



AGENDA

QLife Regular Board Meeting

Thursday, January 27, 2022 | 12:00 PM

Google Hangouts - meet.google.com/odb-tpys-xpg

- 12:00 Call to Order
- 12:00 Approval of Agenda
- 12:00 **Consent Agenda** (*items of a routine nature: minutes, documents, items previously discussed*)
- [December 2, 2021 Minutes](#)
 - [December 22, 2021 Special Session Minutes](#)
- 12:05 **Action Items**
- [Election of 2022 QLife Officers](#) – Stephanie Krell
 - [Order #22-001 Reappointment of Mike Middleton as Budget Officer](#) – Stephanie Krell
 - [Commstructure Work Order #33 Chenoweth Loop Road Feasibility & OPC](#) – Dan McNeely
 - [Campbell Phillips Amendment to Personal/Professional Services Contract](#) – Kristen Campbell
- 12:30 **Finance**
- [Financial Report, Reconciliation and Analysis](#) – Mike Middleton
 - [QLife Audit](#) – Mike Middleton
- 12:40 **Discussion Items**
- [Admin Staff Updates](#) – Matthew Klebes
 - o [2022 SDIS Insurance Renewal](#)
 - [Aristo Technical Management Report](#) – John Amery
- 12:50 **Executive Session ORS 192.345(2) “Trade secrets,” as used in this section, may include, but are not limited to, any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to certain individuals within an organization and which is used in a business it conducts, having actual or potential commercial value, and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it; and ORS 192.660 (2)(n)(C) Discuss information regarding security of telecom systems and data transmission.**

Next Board Meeting Date: February 24, 2022 | 12:00 PM

Adjourn

**Agenda subject to change*

**Executive Session held as needed*

An executive session may, in the discretion of the presiding officer, be called based on one or more of the following: ORS 192.660 (2)(a) Consider employment issues; (2)(e) Real property; (2)(f) Consider exempt records or information; (2)(g) Competitive trade or commerce negotiations; (2)(h) Consult with counsel re litigation; (2)(m)(D) & (E) Discuss information regarding security of telecom systems and data transmission.



Consent Agenda

- [December 2, 2021 Minutes](#)
- [December 22, 2021 Special Session Minutes](#)



MINUTES

QLife Regular Board Meeting
Thursday, December 2, 2021
Via Google Hangouts

Call to Order President Hege calls the meeting to order at 12:07 PM.

Roll Call Scott Hege, Lee Weinstein, Rod Runyon, Dale Lepper, John Amery, Kristen Campbell, Tom McGowan, Carrie Pipinich, Breanna Wimber, Tyler Stone, Alex Lillard, DJ Dunklau, Mike White, Dan McNeely, Stephanie Krell, Matthew Klebes, Mike Middleton.

Changes to the Agenda

Mr. Weinstein requests to add a BAT update to the agenda.

[[Mr. Lepper moves to approve the agenda. Mr. Weinstein seconds the motion, which passes unanimously.]]

Approval of the Consent Agenda

[[Mr. Lepper moves to approve the consent agenda. Mr. Weinstein seconds the motion, which passes unanimously.]]

Finance

Financial Report, Analysis and Reconciliation

Mr. Middleton presents the October financial report to the board included in the packet. He notes that we have just completed the fourth month in the fiscal year. The audit is in place but a report is not ready quite yet but expects to bring it back to the Board in January.

Overall, funds are looking well and we are on track for budgeting. There are some expenses that Mr. Middleton wants to investigate related to administrative costs. The account line is already reporting at 100% executed but it is likely that someone submitted an invoice with doubled digits which was overlooked.

Mr. Hege brings attention to the Operations funds which is showing a \$10,000 decrease in monthly charges and year-to-date is down 67%. He asks for additional information and Mr. Middleton remarks that it is related to a catch up billing from last year.

Mr. Runyon notes that the Capital fund summary shows \$154,000 that was unbudgeted and wonders if it had not been considered during budgeting. Mr. Middleton explains that we could do a budget change to access that excess but that it shouldn't be necessary since it was an opportunity for USAC reimbursement of previously expended costs.

Action Items

Dry Hollow Project Bid Analysis

Mr. McNeely reports that the Dry Hollow project was put out to bid in October and we received back two bid responses. C2 Construction, who completed our Lone Pine project, submitted a bid of \$122,835.34 and HHS Construction submitted a bid of \$77,780.86.

Mr. McNeely has reviewed both bids and does not see anything of concern. He does not see a reason not to move with HHS as the lowest bidder. Mr. Klebes asks the Board for approval to award the project and also recommends HHS.

President Hege asks what the biggest variance between the two bids are and Mr. McNeely explains that labor is where the two bids vary but the project is not complicated.

Mr. Lepper asks how much the fiber costs and Mr. Amery responds that it is about \$2 per foot for 288 count fiber. President Hege wonders how prevailing wage comes into play and Mr. McNeely explains that the threshold for prevailing wage is \$50,000 so HHS will have to account for that and adds that we referenced BOLI links in the bid package. Mr. Weinstein remarks that HHS's website states that they have worked with Charter, Comcast and Google on past projects.

[[Mr. Lepper moves to award HHS Construction the Dry Hollow project for \$77,780.86. Mr. Weinstein seconds the motion, which passes unanimously.]]

Discussion Items

Administration Update

Mr. Klebes informs the Board that the NTIA grant is still in progress but the award window was bumped back to early 2022. We had a request for supplemental information because of a challenge of our application by Lumen.

Work continues with RISI and we are working on a relationship with Wasco Electric to share information. A meeting with the Warm Springs tribe is scheduled to discuss where their interests lie.

We are waiting on a draft response from Avangrid and we have contacted an ISP in the Shaniko/Antelope area to see if they are interested in partnering to potential utilize said fiber.

QLife has changed over our insurance provider to Stratton Insurance and introduces Ms. Wimber to the Board. Ms. Wimber notes that she is reviewing QLife's insurance policy and will have some suggestions for the Board at the next meeting.

Ms. Pipinich adds that the BAT had a great meeting on Monday and will let the Board know of the next BAT meeting in case anyone wishes to attend. Recent discussions surrounded existing broadband conditions and plans to review them through surveys and speed tests.

QLife Staff Update

Mr. Stone reminds the Board that 10 years ago, QLife was dropped into his lap. Mr. Klebes has been sitting in as acting Administrator for the last year and doing an excellent job. Mr. Stone is now working on other projects and wants to officially hand over QLife administrative duties to Matthew and step back to manage QLife just as he does with our many other county programs. Mr. Stone recommends to the Board to support this change and President Hege adds that Mr. Klebes is the right person for the job.

[[The Board is in consensus for Matthew Klebes to become the QLife Administrator.]]

Aristo Technical Management Report

Mr. Amery presents his technical report to the Board and states that there are no known damages. He continues to work with Mr. Klebes on a fiber to the home solution.

Mr. McGowan informs the Board that North Sky was performing some clean up of QLife's outside plant and outstanding items are now back in line.

The meeting is adjourned at 12:44 PM

The next regularly scheduled board meeting is set for January 27, 2022.

These minutes were approved by the QLife Board on _____.

Lee Weinstein, Secretary



MINUTES

QLife Special Board Meeting
Thursday, December 22, 2021
Via Google Hangouts

Call to Order President Hege calls the meeting to order at 8:05 AM.

Roll Call Scott Hege, Lee Weinstein, Rod Runyon, Dale Lepper, Scott Randall John Amery, Kristen Campbell, Joseph Franell, Tyler Stone, Stephanie Krell, Matthew Klebes, Mike Middleton.

Mr. Klebes informs the Board that a time sensitive opportunity has presented itself which is why this special session was called.

Changes to the Agenda

[[Mr. Runyon moves to approve the agenda. Mr. Lepper seconds the motion, which passes unanimously.]]

The Board enters into Executive Session at 8:06 AM under ORS 192.660 (2)(m)(D) & (E) Discuss information regarding security of telecom systems and data transmission; (2)(g) Competitive trade or commerce negotiations.

Executive Session ends at 8:38 AM.

[[Mr. Runyon moves to approve a proposed new rate structure of \$135 per month, per site for the lease of dark fiber for the multi-site small cell deployment project. Mr. Lepper seconds the motion, which passes unanimously.]]

President Hege asks if the rate structure is for one fiber and Mr. Klebes explains that it is for 23 different site locations with likely a single fiber lease at each site.

The meeting is adjourned at 8:44 AM

The next regularly scheduled board meeting is set for January 27, 2022.

These minutes were approved by the QLife Board on _____.

Lee Weinstein, Secretary



Action Items

- Election of 2022 QLife Officers
- [Order #22-001 Reappointment of Mike Middleton as Budget Officer](#)
- [Commstructure Work Order #33](#)
- [Campbell Phillips Amendment to Personal Services Contract](#)



QUALITYLIFE INTERGOVERNMENTAL AGENCY

DBA "QLIFE NETWORK"

IN THE MATTER OF THE REAPPOINTMENT OF MIKE MIDDLETON TO THE QUALITYLIFE INTERGOVERNMENTAL AGENCY BUDGET OFFICER

ORDER #22-001

NOW ON THIS DAY, the above-entitled matter having come on a regularly scheduled Board meeting for consideration, said day being one duly set in term for the transaction of public business and a majority of the Board of Directors being present; and

IT APPEARING TO THE BOARD: That QualityLife Intergovernmental Agency Bylaws state the Board appoint a Budget Officer to oversee the budget process and document preparation; and

IT FURTHER APPEARING TO THE BOARD: That Mike Middleton, Wasco County Finance Director, is willing and is qualified to accept the reappointment of Budget Officer; and

NOW, THEREFORE, IT IS HEREBY ORDERED: That Mike Middleton be and is hereby reappointed as the QualityLife Intergovernmental Agency Budget Officer, with an expiration date of January 31, 2023.

DATED this 27th day of January, 2022.

APPROVED AS TO FORM:

QLIFE BOARD OF DIRECTORS:

Kristen Campbell, QLife Legal Counsel

Scott Hege, President

Dale Lepper, Vice President

Scott Randall, Board Member

Lee Weinstein, Board Member

Rod Runyon, Board Member



WORK ORDER NO. 33
TO AGREEMENT FOR PROFESSIONAL SERVICES

BETWEEN

Q-Life Network
511 Washington Street, Ste. 101
The Dalles, Oregon 97058

and

Commstructure Consulting, LLC
811 Railroad Avenue
Oregon City, Oregon 97045

The terms and provisions of the Agreement for Professional Services between Q-Life and Commstructure apply herein unless otherwise specifically revised.

Date: January 19, 2022

Project: Chenoweth Loop Road - Feasibility & OPC

Total Contract Price: \$26,250.00 **Time of Completion:** 06/30/2022

Description of Work Order:

See Scope of Work in Exhibit A

See attached Exhibits:

- Exhibit A - Scope of Work
- Exhibit B - Schedule for Work Completion
- Exhibit C - Schedule of Compensation

Approved By:

Q-LIFE

COMMSTRUCTURE CONSULTING, LLC

By: _____

By: *Caril Oster*

Title: _____

Title: President & CEO

Date: _____

Date: January 19, 2022

EXHIBIT A - SCOPE OF WORK

This Work Order will provide 2 Phases of Technical Consulting Services to Q-Life and Q-Life's designated representatives for the purposes of conducting a Feasibility Study and creation of an updated Opinion of Probable Cost (OPC) for Q-Life infrastructure expansion in The Dalles, OR.

Q-Life has identified certain opportunities to utilize existing and proposed Q-Life infrastructure to expand the network's reach and capacity along Chenoweth Loop Road in The Dalles.

Phase01:

This work order will complete Feasibility Activities and OPC creation for backbone extension, facilitation of future connection to 2 proposed USCC CRAN Locations and 4 new Customer connections.

Phase02:

Upon completion of the Feasibility and OPC process and receipt of approval from Q-Life. Full Design and Permitting process for the route described will be performed.

Total project route distance, full scope of work, infrastructure elements and estimated construction cost will be finalized as part of the activities associated with this work order but are estimated to require approximately 5,250 of new aerial infrastructure and site plans for 4 Customer Connections.

The scope of work and deliverables for this project will include but is not limited to the following:

Phase 01 - Feasibility & OPC

- ❖ Perform preliminary feasibility research using Q-Life records, previously gathered field information and professional judgement / experience to assist in development an OPC related to the project
- ❖ Develop a Google Earth KMZ overview map for Project Routing, Infrastructure Elements and Construction Scope
- ❖ Develop an Opinion of Probable Cost (OPC) to establish a budget for Design, Permitting, Bid Process, Construction, Splicing and Termination
- ❖ Provide brief written report to Q-Life summarizing the estimated Design, Permitting and Bid Process Scope of Work along with anticipated Construction Costs

Phase 02 Fielding, Design & Permitting

- ❖ Coordinate and attend meetings as required with each permit agency governing the Rights of Way applicable to the proposed alignments. The meetings will be to introduce the project to the agencies; discuss the project approach; identify any potential future projects that may conflict with the proposed alignments; and determine permitting, design and construction requirements
- ❖ Perform records research and route field data collection of the proposed new underground alignments utilizing sub-foot accuracy GPS Data Collection equipment. Data collection to include topographic features for underground routes; existing utilities and sub-surface structures; canals; bridges; and specialty installation areas
- ❖ Research and update geo-referenced electronic Right of Way (ROW) and Assessor records and map data from City, County and State Agencies to develop AutoCAD Base Maps for use in development of design and construction drawings
- ❖ Research and update existing underground utility maps; sub-surface structure maps; structure designs and site plans for translation and insertion into construction drawings for design reference
- ❖ Compile and process electronic GPS Field Data and export to geo-referenced AutoCAD format for insertion into base maps for construction drawing development
- ❖ Design and overlay underground infrastructure design elements along alignment including conduit and cable pathway, vaults, splice locations, special construction methods or areas and general route identification
- ❖ Develop technical specification documentation supporting construction requirements, material take off schedules and methods of procedure for the installation of underground infrastructure
- ❖ Develop Outside Plant Design project drawings in 11x17 AutoCAD and PDF electronic format for use in permit submittal, competitive bid and installation
- ❖ Prepare and submit Permit Application forms and applicable design drawings to governing agencies for public and private right of way. Such entities may include, but are not limited to City of The Dalles.
- ❖ Preparation of preliminary construction drawing submittal at 80% and Final design completion for review and comment by Q-Life and Permit Agencies (if applicable)

Pole Loading Analysis (PLA) Reports

- ❖ Collect all data required to prepare and process PLA reports as required by North Wasco County PUD (NWCPUD)
- ❖ Coordinate with Q-Life's existing, approved vendor, Jackie Mow for the creation of PLA reports. Approved vendor costs to be paid directly by Q-Life.
- ❖ Deliver completed PLA reports to NWCPUD

As-Built & Permitting Close-Out

- ❖ Provide post-construction inspection and punch-list correction coordination with contractor
- ❖ Receive as-built red line data from contractor upon project completion; update construction CAD drawings with as-built data
- ❖ Prepare, submit and close out all permitting applications

- ❖ Prepare a final workbook for submittal in 11x17 Hard Copy, AutoCAD and PDF electronic format
- ❖ OSP Insight / GIS Data Exporting, Data Entry and Updates as required

EXHIBIT B - SCHEDULE OF WORK COMPLETION

The schedule of this Work Order is to commence upon approval and execution of this Work Order and Notice to Proceed by Q-Life.

The Term of the Work Order is from the date of execution of this document until June 30, 2022. The term of the Work Order may be extended upon approval from Q-Life based on remaining available and unbilled budget.

EXHIBIT C - SCHEDULE OF COMPENSATION

Technical Consulting Services shall be performed and provided as described in Exhibit A-Scope of Work, and in accordance with the terms, provisions and rate schedule of the Agreement for Professional Services on a Time and Expense (T&E) basis as follows:

Phase01 Feasibility & OPC:	\$ 2,750.00
Phase02 Fielding, Design & Permitting:	\$23,500.00
Total Hourly Fees Estimated:	\$26,250 .00

Payment terms are as follows:

- Commstructure will issue monthly invoices for the compensation due as a result of services provided under this Agreement to that time, less services previously billed
- All other terms and conditions apply in accordance with Section 3 of the Agreement for Professional Services
- Additional services related to this project or modification of this work order shall be negotiated and approved by written amendment to the original work order



Admin Bldg Final Dropoff

Cran 002

Steel Pole

BMN DSLAM

Cran 001

Chenowith Elementary School Drop Point

MCEDD Final Dropoff

AMENDMENT TO PERSONAL/PROFESSIONAL SERVICES CONTRACT

THIS Amendment is made and entered into as of this ___ day of December 2021, by and between Quality Life (“QLife”) and Campbell Phillips PC (“Contractor”).

WHEREAS QLife and Contractor entered into a Personal Services Contract dated September 5, 2019, (Contract) for Contractor to provide certain legal services to QLife; and

WHEREAS, the Parties have agreed to formally acknowledge that the original one-year term has passed and to amend the Payment Terms provision.

NOW, THEREFORE, the Parties agree as follows:

The Payment Terms provision is revoked in its entirety and replaced as follows:

Contractor services will be billed at the rates as follows:

Kristen A. Campbell: \$225.00 per hour
Other Attorney: \$200.00 per hour
Paralegal: \$120.00 per hour

Irrespective of the foregoing, litigation and appellate work will be billed at the rate of \$250.00 per hour for attorney time and \$130.00 per hour for paralegal time. Also, Contractor will be reimbursed for fees and reasonable travel expenses incurred with County's prior written consent.

The Parties agree that said Contract is hereby modified as shown above. Except as expressly modified above, said Contract shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, QLife and Contractor have executed this Amendment on the day and year first written above.

Quality Life

Campbell Phillips PC



Matthew Klebes
Administrator

Kiffanie Phillips
Managing Member

Date: _____

Date: 12/8/21



Financial Reports

- [December Financial Statement](#)
- [December Finance Reconciliations](#)
- [December Financial Analysis](#)
- [Letter from Auditors](#)
 - [FY 21 QLife Annual Financial Report](#)
 - [Board Memo](#)

Wasco County, OR

YEAR-TO-DATE BUDGET REPORT FOR FISCAL YEAR ENDING 12/31/2020

FOR 2021 06

ACCOUNTS FOR: 6010 Qlife Capital	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USE/COL
400 BEGINNING FUND BALANCE	-1,853,727	-1,853,727	.00	.00	.00	-1,853,727.00	.0%
414 CHARGES FOR SERVICE	-19,000	-19,000	-49,140.00	.00	.00	30,140.00	258.6%
417 INVESTMENT EARNINGS	-25,200	-25,200	-6,179.81	-771.61	.00	-19,020.19	24.5%
450 TRANSFERS IN	-426,220	-426,220	-188,110.02	-31,351.67	.00	-238,109.98	44.1%
520 MATERIALS & SERVICES	0	0	31,775.64	.00	.00	-31,775.64	100.0%
530 CAPITAL OUTLAY	80,000	80,000	254,364.12	3,069.30	.00	-174,364.12	318.0%
570 CONTINGENCY	-43,253	-43,253	.00	.00	.00	-43,253.00	.0%
580 RESERVED	675,125	675,125	.00	.00	.00	675,125.00	.0%
TOTAL Qlife Capital	-1,612,275	-1,612,275	42,709.93	-29,053.98	.00	-1,654,984.93	-2.6%
TOTAL REVENUES	-2,324,147	-2,324,147	-243,429.83	-32,123.28	.00	-2,080,717.17	
TOTAL EXPENSES	711,872	711,872	286,139.76	3,069.30	.00	425,732.24	

YEAR-TO-DATE BUDGET REPORT
FOR FISCAL YEAR ENDING 12/31/2020

FOR 2021 06

ACCOUNTS FOR: 6020 Qlife - Maupin	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USE/COL
400 BEGINNING FUND BALANCE	-169,456	-169,456	.00	.00	.00	-169,456.00	.0%
414 CHARGES FOR SERVICE	-7,360	-7,360	.00	.00	.00	-7,360.00	.0%
417 INVESTMENT EARNINGS	-700	-700	-613.19	-79.66	.00	-86.81	87.6%
520 MATERIALS & SERVICES	17,710	17,710	7,948.68	1,146.24	.00	9,761.32	44.9%
530 CAPITAL OUTLAY	51,000	51,000	.00	.00	.00	51,000.00	.0%
550 TRANSFERS OUT	50,000	50,000	.00	.00	.00	50,000.00	.0%
570 CONTINGENCY	45,006	45,006	.00	.00	.00	45,006.00	.0%
580 RESERVED	13,800	13,800	.00	.00	.00	13,800.00	.0%
TOTAL Qlife - Maupin	0	0	7,335.49	1,066.58	.00	-7,335.49	100.0%
TOTAL REVENUES	-177,516	-177,516	-613.19	-79.66	.00	-176,902.81	
TOTAL EXPENSES	177,516	177,516	7,948.68	1,146.24	.00	169,567.32	

YEAR-TO-DATE BUDGET REPORT
FOR FISCAL YEAR ENDING 12/31/2020

FOR 2021 06

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USE/COL
GRAND TOTAL	-1,884,311	-1,884,311	-279,526.36	-77,831.95	.00	-1,604,784.64	14.8%
** END OF REPORT - Generated by Mike Middleton **							

YEAR-TO-DATE BUDGET REPORT
FOR FISCAL YEAR ENDING 12/31/2020

REPORT OPTIONS

Sequence 1	Field #	Total	Page Break	Year/Period: 2021/ 6
Sequence 2	1	Y	Y	Print revenue as credit: Y
Sequence 3	5	Y	N	Print totals only: Y
Sequence 4	0	N	N	Suppress zero bal accts: Y
				Print full GL account: N
				Double space: N
				Roll projects to object: N

Report title:
YEAR-TO-DATE BUDGET REPORT
FOR FISCAL YEAR ENDING 12/31/2020

Print Full or Short description: F
Print MTD Version: Y
Print Revenues-Version headings: N
Format type: 1
Print revenue budgets as zero: N
Include Fund Balance: N
Include requisition amount: N
Multiyear view: D

Carry forward code: 1
Print journal detail: N
From Yr/Per: 2021/ 1
To Yr/Per: 2021/ 1
Include budget entries: Y
Incl encumb/liq entries: Y
Sort by JE # or PO #: J
Detail format option: 1

	Find Criteria
Field Name	Field value
Fund	60*
Department	
Sub Depart	
Function	
Category	
Character Code	
Org	
Object	
Project	
Account type	
Account status	
Rollup code	

YEAR-TO-DATE BUDGET REPORT
FOR FISCAL YEAR ENDING 12/31/2021

FOR 2022 06

ACCOUNTS FOR: 6000 Qlife Operations	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USE/COL
400 BEGINNING FUND BALANCE	-659,977	-659,977	-476,580.17	.00	.00	-183,396.83	72.2%
414 CHARGES FOR SERVICE	-741,420	-741,420	-335,100.00	-56,750.00	.00	-406,320.00	45.2%
417 INVESTMENT EARNINGS	-1,200	-1,200	-438.47	-48.22	.00	-761.53	36.5%
421 MISCELLANEOUS	-200	-200	.00	.00	.00	-200.00	.0%
520 MATERIALS & SERVICES	341,206	341,206	179,994.42	11,959.09	.00	161,211.58	52.8%
530 CAPITAL OUTLAY	20,000	20,000	.00	.00	.00	20,000.00	.0%
550 TRANSFERS OUT	595,020	595,020	297,510.00	49,585.00	.00	297,510.00	50.0%
570 CONTINGENCY	162,935	162,935	.00	.00	.00	162,935.00	.0%
590 UNAPPROPRIATED	283,636	283,636	.00	.00	.00	283,636.00	.0%
TOTAL Qlife Operations	0	0	-334,614.22	4,745.87	.00	334,614.22	100.0%
TOTAL REVENUES	-1,402,797	-1,402,797	-812,118.64	-56,798.22	.00	-590,678.36	
TOTAL EXPENSES	1,402,797	1,402,797	477,504.42	61,544.09	.00	925,292.58	

Wasco County, OR

YEAR-TO-DATE BUDGET REPORT FOR FISCAL YEAR ENDING 12/31/2021

FOR 2022 06

ACCOUNTS FOR: 6010 Qlife Capital	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USE/COL
400 BEGINNING FUND BALANCE	-1,784,664	-1,784,664	-1,846,578.43	.00	.00	61,914.43	103.5%
410 PROPERTY TAXES	-5,000,000	-5,000,000	.00	.00	.00	-5,000,000.00	.0%
414 CHARGES FOR SERVICE	-19,000	-19,000	-152,851.52	.00	.00	133,851.52	804.5%
417 INVESTMENT EARNINGS	-9,000	-9,000	-3,289.45	-502.49	.00	-5,710.55	36.5%
421 MISCELLANEOUS	0	0	-132,145.99	.00	.00	132,145.99	100.0%
450 TRANSFERS IN	-645,020	-645,020	-297,510.00	-49,585.00	.00	-347,510.00	46.1%
530 CAPITAL OUTLAY	6,391,540	6,391,540	105,674.62	34,316.11	124,505.76	6,161,359.62	3.6%
570 CONTINGENCY	391,019	391,019	.00	.00	.00	391,019.00	.0%
580 RESERVED	675,125	675,125	.00	.00	.00	675,125.00	.0%
TOTAL Qlife Capital	0	0	-2,326,700.77	-15,771.38	124,505.76	2,202,195.01	100.0%
TOTAL REVENUES	-7,457,684	-7,457,684	-2,432,375.39	-50,087.49	.00	-5,025,308.61	
TOTAL EXPENSES	7,457,684	7,457,684	105,674.62	34,316.11	124,505.76	7,227,503.62	

YEAR-TO-DATE BUDGET REPORT
FOR FISCAL YEAR ENDING 12/31/2021

FOR 2022 06

ACCOUNTS FOR:	ORIGINAL	REVISED	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE	PCT
6020 Qlife - Maupin	APPROP	BUDGET				BUDGET	USE/COL
400 BEGINNING FUND BALANCE	-118,610	-118,610	-127,560.10	.00	.00	8,950.10	107.5%
414 CHARGES FOR SERVICE	-7,360	-7,360	-5,834.70	.00	.00	-1,525.30	79.3%
417 INVESTMENT EARNINGS	-700	-700	-207.05	-30.21	.00	-492.95	29.6%
520 MATERIALS & SERVICES	16,710	16,710	6,006.20	.00	.00	10,703.80	35.9%
530 CAPITAL OUTLAY	51,000	51,000	.00	.00	.00	51,000.00	.0%
550 TRANSFERS OUT	50,000	50,000	.00	.00	.00	50,000.00	.0%
570 CONTINGENCY	8,960	8,960	.00	.00	.00	8,960.00	.0%
TOTAL Qlife - Maupin	0	0	-127,595.65	-30.21	.00	127,595.65	100.0%
TOTAL REVENUES	-126,670	-126,670	-133,601.85	-30.21	.00	6,931.85	
TOTAL EXPENSES	126,670	126,670	6,006.20	.00	.00	120,663.80	

Wasco County, OR

YEAR-TO-DATE BUDGET REPORT FOR FISCAL YEAR ENDING 12/31/2021

FOR 2022 06

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USE/COL
GRAND TOTAL	0	0	-2,788,910.64	-11,055.72	124,505.76	2,664,404.88	100.0%
** END OF REPORT - Generated by Mike Middleton **							

YEAR-TO-DATE BUDGET REPORT
FOR FISCAL YEAR ENDING 12/31/2021

REPORT OPTIONS

Sequence 1	Field #	Total	Page Break	Year/Period: 2022/ 6
Sequence 2	1	Y	Y	Print revenue as credit: Y
Sequence 3	5	Y	N	Print totals only: Y
Sequence 4	0	N	N	Suppress zero bal accts: Y
				Print full GL account: N
				Double space: N
				Roll projects to object: N

Report title:
YEAR-TO-DATE BUDGET REPORT
FOR FISCAL YEAR ENDING 12/31/2021

Print Full or Short description: F
Print MTD Version: Y
Print Revenues-Version headings: N
Format type: 1
Print revenue budgets as zero: N
Include Fund Balance: N
Include requisition amount: N
Multiyear view: D

Carry forward code: 1
Print journal detail: N
From Yr/Per: 2021/ 1
To Yr/Per: 2021/ 1
Include budget entries: Y
Incl encumb/liq entries: Y
Sort by JE # or PO #: J
Detail format option: 1

	Find Criteria
Field Name	Field value
Fund	60*
Department	
Sub Depart	
Function	
Category	
Character Code	
Org	
Object	
Project	
Account type	
Account status	
Rollup code	

December 2021 Bank Reconciliation

	Main Checking Bank	Munis 600	Munis 601	Munis 602	9990-111500 Munis Total		LGIP Account Bank	*.111600 Munis 600	Munis 601	Munis 602	9990-111600 Munis
Beginning Balance	1,048,530.34	171,423.42	612,161.04	129,433.79	913,018.25		1,519,972.64	40,890.07	1,475,764.16	3,318.41	1,519,972.64
Credits	7,641.38										
Deposits	48,045.00				135,377.68	Debit	580.92	48.22	502.49	30.21	580.92
Withdrawals					-						
Checks	25,562.51				-	Credit					
Other Decreases											
Ending Balance	1,078,654.21	171,423.42	612,161.04	129,433.79	1,048,395.93		1,520,553.56	40,938.29	1,476,266.65	3,348.62	1,520,553.56
Deposits in Transit	-										
Outstanding Checks	\$30,258.28				-						
Adjusted Balance	1,048,395.93	171,423.42	612,161.04	129,433.79	1,048,395.93						
Variance	-										
Mike M 1/13/2022											
Lanshack.com #47			\$16,912.80								
Aristo Networks #42			\$6,664.00								
Aristo Networks #38			\$6,681.48								

Ending GL	1,520,553.56
LGIP Variance	-
Mike M 1/13/2022	

8.3%	86.5%	5.2%
Interest Allocation Rate		

\$30,258.28

Qlife – Financial Analysis for December 2021 Financial Statements

The financial statements for through the 6th month of the 2022 fiscal year (FY22) are presented. The statements are intended for the use of management and are not audited. The expected straight-line assumption for accounts is 50.0% (6/12). This is typically a good starting point for analysis.

The reporting is becoming more familiar now, but will still undergo some changes as staff skill with the reporting tools increases. At this point, two reports are still used to compare the current fiscal year to the prior.

Operations Fund

Total revenues of the fund are \$812,119 includes beginning fund balance of \$476,580. Charges for Services are executing at 45.2% which is 4.8% under the straight-line assumption. The value is about \$36K under the straight line assumption or about \$6K per month. Compared to last year, the amount is off the mark due to FY21 having unplanned revenues recorded in this area.

The accounts receivable for current is \$30,720 with \$37,140 in 31 to 60 days old. There is \$1,300 in over 120 days and staff are working to resolve – in involved customers are current on all other bills, so the balance is not growing.

Interest is down and only executing at 36.5%. This is due to LGIP only earning 0.45%. While the percentage looks large, the dollar value is not at this point as the total budgeted earning is \$1,200.

Expenditures are in line with the budgeted expectations. Materials & Services are executing at 52.8%. This category is coming into line after the spike of paying the administrative charges in full. The line items below are still being watched:

- Administrative Costs 100.0% - fully paid – this will not increase further for the fiscal year. \$62,246 to Wasco County
- Contacted Services – Legal 209.6% - over the line item budget by \$13,154
- Dues & Subscriptions 210.5% - over the line item budget by \$2,209
- Scholarship 100.0% - No change from August report
- Pole Connection Fees – 81.7% - due to paying the annual pole contracts should not increase further

Finance has researched and will continue to review all transactions.

As it sits now, the fund balance is increasing by \$334,611 when the beginning fund balance in included – when not considered the fund balance would decrease \$141,969. While a decrease of the fund balance is planned, this is a bit faster than expected but is due to the accelerated Administration charges. Even with a declining fund balance, this includes transferring \$297,510 to the Capital fund.

Capital Fund

Revenue has a large spike, this is due to a billing submitted for \$152,851 that had not been considered in the budget. Other than that, there is nothing out of the ordinary in the revenue here.

The Beginning Fund Balance has been entered and is \$1,846,578. The category labeled “Property Taxes” is actual the potential grant added into the budget created. This is a label mismatch in the new system and is being addressed by Finance – as identified in the September report.

Expenditures to date have been minimal.

The fund has an additional \$5 million built into it in case any of the available grant funds can be claimed. In that event, the budget is prepared to utilize the additional funds. If not, the \$5M in revenues and expenditures will not be utilized.

Maupin Fund

The Gorge.Net receipts are in revenues. Interest is down.

Expenditures have totaled \$6,006 for the Maupin Wifi contract

The fund is breaking even at this point. There have not been any invoices for wifi service since October. Staff are checking to ensure a payment is not being missed.

Summary

The funds are in good positions. However, with the implementation of the new system, there are still learning curves to improve the layout of the reports. While the Operations fund is decreasing, this is due to the transfers out to the Capital fund. \$297,510 is being transferred to Capital for the YTD while the Operations Fund decreases by \$141,969.



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December 27, 2021

To the Dqctf "qh'F ktgevqtu
QualityLife Intergovernmental Agency

We have audited the financial statements of the governmental activities and major fund of QualityLife Intergovernmental Agency for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, 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 U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the financial statements, 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.

Planned Scope and Timing of the Audit

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 included 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 also communicated any internal control related matters that are required to be communicated under professional standards.

Pauly, Rogers and Co., P.C.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment.
3. Management Letter – No separate management letter was issued.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole. There were no uncorrected misstatements noted during the audit which were discussed with management.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors’ report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Pauly, Rogers and Co., P.C.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the governmental unit’s financial statements or a determination of the type of auditors’ opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Other Information

We were not engaged to report on the other information, which accompanies the basic financial statements but is not required supplementary information. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Matters – Future Accounting and Auditing Issues

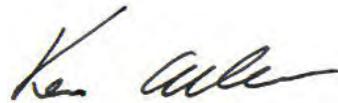
In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 87 – LEASES

This Statement is effective for fiscal years beginning after June 15, 2021, as extended by GASB 95. The primary objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

Pauly, Rogers and Co., P.C.

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

A handwritten signature in black ink, appearing to read "Kenny Allen". The signature is fluid and cursive, with a large initial "K" and a long, sweeping underline.

Kenny Allen, CPA

Municipal Auditor

PAULY, ROGERS AND CO., P.C.

**QUALITYLIFE
INTERGOVERNMENTAL AGENCY**

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30th, 2021

QUALITYLIFE INTERGOVERNMENTAL AGENCY

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

TABLE OF CONTENTS

OFFICIALS OF THE AGENCY	i
INDEPENDENT AUDITOR’S REPORT	A - B
MANAGEMENT’S DISCUSSION AND ANALYSIS	a - d
BASIC FINANCIAL STATEMENTS:	
Proprietary Fund Financial Statements:	
Statement of Net Position	1
Statement of Revenues, Expenses, and Changes in Net Position	2
Statement of Cash Flows	3
Notes to the Basic Financial Statements	4 - 10
SUPPLEMENTARY INFORMATION:	
Schedules of Revenues, Expenditures and Changes in Fund Balance (Budget and Actual)	
General Fund	11
Capital Projects Fund	12
Maupin Fund	13
INDEPENDENT AUDITOR’S REPORT REQUIRED BY OREGON STATE REGULATION:	
Independent Auditor’s Report on Compliance and on Internal Control Over Financial Reporting on an Audit of Financial Statements Performed in Accordance with <i>Oregon State Regulation</i>	14 - 15

QUALITYLIFE INTERGOVERNMENTAL AGENCY

OFFICIALS OF THE AGENCY

AS OF JUNE 30, 2021

BOARD OF DIRECTORS

Scott Hege
511 Washington Street
The Dalles, OR 97058

Scott Randall
313 Court Street
The Dalles, OR 97058

Dale Lepper
1700 East 19th Street
The Dalles, OR 97058

Rod Runyon
313 Court Street
The Dalles, OR 97058

Lee Weinstein
4200 Obrist Road
The Dalles, OR 97058

AGENCY ADDRESS

Administrative Offices
511 Washington Street, Suite 101
The Dalles, OR 97058

INDEPENDENT AUDITOR'S REPORT



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December 27, 2021

To the Board of Directors
QualityLife Intergovernmental Agency

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of of QualityLife Intergovernmental Agency as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

The other information, as listed in the table of contents have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Reports on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 27, 2021, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

REPORT CONTENTS

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

STATEMENT OF NET POSITION

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

STATEMENT OF ACTIVITIES

The Statement of Revenues, Expenses and Changes in Net Position focuses on the revenues and program cost of providing high-speed Internet access.

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 and Capital and Related Financing Activities.

ENTERPRISE FUND FINANCIAL STATEMENTS

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

	<u>2021</u>	<u>2020</u>
Assets		
Current and other assets	\$ 2,456,296	\$ 2,125,442
Capital assets, net of depreciation	<u>2,783,750</u>	<u>2,633,207</u>
Total assets	<u>5,240,046</u>	<u>4,758,649</u>
Liabilities		
Other liabilities	<u>47,976</u>	<u>63,293</u>
Total liabilities	<u>47,976</u>	<u>63,293</u>
Net position		
Net investment in Capital Assets	2,783,750	2,633,207
Unrestricted (deficit)	<u>2,408,320</u>	<u>2,062,149</u>
Total net position	<u>\$ 5,192,070</u>	<u>\$ 4,695,356</u>

The net position of the Agency is primarily invested in capital assets, net of related debt. New construction is primarily related to the Lone Pine Project and laterals for new customers.

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

	<u>2021</u>	<u>2020</u>
Revenues		
Operating revenues	\$ 1,048,676	\$ 861,707
Capital grants and contributions	-	-
Other	<u>13,775</u>	<u>31,469</u>
Total revenues	<u>1,062,451</u>	<u>893,176</u>
Expenses		
Operating expenses	565,737	372,114
Other		
Interest on long-term debt	<u>-</u>	<u>-</u>
Total expenses	<u>565,737</u>	<u>372,114</u>
Increase in net position	496,714	521,062
Net position - beginning	<u>4,695,356</u>	<u>4,174,294</u>
Net position - ending	<u>\$ 5,192,070</u>	<u>\$ 4,695,356</u>

Net position increased during the year by \$496,714 due to newly constructed capital assets financed by system revenues.

BUDGETARY HIGHLIGHTS

The original legal appropriations for the QLife General Fund totaled \$861,314 including a contingency of \$95,853. During the year no changes were made to the Final Budget. Expenditures were \$168,943 under budget while revenues were over by \$124,715. The over-budget amount on the revenues is due to a catch-up billing charges for services under-billed.

The original legal appropriations for the QLife Capital Fund totaled \$2,324,147 including a contingency and other uses of \$1,066,144. During the year no changes were made to the Final Budget. Expenditures were \$1,918,211 under budget. \$1,066,144 of this was due to not using contingency funds as this was determined to not be needed.

The original legal appropriations for the QLife Maupin Fund totaled \$177,516 with a contingency of \$45,006. During the year no changes were made to the Final Budget. Expenditures were \$232,940 under budget. This was primarily due to the Maupin project not needing to utilize the contingency funds of \$174,771 in the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2021, the Agency had investment in capital assets, net of accumulated depreciation, \$2,783,750 consisting primarily of the fiber optic loop, projects to expand the fiber and construction in process.

Construction in process projects are Lone Pine and Liberty Street Expansion with CIP costs of \$297,062 & \$7,916 respectfully. The total CIP is \$304,978 as of June 30, 2021.

The completed projects added in this fiscal year are Chenoweth Expansion, 7th Street Expansion and the City Hall/Annex C project. The capitalized amounts are \$139,980, \$58,250, & \$74,931 respectfully.

Debt Outstanding

As of June 30, 2021, the Agency has had no long-term debt outstanding.

ECONOMIC FACTORS

The QualityLife Intergovernmental Agency will continue to be an important partner in economic development within Wasco County and the City of The Dalles, providing necessary internet services to support continued growth and quality of services to those within the Agency's boundaries. Google, the search engine, started operations in new facilities in the City in 2006, and continuously expanded their facilities from 2015 through 2021. The expansion is continuing into 2022.

The COVID pandemic and the related response has not directly impacted the finances of the Agency. This is primarily due to the nature of the business model. The connections with institutions, no face to face interactions with customers and providing a backbone of support for

and service that becomes even more critical as many individuals are working remotely and internet based virtual meetings become the norm.

FINANCIAL CONTACT

The Agency's financial statements are designed to present citizens, taxpayers, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability. If you have questions about the report or need additional financial information, please contact the Agency's Finance Director at 511 Washington Street, Suite 207, The Dalles, Oregon 97058.

BASIC FINANCIAL STATEMENTS

QUALITYLIFE INTERGOVERNMENTAL AGENCY
STATEMENT OF NET POSITION
June 30, 2021

ASSETS

Current assets:		
Cash and cash equivalents	\$	2,420,611
Accounts receivables, net		<u>35,685</u>
Total current assets		2,456,296
Capital assets:		
Construction in progress		304,978
Depreciable assets, net of depreciation		<u>2,478,772</u>
Total capital assets, net		<u>2,783,750</u>
Total assets	\$	<u><u>5,240,046</u></u>

LIABILITIES AND NET POSITION

LIABILITIES:

Current liabilities:		
Accounts payable	\$	<u>47,976</u>
Total current liabilities		<u>47,976</u>
Total liabilities		<u>47,976</u>

NET POSITION:

Net investment in capital assets		2,783,750
Unrestricted (deficit)		<u>2,408,320</u>
Total net position		<u>5,192,070</u>
Total liabilities and net position	\$	<u><u>5,240,046</u></u>

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

QUALITYLIFE INTERGOVERNMENTAL AGENCY
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
For the Fiscal Year Ended June 30, 2021

	<u>QualityLife Operations</u>
OPERATING REVENUES:	
Charges for services	\$ 1,048,676
Total operating revenues	<u>1,048,676</u>
OPERATING EXPENSES:	
Materials and services	392,551
Depreciation	<u>173,186</u>
Total operating expenses	<u>565,737</u>
Operating income (loss)	482,939
NON-OPERATING INCOME (EXPENSE):	
Interest on investment	12,575
Grants and contributions	-
Miscellaneous	<u>1,200</u>
Total non-operating income (expenses)	<u>13,775</u>
Net income (loss) before operating transfers	496,714
OPERATING TRANSFERS:	
Transfers in (out)	<u>-</u>
Net income (loss) before contributions	496,714
CAPITAL CONTRIBUTIONS:	
Capital contributions	<u>-</u>
Change in net position	496,714
NET POSITION, BEGINNING	<u>4,695,356</u>
NET POSITION, ENDING	<u><u>\$ 5,192,070</u></u>

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

QUALITYLIFE INTERGOVERNMENTAL AGENCY
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended June 30, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers	\$ 1,044,298
Cash paid to suppliers and others	<u>(407,868)</u>
Net cash provided (used) by operating activities	<u>636,430</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Grants and contributions	-
Purchase of capital assets	(323,729)
Grant expenses	<u>1,200</u>
Net cash provided (used) by capital and related financing activities	<u>(322,529)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest received	<u>12,575</u>
Net cash provided (used) by investing activities	<u>12,575</u>
Net increase (decrease) in cash and cash equivalents	326,476

CASH AND CASH EQUIVALENTS, BEGINNING

2,094,135

CASH AND CASH EQUIVALENTS, ENDING

\$ 2,420,611

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating Income	\$ 482,939
Adjustments	
Depreciation	173,186
Decrease (increase) in:	
Accounts receivable	(4,378)
Increase (decrease) in:	
Accounts payable and accrued expenses	<u>(15,317)</u>
Net cash provided (used) by operating activities	<u><u>\$ 636,430</u></u>

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

QUALITYLIFE INTERGOVERNMENTAL AGENCY
NOTES TO THE BASIC FINANCIAL STATEMENTS
For Fiscal Year Ended June 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Fund Structure

The QualityLife Intergovernmental Agency (the Agency), is a joint venture of Wasco County, Oregon and the City of The Dalles, Oregon. The Agency was formed in 2001 to construct and operate a fiber optic network to provide high-speed internet service to the residents of The Dalles.

The accompanying financial statements present all funds for which the Agency 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 Agency is a primary government with no includable component units.

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

The Agency 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 Agency distinguishes operating revenues and expenses from non-operation items. Operating revenues include internet access charges and connection fees, and 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 Agency'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 Agency as those of a unitary nature and those activities are reported as such. For operating and budgetary purposes, the accounts of the Agency are organized on the basis of funds, each of which is considered a separate accounting entity.

The funds of the Agency are as follows:

Fund Type - Enterprise	Principal Revenue Source	Primary Expenditure Purpose
General	Membership and Service Fees	General operating expenses
Capital Projects	Grants, City General Fund Contributions, and Charges for Services	Construction of fiber optic network
Maupin Expansion	Grants and Charges for Services	Construction and operation of Maupin Expansion

C. Cash and Cash Equivalents

The Agency’s cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

D. Customer Accounts Receivables

Customer accounts receivable are stated at the amount management expects to collect on balances outstanding at year-end. Management has determined that no allowance for doubtful accounts is needed as of June 30, 2021.

E. Capital Assets

Capital assets are defined by the Agency 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:

Equipment	10 years
Fiber optic loop	30-50 years

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

F. Intangible Assets

Purchases of software licenses are recorded at cost at date of acquisition. These intangible assets are being amortized over an estimated useful life of 10 years. Purchases of easements are recorded at cost and date of acquisition. The useful life of easements is based on the length of the easement; current easements have a useful life of 5 years.

G. Net Position

Net position comprises the various net earnings from operating and non-operating revenues, expenses, and contributions of capital. Net position is classified in the

following three components: net investment in capital assets; restricted net position; and unrestricted net position.

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

H. Use of Estimates

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

I. Fair Value Inputs and Methodologies and Hierarchy

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 up on the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- Level 1 – unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access
- Level 2 – other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market– corroborated inputs)
- Level 3 – unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund’s own assumptions used in determining the fair value of investments)

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

II. DETAILED NOTES

A. Deposits

Custodial credit risk. This is the risk that in the event of a bank failure, the Agency's deposits may not be returned. The Federal Depository Insurance Corporation (FDIC) provides insurance for the Agency's deposits up to \$250,000 for the combined total of all deposit accounts at each financial institution. Deposits in excess of FDIC coverage with institutions participating in the Oregon Public Funds Collateralization Program are considered fully collateralized. As of June 30, 2021, the book value of the Agency's deposits was \$903,796 and the bank balance was \$905,894. \$655,894 of the Agency's bank balances was exposed to custodial credit risk due to FDIC covering \$250,000. The Agency does not have a formal deposit policy for custodial credit risk.

B. Investments

State statutes authorize investment 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. Investments are valued at fair value as required by GASB 72. The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities. Security pricing is provided by a third-party, and is reported monthly to the County by its custodian bank. US Government agencies fall into level 1 of the fair value hierarchy. Banker's acceptances and LGIP fall under level 2 of the fair value hierarchy. The agency has elected to only invest in the Local Government Investment Pool (LGIP) at this time.

<u>Investment Type</u>	<u>Maturity</u>	<u>Cost</u>
Local Government Investment Pool	1 Day	\$ 1,516,619
		\$ 1,516,619

Investment Pool: 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, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund appears to be in compliance with all portfolio guidelines at June 30, 2021. The LGIP seeks to exchange shares at \$1.00 per share; an 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.

We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. As of June 30, 2021, the fair value of the position in the LGIP is 100.40% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. QLife's position in the Pool at June 30, 2021 is stated at cost which approximates the fair value.

Custodial Credit Risk – Investments is the risk that, in the event of failure of the counterparty (e.g., broker dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The County's investment policy provides that broker/dealers and financial institutions meet certain qualifications which are reviewed annually.

Credit Risk – Investments is the risk an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The State of Oregon Local Government Investments Pool is unrated. The minimum weighted average credit rating of the portfolio's rated investments shall be Aa/AA/AA.

Concentration of Credit Risk – Investments is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. QLife only invests in the LGIP investment portfolio to avoid incurring unreasonable risks, both credit and interest rate risk, inherent in the over-investing in specific instruments, individual financial institutions or maturities.

Interest Rate Risk – Investments is the risk interest rates will increase after investments are purchased. QLife mitigates this risk by investment in the LGIP which adjusts rates based on returns. QLife does not invest separate from the LGIP.

Foreign Currency Risk – Investment is the risk of loss caused by investing in foreign currencies. The County's investment policy mitigates this risk by prohibiting investments not U.S. dollar denominated. Therefore, the County is not exposed to this risk.

C. Receivables

Receivables represent amounts due to the Agency at June 30, 2021 from user charges.

D. Capital Assets

Capital assets activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
General				
Capital Assets, non-depreciable:				
Construction in progress	286,746	291,403	(273,171)	304,978
Total capital assets, non-depreciable	286,746	291,403	(273,171)	304,978
Capital assets, depreciable				
Fiber optic loop	3,017,742	305,495	-	3,323,237
Equipment	284,255	-	-	284,255
Software licenses	7,011	-	-	7,011
Easements	18,000	-	-	18,000
Total capital assets, depreciable	3,327,008	305,495	-	3,632,503
Less accumulated depreciation for:				
Fiber optic loop	(877,232)	(169,266)	-	(1,046,498)
Equipment	(85,502)	(320)	-	(85,822)
Software licenses	(7,011)	-	-	(7,011)
Easements	(10,800)	(3,600)	-	(14,400)
Total accumulated depreciation	(980,545)	(173,186)	-	(1,153,731)
Net depreciable capital assets	2,346,463	132,309	-	2,478,772
Net capital assets	2,633,209	423,712	(273,171)	2,783,750

E. Long-Term Obligations

The Agency had no outstanding debt or transactions during the year ended June 30, 2021.

F. Related Party Transactions

The City of The Dalles, Oregon appoints two members and Wasco County, Oregon appoints two members of the QualityLife Intergovernmental Agency Board of Directors. The fifth member is appointed by the other four. Wasco County provides administrative services, along with space and technical services for GIS and fiber management, while the City provides financial services, rental of office space and pass through of grant revenues to the Agency. During the year, the Agency had the following related party transactions.

Charges for services revenue from:

City of The Dalles	\$ 5,040
Wasco County	\$ 16,560

Expenses for administrative and other services from:

City of The Dalles	
Rent Expense to City of The Dalles	\$ 7,752
Right of Way Fees to City of The Dalles	\$ 21,007
Wasco County	
Administration	\$ 55,431
Computer & GIS Services	\$ 5,000
Postage	\$ 126

In addition, at June 30, 2021, the City and the County have no amounts due to the Agency for services received. The Agency also owes the City \$681 for current year right of way fees.

G. Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Agency has obtained insurance for these risks through the Special Districts Association of Oregon, which operates a public entity risk pool for common risk management and insurance program for special districts. The Agency pays an annual premium to the pool for its general insurance coverage. The pool is self-sustaining through member premiums and reinsures through commercial companies for claims in excess of specified minimums for various insured events.

H. Construction in Progress

The Lone Pine project was not completed in the fiscal year and had \$205,156 in additional value added to original \$91,906 from fiscal year 2020 for a total of \$297,062. The Liberty Street project also was not completed prior to fiscal year end with a value of \$7,916. This brings the Construction in Progress (CIP) for the fiscal year to \$304,978 as of June 30, 2021.

SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

Enterprise Funds

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

Enterprise Budgetary Comparison schedules include the following:

- General Fund
- Capital Projects Fund
- Maupin Fund

**QUALITYLIFE INTERGOVERNMENTAL AGENCY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 668,200	\$ 668,200	\$ 902,344	\$ 234,144
Interest on investments	1,200	1,200	1,771	571
Miscellaneous	200	200	1,200	1,000
Total revenues	669,600	669,600	905,315	235,715
EXPENDITURES:				
Materials and services	337,891	337,891	284,801	53,090
Capital outlay	20,000	20,000	-	20,000
Contingency	95,853	95,853	-	95,853
Total expenditures	453,744	453,744	284,801	168,943
Revenues over (under) expenditures	215,856	215,856	620,514	404,658
OTHER FINANCING SOURCES (USES):				
Transfers out	(376,220)	(376,220)	(376,220)	-
Total other financing sources (uses)	(376,220)	(376,220)	(376,220)	-
Net changes in fund balances	(160,364)	(160,364)	244,294	404,658
FUND BALANCE, BEGINNING BUDGETARY BASIS	191,714	191,714	225,093	33,379
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ 31,350</u>	<u>\$ 31,350</u>	469,387	<u>\$ 438,037</u>
RECONCILIATION TO GENERALLY ACCEPTED ACCOUNTING PRINCIPLES				
Capital projects fund balance			1,819,607	
Maupin fund balance			119,326	
Capital assets			2,783,750	
NET POSITION AT END OF YEAR			<u>\$ 5,192,070</u>	

**QUALITYLIFE INTERGOVERNMENTAL AGENCY
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 19,000	\$ 19,000	\$ 123,728	\$ 104,728
Interest on investments	25,200	25,200	9,854	(15,346)
Total revenues	44,200	44,200	133,582	89,382
EXPENDITURES:				
Materials and services	-	-	31,776	(31,776)
Capital outlay	1,258,003	1,258,003	374,160	883,843
Contingency	1,066,144	1,066,144	-	1,066,144
Total expenditures	2,324,147	2,324,147	405,936	1,918,211
Revenues over (under) expenditures	(2,279,947)	(2,279,947)	(272,354)	2,007,593
OTHER FINANCING SOURCES (USES):				
Transfers in	426,220	426,220	426,220	-
Transfers out	-	-	-	-
Total other financing sources (uses)	426,220	426,220	426,220	-
Net changes in fund balances	(1,853,727)	(1,853,727)	153,866	2,007,593
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>1,853,727</u>	<u>1,853,727</u>	<u>1,665,741</u>	<u>(187,986)</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,819,607</u>	<u>\$ 1,819,607</u>

**QUALITYLIFE INTERGOVERNMENTAL AGENCY
MAUPIN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 7,360	\$ 152,125	\$ 22,602	\$ (129,523)
Interest on investments	700	700	950	250
Grants	-	-	-	-
Total revenues	<u>8,060</u>	<u>152,825</u>	<u>23,552</u>	<u>(129,273)</u>
EXPENDITURES:				
Materials and services	17,710	17,710	14,936	2,774
Capital outlay	51,000	66,000	10,605	55,395
Contingency	45,006	174,771	-	174,771
Total expenditures	<u>113,716</u>	<u>258,481</u>	<u>25,541</u>	<u>232,940</u>
Revenues over (under) expenditures	(105,656)	(105,656)	(1,989)	103,667
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>
Net changes in fund balances	(155,656)	(155,656)	(51,989)	103,667
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>169,456</u>	<u>169,456</u>	<u>171,315</u>	<u>1,859</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ 13,800</u>	<u>\$ 13,800</u>	<u>\$ 119,326</u>	<u>\$ 105,526</u>

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



PAULY, ROGERS AND CO., P.C.
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(503) 620-2632 ♦ (503) 684-7523 FAX
www.paulyrogersandcocpas.com

Independent Auditor's Report Required by Oregon State Regulations

We have audited the basic financial statements of the QualityLife Intergovernmental Agency as of and for the year ended June 30, 2021, and have issued our report thereon dated December 27, 2021. 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 QualityLife Intergovernmental Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

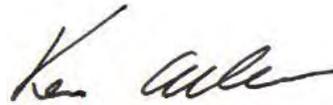
- Deposit of public funds with financial institutions (ORS Chapter 295)
- Indebtedness limitations, restrictions and repayment.
- Budgets legally required (ORS Chapter 294). The Agency is exempt from ORS 294.
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.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

In connection with our testing nothing came to our attention that caused us to believe the QualityLife Intergovernmental Agency was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 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 internal controls over financial reporting 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 internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

This report is intended solely for the information and use of the Board of Directors, management 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 "Ken Allen", is positioned above the printed name.

**Kenneth Allen, CPA
PAULY, ROGERS AND CO., P.C.**

PAULY, ROGERS AND CO., P.C., Certified Public Accountants

The Leaders in Oregon Municipal Auditing

Fiscal Year 2020-2021 Financial Audit of Quality Life

Audit Opinion Letter

- ▶ An unmodified opinion on the financial statements has been issued (see page A&B of the financial report)
This means we have given a “clean” opinion on the Agency’s financial report.

State Minimum Standards Opinion

- ▶ We noted **no** exceptions requiring comment.
- ▶ We are required to opine on the following areas:
 - ▶ Deposit of public funds with financial institutions (ORS Chapter 295)
 - ▶ Indebtedness limitations, restrictions and repayment.
 - ▶ Insurance and fidelity bonds in force or required by law.
 - ▶ Programs funded from outside sources.
 - ▶ Authorized investment of surplus funds (ORS Chapter 294).
 - ▶ Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).
- ▶ See Page 14-15 of the Financial Report for this opinion.

Management Letter (this would be a letter to the Board detailing out any significant deficiencies or material weaknesses in the accounting processes)

- ▶ No management letter was issued due to a proactive relationship between management and the auditors to ensure that all issues are resolved before they become reportable to the Board.
- ▶ No significant deficiencies were noted.

Significant Audit Findings

- ▶ We noted no misstatements during our audit that weren’t corrected by management, if any.
- ▶ There were no significant difficulties performing the audit.
- ▶ We had no disagreements with management.

We’d like to thank staff for all their help and assistance. If you have any questions, please email or call Kenny Allen.

- ▶ Kenny@rascpas.com, 503-620-2632



Discussion Items

- Admin Staff Updates
 - [2022 SDIS Insurance Renewal](#)
- [Aristo Technical Management Report](#)

MEMORANDUM

DATE: January 1, 2022

TO: SDIS Independent Insurance Agents & SDIS Property/Casualty Insurance Program Participants

FROM: Underwriting Department

RE: 2022 SDIS Property/Casualty Insurance Renewal and
LONGEVITY CREDIT AND RATE LOCK GUARANTEE REMINDER

RENEWAL PACKET INFORMATION:

Included with this memo is the 2022 SDIS property/casualty coverage final renewal packet. This packet contains your district's invoice, declarations, schedules, loss runs and a comparison report.

Please note that this reflects *all* changes made prior to January 1, 2022. Any changes made on or after January 1st will be invoiced separately as a mid-term change in early February.

LONGEVITY CREDIT AND RATE LOCK GUARANTEE REMINDER:

As previously noted in the renewal update packet that was released in October, we are starting a new cycle for our Longevity Credit and Rate Lock Guarantee Program. Please refer to the memo from the update packet for eligibility requirements.

Your district's eligibility status is indicated on the invoice in the final renewal packet, as well as on the preliminary renewal summary in the preliminary renewal packet we previously sent. If your district is eligible for participation in the program, a Longevity Credit and Rate Lock Guarantee agreement is included in the preliminary packet. In order to receive the credit and rate lock for the 2023 renewal, we *must* receive the signed agreement as soon as possible.

Please note that we have already had many eligible districts send in a signed agreement form and these members will *not* see a duplicated agreement in the attached packet.

However, we did include another agreement in the final renewal packet for those eligible members that have not yet signed and returned their forms.

Thank you for your continued support of Special Districts Insurance Services. We are pleased to continue offering the best coverage at the most affordable price for Oregon's special districts. If you have any questions or concerns, please contact us at undewriting@sdao.com or 800-285-5461.

Date: 01-Jan-22

Named Participant: Quality Life Network
 511 Washington St, Ste101
 The Dalles, OR 97058

Agent: ISU - The Stratton Agency
 318 West 2nd St
 The Dalles, OR 97058

Invoice #	Entity ID	Effective Date	Expiration Date	Invoice Date
37P50008-442	50008	01-Jan-22	31-Dec-22	01-Jan-22

Coverage	Contribution
SDIS Liability Coverage	
Liability Contribution	\$5,383
Less Best Practices Credit	(\$126)
Less Multi-Line Discount Credit	\$0
Adjusted Contribution	\$5,257
Auto Liability (Includes Auto Excess and Auto Supplemental Coverages)	
Auto Contribution	\$0
Less Best Practices Credit	\$0
Less Multi-Line Discount Credit	\$0
Adjusted Contribution	\$0
Non-owned and Hired Auto Liability	\$175
Auto Physical Damage	\$0
Less Multi-Line Discount Credit	\$0
Adjusted Contribution	\$0
Hired Auto Physical Damage	\$0
Property	
Property Contribution	\$8,931
Less Best Practices Credit	(\$357)
Less Multi-Line Discount Credit	\$0
Adjusted Contribution	\$8,574
Earthquake	\$2,364
Flood	\$1,119
Equipment Breakdown / Boiler and Machinery	\$0
Crime	\$359
Total:	\$17,848

2022 Longevity Credit:**
Longevity Credit %: 7.2%
Longevity Credit: \$1,279

Coverage is provided for only those coverages indicated above for which a contribution is shown or that are indicated as "included." Your payment evidences "acceptance" of this renewal. Please use the payment coupon on the following page to help us apply your payment correctly.

**This amount is for illustration only. Longevity Credit checks will be mailed to eligible members in February.

Payment instructions are on the following page.

Date: 01-Jan-22

**** Payment Due: 3/1/2022 ****

Please include the bottom portion of this sheet with you payment.

Make Checks Payable to:

Special Districts Insurance Services

P.O. Box 12613

Salem, OR 97309

Phone: 1-800-285-5461 Fax: 503-371-4781

Quality Life Network

Customer ID: 01-50008

Total Due: \$17,848

Check # _____ Amount \$ _____



Special Districts Insurance Services Trust

SDIS Liability Coverage Declarations

Certificate Number: 37P50008-442

Coverage Period: 1/1/2022 through 12/31/2022

Named Participant:

Quality Life Network
511 Washington St, Ste101
The Dalles, OR 97058

Agent of Record:

ISU - The Stratton Agency
318 West 2nd St
The Dalles, OR 97058

Limits of Liability: SDIS Liability Coverage	Limit	Deductible (2) (3)
Per Occurrence Limit of Liability	\$7,000,000 (1)	None
Per Wrongful Act Limit of Liability	\$7,000,000 (1)	None
Annual Aggregate Limit of Liability	No Limit Except as Outlined Below (1)	None

Additional and Supplemental Coverages

Unless otherwise indicated in Section III Additional Coverages of the SDIS Liability Coverage Document, the following Additional Coverages are not in addition to the Total Limit of Liability identified above.

Coverage	Limit	Coverage Period Total Limit	Deductible	Contribution
Ethics Complaint Defense Costs	\$5,000	\$5,000	None	Included
EEOC/BOLI Defense Cost	\$7,000,000	None	None	Included
Premises Medical Expense	\$5,000	\$5,000	None	Included
Limited Pollution Coverage	\$250,000	\$250,000	None	Included
Applicators Pollution Coverage	\$50,000	\$50,000	None	Included
Injunctive Relief Defense Costs	\$25,000	\$25,000 (4)	None	Included
Fungal Pathogens (Mold) Defense Costs	\$100,000	\$100,000	None	Included
OCITPA Expense Reimbursement	\$100,000	\$100,000 (5)	None	Included
Data Disclosure Liability	\$1,000,000	\$1,000,000 (6)	None	Included
Lead Sublimit Defense Costs	\$50,000	\$50,000 (7)	None	Included
Marine Salvage Expense Reimbursement	\$250,000	\$250,000	None	Included
Criminal Defense Costs	\$100,000	\$100,000 (8)	None	Included
Communicable Disease Defense	\$50,000	\$2,000,000 (9)	None	Included

Forms applicable to Named Participant:

Total Contribution: \$5,257.00

SDIS Liability Coverage Document effective January 1, 2022

- (1) \$25,000,000 maximum limit for all SDIS Trust Participants involved in the same Occurrence or Wrongful Act.
- (2) \$10,000 controlled burn deductible if DPSST guidelines are not followed.
- (3) \$25,000 Employment Practices deductible for terminations when SDIS is not contacted for legal advice in advance.
- (4) Injunctive Relieve Defense Costs limited to \$100,000 for all members of the Trust combined during the Coverage Period.
- (5) OCITPA Expense Reimbursement limited to \$500,000 for all members of the Trust combined during the Coverage Period.
- (6) Data Disclosure Liability Limited to \$5,000,000 for all members of the Trust combined during the Coverage Period.
- (7) Lead Liability Defense Costs limited to \$200,000 for all members of the Trust combined during the Coverage Period.
- (8) Criminal Defense Costs limited to \$500,000 for all members of the Trust combined during the Coverage Period.
- (9) Communicable Disease Defense limited to \$2,000,000 for all members of the Trust combined during the Coverage Period.

This certificate is made and is mutually accepted by the Trust and Named Participant subject to all provisions, stipulations, and agreements which are made a part of the SDIS Liability Coverage Document. This certificate represents only a brief summary of coverages. Other conditions and exclusions apply as described in the SDIS Liability Coverage Document. Titles referenced above are provided merely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

Countersigned by: Frank Stratton

Saturday, January 1, 2022

Authorized Representative, Special Districts Insurance Services Trust



Special Districts Insurance Services Trust (SDIS)
 Auto Liability and Auto Physical Damage Coverage
 Declarations

Certificate Number: 37P50008-442

Coverage Period: 1/1/2022 through 12/31/2022

Named Participant:

Quality Life Network
 511 Washington St, Ste101
 The Dalles, OR 97058

Agent of Record:

ISU - The Stratton Agency
 318 West 2nd St
 The Dalles, OR 97058

Coverage is provided for only those coverages indicated below for which a contribution is shown.

Auto Liability Coverage

Applicable Coverage Document: SDIS Auto Liability Coverage Document, January 1, 2022

	Per Accident Limit of Liability	Deductible	Contribution
Auto Liability Coverage	No Coverage	None	No Coverage
Non-Owned/Hired Auto Liability	\$500,000	None	\$175.00

Auto Physical Damage

Applicable Coverage Document: SDIS Auto Physical Damage Coverage Document, January 1, 2022

	Per Accident Limit of Liability	Deductible	Contribution
Auto Physical Damage	No Coverage	N/A	No Coverage
Hired Auto Physical Damage	No Coverage	No Coverage	No Coverage

This certificate is made and is mutually accepted by the Trust and Named Participant subject to all provisions, stipulations, and agreements which are made a part of the coverage documents referenced above. This certificate represents only a brief summary of coverages. Other conditions and exclusions apply as described in the above-referenced coverage documents. Titles referenced above are provided merely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

Countersigned by: Frank Stratton
 Authorized Representative
 Special Districts Insurance Services Trust

Saturday, January 1, 2022



Special Districts Insurance Services
Property Coverage Declarations

Certificate Number: 37P50008-442

Coverage Period: 1/1/2022 through 12/31/2022

Named Participant:

Quality Life Network
511 Washington St, Ste101
The Dalles, OR 97058

Agent of Record:

ISU - The Stratton Agency
318 West 2nd St
The Dalles, OR 97058

Scheduled Property Values:

\$3,589,354 Buildings, Other Structures and Scheduled Outdoor Property
\$213,895 Personal Property
Mobile Equipment, Scheduled Personal Property and Scheduled Fine Arts

Total Limit of Indemnification (Per Occurrence)

\$3,803,249 The Trust shall not pay, or be liable for more than the Total Limit of Indemnification in any single "occurrence" during the Property Coverage Period, including all related costs and expenses, all costs of investigation, adjustment and payment of claims, but excluding the salaries of your regular employees and counsel on retainer.
\$300,000,000 SDIS Per Occurrence Aggregate Loss Limit

Sublimits (Per Occurrence):

The subjects of coverage listed below are sub-limited within the "Occurrence" Total Limit of Indemnification shown above. The limits reflect the maximum amount the Trust will pay for losses involving these coverages. The titles below are provided merely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

Sublimits for Covered Property:

(Reference Section VIII - Covered Property in the SDIS Property Coverage Document)

\$250,000 Personal Property of Others within your Care, Custody, or Control, other than Mobile Equipment
\$100,000 Property of Employees/Volunteers - (subject to a \$5,000 maximum per person)
\$100,000 Mobile Equipment of others that is within your Care, Custody or Control or Rented or Leased for up to 30 days
\$10,000 Unscheduled Fine Arts (Fine Art may be specifically scheduled for higher limits)

Sublimits for Additional Coverages:

(Reference Section X - Additional Coverages in the SDIS Property Coverage Document)

\$5,000,000 Debris Removal - (Sublimit is \$5,000,000 or 25% of loss, whichever is less)
\$50,000 Pollutant Clean-up and Removal From Land or Water- (Sublimit is \$50,000 or 20% of the scheduled location(s) value whichever is less)
\$10,000 Fungus as a Result of a "Covered Cause of Loss" - (Sublimit is \$10,000 or 10% of the covered portion of the loss whichever is less)
\$10,000 Preservation of Undamaged Covered Property - (Sublimit is \$10,000 or 10% of the covered portion of the loss whichever is less)
\$250,000 Professional Services - (Sublimit is \$250,000 or 10% of the covered portion of the loss whichever is less)
\$25,000 Fire Department Service Charge
\$10,000 Recharging of Fire Extinguishing Equipment
\$10,000 Arson Reward
\$5,000,000 Increased Cost of Construction - Enforcement of Ordinance or Law - (Sublimit is \$5,000,000 or 25% of loss, whichever is less)
\$500,000 Increased Cost of Construction - Cost Resulting From Unforeseen Delay - (Sublimit is \$500,000 or 25% of loss, whichever is less)

\$500,000 Expenses for Restoration or Modification of Landscaping, Roadways, Paved Surfaces and Underground Utilities - (Sublimit is \$500,000 or 25% of loss, whichever is less)

Sublimits for Additional Coverages - Business Income and Extra Expense:

(Reference Section XI - Additional Coverages - Business Income and Extra Expense in the SDIS Property Coverage Document)

\$1,000,000 Business Income
 \$1,000,000 Extra Expense
 \$25,000 Enforcement of Order by Government Agency or Authority
 \$25,000 Business Income from Dependent Property
 \$100,000 Interruption of Utility Services
 \$25,000 Inability to Discharge Outgoing Sewage

Sublimits for Coverage Extensions:

(Reference Section XII - Coverage Extensions in the SDIS Property Coverage Document)

\$2,000,000 Property in the Course of Construction. (If you have not complied with all of the notification requirements set forth in Section XII.A. within 90 days, the most the Trust will pay for property in the Course of Construction is \$500,000. If after 90 days you have not complied with all the notification requirements set forth in Section XII.A. then no coverage will be provided for property in the Course of Construction).

\$500,000 Newly Acquired or Constructed Property. (No coverage will be provided for newly acquired or constructed property unless you notify the Trust in writing no later than 90 days after the dates specified in section XII. A.)

\$25,000 Unscheduled Outdoor Property

\$250,000 Vandalism and Malicious Mischief to Tracks and Artificial Turf Fields

\$250,000 Property in Transit

\$250,000 Accounts Receivable

\$50,000 Property Damaged by Overflow of Sewers or Drains

\$100,000 Covered Leashold Interest - (Sublimit is lesser of amount listed here, or an amount pro-rated based on time between the Loss and the earlier of: Lease Expiration; Re-occupancy of leased property; or lease of new property)

\$250,000 Valuable Papers and Records - (Sublimit is lesser of: Cost to research, replace, or restore the lost information; Actual Cash Value in blank state of paper, tape or other media if records are not actually researched, restored or replaced; or amount of sublimit listed here)

\$25,000 Data Storage Media

\$250,000 Miscellaneous Property Damaged by Specified Cause of Loss or Theft - (Sublimit lesser of: Appraised Value; Fair Market Value; or Sublimit listed here)

\$3,803,249 Property Damaged by an Act of Terrorism or Sabotage. The most the Trust will pay for Property Damaged by an Act of Terrorism or Sabotage is described in Section XII.K.9.



Special Districts Insurance Services
Property Coverage Declarations

Additional Sublimits and Deductibles (Per Occurrence):

Sublimits and Deductibles shown below, if any, are in addition to the sublimits shown above.

Locations Covered: Locations specifically listed on the Named Participant's Schedule of Property Values.

Perils Covered: Risks of Direct Physical Loss subject to the terms, conditions and exclusions of the current SDIS Property Coverage Document.

Deductibles: As indicated on the Schedule of Property Values on file with the Trust

Contribution: \$8,574.00

Forms Applicable: SDIS Property Coverage Document effective January 1, 2022

This Declaration is made and is mutually accepted by the Trust and Named Participant subject to all provisions, stipulations, and agreements which are made a part of the SDIS Property Coverage Document. This Declaration represents only a brief summary of coverages.

Countersigned by: _____


Special Districts Insurance Services

Saturday, January 1, 2022

Certificate Number: 37P50008-442

Coverage Period: 1/1/2022 through 12/31/2022

Named Participant:

Quality Life Network
511 Washington St, Ste101
The Dalles, OR 97058

Agent of Record:

ISU - The Stratton Agency
318 West 2nd St
The Dalles, OR 97058

**THIS ENDORSEMENT MODIFIES AND AMENDS THE PROPERTY COVERAGE DOCUMENT
PLEASE READ IT CAREFULLY**

As consideration for an additional contribution paid by the **Named Participant**, in the amount of **\$1,119.00** , the **Property Coverage Document** is amended as follows:

Section **XII. COVERAGE EXTENSIONS**, is amended to add the following **Coverage Extension**:

M. Extension of Coverage for Property Damaged by Flood

Subject to the additional conditions and limitations set forth below, we will indemnify you for direct physical loss or damage to **Covered Property** caused by or resulting from **flood**, including **collapse** directly caused by **flood**, that occurs on premises listed on the Schedule of Property Values on file with the Trust.

1. This **Coverage Extension** is subject to per-occurrence deductibles as follows:

- a. If the damaged **Covered Property** is not a **waterway structure** and is located, either partially or wholly, within a federally designated 100-year or greater Special Flood Hazard Area ("SFHA"), as defined by the Federal Emergency Management Agency ("FEMA"), at the time of the **occurrence**, then the deductible shall be:
 - (1) \$500,000 per occurrence for damage to each covered **building, other structure, outdoor property** and **scheduled outdoor property** listed on the Schedule of Property Values on file with the Trust;
 - (2) \$500,000 per occurrence for damage to covered **personal property, scheduled personal property, fine arts** and **scheduled fine arts** located within each covered **building, other structure, outdoor property** and **scheduled outdoor property** listed on the Schedule of Property Values on file with the Trust; and
 - (3) \$500,000 per occurrence for damage to covered **mobile equipment** and **scheduled mobile equipment** listed on the Schedule of Property Values on file with the Trust.
- b. If the damaged **Covered Property** is not a **waterway structure** and is located wholly outside of a federally designated 100- year or greater SFHA, as defined by FEMA, at the time of the **occurrence**, then the deductible shall be:
 - (1) no less than the greater of:
 - (a) \$5,000;
 - (b) two percent (2%) of the **actual cash value** of the **Covered Property** damaged by **flood** in a single **occurrence** on premises listed on the Schedule of Property Values on file with the Trust; or

-
- (c) the Deductible stated in the Declarations; and
 - (2) no more than the greater of:
 - (a) \$50,000; or
 - (b) the Deductible stated in the Declarations.
 - c. If the damaged **Covered Property** is a **waterway structure** then the deductible shall be:
 - (1) \$100,000 per occurrence for damage to each **waterway structure** listed on the Schedule of Property Values on file with the Trust; and
 - (2) \$100,000 per occurrence for damage to covered **personal property, scheduled personal property, fine arts and scheduled fine arts** located within, on, or attached to, each covered **waterway structure** listed on the Schedule of Property Values on file with the Trust.
 - 2. All **flood**, including **collapse** directly caused by **flood**, that occurs within a 72-hour period will constitute a single **occurrence**.
 - 3. Whether or not damaged **Covered Property** is located, either partially or wholly, within a federally designated 100-year or greater SFHA, as defined by FEMA, at the time of **occurrence**, will be determined solely by reference to FEMA Flood Maps and the FEMA Flood Map Service Center, regardless of any previous information, estimate, or designation provided by the **Named Participant** or appearing in the Declarations.
 - 4. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **flood**, including **collapse** directly caused by **flood**, unless the damaged **Covered Property** is expressly identified on the Schedule of Property Values on file with the Trust as having coverage for **flood**.
 - 5. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **flood**, including **collapse** directly caused by **flood**, unless the damage or loss occurs during the **Property Coverage Period**, and is discovered and reported to the Trust by you within one year of the ending of the **Property Coverage Period**.
 - 6. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **flood**, including **collapse** directly caused by **flood**, unless you notify us as soon as reasonably possible after the **flood** occurs and allow us to inspect the damaged **Covered Property** prior to making any repairs or replacing the damaged or destroyed **Covered Property**.
 - 7. This **Coverage Extension** does not apply to, and we will not indemnify you or anyone else for, any damage or loss to **waterway structures** located within five miles of the of the Oregon coast, whether or not expressly identified as **Covered Property**, caused by, exacerbated by, or arising out of **flood** unless damage or loss by **flood** is caused by a **storm surge** which occurs over a period of less than 72 hours.
 - a. For the purposes of this **Coverage Extension** only, **waterway structures** are defined as boardwalks, bridges, bulkheads, dams, dikes, docks, levees, piers, pilings, seawalls, wharves, breakwater and similar structures located on, in, or over **water**, and their corresponding appurtenances and accessories.
 - b. **Storm surge** is defined as an abnormal rise of water generated by a storm, over and above the predicted astronomical tide as determined by the National Oceanic and Atmospheric Administration (NOAA).

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8. Indemnification under this **Coverage Extension** is subject to the following limits:
- a. The most we will pay under this **Coverage Extension** for all damage or loss sustained by the **Named Participant** in any single **occurrence** is **\$3,803,249** ;
 - b. The most we will pay under this **Coverage Extension** for all damage or loss sustained by the **Named Participant** during the **Coverage Period**, is an **Annual Aggregate Loss Limit** of **\$3,803,249** ;
 - c. **The SDIS Per-Occurrence Aggregate Loss Limit;**
 - d. An **SDIS Annual Aggregate Loss Limit** of \$50,000,000 for all damage or loss to **Covered Property** located, either partially or wholly, within a federally designated 100-year or greater SFHA as defined by FEMA.
 - e. An **SDIS Annual Aggregate Loss Limit** of \$300,000,000 for all damage or loss caused by, resulting from, or arising out of **earth movement, flood**, or both.
9. Any amounts paid under this **Coverage Extension** are included in, subject to, and not in any event in addition to, the **Total Limit of Indemnification** stated in the Declarations.

This Endorsement amends Section **XII. Coverage Extensions** of the **Property Coverage Document** and does not modify, amend, waive or otherwise affect any of the other terms, conditions, limitations exceptions, or exclusions of the **Property Coverage Document**.

Countersigned by: _____



Special Districts Insurance Services

Saturday, January 1, 2022

Certificate Number: 37P50008-442

Coverage Period: 1/1/2022 through 12/31/2022

Named Participant:

Quality Life Network
511 Washington St, Ste101
The Dalles, OR 97058

Agent of Record:

ISU - The Stratton Agency
318 West 2nd St
The Dalles, OR 97058

**THIS ENDORSEMENT MODIFIES AND AMENDS THE PROPERTY COVERAGE DOCUMENT
PLEASE READ IT CAREFULLY**

As consideration for an additional contribution paid by the **Named Participant**, in the amount of **\$2,364.00**, the **Property Coverage Document** is amended as follows:

Section XII. **Coverage Extensions**, is amended to add the following **Coverage Extension**:

L. Extension of Coverage for Property Damaged by Earth Movement

Subject to the additional conditions and limitations set forth below, we will indemnify you for direct physical loss or damage to **Covered Property** caused by or resulting from **earth movement** that occurs on premises listed on the Schedule of Property Values on file with the Trust.

1. This **Coverage Extension** is subject to per-occurrence deductibles as follows:

a. The deductible shall be no less than the greater of:

- (1) \$5,000;
- (2) two percent (2%) of the **actual cash value** of the **Covered Property** damaged by **earth movement** in a single **occurrence** on premises listed on the Schedule of Property Values on file with the Trust; or
- (3) the Deductible stated in the Declarations.

b. The deductible shall be no more than the greater of:

- (1) \$50,000; or
- (2) the Deductible stated in the Declarations.

2. For the purposes of this **Coverage Extension** only, **earth movement** means:

- a. sudden and accidental earthquake, seaquake, shock, tremor, landslide, submarine landslide, avalanche, subsidence, sinkhole collapse, mud flow, rock fall, **volcanic activity**, or any similar seismic activity, resulting in cracking, crumbling, lateral movement, rising, shifting, settling, sinking, or upheaval of **land**;
- b. **flood** that would not have occurred but for tsunami caused by, resulting from, or arising out of **earth movement**, regardless of any other cause or event that contributes concurrently or in any sequence to such **flood**; and
- c. **collapse** directly caused by **earth movement**.

3. **Earth movement** does not mean, and we will not indemnify you or anyone else for, damage caused by, resulting from, or consisting of:
 - a. Gradual cracking, crumbling, horizontal, lateral or vertical movement, rising, shifting, settling, sinking, or upheaval of **land**, occurring over a period of fourteen or more days, caused by, or arising out of artificial means or artificially created soil conditions, including contraction, corrosion, erosion, excessive or insufficient moisture, expansion, freezing, improperly compacted soil, insufficient fill, liquefaction, slope instability, slumping, subsidence, or thawing;
 - b. Gradual cracking, crumbling, horizontal, lateral or vertical movement, rising, shifting, settling, sinking, or upheaval of **land**, occurring over a period of fourteen or more days, caused by, or arising out of underground activity of animals, vegetation, or **water**; or
 - c. any **water movement** or **flood**, except for **flood** that would not have occurred but for tsunami caused by, resulting from, or arising out of **earth movement** as described in section **XII.L.2.** above.
4. All **earth movement** that occurs within a 72-hour period will constitute a single **occurrence**.
5. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **earth movement**, unless the damaged **Covered Property** is expressly identified on the Schedule of Property Values on file with the Trust as having coverage for **earth movement**.
6. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **earth movement**, unless the damage or loss occurs during the **Property Coverage Period**, and is discovered and reported to the Trust by you within one year of the ending date of the **Property Coverage Period**.
7. This **Coverage Extension** does not apply, and we will not indemnify you for any damage or loss caused by or resulting from **earth movement**, unless you notify us as soon as reasonably possible after the **earth movement** occurs and allow us to inspect the damaged **Covered Property** prior to making any repairs or replacing the damaged or destroyed **Covered Property**.
8. Indemnification under this **Coverage Extension** is subject to the following limits:
 - a. The most we will pay under this **Coverage Extension** for all damage or loss sustained by the **Named Participant** in any single **occurrence** is **\$3,803,249** ;
 - b. The most we will pay under this **Coverage Extension** for all damage or loss sustained by the **Named Participant** during the **Coverage Period**, is an **Annual Aggregate Loss Limit** of **\$3,803,249** ;
 - c. The **SDIS Per-Occurrence Aggregate Loss Limit**;
 - d. an **SDIS Annual Aggregate Loss Limit** of \$300,000,000 for all damage or loss caused by, resulting from, or arising out of either **earth movement, flood**, or both.

9. Any amounts paid under this **Coverage Extension** are included in, subject to, and not in any event in addition to, the **Total Limit of Indemnification** stated in the Declarations.

This Endorsement only amends Section **XII. Coverage Extensions** of the **Property Coverage Document**, and does not modify, amend, waive or otherwise affect any of the other terms, conditions, limitations, exceptions, or exclusions of the **Property Coverage Document**.

Countersigned by: _____



Special Districts Insurance Services

Saturday, January 1, 2022



Special Districts Insurance Services
Comprehensive Crime Policy Certificate



Insured by the Travelers Casualty and Surety Company of America

Certificate Number: 37P50008-442

Coverage Period: 1/1/2022 through 12/31/2022

Named Participant:

Quality Life Network
511 Washington St, Ste101
The Dalles, OR 97058

Agent of Record:

ISU - The Stratton Agency
318 West 2nd St
The Dalles, OR 97058

This summary is a coverage description intended to provide important information about the protection available to the the referenced Insured under the Crime Master Policy (the "Master Policy"). Keep this coverage description for your records. This coverage description is not an insurance policy and does not amend, extend or alter coverage afforded by the Master Policy described herein. The insurance afforded by the Master Policy as described herein is subject to all the terms, exclusions and conditions of such Master Policy. The period is specified in the Master Policy.

The Master Policy has been issued to: Special Districts Insurance Services Trust - see attached Schedule of Named Insured's listed per spreadsheet List of Special Districts Members, Scheduled Limits and Retentions. Address: 727 Center Street NE, Salem, Oregon, 97301. Policy Number: 105870359 Underwritten by: Travelers Casualty and Surety Company of America, Hartford, CT 06183 ("Travelers") to provide insurance to an Insured for as described in this Certificate.

<u>For Any One Loss:</u>	<u>Limit:</u>	<u>Retention:</u>
A1. Employee Theft - Per Loss Includes Faithful Performance of Duty, same limit as A1, CRI-7126 Non-Compensated Officers, Directors-includes Volunteer Workers as employees, Deletion of Bonded Employee and Treasurer/ Tax Collectors Exclusion - CRI-19044	\$50,000	\$750
A2. ERISA Fidelity - same limit as A.1 (CRI-19044)	\$50,000	\$750
B. Forgery or Alteration	\$50,000	\$750
C. On Premises	\$50,000	\$750
D. In Transit	\$50,000	\$750
E. Money Order Counterfeit Currency	\$50,000	\$750
F1. Computer Fraud	\$50,000	\$750
F2. Computer Restoration - same limit as A1 or maximum limit of \$100,000	\$50,000	\$750
G. Funds Transfer Fraud	\$50,000	\$750
H1. Personal Accounts Forgery or Alteration - same limit as A.	\$50,000	\$750

General Information:

Should you have any questions regarding the Master Policy or wish to view a complete copy of the Master Policy, please call Special Districts Insurance Services for general information at 1-800-285-5461



Special Districts Insurance Services
Comprehensive Crime Policy Certificate



Insured by the Travelers Casualty and Surety Company of America

H2. Identity Fraud Expense Reimbursement - same limit as A1 or maximum of \$25,000	\$25,000	\$0
CRI-19070 Social Engineering Fraud	\$50,000	\$750
I. Claims Expense \$5,000	\$5,000	\$0
CRI-7072 Third Party Entity Funds Coverage	Not Covered	Not Covered
	Contribution:	\$359

Claim Filing and General Information including a complete copy of the Master Policy:

Special Districts Association of Oregon
PO Box 23879
Tigard, OR
Phone: 800-305-1736

Our claims staff will then coordinate and submit the official claim to:

Travelers Casualty and Surety Company of America
Bond and Specialty Insurance Claim Department
Cindy Bruder, 6060 S. Willow Drive, Greenwood Village, CO 80111
Phone: 720-200-8476 Email: BFPCLAIMS@travelers.com

General Information:

Should you have any questions regarding the Master Policy or wish to view a complete copy of the Master Policy, please call Special Districts Insurance Services for general information at 1-800-285-5461

Schedule of Property Values - Section 1
Building, Other Structures and Scheduled Outdoor Property

Premises: 58 Miles Aerial Cable

Structure: Fiber Optic Cable **Coverage Class:** Scheduled Outdoor Property

		50008P10783	Const. Class	NONCOMBUSTIBLE	YR. Built		% Sprinkler	0	Flood Cov.	Yes	Flood Zone **		Structure Value	\$1,685,111	
Throughout District			Prot. Class	3	# Stories	0	Fire Alm.	No	Quake Cov.	Yes	Effective Date	1/1/2022			Personal Property Value
City	The Dalles	Zip	97058	Valuation	Replacement	SQF.		Security Alm	No	Vacant (Y/N)	No	Deductible	\$25,000	Total Value	
Appraiser		Date		Appraisal Rpt Code:		Comment						Contribution	\$3,539		

Premises Total:	Contribution	\$3,539	Total Value	\$1,685,111
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Premises: 6.2 miles of Underground Cable

Structure: Fiber Optic Cable **Coverage Class:** Scheduled Outdoor Property

		50008P10782	Const. Class	NONCOMBUSTIBLE	YR. Built		% Sprinkler	0	Flood Cov.	Yes	Flood Zone **		Structure Value	\$1,807,269	
Throughout District			Prot. Class	3	# Stories	0	Fire Alm.	No	Quake Cov.	Yes	Effective Date	1/1/2022			Personal Property Value
City	The Dalles	Zip	97058	Valuation	Replacement	SQF.		Security Alm	No	Vacant (Y/N)	No	Deductible	\$5,000	Total Value	
Appraiser		Date		Appraisal Rpt Code:		Comment						Contribution	\$4,592		

Premises Total:	Contribution	\$4,592	Total Value	\$1,807,269
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Premises: District Facility

Structure: St. Mary's Academy **Coverage Class:** Building

		50008P10785	Const. Class	JOISTED MASONRY	YR. Built		% Sprinkler	0	Flood Cov.	Yes	Flood Zone **		Structure Value	\$96,974	
1112 Cherry Heights Road			Prot. Class	3	# Stories	0	Fire Alm.	No	Quake Cov.	Yes	Effective Date	1/1/2022			Personal Property Value
City	The Dalles	Zip	97058	Valuation	Replacement	SQF.		Security Alm	No	Vacant (Y/N)	No	Deductible	\$500	Total Value	
Appraiser		Date		Appraisal Rpt Code:		Comment						Contribution	\$159		

Premises Total:	Contribution	\$159	Total Value	\$96,974
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Schedule of Property Values - Section 1
Building, Other Structures and Scheduled Outdoor Property

Premises: Leased Building Space

Structure: Business Equipment

Coverage Class: Building

01	50008P6357	Const. Class	JOISTED MASONRY	YR. Built	1908	% Sprinkler	100	Flood Cov.	Yes	Flood Zone **	C	Structure Value	\$0		
313 Court Street		Prot. Class	3	# Stories	2	Fire Alm.	Yes	Quake Cov.	Yes	Effective Date	1/1/2022				
City	The Dalles	Zip	97058	Valuation	Replacement	SQF.	5,842	Security Alm	Yes	Vacant (Y/N)	No	Deductible	\$500	Personal Property Value	\$213,895
Appraiser		Date		Appraisal Rpt Code:		Comment				Contribution	\$284	Total Value	\$213,895		

Premises Total: Contribution	\$284	Total Value	\$213,895
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** Flood Zones: The flood zone shown on the Schedule of Property Values is an estimate, either provided by the member, the insurance agent, or an independent appraiser. It is not a guarantee that the location is or is not in federally designated Special Flood Hazard Area (SFHA). In the event of a covered claim under this Supplemental Coverage, a determination on the flood zone will be made based on a review of Federal Emergency Management Agency flood maps, not by the estimated flood zone indicated on this Schedule of Property Values. If there is any question that a location is in a Special Flood Hazard Area, then make sure you obtain NFIP coverage for the location.

Total Building, Other Structure and Scheduled Outdoor Property Value	\$3,589,354
Total Personal Property Value	\$213,895
Total Value	\$3,803,249
Total Contribution	\$8,574

Construction Class Options

Fire Resistive Noncombustible
 Modified Fire Resistive Joisted Masonry
 Masonry Noncombustible Frame

Valuation Options

Actual Cash Value
 Replacement Cost
 Stated Value

Protection Class

Fire Protection Class is determined by the level of fire protection in your area. Your local fire department should be able to tell you which Protection Class your property is in.

Quality Life Network

Agent: ISU - The Stratton Agency

Special Districts Insurance Services

Policy Year: 1/1/2022 to 12/31/2022

General Liability Schedule

Per Occurrence Deductible: \$0.00

Code	Description	Unit	Amount	Effective	Expiration	Contribution
				Date	Date	
500150	2021-2022 Budgeted Personal Services *	Dollars	0	1/1/2022	12/31/2022	\$0
500160	2021-2022 Budgeted Materials and Supplies *	Dollars	357,916	1/1/2022	12/31/2022	\$1,257
500170	2021-2022 Budgeted Contingencies *	Dollars	1,238,039	1/1/2022	12/31/2022	\$0
500180	Number of Employees	Each	0	1/1/2022	12/31/2022	\$0
500190	Number of Volunteers	Each	0	1/1/2022	12/31/2022	\$0
500192	Number of Board Members	Each	5	1/1/2022	12/31/2022	\$0
500200	District Size	Sq Miles	6	1/1/2022	12/31/2022	\$0
500210	Population Served	Each	16,000	1/1/2022	12/31/2022	\$0
50100	Number of Drones (UAVs) Owned or Operated	Each	0	1/1/2022	12/31/2022	\$0
50215	Buildings & Premises - Occupied by District	Sqf	855	1/1/2022	12/31/2022	\$0
50900	Dollars Paid For Services	Dollars	210,691	1/1/2022	12/31/2022	\$0
50997	Events/Fundraisers - No Alcohol Served	Days	0	1/1/2022	12/31/2022	\$0
50998	Events/Fundraisers - Alcohol Served	Days	0	1/1/2022	12/31/2022	\$0
						\$1,257



Statement of Member Benefits

***** This Is Not A Bill - Do Not Pay *****

This report displays the member services and grant funds your district has received over the last several years and what SDIS would charge a non-member for the equivalent services.

Quality Life Network

Date	Service Provided	Department	Activity	Dollar Benefit
7/28/2015	Field Visit	Risk Management	VRMC	\$45
4/18/2007	Field Visit	Risk Management	VRMC	\$90

Total Dollar Benefit: \$135

***** This is not a bill. This report is provided for your information only *****

Special Districts Insurance Services - Policy Year 2021-2022 Comparison Report

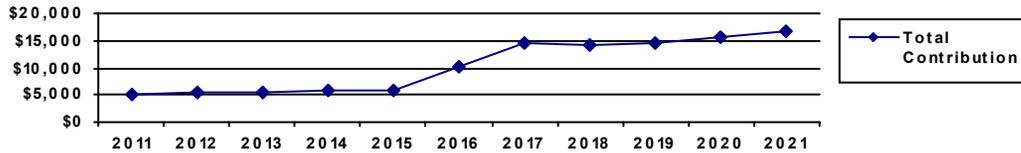
ISU - The Stratton Agency

Quality Life Network

The following comparison shows the difference in contributions from the 2021 policy year to the 2022 policy year renewal. The following summary shows the amounts and percentages that have changed from 2021 to 2022. This summary is intended only to give you a general idea of the rating components that influence contributions.

Coverage	Annualized 2021 Contribution	2022 Contribution after rate and best practices changes	Change after rate and best practices changes	% change after rate and best practices changes	Change in Exposures	2022 Contribution after exposure, and all other changes	Total contribution change	Total % contribution change
General Liability	\$5,251	\$3,001	(\$2,250)	-42.86%	See Below	\$5,257	\$6	0.11%
Auto Liability	\$0	\$0	\$0	0.00%	0	\$0	\$0	0.00%
Non-Owned Auto Liability	\$175	\$175	\$0	0.00%		\$175	\$0	0.00%
Auto Physical Damage	\$0	\$0	\$0	0.00%	\$0	\$0	\$0	0.00%
Non-Owned APD	\$0	\$0	\$0	0.00%		\$0	\$0	0.00%
Property	\$7,693	\$8,406	\$713	9.27%	\$74,573	\$8,574	\$881	11.45%
Earthquake	\$2,107	\$2,212	\$105	5.00%	\$74,573	\$2,364	\$257	12.20%
Flood	\$997	\$1,047	\$50	5.00%	\$74,573	\$1,119	\$122	12.24%
Total	\$16,223	\$14,841	(\$1,382)	-8.52%		\$17,489	\$1,266	7.80%
Pass Through Coverages								
Boiler and Machinery	\$0				\$74,573	\$0	\$0	0.00%
Crime	\$359					\$359	\$0	0.00%
Total	\$359					\$359	\$0	0.00%
TOTAL ALL LINES	\$16,582					\$17,848	\$1,266	7.63%

10-Year Annual Contribution History



	Amount:	% of Contribution:
Longevity Credit:	\$1,279	7.17%
See Longevity Credit Memo for details		

General Liability Exposure Comparison

Description	Last Year	Current year	Difference
Events/Fundraisers - Alcohol Served	0	0	0
2021-2022 Budgeted Materials and Supplies *	355,890	357,916	2,026
2021-2022 Budgeted Personal Services *	0	0	0

* Auto Liability Exposure = Number of Autos
 Auto Physical Damage Exposure = Total Insured Automobile Values
 Property Exposure = Total Insured Property Values
 Excess Liability = Materials and Supplies + Personal Services
 Boiler and Machinery = Total Insured Property Values

Loss Ratio	Best Practices
2017-2021 Loss Ratio: 0.00%	% Credit
	2021 2.00%
	2022 4.00%

Claims Schedule

Quality Life Network

Property

Type Paid Reserve Collection Incurred

2017

Claim Number:	GCPR2017060424	Class Code:		Source:	
Claimant Name:	Quality Life Network	Status:	Closed	Cause:	Equipment Failure
Age:		Claim Type:	PR	Anatomy:	
Accident Date:	1/7/2017	Open Date:	1/7/2017	Injury:	
Adjuster:	Hackbart	Close Date:	10/3/2017	District:	Quality Life Network
Description:	The district is experiencing loss on a dark fiber path of an aerial fiber cable, due to a manufacturing defect.				

Claim Count: 1	\$0	\$0	\$0	\$0
Claim Count: 1	\$0	\$0	\$0	\$0
Claim Count: 1	\$0	\$0	\$0	\$0
Claim Count: 1	\$0	\$0	\$0	\$0

Aristo Networks LLC
Technical Management Report
By
John Amery
1/25/2022

Items of Interest:

- QLIFE damages.
 - No new damages to report.
- City Hall Power
 - QLIFE's customer has requested additional generator protected power at City Hall
 - We believe we have identified a solution squeeze just a little more generator power out.



Executive Session
