

THE CITY OF  
**ALLAS**  
REGON

COMPREHENSIVE  
ANNUAL FINANCIAL  
REPORT  
FOR THE YEAR ENDING  
JUNE 30, 2015

**CITY OF DALLAS**  
**140TH ANNIVERSARY**  
**1874-2014**

City of Dallas, Oregon

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2015

Prepared by  
The Finance Department  
City of Dallas, Oregon  
Cecilia Ward, Finance Director

**CITY OF DALLAS, OREGON**  
**TABLE OF CONTENTS**

---

**INTRODUCTORY SECTION**

Letter of Transmittal ..... i  
Certificate of Achievement ..... vi  
Organizational Chart ..... vii  
Mayor and Council Members ..... viii

**FINANCIAL SECTION**

Independent Auditor’s Report..... 1  
Management’s Discussion and Analysis .....5

**Basic Financial Statements**..... 16

Government-Wide Financial Statements:  
    Statement of Net Position ..... 17  
    Statement of Activities ..... 18  
Fund Financial Statements: ..... 20  
    Governmental Funds:  
        Balance Sheet ..... 21  
        Statement of Revenues, Expenditures, and Changes in Fund Balances ..... 22  
        Reconciliation of the Statement of Revenues, Expenditures, and  
            Changes in Fund Balances of Governmental Funds to the  
            Statement of Activities..... 23  
    Proprietary Funds: ..... 24  
        Statement of Net Position ..... 25  
        Statement of Revenues, Expenses, and Changes in Net Position..... 26  
        Statement of Cash Flows ..... 27

**Notes to the Basic Financial Statements**..... 28

**Required Supplementary Information** ..... 52

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
    General Fund – Generally Accepted Accounting Principles ..... 53  
    System Development Fund ..... 54  
    Street Fund ..... 55  
    Grants Fund..... 56  
Schedule of the Proportionate Share of the Net Pension Liability ..... 57  
Schedule of Contributions..... 58  
**Notes to the Required Supplementary Information** ..... 59

<b><u>Other Supplementary Information</u></b> .....	60
Combining Statements: .....	61
Nonmajor Governmental Funds Combining Balance Sheet .....	62
Nonmajor Governmental Funds Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances .....	63
Nonmajor Special Revenue Funds Combining Balance Sheet .....	64
Nonmajor Special Revenue Funds Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances .....	65
Nonmajor Debt Service Funds Combining Balance Sheet .....	66
Nonmajor Debt Service Funds Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances .....	67
General Fund – Generally Accepted Accounting Principles Combining Balance Sheet.....	68
General Fund – Generally Accepted Accounting Principles Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance .....	69
Budgetary Comparison Schedules: .....	70
General Fund – Budgetary Basis Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	71
General Fund – Budgetary Basis Schedule of Expenditures – Budget and Actual .....	72
Improvement Fund – Budgetary Basis Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual .....	74
Special Revenue Funds:	
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:	
Trust/Reserve Fund.....	75
Urban Renewal Fund .....	76
General Obligation Bond Fund.....	77
General Debt Fund.....	78
Capital Projects Fund .....	79
Enterprise Funds: .....	80
Schedules of Revenues, Expenses and Changes in Fund Balance- Budget and Actual:	
Sewer Fund .....	81
Water Fund .....	82
Internal Service Funds: .....	83
Schedules of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual Fleet Management Fund .....	84

## **REPORTS OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

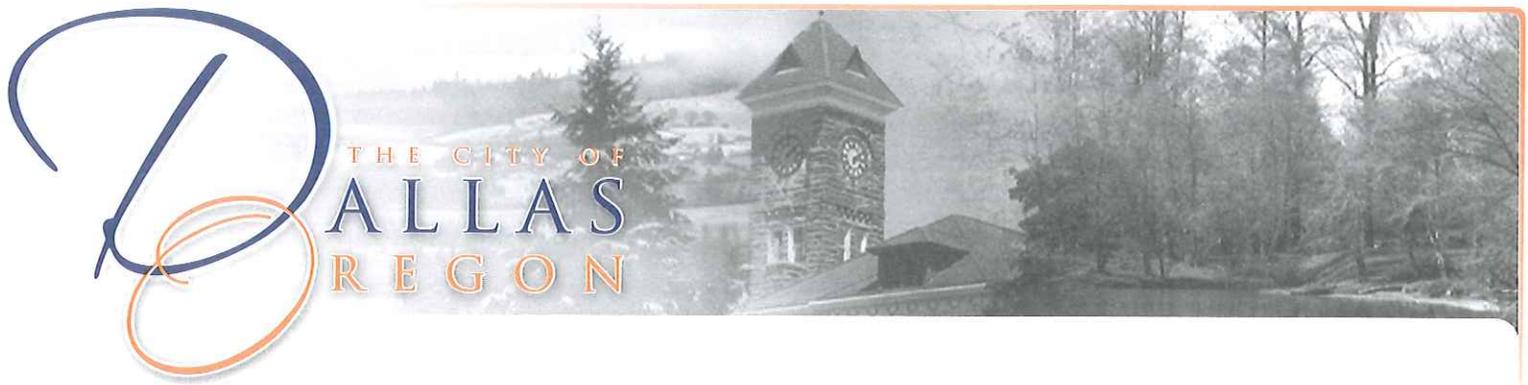
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	85
Independent Auditor’s Report Required by Oregon State Regulation .....	87

**STATISTICAL SECTION**

Introduction.....89  
Net Position by Component (Last Ten Fiscal Years) .....90  
Changes in Net Position (Last Ten Fiscal Years) .....92  
Fund Balances, Governmental Funds (Last Ten Fiscal Years).....94  
Changes in Fund Balances, Governmental Funds (Last Ten Fiscal Years).....96  
Program Revenues by Function/Program (Last Ten Fiscal Years).....98  
Tax Revenue by Source, Governmental Funds (Last Ten Fiscal Years) .....100  
Assessed and Estimated Value of Taxable Property (Last Ten Fiscal Years) .....101  
Property Tax Rates – All Direct and Overlapping Governments (Last Ten Fiscal Years).....103  
Principal Taxpayers of Polk County (Current Year and Ten Years Ago) .....105  
Property Tax Levies and Collections (Last Ten Fiscal Years) .....106  
Ratio of Net General Bonded Debt to Assessed Value and  
    Net Bonded Debt Per Capita (Last Ten Fiscal Years) .....107  
Computation of Direct and Overlapping Government Activities Debt .....108  
Computation of Legal Debt Margin.....109  
Schedule of Pledged Revenue Bond Coverage (Last Ten Fiscal Years) .....110  
Demographic and Economic Statistics (Last Ten Fiscal Years).....111  
Principle Employers (Current Year and Ten Years Ago).....112  
Full-Time Equivalent City Employees by Function (Last Ten Fiscal Years).....113  
Operating Indicators (Last Ten Fiscal Years) .....114  
Capital Asset Statistics by Function (Last Ten Fiscal Years).....115

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **INTRODUCTORY SECTION**



December 31, 2015

**To the Honorable Mayor Brian Dalton, Members of the City Council, and Citizens of the City of Dallas:**

We are pleased to submit the Comprehensive Annual Financial Report of the City of Dallas, Oregon for the fiscal year ended June 30, 2015. Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material aspects and is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included.

This report includes all funds of the City including the Dallas Community Development Commission Urban Renewal Agency. Financial data for the Urban Renewal District is included in these statements as a blended component unit.

This report has been prepared in accordance with generally accepted accounting principles (GAAP) and follows guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA).

The City provides a range of services as authorized in its Charter and Ordinances. This includes police protection, ambulance service, fire protection, municipal court, street construction and maintenance, water, sanitary and storm sewers, parks, aquatic center, land use planning and zoning, building inspection, economic development, public improvements, library services and administrative services.

#### ABOUT DALLAS, OREGON

The City of Dallas is located in the foothills of the Oregon Coast Range, with close proximity to the state capitol, a large metropolitan area, and extensive recreational opportunities relating to the Coast Range mountains and Pacific Ocean beaches. It is the county seat and largest city in Polk County. The certified population estimate at July 1, 2014, for the City of Dallas was 14,940.

The City of Dallas operates under the city manager-council form of government. Policy-making and legislative authority are vested in the City Council, consisting of the mayor and nine other members. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring the City Manager and the City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the city, and for appointing the heads of the various departments.

Population City of Dallas and Polk County:

<u>Year</u>	<u>City of Dallas</u>	<u>Polk County</u>
2010 Census	14,583	75,403
2000 Census	12,459	62,380

ECONOMIC OUTLOOK

The economic outlook for the City has both good and bad news. The good news is the local economy continues to improve, and the bad news is it does so at a frustratingly slow pace. Based on regional economic reports, the economy is expected to continue to improve slowly in 2016. The City of Dallas's population increased by about three-quarters of one percent as of April 2015 and based on development activities since April 2015, it appears that the City will grow about one and a half percent by April 2016.

Since 2008, there has been very little subdivision development activity. The lack of subdivision development in the community resulted in a shortage of buildable single family housing lots in 2014. In 2015 there have been nine new subdivisions submitted. These new subdivisions will add approximately one hundred and fifty buildable single family housing lots. With a good number of building lots available and the economic forecast showing continued improvement, we are forecasting seventy single family home permits will be issued in 2016.

The City's business sector economy has been and continues to be a mix of good and bad news. There are several businesses in the city that have or are expanding. There is a new thirty-two thousand square foot office building being constructed for the State's Department of Human Services. A startup company looking to begin production purchased a long unused manufacturing facility and an Oregon company purchased fifty-four acres of prime industrial zoned property inside the City limits. Several businesses opened in the historic downtown and one of the City's most iconic buildings was purchased and is being remodeled. On the bad news side, there continues to be a number of empty storefronts in the downtown area. There are several industrial properties that have been on the market for a long time with little or no interest from potential manufacturing companies.

The City Council, City Manager and senior management team continue to work in partnership to ensure the City's financial stability. In 2015, we prepared and presented a three-year fiscal forecast, which compared estimated revenues with anticipated expenditures consisting of personnel costs, operational costs and capital improvement projects. The three-year forecast helped us realign the five year capital plan, and it helped us plan more effectively for personnel and operation needs. With the ever increasing costs and demand for services, we will continue to benefit from studying revenue and expenditure trends as well as the economic outlook.

The City's revenues have increased over the last three years and our 2015 revenue forecasts were met. The increase in revenues has helped the City purchase much needed equipment, replace old equipment and complete some important capital projects. We have also been able to take care of some maintenance items that have been deferred for several years. With a positive economic outlook for 2016, the City is forecasting higher revenues which mean we will be able to follow our five year capital plan closely, as well as taking care of some more deferred maintenance items.

Residential streets funding continues to be a major problem for the City of Dallas. The residential streets are in fair to poor condition. In 2014, the City hired an engineering firm to

evaluate the residential streets and this evaluation confirmed the need to repair city streets. The positive thing that came out of the study is the fact that the estimated costs to repair the residential streets are not as high as originally thought. In 2016, the City will work to provide as much information as possible to the citizens and businesses about the residential streets conditions and the need to repair the streets. A streets task force made up of citizens is currently trying to decide when the City should ask the citizens to vote on a ten million dollar streets bond.

The City Council has set a financial policy that requires all major funds to carry adequate fund balances. This policy ensures there will be enough money to operate the City for a short period of time if for any reason revenues stop coming in. The City has been able to maintain a fund balance in all funds over the years. We were able to add slightly to our fund balances in 2015 and based on the revenue and expenditure forecast for 2016, we should be able to maintain adequate fund balances for all funds.

### LONG-TERM FINANCIAL PLANNING

Long-term financial planning is performed on an ongoing basis through the Capital Improvements Plan (CIP) document. The CIP plan identifies capital project and some major equipment purchases, during a five year period, providing a planning schedule and identifying opportunities for financing the project in the CIP.

In FY 2012-2013 the City Council approved a utility rate fee study and set certain utility rate fee increases, adjusting rates annually according to the Consumer Price Index.

In regards to the City's long-term debt obligations, the City has a total of \$13.9 million in long-term debt outstanding as of June 30, 2015.

### MAJOR INITIATIVES

The City has continued to establish and work toward clearly defined goals and objectives. During the budget review process, goals and objectives are developed and prioritized by the City Council and staff. The process is a continuing cycle of setting goals and objectives, reviewing short-term and long-term goals, evaluating results, and reassessing the goals and their priority.

In 2013, the City hired a consulting firm to help the community create a long term visioning plan. The visioning project was titled the Dallas 2030 Visioning Project. The consulting firm facilitated a number of community open houses; gathered information at community events; and conducted several surveys. The project was successful and a large number of people participated in the process. The City now has a much better idea of what they would like the community to look and feel like in the year 2030.

The Dallas 2030 Community Vision Statement is as follows:

**WE ARE DALLAS 2030...** Set in the picturesque mid-Willamette Valley alongside the foothills of the Coast Range, we are a prosperous community that has preserved its small-town character. Our 1898 county courthouse looks out over our town square and revitalized historic downtown. We have planned well for our growth and development, updating essential infrastructure and strengthening our neighborhoods.

**WE ARE SAFE AND HEALTHY...** with state-of-the-art medical and emergency facilities and services that meet the needs of our growing population. A pristine Rickreall

Creek is a focal point for our beautiful parks, natural areas and recreation opportunities that have expanded as we have grown.

**WE CARE DEEPLY**...for our community and one another. Community volunteerism and engagement is the foundation of our identity. We have built on our agricultural heritage to create a strong and innovative economy. We have invested in businesses that produce well-paying jobs. We support partnerships and a range of educational opportunities that prepare students for success in our community, workforce and world.

We vigorously engage in the life of our city and welcome our future. **WE ARE DALLAS 2030.**

Accomplishing the Dallas 2030 Community Vision will take the City, school district, Chamber of Commerce, service clubs, religious organizations, volunteer groups, and citizens.

### FINANCIAL INFORMATION

To provide a reasonable basis for making the presentations contained in this report, the City of Dallas has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Dallas' financial statements in conformity with GAAP. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

A budget is prepared and legally adopted by the City Council for each fund. All changes to the budget must be approved by City Council. These budgets are prepared on the modified accrual basis of accounting, complying with Oregon Local Budget Law. The ordinance authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. All funds except the General Fund establish the levels of budgetary control at the personnel services, materials and services, capital outlay, transfers, debt service, contingencies and all other requirements levels. For the General Fund, appropriations are at the department level for personnel services, materials and services, transfers and other uses.

Unexpected additional resources may be added to the budget through the use of a supplemental budget and budget transfer appropriations resolution. A supplemental budget requires hearings before the public, publications in the newspaper and approval by City Council, if the change is greater than, or equal to, 10% of the original budget. Budgets may be modified by the use of appropriation transfers between levels of control. The City Council approved several appropriation transfer resolutions during the year ending June 30, 2015.

### INDEPENDENT AUDIT

The State of Oregon (ORS 298.405 to 298.555) requires an annual audit of the fiscal affairs of the City by an independent certified public accountant. The City of Dallas' financial statements have been audited by Merina and Company, LLP, a firm of licensed, certified public accountants. The

goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Dallas for the fiscal year ended June 30, 2015, are free of material misstatement. The independent auditor's report is presented as the first component of the financial section of this report.

#### FINANCIAL REPORTING AWARD

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dallas for its comprehensive annual financial report for the fiscal year ended June 30, 2014. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR) whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

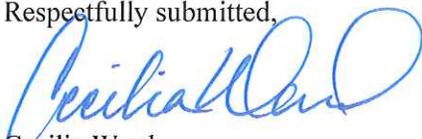
A Certificate of Achievement is valid for a period of one year only. The City of Dallas has received a Certificate of Achievement for the last twenty-one consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

#### ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the entire staff of the Finance Department, City Department Heads and the certified public accountants of Merina and Company, LLP. Each has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Dallas City Council, preparation of this report would not have been possible.

Respectfully submitted,



Cecilia Ward  
Finance Director

Dallas, Oregon



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

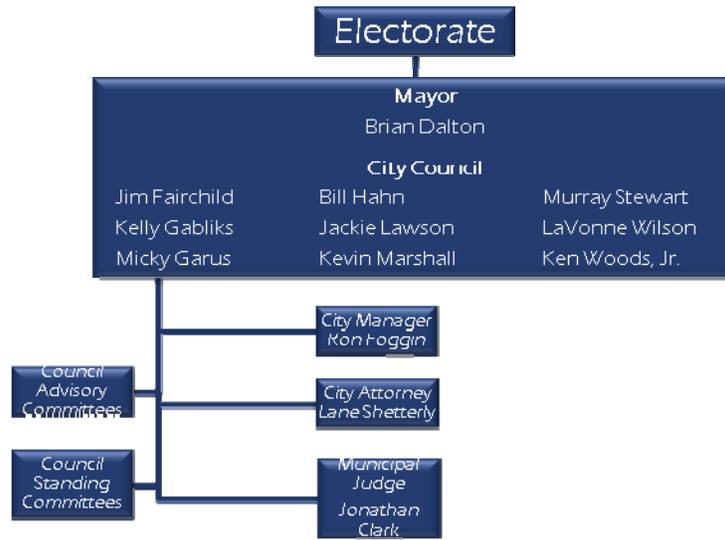
**City of Dallas  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

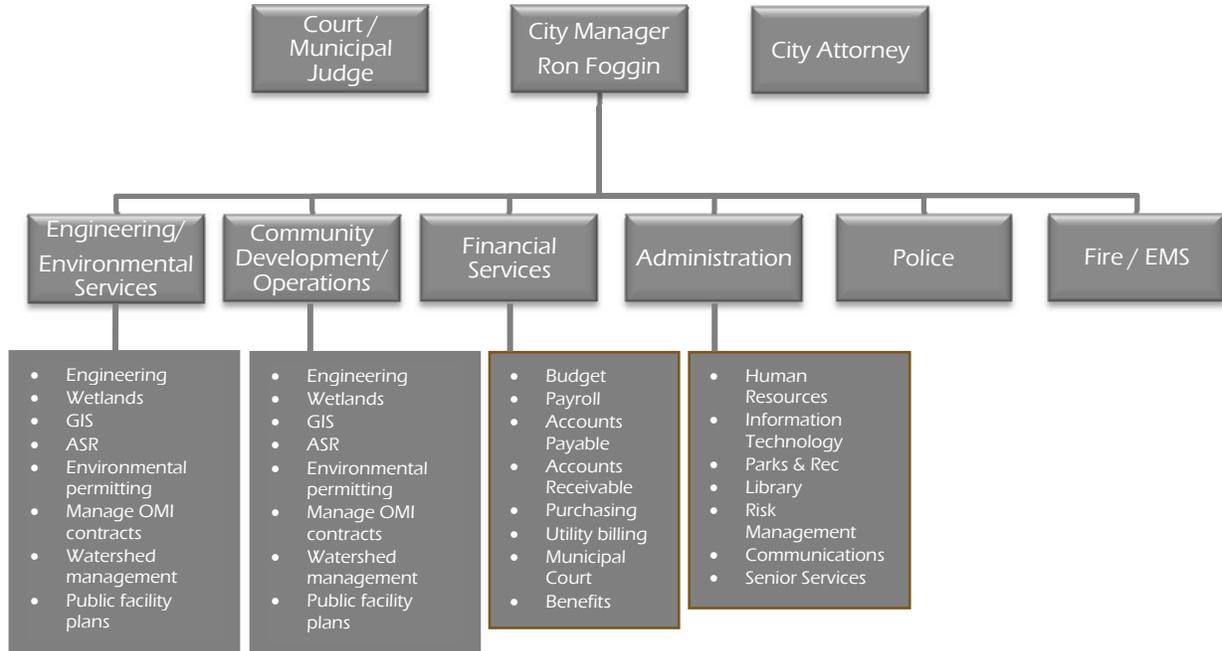
**June 30, 2014**

Executive Director/CEO

# Organization Structure and Chart



## City of Dallas



**MAYOR AND COUNCIL MEMBERS**

<u>Name</u>	<u>Term Expires</u>
Mayor Brian Dalton PO Box 190 Dallas, Oregon 97338	December 2016
Councilor Kenneth Woods, Jr. 1130 Main Street Dallas, Oregon 97338	December 2016
Councilor Bill Hahn PO Box 405 Dallas, Oregon 97338	December 2018
Councilor Micky Garus 2421 SW Oakwood Dr Dallas, Oregon 97338	December 2018
Councilor Kevin Marshall 1048 SW Clay Street Dallas, Oregon 97338	December 2016
Councilor LaVonne Wilson 2129 SE Magnolia Avenue Dallas, Oregon 97338	December 2016
Councilor James Fairchild, President 297 SE Ironwood Street Dallas, Oregon 97338	December 2018
Councilor Murray Stewart 531 NW Douglas Street Dallas, Oregon 97338	December 2016
Councilor Kelly Gabliks 2452 SW Oakwood Drive Dallas, Oregon 97338	December 2016
Councilor Jackie Lawson 569 SE Walnut Avenue Dallas, Oregon 97338	December 2018

**City Officials**

Ron Foggin, City Manager  
Cecilia Ward, Finance Director

## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and City Council  
City of Dallas, Oregon  
Dallas, Oregon

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dallas, Oregon (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's 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.

**Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 entity's 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 entity's 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 opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2015, 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.

## **Change in Accounting Principle**

As discussed in Note 12 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and 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 management's discussion and analysis, schedule of the proportionate share of the net pension liability, and schedule of contributions, as listed in the table of contents under required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison schedules, as listed in the table of contents under required supplementary information, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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**

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance.

## **Other Reporting Required by Oregon Minimum Standards**

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 30, 2015, on our consideration of the City's 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.

A handwritten signature in cursive script that reads "Merina & Company".

Merina & Company, LLP  
West Linn, Oregon  
December 30, 2015

**CITY OF DALLAS  
POLK COUNTY, OREGON**

**Year Ended June 30, 2015**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

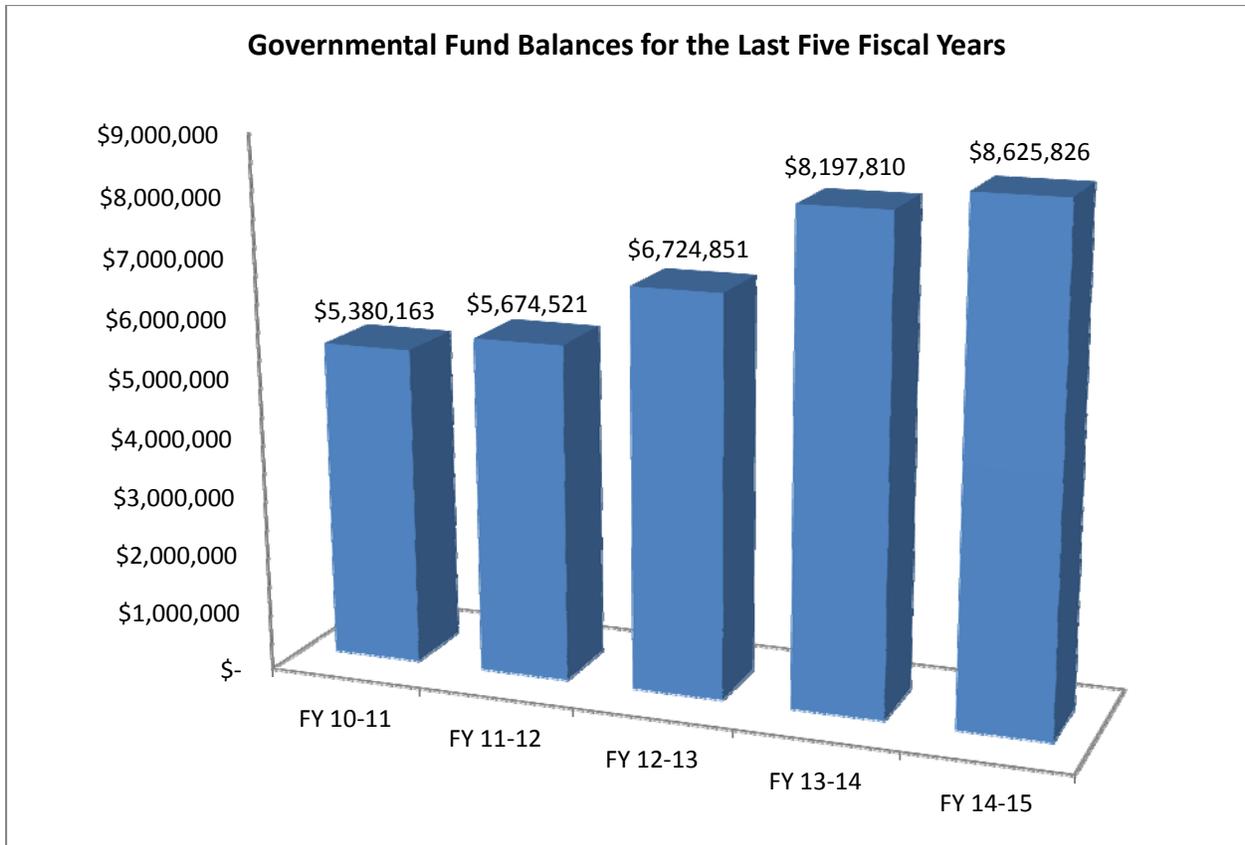
The Management's Discussion and Analysis of the City of Dallas Comprehensive Annual Financial Report (CAFR) presents a discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2015. The information presented here should be considered in conjunction with the accompanying transmittal letter presented in the introductory section and notes to the financial statements included in this report.

**FINANCIAL HIGHLIGHTS**

As of the close of the current fiscal year the City's governmental funds reported a combined ending fund balance of \$8,625,826, an increase of \$428,016 in comparison with the previous year. The General Fund ending fund balance decreased 1.73% percent to \$1,793,551.

**Governmental Funds: Changes in Fund Balances**

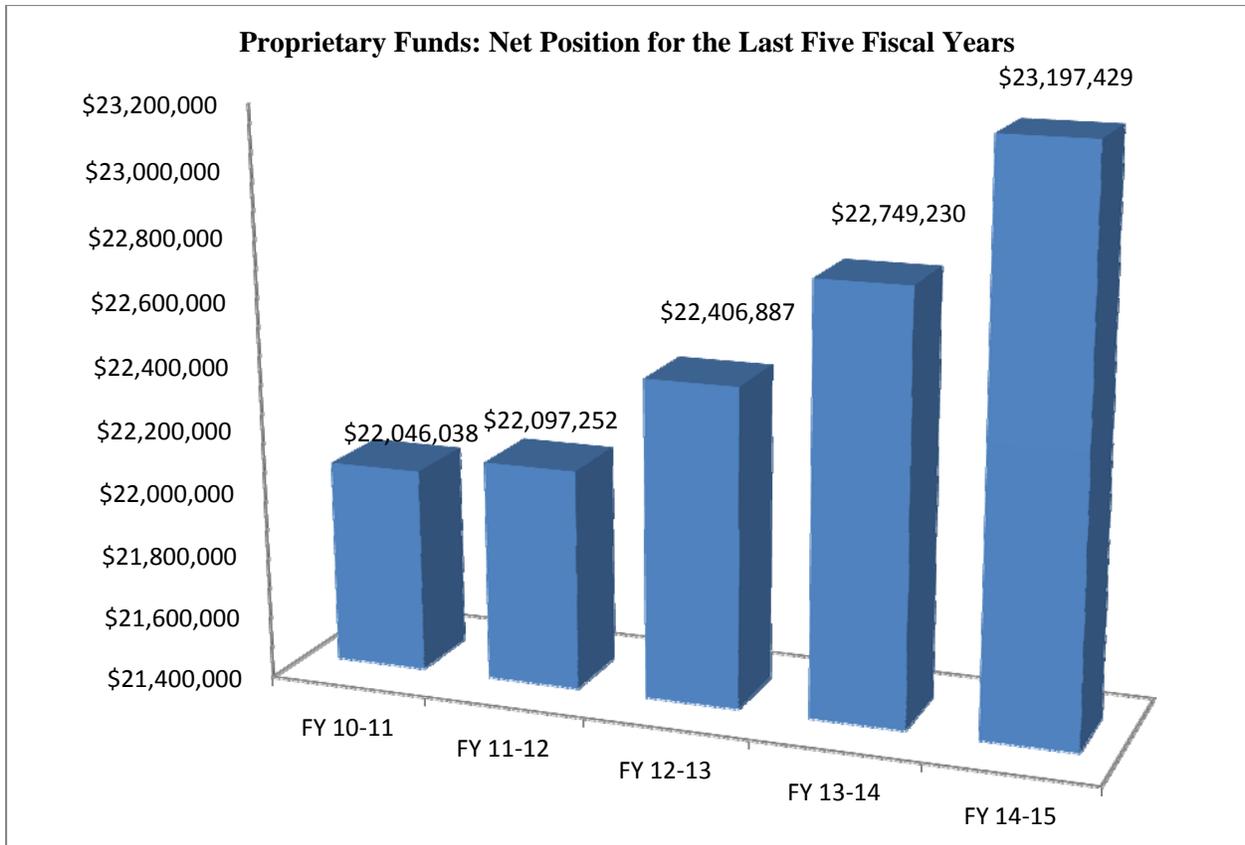
Fund	June 30, 2015 Fund Balance	June 30, 2014 Fund Balance	Increase (decrease)	Percent Change
General Fund	\$ 1,793,551	\$ 1,825,054	\$ (31,503)	-1.73%
Street Fund	792,298	689,656	102,642	14.88%
Trust/Reserve Fund	108,813	51,583	57,230	110.95%
Grants Fund	(168,005)	8,277	(176,282)	-2129.78%
Urban Renewal Fund	416,988	452,656	(35,668)	-7.88%
General Obligation Bond Fund	381,151	340,434	40,717	11.96%
General Debt Fund	11	11	-	0.00%
Capital Projects Fund	130,902	-	130,902	100.00%
Systems Development Fund	5,170,117	4,830,139	339,978	7.04%
	<u>\$ 8,625,826</u>	<u>\$ 8,197,810</u>	<u>\$ 428,016</u>	<u>5.22%</u>



Business-type net position increased \$448,199 (1.9 percent) for the 2014-15 fiscal year. Operating income for the Water and Sewer Funds was \$1,878,168. The net position decrease from non-operating revenues and expenses was \$300,297. During 2014-15 a large meter replacement project took place along with ongoing sewer line replacements.

**Changes in Net Position: Proprietary Funds**

Fund	June 30, 2015	June 30, 2014	Increase (decrease)	Percent Change
	Net Position	Net Position		
Water Fund	10,310,164	9,863,192	\$ 446,972	4.53%
Sewer Fund	12,887,265	12,886,038	\$ 1,227	0.01%
	<u>\$ 23,197,429</u>	<u>\$ 22,749,230</u>	<u>\$ 448,199</u>	<u>1.97%</u>



For Fiscal Year 2014-15 there was minimal growth in net position for the City's two enterprise funds where net position increased 4.5 percent in the Water Fund and increased less than .5 percent in the Sewer Fund. The minimal increase in the Water Fund reflects a growth in operating revenue and decrease in operating expenses.

Internal Service Fund (Fleet Management Fund) net position increased \$152,857 for the 2014-15 fiscal year due to an increase in operating revenue.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Dallas' basic financial statements. The basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide financial statements.** The government-wide financial statements present the net position (*statement of net position*) and results of operations (*statement of activities*) of the total reporting government. Included are all governmental and proprietary assets, liabilities and activities of the City. The measurement focus and basis of accounting are the same for the entire entity. The measurement focus is on all economic resources of the fund, including current financial resources (assets) and non-current financial resources (capital assets) and the related current and non-current liabilities and equity accounts. Both government-wide statements are prepared using the accrual basis of accounting, which is similar to the methods used by most

businesses and takes into account all revenues and expenses connected with the fiscal year, even if cash involved has not been received or paid.

*The statement of net position* presents information on all the City of Dallas' assets and liabilities, with the difference between the two reported as net position. Increases or decreases in net position may indicate whether the City's financial position is improving or deteriorating.

*The statement of activities* presents the expenses incurred in providing services to the public and the revenues associated with those activities for both governmental and business-type activities. The statement of activities begins with expenses by function. To these functions are applied charges for services, operating grants and contributions and capital grants and contributions. The resulting sums, with some adjustments, represent charges to general taxpayers and may equate to the nearest that governments can determine the "bottom line."

These government-wide financial statements are divided into two categories. Governmental activities are most services provided by the City of Dallas, which are funded through property taxes and intergovernmental revenues. The governmental activities for the City of Dallas include general government, public safety, highways and streets, community development and culture and recreation. Business-type activities reflect those operations for which a fee is charged to external users of goods and services and are intended to be funded primarily through charges for services. Business-type activities include sewage disposal and water service.

The government-wide financial statements are on pages 16 through 18 of this report.

**Fund Financial Statements.** A fund is a fiscal and accounting entity with a self-balancing set of accounts that is used to segregate resources that are restricted to a particular activity. The use of funds deters comingling of resources designated for specific purpose, prevents unauthorized transfer of surpluses, and ensures compliance with legal and contractual requirements. The City of Dallas has two types of fund categories: governmental funds and proprietary funds. The City has no fiduciary funds.

*Governmental Funds.* Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources and use the modified accrual basis of accounting. Operating statements include all sources and uses of financial resources, and display the excess of revenues and other financial sources over (under) expenditures and other uses. Included in the balance sheet are liquid assets and receivables that will be converted into cash currently and short-term liabilities, including payables to vendors and employees. Un-matured bond principal or liabilities for compensated absences not to be paid in the fiscal year are not included. Because the governmental fund statements do not encompass the long-term focus of the government-wide statements, reconciliations are provided on the subsequent page of the governmental fund statements. The emphasis is on major funds that account for the predominant assets and activities of all funds.

The City of Dallas maintains nine individual governmental funds. Information is presented separately for the General Fund, System Development Fund and Street Fund in the fund Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances. The other governmental funds are combined into a single, aggregated presentation. Information for these non-major governmental funds is provided in the form of *combining statements* on pages 52 through 57 in this report.

The City of Dallas adopts an annual appropriated budget for all of its funds. Budgetary comparison statements, demonstrating compliance with this budget, have been provided on pages 45 through 48 and 61 through 63 of this report.

*Proprietary Funds.* The City of Dallas maintains two different types of proprietary funds - enterprise and internal service fund. These funds are used to show activities that operate more like those of commercial enterprises. Fees are charged for services provided, both to outside customers and to other units of the City of Dallas. Enterprise funds are presented as business-type activities in the government-wide financial statements. The City of Dallas uses enterprise funds to account for its Sewage Disposal and Water. An internal service fund accounts for activities furnishing goods or services to other units of the government. Charges for these services are on a cost-reimbursement basis. The City of Dallas uses an internal service fund to account for its fleet management services, which rents equipment and labor to the other operating funds.

Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Sewage Disposal, Water and Internal Service Funds.

**Notes to the Financial Statements.** The notes to the financial statements are an integral part of the basic financial statements and should be read along with them. The notes provide additional information necessary to communicate the financial position of the City of Dallas and are on pages 27 through 43 in this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required and other supplementary information concerning the City of Dallas.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Total assets and deferred outflows of resources for the City of Dallas were \$101,387,437, while total liabilities were \$15,525,429 and deferred inflows of resources were \$2,823,667 resulting in combined net position (governmental and business-type activities) of \$83,038,341. The largest component of the City's total net position, \$74,876,661 or 90%, reflects its investment in capital assets (i.e., land, buildings, equipment and infrastructure, less any related debt outstanding that was needed to acquire or construct the assets). The City of Dallas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Statement of Net Position**  
**Years ended June 30, 2015 and 2014**

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Current assets	\$ 9,776,046	\$ 9,119,937	\$ 2,878,836	\$ 2,512,482	\$ 12,654,882	\$ 11,632,419
Non-current assets:						
Other assets	1,271,773	1,164,210	191,575	-	1,463,348	1,164,210
Capital assets	55,771,746	58,242,739	30,889,000	30,431,193	86,660,746	88,673,932
<i>Total assets</i>	66,819,565	68,526,886	33,959,411	32,943,675	100,778,976	101,470,561
Deferred outflows of resources	528,804	-	79,657	-	608,461	-
<i>Total assets and deferred outflows of resources</i>	\$ 67,348,369	\$ 68,526,886	\$ 34,039,068	\$ 32,943,675	\$ 101,387,437	\$ 101,470,561
Long-term liabilities	\$ 3,606,335	\$ 4,301,792	\$ 8,764,874	\$ 8,793,724	\$ 12,371,209	\$ 13,095,516
Other liabilities	1,447,116	1,228,726	1,707,104	1,400,721	3,154,220	2,629,447
<i>Total Liabilities</i>	5,053,451	5,530,518	10,471,978	10,194,445	15,525,429	15,724,963
Deferred inflows of resources	2,454,006	-	369,661	-	2,823,667	-
Net Position:						
Net investment in capital assets	53,826,746	55,722,739	21,049,915	20,584,724	74,876,661	76,307,463
Restricted	6,760,554	6,321,162	-	-	6,760,554	6,321,162
Unrestricted	(746,388)	952,467	2,147,514	2,164,506	1,401,126	3,116,973
<i>Total Net Position</i>	59,840,912	62,996,368	23,197,429	22,749,230	83,038,341	85,745,598
<i>Total liabilities, deferred inflows of resources, and net position</i>	\$ 67,348,369	\$ 68,526,886	\$ 34,039,068	\$ 32,943,675	\$ 101,387,437	\$ 101,470,561

**Statement of Activities**  
**Years ended June 30, 2015 and 2014**

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
<i>Revenues:</i>						
<i>Program Revenues:</i>						
Charges for services	\$ 3,261,060	\$ 3,522,009	\$ 5,435,502	\$ 5,077,759	\$ 8,696,562	\$ 8,599,768
Operating grants and contributions	16,252	5,981	-	-	16,252	5,981
Capital grants and contributions	160,224	158,583	247,351	-	407,575	158,583
<i>General Revenues:</i>						
Property taxes	4,338,597	4,156,698	-	-	4,338,597	4,156,698
Public service taxes	1,814,392	1,579,629	-	-	1,814,392	1,579,629
Franchise fees	1,093,765	1,170,721	-	-	1,093,765	1,170,721
Interest and investment earnings	25,106	24,425	22,136	20,828	47,242	45,253
Other Revenues	285,580	329,735	249,493	345,004	535,073	674,739
<i>Total Revenues</i>	<u>10,994,976</u>	<u>10,947,781</u>	<u>5,954,482</u>	<u>5,443,591</u>	<u>16,949,458</u>	<u>16,391,372</u>
<i>Expenses:</i>						
General government	(2,018,683)	(2,159,324)	-	-	(2,018,683)	(2,159,324)
Public safety	(4,208,590)	(4,965,673)	-	-	(4,208,590)	(4,965,673)
Highways and street	(2,968,164)	(2,985,706)	-	-	(2,968,164)	(2,985,706)
Culture and recreation	(705,867)	(748,446)	-	-	(705,867)	(748,446)
Community development	(1,561,447)	(1,419,268)	-	-	(1,561,447)	(1,419,268)
Interest on long-term debt	(211,552)	(219,436)	-	-	(211,552)	(219,436)
Sewage disposal	-	-	(2,472,804)	(2,463,249)	(2,472,804)	(2,463,249)
Water	-	-	(1,656,456)	(1,759,774)	(1,656,456)	(1,759,774)
<i>Total Expenses</i>	<u>(11,674,303)</u>	<u>(12,497,853)</u>	<u>(4,129,260)</u>	<u>(4,223,023)</u>	<u>(15,803,563)</u>	<u>(16,720,876)</u>
Increase (decrease) in net position						
before transfers	(679,327)	(1,550,072)	1,825,222	1,220,568	1,145,895	(329,504)
Transfers in (out)	1,025,000	796,522	(1,025,000)	(796,522)	-	-
Transfers of capital assets	-	-	-	-	-	-
Change in net position	<u>345,673</u>	<u>(753,550)</u>	<u>800,222</u>	<u>424,046</u>	<u>1,145,895</u>	<u>(329,504)</u>
Net position – beginning	62,996,368	63,749,918	22,749,230	22,325,184	85,745,598	86,075,102
Change in accounting principle	<u>(3,501,129)</u>	<u>-</u>	<u>(352,023)</u>	<u>-</u>	<u>(3,853,152)</u>	<u>-</u>
Restated net position - beginning	<u>59,495,239</u>	<u>63,749,918</u>	<u>22,397,207</u>	<u>22,325,184</u>	<u>81,892,446</u>	<u>86,075,102</u>
Net position - ending	<u>\$ 59,840,912</u>	<u>\$ 62,996,368</u>	<u>\$ 23,197,429</u>	<u>\$ 22,749,230</u>	<u>\$ 83,038,341</u>	<u>\$ 85,745,598</u>

**Governmental Activities.** Total revenues for the City of Dallas' governmental activities for the fiscal year ended June 30, 2015, were \$10,994,976. Approximately 39% of the total revenue for the governmental activities was derived from property taxes and approximately 30% of the total revenue is from charges for services. Total expenses for governmental activities were \$11,674,303 (excluding transfers), resulting in an increase in net position of \$345,673. The majority of the governmental activities revenue was used to fund public safety, which accounts for approximately 36% of the total governmental activities expense. Culture and recreation expenses account for 6% of the total, community development account for 13%, highways and streets account for 25%, and general government expenses account for 17% of the total. Interest on long-term debt expenses is approximately 2% of total governmental activities expenses. All depreciation expense related to governmental activities has been allocated to individual governmental functions.

**Business-Type Activities.** Charges for services and general revenues of business-type activities totaled \$5,954,482 for the current fiscal year. Approximately 91% of the total business-type activities revenue was derived from charges for services. The total expenses for business-type activities were \$4,129,260 (excluding transfers), resulting in an increase of net position by \$800,222. Business-type activities for the City of Dallas consist of operations for sewage disposal and water.

## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

As noted previously, the City of Dallas uses fund accounting to segregate resources that are restricted to a particular activity. An unreserved fund balance represents the excess of the assets of the fund over its liabilities. Because the fund financial statements focus on current sources and uses of spendable resources, unreserved fund balances relating to each fund may be useful in assessing the government's net resources available.

**Governmental Funds.** At the end of the audited fiscal year, the City of Dallas' governmental funds reported combined ending fund balances of \$8,625,826, an increase of \$428,016 or 5.22%, from the prior year. The City's governmental funds include the General fund, Street fund, Systems Development fund, Grants Fund and other non-major governmental funds.

The General fund is the chief operating fund of the City. At the end of the audited fiscal year, the General fund reported a fund balance of \$1,793,551, a decrease of \$31,503 (-1.7 percent) from the prior year (on the modified accrual basis). The increase was due to a decrease in expenditures and ambulance fees accounts receivable.

The Street fund accounts for state highway apportionment, federal funds, and grants, which are restricted to road maintenance. The fund balance of the Street fund at the end of the fiscal year was \$792,298, an increase of 14.9% from the prior year. The minimal increase is due to the seasonal timing of road maintenance work and reimbursements.

The Grant fund accounts for major grants to the City. The fund balance of the Grant fund is \$(168,005), due to project expenditures and grant reimbursements.

The Systems Development fund is used to account for systems development charges (SDC) collected from individuals, builders and developers for new construction. State law requires that SDC fee revenue be spent only on projects related to providing extra capacity required due to growth in the City's population. Therefore, SDC projects generally include paying for the cost of sewer, water and street extensions, expansions or improvements. The fund balance of the Systems Development fund increased by \$339,978 or 7.04% due to increased construction resulting in an increase of systems development charges. The fund balance of the Systems Development fund at the end of the fiscal year was \$5,170,117 and represents 60% of the total of all governmental fund balances.

**Proprietary Funds.** At the end of the current fiscal year, net position of the proprietary funds equaled \$23,197,429. The change in total net position of all the proprietary funds was insignificant. The Sewer fund net position increased by \$1,227 and Water fund net position increased by \$446,972. The increase in the Water Fund was due to a meter replacement project.

## GENERAL FUND BUDGETARY HIGHLIGHTS

There were several amendments to the original budget. Actual revenues (budgetary basis) were 1.8% less than budgeted amounts due to a decrease in charges for services. Actual expenditures were 3.3% less than budgeted amounts due primarily to controlled spending of materials and services in several departments. The City continues its commitment to maintaining all facilities and equipment in good condition and providing excellent service to its citizens.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The City of Dallas' capital assets for its governmental and business-type activities at the end of the current fiscal year equaled, \$86,660,746 net of accumulated depreciation, compared to \$88,673,932 at the end of last fiscal year. Capital assets include land, buildings, improvements, equipment, and infrastructure. The decrease in capital assets for governmental activities is due to depreciation, see notes on pages 34 and 35. For business-type activities, capital asset additions consisted of equipment replacement at the wastewater treatment facility and pump station upgrades in the Sewer Department. In the Water Department, additions included equipment and a large meter replacement project. Additional information about the City's capital assets is presented in the notes to the financial statements on pages 34 through 35.

	Capital Assets					
	Years ended June 30, 2015 and 2014					
	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Land	\$ 892,046	\$ 892,046	\$ 731,485	\$ 731,485	\$ 1,623,531	\$ 1,623,531
Construction in progress	-	-	-	-	-	-
Buildings and improvements	15,280,411	15,168,320	-	-	15,280,411	15,168,320
Machinery and equipment	9,161,853	8,974,775	615,586	642,927	9,777,439	9,617,702
Infrastructure	74,565,859	74,083,484	-	-	74,565,859	74,083,484
Buildings and infrastructure	-	-	52,906,514	51,297,645	52,906,514	51,297,645
Accumulated depreciation	(44,128,423)	(40,875,886)	(23,364,585)	(22,240,864)	(67,493,008)	(63,116,750)
<i>Total Net Capital Assets</i>	<u>\$ 55,771,746</u>	<u>\$ 58,242,739</u>	<u>\$ 30,889,000</u>	<u>\$ 30,431,193</u>	<u>\$ 86,660,746</u>	<u>\$ 88,673,932</u>

**Long-term Debt.** At the end of the current fiscal year, long-term debt outstanding for the governmental activities totaled \$4,059,404 (excluding compensated absences payable), compared to \$4,740,000 the prior year. For business-type activities, long term debt outstanding totaled \$9,839,085 (excluding compensated absences payable), compared to \$9,846,469 the prior year. The decreases in governmental debt and business-type activity debt are due to principal payments on debt outstanding. Additional information about the City's long-term debt is presented in the notes to the financial statements on pages 36 through 38.

**Long-Term Debt**  
**Years ended June 30, 2015 and 2014**

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
General Obligation Bonds	\$ 1,945,000	\$ 2,520,000	\$ -	\$ -	\$ 1,945,000	\$ 2,520,000
Pension Obligation Bonds	1,430,000	1,470,000	-	-	1,430,000	1,470,000
Capital Lease/Loans	684,404	750,000	-	-	684,404	750,000
Notes Payable	-	-	9,839,085	9,846,469	9,839,085	9,846,469
<i>Total Net Position</i>	<u>\$ 4,059,404</u>	<u>\$ 4,740,000</u>	<u>\$ 9,839,085</u>	<u>\$ 9,846,469</u>	<u>\$ 13,898,489</u>	<u>\$ 14,586,469</u>

## **ECONOMIC FACTORS 2015**

The City of Dallas has a mixed tax base, comprised of residential and commercial properties. Residential property accounts for the highest percentage of the tax base. The Oregon economy continued to improve in 2015, which is also true for the City. The City had expansion in both commercial and residential development. In 2015 the City issued seventy-five single family building permits, which is up from the forty-five issued in 2014. The seventy-five new single family homes added approximately \$15.8 million to the City's assessed value. The increase is due to low interest rates, a stronger economy and a larger number of available residential building lots. It is worth noting that the City had nine new subdivisions submitted in 2015. Overall, the City of Dallas is growing slowly and steadily. Portland State population growth estimates show that as of April 2015, the City of Dallas grew by about three quarters of a percent. The City now has an estimated population of 15,040.

The 2015 unemployment rate in the Dallas area is 6.2%, which is down from 6.3% in 2014. The 2015 total is the lowest unemployment rate since 2008. The Dallas area unemployment rate continues to closely mirror the National and State of Oregon unemployment rates.

The State of Oregon does not have a sales tax, making property taxes a primary funding source for general government, public safety, and leisure services provided by the City. With no sales tax and State laws capping property taxes rates, the City's general fund revenue has struggled to keep up with expenditures. With the economy recovering, general fund revenues have increased, making it easier to balance the budget. This year, the City was able to add equipment and several capital projects to the budget that had been put off for several years.

The City of Dallas is committed to economic development, which includes business retention and expansion as well as working to attract new businesses to the community. Several years ago, the City created the Dallas Economic Development Commission (EDC) in an effort to get community stakeholder input on economic development ideas, as well as providing suggestions to improve the City's economic development activities. The EDC has been productive this year, helping the City develop a branding and marketing plan and updating the economic development strategic plan. The City has also worked closely with our various economic development partners who include SEDCOR, Mid-Willamette Valley Council of Governments, Business Oregon, Oregon Economic Development Association, and other local and state organizations in an effort to improve our economy.

Overall, the business climate in the City of Dallas appears to be stable. In 2015, the City added a number of new businesses, but also saw several businesses leave. There are several new businesses that have opened in the historic downtown, but these new businesses are being overshadowed by a number of vacant buildings in the area. One of the City's key manufacturing companies added twenty thousand square feet to their facility and a long vacant industrial manufacturing building was sold to a startup company that plans to start production as soon as possible. The Dallas Retirement Village started a new addition of their facility and will invest more than twenty five million dollars. A thirty-two thousand square foot building is being constructed in the City that will be used by the State of Oregon for social services.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide the City of Dallas's citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to: City of Dallas, 187 SE Court Street, Dallas, Oregon 97338.

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **BASIC FINANCIAL STATEMENTS**

## **BASIC FINANCIAL STATEMENTS**

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

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

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

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF DALLAS, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2015**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 8,938,127	\$ 2,434,379	\$ 11,372,506
Due from other governments	46,348	-	46,348
Accounts receivable, net	491,548	304,498	796,046
Property taxes receivable	297,202	-	297,202
Inventory	2,821	139,959	142,780
Total current assets	<u>9,776,046</u>	<u>2,878,836</u>	<u>12,654,882</u>
Noncurrent assets:			
Net pension asset	1,271,773	191,575	1,463,348
Capital assets:			
Nondepreciable	892,046	731,485	1,623,531
Depreciable, net	54,879,700	30,157,515	85,037,215
Total noncurrent assets	<u>57,043,519</u>	<u>31,080,575</u>	<u>88,124,094</u>
Total assets	<u>\$ 66,819,565</u>	<u>\$ 33,959,411</u>	<u>\$ 100,778,976</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pension	528,804	79,657	608,461
Total assets and deferred outflows of resources	<u>\$ 67,348,369</u>	<u>\$ 34,039,068</u>	<u>\$ 101,387,437</u>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 708,322	\$ 442,118	\$ 1,150,440
Interest payable	11,997	142,860	154,857
Current portion of compensated absences	49,271	8,625	57,896
Current portion of long-term debt	677,526	1,113,501	1,791,027
Total current liabilities	<u>1,447,116</u>	<u>1,707,104</u>	<u>3,154,220</u>
Noncurrent liabilities:			
Noncurrent portion of compensated absences	224,457	39,290	263,747
Noncurrent portion of long-term obligations	3,381,878	8,725,584	12,107,462
Total noncurrent liabilities	<u>3,606,335</u>	<u>8,764,874</u>	<u>12,371,209</u>
Total liabilities	<u>5,053,451</u>	<u>10,471,978</u>	<u>15,525,429</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflow related to pension	2,454,006	369,661	2,823,667
<b>NET POSITION:</b>			
Net investment in capital assets	53,826,746	21,049,915	74,876,661
Restricted for:			
Urban renewal projects	416,988	-	416,988
Debt service	381,151	-	381,151
Streets	792,298	-	792,298
System development	5,170,117	-	5,170,117
Unrestricted	(746,388)	2,147,514	1,401,126
Total net position	<u>59,840,912</u>	<u>23,197,429</u>	<u>83,038,341</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 67,348,369</u>	<u>\$ 34,039,068</u>	<u>\$ 101,387,437</u>

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

**CITY OF DALLAS, OREGON**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 2,018,683	\$ 1,198,834	\$ -	\$ -
Public safety	4,208,590	1,014,802	13,839	-
Highways and streets	2,968,164	92,806	-	-
Culture and recreation	705,867	547,647	2,413	-
Community development	1,561,447	406,971	-	160,224
Interest on long-term debt	211,552	-	-	-
Total governmental activities	<u>11,674,303</u>	<u>3,261,060</u>	<u>16,252</u>	<u>160,224</u>
Business type activities:				
Sewer Fund	2,472,804	3,148,628	-	-
Water Fund	<u>1,656,456</u>	<u>2,286,874</u>	<u>-</u>	<u>247,351</u>
Total business-type activities	<u>4,129,260</u>	<u>5,435,502</u>	<u>-</u>	<u>247,351</u>
Total government	<u>\$ 15,803,563</u>	<u>\$ 8,696,562</u>	<u>\$ 16,252</u>	<u>\$ 407,575</u>
General revenues:				
Taxes:				
Property taxes				
Public service taxes				
Franchise fees				
Interest and investment earnings				
Other revenues				
Transfers in (out)				
Total general revenues and transfers				
Change in net position				
Restated net position - beginning				
Net position - ending				

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

Net Expense Revenue and Change in Net Position		
Governmental Activities	Business Type Activities	Total
\$ (819,849)	\$ -	\$ (819,849)
(3,179,949)	-	(3,179,949)
(2,875,358)	-	(2,875,358)
(155,807)	-	(155,807)
(994,252)	-	(994,252)
(211,552)	-	(211,552)
<u>(8,236,767)</u>	<u>-</u>	<u>(8,236,767)</u>
-	675,824	675,824
-	877,769	877,769
-	1,553,593	1,553,593
<u>(8,236,767)</u>	<u>1,553,593</u>	<u>(6,683,174)</u>
4,338,597	-	4,338,597
1,814,392	-	1,814,392
1,093,765	-	1,093,765
25,106	22,136	47,242
285,580	249,493	535,073
1,025,000	(1,025,000)	-
<u>8,582,440</u>	<u>(753,371)</u>	<u>7,829,069</u>
345,673	800,222	1,145,895
<u>59,495,239</u>	<u>22,397,207</u>	<u>81,892,446</u>
<u>\$ 59,840,912</u>	<u>\$ 23,197,429</u>	<u>\$ 83,038,341</u>

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

**FUND FINANCIAL STATEMENTS**  
**Major Governmental Funds**

**General Fund**

The General Fund is the City's primary operation fund. It accounts for all the financial operations of the City except those required to be accounted for in another fund. Principal sources of revenues are property taxes, charges for services and licenses.

**System Development Fund**

The System Development Fund accounts for construction of oversize sewers, over-wide streets, water mains and other related needs.

**Street Fund**

The Street Fund accounts for state highway apportionment, federal funds, and grants, which are restricted to road maintenance.

**Grants Fund**

The Grants Fund accounts for major grants to the City.

**CITY OF DALLAS, OREGON**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2015**

	General Fund Generally Accepted Accounting Principles	System Development Fund	Street Fund	Grants Fund	Other Governmental	Total Governmental
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 1,650,056	\$ 4,899,280	\$ 1,045,625	\$ -	\$ 1,099,145	\$ 8,694,106
Due from other governments	37,068	-	-	-	9,280	46,348
Accounts receivable	320,241	-	169,088	-	-	489,329
Property taxes receivable	238,021	-	-	-	59,181	297,202
Due from other funds	76,054	270,837	-	-	-	346,891
Total assets	<u>\$ 2,321,440</u>	<u>\$ 5,170,117</u>	<u>\$ 1,214,713</u>	<u>\$ -</u>	<u>\$ 1,167,606</u>	<u>\$ 9,873,876</u>
<b>LIABILITIES:</b>						
Accounts payable and other current liabilities	\$ 119,031	\$ -	\$ 422,415	\$ 91,951	\$ 70,560	\$ 703,957
Due to other funds	-	-	-	76,054	-	76,054
Interfund loan payable	170,837	-	-	-	-	170,837
Total liabilities	<u>289,868</u>	<u>-</u>	<u>422,415</u>	<u>168,005</u>	<u>70,560</u>	<u>950,848</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Unavailable revenue	<u>238,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,181</u>	<u>297,202</u>
<b>FUND BALANCES:</b>						
Restricted for:						
Debt	-	-	-	-	381,151	381,151
Urban renewal projects	-	-	-	-	416,988	416,988
Streets	-	-	792,298	-	-	792,298
System development	-	5,170,117	-	-	-	5,170,117
Committed for:						
Community development	-	-	-	-	108,813	108,813
Debt service	-	-	-	-	11	11
Capital projects	-	-	-	-	130,902	130,902
Unassigned:	<u>1,793,551</u>	<u>-</u>	<u>-</u>	<u>(168,005)</u>	<u>-</u>	<u>1,625,546</u>
Total balances	<u>1,793,551</u>	<u>5,170,117</u>	<u>792,298</u>	<u>(168,005)</u>	<u>1,037,865</u>	<u>8,625,826</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,321,440</u>	<u>\$ 5,170,117</u>	<u>\$ 1,214,713</u>	<u>\$ -</u>	<u>\$ 1,167,606</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	55,140,140
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds but are to be fully accrued on the Statement of Net Position.	
Unavailable revenue	297,202
Prepaid pension asset	(630,621)
Internal service funds are used by management to charge the costs of the administrative services department to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.	743,841
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Long-term debt	(4,323,479)
Net position	<u>\$ 59,840,912</u>

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

**CITY OF DALLAS, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2015**

	General Fund Generally Accepted Accounting Principles	System Development Fund	Street Fund	Grants Fund	Other Governmental	Total Governmental
<b>REVENUES:</b>						
Property taxes	\$ 3,543,153	\$ -	\$ -	\$ -	\$ 825,773	\$ 4,368,926
Public service taxes	542,555	-	1,121,116	-	150,721	1,814,392
Franchise fees	1,093,765	-	-	-	-	1,093,765
Grants	-	-	-	176,475	-	176,475
Charges for service	1,481,555	-	-	-	-	1,481,555
Licenses and permits	309,220	783,160	-	-	-	1,092,380
Fines and forfeitures	189,771	-	-	-	-	189,771
Interest	15,053	-	6,695	-	3,358	25,106
Miscellaneous	92,050	-	47,237	-	112,993	252,280
Total revenues	<u>7,267,122</u>	<u>783,160</u>	<u>1,175,048</u>	<u>176,475</u>	<u>1,092,845</u>	<u>10,494,650</u>
<b>EXPENDITURES:</b>						
General government	1,268,794	-	-	-	23,544	1,292,338
Public safety	4,951,183	-	-	-	-	4,951,183
Highways and streets	-	-	529,501	-	-	529,501
Culture and recreation	433,354	-	-	-	23,484	456,838
Community development	1,440,384	-	-	-	-	1,440,384
Capital outlay	-	443,182	459,405	352,757	231,295	1,486,639
Debt service:						
Principal	105,596	-	-	-	575,000	680,596
Interest	21,609	-	-	-	177,946	199,555
Total expenditures	<u>8,220,920</u>	<u>443,182</u>	<u>988,906</u>	<u>352,757</u>	<u>1,031,269</u>	<u>11,037,034</u>
Revenues over (under) expenditures	(953,798)	339,978	186,142	(176,282)	61,576	(542,384)
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	1,241,395	-	-	-	218,000	1,459,395
Transfers out	(319,100)	-	(83,500)	-	(86,395)	(488,995)
Total other financing sources (uses)	<u>922,295</u>	<u>-</u>	<u>(83,500)</u>	<u>-</u>	<u>131,605</u>	<u>970,400</u>
Net changes in fund balances	(31,503)	339,978	102,642	(176,282)	193,181	428,016
<b>FUND BALANCES, BEGINNING</b>	<u>1,825,054</u>	<u>4,830,139</u>	<u>689,656</u>	<u>8,277</u>	<u>844,684</u>	<u>8,197,810</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 1,793,551</u>	<u>\$ 5,170,117</u>	<u>\$ 792,298</u>	<u>\$ (168,005)</u>	<u>\$ 1,037,865</u>	<u>\$ 8,625,826</u>

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

**CITY OF DALLAS, OREGON**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2015**

---

Amounts reported in the statement of activities are different because:

Net change in fund balances		\$ 428,016
<p>The statement of revenues, expenditures, and changes if fund balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.</p>		
Capital outlay	660,441	
Depreciation	<u>(3,178,368)</u>	(2,517,927)
<p>Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.</p>		
		(30,329)
<p>Contributions to pensions plans use current financial resources from governmental funds, but created a net pension asset.</p>		
		1,624,729
<p>Internal service funds are used by management to charge the costs of the administrative services department to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		152,857
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Debt service principal payments	680,596	
Accrued interest expense	(11,997)	
Compensated absences	<u>19,728</u>	<u>688,327</u>
Change in net position of governmental activities		<u>\$ 345,673</u>

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

## **FUND FINANCIAL STATEMENTS**

### **Proprietary Funds**

#### Enterprise Funds

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges.

#### **Sewer Fund**

The Sewer Fund accounts for sewer operations of the City's sewer utilities.

#### **Water Fund**

The Water Fund accounts for the operation of the City's water department.

#### Internal Service Funds

These funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

#### **Fleet Management Fund**

The Fleet Management Fund is used to account for equipment rentals to other funds of the City.

**CITY OF DALLAS, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**June 30, 2015**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$ 1,135,566	\$ 1,298,813	\$ 2,434,379	\$ 244,021
Accounts receivables, net	166,227	138,271	304,498	2,219
Inventories	27,664	112,295	139,959	2,821
Net pension asset	135,992	55,583	191,575	44,391
Total current assets	1,465,449	1,604,962	3,070,411	293,452
Nondepreciable	663,527	67,958	731,485	7,010
Depreciable, net	15,910,868	14,246,647	30,157,515	624,596
Total capital assets, net	16,574,395	14,314,605	30,889,000	631,606
Total assets	18,039,844	15,919,567	33,959,411	925,058
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred outflow related to pension	56,545	23,112	79,657	18,457
Total assets and deferred outflows of resources	\$ 18,096,389	\$ 15,942,679	\$ 34,039,068	\$ 943,515
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 143,329	\$ 298,789	\$ 442,118	\$ 4,365
Interest payable	63,146	79,714	142,860	-
Interfund loan payable	-	-	-	100,000
Current accrued compensated absences	5,127	3,498	8,625	1,738
Current portion of long-term debt	902,351	211,150	1,113,501	-
Total current liabilities	1,113,953	593,151	1,707,104	106,103
<b>NONCURRENT LIABILITIES:</b>				
Noncurrent accrued compensated absences	23,356	15,934	39,290	7,915
Noncurrent portion of long-term debt	3,809,406	4,916,178	8,725,584	-
Total noncurrent liabilities	3,832,762	4,932,112	8,764,874	7,915
Total liabilities	4,946,715	5,525,263	10,471,978	114,018
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflow related to pension	262,409	107,252	369,661	85,656
<b>NET POSITION:</b>				
Net investment in capital assets	11,862,638	9,187,277	21,049,915	631,606
Unrestricted	1,024,627	1,122,887	2,147,514	112,235
Total net position	12,887,265	10,310,164	23,197,429	743,841
Total liabilities, deferred inflows of resources, and net position	\$ 18,096,389	\$ 15,942,679	\$ 34,039,068	\$ 943,515

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

**CITY OF DALLAS, OREGON  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN NET POSITION  
 For the Fiscal Year Ended June 30, 2015**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 3,148,628	\$ 2,286,874	\$ 5,435,502	\$ 497,355
Miscellaneous	143,497	105,996	249,493	33,300
Total operating revenues	<u>3,292,125</u>	<u>2,392,870</u>	<u>5,684,995</u>	<u>530,655</u>
<b>OPERATING EXPENSES:</b>				
Personnel services	417,673	329,268	746,941	142,550
Materials and services	1,107,820	778,529	1,886,349	181,936
Depreciation and amortization	767,654	405,883	1,173,537	107,912
Total operating expenses	<u>2,293,147</u>	<u>1,513,680</u>	<u>3,806,827</u>	<u>432,398</u>
Operating income (loss)	998,978	879,190	1,878,168	98,257
<b>NON-OPERATING INCOME (EXPENSE):</b>				
Interest income	11,795	10,341	22,136	-
Interest expense	<u>(179,657)</u>	<u>(142,776)</u>	<u>(322,433)</u>	<u>-</u>
Total non-operating income (expenses)	<u>(167,862)</u>	<u>(132,435)</u>	<u>(300,297)</u>	<u>-</u>
Net income (loss) before operating transfers	831,116	746,755	1,577,871	98,257
<b>OPERATING TRANSFERS:</b>				
Transfers in (out)	<u>(580,000)</u>	<u>(445,000)</u>	<u>(1,025,000)</u>	<u>54,600</u>
Net income (loss) before contributions	251,116	301,755	552,871	152,857
<b>CAPITAL CONTRIBUTIONS:</b>				
Capital contributions	<u>-</u>	<u>247,351</u>	<u>247,351</u>	<u>-</u>
Change in net position	251,116	549,106	800,222	152,857
<b>RESTATED NET POSITION, BEGINNING</b>	<u>12,636,149</u>	<u>9,761,058</u>	<u>22,397,207</u>	<u>590,984</u>
<b>NET POSITION, ENDING</b>	<u>\$ 12,887,265</u>	<u>\$ 10,310,164</u>	<u>\$ 23,197,429</u>	<u>\$ 743,841</u>

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

**CITY OF DALLAS, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2015**

	Business-Type Activities - Enterprise Funds			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 3,278,477	\$ 2,365,677	\$ 5,644,154	\$ 528,436
Cash paid to employees	(597,289)	(402,712)	(1,000,001)	(203,450)
Cash paid to suppliers	(977,073)	(636,340)	(1,613,413)	(185,960)
Net cash provided (used) by operating activities	1,704,115	1,326,625	3,030,740	139,026
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Payment to other funds	-	-	-	(30,000)
Transfers in (out)	(580,000)	(445,000)	(1,025,000)	54,600
Net cash provided (used) by non-capital financing activities	(580,000)	(445,000)	(1,025,000)	24,600
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets	(185,660)	(1,198,333)	(1,383,993)	(154,846)
Principal paid on capital debt	(887,351)	(204,405)	(1,091,756)	-
Proceeds from issuance of debt	-	1,084,372	1,084,372	-
Interest paid on capital debt	(186,574)	(146,806)	(333,380)	-
Net cash provided (used) by capital and related financing activities	(1,259,585)	(465,172)	(1,724,757)	(154,846)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest on investments	11,795	10,341	22,136	-
Net cash provided (used) by investing activities	11,795	10,341	22,136	-
Net increase (decrease) in cash and cash equivalents	(123,675)	426,794	303,119	8,780
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>1,259,241</u>	<u>872,019</u>	<u>2,131,260</u>	<u>235,241</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 1,135,566</u>	<u>\$ 1,298,813</u>	<u>\$ 2,434,379</u>	<u>\$ 244,021</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating income	\$ 998,978	\$ 879,190	\$ 1,878,168	\$ 98,257
Adjustments				
Depreciation and amortization	767,654	405,883	1,173,537	107,912
Decrease (increase) in:				
Accounts receivable	(13,648)	(27,193)	(40,841)	(2,219)
Inventories	380	(22,774)	(22,394)	3,119
Increase (decrease) in:				
Accounts payable and accrued expenses	130,367	164,963	295,330	(7,143)
Accrued compensated absences	401	133	534	(2,139)
Net pension liability	(180,017)	(73,577)	(253,594)	(58,761)
Net cash provided (used) by operating activities	<u>\$ 1,704,115</u>	<u>\$ 1,326,625</u>	<u>\$ 3,030,740</u>	<u>\$ 139,026</u>
<b>NON-CASH CAPITAL FINANCING ACTIVITIES:</b>				
Contributions of capital assets from governmental activities	\$ -	\$ 247,351	\$ 247,351	\$ -
Total non-cash capital financing activities	<u>\$ -</u>	<u>\$ 247,351</u>	<u>\$ 247,351</u>	<u>\$ -</u>

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

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Dallas, Oregon (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting standards.

### **The Financial Reporting Entity**

The City of Dallas, Oregon is governed by an elected mayor and nine council members who comprise the City Council. The City Council exercises supervisory responsibilities over the City operations, but day-to-day management control is the responsibility of a City Manager. All significant activities and organizations for which the City is financially accountable are included in the financial statements for the year ended June 30, 2015.

There are certain governmental agencies and various service districts which provide services within the City. These agencies have independently elected governing boards and the City is not financially accountable for these organizations. Therefore, financial information for these agencies is not included in the accompanying basic financial statements.

As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. The City of Dallas's financial statements include the Dallas Community Development Commission Urban Renewal Agency as a blended component unit. The City Council and Board of Directors of Dallas Community Development Commission Urban Renewal Agency are composed of the same individuals.

### **Basic Financial Statements**

The government-wide financial statements report information on all activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees, fines, and charges for services.

The Statement of Activities demonstrates the degree to which the direct and allocated indirect expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Indirect expenses are those costs, usually administrative in nature, that support all City functions and enable direct services to be provided. Program revenues include (1) fees, fines, and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

Fund financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Basis of Presentation**

Measurement focus refers to what is being measured by a fund. Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The government-wide and proprietary fund financial statements are accounted for using an economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The City's government-wide and proprietary fund accounting and financial reporting practices are based on all applicable GASB pronouncements.

Interfund activity consists of transfers, services provided and/or used, reimbursements, advances, and loans. As a general rule, the effect of interfund activity has been eliminated from the governmental-wide financial statements. Exceptions to this general rule include interfund services provided and/or used. Interfund services provided and/or used are accounted for as revenues and expenses since the elimination of such revenues and expenses would distort the direct costs and program revenues reported for the various functions.

Operating revenues and operating expenses are intermediate components within the proprietary fund Statement of Revenues, Expenses and Changes in Net Position, and include only those transactions that constitute their principal, ongoing activities exclusive of investing or financing transactions. Significant operating revenues include charges for services and rental income. Significant operating expenses include personnel, materials and supplies, outside services, and depreciation. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Governmental Fund Financial Statements**

The governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded only when susceptible to accrual (both measurable and available). "Measurable" means that the amount of the transaction can be determined. "Available" is defined as being collectible within the current period or soon enough thereafter (30 days) to be used to liquidate liabilities of the current period. Expenditures other than interest on noncurrent obligations, are recorded when the fund liability is incurred.

Intergovernmental revenues are recognized as revenues when all eligibility requirements are met. There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, all eligibility requirements are determined to be met when the underlying expenditures

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

are recorded. In the other, monies are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirements; therefore, all eligibility requirements are determined to be met at the time of receipt or earlier if the susceptible to accrual criteria are met.

Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available. Rental income is typically received in advance and is deferred when appropriate.

Special assessments receivable and repayment of revolving loans expected to be collected within sixty days after year end are considered measurable and available and are recognized as revenue. Assessment installments that are long-term are offset by unavailable revenues.

The new GASB 34 reporting model sets forth minimum criteria (percentage of the assets liabilities, receipts or disbursements of either fund category or the government and enterprise combined) for the determination of major funds. The City electively added funds as major funds, which either had debt outstanding or specific community focus. Non-major funds are combined in a column in the fund financial statements and detailed in the combining section.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operation fund. It accounts for all the financial operations of the City except those required to be accounted for in another fund. Principal sources of revenues are property taxes, charges for services and licenses. The general fund is the only fund that reports a positive unassigned fund balance amount.

The *Systems Development Fund* accounts for construction of oversize sewers, over-wide streets, water mains and other related needs. The principal source of revenue is from system development charges.

The *Street Fund* accounts for state highway apportionment, federal funds, and grants, which are restricted to road maintenance. The principal source of revenues is public service taxes.

The *Grants Fund* accounts for major grants to the City. The principal source of revenues is grants received by the City.

The City reports each of its proprietary funds as major funds. These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs of providing the services to the general public on a continuing basis be financed primarily through user charges. The City reports the following proprietary funds:

- Sewer Fund
- Water Fund

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

Internal Service Fund accounts for administration services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis.

**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 reporting amounts of certain assets, liabilities, revenues and expenses as of and for the year ended June 30, 2015. Actual results may differ from such estimates.

**Cash and Investments**

Investments, included in cash and investments, are carried at cost which approximates fair value. For purposes of the statement of cash flows, the proprietary funds consider cash and cash equivalents to include the cash and investment common pool. These amounts have the general characteristics of demand deposit accounts in that the proprietary funds may deposit additional cash at any time and also effectively may withdraw cash at any time without prior notice or penalty. Investments are reported at fair value.

**Receivables and Property Tax Calendar**

Receivables for state, county and local shared revenues, included in accounts receivable, are recorded as revenue in the governmental funds as earned. Receivables of the enterprise funds are recorded as revenue as earned.

Property taxes receivable for the governmental fund types, which have been collected within thirty days subsequent to year end, are considered measurable and available and are recognized as revenues. All other property taxes are offset by unavailable revenues and, accordingly, have not been recorded as revenue. Real and personal property taxes are levied upon all taxable property within the City and become liens against the property as of July 1 of each year and are payable in three installments which are due on November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Property taxes receivable by the City represent the City's allocated share of delinquent property taxes and other amounts to be collected from property owners within Polk County, Oregon.

Assessment liens in the governmental fund types are recognized as receivables at the time property owners are assessed for property improvements. All assessments receivable are offset by unavailable revenues and, accordingly, have not been recorded as revenue. Interest earned on assessments in the governmental fund types is accrued when due and is approximately offset by the related improvement bond interest expenditure which is also recognized when due.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expenditure/expense) until then. The City has one item that qualifies for reporting in this category. It is the deferred amounts relating to pensions. This amount is deferred and recognized as an outflow of resources in the period when the City's recognizes pension

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

expense/expenditures. Deferred outflows are included in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. Unavailable revenue from property taxes is reported in the governmental funds balance sheet. This amount is deferred and recognized as an inflow of resources in the period that amount becomes available. The City also reports deferred amounts related to pensions. This amount is deferred and recognized as an inflow of resources in the period when the City's recognizes pension income. Deferred inflows are included in the government-wide Statement of Net Position and the proprietary funds Statement of Net Position.

**Inventory**

Inventory in the proprietary funds is stated at cost (first-in, first-out basis) and is charged to expense as used.

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, street lights, etc.) are reported in the applicable governmental or business-type activities column in the governmental-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements. Capital assets are recorded at historical cost, or estimated historical cost if actual cost is not available. Infrastructure acquired prior to fiscal years ended after June 30, 1980 is not reported in capital assets. Donated capital assets are recorded at their estimated fair market value at the time received.

Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more, and having useful lives extending beyond a single reporting period. Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-100 years
Water and sewer system	20-100 years
Machinery and equipment	5-10 years

Monthly depreciation is taken in the year the assets are acquired or retired. Gains or losses from sales or retirements of capital assets are included in operations of the current period.

**Long-Term Debt**

Long-term debt directly related and expected to be paid from the enterprise funds is recorded in these funds. All other unmatured long-term debt is recorded on the Statement of Net Position. Repayment of general bonded debt will be made from General Obligation Bond Fund.

**Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is recorded for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service. All vacation pay is accrued when incurred in the government-wide and proprietary fund statements. A liability for vacation pay is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements. Vacation and other compensated absences amounts are paid from the same fund as the employee's payroll, primarily the General Fund.

**Restricted Net Position**

Net revenues received by the City which are restricted by donors or legislation are reported as restricted net position. Such net revenues include system development charges (SDC's), state gas tax, and designated donations or grants.

**Fund Balance**

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – non-spendable, restricted, committed, assigned and unassigned.

**Non-Spendable** – Includes amounts not immediately converted to cash, such as prepaid items and inventory.

**Restricted** – Includes amounts that are restricted by external creditors, grantors or contributors, or restricted by enabling legislation.

**Committed** – Includes amounts that have been committed by resolution by the City Council which is the City's "highest level of decision-making authority." Committed amounts may not be used for any other purpose unless the City Council removes the constraint by similar council action. Commitments of fund balance must be made prior to the end of the fiscal year.

**Assigned** – Includes amounts assigned for specific purposes by council action who authorizes, by resolution, the City Manager to assign fund balance. Assigned fund balance is also established by the Council through adoption or amendment of the budget as intended for specific purpose.

**Unassigned** – This is the residual classification used for those balances not assigned to another category. The general fund is the only fund that reports a positive unassigned fund balance.

**Use of Restricted Resources**

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed. When unrestricted resources (committed, assigned, and unassigned) are available for use it is the City's policy to use committed resources first, then assigned, and then unassigned as they are needed.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

**Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Oregon Public Employees Retirement System (OPERS) and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**2. CASH AND CASH EQUIVALENTS**

The City maintains a cash and investment pool that is available for use by all funds, except for restricted cash and investments. Each fund type's portion of this pool is displayed on the Statement of Net Position as part of "cash and investments."

At June 30, 2015 investments included in cash and cash equivalents consist of the following:

	Weighted Average Maturity (Years)	Fair Value
	<u>                    </u>	<u>                    </u>
Investments in the State Treasurer's Local Government Investment Pool	0.00	\$ 8,704,685
	<u>                    </u>	<u>                    </u>
Total cash equivalents	<u>0.00</u>	<u>\$ 8,704,685</u>

Following is a summary of the City's deposit and investment balances at June 30, 2015:

	<u>2015</u>
Cash deposits:	
Cash on hand	\$ 745
Bank deposits	<u>2,667,076</u>
	2,667,821
Pooled cash and investments:	
State of Oregon - LGIP	<u>8,704,685</u>
Total	<u>\$ 11,372,506</u>

**Interest Rate Risk**

The City of Dallas does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

**Credit Risk**

State statutes authorize the City of Dallas to invest in general obligations of the U.S. Government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, and the State Treasurer's Oregon Local Government Investment Pool, among others. The City has no investment policy that would further limit its investment choices. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations, but is not regulated by other laws, organizations or regulations. The reported value of the Pool is the same as the fair value of Pool shares. Investments are regulated by the Oregon Short-Term Fund Board and approved by the Oregon Investment Council (ORS 294.805 to 294.895). The State Treasurer's Oregon Local Government Investment Pool is not registered with the SEC as an investment company and is unrated.

The City's investment in the Local Government Investment Pool is considered unclassified as to credit risk because it is not evidenced by securities that exist in physical or book entry form.

**Concentration of Credit Risk**

The City of Dallas does not currently have an investment policy for concentration of credit risk.

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. The City does not have a deposit policy for custodial credit risk. The Federal Depository Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) provides insurance for the City's deposits up to \$250,000 for the combined total of all deposit accounts at each financial institution. The remaining deposits are covered by the Public Funds Collateralization program (PFCP) of the State of Oregon in accordance with ORS 295. Depositories qualified under this program are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank failure or loss. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. As of June 30, 2015, the book value of the City's deposits was \$1,955,944 and the bank balance was \$2,485,890. \$1,985,890 of the City's bank balances were exposed to custodial credit risk as they were collateralized under PFCP.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

**3. CAPITAL ASSETS**

The changes in capital assets for the governmental activities for the year ended June 30, 2015 is as follows:

<b>Primary Government</b>	<b>June 30, 2014</b>			<b>June 30, 2015</b>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Capital assets, non- depreciable:</b>				
Land	\$ 892,046	\$ -	\$ -	\$ 892,046
Total capital assets, nondepreciable	<u>892,046</u>	<u>-</u>	<u>-</u>	<u>892,046</u>
<b>Capital assets, depreciable:</b>				
Infrastructure	74,083,484	482,375	-	74,565,859
Buildings and improvements	15,168,320	112,091	-	15,280,411
Machinery and equipment	8,974,775	224,555	(37,477)	9,161,853
Total capital assets, depreciable	<u>98,226,579</u>	<u>819,021</u>	<u>(37,477)</u>	<u>99,008,123</u>
<b>Less accumulated depreciation for:</b>				
Infrastructure	(25,637,218)	(2,514,029)	-	(28,151,247)
Buildings and improvements	(7,819,293)	(451,496)	-	(8,270,789)
Machinery and equipment	(7,419,375)	(320,755)	33,743	(7,706,387)
Total accumulated depreciation	<u>(40,875,886)</u>	<u>(3,286,280)</u>	<u>33,743</u>	<u>(44,128,423)</u>
Net depreciable capital assets	<u>57,350,693</u>	<u>(2,467,259)</u>	<u>(3,734)</u>	<u>54,879,700</u>
<b>Net capital assets</b>	<u>\$ 58,242,739</u>	<u>\$ (2,467,259)</u>	<u>\$ (3,734)</u>	<u>\$ 55,771,746</u>

Depreciation on internal service capital assets in the amount of \$107,912 is included in general government expenses. All depreciation on governmental capital assets is allocated to governmental functions on the statement of activities as follows:

<b>Governmental activities:</b>	
General government	\$ 182,917
Public safety	245,408
Culture and recreation	342,325
Highways & streets	<u>2,515,630</u>
Total depreciation expense - governmental activities	<u>\$ 3,286,280</u>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

The changes in capital assets for business-type activities for the year ended June 30, 2015 is as follows:

<b>Business-type Activities</b>	<b>June 30, 2014 Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>June 30, 2015 Ending Balance</b>
<b>Capital assets, non-depreciable:</b>				
Land	\$ 731,485	\$ -	\$ -	\$ 731,485
Construction in progress	-	-	-	-
Total capital assets, non-depreciable	<u>731,485</u>	<u>-</u>	<u>-</u>	<u>731,485</u>
<b>Capital assets, depreciable:</b>				
Buildings and infrastructure	51,297,645	1,608,869	-	52,906,514
Machinery and equipment	642,927	22,475	(49,816)	615,586
Total capital assets, depreciable	<u>51,940,572</u>	<u>1,631,344</u>	<u>(49,816)</u>	<u>53,522,100</u>
<b>Less accumulated depreciation for:</b>				
Buildings and infrastructure	(21,608,617)	(1,169,064)	-	(22,777,681)
Machinery and equipment	(632,247)	(4,473)	49,816	(586,904)
Total accumulated depreciation	<u>(22,240,864)</u>	<u>(1,173,537)</u>	<u>49,816</u>	<u>(23,364,585)</u>
Net depreciable capital assets	<u>29,699,708</u>	<u>457,807</u>	<u>-</u>	<u>30,157,515</u>
<b>Net capital assets</b>	<u>\$ 30,431,193</u>	<u>\$ 457,807</u>	<u>\$ -</u>	<u>\$ 30,889,000</u>

Depreciation expense is allocated to business-type functions as follows:

<b>Business-type activities:</b>	
Sewer	\$ 767,654
Water	405,883
Total depreciation expense - business-type activities	<u>\$ 1,173,537</u>

**4. LONG-TERM DEBT**

Long-term debt transactions for the year were as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Governmental bonds	\$ 3,990,000	\$ -	\$ 615,000	\$ 3,375,000	\$ 610,000
Governmental loans	750,000	-	65,596	684,404	67,526
Compensated absences	295,595	273,728	295,595	273,728	49,271
Total governmental activities	<u>\$ 5,035,595</u>	<u>\$ 273,728</u>	<u>\$ 976,191</u>	<u>\$ 4,333,132</u>	<u>\$ 726,797</u>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Business-type bonds	\$ 5,255,000	\$ -	\$ 830,000	\$ 4,425,000	\$ 845,000
Bond Premium	344,108	-	57,351	286,757	57,351
Business-type loans	4,247,361	1,084,372	204,405	5,127,328	211,150
Compensated absences	47,381	47,915	47,381	47,915	8,625
Total business-type activities	<u>\$ 9,893,850</u>	<u>\$ 1,132,287</u>	<u>\$ 1,139,137</u>	<u>\$ 9,887,000</u>	<u>\$ 1,122,126</u>

**Bonds**

<b>Governmental Activities</b>	
Series 2003: original amount \$850,000; interest rate 4.95%; final payment due June 30, 2018.	\$ 255,000
Series 2005: original amount \$4,695,000; interest rates from 4.25% to 5.00%; final payment due June 1, 2019.	1,690,000
2005 PERS Bonds: original amount \$1,585,000; interest rates from 4.38% to 5.00%; final payment due June 1, 2028	1,430,000
Series 2008: original amount \$210,000; interest rates from 3.00% to 4.05%; final payment due January 1, 2015.	-
Total governmental bonds	<u>\$ 3,375,000</u>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

Future Governmental bonds debt service requirements are as follows:

Fiscal Year	Series 2003		Series 2005	
	Principal	Interest	Principal	Interest
2016	\$ 80,000	\$ 10,643	\$ 480,000	\$ 67,600
2017	85,000	6,559	385,000	48,400
2018	90,000	2,229	405,000	33,000
2019	-	-	420,000	16,800
2020	-	-	-	-
Total	<u>\$ 255,000</u>	<u>\$ 19,431</u>	<u>\$ 1,690,000</u>	<u>\$ 165,800</u>

Fiscal Year	2005 PERS Bonds		Series 2008	
	Principal	Interest	Principal	Interest
2016	\$ 50,000	\$ 71,050	\$ -	\$ -
2017	60,000	68,620	-	-
2018	70,000	65,705	-	-
2019	80,000	62,304	-	-
2020	90,000	58,416	-	-
2021-2025	635,000	221,421	-	-
2023-2030	445,000	40,282	-	-
Total	<u>\$ 1,430,000</u>	<u>\$ 587,798</u>	<u>\$ -</u>	<u>\$ -</u>

**Business-type Activities**

Series 2011: original amount \$7,801,161; interest rate from 2.0% to 4.0%; final payment due February 1, 2020. \$ 4,425,000

Future business-type bonds debt service requirements are as follows:

	2011 Refunding Bond	
	Principal	Interest
2016	\$ 845,000	\$ 151,550
2017	855,000	134,650
2018	875,000	109,000
2019	910,000	74,000
2020	940,000	37,600
2021-2025	-	-
Total	<u>\$ 4,425,000</u>	<u>\$ 506,800</u>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

**Loans**

Governmental Activities	
2013 Urban Renewal Loan: original amount \$750,000; interest rate 2.90%; final payment due June 30, 2024.	\$ 684,404

Future governmental loan debt service requirements are as follows:

Fiscal Year	2013 Urban Renewal Loan	
	Principal	Interest
2016	\$ 67,526	\$ 18,869
2017	69,513	16,882
2018	71,559	14,836
2019	73,664	12,730
2020	75,832	10,563
2021-2025	326,310	19,269
Total	\$ 684,404	\$ 93,149

Business-type Activities	
OECD Safe Drinking Water Loan: original amount \$5,650,000; interest rate 3.38%; final payment due December 1, 2028.	\$ 4,042,956

Future business-type loan debt service requirements are as follows:

Fiscal Year	OECD Safe Drinking Water Loan	
	Principal	Interest
2016	\$ 211,150	\$ 136,818
2017	218,286	129,681
2018	225,664	122,303
2019	233,292	114,675
2020	241,177	106,790
2021-2025	1,333,814	406,021
2023-2030	1,579,573	164,845
Total	\$ 4,042,956	\$ 1,181,133

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

**Bond Anticipation Note**

	Business-type Activities
Series 2014: up to \$3,025,000; interest rare variable; maturity date December 31, 2017.	\$ 1,084,372

**5. NET POSITION**

The government-wide statement of net position reports \$6,760,554 of restricted net position, of which \$5,962,415 is restricted by enabling legislation.

**6. DEFICIT FUND BALANCE**

The grants fund had a deficit fund balance at June 30, 2015 of \$(168,005). The deficit will be financed through future revenues.

**7. PENSION PLAN**

**Plan description**

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at:  
[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

**Benefits provided**

**Tier One/Tier Two Retirement Benefit ORS Chapter 238**

**Pension Benefits**

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results.

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of

service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

### **Death Benefits**

Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided one or more of the following conditions are met:

- the member was employed by a PERS employer at the time of death,
- the member died within 120 days after termination of PERS-covered employment,
- the member died as a result of injury sustained while employed in a PERS covered job, or
- the member was on an official leave of absence from a PERS-covered job at the time of death.

### **Disability Benefits**

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

### **Benefit Changes**

After Retirement Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

### **OPSRP Pension Program (OPSRP DB)**

#### **Pension Benefits**

The Pension Program (ORS Chapter 238A) provides benefits to members hired on or after August 29, 2003. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53

with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

General service: 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.

A member of the OPSRP Pension Program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.

### **Death Benefits**

Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.

### **Disability Benefits**

A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.

### **Benefit Changes After Retirement**

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and 0.15 percent on annual benefits above \$60,000.

### **OPSRP Individual Account Program (OPSRP IAP)**

#### **Pension Benefits**

An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

Upon retirement, a member of the OPSRP Individual Account Program (IAP) may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

### **Death Benefits**

Upon the death of a non-retired member, the beneficiary receives in a lump sum the member's account balance, rollover account balance, and vested employer optional contribution account balance. If a retired member dies before the installment payments are completed, the beneficiary may receive the remaining installment payments or choose a lump-sum payment.

### **Recordkeeping**

OPERS contracts with VOYA Financial to maintain IAP participant records.

### **Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation as subsequently modified by 2013 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2013. Employer contributions for the year ended June 30, 2015 were \$608,461, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2015 were 16.20 percent for Tier One/Tier Two General Service Member, 16.20 percent for Tier One/Tier Two Police and Fire, 10.39 percent for OPSRP Pension Program General Service Members, 13.12 percent for OPSRP Pension Program Police and Fire Members, and 6 percent for OPSRP Individual Account Program.

### **Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2015, the City reported an asset of \$1,463,347 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2014, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2012 rolled forward to June 30, 2014. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the City's proportion was 0.04656 percent, which was unchanged from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the City's recognized pension expense (income) of (\$1,341,610). At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,823,667
Changes in proportion and differences between City contributions and proportionate share of contributions	7,836	-
City contributions subsequent to the measurement date	<u>608,461</u>	<u>-</u>
Total	<u>\$ 616,297</u>	<u>\$ 2,823,667</u>

\$608,461 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2016	\$ (704,214)
2017	(704,214)
2018	(704,213)
2019	(704,212)
2020	1,024
Thereafter	-

**Actuarial Assumptions**

The employer contribution rates effective July 1, 2013, through June 30, 2015, were set using the projected unit credit actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (2) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years. The total pension liability in the December 31, 2012 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, published September 18, 2013
Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years.
Asset Valuation Method	Market value of assets
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Investment Rate of Return	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Mortality	<p>Health retirees and beneficiaries: PF-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.</p> <p>Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.</p> <p>Disabled retirees: Mortality rates are a percentage of the RP-2000 statistic combined disabled mortality sex-distinct table.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2012 Experience Study which reviewed experience for the four-year period ending on December 31, 2012.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

**Long-term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2013 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	7.20%	4.50%
Short-Term Bonds	8.00%	3.70%
Intermediate -Term Bonds	3.00%	4.10%
High Yield Bonds	1.80%	6.66%
Large Cap US Equities	11.65%	7.20%
Mid Cap US Equities	3.88%	7.30%
Small Cap US Equities	2.27%	7.45%
Developed Foreign Equities	14.21%	6.90%
Emerging Foreign Equities	5.49%	7.40%
Private Equities	20.00%	8.26%
Opportunity Funds/Absolute Return	5.00%	6.01%
Real Estate (Property)	13.75%	6.51%
Real Estate (REITS)	2.50%	6.76%
Commodities	1.25%	6.07%
Total	<u>100.00%</u>	
Assumed Inflation - Mean		2.75%

**Discount Rate**

The discount rate used to measure the total pension liability was 7.75 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate:

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City's proportionate share of the net pension liability (asset)	\$ 3,098,840	\$ (1,463,347)	\$ (5,321,888)

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report.

**Changes in Plan Provisions Subsequent to Measurement Date**

The Oregon Supreme Court on April 30, 2015, ruled that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law was unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. OPERS will make restoration payments to those benefit recipients.

OPERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire.

This is a change in benefit terms subsequent to the measurement date of June 30, 2014, and has not been included in the net pension liability (asset) proportionate shares provided by OPERS.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

**8. INTERFUND TRANSFERS**

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds:		
General Fund	\$ 1,241,395	\$ 319,100
Street Fund	-	83,500
Total Major Governmental Funds	<u>1,241,395</u>	<u>402,600</u>
Non-major Governmental Funds:		
Urban Renewal Fund	-	86,395
Capital Projects Fund	218,000	-
Total Non-major Governmental Funds	<u>218,000</u>	<u>86,395</u>
Proprietary Funds:		
Sewer Fund	-	580,000
Water Fund	-	445,000
Fleet Management Fund	104,600	50,000
Total Proprietary Funds	<u>104,600</u>	<u>1,075,000</u>
Total All Funds	<u>\$ 1,563,995</u>	<u>\$ 1,563,995</u>

Transfers on the modified accrual basis are different from transfers on the full accrual basis due to capital assets acquired by the systems development fund being transferred to the enterprise funds. Such transfers are not reported on the modified accrual basis of accounting but are recorded on the full accrual basis.

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend then, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

**9. INTERFUND LOANS**

Interfund loans were used to provide funding for aquatic center energy upgrades, additional cost to fire station seismic upgrade and purchase of an ambulance.

Interfund loan balances as of June 30, 2015:

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$ 76,054	\$ 170,837
System Development Fund	270,837	-
Grants Fund	-	76,054
Fleet Management Fund	-	100,000
	\$ 346,891	\$ 346,891

**10. CONTINGENCIES**

The City purchases commercial insurance to cover all commonly insurable risks, which includes property damage, liability and employee bonds. Most policies carry a small deductible amount. No insurance claims settled in each of the prior three years have exceeded policy coverage.

The City is a defendant in a lawsuit. Although the outcome of this lawsuit is not presently determinable, in the opinion of the City’s legal counsel, the resolution of this matter will not have a material adverse effect on the financial condition of the City.

**11. RISK MANAGEMENT**

The City is exposed to various risks of loss related to errors and omissions; automobile; damage to or destruction of assets; bodily injury; and worker’s compensation for which the City carries commercial insurance. Settled claims resulting from risks of loss have not exceeded commercial insurance coverage in any of the past three years.

**12. NEW ACCOUNTING PRONOUNCEMENT – GASB STATEMENT No. 68 and 71**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment of GASB Statement No. 68*. GASB Statement No. 68 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. GASB Statement No. 71 addresses an issue regarding application of the transition provisions of GASB Statement No. 68. The City implemented GASB Statement No. 68 and 71 in the year ending June 30, 2015. Additional information can be found in Note 6 - Pension Plan and Note 13 – Change in Accounting Principle.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2015**

---

**13. CHANGE IN ACCOUNTING PRINCIPLE**

Based on implementation of GASB Statement No. 68 and 71, the City restated the beginning net position for the Governmental Activities and Business-Type Activities.

Net position has been restated as follows:

	Governmental Activities	Business-Type Activities	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net position - beginning (as originally reported)	\$ 62,996,368	\$ 22,749,230	\$ 85,745,598
Cumulative effect of change in accounting principle	<u>(3,501,129)</u>	<u>(352,023)</u>	<u>(3,853,152)</u>
Net position - beginning (as restated)	<u>\$ 59,495,239</u>	<u>\$ 22,397,207</u>	<u>\$ 81,892,446</u>

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **REQUIRED SUPPLEMENTARY INFORMATION**

## **REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements.

- Budgetary Comparison Schedules
  - General Fund - Generally Accepted Accounting Principles
  - System Development Fund
  - Street Fund
  - Grants Fund
- Schedule of the Proportionate Share of the Net Pension Liability
- Schedule of Contributions

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 3,495,000	\$ 3,495,000	\$ 3,543,153	\$ 48,153
Public service taxes	553,000	553,000	542,555	(10,445)
Franchise fees	1,095,000	1,095,000	1,093,765	(1,235)
Charges for service	1,793,500	1,793,500	1,481,555	(311,945)
Licenses and permits	177,500	177,500	309,220	131,720
Fines and forfeitures	235,000	235,000	189,771	(45,229)
Interest	15,000	15,000	15,053	53
Miscellaneous	40,000	40,000	92,050	52,050
Total revenues	<u>7,404,000</u>	<u>7,404,000</u>	<u>7,267,122</u>	<u>(136,878)</u>
<b>EXPENDITURES:</b>				
General government	1,318,500	1,358,500	1,268,794	89,706
Public safety	4,962,500	5,025,500	4,951,183	74,317
Culture and recreation	435,650	448,650	433,354	15,296
Community development	1,477,900	1,505,900	1,440,384	65,516
Debt service:				
Principal	144,533	130,533	105,596	24,937
Interest	21,609	21,609	21,609	-
Contingency	75,000	12,000	-	12,000
Total expenditures	<u>8,435,692</u>	<u>8,502,692</u>	<u>8,220,920</u>	<u>281,772</u>
Revenues over (under) expenditures	(1,031,692)	(1,098,692)	(953,798)	144,894
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,241,400	1,241,400	1,241,395	(5)
Transfers out	<u>(271,100)</u>	<u>(319,100)</u>	<u>(319,100)</u>	<u>-</u>
Total other financing sources (uses)	<u>970,300</u>	<u>922,300</u>	<u>922,295</u>	<u>(5)</u>
Net changes in fund balance	(61,392)	(176,392)	(31,503)	144,889
<b>FUND BALANCE, BEGINNING - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
	<u>1,170,000</u>	<u>1,285,000</u>	<u>1,825,054</u>	<u>540,054</u>
<b>FUND BALANCE, ENDING - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
	<u>\$ 1,108,608</u>	<u>\$ 1,108,608</u>	<u>\$ 1,793,551</u>	<u>\$ 684,943</u>

**CITY OF DALLAS, OREGON  
SYSTEM DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2015**

---

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 540,000	\$ 540,000	\$ 783,160	\$ 243,160
Total revenues	540,000	540,000	783,160	243,160
<b>EXPENDITURES:</b>				
Capital outlay	5,160,000	5,160,000	443,182	4,716,818
Total expenditures	5,160,000	5,160,000	443,182	4,716,818
Revenues over (under) expenditures	(4,620,000)	(4,620,000)	339,978	4,959,978
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	95,000	95,000	95,000	-
Total other financing sources (uses)	95,000	95,000	95,000	-
Net changes in fund balances	(4,525,000)	(4,525,000)	434,978	4,959,978
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	4,525,000	4,525,000	4,464,302	(60,698)
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	4,899,280	\$ 4,899,280
Interfund loan receivable			270,837	
<b>FUND BALANCES, ENDING</b>			\$ 5,170,117	

**CITY OF DALLAS, OREGON**  
**STREET FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Public service taxes	\$ 1,010,000	\$ 1,085,000	\$ 1,121,116	\$ 36,116
Interest	5,000	5,000	6,695	1,695
Miscellaneous	10,000	10,000	47,237	37,237
Total revenues	1,025,000	1,100,000	1,175,048	75,048
<b>EXPENDITURES:</b>				
Personnel service	302,000	302,000	282,898	19,102
Materials and service	276,700	306,700	246,603	60,097
Capital outlay	421,250	496,250	459,405	36,845
Contingency	376,550	346,550	-	346,550
Total expenditures	1,376,500	1,451,500	988,906	462,594
Revenues over (under) expenditures	(351,500)	(351,500)	186,142	537,642
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(83,500)	(83,500)	(83,500)	-
Total other financing sources (uses)	(83,500)	(83,500)	(83,500)	-
Net changes in fund balance	(435,000)	(435,000)	102,642	537,642
<b>FUND BALANCES, BEGINNING</b>	435,000	435,000	689,656	254,656
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 792,298	\$ 792,298

**CITY OF DALLAS, OREGON**  
**GRANTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

---

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Grants	\$ 2,512,000	\$ 2,512,000	\$ 176,475	\$ (2,335,525)
Total revenues	2,512,000	2,512,000	176,475	(2,335,525)
<b>EXPENDITURES:</b>				
Capital outlay	2,518,500	2,518,500	352,757	2,165,743
Total expenditures	2,518,500	2,518,500	352,757	2,165,743
Revenues over (under) expenditures	(6,500)	(6,500)	(176,282)	(169,782)
<b>FUND BALANCES, BEGINNING</b>	6,500	6,500	8,277	1,777
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ (168,005)	\$ (168,005)

**CITY OF DALLAS, OREGON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**For the Last Two Fiscal Years**

---

Year Ended June 30,	(a) City's proportion of the net pension liability (asset)	(b) City's proportionate share of the net pension liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	0.06455806%	\$ (1,463,347)	\$ 4,347,982	-33.66%	103.60%
2014	0.06455806%	3,294,492	4,301,804	76.58%	91.97%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

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

**CITY OF DALLAS, OREGON**  
**SCHEDULE OF CONTRIBUTIONS**  
**For the Last Two Fiscal Years**

---

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2015	\$ 608,461	\$ 608,461	\$ -	\$ 4,347,982	13.99%
2014	605,550	605,550	-	4,301,804	14.08%

The amounts presented for each fiscal year were actuarial determined at December 31 and rolled forward to the measurement date.

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

**CITY OF DALLAS, OREGON**  
**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**  
**June 30, 2015**

---

**Budget and Budgetary Accounting**

Annual budgets for all funds are adopted on the modified accrual basis of accounting, which is consistent with Oregon Revised Statutes. All annual appropriations lapse at year end.

The City is required to budget for all funds. The budget is prepared by fund, department, activity and line, and includes information on the past two years' actual expenditures as well as current-year estimates. Each April, the City Manager submits a proposed budget to the Budget Committee. The Budget Committee consists of members of the City Council and a like number of citizens of the City. Before June 30 each year, the proposed budget is presented to the full City Council for review.

The Council holds public hearings, and a final budget must be prepared and legally adopted no later than June 30. The resolution establishes appropriations for each fund, and expenditures cannot legally exceed these appropriations at the levels of personnel services, materials and services, capital outlay, debt service, or other expenditures for each fund or, in the case of the General Fund, Trust/Reserve Fund and Central Services Fund for each department.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may also be added to the budget through the use of a supplemental budget. The City had appropriation transfers during the year-ended June 30, 2015.

Expenditures in the following fund exceeded appropriations for the year ended June 30, 2015:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount of Over Expenditure</u>
Water Fund	Materials and service	\$ 7,495

**Changes in Plan Provisions**

A summary of key changes in plan provisions are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at: [http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

**Changes of Assumptions**

A summary of key changes implemented since the December 31, 2011 valuation are described in the Oregon Public Employees Retirement System's GASB 68 Disclosure Information which can be found at:

[http://www.oregon.gov/pers/EMP/docs/er\\_general\\_information/opers\\_gasb\\_68\\_disclosure\\_information\\_revised.pdf](http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf)

Additional details and a comprehensive list of changes in methods and assumptions can be found in the 2012 Experience Study for the System, which was published on September 18, 2013, and can be found at: <http://www.oregon.gov/pers/docs/2012%20Exp%20Study%20Updated.pdf>.

## **OTHER SUPPLEMENTARY INFORMATION**

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

- Combining Statements – Nonmajor Governmental Funds
- Combining Statements – General Fund - Generally Accepted Accounting Principles
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Other Financial Schedules

## COMBINING STATEMENTS

Nonmajor Governmental Funds

### **Special Revenue Funds**

These funds account for revenue derived from specific taxes or other earmarked revenue sources, which are legally restricted to expenditures for specified purposes. Funds included in this category are:

#### **Trust/Reserve Fund**

The Trust/Reserve Fund accounts for funds dedicated to specific purposes, including donations and bail monies held pending disposition of municipal court cases.

#### **Urban Renewal Fund**

The Urban Renewal Fund accounts for the City's urban renewal activities.

### **Debt Service Funds**

These funds are used to account for revenues and expenditures related to the servicing of general long-term debt:

#### **General Obligation Bond Fund**

The General Obligation Bond Fund is used to account for the resources and payment of long-term debt.

#### **General Debt Fund**

The General Debt Fund was established to pay principal and interest on the City's PERS pension obligation bonds.

### **Capital Projects Funds**

These funds are used to account for financial resources to be used for the acquisition or construction of major capital items and facilities. Funds included in this category are:

#### **Capital Projects Fund**

The Capital Projects Fund is used to account for capital projects-related activity.

**CITY OF DALLAS, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2015**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Capital Improvements Nonmajor Capital Projects Fund	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 586,869	\$ 372,966	\$ 139,310	\$ 1,099,145
Due from other governments	1,084	8,196	-	9,280
Property taxes receivable	8,246	50,935	-	59,181
Total assets	<u>\$ 596,199</u>	<u>\$ 432,097</u>	<u>\$ 139,310</u>	<u>\$ 1,167,606</u>
<b>LIABILITIES:</b>				
Accounts payable and other current liabilities	\$ 62,152	-	\$ 8,408	\$ 70,560
Total liabilities	<u>62,152</u>	<u>-</u>	<u>8,408</u>	<u>70,560</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue	8,246	50,935	-	59,181
Total deferred inflows of resources	<u>8,246</u>	<u>50,935</u>	<u>-</u>	<u>59,181</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Debt	-	381,151	-	381,151
Urban renewal projects	416,988	-	-	416,988
Committed for:				
Community development	108,813	-	-	108,813
Debt service	-	11	-	11
Capital projects	-	-	130,902	130,902
Total fund balances	<u>525,801</u>	<u>381,162</u>	<u>130,902</u>	<u>1,037,865</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 596,199</u>	<u>\$ 432,097</u>	<u>\$ 139,310</u>	<u>\$ 1,167,606</u>

**CITY OF DALLAS, OREGON  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2015**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Capital Improvements Nonmajor Capital Projects Fund	Total
<b>REVENUES:</b>				
Property taxes	\$ 145,103	\$ 680,670	\$ -	\$ 825,773
Public service taxes	150,721	-	-	150,721
Interest	3,358	-	-	3,358
Miscellaneous	-	112,993	-	112,993
	<u>299,182</u>	<u>793,663</u>	<u>-</u>	<u>1,092,845</u>
<b>EXPENDITURES:</b>				
General government	23,544	-	-	23,544
Culture and recreation	23,484	-	-	23,484
Capital outlay	144,197	-	87,098	231,295
Debt service:				
Principal	-	575,000	-	575,000
Interest	-	177,946	-	177,946
	<u>191,225</u>	<u>752,946</u>	<u>87,098</u>	<u>1,031,269</u>
Revenues over (under) expenditures	107,957	40,717	(87,098)	61,576
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	218,000	218,000
Transfers out	(86,395)	-	-	(86,395)
	<u>(86,395)</u>	<u>-</u>	<u>218,000</u>	<u>131,605</u>
Net changes in fund balances	21,562	40,717	130,902	193,181
<b>FUND BALANCES, BEGINNING</b>	<u>504,239</u>	<u>340,445</u>	<u>-</u>	<u>844,684</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 525,801</u>	<u>\$ 381,162</u>	<u>\$ 130,902</u>	<u>\$ 1,037,865</u>

**CITY OF DALLAS, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2015**

---

	<u>Trust/Reserve Fund</u>	<u>Urban Renewal Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 114,164	\$ 472,705	\$ 586,869
Due from other governments	-	1,084	1,084
Property taxes receivable	-	8,246	8,246
	<hr/>	<hr/>	<hr/>
Total assets	\$ 114,164	\$ 482,035	\$ 596,199
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES:</b>			
Accounts payable and other current liabilities	\$ 5,351	\$ 56,801	\$ 62,152
	<hr/>	<hr/>	<hr/>
Total liabilities	5,351	56,801	62,152
	<hr/>	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue	-	8,246	8,246
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	-	8,246	8,246
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES:</b>			
Restricted for:			
Urban renewal projects	-	416,988	416,988
Committed for:			
Community development	108,813	-	108,813
	<hr/>	<hr/>	<hr/>
Total fund balances	108,813	416,988	525,801
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balances	\$ 114,164	\$ 482,035	\$ 596,199
	<hr/>	<hr/>	<hr/>

**CITY OF DALLAS, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2015**

---

	<u>Trust/Reserve Fund</u>	<u>Urban Renewal Fund</u>	<u>Total</u>
<b>REVENUES:</b>			
Property taxes	\$ -	\$ 145,103	\$ 145,103
Public service taxes	150,721	-	150,721
Interest	-	3,358	3,358
	<u>-</u>	<u>3,358</u>	<u>3,358</u>
Total revenues	<u>150,721</u>	<u>148,461</u>	<u>299,182</u>
<b>EXPENDITURES:</b>			
General government	-	23,544	23,544
Culture and recreation	23,484	-	23,484
Capital outlay	70,007	74,190	144,197
	<u>70,007</u>	<u>74,190</u>	<u>144,197</u>
Total expenditures	<u>93,491</u>	<u>97,734</u>	<u>191,225</u>
Revenues over (under) expenditures	57,230	50,727	107,957
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	-	(86,395)	(86,395)
	<u>-</u>	<u>(86,395)</u>	<u>(86,395)</u>
Total other financing sources (uses)	<u>-</u>	<u>(86,395)</u>	<u>(86,395)</u>
Net changes in fund balances	57,230	(35,668)	21,562
<b>FUND BALANCES, BEGINNING</b>	<u>51,583</u>	<u>452,656</u>	<u>504,239</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 108,813</u>	<u>\$ 416,988</u>	<u>\$ 525,801</u>

**CITY OF DALLAS, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2015**

	General Obligation Bond Fund	General Debt Fund	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 372,955	\$ 11	\$ 372,966
Due from other governments	8,196	-	8,196
Property taxes receivable	50,935	-	50,935
	<u>50,935</u>	<u>-</u>	<u>50,935</u>
Total assets	<u>\$ 432,086</u>	<u>\$ 11</u>	<u>\$ 432,097</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue	\$ 50,935	\$ -	\$ 50,935
	<u>50,935</u>	<u>-</u>	<u>50,935</u>
Total deferred inflows of resources	<u>50,935</u>	<u>-</u>	<u>50,935</u>
<b>FUND BALANCES:</b>			
Restricted for:			
Debt	381,151	-	381,151
Committed for:			
Debt service	-	11	11
	<u>-</u>	<u>11</u>	<u>11</u>
Total fund balances	<u>381,151</u>	<u>11</u>	<u>381,162</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 432,086</u>	<u>\$ 11</u>	<u>\$ 432,097</u>

**CITY OF DALLAS, OREGON  
NONMAJOR DEBT SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2015**

---

	General Obligation Bond Fund	General Debt Fund	Total
<b>REVENUES:</b>			
Property taxes	\$ 680,670	\$ -	\$ 680,670
Miscellaneous	-	112,993	112,993
	<u>680,670</u>	<u>112,993</u>	<u>793,663</u>
Total revenues			
	<u>680,670</u>	<u>112,993</u>	<u>793,663</u>
<b>EXPENDITURES:</b>			
Debt service:			
Principal	535,000	40,000	575,000
Interest	104,953	72,993	177,946
	<u>639,953</u>	<u>112,993</u>	<u>752,946</u>
Total expenditures			
	<u>639,953</u>	<u>112,993</u>	<u>752,946</u>
Net changes in fund balance	40,717	-	40,717
<b>FUND BALANCES, BEGINNING</b>	<u>340,434</u>	<u>11</u>	<u>340,445</u>
<b>FUND BALANCES, ENDING</b>	<u><u>\$ 381,151</u></u>	<u><u>\$ 11</u></u>	<u><u>\$ 381,162</u></u>

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**  
**COMBINING BALANCE SHEET**  
**June 30, 2015**

---

	General Fund - Budgetary Basis	Improvement Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 1,649,394	\$ 662	\$ 1,650,056
Due from other governments	37,068	-	37,068
Accounts receivable	320,241	-	320,241
Property taxes receivable	238,021	-	238,021
Due from other funds	76,054	-	76,054
	<hr/>	<hr/>	<hr/>
Total assets	\$ 2,320,778	\$ 662	\$ 2,321,440
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES:</b>			
Accounts payable and other current liabilities	\$ 119,031	\$ -	\$ 119,031
Interfund loan payable	170,837	-	170,837
	<hr/>	<hr/>	<hr/>
Total liabilities	289,868	-	289,868
	<hr/>	<hr/>	<hr/>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue	238,021	-	238,021
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	238,021	-	238,021
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES:</b>			
Unassigned:	1,792,889	662	1,793,551
	<hr/>	<hr/>	<hr/>
Total fund balances	1,792,889	662	1,793,551
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balances	\$ 2,320,778	\$ 662	\$ 2,321,440
	<hr/>	<hr/>	<hr/>

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2015**

	General Fund - Budgetary Basis	Improvement Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
<b>REVENUES:</b>			
Property taxes	\$ 3,543,153	\$ -	\$ 3,543,153
Public service taxes	542,555	-	542,555
Franchise fees	1,093,765	-	1,093,765
Charges for service	1,481,555	-	1,481,555
Licenses and permits	309,220	-	309,220
Fines and forfeitures	189,771	-	189,771
Interest	15,053	-	15,053
Miscellaneous	92,050	-	92,050
	<u>7,267,122</u>	<u>-</u>	<u>7,267,122</u>
<b>EXPENDITURES:</b>			
General government	1,268,794	-	1,268,794
Public safety	4,951,183	-	4,951,183
Culture and recreation	433,354	-	433,354
Community development	1,440,384	-	1,440,384
Debt service:			
Principal	105,596	-	105,596
Interest	21,609	-	21,609
	<u>8,220,920</u>	<u>-</u>	<u>8,220,920</u>
Total expenditures	8,220,920	-	8,220,920
Revenues over (under) expenditures	(953,798)	-	(953,798)
<b>OTHER FINANCING SOURCES (USES):</b>			
Interfund loan proceeds (payments)	(65,000)	-	(65,000)
Transfers in	1,241,395	-	1,241,395
Transfers out	(319,100)	-	(319,100)
	<u>857,295</u>	<u>-</u>	<u>857,295</u>
Total other financing sources (uses)	857,295	-	857,295
Net changes in fund balances	(96,503)	-	(96,503)
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	<u>2,060,229</u>	<u>662</u>	<u>2,060,891</u>
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	1,963,726	<u>\$ 662</u>	1,964,388
Interfund payable	<u>(170,837)</u>		<u>(170,837)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 1,792,889</u>		<u>\$ 1,793,551</u>

## **BUDGETARY COMPARISON SCHEDULES**

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.

- General Fund - Budgetary Basis Schedule of Revenues, Expenditures, and Changes in Fund Balance
- General Fund - Budgetary Basis Schedule of Expenditures
- Improvement Fund - Budgetary Basis Schedule of Revenues, Expenditures, and Changes in Fund Balance

Nonmajor Governmental Budgetary Comparison schedules included the following:

- Special Revenue Funds
  - Trust/Reserve Fund
  - Urban Renewal Fund
- Debt Service Funds
  - General Obligation Bond Fund
  - General Debt Fund
- Capital Projects Fund

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 3,495,000	\$ 3,495,000	\$ 3,543,153	\$ 48,153
Public service taxes	553,000	553,000	542,555	(10,445)
Franchise fees	1,095,000	1,095,000	1,093,765	(1,235)
Charges for service	1,793,500	1,793,500	1,481,555	(311,945)
Licenses and permits	177,500	177,500	309,220	131,720
Fines and forfeitures	235,000	235,000	189,771	(45,229)
Interest	15,000	15,000	15,053	53
Miscellaneous	40,000	40,000	92,050	52,050
Total revenues	<u>7,404,000</u>	<u>7,404,000</u>	<u>7,267,122</u>	<u>(136,878)</u>
<b>EXPENDITURES:</b>				
General government	1,318,500	1,358,500	1,268,794	89,706
Public safety	4,962,500	5,025,500	4,951,183	74,317
Culture and recreation	435,650	448,650	433,354	15,296
Community development	1,477,900	1,505,900	1,440,384	65,516
Debt service:				
Principal	144,533	130,533	105,596	24,937
Interest	21,609	21,609	21,609	-
Contingency	75,000	12,000	-	12,000
Total expenditures	<u>8,435,692</u>	<u>8,502,692</u>	<u>8,220,920</u>	<u>281,772</u>
Revenues over (under) expenditures	(1,031,692)	(1,098,692)	(953,798)	144,894
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	(65,000)	(65,000)	(65,000)	- *
Transfers in	1,241,400	1,241,400	1,241,395	(5)
Transfers out	(271,100)	(319,100)	(319,100)	-
Total other financing sources (uses)	<u>905,300</u>	<u>857,300</u>	<u>857,295</u>	<u>(5)</u>
Net changes in fund balance	(126,392)	(241,392)	(96,503)	144,889
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>1,170,000</u>	<u>1,285,000</u>	<u>2,060,229</u>	<u>775,229</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ 1,043,608</u>	<u>\$ 1,043,608</u>	<u>\$ 1,963,726</u>	<u>\$ 920,118</u>

\* Budgetary appropriations are done at the department level

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Admin:				
Personnel services	\$ 391,000	\$ 404,000	\$ 410,740	\$ (6,740)
Materials and services	144,700	171,700	147,433	24,267
Subtotal	535,700	575,700	558,173	17,527
Finance:				
Personnel services	384,000	384,000	342,665	41,335
Materials and services	222,300	222,300	210,275	12,025
Subtotal	606,300	606,300	552,940	53,360
Facilities:				
Personnel services	111,000	111,000	104,224	6,776
Materials and services	65,500	65,500	53,457	12,043
Subtotal	176,500	176,500	157,681	18,819
Municipal court:				
Personnel services	120,000	100,000	88,709	11,291
Materials and services	61,500	96,500	99,443	(2,943)
Subtotal	181,500	196,500	188,152	8,348
Ambulance department:				
Personnel services	997,000	997,000	987,661	9,339
Materials and services	317,300	317,300	317,769	(469)
Transfer out	30,000	30,000	30,000	-
Debt Service				
Principal	40,000	40,000	40,000	-
Interest	810	810	810	-
Subtotal	1,385,110	1,385,110	1,376,240	8,870
Fire department:				
Personnel services	265,000	265,000	281,787	(16,787)
Materials and services	344,500	358,500	330,763	27,737
Debt Service				
Principal	38,937	24,937	-	24,937
Loan payments	15,000	15,000	15,000	-
Transfer out	14,400	14,400	14,400	-
Subtotal	677,837	677,837	641,950	35,887
Police department:				
Personnel services	2,410,000	2,444,000	2,425,042	18,958
Materials and services	447,200	447,200	420,009	27,191
Transfer out	41,000	41,000	41,000	-
Subtotal	2,898,200	2,932,200	2,886,051	46,149

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Library:				
Personnel services	353,000	366,000	363,214	2,786
Materials and services	82,650	82,650	70,140	12,510
Subtotal	435,650	448,650	433,354	15,296
Community development - Parks:				
Personnel services	220,000	220,000	222,905	(2,905)
Materials and services	106,000	106,000	64,417	41,583
Transfer out	8,300	8,300	8,300	-
Subtotal	334,300	334,300	295,622	38,678
Community development - Aquatic center:				
Personnel services	422,000	467,000	459,137	7,863
Materials and services	279,600	307,600	308,333	(733)
Loan payments	50,000	50,000	50,000	-
Subtotal	751,600	824,600	817,470	7,130
Community development - Building/inspections:				
Personnel services	253,000	253,000	251,283	1,717
Materials and services	15,700	15,700	16,843	(1,143)
Transfer out	4,000	4,000	4,000	-
Subtotal	272,700	272,700	272,126	574
Community development - Building/planning department:				
Personnel services	122,000	97,000	98,740	(1,740)
Materials and services	59,600	39,600	18,726	20,874
Transfer out	3,400	3,400	3,400	-
Subtotal	185,000	140,000	120,866	19,134
Non-departmental:				
Transfer out	170,000	218,000	218,000	-
Debt Service				
Principal	65,596	65,596	65,596	-
Interest	20,799	20,799	20,799	-
Subtotal	256,395	304,395	304,395	-
Total expenditures	\$ 8,696,792	\$ 8,874,792	\$ 8,605,020	\$ 269,772

**CITY OF DALLAS, OREGON**  
**IMPROVEMENT FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

---

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Total revenues	\$ -	\$ -	\$ -	\$ -
<b>EXPENDITURES:</b>				
Total expenditures	-	-	-	-
Net changes in fund balances	-	-	-	-
<b>FUND BALANCES, BEGINNING</b>	-	-	662	662
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 662	\$ 662

**CITY OF DALLAS, OREGON**  
**TRUST/RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

---

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Public service taxes	\$ 73,000	\$ 168,000	\$ 150,721	\$ (17,279)
Total revenues	73,000	168,000	150,721	(17,279)
<b>EXPENDITURES:</b>				
Materials and service	23,348	118,348	23,484	94,864
Capital outlay				
Park	8,000	8,000	397	7,603
Fire equipment	43,700	43,700	34,086	9,614
Library	22,000	22,000	16,362	5,638
Economic development	23,500	23,500	19,003	4,497
Community dinner	1,325	1,325	159	1,166
Total expenditures	121,873	216,873	93,491	123,382
Net changes in fund balances	(48,873)	(48,873)	57,230	106,103
<b>FUND BALANCES, BEGINNING</b>	48,873	48,873	51,583	2,710
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 108,813	\$ 108,813

**CITY OF DALLAS, OREGON  
URBAN RENEWAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 135,000	\$ 135,000	\$ 145,103	\$ 10,103
Interest	1,000	1,000	3,358	2,358
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	137,000	137,000	148,461	11,461
<b>EXPENDITURES:</b>				
Personnel service	16,000	16,000	15,697	303
Materials and service	33,000	33,000	7,847	25,153
Capital outlay	195,000	195,000	74,190	120,810
Contingency	55,210	55,210	-	55,210
Total expenditures	299,210	299,210	97,734	201,476
Revenues over (under) expenditures	(162,210)	(162,210)	50,727	212,937
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(86,395)	(86,395)	(86,395)	-
Total other financing sources (uses)	(86,395)	(86,395)	(86,395)	-
Net changes in fund balances	(248,605)	(248,605)	(35,668)	212,937
<b>FUND BALANCES, BEGINNING</b>	335,000	335,000	452,656	117,656
<b>FUND BALANCES, ENDING</b>	\$ 86,395	\$ 86,395	\$ 416,988	\$ 330,593

**CITY OF DALLAS, OREGON  
GENERAL OBLIGATION BOND FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2015**

---

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 670,000	\$ 670,000	\$ 680,670	\$ 10,670
Total revenues	670,000	670,000	680,670	10,670
<b>EXPENDITURES:</b>				
Debt service:				
Principal	535,000	535,000	535,000	-
Interest	104,953	104,953	104,953	-
Total expenditures	639,953	639,953	639,953	-
Net changes in fund balances	30,047	30,047	40,717	10,670
<b>FUND BALANCES, BEGINNING</b>	345,000	345,000	340,434	(4,566)
<b>FUND BALANCES, ENDING</b>	\$ 375,047	\$ 375,047	\$ 381,151	\$ 6,104

**CITY OF DALLAS, OREGON  
GENERAL DEBT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2015**

---

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous	\$ 112,994	\$ 112,994	\$ 112,993	\$ (1)
Total revenues	112,994	112,994	112,993	(1)
<b>EXPENDITURES:</b>				
Debt service:				
Principal	40,000	40,000	40,000	-
Interest	72,994	72,994	72,993	1
Total expenditures	112,994	112,994	112,993	1
Net changes in fund balances	-	-	-	-
<b>FUND BALANCES, BEGINNING</b>	-	-	11	11
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 11	\$ 11

**CITY OF DALLAS, OREGON**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

---

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>EXPENDITURES:</b>				
Capital outlay	\$ 170,000	\$ 218,000	\$ 87,098	\$ 130,902
			-	
Total expenditures	170,000	218,000	87,098	130,902
Revenues over (under) expenditures	(170,000)	(218,000)	(87,098)	130,902
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	170,000	218,000	218,000	-
Total other financing sources (uses)	170,000	218,000	218,000	-
Net changes in fund balances	-	-	130,902	130,902
<b>FUND BALANCE, BEGINNING</b>	-	-	-	-
<b>FUND BALANCE, ENDING</b>	\$ -	\$ -	\$ 130,902	\$ 130,902

## **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:

- Sewer Fund
- Water Fund

**CITY OF DALLAS, OREGON**  
**SEWER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 3,140,000	\$ 3,140,000	\$ 3,148,628	\$ 8,628
Interest	15,000	15,000	11,795	(3,205)
Miscellaneous	125,000	125,000	143,497	18,497
Total revenues	<u>3,280,000</u>	<u>3,280,000</u>	<u>3,303,920</u>	<u>23,920</u>
<b>EXPENDITURES:</b>				
Personnel service	617,000	617,000	597,290	19,710
Materials and service	1,128,000	1,128,000	1,107,414	20,586
Capital outlay	866,250	866,250	185,686	680,564
Debt service:				
Principal	910,000	910,000	830,000	80,000
Interest	188,150	188,150	243,925	(55,775)
Contingency	2,510,600	2,510,600	-	2,510,600
Total expenditures	<u>6,220,000</u>	<u>6,220,000</u>	<u>2,964,315</u>	<u>3,255,685</u>
Revenues over (under) expenditures	(2,940,000)	(2,940,000)	339,605	3,279,605
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	2,200,000	2,200,000	-	(2,200,000)
Transfers out	(580,000)	(580,000)	(580,000)	-
Total other financing sources (uses)	<u>1,620,000</u>	<u>1,620,000</u>	<u>(580,000)</u>	<u>(2,200,000)</u>
Net changes in fund balances	(1,320,000)	(1,320,000)	(240,395)	1,079,605
<b>RESTATED FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>1,320,000</u>	<u>1,320,000</u>	<u>1,398,858</u>	<u>78,858</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,158,463</u>	<u>\$ 1,158,463</u>
			<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above			\$ 3,303,920	\$ 2,964,315
Operating transfers in/out			-	580,000
Expenditures capitalized			-	(185,660)
Debt service principal payments			-	(830,000)
Depreciation and amortization expense			-	767,654
Interest revenue/expense			-	(6,917)
Inventory			-	380
Bond premium			-	(57,351)
Compensated absences			-	401
Net pension asset			-	(442,156)
Deferred outflow related to pension			-	(271)
Deferred inflow related to pension			-	262,409
Total revenues and expenses - generally accepted accounting principles			<u>3,303,920</u>	<u>3,052,804</u>
Change in net position				<u>\$ 251,116</u>

**CITY OF DALLAS, OREGON**  
**WATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 2,255,000	\$ 2,255,000	\$ 2,286,874	\$ 31,874
Interest	10,000	10,000	10,341	341
Miscellaneous	75,000	75,000	105,996	30,996
Total revenues	2,340,000	2,340,000	2,403,211	63,211
<b>EXPENDITURES:</b>				
Personnel service	422,000	422,000	402,712	19,288
Materials and service	744,500	744,500	751,995	(7,495)
Capital outlay	2,216,250	2,216,250	1,247,641	968,609
Debt service:				
Principal	464,407	464,407	204,405	260,002
Interest	208,561	208,561	146,806	61,755
Contingency	2,594,282	2,594,282	-	2,594,282
Total expenditures	6,650,000	6,650,000	2,753,559	3,896,441
Revenues over (under) expenditures	(4,310,000)	(4,310,000)	(350,348)	3,959,652
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	4,000,000	4,000,000	1,084,372	(2,915,628)
Transfers out	(445,000)	(445,000)	(445,000)	-
Total other financing sources (uses)	3,555,000	3,555,000	639,372	(2,915,628)
Net changes in fund balances	(755,000)	(755,000)	289,024	1,044,024
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	755,000	755,000	849,269	94,269
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 1,138,293	\$ 1,138,293
			<u>Revenues</u>	<u>Expenditures</u>
Total revenue and expenditures above			\$ 2,403,211	\$ 2,753,559
Operating transfers in/out			-	445,000
Expenditures capitalized			-	(1,198,333)
Debt service principal payments			-	(204,405)
Capital contribution			247,351	-
Depreciation and amortization expense			-	405,883
Interest revenue/expense			-	(4,030)
Inventory			-	(22,774)
Compensated absences			-	133
Net pension asset			-	(180,718)
Deferred outflow related to pension			-	(111)
Deferred inflow related to pension			-	107,252
Total revenues and expenses - generally accepted accounting principles			2,650,562	2,101,456
Change in net position				\$ 549,106

**BUDGETARY COMPARISON SCHEDULES**  
**Internal Service 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.

Proprietary Budgetary Comparison schedules include the following:

- Fleet Management Fund

**CITY OF DALLAS, OREGON**  
**FLEET MANAGEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 490,000	\$ 490,000	\$ 497,355	\$ 7,355
Miscellaneous	5,000	5,000	33,300	28,300
Total revenues	495,000	495,000	530,655	35,655
<b>EXPENDITURES:</b>				
Personnel service	211,000	211,000	203,450	7,550
Materials and service	195,200	215,200	177,620	37,580
Capital outlay	161,250	161,250	156,043	5,207
Contingency	127,150	107,150	-	107,150
Total expenditures	694,600	694,600	537,113	157,487
Revenues over (under) expenditures	(199,600)	(199,600)	(6,458)	193,142
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	(30,000)	(30,000)	(30,000)	-
Transfers in	104,600	104,600	104,600	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	24,600	24,600	24,600	-
Net changes in fund balances	(175,000)	(175,000)	18,142	193,142
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	175,000	175,000	223,735	48,735
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 241,877	\$ 241,877

	Revenues	Expenditures
Total revenue and expenditures above	\$ 530,655	\$ 537,113
Operating transfers in/out	54,600	-
Expenditures capitalized	-	(154,846)
Depreciation and amortization expense	-	107,912
Inventory	-	3,119
Compensated absences	-	(2,139)
Net pension asset	-	(144,329)
Deferred outflow related to pension	-	(88)
Deferred inflow related to pension	-	85,656
Total revenues and expenses - generally accepted accounting principles	585,255	432,398
Change in net position		\$ 152,857

**THIS PAGE INTENTIONALLY LEFT BLANK**

**REPORTS OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Honorable Mayor and City Council  
City of Dallas, Oregon  
Dallas, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dallas, Oregon (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 30, 2015.

**Internal Control over Financial Reporting**

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Merina & Company".

Merina & Company, LLP  
West Linn, Oregon  
December 30, 2015

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

We have audited the basic financial statements of the City of Dallas, Oregon (the City), as of and for the year ended June 30, 2015 and have issued our report thereon dated December 30, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the 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 statement 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:

- Deposits of public funds with financial institutions (ORS Chapter 295).
- Indebtedness limitations, restrictions, and repayments.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Programs funded from outside sources.
- Highway revenues used for public highways, roads, and streets.
- Authorized investment of surplus funds. (ORS Chapter 294).
- Public contracts and purchasing (ORS Chapters 279A, 279B, and 279C).
- Accountability for collecting or receiving money by elected officials. The City does not have any elected officials collecting or receiving money.

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the Oregon

Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows:

1. Expenditures exceeded appropriations in the following funds.

a. Water Fund	Materials and service	\$7,495
---------------	-----------------------	---------

**OAR 162-10-0230 Internal Control**

In planning and performing our audit, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Merina & Company, LLP  
West Linn, Oregon  
December 30, 2015

## **STATISTICAL SECTION**

## STATISTICAL SECTION

The statistical section is comprised of schedules presenting trend information about revenues and expenses, outstanding debt, economics and demographics, and other subjects. These schedules are intended to provide financial statement users with contextual information needed to assess the City's financial health

### **Contents**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the service the City provides and the activities it performs.

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**CITY OF DALLAS, OREGON  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 53,826,746	\$ 55,722,739	\$ 57,146,650	\$ 57,754,349
Restricted for special purposes	6,760,554	6,321,162	5,598,814	4,265,637
Unrestricted	(746,388)	952,467	1,004,454	2,901,846
Total governmental activities net position	<u>\$ 59,840,912</u>	<u>\$ 62,996,368</u>	<u>\$ 63,749,918</u>	<u>\$ 64,921,832</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 21,049,915	\$ 20,584,724	\$ 20,017,073	\$ 19,755,540
Restricted for special purposes	-	-	-	-
Unrestricted	2,147,514	2,164,506	2,389,514	2,341,712
Total business-type activities net position	<u>\$ 23,197,429</u>	<u>\$ 22,749,230</u>	<u>\$ 22,406,587</u>	<u>\$ 22,097,252</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 74,876,661	\$ 76,307,463	\$ 77,163,723	\$ 77,509,889
Restricted for special purposes	6,760,554	6,321,162	5,598,814	4,265,637
Unrestricted	1,401,126	3,116,973	3,393,968	5,243,558
Total primary government net position	<u>\$ 83,038,341</u>	<u>\$ 85,745,598</u>	<u>\$ 86,156,505</u>	<u>\$ 87,019,084</u>

Source: City of Dallas Comprehensive Annual Financial Reports

<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$ 60,594,063	\$ 62,406,592	\$ 73,971,661	\$ 73,563,864	\$ 72,313,314	\$ 69,659,685
3,619,756	3,826,763	5,529,207	6,458,604	6,820,160	7,307,917
2,102,524	2,297,554	1,180,532	1,021,024	1,930,213	4,881,233
<u>\$ 66,316,343</u>	<u>\$ 68,530,909</u>	<u>\$ 80,681,400</u>	<u>\$ 81,043,492</u>	<u>\$ 81,063,687</u>	<u>\$ 81,848,835</u>
\$ 19,358,365	\$ 19,200,108	\$ 22,309,835	\$ 21,999,548	\$ 20,859,855	\$ 19,592,528
1,058,654	1,058,954	-	-	-	-
1,629,019	2,493,016	3,601,695	3,658,086	4,387,120	5,337,653
<u>\$ 22,046,038</u>	<u>\$ 22,752,078</u>	<u>\$ 25,911,530</u>	<u>\$ 25,657,634</u>	<u>\$ 25,246,975</u>	<u>\$ 24,930,181</u>
\$ 79,952,428	\$ 81,606,700	\$ 96,281,496	\$ 95,563,412	\$ 93,173,169	\$ 89,382,213
4,678,410	4,885,717	5,529,207	6,458,604	6,820,160	7,307,917
3,731,543	4,790,570	4,782,227	4,679,110	6,317,333	10,088,886
<u>\$ 88,362,381</u>	<u>\$ 91,282,987</u>	<u>\$ 106,592,930</u>	<u>\$ 106,701,126</u>	<u>\$ 106,310,662</u>	<u>\$ 106,779,016</u>

**CITY OF DALLAS, OREGON  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**

	2015	2014	2013	2012	2011
<b>EXPENSES</b>					
<b>Governmental activities:</b>					
General government	\$ 2,018,683	\$ 2,159,324	\$ 1,951,720	\$ 2,742,049	\$ 2,641,018
Public safety	4,208,590	4,965,673	5,169,796	5,227,369	5,041,368
Highways and streets	2,968,164	2,985,706	2,949,068	2,820,314	2,741,552
Culture and recreation	705,867	748,446	730,924	688,907	762,439
Community development	1,561,447	1,419,268	1,332,910	1,346,705	1,477,722
Interest on long-term debt	211,552	219,436	239,631	264,813	292,992
Unallocated depreciation	-	-	-	-	-
Total governmental activities expenses	11,674,303	12,497,853	12,374,049	13,090,157	12,957,091
<b>Business-type activities:</b>					
Sewage disposal	2,472,804	2,463,249	2,406,124	2,403,297	2,471,140
Water	1,656,456	1,759,774	1,615,326	1,754,639	2,108,937
Ambulance	-	-	-	-	-
Total business-type activities expenses	4,129,260	4,223,023	4,021,450	4,157,936	4,580,077
Total expenses	\$ 15,803,563	\$ 16,720,876	\$ 16,395,499	\$ 17,248,093	\$ 17,537,168
<b>PROGRAM REVENUES</b>					
<b>Governmental activities:</b>					
Charges for services					
General Government	\$ 1,198,834	\$ 1,174,241	\$ 908,346	\$ 641,463	\$ 607,535
Public Safety	1,014,802	1,399,346	1,177,937	1,045,911	1,321,333
Highways and streets	92,806	75,605	58,899	24,854	46,585
Culture and Recreation	547,647	104,465	92,220	77,705	606,867
Community development	406,971	768,352	667,287	611,452	243,775
Operating grants and contributions	16,252	5,981	7,305	9,573	11,579
Capital grants and contributions	160,224	158,583	126,726	1,408,562	280,080
Total governmental activities program revenues	3,437,536	3,686,573	3,038,720	3,819,520	3,117,754
<b>Business-type activities:</b>					
Charges for services	5,435,502	5,077,759	5,025,147	4,852,972	4,698,913
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	247,351	-	-	-	-
Total business-type activities program revenues	5,682,853	5,077,759	5,025,147	4,852,972	4,698,913
Total program revenues	\$ 9,120,389	\$ 8,764,332	\$ 8,063,867	\$ 8,672,492	\$ 7,816,667
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (8,236,767)	\$ (8,811,280)	\$ (9,335,329)	\$ (9,270,637)	\$ (9,839,337)
Business-type activities	1,553,593	854,736	1,003,697	695,036	118,836
Total net expense	\$ (6,683,174)	\$ (7,956,544)	\$ (8,331,632)	\$ (8,575,601)	\$ (9,720,501)
<b>General Revenues and Other Changes in Net Position</b>					
<b>Governmental activities:</b>					
Taxes and assessments	\$ 6,152,989	\$ 5,736,327	\$ 5,755,796	\$ 5,607,607	\$ 5,496,250
Franchise Fees	1,093,765	1,170,721	1,028,427	1,062,257	908,608
Intergovernmental	-	-	-	-	-
Miscellaneous	310,686	354,160	422,866	429,937	219,913
Transfer of capital assets	-	-	-	-	-
Proceeds from property sales	-	-	-	-	-
Transfers	1,025,000	796,522	956,326	776,325	1,000,000
Total governmental activities	8,582,440	8,057,730	8,163,415	7,876,126	7,624,771
<b>Business-type activities:</b>					
Miscellaneous	271,629	278,691	261,964	132,503	175,124
Gain on sale of land	-	87,141	-	-	-
Transfer of capital assets	-	-	-	-	-
Transfers	(1,025,000)	(796,522)	(956,326)	(776,325)	(1,000,000)
Total business-type activities	(753,371)	(430,690)	(694,362)	(643,822)	(824,876)
Total	\$ 7,829,069	\$ 7,627,040	\$ 7,469,053	\$ 7,232,304	\$ 6,799,895
<b>Change in Net Position</b>					
Governmental activities	\$ 345,673	\$ (753,550)	\$ (1,171,914)	\$ (1,394,511)	\$ (2,214,566)
Business-type activities	800,222	424,046	309,335	51,214	(706,040)
Total	\$ 1,145,895	\$ (329,504)	\$ (862,579)	\$ (1,343,297)	\$ (2,920,606)

	2010	2009	2008	2007	2006
\$	2,298,816	\$ 776,276	\$ 1,117,810	\$ 439,215	\$ 560,440
	5,013,276	5,181,413	4,374,809	3,817,182	2,979,379
	16,526,988	771,311	1,128,744	3,215,818	919,953
	672,989	2,657,682	2,961,453	3,198,380	2,191,735
	1,545,603	-	-	-	-
	315,071	290,438	337,515	357,421	368,216
	-	-	-	-	795,053
	26,372,743	9,677,120	9,920,331	11,028,016	7,814,776
	2,690,895	2,760,869	2,917,079	1,786,823	3,093,131
	2,188,120	2,034,191	1,960,357	3,488,856	1,809,211
	-	-	-	927,316	957,655
	4,879,015	4,795,060	4,877,436	6,202,995	5,859,997
\$	31,251,758	\$ 14,472,180	\$ 14,797,767	\$ 17,231,011	\$ 13,674,773

\$	260,475	\$ 301,725	\$ 792,460	\$ 481,966	\$ 610,373
	1,287,955	1,311,170	1,285,393	325,233	250,291
	25,413	-	-	-	-
	572,865	519,554	507,689	489,916	437,942
	699,139	-	-	-	-
	48,167	1,217,259	1,523,440	2,051,181	1,316,217
	315,877	797,474	1,218,332	953,059	2,684,450
	3,209,891	4,147,182	5,327,314	4,301,355	5,299,273
	4,745,483	4,757,990	4,498,870	5,178,652	4,958,640
	-	-	-	-	-
	-	-	-	1,642,660	-
	4,745,483	4,757,990	4,498,870	6,821,312	4,958,640
\$	7,955,374	\$ 8,905,172	\$ 9,826,184	\$ 11,122,667	\$ 10,257,913

\$	(23,162,852)	\$ (5,529,938)	\$ (4,593,017)	\$ (6,726,661)	\$ (2,515,503)
	(133,532)	(37,070)	(378,566)	618,317	(901,357)
\$	(23,296,384)	\$ (5,567,008)	\$ (4,971,583)	\$ (6,108,344)	\$ (3,416,860)

\$	5,234,147	\$ 3,799,318	\$ 3,762,441	\$ 3,549,521	\$ 3,257,042
	777,412	828,690	822,530	803,718	725,976
	-	289,854	180,474	190,022	260,420
	440,239	290,244	246,708	690,537	185,139
	-	(352,861)	(822,680)	464,379	-
	-	-	-	73,977	-
	(300,549)	312,600	325,450	169,360	(570,930)
	6,151,249	5,167,845	4,514,923	5,941,514	3,857,647
	205,206	250,705	291,996	332,216	326,968
	-	-	-	-	-
	-	352,861	822,680	(464,379)	-
	300,549	(312,600)	(325,450)	(169,360)	570,930
	505,755	290,966	789,226	(301,523)	897,898
\$	6,657,004	\$ 5,458,811	\$ 5,304,149	\$ 5,639,991	\$ 4,755,545

\$	(17,011,603)	\$ (362,093)	\$ (78,094)	\$ (785,147)	\$ 1,342,144
	372,223	253,896	410,660	316,794	(3,459)
\$	(16,639,380)	\$ (108,197)	\$ 332,566	\$ (468,353)	\$ 1,338,685

**CITY OF DALLAS, OREGON  
FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>General Fund:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	-	-	-	600,450	-
Committed	-	-	-	-	-
Unassigned	1,793,551	1,825,054	925,202	653,127	1,702,807
Total General Fund	<u>\$ 1,793,551</u>	<u>\$ 1,825,054</u>	<u>\$ 925,202</u>	<u>\$ 1,253,577</u>	<u>\$ 1,702,807</u>
<b>Special Revenue Funds:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	6,379,403	5,980,728	5,291,538	3,400,740	3,387,580
Committed	239,715	51,583	217,990	222,078	315,841
Unassigned	(168,005)	-	(17,817)	533,689	(258,241)
Total Special Revenue Funds	<u>\$ 6,451,113</u>	<u>\$ 6,032,311</u>	<u>\$ 5,491,711</u>	<u>\$ 4,156,507</u>	<u>\$ 3,445,180</u>
<b>Debt Service Funds:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	381,151	340,434	307,287	264,447	232,176
Committed	11	11	-	-	-
Unassigned	-	-	-	-	-
Total Debt Service Funds	<u>\$ 381,162</u>	<u>\$ 340,445</u>	<u>\$ 307,287</u>	<u>\$ 264,447</u>	<u>\$ 232,176</u>
<b>Capital Projects Funds:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Capital Projects Funds	<u>\$ -</u>				
<b>All Governmental Funds:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	6,760,554	6,321,162	5,598,825	4,265,637	3,619,756
Committed	239,726	51,594	217,990	222,078	315,841
Unassigned	1,625,546	1,825,054	907,385	1,186,816	1,444,566
Gene Total All Governmental Funds	<u>\$ 8,625,826</u>	<u>\$ 8,197,810</u>	<u>\$ 6,724,200</u>	<u>\$ 5,674,531</u>	<u>\$ 5,380,163</u>

Source: City of Dallas Comprehensive Annual Financial Reports

Notes: Fund balance for the General fund slightly decreased primarily due to a decrease in ambulance billing accounts receivable.

Special revenue funds increased by 6% due to an increase in system development charges associated with an increase in construction.

<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ -	\$ -	\$ -	\$ -	\$ -
1,211,673	1,526,191	1,114,009	1,314,302	1,848,263
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 1,211,673</u>	<u>\$ 1,526,191</u>	<u>\$ 1,114,009</u>	<u>\$ 1,314,302</u>	<u>\$ 1,848,263</u>
\$ 4,128,493	\$ 676,339	\$ -	\$ -	\$ -
257,241	4,768,067	6,489,353	659,386	673,175
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 4,385,734</u>	<u>\$ 5,444,406</u>	<u>\$ 6,489,353</u>	<u>\$ 659,386</u>	<u>\$ 673,175</u>
\$ -	\$ -	\$ -	\$ -	\$ -
199,477	194,574	316,429	197,092	304,233
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 199,477</u>	<u>\$ 194,574</u>	<u>\$ 316,429</u>	<u>\$ 197,092</u>	<u>\$ 304,233</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	(514,507)	(515,945)	6,464,930	7,682,647
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ (514,507)</u>	<u>\$ (515,945)</u>	<u>\$ 6,464,930</u>	<u>\$ 7,682,647</u>
\$ 4,128,493	\$ 676,339	\$ -	\$ -	\$ -
1,668,391	5,974,325	7,403,846	8,635,710	10,508,318
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 5,796,884</u>	<u>\$ 6,650,664</u>	<u>\$ 7,403,846</u>	<u>\$ 8,635,710</u>	<u>\$ 10,508,318</u>

**CITY OF DALLAS, OREGON**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>REVENUES</b>					
Taxes and assessments	\$ 4,368,926	\$ 4,216,923	\$ 4,244,493	\$ 4,094,852	\$ 3,988,407
Licenses and permits	1,092,380	939,972	630,626	321,837	430,191
Intergovernmental	1,990,867	1,744,193	1,663,520	2,897,961	1,763,122
Franchise fees	1,093,765	1,170,721	1,028,427	1,062,257	908,608
Charges for services	1,481,555	1,997,338	1,726,277	1,554,881	1,753,479
Fines and forfeitures	189,771	146,523	117,985	141,888	187,692
Miscellaneous	277,386	347,941	408,894	429,937	243,427
Total Revenues	<u>10,494,650</u>	<u>10,563,611</u>	<u>9,820,222</u>	<u>10,503,613</u>	<u>9,274,926</u>
<b>EXPENDITURES</b>					
Current operating:					
General government	1,292,338	1,232,720	1,151,147	1,150,826	1,171,990
Highways and streets	529,501	548,007	538,624	564,266	525,820
Culture and recreation	456,838	409,615	393,963	350,244	440,054
Public Safety	4,951,183	4,689,828	4,874,365	4,918,023	4,787,775
Community development	1,440,384	1,410,708	1,323,313	1,325,302	1,449,292
Capital outlay	1,486,639	1,672,887	561,519	2,043,949	1,275,423
Debt service					
Interest	199,555	219,436	239,631	264,813	292,992
Principal	680,596	620,000	604,330	588,147	578,301
Total Expenditures	<u>11,037,034</u>	<u>10,803,201</u>	<u>9,686,892</u>	<u>11,205,570</u>	<u>10,521,647</u>
<b>REVENUES OVER (UNDER)</b>					
<b>EXPENDITURES</b>	(542,384)	(239,590)	133,330	(701,957)	(1,246,721)
<b>OTHER FINANCING SOURCES (USES)</b>					
Loan proceeds	-	750,000	-	-	-
Transfers in	1,459,395	1,315,147	1,812,349	1,251,603	1,870,664
Transfers out	(488,995)	(351,947)	(896,010)	(475,278)	(1,040,664)
Payment of prepaid pension asset	-	-	-	-	-
Debt proceeds	-	-	-	-	-
Bond refunding	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>970,400</u>	<u>1,713,200</u>	<u>916,339</u>	<u>776,325</u>	<u>830,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 428,016</u>	<u>\$ 1,473,610</u>	<u>\$ 1,049,669</u>	<u>\$ 74,368</u>	<u>\$ (416,721)</u>
Debt service as a percentage of noncapital expenditures	<u>8.48%</u>	<u>8.72%</u>	<u>9.03%</u>	<u>8.76%</u>	<u>8.93%</u>

Source: City of Dallas Comprehensive Annual Financial Reports

	2010	2009	2008	2007	2006
\$	3,846,626	\$ 3,797,194	\$ 3,734,315	\$ 3,543,227	\$ 3,257,264
	416,350	1,570,479	1,526,492	1,673,675	503,499
	1,703,570	1,334,690	1,367,900	1,994,857	3,086,508
	777,412	828,690	822,530	803,718	725,976
	1,729,236	938,379	1,516,376	549,374	1,565,327
	257,229	353,964	365,946	325,233	250,291
	440,239	467,680	980,026	1,177,752	340,849
	<u>9,170,662</u>	<u>9,291,076</u>	<u>10,313,585</u>	<u>10,067,836</u>	<u>9,729,714</u>
	1,230,491	1,997,088	1,682,609	722,799	616,946
	478,340	682,657	902,450	840,978	867,888
	379,147	1,631,550	1,817,384	1,798,389	1,648,851
	4,670,936	3,902,463	3,533,823	3,753,648	3,070,333
	1,479,368	-	-	-	-
	1,618,527	2,831,297	6,219,811	4,011,569	2,152,064
	500,000	317,989	337,515	357,421	368,216
	315,071	502,547	445,000	465,000	435,000
	<u>10,671,880</u>	<u>11,865,591</u>	<u>14,938,592</u>	<u>11,949,804</u>	<u>9,159,298</u>
	(1,501,218)	(2,574,515)	(4,625,007)	(1,881,968)	570,416
	-	-	-	-	-
	1,727,916	2,145,129	593,375	459,775	1,045,630
	(1,559,921)	(1,892,529)	(367,925)	(450,415)	(820,500)
	-	-	-	-	(1,585,000)
	55,410	1,568,733	3,109,795	-	6,410,000
	-	-	-	-	(4,640,000)
	<u>223,405</u>	<u>1,821,333</u>	<u>3,335,245</u>	<u>9,360</u>	<u>410,130</u>
\$	<u>(1,277,813)</u>	<u>(753,182)</u>	<u>(1,289,762)</u>	<u>(1,872,608)</u>	<u>980,546</u>
	<u>8.36%</u>	<u>7.45%</u>	<u>5.97%</u>	<u>8.13%</u>	<u>9.96%</u>

**CITY OF DALLAS, OREGON  
PROGRAM REVENUES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>FUNCTIONS/PROGRAMS</b>					
<b>Governmental Activities:</b>					
General government	\$ 1,198,834	\$ 1,174,241	\$ 908,346	\$ 641,463	\$ 609,185
Public safety	1,028,641	1,403,096	1,309,998	1,973,067	1,427,817
Highways and streets	92,806	75,605	58,899	24,854	46,585
Culture and recreation	550,060	106,696	94,190	350,739	613,337
Community development	567,195	926,935	667,287	829,397	420,830
Total Governmental Activities	<u>3,437,536</u>	<u>3,686,573</u>	<u>3,038,720</u>	<u>3,819,520</u>	<u>3,117,754</u>
<b>Business-type Activities:</b>					
Sewage disposal	3,148,628	3,026,851	2,966,576	2,879,216	2,824,141
Water	2,534,225	2,050,908	2,058,571	1,973,756	1,874,772
Ambulance	-	-	-	-	-
Total Business-type Activities	<u>5,682,853</u>	<u>5,077,759</u>	<u>5,025,147</u>	<u>4,852,972</u>	<u>4,698,913</u>
Total Activities	<u>9,120,389</u>	<u>8,764,332</u>	<u>\$ 8,063,867</u>	<u>\$ 8,672,492</u>	<u>\$ 7,816,667</u>

Source: City of Dallas Comprehensive Annual Financial Reports

<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
\$ 260,475	\$ 936,322	\$ 1,663,143	\$ 1,123,364	\$ 2,927,908
1,336,943	1,743,251	1,986,654	1,566,536	775,432
316,961	656,475	912,983	875,983	1,025,289
575,173	811,134	764,534	735,472	570,644
720,339	-	-	-	-
<u>3,209,891</u>	<u>4,147,182</u>	<u>5,327,314</u>	<u>4,301,355</u>	<u>5,299,273</u>
2,826,340	2,846,712	2,617,239	3,210,039	2,521,270
1,919,143	1,911,278	1,881,631	2,875,974	1,669,428
-	-	-	735,299	767,942
<u>4,745,483</u>	<u>4,757,990</u>	<u>4,498,870</u>	<u>6,821,312</u>	<u>4,958,640</u>
<u>\$ 7,955,374</u>	<u>\$ 8,905,172</u>	<u>\$ 9,826,184</u>	<u>\$ 11,122,667</u>	<u>\$ 10,257,913</u>

**CITY OF DALLAS, OREGON**  
**TAX REVENUE BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**

---

<u>Fiscal Year Ending</u>	<u>Property</u>	<u>Special Assessments</u>	<u>Total</u>
2006	3,265,426	1,642	3,267,068
2007	3,473,710	1,276	3,474,986
2008	3,685,599	2,244	3,687,843
2009	3,788,972	518	3,789,490
2010	3,879,023	376	3,879,399
2011	3,998,629	-	3,998,629
2012	4,032,622	-	4,032,622
2013	4,093,879	-	4,093,879
2014	4,088,991	-	4,088,991
2015	4,157,700	-	4,157,700
Change 2006 - 2015	31.8%	-100.0%	

**THIS PAGE INTENTIONALLY LEFT BLANK**

**CITY OF DALLAS, OREGON  
 ASSESSED AND ESTIMATED VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS**

---

<b>Fiscal Year Ended June 30,</b>	<b>Real Property</b>		<b>Personal Property*</b>		<b>Public Utility Property</b>	
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>
2006	577,945,462	767,470,592	22,890,470	23,635,680	13,150,200	13,156,655
2007	629,006,292	915,807,028	25,924,600	26,876,700	13,444,100	13,470,161
2008	672,844,569	1,070,608,106	27,077,450	28,024,460	14,194,480	14,215,870
2009	694,267,295	1,133,818,532	25,085,157	25,992,860	14,327,720	14,335,524
2010	718,755,409	1,077,982,914	26,479,386	27,345,280	17,996,620	18,003,660
2011	743,665,180	1,046,051,831	24,825,707	25,538,640	17,379,650	17,658,479
2012	763,676,927	977,827,398	22,964,094	23,577,060	18,047,300	19,931,067
2013	786,988,600	920,317,855	22,626,259	23,294,880	16,391,600	18,346,106
2014	792,003,938	890,833,202	19,482,173	20,120,730	17,290,720	18,689,559
2015	826,326,001	950,906,011	19,661,327	20,305,700	18,311,463	19,314,768

All property is assessed as of July 1 of the fiscal year.

\* Includes mobile homes

Source: Polk County Department of Assessment and Taxation

---

<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Ratio of Total Assessed to Total Estimated Actual Value</b>	<b>Total Direct Tax Rate</b>
613,986,132	804,262,927	76.34	5.46
668,374,992	956,153,889	69.90	5.36
714,116,499	1,112,848,436	64.17	5.27
733,680,172	1,174,146,916	62.49	5.26
763,231,415	1,123,331,854	67.94	5.19
785,870,537	1,089,248,950	72.15	5.20
804,688,321	1,021,335,525	78.79	5.22
826,006,459	961,958,841	85.87	5.17
828,776,831	929,643,491	89.15	5.09
864,298,791	990,526,479	87.26	5.09

**CITY OF DALLAS, OREGON  
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING  
GOVERNMENTS (PER \$1,000 OF ASSESSED VALUE)  
LAST TEN FISCAL YEARS**

---

<b>Fiscal Year Ended June 30,</b>	<b>City of Dallas<sup>1</sup></b>	<b>City of Dallas<sup>2</sup></b>	<b>City of Dallas Total</b>	<b>Polk County</b>	<b>School District #2</b>
2006	4.20	1.26	5.46	2.00	6.53
2007	4.20	1.16	5.36	1.97	6.33
2008	4.20	1.07	5.27	2.40	6.20
2009	4.20	1.06	5.26	2.26	5.77
2010	4.20	0.99	5.19	2.24	6.07
2011	4.20	1.00	5.20	2.23	6.24
2012	4.20	1.02	5.22	2.24	6.35
2013	4.20	0.97	5.17	2.23	6.24
2014	4.20	0.89	5.09	2.23	6.30
2015	4.20	0.79	5.09	2.24	6.22

---

<b>Chemeketa Community College</b>	<b>Chemeketa Regional Library</b>	<b>Polk Conservation District</b>	<b>Willamette ESD</b>	<b>Dallas Cemetery District</b>	<b>4-H Extension District</b>	<b>Total</b>
0.96	0.08	0.05	0.30	0.05	-	15.43
0.94	0.08	0.05	0.30	0.05	-	15.08
0.70	0.08	0.05	0.30	0.05	-	15.05
0.70	0.08	0.05	0.30	0.05	-	14.47
0.82	0.08	0.05	0.30	0.05	-	14.80
0.79	0.08	0.05	0.29	0.05	0.07	15.01
0.87	0.08	0.05	0.29	0.05	0.07	15.22
0.89	0.08	0.05	0.29	0.05	0.07	15.07
0.86	0.08	0.05	0.29	0.05	0.07	15.02
0.89	0.08	0.05	0.29	0.05	0.07	14.98

**CITY OF DALLAS, OREGON  
PRINCIPAL TAXPAYERS FOR POLK COUNTY  
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2015			2006		
	Assessed Value	Rank	% of Total City Taxable Assessed Value	Assessed Value	Rank	% of Total City Taxable Assessed Value
Greenway	\$ 7,418,740	1	0.87%	\$ 5,685,980	4	0.93%
Northwest Natural Gas	6,436,000	3	0.75%	6,222,000	3	1.02%
Wal-Mart	6,480,080	2	0.76%	4,837,990	5	0.79%
Victoria Place General Partnership	6,171,570	4	0.72%	-	-	
Dallas Mennonite Retirement Center	5,418,570	5	0.63%	2,646,400	7	0.43%
Charter Communications	4,392,500	6	0.51%	-	-	
Lacreole Properties Inc	2,890,780	9	0.34%	-	-	
Safeway #404	3,204,650	7	0.38%	-	-	
Forest River Inc	2,925,220	8	0.34%	2,592,610	8	0.42%
Pacificorp (PP&L)	2,855,000	10	0.33%	2,592,610	8	0.42%
Weslee Properties Inc	-	-		2,090,100	9	
Wells Walter B ET AL	-	-		2,401,300	10	0.39%
Weyerhaeuser Company	-	-		17,587,048	2	2.87%
Tyco Printed Circuit Group, LP	-	-		23,387,430	1	3.82%
Qwest Corporation	-	-		4,273,100	6	0.70%
	<u>\$ 48,193,110</u>		<u>5.63%</u>	<u>\$ 74,316,568</u>		<u>11.79%</u>

Source: Polk County Department of Assessment and Taxation

**CITY OF DALLAS, OREGON  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

---

<b>Fiscal Year Ended June 30,</b>	<b>Total tax levy (net of discounts)</b>	<b>Collected in year of levy</b>		<b>Collected in subsequent years</b>	<b>Total collections to date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2006	3,337,387	3,141,622	94.13	123,804	3,265,426	97.84
2007	3,555,585	3,339,468	93.92	134,242	3,473,710	97.70
2008	3,763,738	3,529,331	93.77	156,268	3,685,599	97.92
2009	3,861,639	3,574,325	92.56	214,647	3,788,972	98.12
2010	3,963,447	3,677,240	92.78	201,783	3,879,023	97.87
2011	4,083,452	3,791,192	92.84	207,437	3,998,629	97.92
2012	4,197,403	3,869,533	92.19	163,089	4,032,622	96.07
2013	4,279,410	3,985,073	93.12	108,806	4,093,879	95.66
2014	4,298,867	4,012,740	93.34	76,251	4,088,991	95.12
2015	4,399,871	4,157,700	94.50	-	4,157,700	94.50

Source: Information derived from Comprehensive Annual Financial Reports for all governmental funds.

**CITY OF DALLAS, OREGON**  
**RATIO OF NET GENERAL BONDED DEBT TO ASSESSED**  
**VALUE AND NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

GOVERNMENTAL ACTIVITIES:

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Population</u>	<u>Assessed</u> <u>Value</u>	<u>Bonded</u> <u>Debt</u>	<u>Ratio of</u> <u>Bonded Debt to</u> <u>Assessed Value</u>	<u>Debt as %</u> <u>Personal</u> <u>Income</u>	<u>Bonded</u> <u>Debt Per</u> <u>Capita</u>
2006	14,585	613,986,132	7,965,000	0.0130	2.05%	546.11
2007	15,065	668,374,992	7,500,000	0.0112	1.71%	497.84
2008	15,360	714,116,499	7,055,000	0.0099	1.51%	459.31
2009	15,445	733,680,172	6,790,000	0.0093	1.48%	439.62
2010	15,555	763,231,415	6,290,000	0.0082	1.33%	404.37
2011	14,590	785,870,537	5,760,000	0.0073	1.23%	394.79
2012	14,620	804,688,321	5,200,000	0.0065	1.15%	355.68
2013	14,690	826,006,459	4,610,000	0.0056	0.96%	313.82
2014	14,800	828,776,831	4,740,000	0.0057	0.97%	320.27
2015	14,940	864,298,791	4,059,404	0.0047	0.80%	271.71

BUSINESS-TYPE ACTIVITIES:

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Population</u>	<u>Assessed</u> <u>Value</u>	<u>Notes Payable</u> <u>and Bonded</u> <u>Debt</u>	<u>Ratio of</u> <u>Bonded Debt to</u> <u>Assessed Value</u>	<u>Debt as %</u> <u>Personal</u> <u>Income</u>	<u>Bonded</u> <u>Debt Per</u> <u>Capita</u>
2006	14,585	613,986,132	13,098,342	0.0213	3.37%	898.07
2007	15,065	668,374,992	12,281,709	0.0184	2.80%	815.25
2008	15,360	714,116,499	14,543,749	0.0204	3.12%	946.86
2009	15,445	733,680,172	14,927,743	0.0203	3.25%	966.51
2010	15,555	763,231,415	14,634,621	0.0192	3.09%	940.83
2011	14,590	785,870,537	13,502,102	0.0172	2.89%	925.44
2012	14,620	804,688,321	12,147,154	0.0151	2.70%	830.86
2013	14,690	826,006,459	10,921,544	0.0132	2.27%	743.47
2014	14,800	828,776,831	9,846,469	0.0119	2.01%	665.30
2015	14,940	864,298,791	9,839,085	0.0114	1.94%	658.57

TOTAL DEBT:

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Population</u>	<u>Assessed</u> <u>Value</u>	<u>Notes Payable</u> <u>and Bonded</u> <u>Debt</u>	<u>Ratio of</u> <u>Bonded Debt to</u> <u>Assessed Value</u>	<u>Debt as %</u> <u>Personal</u> <u>Income</u>	<u>Bonded</u> <u>Debt Per</u> <u>Capita</u>
General Revenues and Other Changes in Net Position						
2006	14,585	613,986,132	21,063,342	0.0343	5.42%	1,444.18
2007	15,065	668,374,992	19,781,709	0.0296	4.51%	1,313.09
2008	15,360	714,116,499	21,598,749	0.0302	4.63%	1,406.17
2009	15,445	733,680,172	21,717,743	0.0296	4.73%	1,406.13
2010	15,555	763,231,415	20,924,621	0.0274	4.42%	1,345.20
2011	14,590	785,870,537	19,262,102	0.0245	4.12%	1,320.23
2012	14,620	804,688,321	17,347,154	0.0216	3.85%	1,186.54
2013	14,690	826,006,459	15,531,544	0.0188	3.23%	1,057.29
2014	14,800	828,776,831	14,586,469	0.0176	2.98%	985.57
2015	14,940	864,298,791	13,898,489	0.0161	2.74%	930.29

**CITY OF DALLAS, OREGON  
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2015**

<b>Governmental Unit</b>	<b>Real market values of overlapping districts</b>	<b>Tax-supported debt outstanding<sup>1</sup></b>	<b>Percentage overlapping<sup>2</sup></b>	<b>Overlapping debt applicable to the City of Dallas</b>
Debt Repaid with Property Taxes				
Chemeketa Community College	40,978,157,065	92,590,000	2.42 %	2,238,085
Willamette ESD	45,143,581,557	1,180,000	2.19 %	25,892
Polk Cty SD 2 (Dallas)	1,609,549,541	11,986,340	61.54 %	7,376,465
Polk County	5,923,530,682	7,100,000	16.72 %	1,187,255
Subtotal, overlapping debt		112,856,340		10,827,697
<b>Direct debt outstanding:</b>				
<b>City of Dallas</b>	<u>990,526,479</u>	<u>4,059,404</u>	100.00 %	<u>\$ 4,059,404</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 990,526,479</u>	<u>\$ 116,915,744</u>		<u>\$ 14,887,101</u>

**NOTE:**

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. The percentage of overlap is determined by how much of the real market value is shared by each entity with the City of Dallas. This information is provided by the Oregon Department of Revenue and used by the Oregon State Treasury Department to develop the overlapping debt reports for the City.

<sup>1</sup> Tax supported debt outstanding includes General Obligation (GO) bonds, Full Faith & Credit Bonds, loans, capital leases, notes, and certificates of participation related to non-business type activities.

<sup>2</sup> The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the government's boundaries and dividing it by the City's total taxable assessed value.

Source: State of Oregon-Oregon State Treasury, Debt Management Division

**CITY OF DALLAS, OREGON**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**JUNE 30, 2015**

---

ORS 287.004 provides a debt limit of 3% of true cash value of all taxable property within the City boundaries:

Assessed value	\$ 864,298,791
Rate	<u>                    x 3%</u>
Debt limit	25,928,964
Debt applicable to limit	<u>(1,563,849)</u>
Legal debt margin	<u><u>\$ 24,365,115</u></u>

<b>Fiscal year ended June 30,</b>	<b>Debt Limit</b>	<b>Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>
2006	18,419,584	6,126,398	12,293,186
2007	20,051,250	5,724,251	14,326,999
2008	21,423,495	5,268,658	16,154,837
2009	22,010,405	4,805,426	17,204,979
2010	22,896,942	4,340,530	18,556,412
2011	23,576,116	3,877,824	19,698,292
2012	24,140,650	3,290,553	20,850,097
2013	24,780,194	3,030,000	21,750,194
2014	24,863,305	2,139,566	22,723,739
2015	25,928,964	1,563,849	24,365,115

Source: Polk County Department of Assessment and Taxation and City of Dallas

**CITY OF DALLAS, OREGON  
SCHEDULE OF PLEDGED REVENUE BOND COVERAGE  
LAST TEN FISCAL YEARS**

**WATER REVENUE BONDS**

Fiscal Year Ended June 30,	Gross Revenue	Expenditures	Net Revenue Available for Debt Service	Debt Service Requirements			Percent Coverage
				Principal	Interest	Total	
2006	\$ 1,713,652	\$ 1,342,009	\$ 371,643	\$ 95,000	\$ 111,287	\$ 206,287	180.16 %
2007	1,943,169	1,575,220	367,949	164,000	43,824	207,824	177.05
2008	1,928,847	1,628,083	300,764	170,000	37,613	207,613	144.87
2009	1,981,871	1,633,617	348,254	176,000	31,125	207,125	168.14
2010	2,019,096	1,392,698	626,398	332,289	268,340	600,630	104.29
2011	1,956,337	1,515,756	440,581	368,234	187,133	555,367	79.33
2012	2,025,456	1,153,320	872,136	382,006	173,106	555,112	157.11
2013	2,128,214	1,098,721	1,029,493	363,109	160,083	523,192	196.77
2014	2,189,342	1,158,406	1,030,936	197,723	150,244	347,967	296.27
2015	3,487,583	2,402,348	1,085,235	204,405	146,806	351,211	309.00

**SEWER REVENUE BONDS**

Fiscal Year Ended June 30,	Gross Revenue	Expenditures	Net Revenue Available for Debt Service	Debt Service Requirements			Percent Coverage
				Principal	Interest	Total	
2006	\$ 2,784,549	\$ 1,987,523	\$ 797,026	\$ 628,471	\$ 546,513	\$ 1,174,984	67.83 %
2007	2,810,880	2,369,818	441,062	652,632	518,409	1,171,041	37.66
2008	2,839,969	2,142,221	697,748	677,754	489,211	1,166,965	59.79
2009	3,005,389	1,658,641	1,346,748	703,877	458,868	1,162,745	115.82
2010	2,931,593	1,531,423	1,400,170	736,041	427,338	1,163,379	120.35
2011	2,917,700	1,514,520	1,403,180	806,495	352,146	1,158,641	121.11
2012	10,953,630	1,775,824	9,177,806	8,716,752	291,797	9,008,549	101.88
2013	3,158,897	1,628,760	1,530,137	805,000	200,643	1,005,643	152.16
2014	3,386,458	2,180,587	1,205,871	820,000	184,534	1,004,534	120.04
2015	3,303,920	1,890,390	1,413,530	830,000	243,925	1,073,925	131.62

**SPECIAL ASSESSMENT BONDS**

**and Other Changes in Net Position**

Fiscal Year Ended June 30,	Assessment Principal Collections	Debt Service Requirements			Percent Coverage
		Principal	Interest	Total	
2006	1,642	-	-	-	-
2007	1,246	-	-	-	-
2008	2,244	-	-	-	-
2009	1,816	-	-	-	-
2010	1,028	-	-	-	-
2011	769	-	-	-	-

**CITY OF DALLAS, OREGON**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<b>Fiscal Year Ended June 30,</b>	<b>Population</b>	<b>Per Capita Personal Income</b>	<b>Total Personal Income (in 000's)</b>	<b>Area in square miles</b>	<b>Average Density (persons / square mile)</b>	<b>Average Annual Unemployment</b>
2006	15,065	29,107	438,497	4.45	3,385.4	6.3%
2007	15,360	30,324	465,777	4.45	3,451.7	5.6%
2008	15,445	29,772	459,829	4.45	3,470.8	7.3% *
2009	15,555	30,466	473,899	4.45	3,495.5	8.3% *
2010	15,555	30,056	467,521	4.45	3,495.5	9.8% *
2011	14,590	30,877	450,495	4.45	3,278.7	8.8% *
2012	14,620	32,846	480,209	4.45	3,285.4	8.5% *
2013	14,690	33,421	490,954	4.45	3,301.1	8.7% *
2014	14,800	34,296	507,581	4.45	3,325.8	6.8% *
2015	14,940	N/A	N/A	4.45	3,357.3	6.0% *

\*Polk County

Source: U.S. Department of Commerce-Bureau of Economic Analysis  
Portland State University Population Research and Census  
U.S. Department of Labor - BLS

**CITY OF DALLAS, OREGON  
 PRINCIPAL EMPLOYERS  
 CURRENT YEAR AND TEN YEARS AGO**

<b>Employer</b>	<b>2015</b>			<b>2006</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>
Forest River	355	1	7.68%	219	5	3.98%
Dallas Public Schools	321	2	6.94%	290	2	5.27%
Dallas Retirement Village	310	3	6.71%	215	6	3.91%
Polk County	300	4	6.49%	280	3	5.09%
West Valley Hospital	177	5	3.83%	150	9	2.73%
Wal-Mart	159	6	3.44%	150	10	2.73%
Safeway Stores, Inc.	140	7	3.03%	275	4	5.00%
James W. Fowler Company	125	8	2.70%	-	-	-
City of Dallas	98	9	2.12%	200	7	3.64%
Tyco Printed Circuit Group, LP	-	-	-	450	1	8.18%
Weyerhaeuser Corp.	-	-	-	190	8	3.45%
	<u>1,985</u>		<u>42.94%</u>	<u>2,419</u>		<u>43.98%</u>

Source: Dallas Area Chamber of Commerce and Employers

**CITY OF DALLAS, OREGON**  
**FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

---

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
General government	16	17	14	20	19	18	18	18	15	18
Public safety	25	26	25	26	26	26	26	23	23	25
Highways and streets	6	4	5	6	3	4	4	4	4	4
Culture and recreation	24	25	25	17	20	18	20	20	22	23
Sewage disposal	10	11	8	6	6	6	6	6	6	6
Water	9	11	9	9	8	6	5	5	5	5
Ambulance	14	15	14	19	19	19	18	19	19	17
Total	<u>104</u>	<u>109</u>	<u>100</u>	<u>103</u>	<u>101</u>	<u>97</u>	<u>97</u>	<u>95</u>	<u>93</u>	<u>98</u>

Source: City of Dallas

**CITY OF DALLAS, OREGON  
OPERATING INDICATORS  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Police										
Arrests	1,393	1,390	1,312	1,355	988	904	927	1,035	993	1,114
Traffic violations	819	1,040	1,236	1,025	810	472	529	412	714	846
Municipal Court Cases	1,859	2,573	1,933	1,381	1,475	888	938	475	1,846	2,045
Fire Responses										
City	278	261	381	319	350	373	356	352	282	500
Rural	335	404	367	316	455	411	332	322	321	480
Ambulance										
Transports	1,456	1,583	1,718	1,804	1,708	1,817	1,811	1,949	2,045	2,297
Building Activity										
Permits Issued	249	197	191	145	160	132	108	147	191	194
Estimated Value (000's)	\$39,384	\$22,328	\$17,049	\$14,736	\$16,100	\$9,863	\$10,004	\$11,900	\$17,044	\$19,979
Planning Applications	63	N/A	54	33	47	36	43	73	108	118
Library										
Circulation	173,008	176,228	181,473	176,004	183,498	203,762	248,881	201,764	199,801	193,366
Miles of Streets Maintained	54.80	54.80	55.00	55.00	55.00	55.00	55.00	55.00	56.46	56.89
Water										
Connections	4,737	4,788	4,930	5,073	5,329	5,331	5,348	5,394	5,420	5,444
Sewer										
Connections	4,187	4,235	4,326	4,417	4,474	4,467	4,483	4,539	4,614	4,634

Source: City of Dallas

**CITY OF DALLAS, OREGON  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

<b>Function</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Public safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
Ambulance										
Number of ambulances	3	3	3	3	3	3	3	3	3	3
Highways and streets										
Streets (miles)	54	54	54	59	59	59	59	59	59	60
Culture and recreation										
Number of parks	11	11	11	11	11	11	11	11	11	11
Acreage	80	80	80	80	80	80	80	80	99	93
Aquatic centers (sq ft)	32170	32170	32170	32170	32170	32170	32170	32170	32170	32170
Sewage disposal										
Max daily capacity	12.5 mgd									
Water										
Max daily capacity	8.5 mgd	8.5 mgd	8.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd
Fire hydrants	468	475	479	483	485	485	485	485	486	488

Source: City of Dallas