

THE CITY OF  
ALLAS  
REGON

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*Established 1874*

*Historic*  
DOWNTOWN  
DALLAS



**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDING JUNE 30, 2016**

City of Dallas, Oregon

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2016

Prepared by

The Financial Department

City of Dallas, Oregon

Cecilia Ward, Finance Director

**CITY OF DALLAS, OREGON**  
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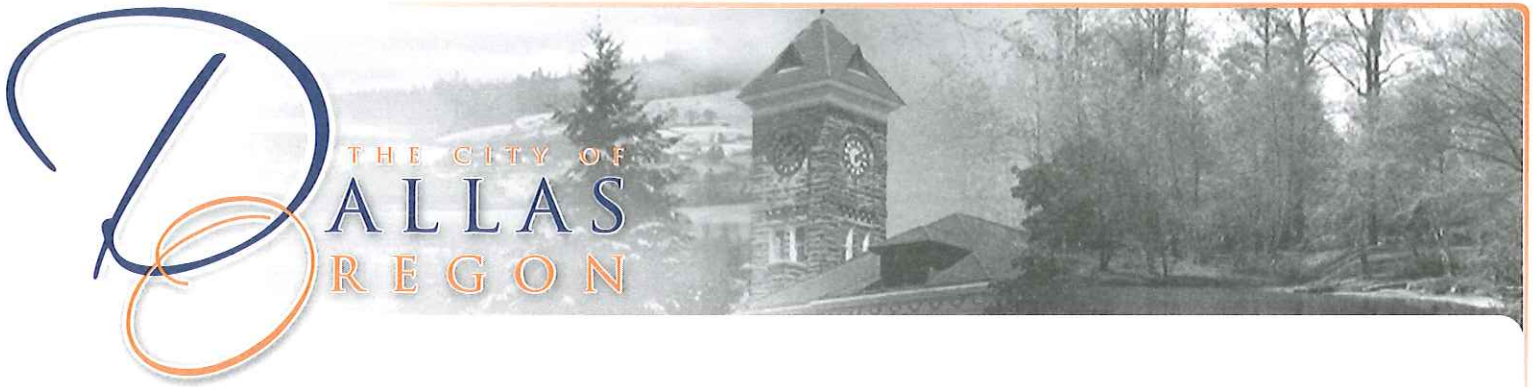
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## **INTRODUCTORY SECTION**



December 30, 2016

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

We are pleased to submit the Comprehensive Annual Financial Report of the City of Dallas, Oregon for the fiscal year ended June 30, 2016

This report presents the financial position of the City as of June 30, 2016 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. 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.

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 on page 5 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 1<sup>st</sup> 2016 for the City of Dallas was 15,040.

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>
2016 PSU Estimate	15,040	78,570
2010 Census	14,583	75,403
2000 Census	12,459	62,380

### ECONOMIC OUTLOOK

In an annual economic outlook report of the Dallas region, Professor Tim Duy, of the University of Oregon, indicated that economic indicators looked strong for 2017. Professor Duy said that the region can expect to see more new housing starts in 2017 than 2016. Communities can also expect to see a little more multifamily units constructed. The City of Dallas's population increased by just over two percent in 2016 and based on development activities since April 2016, it appears that the City will grow about two and a half percent by April 2017.

The City's business sector economy has been and continues to be a mix of good and bad news. The businesses and industries in the City are doing well and this trend is expected to continue in 2017. Professor Duy's report indicated that job growth will continue to be strong, but there appears to be a lack of qualified candidates for skilled positions. The result is companies are holding onto employees much longer, which means there are fewer people looking for jobs. The real bad news for the City is there number of empty storefronts in the historic downtown as well as the lack of interest in the industrial zoned properties. It does not appear that anyone is willing to invest in the community, which is desperately needed.

The City's revenues have increased over the last three years and our 2016 revenue forecasts were met. With a positive economic outlook for 2017, we are estimating City revenue will increase 3.5 %. This means we will be able to maintain levels of service, follow our five year capital plan closely, and take care of more deferred maintenance items that have been put off for years.

The strong economic outlook means revenue is increasing, but there are several 2017 challenges that will eat into the revenue gains. The two major issues the City will face in 2017 are an increase to minimum wage and an across the board increase in the Public Employees Retirement System (PERS). These two increases will cost the City and an estimated \$165,000. In an effort to soften this large increase, employees are being asked to pay a portion of their health care benefit.

The City Council has set a financial policy that requires all major funds to carry adequate fund balances. This policy ensures there will be enough money to operate the City for a short period of time if for any reason revenues stop coming in. The City has been able to maintain a fund balance in all funds over the years. We were able to add slightly to our fund balances in 2016 and based on the revenue and expenditure forecast for 2017, we should be able to maintain adequate fund balances for all funds.

## LONG-TERM FINANCIAL PLANNING

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

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

In regards to the City's long-term debt obligations, the City has a total of \$11.5 million in long-term debt outstanding as of June 30, 2016.

## MAJOR INITIATIVES

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

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

The Dallas 2030 Community Vision Statement is as follows:

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

**WE ARE SAFE AND HEALTHY...**with state-of-the-art medical and emergency facilities and services that meet the needs of our growing population. A pristine Rickreall Creek is a focal point for our beautiful parks, natural areas and recreation opportunities that have expanded as we have grown.

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

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

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

## FINANCIAL INFORMATION

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

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

Unexpected additional resources may be added to the budget through the use of a supplemental budget and budget transfer appropriations resolution. A supplemental budget requires hearings before the public, publications in the newspaper and approval by City Council, if the change is greater than, or equal to, 10% of the original budget. Budgets may be modified by the use of appropriation transfers between levels of control. The City Council approved several appropriation transfer resolutions during the year ending June 30, 2016.

## INDEPENDENT AUDIT

The State of Oregon (ORS 298.405 to 298.555) requires an annual audit of the fiscal affairs of the City by an independent certified public accountant. The City of Dallas' financial statements have been audited by Merina and Company, LLP, a firm of licensed, certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Dallas for the fiscal year ended June 30, 2016, 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

**Comprehensive Annual Financial Reporting Award.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dallas for its comprehensive annual financial report for the fiscal year ended June 30, 2015. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR) whose contents

conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Dallas has received a Certificate of Achievement for the last twenty-five 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.

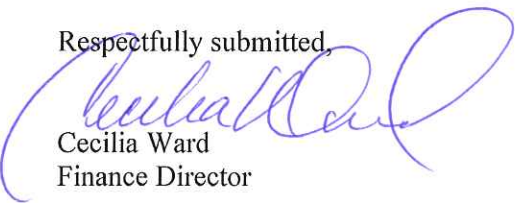
**Distinguished Budget Presentation Award.** The GFOA presented a Distinguished Budget Presentation Award to the City for its annual budget beginning July 1, 2015. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. This award is valid for a period of one year only. We believe that our current budget continues to conform to program requirements, and have submitted it to GFOA to determine its eligibility for another award.

#### ACKNOWLEDGMENTS

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

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

Respectfully submitted,



Cecilia Ward  
Finance Director

Dallas, Oregon



Government Finance Officers Association

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

Presented to

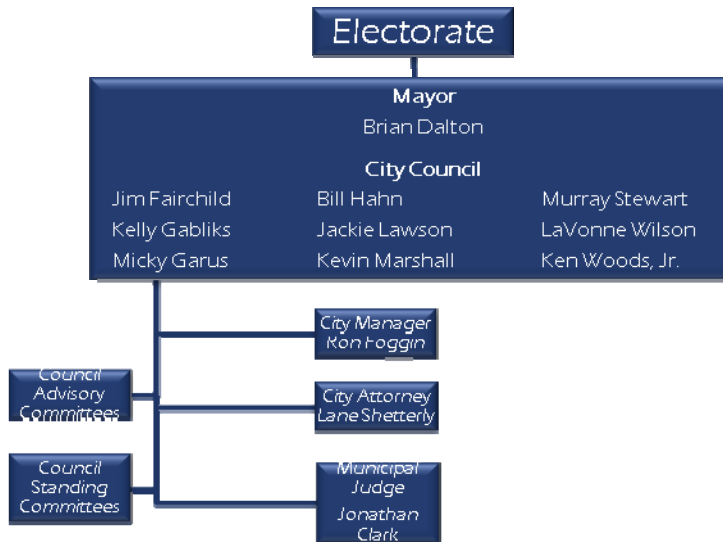
**City of Dallas  
Oregon**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

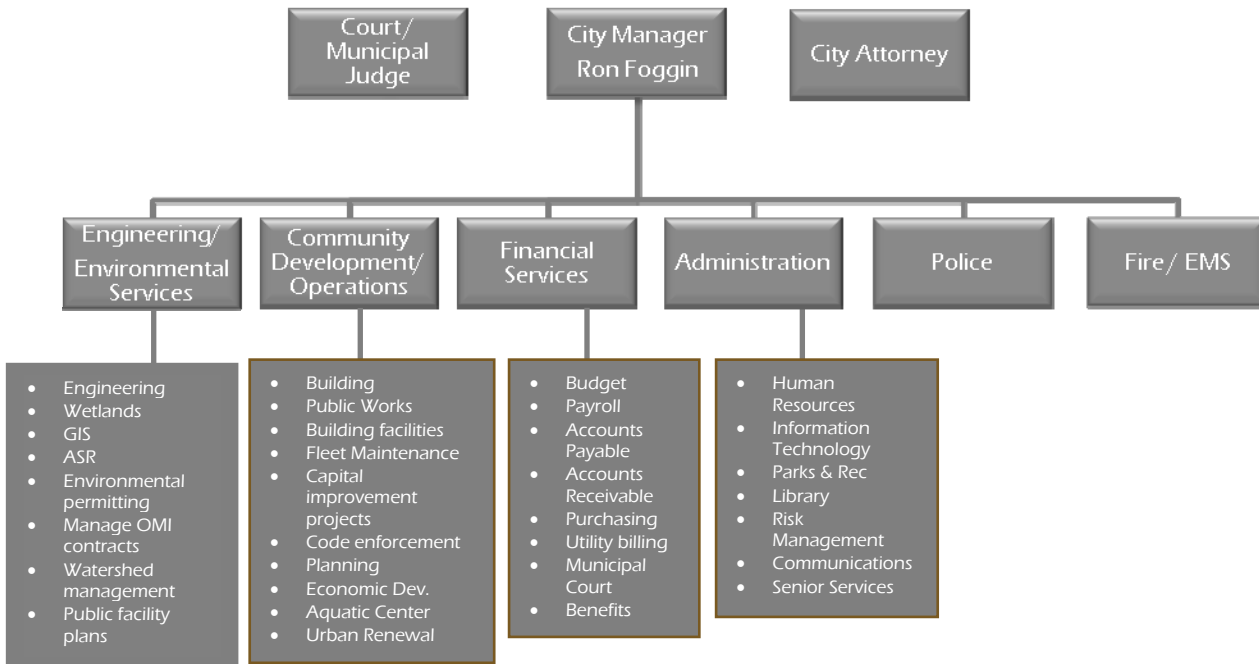
**June 30, 2015**

Executive Director/CEO

# Organization Structure and Chart



## City of Dallas



***CITY OF DALLAS, OREGON***  
*JUNE 30, 2016*

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***MAYOR AND COUNCIL MEMBERS***

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

**City Officials**  
Ron Foggin, City Manager  
Cecilia Ward, Finance Director

## **FINANCIAL SECTION**



**INDEPENDENT AUDITOR'S REPORT**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dallas, Oregon (the City), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

The budgetary comparison schedules, as listed in the table of contents under required supplementary information, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

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

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Reports on Other Legal and Regulatory Requirements**

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is issued separately and is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City'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, 2016, on our consideration of the City's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

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

Merina & Company, LLP  
West Linn, Oregon  
December 30, 2016

**CITY OF DALLAS  
POLK COUNTY, OREGON**

**Year Ended June 30, 2016**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

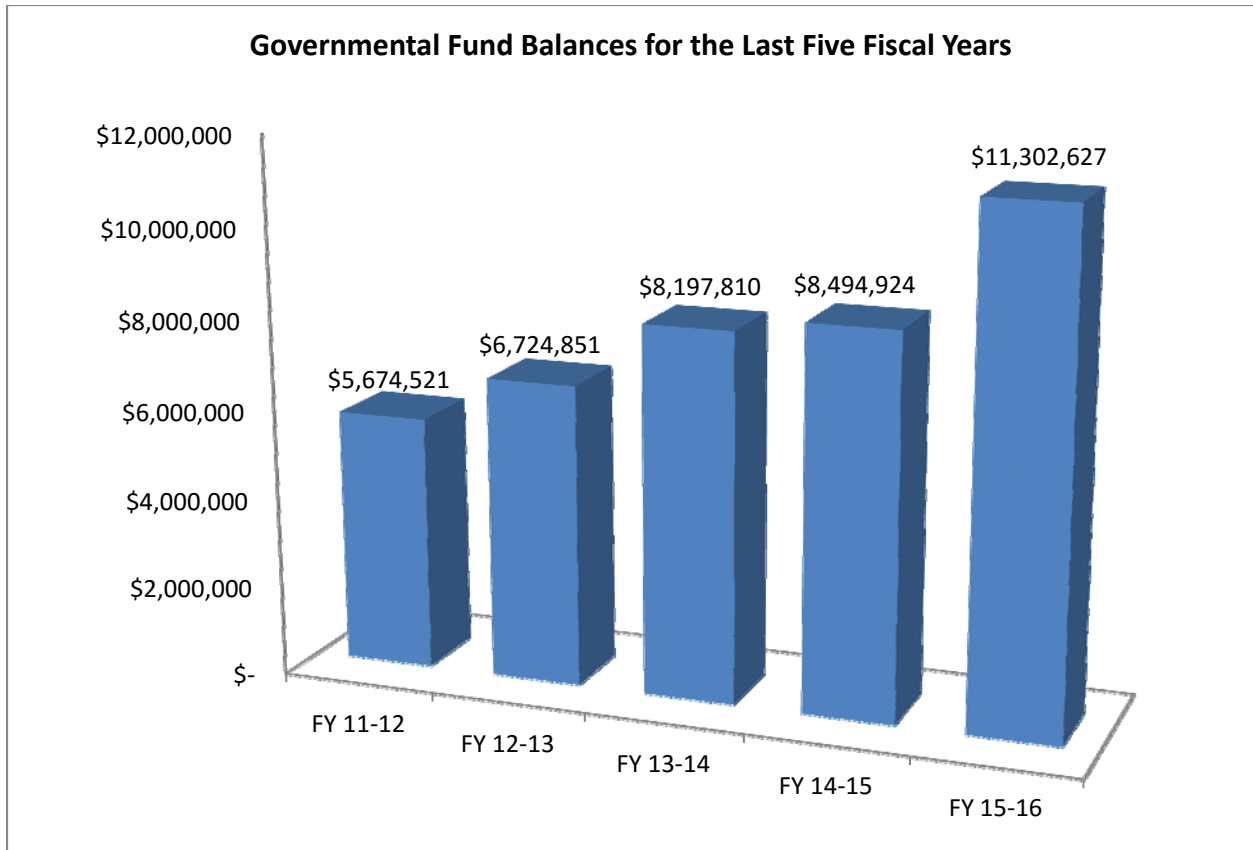
The Management's Discussion and Analysis of the City of Dallas Comprehensive Annual Financial Report (CAFR) presents a discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2016. The information presented here should be considered in conjunction with the accompanying 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 \$11,302,627, an increase of \$2,807,703 in comparison with the previous year. The General Fund ending fund balance increased 14.28% percent to \$2,049,619.

**Governmental Funds: Changes in Fund Balances**

Fund	June 30, 2016 Fund Balance	June 30, 2015 Fund Balance	Increase (decrease)	Percent Change
General Fund	\$ 2,049,619	\$ 1,793,551	\$ 256,068	14.28%
Capital Projects Fund	445,996	-	445,996	100.00%
Street Fund	1,182,188	792,298	389,890	49.21%
Trust/Reserve Fund	174,749	108,813	65,936	60.60%
Grants Fund	(2,927)	(168,005)	165,078	-98.26%
Urban Renewal Fund	396,549	416,988	(20,439)	-4.90%
General Obligation Bond Fund	371,724	381,151	(9,427)	-2.47%
General Debt Fund	11	11	-	0.00%
Systems Development Fund	6,684,718	5,170,117	1,514,601	29.30%
	<u>\$ 11,302,627</u>	<u>\$ 8,494,924</u>	<u>\$ 2,807,703</u>	<u>33.05%</u>

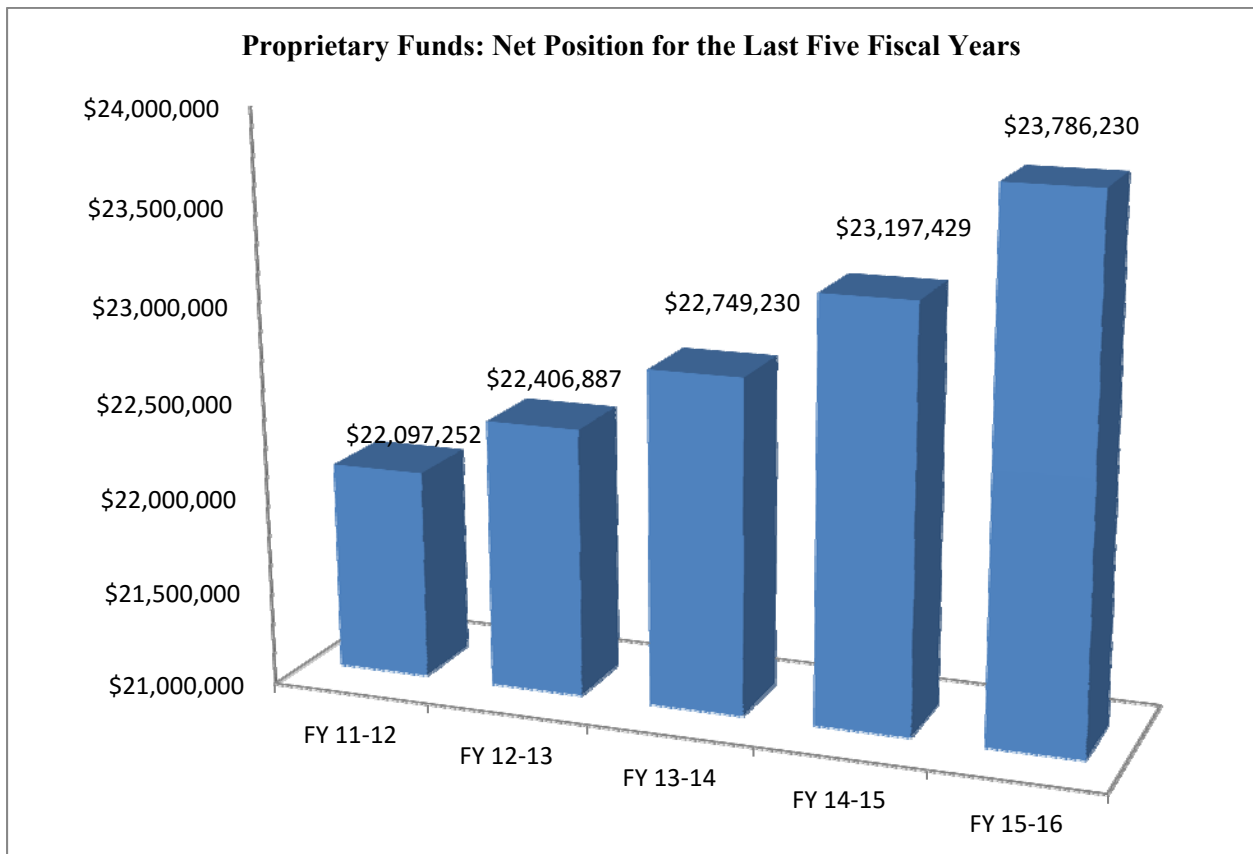


Business-type net position increased \$588,801 (2.82 percent) for the 2015-16 fiscal year. Operating income for the Sewer, Water and Storm Water Funds was \$1,241,979. During 2015-16 a large water line was replaced along with ongoing sewer line replacements. A new Storm Water fund was created to track revenues and expenditures associated with the City's storm water system. In the past the Sewer Fund was used to account for the work done on the storm water system.

**Changes in Net Position: Proprietary Funds**

Fund	June 30, 2016	June 30, 2015	Increase (decrease)	Percent Change
	Net Position	Net Position		
Water Fund	\$ 10,642,653	\$ 10,310,164	\$ 332,489	3.13%
Sewer Fund	12,927,545	12,887,265	40,280	0.31%
Storm Water Fund*	216,032	-	216,032	100.00%
	<u>\$ 23,786,230</u>	<u>\$ 23,197,429</u>	<u>\$ 588,801</u>	<u>2.82%</u>

\*new fund FY 15-16



For Fiscal Year 2015-16 there was minimal growth in net position for two of the three enterprise funds where net position increased 3.13 percent in the Water Fund and increased less than .5 percent in the Sewer Fund. The minimal increase in the Water Fund reflects a growth in operating revenue and decrease in operating expenses. The new enterprise fund, Storm Water Fund, shows a increase of 100% as it was established this year.

Internal Service Fund (Fleet Management Fund) net position decreased by \$70,181 for the 2015-16 fiscal year due to an increase in operating expenses.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

statements are prepared using the accrual basis of accounting, which is similar to the methods used by most businesses and takes into account all revenues and expenses connected with the fiscal year, even if cash involved has not been received or paid.

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

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

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

The government-wide financial statements are on pages 17 through 20 of this report.

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

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

The City of Dallas maintains nine individual governmental funds. Information is presented separately for the General Fund, System Development Fund, Street Fund, General Obligation Bond Fund and the Capital Projects 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 62 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 71 through 85 of this report.



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

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

**Notes to the Financial Statements.** The notes to the financial statements are an integral part of the basic financial statements and should be read along with them. The notes provide additional information necessary to communicate the financial position of the City of Dallas and are on pages 29 through 52 in this report.

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

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Total assets and deferred outflows of resources for the City of Dallas were \$101,783,046, while total liabilities were \$18,497,897 resulting in combined net position (governmental and business-type activities) of \$82,425,182. The largest component of the City's total net position, \$74,413,333 or 90%, reflects its investment in capital assets (i.e., land, buildings, equipment and infrastructure, less any related debt outstanding that was needed to acquire or construct the assets). The City of Dallas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Statement of Net Position**  
**Years ended June 30, 2016 and 2015**

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Current assets	\$ 12,190,184	\$ 9,776,046	\$ 2,765,507	\$ 2,878,836	\$ 14,955,691	\$ 12,654,882
Non-current assets:						
Prepaid pension asset	-	1,271,773	-	191,575	-	1,463,348
Capital Assets	<u>53,858,737</u>	<u>55,771,746</u>	<u>32,134,877</u>	<u>30,889,000</u>	<u>85,993,614</u>	<u>86,660,746</u>
<i>Total Assets</i>	66,048,921	66,819,565	34,900,384	33,959,411	100,949,305	100,778,976
Deferred outflows of resources	<u>724,595</u>	<u>528,804</u>	<u>109,146</u>	<u>79,657</u>	<u>833,741</u>	<u>608,461</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 66,773,516</u>	<u>\$ 67,348,369</u>	<u>\$ 35,009,530</u>	<u>\$ 34,039,068</u>	<u>\$ 101,783,046</u>	<u>\$ 101,387,437</u>
Current liabilities	\$ 1,027,595	\$ 1,447,116	\$ 1,890,404	\$ 1,707,104	\$ 2,917,999	\$ 3,154,220
Long-term liabilities:						
Net pension liability	3,097,867	-	466,633	-	3,564,500	-
Other liabilities	<u>3,261,714</u>	<u>3,606,335</u>	<u>8,753,684</u>	<u>8,764,874</u>	<u>12,060,788</u>	<u>12,371,209</u>
<i>Total Liabilities</i>	7,387,176	5,053,451	11,110,721	10,471,978	18,543,287	15,525,429
Deferred inflows of resources	<u>747,388</u>	<u>2,454,006</u>	<u>112,579</u>	<u>369,661</u>	<u>859,967</u>	<u>2,823,667</u>
Net Position:						
Net investment in capital assets	52,121,875	53,826,746	22,291,458	21,049,915	74,413,333	74,876,661
Restricted	8,835,176	6,560,863	-	-	8,835,176	6,560,863
Unrestricted	<u>(2,318,099)</u>	<u>(546,697)</u>	<u>1,494,772</u>	<u>2,147,514</u>	<u>(823,327)</u>	<u>1,600,817</u>
<i>Total Net Position</i>	<u>58,638,952</u>	<u>59,840,912</u>	<u>23,786,230</u>	<u>23,197,429</u>	<u>82,425,182</u>	<u>83,038,341</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 66,773,516</u>	<u>\$ 67,348,369</u>	<u>\$ 35,009,530</u>	<u>\$ 34,039,068</u>	<u>\$ 101,783,046</u>	<u>\$ 101,387,437</u>

**Statement of Activities**  
**Years ended June 30, 2016 and 2015**

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<u>2015-16</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2014-15</u>
<i>Revenues:</i>						
<i>Program Revenues:</i>						
Charges for services	\$ 5,085,187	\$ 3,261,060	\$ 5,600,125	\$ 5,435,502	\$10,685,313	\$ 8,696,562
Operating grants and contributions	251,797	16,252	-	-	251,797	16,252
Capital grants and contributions	800,746	160,224	569,295	247,351	702,171	407,575
<i>General Revenues:</i>						
Property taxes	4,429,716	4,338,597	-	-	4,429,716	4,338,597
Public service taxes	1,508,997	1,814,392	-	-	1,508,997	1,814,392
Franchise fees	1,116,780	1,093,765	-	-	1,116,780	1,093,765
Interest and investment earnings	44,834	25,106	32,474	22,136	77,308	47,242
Other Revenues	<u>532,963</u>	<u>285,580</u>	<u>214,666</u>	<u>249,493</u>	<u>747,629</u>	<u>535,073</u>
<i>Total Revenues</i>	<u>13,771,020</u>	<u>10,994,976</u>	<u>6,416,560</u>	<u>5,954,482</u>	<u>19,519,711</u>	<u>16,949,458</u>
<i>Expenses:</i>						
General government	(2,815,836)	(2,018,683)	-	-	(2,372,740)	(2,018,683)
Public safety	(6,812,741)	(4,208,590)	-	-	(6,854,902)	(4,208,590)
Highways and street	(3,183,830)	(2,968,164)	-	-	(3,150,060)	(2,968,164)
Culture and recreation	(1,020,182)	(705,867)	-	-	(1,024,623)	(705,867)
Community development	(1,982,360)	(1,561,447)	-	-	(1,995,581)	(1,561,447)
Interest on long-term debt	(183,031)	(211,552)	-	-	(183,031)	(211,552)
Sewage disposal	-	-	(2,681,117)	(2,472,804)	(2,505,997)	(2,472,804)
Water	-	-	(1,935,944)	(1,656,456)	(1,936,320)	(1,656,456)
Storm Water	-	-	(185,698)	-	(185,698)	-
<i>Total Expenses</i>	<u>(15,997,980)</u>	<u>(11,674,303)</u>	<u>(4,802,759)</u>	<u>(4,129,260)</u>	<u>(20,023,254)</u>	<u>(15,803,563)</u>
Increase (decrease) in net position						
before transfers	(2,226,960)	(679,327)	1,613,801	1,825,222	(689,241)	1,145,895
Transfers in (out)	1,025,000	1,025,000	(1,025,000)	(1,025,000)	-	-
Transfers of capital assets	-	-	-	-	-	-
Change in net position	(1,201,960)	345,673	588,801	800,222	(689,241)	1,145,895
Net position - beginning	<u>59,840,912</u>	<u>59,495,239</u>	<u>23,197,429</u>	<u>22,397,207</u>	<u>83,038,341</u>	<u>81,892,446</u>
Net position - ending	<u>\$58,638,952</u>	<u>\$59,840,912</u>	<u>\$23,786,230</u>	<u>\$23,197,429</u>	<u>\$82,425,182</u>	<u>\$ 83,038,341</u>

**Governmental Activities.** Total revenues for the City of Dallas' governmental activities for the fiscal year ended June 30, 2016, were \$13,771,020. Approximately 33% of the total revenue for the governmental activities was derived from property taxes and approximately 38% of the total revenue is from charges for services. Total expenses for governmental activities were \$15,997,980 (excluding transfers), resulting in a decrease in net position of \$1,201,960. The majority of the governmental activities revenue was used to fund public safety, which accounts for approximately 43% of the total governmental activities expense. Culture and recreation expenses account for 6% of the total, community development account for 12%, highways and streets account for 20%, and general government expenses account for 18% of the total. Interest on long-term debt expenses is approximately 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 and general revenues of business-type activities totaled \$6,416,560 for the current fiscal year. Approximately 87% of the total business-type activities revenue was derived from charges for services. The total expenses for business-type activities were \$4,802,759 (excluding transfers), resulting in an increase of net position by \$588,801. 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 \$11,302,627, an increase of \$2,676,801 or 23.7%, from the prior year. The City's governmental funds include the General fund, Street fund, Systems Development fund, Grants fund, General Obligation fund, Capital Projects 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 \$2,049,619, an increase of \$256,068 (12.5 percent) from the prior year (on the modified accrual basis). The increase was due to an increase in issued building permits.

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 \$1,182,188, an increase of 33% from the prior year. The increase is due to delayed seasonal timing of road maintenance and reimbursements.

The Grant fund accounts for major grants to the City. The fund balance of the Grant fund is \$(2,927), due to project expenditures and delayed grant reimbursements.

The Systems Development fund is used to account for systems development charges (SDC) collected from individuals, builders and developers for new construction. State law requires that SDC fee revenue be spent only on projects related to providing extra capacity required due to growth in the City's population. Therefore, SDC projects generally include paying for the cost of sewer, water and street extensions, expansions or improvements. The fund balance of the Systems Development fund increased by \$1,514,601 or 22.7% due to a significant increase in construction resulting in an increase of systems development charges. The fund balance of the Systems Development fund at the end of the fiscal year was \$6,684,718 and represents 60% of the total of all governmental fund balances.

The General Obligation Bond fund is used to account for general obligation bonds. A property tax is levied to pay debt service on the City's General Obligation (GO) bonds. The City has two outstanding GO Bonds with an outstanding balance of \$2,765,000.

Capital Projects fund accounts for any vehicles, equipment, building improvements and property over \$5,000 that is related to the departments in the general fund.

**Proprietary Funds.** At the end of the current fiscal year, net position of the proprietary funds equaled \$23,786,230. The change in total net position of all the proprietary funds was insignificant. The Sewer fund net position increased by \$40,280 and Water fund net position increased by \$332,489. The increase in the Water Fund was due to a major water line replacement. The net position for the new Storm water fund was \$216,032.

## GENERAL FUND BUDGETARY HIGHLIGHTS

There were several amendments to the original budget. Actual revenues (budgetary basis) were 6.2% more than budgeted amounts due to a significant increase in building permits and collection of property tax. Actual expenditures were 3% less than budgeted amounts due primarily to controlled spending of materials and services in several departments. The City continues its commitment to maintaining all facilities and equipment in good condition and providing excellent service to its citizens.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The City of Dallas' capital assets for its governmental and business-type activities at the end of the current fiscal year equaled, \$85,993,614 net of accumulated depreciation, compared to \$86,660,746 at the end of last fiscal year. Capital assets include land, buildings, improvements, equipment, and infrastructure. The decrease in capital assets for governmental activities is due to depreciation, see notes on pages 33 and 34. For business-type activities, capital asset additions consisted of equipment replacement at the wastewater treatment facility and new sewer lines in the Sewer Department. In the Water Department, additions included equipment and a large water line replacement. Additional information about the City's capital assets is presented in the notes to the financial statements on pages 33 and 34.

Capital Assets  
Years ended June 30, 2016 and 2015

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Land	\$ 892,046	\$ 892,046	\$ 731,485	\$ 731,485	\$ 1,623,531	\$ 1,623,531
Construction in progress	-	-	-	-	-	-
Buildings and improvements	15,312,869	15,280,411	-	-	15,312,869	15,280,411
Machinery and equipment	10,004,269	9,161,853	547,338	615,586	10,551,607	9,777,439
Infrastructure	75,088,531	74,565,859	-	-	75,088,531	74,565,859
Buildings and infrastructure	-	-	55,302,154	52,906,514	55,302,154	52,906,514
Accumulated depreciation	(47,438,978)	(44,128,423)	(24,446,100)	(23,364,585)	(71,885,078)	(67,493,008)
<i>Total Net Capital Assets</i>	<u>\$ 53,858,737</u>	<u>\$ 55,771,746</u>	<u>\$ 32,134,877</u>	<u>\$ 30,889,000</u>	<u>\$ 85,993,614</u>	<u>\$ 86,660,746</u>

**Long-term Debt.** At the end of the current fiscal year, long-term debt outstanding for the governmental activities totaled \$3,733,740 (excluding compensated absences payable), compared to \$4,059,404 the prior year. For business-type activities, long term debt outstanding totaled \$9,843,419 (excluding compensated absences payable), compared to \$9,839,085 the prior year. The decrease in governmental debt is due to principal payments on debt outstanding. The increase in business-type activity debt is due to additional debt issued for a major water line replacement project. Additional information about the City’s long-term debt is presented in the notes to the financial statements on page 34.

Long-Term Debt  
Years ended June 30, 2016 and 2015

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
General Obligation Bonds	\$ 1,385,000	\$ 1,945,000	\$ -	\$ -	\$ 1,385,000	\$ 1,945,000
Pension Obligation Bonds	1,380,000	1,430,000	-	-	1,380,000	1,430,000
Capital Lease/Loans	968,740	684,404	-	-	968,740	684,404
Notes Payable	-	-	9,843,419	9,839,085	9,843,419	9,839,085
<i>Total Net Position</i>	<u>\$ 3,733,740</u>	<u>\$ 4,059,404</u>	<u>\$ 9,843,419</u>	<u>\$ 9,839,085</u>	<u>\$ 13,577,159</u>	<u>\$ 13,898,489</u>

**ECONOMIC FACTORS 2016**

The City of Dallas has a mixed tax base, comprised of residential and commercial properties. Residential property accounts for the highest percentage of the tax base. The Oregon economy continued to improve in 2016, which is also true for the City. The City had expansion in both commercial and residential development. The two largest projects were an addition to the Dallas Retirement Village and a new office building for the Department of Human Services. The value of both projects totaled more than \$28 million. In 2016, the City issued 91 single family building permits, which is up from the 75 issued in 2015. The new residential building added approximately \$20.7 million to the City’s assessed value. The increase is due to low interest rates, a stronger economy and a larger number of available residential building lots. It is worth noting that the City had five new subdivisions submitted in 2016 to go along with the nine submitted in 2015. Overall, the City of Dallas had its largest population growth year since 2007. Portland State population growth estimates show the City of Dallas grew 2.1% this year and now has an estimated population of 15,345.

The 2016 unemployment rate in the Dallas area is 5.5%, which is down from 6.2% in 2015. The Dallas area unemployment rate continues to closely mirror the National and State of Oregon unemployment rates. The per capita personal income for the Dallas region is up over last year, but continues to be far behind the Oregon average.

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. The strong economy has helped general fund revenues increase,

making it easier to balance the budget than in recent years. This year, the City was able to add several new employees as well as equipment and capital projects.

Overall, the business climate in the City of Dallas has been stable, but more growth is needed. The Dallas Area Chamber of Commerce is working hard to rebuild its membership and help move the Dallas economy forward. This year, the newly created Dallas Downtown Association (DDA) started in earnest their efforts to help improve the downtown. The DDA also raised enough money to hire a RARE participant. This eleven month employee will help strengthen the DDA organization and set the organization on a path to succeed over the long term.

In 2016, the City added a number of new businesses, but also saw several businesses leave. There are several new businesses that have opened in the historic downtown, but these new businesses are being overshadowed by a number of vacant buildings in the area. As mentioned above, the Dallas Retirement Village completed a new addition of their facility adding more than \$25 million of value to their property. A thirty-two thousand square foot building was completed for the State of Oregon's social services division. The City is now in the process of assessing the remaining commercial property available to determine where and when additional commercially zoned property will be needed. We are also working to market the industrial zoned property that is so readily available.

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

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

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

The City of Dallas is committed to economic development, which includes business retention and expansion as well as working to attract new businesses to the community. Several years ago, the City created the Dallas Economic Development Commission (EDC) in an effort to get community stakeholder input on economic development ideas, as well as providing suggestions to improve the City's economic development activities. The EDC has been productive this year, helping the City develop a branding and marketing plan and updating the economic development strategic plan. The City has also worked closely with our various economic

development partners who include SEDCOR, Mid-Willamette Valley Council of Governments, Business Oregon, Oregon Economic Development Association, and other local and state organizations in an effort to improve our economy.

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

### **REQUESTS FOR INFORMATION**

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



## **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.

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**CITY OF DALLAS, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2016**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 11,335,083	\$ 2,372,041	\$ 13,707,124
Due from other governments	30,391	-	30,391
Accounts receivable, net	539,894	253,507	793,401
Property taxes receivable	281,995	-	281,995
Inventory	2,821	139,959	142,780
Total current assets	<u>12,190,184</u>	<u>2,765,507</u>	<u>14,955,691</u>
Noncurrent assets:			
Capital assets:			
Nondepreciable	892,046	731,485	1,623,531
Depreciable, net	52,966,691	31,403,392	84,370,083
Total noncurrent assets	<u>53,858,737</u>	<u>32,134,877</u>	<u>85,993,614</u>
Total assets	<u>\$ 66,048,921</u>	<u>\$ 34,900,384</u>	<u>\$ 100,949,305</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pension	<u>724,595</u>	<u>109,146</u>	<u>833,741</u>
Total assets and deferred outflows of resources	<u>\$ 66,773,516</u>	<u>\$ 35,009,530</u>	<u>\$ 101,783,046</u>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 341,534	\$ 624,003	\$ 965,537
Interest payable	16,014	131,651	147,665
Current portion of compensated absences	35,644	4,113	39,757
Current portion of long-term debt	634,403	1,130,637	1,765,040
Total current liabilities	<u>1,027,595</u>	<u>1,890,404</u>	<u>2,917,999</u>
Noncurrent liabilities:			
Net Pension Liability	3,097,867	466,633	3,564,500
Noncurrent portion of compensated absences	162,377	40,902	203,279
Noncurrent portion of long-term obligations	3,099,337	8,712,782	11,812,119
Total noncurrent liabilities	<u>6,359,581</u>	<u>9,220,317</u>	<u>15,579,898</u>
Total liabilities	<u>7,387,176</u>	<u>11,110,721</u>	<u>18,497,897</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflow related to pension	<u>747,388</u>	<u>112,579</u>	<u>859,967</u>
<b>NET POSITION:</b>			
Net investment in capital assets	52,121,875	22,291,458	74,413,333
Restricted for:			
Urban renewal projects	396,549	-	396,549
Debt service	371,724	-	371,724
Streets	1,182,188	-	1,182,188
System development	6,884,715	-	6,884,715
Unrestricted	<u>(2,318,099)</u>	<u>1,494,772</u>	<u>(823,327)</u>
Total net position	<u>58,638,952</u>	<u>23,786,230</u>	<u>82,425,182</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 66,773,516</u>	<u>\$ 35,009,530</u>	<u>\$ 101,783,046</u>

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

**CITY OF DALLAS, OREGON**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2016**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 2,815,836	\$ 2,412,882	\$ -	\$ -
Public safety	6,812,741	1,621,164	187,195	-
Highways and streets	3,183,830	203,855	-	492,750
Culture and recreation	1,020,182	564,981	2,162	-
Community development	1,982,360	282,305	62,440	307,996
Interest on long-term debt	183,031	-	-	-
Total governmental activities	<u>15,997,980</u>	<u>5,085,187</u>	<u>251,797</u>	<u>800,746</u>
Business type activities:				
Sewer Fund	2,681,117	3,047,092	-	175,120
Water Fund	1,935,944	2,366,580	-	230,375
Storm Water Fund	185,698	186,453	-	163,800
Total business-type activities	<u>4,802,759</u>	<u>5,600,125</u>	<u>-</u>	<u>569,295</u>
Total government	<u>\$ 20,800,739</u>	<u>\$ 10,685,312</u>	<u>\$ 251,797</u>	<u>\$ 1,370,041</u>
General revenues:				
Taxes:				
Property taxes				
Public service taxes				
Franchise fees				
Interest and investment earnings				
Other revenues				
Transfers in (out)				
Total general revenues and transfers				
Change in net position				
Net position - beginning				
Net position - ending				

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

Net Expense Revenue and  
Change in Net Position

Governmental Activities	Business Type Activities	Total
\$ (402,954)	\$ -	\$ (402,954)
(5,004,382)	-	(5,004,382)
(2,487,225)	-	(2,487,225)
(453,039)	-	(453,039)
(1,329,619)	-	(1,329,619)
(183,031)	-	(183,031)
<u>(9,860,250)</u>	<u>-</u>	<u>(9,860,250)</u>
-	541,095	541,095
-	661,011	661,011
<u>-</u>	<u>164,555</u>	<u>164,555</u>
<u>-</u>	<u>1,366,661</u>	<u>1,366,661</u>
<u>(9,860,250)</u>	<u>1,366,661</u>	<u>(8,493,589)</u>
4,429,716	-	4,429,716
1,508,997	-	1,508,997
1,116,780	-	1,116,780
44,834	32,474	77,308
532,963	214,666	747,629
<u>1,025,000</u>	<u>(1,025,000)</u>	<u>-</u>
<u>8,658,290</u>	<u>(777,860)</u>	<u>7,880,430</u>
(1,201,960)	588,801	(613,159)
<u>59,840,912</u>	<u>23,197,429</u>	<u>83,038,341</u>
<u>\$ 58,638,952</u>	<u>\$ 23,786,230</u>	<u>\$ 82,425,182</u>

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

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

**General Fund**

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

**System Development Fund**

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

**Street Fund**

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

**Grants Fund**

The Grants Fund accounts for major grants to the City.

**General Obligation Bond Fund**

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

**Capital Projects Fund**

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



**CITY OF DALLAS, OREGON**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**June 30, 2016**

	General Fund Generally Accepted Accounting Principles	System Development Fund	Street Fund	Grants Fund
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 1,853,171	\$ 6,575,952	\$ 1,120,597	\$ 7,230
Due from other governments	25,001	-	-	-
Accounts receivable	444,042	-	78,852	-
Property taxes receivable	230,353	-	-	-
Due from other funds	-	175,837	-	-
Total assets	<u>\$ 2,552,567</u>	<u>\$ 6,751,789</u>	<u>\$ 1,199,449</u>	<u>\$ 7,230</u>
<b>LIABILITIES:</b>				
Accounts payable and other current liabilities	\$ 166,758	\$ 67,071	\$ 17,261	\$ 10,157
Interfund loan payable	105,837	-	-	-
Total liabilities	<u>272,595</u>	<u>67,071</u>	<u>17,261</u>	<u>10,157</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue	230,353	-	-	-
Other	-	-	-	-
Total deferred inflows of resources	<u>230,353</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Debt	-	-	-	-
Urban renewal projects	-	-	-	-
Streets	-	-	1,182,188	-
System development	-	6,884,715	-	-
Committed for:				
Community development	-	-	-	-
Debt service	-	-	-	-
Capital projects	-	-	-	-
Unassigned:	<u>2,049,619</u>	<u>(199,997)</u>	<u>-</u>	<u>(2,927)</u>
Total balances	<u>2,049,619</u>	<u>6,684,718</u>	<u>1,182,188</u>	<u>(2,927)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,552,567</u>	<u>\$ 6,751,789</u>	<u>\$ 1,199,449</u>	<u>\$ 7,230</u>

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

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

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds but are to be fully accrued on the Statement of Net Position.

Unavailable revenue  
 Prepaid pension asset

Internal service funds are used by management to charge the costs of the administrative services department to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position.

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Long-term debt  
 Interest payable

Net position

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

General Obligation Bond Fund	Capital Projects Fund	Other Governmental	Total Governmental
\$ 367,279	\$ 486,257	\$ 561,954	\$ 10,972,440
4,445	-	945	30,391
-	-	17,000	539,894
43,781	-	7,861	281,995
-	-	-	175,837
<u>\$ 415,505</u>	<u>\$ 486,257</u>	<u>\$ 587,760</u>	<u>\$ 12,000,557</u>
\$ -	\$ 40,261	\$ 8,590	\$ 310,098
-	-	-	105,837
-	40,261	8,590	415,935
43,781	-	7,861	281,995
-	-	-	-
<u>43,781</u>	<u>-</u>	<u>7,861</u>	<u>281,995</u>
371,724	-	-	371,724
-	-	396,549	396,549
-	-	-	1,182,188
-	-	-	6,884,715
-	-	157,749	157,749
-	-	11	11
-	445,996	-	445,996
-	-	17,000	1,863,695
<u>371,724</u>	<u>445,996</u>	<u>571,309</u>	<u>11,302,627</u>
<u>\$ 415,505</u>	<u>\$ 486,257</u>	<u>\$ 587,760</u>	
			53,329,718
			281,995
			(3,011,752)
			673,660
			(3,921,282)
			<u>(16,014)</u>
			<u>\$ 58,638,952</u>

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

**CITY OF DALLAS, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2016**

	General Fund Generally Accepted Accounting Principles	System Development Fund	Street Fund	Grants Fund
<b>REVENUES:</b>				
Property taxes	\$ 3,660,152	\$ -	\$ -	\$ -
Public service taxes	360,695	-	1,042,644	-
Franchise fees	1,116,780	-	-	-
Grants	-	-	-	547,853
Charges for service	1,890,230	-	-	-
Licenses and permits	842,841	1,669,158	-	-
Fines and forfeitures	209,729	-	-	-
Interest	27,410	-	12,208	-
Miscellaneous	314,310	-	42,514	-
	<u>8,422,147</u>	<u>1,669,158</u>	<u>1,097,366</u>	<u>547,853</u>
<b>EXPENDITURES:</b>				
General government	1,293,214	-	-	-
Public safety	5,118,464	-	-	-
Highways and streets	-	-	585,384	-
Culture and recreation	468,424	-	-	-
Community development	1,605,064	-	-	-
Capital outlay	-	154,557	38,592	394,715
Debt service:				
Principal	101,459	-	-	-
Interest	29,721	-	-	-
	<u>8,616,346</u>	<u>154,557</u>	<u>623,976</u>	<u>394,715</u>
Revenues over (under) expenditures	(194,199)	1,514,601	473,390	153,138
<b>OTHER FINANCING SOURCES (USES):</b>				
Contributed capital	-	-	-	-
Interfund loan proceeds (payments)	-	-	-	-
Issuance of debt	-	-	-	-
Transfers in	1,241,367	-	-	11,940
Transfers out	(791,100)	-	(83,500)	-
	<u>450,267</u>	<u>-</u>	<u>(83,500)</u>	<u>11,940</u>
Net changes in fund balances	256,068	1,514,601	389,890	165,078
<b>FUND BALANCES, BEGINNING</b>	<u>1,793,551</u>	<u>5,170,117</u>	<u>792,298</u>	<u>(168,005)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,049,619</u>	<u>\$ 6,684,718</u>	<u>\$ 1,182,188</u>	<u>\$ (2,927)</u>

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

General Obligation Bond Fund	Capital Projects Fund	Other Governmental	Total Governmental
\$ 628,816	\$ -	\$ 155,955	\$ 4,444,923
-	-	105,658	1,508,997
-	-	-	1,116,780
-	-	-	547,853
-	-	-	1,890,230
-	-	-	2,511,999
-	-	-	209,729
-	-	5,216	44,834
-	44,068	122,062	522,954
628,816	44,068	388,891	12,798,299
-	-	49,863	1,343,077
-	-	-	5,118,464
-	-	-	585,384
-	-	70,637	539,061
-	-	-	1,605,064
-	722,829	86,477	1,397,170
560,000	-	50,000	711,459
78,243	-	71,050	179,014
638,243	722,829	328,027	11,478,693
(9,427)	(678,761)	60,864	1,319,606
-	-	-	-
-	-	-	-
-	385,795	-	385,795
-	620,000	71,000	1,944,307
-	(11,940)	(86,367)	(972,907)
-	993,855	(15,367)	1,357,195
(9,427)	315,094	45,497	2,676,801
381,151	130,902	525,812	8,625,826
\$ 371,724	\$ 445,996	\$ 571,309	\$ 11,302,627

*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, 2016**

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Amounts reported in the statement of activities are different because:

Net change in fund balances		\$ 2,676,801
<p>The statement of revenues, expenditures, and changes if fund balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.</p>		
Capital outlay	1,467,568	
Depreciation	<u>(3,277,990)</u>	(1,810,422)
<p>Some revenue reported in the statement of activities do not provide current financial resources in the governmental funds.</p>		
		(15,207)
<p>Contributions to pensions plans use current financial resources from governmental funds, but created a net pension asset.</p>		
		(2,381,131)
<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>		
		(70,181)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.</p>		
Debt service principal payments	711,459	
Accrued interest expense	(4,017)	
Compensated absences	<u>76,533</u>	<u>398,180</u>
Change in net position of governmental activities		<u><u>\$ (1,201,960)</u></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, 2016**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Sewer Fund	Water Fund	Storm Water Fund	Total	Internal Service Fund
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	\$ 975,057	\$ 1,324,425	\$ 72,559	\$ 2,372,041	\$ 362,643
Accounts receivables, net	141,074	103,457	8,976	253,507	-
Inventories	27,664	112,295	-	139,959	2,821
Total current assets	1,143,795	1,540,177	81,535	2,765,507	365,464
Nondepreciable	663,527	67,958	-	731,485	7,010
Depreciable, net	16,074,652	15,164,940	163,800	31,403,392	522,009
Total capital assets, net	16,738,179	15,232,898	163,800	32,134,877	529,019
Total assets	17,881,974	16,773,075	245,335	34,900,384	894,483
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred outflow related to pension	71,782	31,667	5,697	109,146	25,287
Total assets and deferred outflows of resources	<u>\$ 17,953,756</u>	<u>\$ 16,804,742</u>	<u>\$ 251,032</u>	<u>\$ 35,009,530</u>	<u>\$ 919,770</u>
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 202,284	\$ 420,750	\$ 969	\$ 624,003	\$ 31,436
Interest payable	56,104	75,547	-	131,651	-
Interfund loan payable	-	-	-	-	70,000
Current accrued compensated absences	3,670	375	68	4,113	266
Current portion of long-term debt	912,351	218,286	-	1,130,637	-
Total current liabilities	1,174,409	714,958	1,037	1,890,404	101,702
<b>NONCURRENT LIABILITIES:</b>					
Noncurrent accrued compensated absences	16,719	20,452	3,731	40,902	10,213
Noncurrent portion of long-term debt	3,454,146	5,258,636	-	8,712,782	-
Net Pension Liability	306,896	135,381	24,356	466,633	108,112
Total noncurrent liabilities	3,777,761	5,414,469	28,087	9,220,317	118,325
Total liabilities	4,952,170	6,129,427	29,124	11,110,721	220,027
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred inflow related to pension	74,041	32,662	5,876	112,579	26,083
<b>NET POSITION:</b>					
Net investment in capital assets	12,371,682	9,755,976	163,800	22,291,458	529,019
Unrestricted	555,863	886,677	52,232	1,494,772	144,641
Total net position	12,927,545	10,642,653	216,032	23,786,230	673,660
Total liabilities, deferred inflows of resources, and net position	<u>\$ 17,953,756</u>	<u>\$ 16,804,742</u>	<u>\$ 251,032</u>	<u>\$ 35,009,530</u>	<u>\$ 919,770</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, 2016**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Sewer Fund	Water Fund	Storm Water Fund	Total	Internal Service Fund
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 3,047,092	\$ 2,366,580	\$ 186,453	\$ 5,600,125	\$ 485,169
Miscellaneous	117,768	96,898	-	214,666	10,009
Total operating revenues	<u>3,164,860</u>	<u>2,463,478</u>	<u>186,453</u>	<u>5,814,791</u>	<u>495,178</u>
<b>OPERATING EXPENSES:</b>					
Personnel services	755,271	546,348	126,743	1,428,362	291,629
Materials and services	1,063,153	769,574	58,955	1,891,682	224,743
Depreciation and amortization	780,096	472,672	-	1,252,768	102,587
Total operating expenses	<u>2,598,520</u>	<u>1,788,594</u>	<u>185,698</u>	<u>4,572,812</u>	<u>618,959</u>
Operating income (loss)	566,340	674,884	755	1,241,979	(123,781)
<b>NON-OPERATING INCOME (EXPENSE):</b>					
Interest income	12,417	19,580	477	32,474	-
Interest expense	(82,597)	(147,350)	-	(229,947)	-
Total non-operating income (expenses)	<u>(70,180)</u>	<u>(127,770)</u>	<u>477</u>	<u>(197,473)</u>	<u>-</u>
Net income (loss) before operating transfers	496,160	547,114	1,232	1,044,506	(123,781)
<b>OPERATING TRANSFERS:</b>					
Transfers in (out)	<u>(631,000)</u>	<u>(445,000)</u>	<u>51,000</u>	<u>(1,025,000)</u>	<u>53,600</u>
Net income (loss) before contributions	(134,840)	102,114	52,232	19,506	(70,181)
<b>CAPITAL CONTRIBUTIONS:</b>					
Capital contributions	<u>175,120</u>	<u>230,375</u>	<u>163,800</u>	<u>569,295</u>	<u>-</u>
Change in net position	40,280	332,489	216,032	588,801	(70,181)
<b>NET POSITION, BEGINNING</b>	<u>12,887,265</u>	<u>10,310,164</u>	<u>-</u>	<u>23,197,429</u>	<u>743,841</u>
<b>NET POSITION, ENDING</b>	<u>\$ 12,927,545</u>	<u>\$ 10,642,653</u>	<u>\$ 216,032</u>	<u>\$ 23,786,230</u>	<u>\$ 673,660</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, 2016

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Sewer Fund	Water Fund	Storm Water Fund	Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers	\$ 3,190,013	\$ 2,498,292	\$ 177,477	\$ 5,865,782	\$ 497,397
Cash paid to employees	(524,082)	(437,134)	(98,409)	(1,059,625)	(204,703)
Cash paid to suppliers	(1,004,198)	(647,613)	(57,986)	(1,709,797)	(197,672)
Net cash provided (used) by operating activities	1,661,733	1,413,545	21,082	3,096,360	95,022
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Payment to other funds	-	-	-	-	(30,000)
Transfers in (out)	(631,000)	(214,625)	51,000	(794,625)	53,600
Net cash provided (used) by non-capital financing activities	(631,000)	(214,625)	51,000	(794,625)	23,600
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchase of capital assets	(768,760)	(1,390,965)	-	(2,159,725)	-
Principal paid on capital debt	(902,351)	(211,315)	-	(1,113,666)	-
Proceeds from issuance of debt	557,091	560,909	-	1,118,000	-
Interest paid on capital debt	(89,639)	(151,517)	-	(241,156)	-
Net cash provided (used) by capital and related financing activities	(1,203,659)	(1,192,888)	-	(2,396,547)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest on investments	12,417	19,580	477	32,474	-
Net cash provided (used) by investing activities	12,417	19,580	477	32,474	-
Net increase (decrease) in cash and cash equivalents	(160,509)	25,612	72,559	(62,338)	118,622
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>1,135,566</u>	<u>1,298,813</u>	<u>-</u>	<u>2,434,379</u>	<u>244,021</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 975,057</u>	<u>\$ 1,324,425</u>	<u>\$ 72,559</u>	<u>\$ 2,372,041</u>	<u>\$ 362,643</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating income	\$ 566,340	\$ 674,884	\$ 755	\$ 1,241,979	\$ (123,781)
Adjustments					
Depreciation and amortization	780,096	472,672	-	1,252,768	102,587
Decrease (increase) in:					
Accounts receivable	25,153	34,814	(8,976)	50,991	2,219
Increase (decrease) in:					
Accounts payable and accrued expenses	58,955	121,961	969	181,885	27,071
Accrued compensated absences	(8,094)	1,395	3,799	(2,900)	826
Net pension liability	239,283	107,819	24,535	371,637	86,100
Net cash provided (used) by operating activities	\$ 1,661,733	\$ 1,413,545	\$ 21,082	\$ 3,096,360	\$ 95,022
<b>NON-CASH CAPITAL FINANCING ACTIVITIES:</b>					
Contributions of capital assets from governmental activities	\$ 175,120	\$ 230,375	\$ 163,800	\$ 569,295	\$ -
Total non-cash capital financing activities	\$ 175,120	\$ 230,375	\$ 163,800	\$ 569,295	\$ -

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

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

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

### **The Financial Reporting Entity**

The City of Dallas, Oregon is governed by an elected mayor and nine council members who comprise the City Council. The City Council exercises supervisory responsibilities over the City operations, but day-to-day management control is the responsibility of a City Manager. All significant activities and organizations for which the City is financially accountable are included in the financial statements for the year ended June 30, 2016.

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

As defined by accounting principles generally accepted in the United States of America, the financial reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

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

### **Basic Financial Statements**

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

The Statement of Activities demonstrates the degree to which the direct and allocated indirect expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or program. Indirect expenses are those costs, usually administrative in nature, that support all City functions and enable direct services to be provided. Program revenues include (1) fees, fines, and charges to

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customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or program, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**Basis of Presentation**

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

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

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

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

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

**Governmental Fund Financial Statements**

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

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Intergovernmental revenues are recognized as revenues when all eligibility requirements are met. There are, however, essentially two types of intergovernmental revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the City; therefore, all eligibility requirements are determined to be met when the underlying expenditures are recorded. In the other, monies are virtually unrestricted as to the purpose of the expenditure and are usually revocable only for failure to comply with prescribed requirements; therefore, all eligibility requirements are determined to be met at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

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

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

The City reports the following major governmental funds:

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

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

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

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

The *General Obligation Bond fund* is used to take in property tax revenue to cover the City's general obligation debt, debt that is associated with the construction of the Aquatic Center.

The *Capital Projects fund* is designed to handle all the capital project expenditures for General Fund departments.

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

- Sewer Fund
- Water Fund
- Storm Water Fund

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

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reporting amounts of certain assets, liabilities, revenues and expenses as of and for the year ended June 30, 2016. Actual results may differ from such estimates.

**Cash and Investments**

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

**Receivables and Property Tax Calendar**

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

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

Assessment liens in the governmental fund types are recognized as receivables at the time property owners are assessed for property improvements. All assessments receivable are offset by unavailable revenues and, accordingly, have not been recorded as revenue. Interest earned on

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assessments in the governmental fund types is accrued when due and is approximately offset by the related improvement bond interest expenditure which is also recognized when due.

**Deferred Outflows/Inflows of Resources**

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

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

**Inventory**

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

**Capital Assets**

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

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

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

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

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

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

**Long-Term Debt**

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

**Compensated Absences**

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

**Restricted Net Position**

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

**Fund Balance**

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

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

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

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

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

**CITY OF DALLAS, OREGON**  
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purpose.

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

**Use of Restricted Resources**

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

**Pensions**

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

**2. CASH AND CASH EQUIVALENTS**

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

At June 30, 2016 investments included in cash and cash equivalents consist of the following:

	Weighted Average Maturity (Years)	Fair Value
	<u>                    </u>	<u>                    </u>
Investments in the State Treasurer’s Local Government Investment Pool	<u>                    -</u>	<u>\$ 11,878,816</u>
 Total cash equivalents	<u><u>                    -</u></u>	<u><u>\$ 11,878,816</u></u>



**CITY OF DALLAS, OREGON**  
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Following is a summary of the City’s deposit and investment balances at June 30, 2016:

	<u>2016</u>
Cash deposits:	
Cash on hand	\$ 754
Bank deposits	<u>1,827,554</u>
	1,828,308
Pooled cash and investments:	
State of Oregon - LGIP	<u>11,878,816</u>
Total	<u>\$ 13,707,124</u>

**Interest Rate Risk**

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

**Credit Risk**

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

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

**Concentration of Credit Risk**

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

**Custodial Credit Risk – Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned. The City does not have a deposit policy for custodial credit risk. The Federal Depository Insurance Corporation (FDIC) and National Credit Union Administration (NCUA) provides insurance for the City’s deposits up to \$250,000 for the combined total of all deposit accounts at each financial institution. The remaining deposits are covered by the Public Funds Collateralization program (PFCP) of the State of Oregon in accordance with ORS 295. Depositories qualified under this program are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank failure or loss. ORS 295 sets the specific value of the

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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, 2016, the book value of the City's deposits was \$959,497 and the bank balance was \$1,246,291. \$996,291 of the City's bank balances were exposed to custodial credit risk as they were collateralized under PFCP.

**3. CAPITAL ASSETS**

The changes in capital assets for the governmental activities for the year ended June 30, 2016 is as follows:

<b>Primary Government</b>	<b>June 30, 2015</b>			<b>June 30, 2016</b>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Capital assets, non- depreciable:</b>				
Land	\$ 892,046	\$ -	\$ -	\$ 892,046
Total capital assets, nondepreciable	<u>892,046</u>	<u>-</u>	<u>-</u>	<u>892,046</u>
<b>Capital assets, depreciable:</b>				
Infrastructure	74,565,859	522,672	-	75,088,531
Buildings and improvements	15,280,411	32,458	-	15,312,869
Machinery and equipment	9,161,853	912,438	(70,022)	10,004,269
Total capital assets, depreciable	<u>99,008,123</u>	<u>1,467,568</u>	<u>(70,022)</u>	<u>100,405,669</u>
<b>Less accumulated depreciation for:</b>				
Infrastructure	(28,151,247)	(2,550,962)	-	(30,702,209)
Buildings and improvements	(8,270,789)	(452,925)	-	(8,723,714)
Machinery and equipment	(7,706,387)	(376,690)	70,022	(8,013,055)
Total accumulated depreciation	<u>(44,128,423)</u>	<u>(3,380,577)</u>	<u>70,022</u>	<u>(47,438,978)</u>
Net depreciable capital assets	<u>54,879,700</u>	<u>(1,913,009)</u>	<u>-</u>	<u>52,966,691</u>
<b>Net capital assets</b>	<u>\$ 55,771,746</u>	<u>\$ (1,913,009)</u>	<u>\$ -</u>	<u>\$ 53,858,737</u>

Depreciation on internal service capital assets in the amount of \$102,587 is included in general government expenses. All depreciation on governmental capital assets is allocated to governmental functions on the statement of activities as follows:

<b>Governmental activities:</b>	
General government	\$ 168,461
Public safety	305,437
Culture and recreation	350,393
Highways & streets	<u>2,556,286</u>
Total depreciation expense - governmental activities	<u>\$ 3,380,577</u>

**CITY OF DALLAS, OREGON**  
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The changes in capital assets for business-type activities for the year ended June 30, 2016 is as follows:

<b>Business-type Activities</b>	<b>Total Business Activities</b>			<b>June 30, 2016 Ending Balance</b>
	<b>June 30, 2015 Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	
<b>Capital assets, non-depreciable:</b>				
Land	\$ 731,485	\$ -	\$ -	\$ 731,485
Construction in progress	-	-	-	-
Total capital assets, non-depreciable	<u>731,485</u>	<u>-</u>	<u>-</u>	<u>731,485</u>
<b>Capital assets, depreciable:</b>				
Buildings and infrastructure	52,906,514	2,395,640	-	55,302,154
Machinery and equipment	615,586	103,005	(171,253)	547,338
Total capital assets, depreciable	<u>53,522,100</u>	<u>2,498,645</u>	<u>(171,253)</u>	<u>55,849,492</u>
<b>Less accumulated depreciation for:</b>				
Buildings and infrastructure	(22,777,681)	(1,241,726)	-	(24,019,407)
Machinery and equipment	(586,904)	(11,042)	171,253	(426,693)
Total accumulated depreciation	<u>(23,364,585)</u>	<u>(1,252,768)</u>	<u>171,253</u>	<u>(24,446,100)</u>
Net depreciable capital assets	<u>30,157,515</u>	<u>1,245,877</u>	<u>-</u>	<u>31,403,392</u>
<b>Net capital assets</b>	<u>\$ 30,889,000</u>	<u>\$ 1,245,877</u>	<u>\$ -</u>	<u>\$ 32,134,877</u>

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

<b>Business-type activities:</b>	
Sewer	\$ 780,096
Water	472,672
Stormwater	-
Total depreciation expense - business-type activities	<u>\$ 1,252,768</u>

**4. LONG-TERM DEBT**

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

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Governmental bonds	\$ 3,375,000	\$ -	\$ 610,000	\$ 2,765,000	\$ 530,000
Governmental loans	684,404	385,795	101,459	968,740	104,403
Compensated absences	273,728	198,021	273,728	198,021	35,644
Total governmental activities	<u>\$ 4,333,132</u>	<u>\$ 583,816</u>	<u>\$ 985,187</u>	<u>\$ 3,931,761</u>	<u>\$ 670,047</u>

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<b>Business-type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Business-type bonds	\$ 4,425,000	\$ 490,818	\$ 845,000	\$ 4,070,818	\$ 855,000
Bond Premium	286,757	-	57,351	229,406	57,351
Business-type loans	5,127,328	627,182	211,315	5,543,195	218,286
Compensated absences	47,915	45,015	47,915	45,015	8,103
Total business-type activities	<u>\$ 9,887,000</u>	<u>\$ 1,163,015</u>	<u>\$ 1,161,581</u>	<u>\$ 9,888,434</u>	<u>\$ 1,138,740</u>

**Bonds**

<b>Governmental Activities</b>	
Series 2003: original amount \$850,000; interest rate 4.95%; final payment due June 30, 2018.	\$ 175,000
Series 2005: original amount \$4,695,000; interest rates from 4.25% to 5.00%; final payment due June 1, 2019.	1,210,000
2005 PERS Bonds: original amount \$1,585,000; interest rates from 4.38% to 5.00%; final payment due June 1, 2028	1,380,000
Total governmental bonds	<u>\$ 2,765,000</u>

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Future Governmental bonds debt service requirements are as follows

Fiscal Year	Series 2003		Series 2005	
	Principal	Interest	Principal	Interest
2017	\$ 85,000	\$ 6,559	\$ 385,000	\$ 48,400
2018	90,000	2,229	405,000	33,000
2019	-	-	420,000	16,800
2020	-	-	-	-
2021	-	-	-	-
<b>Total</b>	<b>\$ 175,000</b>	<b>\$ 8,788</b>	<b>\$ 1,210,000</b>	<b>\$ 98,200</b>

Fiscal Year	2005 PERS Bonds	
	Principal	Interest
2017	\$ 60,000	\$ 68,620
2018	70,000	65,705
2019	80,000	62,304
2020	90,000	58,416
2021	100,000	54,043
2022-2026	705,000	189,646
2027-2031	275,000	18,014
<b>Total</b>	<b>\$ 1,380,000</b>	<b>\$ 516,748</b>

**Business-type Activities**

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Series 2011: original amount \$7,801,161; interest rate from 2.0% to 4.0%; final payment due February 1, 2020.	<u>\$ 3,580,000</u>
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Future business-type bonds debt service requirements are as follows:

	2011 Refunding Bond	
	Principal	Interest
2017	\$ 855,000	\$ 134,650
2018	875,000	109,000
2019	910,000	74,000
2020	940,000	37,600
2021	-	-
2022-2026	-	-
<b>Total</b>	<b>\$ 3,580,000</b>	<b>\$ 355,250</b>

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**Loans**

Governmental Activities	
2013 Urban Renewal Loan: original amount \$750,000; interest rate 2.90%; final payment due June 30, 2024.	\$ 616,878
2015 Fire Pumper Loan: original amount \$385,795; interest rate 2.82%; final payment due Nov 30, 2024	351,863
	<u>\$ 968,741</u>

Future governmental loan debt service requirements are as follows:

Fiscal Year	2013 Urban Renewal Loan	
	Principal	Interest
2017	\$ 69,513	\$ 16,882
2018	71,559	14,836
2019	73,664	12,730
2020	75,832	10,563
2021	78,064	8,331
2022-2026	<u>248,246</u>	<u>10,938</u>
Total	<u>\$ 616,878</u>	<u>\$ 74,280</u>

Fiscal Year	Fire Pumper Loan	
	Principal	Interest
2017	\$ 34,890	\$ 9,923
2018	35,874	8,939
2019	36,885	7,928
2020	37,926	6,887
2021	38,995	5,818
2022-2026	<u>167,293</u>	<u>11,959</u>
Total	<u>\$ 351,863</u>	<u>\$ 51,454</u>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

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Business-type Activities

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OECD Safe Drinking Water Loan: original amount \$5,650,000; interest rate 3.38%; final payment due December 1, 2028. \$ 3,831,641

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

Fiscal Year	OECD Safe Drinking Water Loan	
	Principal	Interest
2017	\$ 218,286	\$ 129,681
2018	225,664	122,303
2019	233,292	114,675
2020	241,177	106,790
2021	249,329	98,638
2022-2026	1,378,897	360,938
2027-2031	1,284,996	111,290
<b>Total</b>	<b>\$ 3,831,641</b>	<b>\$ 1,044,315</b>

**Bond Anticipation Note**

Business-type Activities

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Series 2014: up to \$3,025,000; interest rate variable; maturity date December 31, 2017. \$ 1,154,463

**5. NET POSITION**

The government-wide statement of net position reports \$8,835,176 of restricted net position, of which \$8,066,903 is restricted by enabling legislation.

**6. DEFICIT FUND BALANCE**

The grants fund had a deficit fund balance at June 30, 2016 of \$(2,927). The deficit will be financed through future revenues.

**7. PENSION PLAN**

**Plan description**

Employees of the City are provided with pensions through the Oregon Public Employees Retirement System (OPERS) a cost-sharing multiple-employer defined benefit pension plan, the Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. All benefits of the System are established by the legislature pursuant to ORS Chapters 238 and 238A. Tier One/Tier Two Retirement Benefit plan, established by ORS Chapter 238, is closed to new members hired on or after August 29, 2003. The Pension Program, established by ORS Chapter 238A, provides benefits to members hired on

or after August 29, 2003. OPERS issues a publicly available Comprehensive Annual Financial Report and Actuarial Valuation that can be obtained at:

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/financials.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/financials.aspx).

## **Benefits provided**

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

#### **Pension Benefits**

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier One general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier Two members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

#### **Death Benefits**

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

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

#### **Disability Benefits**

A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for



disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

### **Benefit Changes**

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

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

#### **Pension Benefits**

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

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

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

#### **Death Benefits**

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

#### **Disability Benefits**

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

### **Benefit Changes After Retirement**

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

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

#### **Pension Benefits**

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

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

#### **Death Benefits**

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

#### **Recordkeeping**

OPERS contracts with VOYA Financial to maintain IAP participant records.

### **Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2013 actuarial valuation as subsequently modified by 2015 legislated changes in benefit provisions. The rates based on a percentage of payroll, first became effective July 1, 2015. Employer contributions for the year ended June 30, 2016 were \$833,750 excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2016 were 16.93 percent for Tier One/Tier Two General Service Member, 16.93 percent for Tier One/Tier Two Police and Fire, 10.34 percent for OPSRP Pension Program General Service Members, 14.45 percent for OPSRP Pension Program Police and Fire Members, and 6 percent for OPSRP Individual Account Program.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

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

At June 30, 2016, the City reported a liability of \$3,564,500 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2015, and the total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to June 30, 2015. 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, 2015, the City's proportion was 0.06208413 percent, which was a decrease from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the City's recognized pension expense (income) of (\$2,838,869). At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 192,218	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on investments	-	747,208
Changes in proportion	-	42,475
Differences between employer contributions and proportionate share of contributions	6,124	70,284
Total (prior to post-MD contributions)	<u>198,342</u>	<u>859,967</u>
Contributions subsequent to the MD	<u>635,399</u>	<u>-</u>
Total	<u>\$ 833,741</u>	<u>\$ 859,967</u>

Deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Outflows		Deferred Inflows	
Amortization Period		Amortization Period	
FY2017	\$ 680,779	FY2017	\$ 382,138
FY2018	45,389	FY2018	382,147
FY2019	45,389	FY2019	382,147
FY2020	44,710	FY2020	(296,717)
FY2021	17,474	FY2021	10,252
Total	<u>\$ 833,741</u>	Total	<u>\$ 859,967</u>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

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**Actuarial Assumptions**

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

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an amount for the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

The total pension liability in the December 31, 2013 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2013
Measurement Date	June 30, 2015
Experience Study Report	2014, published September 2015
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.75 percent
Long-Term Expected Rate of Return	7.75 percent
Discount Rate	7.75 percent
Projected Salary Increases	3.75 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA
Mortality	Health retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation.  Active Members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation.  Disabled retirees: Mortality rates are a percentage (65% for males, 90% for females) of the RP-2000 statistic combined disabled mortality sex-distinct table.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

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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 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

**Long-term Expected Rate of Return**

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

<u>Asset Class/Strategy</u>	<u>Assumed Asset Allocation</u>		
	<u>Low Range</u>	<u>High Range</u>	<u>Target</u>
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Private Equity	16.0%	24.0%	20.0%
Real Estate	9.5%	15.5%	12.5%
Alternative Equity	0.0%	10.0%	10.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			<u>100.0%</u>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

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

**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 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.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

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

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

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

	<u>1% Decrease (6.75%)</u>	<u>Discount Rate (7.75%)</u>	<u>1% Increase (8.75%)</u>
City's proportionate share of the net pension liability (asset)	\$ 8,602,876	\$ 3,564,536	\$ (681,460)

**Pension Plan Fiduciary Net Position**

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

**Changes in Plan Provisions During the Measurement Date**

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

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

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

This change in benefit terms were reflected in the current valuation.

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

There were no changes subsequent to the June 30, 2015 measurement date.

**8. INTERFUND TRANSFERS**

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Funds:		
General Fund	\$ 1,241,367	\$ 791,100
Street Fund	-	83,500
Grant Fund	11,940	-
Total Major Governmental Funds	<u>1,253,307</u>	<u>874,600</u>
Non-major Governmental Funds:		
Trust/Reserve Fund	71,000	-
Urban Renewal Fund	-	86,367
Capital Projects Fund	620,000	11,940
Total Non-major Governmental Funds	<u>691,000</u>	<u>98,307</u>
Proprietary Funds:		
Sewer Fund	-	631,000
Water Fund	-	445,000
Storm Water Fund	80,000	29,000
Fleet Management Fund	103,600	50,000
Total Proprietary Funds	<u>183,600</u>	<u>1,155,000</u>
Total All Funds	<u>\$ 2,127,907</u>	<u>\$ 2,127,907</u>

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

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend 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.



**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2016**

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**9. INTERFUND LOANS**

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

Interfund loan balances as of June 30, 2016:

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$ -	\$ 105,837
System Development Fund	175,837	-
Fleet Management Fund	-	70,000
	\$ 175,837	\$ 175,837

**10. CONTINGENCIES**

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

The City is a defendant in 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.

**11. RISK MANAGEMENT**

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

## **REQUIRED SUPPLEMENTARY INFORMATION**

## REQUIRED SUPPLEMENTARY INFORMATION

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

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

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 3,620,000	\$ 3,620,000	\$ 3,660,152	\$ 40,152
Public service taxes	407,000	407,000	360,695	(46,305)
Franchise fees	1,155,000	1,155,000	1,116,780	(38,220)
Charges for service	1,725,000	1,725,000	1,890,230	165,230
Licenses and permits	354,000	379,000	842,841	463,841
Fines and forfeitures	280,000	280,000	209,729	(70,271)
Interest	15,000	15,000	27,410	12,410
Miscellaneous	317,000	317,000	314,310	(2,690)
Total revenues	<u>7,873,000</u>	<u>7,898,000</u>	<u>8,422,147</u>	<u>524,147</u>
<b>EXPENDITURES:</b>				
General government	1,340,050	1,340,050	1,293,214	46,836
Public safety	5,153,600	5,188,600	5,118,464	70,136
Culture and recreation	489,950	489,950	468,424	21,526
Community development	1,593,700	1,683,700	1,605,064	78,636
Debt service:				
Principal	131,459	131,459	101,459	30,000
Interest	33,250	33,250	29,721	3,529
Contingency	100,000	-	-	-
Total expenditures	<u>8,842,009</u>	<u>8,867,009</u>	<u>8,616,346</u>	<u>250,663</u>
Revenues over (under) expenditures	(969,009)	(969,009)	(194,199)	774,810
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,241,400	1,241,400	1,241,367	(33)
Transfers out	(541,100)	(791,100)	(791,100)	-
Total other financing sources (uses)	<u>700,300</u>	<u>450,300</u>	<u>450,267</u>	<u>(33)</u>
Net changes in fund balance	(268,709)	(518,709)	256,068	774,777
<b>FUND BALANCE, BEGINNING - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
	<u>1,300,000</u>	<u>1,550,000</u>	<u>1,793,551</u>	<u>243,551</u>
<b>FUND BALANCE, ENDING - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES</b>				
	<u>\$ 1,031,291</u>	<u>\$ 1,031,291</u>	<u>\$ 2,049,619</u>	<u>\$ 1,018,328</u>

**CITY OF DALLAS, OREGON  
SYSTEM DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 585,000	\$ 585,000	\$ 1,669,158	\$ 1,084,158
Total revenues	585,000	585,000	1,669,158	1,084,158
<b>EXPENDITURES:</b>				
Capital outlay	5,370,000	5,370,000	154,557	5,215,443
Total expenditures	5,370,000	5,370,000	154,557	5,215,443
Revenues over (under) expenditures	(4,785,000)	(4,785,000)	1,514,601	6,299,601
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	95,000	95,000	95,000	-
Total other financing sources (uses)	95,000	95,000	95,000	-
Net changes in fund balances	(4,690,000)	(4,690,000)	1,609,601	6,299,601
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	4,690,000	4,690,000	4,899,280	209,280
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	6,508,881	\$ 6,508,881
Interfund loan receivable			175,837	
<b>FUND BALANCES, ENDING</b>			\$ 6,684,718	

**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, 2016**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Public service taxes	\$ 1,050,000	\$ 1,050,000	\$ 1,042,644	\$ (7,356)
Interest	7,000	7,000	12,208	5,208
Miscellaneous	20,000	20,000	42,514	22,514
Total revenues	1,077,000	1,077,000	1,097,366	20,366
<b>EXPENDITURES:</b>				
Personnel service	317,000	317,000	311,895	5,105
Materials and service	282,400	282,400	273,489	8,911
Capital outlay	270,000	297,000	38,592	258,408
Contingency	709,100	682,100	-	682,100
Total expenditures	1,578,500	1,578,500	623,976	954,524
Revenues over (under) expenditures	(501,500)	(501,500)	473,390	974,890
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(83,500)	(83,500)	(83,500)	-
Total other financing sources (uses)	(83,500)	(83,500)	(83,500)	-
Net changes in fund balance	(585,000)	(585,000)	389,890	974,890
<b>FUND BALANCES, BEGINNING</b>	585,000	585,000	792,298	207,298
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 1,182,188	\$ 1,182,188

**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, 2016**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Grants	\$ 3,361,375	\$ 3,411,876	\$ 547,853	\$ (2,864,023)
Total revenues	3,361,375	3,411,876	547,853	(2,864,023)
<b>EXPENDITURES:</b>				
Capital outlay	3,368,875	3,368,875	394,715	2,974,160
Total expenditures	3,368,875	3,368,875	394,715	2,974,160
Revenues over (under) expenditures	(7,500)	43,001	153,138	110,137
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	11,940	11,940	-
Total other financing sources (uses)	-	11,940	11,940	-
Net changes in fund balances	(7,500)	54,941	165,078	110,137
<b>FUND BALANCES, BEGINNING</b>	7,500	(54,941)	(168,005)	(113,064)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ (2,927)	\$ (2,927)

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

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Measurement Date	(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
June 30, 2015	0.06208413%	\$ 3,564,536	\$ 4,347,982	81.98%	91.90%
2014	0.06455806%	(1,463,347)	4,301,804	-34.02%	103.60%
2013	0.06455806%	3,294,492	4,359,208	75.58%	91.97%

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

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



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

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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
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.

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

### **Changes in Benefit Terms**

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

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

This is a change in benefit terms was not included in the net pension liability (asset) proportionate shares provided by OPERS for the years ending June 30, 2015 and June 30, 2014.

### **Changes of Assumptions**

Details and a comprehensive list of changes in methods and assumptions can be found in the 2012 and 2014 Experience Study for the System, which were published on September 18, 2013 and September 23, 2015. These reports can be found at:

[http://www.oregon.gov/pers/Pages/section/financial\\_reports/mercercer\\_reports.aspx](http://www.oregon.gov/pers/Pages/section/financial_reports/mercercer_reports.aspx).

## **OTHER SUPPLEMENTARY INFORMATION**

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

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

## COMBINING STATEMENTS

Nonmajor Governmental Funds

### **Special Revenue Funds**

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

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

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

#### **Urban Renewal Fund**

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

### **Debt Service Fund**

#### **General Debt Fund**

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

**CITY OF DALLAS, OREGON  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2016**

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	Total Nonmajor Special Revenue Funds	Nonmajor General Debt Service Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 561,943	\$ 11	\$ 561,954
Due from other governments	945	-	945
Accounts receivable	17,000	-	17,000
Property taxes receivable	7,861	-	7,861
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 587,749</u>	<u>\$ 11</u>	<u>\$ 587,760</u>
<b>LIABILITIES:</b>			
Accounts payable and other current liabilities	<u>\$ 8,590</u>	<u>\$ -</u>	<u>\$ 8,590</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>8,590</u>	<u>-</u>	<u>8,590</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue	7,861	-	7,861
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total deferred inflows of resources	<u>7,861</u>	<u>-</u>	<u>7,861</u>
<b>FUND BALANCES:</b>			
Restricted for:			
Debt	-	-	-
Urban renewal projects	396,549	-	396,549
Committed for:			
Community development	157,749	-	157,749
Debt service	-	11	11
Capital projects	-	-	-
Unassigned:	17,000	-	17,000
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>571,298</u>	<u>11</u>	<u>571,309</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 587,749</u>	<u>\$ 11</u>	<u>\$ 587,760</u>

**CITY OF DALLAS, OREGON  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2016**

	Total Nonmajor Special Revenue Funds	Nonmajor General Debt Service Fund	Total
<b>REVENUES:</b>			
Property taxes	\$ 155,955	\$ -	\$ 155,955
Public service taxes	105,658	-	105,658
Interest	5,216	-	5,216
Miscellaneous	1,012	121,050	122,062
	<u>267,841</u>	<u>121,050</u>	<u>388,891</u>
Total revenues			
<b>EXPENDITURES:</b>			
General government	49,863	-	49,863
Culture and recreation	70,637	-	70,637
Capital outlay	86,477	-	86,477
Debt service:			
Principal	-	50,000	50,000
Interest	-	71,050	71,050
	<u>206,977</u>	<u>121,050</u>	<u>328,027</u>
Total expenditures			
Revenues over (under) expenditures	60,864	-	60,864
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	71,000	-	71,000
Transfers out	(86,367)	-	(86,367)
	<u>(15,367)</u>	<u>-</u>	<u>(15,367)</u>
Total other financing sources (uses)			
Net changes in fund balances	45,497	-	45,497
<b>FUND BALANCES, BEGINNING</b>	<u>525,801</u>	<u>11</u>	<u>525,812</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 571,298</u>	<u>\$ 11</u>	<u>\$ 571,309</u>

**CITY OF DALLAS, OREGON  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2016**

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	<u>Trust/Reserve Fund</u>	<u>Urban Renewal Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 161,013	\$ 400,930	\$ 561,943
Due from other governments	-	945	945
Accounts receivable	17,000	-	17,000
Property taxes receivable	-	7,861	7,861
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 178,013</u>	<u>\$ 409,736</u>	<u>\$ 587,749</u>
<b>LIABILITIES:</b>			
Accounts payable and other current liabilities	<u>\$ 3,264</u>	<u>\$ 5,326</u>	<u>\$ 8,590</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities	<u>3,264</u>	<u>5,326</u>	<u>8,590</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue	<u>                    -</u>	<u>                    7,861</u>	<u>                    7,861</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total deferred inflows of resources	<u>                    -</u>	<u>                    7,861</u>	<u>                    7,861</u>
<b>FUND BALANCES:</b>			
Restricted for:			
Urban renewal projects	-	396,549	396,549
Committed for:			
Community development	157,749	-	157,749
Unassigned:	<u>17,000</u>	<u>                    -</u>	<u>17,000</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total fund balances	<u>174,749</u>	<u>396,549</u>	<u>571,298</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 178,013</u>	<u>\$ 409,736</u>	<u>\$ 587,749</u>



**CITY OF DALLAS, OREGON  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2016**

---

	<u>Trust/Reserve Fund</u>	<u>Urban Renewal Fund</u>	<u>Total</u>
<b>REVENUES:</b>			
Property taxes	\$ -	\$ 155,955	\$ 155,955
Public service taxes	105,658	-	105,658
Interest	-	5,216	5,216
	<hr/>	<hr/>	<hr/>
Total revenues	105,658	162,183	267,841
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES:</b>			
General government	-	49,863	49,863
Culture and recreation	70,637	-	70,637
Capital outlay	40,085	46,392	86,477
	<hr/>	<hr/>	<hr/>
Total expenditures	110,722	96,255	206,977
	<hr/>	<hr/>	<hr/>
Revenues over (under) expenditures	(5,064)	65,928	60,864
	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	-	(86,367)	(86,367)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	71,000	(86,367)	(15,367)
	<hr/>	<hr/>	<hr/>
Net changes in fund balances	65,936	(20,439)	45,497
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, BEGINNING</b>	108,813	416,988	525,801
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, ENDING</b>	\$ 174,749	\$ 396,549	\$ 571,298
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**  
**COMBINING BALANCE SHEET**  
**June 30, 2016**

	General Fund - Budgetary Basis	Improvement Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 1,852,509	\$ 662	\$ 1,853,171
Due from other governments	25,001	-	25,001
Accounts receivable	444,042	-	444,042
Property taxes receivable	230,353	-	230,353
Total assets	<u>\$ 2,551,905</u>	<u>\$ 662</u>	<u>\$ 2,552,567</u>
<b>LIABILITIES:</b>			
Accounts payable and other current liabilities	\$ 166,758	\$ -	\$ 166,758
Interfund loan payable	105,837	-	105,837
Total liabilities	<u>272,595</u>	<u>-</u>	<u>272,595</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue	230,353	-	230,353
Total deferred inflows of resources	<u>230,353</u>	<u>-</u>	<u>230,353</u>
<b>FUND BALANCES:</b>			
Unassigned:	2,048,957	662	2,049,619
Total fund balances	<u>2,048,957</u>	<u>662</u>	<u>2,049,619</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,551,905</u>	<u>\$ 662</u>	<u>\$ 2,552,567</u>

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2016**

	General Fund - Budgetary Basis	Improvement Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
<b>REVENUES:</b>			
Property taxes	\$ 3,660,152	\$ -	\$ 3,660,152
Public service taxes	360,695	-	360,695
Franchise fees	1,116,780	-	1,116,780
Charges for service	1,890,230	-	1,890,230
Licenses and permits	842,841	-	842,841
Fines and forfeitures	209,729	-	209,729
Interest	27,410	-	27,410
Miscellaneous	314,310	-	314,310
	<u>8,422,147</u>	<u>-</u>	<u>8,422,147</u>
<b>Total revenues</b>			
<b>EXPENDITURES:</b>			
General government	1,293,214	-	1,293,214
Public safety	5,118,464	-	5,118,464
Culture and recreation	468,424	-	468,424
Community development	1,605,064	-	1,605,064
Debt service:			
Principal	101,459	-	101,459
Interest	29,721	-	29,721
	<u>8,616,346</u>	<u>-</u>	<u>8,616,346</u>
<b>Total expenditures</b>			
Revenues over (under) expenditures	(194,199)	-	(194,199)
<b>OTHER FINANCING SOURCES (USES):</b>			
Interfund loan proceeds (payments)	(65,000)	-	(65,000)
Transfers in	1,241,367	-	1,241,367
Transfers out	(791,100)	-	(791,100)
	<u>385,267</u>	<u>-</u>	<u>385,267</u>
<b>Total other financing sources (uses)</b>			
Net changes in fund balances	191,068	-	191,068
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	<u>1,963,726</u>	<u>662</u>	<u>1,964,388</u>
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	2,154,794	<u>\$ 662</u>	2,155,456
Interfund payable	<u>(105,837)</u>		<u>(105,837)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,048,957</u>		<u>\$ 2,049,619</u>

## BUDGETARY COMPARISON SCHEDULES

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

- General Fund - Budgetary Basis Schedule of Revenues, Expenditures, and Changes in Fund Balance
- General Fund - Budgetary Basis Schedule of Expenditures
- Budgetary Basis Schedule of Revenues, Expenditures, and Changes in Fund Balance:
  - Improvement Fund
  - General Obligation Bond Fund
  - Capital Projects Fund

Nonmajor Governmental Budgetary Comparison schedules included the following:

- Special Revenue Funds
  - Trust/Reserve Fund
  - Urban Renewal Fund
- Debt Service Fund
  - General Debt Fund

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 3,620,000	\$ 3,620,000	\$ 3,660,152	\$ 40,152
Public service taxes	407,000	407,000	360,695	(46,305)
Franchise fees	1,155,000	1,155,000	1,116,780	(38,220)
Charges for service	1,725,000	1,725,000	1,890,230	165,230
Licenses and permits	354,000	379,000	842,841	463,841
Fines and forfeitures	280,000	280,000	209,729	(70,271)
Interest	15,000	15,000	27,410	12,410
Miscellaneous	317,000	317,000	314,310	(2,690)
<b>Total revenues</b>	<b>7,873,000</b>	<b>7,898,000</b>	<b>8,422,147</b>	<b>524,147</b>
<b>EXPENDITURES:</b>				
General government	1,340,050	1,340,050	1,293,214	46,836
Public safety	5,153,600	5,188,600	5,118,464	70,136
Culture and recreation	489,950	489,950	468,424	21,526
Community development	1,593,700	1,683,700	1,605,064	78,636
Debt service:				
Principal	131,459	131,459	101,459	30,000
Interest	33,250	33,250	29,721	3,529
Contingency	100,000	-	-	-
<b>Total expenditures</b>	<b>8,842,009</b>	<b>8,867,009</b>	<b>8,616,346</b>	<b>250,663</b>
Revenues over (under) expenditures	(969,009)	(969,009)	(194,199)	774,810
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	(65,000)	(65,000)	(65,000)	- *
Transfers in	1,241,400	1,241,400	1,241,367	(33)
Transfers out	(541,100)	(791,100)	(791,100)	-
<b>Total other financing sources (uses)</b>	<b>635,300</b>	<b>385,300</b>	<b>385,267</b>	<b>(33)</b>
Net changes in fund balance	(333,709)	(583,709)	191,068	774,777
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<b>1,300,000</b>	<b>1,550,000</b>	<b>1,963,726</b>	<b>413,726</b>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<b>\$ 966,291</b>	<b>\$ 966,291</b>	<b>\$ 2,154,794</b>	<b>\$ 1,188,503</b>

\* Budgetary appropriations are done at the department level

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Admin:				
Personnel services	\$ 407,000	\$ 407,000	\$ 403,372	\$ 3,628
Materials and services	156,950	156,950	135,466	21,484
Subtotal	563,950	563,950	538,838	25,112
Finance:				
Personnel services	373,000	373,000	367,491	5,509
Materials and services	228,600	228,600	220,156	8,444
Subtotal	601,600	601,600	587,647	13,953
Facilities:				
Personnel services	106,000	106,000	98,135	7,865
Materials and services	68,500	68,500	68,594	(94)
Subtotal	174,500	174,500	166,729	7,771
Municipal court:				
Personnel services	95,000	95,000	82,852	12,148
Materials and services	140,400	140,400	119,155	21,245
Subtotal	235,400	235,400	202,007	33,393
Ambulance department:				
Personnel services	1,035,000	1,045,000	1,051,418	(6,418)
Materials and services	340,000	340,000	342,079	(2,079)
Transfer out	30,000	30,000	30,000	-
Debt Service				
Principal	30,000	30,000	-	30,000
Interest	3,500	3,500	-	3,500
Subtotal	1,438,500	1,448,500	1,423,497	25,003
Fire department:				
Personnel services	278,000	278,000	280,743	(2,743)
Materials and services	331,800	331,800	300,844	30,956
Debt Service				
Principal	33,933	33,933	33,933	-
Interest	10,881	10,881	10,880	1
Loan payments	15,000	15,000	15,000	-
Transfer out	85,400	85,400	85,400	-
Subtotal	755,014	755,014	726,800	28,214
Police department:				
Personnel services	2,459,000	2,484,000	2,499,073	(15,073)
Materials and services	474,400	474,400	442,300	32,100
Transfer out	40,000	40,000	40,000	-
Subtotal	2,973,400	2,998,400	2,981,373	17,027

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Library:				
Personnel services	404,000	404,000	388,328	15,672
Materials and services	85,950	85,950	80,096	5,854
Subtotal	489,950	489,950	468,424	21,526
Community development - Parks:				
Personnel services	233,000	278,000	279,574	(1,574)
Materials and services	103,200	103,200	81,016	22,184
Transfer out	8,300	8,300	8,300	-
Subtotal	344,500	389,500	368,890	20,610
Community development - Aquatic center:				
Personnel services	475,000	475,000	482,250	(7,250)
Materials and services	300,600	300,600	292,941	7,659
Loan payments	50,000	50,000	50,000	-
Subtotal	825,600	825,600	825,191	409
Community development - Building/inspections:				
Personnel services	272,000	272,000	268,097	3,903
Materials and services	18,200	18,200	17,892	308
Transfer out	4,000	4,000	4,000	-
Subtotal	294,200	294,200	289,989	4,211
Community development - Building/planning department:				
Personnel services	141,000	166,000	149,235	16,765
Materials and services	50,700	70,700	34,059	36,641
Transfer out	3,400	3,400	3,400	-
Subtotal	195,100	240,100	186,694	53,406
Non-departmental:				
Transfer out	370,000	620,000	620,000	-
Debt Service				
Principal	67,526	67,526	67,526	-
Interest	18,869	18,869	18,841	28
Subtotal	456,395	706,395	706,367	28
Total expenditures	\$ 9,348,109	\$ 9,723,109	\$ 9,472,446	\$ 250,663

**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, 2016**

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



**CITY OF DALLAS, OREGON  
GENERAL OBLIGATION BOND FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 680,000	\$ 680,000	\$ 628,816	\$ (51,184)
Total revenues	680,000	680,000	628,816	(51,184)
<b>EXPENDITURES:</b>				
Debt service:				
Principal	560,000	560,000	560,000	-
Interest	78,243	78,243	78,243	-
Total expenditures	638,243	638,243	638,243	-
Net changes in fund balances	41,757	41,757	(9,427)	(51,184)
<b>FUND BALANCES, BEGINNING</b>	380,000	380,000	381,151	1,151
<b>FUND BALANCES, ENDING</b>	\$ 421,757	\$ 421,757	\$ 371,724	\$ (50,033)

**CITY OF DALLAS, OREGON**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous	\$ -	\$ -	\$ 44,068	44,068
Total revenues	-	-	44,068	44,068
<b>EXPENDITURES:</b>				
Capital outlay	370,000	608,055	722,829	(114,774)
Total expenditures	370,000	608,055	722,829	(114,774)
Revenues over (under) expenditures	(370,000)	(608,055)	(678,761)	(70,706)
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	-	-	385,795	385,795
Transfers in	370,000	620,000	620,000	-
Transfers out	-	(11,945)	(11,940)	5
Total other financing sources (uses)	370,000	608,055	993,855	385,800
Net changes in fund balances	-	-	315,094	315,094
<b>FUND BALANCES, BEGINNING</b>	-	-	130,902	130,902
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 445,996	\$ 445,996

**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, 2016**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Public service taxes	\$ 148,500	\$ 92,500	\$ 105,658	\$ 13,158
		-		
Total revenues	148,500	92,500	105,658	13,158
<b>EXPENDITURES:</b>				
Materials and service	152,000	167,000	70,637	96,363
Capital outlay				
Park	7,000	7,000	75	6,925
Fire equipment	37,500	37,500	15,176	22,324
Library	25,000	25,000	20,299	4,701
Economic development	17,000	17,000	4,326	12,674
Community dinner	1,750	1,750	209	1,541
Total expenditures	240,250	255,250	110,722	144,528
Revenues over (under) expenditures	(91,750)	(162,750)	(5,064)	157,686
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	71,000	71,000	-
Total other financing sources (uses)	-	71,000	71,000	-
Net changes in fund balances	(91,750)	(91,750)	65,936	157,686
<b>FUND BALANCES, BEGINNING</b>	91,750	91,750	108,813	17,063
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 174,749	\$ 174,749

**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, 2016**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 150,000	\$ 150,000	\$ 155,955	\$ 5,955
Interest	2,000	2,000	5,216	3,216
Miscellaneous	1,000	1,000	1,012	12
Total revenues	153,000	153,000	162,183	9,183
<b>EXPENDITURES:</b>				
Personnel service	16,000	16,000	15,536	464
Materials and service	46,500	46,500	34,327	12,173
Capital outlay	140,000	140,000	46,392	93,608
Contingency	167,710	167,710	-	167,710
Total expenditures	370,210	370,210	96,255	273,955
Revenues over (under) expenditures	(217,210)	(217,210)	65,928	283,138
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(86,395)	(86,395)	(86,367)	28
Total other financing sources (uses)	(86,395)	(86,395)	(86,367)	28
Net changes in fund balances	(303,605)	(303,605)	(20,439)	283,166
<b>FUND BALANCES, BEGINNING</b>	390,000	390,000	416,988	26,988
<b>FUND BALANCES, ENDING</b>	\$ 86,395	\$ 86,395	\$ 396,549	\$ 310,154

**CITY OF DALLAS, OREGON  
GENERAL DEBT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2016**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous	\$ 121,050	\$ 121,050	\$ 121,050	\$ -
Total revenues	121,050	121,050	121,050	-
<b>EXPENDITURES:</b>				
Debt service:				
Principal	50,000	50,000	50,000	-
Interest	71,050	71,050	71,050	-
Total expenditures	121,050	121,050	121,050	-
Net changes in fund balances	-	-	-	-
<b>FUND BALANCES, BEGINNING</b>	-	-	11	11
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 11	\$ 11

## **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, 2016**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 3,060,000	\$ 3,060,000	\$ 3,047,092	\$ (12,908)
Interest	15,000	15,000	12,417	(2,583)
Miscellaneous	65,000	111,500	117,768	6,268
Total revenues	<u>3,140,000</u>	<u>3,186,500</u>	<u>3,177,277</u>	<u>(9,223)</u>
<b>EXPENDITURES:</b>				
Personnel service	550,000	550,000	524,082	25,918
Materials and service	1,068,500	1,115,000	1,089,281	25,719
Capital outlay	5,250,000	5,286,000	742,632	4,543,368
Debt service:				
Principal	984,000	984,000	845,000	139,000
Interest	211,550	211,550	146,990	64,560
Contingency	744,950	708,950	-	708,950
Total expenditures	<u>8,809,000</u>	<u>8,855,500</u>	<u>3,347,985</u>	<u>5,507,515</u>
Revenues over (under) expenditures	(5,669,000)	(5,669,000)	(170,708)	5,498,292
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	5,100,000	5,100,000	557,091	(4,542,909)
Transfers out	(631,000)	(631,000)	(631,000)	-
Total other financing sources (uses)	<u>4,469,000</u>	<u>4,469,000</u>	<u>(73,909)</u>	<u>(4,542,909)</u>
Net changes in fund balances	(1,200,000)	(1,200,000)	(244,617)	955,383
<b>RESTATED FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>1,200,000</u>	<u>1,200,000</u>	<u>1,158,464</u>	<u>(41,536)</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 913,847</u>	<u>\$ 913,847</u>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>				
Accrued Interest			(56,104)	
Net pension assets			-	
Capital assets, net			16,738,179	
Inventories			27,664	
Loans Payable			(4,366,497)	
Compensated absences			(20,389)	
Deferred inflows related to pensions			(74,041)	
Net Pension Liability			(306,896)	
Deferred outflows related to pensions			71,782	
<b>NET POSITION</b>			<u>\$ 12,927,545</u>	

**CITY OF DALLAS, OREGON**  
**WATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 2,330,000	\$ 2,330,000	\$ 2,366,581	\$ 36,581
Interest	12,000	12,000	19,580	7,580
Miscellaneous	85,000	85,000	96,898	11,898
Total revenues	<u>2,427,000</u>	<u>2,427,000</u>	<u>2,483,059</u>	<u>56,059</u>
<b>EXPENDITURES:</b>				
Personnel service	444,000	444,000	429,603	14,397
Materials and service	787,000	787,000	762,042	24,958
Capital outlay	2,750,000	2,777,000	1,175,654	1,601,346
Debt service:	-	-	-	-
Principal	401,316	401,316	211,315	190,001
Interest	230,652	230,652	151,517	79,135
Total expenditures	<u>5,627,000</u>	<u>5,627,000</u>	<u>2,730,131</u>	<u>2,896,869</u>
Revenues over (under) expenditures	(3,200,000)	(3,200,000)	(247,072)	2,952,928
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	2,600,000	2,600,000	560,909	(2,039,091)
Transfers out	<u>(445,000)</u>	<u>(445,000)</u>	<u>(445,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>2,155,000</u>	<u>2,155,000</u>	<u>115,909</u>	<u>(2,039,091)</u>
Net changes in fund balances	(1,045,000)	(1,045,000)	(131,163)	913,837
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>1,045,000</u>	<u>1,045,000</u>	<u>1,138,294</u>	<u>93,294</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	1,007,131	<u>\$ 1,007,131</u>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>				
Accrued Interest			(75,547)	
Capital assets, net			15,232,898	
Inventories			112,295	
Loans Payable			(5,476,922)	
Compensated absences			(20,827)	
Deferred inflows related to pensions			(32,661)	
Net Pension Liability			(135,381)	
Deferred outflows related to pensions			<u>31,667</u>	
<b>NET POSITION</b>			<u>\$ 10,642,653</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, 2016**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 190,000	\$ 190,000	\$ 186,453	\$ (3,547)
Interest	1,000	1,000	477	(523)
Miscellaneous	2,000	2,000	-	(2,000)
Total revenues	193,000	193,000	186,930	(6,070)
<b>EXPENDITURES:</b>				
Personnel service	85,000	100,000	98,409	1,591
Materials and service	56,000	56,000	45,215	10,785
Capital outlay	20,000	20,000	13,740	6,260
Contingency	83,000	68,000	-	68,000
Total expenditures	244,000	244,000	157,364	86,636
Revenues over (under) expenditures	(51,000)	(51,000)	29,566	80,566
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	80,000	80,000	80,000	-
Transfers out	\$ (29,000)	\$ (29,000)	\$ (29,000)	\$ -
Total other financing sources (uses)	51,000	51,000	51,000	-
Net changes in fund balances	-	-	80,566	80,566
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	-	-	-	-
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 80,566	\$ 80,566

**RECONCILIATION TO NET POSITION - GAAP BASIS**

Capital assets, net	163,800
Compensated absences	(3,799)
Deferred inflows related to pensions	(5,876)
Net Pension Liability	(24,356)
Deferred outflows related to pensions	5,697
<b>NET POSITION</b>	<b>\$ 216,032</b>

**BUDGETARY COMPARISON SCHEDULES**  
**Internal Service Funds**

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

Proprietary Budgetary Comparison schedules include the following:

- Fleet Management Fund

**CITY OF DALLAS, OREGON  
FLEET MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2016**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for service	\$ 478,000	\$ 508,000	\$ 485,169	\$ (22,831)
Miscellaneous	8,000	8,000	10,009	2,009
Total revenues	486,000	516,000	495,178	(20,822)
<b>EXPENDITURES:</b>				
Personnel service	214,000	214,000	204,703	9,297
Materials and service	226,200	256,200	224,743	31,457
Contingency	244,400	244,400	-	244,400
Total expenditures	684,600	714,600	429,446	285,154
Revenues over (under) expenditures	(198,600)	(198,600)	65,732	264,332
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	(30,000)	(30,000)	(30,000)	-
Transfers in	103,600	103,600	103,600	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	23,600	23,600	23,600	-
Net changes in fund balances	(175,000)	(175,000)	89,332	264,332
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	175,000	175,000	241,877	66,877
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	\$ 331,209	\$ 331,209
			<b>Revenues</b>	<b>Expenditures</b>
Total Revenue and expenditures above			\$ 495,178	\$ 429,446
Operating transfers in/out			53,600	-
Depreciation and amortization expense			-	102,587
Compensated absences			-	826
Net Pension Asset			-	152,503
Deferred outflow related to pension			-	(6,830)
Deferred inflow related to pension			-	(59,573)
Total revenues and expenses - generally accepted accounting principles			548,778	618,959
Change in net position				\$ (70,181)

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

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

We have audited the basic financial statements of the City of Dallas, Oregon (the City), as of and for the year ended June 30, 2016 and have issued our report thereon dated December 30, 2016. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 through 162-10-320 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

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

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

In connection with our testing, nothing came to our attention that caused us to believe the City was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 through 162-10-330 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, 2016:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount</u>
Capital Projects Fund	Capital Outlay	\$114,774

Our single audit over the City's federal grant programs identified one instance on noncompliance that is reported in the schedule of findings and questioned costs as item 2016-2 included in the separately issued Single Audit Report. .

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

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiency in internal control described in the schedule of findings and questioned costs as item 2016-1 that we consider to be significant deficiency.

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



Merina & Company, LLP  
West Linn, Oregon  
December 30, 2016

## **STATISTICAL SECTION**

## STATISTICAL SECTION

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

### **Contents**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

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

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

#### **Operating Information**

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

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



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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 52,121,875	\$ 53,826,746	\$ 55,722,739	\$ 57,146,650
Restricted for special purposes	8,835,176	6,760,554	6,321,162	5,598,814
Unrestricted	(2,393,806)	(746,388)	952,467	1,004,454
Total governmental activities net position	<u>\$ 58,563,245</u>	<u>\$ 59,840,912</u>	<u>\$ 62,996,368</u>	<u>\$ 63,749,918</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 22,291,458	\$ 21,049,915	\$ 20,584,724	\$ 20,017,073
Restricted for special purposes	-	-	-	-
Unrestricted	1,494,396	2,147,514	2,164,506	2,389,514
Total business-type activities net position	<u>\$ 23,785,854</u>	<u>\$ 23,197,429</u>	<u>\$ 22,749,230</u>	<u>\$ 22,406,587</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 74,413,333	\$ 74,876,661	\$ 76,307,463	\$ 77,163,723
Restricted for special purposes	8,835,176	6,760,554	6,321,162	5,598,814
Unrestricted	(899,410)	1,401,126	3,116,973	3,393,968
Total primary government net position	<u>\$ 82,349,099</u>	<u>\$ 83,038,341</u>	<u>\$ 85,745,598</u>	<u>\$ 86,156,505</u>

Source: City of Dallas Comprehensive Annual Financial Reports

<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
\$ 57,754,349	\$ 60,594,063	\$ 62,406,592	\$ 73,971,661	\$ 73,563,864	\$ 72,313,314
4,265,637	3,619,756	3,826,763	5,529,207	6,458,604	6,820,160
2,901,846	2,102,524	2,297,554	1,180,532	1,021,024	1,930,213
<u>\$ 64,921,832</u>	<u>\$ 66,316,343</u>	<u>\$ 68,530,909</u>	<u>\$ 80,681,400</u>	<u>\$ 81,043,492</u>	<u>\$ 81,063,687</u>
\$ 19,755,540	\$ 19,358,365	\$ 19,200,108	\$ 22,309,835	\$ 21,999,548	\$ 20,859,855
-	1,058,654	1,058,954	-	-	-
2,341,712	1,629,019	2,493,016	3,601,695	3,658,086	4,387,120
<u>\$ 22,097,252</u>	<u>\$ 22,046,038</u>	<u>\$ 22,752,078</u>	<u>\$ 25,911,530</u>	<u>\$ 25,657,634</u>	<u>\$ 25,246,975</u>
\$ 77,509,889	\$ 79,952,428	\$ 81,606,700	\$ 96,281,496	\$ 95,563,412	\$ 93,173,169
4,265,637	4,678,410	4,885,717	5,529,207	6,458,604	6,820,160
5,243,558	3,731,543	4,790,570	4,782,227	4,679,110	6,317,333
<u>\$ 87,019,084</u>	<u>\$ 88,362,381</u>	<u>\$ 91,282,987</u>	<u>\$ 106,592,930</u>	<u>\$ 106,701,126</u>	<u>\$ 106,310,662</u>

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

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>EXPENSES</b>				
<b>Governmental activities:</b>				
General government	\$ 2,372,740	\$ 2,018,683	\$ 2,159,324	\$ 1,951,720
Public safety	6,854,902	4,208,590	4,965,673	5,169,796
Highways and streets	3,150,060	2,968,164	2,985,706	2,949,068
Culture and recreation	1,024,623	705,867	748,446	730,924
Community development	1,995,581	1,561,447	1,419,268	1,332,910
Interest on long-term debt	183,031	211,552	219,436	239,631
Unallocated depreciation	-	-	-	-
Total governmental activities expenses	<u>15,580,937</u>	<u>11,674,303</u>	<u>12,497,853</u>	<u>12,374,049</u>
<b>Business-type activities:</b>				
Sewage disposal	2,505,997	2,472,804	2,463,249	2,406,124
Water	1,936,320	1,656,456	1,759,774	1,615,326
Storm water	185,698	-	-	-
Ambulance	-	-	-	-
Total business-type activities expenses	<u>4,628,015</u>	<u>4,129,260</u>	<u>4,223,023</u>	<u>4,021,450</u>
Total expenses	<u>\$ 20,208,952</u>	<u>\$ 15,803,563</u>	<u>\$ 16,720,876</u>	<u>\$ 16,395,499</u>
<b>PROGRAM REVENUES</b>				
<b>Governmental activities:</b>				
Charges for services				
General Government	\$ 2,412,882	\$ 1,198,834	\$ 1,174,241	\$ 908,346
Public Safety	1,621,164	1,014,802	1,399,346	1,177,937
Highways and streets	203,855	92,806	75,605	58,899
Culture and Recreation	564,981	547,647	104,465	92,220
Community development	282,305	406,971	768,352	667,287
Operating grants and contributions	251,797	16,252	5,981	7,305
Capital grants and contributions	307,996	160,224	158,583	126,726
Total governmental activities program revenues	<u>5,644,980</u>	<u>3,437,536</u>	<u>3,686,573</u>	<u>3,038,720</u>
<b>Business-type activities:</b>				
Charges for services	5,600,126	5,435,502	5,077,759	5,025,147
Operating grants and contributions	-	-	-	-
Capital grants and contributions	394,175	247,351	-	-
Total business-type activities program revenues	<u>5,994,301</u>	<u>5,682,853</u>	<u>5,077,759</u>	<u>5,025,147</u>
Total program revenues	<u>\$ 11,639,281</u>	<u>\$ 9,120,389</u>	<u>\$ 8,764,332</u>	<u>\$ 8,063,867</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (9,935,957)	\$ (8,236,767)	\$ (8,811,280)	\$ (9,335,329)
Business-type activities	1,366,286	1,553,593	854,736	1,003,697
Total net expense	<u>\$ (8,569,671)</u>	<u>\$ (6,683,174)</u>	<u>\$ (7,956,544)</u>	<u>\$ (8,331,632)</u>
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental activities:</b>				
Taxes and assessments	\$ 5,938,713	\$ 6,152,989	\$ 5,736,327	\$ 5,755,796
Franchise Fees	1,116,780	1,093,765	1,170,721	1,028,427
Intergovernmental	-	-	-	-
Miscellaneous	577,797	310,686	354,160	422,866
Transfer of capital assets	-	-	-	-
Proceeds from property sales	-	-	-	-
Transfers	1,025,000	1,025,000	796,522	956,326
Total governmental activities	<u>8,658,290</u>	<u>8,582,440</u>	<u>8,057,730</u>	<u>8,163,415</u>
<b>Business-type activities:</b>				
Miscellaneous	247,140	271,629	278,691	261,964
Gain on sale of land	-	-	87,141	-
Transfer of capital assets	-	-	-	-
Transfers	(1,025,000)	(1,025,000)	(796,522)	(956,326)
Total business-type activities	<u>(777,860)</u>	<u>(753,371)</u>	<u>(430,690)</u>	<u>(694,362)</u>
Total	<u>\$ 7,880,430</u>	<u>\$ 7,829,069</u>	<u>\$ 7,627,040</u>	<u>\$ 7,469,053</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (1,277,667)	\$ 345,673	\$ (753,550)	\$ (1,171,914)
Business-type activities	588,426	800,222	424,046	309,335
Total	<u>\$ (689,241)</u>	<u>\$ 1,145,895</u>	<u>\$ (329,504)</u>	<u>\$ (862,579)</u>

	2012	2011	2010	2009	2008	2007
\$	2,742,049	\$ 2,641,018	\$ 2,298,816	\$ 776,276	\$ 1,117,810	\$ 439,215
	5,227,369	5,041,368	5,013,276	5,181,413	4,374,809	3,817,182
	2,820,314	2,741,552	16,526,988	771,311	1,128,744	3,215,818
	688,907	762,439	672,989	2,657,682	2,961,453	3,198,380
	1,346,705	1,477,722	1,545,603	-	-	-
	264,813	292,992	315,071	290,438	337,515	357,421
	-	-	-	-	-	-
	13,090,157	12,957,091	26,372,743	9,677,120	9,920,331	11,028,016
	2,403,297	2,471,140	2,690,895	2,760,869	2,917,079	1,786,823
	1,754,639	2,108,937	2,188,120	2,034,191	1,960,357	3,488,856
	-	-	-	-	-	-
	-	-	-	-	-	927,316
	4,157,936	4,580,077	4,879,015	4,795,060	4,877,436	6,202,995
\$	17,248,093	\$ 17,537,168	\$ 31,251,758	\$ 14,472,180	\$ 14,797,767	\$ 17,231,011

\$	641,463	\$ 607,535	\$ 260,475	\$ 301,725	\$ 792,460	\$ 481,966
	1,045,911	1,321,333	1,287,955	1,311,170	1,285,393	325,233
	24,854	46,585	25,413	-	-	-
	77,705	606,867	572,865	519,554	507,689	489,916
	611,452	243,775	699,139	-	-	-
	9,573	11,579	48,167	1,217,259	1,523,440	2,051,181
	1,408,562	280,080	315,877	797,474	1,218,332	953,059
	3,819,520	3,117,754	3,209,891	4,147,182	5,327,314	4,301,355
	4,852,972	4,698,913	4,745,483	4,757,990	4,498,870	5,178,652
	-	-	-	-	-	-
	-	-	-	-	-	1,642,660
	4,852,972	4,698,913	4,745,483	4,757,990	4,498,870	6,821,312
\$	8,672,492	\$ 7,816,667	\$ 7,955,374	\$ 8,905,172	\$ 9,826,184	\$ 11,122,667

\$	(9,270,637)	\$ (9,839,337)	\$ (23,162,852)	\$ (5,529,938)	\$ (4,593,017)	\$ (6,726,661)
	695,036	118,836	(133,532)	(37,070)	(378,566)	618,317
\$	(8,575,601)	\$ (9,720,501)	\$ (23,296,384)	\$ (5,567,008)	\$ (4,971,583)	\$ (6,108,344)

\$	5,607,607	\$ 5,496,250	\$ 5,234,147	\$ 3,799,318	\$ 3,762,441	\$ 3,549,521
	1,062,257	908,608	777,412	828,690	822,530	803,718
	-	-	-	289,854	180,474	190,022
	429,937	219,913	440,239	290,244	246,708	690,537
	-	-	-	(352,861)	(822,680)	464,379
	-	-	-	-	-	73,977
	776,325	1,000,000	(300,549)	312,600	325,450	169,360
	7,876,126	7,624,771	6,151,249	5,167,845	4,514,923	5,941,514
	132,503	175,124	205,206	250,705	291,996	332,216
	-	-	-	-	-	-
	-	-	-	352,861	822,680	(464,379)
	(776,325)	(1,000,000)	300,549	(312,600)	(325,450)	(169,360)
	(643,822)	(824,876)	505,755	290,966	789,226	(301,523)
\$	7,232,304	\$ 6,799,895	\$ 6,657,004	\$ 5,458,811	\$ 5,304,149	\$ 5,639,991

\$	(1,394,511)	\$ (2,214,566)	\$ (17,011,603)	\$ (362,093)	\$ (78,094)	\$ (785,147)
	51,214	(706,040)	372,223	253,896	410,660	316,794
\$	(1,343,297)	\$ (2,920,606)	\$ (16,639,380)	\$ (108,197)	\$ 332,566	\$ (468,353)

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>General Fund:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	-	-	-	-	600,450
Committed	-	-	-	-	-
Unassigned	2,049,619	1,793,551	1,825,054	925,202	653,127
Total General Fund	<u>\$ 2,049,619</u>	<u>\$ 1,793,551</u>	<u>\$ 1,825,054</u>	<u>\$ 925,202</u>	<u>\$ 1,253,577</u>
<b>Special Revenue Funds:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	8,463,452	6,379,403	5,980,728	5,291,538	3,400,740
Committed	157,749	108,813	51,583	217,990	222,078
Unassigned	(185,924)	(168,005)	-	(17,817)	533,689
Total Special Revenue Funds	<u>\$ 8,435,277</u>	<u>\$ 6,320,211</u>	<u>\$ 6,032,311</u>	<u>\$ 5,491,711</u>	<u>\$ 4,156,507</u>
<b>Debt Service Funds:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	371,724	381,151	340,434	307,287	264,447
Committed	11	11	11	-	-
Unassigned	-	-	-	-	-
Total Debt Service Funds	<u>\$ 371,735</u>	<u>\$ 381,162</u>	<u>\$ 340,445</u>	<u>\$ 307,287</u>	<u>\$ 264,447</u>
<b>Capital Projects Funds:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	445,996	130,902	-	-	-
Unassigned	-	-	-	-	-
Total Capital Projects Funds	<u>\$ 445,996</u>	<u>\$ 130,902</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>All Governmental Funds:</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	8,835,176	6,760,554	6,321,162	5,598,825	4,265,637
Committed	603,756	239,726	51,594	217,990	222,078
Unassigned	1,863,695	1,625,546	1,825,054	907,385	1,186,816
Gene Total All Governmental Funds	<u>\$ 11,302,627</u>	<u>\$ 8,625,826</u>	<u>\$ 8,197,810</u>	<u>\$ 6,724,200</u>	<u>\$ 5,674,531</u>

Source: City of Dallas Comprehensive Annual Financial Reports

Notes: <sup>1</sup> Government Accounting Standard Board Statement 54 changed the reporting requirements for fund balances. The entity has not restated periods prior to June 30, 2011.

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	1,211,673	1,526,191	1,114,009	1,314,302
-	-	-	-	-
-	-	-	-	-
1,702,807	-	-	-	-
<u>\$ 1,702,807</u>	<u>\$ 1,211,673</u>	<u>\$ 1,526,191</u>	<u>\$ 1,114,009</u>	<u>\$ 1,314,302</u>
\$ -	\$ 4,128,493	\$ 676,339	\$ -	\$ -
-	257,241	4,768,067	6,489,353	659,386
3,387,580	-	-	-	-
315,841	-	-	-	-
(258,241)	-	-	-	-
<u>\$ 3,445,180</u>	<u>\$ 4,385,734</u>	<u>\$ 5,444,406</u>	<u>\$ 6,489,353</u>	<u>\$ 659,386</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	199,477	194,574	316,429	197,092
232,176	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 232,176</u>	<u>\$ 199,477</u>	<u>\$ 194,574</u>	<u>\$ 316,429</u>	<u>\$ 197,092</u>
\$ -	\$ -	\$ -	\$ -	\$ -
-	-	(514,507)	(515,945)	6,464,930
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ (514,507)</u>	<u>\$ (515,945)</u>	<u>\$ 6,464,930</u>
\$ -	\$ 4,128,493	\$ 676,339	\$ -	\$ -
-	1,668,391	5,974,325	7,403,846	8,635,710
3,619,756	-	-	-	-
315,841	-	-	-	-
1,444,566	-	-	-	-
<u>\$ 5,380,163</u>	<u>\$ 5,796,884</u>	<u>\$ 6,650,664</u>	<u>\$ 7,403,846</u>	<u>\$ 8,635,710</u>

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

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>REVENUES</b>					
Taxes and assessments	\$ 4,444,923	\$ 4,368,926	\$ 4,216,923	\$ 4,244,493	\$ 4,094,852
Licenses and permits	2,511,999	1,092,380	939,972	630,626	321,837
Intergovernmental	2,056,850	1,990,867	1,744,193	1,663,520	2,897,961
Franchise fees	1,116,780	1,093,765	1,170,721	1,028,427	1,062,257
Charges for services	1,890,230	1,481,555	1,997,338	1,726,277	1,554,881
Fines and forfeitures	209,729	189,771	146,523	117,985	141,888
Miscellaneous	567,788	277,386	347,941	408,894	429,937
Total Revenues	<u>12,798,299</u>	<u>10,494,650</u>	<u>10,563,611</u>	<u>9,820,222</u>	<u>10,503,613</u>
<b>EXPENDITURES</b>					
Current operating:					
General government	1,343,077	1,292,338	1,232,720	1,151,147	1,150,826
Highways and streets	585,384	529,501	548,007	538,624	564,266
Culture and recreation	539,061	456,838	409,615	393,963	350,244
Public Safety	5,118,464	4,951,183	4,689,828	4,874,365	4,918,023
Community development	1,605,064	1,440,384	1,410,708	1,323,313	1,325,302
Capital outlay	1,397,170	1,486,639	1,672,887	561,519	2,043,949
Debt service					
Interest	179,014	199,555	219,436	239,631	264,813
Principal	711,459	680,596	620,000	604,330	588,147
Total Expenditures	<u>11,478,693</u>	<u>11,037,034</u>	<u>10,803,201</u>	<u>9,686,892</u>	<u>11,205,570</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	1,319,606	(542,384)	(239,590)	133,330	(701,957)
<b>OTHER FINANCING SOURCES (USES)</b>					
Loan proceeds	385,795	-	750,000	-	-
Transfers in	1,944,307	1,459,395	1,315,147	1,812,349	1,251,603
Transfers out	(972,907)	(488,995)	(351,947)	(896,010)	(475,278)
Payment of prepaid pension asset	-	-	-	-	-
Debt proceeds	-	-	-	-	-
Bond refunding	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,357,195</u>	<u>970,400</u>	<u>1,713,200</u>	<u>916,339</u>	<u>776,325</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 2,676,801</u>	<u>\$ 428,016</u>	<u>\$ 1,473,610</u>	<u>\$ 1,049,669</u>	<u>\$ 74,368</u>
Debt service as a percentage of noncapital expenditures	<u>8.23%</u>	<u>8.48%</u>	<u>8.72%</u>	<u>9.03%</u>	<u>8.76%</u>

Source: City of Dallas Comprehensive Annual Financial Reports

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$	3,988,407	\$ 3,846,626	\$ 3,797,194	\$ 3,734,315	\$ 3,543,227
	430,191	416,350	1,570,479	1,526,492	1,673,675
	1,763,122	1,703,570	1,334,690	1,367,900	1,994,857
	908,608	777,412	828,690	822,530	803,718
	1,753,479	1,729,236	938,379	1,516,376	549,374
	187,692	257,229	353,964	365,946	325,233
	243,427	440,239	467,680	980,026	1,177,752
	<u>9,274,926</u>	<u>9,170,662</u>	<u>9,291,076</u>	<u>10,313,585</u>	<u>10,067,836</u>
	1,171,990	1,230,491	1,997,088	1,682,609	722,799
	525,820	478,340	682,657	902,450	840,978
	440,054	379,147	1,631,550	1,817,384	1,798,389
	4,787,775	4,670,936	3,902,463	3,533,823	3,753,648
	1,449,292	1,479,368	-	-	-
	1,275,423	1,618,527	2,831,297	6,219,811	4,011,569
	292,992	500,000	317,989	337,515	357,421
	578,301	315,071	502,547	445,000	465,000
	<u>10,521,647</u>	<u>10,671,880</u>	<u>11,865,591</u>	<u>14,938,592</u>	<u>11,949,804</u>
	(1,246,721)	(1,501,218)	(2,574,515)	(4,625,007)	(1,881,968)
	-	-	-	-	-
	1,870,664	1,727,916	2,145,129	593,375	459,775
	(1,040,664)	(1,559,921)	(1,892,529)	(367,925)	(450,415)
	-	-	-	-	-
	-	55,410	1,568,733	3,109,795	-
	-	-	-	-	-
	<u>830,000</u>	<u>223,405</u>	<u>1,821,333</u>	<u>3,335,245</u>	<u>9,360</u>
\$	<u>(416,721)</u>	<u>\$ (1,277,813)</u>	<u>\$ (753,182)</u>	<u>\$ (1,289,762)</u>	<u>\$ (1,872,608)</u>
	<u>8.93%</u>	<u>8.36%</u>	<u>7.45%</u>	<u>5.97%</u>	<u>8.13%</u>



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

<b>FUNCTIONS/PROGRAMS</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Governmental Activities:</b>					
General government	\$2,412,882	\$1,198,834	\$1,174,241	\$ 908,346	\$ 641,463
Public safety	1,808,359	1,028,641	1,403,096	1,309,998	1,973,067
Highways and streets	203,855	92,806	75,605	58,899	24,854
Culture and recreation	567,143	550,060	106,696	94,190	350,739
Community development	652,741	567,195	926,935	667,287	829,397
Total Governmental Activities	<u>5,644,980</u>	<u>3,437,536</u>	<u>3,686,573</u>	<u>3,038,720</u>	<u>3,819,520</u>
<b>Business-type Activities:</b>					
Sewage disposal	3,047,092	3,148,628	3,026,851	2,966,576	2,879,216
Water	2,596,956	2,534,225	2,050,908	2,058,571	1,973,756
Storm Water	350,253	-	-	-	-
Ambulance	-	-	-	-	-
Total Business-type Activities	<u>5,994,301</u>	<u>5,682,853</u>	<u>5,077,759</u>	<u>5,025,147</u>	<u>4,852,972</u>
Total Activities	<u><u>11,639,281</u></u>	<u><u>9,120,389</u></u>	<u><u>8,764,332</u></u>	<u><u>\$ 8,063,867</u></u>	<u><u>\$ 8,672,492</u></u>

Source: City of Dallas Comprehensive Annual Financial Reports

<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
\$ 609,185	\$ 260,475	\$ 936,322	\$ 1,663,143	\$ 1,123,364
1,427,817	1,336,943	1,743,251	1,986,654	1,566,536
46,585	316,961	656,475	912,983	875,983
613,337	575,173	811,134	764,534	735,472
420,830	720,339	-	-	-
<u>3,117,754</u>	<u>3,209,891</u>	<u>4,147,182</u>	<u>5,327,314</u>	<u>4,301,355</u>
2,824,141	2,826,340	2,846,712	2,617,239	3,210,039
1,874,772	1,919,143	1,911,278	1,881,631	2,875,974
-	-	-	-	-
-	-	-	-	735,299
<u>4,698,913</u>	<u>4,745,483</u>	<u>4,757,990</u>	<u>4,498,870</u>	<u>6,821,312</u>
<u>\$ 7,816,667</u>	<u>\$ 7,955,374</u>	<u>\$ 8,905,172</u>	<u>\$ 9,826,184</u>	<u>\$ 11,122,667</u>

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

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<b>Fiscal Year Ending</b>	<b>Property</b>	<b>Special Assessments</b>	<b>Total</b>
2007	3,473,710	1,276	3,474,986
2008	3,685,599	2,244	3,687,843
2009	3,788,972	518	3,789,490
2010	3,879,023	376	3,879,399
2011	3,998,629	-	3,998,629
2012	4,032,622	-	4,032,622
2013	4,093,879	-	4,093,879
2014	4,088,991	-	4,088,991
2015	4,157,700	-	4,157,700
2016	4,278,742	-	4,278,742
Change 2007 - 2016	23.2%	-100.0%	

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

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<b>Fiscal Year Ended June 30,</b>	<b>Real Property</b>		<b>Personal Property*</b>		<b>Public Utility Property</b>	
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>
2007	629,006,292	915,807,028	25,924,600	26,876,700	13,444,100	13,470,161
2008	672,844,569	1,070,608,106	27,077,450	28,024,460	14,194,480	14,215,870
2009	694,267,295	1,133,818,532	25,085,157	25,992,860	14,327,720	14,335,524
2010	718,755,409	1,077,982,914	26,479,386	27,345,280	17,996,620	18,003,660
2011	743,665,180	1,046,051,831	24,825,707	25,538,640	17,379,650	17,658,479
2012	763,676,927	977,827,398	22,964,094	23,577,060	18,047,300	19,931,067
2013	786,988,600	920,317,855	22,626,259	23,294,880	16,391,600	18,346,106
2014	792,003,938	890,833,202	19,482,173	20,120,730	17,290,720	18,689,559
2015	826,326,001	950,906,011	19,661,327	20,305,700	18,311,463	19,314,768
2016	803,156,128	930,135,179	20,153,830	21,172,910	11,866,800	13,158,182

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

\* Includes mobile homes

Source: Polk County Department of Assessment and Taxation

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<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Ratio of Total Assessed to Total Estimated Actual Value</b>	<b>Total Direct Tax Rate</b>
668,374,992	956,153,889	69.90	5.36
714,116,499	1,112,848,436	64.17	5.27
733,680,172	1,174,146,916	62.49	5.26
763,231,415	1,123,331,854	67.94	5.19
785,870,537	1,089,248,950	72.15	5.20
804,688,321	1,021,335,525	78.79	5.22
826,006,459	961,958,841	85.87	5.17
828,776,831	929,643,491	89.15	5.09
864,298,791	990,526,479	87.26	5.09
835,176,758	964,466,271	86.59	4.91

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

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<b>Fiscal Year Ended June 30,</b>	<b>City of Dallas<sup>1</sup></b>	<b>City of Dallas<sup>2</sup></b>	<b>City of Dallas Total</b>	<b>Polk County</b>	<b>School District #2</b>
2007	4.20	1.16	5.36	1.97	6.33
2008	4.20	1.07	5.27	2.40	6.20
2009	4.20	1.06	5.26	2.26	5.77
2010	4.20	0.99	5.19	2.24	6.07
2011	4.20	1.00	5.20	2.23	6.24
2012	4.20	1.02	5.22	2.24	6.35
2013	4.20	0.97	5.17	2.23	6.24
2014	4.20	0.89	5.09	2.23	6.30
2015	4.20	0.79	5.09	2.24	6.22
2016	4.20	0.71	4.91	2.54	6.10

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<b>Chemeketa Community College</b>	<b>Chemeketa Regional Library</b>	<b>Polk Conservation District</b>	<b>Willamette ESD</b>	<b>Dallas Cemetery District</b>	<b>4-H Extension District</b>	<b>Total</b>
0.94	0.08	0.05	0.30	0.05	-	15.08
0.70	0.08	0.05	0.30	0.05	-	15.05
0.70	0.08	0.05	0.30	0.05	-	14.47
0.82	0.08	0.05	0.30	0.05	-	14.80
0.79	0.08	0.05	0.29	0.05	0.07	15.01
0.87	0.08	0.05	0.29	0.05	0.07	15.22
0.89	0.08	0.05	0.29	0.05	0.07	15.07
0.86	0.08	0.05	0.29	0.05	0.07	15.02
0.89	0.08	0.05	0.29	0.05	0.07	14.98
0.93	0.08	0.05	0.30	0.05	0.07	15.03



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

Taxpayer	2016			2007		
	Assessed Value	Rank	% of Total City Taxable Assessed Value	Assessed Value	Rank	% of Total City Taxable Assessed Value
Greenway	\$ 7,641,280	1	0.91%	\$ 5,856,530	4	0.88%
Wal-Mart	6,674,470	2	0.80%	4,983,120	5	0.75%
Northwest Natural Gas	6,429,000	3	0.77%	6,545,000	3	0.98%
Victoria Place General Partnership	6,356,710	4	0.76%	2,605,880	9	0.39%
Dallas Mennonite Retirement Center	5,640,960	5	0.68%	2,725,760	8	0.41%
Charter Communications	5,010,700	6	0.60%	-	-	
Safeway #404	3,300,780	7	0.40%	-	-	
Forest River Inc	3,240,400	8	0.39%	2,810,720	7	0.42%
Lacreole Properties Inc	2,977,500	9	0.36%	-	-	
Weslee Properties Inc	2,808,860	10	0.34%	-	-	
Pacificorp (PP&L)	-	-		2,592,610	8	0.39%
Wells Walter B ET AL	-	-		2,473,330	10	0.37%
Weyerhaeuser Company	-	-		19,670,360	2	2.94%
Tyco Printed Circuit Group, LP	-	-		25,043,860	1	3.75%
Qwest Corporation	-	-		4,142,400	6	0.62%
	<u>\$ 50,080,660</u>		<u>6.01%</u>	<u>\$ 79,449,570</u>		<u>11.90%</u>

Source: Polk County Department of Assessment and Taxation

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

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<b>Fiscal Year Ended June 30,</b>	<b>Total tax levy (net of discounts)</b>	<b>Collected in year of levy</b>		<b>Collected in subsequent years</b>	<b>Total collections to date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2007	3,555,585	3,339,468	93.92	134,267	3,473,735	97.70
2008	3,763,738	3,529,331	93.77	156,285	3,685,616	97.92
2009	3,861,639	3,574,325	92.56	214,939	3,789,264	98.13
2010	3,963,447	3,677,240	92.78	202,715	3,879,955	97.89
2011	4,083,452	3,791,192	92.84	185,102	3,976,294	97.38
2012	4,197,403	3,869,533	92.19	144,832	4,014,365	95.64
2013	4,279,410	3,985,073	93.12	135,712	4,120,785	96.29
2014	4,298,867	4,012,740	93.34	111,893	4,124,633	95.95
2015	4,399,871	4,157,700	94.50	65,206	4,222,906	95.98
2016	4,518,220	4,278,742	94.70	-	4,278,742	94.70

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

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

GOVERNMENTAL ACTIVITIES:

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Population</u>	<u>Assessed</u> <u>Value</u>	<u>Bonded</u> <u>Debt</u>	<u>Ratio of</u> <u>Bonded Debt to</u> <u>Assessed Value</u>	<u>Debt as %</u> <u>Personal</u> <u>Income</u>	<u>Bonded</u> <u>Debt Per</u> <u>Capita</u>
2007	15,065	668,374,992	7,500,000	0.0112	1.71%	497.84
2008	15,360	714,116,499	7,055,000	0.0099	1.77%	459.31
2009	15,445	733,680,172	6,790,000	0.0093	1.79%	439.62
2010	15,555	763,231,415	6,290,000	0.0082	1.74%	404.37
2011	14,590	785,870,537	5,760,000	0.0073	1.55%	394.79
2012	14,620	804,688,321	5,200,000	0.0065	1.38%	355.68
2013	14,690	826,006,459	4,610,000	0.0056	1.18%	313.82
2014	14,800	828,776,831	4,740,000	0.0057	1.18%	320.27
2015	14,940	864,298,791	4,059,404	0.0047	0.94%	271.71
2016	15,040	890,398,887	3,733,740	0.0042	0.83%	248.25

BUSINESS-TYPE ACTIVITIES:

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Population</u>	<u>Assessed</u> <u>Value</u>	<u>Notes Payable</u> <u>and Bonded</u> <u>Debt</u>	<u>Ratio of</u> <u>Bonded Debt to</u> <u>Assessed Value</u>	<u>Debt as %</u> <u>Personal</u> <u>Income</u>	<u>Bonded</u> <u>Debt Per</u> <u>Capita</u>
2007	15,065	668,374,992	12,281,709	0.0184	2.80%	815.25
2008	15,360	714,116,499	14,543,749	0.0204	3.65%	946.86
2009	15,445	733,680,172	14,927,743	0.0203	3.94%	966.51
2010	15,555	763,231,415	14,634,621	0.0192	4.05%	940.83
2011	14,590	785,870,537	13,502,102	0.0172	3.64%	925.44
2012	14,620	804,688,321	12,147,154	0.0151	3.22%	830.86
2013	14,690	826,006,459	10,921,544	0.0132	2.80%	743.47
2014	14,800	828,776,831	9,846,469	0.0119	2.45%	665.30
2015	14,940	864,298,791	9,839,085	0.0114	2.27%	658.57
2016	15,040	890,398,887	9,843,419	0.0111	2.19%	654.48

TOTAL DEBT:

<u>Fiscal Year</u> <u>Ended</u> <u>June 30,</u>	<u>Population</u>	<u>Assessed</u> <u>Value</u>	<u>Notes Payable</u> <u>and Bonded</u> <u>Debt</u>	<u>Ratio of</u> <u>Bonded Debt to</u> <u>Assessed Value</u>	<u>Debt as %</u> <u>Personal</u> <u>Income</u>	<u>Bonded</u> <u>Debt Per</u> <u>Capita</u>
General Revenues and Other Changes in Net Position						
2007	15,065	668,374,992	19,781,709	0.0296	4.51%	1,313.09
2008	15,360	714,116,499	21,598,749	0.0302	5.42%	1,406.17
2009	15,445	733,680,172	21,717,743	0.0296	5.73%	1,406.13
2010	15,555	763,231,415	20,924,621	0.0274	5.79%	1,345.20
2011	14,590	785,870,537	19,262,102	0.0245	5.19%	1,320.23
2012	14,620	804,688,321	17,347,154	0.0216	4.60%	1,186.54
2013	14,690	826,006,459	15,531,544	0.0188	3.98%	1,057.29
2014	14,800	828,776,831	14,586,469	0.0176	3.63%	985.57
2015	14,940	864,298,791	13,898,489	0.0161	3.21%	930.29
2016	15,040	890,398,887	13,577,159	0.0152	3.02%	902.74

**CITY OF DALLAS, OREGON  
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2016**

<b>Governmental Unit</b>	<b>Real market values of overlapping districts</b>	<b>Tax-supported debt outstanding<sup>1</sup></b>	<b>Percentage overlapping<sup>2</sup></b>	<b>Overlapping debt applicable to the City of Dallas</b>
Debt Repaid with Property Taxes				
Chemeketa Community College	43,505,481,901	86,615,000	2.41 %	2,084,563
Willamette ESD	47,829,513,241	10,750,000	2.19 %	235,328
Polk Cty SD 2 (Dallas)	1,716,286,172	9,696,340	61.01 %	5,915,378
Polk County	6,398,670,137	4,445,559	16.36 %	727,445
Subtotal, overlapping debt		111,506,899		8,962,714
<b>Direct debt outstanding:</b>				
<b>City of Dallas</b>	<u>1,047,043,153</u>	<u>3,733,740</u>	100.00 %	<u>\$ 6,185,380</u>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 1,047,043,153</u>	<u>\$ 115,240,639</u>		<u>\$ 15,148,094</u>

**NOTE:**

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

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

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

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

**CITY OF DALLAS, OREGON**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**JUNE 30, 2016**

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

Assessed value	\$ 890,398,887
Rate	<u>                    x 3%</u>
Debt limit	26,711,967
Debt applicable to limit	<u>                    (1,013,276)</u>
Legal debt margin	<u><u>                    \$ 25,698,691</u></u>

<b>Fiscal year ended June 30,</b>	<b>Debt Limit</b>	<b>Debt Applicable to Limit</b>	<b>Legal Debt Margin</b>
2007	20,051,250	5,724,251	14,326,999
2008	21,423,495	5,268,658	16,154,837
2009	22,010,405	4,805,426	17,204,979
2010	22,896,942	4,340,530	18,556,412
2011	23,576,116	3,877,824	19,698,292
2012	24,140,650	3,290,553	20,850,097
2013	24,780,194	3,030,000	21,750,194
2014	24,863,305	2,139,566	22,723,739
2015	25,928,964	1,563,849	24,365,115
2016	26,711,967	1,013,276	25,698,691

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	
2007	\$ 1,943,169	\$ 1,575,220	\$ 367,949	\$ 164,000	\$ 43,824	\$ 207,824	177.05 %
2008	1,928,847	1,628,083	300,764	170,000	37,613	207,613	144.87
2009	1,981,871	1,633,617	348,254	176,000	31,125	207,125	168.14
2010	2,019,096	1,392,698	626,398	332,289	268,340	600,630	104.29
2011	1,956,337	1,515,756	440,581	368,234	187,133	555,367	79.33
2012	2,025,456	1,153,320	872,136	382,006	173,106	555,112	157.11
2013	2,128,214	1,098,721	1,029,493	363,109	160,083	523,192	196.77
2014	2,189,342	1,158,406	1,030,936	197,723	150,244	347,967	296.27
2015	3,487,583	2,402,348	1,085,235	204,405	146,806	351,211	309.00
2016	3,043,968	3,175,131	(131,163)	211,150	136,818	347,968	(37.69)

**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	
2007	\$ 2,810,880	\$ 2,369,818	\$ 441,062	\$ 652,632	\$ 518,409	\$ 1,171,041	37.66 %
2008	2,839,969	2,142,221	697,748	677,754	489,211	1,166,965	59.79
2009	3,005,389	1,658,641	1,346,748	703,877	458,868	1,162,745	115.82
2010	2,931,593	1,531,423	1,400,170	736,041	427,338	1,163,379	120.35
2011	2,917,700	1,514,520	1,403,180	806,495	352,146	1,158,641	121.11
2012	10,953,630	1,775,824	9,177,806	8,716,752	291,797	9,008,549	101.88
2013	3,158,897	1,628,760	1,530,137	805,000	200,643	1,005,643	152.16
2014	3,386,458	2,180,587	1,205,871	820,000	184,534	1,004,534	120.04
2015	3,303,920	1,890,390	1,413,530	830,000	243,925	1,073,925	131.62
2016	3,734,368	3,978,985	(244,617)	845,000	151,550	996,550	(24.55)

**SPECIAL ASSESSMENT BONDS**

**and Other Changes in Net Position**

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

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

<b>Fiscal Year Ended June 30,</b>	<b>Population</b>	<b>Per Capita Personal Income</b>	<b>Total Personal Income (in 000's)</b>	<b>Estimated Employed Population†</b>	<b>Average Annual Wage**</b>	<b>Area in square miles</b>	<b>Average Density (persons / square mile)</b>	<b>Average Annual Unemploy- ment</b>
2007	15,065	26,454	398,530	8,617	46,252	4.45	3,385.4	5.6%
2008	15,360	24,639	378,455	8,785	43,078	4.45	3,451.7	7.3% *
2009	15,445	23,423	361,768	8,834	40,952	4.45	3,470.8	8.3% *
2010	15,555	23,873	371,345	8,897	41,739	4.45	3,495.5	9.8% *
2011	14,590	25,883	377,633	8,345	45,254	4.45	3,278.7	8.8% *
2012	14,620	26,634	389,389	8,362	46,566	4.45	3,285.4	8.5% *
2013	14,690	27,395	402,433	8,402	47,897	4.45	3,301.1	8.7% *
2014	14,800	29,289	433,477	8,465	51,209	4.45	3,325.8	6.8% *
2015	14,940	30,045	448,872	8,545	52,530	4.45	3,357.3	6.0% *
2016	15,040	N/A	N/A	8,602	N/A	4.45	3,379.8	5.7% *

\*Polk County

\*\* Total Personal Income Divided by Estimated Employed Population

† Number of returns filed with ORDOR under Total Income Table

Source: U.S. Department of Commerce-Bureau of Economic Analysis  
 Portland State University Population Research and Census  
 U.S. Department of Labor - BLS  
 Oregon Department of Revenue, Oregon Personal Income Tax Reports and Statistics

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

<b>Employer</b>	<b>2016</b>			<b>2007</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment†</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>
Dallas Public Schools	377	1	4.38%	340	1	5.27%
Forest River	360	2	4.19%	330	2	3.98%
Polk County	350	3	4.07%	300	3	5.09%
Dallas Retirement Village	310	4	3.60%	250	4	3.91%
Wal-Mart	184	5	2.14%	180	5	2.73%
West Valley Hospital	175	6	2.03%	150	6	2.73%
James W. Fowler Company	143	7	1.66%	120	10	-
City of Dallas	141	8	1.64%	135	9	3.64%
Safeway Stores, Inc.	120	9	1.40%	138	7	5.00%
Goodwill Dallas	71	10	0.83%	-	-	-
Weyerhaeuser Corp.	-	-	-	137	8	3.45%
	<u>1,854</u>		<u>21.55%</u>	<u>1,740</u>		<u>30.53%</u>

† Number of returns filed with ORDOR under Total Income Table  
 Source: Dallas Area Chamber of Commerce and Employers



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

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<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
General government	17	14	20	19	18	18	18	15	18	16
Public safety	26	25	26	26	26	26	23	23	25	25
Highways and streets	4	5	6	3	4	4	4	4	4	4
Culture and recreation	25	25	17	20	18	20	20	22	23	23
Sewage disposal	11	8	6	6	6	6	6	6	6	9
Water	11	9	9	8	6	5	5	5	5	3
Ambulance	15	14	19	19	19	18	19	19	17	19
<b>Total</b>	<b>109</b>	<b>100</b>	<b>103</b>	<b>101</b>	<b>97</b>	<b>97</b>	<b>95</b>	<b>93</b>	<b>98</b>	<b>99</b>

Source: City of Dallas

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

<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Police										
Arrests	1,390	1,312	1,355	988	904	927	1,035	993	1,114	1,064
Traffic violations	1,040	1,236	1,025	810	472	529	412	714	846	1,550
Municipal Court Cases	2,573	1,933	1,381	1,475	888	938	475	1,846	2,045	2,504
Fire Responses										
City	261	381	319	350	373	356	352	282	500	757
Rural	404	367	316	455	411	332	322	321	480	610
Ambulance										
Transports	1,583	1,718	1,804	1,708	1,817	1,811	1,949	2,045	2,297	2,378
Building Activity										
Permits Issued	197	191	145	160	132	108	147	191	194	242
Estimated Value (000's)	\$22,328	\$17,049	\$14,736	\$16,100	\$9,863	\$10,004	\$11,900	\$17,044	\$19,979	\$41,262
Planning Applications	N/A	54	33	47	36	43	73	108	118	175
Library										
Circulation	176,228	181,473	176,004	183,498	203,762	248,881	201,764	199,801	193,366	196,650
Miles of Streets Maintained	54.80	55.00	55.00	55.00	55.00	55.00	55.00	56.46	56.89	57.37
Water										
Connections	4,788	4,930	5,073	5,329	5,331	5,348	5,394	5,420	5,444	5,541
Sewer										
Connections	4,235	4,326	4,417	4,474	4,467	4,483	4,539	4,614	4,634	4,675

Source: City of Dallas

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

<b>Function</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Public safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
Ambulance										
Number of ambulances	3	3	3	3	3	3	3	3	3	3
Highways and streets										
Streets (miles)	54	54	59	59	59	59	59	59	60	60
Culture and recreation										
Number of parks	11	11	11	11	11	11	11	11	11	11
Acreage	80	80	80	80	80	80	80	99	99	99
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	8.5 mgd	8.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd
Fire hydrants	475	479	483	485	485	485	485	486	488	490

Source: City of Dallas

Welcome To

DALLAS  
REGION

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1874



CITY OF DALLAS  
EST. 1856

