



**CITY OF DALLAS
POLK COUNTY, OREGON**

Annual Comprehensive Financial Report



For the Year Ended June 30, 2022

City of Dallas, Oregon

Annual Comprehensive Financial Report

For the Fiscal Year Ended

June 30, 2022

Prepared by

The Financial Department

City of Dallas, Oregon

Cecilia Ward, Finance Director

CITY OF DALLAS, OREGON
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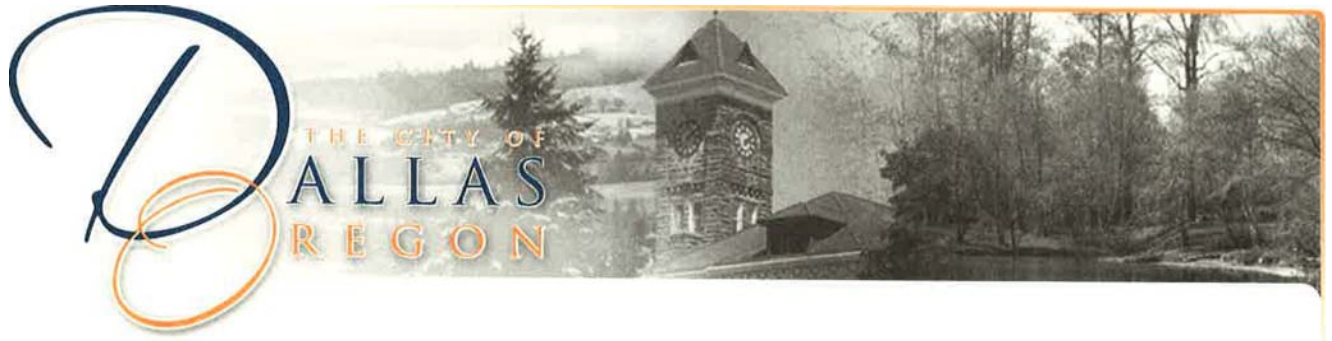
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INTRODUCTORY SECTION



December 30, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report of the City of Dallas, Oregon for the fiscal year ended June 30, 2022.

This report presents the financial position of the City as of June 30, 2022 and the results of its operations for the fiscal year then ended. The financial statements and supporting schedules have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and meet the requirements of the standards prescribed by the Oregon Secretary of State Audits Division. Management is responsible for the content of the Comprehensive Annual Financial Report. We believe the data, as presented, is accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City.

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 and has been provided as a separate financial report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A is located immediately following the independent auditor's report.

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 as of July 1st 2022 for the City of Dallas was 17,836.

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>
2022 PSU Estimate	17,836	90,593
2010 Census	14,583	75,403
2000 Census	12,459	62,380

ECONOMIC OUTLOOK

In its November 2022 Economic Forecast, the State of Oregon suggests a “mild recession” to occur in the third quarter of 2023, (“more likely than not”) driven by declines in housing and real estate investments due to rising interest rates. The state terms this recession “as mild as they come” and is primarily related to inflation and its related impacts which may result in no job losses.

The City of Dallas continues to see strong building permit activity keeping pace with the quantity and valuation of permit activity during the same time period last year.

The City's business sector continues to experience growth, in retail, manufacturing and health care. Major local employers continue to see growth, and the community welcomed a new major employer into Dallas as the year ended, with Ascentec Engineering purchasing the former American Gas & Technology building on Monmouth Cutoff Road and OpenRoad Transportation undertaking a significant expansion project.

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 regards to the City's long-term debt obligations, including compensated absences, the City has a total of \$13.38 million (excluding premium) in long-term debt outstanding as of June 30, 2022.

MAJOR INITIATIVES

Citywide Strategic Plan

The City Council renewed its five-year strategic plan in June 2021. This plan contains several direct economic goals and action items, as listed below. In addition, the Council adopted a five year Economic Development Strategy, which is summarized following the relevant Strategic Plan Goals and Initiatives listed below:

FY2023 Council Priority Goals:

Goal 18: Prepare the former mill site for redevelopment

Actions:

- a. *Apply for a TGM grant to conduct a feasibility study and analysis regarding the extension of Monmouth Cutoff Road through the mill site property to Main Street, as well as determining appropriate land uses if an extension were to occur. –The City was awarded a TGM grant in 2021; consultant has been selected to do the work; project is scheduled to begin in 2023.*
- b. *Consider the creation of an urban renewal district to include the mill site property. – The South Dallas Urban Renewal District, which encompasses over 420 acres, was officially adopted in 2022.*
- c. *Study floodplain and environmental barriers to redevelopment. Start by the end of FY 2024.*

Other related Goals:

Goal 9: Preserve Dallas’s cherished historic downtown.

Actions:

- a. *Establish a historic preservation webpage on the city’s website. Complete by the end of FY 2022. – Work in progress due to staffing changes.*
- b. *Create and maintain an educational plan on the National Register and other preservation interests. Continued in FY 2023. – Work in progress due to staffing changes.*
- c. *Apply for the next Certified Local Government grant by January 2023. Grant will further work toward the creation of a downtown historic district. – Work underway and on track.*
- d. *Have the Economic Development Specialist position, among other tasks, provide staff support to the Dallas Downtown Association. – Accomplished according to plan.*

Goal 12: Diversify our local economy by adding new businesses and expanding existing businesses in our industrial, and manufacturing sectors, including creating and maintaining local incentives.

Actions:

- a. *Better promote and utilize our Enterprise Zone tax abatement program and authorize a minimum of one business per year. – Two new Enterprise Zone applications have been received in 2021-22.*
- b. *Consider tax incentive and SDC relief for certain projects.*

Goal 13: Create and maintain a balanced approach between downtown redevelopment and new/expanded commercial development.

Actions:

- a. *Explore options for expanding our Commercial lands. – A consultant has been selected to revise and update the LaCreole Node Master Plan with the partial goal to maximize the amount of Commercial land available in the Node. In addition, some of this work will be accomplished through the Mill Site Redevelopment TGM project.*
- b. *Work specifically with the former mill site property owners to prepare the site for redevelopment, including options for rezoning portions of site to commercial zoning – Some of this will be accomplished through the Mill Site Redevelopment TGM project.*

Goal 14: Capitalize on our surrounding agricultural and natural assets to bring new businesses to the City.

Actions:

- a. *Build partnerships and make connections with regional wineries and commercial property owners to encourage the development of wine-related businesses and tasting rooms.*
- b. *Continue and maintain our participation with the Polk County Tourism Alliance to encourage and support tourism-related business opportunities. – New PCTA staff person hired in 2022 and the City of Dallas staff are active in this body of work.*
- c. *Have the Economic Development Specialist position, among other tasks, provide staff support to the Dallas Area Visitor's Center (Explore Dallas).*

Goal 15: Incentivize commercial and industrial development

Actions:

- a. *Work with real estate brokers, property owners, and local/regional partnerships to actively market our commercial and industrial properties.*

Goal 16: We will build an entrepreneurial ecosystem supporting small business owners, and persons interested in going into business.

Actions:

- a. *The Economic Development Commission will research and explore partnerships to determine the feasibility and plan of creating a local business incubator for entrepreneurs.*
- b. *We will engage with the Strategic Economic Development Corporation (SEDCOR), Chemeketa Community College, the Dallas Downtown Association, the Dallas Area Chamber of Commerce, Oregon Entrepreneurs Network, the Small Business Development Center, and others to host business meet ups, trainings, and networking opportunities for Dallas entrepreneurs / small business owners.*
- c. *Develop, maintain and utilize a business registry to more effectively communicate with the Dallas business community. Complete by end of FY 2023.*

Goal 17: The Dallas Development Commission will use urban renewal funds to leverage private investment into downtown privately-owned buildings.

Actions:

- a. *Building and minor improvement grant programs will continue to be offered to building owners, as funding allows. —After a record of 17 new Building Improvement Grant applications were received in 2021 the demand for grant dollars exceeded the supply of grant funding, leading to a temporary suspension of the program. The Minor Improvement Grant program remains active, and two rounds of ARPA-funded Building Improvement Grants have been approved, with seven projects chosen for awards in the 2022 round.*
- b. *The commission will pursue opportunities to purchase land and/or property within the district for redevelopment. Continue in FY 2023. – The Agency submitted an offer on an abandoned bank property at 791 Main Street in 2022 with the goal of redevelopment; as of December 2022, the transaction has not closed.*

2022-26 Economic Development Strategy

In November 2021 the City Council adopted the Dallas 2022-26 Economic Development Strategy. This new Strategy, developed by the City's Economic Development Commission, with staff support, identified

the following:

Purpose statement:

- Increase the Commercial and Industrial property tax base in Dallas.

This purpose will be accomplished through the following two long-range activities:

- PRIORITY #1. Address the Commercial Lands deficit in Dallas.
- PRIORITY #2. Prepare the Dallas Mill Site for development.

This purpose will be supported by the following short-term activity:

- PRIORITY #3. Continue Urban Renewal and downtown revitalization efforts.

This purpose will be supported by the following Primary Objective to guide day-to-day activities:

- Engage with the Dallas business community and regional partners to facilitate a healthy, growing and diverse local economy.

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, capital outlay, 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, 2022.

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+Co, 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, 2022, 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

Annual Comprehensive 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 annual comprehensive financial report for the fiscal year ended June 30, 2021. 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 annual comprehensive financial report (ACFR) whose contents conform to program standards. Such ACFR 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 thirty-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 Annual Comprehensive 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+Co. 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

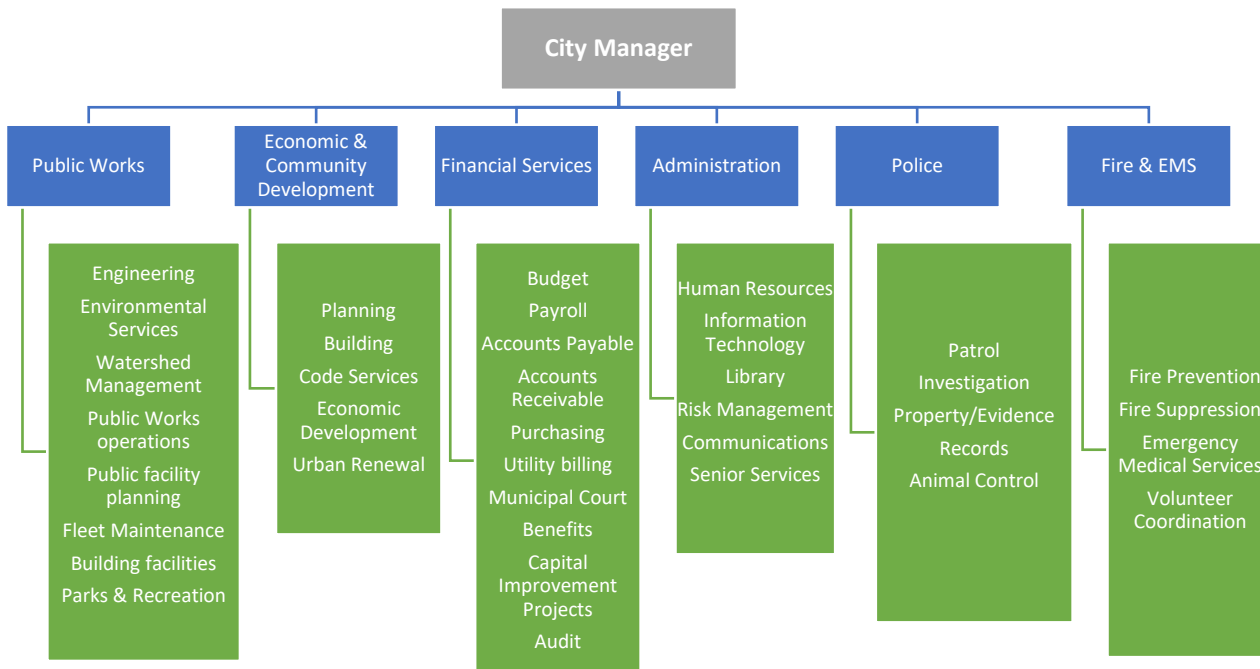
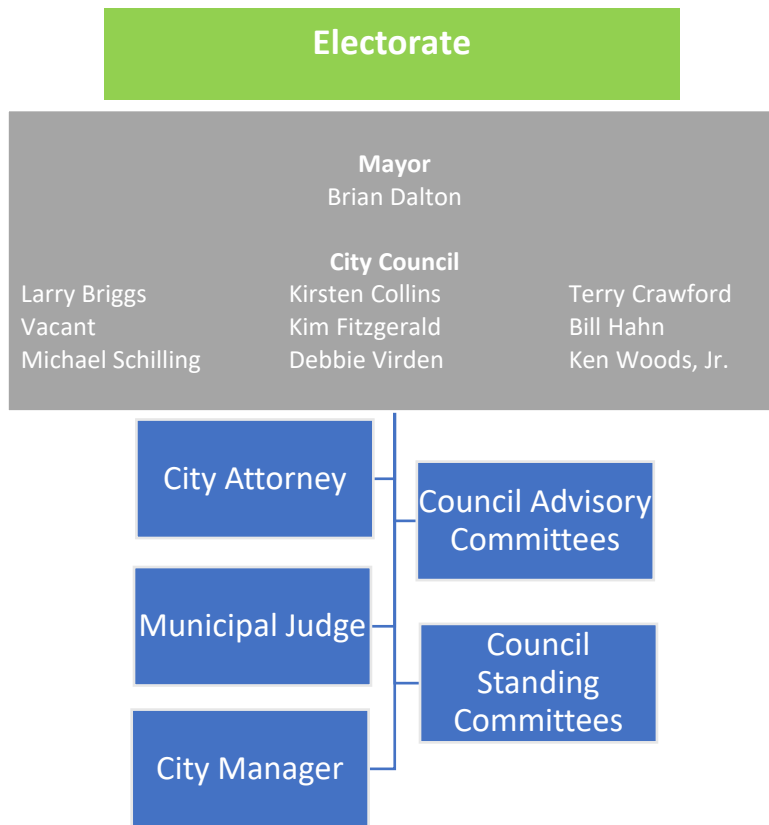
**City of Dallas
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



CITY OF DALLAS, OREGON
MAYOR AND COUNCIL MEMBERS
June 30, 2022

<u>Name</u>	<u>Term Expires</u>
Brian Dalton, Mayor 1650 SW Bridlewood Dr Dallas, OR 97338	December 2022
Michael Schilling, Council President 860 SE LeCreole Dr Dallas, OR 97338	December 2022
Bill Hahn PO Box 405 Dallas, OR 97338	December 2022
Ken Woods, Jr. 1130 Main St Dallas, OR 97338	December 2024
Terry Crawford 711 NW Ashley St Dallas, OR 97338	December 2022
Larry Briggs 1244 SE Academy St Dallas, OR 97338	December 2022
Kirsten Collins 1990 SE Gordon Ct Dallas, OR 97338	December 2024
Kim Fitzgerald 490 SE Fir Villa Rd Dallas, OR 97338	December 2024
Debbie Virden 571 SE Mifflin St Dallas, OR 97338	December 2024

City Officials
Brian Latta, City Manager
Cecilia Ward, Finance Director

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Dallas, Oregon

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Dallas, Oregon, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Dallas, Oregon's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Dallas, Oregon, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (GAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Dallas, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As discussed in Note 17 to the financial statements, the City of Dallas adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

City of Dallas, Oregon's 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Dallas's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that

an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Dallas's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Dallas's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions – pension, schedule of the proportionate share of OPEB - RHIA, schedule of contributions to OPEB – RHIA, schedule of changes in OPEB liability and related ratios – implicit rate subsidy and schedule of contributions to OPEB – implicit rate subsidy, 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 schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, are the responsibility of management and were 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 Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Dallas, Oregon's basic financial statements. The accompanying other supplementary information, as listed in the table of contents including the combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information, as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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, 2022 on our consideration of City of Dallas, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Dallas, Oregon's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dallas, Oregon's internal control over financial reporting and 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, 2022, on our consideration of City of Dallas, Oregon'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.



For Merina+Co
Tualatin, Oregon
December 30, 2022

**CITY OF DALLAS
POLK COUNTY, OREGON**

Year Ended June 30, 2022

MANAGEMENT’S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis of the City of Dallas Annual Comprehensive Financial Report (ACFR) presents a discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2022. 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 \$28,068,738, an increase of \$7,167,766 in comparison with the previous year. The General Fund ending fund balance increased 69 percent to \$6,288,395 due to a decrease in operating expenditures across all general fund departments and a number of one time revenues.

Governmental Funds: Changes in Fund Balances

Fund	June 30, 2022	June 30, 2021	Increase (decrease)	Percent Change
	Fund Balance	Fund Balance		
General Fund	\$ 6,288,395	\$ 3,715,726	\$ 2,572,669	69.24%
Systems Development Fund	13,728,752	12,500,366	1,228,386	9.83%
Grant/Capital Projects Fund	2,317	(67,501)	69,818	-103.43%
Risk Management Fund	24,528	148,143	(123,615)	-83.44%
Building Inspection Fund	1,207,155	1,070,379	136,776	12.78%
Street Fund	6,072,818	2,692,847	3,379,971	125.52%
Police Officer and Firefighter/EMS Fee Fund	257,654	165,539	92,115	55.65%
Trust/Reserve Fund	131,393	154,086	(22,693)	-14.73%
Urban Renewal Fund	355,715	521,376	(165,661)	-31.77%
General Debt Fund	11	11	-	0.00%
	<u>\$ 28,068,738</u>	<u>\$ 20,900,972</u>	<u>\$ 7,167,766</u>	<u>34.29%</u>

Governmental Fund Balances for the Last Five Fiscal Years



Business-type net position increased \$5,272,861 (14.37 percent) for the 2021-22 fiscal year. Operating income for the Sewer, Water and Storm Water Funds was \$3,324,992. The net position from non-operating revenues and expenses was (\$107,651). During 2021-22 the wastewater treatment facility replaced a large pump and motor and updated the clarifier; the water fund purchased two trucks and started the AMR (automated meter reading) project; and the storm water shared the cost of an excavator with water and sewer funds and the street fund (a governmental fund).

Changes in Net Position: Proprietary Funds

Fund	June 30, 2022	June 30, 2021	Increase (decrease)	Percent Change
	Net Position	Net Position		
Water Fund	\$ 15,965,355	\$ 14,241,919	\$ 1,723,436	12.10%
Sewer Fund	21,732,289	19,519,682	2,212,607	11.34%
Storm Water Fund	4,267,069	2,930,251	1,336,818	45.62%
	<u>\$ 41,964,713</u>	<u>\$ 36,691,852</u>	<u>\$ 5,272,861</u>	<u>14.37%</u>

Proprietary Funds: Net Position for the Last Five Fiscal Years



For Fiscal Year 2021-22 there was a moderate growth in net position for the three enterprise funds where net position increased 12.10% in the Water Fund and increased 11.34% in the Sewer Fund. The increase in the Sewer Fund reflects an increase in cash and cash equivalents. The Storm Water Fund shows an increase of 45.62% due to a storm water rate increase reflected in operating revenues and an increase in cash and cash equivalents.

Internal Service Fund (Fleet Management Fund) net position decreased by \$81,307 for the 2021-22 fiscal year due to reduced capital assets and decrease in liabilities.

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 total 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, water service and storm water service.

The government-wide financial statements are on pages 2 and 3 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 10 individual governmental funds. Information is presented separately for the General Fund, Street Fund and System Development 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 63 through 70 in this report.

The City of Dallas adopts an annual appropriated budget for all of its funds. Budgetary comparison schedules, demonstrating compliance with this budget, have been provided on pages 73 through 87 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, Water and Storm 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, Storm 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 13 through 50 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.

Increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the City, additional nonfinancial factors such as changes in the City's property tax base, and the condition of the City's infrastructure must be considered.

STATEMENT OF NET POSITION

Net position serves as a useful indicator of a government's financial position. The City has continued to see assets exceeding liabilities. Total assets and deferred outflows of resources for the City of Dallas were \$136,991,632 while total liabilities and deferred inflows of resources were \$30,909,726 resulting in combined net position (governmental and business-type activities) of \$106,081,906. The largest component of the City's total net position, \$80,708,209 or 76%, 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.

Combined net position of the City of Dallas at June 30, 2022 and 2021 was as follows:

Statement of Net Position
Years ended June 30, 2022 and 2021

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
Current assets	\$ 31,578,688	\$ 22,094,932	\$ 6,822,103	\$ 5,123,564	\$ 38,400,791	\$ 27,218,496
Non-current assets:						
Lease receivable	\$ 213,205	\$ -	\$ -	\$ -	213,205	-
Net OPEB asset	104,250	75,130	14,738	11,949	118,988	87,079
Capital assets	49,776,905	48,755,932	42,986,620	40,345,894	92,763,525	89,101,826
<i>Total Assets</i>	81,673,048	70,925,994	49,823,461	45,481,407	131,496,509	116,407,401
Deferred outflows of resources	4,814,481	3,959,031	680,642	629,670	5,495,123	4,588,701
<i>Total assets and deferred outflows of resources</i>	<u>\$ 86,487,529</u>	<u>\$ 74,885,025</u>	<u>\$ 50,504,103</u>	<u>\$ 46,111,077</u>	<u>\$ 136,991,632</u>	<u>\$ 120,996,102</u>
Current liabilities	\$ 3,803,166	\$ 1,104,317	\$ 1,109,718	\$ 1,378,222	\$ 4,912,884	\$ 2,482,539
Long-term liabilities:						
Net pension liability	6,484,311	10,342,046	916,710	1,644,864	7,401,021	11,986,910
Other liabilities	6,611,702	3,352,688	5,779,330	6,311,526	12,391,032	9,664,214
<i>Total Liabilities</i>	16,899,179	14,799,051	7,805,758	9,334,612	24,704,937	24,133,663
Deferred inflows of resources	5,471,157	532,012	733,632	84,613	6,204,789	616,625
Net Position:						
Net investment in capital assets	43,944,286	46,675,558	36,763,923	33,606,006	80,708,209	80,281,564
Restricted	21,600,094	17,014,195	14,738	11,949	21,614,832	17,026,144
Unrestricted	(1,427,187)	(4,135,791)	5,186,052	3,073,897	3,758,865	(1,061,894)
<i>Total Net Position</i>	64,117,193	59,553,962	41,964,713	36,691,852	106,081,906	96,245,814
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 86,487,529</u>	<u>\$ 74,885,025</u>	<u>\$ 50,504,103</u>	<u>\$ 46,111,077</u>	<u>\$ 136,991,632</u>	<u>\$ 120,996,102</u>

Statement of Activities
Years ended June 30, 2022 and 2021

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2021-22	2020-21	2021-22	2020-21	2021-22	2020-21
<i>Revenues:</i>						
<i>Program Revenues:</i>						
Charges for services	\$ 5,591,236	\$ 5,402,761	\$ 7,940,982	\$ 7,615,887	\$ 13,532,218	\$ 13,018,648
Operating grants and contributions	296,609	357,951	-	-	296,609	357,951
Capital grants and contributions	2,904,396	1,745,490	3,292,320	1,149,255	6,196,716	2,894,745
<i>General Revenues:</i>						
Property taxes	5,390,902	5,108,364	-	-	5,390,902	5,108,364
Public service taxes	3,005,747	2,076,648	-	-	3,005,747	2,076,648
Interest and investment earnings	105,234	67,877	51,209	54,554	156,443	122,431
Other Revenues	4,150,940	3,486,477	177,380	198,045	4,328,320	3,684,522
<i>Total Revenues</i>	<u>21,445,064</u>	<u>18,245,568</u>	<u>11,461,891</u>	<u>9,017,741</u>	<u>32,906,955</u>	<u>27,263,309</u>
<i>Expenses:</i>						
General government	(4,019,169)	(3,843,319)	-	-	(4,019,169)	(3,843,319)
Public safety	(7,213,285)	(7,825,297)	-	-	(7,213,285)	(7,825,297)
Highways and street	(2,714,590)	(2,712,010)	-	-	(2,714,590)	(2,712,010)
Culture and recreation	(1,074,861)	(1,176,670)	-	-	(1,074,861)	(1,176,670)
Community development	(2,936,614)	(2,322,457)	-	-	(2,936,614)	(2,322,457)
Interest on long-term debt	(160,114)	(115,103)	-	-	(160,114)	(115,103)
Sewage disposal	-	-	(2,144,924)	(2,317,611)	(2,144,924)	(2,317,611)
Water	-	-	(2,406,875)	(2,578,628)	(2,406,875)	(2,578,628)
Storm Water	-	-	(400,431)	(253,439)	(400,431)	(253,439)
<i>Total Expenses</i>	<u>(18,118,633)</u>	<u>(17,994,856)</u>	<u>(4,952,230)</u>	<u>(5,149,678)</u>	<u>(23,070,863)</u>	<u>(22,891,095)</u>
Increase (decrease) in net position before transfers	3,326,431	250,712	6,509,661	3,868,063	9,836,092	4,118,775
Transfers in (out)	1,236,800	1,248,500	(1,236,800)	(1,248,500)	-	-
Change in net position	4,563,231	1,499,212	5,272,861	2,619,563	9,836,092	4,118,775
Net position - beginning	59,553,962	57,238,135	36,691,852	34,889,973	96,245,814	92,128,108
Prior period adjustment	-	816,615	-	(817,684)	-	(1,069)
Net position - ending	<u>\$ 64,117,193</u>	<u>\$ 59,553,962</u>	<u>\$ 41,964,713</u>	<u>\$ 36,691,852</u>	<u>\$ 106,081,906</u>	<u>\$ 96,245,814</u>

Governmental Activities. Total revenues for the City of Dallas' governmental activities for the fiscal year ended June 30, 2022, were \$21,445,064 (excluding transfers). Approximately 25% of the total revenue for the governmental activities was derived from property taxes and approximately 26% of the total revenue is from charges for services. Total expenses for governmental activities were \$18,118,633 (excluding transfers), resulting in an increase in net position of \$4,563,231. The majority of the governmental activities revenue was used to fund public safety, which accounts for approximately 40% of the total governmental activities expense. Culture and recreation expenses account for 6% of the total, community development accounts for 16%, highways and streets account for 15%, and general government expenses account for 22% of the total. Interest on long-term debt expenses is less than 1% 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, capital grants and contributions, and general revenues of business-type activities totaled \$11,461,891 (excluding transfers) for the current fiscal year. Approximately 69% of the total business-type activities revenue was derived from charges for services. The total expenses for business-type activities were \$4,952,230 (excluding transfers), resulting in an increase of net position by \$5,272,861. Business-type activities for the City of Dallas consist of operations for sewage disposal, water and storm 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 \$28,068,738 an increase of \$7,167,766 or 34.29%, from the prior year. The City's governmental funds include the General fund, Street fund, Systems Development 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 \$6,288,395, an increase of \$2,572,669 (69.24 percent) from the prior year (on the modified accrual basis). The increase was due to a decrease in operating expenditures across all general fund departments and one time revenues.

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 \$6,072,818, an increase of 125.52% from the prior year. The increase was due to loan proceeds.

The Systems Development Fund is used to account for fees and capital improvements associated with growth and development. The fund balance of the Systems Development Fund at June 30, 2022 was \$13,728,752. An increase of \$1,228,386 due to a decrease in projects and increase in building permits.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were several amendments to the original budget. Actual revenues (budgetary basis) were more by 6.3% of budgeted amounts due to receipt of ARPA funds and other one time revenues. Actual expenditures were 8% less than budgeted amounts due primarily to controlled spending of materials and services across all 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, \$92,763,525 net of accumulated depreciation, compared to \$89,101,826 at the end of last fiscal year. Capital assets include land, buildings, improvements, equipment, and infrastructure. The increase in capital assets for governmental activities is due to a large streets overlay project. For business-type activities, capital asset additions consisted of equipment at the waste water treatment facility; various machinery and equipment; the automated meter reading system project. Additional information about the City's capital assets is presented in the notes to the financial statements on page 26.

Capital Assets
Years ended June 30, 2022 and 2021

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<u>2021-22</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2020-21</u>
Land	\$ 1,108,613	\$ 1,108,613	\$ 2,999,811	\$ 2,999,811	\$ 4,108,424	\$ 4,108,424
Buildings and improvements	18,243,669	18,230,867	70,097,736	66,550,693	88,341,405	84,781,560
Machinery and equipment	11,956,036	11,860,466	1,489,199	1,129,995	13,445,235	12,990,461
Infrastructure	86,029,551	81,783,155	-	-	86,029,551	81,783,155
Accumulated depreciation	<u>(67,560,964)</u>	<u>(64,227,169)</u>	<u>(31,600,126)</u>	<u>(30,334,605)</u>	<u>(99,161,090)</u>	<u>(94,561,774)</u>
<i>Total Net Capital Assets</i>	<u>\$ 49,776,905</u>	<u>\$ 48,755,932</u>	<u>\$ 42,986,620</u>	<u>\$ 40,345,894</u>	<u>\$ 92,763,525</u>	<u>\$ 89,101,826</u>

Long-term Obligations. At the end of the current fiscal year, long-term debt outstanding for the governmental activities totaled \$6,697,619 (excluding compensated absences payable), compared to \$3,060,364 the prior year. For business-type activities, long term debt outstanding totaled \$6,222,697 (excluding compensated absences payable), compared to \$6,739,888 the prior year. The increase in governmental debt is due to new full faith and credit financing for street improvements. The decrease in business-type activity debt is also due to principal payments on debt outstanding. No new debt for business-type activity was issued for FY 2021-22. Additional information about the City’s long-term debt is presented in the notes to the financial statements on page 27 through 31.

Long-Term Debt
Years ended June 30, 2022 and 2021

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<u>2021-22</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2020-21</u>
General Obligation Bonds	\$ 5,426,000	\$ 1,427,000	\$ -	\$ -	\$ 5,426,000	\$ 1,427,000
Pension Obligation Bonds	865,000	1,080,000	-	-	865,000	1,080,000
Capital Lease/Loans	295,083	415,539	-	-	295,083	415,539
Notes Payable	<u>111,536</u>	<u>137,825</u>	<u>6,222,697</u>	<u>6,739,888</u>	<u>6,334,233</u>	<u>6,877,713</u>
<i>Total Net Position</i>	<u>\$ 6,697,619</u>	<u>\$ 3,060,364</u>	<u>\$ 6,222,697</u>	<u>\$ 6,739,888</u>	<u>\$ 12,920,316</u>	<u>\$ 9,800,252</u>

ECONOMIC FACTORS 2022

The City’s tax base is comprised of residential, commercial, and industrial properties. Residential property accounts for the highest percentage of the tax base. The City had expansion in both commercial and residential development. Building permit activity in 2022 was up over 2021 with YTD 731 permits issued. However, the total valuation was down slightly at \$51,515,135. Overall, the population of the City of Dallas is continuing to see growth year over year. Portland State population growth estimates show the City of Dallas grew 3% this year and now has an estimated population of 17,836. This growth rate is much higher than the statewide total over the same period of 0.35%.

The 2022 unemployment rate in the Dallas area is 3.9%, which is lower than the 2021 rate, but slightly above the 2019 rate. The coronavirus affected unemployment rates statewide in 2020 and early 2021, but the state and the region have largely recovered from losses incurred during the peak of the pandemic. The Salem MSA, of which Dallas and Polk County are a part, continues to lag behind its pre-pandemic job numbers, and in 2022 lagged behind the rest of the state as well.

Property taxes, franchise fees and charges for services are the three primary funding sources for the General Fund of the City. Of the three, property tax revenue is the largest single revenue stream the City's General Fund has, but the State laws capping property tax rates and maximum yearly increases does not allow this revenue stream to keep up with expenditures.

In 2022, the City added to its capacity by hiring a new Economic Development Specialist position, focusing on the downtown, tourism and other economic development functions, to include historic preservation. The Economic Development Commission and staff continue to carry out the city's new economic development strategy to encourage and support business and employment growth, which will add to the tax base of the city. In 2022, the City created its second Urban Renewal District, the South Dallas URD, which covers over 420 acres of mostly industrial land in the southern portion of the city, to include the Dallas Mill Site. The City's Downtown Urban Renewal District continues to support and leverage investments in private building projects with building improvement grants to the private sector, leading to additional investment in the District, coupled with ARPA funds.

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.

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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.

CITY OF DALLAS, OREGON
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current assets:			
Cash and cash equivalents	\$ 29,485,414	\$ 7,169,927	\$ 36,655,341
Cash held with county	35,812	-	35,812
Accounts receivable, net	1,012,819	286,310	1,299,129
Property taxes receivable	142,194	-	142,194
Current portion of lease receivable	68,640	-	68,640
Interfund loan receivable (payable)	833,809	(833,809)	-
Inventory	-	199,675	199,675
Total current assets	31,578,688	6,822,103	38,400,791
Noncurrent assets:			
Lease receivable	213,205	-	213,205
Net OPEB asset	104,250	14,738	118,988
Capital assets:			
Nondepreciable	1,108,613	2,999,811	4,108,424
Depreciable, net	48,668,292	39,986,809	88,655,101
Total noncurrent assets	50,094,360	43,001,358	93,095,718
Total assets	81,673,048	49,823,461	131,496,509
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pension	4,780,504	675,838	5,456,342
Deferred outflows related to OPEB	33,977	4,804	38,781
Total deferred outflows of resources	4,814,481	680,642	5,495,123
Total assets and deferred outflows of resources	\$ 86,487,529	\$ 50,504,103	\$ 136,991,632
LIABILITIES:			
Current liabilities:			
Accounts payable and accrued expenses	\$ 2,164,684	\$ 497,853	\$ 2,662,537
Payroll liabilities	226,031	-	226,031
Unearned revenue	-	8,938	8,938
Interest payable	20,753	59,599	80,352
Deposits payable	577,824	-	577,824
Current portion of compensated absences	101,236	13,573	114,809
Current portion of long-term debt	712,638	529,755	1,242,393
Total current liabilities	3,803,166	1,109,718	4,912,884
Noncurrent liabilities:			
Net pension liability	6,484,311	916,710	7,401,021
Net OPEB liability	323,014	45,666	368,680
Noncurrent portion of compensated absences	303,707	40,722	344,429
Noncurrent portion of long-term obligations	5,984,981	5,692,942	11,677,923
Total noncurrent liabilities	13,096,013	6,696,040	19,792,053
Total liabilities	16,899,179	7,805,758	24,704,937
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflow related to lease receivable	281,845	-	281,845
Deferred inflow related to pension	5,105,776	721,822	5,827,598
Deferred inflow related to OPEB	83,536	11,810	95,346
Total deferred inflows of resources	5,471,157	733,632	6,204,789
NET POSITION:			
Net investment in capital assets	43,944,286	36,763,923	80,708,209
Restricted for:			
OPEB benefits	104,250	14,738	118,988
Urban renewal projects	355,715	-	355,715
Debt service	11	-	11
Streets	6,072,818	-	6,072,818
Building department	1,207,155	-	1,207,155
Trust	131,393	-	131,393
System development	13,728,752	-	13,728,752
Unrestricted	(1,427,187)	5,186,052	3,758,865
Total net position	64,117,193	41,964,713	106,081,906
Total liabilities, deferred inflows of resources, and net position	\$ 86,487,529	\$ 50,504,103	\$ 136,991,632

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, 2022

Functions/Programs	Expenses	Program Revenues			Net Expense Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
Governmental activities:							
General government	\$ 4,019,169	\$ 2,192,551	\$ -	\$ -	\$ (1,826,618)	\$ -	\$ (1,826,618)
Public safety	7,213,285	2,710,924	40,457	-	(4,461,904)	-	(4,461,904)
Highways and streets	2,714,590	-	100,000	2,618,686	4,096	-	4,096
Culture and recreation	1,074,861	670,535	2,924	285,710	(115,692)	-	(115,692)
Community development	2,936,614	17,226	153,228	-	(2,766,160)	-	(2,766,160)
Interest on long-term debt	160,114	-	-	-	(160,114)	-	(160,114)
Total governmental activities	18,118,633	5,591,236	296,609	2,904,396	(9,326,392)	-	(9,326,392)
Business type activities:							
Sewer Fund	2,144,924	3,890,179	-	973,720	-	2,718,975	2,718,975
Water Fund	2,406,875	3,290,834	-	1,274,750	-	2,158,709	2,158,709
Storm Water Fund	400,431	759,969	-	1,043,850	-	1,403,388	1,403,388
Total business-type activities	4,952,230	7,940,982	-	3,292,320	-	6,281,072	6,281,072
Total government	\$ 23,070,863	\$ 13,532,218	\$ 296,609	\$ 6,196,716	(9,326,392)	6,281,072	(3,045,320)
General revenues:							
Taxes:							
Property taxes					5,390,902	-	5,390,902
Public service taxes					3,005,747	-	3,005,747
Interest and investment earnings					105,234	51,209	156,443
Other revenues					4,124,651	177,380	4,302,031
Gain (loss) on sale of capital assets					26,289	-	26,289
Transfers in (out)					1,236,800	(1,236,800)	-
Total general revenues and transfers					13,889,623	(1,008,211)	12,881,412
Change in net position					4,563,231	5,272,861	9,836,092
Net position - beginning					59,553,962	36,691,852	96,245,814
Net position - ending					\$ 64,117,193	\$ 41,964,713	\$ 106,081,906

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.

Street Fund

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

System Development Fund

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

CITY OF DALLAS, OREGON
 BALANCE SHEET - GOVERNMENTAL FUNDS
 June 30, 2022

	General Fund	Street Fund	System Development Fund	Other Governmental	Total Governmental
ASSETS:					
Cash and cash equivalents	\$ 6,452,752	\$ 8,105,325	\$ 12,571,894	\$ 2,002,576	\$ 29,132,547
Cash held with county	34,271	-	-	1,541	35,812
Accounts receivable	829,485	158,119	-	21,446	1,009,050
Property taxes receivable	136,151	-	-	6,043	142,194
Lease receivable	281,845	-	-	-	281,845
Interfund loan receivable	-	-	1,166,447	-	1,166,447
Total assets	<u>\$ 7,734,504</u>	<u>\$ 8,263,444</u>	<u>\$ 13,738,341</u>	<u>\$ 2,031,606</u>	<u>\$ 31,767,895</u>
LIABILITIES:					
Accounts payable and other current liabilities	\$ 224,258	\$ 1,857,988	\$ 9,589	\$ 46,790	\$ 2,138,625
Payroll liabilities	226,031	-	-	-	226,031
Deposits payable	577,824	-	-	-	577,824
Interfund loan payable	-	332,638	-	-	332,638
Total liabilities	<u>1,028,113</u>	<u>2,190,626</u>	<u>9,589</u>	<u>46,790</u>	<u>3,275,118</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable revenue - property taxes	136,151	-	-	6,043	142,194
Unavailable revenue - lease receivable	281,845	-	-	-	281,845
Total deferred inflows of resources	<u>417,996</u>	<u>-</u>	<u>-</u>	<u>6,043</u>	<u>424,039</u>
FUND BALANCES:					
Restricted for:					
Debt	-	-	-	11	11
Urban renewal projects	-	-	-	355,715	355,715
Streets	-	6,072,818	-	-	6,072,818
Building department	-	-	-	1,207,155	1,207,155
Trust	-	-	-	131,393	131,393
System development	-	-	13,728,752	-	13,728,752
Committed for:					
Community development	-	-	-	282,182	282,182
Assigned for:					
Grants	-	-	-	2,317	2,317
Unassigned	6,288,395	-	-	-	6,288,395
Total fund balances	<u>6,288,395</u>	<u>6,072,818</u>	<u>13,728,752</u>	<u>1,978,773</u>	<u>28,068,738</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,734,504</u>	<u>\$ 8,263,444</u>	<u>\$ 13,738,341</u>	<u>\$ 2,031,606</u>	<u>\$ 31,767,895</u>

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

CITY OF DALLAS, OREGON
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2022

Total fund balances - governmental funds \$ 28,068,738

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Non - depreciable	\$ 1,101,603	
Depreciable, net	48,480,352	49,581,955

Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:

Property taxes earned but not available	142,194
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Pension - related changes	(6,621,321)
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OPEB related - changes	(260,904)
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Compensated absences payable	\$ (386,090)	
Notes and bonds payable	(6,697,619)	
Interest payable	(20,753)	(7,104,462)

Internal service funds are used by management to charge costs of insurance and information systems and services to individual funds. Assets and liabilities of the internal service funds are included in governmental activities in the statement of net position

310,993

Total net position - governmental activities:	\$ 64,117,193
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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, 2022

	General Fund	Street Fund	System Development Fund	Other Governmental	Total Governmental
REVENUES:					
Property taxes	\$ 5,159,694	\$ -	\$ -	\$ 234,069	\$ 5,393,763
Public service taxes	1,099,130	1,362,423	-	-	2,461,553
Franchise fees	1,394,247	-	-	-	1,394,247
Grants	1,885,645	-	-	296,609	2,182,254
Charges for services	2,845,962	105,010	1,960,414	-	4,911,386
Licenses and permits	1,595	-	-	624,926	626,521
Fees	-	-	-	438,340	438,340
Fines and forfeitures	125,544	-	-	-	125,544
Contributions and donations	-	-	-	106,909	106,909
Interest	43,736	56,896	-	4,602	105,234
Miscellaneous	236,346	1,021,788	10,658	202,648	1,471,440
Total revenues	12,791,899	2,546,117	1,971,072	1,908,103	19,217,191
EXPENDITURES:					
General government	1,626,508	-	-	778,991	2,405,499
Public safety	6,969,873	-	-	-	6,969,873
Highways and streets	-	501,194	-	-	501,194
Culture and recreation	571,097	-	-	213,102	784,199
Community development	1,915,327	-	-	1,035,710	2,951,037
Capital outlay	203,335	2,416,667	579,413	9,950	3,209,365
Debt service:					
Principal	183,745	404,000	-	115,000	702,745
Interest	38,389	75,385	-	49,039	162,813
Total expenditures	11,508,274	3,397,246	579,413	2,201,792	17,686,725
Revenues over (under) expenditures	1,283,625	(851,129)	1,391,659	(293,689)	1,530,466
OTHER FINANCING SOURCES (USES):					
Issuance of debt	-	4,340,000	-	-	4,340,000
Transfers in	1,617,544	-	26,527	538,900	2,182,971
Transfers out	(328,500)	(108,900)	(189,800)	(258,471)	(885,671)
Total other financing sources (uses)	1,289,044	4,231,100	(163,273)	280,429	5,637,300
Net changes in fund balances	2,572,669	3,379,971	1,228,386	(13,260)	7,167,766
FUND BALANCES, BEGINNING	3,715,726	2,692,847	12,500,366	1,992,033	20,900,972
FUND BALANCES, ENDING	\$ 6,288,395	\$ 6,072,818	\$ 13,728,752	\$ 1,978,773	\$ 28,068,738

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, 2022

Amounts reported in the statement of activities are different because:

Net change in fund balances		\$ 7,167,766
<p>The statement of revenues, expenditures, and changes in fund balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.</p>		
Capital asset additions	\$ 2,215,741	
Current year depreciation	<u>(3,320,921)</u>	(1,105,180)
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.</p>		
Capital contributions		2,142,720
<p>Some revenue provide current financial resources in the governmental funds and are not reported in the statement of activities.</p>		
		(2,861)
<p>Governmental funds report pension contributions as expenditures. However, in the statements of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
		56,427
<p>Governmental funds report OPEB contributions as expenditures. However, in the statements of activities, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense.</p>		
		(24,117)
<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>		
		(81,307)
<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. This is the amount by which proceeds exceeded repayments.</p>		
Debt service principal payments	\$ 702,745	
Accrued interest expense	2,699	
Compensated absences	<u>44,339</u>	<u>(3,590,217)</u>
Change in net position of governmental activities		<u>\$ 4,563,231</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.

Storm Water Fund

The Storm water Fund accounts for storm drain services for residents of the City.

For Generally Accepted Accounting Principles purposes, these aforementioned funds are consolidated and included as three separate Enterprises funds.

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, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Sewer Fund	Water Fund	Storm Water Fund	Total	Internal Service Fund
ASSETS:					
Current assets:					
Cash and cash equivalents	\$ 3,073,244	\$ 3,330,543	\$ 766,140	\$ 7,169,927	\$ 352,867
Accounts receivables, net	156,716	97,318	32,276	286,310	3,769
Inventories	19,191	180,484	-	199,675	-
Total current assets	<u>3,249,151</u>	<u>3,608,345</u>	<u>798,416</u>	<u>7,655,912</u>	<u>356,636</u>
Noncurrent assets:					
Net OPEB asset	4,213	9,575	950	14,738	2,882
Nondepreciable	663,527	2,336,284	-	2,999,811	7,010
Depreciable, net	19,050,318	17,297,443	3,639,048	39,986,809	187,940
Total noncurrent assets	<u>19,718,058</u>	<u>19,643,302</u>	<u>3,639,998</u>	<u>43,001,358</u>	<u>197,832</u>
Total assets	<u>22,967,209</u>	<u>23,251,647</u>	<u>4,438,414</u>	<u>50,657,270</u>	<u>554,468</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred outflow related to pension	193,190	439,076	43,572	675,838	132,166
Deferred outflow related to OPEB benefits	1,373	3,121	310	4,804	939
Total deferred outflows of resources	<u>194,563</u>	<u>442,197</u>	<u>43,882</u>	<u>680,642</u>	<u>133,105</u>
Total assets and deferred outflows of resources	<u>\$ 23,161,772</u>	<u>\$ 23,693,844</u>	<u>\$ 4,482,296</u>	<u>\$ 51,337,912</u>	<u>\$ 687,573</u>
LIABILITIES:					
Current liabilities:					
Accounts payable and accrued expenses	\$ 282,932	\$ 193,322	\$ 21,599	\$ 497,853	\$ 26,059
Interest payable	5,521	54,078	-	59,599	-
Unearned revenue	-	8,938	-	8,938	-
Interfund loan payable	-	751,344	82,465	833,809	-
Current accrued compensated absences	3,555	9,563	455	13,573	4,713
Current portion of long-term debt	54,000	475,755	-	529,755	-
Total current liabilities	<u>346,008</u>	<u>1,493,000</u>	<u>104,519</u>	<u>1,943,527</u>	<u>30,772</u>
Noncurrent liabilities:					
Noncurrent accrued compensated absences	10,666	28,690	1,366	40,722	14,140
Noncurrent portion of long-term debt	588,000	5,104,942	-	5,692,942	-
Net other postemployment benefit liability	13,054	29,668	2,944	45,666	8,930
Net pension liability	262,044	595,565	59,101	916,710	179,270
Total noncurrent liabilities	<u>873,764</u>	<u>5,758,865</u>	<u>63,411</u>	<u>6,696,040</u>	<u>202,340</u>
Total liabilities	<u>1,219,772</u>	<u>7,251,865</u>	<u>167,930</u>	<u>8,639,567</u>	<u>233,112</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred inflow related to pension	206,335	468,951	46,536	721,822	141,158
Deferred inflow related to OPEB benefits	3,376	7,673	761	11,810	2,310
Total deferred inflows of resources	<u>209,711</u>	<u>476,624</u>	<u>47,297</u>	<u>733,632</u>	<u>143,468</u>
NET POSITION:					
Net investment in capital assets	19,071,845	14,053,030	3,639,048	36,763,923	194,950
Restricted for:					
OPEB benefits	4,213	9,575	950	14,738	2,882
Unrestricted	2,656,231	1,902,750	627,071	5,186,052	113,161
Total net position	<u>21,732,289</u>	<u>15,965,355</u>	<u>4,267,069</u>	<u>41,964,713</u>	<u>310,993</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 23,161,772</u>	<u>\$ 23,693,844</u>	<u>\$ 4,482,296</u>	<u>\$ 51,337,912</u>	<u>\$ 687,573</u>

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, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Fund	Water Fund	Storm Water Fund	Total	Internal Service Fund
OPERATING REVENUES:					
Charges for services	\$ 3,890,179	\$ 3,290,834	\$ 759,969	\$ 7,940,982	\$ 494,725
Miscellaneous	87,657	89,723	-	177,380	-
Total operating revenues	<u>3,977,836</u>	<u>3,380,557</u>	<u>759,969</u>	<u>8,118,362</u>	<u>494,725</u>
OPERATING EXPENSES:					
Personnel services	419,196	893,987	73,608	1,386,791	228,175
Materials and services	1,101,855	774,980	250,818	2,127,653	245,059
Depreciation and amortization	606,347	596,574	76,005	1,278,926	68,587
Total operating expenses	<u>2,127,398</u>	<u>2,265,541</u>	<u>400,431</u>	<u>4,793,370</u>	<u>541,821</u>
Operating income (loss)	1,850,438	1,115,016	359,538	3,324,992	(47,096)
NON-OPERATING INCOME (EXPENSE):					
Interest income	19,675	26,604	4,930	51,209	-
Interest expense	(17,526)	(141,334)	-	(158,860)	-
Gain (loss) on sale of capital assets	-	-	-	-	26,289
Total non-operating income (expenses)	<u>2,149</u>	<u>(114,730)</u>	<u>4,930</u>	<u>(107,651)</u>	<u>26,289</u>
Net income (loss) before operating transfers	1,852,587	1,000,286	364,468	3,217,341	(20,807)
OPERATING TRANSFERS:					
Transfers in (out)	<u>(613,700)</u>	<u>(551,600)</u>	<u>(71,500)</u>	<u>(1,236,800)</u>	<u>(60,500)</u>
Net income (loss) before contributions	1,238,887	448,686	292,968	1,980,541	(81,307)
CAPITAL CONTRIBUTIONS:					
Capital contributions	<u>973,720</u>	<u>1,274,750</u>	<u>1,043,850</u>	<u>3,292,320</u>	<u>-</u>
Change in net position	2,212,607	1,723,436	1,336,818	5,272,861	(81,307)
NET POSITION, BEGINNING	<u>19,519,682</u>	<u>14,241,919</u>	<u>2,930,251</u>	<u>36,691,852</u>	<u>392,300</u>
NET POSITION, ENDING	<u>\$ 21,732,289</u>	<u>\$ 15,965,355</u>	<u>\$ 4,267,069</u>	<u>\$ 41,964,713</u>	<u>\$ 310,993</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, 2022

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Fund	Water Fund	Storm Water Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 3,988,909	\$ 3,421,738	\$ 754,112	\$ 8,164,759	\$ 499,268
Cash paid to employees	(501,532)	(939,773)	(81,623)	(1,522,928)	(239,528)
Cash paid to suppliers	(1,311,658)	(854,937)	(238,748)	(2,405,343)	(232,382)
Net cash provided (used) by operating activities	2,175,719	1,627,028	433,741	4,236,488	27,358
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:					
Transfers from (to) other funds	(613,700)	(632,606)	(86,867)	(1,333,173)	(60,500)
Net cash provided (used) by non-capital financing activities	(613,700)	(632,606)	(86,867)	(1,333,173)	(60,500)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	(496,394)	(102,045)	-	(598,439)	(54,251)
Principal paid on capital debt	(56,000)	(461,191)	-	(517,191)	-
Interest paid on capital debt	(18,008)	(145,554)	-	(163,562)	-
Cash proceeds from disposal of capital asset	-	-	-	-	28,520
Net cash provided (used) by capital and related financing activities	(570,402)	(708,790)	(28,893)	(1,308,085)	(25,731)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	19,675	26,604	4,930	51,209	-
Net cash provided (used) by investing activities	19,675	26,604	4,930	51,209	-
Net increase (decrease) in cash and cash equivalents	1,011,292	312,236	322,911	1,646,439	(58,873)
CASH AND CASH EQUIVALENTS, BEGINNING	<u>2,061,952</u>	<u>3,018,307</u>	<u>443,229</u>	<u>5,523,488</u>	<u>411,740</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 3,073,244</u>	<u>\$ 3,330,543</u>	<u>\$ 766,140</u>	<u>\$ 7,169,927</u>	<u>\$ 352,867</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 1,850,438	\$ 1,115,016	\$ 359,538	\$ 3,324,992	\$ (47,096)
Adjustments					
Depreciation and amortization	606,347	596,574	76,005	1,278,926	68,587
Decrease (increase) in:					
Accounts receivable	11,073	38,573	(5,857)	43,789	4,543
Inventories	4,413	(3,929)	-	484	-
OPEB asset	(364)	(2,228)	(197)	(2,789)	-
Increase (decrease) in:					
OPEB liability	(1,298)	3,006	197	1,905	-
Accounts payable and accrued expenses	(214,216)	(76,028)	12,070	(278,174)	12,677
Deposits	-	-	-	-	(639)
Unearned revenue	-	2,608	-	2,608	772
Accrued compensated absences	(3,196)	1,114	(1,113)	(3,195)	5,741
Net pension liability	(77,478)	(47,678)	(6,902)	(132,058)	(17,227)
Net cash provided (used) by operating activities	<u>\$ 2,175,719</u>	<u>\$ 1,627,028</u>	<u>\$ 433,741</u>	<u>\$ 4,236,488</u>	<u>\$ 27,358</u>
NON-CASH CAPITAL FINANCING ACTIVITIES:					
Capital contributions	\$ 973,720	\$ 1,274,750	\$ 1,043,850	\$ 3,292,320	\$ -
Total non-cash capital financing activities	<u>\$ 973,720</u>	<u>\$ 1,274,750</u>	<u>\$ 1,043,850</u>	<u>\$ 3,292,320</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 (the "City") is governed by an elected mayor and elected 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. As required by the Generally Accepted Accounting Principles, all activities of the City have been included in these basic financial statements.

The basic financial statements include all financial activities, organizations, and functions for which the City Council has financial accountability as defined by GASB Statement 61. The financial reporting consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be governmental organizations for which the primary government is not financially accountable, but for which the nature and significance of their financial relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City of Dallas's basic financial statements include the Dallas Community Development Commission Urban Renewal Agency and is reported as blended governmental fund. Blended component units, although legally separate entities are, in substance, part of the government's operations and data from these units are combined with data of the primary government. The City Council and Board of Directors and Dallas Community Development Commission Urban Renewal Agency are composed of the same individuals and the City is financially responsible for the Agency. Therefore, the City has operational responsibility over the Agency.

Basic Financial Statements

The Basic financial statements are presented at both the governmental-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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Government-wide financial statements display information about the City as a whole. For the most part, the effect of interfund activity has been removed from these statements. The exceptions to this are the elimination of interfund services provided and used because elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These statements focus on the sustainability of the City and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. 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 segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund financial statements display information at the individual fund level. Each fund is considered to be a separate accounting entity. Funds are classified and summarized as governmental or proprietary. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Non-major funds are consolidated into a single column within each fund type in the basic financial statements and are detailed in the supplemental information.

Basis of Presentation

The financial transactions are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the basic financial statements.

There are stated minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. Management may present any fund as major, regardless of whether percentage requirements are met, if they determine this presentation is warranted due to non-quantitative factors.

These are the major governmental funds:

General Fund – This is the primary operating fund. It accounts for all the financial operations except those required to be accounted for in another fund. Principal sources of revenue are property taxes licenses and permits, state shared revenues and charges for administrative services from other funds. Primary expenditures are for general government, police protection and capital outlay.

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

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System Development Fund – This fund accounts for system development fees charged to developers.

Additionally, the non-major special revenue funds, general debt service funds, and capital project funds are reported within the governmental fund type. Non-major special revenue funds include the Risk Management Fund, Grants Fund, Police Officer and Firefighter/EMS Fee Fund, Building Inspections Fund, Trust/Reserve Fund and Urban Renewal Fund. Non-major debt service funds include the General Long Term Debt Fund. Non-major capital project funds include the Capital Project Fund.

Each of the three proprietary funds are major funds. These funds are used to account for the acquisition, operation, and maintenance of the sewer, water and storm water systems. These funds are predominately self-supported through user charges to customers. The proprietary funds are:

Sewer Fund
Water Fund
Storm Water Fund

Additionally, a non-major fund reported within the proprietary fund type:

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.

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus.

Government-wide Financial Statements and Proprietary Funds Financial Statements are presented on a full accrual basis of accounting with an economic resource measurement focus. An economic resource focus concentrates on equity or a fund's net position. All transactions and events that affect the total economic resources (net position) during the period are reported. An economic resources measurement is inextricably connected with full accrual accounting. Under the full accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred regardless of the timing of related cash inflows and outflows.

Governmental Fund Financial Statements are presented on a modified accrual basis of accounting with a current financial resource measurement focus. This focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources are reported. Similar to the connection between an economic resource measurement focus and full accrual accounting, a current financial resource measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period.

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Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Property taxes, franchise fees, licenses and permits, and interest associated with the current financial period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if received within 60 days of year end. All other revenues are considered to be measurable and available only when cash is received.

An unavailable revenue liability arises in the Governmental Funds Balance Sheet when revenue does not meet both the measurable and available criteria for recognition in the current period. This unavailable revenue consists primarily of uncollected property taxes not deemed available to finance operations of the current period. In the government-wide Statement of Activities, with a full accrual basis of accounting, revenue is recognized as soon as it is earned regardless of its availability. Thus, the liability created on the Governmental Fund Balance Sheet for unavailable revenue is eliminated. Unearned and unavailable revenues also arise outside the scope of measurement focus and basis of accounting, such as when resources are received before there is legal claim to them. For instance, when grant moneys are received prior to the incurrence of qualifying expenditures.

Similar to the way its revenues are recorded, governmental funds only record those expenditures that affect current financial resources. Principal and interest on general long-term debt are recorded as fund liabilities only when due. Vested compensated absences are recorded as expenditures only to the extent that they are expected to be liquidated with expendable financial resources. In the government-wide financial statements, however, with a full accrual basis of accounting, all expenditures affecting the economic resource status are recognized. Thus, the expense and related accrued liability for long-term portions of debt and compensated absences must be included.

Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements, a reconciliation is provided to explain the differences between the fund based financial statements and the governmental column of the government-wide presentation. This reconciliation is part of the basic financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principle ongoing operations. The principle operating revenues of the Water, Storm Water, and Wastewater Funds are charges to customers for sales and services. Operating expenses for enterprises funds include the cost of sales and services, administrative expenses and overhead, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Cash and Investments

A common cash and investment pool is maintained. All short-term, highly liquid investments, including investments in the State Treasurer's Local Government Investment Pool (LGIP) where the remaining maturity at the time of purchase is one year or less are stated at amortized cost, which approximates fair value. Investments with a remaining maturity at the time of purchase of more than one year are stated at fair value. Fair value is determined as the quoted market price if available otherwise the fair value is estimated based on the amount at which the investment could be exchanged in a current transaction between willing parties. Earnings on pooled cash and investments are credited to each fund monthly based on the average daily balance of each participating fund.

Pooled cash and investments have the general characteristics of a demand deposit account in that any participating fund may deposit additional cash at any time and may also withdraw cash at any time without prior notice or penalty.

For purposes of the statement of cash flows, the proprietary fund types consider all highly liquid investments with a maturity date of three months or less when purchased to be cash equivalents.

Receivables and Payables

Activity between funds that represents lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds."

Recorded property taxes receivable that are collected within 60 days after year-end are considered measurable and available and, therefore, are recognized as revenue. The remaining balance is recorded as unearned revenue. Property taxes are levied and become a lien on July 1. Collection dates are November 15, February 15, and May 15 following the lien date. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Uncollected property taxes are shown in the government-wide Statement of Net Position. Uncollected taxes are deemed by management to be substantially collectible or recoverable through liens; therefore, no allowance for uncollectible taxes has been established.

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the City, reduced by principal payments received.

Receivables of the enterprise funds are recognized as revenue when earned, including services provided but not billed. Receivables in governmental and enterprise funds are stated net of an allowance for uncollectible accounts.

Inventories

Inventories purchased are valued at cost (first-in, first-out method). Inventory is recorded as expenditures when received rather than as consumed in the governmental funds.

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition at the date of donation.

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. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. 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.

Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

- Buildings and improvements 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.

Accrued Compensated Absences and Sick Pay

Accumulated vested vacation and compensatory pay is accrued as it is earned. For governmental funds, compensation not expected to be liquidated with current resources is not reported as a liability and represents a reconciling item between the fund-level and government-wide presentations. In business-type/enterprise funds, both the current and long-term liabilities are recorded.

Sick pay, which does not vest, is recognized in the applicable funds when leave is taken.

Long-Term Debt

In the government-wide financial statements, and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental

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activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the governmental fund-type financial statements, bond premiums and discounts, as well as bond issuance costs, are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Use of Estimates

In preparing the basic financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the basic financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Net Position

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

Net Investment in Capital Assets consists of all capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – consists of all other assets that are not included in the other categories previously mentioned.

Fund Balance

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund-type Definitions, is followed. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications are nonspendable, restricted, committed, assigned, and unassigned.

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- Nonspendable fund balance represents amounts that are not in a spendable form.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. The authority to classify portions of ending fund balances as assigned has been granted to the City Administrator and the Office/Accounting Manager.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The following order of spending regarding fund balance categories is followed: restricted resources are spent first when both restricted and unrestricted (committed, assigned or unassigned) resources are available for expenditures. When unrestricted resources are spent, the order of spending is committed (if applicable), assigned (if applicable) and unassigned.

There were no nonspendable balances as of June 30, 2022.

Deferred Outflows/Inflows of Resources

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2022, there were pension related deferred outflows of \$5,456,342 representing PERS pension related deferrals reported in the Statement of Net Position and \$38,781 representing OPEB related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has four types of items which qualify for reporting in this category. The first item, unavailable revenue of \$142,194, is reported only in the governmental funds balance sheet for property taxes. The second item, lease receivable of \$281,845 is reported in the governmental funds balances sheet as well as in the Statement of Net Position. At June 30, 2022, there were also deferred inflows of \$5,827,598 representing PERS pension related deferrals, deferred inflows of \$95,346 representing OPEB

related deferrals, and deferred inflows of \$281,845 representing lease receivable reported in the Statement of Net Position.

Fair Value Inputs and Methodologies and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 - unadjusted price quotations in active markets/exchanges for identical assets or liabilities that each Fund has the ability to access

Level 2 - other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs)

Level 3 - unobservable inputs based on the best information available in the circumstances, to the extent observable inputs are not available (including each Fund's own assumptions used in determining the fair value of investments)

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets for all funds are adopted on a basis consistent with Oregon Revised Statutes (ORS 294-Local Budget Law). The process under which the budget is adopted is described in the following paragraphs.

Each April, the City Budget Officer submits a proposed budget to the Budget Committee (consisting of the City Council and an equal number of citizens of the City). The City is required to budget all funds. The budget is prepared for each fund on the modified accrual basis of accounting. For all fund types, inter-fund loans are budgeted as sources and uses in accordance with state budget laws. Estimated receipts and expenditures are budgeted for by fund and

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function. Information on the past two years' actual receipts and expenditures and current-year estimates are included in the budget document.

The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget and submits it to the City Council for final adoption. The approved expenditures for each fund may not be increased by more than 10% by Council without returning to the Budget Committee for a second approval. After the Council adopts the budget and certifies the total of ad valorem taxes to be levied, no additional tax levy may be made for that fiscal year.

The City Council legally adopts the budget by resolution before July 1. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. The level of control established by the resolution for each fund is at the function group level (i.e., personnel services, materials and services, capital outlay, debt service, interfund transfers, and contingency). Appropriations lapse as of year-end.

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 be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issued during the budget year. Management may transfer budget amounts between individual line items within the function group, but cannot make changes to the function groups themselves, which is the legal level of control.

3. CASH AND CASH EQUIVALENTS

Cash and investment balances are maintained in a common pooled account. Investment income is allocated monthly based on each fund's average cash balance.

At June 30, 2022 investments included in cash and cash equivalents consist of the following:

	Weighted Average Maturity (Years)	Fair Value
	<u> </u>	<u> </u>
Investment in the State Treasurer's Local Government Investment Pool	-	\$ 23,759,625
	<u> </u>	<u> </u>
Total cash equivalents	-	\$ 23,759,625
	<u> </u>	<u> </u>

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Following is a summary of the City’s deposit and investment balances at June 30, 2022:

	<u>2022</u>
Cash Deposits:	
Cash on hand	\$ 745
Bank deposits	<u>12,894,971</u>
	12,895,716
Pooled cash and investments:	
State of Oregon LGIP	<u>23,759,625</u>
Total	<u>\$ 36,655,341</u>

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) 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, 2022, the book value of the City’s deposits was \$12,894,971 and the bank balance was \$12,460,698. \$11,847,019 of the City’s bank balances were exposed to custodial credit risk as they were collateralized under PFCP.

Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2022, none of the bank balances were exposed to custodial credit risk.

Investments

The investment policy is to follow the State statutes governing cash management. Oregon Revised Statutes authorize investing in obligations of the U.S. Treasury, U.S. government agencies and instrumentalities, bankers' acceptances guaranteed by an Oregon financial institution, repurchase agreements, State of Oregon Treasury Local Government Investment Pool, various interest bearing bonds of Oregon municipalities, certificates of deposit, and certain commercial paper among other investments.

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool,

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and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency.

Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value.

The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

If the link has expired, please contact the Oregon Short Term Fund directly.

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB, which the City has submitted and approved an investment policy to OSTFB for the above Corporate Bond. Exposure to declines in fair values is managed by limiting the weighted average maturity of the investment portfolio to levels required by State statute. Corporate Bond Investments are stated at cost which approximates fair market value.

Credit Risk- Investment

Oregon Revised Statutes do not limit investments as to credit rating for securities purchased from U.S. Government Agencies. The investments in U.S. Government Agencies were rated AAA by Standard & Poor's and AAA by Moody's Investor Service. The State Pool is unrated.

Oregon Revised Statutes require banker's acceptances to be guaranteed by and carried on the books of a qualified financial institution, eligible for discount by Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations. There were no investments in banker's acceptances at June 30, 2022.

Concentration of Credit Risk

The City of Dallas has an investment policy for concentration of credit risk.

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4. NET POSITION

The government-wide statement of net position reports \$21,614,832 of restricted net position, of which \$21,483,439 is restricted by enabling legislation.

5. INVENTORY

Inventory is maintained for the proprietary activities for normal use in day to day activities and for city projects. At June 30, 2022, the total amount of inventory on hand for all funds was \$199,675.

6. LEASE RECEIVABLE

Governmental Activities:	June 30, 2021			June 30, 2022
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>
Fast Farms Land Leases; interest at 0.47%, total annual principal and interest payments start at \$67,625 increasing 1.5% per year, due 2026	\$ -	\$ 281,845	\$ -	\$ 281,845
	<u>\$ -</u>	<u>\$ 281,845</u>	<u>\$ -</u>	<u>\$ 281,845</u>

Future maturities are as follows:

Fiscal Year	Governmental Activities	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 68,640	\$ -
2024	69,676	994
2025	71,061	669
2026	72,468	337
	<u>\$ 281,845</u>	<u>\$ 2,000</u>

Deferred inflows of resources mirror the principal payment maturities described above.

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7. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2022 was as follows:

Primary Government	Total Primary Government			Ending Balance June 30, 2022
	Beginning Balance June 30, 2021	Additions	Deletions	
Capital assets, nondepreciable:				
Land and land improvements	\$ 1,108,613	\$ -	\$ -	\$ 1,108,613
Total capital assets, nondepreciable	1,108,613	-	-	1,108,613
Capital assets, depreciable:				
Infrastructure	81,783,155	4,246,396	-	86,029,551
Buildings and improvements	18,230,867	12,802	-	18,243,669
Machinery and equipment	11,860,466	153,513	(57,943)	11,956,036
Total capital assets, depreciable	111,874,488	4,412,711	(57,943)	116,229,256
Less accumulated depreciation for:				
Infrastructure	(43,607,577)	(2,581,033)	-	(46,188,610)
Buildings and improvements	(10,829,181)	(404,222)	-	(11,233,403)
Machinery and equipment	(9,790,409)	(404,254)	55,712	(10,138,951)
Total accumulated depreciation	(64,227,167)	(3,389,509)	55,712	(67,560,964)
Net capital assets	\$ 48,755,934	\$ 1,023,202	\$ (2,231)	\$ 49,776,905

Only infrastructure assets acquired on July 1, 2003 and thereafter are presented in the financial statements in accordance with GASB 34.

Depreciation on internal service capital assets in the amount of \$68,587 is included in general government expenses. All depreciation expense for governmental activities is charged to functions as follows:

Governmental activities:	
General government	\$ 211,325
Public safety	286,780
Culture and recreation	297,169
Highways & streets	2,594,235
Total depreciation	<u>\$ 3,389,509</u>

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Capital asset activity for business-type activities for the year ended June 30, 2022 was as follows:

<u>Business-type Activities</u>	<u>Total Business Activities</u>			
	<u>Beginning Balance June 30, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2022</u>
Capital assets, nondepreciable:				
Land and land improvements	\$ 2,990,098	\$ -	\$ -	\$ 2,990,098
Intangibles	9,713	-	-	9,713
Total capital assets, nondepreciable	<u>2,999,811</u>	<u>-</u>	<u>-</u>	<u>2,999,811</u>
Capital assets, depreciable:				
Buildings and improvements	66,550,693	3,547,043	-	70,097,736
Machinery and equipment	<u>1,129,995</u>	<u>372,609</u>	<u>(13,405)</u>	<u>1,489,199</u>
Total capital assets, depreciable	<u>67,680,688</u>	<u>3,919,652</u>	<u>(13,405)</u>	<u>71,586,935</u>
Less accumulated depreciation for:				
Buildings and improvements	(29,708,406)	(1,193,424)	-	(30,901,830)
Machinery and equipment	<u>(626,199)</u>	<u>(85,502)</u>	<u>13,405</u>	<u>(698,296)</u>
Total accumulated depreciation	<u>(30,334,605)</u>	<u>(1,278,926)</u>	<u>13,405</u>	<u>(31,600,126)</u>
Net capital assets	<u>\$ 40,345,894</u>	<u>\$ 2,640,726</u>	<u>\$ -</u>	<u>\$ 42,986,620</u>

Depreciation expense for business-type activities is charged to functions as follows:

<u>Business-type activities:</u>	
Sewer	\$ 606,347
Water	596,574
Stormwater	<u>76,005</u>
Total depreciation	<u>\$ 1,278,926</u>

8. LONG-TERM DEBT

Long-term debt information is presented separately with respect to governmental and business-type activities. The table below presents current year changes in governmental obligations, and the current portions due for each issue.

Compensated absences as shown in the table below and on the following pages are the City's compensated absence liability for approximately 80 employees who have accumulated vacation and compensatory time that is unused at June 30. Expenditures for liquidating the liability are primarily in the General Fund, Street Fund, Building Inspections Fund, Fleet Management Fund, Sewer Fund, Water Fund, and Storm Water Fund. The liability includes salaries and associated payroll costs.

Upon the occurrence of default for the 2016 Radio Shack (Governmental) Note, prompted by an installment not paid within 10 days after the due date, the entire remaining balance is subject to immediate acceleration.

Upon any Event of Default for the Business Type IF A 2014 Loan, remedies may include but are

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not limited to: Terminating IF A's commitment and obligation to make any further disbursements of financing proceeds under the contract, declaring all payments under the Note and all other amounts due under any of the financing documents immediately due and payable on demand, foreclosing liens or security interests pursuant to the contract or any other financing document.

The City has no other significant default or termination clauses on any of the other bonds or notes payable and is not subject to any other acceleration clauses under GASB 88.

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

Governmental Activities	June 30, 2021 Balance	Additions	Reductions	June 30, 2022 Balance	Due Within One Year
Governmental bonds:					
Governmental bonds	\$ 2,507,000	\$ 4,340,000	\$ 556,000	\$ 6,291,000	\$ 562,000
Direct placements and borrowings:					
Governmental loans	415,539	-	120,456	295,083	123,951
Governmental notes	137,825	-	26,289	111,536	26,687
Total bonds, loans, and notes	3,060,364	4,340,000	702,745	6,697,619	712,638
Compensated absences	443,541	404,943	443,541	404,943	101,236
Total governmental activities	\$ 3,503,905	\$ 4,744,943	\$ 1,146,286	\$ 7,102,562	\$ 813,874
Business Type Activities	June 30, 2021 Balance	Additions	Reductions	June 30, 2022 Balance	Due Within One Year
Business type bonds:					
Business type bonds	\$ 4,266,000	\$ -	\$ 395,000	\$ 3,871,000	\$ 405,000
Direct placements and borrowings:					
Enterprise loans	2,473,888	-	122,191	2,351,697	124,755
Total bonds and loans	6,739,888	-	517,191	6,222,697	529,755
Compensated absences	57,490	54,295	57,490	54,295	13,573
Total business type activities	\$ 6,797,378	\$ 54,295	\$ 574,681	\$ 6,276,992	\$ 543,328

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Bonds

Governmental Bonds:

2005 PERS Bonds: original amount \$1,585,000; interest rates from 4.38% to 5.00%; final payment due June 1, 2028	\$ 865,000
2019 Bond; Street Fund - Main St.: original amount \$721,000; interest rate 3.00%; final payment due June 1, 2039	639,000
2019 Bond; Urban Renewal - Main St.: original amount \$927,000; interest rate 3.00%; final payment due June 1, 2039	822,000
2021 Full Faith & Credit; Street Fund: original amount \$4,340,000; interest rate 1.51%; final payment due June 15, 2032	<u>3,965,000</u>
Total governmental bonds	<u>\$ 6,291,000</u>

Future governmental bonds debt service requirements are as follows:

	<u>2005 PERS Bond</u>		<u>2019 Bond (Street and Urban Renewal)</u>		<u>Series 2021 Full Faith & Credit: Street</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 125,000	\$ 43,285	\$ 67,000	\$ 43,830	\$ 370,000	\$ 59,872
2024	140,000	37,030	69,000	41,820	375,000	54,285
2025	155,000	30,024	71,000	39,750	380,000	48,622
2026	170,000	22,268	73,000	37,620	385,000	42,884
2027	190,000	13,761	76,000	35,430	395,000	37,071
2028-2032	85,000	4,253	412,000	141,719	2,060,000	94,301
2033-2037	-	-	480,000	75,960	-	-
2038-2042	-	-	213,000	9,630	-	-
Total	<u>\$ 865,000</u>	<u>\$ 150,621</u>	<u>\$1,461,000</u>	<u>\$ 425,759</u>	<u>\$3,965,000</u>	<u>\$ 337,035</u>

Total Governmental Bonds

	Principal	Interest
2023	\$ 562,000	\$ 146,987
2024	584,000	133,135
2025	606,000	118,396
2026	628,000	102,772
2027	661,000	86,262
2028-2032	2,557,000	240,273
2033-2037	480,000	75,960
2038-2042	213,000	9,630
Total	<u>\$6,291,000</u>	<u>\$ 913,415</u>

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Business Type Bonds:

Series 2017 Sewer/Water Bond: original amount \$5,600,000; interest rate 2.58%;
 final payment due March 1, 2032 \$ 3,871,000

Total business type bonds \$ 3,871,000

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

	<u>Series 2017 Sewer/Water Bond</u>	
	Principal	Interest
2023	\$ 405,000	\$ 99,872
2024	416,000	89,423
2025	425,000	78,690
2026	436,000	67,725
2027	448,000	56,476
2028-2032	<u>1,741,000</u>	<u>111,508</u>
Total	<u>\$ 3,871,000</u>	<u>\$ 503,694</u>

Loans

Governmental Loans - Direct Borrowings and Placements:

2013 Urban Renewal Loan: original amount \$750,000; interest rate 2.90%; final
 payment due June 30, 2024 \$ 167,885

2015 Fire Pumper Loan: original amount \$385,795; interest rate 2.82%; final
 payment due November 30, 2024 127,198

Total governmental loans \$ 295,083

Future governmental loan debt service requirements are as follows:

	<u>2013 Urban Renewal Loan</u>		<u>2015 Fire Pumper Loan</u>		<u>Total Governmental Loans</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 82,725	\$ 3,669	\$ 41,226	\$ 3,587	\$ 123,951	\$ 7,256
2024	85,160	1,235	42,388	2,425	127,548	3,660
2025	<u>-</u>	<u>-</u>	<u>43,584</u>	<u>1,229</u>	<u>43,584</u>	<u>1,229</u>
Total	<u>\$ 167,885</u>	<u>\$ 4,904</u>	<u>\$ 127,198</u>	<u>\$ 7,241</u>	<u>\$ 295,083</u>	<u>\$ 12,145</u>

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Loans

Business Type Loans - Direct Borrowings and Placements:

2014 IFA Safe Drinking Water Loan: original amount \$1,715,000; interest rate 3.46%; final payment due December 1, 2037	\$ 881,557
2016 DEQ Clean Water State Revolving Fund (CWSRF) Loan; original amount \$1,750,000; interest rate 1.60%; final payment due February 1, 2037	<u>1,470,140</u>
Total business type loans	<u>\$ 2,351,697</u>

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

	<u>2014 IFA Safe Drinking Water Loan</u>		<u>2016 DEQ CWSRF Loan</u>		<u>Total Enterprise Loans</u>	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 42,234	\$ 30,502	\$ 82,521	\$ 20,439	\$ 124,755	\$ 50,941
2024	43,695	29,041	83,688	19,272	127,383	48,313
2025	45,207	27,529	84,872	18,088	130,079	45,617
2026	46,771	25,965	86,074	16,886	132,845	42,851
2027	48,389	24,346	87,291	15,669	135,680	40,015
2028-2032	268,249	95,429	455,339	59,461	723,588	154,890
2033-2037	317,980	45,697	488,479	26,321	806,459	72,018
2038-2042	<u>69,032</u>	<u>2,388</u>	<u>101,876</u>	<u>1,078</u>	<u>170,908</u>	<u>3,466</u>
Total	<u>\$ 881,557</u>	<u>\$ 280,897</u>	<u>\$ 1,470,140</u>	<u>\$ 177,214</u>	<u>\$ 2,351,697</u>	<u>\$ 458,111</u>

Bond Anticipation Note

Governmental Notes - Direct Borrowings and Placements:

2016 Radio Shack Note: original amount \$261,500; interest rate 1.50%; final payment due September 5, 2026	<u>\$ 111,536</u>
Total governmental notes	<u><u>\$ 111,536</u></u>

Future governmental note debt service requirements are as follows:

	<u>2016 Radio Shack Note</u>	
	Principal	Interest
2023	\$ 26,687	\$ 1,490
2024	27,090	1,087
2025	27,499	643
2026	<u>30,260</u>	<u>265</u>
Total	<u>\$ 111,536</u>	<u>\$ 3,485</u>

9. PENSION PLAN

General Information about the 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 Annual Comprehensive Financial Report and Actuarial Valuation that can be obtained at:

<http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>.

Benefits Provided

A. 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. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit will be equal to \$197,730 in 2021, and will be indexed with inflation in later years.

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 (COLA) changes. The COLA is capped at 2.0 percent.

B. OPSRP Defined Benefit 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.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020. The limit will be equal to \$197,730 in 2021, and will be indexed with inflation in later years.

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 \$750 plus 0.15 percent on annual benefits above \$60,000.

C. OPSRP Individual Account Program (OPSRP IAP)

Pension Benefits

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. 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

A. Employer 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, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6 percent) contributions. Employer contributions for the year ended June 30, 2022 were \$1,499,035, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2022 were 26.36 percent for Tier One/Tier Two General Service Member and Tier One/Tier Two Police and Fire, 20.21 percent for OPSRP Pension Program General Service Members, 24.57 percent for OPSRP Pension Program Police and Fire Members.

B. Employee Contributions

Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 percent of

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salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements. As permitted, the City has opted to pick-up the contributions on behalf of employees; contribution were \$374,099 for the year ended June 30, 2022.

Starting July 1, 2020, Senate Bill 1049 required a portion of member contributions to their IAP accounts to be redirected to the Defined Benefit fund. If the member earns more than \$2,500 per month (increased to \$2,535 per month on January 1, 2021) 0.75 percent (if OPSRP member) or 2.5 percent (if Tier One/Tier Two member) of the member's contributions that were previously contributed to the member's IAP now fund the new Employee Pension Stability Accounts (EPSA). The EPSA accounts will be used to fund the cost of future pension benefits without changing those benefits, which means reduced contributions to the member's IAP account. Members may elect to make voluntary IAP contributions equal to the amount redirected.

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

At June 30, 2022, the City reported a liability of \$7,401,021 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The City's proportion of the net pension liability 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, 2021, the City's proportion was 0.0618 percent, which was increased from its proportion of 0.0549 measured as of June 30, 2021.

For the year ended June 30, 2022, the City's recognized pension income of \$205,712. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 692,784	\$ -
Changes of assumptions	1,852,698	19,478
Net difference between projected and actual earnings on investments	-	5,478,919
Changes in proportion	1,201,243	301,360
Differences between employer contributions and proportionate share of contributions	210,582	27,841
Total (prior to post-MD contributions)	<u>3,957,307</u>	<u>5,827,598</u>
Contributions subsequent to the MD	<u>1,499,035</u>	<u>-</u>
Total	<u>\$ 5,456,342</u>	<u>\$ 5,827,598</u>

City's contributions subsequent to the measurement date of \$1,499,035 are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. 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>	
2023	\$ (271,278)
2024	(310,944)
2025	(548,486)
2026	(1,033,562)
2027	<u>293,979</u>
Total	<u>\$ (1,870,291)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

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Valuation Date	December 31, 2019
Measurement Date	June 30, 2021
Experience Study Report	2018, published July 24, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.40 percent
Long-Term Expected Rate of Return	6.90 percent
Discount Rate	6.90 percent
Projected Salary Increases	3.40 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	<p>Health retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Active Members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p>Disabled retirees: Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</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 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

Long-term Expected Rate of Return

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 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

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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.

Asset Class/Strategy	Assumed Asset Allocation		
	Low Range	High Range	Target
Debt Securities	15.0%	25.0%	20.0%
Public Equity	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Portfolio	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	5.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			100.0%

Asset Class	Target Allocation	Compounded Annual Return (Geometric)
Global Equity	30.62%	5.85%
Private Equity	25.50%	7.71%
Core Fixed Income	23.75%	2.73%
Real Estate	12.25%	5.66%
Master Limited Partnerships	0.75%	5.71%
Infrastructure	1.50%	6.26%
Commodities	0.63%	3.10%
Hedge Fund of Funds - Multistrategy	1.25%	5.11%
Hedge Fund Equity - Hedge	0.63%	5.31%
Hedge Fund - Macro	5.62%	5.06%
US Cash	-2.50%	1.76%
Total	100.00%	

Assumed Inflation - Mean 2.40%

Depletion Date Projection

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the

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actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for PERS:

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.
- The ADC is based on a closed, layered amortization period, which means that payment of the full ADC each year will bring the plan to a 100% funded position by the end of the amortization period if future experience follows assumption.
- GASB 68 specifies that the projections regarding future solvency assume that plan assets earn the assumed rate return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan’s funded position.

Based on these circumstances, it is our independent actuary’s opinion that the detailed depletion date projections outlined in GASB 68 would clearly indicate that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 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 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 6.90 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 (5.90 percent) or 1-percentage-point higher (7.90 percent) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
City's proportionate share of the net pension liability (asset)	\$ 14,533,835	\$ 7,401,021	\$ 1,433,445

Changes in Plan Provisions Subsequent to Measurement Date

A legislative change that occurred after the December 31, 2019 actuarial valuation date affected

the plan provisions reflected for June 2021 financial reporting liability calculations. Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age.

For GASB 67 and GASB 68, the benefits valued in the Total Pension Liability are required to be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the plan. As a result, Senate Bill 111 was reflected in the June 30, 2021 Total Pension Liability. The increase in the Total Pension Liability resulting from Senate Bill 111, measured as of June 30, 2021, is shown in Exhibit A as the “Effect of plan changes” during the measurement period. While Senate Bill 111 also made changes to certain aspects of the System’s funding and administration, the change in the death benefit provision is the only change that affects the measured Total Pension Liability. As a result, the death benefit provision is the only difference between June 30, 2020 and June 30, 2021 in the plan provisions basis used to determine the Total Pension Liability as of those two respective Measurement Dates.

Changes in Plan Provisions During the Measurement Period

There were no changes during the June 30, 2021 measurement period that require disclosure.

10. OTHER POST-EMPLOYMENT BENEFIT PLAN

Postemployment Benefits Other than Pensions

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree health insurance premiums, and a contribution to the State of Oregon’s PERS cost-sharing multiple-employer defined health insurance benefit plan.

Financial Statement Presentation

The City’s two OPEB plans are presented in the aggregate on the Statement of Net Position. The amounts on the financial statements relate to the plans as follows:

CITY OF DALLAS, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

	<u>Implicit Rate Subsidy</u>	<u>PERS RHIA Plan</u>	<u>Total OPEB on Financials</u>
Net OPEB Asset	\$ -	\$ 118,988	\$ 118,988
Deferred Outflows of Resources			
Change in Assumptions	12,118	2,341	14,459
Change in Proportionate Share	-	13,049	13,049
Contributions After MD	10,279	994	11,273
Net OPEB Liability	(368,680)	-	(368,680)
Deferred Inflows of Resources			
Difference in Expected and Actual Experience	(39,365)	(3,310)	(42,675)
Difference in Earnings	-	(28,278)	(28,278)
Change in Assumptions	(22,604)	(1,770)	(24,374)
Change in Proportionate Share	-	(19)	(19)
OPEB Expense/(Income)*	45,119	(10,380)	34,739

*Included in program expenses on Statement of Activities

Implicit Rate Subsidy

Plan Description

The City's single-employer defined benefit postemployment healthcare plan is administered by CityCounty Insurance Services (CIS). Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

The City's postemployment healthcare plan administrator issues a publicly available financial report that includes financial statements and required supplementary information for CIS. This report may be obtained through their website at: <https://www.cisoregon.org/About/TrustDocs>.

Benefits Provided

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2020, the following employees were covered by the benefit terms:

CITY OF DALLAS, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Active employees	87
Eligible retirees	2
Spouses of ineligible retirees	<u>1</u>
Total participants	<u><u>90</u></u>

OPEB Plan Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City’s total OPEB liability of \$368,680 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

For the fiscal year ended June 30, 2022, the City recognized OPEB expense from this plan of \$45,119. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 39,365
Changes of assumptions	<u>12,118</u>	<u>22,604</u>
Total (prior to post-MD contributions)	12,118	61,969
Contributions subsequent to the MD	<u>10,279</u>	<u>-</u>
Total	<u><u>\$ 22,397</u></u>	<u><u>\$ 61,969</u></u>

Deferred outflows of resources related to OPEB of \$10,279 resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2023	\$ (8,409)
2024	(8,409)
2025	(8,409)
2026	(8,409)
2027	(6,624)
Thereafter	<u>(9,591)</u>
Total	<u><u>\$ (49,851)</u></u>

Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2020 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

CITY OF DALLAS, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

The discount rate was based on Bond Buyer 20-Year General Obligation Bond Index.

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Discount Rate	2.16 percent
Projected Salary Increases	3.50 percent overall payroll growth
Retiree Healthcare Participation	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.
Mortality	Health retirees and beneficiaries: Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees. Healthcare cost trend rate: Medical and vision: 3.75 percent per year increasing to 5.75 percent. Dental: 4.00 percent per year

Changes in the Net OPEB Liability

	<u>Net OPEB Liability</u>
Balance as of June 30, 2021	\$ 333,125
Changes for the year:	
Service cost	45,380
Interest on total OPEB liability	8,148
Effect of assumptions changes or inputs	1,809
Benefit payments	<u>(19,782)</u>
Balance as of June 30, 2022	<u>\$ 368,680</u>

Changes in assumptions is the result of the change in the discount rate from 2.21% to 2.16%.

Sensitivity of the Net OPEB Liability

The following presents the City's OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

CITY OF DALLAS, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Discount Rate:

	<u>1% Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Net OPEB Liability	\$ 404,576	\$ 368,680	\$ 335,644

Healthcare Cost Trend:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 318,268	\$ 368,680	\$ 430,450

PERS Retirement Health Insurance Account

Plan Description

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or online at <https://www.oregon.gov/pers/Documents/Financials/CAFR/2021-ACFR.pdf>

Benefits Provided

Because RHIA was created by enabling legislation (ORS 238.420), contribution requirements of the plan members and the participating employers were established and may be amended only by the Oregon Legislature. ORS require that an amount equal to \$60 or the total monthly cost of Medicare companion health insurance premiums coverage, whichever is less, shall be paid from the RHIA established by the employer, and any monthly cost in excess of \$60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost, the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Contributions

PERS funding policy provides for employer contributions at actuarially determined rates. These

CITY OF DALLAS, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation and a percentage of payroll that first became effective July 1, 2019. The City contributed 0.06% of PERS-covered salaries for Tier One/Tier Two members to fund the normal cost portion of RHIA benefits and 0.00% of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. The City's total for the year ended June 30, 2022 contributions was \$994.

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

At June 30, 2022, the City reported an asset of \$118,988 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2021, and the net OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to June 30, 2021. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2022, the City's proportionate share was -0.0346 percent, which is an increase from its proportion of -0.0427 percent as of June 30, 2021.

For the year ended June 30, 2022, the City recognized OPEB income from this plan of \$10,380. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Differences between expected and actual experience	\$ -	\$ 3,310
Changes of assumptions	2,341	1,770
Net difference between projected and actual earnings on investments	-	28,278
Changes in proportionate share	<u>13,049</u>	<u>19</u>
Total (prior to post-MD contributions)	15,390	33,377
Contributions subsequent to the MD	<u>994</u>	<u>-</u>
Total	<u><u>\$ 16,384</u></u>	<u><u>\$ 33,377</u></u>

Deferred outflows of resources related to OPEB of \$994 resulting from the City's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

CITY OF DALLAS, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

<u>Year ended June 30:</u>	
2023	\$ (977)
2024	(1,621)
2025	(6,456)
2026	(8,933)
Total	<u>\$ (17,987)</u>

Actuarial Methods and Assumptions

The net OPEB asset in the December 31, 2019 actuarial valuation was determined using the actuarial methods and assumptions are the same as listed above in note 8 – Pension Plan Actuarial Assumptions.

Long-Term Expected Rate of Return

Are the same as listed above in Note 8 – Pension Plan Long-term Expected Rate of Return.

Discount Rate

The discount rate used to measure the net OPEB liability was 6.90% for the RHIA Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA 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 plan investments for the RHIA Plan was applied to all periods of projected benefit payments to determine the net OPEB liability.

Sensitivity of the City’s proportionate share of the net OPEB liability (asset) to changes in the discount rate

The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 6.90%, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.90%) or 1-percentage-point higher (7.90%) than the current rate:

<u>Discount Rate:</u>	<u>1% Decrease (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
Net OPEB Asset	\$ (105,227)	\$ (118,988)	\$ (130,743)

OPEB 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 During the Measurement Period

There were no changes during the June 30, 2021 measurement period that require disclosure.

CITY OF DALLAS, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Changes in Plan Provisions Subsequent to Measurement Date

There were no changes subsequent to the June 30, 2021 measurement period that require disclosure.

11. INTERFUND TRANSFERS

Interfund transfers between and amongst governmental and business-type activities are reported as net transfers in the Statement of Activities. Details of the transfers between governmental and business-type activities are as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	\$ 1,617,544	\$ 328,500
Street Fund	-	108,900
System Development Fund	26,527	189,800
Non-Major Governmental Funds	538,900	258,471
Internal Service Fund	8,500	69,000
Total governmental funds	<u>2,191,471</u>	<u>954,671</u>
Business-type funds:		
Sewer Fund	-	613,700
Water Fund	-	551,600
Storm Water Fund	-	71,500
Total business type funds	<u>-</u>	<u>1,236,800</u>
Total all funds	<u>\$ 2,191,471</u>	<u>\$ 2,191,471</u>

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 them, (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.

12. INTERFUND LOANS

Interfund loans receivable and payable represent a loan balance owed on the fund financials. The City has four interfund loans between the System Development Fund and the Street Fund, Water Fund, and Storm Water Fund all of which were approved by Council resolution.

CITY OF DALLAS, OREGON
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2022

Interfund loan balances as of June 30, 2022:

	Interfund Loan Receivable	Interfund Loan Payable
System Development Fund	\$ 1,166,447	\$ -
Street Fund	-	332,638
Water Fund	-	751,344
Strom Water Fund	-	82,465
	<hr/>	<hr/>
Total	<u>\$ 1,166,447</u>	<u>\$ 1,166,447</u>

13. DEFERRED COMPENSATION PLAN

A deferred compensation trust plan is established in accordance with Internal Revenue Code Section 457. The trust holds assets for the exclusive benefit of plan participants and their beneficiaries and are not considered assets or liabilities by the City, and therefore, are not included in these basic financial statements.

14. 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 various litigation proceedings. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City’s legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

15. TAX ABATEMENTS

As of June 30, 2022, the City potentially had tax abatement through various state allowed programs that impacted levied taxes and would require disclosure under GASB 77. Based on the information available from the county as of the date of issuance of these basic financial statements, the amount of abatements for the year ended June 30, 2022 is deemed immaterial.

16. RISK MANAGEMENT

There is exposure to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City is a member of City-County Insurance Services (CIS), a public entity risk pool currently operating a common risk management and insurance program. An annual premium is paid to CIS for insurance coverage. Based on the experience of the City and pool, the City may be liable for an additional premium of up to approximately 20% of its initial premium or it may receive a refund. Predetermined limits and deductible amounts are stated in the policy. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

17. NEW ACCOUNTING PRONOUNCEMENT

The Governmental Accounting Standards Board (GASB) has issued Statement No. 87, Leases. GASB Statement 87 establishes new standards for accounting and financial reporting for leases by governments. The requirements of this statement are effective for financial statements for fiscal years beginning after December 15, 2019. The City implemented Statement 87 for the year ending June 30, 2022.

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
 - Street Fund
- Schedule of the Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Schedule of Proportionate Share of OPEB - RHIA
- Schedule of Contributions to OPEB - RHIA
- Schedule of Changes in OPEB Liability and Related Ratios - Implicit Rate Subsidy
- Schedule of Contributions to OPEB - Implicit Rate Subsidy

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, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 5,145,000	\$ 5,145,000	\$ 5,159,694	\$ 14,694
Public service taxes	876,865	1,036,865	1,099,130	62,265
Franchise fees	1,395,500	1,395,500	1,394,247	(1,253)
Grants	1,700,000	1,700,000	1,885,645	185,645
Charges for services	2,214,000	2,239,000	2,845,962	606,962
Licenses and permits	2,000	2,000	1,595	(405)
Fines and forfeitures	196,500	196,500	125,544	(70,956)
Interest	50,000	50,000	43,736	(6,264)
Miscellaneous	175,000	290,000	236,346	(53,654)
Total revenues	11,754,865	12,054,865	12,791,899	737,034
EXPENDITURES:				
General government	1,740,000	1,758,000	1,626,508	131,492
Public safety	7,251,530	7,580,530	6,969,873	610,657
Culture and recreation	579,000	579,000	571,097	7,903
Community development	1,841,500	2,006,500	1,915,327	91,173
Capital outlay	217,200	367,200	203,335	163,865
Debt service:				
Principal	213,245	213,245	183,745	29,500
Interest	43,909	43,909	38,389	5,520
Contingency	3,500,000	3,125,000	-	3,125,000
Total expenditures	15,386,384	15,673,384	11,508,274	4,165,110
Revenues over (under) expenditures	(3,631,519)	(3,618,519)	1,283,625	4,902,144
OTHER FINANCING SOURCES (USES):				
Transfers in	1,467,200	1,467,200	1,617,544	150,344
Transfers out	(315,500)	(328,500)	(328,500)	-
Total other financing sources (uses)	1,151,700	1,138,700	1,289,044	150,344
Net changes in fund balance	(2,479,819)	(2,479,819)	2,572,669	5,052,488
FUND BALANCE, BEGINNING BUDGETARY BASIS	4,900,000	4,900,000	3,715,064	(1,184,936)
FUND BALANCE, ENDING BUDGETARY BASIS	\$ 2,420,181	\$ 2,420,181	6,287,733	\$ 3,867,552
Reconciliation to General Fund - Generally Accepted Accounting Principles:				
Improvement fund, fund balance, ending budgetary basis			662	
FUND BALANCES, ENDING			\$ 6,288,395	

* Budgetary appropriations are done at the department level - see general fund - budgetary basis schedule of expenditures - budget to actual

**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, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Public service taxes	\$ 1,760,000	\$ 1,760,000	\$ 1,362,423	\$ (397,577)
Charges for services	60,000	60,000	105,010	45,010
Interest	40,000	40,000	56,896	16,896
Miscellaneous	60,000	60,000	1,021,788	961,788
Total revenues	1,920,000	1,920,000	2,546,117	626,117
EXPENDITURES:				
Personnel services	287,000	287,000	243,657	43,343
Materials and services	362,200	362,200	257,537	104,663
Capital outlay	2,628,750	2,898,750	2,416,667	482,083
Debt service:				
Principal	29,000	404,000	404,000	-
Interest	20,040	75,380	75,385	(5)
Contingency	5,012,716	4,312,376	-	4,312,376
Total expenditures	8,339,706	8,339,706	3,397,246	4,942,460
Revenues over (under) expenditures	(6,419,706)	(6,419,706)	(851,129)	5,568,577
OTHER FINANCING SOURCES (USES):				
Interfund loan proceeds (payments)	(59,954)	(59,954)	(56,194)	3,760
Issuance of debt	4,300,000	4,300,000	4,340,000	40,000
Transfers out	(108,900)	(108,900)	(108,900)	-
Total other financing sources (uses)	4,131,146	4,131,146	4,174,906	43,760
Net changes in fund balance	(2,288,560)	(2,288,560)	3,323,777	5,612,337
FUND BALANCES, BEGINNING	2,600,000	2,600,000	3,081,679	481,679
FUND BALANCES, ENDING	<u>\$ 311,440</u>	<u>\$ 311,440</u>	6,405,456	<u>\$ 6,094,016</u>
Interfund loan payable			(332,638)	
FUND BALANCES, ENDING			<u>\$ 6,072,818</u>	

CITY OF DALLAS, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the Last Ten Fiscal Years¹

Measurement Date 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
2021	0.06184794%	\$ 7,401,021	\$ 6,260,573	118.22%	87.6%
2020	0.05492677%	11,986,910	5,953,953	201.33%	75.8%
2019	0.05786169%	10,008,687	5,379,911	186.04%	80.2%
2018	0.05318543%	8,056,892	5,171,562	155.79%	82.1%
2017	0.05400000%	7,292,200	4,665,098	156.31%	83.1%
2016	0.05700000%	8,601,061	4,385,631	196.12%	80.5%
2015	0.06200000%	3,564,536	4,347,982	81.98%	91.9%
2014	0.06500000%	(1,463,347)	4,301,804	-34.02%	103.6%
2013	0.06500000%	3,294,492	4,703,849	70.04%	92.0%

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

¹This 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.

NOTES TO SCHEDULE

Changes in Benefit Terms:

The 2013 Oregon Legislature made a series of changes to PERS that lowered projected future benefit payments from the System. These changes included reductions to future Cost of Living Adjustments (COLA) made through Senate Bills 822 and 861. Senate Bill 822 also required the contribution rates scheduled to be in effect from July 2013 to June 2015 to be reduced. The Oregon Supreme Court decision in *Moro v. State of Oregon*, issued on April 30, 2015, reversed a significant portion of the reductions the 2013 Oregon Legislature made to future System Cost of Living Adjustments (COLA) through Senate Bills 822 and 861. This reversal increased the total pension liability as of June 30, 2015 compared to June 30, 2014 total pension liability.

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2021, annual salary in excess of \$197,730 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

A legislative change that occurred after the December 31, 2019 actuarial valuation date affected the plan provisions reflected for June 2021 financial reporting liability calculations. Senate Bill 111, enacted in June 2021, provides an increased pre-retirement death benefit for members who die on or after their early retirement age. For GASB 67 and GASB 68, the benefits valued in the Total Pension Liability are required to be in accordance with the benefit terms legally in effect as of the relevant fiscal year-end for the plan. As a result, Senate Bill 111 was reflected in the June 30, 2021 Total Pension Liability. The increase in the Total Pension Liability resulting from Senate Bill 111, measured as of June 30, 2021, is shown in Exhibit A as the "Effect of plan changes" during the measurement period. While Senate Bill 111 also made changes to certain aspects of the System's funding and administration, the change in the death benefit provision is the only change that affects the measured Total Pension Liability. As a result, the death benefit provision is the only difference between June 30, 2020 and June 30, 2021 in the plan provisions basis used to determine the Total Pension Liability as of those two respective Measurement Dates.

Changes of Assumptions:

The PERS Board adopted assumption changes that were used to measure the June 30, 2016 total pension liability and June 30, 2018 total pension liability. For June 30, 2016, the changes included the lowering of the long-term expected rate of return to 7.50 percent and lowering of the assumed inflation to 2.50 percent. For June 30, 2018, the long-term expected rate of return was lowered to 7.20 percent. For June 30, 2021, the long-term expected rate of return was lowered to 6.90 percent, and the inflation rate was lowered from 2.5 to 2.4 percent. In addition, the healthy mortality assumption was changed to reflect an updated mortality improvement scale for all groups, and assumptions were updated for merit increases, unused sick leave, and vacation pay were updated.

CITY OF DALLAS, OREGON
SCHEDULE OF CONTRIBUTIONS - PENSION
For the Last Ten Fiscal Years¹

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
2022	\$ 1,499,035	\$ 1,499,035	\$ -	\$ 6,455,011	23.22%
2021	1,357,356	1,357,356	-	6,260,573	21.68%
2020	1,264,132	1,514,132	(250,000)	5,953,953	25.43%
2019	940,036	940,036	-	5,379,911	17.47%
2018	914,094	914,094	-	5,171,562	17.68%
2017	671,043	671,043	-	4,665,098	14.38%
2016	635,399	635,399	-	4,385,631	14.49%
2015	733,439	733,439	-	4,347,982	16.87%
2014	764,158	764,158	-	4,301,804	17.76%

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

¹This 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.

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

	December 31, 2019	December 31, 2017	December 31, 2015	December 31, 2013	December 31, 2011
Actuarial valuation	July 2021 - June 2023	July 2019 - June 2021	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Effective	Entry Age Normal				Projected Unit Credit
Actuarial cost method	Level percentage of payroll				
Amortization method	Market Value				
Asset valuation method	20 years				
Remaining amortization periods					N/A
Actuarial assumptions:					
Inflation rate	2.40 percent	2.50 percent		2.75 percent	
Projected salary increases	3.50 percent				
Investment rate of return	6.90 percent	7.20 percent	7.50 percent	7.75 percent	8.00 percent

CITY OF DALLAS, OREGON
SCHEDULE OF THE PROPORTIONATE SHARE OF OPEB - RHIA
For the Last Ten Fiscal Years¹

Measurement Date June 30,	(a) City's proportion of the net OPEB liability (asset)	(b) City's proportionate share of the net OPEB liability (asset)	(c) Covered payroll	(b/c) City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2021	0.03464990%	\$ (118,988)	\$ 6,260,573	-1.90%	183.9%
2020	0.04273580%	(87,079)	5,953,953	-1.46%	150.1%
2019	0.04922296%	(95,117)	5,379,911	-1.77%	144.4%
2018	0.04853250%	(54,175)	5,171,562	-1.05%	124.0%
2017	0.04594645%	(19,175)	4,665,098	-0.41%	108.9%

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

¹This 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.

NOTES TO SCHEDULE

Changes of Assumptions:

The PERS Board adopted assumption changes that were used to measure the June 30, 2021 total OPEB liability. The changes include the lowering of the long-term expected rate of return from 7.20 to 6.90 percent and the inflation rate from 2.5 to 2.4 percent. In addition, the healthy healthcare participation and cost trend rates, and healthy mortality assumptions were changed to reflect an updated trends and mortality improvement scale for all groups.

CITY OF DALLAS, OREGON
SCHEDULE OF CONTRIBUTIONS TO OPEB - RHIA
For the Last Ten Fiscal Years¹

Year Ended June 30,	(a) Contractually determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) Covered payroll	(b/c) Contributions as a percent of covered payroll
2022	\$ 994	\$ 994	\$ -	\$ 6,455,011	0.02%
2021	16,299	16,299	-	6,260,573	0.26%
2020	3,052	3,052	-	5,953,953	0.05%
2019	24,396	24,396	-	5,379,911	0.45%
2018	23,500	23,500	-	5,171,562	0.45%
2017	22,656	22,656	-	4,665,098	0.49%

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

¹This 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.

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

	December 31, 2019	December 31, 2017	December 31, 2015	December 31, 2013	December 31, 2011
Actuarial valuation:					
Effective:	July 2021 - June 2023	July 2019 - June 2021	July 2017 - June 2019	July 2015 - June 2017	December 31, 2011
Actuarial cost method:	Entry Age Normal				Projected Unit Credit
Amortization method:	Level percentage of payroll, closed				
Amortization period:	10 years				
Asset valuation method:	Market value				
Remaining amortization periods:	10 years		20 years		N/A
Actuarial assumptions					
Inflation rate	2.40 percent	2.50 percent		2.75 percent	
Projected salary increases	3.40 percent	3.50 percent		3.75 percent	
Investment rate of return	6.90 percent	7.20 percent	7.50 percent	7.75 percent	8.00 percent
Healthcare cost trend rates	None. Statute stipulates \$60 monthly payment for healthcare insurance				

CITY OF DALLAS, OREGON
SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS - IMPLICIT RATE SUBSIDY
For the Last Ten Fiscal Years¹

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Interest	\$ 45,380	\$ 33,993	\$ 30,124	\$ 25,276	\$ 26,975
Interest	8,148	12,234	12,244	12,971	10,825
Changes of benefit terms	-	-	-	-	-
Differences between economic/demographic gains or losses	-	(20,133)	-	(37,890)	-
Changes of assumptions	1,809	3,069	11,321	(21,783)	(20,515)
Benefit payment	(19,782)	(22,982)	(25,744)	(32,940)	(33,286)
Net change in total OPEB liability	<u>35,555</u>	<u>6,181</u>	<u>27,945</u>	<u>(54,366)</u>	<u>(16,001)</u>
Total OPEB liability - beginning	<u>333,125</u>	<u>326,944</u>	<u>298,999</u>	<u>353,365</u>	<u>369,366</u>
Total OPEB liability - ending	<u>\$ 368,680</u>	<u>\$ 333,125</u>	<u>\$ 326,944</u>	<u>\$ 298,999</u>	<u>\$ 353,365</u>
Covered-employee payroll	\$ 6,455,011	\$ 6,260,573	\$ 5,953,953	\$ 5,379,911	\$ 5,171,562
Total OPEB liability as a percentage of covered-employee payroll	5.71%	5.32%	5.49%	5.56%	6.83%

The amounts presented for each fiscal year were actuarial determined at July 1 and rolled forward to the measurement date.

For the implicit rate subsidy plan, no assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

¹This 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 TO OPEB - IMPLICIT RATE SUBSIDY
For the Last Ten Fiscal Years¹

Year Ended June 30,	(a) Actuarially determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) Covered employee payroll	(b/c) Contributions as a percent of covered payroll
2021	\$ 10,279	\$ 10,279	\$ -	\$ 6,455,011	0.16%
2020	19,782	19,782	-	6,260,573	0.32%
2019	22,982	5,220	-	5,953,953	0.66%
2018	25,744	14,180	-	5,379,911	1.71%
2017	32,940	27,024	-	5,171,562	3.44%
2016	33,286	33,286	-	4,665,098	0.71%

The amounts presented for each fiscal year were actuarial determined at July 1 and rolled forward to the measurement date.

¹This 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.

NOTES TO SCHEDULE

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

Actuarial valuation:	July 1, 2020	July 1, 2018	July 1, 2016
Effective:	June 30, 2020 and 2021	June 30, 2018 and 2019	June 30, 2016 and 2017
Actuarial cost method:	Entry Age Normal		
Amortization method:	Level percentage of payroll, closed		
Amortization period:	5.8 years	6.8 years	7.7 years
Asset valuation method:	Market value		
Remaining amortization periods:	20 years		
Actuarial assumptions:			
Inflation rate	2.50 percent		
Projected salary increases	3.50 percent		

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:

- Major Governmental Fund - System Development Fund
- Combining Statements – Nonmajor Governmental Funds
- Combining Statements – General Fund - Generally Accepted Accounting Principles
- General Fund - Schedule of Expenditures - Budgetary Basis
- Budgetary Comparison Schedules – Nonmajor Governmental Funds

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:

Risk Management Fund

This fund accounts for all insurance premiums and claims, it is funded by transfer from other funds.

Grants Fund

This fund accounts for major grants to the City.

Police Officer Fee and Firefighter/EMS Fee Fund

This fund accounts for utility service fees collected for the purpose of paying two police officer positions and two firefighter/EMS positions, including related personnel costs.

Building Inspections Fund

This fund accounts for permits collected fees for the purpose conducting plan reviews, issuance of permits, and performance of inspections.

Trust/Reserve Fund

This fund accounts for monies dedicated for a specific purpose through Council action or trust donations.

Urban Renewal Fund

This fund accounts for the City's urban renewal activities.

Debt Service Fund

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

General Long Term Debt Fund

This fund is used 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:

Improvement Fund

This fund is used to account for projects scheduled in the Capital Improvement Plan (CIP) for the City.

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, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Licenses and permits	\$ 10,205,000	\$ 10,205,000	\$ 1,960,414	\$ (8,244,586)
Miscellaneous	-	-	10,658	10,658
Total revenues	<u>10,205,000</u>	<u>10,205,000</u>	<u>1,971,072</u>	<u>(8,233,928)</u>
EXPENDITURES:				
Transportation	2,021,000	2,047,527	250,019	1,797,508
Park	1,960,750	1,960,750	71,844	1,888,906
Water	3,580,528	3,580,528	154,345	3,426,183
Sewer	12,877,197	12,877,197	47,696	12,829,501
Storm	688,950	688,950	55,509	633,441
Total expenditures	<u>21,128,425</u>	<u>21,154,952</u>	<u>579,413</u>	<u>20,575,539</u>
Revenues over (under) expenditures	(10,923,425)	(10,949,952)	1,391,659	12,341,611
OTHER FINANCING SOURCES (USES):				
Interfund loan proceeds (payments)	163,225	163,225	152,567	(10,658)
Transfers in	-	26,527	26,527	-
Transfers out	(189,800)	(189,800)	(189,800)	-
Total other financing sources (uses)	<u>(26,575)</u>	<u>(48)</u>	<u>(10,706)</u>	<u>(10,658)</u>
Net changes in fund balances	(10,950,000)	(10,950,000)	1,380,953	12,330,953
FUND BALANCES, BEGINNING BUDGETARY BASIS	<u>10,950,000</u>	<u>10,950,000</u>	<u>11,181,352</u>	<u>231,352</u>
FUND BALANCES, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>12,562,305</u>	<u>\$ 12,562,305</u>
Interfund loan receivable			<u>1,166,447</u>	
FUND BALANCES, ENDING			<u>\$ 13,728,752</u>	

CITY OF DALLAS, OREGON
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2022

	Total Nonmajor Special Revenue Funds	General Long Term Debt Fund	Total
ASSETS:			
Cash and cash equivalents	\$ 2,002,565	\$ 11	\$ 2,002,576
Cash held with county	1,541	-	1,541
Accounts receivable	21,446	-	21,446
Property taxes receivable	6,043	-	6,043
Total assets	<u>\$ 2,031,595</u>	<u>\$ 11</u>	<u>\$ 2,031,606</u>
LIABILITIES:			
Accounts payable and other current liabilities	\$ 46,790	\$ -	\$ 46,790
Total liabilities	<u>46,790</u>	<u>-</u>	<u>46,790</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - property taxes	6,043	-	6,043
Total deferred inflows of resources	<u>6,043</u>	<u>-</u>	<u>6,043</u>
FUND BALANCES:			
Restricted for:			
Debt	-	11	11
Urban renewal projects	355,715	-	355,715
Building department	1,207,155	-	1,207,155
Trust	131,393	-	131,393
Committed for:			
Community development	282,182	-	282,182
Assigned for:			
Grants	2,317	-	2,317
Total fund balances	<u>1,978,762</u>	<u>11</u>	<u>1,978,773</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,031,595</u>	<u>\$ 11</u>	<u>\$ 2,031,606</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, 2022**

	Total Nonmajor Special Revenue Funds	General Long Term Debt Fund	Total
REVENUES:			
Property taxes	\$ 234,069	\$ -	\$ 234,069
Grants	296,609	-	296,609
Licenses and permits	624,926	-	624,926
Fees	438,340	-	438,340
Contributions and donations	106,909	-	106,909
Interest	4,602	-	4,602
Miscellaneous	38,609	164,039	202,648
	<u>1,744,064</u>	<u>164,039</u>	<u>1,908,103</u>
EXPENDITURES:			
General government	778,991	-	778,991
Culture and recreation	213,102	-	213,102
Community development	1,035,710	-	1,035,710
Capital outlay	9,950	-	9,950
Debt service:			
Principal	-	115,000	115,000
Interest	-	49,039	49,039
	<u>2,037,753</u>	<u>164,039</u>	<u>2,201,792</u>
Revenues over (under) expenditures	(293,689)	-	(293,689)
OTHER FINANCING SOURCES (USES):			
Transfers in	538,900	-	538,900
Transfers out	(258,471)	-	(258,471)
	<u>280,429</u>	<u>-</u>	<u>280,429</u>
Net changes in fund balances	(13,260)	-	(13,260)
FUND BALANCES, BEGINNING	<u>1,992,022</u>	<u>11</u>	<u>1,992,033</u>
FUND BALANCES, ENDING	<u>\$ 1,978,762</u>	<u>\$ 11</u>	<u>\$ 1,978,773</u>

**CITY OF DALLAS, OREGON
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2022**

	Risk Management Fund	Grants Fund
	<u> </u>	<u> </u>
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
ASSETS		
Cash and cash equivalents	\$ 28,122	\$ 3,117
Cash held with county	-	-
Accounts receivable	-	-
Property taxes receivable	-	-
	<u> </u>	<u> </u>
Total assets	<u>\$ 28,122</u>	<u>\$ 3,117</u>
LIABILITIES:		
Accounts payable and other current liabilities	<u>\$ 3,594</u>	<u>\$ 800</u>
	<u> </u>	<u> </u>
Total liabilities	<u>3,594</u>	<u>800</u>
DEFERRED INFLOWS OF RESOURCES:		
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>
	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>
FUND BALANCES:		
Restricted for:		
Urban renewal projects	-	-
Building department	-	-
Trust	-	-
Committed for:		
Community development	24,528	-
Assigned for:		
Grants	<u>-</u>	<u>2,317</u>
	<u> </u>	<u> </u>
Total fund balances	<u>24,528</u>	<u>2,317</u>
	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 28,122</u>	<u>\$ 3,117</u>

Police Officer Fee and Firefighter/EMS Fee Fund	Building Inspections Fund	Trust/Reserve Fund	Urban Renewal Fund	Total
\$ 236,208	\$ 1,222,569	\$ 158,204	\$ 354,345	\$ 2,002,565
-	-	-	1,541	1,541
21,446	-	-	-	21,446
-	-	-	6,043	6,043
<u>\$ 257,654</u>	<u>\$ 1,222,569</u>	<u>\$ 158,204</u>	<u>\$ 361,929</u>	<u>\$ 2,031,595</u>
\$ -	\$ 15,414	\$ 26,811	\$ 171	\$ 46,790
-	15,414	26,811	171	46,790
-	-	-	6,043	6,043
-	-	-	6,043	6,043
-	-	-	355,715	355,715
-	1,207,155	-	-	1,207,155
-	-	131,393	-	131,393
257,654	-	-	-	282,182
-	-	-	-	2,317
<u>257,654</u>	<u>1,207,155</u>	<u>131,393</u>	<u>355,715</u>	<u>1,978,762</u>
<u>\$ 257,654</u>	<u>\$ 1,222,569</u>	<u>\$ 158,204</u>	<u>\$ 361,929</u>	<u>\$ 2,031,595</u>

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, 2022

	Risk Management Fund	Grants Fund
REVENUES:		
Property taxes	\$ -	\$ -
Grants	-	296,609
Licenses and permits	-	-
Fees	-	-
Contributions and donations	-	-
Interest	-	-
Miscellaneous	20,145	-
	<hr/>	<hr/>
Total revenues	20,145	296,609
	<hr/>	<hr/>
EXPENDITURES:		
General government	-	169,065
Culture and recreation	-	-
Community development	526,160	-
Capital outlay	-	-
	<hr/>	<hr/>
Total expenditures	526,160	169,065
	<hr/>	<hr/>
Revenues over (under) expenditures	(506,015)	127,544
OTHER FINANCING SOURCES (USES):		
Transfers in	382,400	-
Transfers out	-	(57,726)
	<hr/>	<hr/>
Total other financing sources (uses)	382,400	(57,726)
	<hr/>	<hr/>
Net changes in fund balances	(123,615)	69,818
FUND BALANCES, BEGINNING	<hr/>	<hr/>
	148,143	(67,501)
	<hr/>	<hr/>
FUND BALANCES, ENDING	<hr/>	<hr/>
	\$ 24,528	\$ 2,317
	<hr/>	<hr/>

Police Officer Fee and Firefighter/EMS Fee Fund	Building Inspections Fund	Trust/Reserve Fund	Urban Renewal Fund	Total
\$ -	\$ -	\$ -	\$ 234,069	\$ 234,069
-	-	-	-	296,609
-	624,926	-	-	624,926
438,340	-	-	-	438,340
-	-	106,909	-	106,909
-	-	-	4,602	4,602
-	-	-	18,464	38,609
<u>438,340</u>	<u>624,926</u>	<u>106,909</u>	<u>257,135</u>	<u>1,744,064</u>
346,225	-	-	263,701	778,991
-	-	213,102	-	213,102
-	509,550	-	-	1,035,710
-	-	-	9,950	9,950
<u>346,225</u>	<u>509,550</u>	<u>213,102</u>	<u>273,651</u>	<u>2,037,753</u>
92,115	115,376	(106,193)	(16,516)	(293,689)
-	73,000	83,500	-	538,900
-	(51,600)	-	(149,145)	(258,471)
-	21,400	83,500	(149,145)	280,429
92,115	136,776	(22,693)	(165,661)	(13,260)
<u>165,539</u>	<u>1,070,379</u>	<u>154,086</u>	<u>521,376</u>	<u>1,992,022</u>
<u>\$ 257,654</u>	<u>\$ 1,207,155</u>	<u>\$ 131,393</u>	<u>\$ 355,715</u>	<u>\$ 1,978,762</u>

CITY OF DALLAS, OREGON
GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES
COMBINING BALANCE SHEET
June 30, 2022

	General Fund - Budgetary Basis	Improvement Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
ASSETS:			
Cash and cash equivalents	\$ 6,452,090	\$ 662	\$ 6,452,752
Cash held with county	34,271	-	34,271
Accounts receivable	829,485	-	829,485
Property taxes receivable	136,151	-	136,151
Lease receivable	281,845	-	281,845
	<hr/>	<hr/>	<hr/>
Total assets	\$ 7,733,842	\$ 662	\$ 7,734,504
	<hr/>	<hr/>	<hr/>
LIABILITIES:			
Accounts payable and other current liabilities	\$ 224,258	\$ -	\$ 224,258
Payroll liabilities	226,031	-	226,031
Deposits payable	577,824	-	577,824
	<hr/>	<hr/>	<hr/>
Total liabilities	1,028,113	-	1,028,113
	<hr/>	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable revenue - property taxes	136,151	-	136,151
Unavailable revenue - lease receivable	281,845	-	281,845
	<hr/>	<hr/>	<hr/>
Total deferred inflows of resources	417,996	-	417,996
	<hr/>	<hr/>	<hr/>
FUND BALANCES:			
Unassigned	6,287,733	662	6,288,395
	<hr/>	<hr/>	<hr/>
Total fund balances	6,287,733	662	6,288,395
	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balances	\$ 7,733,842	\$ 662	\$ 7,734,504
	<hr/>	<hr/>	<hr/>

CITY OF DALLAS, OREGON
GENERAL FUND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2022

	General Fund - Budgetary Basis	Improvement Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
REVENUES:			
Property taxes	\$ 5,159,694	\$ -	\$ 5,159,694
Public service taxes	1,099,130	-	1,099,130
Franchise fees	1,394,247	-	1,394,247
Grants	1,885,645	-	1,885,645
Charges for services	2,845,962	-	2,845,962
Licenses and permits	1,595	-	1,595
Fines and forfeitures	125,544	-	125,544
Interest	43,736	-	43,736
Miscellaneous	236,346	-	236,346
	<hr/>	<hr/>	<hr/>
Total revenues	12,791,899	-	12,791,899
EXPENDITURES:			
General government	1,626,508	-	1,626,508
Public safety	6,969,873	-	6,969,873
Culture and recreation	571,097	-	571,097
Community development	1,915,327	-	1,915,327
Capital outlay	203,335	-	203,335
Debt service:			
Principal	183,745	-	183,745
Interest	38,389	-	38,389
	<hr/>	<hr/>	<hr/>
Total expenditures	11,508,274	-	11,508,274
Revenues over (under) expenditures	1,283,625	-	1,283,625
OTHER FINANCING SOURCES (USES):			
Transfers in	1,617,544	-	1,617,544
Transfers out	(328,500)	-	(328,500)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	1,289,044	-	1,289,044
Net changes in fund balances	2,572,669	-	2,572,669
FUND BALANCES, BEGINNING BUDGETARY BASIS	<hr/>	<hr/>	<hr/>
	3,715,064	662	3,715,726
FUND BALANCES, ENDING	<hr/>	<hr/>	<hr/>
	\$ 6,287,733	\$ 662	\$ 6,288,395

CITY OF DALLAS, OREGON
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Admin:				
Personnel services	\$ 488,000	\$ 488,000	\$ 491,666	\$ (3,666) *
Materials and services	190,000	196,000	144,700	51,300 *
Subtotal	678,000	684,000	636,366	47,634
Finance:				
Personnel services	525,000	525,000	463,204	61,796
Materials and services	288,000	288,000	269,400	18,600
Subtotal	813,000	813,000	732,604	80,396
Facilities:				
Personnel services	139,000	139,000	136,129	2,871
Materials and services	110,000	122,000	121,409	591
Capital outlay	50,000	50,000	49,969	31
Subtotal	299,000	311,000	307,507	3,493
Municipal court:				
Personnel services	123,000	123,000	104,743	18,257
Materials and services	140,000	140,000	115,036	24,964
Subtotal	263,000	263,000	219,779	43,221
Ambulance department:				
Personnel services	1,395,000	1,445,000	1,323,036	121,964
Materials and services	405,250	515,250	500,924	14,326
Capital outlay	34,200	34,200	23,792	10,408
Debt Service:				
Principal	29,500	29,500	-	29,500
Interest	5,500	5,500	-	5,500
Subtotal	1,869,450	2,029,450	1,847,752	181,698
Fire department:				
Personnel services	882,000	990,000	961,320	28,680
Materials and services	308,500	315,500	263,904	51,596
Capital outlay	90,780	90,780	5,095	85,685
Debt Service:				
Principal	40,095	40,095	40,095	-
Interest	4,718	4,718	4,718	-
Transfer out	80,500	80,500	80,500	-
Subtotal	1,406,593	1,521,593	1,355,632	165,961
Police department:				
Personnel services	3,383,000	3,432,000	3,197,569	234,431
Materials and services	524,000	529,000	498,246	30,754
Subtotal	3,907,000	3,961,000	3,695,815	265,185

CITY OF DALLAS, OREGON
GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
Library:				
Personnel services	484,000	484,000	481,630	2,370
Materials and services	95,000	95,000	89,467	5,533
Capital outlay	9,000	9,000	9,000	-
Subtotal	588,000	588,000	580,097	7,903
Parks:				
Personnel services	290,000	339,000	342,702	(3,702) *
Materials and services	186,500	204,500	205,274	(774) *
Capital outlay	38,000	38,000	33,326	4,674 *
Subtotal	514,500	581,500	581,302	198
Aquatic center:				
Personnel services	577,000	602,000	590,301	11,699
Materials and services	302,000	302,000	296,735	5,265
Capital outlay	26,000	26,000	25,797	203
Subtotal	905,000	930,000	912,833	17,167
Economic and community development				
Personnel services	377,000	410,500	362,842	47,658
Materials and services	109,000	148,500	117,473	31,027
Subtotal	486,000	559,000	480,315	78,685
Non-departmental:				
Capital outlay	60,000	210,000	61,451	148,549
Transfer out	235,000	248,000	248,000	-
Debt Service:				
Principal	143,650	143,650	143,650	-
Interest	33,691	33,691	33,671	20
Subtotal	472,341	635,341	486,772	148,569
Total expenditures	\$ 12,201,884	\$ 12,876,884	\$ 11,836,774	\$ 1,040,110

* Subtotal equals appropriation level

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.

Nonmajor Governmental Budgetary Comparison schedules included the following:

- Special Revenue Funds
 - Risk Management Fund
 - Grants Fund
 - Police Officer Fee and Firefighter/EMS Fee Fund
 - Building Inspections Fund
 - Trust/Reserve Fund
 - Urban Renewal Fund

- Debt Service Fund
 - General Long Term Debt Fund

- Capital Project Funds
 - Improvement Fund

**CITY OF DALLAS, OREGON
RISK MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 20,145	\$ 15,145
Total revenues	5,000	5,000	20,145	15,145
EXPENDITURES:				
Materials and services	377,400	537,400	526,160	11,240
Contingency	150,000	-	-	-
Total expenditures	527,400	537,400	526,160	11,240
Revenues over (under) expenditures	(522,400)	(532,400)	(506,015)	26,385
OTHER FINANCING SOURCES (USES):				
Transfers in	372,400	382,400	382,400	-
Total other financing sources (uses)	372,400	382,400	382,400	-
Net changes in fund balances	(150,000)	(150,000)	(123,615)	26,385
FUND BALANCES, BEGINNING	150,000	150,000	148,143	(1,857)
FUND BALANCES, ENDING	\$ -	\$ -	\$ 24,528	\$ 24,528

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, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Grants	\$ 2,987,200	\$ 3,013,727	\$ 296,609	\$ (2,717,118)
Total revenues	2,987,200	3,013,727	296,609	(2,717,118)
EXPENDITURES:				
Public works	2,415,000	2,415,000	-	2,415,000
Fire	11,500	11,500	7,873	3,627
Police	5,000	5,000	3,987	1,013
Library	3,700	3,700	3,977	(277)
General - community development block	525,000	525,000	153,228	371,772
Total expenditures	2,960,200	2,960,200	169,065	2,791,135
Revenues over (under) expenditures	27,000	53,527	127,544	74,017
OTHER FINANCING SOURCES (USES):				
Transfers out	(30,000)	(56,527)	(57,726)	(1,199)
Total other financing sources (uses)	(30,000)	(56,527)	(57,726)	(1,199)
Net changes in fund balances	(3,000)	(3,000)	69,818	72,818
FUND BALANCES, BEGINNING	3,000	3,000	(67,501)	(70,501)
FUND BALANCES, ENDING	\$ -	\$ -	\$ 2,317	\$ 2,317

CITY OF DALLAS, OREGON
POLICE OFFICER FEE AND FIREFIGHTER/EMS FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Fees	\$ 420,000	\$ 420,000	\$ 438,340	\$ 18,340
Total revenues	420,000	420,000	438,340	18,340
EXPENDITURES:				
Personnel services	420,000	420,000	346,225	73,775
Contingency	150,000	150,000	-	150,000
Total expenditures	570,000	570,000	346,225	223,775
Net changes in fund balances	(150,000)	(150,000)	92,115	242,115
FUND BALANCES, BEGINNING	150,000	150,000	165,539	15,539
FUND BALANCES, ENDING	\$ -	\$ -	\$ 257,654	\$ 257,654

CITY OF DALLAS, OREGON
BUILDING INSPECTIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Licenses and permits	\$ 600,000	\$ 600,000	\$ 624,926	\$ 24,926
Miscellaneous	500	500	-	(500)
Total revenues	600,500	600,500	624,926	24,426
EXPENDITURES:				
Personnel services	450,000	469,500	437,318	32,182
Materials and services	77,000	77,000	46,724	30,276
Capital outlay	26,000	26,000	25,508	492
Contingency	968,900	949,400	-	949,400
Total expenditures	1,521,900	1,521,900	509,550	1,012,350
Revenues over (under) expenditures	(921,400)	(921,400)	115,376	1,036,776
OTHER FINANCING SOURCES (USES):				
Transfers in	73,000	73,000	73,000	-
Transfers out	(51,600)	(51,600)	(51,600)	-
Total other financing sources (uses)	21,400	21,400	21,400	-
Net changes in fund balances	(900,000)	(900,000)	136,776	1,036,776
FUND BALANCES, BEGINNING	900,000	900,000	1,070,379	170,379
FUND BALANCES, ENDING	\$ -	\$ -	\$ 1,207,155	\$ 1,207,155

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, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Contributions and donations	\$ 68,600	\$ 116,600	\$ 106,909	\$ (9,691)
Total revenues	68,600	116,600	106,909	(9,691)
EXPENDITURES:				
Trust expenditures:				
Park	54,000	54,000	23,424	30,576
Fire	162,850	162,850	82,441	80,409
Library	30,000	50,000	44,375	5,625
Aquatic	35,000	50,000	47,967	2,033
General	3,000	16,000	14,895	1,105
Total expenditures	284,850	332,850	213,102	119,748
Revenues over (under) expenditures	(216,250)	(216,250)	(106,193)	110,057
OTHER FINANCING SOURCES (USES):				
Transfers in	80,500	80,500	83,500	3,000
Total other financing sources (uses)	80,500	80,500	83,500	3,000
Net changes in fund balances	(135,750)	(135,750)	(22,693)	113,057
FUND BALANCES, BEGINNING	135,750	135,750	154,086	18,336
FUND BALANCES, ENDING	\$ -	\$ -	\$ 131,393	\$ 131,393

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, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 229,000	\$ 229,000	\$ 234,069	\$ 5,069
Interest	7,000	7,000	4,602	(2,398)
Miscellaneous	16,000	16,000	18,464	2,464
Total revenues	<u>252,000</u>	<u>252,000</u>	<u>257,135</u>	<u>5,135</u>
EXPENDITURES:				
Personnel services	15,000	15,000	13,994	1,006
Materials and services	347,250	341,250	249,707	91,543
Capital outlay	20,000	10,000	9,950	50
Contingency	61,420	77,420	-	77,420
Total expenditures	<u>443,670</u>	<u>443,670</u>	<u>273,651</u>	<u>170,019</u>
Revenues over (under) expenditures	(191,670)	(191,670)	(16,516)	175,154
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(149,165)</u>	<u>(149,165)</u>	<u>(149,145)</u>	<u>20</u>
Total other financing sources (uses)	<u>(149,165)</u>	<u>(149,165)</u>	<u>(149,145)</u>	<u>20</u>
Net changes in fund balances	(340,835)	(340,835)	(165,661)	175,174
FUND BALANCES, BEGINNING	<u>490,000</u>	<u>490,000</u>	<u>521,376</u>	<u>31,376</u>
FUND BALANCES, ENDING	<u>\$ 149,165</u>	<u>\$ 149,165</u>	<u>\$ 355,715</u>	<u>\$ 206,550</u>

**CITY OF DALLAS, OREGON
GENERAL LONG TERM DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Miscellaneous	\$ 164,040	\$ 164,040	\$ 164,039	\$ (1)
Total revenues	164,040	164,040	164,039	(1)
EXPENDITURES:				
Debt service:				
Principal	115,000	115,000	115,000	-
Interest	49,040	49,040	49,039	1
Total expenditures	164,040	164,040	164,039	1
Net changes in fund balances	-	-	-	-
FUND BALANCES, BEGINNING	-	-	11	11
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 11</u>

**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, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
FUND BALANCES, BEGINNING	\$ -	\$ -	\$ 662	\$ 662
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 662</u>	<u>\$ 662</u>

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
- Storm 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, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 3,750,000	\$ 3,750,000	\$ 3,890,179	\$ 140,179
Interest	25,000	25,000	19,675	(5,325)
Miscellaneous	75,000	75,000	87,657	12,657
Total revenues	<u>3,850,000</u>	<u>3,850,000</u>	<u>3,997,511</u>	<u>147,511</u>
EXPENDITURES:				
Personnel services	548,000	548,000	501,532	46,468
Materials and services	1,263,500	1,283,500	1,063,174	220,326
Capital outlay	698,750	698,750	530,662	168,088
Debt service:				
Principal	206,000	206,000	56,000	150,000
Interest	208,008	208,008	18,008	190,000
Contingency	1,862,042	1,842,042	-	1,842,042
Total expenditures	<u>4,786,300</u>	<u>4,786,300</u>	<u>2,169,376</u>	<u>2,616,924</u>
Revenues over (under) expenditures	(936,300)	(936,300)	1,828,135	2,764,435
OTHER FINANCING SOURCES (USES):				
Transfers out	(613,700)	(613,700)	(613,700)	-
Total other financing sources (uses)	<u>(613,700)</u>	<u>(613,700)</u>	<u>(613,700)</u>	<u>-</u>
Net changes in fund balances	(1,550,000)	(1,550,000)	1,214,435	2,764,435
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>1,550,000</u>	<u>1,550,000</u>	<u>1,732,593</u>	<u>182,593</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>2,947,028</u>	<u>\$ 2,947,028</u>

RECONCILIATION TO NET POSITION - GAAP BASIS

Accrued interest	(5,521)
OPEB assets	4,213
Capital assets, net	19,713,845
Inventories	19,191
Loans Payable	(642,000)
Compensated absences	(14,221)
Deferred inflows related to pensions	(206,335)
Deferred inflows related to OPEB	(3,376)
OPEB liability	(13,054)
Pension liability	(262,044)
Deferred outflows related to pensions	193,190
Deferred outflows related to OPEB	1,373

NET POSITION

\$ 21,732,289

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, 2022

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 3,290,000	\$ 3,290,000	\$ 3,290,835	\$ 835
Interest	80,000	80,000	26,604	(53,396)
Miscellaneous	90,000	90,000	89,723	(277)
Total revenues	<u>3,460,000</u>	<u>3,460,000</u>	<u>3,407,162</u>	<u>(52,838)</u>
EXPENDITURES:				
Personnel services	1,005,000	1,005,000	943,703	61,297
Materials and services	743,500	743,500	667,824	75,676
Capital outlay	998,750	998,750	209,201	789,549
Debt service:				
Principal	461,192	461,192	461,191	1
Interest	145,561	145,561	145,554	7
Contingency	1,968,619	1,968,619	-	1,968,619
Total expenditures	<u>5,322,622</u>	<u>5,322,622</u>	<u>2,427,473</u>	<u>2,895,149</u>
Revenues over (under) expenditures	(1,862,622)	(1,862,622)	979,689	2,842,311
OTHER FINANCING SOURCES (USES):				
Interfund loan proceeds (payments)	(81,006)	(81,006)	(81,006)	-
Transfers out	(556,372)	(556,372)	(551,600)	4,772
Total other financing sources (uses)	<u>(637,378)</u>	<u>(637,378)</u>	<u>(632,606)</u>	<u>4,772</u>
Net changes in fund balances	(2,500,000)	(2,500,000)	347,083	2,847,083
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,878,518</u>	<u>378,518</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	<u>3,225,601</u>	<u>\$ 3,225,601</u>
RECONCILIATION TO NET POSITION - GAAP BASIS				
Accrued interest			(54,078)	
OPEB asset			9,575	
Capital assets, net			19,633,727	
Interfund loan			(751,344)	
Inventories			180,484	
Loans payable			(5,580,697)	
Compensated absences			(38,253)	
Deferred inflows related to pensions			(468,951)	
Deferred inflows related to OPEB			(7,673)	
OPEB liability			(29,668)	
Pension liability			(595,565)	
Deferred outflows related to pensions			439,076	
Deferred outflows related to OPEB			3,121	
NET POSITION			<u>\$ 15,965,355</u>	

CITY OF DALLAS, OREGON
STORM WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2022

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 660,000	\$ 660,000	\$ 759,969	\$ 99,969
Interest	3,000	3,000	4,930	1,930
Miscellaneous	2,000	2,000	-	(2,000)
Total revenues	665,000	665,000	764,899	99,899
EXPENDITURES:				
Personnel services	90,000	90,000	81,623	8,377
Materials and services	426,100	426,100	250,827	175,273
Capital outlay	58,750	58,750	28,884	29,866
Contingency	431,157	431,157	-	431,157
Total expenditures	1,006,007	1,006,007	361,334	644,673
Revenues over (under) expenditures	(341,007)	(341,007)	403,565	744,572
OTHER FINANCING SOURCES (USES):				
Interfund loan proceeds (payments)	(15,367)	(15,367)	(15,367)	-
Transfers out	(73,626)	(73,626)	(71,500)	2,126
Total other financing sources (uses)	(88,993)	(88,993)	(86,867)	2,126
Net changes in fund balances	(430,000)	(430,000)	316,698	746,698
FUND BALANCE, BEGINNING BUDGETARY BASIS	430,000	430,000	460,119	30,119
FUND BALANCE, ENDING BUDGETARY BASIS	\$ -	\$ -	776,817	\$ 776,817

RECONCILIATION TO NET POSITION - GAAP BASIS

OPEB asset	950
Capital assets, net	3,639,048
Interfund loan	(82,465)
Compensated absences	(1,821)
Deferred inflows related to pensions	(46,536)
Deferred inflows related to OPEB	(761)
Pension liability	(59,101)
OPEB liability	(2,944)
Deferred outflows related to pensions	43,572
Deferred outflows related to OPEB	310

NET POSITION

\$ 4,267,069

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 schedule includes 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, 2022**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 509,500	\$ 509,500	\$ 494,725	(14,775)
Total revenues	509,500	509,500	494,725	(14,775)
EXPENDITURES:				
Personnel services	245,000	245,000	239,528	5,472 *
Materials and services	225,500	250,500	252,501	(2,001) *
Capital outlay	50,000	50,000	46,809	3,191 *
Contingency	323,500	298,500	-	298,500
Total expenditures	844,000	844,000	538,838	305,162
Revenues over (under) expenditures	(334,500)	(334,500)	(44,113)	290,387
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of capital assets	5,000	5,000	28,520	23,520
Transfers in	8,500	8,500	8,500	-
Transfers out	(69,000)	(69,000)	(69,000)	-
Total other financing sources (uses)	(55,500)	(55,500)	(31,980)	23,520
Net changes in fund balances	(390,000)	(390,000)	(76,093)	313,907
FUND BALANCE, BEGINNING BUDGETARY BASIS	<u>390,000</u>	<u>390,000</u>	<u>406,670</u>	<u>16,670</u>
FUND BALANCE, ENDING BUDGETARY BASIS	<u>\$ -</u>	<u>\$ -</u>	330,577	<u>\$ 330,577</u>

RECONCILIATION TO NET POSITION - GAAP BASIS

Capital assets, net	194,950
OPEB asset	2,882
Deferred outflows related to pensions	132,166
Deferred outflows related to OPEB	939
Accrued compensated absences	(18,853)
Pension liability	(179,270)
OPEB liability	(8,930)
Deferred inflows related to pensions	(141,158)
Deferred inflows related to OPEB	(2,310)

NET POSITION

\$ 310,993

* Sum equal appropriation level

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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 annual comprehensive financial reports for the relevant year.

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Governmental activities:				
Net investment in capital assets	\$ 43,944,286	\$ 46,675,558	\$ 48,197,682	\$ 48,416,186
Restricted for special purposes	21,600,094	17,014,195	13,133,048	14,420,599
Unrestricted	(1,427,187)	(4,135,791)	(4,092,595)	(3,314,269)
Total governmental activities net position	<u>\$ 64,117,193</u>	<u>\$ 59,553,962</u>	<u>\$ 57,238,135</u>	<u>\$ 59,522,516</u>
Business-type activities:				
Net investment in capital assets	\$ 36,763,923	\$ 33,606,006	\$ 32,246,532	\$ 27,913,008
Restricted for special purposes	14,738	11,949	12,280	-
Unrestricted	5,186,052	3,073,897	2,631,161	2,922,587
Total business-type activities net position	<u>\$ 41,964,713</u>	<u>\$ 36,691,852</u>	<u>\$ 34,889,973</u>	<u>\$ 30,835,595</u>
Primary government:				
Net investment in capital assets	\$ 80,708,209	\$ 80,281,564	\$ 80,444,214	\$ 76,329,194
Restricted for special purposes	\$ 21,614,832	\$ 17,026,144	\$ 13,145,328	\$ 14,420,599
Unrestricted	\$ 3,758,865	\$ (1,061,894)	\$ (1,461,434)	\$ (391,682)
Total primary government net position	<u>\$ 106,081,906</u>	<u>\$ 96,245,814</u>	<u>\$ 92,128,108</u>	<u>\$ 90,358,111</u>

Source: City of Dallas Annual Comprehensive Financial Reports

2018	2017	2016	2015	2014	2013
\$ 49,729,006	\$ 49,522,634	\$ 52,121,875	\$ 53,826,746	\$ 55,722,739	\$ 57,146,650
11,357,160	9,100,601	8,835,176	6,760,554	6,321,162	5,598,814
(1,943,071)	(945,149)	(2,318,099)	(746,388)	952,467	1,004,454
<u>\$ 59,143,095</u>	<u>\$ 57,678,086</u>	<u>\$ 58,638,952</u>	<u>\$ 59,840,912</u>	<u>\$ 62,996,368</u>	<u>\$ 63,749,918</u>
\$ 25,900,291	\$ 23,439,707	\$ 22,291,458	\$ 21,049,915	\$ 20,584,724	\$ 20,017,073
-	-	-	-	-	-
2,873,339	2,140,287	1,494,772	2,147,514	2,164,506	2,389,514
<u>\$ 28,773,630</u>	<u>\$ 25,579,994</u>	<u>\$ 23,786,230</u>	<u>\$ 23,197,429</u>	<u>\$ 22,749,230</u>	<u>\$ 22,406,587</u>
\$ 75,629,297	\$ 72,962,341	\$ 74,413,333	\$ 74,876,661	\$ 76,307,463	\$ 77,163,723
\$ 11,357,160	9,100,601	8,835,176	6,760,554	6,321,162	5,598,814
\$ 930,268	1,195,138	(823,327)	1,401,126	3,116,973	3,393,968
<u>\$ 87,916,725</u>	<u>\$ 83,258,080</u>	<u>\$ 82,425,182</u>	<u>\$ 83,038,341</u>	<u>\$ 85,745,598</u>	<u>\$ 86,156,505</u>

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

	2022	2021	2020	2019
EXPENSES				
Governmental activities:				
General government	\$ 4,019,169	\$ 3,843,319	\$ 6,066,986	\$ 3,128,997
Public safety	7,213,285	7,825,297	7,405,408	8,334,194
Highways and streets	2,714,590	2,712,010	2,773,333	783,447
Culture and recreation	1,074,861	1,176,670	1,283,472	842,281
Community development	2,936,614	2,322,457	2,594,730	3,021,745
Interest on long-term debt	160,114	115,103	136,259	56,981
Total governmental activities expenses	<u>18,118,633</u>	<u>17,994,856</u>	<u>20,260,188</u>	<u>16,167,645</u>
Business-type activities:				
Sewage disposal	2,144,924	2,317,611	1,180,763	2,258,528
Water	2,406,875	2,578,628	2,306,226	2,226,989
Storm water	400,431	253,439	216,107	181,627
Total business-type activities expenses	<u>4,952,230</u>	<u>5,149,678</u>	<u>3,703,096</u>	<u>4,667,144</u>
Total expenses	<u>\$ 23,070,863</u>	<u>\$ 23,144,534</u>	<u>\$ 23,963,284</u>	<u>\$ 20,834,789</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services				
General Government	\$ 2,192,551	\$ 2,466,178	\$ 613,897	\$ 672,612
Public Safety	2,710,924	2,619,621	2,434,316	2,570,300
Highways and streets	-	-	-	-
Culture and Recreation	670,535	296,061	493,594	599,017
Community development	17,226	20,901	11,264	13,370
Operating grants and contributions	296,609	357,951	1,641,459	599,195
Capital grants and contributions	2,904,396	1,745,490	1,638,878	339,717
Total governmental activities program revenues	<u>8,792,241</u>	<u>7,506,202</u>	<u>6,833,408</u>	<u>4,794,211</u>
Business-type activities:				
Charges for services	7,940,982	7,615,887	6,836,157	6,608,518
Operating grants and contributions	-	-	-	-
Capital grants and contributions	3,292,320	1,149,255	1,700,395	861,194
Total business-type activities program revenues	<u>11,233,302</u>	<u>8,765,142</u>	<u>8,536,552</u>	<u>7,469,712</u>
Total program revenues	<u>\$ 20,025,543</u>	<u>\$ 16,271,344</u>	<u>\$ 15,369,960</u>	<u>\$ 12,263,923</u>
Net (Expense)/Revenue				
Governmental activities	\$ (9,326,392)	\$ (10,488,654)	\$ (13,426,780)	\$ (11,373,434)
Business-type activities	6,281,072	3,615,464	4,833,456	2,802,568
Total net expense	<u>\$ (3,045,320)</u>	<u>\$ (6,873,190)</u>	<u>\$ (8,593,324)</u>	<u>\$ (8,570,866)</u>
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes and assessments	\$ 8,396,649	\$ 7,185,012	\$ 6,495,316	\$ 6,447,411
Franchise Fees	-	-	1,336,582	1,302,982
Miscellaneous	4,229,885	3,495,854	2,158,508	2,850,312
Proceeds from property sales	26,289	58,500	-	-
Transfers	1,236,800	1,248,500	1,151,993	1,152,150
Total governmental activities	<u>13,889,623</u>	<u>11,987,866</u>	<u>11,142,399</u>	<u>11,752,855</u>
Business-type activities:				
Miscellaneous	228,589	252,599	372,915	411,547
Gain on sale of land	-	-	-	-
Transfer of capital assets	-	-	-	-
Transfers	(1,236,800)	(1,248,500)	(1,151,993)	(1,152,150)
Total business-type activities	<u>(1,008,211)</u>	<u>(995,901)</u>	<u>(779,078)</u>	<u>(740,603)</u>
Total	<u>\$ 12,881,412</u>	<u>\$ 10,991,965</u>	<u>\$ 10,363,321</u>	<u>\$ 11,012,252</u>
Change in Net Position				
Governmental activities	\$ 4,563,231	\$ 1,499,212	\$ (2,284,381)	\$ 379,421
Business-type activities	5,272,861	2,619,563	4,054,378	2,061,965
Total	<u>\$ 9,836,092</u>	<u>\$ 4,118,775</u>	<u>\$ 1,769,997</u>	<u>\$ 2,441,386</u>

Source: City of Dallas Annual Comprehensive Financial Reports

	2018	2017	2016	2015	2014	2013
\$	3,072,693	\$ 2,618,629	\$ 2,815,836	\$ 2,018,683	\$ 2,159,324	\$ 1,951,720
	8,421,394	7,462,693	6,812,741	4,208,590	4,965,673	5,169,796
	750,043	776,622	3,183,830	2,968,164	2,985,706	2,949,068
	863,203	833,397	1,020,182	705,867	748,446	730,924
	2,794,594	2,434,292	1,982,360	1,561,447	1,419,268	1,332,910
	124,871	157,956	183,031	211,552	219,436	239,631
	16,026,798	14,283,589	15,997,980	11,674,303	12,497,853	12,374,049
	2,384,194	2,584,857	2,681,117	2,472,804	2,463,249	2,406,124
	2,062,003	2,587,227	1,935,944	1,656,456	1,759,774	1,615,326
	162,051	159,480	185,698	-	-	-
	4,608,248	5,331,564	4,802,759	4,129,260	4,223,023	4,021,450
\$	20,635,046	\$ 19,615,153	\$ 20,800,739	\$ 15,803,563	\$ 16,720,876	\$ 16,395,499
\$	2,697,392	\$ 1,978,726	\$ 2,412,882	\$ 1,198,834	\$ 1,174,241	\$ 908,346
	2,130,488	1,707,545	1,621,164	1,014,802	1,399,346	1,177,937
	171,029	80,333	203,855	92,806	75,605	58,899
	388,827	203,841	564,981	547,647	104,465	92,220
	556,725	537,447	282,305	406,971	768,352	667,287
	235,827	95,408	251,797	16,252	5,981	7,305
	1,385,564	41,929	800,746	160,224	158,583	126,726
	7,565,852	4,645,229	6,137,730	3,437,536	3,686,573	3,038,720
	6,162,438	5,768,881	5,600,125	5,435,502	5,077,759	5,025,147
	-	-	-	-	-	-
	2,216,095	1,363,150	569,295	247,351	-	-
	8,378,533	7,132,031	6,169,420	5,682,853	5,077,759	5,025,147
\$	15,944,385	\$ 11,777,260	\$ 12,307,150	\$ 9,120,389	\$ 8,764,332	\$ 8,063,867
\$	(8,460,946)	\$ (9,638,360)	\$ (9,860,250)	\$ (8,236,767)	\$ (8,811,280)	\$ (9,335,329)
	3,770,285	1,800,467	1,366,661	1,553,593	854,736	1,003,697
\$	(4,690,661)	\$ (7,837,893)	\$ (8,493,589)	\$ (6,683,174)	\$ (7,956,544)	\$ (8,331,632)
\$	6,506,395	\$ 5,832,686	\$ 5,938,713	\$ 6,152,989	\$ 5,736,327	\$ 5,755,796
	1,254,229	1,185,056	1,116,780	1,093,765	1,170,721	1,028,427
	1,070,181	740,621	577,797	310,686	354,160	422,866
	-	-	-	-	-	-
	1,095,150	1,025,000	1,025,000	1,025,000	796,522	956,326
	9,925,955	8,783,363	8,658,290	8,582,440	8,057,730	8,163,415
	518,501	1,018,297	247,140	271,629	278,691	261,964
	-	-	-	-	87,141	-
	-	-	-	-	-	-
	(1,095,150)	(1,025,000)	(1,025,000)	(1,025,000)	(796,522)	(956,326)
	(576,649)	(6,703)	(777,860)	(753,371)	(430,690)	(694,362)
\$	9,349,306	\$ 8,776,660	\$ 7,880,430	\$ 7,829,069	\$ 7,627,040	\$ 7,469,053
\$	1,465,009	\$ (854,997)	\$ (1,201,960)	\$ 345,673	\$ (753,550)	\$ (1,171,914)
	3,193,636	1,793,764	588,801	800,222	424,046	309,335
\$	4,658,645	\$ 938,767	\$ (613,159)	\$ 1,145,895	\$ (329,504)	\$ (862,579)

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
General Fund:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	6,288,395	3,715,726	2,712,289	2,314,216
Total General Fund	<u>\$ 6,288,395</u>	<u>\$ 3,715,726</u>	<u>\$ 2,712,289</u>	<u>\$ 2,314,216</u>
Special Revenue Funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Restricted	7,767,081	4,438,688	3,220,090	3,268,670
Committed	282,182	313,682	217,590	258,170
Assigned	2,317	-	-	-
Unassigned	-	-	-	-
Total Special Revenue Funds	<u>\$ 8,051,580</u>	<u>\$ 4,752,370</u>	<u>\$ 3,437,680</u>	<u>\$ 3,526,840</u>
Debt Service Funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Restricted	11	11	11	378,845
Committed	-	-	-	-
Unassigned	-	-	-	-
Total Debt Service Funds	<u>\$ 11</u>	<u>\$ 11</u>	<u>\$ 11</u>	<u>\$ 378,845</u>
Capital Projects Funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Restricted	13,728,752 ²	12,500,366 ²	9,830,110 ²	10,773,084
Committed	-	-	-	-
Unassigned	-	(67,501)	(17,713)	(41,995)
Total Capital Projects Funds	<u>\$ 13,728,752</u>	<u>\$ 12,432,865</u>	<u>\$ 9,812,397</u>	<u>\$ 10,731,089</u>
All Governmental Funds:				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Restricted	21,495,844	16,939,065	13,050,211	14,420,599
Committed	282,182	313,682	217,590	258,170
Assigned	2,317	-	-	-
Unassigned	6,288,395	3,648,225	2,694,576	2,272,221
General Total All Governmental Funds	<u>\$ 28,068,738</u>	<u>\$ 20,900,972</u>	<u>\$ 15,962,377</u>	<u>\$ 16,950,990</u>

Source: City of Dallas Annual Comprehensive Financial Report

2018	2017	2016	2015	2014	2013
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,278,112	2,001,787	2,049,619	1,793,551	1,825,054	925,202
<u>\$ 2,278,112</u>	<u>\$ 2,001,787</u>	<u>\$ 2,049,619</u>	<u>\$ 1,793,551</u>	<u>\$ 1,825,054</u>	<u>\$ 925,202</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,918,839	1,577,973	8,463,452	6,379,403	5,980,728	5,291,538
213,301	166,342	157,749	108,813	51,583	217,990
567,335	454,698 ³	-	-	-	-
-	-	(185,924)	(168,005)	-	(17,817)
<u>\$ 2,699,475</u>	<u>\$ 2,199,013</u>	<u>\$ 8,435,277</u>	<u>\$ 6,320,211</u>	<u>\$ 6,032,311</u>	<u>\$ 5,491,711</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
347,682	360,719	371,724	381,151	340,434	307,287
11	11	11	11	11	-
-	-	-	-	-	-
<u>\$ 347,693</u>	<u>\$ 360,730</u>	<u>\$ 371,735</u>	<u>\$ 381,162</u>	<u>\$ 340,445</u>	<u>\$ 307,287</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
² 9,090,639 ²	² 7,161,909 ²	-	-	-	-
192,212	234,497	445,996	130,902	-	-
(5,124)	(381,652)	-	-	-	-
<u>\$ 9,277,727</u>	<u>\$ 7,014,754</u>	<u>\$ 445,996</u>	<u>\$ 130,902</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
11,357,160	9,100,601	8,835,176	6,760,554	6,321,162	5,598,825
405,524	400,850	603,756	239,726	51,594	217,990
567,335	454,698	-	-	-	-
2,272,988	1,620,135	1,863,695	1,625,546	1,825,054	907,385
<u>\$ 14,603,007</u>	<u>\$ 11,576,284</u>	<u>\$ 11,302,627</u>	<u>\$ 8,625,826</u>	<u>\$ 8,197,810</u>	<u>\$ 6,724,200</u>

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

	2022	2021	2020	2019
REVENUES				
Taxes and assessments	\$ 5,393,763	\$ 5,125,205	\$ 4,855,430	\$ 4,993,262
Licenses and permits	626,521	817,264	459,009	586,167
Intergovernmental	4,643,807	2,302,463	3,303,611	2,666,041
Franchise fees	1,394,247	1,422,706	1,336,582	1,302,982
Charges for services	4,911,386	5,577,566	4,099,739	4,289,141
Fines and forfeitures	125,544	159,633	183,013	497,520
Miscellaneous	2,121,923	2,100,566	1,511,027	1,245,494
Total Revenues	<u>19,217,191</u>	<u>17,505,403</u>	<u>15,748,411</u>	<u>15,580,607</u>
EXPENDITURES				
Current operating:				
General government	2,405,499	2,574,358	3,736,748	2,327,527
Highways and streets	501,194	527,611	554,726	587,394
Culture and recreation	784,199	746,985	772,576	631,506
Public Safety	6,969,873	6,693,605	6,279,161	6,248,617
Community development	2,951,037	2,219,124	2,532,564	2,265,573
Capital outlay	3,209,365	1,554,589	5,302,979	1,668,882
Debt service				
Interest	162,813	118,194	123,693	99,750
Principal	702,745	336,957	286,270	638,725
Total Expenditures	<u>17,686,725</u>	<u>14,771,423</u>	<u>19,588,717</u>	<u>14,467,974</u>
REVENUES OVER (UNDER) EXPENDITURES	1,530,466	2,733,980	(3,840,306)	1,112,633
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	-	-	-
Transfers in	2,182,971	2,338,177	2,889,097	2,389,361
Transfers out	(885,671)	(1,008,677)	(1,685,404)	(1,205,011)
Proceeds from sale of capital assets	-	58,500	-	51,000
Debt proceeds	4,340,000	-	1,648,000	-
Interfund loan proceeds (payments)	-	-	-	-
Total Other Financing Sources (Uses)	<u>5,637,300</u>	<u>1,388,000</u>	<u>2,851,693</u>	<u>1,235,350</u>
NET CHANGE IN FUND BALANCES	<u>\$ 7,167,766</u>	<u>\$ 4,121,980</u>	<u>\$ (988,613)</u>	<u>\$ 2,347,983</u>
Debt service as a percentage of noncapital expenditures	<u>5.98%</u>	<u>3.44%</u>	<u>2.87%</u>	<u>5.77%</u>

Source: City of Dallas Annual Comprehensive Financial Reports

	2018	2017	2016	2015	2014	2013
\$	4,715,373	\$ 4,427,603	\$ 4,444,923	\$ 4,368,926	\$ 4,216,923	\$ 4,244,493
	2,895,086	1,856,176	2,511,999	1,092,380	939,972	630,626
	2,327,152	1,514,298	2,056,850	1,990,867	1,744,193	1,663,520
	1,254,229	1,185,056	1,116,780	1,093,765	1,170,721	1,028,427
	2,350,932	1,940,726	1,890,230	1,481,555	1,997,338	1,726,277
	246,826	217,196	209,729	189,771	146,523	117,985
	1,069,210	1,000,526	567,788	277,386	347,941	408,894
	<u>14,858,808</u>	<u>12,141,581</u>	<u>12,798,299</u>	<u>10,494,650</u>	<u>10,563,611</u>	<u>9,820,222</u>
	1,711,724	1,453,008	1,343,077	1,292,338	1,232,720	1,151,147
	544,728	574,813	585,384	529,501	548,007	538,624
	626,912	616,834	539,061	456,838	409,615	393,963
	6,115,758	5,523,810	5,118,464	4,951,183	4,689,828	4,874,365
	2,029,609	1,801,729	1,605,064	1,440,384	1,410,708	1,323,313
	1,111,693	2,032,532	1,397,170	1,486,639	1,672,887	561,519
	128,119	656,772	179,014	199,555	219,436	239,631
	697,192	153,826	711,459	680,596	620,000	604,330
	<u>12,965,735</u>	<u>12,813,324</u>	<u>11,478,693</u>	<u>11,037,034</u>	<u>10,803,201</u>	<u>9,686,892</u>
	1,893,073	(671,743)	1,319,606	(542,384)	(239,590)	133,330
	-	120,632	385,795	-	750,000	-
	2,300,568	2,349,323	1,944,307	1,459,395	1,315,147	1,812,349
	(1,168,418)	(1,454,555)	(972,907)	(488,995)	(351,947)	(896,010)
	1,500	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>1,133,650</u>	<u>1,015,400</u>	<u>1,357,195</u>	<u>970,400</u>	<u>1,713,200</u>	<u>916,339</u>
\$	3,026,723	\$ 343,657	\$ 2,676,801	\$ 428,016	\$ 1,473,610	\$ 1,049,669
	6.96%	7.52%	8.83%	9.22%	9.19%	9.25%

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

FUNCTIONS/PROGRAMS	2022	2021	2020	2019
Governmental Activities:				
General government	\$ 2,192,551	\$ 2,466,178	\$ 713,897	\$ 672,612
Public safety	2,751,381	2,767,630	2,592,039	2,686,573
Highways and streets	2,718,686	1,272,088	1,509,503	339,717
Culture and recreation	959,169	817,094	775,610	602,713
Community development	170,454	183,212	1,242,359	492,596
Total Governmental Activities	<u>8,792,241</u>	<u>7,506,202</u>	<u>6,833,408</u>	<u>4,794,211</u>
Business-type Activities:				
Sewage disposal	4,863,899	4,151,362	4,163,214	3,557,368
Water	4,565,584	3,793,744	3,459,188	3,413,340
Storm Water	1,803,819	820,036	914,150	499,004
Total Business-type Activities	<u>11,233,302</u>	<u>8,765,142</u>	<u>8,536,552</u>	<u>7,469,712</u>
Total Activities	<u>\$ 20,025,543</u>	<u>\$ 16,271,344</u>	<u>\$ 15,369,960</u>	<u>\$ 12,263,923</u>

Source: City of Dallas Annual Comprehensive Financial Reports

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
\$ 2,697,392	\$ 1,978,726	\$ 2,412,882	\$ 1,198,834	\$ 1,174,241	\$ 908,346
2,362,575	1,800,545	1,808,359	1,028,641	1,403,096	1,309,998
1,223,729	80,333	696,605	92,806	75,605	58,899
721,691	245,770	567,143	550,060	106,696	94,190
560,465	539,855	652,741	567,195	926,935	667,287
<u>7,565,852</u>	<u>4,645,229</u>	<u>6,137,730</u>	<u>3,437,536</u>	<u>3,686,573</u>	<u>3,038,720</u>
3,927,609	3,660,323	3,222,212	3,148,628	3,026,851	2,966,576
3,370,531	2,888,059	2,596,955	2,534,225	2,050,908	2,058,571
<u>1,080,393</u>	<u>583,649</u>	<u>350,253</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,378,533	7,132,031	6,169,420	5,682,853	5,077,759	5,025,147
<u>\$ 15,944,385</u>	<u>\$ 11,777,260</u>	<u>\$ 12,307,150</u>	<u>\$ 9,120,389</u>	<u>\$ 8,764,332</u>	<u>\$ 8,063,867</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>
2013	\$ 4,093,879	-	\$ 4,093,879
2014	4,088,991	-	4,088,991
2015	4,368,926	-	4,368,926
2016	4,444,923	-	4,444,923
2017	4,427,603	-	4,427,603
2018	4,715,373	-	4,715,373
2019	4,993,262	-	4,993,262
2020	4,855,430	-	4,855,430
2021	5,125,205	-	5,125,205
2022	5,393,763	-	5,393,763
Change 2013 - 2022	31.8%		

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

Fiscal Year Ended June 30,	Real Property		Personal Property*	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2013	\$ 786,988,600	\$ 920,317,855	\$ 22,626,259	\$ 23,294,880
2014	792,003,938	890,833,202	19,482,173	20,120,730
2015	826,326,001	950,906,011	19,661,327	20,305,700
2016	803,156,128	930,135,179	20,153,830	21,172,910
2017	841,626,815	1,021,312,224	20,761,689	22,244,150
2018	900,461,155	1,181,625,123	22,019,212	24,333,730
2019	954,864,007	1,390,792,984	24,346,674	26,598,100
2020	1,020,689,806	1,554,364,653	25,985,281	31,007,950
2021	1,077,082,656	1,695,109,446	28,131,521	34,692,100
2022	1,140,438,635	1,869,463,244	29,697,599	38,438,080

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

* Includes mobile homes

Source: Polk County Assessor's Office-Assessment and Taxation Informatio

Public Utility Property		Total		Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ 16,391,600	\$ 18,346,106	\$ 826,006,459	\$ 961,958,841	85.87	5.17
17,290,720	18,689,559	828,776,831	929,643,491	89.15	5.09
18,311,463	19,314,768	864,298,791	990,526,479	87.26	4.99
11,866,800	13,158,182	835,176,758	964,466,271	86.59	4.91
12,170,120	12,223,910	874,558,624	1,055,780,284	82.84	4.66
17,086,639	17,653,830	939,567,006	1,223,612,683	76.79	4.73
19,721,901	20,070,365	998,932,582	1,437,461,449	69.49	4.63
20,372,620	20,464,743	1,067,047,707	1,605,837,346	66.45	4.20
22,994,542	23,101,622	1,128,208,719	1,752,903,168	64.36	4.20
24,730,667	24,797,283	1,194,866,901	1,932,698,607	61.82	4.20

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

Fiscal Year Ended June 30,	City of Dallas¹	City of Dallas²	City of Dallas Total	Polk County	School District #2
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	4.99	2.24	6.22
2016	4.20	0.71	4.91	2.52	6.10
2017	4.20	0.46	4.66	2.52	5.98
2018	4.20	0.53	4.73	2.07	5.93
2019	4.20	0.43	4.63	2.02	6.22
2020	4.20	-	4.20	2.11	6.19
2021	4.20	-	4.20	2.11	6.20
2022	4.20	-	4.20	2.11	6.18

Chemeketa Community College	Chemeketa Regional Library	Polk Conservation District	Willamette ESD	Dallas Cemetery District	4-H Extension District	Total
\$ 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	14.88
0.93	0.08	0.05	0.29	0.05	0.07	15.00
0.89	0.08	0.05	0.29	0.05	0.07	14.59
0.89	0.08	0.05	0.29	0.05	0.07	14.16
0.89	0.08	0.05	0.29	0.05	0.07	14.30
0.88	0.08	0.05	0.29	0.05	0.07	13.92
0.88	0.08	0.05	0.29	0.05	0.06	13.89
0.88	0.08	0.05	0.29	0.05	0.07	14.04

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

Taxpayer	2022			2013		
	Assessed Value	Rank	% of Total City Taxable Assessed Value	Assessed Value	Rank	% of Total City Taxable Assessed Value
Dallas Mennonite Retirement Comm	\$ 16,866,120	1	1.32%	\$ -	-	-
Northwest Natural Gas	12,778,000	2	1.00%	6,400,000	2	0.77%
Greenway	9,414,220	3	0.74%	7,202,670	1	0.87%
Wal-Mart	8,208,640	4	0.64%	6,128,470	3	0.74%
Victoria Place General Partnership	7,817,870	5	0.61%	5,991,820	4	0.73%
Dallas Mennonite Ret Comm, Inc	6,937,570	6	0.54%	5,441,990	5	0.66%
Charter Communications	6,277,000	7	0.49%	3,775,400	6	0.46%
Pacificorp (PP&L)	6,226,000	8	0.49%	2,742,000	10	0.33%
1351 Tandem Ave LLC Etal	4,640,260	9	0.36%	-	-	-
Uglow Storage LLC	4,586,740	10	0.36%	-	-	-
Safeway #404	-	-	-	3,111,320	8	0.38%
Dallas Mill Properties LLC	-	-	-	3,263,180	7	0.40%
Forest River Manufacturing LLC	-	-	-	2,991,340	9	0.36%
	<u>\$ 83,752,420</u>		<u>6.55%</u>	<u>\$ 47,048,190</u>		<u>5.70%</u>

Source: Polk County Assessor's Office-Assessment and Taxation Information

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

Fiscal Year Ended June 30,	Total tax levy (net of discounts)	Collected in year of levy		Collected in subsequent years	Total collections to date	
		Amount	Percent of Levy		Amount	Percent of Levy
2013	\$ 4,279,410	\$ 3,985,073	93.12	\$ 150,373	\$ 4,135,446	96.64
2014	4,298,867	4,012,740	93.34	147,240	4,159,980	96.77
2015	4,399,871	4,157,700	94.50	127,841	4,285,541	97.40
2016	4,518,220	4,278,742	94.70	107,991	4,386,733	97.09
2017	4,432,938	4,183,640	94.38	110,190	4,293,830	96.86
2018	4,699,253	4,442,743	94.54	102,604	4,545,347	96.72
2019	4,901,124	4,681,046	95.51	101,203	4,782,249	97.57
2020	4,743,320	4,642,543	97.88	48,324	4,690,867	98.89
2021	5,010,014	4,796,120	95.73	46,379	4,842,499	96.66
2022	5,293,010	5,071,078	95.81	-	5,071,078	95.81

Source: Information derived from Annual Comprehensive 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:

Fiscal Year Ended June 30,	Population	Assessed Value	Bonded Debt	Ratio of Bonded Debt to Assessed Value	Debt as % Personal Income	Bonded Debt Per Capita
2013	14,690	\$ 826,006,459	\$ 4,610,000	0.0056	1.15%	313.82
2014	14,800	828,776,831	4,740,000	0.0057	1.09%	320.27
2015	14,940	864,298,791	4,059,404	0.0047	0.90%	271.71
2016	15,040	835,176,758	3,733,740	0.0045	0.70%	248.25
2017	15,570	874,558,624	3,364,251	0.0038	0.54%	216.07
2018	15,830	939,567,006	2,744,166	0.0029	0.42%	173.35
2019	16,260	998,932,582	2,065,591	0.0021	0.30%	127.04
2020	16,555	1,067,047,707	3,397,321	0.0032	0.45%	205.21
2021	17,320	1,128,208,719	3,060,364	0.0027	0.35%	176.70
2022	17,836	1,194,866,901	6,697,619	0.0056	NA	375.51

BUSINESS-TYPE ACTIVITIES:

Fiscal Year Ended June 30,	Population	Assessed Value	Notes Payable and Bonded Debt	Ratio of Bonded Debt to Assessed Value	Debt as % Personal Income	Bonded Debt Per Capita
2013	14,690	\$ 826,006,459	\$ 10,921,544	0.0132	2.71%	743.47
2014	14,800	828,776,831	9,846,469	0.0119	2.27%	665.30
2015	14,940	864,298,791	9,839,085	0.0114	2.19%	658.57
2016	15,040	835,176,758	9,843,419	0.0118	1.86%	654.48
2017	15,570	874,558,624	9,526,879	0.0109	1.53%	611.87
2018	15,830	939,567,006	10,037,202	0.0107	1.53%	634.06
2019	16,260	998,932,582	8,680,182	0.0087	1.24%	533.84
2020	16,555	1,067,047,707	7,243,578	0.0068	0.96%	437.55
2021	17,320	1,128,208,719	6,739,888	0.0060	0.78%	389.14
2022	17,836	1,194,866,901	6,222,697	0.0052	NA	348.88

TOTAL DEBT:

Fiscal Year Ended June 30,	Population	Assessed Value	Notes Payable and Bonded Debt	Ratio of Bonded Debt to Assessed Value	Debt as % Personal Income	Bonded Debt Per Capita
General Revenues and Other Changes in Net Position						
2013	14,690	\$ 826,006,459	\$ 15,531,544	0.0188	3.86%	1,057.29
2014	14,800	828,776,831	14,586,469	0.0176	3.36%	985.57
2015	14,940	864,298,791	13,898,489	0.0161	3.09%	930.29
2016	15,040	835,176,758	13,577,159	0.0163	2.56%	902.74
2017	15,570	874,558,624	12,891,130	0.0147	2.07%	827.95
2018	15,830	939,567,006	12,781,368	0.0136	1.53%	807.41
2019	16,260	998,932,582	10,745,773	0.0108	1.24%	660.87
2020	16,555	1,067,047,707	10,640,899	0.0100	0.96%	642.76
2021	17,320	1,128,208,719	9,800,252	0.0087	0.78%	565.83
2022	17,836	1,194,866,901	12,920,316	0.0108	NA	724.40

**CITY OF DALLAS, OREGON
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2022**

<u>Governmental Unit</u>	<u>Real market values of overlapping districts</u>	<u>Tax-supported debt outstanding¹</u>	<u>Percentage overlapping²</u>	<u>Overlapping debt applicable to the City of Dallas</u>
Debt Repaid with Property Taxes				
Chemeketa Community College	\$ 69,506,516,103	\$ 92,980,000	2.97 %	\$ 2,761,413
Willamette ESD	76,320,202,113	6,161,593	2.70 %	166,659
Polk Cty SD 2 (Dallas)	3,117,138,150	41,929,000	66.22 %	27,766,935
Polk County	11,269,395,970	<u>13,365,488</u>	18.32 %	<u>2,448,237</u>
Subtotal, overlapping debt		154,436,081		33,143,244
Direct debt outstanding:				
City of Dallas	<u>2,064,284,479</u>	<u>6,697,619</u>	100.00 %	<u>6,697,619</u> ¹
Total Direct and Overlapping Debt	<u>\$ 2,064,284,479</u>	<u>\$ 161,133,700</u>		<u>\$ 39,840,863</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.

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

² 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 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, 2022**

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

Assessed value	\$ 1,194,866,901
Rate	x 3%
Debt limit	<u>35,846,007</u>
Debt applicable to limit	<u>-</u>
Legal debt margin	<u><u>\$ 35,846,007</u></u>

<u>Fiscal year ended June 30,</u>	<u>Debt Limit</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>
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
2016	26,711,967	1,013,276	25,698,691
2017	26,236,759	554,281	25,682,478
2018	28,187,010	72,318	28,114,692
2019	29,967,977	-	29,967,977
2020	32,011,431	-	32,011,431
2021	33,846,262	-	33,846,262
2022	35,846,007	-	35,846,007

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	
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
2016	3,043,968	2,367,299	676,669	211,315	151,517	362,832	186.50
2017	3,084,785	1,608,356	1,476,429	218,458	150,771	369,229	399.87
2018	4,730,037	3,106,328	1,623,709	315,000	144,964	459,964	353.01
2019	3,110,629	1,819,475	1,291,154	389,669	179,126	568,795	227.00
2020	3,067,292	1,847,663	1,219,629	439,251	167,204	606,455	201.11
2021	3,398,169	2,142,065	1,256,104	449,690	156,512	606,202	207.21
2022	3,380,557	1,820,728	1,559,829	461,191	145,554	606,745	257.08

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	
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
2016	3,734,368	2,355,995	1,378,373	845,000	146,990	991,990	138.95
2017	3,493,180	2,026,990	1,466,190	855,000	71,522	926,522	158.25
2018	3,499,154	1,774,136	1,725,018	875,000	126,893	1,001,893	172.18
2019	3,693,283	2,299,953	1,393,330	910,000	93,401	1,003,401	138.86
2020	3,829,522	2,335,095	1,494,427	940,000	57,002	997,002	149.89
2021	3,888,777	2,164,843	1,723,934	54,000	19,390	73,390	2,349.00
2022	3,977,836	2,095,368	1,882,468	56,000	18,008	74,008	2,543.60

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

Fiscal Year Ended June 30,	Population	Per Capita Personal Income	Total Personal Income (in 000's)	Estimated Employed Population*	Average Annual Wage*	Area in square miles	Average Density (persons / square mile)	Average Annual Unemploy- ment*
2013	14,690	27,395	402,433	3,507	32,102	4.45	3,301.1	8.5%
2014	14,800	29,289	433,477	3,595	33,053	4.45	3,325.8	7.4%
2015	14,940	30,045	448,872	4,203	33,896	4.45	3,357.3	6.2%
2016	15,040	35,249	530,145	4,302	35,245	4.45	3,379.8	5.3%
2017	15,570	39,958	622,146	4,338	36,280	4.45	3,498.9	4.6%
2018	15,830	41,379	655,030	4,401	37,903	4.45	3,557.3	4.3%
2019	16,260	42,897	697,505	4,540	39,080	4.45	3,653.9	4.5%
2020	16,555	45,660	755,901	4,416	42,051	4.45	3,720.2	6.6%
2021	17,320	49,781	862,207	4,668	46,602	4.45	3,892.1	4.2%
2022	17,836	NA	NA	NA	NA	4.45	4,008.1	3.9%

*State of Oregon Employment Department

Source: Portland State University Population Research and Census
www.qualityinfo.org - Oregon Employment Department

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

Employer	2022			2013		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Dallas Public Schools	404	1	8.65%	321	2	6.93%
Polk County	400	2	8.57%	270	4	5.83%
Dallas Retirement Village	285	3	6.11%	275	3	5.94%
West Valley Hospital	223	4	4.78%	155	5	3.35%
Safeway Stores, Inc.	180	5	3.86%	130	7	2.81%
City of Dallas	152	6	3.26%	95	8	2.05%
Forest River	140	7	3.00%	325	1	7.02%
Wal-Mart	135	8	2.89%	146	6	3.15%
Open Road Transport	72	9	1.54%	-	-	-
Mak Metals	43	10	0.92%	-	-	-
James W. Fowler Company	-	-	-	80	9	1.73%
	<u>2,034</u>		<u>43.57%</u>	<u>1,797</u>		<u>38.80%</u>

Source: Employers
 Oregon Employment Department

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	18	15	18	16	17	21	17	20	18	22
Public safety	23	23	25	25	29	28	33	35	33	32
Highways and streets	4	4	4	4	3	3	2	3	3	3
Culture and recreation	20	22	23	23	26	27	27	12	21	23
Sewage disposal	6	6	6	9	6	7	7	7	7	7
Water	5	5	5	3	4	7	9	9	7	7
Ambulance	19	19	17	19	18	16	16	16	16	16
Total	<u>95</u>	<u>93</u>	<u>98</u>	<u>99</u>	<u>103</u>	<u>109</u>	<u>111</u>	<u>102</u>	<u>105</u>	<u>110</u>

Source: City of Dallas

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police										
Arrests	1,035	993	1,114	1,064	1,108	1,336	1,200	802	443	408
Traffic violations	412	714	846	1,550	1,570	1,300	1,000	582	685	338
Municipal Court Cases	475	1,846	2,045	2,504	2,439	2,061	1,767	1,768	1,406	1,107
Fire Responses										
City	352	282	500	757	1,025	1,099	669	915	1,187	1,235
Rural*	322	321	480	610	641	578	459	-	-	-
*data no longer collected due to mutual aid agreements										
Ambulance										
Transports	1,949	2,045	2,297	2,378	2,466	2,468	2,486	2,674	2,859	2,745
Building Activity										
Permits Issued	147	191	194	242	214	642	715	638	700	733
Estimated Value (000's)	\$11,900	\$17,044	\$19,979	\$41,262	\$37,976	\$45,331	\$45,050	\$33,006	\$54,541	\$48,509
Planning Applications	73	108	118	175	136	118	112	110	117	111
Library										
Circulation	201,764	199,801	193,366	196,650	206,462	204,653	209,303	212,694	227,388	215,163
Miles of Streets Maintained	55.00	56.46	56.89	57.37	57.74	59.57	60.43	61.11	61.61	63.32
Water										
Connections	5,394	5,420	5,444	5,541	5,653	5,782	5,837	6,095	6,225	6,310
Sewer										
Connections	4,539	4,614	4,634	4,675	4,778	4,887	5,000	5,210	5,345	5,544

Source: City of Dallas

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

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	4	4	4	4
Highways and streets										
Streets (miles)	59	59	60	60	60	61	61	62	63	65
Culture and recreation										
Number of parks	11	11	11	11	11	13	13	13	13	15
Acreage	80	99	99	99	99	106	106	107	107	108
Aquatic centers (sq ft)	32170	32170	32170	32170	32170	32170	32170	32170	32170	32170
Sewage disposal										
Max daily capacity	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd
Water										
Max daily capacity	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd
Fire hydrants	485	486	488	490	505	559	568	575	582	599

Source: City of Dallas

AUDIT COMMENTS AND DISCLOSURES

**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***

The Honorable Mayor and City Council
City of Dallas, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Dallas, Oregon as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise City of Dallas, Oregon’s basic financial statements, and have issued our report thereon dated December 30, 2022.

Report on Internal Control Over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Dallas, Oregon’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.



For Merina+Co
Tualatin, Oregon
December 30, 2022

**INDEPENDENT AUDITOR'S REPORT
ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH OREGON STATE REGULATION**

The Honorable Mayor and City Council
City of Dallas, Oregon

We have audited the basic financial statements of City of Dallas, Oregon, as of and for the year ended June 30, 2022 and have issued our report thereon dated December 30, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State 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 City of Dallas, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes (ORS) as specified in the Oregon Administrative Rules 162-10-0000 through 162-10-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, as set forth below, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

We performed procedures to the extent we consider 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 grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-0000 through 162-10-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows.

Expenditures in the following funds exceeded appropriations for the year ended June 30, 2022:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount</u>
Street Fund	Debt Service	\$ 5
Grants Fund	Library	\$ 277
Grants Fund	Transfers	\$ 1,199

Report On Internal Control Over Financial Reporting

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

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 *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State, in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



For Merina+Co
Tualatin, Oregon
December 30, 2022