

**PORT COMMISSION REGULAR SESSION MEETING  
WEDNESDAY, JULY 13, 2022, 5:30 P.M. AT DUFUR SCHOOL, DUFUR**

---

**AGENDA**

- A. ROLL CALL** Executive Director Klaas
- B. PLEDGE OF ALLEGIANCE** Commissioner Weast
- C. AGENDA CORRECTIONS OR ADDITIONS** Executive Director Klaas
- D. COMMUNITY PARTNER UPDATES**
- Ann Ferguson, Secretary/Treasurer, Dufur Recreation District
  - Merle Keys, Mayor, Dufur City
  - Jack Henderson, Superintendent, Dufur School District
  - Shilah Olson, District Manager, Wasco County Soil & Water Conservation District
- E. PUBLIC COMMENT OR QUESTION** 3-minute limit per person per subject; 10-minute limit  
*Except for factual questions, the Commission does not respond to or discuss issues raised during public comment.*
- F. UPCOMING MEETINGS/EVENTS**
- July 15, 2022: Executive Director Klaas on KODL Radio Coffee Break Executive Director Klaas
  - **August 10, 2022: Port Commission Regular Session Meeting**
- G. ACTION ITEMS**
1. June 8, 2022, Regular Session Meeting Minutes
  2. June 2022 Financial Reports Treasurer Coburn
- H. REPORTS**
1. Staff Report Executive Director Klaas
  2. Committee Reports
    - Community Outreach Team Commissioner Weast
    - Urban Renewal Commissioner Coburn
    - Chamber of Commerce Commissioner Griffith
    - Dufur Commissioner Wallace
    - Wasco County EDC Executive Assistant Toepke \*Next meeting in September
- I. EXECUTIVE SESSION** *as allowed by ORS 192.660(2)(e) Real Property Transactions, ORS 192.660(2)(h) Conferring with Legal Counsel regarding litigation* \*Media representatives are instructed not to report or disclose matters discussed in Executive Session
- J. ACTION REQUIRED FROM EXECUTIVE SESSION**

**K. ELECTION OF OFFICERS**

- President, Vice-President, Secretary, Treasurer, Assistant Secretary/Treasurer

**L. COMMISSION CALL**

## PORT OF THE DALLES AGENDA ITEM

---

**MEETING DATE** July 13, 2022

**ACTION ITEM G-1.)** June 8, 2022, Regular Session Meeting Minutes

**STAFF RECOMMENDATION** Approve June 8, 2022, Regular Session Meeting Minutes  
as presented

---

**PORT OF THE DALLES COMMISSION**  
**Regular Session Meeting Minutes**  
**Wednesday, June 8, 2022, 7:00 p.m.**  
**Port Administrative Office**

The Regular Session Meeting of the Port Commissioners was called to order by President Greg Weast at 7:05 p.m.

**ROLL CALL** Executive Assistant Toepke

- **COMMISSION** Greg Weast, Robert Wallace, Staci Coburn, David Griffith, John Willer
- **STAFF** Andrea Klaas, Executive Director; Jennifer Toepke, Executive Assistant; Bill Dick, Attorney
- **GUESTS** Jessica Metta, Executive Director, Mid-Columbia Economic Development District; Alana Lackner, Columbia Gorge News; Commissioner's Willer's Sister

**PLEDGE OF ALLEGIANCE** Treasurer Coburn

**AGENDA CORRECTIONS/ADDITIONS** None

**COMMUNITY PARTNER UPDATE** Jessica Metta, Executive Director, Mid-Columbia Economic Development District  
Introduction of MCEDD. Provided highlights of the Columbia Gorge Comprehensive Economic Development Strategy 2022-2027 for Hood River, Klickitat, Sherman, Skamania, and Wasco Counties (see slides included in Meeting Packet): Notable items in the SWOT analysis: challenge of disparities between States (OR/WA); threats from droughts; fires and changing weather patterns; 1<sup>st</sup> time to discuss childcare in the CEDS – it is an essential infrastructure, so that more people can participate in the workforce; resilient infrastructure is the longest goal in the plan. Oregon and Washington Top Ten are included – the Port provides its feedback that is used in the top 10. This is the first year that the CEDS Summary is also available in Spanish. Questions: Commissioner Weast inquired who oversees the transportation – specifically LINK. The manager's name was provided, and it was shared that LINK just finished their 20-year plan. Commissioner Weast expressed his concern to see that the busses are always empty. LINK recently contracted a consultant to work out a better route with more stops, to avoid the busses being empty regularly. Commissioner Griffith commented that interest rates are going up, there is no affordable housing – an answer needs to be found for affordable housing.

**REGULAR SESSION ADJOURNED AT 7:30 P.M. & EXECUTIVE SESSION COMMENCED AT 7:30 P.M.**

**EXECUTIVE SESSION ADJOURNED AT 7:45 P.M. & REGULAR SESSION RESUMED AT 7:45 P.M.**

**ACTION REQUIRED FROM EXECUTIVE SESSION** None

**OPENED PUBLIC BUDGET HEARING AT 7:45 P.M.** Budget for Fiscal year 2022-2023 as approved by the Port of The Dalles Budget Committee on April 26, 2022

**PUBLIC COMMENT OR QUESTION** None

**UPCOMING MEETINGS/EVENTS** As included in Meeting Packet, plus Commissioner Griffith will join ED Klaas on KODL

**REPORTS**

1. *Staff Report* Executive Director Klaas Stands as included in the Meeting Packet, plus add Bohn's Printing and Oregon Equipment to the list of small businesses the Port contracts
2. *Committee Reports*
  - *Community Outreach Team* Executive Director Klaas Monthly administration has been handed over to the College. The Port will retain scheduling for Washington, D.C. trips and compiling the Community

Enhancement Program Book. Current activity is to follow up on items from the March trip to Washington, D.C. and prepare for the next trip in September.

- *Urban Renewal* Commissioner Coburn Urban Renewal approved a new financial incentive program. Different grants that will support downtown movement. Numerous developers are interested. One example is a program that will remove the SDC's – they will not be waived, instead Urban Renewal will pay the SDC's, so that way those fees will still reach the agencies.
- *Chamber of Commerce* Commissioner Griffith A printout of the Chamber newsletter was provided. The Cherry Festival was profitable. The Bass Tournament was shown on Pursuit TV. Bargeway Pub, Freebridge Brewing & the Discovery Center all benefited from the coverage; the river is a big resource.
- *Dufur* Commissioner Wallace Oregon Trail Road Rally was in town. Also, the Gravel Grinder – 700 bicyclists. School is getting out soon. Lots of kids will be working in the cherry orchards or driving wheat trucks. Azure is bringing activity/work to the downtown area.
- *Wasco County Economic Development* Executive Assistant Toepke ED Klaas provided a summary in the Staff Report which covered the meeting and visit to Maupin.

**CLOSED PUBLIC BUDGET HEARING AT 7:55 P.M.** Budget for Fiscal year 2022-2023 as approved by the Port of The Dalles Budget Committee on April 26, 2022

#### **ACTION ITEMS**

1. **May 11, 2021, Regular Session Meeting Minutes** *were Approved by Consensus*
2. **May 2022 Financial Reports** *Stand as presented, Approved by Consensus* \*Excluded financial notes were read into record by Treasurer Coburn
3. **Resolution No. 2022-004 Adopting the Budget, Making Appropriations, Imposing the Tax, Categorizing the Tax, FY 2022-2023** *M/D. Griffith, S/S. Coburn Motion Approved Unanimously*

**REGULAR SESSION ADJOURNED AT 8:00 P.M. & EXECUTIVE SESSION COMMENCED AT 8:00 P.M.**

**EXECUTIVE SESSION ADJOURNED AT 8:55 P.M. & REGULAR SESSION RESUMED AT 8:55 P.M.**

#### **ACTION REQUIRED FROM EXECUTIVE SESSION**

**M-3. Effective July 1, 2022, increase Executive Director Andrea Klaas's salary 5%** *M/R. Wallace, Approved by Consensus*

**COMMISSION CALL** Looking forward to holding July's meeting in Dufur; thanks to Commissioner's Wallace & Coburn for the hard work on the new format of the Executive Director's Annual Performance Evaluation and Compensation Review; hoping to become whole from the Marina Fire expenses; recent teambuilding day was great!

**THERE BEING NO FURTHER BUSINESS TO COME BEFORE THE PORT COMMISSION, the meeting adjourned at 9:02 p.m.**

**PORT OF THE DALLES:**

**ATTEST:**

---

Greg Weast, President  
Board of Commissioners

---

David A. Griffith, Secretary  
Board of Commissioners

DATE APPROVED: July 13, 2022

Prepared by: Jennifer Toepke, Executive Assistant

## PORT OF THE DALLES AGENDA ITEM

---

MEETING DATE July 13, 2022

ACTION ITEM G-2.) June 2022 Financial Reports Treasurer Coburn

STAFF RECOMMENDATION Approve June 2022 Financial Reports as presented

---

### Local Government Investment Pool

- Interest Rate 0.93% (Average Annualized Yield)

### General Fund

#### ➤ Income

- Oregon Department of Revenue-Long-term enterprise zone fund taxing distribution: \$4,478.03
- Center on Rural Innovation, Inc. (CORI)-ED Klaas attendance reimbursement for RIN Summit: \$1,178.00

#### ➤ Expenses

- Greg Weast-Expense Reimbursement (Port Retreat): \$58.47
- Jennifer Toepke-Expense Reimbursement (April, May & June 1<sup>st</sup>): \$595.37
- Columbia Gorge News-Budget Hearing Notice: \$216.00
- Kingdom Towing, LLC-Tow RV parked on Port property: \$1,850.00
- Bicoastal Media-Graduation Congratulations (\$80.00 credit applied): \$179.00
- Cardmember Services-Variety of ED Klaas travel reimbursed or to be reimbursed: \$1,433.50
- Tyler Barnes-Email Hosting (Annual): \$180.00
- Sunshine Mill Winery-Wasco Innovation Initiative: \$120.00

### Marina Fund

#### ➤ Income

- Nothing unusual

#### ➤ Expenses

- The Dalles Yacht Club-Rental of Yacht Club for US Ecology Command Center (Fire Emergency): \$4,350.00

### Port Development Fund

#### ➤ Income

- Columbia Gorge Community College-\$1.3 million Loan Repayment (to be transferred to LGIP): \$464,014.43
- Dufur City-Water System Loan Repayment (to be transferred to LGIP): \$39,310.00

#### ➤ Expenses

- Columbia Gorge Community College-Wire Transfer Fee (reimbursement requested): \$15.00

**Port of The Dalles  
Account QuickReport  
As of June 30, 2022**

Cash Basis

Type	Num	Name	Paid Amount
<b>CSB Checking</b>			
<b>General Checking</b>			
Check	EFT	Ameritas	-47.60
Bill Pmt -Check	24808	Andrea Klaas	-309.17
Bill Pmt -Check	24809	Greg Weast	-58.47
Bill Pmt -Check	24810	Jennifer Toepke.	-595.37
Liability Check	EFT	Pers	-449.71
Liability Check	EFT	Pers	-360.40
Liability Check	EFT	United States Treasury	-1,723.78
Liability Check	EFT	Oregon Department of R...	-442.00
Transfer			-30,000.00
Paycheck	24812	Jennifer Toepke	-1,909.09
Paycheck	24811	Andrea L. Klaas	-3,410.87
Bill Pmt -Check	24813	Bohns Printing	-34.30
Bill Pmt -Check	24814	City Of The Dalles.	-385.77
Bill Pmt -Check	24815	Columbia Gorge News, L...	-216.00
Bill Pmt -Check	24816	Elias Lawn Maintenance	-300.00
Bill Pmt -Check	24817	Kingdom Towing, LLC	-1,850.00
Bill Pmt -Check	24818	PUD	-196.92
Bill Pmt -Check	24819	SDIS	-4,566.06
Bill Pmt -Check	24820	Simply Clean LLC	-285.00
Bill Pmt -Check	24821	Streamline	-75.00
Bill Pmt -Check	24822	The Dalles Disposal	-210.99
Bill Pmt -Check	24823	The Hook	-118.00
Liability Check	EFT	Pers	-438.71
Liability Check	EFT	Pers	-369.31
Liability Check	EFT	Oregon Department of R...	-429.00
Liability Check	EFT	United States Treasury	-1,674.72
Check	EFT	Verizon	-101.34
Deposit			6,056.03
Bill Pmt -Check	24824	BiCoastal Media	-179.00
Bill Pmt -Check	24825	Cardmember Services	-3,368.44
Bill Pmt -Check	24826	Dick, Dick & Corey, LLP	-390.00
Bill Pmt -Check	24827	Gorge Networks	-165.42
Bill Pmt -Check	24828	Rod Huante	-490.00
Bill Pmt -Check	24829	Tyler Barnes	-180.00
Paycheck	24830	Andrea L. Klaas	-3,410.98
Paycheck	24831	Jennifer Toepke	-1,881.60
Bill Pmt -Check	24832	Dick, Dick & Corey, LLP	-200.00
Liability Check	EFT	Pers	-436.18
Liability Check	EFT	Pers	-352.91
Liability Check	EFT	Oregon Department of R...	-425.00
Liability Check	EFT	United States Treasury	-1,663.24
Bill Pmt -Check	24833	Sunshine Mill Winery	-120.00
Total General Checking			-57,764.32
<b>Marina Checking</b>			
Transfer			-200,000.00
Bill Pmt -Check	23841	The Dalles Yacht Club	-4,350.00
Total Marina Checking			-204,350.00
<b>Port Develop. Checking</b>			
Bill Pmt -Check	23310	Davis Wright Tremaine ...	-3,040.50
Deposit			464,014.43
Check	ACH		-15.00
Deposit			40,070.00
Bill Pmt -Check	23311	Davis Wright Tremaine ...	-705.50
Total Port Develop. Checking			500,323.43
<b>CSB Checking - Other</b>			
Total CSB Checking - Other			238,209.11
Total CSB Checking			238,209.11
<b>TOTAL</b>			<b>238,209.11</b>

**PORT OF THE DALLES-GENERAL FUND**  
**Profit & Loss Budget vs. Actual-GF-Summary**

Cash Basis

July 2021 through June 2022

	Jul '21 - Jun 22	Budget	% of Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Beginning Fund Balance	0.00	972,081.00	0.0%
Grants	10,723.00	20,000.00	53.6%
Interest from Cash in Bank	0.00	0.00	0.0%
Interest From Earnings	8,500.27	5,832.00	145.8%
Launch Ramp/Transient Moorage	1,325.00	3,000.00	44.2%
Leased Land and Facilities	19,748.00	15,000.00	131.7%
Loan Repayments			
Interest	338.48		
Principal	11,282.70		
Loan Repayments - Other	90,035.25	90,621.00	99.4%
<b>Total Loan Repayments</b>	101,656.43	90,621.00	112.2%
Other Income	15,824.45	2,000.00	791.2%
Previously Levied Taxes	10,926.77	5,000.00	218.5%
Property Tax	367,882.28	348,654.00	105.5%
Transfer from Other Fund			
Port Development Fund	200,000.00		
Transfer from Other Fund - Other	0.00	200,000.00	0.0%
<b>Total Transfer from Other Fund</b>	200,000.00	200,000.00	100.0%
<b>Total Income</b>	736,586.20	1,662,188.00	44.3%
<b>Gross Profit</b>	736,586.20	1,662,188.00	44.3%
<b>Expense</b>			
Capital Outlay	37,304.00	75,000.00	49.7%
Material and Services	143,074.31	236,000.00	60.6%
Personal Services-	261,310.52	320,075.00	81.6%
Transfer to Other Funds/Conting	800,000.00	600,000.00	133.3%
<b>Total Expense</b>	1,241,688.83	1,231,075.00	100.9%
<b>Net Ordinary Income</b>	-505,102.63	431,113.00	-117.2%
<b>Net Income</b>	<b>-505,102.63</b>	<b>431,113.00</b>	<b>-117.2%</b>



**PORT OF THE DALLES-PORT DEVELOPMENT FUND**  
**Profit & Loss Budget vs. Actual-PDF-Summary**

Cash Basis

July 2021 through June 2022

	Jul '21 - Ju...	Budget	% of Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Beginning Fund Balance	0.00	3,119,622.00	0.0%
Grants	0.00	3,000,000.00	0.0%
Interest From Contracts			
V&G	1,709.40		
Interest From Contracts - Other	2,107.26	4,500.00	46.8%
<b>Total Interest From Contracts</b>	3,816.66	4,500.00	84.8%
Interest From Earnings	8,322.12	18,718.00	44.5%
Land Sales			
V&G	5,323.11		
Land Sales - Other	0.00	800,000.00	0.0%
<b>Total Land Sales</b>	5,323.11	800,000.00	0.7%
Loan Repayments			
Interest	435,830.56		
Principal	215,768.77		
Loan Repayments - Other	0.00	39,310.00	0.0%
<b>Total Loan Repayments</b>	651,599.33	39,310.00	1,657.6%
Other Income	26,514.54	5,000,000.00	0.5%
Special Payments-City of Dufur	0.00	0.00	0.0%
Transfer from Other Fund	0.00	500,000.00	0.0%
<b>Total Income</b>	695,575.76	12,482,150.00	5.6%
<b>Gross Profit</b>	695,575.76	12,482,150.00	5.6%
<b>Expense</b>			
Capital Outlay	0.00	7,000,000.00	0.0%
Debt Service	136,560.00	156,577.22	87.2%
Material and Services	60,493.22	260,000.00	23.3%
Special Payment	0.00	4,300,000.00	0.0%
Transfer to Other Funds/Conting	220,017.22	379,982.78	57.9%
<b>Total Expense</b>	417,070.44	12,096,560.00	3.4%
<b>Net Ordinary Income</b>	278,505.32	385,590.00	72.2%
<b>Net Income</b>	<b>278,505.32</b>	<b>385,590.00</b>	<b>72.2%</b>

**PORT OF THE DALLES-MARINA FUND**  
**Profit & Loss Budget vs. Actual-MF-Summary**

Cash Basis

July 2021 through June 2022

	Jul '21 - Jun 22	Budget	% of Budget
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
Beginning Fund Balance	0.00	54,412.00	0.0%
Interest from Cash in Bank	0.00	0.00	0.0%
Interest From Earnings	283.95	326.00	87.1%
<b>Other Resources</b>			
Fire Emergency	1,162,640.71	800,000.00	145.3%
<b>Total Other Resources</b>	1,162,640.71	800,000.00	145.3%
<b>Total Income</b>	1,162,924.66	854,738.00	136.1%
<b>Gross Profit</b>	1,162,924.66	854,738.00	136.1%
<b>Expense</b>			
Capital Outlay	893,717.38	800,000.00	111.7%
Material and Services	0.00	0.00	0.0%
Personal Services-	0.00	0.00	0.0%
Transfer to Other Funds & Debt	0.00	0.00	0.0%
<b>Total Expense</b>	893,717.38	800,000.00	111.7%
<b>Net Ordinary Income</b>	269,207.28	54,738.00	491.8%
<b>Other Income/Expense</b>			
Other Expense	0.00	0.00	0.0%
<b>Net Other Income</b>	0.00	0.00	0.0%
<b>Net Income</b>	<b>269,207.28</b>	<b>54,738.00</b>	<b>491.8%</b>

## PORT OF THE DALLES AGENDA ITEM

---

MEETING DATE	July 13, 2022
REPORTS ITEM H-1.)	Staff Report: <u>Executive Director Klaas</u>
STAFF RECOMMENDATION	N/A

---

### **Tree Cut on Port Property along Riverfront Trail**

- The trial has been postponed to November 9-10, 2022

### **The Dalles Marina**

- Public boat launch has been busy.
- The Visitor's Information board on the restrooms has been updated.
- Pikeminnow catches are up over last year. 17,000 caught by June 30 as compared to 10,000 total last year. The season continues through the summer, so it is expected that this number will continue to increase. The Dalles historically has been a good location for these fishermen, with number exceeding 44,000 in years past.
- The top angler to date has caught 2,825 fish, one with a tag, and been paid \$28,500
- The launch ramp and dock sustained some damage over the Fourth of July. Repairs have been made, and the parking lot cleaned up.
- There were some social media comments asking why the launch ramp bathrooms were not open for the Fourth of July. The Port and NWC Parks and Recreation did discuss this and decided not to leave them open overnight based on past experiences. This will be assessed before the next Fourth of July.
- Algae are blooming.

### **Business Inquiries**

- One new active lead from the State: Facility needs 50-75 acres land, 260 MW of electricity and 2.6 million gallons of water daily; we did not respond.

### **Brownfield Coalition Update**

- This program continues to assist businesses. The Port has contacted the owner of the Lariat building in Dufur to see if there is way to assist him.
- ED Klaas and EA Toepke met with Todd Carpenter to learn more about his projects, and he was very happy that this program existed for his redevelopment. In particular, he accessed the building layout component which allowed him to better understand what the rescue of the space might look like.
- 13 sites on the project list: 9 in downtown The Dalles, 3 outside of downtown, 1 in Mosier
- Approximately \$94,000.00 remains uncommitted of the \$600,000.00 received.
- City of The Dalles will likely apply for additional funding since this program has been well received and there are success stories to share.

## **Other**

- QuickBooks accounts have been updated to align with the Port budget.
- The Port continues to address illegally parked vehicles and homeless camps. As mentioned in a previous staff report, these costs are being tracked so we can understand the financial impact of this on the Port.
- Mailboxes on River Trail Way were vandalized. A local company is repairing that for the Port. Cost about \$2,895.00.
- Port staff traveled to Dufur for the Baker Technical Institute open house for the heavy equipment operators training that they are doing in partnership with Dufur School District.
- A Northern Wasco County PUD contractor has approached the Port about leasing some land for a lay down area and storage off River Trail Way; conversations are ongoing.
- Audit FYE06302022 has started. Board of Commissioners letter from Friend & Reagan, P.C. following. Additionally, at the meeting each Commissioner will receive their Port related questionnaire to fill out for Friend & Reagan.

**Center for Rural Innovation: The Dalles Technology Center**

- The July “Meet the Innovators” event will take place at Sunshine Mill on Wednesday, July 27, 2022.
- The core team is conducting outreach interviews with businesses to try to identify where the needs are (space, employees, technology, funding, etc.)



# INNOVATOR DRINKS IN THE DALLES:

Building community and highlighting the work  
of entrepreneurs, innovators, and remote  
workers in Wasco County

Food will be provided!

JOIN US ON  
JULY 27TH, 2022  
AT  
SUNSHINE MILL  
DOORS OPEN AT 5:30 PM

RSVP HERE  
<https://bit.ly/WII-RSVP>



#### EVENT PARTNERS





July 1, 2022

To the Board of Commissioners  
Port of The Dalles  
3636 Klindt Drive  
The Dalles, OR 97058

We are engaged to audit the financial statements of the governmental activities and each major fund of Port of The Dalles for the year ended June 30, 2022. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibility under U.S. Generally Accepted Auditing Standards

- 1) Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.
- 2) As part of the audit, we will consider the internal control of Port of The Dalles. Such considerations will be solely for the purpose of determining our audit procedures and not provide any assurance concerning such internal control.
- 3) We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

As stated in our engagement letter dated July 1, 2022, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with the modified cash basis of accounting. Our audit of the financial statements does not relieve you or management of your responsibilities.

We have been engaged to report on the budgetary basis financial statements, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

We have not been engaged to report on the introductory section, which accompanies the financial statements but is not RSI. Our responsibility with respect to this other information in documents containing the audited financial statements and auditor's report does not extend beyond the financial information identified in the report. We have no responsibility for determining whether this other information is properly stated. This other information will not be audited and we will not express an opinion or provide any assurance on it.

Planned Scope, Timing of the Audit, Significant Risks, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the

difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We have identified the following significant risk(s) of material misstatement as part of our auditing planning:

Improper revenue recognition due to fraud. Revenue inherently has a higher risk of fraud, especially when there is a lack of controls.

We expect to begin our audit in August 2022 and issue our reports no later than December 31, 2022. Amanda Taskey is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

This information is intended solely for the use of the board of commissioners and management of Port of The Dalles and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

-1

t.,.)j,

Friend & Reagan, P.C.