice of Tenant's intention to terminate the Lease at least sixty (60) days before the expiration of the Initial Term or any Renewal Term.

7. Option to Terminate. This Agreement may be terminated, without penalty or further liability, as follows:

   (a) By Tenant who shall have the unilateral right to terminate this Lease at any time by giving Landlord six (6) months prior written notice of the date of such termination (**Termination Date**) and paying Landlord the amount of $2,500 as liquidated damages. The Indemnification obligations of each Party and Tenant's requirement to remove Improvements shall survive termination of the Lease.

   (b) By Landlord if any of the following occur: (i) the making by Tenant of any general assignment for the benefit of creditors; (ii) the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within ninety (90) days); (iii) the appointment of a trustee or receiver in an involuntary bankruptcy to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within ninety (90) days; or (iv) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease where such seizure is not discharged within ninety (90) days.

8. Rent. Tenant shall pay Rent to Landlord in the amount of One Thousand Five Hundred dollars ($1,500.00) per month, the first payment of which shall be due within thirty (30) days of the Commencement Date, and installments thereafter on the first day of each calendar month, provided that Landlord shall submit to Tenant a complete and accurate IRS form W9 prior to Tenant's first payment of Rent. Landlord shall specify the name, address, and taxpayer identification number of a sole payee (or maximum two joint payees) who shall receive Rent on behalf of the Landlord. Rent will be prorated for any partial month. Any change to the Payee must be requested in accordance with the Notice provision herein, and a new IRS form W9 must be supplied prior to payment by Tenant to the new Payee.

9. Adjusted Rent. On every anniversary of the Commencement Date, throughout the duration of the Lease as renewed and extended, the Rent shall be increased by three percent (**3%**) over the previous year's Rent.

10. Utilities. Tenant shall solely and independently be responsible for all costs of providing utilities to the Premises, including the separate metering, billing, and payment of utility services consumed by Tenant's operations. The word **utilities** shall mean any service that is necessary for the Tenant to conduct its operations on the Premises and the phrase **utility**

services shall mean any provider who provides utility services or utility related infrastructure so that the Tenant can conduct its Permitted Use on the Premises.

11. Property Taxes. Tenant shall pay prior to delinquency any personal property taxes levied against Tenant's Improvements. Tenant shall pay to Landlord upon Landlord's demand, any increase in real property taxes levied against Landlord's Parcel attributable to Tenant's use or Improvements, provided Landlord agrees to furnish reasonable documentation of such increase to Tenant. Furthermore, Landlord agrees to give timely notice to Tenant in the event it is notified of an assessment valuation change, or a change in property status. Landlord agrees that Tenant shall have the right to appeal any such change in status or any increase in real estate assessment for the Leasehold Parcel or Tenant's Improvements, and Landlord will reasonably cooperate, but at no cost to Landlord, with any such appeal by Tenant. Tenant shall only be responsible for property tax reimbursements requested by Landlord within one (1) year of payment of such property taxes by Landlord. Landlord's requests to Tenant for reimbursement of such property taxes should be addressed to:

    U. S. Cellular
    Attention: *385362*
    P.O. Box 31369
    Chicago, IL 60631-0369

    In order to ensure Tenant's leasehold interest is not extinguished in the event the real property taxes related to Landlord's Parcel become delinquent, Tenant shall have the right, but not the obligation, to pay delinquent real property taxes related to Landlord's Parcel. Tenant shall be entitled to take a credit against the Rent under this lease for any such taxes paid by Tenant exceeding Tenant's proportionate share thereof.

12. Repairs and Maintenance. Tenant shall be responsible for all repairs and maintenance of the Improvements, including maintenance of the access road only to the extent needed for use by four-wheel drive vehicles, and, if applicable, snow removal if Tenant has exclusive control over its access road. Tenant is also responsible for mitigating noxious weeds within their Leasehold Parcel and Easement. Tenant may at its own expense alter or modify the Improvements to suit its needs consistent with the intended use of the Premises. Landlord will maintain the areas surrounding Tenant's Premises. Landlord's maintenance shall include, but is not limited to, if applicable, snow removal if all of or part of the Access Easement is shared between the Parties.

13. Mutual Indemnification.

    a. To the extent permitted by law, Tenant agrees to defend, indemnify and save harmless Landlord from and against all claims, losses, costs, expenses, or damages from a third party, arising from:

        (i) The negligence or willful misconduct of Tenant, or its agents, employees, or contractors; *or*

        (ii) Any material breach by Tenant of any provision of this Lease. This indemnity and hold harmless agreement will include indemnity against all reasonable costs, expenses, and liabilities incurred in or in connection with any such claim, and the defense thereof. Notwithstanding the foregoing,

Tenant will have no liability to Landlord to the extent any claims, losses, costs, expenses, or damages arise out of or result from any act, omission, or negligence of Landlord, or of Landlord's agents, employees or contractors.

b. To the extent permitted by law, Landlord agrees to defend, indemnify and save harmless Tenant from and against all claims, losses, costs, expenses, or damages from a third party, arising from:

(i) The negligence or willful misconduct of Landlord or its agents, employees, or contractors; *or*

(ii) Any material breach by Landlord of any provision of this Lease. This indemnity and hold harmless agreement will include indemnity against all reasonable costs, expenses, and liabilities incurred in or in connection with any such claim, and the defense thereof. Notwithstanding the foregoing, Landlord will have no liability to Tenant to the extent any claims, losses, costs, expenses, or damages arise out of or result from any act, omission, or negligence of Tenant, or of Tenant's, agents, employees or contractors.

14. Insurance.

a. Tenant shall maintain commercial general liability insurance insuring against liability for bodily injury, death or damage to personal property with combined single limits of Two Million and No/100 Dollars **($5,000,000**). In addition, Tenant shall maintain worker's compensation in statutory amounts, employer's liability insurance with combined single limits of Two Million and No/100 Dollars (**$2,000,000**); automobile liability insurance insuring against claims for bodily injury or property damage with combined single limits of Two Million and No/100 Dollars (**$2,000,000**); and all risk property insurance covering all personal property of Tenant for full replacement value. Tenant shall annually provide Landlord with evidence of such insurance in the form of a certificate of insurance prior to obtaining occupancy of the Premises and throughout the term of this Lease or any Renewal Term. Tenant shall notify Landlord with any changes to the insurance policies in this paragraph.

b. Landlord shall maintain general liability insurance insuring against liability for bodily injury, death or damage to personal property with combined single limits of Two Million and No/100 Dollars (**$2,000,000**). In addition, to the extent required by law, Landlord shall maintain worker's compensation in statutory amounts and employer's liability insurance with combined single limits of Two Million and No/100 Dollars (**$2,000,000**). Landlord shall annually provide Tenant with evidence of such insurance in the form of a certificate of insurance prior to Tenant obtaining occupancy and throughout the term of this Lease or any Renewal Term. Landlord shall notify Tenant with any changes to the insurance policies in this paragraph.

c. Tenant shall cause any contractors or subcontractors engaged by Tenant to perform Work at the Property to carry commercial general liability insurance on an occurrence basis with minimum limits of not less than the minimum limits required under the first paragraph of this Section 14, with Landlord named as an additional insured on such policy.

d. Notwithstanding this provision, Tenant shall indemnify Landlord for, from and against any claims resulting from the performance or non-performance of Tenant's contractors and/or their failure to be properly insured.

15. Default. Tenant shall be in default of this Lease if Tenant fails to make a payment of rent when due and such failure continues for fifteen (15) days after Landlord notifies Tenant in writing of such failure. Tenant shall also be in default for failing to notify Landlord of any sublease or license in connection with the Premises within 60 days of entering into such agreements. If Landlord or Tenant fails to comply with any non-monetary provision of this Lease, the other Party shall serve written notice of such failure upon the defaulting Party, whereupon a grace period of thirty (30) days shall commence to run during which the defaulting Party shall undertake and diligently pursue a cure of such failure at its sole cost and expense. Such grace period shall automatically be extended for one (1) additional thirty (30) day extension, provided the defaulting Party makes a good faith showing efforts toward a cure are continuing.

16. Compliance with Laws. Tenant shall, at Tenant's cost and expense, comply with all federal, state, county or local laws, rules, regulations and ordinances now or hereafter enacted by any governmental authority or administrative agency having jurisdiction over the Premises and Tenant's operations thereupon.

17. Assignment of Lease by Tenant. This Lease shall be freely assignable by the Tenant to any other party without the necessity of obtaining Landlord's consent. Tenant's right to effect an outright transfer of the Lease, and the right of any collateral assignee to seize the Premises as defaulted security, is subject only to the limitation that the Premises shall be used for the purposes permitted herein. Tenant shall notify Landlord in writing of the name and address of any assignee or collateral assignee within sixty (60) days after Tenant's leasehold interest is assigned.

18. Subleasing. Tenant shall have the unreserved and unqualified right to sublet and license all or any portion of the Premises to subtenants and licensees without the necessity of obtaining Landlord's consent. Tenant shall pay to Landlord twenty five percent (**25%**) of any sublet/license rental payments that Tenant may receive, due and payable to Landlord within thirty (30) days of the commencement of a sublease/license between Tenant and subtenant/licensee and monthly thereafter until the sublease/license expires or is otherwise terminated. Said sublease/license rental payment will be a separate payment and shall include any increase or escalator provided for in said sublease/license. Sublet/license rent will be paid in advance on the first day of each month at the address for the Landlord set forth in this Lease, or other such address as Landlord may designate in writing to Tenant. Rent is uniformly apportionable day to day. Rent for partial months (if any) in which the Lease commenced shall be prorated and paid as set forth in Section 8. Such additional collocation fees shall not apply to police, fire, or emergency services, or any other governmental service. Tenant is responsible for notifying Landlord of all sublets and/or licenses impacting the Premises within sixty (60) days of entering such agreements. Tenant shall provide Landlord documentation of each sublease/license and any subsequent amendments or exhibits or annual gross income reports.

19. Right of First Refusal. Tenant (or its successor in interest, assignee or designee) shall have a right of first refusal (**"Right of First Refusal**") to purchase (a) all or any part of the

fee ownership of the Premises; (b) any easement rights in or over all or any part of the Premises; (c) all or any part of Landlord's interest in or rights under this Lease, including, without limitation, the right to collect rents, or (d) any other legally recognizable interest in the Premises that Landlord may seek to transfer (each, **"Landlord's Interest**") whenever Landlord receives a bona fide offer from an unrelated third party to purchase, directly or indirectly, all or any part of Landlord's Interest that Landlord desires to accept ("Offer"). If the Offer is part of a larger transaction, including, without limitation, involving Landlord's Parcel, equity of Landlord or a larger package of assets which includes the Landlord's Interest, Landlord shall make a good faith estimate of the portion of such larger offer price attributable to the Landlord's Interest and provide that price to Tenant. Prior to accepting such Offer, Landlord shall give Tenant a copy of the Offer and other relevant documents, including the price and the terms and conditions upon which Landlord proposes to transfer Landlord's Interest (collectively, **the "Right of First Refusal Notice**"). Tenant shall have forty-five (45) days from the receipt of such notice to agree to purchase Landlord's Interest for the price and upon the terms and conditions specified in the Offer (**"Tenant Approval Period**").

If Tenant elects to so purchase Landlord's Interest, Tenant shall give to Landlord written notice thereof within said Tenant Approval Period (**"Acceptance Notice**"). If Tenant delivers an Acceptance Notice as provided herein, then Landlord and Tenant shall enter into a mutually acceptable purchase and sale agreement pertaining to such Landlord's Interest (**the "Purchase and Sale Agreement**"), reflecting the terms of the Offer, as well as other customary covenants, representations and warranties contained in purchase and sale agreements for similar acquisitions in the metropolitan area in which the Premises is located. The parties agree to act reasonably and cooperatively in negotiating, executing and delivering the Purchase and Sale Agreement. Except as otherwise specified in the Offer, at the closing for the sale of all or any part of the Premises, Landlord shall deliver to Tenant a special warranty deed (or local equivalent), sufficient to convey to Tenant fee simple title. In the case of an assignment of the Lease or the grant of an easement, Landlord shall instead deliver to Tenant a customary assignment of the Lease or a customary easement.

If Tenant does not exercise the Right of First Refusal during the Tenant Approval Period, then Landlord may proceed to transfer Landlord's Interest upon the same terms and conditions set forth in the Offer; provided such transfer occurs within three (3) months following the end of the Tenant Approval Period, the transfer is made in accordance with all the other terms and conditions of this Lease, and such purchaser assumes the obligations of Landlord under this Lease including, without limitation, this Right of First Refusal which shall be an ongoing Right of First Refusal during the lease term. If Landlord has not transferred Landlord's Interest within such three (3) month period, or in the event any terms or conditions of the proposed deal change from the terms and conditions provided in the initial Right of First Refusal Notice, then Landlord shall not thereafter transfer Landlord's Interest to an unrelated third party without first renewing the Right of First Refusal Notice to Tenant in the manner provided above. Tenant's failure to exercise its Right of First Refusal or its express waiver of its Right of First Refusal in any instance shall not be deemed a waiver of Tenant's Right of First Refusal for subsequent instances when Landlord proposes to transfer Landlord's Interest to an unrelated third party during the lease term. Notwithstanding the foregoing, Landlord's right to sell all or any part of the

Premises to a third party shall not be encumbered or restricted, except to the extent set forth in this Section.

20. Execution of Other Instruments. Landlord agrees to execute, acknowledge, and deliver to Tenant such other instruments respecting the Premises as Tenant or Tenant's lender may reasonably request from time to time. Such instruments may include, but are not limited to, a memorandum of lease for recording in the appropriate local land records. Landlord also agrees to cooperate with Tenant's efforts to obtain all private and public consents related to Tenant's use of the Premises, including, but not limited to zoning and permitting applications.

21. Removal of Improvements. The Improvements are agreed to be Tenant's personal property and shall never be considered fixtures to the Premises. Tenant shall at all times be authorized to remove the Improvements from the Premises. Upon the expiration or earlier termination of this Lease, except as provided for below in this section, Tenant shall remove the above ground Improvements from the Premises and Tenant shall be entitled to abandon, in place, all footings, foundations and other below ground Improvements. In the event Tenant terminates this Lease pursuant to Section 6 "Option to Renew" (non-renewal of lease), or Section 7 "Option to Terminate" subsection (a) ("early termination"), Tenant shall endeavor to provide to Landlord not less than twelve (12) months' advance written notice of Tenant's intent to remove the Improvements prior to the Lease termination/expiration date. In such event, Tenant shall offer to sell to Landlord Tenant's Improvements for such reasonable consideration as agreed to by the Parties. In the event Landlord does not accept Tenant's offer to sell said Improvements within six 6) months of Tenant's initial offer or in the event the Parties cannot otherwise agree on the terms and conditions of such sale, then Tenant shall be authorized to remove the Improvements from the Premises no later than said expiration date or earlier termination date as follows: Tenant shall remove the above ground Improvements from the Premises and Tenant shall be entitled to abandon, in place, all footings, foundations and other below ground Improvements.

22. Landlord Colocation Rights. Tenant shall, upon request of Landlord, make tower space available for Landlord's use provided such use does not unreasonably interfere with Tenant's operations. Landlord shall, if required by Tenant, pay for a radiofrequency interference evaluation to be carried out by a qualified professional. Landlord's installation rights shall consist of and be limited to the following: three (3) antenna on the communications antenna tower and the County of Klickitat, Washington shall be entitled to mount up to three (3) antenna on the communications antenna tower for a total of six (6) antenna reservations; provided, however, Tenant's Equipment shall have priority in location. Tenant agrees to mount the Columbia Gorge Regional Airport's rotating beacon on the communications antenna tower (the six (6) antenna reservations and rotating beacon collectively referred to as **Landlord's Improvements.** Notwithstanding the afore-stated rights granted, Landlord (the term Landlord and Landlord Improvements shall include the County of Klickitat) agree to fully comply with Tenant's collocation process prior to Landlord installing equipment on the Tower or at the Site; provided, however Landlord will not pay any collocation fees associated with Tenant's collocation process. Said collocation process may include, but not be limited to, the following requirements: Landlord, at Landlord's expense shall submit to Tenant: (i) detailed site plans and specifications setting forth the proposed antennas and other equipment, the height and location of such

equipment, and the construction, installation, and other work to be performed on the Tower and the Site; (ii) a structural analysis report of the Tower addressing the proposed installation of Landlord's antennas and other equipment on the Tower which documents that the installation of said equipment fully complies with Tenant's structural analysis requirements; (iii) a list of all known frequencies licensed or assigned to Landlord by the Federal Communications Commission (the "FCC") to be utilized by Landlord at the Site as well as any other proposed frequencies to be utilized by Landlord at the Site. In addition, Landlord shall enter into a co-location agreement (in substantially the same form as the one attached hereto as Exhibit C) with Tenant as Licensor and Landlord as Licensee; and (iv) Landlord shall not install any equipment or commence any work on the Tower or Site until Tenant approves, in writing, Landlord's site plan, plans and specifications, structural analysis and frequencies, such approval to be given in Tenant's reasonable, sole, absolute discretion.

23. Quiet Enjoyment. Landlord covenants Tenant shall have quiet and peaceable possession of the Premises throughout the Initial Lease Term and any Renewal Term, if any, as the case may be, and Landlord will not intentionally disturb Tenant's enjoyment thereof so long as Tenant is not in default under this Lease.

24. Title, Access, and Authority. Landlord covenants and warrants to Tenant:

    (i). Landlord presently owns a legally defined interest in and to Landlord's Parcel;

    (ii). Premises are served by legal access from a public way;

    (iii). Landlord is duly authorized and empowered to enter into this Lease; and

    (iv). The person executing this Lease on behalf of the Landlord warrants to be duly authorized to bind the Landlord hereto.

25. Subordination and Non-Disturbance. Tenant agrees to subordinate this Lease to any mortgage or trust deed which may hereafter be placed on the Premises, provided the mortgagee or trustee thereunder shall ensure to Tenant the right to possession of the Premises and other rights granted to Tenant herein so long as Tenant is not in default beyond any applicable grace or cure period, such assurance to be in writing and otherwise in form and substance reasonably satisfactory to Tenant. If requested by Tenant, Landlord agrees to use Landlord's best efforts to assist Tenant in obtaining from any holder of a security interest in Landlord's Parcel a non-disturbance agreement in form and substance reasonably satisfactory to Tenant.

26. Environmental Warranty. Landlord hereby represents and warrants to Tenant that Landlord has never generated, stored, handled, or disposed of any hazardous waste or hazardous substance upon the Premises, and that Landlord has no knowledge of such uses historically having been made of the Premises or such substances historically having been introduced thereon. Notwithstanding the foregoing, Landlord agrees to protect, indemnify and hold harmless Tenant from and against any claims or losses arising out or related to the presence or release of any hazardous substances at, on or beneath the Premises, whether existing prior to the date hereof or migrating onto the Premises during any portion of the Term, except to the extent caused by a spill or release of hazardous substances specifically brought on the Premises by or for the benefit of Tenant after the Commencement Date.

27. Notices. Any notice, request or demand required or permitted to be given pursuant to this Lease shall be in writing and shall be deemed sufficiently given if delivered by messenger at the address of the intended recipient, sent prepaid by Federal Express (or a comparable guaranteed overnight delivery service), or deposited in the United States first class mail (registered or certified, postage prepaid, with return receipt requested), addressed to the intended recipient at the address set forth below or at such other address as the intended recipient may have specified by written notice to the sender in accordance with the requirements of this paragraph. Any such notice, request, or demand so given shall be deemed given on the day it is delivered by messenger at the specified address, on the day after deposit with an overnight delivery service), on the date the receipt is refused, or on the day that is five (5) days after deposit in the United States mail, as the case may be.

TENANT: Oregon RSA #2, Inc.
Attention: Real Estate Lease Administration
8410 West Bryn Mawr Avenue
Chicago, Illinois 60631
Phone: 1-866-573-4544

LANDLORD: City of the Dalles
313 Court Street
The Dalles, OR 97058
Phone: 541-596-5481

28. Contingencies. Tenant shall have the right to terminate this Lease without paying Landlord liquidated damages upon written notice to Landlord, relieving both Parties of all further obligations hereunder, if Tenant, acting reasonably and in good faith: (i) shall be unable to obtain any or all licenses or permits required to construct its intended improvements upon the Premises or conduct Tenant's business at the Premises at any time during the Term; (ii) if Tenant's technical reports fail to establish to Tenant's satisfaction the Premises are capable of being suitably engineered to accomplish Tenant's intended use of the Premises; or (iii) if the Premises are subject to a takings by a governmental entity or a title commitment or report obtained by Tenant with respect to the Premises shows as exceptions any encumbrances or restrictions which would, in Tenant's opinion, interfere with Tenant's intended use of the Premises. Landlord shall have the right to terminate this Lease upon written notice to Tenant, relieving both Parties of all further obligations hereunder, if the Premises are subject to a taking by a governmental entity.

29. Attorneys' Fees. In any action to enforce this Lease at law or in equity, the prevailing Party shall be entitled to recover from the other Party the reasonable costs incurred by such Party in such action, including reasonable attorneys' fees and costs of appeal.

30. Governing Law. This Lease will be governed by and construed in accordance with the laws of the State in which the Premises is located.

31. Binding Effect. All of the covenants, conditions, and provisions of this Lease shall inure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

32. Entire Agreement; Waiver. This Lease constitutes the entire agreement of the parties and may not be modified except in writing signed by the Party against whom such modification is sought to be enforced. No waiver at any time of any of the provisions of the Lease will be effective unless in writing. A waiver on one occasion will not be deemed to be a waiver at any subsequent time.

33. Modifications. This Lease may not be modified, except in writing signed by both parties.

34. Recording. Each Party, on request of the other, agrees to execute a short form lease in recordable form and complying with applicable laws and reasonably satisfactory to both parties, which will be recorded in the appropriate public records.

35. Holdover. In the event Tenant remains in possession of the Premises after the expiration of this Lease, this Lease will become a year-toyear holdover tenancy, that can be terminated by either Landlord or Tenant with thirty (30) day notice before the end of the first year-to-year holdover tenancy. Tenant shall pay, as Rent, during such holdover, a rent equal to one hundred-ten percent (**110%**) of the Rent payable immediately prior to the expiration or earlier Termination Date of this Lease. Except as otherwise provided for herein, all other covenants and conditions of this Lease shall remain unchanged and in full force and effect.

36. Headings. The section headings throughout this instrument are for convenience and reference only, and are not to be used to explain, modify, amplify or aid in the interpretation, construction or meaning of the provisions of this Lease.

37. Invalidity of Particular Provision. If any term or provision of this Lease, or the application of such term or provision to any person or circumstance, to any extent, is invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, will not be affected and each term and provision of this Lease will be valid and be enforced to the fullest extent permitted by law.

38. Remedies. The Parties shall be entitled to the application of all appropriate remedies available to them under state and federal law in the enforcement of this Lease.

39. Errors and Omissions. Landlord and Tenant agree as part of the basis of their bargain for this Lease to cooperate fully in executing any and all documents (including amendments to this Ground Lease) necessary to correct any factual or legal errors, omissions, or mistakes, and to take any and all additional action, that may be necessary or appropriate to give full force and effect to the terms and intent of this Ground Lease.

40. Force Majeure**.** If performance by a party of any portion of this Agreement is made impossible by any prevention, delay, or stoppage caused by strikes; lockouts; labor disputes; acts of God: inability to obtain services, labor, or materials or reasonable substitutes for those items: government actions; civil commotions: fire or other casualty; or other causes beyond the reasonable control of the party obligated to perform, performance by that party for a period equal to the period of that prevention, delay, or stoppage is excused. Tenant's obligation to pay Rent is not excused.

41. Non-Binding Until Full Execution. Both Parties agree this Lease is not binding on either Party until both parties execute the Lease.

42. Electronic Reproductions. The Parties agree that a scanned or electronically reproduced copy or image of this Lease, as executed, shall be deemed an original and may be introduced or submitted in any action or proceeding as competent evidence of such agreement, notwithstanding the failure or inability of either Party to produce or tender an original executed counterpart.

[END OF LEASE - SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto bind themselves to this Lease as of the date of full execution of this Ground Lease.

LANDLORD:

City of The Dalles, an
Oregon municipal corporation

_____
Matthew B. Klebes, City Manager

Date: _____

ATTEST:

_____
Amie Ell, City Clerk

Approved as to form:

_____
Jonathan Kara, City Attorney

TENANT:

Oregon RSA #2, Inc.

_____
Vice President

Date: _____

STATE OF OREGON

COUNTY OF WASCO

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that_____, known to me to be the same person(s) whose name(s) (is) (are) subscribed to the foregoing Ground Lease, appeared before me this day in person and (severally)acknowledged that (he) (she) (they) signed the said Lease as (his) (her) (their) free and voluntary act on behalf of the City of Dalles for the uses and purposes therein stated.

Given under my hand and seal this ____ day of _____, 20___.

_____
Notary Public

My commission expires_____

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that _____, Vice President, for Oregon RSA #2, Inc.
, known to me to be the same person whose name is subscribed to the foregoing Ground Lease, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Lease as his free and voluntary act on behalf of the named Tenant, for the uses and purposes therein stated.

Given under my hand and seal this ____ day of _____, 20___.

_____
Notary Public

My commission expires_____

Exhibit A

Legal Descriptions

LANDLORD'S PARCEL

The land referred to herein is situated in the County of Klickitat, City of Dallesport, State of Washington and is described as follows:

All that shown as "Remainder" containing 830.76 acres more or less, as shown on Binding Site Plan No. BSP2013-02, dated May 28, 2014, recorded May 28, 2014, in Site Plans Volume 1, Page 31 in Klickitat County, Washington.

Less and Except Lots 1, 14,15, 16, as shown on the plat of North Dalles Fruit and Garden Tracts, recorded as Instrument No. 270096 in Klickitat County, Washington.

Further Less and except any portion lying within Section 27

Further Less and except any portion lying within Section 33

Further Less and except any portion lying within Section 35.

Parcel ID #02133400001200

LEASEHOLD PARCEL

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 NORTH, RANGE 13 EAST, W.M., DALLESPORT, KLICKITAT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 34 AS MONUMENTED BY A FOUND 5/8" REBAR, SAID QUARTER CORNER LIES SOUTH 00°01'35" WEST 2638.10 FEET FROM THE NORTHWEST SECTION CORNER; THENCE NORTH 51°42'16" EAST 1210.70 FEET TO A SET 5/8" REBAR AND THE TRUE POINT OF BEGINNING;

THENCE NORTH 00°00'21" WEST 100.07 FEET; THENCE NORTH 89°59'37" EAST 99.95 FEET; THENCE SOUTH 00°03'55" EAST 100.15 FEET; THENCE NORTH 89°57'36" WEST 100.05 FEET TO THE SAID TRUE POINT OF BEGINNING.

EASEMENT PARCEL

TOGETHER WITH AN EASEMENT FOR ACCESS AND UTILITIES BEING 20.00 FEET IN WIDTH, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE ABOVE-DESCRIBED PARCEL AS MONUMENTED BY A SET 5/8" REBAR; THENCE SOUTH 00°00'21" EAST ALONG THE WEST LINE OF SAID PARCEL 50.00 FEET TO THE BEGINNING OF SAID CENTERLINE;

THENCE NORTH 42°22'12" WEST 335.26 FEET MORE OR LESS TO THE SOUTH LINE OF A ROAD THAT SERVES AS THE CITY OF THE DALLES AIRPORT ACCESS ROAD AND THE END OF SAID CENTERLINE.

ALSO TOGETHER WITH AND SUBJECT TO EASEMENTS, RESERVATIONS, COVENANTS AND RESTRICTIONS OF RECORD AND IN VIEW.

DESCRIPTION PER AF#1037963
TOGETHER WITH AND SUBJECT TO EASEMENTS, COVENANTS, RESERVATIONS, RIGHT-OF-WAYS AND RESTRICTIONS OF RECORD AND IN VIEW.

Exhibit B

(Page 1 of 2)

Site Plan

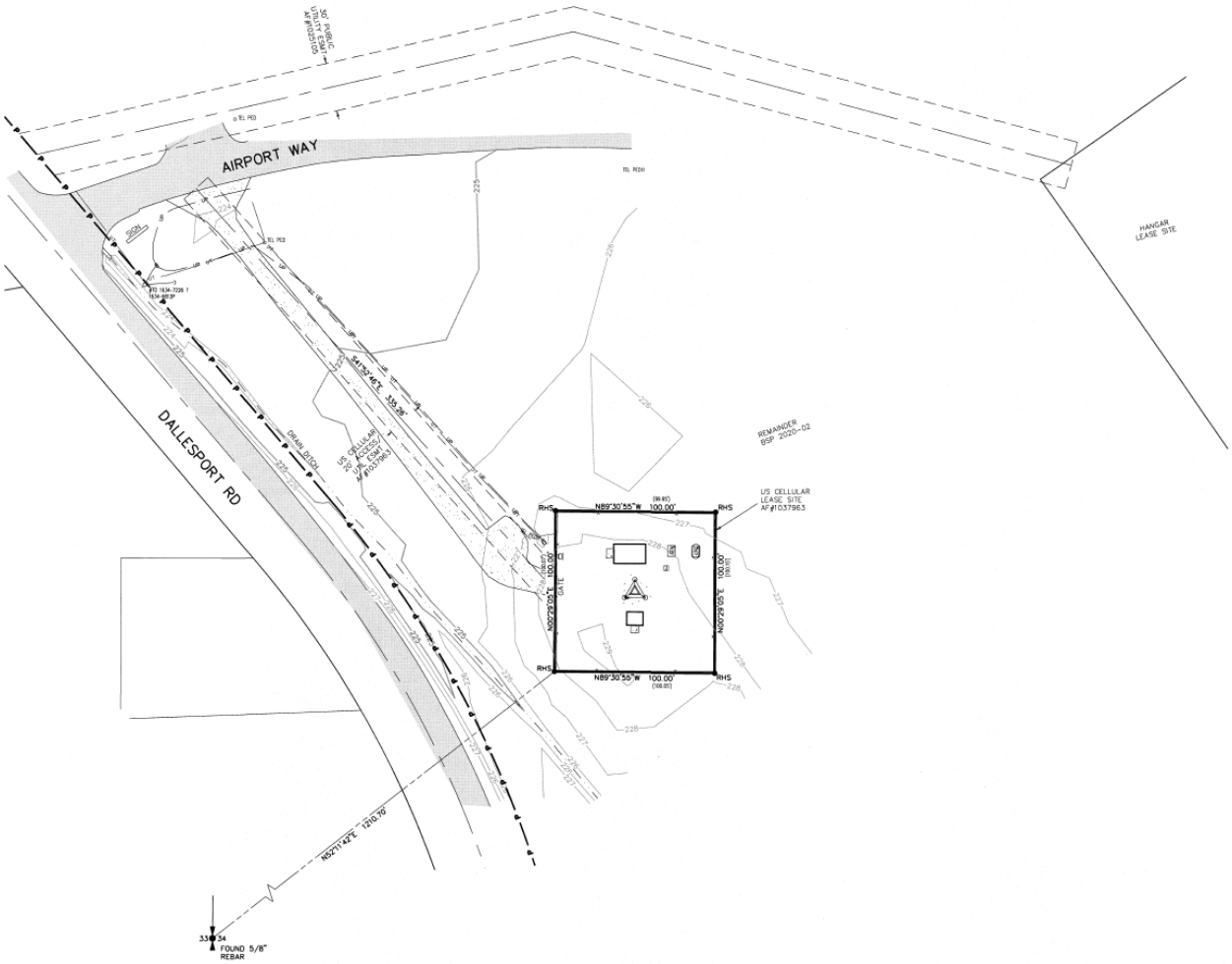


Exhibit B

(Page 2 of 2)

Tower Elevation

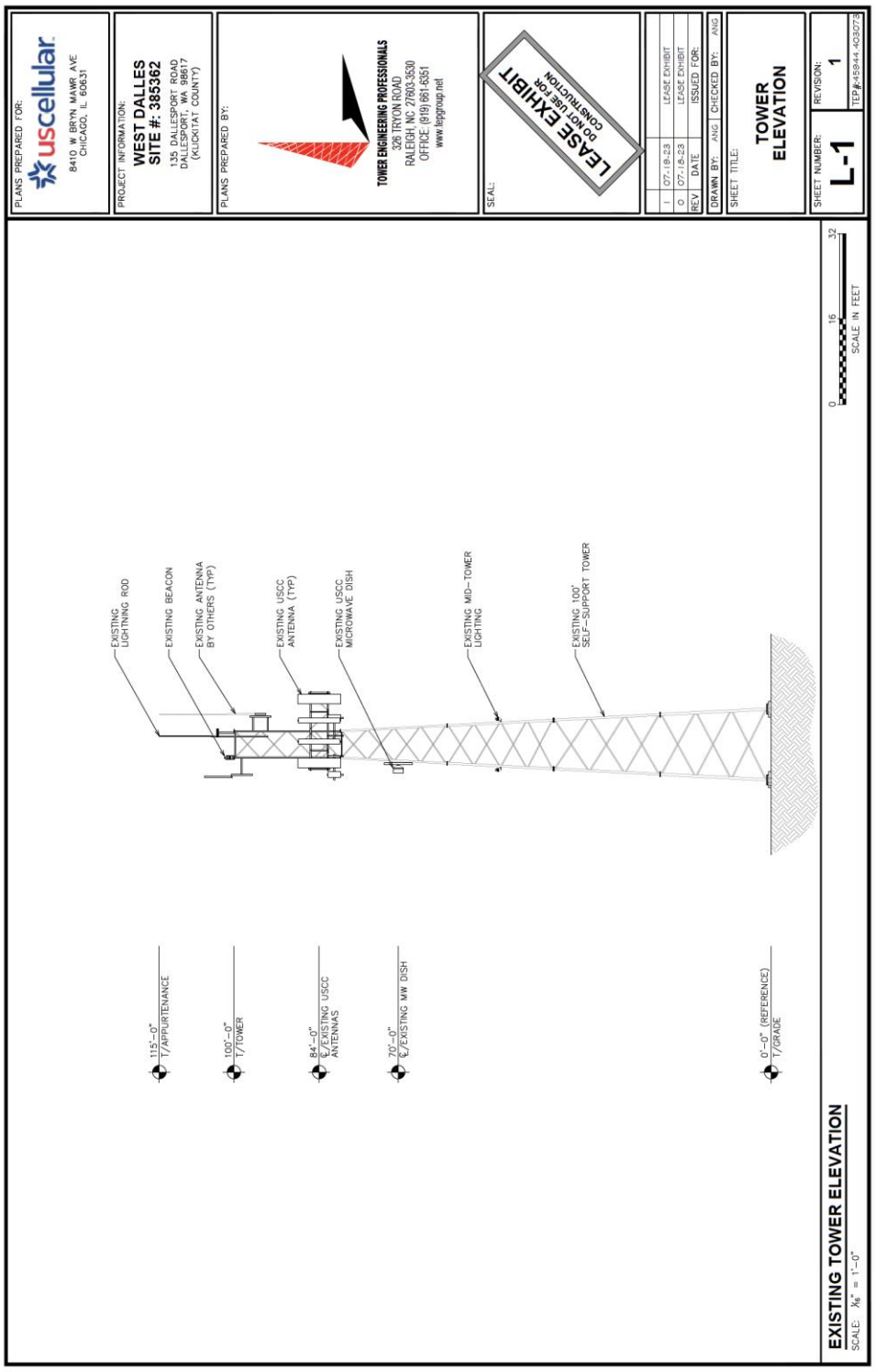


Exhibit C

Tower and Ground Space License Agreement

(CONTINUED ON NEXT PAGE)

TOWER AND GROUND SPACE LICENSE AGREEMENT

THIS TOWER AND GROUND SPACE LICENSE AGREEMENT (the "License Agreement") is made and entered into on _____ by and between Oregon RSA #2, Inc., an Oregon corporation, having a principal place of business at Attention: Real Estate Lease Administration, 8410 West Bryn Mawr Avenue, Chicago, Illinois 60631 ("Licensor"), and City of the Dalles, a municipal corporation of the State of Oregon, having an address at 313 Court Street, The Dalles, OR 97058 (hereinafter referred to as "Licensee").

WHEREAS, Licensor has a leasehold interest in certain real property located at 135 Dallesport Road, City of Dallesport, in Klickitat County, Washington, at coordinates 45° 77' 1.41" North, 121° 10' 24.05" West (the "Site"). The Site is legally described on Exhibit A attached hereto and incorporated herein by reference; and

WHEREAS, Licensee desires to occupy, and Licensor is willing to provide, attachment locations upon the Tower (the "Tower") for the placement of Licensee's antennas, cabling and ancillary equipment (the "Tower Space") as well as certain space on the ground adjacent to the Tower (the "Ground Space") for Licensee's cellular common carrier mobile radio telephone base station equipment, collectively the Tower Space and the Ground Space shall be referred to hereinafter as the "Licensed Space".

NOW, THEREFORE, in consideration of the mutual promises, conditions, and other good and valuable consideration of the parties hereto, it is covenanted and agreed as follows:

1. License Conferred. Licensor hereby confers upon Licensee, and Licensee hereby receives and accepts from Licensor, a license and privilege, which shall be irrevocable for the stated duration hereof unless otherwise stated herein, to do all of the following:

(a) Occupy attachment locations upon the Tower Space with equipment breakdown as confirmed by application and structural for one (1) antenna each at a centerline height of one hundred five feet (105'), one hundred three feet (103'), and one (1) airport identification beacon at a centerline height of one hundred three (103)', and attachment locations upon the Tower Space for four (4) antennas at centerlines above ground level to be determined upon application and structural, all as more particularly described in Exhibit B attached hereto and incorporated herein, oriented in such directions as shall be in accordance with Licensee's needs, subject to existing attached devices of other users.

(b) Occupy up to one hundred twenty (120) square feet of ground space adjacent to the Tower with Licensee's cellular common carrier mobile radio telephone base station transceiver and associated equipment upon a poured concrete foundation, as shown in attached Exhibit C. Licensee's cabinet, transmission lines, radio communications facilities, including without limitation utility lines, transmission lines, electronic equipment, radio transmitting and receiving antennas and supporting equipment and structures thereto, shall be collectively referred to as "Licensee's Equipment."

(c) Extend and connect lines for signal carriage and amplifier power between Licensee's antennas upon the Tower and Licensee's Equipment upon the ground;

(d) Extend and connect utility lines and related infrastructure between Licensee's Equipment and suitable utility company service connection points;

(e) Traverse the Site as reasonably necessary to accomplish Licensee's purpose contemplated herein;

(f) Licensor's right of access to the Site is an easement granted in the underlying Prime Lease dated September 1, 2023, between Licensor and the owner of the Site. Licensee has read this underlying Prime Lease agreement and is satisfied with the easement rights Licensor is able to grant to Licensee. Licensor makes no representations regarding rights to access the Site; and

2. Improvements and Purpose.

(a) Use. Licensee shall be permitted to use the Site and the Tower to install, operate, and maintain thereon common carrier radio base station equipment, including system networking, station control and performance monitoring functions, and for no other use or purpose. Licensee's installation of Licensee's Equipment on the Tower and the Site shall be limited to the antennas and other equipment and frequencies agreed upon in advance by Licensor. Licensee's equipment shall at all times comply with and conform to all laws and regulations applicable thereto, and shall be subject to Licensor's review and approval which shall not be unreasonably withheld, conditioned or delayed, regarding Licensee's placement of equipment, method of installation, and all other matters which Licensor deems, in Licensor's reasonable opinion, to affect Licensor's own operations or interests.

(b) Plans and Specifications. Licensee, at the Licensee's expense and prior to commencing the installation of Licensee's Equipment, shall submit to Licensor the following: (i) detailed site plans and specifications setting forth the proposed antennas and other equipment, the height and location of such equipment, and the construction, installation, and other work to be performed on the Tower and the Site, (ii) a structural analysis of the Tower addressing the installation of additional antennas and other equipment on the Tower by the Licensee and demonstrating that the installation of such equipment shall not exceed the load capacity of the Tower, and (iii) a list of all known frequencies licensed or assigned to Licensee by the Federal Communications Commission (the "FCC") to be used at the licensed Site. Licensee shall not install any equipment or commence any work on the Tower or Site until Licensor approves, in writing, Licensee's site plan, plans and specifications, structural analysis and frequencies, such approval to be given in Licensor's reasonable/sole and absolute discretion. If Licensor does not approve Licensee's site plan, plans and specifications, structural analysis or frequencies, Licensee may not install or construct Licensee's Equipment on the Tower or the Site.

(c) Limited Use of Tower. Licensee's installation of Licensee's Equipment on the Tower and the Site shall be limited to the portion of the Tower structure for which Licensee has been granted a license and the portion of the Site for which Licensee has been granted a license, and Licensee shall not have the right to use Licensor's Equipment or other portions of the Tower or the Site.

(d) Time of Installation. Licensee's installation of Licensee's Equipment on the tower and the Site shall be performed on dates and at times and within time frames approved by Licensor in writing and shall not interrupt or interfere with the operation of Licensor's communications system or Licensor's Equipment unless Licensor agrees to such interruption or interference in writing.

(e) Compliance with Laws. Licensee's installation of Licensee's Equipment shall be in compliance with all present and future laws, regulations, and requirements of all federal, state or local authorities, and Licensee shall deliver to Licensor, prior to installing Licensee's Equipment on the Tower and the Site or structurally enhancing the Tower, all certificates, permits, licenses and other approvals required by any federal, state or local authority to install Licensee's Equipment or structurally enhance the Tower.

3. Duration. The initial term of this License Agreement shall be five (5) years, commencing on September 1, 2023 (the "Commencement Date") and expiring on the fifth (5th) anniversary of the Commencement Date. Thereafter, provided that it has faithfully performed its obligations under this License Agreement, Licensee shall have the option to extend its occupation of the Licensed Space, continuing all the same conditions and provisions hereof, for five (5) additional terms of five (5) years each. This License Agreement shall automatically renew unless Licensee shall notify Licensor, in writing, of Licensee's intention not to renew this License Agreement, at least one hundred twenty (120) days prior to the expiration of the initial term, or as applicable, any additional term.

4. License Fee. The rights granted herein to the Licensee are in consideration of the mutual promises, conditions, and other good and valuable consideration of the parties hereto.

5. Utilities. Licensee shall solely and independently be responsible for the separate metering, billing, and payment of utility services consumed by Licensee's operations. Licensor agrees to grant Licensee or its designated utility provider easements reasonably required for the delivery of electricity and telephone services to Licensee's operations.

6. Mechanic's Liens. Licensee shall keep the Tower and the Site free and clear of all mechanic's and materialmen's liens arising from or relating to the installation, repair, maintenance, or removal of the Licensee's Equipment on or from the Tower or the Site and Licensee's structural enhancement of the Tower, if any, and for a one hundred twenty (120) day period after completion of the installation, repair, maintenance, or removal of the Licensee's Equipment on or from the Tower or the Site or any structural enhancements to the Tower. If a mechanic's or materialmen's lien is filed against the Tower or the Site as a result of Licensee's installation, repair, maintenance, or removal of the Licensee's Equipment on or from the Tower or the Site or structural enhancement of the Tower, Licensee shall cause any such lien to be bonded or discharged of record within twenty (20) days of being notified of the lien. If Licensee

fails to bond or discharge the lien within such twenty (20) day period, Licensor, in addition to any other rights or remedies available at law or equity, shall have the right to discharge the lien by paying the amount claimed to be due or to bond the lien. Any amount paid by Licensor in discharging or bonding any lien together with all costs and expenses, including, without limitation, attorney's fees and costs, shall be immediately due and payable by Licensee upon demand from Licensor and Licensee agrees to indemnify and hold Licensor harmless from all such amounts.

7. Taxes. Licensor shall be responsible for payment of all personal and real property taxes assessed directly upon and arising solely from the Tower and Licensor's Equipment or use of Licensor's communications system on the Site; provided, however, if Licensor's personal or real property taxes increase as a result of Licensee's Equipment or any improvements constructed by Licensee on the Site, Licensee shall be responsible for payment of the increase in Licensor's personal and real property taxes. Licensee shall be responsible for payment of all personal property and any other taxes assessed directly upon and arising from Licensee's Equipment or the Licensee's use of Licensee's Equipment on or about Tower or the Site.

8. Maintenance and Repairs.

(a) Tower and Licensor's Equipment. Licensor shall be responsible for proper maintenance of the Tower, and Licensor covenants to keep the Tower in good condition and repair, and in compliance with rules and regulations enforceable by the Federal Communications Commission, the Federal Aviation Administration, and other governmental authorities, provided, however, in the event Licensee's Equipment cause increased maintenance, repairs, or replacements to the Tower, Licensee shall pay the cost of the increased maintenance, repairs and replacements to Licensor within thirty (30) days of receipt of written notice and copy of an itemized invoice from Licensor. Licensee shall be responsible for the proper maintenance of Licensee's Equipment.

(b) Licensee's Equipment. Licensee, at Licensee's expense, shall maintain, repair and replace Licensee's Equipment during the term or any renewal terms of this License Agreement provided that any alterations, modifications, repairs or replacements to Licensee's Equipment do not increase the number of antennas, cables or other equipment in the Tower Space, or increase the size or weight thereof, or materially alter the location thereof without prior written approval from Licensor. In order to protect the integrity of the Tower, Licensee agrees that any maintenance, repair and/or replacement performed on the Licensee's Equipment on the Tower or Site shall be done in a workmanlike manner and all work shall be performed in a manner consistent with Licensor's high-quality construction standards. Further, any maintenance, repair or replacement work performed on the Licensee's Equipment shall not interrupt or interfere with the operation of Licensor's communications system or Licensor's Equipment unless Licensor agrees to such interruption or interference in writing. Prior to the commencement of any maintenance, repair or replacement work on the Licensee's Equipment, Licensee shall submit detailed plans and specifications of the maintenance, repair and replacement work to be performed to Licensor for Licensor's written approval (Licensee shall not be required to submit to this requirement with regard to any such work which will occur

inside Licensee's base station building or Licensee's cabinet located at the Site) to Network Operations Center at (800) 510-6091; email: NOCCM@uscellular.com. Licensor shall have the right to approve the plans, specifications and any contractor(s) performing work on Licensee's behalf prior to the commencement of any maintenance, repair or replacement work on the Licensee's Equipment, such approval not to be unreasonably withheld, conditioned, or delayed. Unreasonably withheld, conditioned, or delayed shall not include, and may not be limited to, any requirement by Licensor to complete a tower mapping, structural analysis or any other similar study and the recommended modifications to the tower based on those studies. Licensee shall have twenty-four (24) hour access seven days per week for routine maintenance of bay station equipment. Licensee shall provide Licensor with at least forty-eight (48) hours' notice prior to any maintenance, repair or replacement that requires access to the Tower unless an emergency exists, in which case notice shall be provided to Licensor at least twenty-four (24) hours after access to the Tower or Site has occurred. Licensor shall have the right to have a representative present during any maintenance, repair or replacement on the Licensee's Equipment that requires access to the Tower or the Site.

9. Access. Licensee shall at all times have unrestricted access to Licensee's equipment; provided, however, that its access to the Tower shall be limited to the installation, removal, and periodic maintenance of Licensee's antennas and lines at Licensee's sole expense by a qualified tower services contractor approved in advance by Licensor, which approval shall not be unreasonably withheld, conditioned or delayed.

10. Interference. Licensee agrees not to allow any use of Licensee's Equipment, the Tower, or the Site that may cause interference with or cause the improper operation of the Tower, Licensor's related equipment, Licensor's communications signal, or system, or any third party's equipment or communications system located on the Tower prior to Licensee's use of the Tower. In the event Licensee's Equipment or Licensee's use of the Tower or the Site causes measurable interference with or the improper operation of the Tower, Licensor's related equipment or communications system or any third party's equipment or communications system located on the Tower prior to Licensee's use of the Tower, Licensee, upon notification of such interference, agrees to promptly remedy such interference at Licensee's cost and, if necessary, agrees to cease operations (other than tests) until such interference is corrected to Licensor's sole satisfaction. Licensor agrees not to allow any subsequent third party's use of equipment, the Tower, or the Site that may cause interference with or cause the improper operation of the Tower, the Licensee's related equipment, or the Licensee's communications signal or system. In the event any subsequent third party causes measurable interference with or the improper operation of the Tower, Licensee's related equipment or communications system, Licensor, upon notification of such interference, agrees to promptly remedy such interference to Licensee's sole satisfaction, at Licensor's cost.

11. Interruptions. Licensor and Licensee agree that Licensor shall have no responsibility or liability whatsoever for interruptions, disruptions, or failures in the Licensee's Equipment or the operation of the Licensee's Equipment including, without limitation, equipment failures, utility failures, structural failures, or otherwise. Licensor shall not give any unauthorized access to Licensee's Equipment; however, Licensor shall not be responsible to

Licensee for any unauthorized access thereto. In all maintenance, repair, or replacement work performed by Licensor on Licensor's Equipment or the Tower, Licensor shall take all reasonable steps to not interrupt or interfere with the operation of Licensee's communications system or equipment without Licensee's written agreement.

12. Compliance with Laws. Licensee shall comply with all present and future laws, regulations, and requirements of all federal, state, and local governments and their agencies as they relate to the use, operation, maintenance, repair, replacement, and occupancy of the Tower, the Site, and the Licensee's Equipment, as the case may be. Without limiting the foregoing, the Licensee shall at all times use, operate, maintain, repair, replace, and occupy the Tower, and the Site, and the Licensee's Equipment, as the case may be, in accordance with all FCC, FAA, and all other regulations, ordinances or laws.

13. Compliance with FCC Radio Frequency Emissions Requirements.

(a) It shall be the responsibility of the Licensee to ensure that Licensee's use, installation, or modification of Licensee's radios, signal carriage devices and antennas (Licensee's Equipment") at the Site does not cause radio frequency exposure levels of all the existing equipment located at the Site and in the surrounding vicinity including the Licensee's Equipment, Licensor's equipment and all other transmitting equipment in the vicinity to exceed those levels permitted by the Federal Communications Commission ("FCC"). Licensor shall require other communications users of the Site to bear the same responsibility.

(b) If it is determined that the radio frequency levels at the Site and surrounding vicinity exceed exposure levels set by the FCC and the responsible party causing such exposure cannot be identified, then Licensee shall reconfigure Licensee's Equipment, including but not limited to reducing power levels, as reasonably directed by Licensor, and shall equitably share in all expenses incurred by Licensor as are necessary in order to meet FCC compliance levels.

(c) Licensee shall reimburse Licensor, within 30 days following receipt of an invoice from Licensor, for reasonable expenses or costs incurred by Licensor to perform FCC RF compliance tests for human exposure to RF radiation as a result of the installation, existence or subsequent modification of Licensee's Equipment at the Site.

(d) Licensee agrees that in the event that there is any change to applicable rules, regulations, and procedures governing exposure to radio frequency radiation which place the Site in non-compliance, Licensee will cooperate with Licensor and other users of the Site to bring the Site into compliance, which cooperation shall include, but not be limited to, sharing pro rata the costs associated with bringing the Site into compliance.

(e) Licensee acknowledges and agrees that, upon reasonable prior notice (except for emergency situations), Licensee shall reduce operating power or cease operation of Licensee's Equipment when it is necessary to prevent the overexposure of workers on the Tower to RF radiation.

14. Mutual Indemnification. Each party shall, to the fullest extent permitted by law, indemnify, defend, and hold harmless the other party, against all claims, losses, costs, expenses, damages, and liabilities arising from: (i) the negligence, willful misconduct or strict liability of such party, or its agents, employees, or contractors; or (ii) any material breach by such party of any provision of this License Agreement. Neither party shall be responsible or liable to the other for any claim, loss, cost, expense, damage, or liability arising from any claim to the extent attributable to any acts or omissions of the other party or to other third parties at the Tower or Site.

15. Insurance. Licensee shall have adequate insurance at all times at Licensee's expense which coverages shall include but are not limited to the following: Commercial Workers' Compensation Insurance as required by law, Commercial General Liability Insurance with a minimum combined single limit of Five Million Dollars ($5,000,000.00) covering personal injury and property damage, completed operations, independent Licensees and contractual liability (which may be provided in any combination of primary and excess coverage); Employer's Liability Insurance with a minimum combined single limit of One Million Dollars ($2,000,000.00); and Commercial Automobile Liability Insurance for any motor vehicle, covering bodily injury and property damage with a minimum combined single limit of One Million Dollars ($2,000,000.00). The foregoing insurance shall be issued on an occurrence basis, shall be primary with respect to any liability assumed by Licensee hereunder, shall specifically name Licensor as an additional insured, and include a waiver of subrogation in favor of Licensor. Licensee shall provide Licensor with certificates of insurance evidencing the required coverage and shall give Licensor thirty (30) days written notice if the coverage represented in these certificates is reduced or canceled.

Notwithstanding the foregoing, neither Licensee nor any employee, contractor, subcontractor, or agent of Licensee shall allow any person to enter upon or climb on the Tower without inclusion of such person under its insurance policy coverage as required hereunder or without ensuring that such person is adequately insured and using appropriate preventive fall protection.

16. Opportunity to Cure Defaults. If Licensee fails to comply with any provision of this License Agreement which Licensor claims to be a default hereof, Licensor shall serve written notice upon Licensee specifying the default, whereupon a grace period of thirty (30) days shall commence to run during which Licensee shall undertake and diligently pursue a cure of the default. Such grace period shall automatically be extended for an additional thirty (30) days, provided Licensee makes a good faith showing that efforts toward a cure are continuing.

17. Transfer of Licensee's Interest. Licensee's interest under this License Agreement shall be assignable by Licensee, without the necessity of obtaining Licensor's consent, in connection with the transfer to the named holder of a FCC license or to an affiliate, subsidiary or partner of Licensee, provided, however, no such assignment shall relieve Licensee of any obligation under this License Agreement and Licensee and any assignee shall be jointly and severally liable under this License Agreement. Any other assignment of this License Agreement by Licensee shall require Licensor's prior written consent.

18. Multiple Users. Licensee shall not sublet or otherwise subdivide the Licensed Space or any portion thereof, or permit the Licensed Space to be occupied by multiple simultaneous users claiming through or under Licensee.

19. Removal of Licensee's Property. Licensee's Equipment are agreed to be Licensee's personal property, and Licensee shall at all times be authorized to create security interests in said property specifically itemized, and to remove said property from the Licensed Space free from any lien of Licensor. Upon the expiration or earlier termination of this License Agreement, Licensee (i) shall remove Licensee's Equipment in a good, efficient, and workmanlike manner and in compliance with all applicable legal requirements, (ii) shall repair any damage caused to the Tower and the Site caused by such removal, (iii) shall not interrupt or interfere with the operation of Licensor's communications system or Licensor's Equipment in removing Licensee's Equipment, and (iv) shall surrender the Tower and the Site in good condition, ordinary wear and tear excepted. In the event Licensee fails to remove any of Licensee's Equipment from the Tower or the Site within thirty (30) days of the expiration or earlier termination of this License Agreement, Licensee shall be deemed to have abandoned Licensee's Equipment and Licensor shall be free to remove and dispose of Licensee's Equipment in any manner determined by Licensor, in Licensor's sole and absolute discretion, and without any liability to Licensee therefor. If Licensee is deemed to have abandoned Licensee's Equipment to Licensor, pursuant to the preceding sentence, Licensee shall reimburse Licensor within five (5) days of Licensee's receipt of an invoice from Licensor, for all costs incurred by Licensor in removing and disposing of Licensee's Equipment, such obligation to reimburse Licensor to survive the termination of this License Agreement. Notwithstanding the foregoing, Licensee shall not have the right to, and may not, remove any structural enhancements to the Tower, such structural enhancements becoming the property of Licensor upon the expiration or earlier termination of this License Agreement.

20. Default.

(a) Event of Default. The occurrence of one (1) or more of the following events shall constitute an "Event of Default" hereunder:

(i) Monetary Default. The failure by Licensee to make any payment of rent or any other payment required to be made by Licensee hereunder, as and when due, where such failure shall continue for a period of ten (10) days after written notice thereof is received by Licensee from Licensor.

(ii) Other Default. The failure by a party to observe or perform any of the covenants or provisions of this License Agreement to be observed or performed by such party, where such failure shall continue for a period of fifteen (15) days after written notice thereof is received from the other party; provided, however that it shall not be deemed an Event of Default by a party if the other party commences to cure such failure within such fifteen (15) day period and thereafter diligently prosecutes such cure to completion.

(b) Termination. If there occurs an Event of Default by Licensee, in addition to any other remedies available to Licensor at law or in equity, Licensor shall have the right to terminate this License Agreement and all rights of Licensee hereunder. If there occurs an Event of Default by Licensor or if any permit or any approval of any federal, state or local government entity is cancelled, expires, terminated or withdrawn, or in addition to any other remedies available to Licensee at law or in equity, Licensee shall have the right to terminate this License Agreement without further obligation under this License Agreement other than the removal of Licensee's Equipment.

(c) Licensor's Right to Terminate. Licensor shall have the right to cancel and terminate this License Agreement without penalty upon one hundred eighty (180) day written notice to Licensee and provided that Licensor gives Licensee the opportunity to purchase the permanent improvements and assume Licensor's obligations at the Site as further provided for in Section 21 "Removal of Improvements in the Ground Lease signed between Oregon RSA #2, Inc., an Oregon corporation as Tenant and City of the Dalles, as Landlord (the "Prime Lease") THIS 180-DAY TERMINATION PROVISION ONLY APPLIES IF THE LICENSOR, ITS SUCCESSORS OR ASSIGNS ELECTS TO ABANDON THE SITE OR OTHERWISE DISCONTINUE DOING BUSINESS AT THIS LOCATION. THIS PROVISION DOES NOT APPLY TO NORMAL SALE OF THE FACILITY OR BUSINESS, TRANSFER OF OWNERSHIP, OR OTHER TRANSACTIONS THAT ARE NOT INTENDED TO TERMINATE USE OF THE SITE.

21. Destruction. If the Tower is totally or substantially destroyed, Licensor, in Licensor's sole and absolute discretion, may terminate this License Agreement or may rebuild the Tower at Licensor's expense. If Licensor elects to terminate this License Agreement, Licensor shall reimburse Licensee the pro rata share of the annual rent that has been paid in advance hereunder and all rights and obligations of Licensor and Licensee arising after the termination date shall terminate. If Licensor elects to rebuild the Tower, Licensee shall not be required to pay rent while the Tower is being rebuilt unless Licensor provides Licensee with alternative space.

22. Condemnation.

(a) Permanent and Entire Condemnation. In the event the Tower and the Site are permanently and entirely taken or condemned for public purposes or sold to a condemning authority under threat of condemnation, this License Agreement shall terminate on the date of condemnation or sale. Upon termination of this License Agreement, Licensor shall reimburse Licensee the pro rata share of the annual rent that has been paid in advance hereunder and all rights and obligations of Licensor and Licensee arising after the termination date shall terminate.

(b) Temporary or Partial Condemnation. In the event the Tower and the Site are temporarily taken or condemned in their entirety or in the event a portion of the Tower or the Site is temporarily or permanently taken or condemned, Licensor shall have the right to terminate this License Agreement by giving Licensee written notice thereof or to

provide alternative space to Licensee, such alternative space to be acceptable to Licensee in Licensee's sole and absolute discretion. If the alternative space is unacceptable to Licensee, Licensee shall give Licensor written notice thereof and, upon Licensor's receipt of such written notice, this License Agreement shall terminate. If either Licensor or Licensee elects to terminate this License Agreement, Licensor shall reimburse Licensee the pro rata share of the annual rent that has been paid in advance hereunder and all rights and obligations of Licensor and Licensee arising after the termination date shall terminate, except for the parties' obligations concerning termination.

(c) Condemnation Award. Licensor shall receive the entire condemnation award for the Tower, Licensor's Equipment and the leasehold interest in the Site and Licensee hereby assigns to Licensor any and all right, title and interest of Licensee in and to such award. Licensee shall have the right to recover from such authority, but not from Licensor, any compensation awarded to Licensee on account of Licensee's Equipment, Licensee's moving and relocation expenses, and Licensee's license interest.

23. Quiet Enjoyment. Licensor covenants that Licensee shall have quiet enjoyment of the Licensed Space throughout the duration of the License Agreement, as the same may be renewed and extended, and that Licensor will not intentionally disturb Licensee's occupation thereof as long as Licensee is not in default under this License Agreement.

24. Attorney's Fees. In any action at law or in equity, the substantially prevailing party shall be entitled to recover the reasonable costs and expenses of its successful case, including reasonable attorney's fees and costs of appeal from the non-prevailing party.

25. Binding Effect. All of the covenants, conditions, and provisions of this License Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

26. Entire Agreement. This License Agreement constitutes the entire contract between the parties, and supersedes any prior understanding or oral or written agreements between them respecting the within subject matter.

27. Modifications. This License Agreement may not be modified, except in writing signed by the party against whom such modification is sought to be enforced.

28. Severability. If any term of this License Agreement is found to be void or invalid, such invalidity shall not affect the remaining terms of this License Agreement, which shall continue in full force and effect. The parties shall agree that if any provisions are deemed not enforceable, they shall be deemed modified to the extent necessary to make them enforceable.

29. Authority. The persons who have executed this License Agreement represent and warrant that they are duly authorized to execute this License Agreement in their individual or representative capacity as indicated.

30. Environmental.

(a) Definitions: For purpose of this License, the Term "Hazardous Substances" shall be defined in the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Sections 9601 et seq., and any regulations promulgated pursuant thereto, and as used to define, "Hazardous Wastes" in the Resource Conservation and Recovery Act 42 U.S.C. Sections 6901 et seq., and any regulations promulgated thereto. For purposes of this License, the term "Environmental Laws" shall mean any and all local, state and Federal statutes, regulations or ordinances pertaining to the environmental or natural resources.

(b) Duty of Licensee: Licensee shall not (either with or without negligence) cause or permit the use, storage, generation, escape, disposal or release of any Hazardous Substances or Hazardous Wastes in any manner not sanctioned by law. In all events, Licensee shall indemnify and hold Licensor harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, any and all sums paid for settlement of claims, attorney's fees, and consultants' and experts' fees) from the presence or release of any Hazardous Substances or Hazardous Wastes on the Licensed Space if caused solely by Licensee or persons acting under the direction and control of Licensee. Licensee shall execute such affidavits, representations and the like from, time to time as Licensor may reasonably request concerning Licensee's best knowledge and belief as to the presence of Hazardous Substances or Hazardous Wastes on the Licensed Space.

(c) Licensor shall not (either with or without negligence) cause or permit the use, storage, generation, escape, disposal or release of any Hazardous Substances or Hazardous Wastes in any manner not sanctioned by law. In all events, Licensor shall indemnify and hold Licensee harmless from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitations, any and all sums paid for settlement of claims, attorney's fees, and consultants' and experts' fees) from the presence or release of any Hazardous Substances or Hazardous Wastes on the property unless caused solely by Licensee or person acting under the direction and control of Licensee. Licensor shall execute such affidavits, representations and the like from time to time as Licensee may reasonably request concerning Licensor's best knowledge and belief as to the presence of Hazardous Substances or Hazardous Wastes on the Property.

(d) Effect of Mutual Indemnification: The indemnifications contained in this Section specifically include costs incurred in connection with any investigation of site conditions by either party or third parties or any cleanup remedial, removal or restoration work required by any governmental authority. Notwithstanding any other provisions in this License Agreement, the provisions of this Section will survive the expiration or termination of this License Agreement and either party shall have the right to summarily terminate this License Agreement, without giving notice required under this License Agreement, in the event of default of the other under this Section.

31. Relationship of License Agreement to the Prime Lease. The parties acknowledge

that Licensor's interest in and right to use and occupy the Site are derived from and governed by the provisions of the Prime Lease. Licensee understands and agrees that this License Agreement is subject to and subordinate to the provisions of the Prime Lease. Licensor and Licensee acknowledge and agree that in the event Licensor's rights to occupy and use the Site are terminated as a result of the termination or expiration of the Prime Lease, this License Agreement shall terminate upon the effective termination date of said Prime Lease. In the event of any conflict in or between the terms and conditions of this License Agreement and the Prime Lease, the parties agree that the terms, provisions and conditions of the Prime Lease shall control. Licensor and Licensee each covenant to comply with the terms and provisions of said Prime Lease and to take such steps as shall be necessary to prevent its actions or those of its employees, agents or contractors from resulting in a breach of said Prime Lease.

32. Applicable law. This License Agreement shall be construed, performed and enforced in accordance with the laws of the State in which the Licensed Space is located.

33. Notices. Any notice, request or demand required or permitted to be given pursuant to this License Agreement shall be in writing and shall be deemed sufficiently given if delivered by messenger at the address of the intended recipient, sent prepaid by Federal Express (or a comparable guaranteed overnight delivery service), or deposited in the United States first class mail (registered or certified, postage prepaid, with return receipt requested), addressed to the intended recipient at the address set forth below or at such other address as the intended recipient may have specified by written notice to the sender in accordance with the requirements of this paragraph. Any such notice, request, or demand so given shall be deemed given on the day it is delivered by messenger at the specified address, on the day after deposit with Federal Express (or a comparable overnight delivery service), or on the day that is two (2) days after deposit in the United States mail, as the case may be.

LICENSOR: Oregon RSA #2, Inc.
Attention: Real Estate Lease Administration
8410 West Bryn Mawr Avenue
Chicago, Illinois 60631
Site: West Dalles/385362

LICENSEE: City of the Dalles
313 Court Street
The Dalles, OR 97058
Phone: 541-596-5481

34. Waiver of Compliance. Any failure of the Licensee to comply with any obligation, covenant, agreement, or condition herein may be expressly waived by Licensor, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

35. Survival. The representations, warranties, and indemnifications contained herein shall survive the termination or expiration of this License Agreement.

36. Other. The submission of this License Agreement for examination and negotiation does not constitute an offer to license space, or a reservation or option, and this License Agreement shall become effective and binding only upon the execution and delivery hereof by both the Licensor and Licensee.

37. Each party agrees that the execution and delivery of this Tower and Ground Space License Agreement by facsimile or electronic signature shall be legal and binding and shall have the same force and effect as delivery of original signatures and that each party may use such facsimile or electronic signature as evidence of the execution.

[END OF LICENSE AGREEMENT - SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto bind themselves to this Tower and Ground Space License Agreement as of the day and year first above written.

LICENSEE

City of The Dalles, an
Oregon municipal corporation

_____
Matthew B. Klebes, City Manager

Date: _____

ATTEST:

_____
Amie Ell, City Clerk

Approved as to form:

_____
Jonathan Kara, City Attorney

LICENSOR

UScellular Legal Entity

_____
Vice President

Date: _____

Exhibit A

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 NORTH, RANGE 13 EAST, W.M., DALLESPORT, KLICKITAT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 34 AS MONUMENTED BY A FOUND 5/8" REBAR, SAID QUARTER CORNER LIES SOUTH 00°01'35" WEST 2638.10 FEET FROM THE NORTHWEST SECTION CORNER; THENCE NORTH 51°42'16" EAST 1210.70 FEET TO A SET 5/8" REBAR AND THE TRUE POINT OF BEGINNING;

THENCE NORTH 00°00'21" WEST 100.07 FEET; THENCE NORTH 89°59'37" EAST 99.95 FEET; THENCE SOUTH 00°03'55" EAST 100.15 FEET; THENCE NORTH 89°57'36" WEST 100.05 FEET TO THE SAID TRUE POINT OF BEGINNING.

TOGETHER WITH AN EASEMENT FOR ACCESS AND UTILITIES BEING 20.00 FEET IN WIDTH, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE ABOVE-DESCRIBED PARCEL AS MONUMENTED BY A SET 5/8" REBAR; THENCE SOUTH 00°00'21" EAST ALONG THE WEST LINE OF SAID PARCEL 50.00 FEET TO THE BEGINNING OF SAID CENTERLINE;

THENCE NORTH 42°22'12" WEST 335.26 FEET MORE OR LESS TO THE SOUTH LINE OF A ROAD THAT SERVES AS THE CITY OF THE DALLES AIRPORT ACCESS ROAD AND THE END OF SAID CENTERLINE.

ALSO TOGETHER WITH AND SUBJECT TO EASEMENTS, RESERVATIONS, COVENANTS AND RESTRICTIONS OF RECORD AND IN VIEW.

DESCRIPTION PER AF#1037963
TOGETHER WITH AND SUBJECT TO EASEMENTS, COVENANTS, RESERVATIONS, RIGHT-OF-WAYS AND RESTRICTIONS OF RECORD AND IN VIEW.

Exhibit B

(Insert Page 1 of 3 of Application)

Exhibit B (Continued)

(Insert Page 2 of 3 of Application)

Exhibit B (Continued)

(Insert Page 3 of 3 of Application)

Exhibit C

(Page 1 of 2)

Site Plan

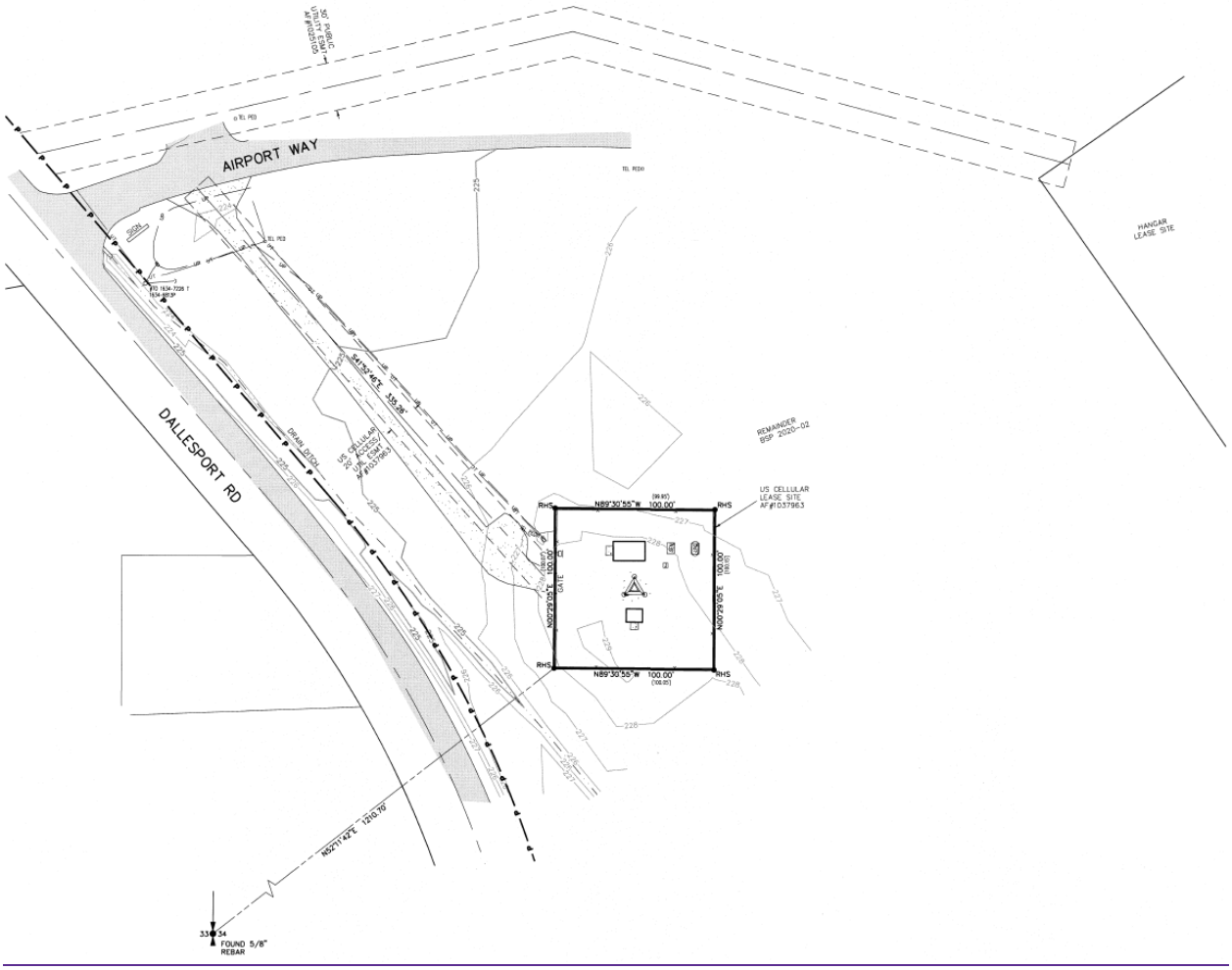
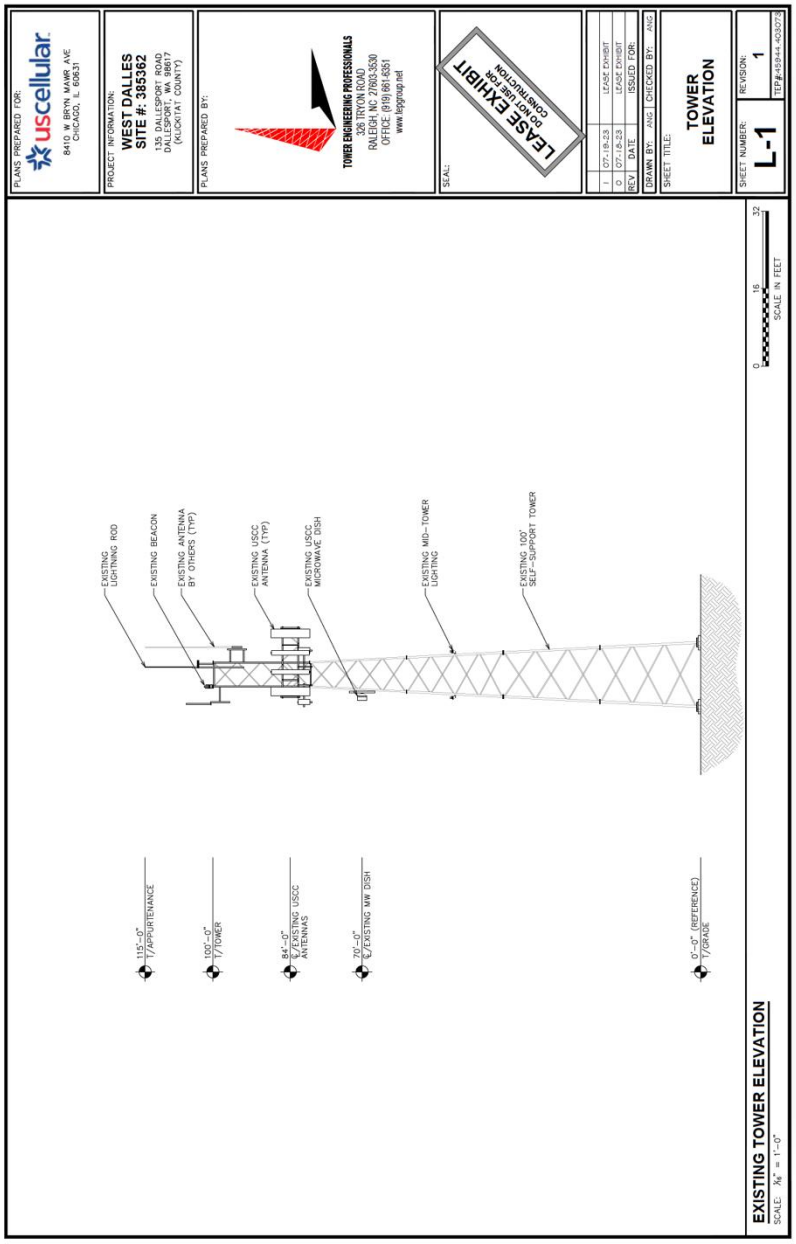


Exhibit C

(Page 2 of 2)

Tower Elevation



GENERATOR SHARING AGREEMENT

THIS GENERATOR SHARING AGREEMENT (the "Agreement") is made and entered into this _____ day of _____, 2024, by and between Oregon RSA #2, Inc., an Oregon corporation, having a principal place of business at Attention: Real Estate Lease Administration, 8410 West Bryn Mawr Avenue, Chicago, Illinois 60631 ("Licensor") and City of the Dalles, a municipal corporation of the State of Oregon, having an address at 313 Court Street, The Dalles, OR 97058 ("Licensee").

WHEREAS, Licensor has a leasehold interest in certain real property located at 135 Dallesport Road, City of Dallesport, in Klickitat County, Washington 98617, at coordinates 45° 77' 1.41" North, 121° 10' 24.05" West (the "Property"). Located on this Property is Licensor's radio station equipment shelter, tower, and other equipment, all of which are owned by Licensor (hereinafter referred to as the "Site"). Pursuant to its rights under the Agreement with Prime Lessor, (hereinafter referred to as the "Prime Lease"), Licensor has installed an emergency power generator and associated equipment (hereinafter referred to as the "Generator") to supply back-up power to Licensor's site, the location of such Generator is on said Property; and,

WHEREAS, Licensee has a communications equipment building and related equipment owned by Licensee, co-located on said Property, and Licensee is connected to Licensor's Generator for use in supplying back-up power to Licensee's communications equipment building and related equipment.

WHEREAS, Licensee desires to draw power from such generator during any power outages at the Site pursuant to the terms and conditions contained herein.

WHEREAS, Licensee desires to draw power from such generator during any power outages at the Site pursuant to the terms and conditions contained herein.

NOW, THEREFORE, in consideration of the mutual promises, conditions, and other good and valuable consideration of the parties hereto, it is covenanted and agreed as follows:

1. Licensee agrees that it will use the Generator as expressly contemplated and permitted hereby, it being understood and agreed that this Agreement provides for use by Licensee that will not interfere with Licensor's use of the Generator.

2. Licensee shall have the right to connect to Generator to maintain backup power to Licensee communication facility. Licensee is allocated the maximum power usage of 20 amps, 120v/240v, single phase which Licensee may draw during any power outages at the Site. The Commencement Date of this Agreement shall be January____, 2024, and shall run concurrently with the Prime Lease between Licensor and Licensee as renewed and extended. Licensor may conduct an audit as frequently as every six (6) months but in no event no more frequently than once in a six (6) month period. In the event such an audit is conducted by Licensor, the audit results shall be shared with Licensee within thirty (30) days following completion of the audit.

3. Licensee and Licensor each agree that Licensor shall maintain and repair Generator for the duration of this Agreement, and that Licensee shall maintain and repair the Licensee connection for the duration of this Agreement.

4. Licensee's installation and connection and use of the Generator shall conform to all applicable county, state and federal laws and regulations at the sole cost of Licensee.

5. This Agreement is a license and is revocable by either Licensor or Licensee: either party shall have the right to terminate this Agreement at any time upon sixty (60) days prior written notice without further obligation to the other party. In no event shall this Agreement last longer than Prime Lease or any renewals or renegotiations thereof.

6. The parties hereby waive any claim for any punitive, special, consequential damages or loss of profits against the other that may arise under this Agreement, provided, however, that such waiver shall not reduce, restrict, limit, or otherwise impair the waiving party's right to indemnification for any punitive, special or consequential damages or loss of profits claimed or suffered by a third party for which the waiving party is required to indemnify or reimburse, by court order, agreement, or otherwise, nor shall such waiver be deemed to include any fines, orders, injunctions, or other penalties imposed by a government agency or department thereof, whether reasonably foreseen by the indemnified party.

7. Licensor retains the right, exercisable upon written notice to Licensee and subject to the cure provisions of Paragraph 13, to disconnect Licensee from the Generator if Licensee is in material breach of this Agreement.

8. This Agreement may be assigned by Licensor without Licensee's consent. Any assignment by Licensee shall require the prior written consent of Licensor, said consent shall be in Licensor's absolute and sole discretion.

9. Licensee shall not permit any person or entity not a party to this Agreement to use the Generator without Licensor's prior consent which shall be in Licensor’s absolute and sole discretion. Any such person or entity shall be required to enter into a separate generator sharing agreement with Licensor.

10. Licensee shall be in default if it fails to perform any obligation as set forth herein under this Agreement. Except as specifically provided for in provision 6 above, Licensor shall notify Licensee in writing of the apparent default and allow ten (10) days for Licensee to rectify the default, provided Licensee shall have such extended period as would be required beyond the ten (10) days for non-monetary defaults if the nature of the cure for such non-monetary default is such that it reasonably requires more than ten (10) days and Licensee commences the cure within the ten (10) day period and thereafter continuously and diligently pursues the cure to completion. If the default is not corrected, subject to the foregoing cure periods, then Licensor may, at its option, terminate this Agreement upon written notice to Licensee and pursue all other available remedies at law and in equity.

11. All notices, requests, demands, billings, and other communications shall be in writing and deemed given if delivered by certified mail, return receipt requested, or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender to the following addresses:

If to Licensor, to:
Oregon RSA #2, Inc.
Attention: Real Estate Lease Administration
8410 West Bryn Mawr Avenue
Chicago, Illinois 60631
Phone: 1-866-573-4544
Site: West Dalles/385362

If to Licensee, to:
City of the Dalles
313 Court Street
The Dalles, OR 97058
Phone: 541-596-5481

12. All of the covenants, conditions, and provisions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successor and assigns.

13. Licensor agrees to indemnify, defend and hold Licensee harmless from and against any and all injury, loss, damage or liability, costs or expenses in connection with a third partyclaim (including reasonable attorneys' fees and costs) arising directly from the actions or failure to act of Licensor, its employees, invitees, agents or independent contractors, or Licensor's breach of any provision of this Agreement, except to the extent attributable to the negligent or intentional act or omission of Licensee, its employees, agents or independent contractors. Licensee agrees to indemnify, defend and hold Licensor harmless from and against any and all injury, loss, damage or liability, costs or expenses in connection with a third partyclaim (including reasonable attorneys' fees and costs) arising directly from the actions or failure to act of Licensee, its employees, invitees, agents or independent contractors, or Licensee's breach of any provision of this Agreement, except to the extent attributable to the negligent or intentional act or omission of Licensor, its employees, agents or independent contractors.

14. Licensee shall have adequate insurance at all times at Licensee's expense, which coverages shall include but are not limited to the following Commercial Workers' Compensation Insurance as required by law, Commercial General Liability Insurance with a minimum combined single limit of Five Million and 00/100 Dollars ($5,000,000.00) covering personal injury and property damage, completed operations, independent contractor and contractual liability (which may be provided in any combination of primary and excess coverage); Employer's Liability Insurance with a minimum combined single limit of Two Million and 00/100 Dollars ($2,000,000.00) and Commercial Automobile Liability Insurance for any motor vehicle, covering bodily injury and property damage with a minimum combined

single limit of Two Million and 00/100 Dollars ($2,000,000.00) all-risk property damage covering all of Licensee's personal property at full replacement cost with commercially reasonable deductibles. The foregoing insurance shall be issued on an occurrence basis, shall be primary with respect to any liability assumed by Licensee hereunder, shall specifically name Licensor as an additional insured, and include a waiver of subrogation in favor of Licensor. Licensee shall provide Licensor with certificates of insurance evidencing the required coverage and shall give Licensor thirty (30) days written notice if the coverage represented in these certificates is canceled.

15. Each party will be responsible for all obligations of compliance with any and all laws, including environmental and industrial hygiene laws, including any regulations, guidelines, standards or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene conditions or concerns as may now or at any time her after be in effect, that are or were in any way related to activity now conducted in, or, in any way related to the Generator, unless such conditions or concerns are caused by the activities of the other party.

16. If all or part of the Generator are destroyed and cannot be repaired or the property on which the Generator is located is taken by condemnation, then this Agreement shall terminate. Licensor shall be entitled to any condemnation award received for the Generator.

17. If this agreement is terminated, Licensee shall be allowed to install its own backup emergency generator on Licensor's site, at Licensee's expense, to power Licensee's facilities.

18. If Licensor removes its generator, or its generator becomes inoperative and will not be repaired, Licensee shall be allowed to install its own backup emergency generator on Licensor's site, at Licensee's expense to power Licensee's facilities.

19. It is understood and agreed that this Agreement contains all agreements, promises and understandings between Licensee and Licensor in respect of the Generator and that no verbal or oral agreements, promises, or understandings shall be binding upon either Licensee or Licensor in any dispute, controversy, or proceedings at law, and any additional, variation or modification of this Agreement shall be void and ineffective unless made in writing and signed by the parties. In the event any provision of this Agreement is found to be invalid or unenforceable, such finding shall not affect the validity and enforceability of the remaining provisions of this Agreement. The failure of either party to insist upon strict performance and any of the terms or conditions of this Agreement or to exercise any of its rights under this Agreement shall not waive such rights and such party shall have the right to enforce such rights at any time and take such action as may be lawful and authorized under this Agreement, either in law or in equity.

20. Any disputes concerning this Agreement or its performance shall be heard in the Circuit Court of the State of Oregon for the County of Wasco and any resolutions shall be construed under the laws of the State of Oregon.

21. This Agreement may be signed via a secured electronic signature system and will be fully effective as an original instrument. Signatures to this Agreement transmitted by a secured electronic signature system will be deemed the equivalent of delivery of an original signature.

[END OF AGREEMENT – SIGNATURE PAGE FOLLOWS]

Signature Page

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth hereinabove.

LICENSEE

City of The Dalles, an
Oregon municipal corporation

_____
Matthew B. Klebes, City Manager

Date: _____

ATTEST:

_____
Aimee Ell, CMC, City Clerk

Approved as to form:

_____
Jonathan Kara, City Attorney

LICENSOR

Oregon RSA #2, Inc.

_____
Vice President

Date: _____

ACKNOWLEDGEMENTS

STATE OF OREGON

COUNTY OF WASCO

On this, the __ day of _____, 2024, before me, a Notary Public in and for the State of Oregon, City Manager of the City of the Dalles, known to me to be the same person whose name is subscribed to the foregoing Generator Sharing Agreement, appeared before me this day in person and acknowledged that he signed the said Agreement as his free and voluntary act for the uses and purposes therein stated.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My commission expires _____

NOTARY PUBLIC _____

STATE OF ILLINOIS

COUNTY OF COOK

On this, the __ day of _____, 2024, before me, a Notary Public in and for the State of Illinois, the undersigned officer personally appeared who acknowledged himself to be the Vice President of Oregon RSA #2 Inc., known to me to be the same person whose name is subscribed to the foregoing Generator Share Agreement, appeared before me this day in person and acknowledged that, pursuant to her/his authority, s/he signed the said Agreement as her/his free and voluntary act on behalf of the named Landlord, for the uses and purposes therein stated.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My commission expires _____

NOTARY PUBLIC _____

Prepared by and return to:
Oregon RSA #2, Inc.
Attention: Real Estate Legal
8410 W. Bryn Mawr Ave.
Chicago, IL 60631

Site Name: West Dalles
Site Number: 385362
County: Klickitat
State: WA

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE is made and entered into by and between City of the Dalles, a municipal corporation of the State of Oregon, whose address is 313 Court Street, The Dalles, OR 97058, hereinafter referred to as "Landlord", and Oregon RSA #2, Inc., an Oregon corporation, whose address is Attention: Real Estate Lease Administration, 8410 West Bryn Mawr Avenue, Chicago, Illinois, 60631, hereinafter referred to as "Tenant."

WITNESSETH:

WHEREAS, by the terms of a certain Ground Lease, entered into on the _____ of _____, 2024, ("the Lease"), the Landlord granted Tenant the option to lease certain property and agreed to grant Tenant certain easements, all being more particularly bounded and described as set forth in Exhibit "A" attached hereto and made a part hereof (the "Premises") upon the terms and conditions set forth in the Lease; and

WHEREAS, the Landlord and the Tenant desire to execute this Memorandum of Lease to evidence said Lease and certain of the terms therein for the purpose of placing the same of record in the Clerk's Office for Klickitat County, State of Washington.

NOW THEREFORE, in consideration of the sum of Ten ($10.00) Dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Landlord does hereby grant Tenant the option to lease the Premises and obtain certain easements upon the terms and conditions of the Lease which is incorporated herein by specific reference, and do agree as follows:

1. The Lease will commence on September 1, 2023 and will run for an initial lease term of five (5) years. The Lease provides for renewal terms that may extend the term of the lease for up to five (5) successive five (5) year renewal terms upon the terms and conditions more particularly as set forth in the Lease.

2. Landlord also makes certain grants of easement for access and utilities, as more particularly described on the attached Exhibit A, which easements are in effect throughout the term of the Lease as renewed or extended, subject to terms and conditions as set forth in the Lease.

3. Tenant (or its assignee or designee) shall have a right of first refusal to purchase one or more of the following interests, (a) fee ownership of all or any part of the Premises; (b) any easement rights in or over all or any part of the Premises; or (c) all or any part of Landlord's interest in or rights under the Lease (each, "Landlord's Interest") whenever Landlord receives a bona fide offer from an unrelated third party to purchase directly or indirectly, all or any part of Landlord's Interest that Landlord desires to accept in accordance with the terms and conditions more particularly set forth in the Lease.

5. This Memorandum of Leases is subject to all the terms and provisions of the Lease which is incorporated herein and made part hereof by reference as if all the provisions thereof were copied in full herein. Any conflict between the provisions of the Memorandum of Lease will be resolved in favor of the Lease.

IN WITNESS WHEREOF, the Landlord and Tenant hereto have caused this Memorandum of Lease to be executed by their duly authorized officers as of the date of full execution.

LANDLORD:

City of The Dalles, an
Oregon municipal corporation

_____
Matthew B. Klebes, City Manager

Date: _____

ATTEST:

_____
Aimee Ell, CMC, City Clerk

Approved as to form:

_____
Jonathan Kara, City Attorney

TENANT:

Oregon RSA #2, Inc.

_____
Vice President

Date: _____

STATE OF OREGON

COUNTY OF WASCO

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that _____, known to me to be the same person whose name is subscribed to the foregoing Memorandum of Lease, appeared before me this day in person and acknowledged that, pursuant to their authority, signed the said Memorandum as their free and voluntary act on behalf of the City of The Dalles, for the uses and purposes therein stated.

Given under my hand and seal this ____ day of _____, 20___.

_____
Notary Public
My commission expires _____

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned, a notary public in and for the State and County aforesaid, do hereby certify that _____, Vice President for Oregon RSA #2, Inc., known to me to be the same person whose name is subscribed to the foregoing Memorandum of Lease, appeared before me this day in person and acknowledged that, pursuant to his authority, he signed the said Memorandum as his free and voluntary act on behalf of the named Tenant, for the uses and purposes therein stated.

Given under my hand and seal this ____ day of _____, 20__.

_____
Notary Public
My commission expires _____

EXHIBIT A

Legal Description of Premises

LEASEHOLD PARCEL

THAT PORTION OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 2 NORTH, RANGE 13 EAST, W.M., DALLESPORT, KLICKITAT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE WEST QUARTER CORNER OF SAID SECTION 34 AS MONUMENTED BY A FOUND 5/8" REBAR, SAID QUARTER CORNER LIES SOUTH 00°01'35" WEST 2638.10 FEET FROM THE NORTHWEST SECTION CORNER; THENCE NORTH 51°42'16" EAST 1210.70 FEET TO A SET 5/8" REBAR AND THE TRUE POINT OF BEGINNING;

THENCE NORTH 00°00'21" WEST 100.07 FEET; THENCE NORTH 89°59'37" EAST 99.95 FEET; THENCE SOUTH 00°03'55" EAST 100.15 FEET; THENCE NORTH 89°57'36" WEST 100.05 FEET TO THE SAID TRUE POINT OF BEGINNING.

EASEMENT PARCEL
TOGETHER WITH AN EASEMENT FOR ACCESS AND UTILITIES BEING 20.00 FEET IN WIDTH, THE CENTERLINE OF WHICH IS DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF THE ABOVE-DESCRIBED PARCEL AS MONUMENTED BY A SET 5/8" REBAR; THENCE SOUTH 00°00'21" EAST ALONG THE WEST LINE OF SAID PARCEL 50.00 FEET TO THE BEGINNING OF SAID CENTERLINE;

THENCE NORTH 42°22'12" WEST 335.26 FEET MORE OR LESS TO THE SOUTH LINE OF A ROAD THAT SERVES AS THE CITY OF THE DALLES AIRPORT ACCESS ROAD AND THE END OF SAID CENTERLINE.

ALSO TOGETHER WITH AND SUBJECT TO EASEMENTS, RESERVATIONS, COVENANTS AND RESTRICTIONS OF RECORD AND IN VIEW