

| COLUMBIA GORGE REGIONAL AIRPORT
CITY OF THE DALLES, OREGON

FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION

YEAR ENDED JUNE 30, 2024
WITH
INDEPENDENT AUDITOR'S REPORT



**COLUMBIA GORGE REGIONAL AIRPORT
CITY OF THE DALLES, OREGON
JUNE 30, 2024**

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Columbia Gorge Regional Airport

June 30, 2024

Independent Auditor’s Report	A-1 – A-3
Management’s Discussion and Analysis	B-1 – B-4
Basic Financial Statements:	
Statement of Net Position	1
Statement of Revenues, Expenses and Changes in Net Position	2
Statement of Cash Flows	3
Notes to Basic Financial Statements	4 – 12
Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – All Airport Funds Combined	13
Schedules of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Airport General Fund	14
Airport Debt Service Fund	15
Compliance Section:	
Independent Auditor’s Report Required by Oregon State Regulations	16 – 17



| Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

Board of Directors
Columbia Gorge Regional Airport
The Dalles, Oregon

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the business-type activities of the Columbia Gorge Regional Airport (the Airport) as of and for the year ended June 30, 2024, 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 respective financial position of the business-type activities of the Airport, as of June 30, 2024, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter – Reissuance of Financial Statements

Subsequent to the date of our originally issued audit report dated November 25, 2024, it was identified that federal grant awards from the Federal Aviation Administration to the Airport should be accounted for within the City of The Dalles, Oregon, to whom the federal single audit requirement should apply. The effect of this change resulted in a decrease in capital grant revenues and an increase in capital contributions of \$3,102,827 on the Statement of Revenues, Expenses and Changes in Net Position. In addition, the single audit report previously included was removed as no longer applicable to the Airport. There was no impact to ending net position following this change.

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.

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 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 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.

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. 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 supplementary information as listed in the Table of Contents are 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 April 3, 2025 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 162-10-0000 through 162-10-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*. The purpose of that report is to describe the scope of our testing necessary to address the required provisions of ORS, and not to provide an opinion on compliance with such provisions.

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

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



| Management's Discussion and Analysis

**COLUMBIA GORGE REGIONAL AIRPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2024**

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, 2024. 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 \$18,734,197 (net position).
- The Airport's total net position increased by \$2,997,588 primarily associated with an increase due capital contribution revenue from the City of The Dalles generated from capital grants through Federal Aviation Administration (FAA) Airport Improvement Program (AIP).
- The Airport's total liabilities decreased by \$83,338. This was primarily the result of debt service payments of \$115,000, offset by an increase in 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 REVENUES, EXPENSES AND CHANGES IN NET POSITION

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

STATEMENT OF CASH FLOW

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

**COLUMBIA GORGE REGINAL AIRPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

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

	<u>2024</u>	<u>2023</u>
Assets		
Current and other assets	\$ 1,892,043	\$ 1,654,232
Capital assets	<u>19,734,200</u>	<u>16,575,950</u>
Total assets	<u>21,626,243</u>	<u>18,230,182</u>
Liabilities		
Long-term liabilities	1,586,184	1,702,214
Other liabilities	<u>71,143</u>	<u>38,451</u>
Total liabilities	<u>1,657,327</u>	<u>1,740,665</u>
Deferred inflows of resources	<u>1,234,719</u>	<u>752,908</u>
Net position		
Net investment in capital assets	18,148,016	14,873,736
Restricted for debt service	74,236	51,637
Unrestricted	<u>511,945</u>	<u>811,236</u>
Total net position	<u><u>\$ 18,734,197</u></u>	<u><u>\$ 15,736,609</u></u>

The net position of the Airport is primarily invested in capital assets, net of related accumulated depreciation. New construction is primarily related to the South Apron Tarmac Design Project. Unrestricted net position decreased to \$511,945 by \$299,291 or 36.9% primarily due to Airport costs associated with the aforementioned project. This balance represents the portion of net position which may be used to meet the Airport's ongoing obligations.

**COLUMBIA GORGE REGINAL AIRPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

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

	2024	2023
Revenues		
Operating revenues	\$ 471,960	\$ 431,288
Intergovernmental	84,923	130,000
Capital grants and contributions	3,119,102	115,006
Other	56,899	18,377
Total revenues	<u>3,732,884</u>	<u>694,671</u>
Expenses		
Operating expenses	669,742	628,008
Interest on long-term debt	65,554	66,256
Total expenses	<u>735,296</u>	<u>694,264</u>
Change in net position	<u>2,997,588</u>	<u>407</u>
Net position - beginning of year	<u>15,736,609</u>	<u>15,736,202</u>
Net position - ending	<u><u>\$ 18,734,197</u></u>	<u><u>\$ 15,736,609</u></u>

The Airport's total net position increased by \$2,997,588 primarily associated with an increase due to capital contribution revenue of \$3,102,827 from the City of The Dalles generated from a capital grant through the FAA's AIP grant program. The increase in net position from 2023 is primarily due to this capital contribution.

BUDGETARY HIGHLIGHTS

The original legal appropriations for the Airport General Fund totaled \$8,296,298 which included a contingency of \$532,489. Expenditures were \$7,573,633 under budget. The original legal appropriations for the Airport Debt Service Fund totaled \$207,634. Expenditures were \$22,859 under budget.

CAPITAL ASSETS

As of June 30, 2024 the Airport had \$19,734,200 invested in capital assets, consisting of land, construction in progress, and land improvements. Currently, the Airport has \$4,022,089 in construction in progress which includes the following projects: South Apron Tarmac Design Project – South Apron Rehab, Hangar Expansion Grading Plan, Fuel Apron, Fuel Tank and Airport Hangar F Improvements. For further information regarding capital assets refer to Note 5.

DEBT ADMINISTRATION

As of June 30, 2024, the Airport had \$1,586,184 in debt outstanding compared to \$1,702,214 in the prior year. The decrease of \$116,030 resulted from \$115,000 in scheduled principal payments and \$1,030 from amortization of the bond premium. For further information regarding debt refer to Note 6.

**COLUMBIA GORGE REGIONAL AIRPORT
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)
FISCAL YEAR ENDED JUNE 30, 2024**

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
YEAR ENDED JUNE 30, 2023

ASSETS

Current assets	
Cash and cash equivalents	\$ 624,803
Receivables	
Trade accounts, net	32,521
Current lease receivables	131,168
	<hr/>
Total current assets	788,492
	<hr/>

NONCURRENT ASSETS

Lease receivable, net of current portion	1,103,551
Capital assets	
Land	1,498,200
Construction in progress	4,022,089
Depreciable assets, net	14,213,911
	<hr/>
Total noncurrent assets	20,837,751
	<hr/>

TOTAL ASSETS

21,626,243

LIABILITIES

Current liabilities	
Accounts payable	62,862
Accrued interest payable	8,281
Current portion of long-term debt, net of unamortized premium	120,962
	<hr/>
Total current liabilities	192,105
	<hr/>

NON-CURRENT LIABILITIES

Bonds and notes payable, net of current portion and unamortized premium	1,465,222
	<hr/>
Total non-current liabilities	1,465,222
	<hr/>
Total liabilities	1,657,327
	<hr/>

DEFERRED INFLOWS OF RESOURCES

Deferred lease resources	1,234,719
	<hr/>

NET POSITION

Net investment in capital assets	18,148,016
Restricted for debt service	74,236
Unrestricted	511,945
	<hr/>

TOTAL NET POSITION

18,734,197

**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND NET POSITION**

\$ 21,626,243

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

OPERATING REVENUES

Charges for services	\$ 22,230
Rental income	426,381
Miscellaneous	<u>23,349</u>
Total operating revenues	<u>471,960</u>

OPERATING EXPENSES

Materials and services	336,396
Depreciation	<u>333,346</u>
Total operating expenses	<u>669,742</u>

OPERATING INCOME (LOSS)

(197,782)

NONOPERATING REVENUES (EXPENSE)

Interest on investments	56,899
Interest expense	(65,554)
Intergovernmental	<u>84,923</u>

Total nonoperating revenues (expenses)	<u>76,268</u>
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Net income before capital grants and contributions	<u>(121,514)</u>
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CAPITAL GRANTS AND CONTRIBUTIONS

Grant	16,275
Capital contribution	<u>3,102,827</u>
Total capital contributions	<u>3,119,102</u>

CHANGE IN NET POSITION

2,997,588

NET POSITION, beginning of year

15,736,609

NET POSITION, end of year

\$ 18,734,197

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

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers and users	\$ 462,672
Payments to suppliers	<u>(293,839)</u>
Net cash provided (used) by operating activities	<u>168,833</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Proceeds from intergovernmental revenue	<u>84,923</u>
Net cash provided (used) by noncapital financing activities	<u>84,923</u>

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

Proceeds from grants	16,275
Acquisition of capital assets	(388,769)
Principal paid on long-term obligations	(115,000)
Interest paid on long-term obligations	<u>(67,275)</u>
Net cash provided (used) by capital and related financing	<u>(554,769)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest on investments	<u>56,899</u>
Net cash provided (used) by investing activities	<u>56,899</u>
Net change in cash and cash equivalents	(244,114)
Cash and cash equivalents - beginning of year	<u>868,917</u>
Cash and cash equivalents - end of year	<u><u>\$ 624,803</u></u>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET
CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (197,782)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	333,346
Change in assets and deferred outflows of resources and liabilities and deferred inflows of resources	
Receivables	(113)
Accounts payable	42,557
Unearned revenue	<u>(9,175)</u>
Total adjustments	<u>366,615</u>
Net cash provided by operating activities	<u><u>\$ 168,833</u></u>



| Notes to Basic Financial Statements

**COLUMBIA GORGE REGIONAL AIRPORT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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:

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

**COLUMBIA GORGE REGIONAL AIRPORT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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, 2024, 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.

**COLUMBIA GORGE REGIONAL AIRPORT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

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, 2024, the District implemented the following GASB Pronouncement:

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.

Future GASB Pronouncements

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

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

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

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

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

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.

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.

**COLUMBIA GORGE REGIONAL AIRPORT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 2 – 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 3 – 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 2023-2024. 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.

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, 2024, 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.

**COLUMBIA GORGE REGIONAL AIRPORT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 3 – CASH AND INVESTMENTS (continued)

Investments (continued)

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.

As of June 30, 2024, the Airport had the following investments:

Investments Measured at Fair Value:	Total as of 6/30/2024	Level One	Level Two	Level Three	Amortized Cost Measurement Not Measured at Fair Value
Local Government Investment Pool	\$ 361,711	\$ -	\$ -	\$ -	\$ 361,711
Total	<u>\$ 361,711</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 361,711</u>

Cash and investments are comprised of the following as of June 30, 2024:

Demand deposits	\$ 263,092
Investments - LGIP	<u>361,711</u>
Total	<u>\$ 624,803</u>

**COLUMBIA GORGE REGIONAL AIRPORT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 4 – RECEIVABLES

Trade receivables represent amounts due to the Airport at June 30, 2024, from service charges. Lease receivables represent amounts due from leases.

Receivables are comprised of the following as of June 30, 2024:

General Fund:	
Trade accounts receivable, net	\$ 31,242
Interest receivable	524
Lease receivable	1,210,740
Debt Service Fund:	
Trade accounts receivable, net	755
Lease receivable	23,979
Total	<u>\$ 1,267,240</u>

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, are as follows:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital Assets, non-depreciable:					
Land	\$ 1,498,200	\$ -	\$ -	\$ -	\$ 1,498,200
Construction in progress	530,493	3,491,596	-	-	4,022,089
Total capital assets, non-depreciable	<u>2,028,693</u>	<u>3,491,596</u>	<u>-</u>	<u>-</u>	<u>5,520,289</u>
Capital assets, depreciable:					
Land improvements	16,893,288	-	-	-	16,893,288
Buildings	3,585,236	-	-	-	3,585,236
Equipment	74,174	-	-	-	74,174
Total capital assets, depreciable	<u>20,552,698</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,552,698</u>
Less accumulated depreciation					
Land improvements	(5,284,491)	(257,845)	-	-	(5,542,336)
Buildings	(655,807)	(71,798)	-	-	(727,605)
Equipment	(65,143)	(3,703)	-	-	(68,846)
Total accumulated depreciation	<u>(6,005,441)</u>	<u>(333,346)</u>	<u>-</u>	<u>-</u>	<u>(6,338,787)</u>
Net depreciable capital assets	<u>14,547,257</u>	<u>(333,346)</u>	<u>-</u>	<u>-</u>	<u>14,213,911</u>
Net capital assets	<u>\$ 16,575,950</u>	<u>\$ 3,158,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,734,200</u>

Construction in progress consists of the following as of the year ended June 30, 2024:

The Airport Improvements Project – Costs 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 – Costs incurred to date are \$3,669,345 and total estimated costs are \$3,681,184. This project is funded through an FAA grant and is contributed by the City based on amounts completed annually.

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

**COLUMBIA GORGE REGIONAL AIRPORT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 5 – CAPITAL ASSETS (continued)

Hanger Expansion Grading Plan – Costs incurred to date are \$12,602. This project is currently on hold and costs to date are for engineering only.

Fuel Apron – Costs incurred to date are \$64,551 and are in excess of contract commitments by \$17,951.

Fuel Tank – Costs incurred to date are \$11,907 and no contracts are in place to complete this project.

NOTE 6 – LONG-TERM LIABILITIES

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

	Balance at June 30, 2023	Additions	Reductions	Balance at June 30, 2024	Due Within One Year
Long-Term Debt					
Klickitat CERB Loan	\$ 300,000	\$ -	\$ (25,000)	\$ 275,000	\$ 25,000
Airport Taxable LOCAP Bond	1,395,000	-	(90,000)	1,305,000	95,000
	1,695,000	-	(115,000)	1,580,000	120,000
Unamortized Premium	7,214	-	(1,030)	6,184	962
Total Long-Term Debt	\$ 1,702,214	\$ -	\$ (116,030)	\$ 1,586,184	\$ 120,962

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

**COLUMBIA GORGE REGIONAL AIRPORT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 6 – LONG-TERM LIABILITIES (continued)

Loans Payable

In February 2011, the Airport entered into a loan agreement with 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. This loan is funded by the Community Economic Revitalization Board (CERB) of the Washington State Department of Commerce. While Klickitat County received the funds and administered the project, the Airport recorded the loan proceeds, assumed the debt and capitalized the portion of the project funded by the loan. As agreed upon by the City, payments are 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
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	25,000	2,625	27,625
2030-2034	125,000	7,500	132,500
2035	25,000	375	25,375
	<u>\$ 275,000</u>	<u>\$ 24,750</u>	<u>\$ 299,750</u>

NOTE 7 – 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, 2024, all properties were occupied producing a total revenue of \$426,381. Future maturities of leases receivable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 131,168	\$ 33,151	\$ 164,319
2026	147,503	30,856	178,359
2027	142,710	28,323	171,033
2028	123,801	26,457	150,258
2029	55,496	24,933	80,429
2030-2034	85,441	118,040	203,481
2035-2039	103,923	101,370	205,293
2040-2044	158,166	75,680	233,846
2045-2049	130,819	46,714	177,533
2050-2054	155,692	13,910	169,602
Total	<u>\$ 1,234,719</u>	<u>\$ 499,434</u>	<u>\$ 1,734,153</u>

**COLUMBIA GORGE REGIONAL AIRPORT
NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2024**

NOTE 7 – AIRPORT LEASE RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES (continued)

The following presents current year changes in lease receivables:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Leases recievable	\$ 752,907	\$ 638,161	\$ (156,349)	\$ 1,234,719

Lease inflows of resources for the year ended June 30, 2024 are as follows:

	<u>Governmental Activities</u>
Lease revenue	\$ 156,349
Lease interest income	34,975
Total lease inflows	<u>\$ 191,324</u>

NOTE 8 – 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 9 – 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
YEAR ENDED JUNE 30, 2024**

	Airport General Fund	Airport Debt Service Fund	Total All Airport Funds
REVENUES			
Charges for services	\$ 22,230	\$ -	\$ 22,230
Intergovernmental	84,923	-	84,923
Rental income	226,947	199,434	426,381
Interest on investments	48,959	7,940	56,899
Grants	16,275	-	16,275
Miscellaneous	23,349	-	23,349
Total revenues	<u>422,683</u>	<u>207,374</u>	<u>630,057</u>
EXPENDITURES			
Materials and services	333,896	2,500	336,396
Capital outlay	388,769	-	388,769
Debt service			
Principal	-	115,000	115,000
Interest	-	67,275	67,275
Total expenditures	<u>722,665</u>	<u>184,775</u>	<u>907,440</u>
Revenues over (under) expenditures and Net changes in fund balances	<u>(299,982)</u>	<u>22,599</u>	<u>(277,383)</u>
FUND BALANCE, beginning budgetary basis	<u>813,930</u>	<u>51,637</u>	<u>865,567</u>
FUND BALANCE, ending budgetary basis	<u>\$ 513,948</u>	<u>\$ 74,236</u>	<u>\$ 588,184</u>
Net change in fund balance, prior to special item contributions			\$ (277,383)
Capital contribution revenue			3,102,827
Expenditures capitalized			388,769
Debt service principal payments			115,000
Depreciation expense			(333,346)
Interest revenue/expense			<u>1,721</u>
Change in net position			<u>\$ 2,997,588</u>

**COLUMBIA GORGE REGIONAL AIRPORT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
AIRPORT GENERAL FUND
YEAR ENDED JUNE 30, 2024**

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES				
Charges for services	\$ 20,000	\$ 20,000	\$ 22,230	\$ 2,230
Intergovernmental	454,153	454,153	84,923	(369,230)
Rental income	181,623	181,623	226,947	45,324
Interest on investments	6,336	6,336	48,959	42,623
Grants	7,064,519	7,064,519	16,275	(7,048,244)
Miscellaneous	42,000	42,000	23,349	(18,651)
Total revenues	7,768,631	7,768,631	422,683	(7,345,948)
EXPENDITURES				
Materials and services	386,050	386,050	333,896	(52,154)
Capital outlay	7,377,759	7,716,759	388,769	(7,327,990)
Contingency	532,489	193,489	-	(193,489)
Total expenditures	8,296,298	8,296,298 (1)	722,665	7,573,633
Revenues over (under) expenditures and Net changes in fund balances	(527,667)	(527,667)	(299,982)	(14,919,581)
FUND BALANCE, beginning budgetary basis	790,128	790,128	813,930	23,802
FUND BALANCE, ending budgetary basis	\$ 262,461	\$ 262,461	\$ 513,948	\$ (14,895,779)

(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, 2024**

	Budget			Variance with Final Budget Positive (Negative)
	Adopted	Final	Actual	
REVENUES:				
Rental income	\$ 178,670	\$ 178,670	\$ 199,434	\$ 20,764
Interest on investments	639	639	7,940	7,301
Total revenues	179,309	179,309	207,374	28,065
EXPENDITURES				
Materials and services	-	-	2,500	2,500
Debt service				-
Principal	115,000	115,000	115,000	-
Interest	67,275	67,275	67,275	-
Total expenditures	182,275	182,275 (1)	184,775	(2,500)
Revenues over (under) expenditures and Net changes in fund balances	(2,966)	(2,966)	22,599	25,565
FUND BALANCE, beginning budgetary basis	28,325	28,325	51,637	23,312
FUND BALANCE, ending budgetary basis	\$ 25,359	\$ 25,359 (1)	\$ 74,236	\$ 48,877



| Compliance Section



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

Board of Directors
Columbia Gorge Regional Airport
The Dalles, Oregon

We have audited the basic financial statements of the Columbia Gorge Regional Airport (the Airport) as of and for the year ended June 30, 2024, and have issued our report thereon dated April 3, 2025. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

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 162-10-0000 through 162-10-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not the objective of our audit, and accordingly, we do not express such an opinion.

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

- Deposit of public funds with financial institutions under ORS Chapter 295.
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required under ORS Chapter 294.
- Insurance and fidelity under bonds in force or required by law.
- Programs funded from outside sources.
- 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 grant agreements and other matters, including the provisions of Oregon Revised Statutes as specified in Oregon Administration Rules 162-10-0000 through 162-10-0330 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 Airport's internal control over financial reporting (internal control) as a basis for designing our auditing procedures 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 City of The Dalles, Oregon, Klickitat County, Washington; Management of the Airport and the Oregon Secretary of State and is not intended to be and should not be used by anyone other than these parties.

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

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