



**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDING JUNE 30, 2019**

CITY OF DALLAS
POLK COUNTY, OREGON

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POLK COUNTY, OREGON**

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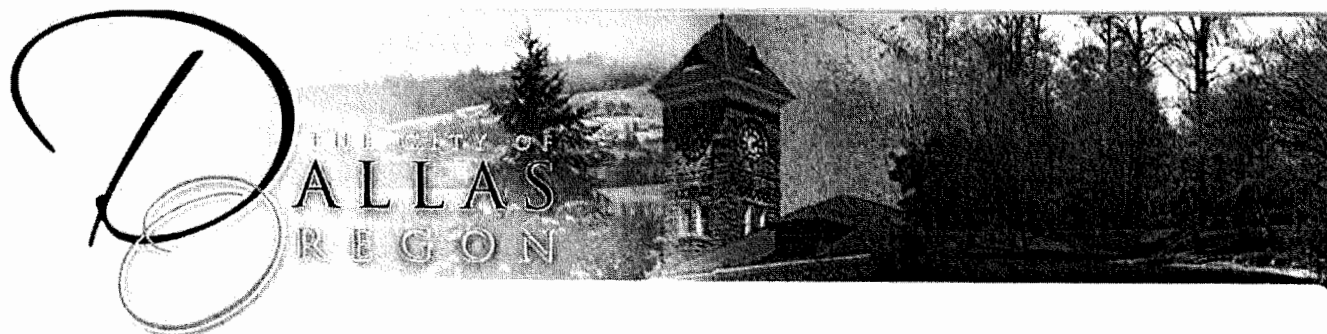
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December 9, 2019

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, 2019.

This report presents the financial position of the City as of June 30, 2019 and the results of its operations for the fiscal year then ended. The financial statements and supporting schedules have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and meet the requirements of the standards prescribed by the Oregon Secretary of State Audits Division. Management is responsible for the content of the Comprehensive Annual Financial Report. We believe the data, as presented, is accurate in all material respects and presented in a manner designed to fairly set forth the financial position and results of operations of the various funds of the City.

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

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

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

ABOUT DALLAS, OREGON

The City of Dallas is located in the foothills of the Oregon Coast Range, with close proximity to the state capitol, a large metropolitan area, and extensive recreational opportunities relating to the Coast Range mountains and Pacific Ocean beaches. It is the county seat and largest city in Polk County. The certified population estimate as of July 1st 2019 for the City of Dallas was 16,260.

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>
2019 PSU Estimate	16,260	82,940
2010 Census	14,583	75,403
2000 Census	12,459	62,380

ECONOMIC OUTLOOK

In an annual economic outlook report for our region from the University of Oregon, national economic indicators for 2020 look steady compared to 2019, though some top U.S. companies are bracing for a recession. The report outlines that the stock market has shown to be relatively stable in its continued growth, with some occasional minor adjustments. The only concrete sign of an impending recession has been the inverted yield curve, which has been an indicator of previous recessions. Yet, even as the Federal Reserve has decreased interest rates again the 3rd quarter, fears of a global economic slowdown have not been realized. As Oregon's economy tends to be six to nine months behind the rest of the nation in terms of impacts, we will not be seeing any significant repercussions in the short term, if all remains steady. One minor note of caution is the forecast of a labor supply that is tightening due to boomers retiring, but as the City of Dallas's population has increased by 2.7% in 2019, this should not affect our region to a great extent. Based on current development activities since early 2019, it appears that the City will continue to grow at roughly the same rate in 2020.

The City's business sector economy has seen quite a bit of growth, mostly in the commercial sector. The businesses and industries in the City are doing well and this trend is expected to continue in 2020. The regional report indicated that job growth will continue to be strong, but the current lack of qualified candidates for skilled positions is pushing wages up, which puts a strain on smaller companies, as they attempt to compete in a very tight labor market. Through the help of educational institutions locally and regionally, CTE (Career & Technical Education) programs by both the Dallas School District and Chemeketa Community College are playing a key role in training the next generation of workers. As with 2018, the lack of industrial land on the 1-5 corridor has helped Dallas' outlook on the manufacturing front, as several companies have steadily shown interest in the available industrial land and facilities. Though only some minor industrial redevelopment occurred in 2019, there are several ongoing recruitment and expansion projects that should break ground in 2020. One definite improvement for the community has been the decreasing number of empty storefronts in the historic downtown, due to purchases/leases and new retail businesses that have opened their doors in 2019 and more are expected to do so in 2020.

The City's revenues have increased over the last three years and our 2019 revenue forecasts were met. With a positive economic outlook for 2020, we are estimating City revenue will increase approximately 10%. This means we will be able to maintain levels of service, and take care of some deferred maintenance items that have been put off for years.

The strong economic outlook means revenue is increasing, but there are several 2020 challenges that will take away from the revenue gains. The major issues the City will face in 2020 are annual increase to minimum wage, increase in health care premiums and addition of personnel to maintain levels of service.

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 2019 and based on the revenue and expenditure forecast for 2020, 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 in December 2016 approved annual utility rate fee increases, adjusting rates based on a set percentage.

In regards to the City's long-term debt obligations, the City has a total of \$10.69 million (excluding premium) in long-term debt outstanding as of June 30, 2019.

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, 2019.

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 Pauly, Rogers and Co., P.C., 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, 2019, 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, 2018. 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-seven 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.

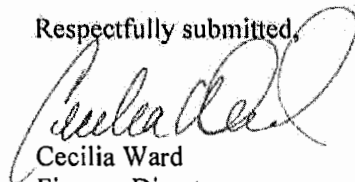
Distinguished Budget Presentation Award. The GFOA presented a Distinguished Budget Presentation Award to the City for its annual budget beginning July 1, 2018. In order to receive this award, a government unit must publish a budget document that meets program criteria as a policy document, as an operations 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 Pauly, Rogers and Co., P.C.. 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

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Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Dallas
Oregon

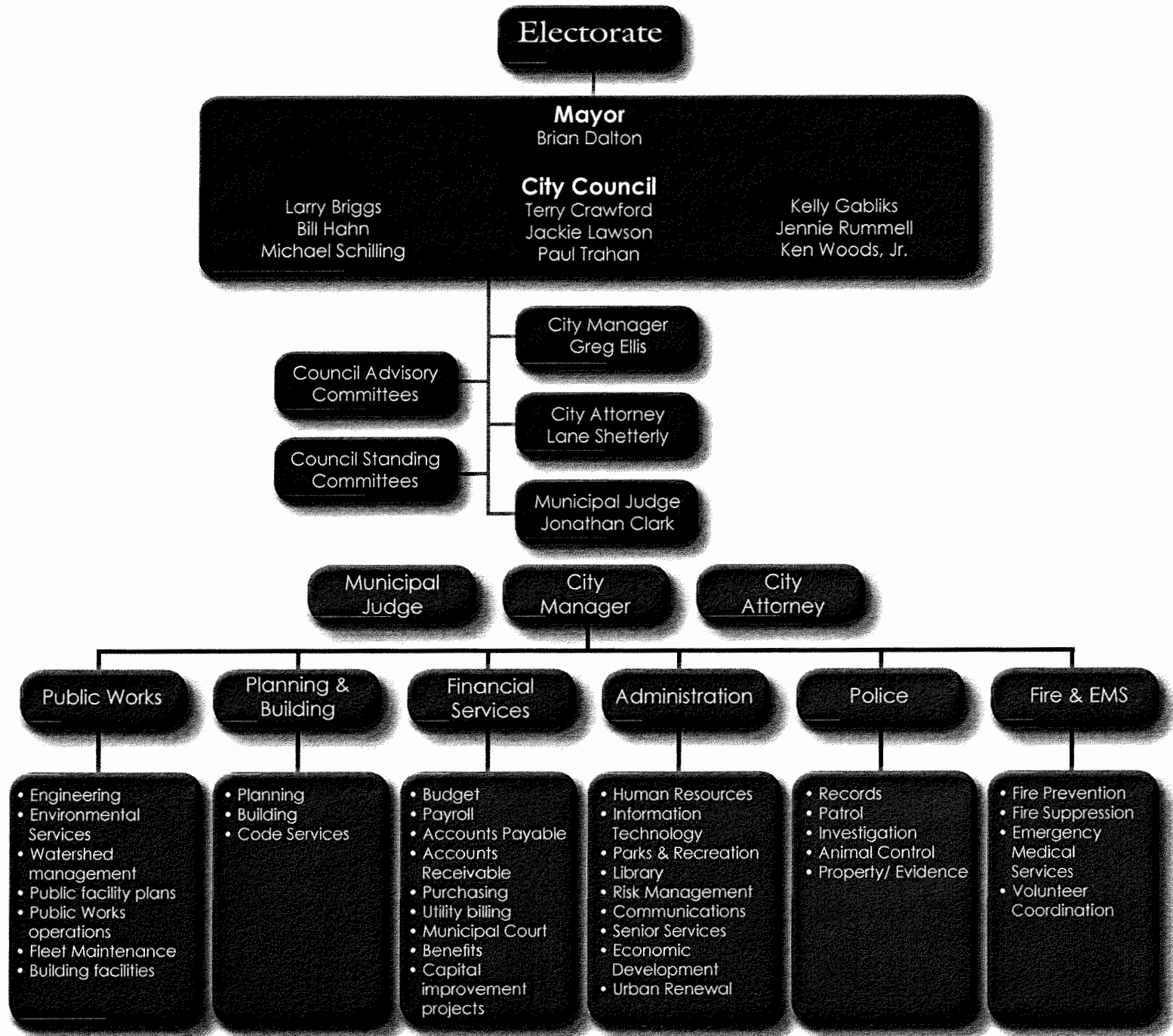
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

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CITY OF DALLAS
POLK COUNTY, OREGON

2018-2019
FINANCIAL REPORT

<u>CITY COUNCIL</u>	<u>TERM EXPIRES</u>
Brian Dalton, Mayor	December 31, 2020
Jennie Rummell, Council President	December 31, 2020
Larry Briggs	December 31, 2022
Terry Crawford	December 31, 2020
Bill Hahn	December 31, 2022
Kelly Gabliks	December 31, 2020
Jackie Lawson	December 31, 2022
Michael Schilling	December 31, 2022
Paul Trahan	December 31, 2020
Kenneth Woods Jr.	December 31, 2020

All Council members receive mail at the address listed below.

ADMINISTRATION

City Hall
187 SE Court St,
Dallas, Oregon 97338

Greg Ellis, City Manager
Cecilia Ward, Finance Director

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PAULY, ROGERS, AND CO., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcocpas.com

December 9, 2019

INDEPENDENT AUDITORS' REPORT

To the Mayor and City Council
City of Dallas
Polk County, Oregon

Report on the Financial Statements

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information and cash flows where applicable of the City of Dallas (the City) as of and for the year ended June 30, 2019, and the related notes to the basic financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic 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 basic 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 of Dallas, as of June 30, 2019, 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.

Emphasis of Matter

The City adopted the provisions of GASB Statement No. 83 – *Certain Asset Retirement Obligations* and GASB Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* for the year ended June 30, 2019. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the management's discussion and analysis or the schedules of Net Pension Liability and Contributions for PERS because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on them.

The budgetary comparison schedules presented as required supplementary information, as listed in the table of contents, have 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 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, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CRF) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and is not a required part of the basic financial statements. The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed in the table of contents, and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 9, 2019, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.

**CITY OF DALLAS
POLK COUNTY, OREGON**

Year Ended June 30, 2019

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, 2019. 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.

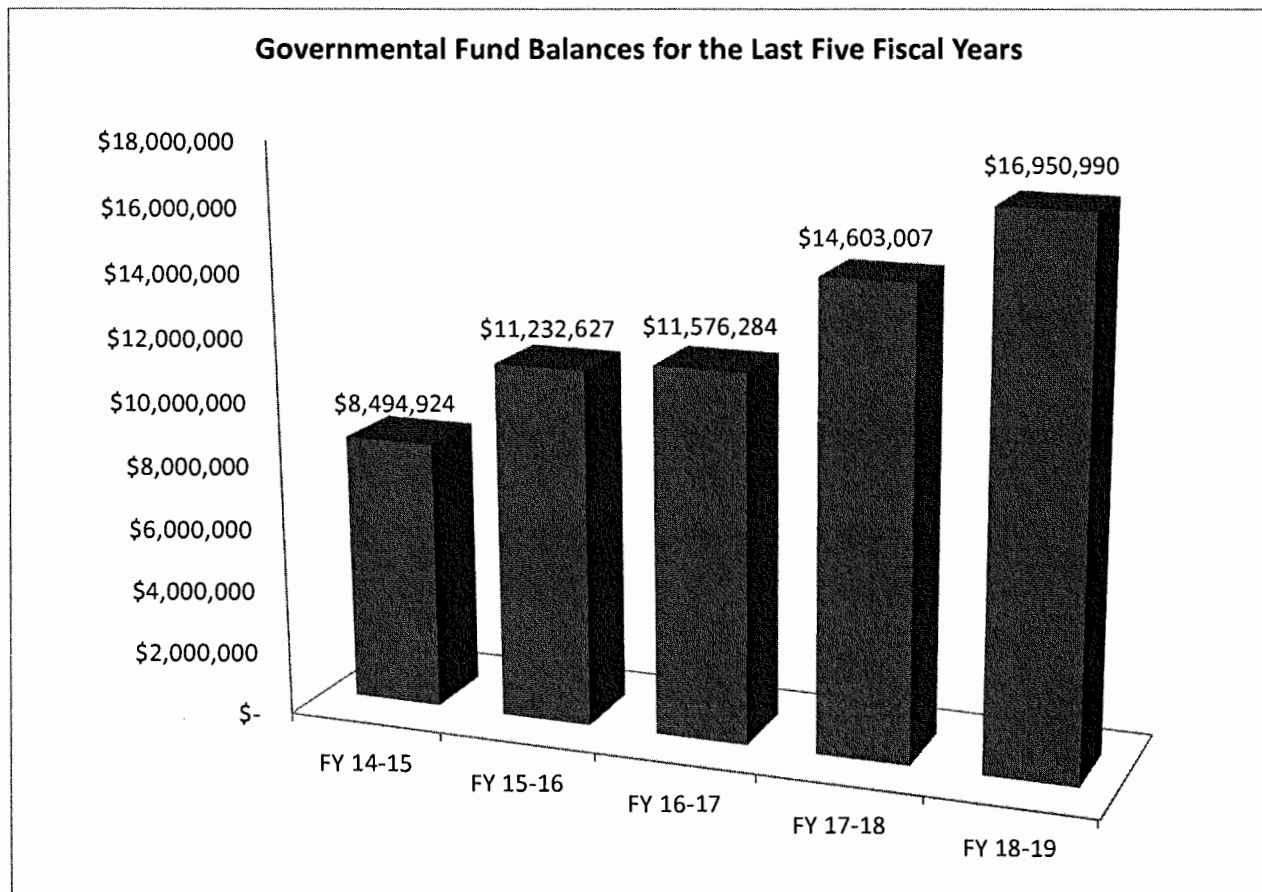
FINANCIAL HIGHLIGHTS

As of the close of the current fiscal year the City's governmental funds reported a combined ending fund balance of \$16,950,990, an increase of \$2,347,983 in comparison with the previous year. The General Fund ending fund balance increased 1.58 percent to \$2,314,216 due to decrease in operating expenditures across all departments and a prior year adjustment to interfund loans.

Governmental Funds: Changes in Fund Balances

Fund	June 30, 2019 Fund Balance	June 30, 2018 Fund Balance	Increase (decrease)	Percent Change
General Fund	\$ 2,314,216	\$ 2,278,112	\$ 36,104	1.58%
Systems Development Fund	10,761,025	9,090,639	\$ 1,670,386	18.37%
Capital Projects Fund	(29,936)	187,088	\$ (217,024)	-116.00%
Risk Management Fund	182,967	122,387	\$ 60,580	49.50%
Building Inspection Fund	669,575	444,948	\$ 224,627	50.48%
Street Fund	1,908,268	1,464,543	\$ 443,725	30.30%
Police Officer and Firefighter/EMS Fee Fund	75,203	-	\$ 75,203	100.00%
Trust/Reserve Fund	225,677	213,301	\$ 12,376	5.80%
Urban Renewal Fund	465,150	454,296	\$ 10,854	2.39%
General Obligation Bond Fund	378,834	347,682	\$ 31,152	8.96%
General Debt Fund	11	11	\$ -	0.00%
	<u>\$ 16,950,990</u>	<u>\$ 14,603,007</u>	<u>\$ 2,347,983</u>	<u>16.08%</u>

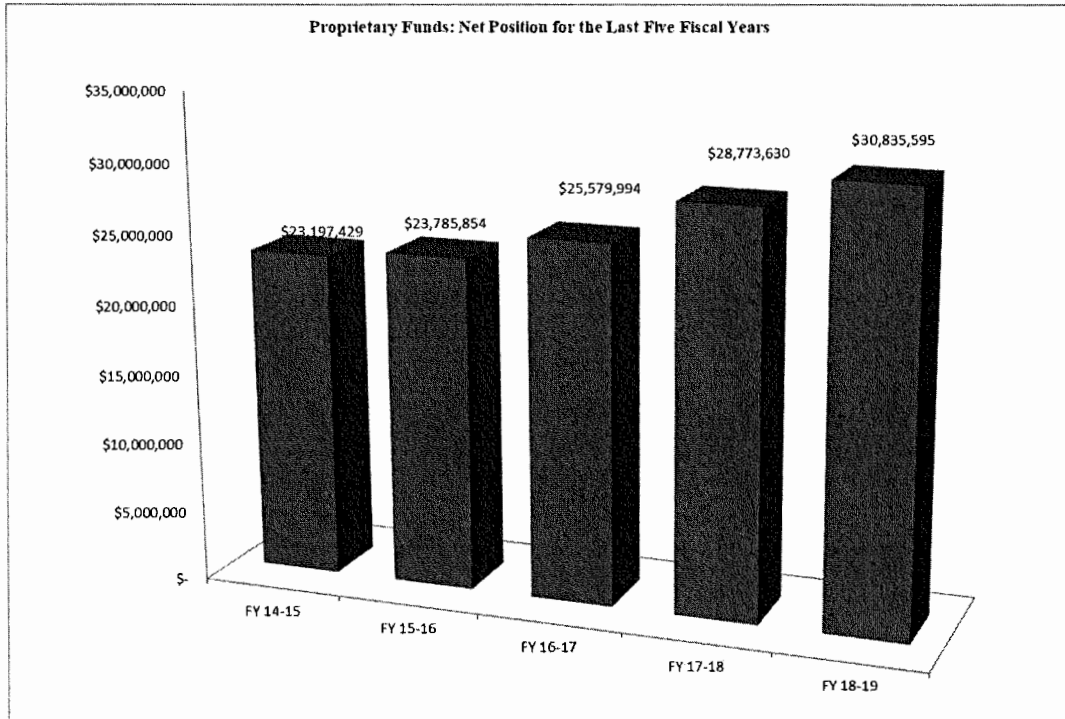
*The Grants Fund is combined with the Capital Projects Fund.



Business-type net position increased \$2,061,965 (6.69 percent) for the 2018-19 fiscal year. Operating income for the Sewer, Water and Storm Water Funds was \$2,337,275. The net position increase from non-operating revenues and expenses was \$15,646. During 2018-19 sewer began two projects and water treatment plant equipment and wastewater treatment plant equipment was upgraded, along with ongoing water and sewer line replacements.

Changes in Net Position: Proprietary Funds

Fund	June 30, 2019	June 30, 2018	Increase (decrease)	Percent Change
	Net Position	Net Position		
Water Fund	\$ 13,368,458	\$ 12,392,296	\$ 976,162	7.30%
Sewer Fund	15,704,002	14,870,248	833,754	5.31%
Storm Water Fund	1,763,135	1,511,086	252,049	14.30%
	<u>\$ 30,835,595</u>	<u>\$ 28,773,630</u>	<u>\$ 2,061,965</u>	<u>6.69%</u>



For Fiscal Year 2018-19 there was minimal growth in net position for the three enterprise funds where net position increased 7.30 percent in the Water Fund and increased 5.31 percent in the Sewer Fund. The increase in the Water Fund and Sewer Fund reflects additional capital contributions. The Storm Water Fund, shows an increase of 14.30% due to the addition of capital contributions.

Internal Service Fund (Fleet Management Fund) net position decreased by \$48,786 for the 2018-19 fiscal year due to purchase of equipment.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The government-wide financial statements present the net position (*statement of net position*) and results of operations (*statement of activities*) of the total reporting government. Included are all governmental and proprietary assets, liabilities and activities of the City. The measurement focus and basis of accounting are the same for the entire entity. The measurement focus is on all economic resources of the fund, including current financial resources (assets) and non-current financial resources (capital assets) and the related current and non-current liabilities and equity accounts. Both government-wide statements are prepared using the accrual basis of accounting, which is similar to the methods used by most businesses and takes into account all revenues and expenses connected with the fiscal year, even if cash involved has not been received or paid.

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

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

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

The government-wide financial statements are on pages 1 and 2 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 ten individual governmental funds. Information is presented separately for the General Fund, Street Fund and System Development Fund in the fund Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances. The other governmental funds are combined into a single, aggregated presentation. Information for these non-major governmental funds is provided in the form of *combining statements* on pages 43 through 46 in this report.

The City of Dallas adopts an annual appropriated budget for all of its funds (see page 38-40; 42). Budgetary comparison statements, demonstrating compliance with this budget, have been provided on pages 47 through 60 of this report.

Proprietary Funds. The City of Dallas maintains two different types of proprietary funds - enterprise and internal service fund. These funds are used to show activities that operate more like those of commercial enterprises. Fees are charged for services provided, both to outside customers and to other units of the City of Dallas. Enterprise funds are presented as business-type activities in the government-wide financial statements. The City of Dallas uses enterprise funds to account for its Sewage Disposal, Water and Stormwater. 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 10 through 37 in this report.

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

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

STATEMENT OF NET POSITION

Net position serves as a useful indicator of a government's financial position. The City has continued to see assets exceeding liabilities. Total assets and deferred outflows of resources for the City of Dallas were \$112,011,439, while total liabilities and deferred inflows of resources were \$21,653,328 resulting in combined net position (governmental and business-type activities) of \$90,358,111. The largest component of the City's total net position, \$76,329,194 or 84%, reflects its investment in capital assets (i.e., land, buildings, equipment and infrastructure, less any related debt outstanding that was needed to acquire or construct the assets). The City of Dallas uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Combined net position of the City of Dallas at June 30, 2019 and 2018 was as follows:

Statement of Net Position
Years ended June 30, 2019 and 2018

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Current assets	\$ 18,606,049	\$ 15,796,672	\$ 4,196,785	\$ 3,938,820	\$ 22,802,834	\$ 19,735,492
Non-current assets:						
Prepaid pension asset	-	-	-	-	-	-
Capital Assets	49,311,777	51,223,172	36,593,190	35,937,493	85,904,967	87,160,665
<i>Total Assets</i>	67,917,826	67,019,844	40,789,975	39,876,313	108,707,801	106,896,157
Deferred outflows of resources	2,892,360	2,460,731	411,278	352,455	3,303,638	2,813,186
<i>Total assets and deferred outflows of resources</i>	<u>\$ 70,810,186</u>	<u>\$ 69,480,575</u>	<u>\$ 41,201,253</u>	<u>\$ 40,228,768</u>	<u>\$112,011,439</u>	<u>\$109,709,343</u>
Current liabilities	\$ 1,483,135	\$ 1,237,278	\$ 1,978,889	\$ 1,770,108	\$ 3,462,024	\$ 3,007,386
Long-term liabilities:						
Net pension liability	7,047,460	6,378,582	1,009,423	913,618	8,056,883	7,292,200
Other liabilities	2,080,874	2,305,281	7,280,492	8,711,780	9,361,366	11,017,061
<i>Total Liabilities</i>	10,611,469	9,921,141	10,268,804	11,395,506	20,880,273	21,316,647
Deferred inflows of resources	676,201	416,339	96,854	59,633	773,055	475,972
Net Position:						
Net investment in capital assets	48,416,186	49,729,006	27,913,008	25,900,291	76,329,194	75,629,297
Restricted	14,420,599	11,357,160			14,420,599	11,357,160
Unrestricted	(3,314,269)	(1,943,071)	2,922,587	2,873,339	(391,682)	930,268
<i>Total Net Position</i>	<u>59,522,516</u>	<u>59,143,095</u>	<u>30,835,595</u>	<u>28,773,630</u>	<u>90,358,111</u>	<u>87,916,725</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 70,810,186</u>	<u>\$ 69,480,575</u>	<u>\$ 41,201,253</u>	<u>\$ 40,228,768</u>	<u>\$112,011,439</u>	<u>\$109,709,343</u>

Statement of Activities
Years ended June 30, 2019 and 2018

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<i>Revenues:</i>						
<i>Program Revenues:</i>						
Charges for services	\$ 3,855,299	\$ 5,944,461	\$ 6,608,518	\$ 6,162,438	\$ 10,463,817	\$ 12,106,899
Operating grants and contributions	599,195	235,827	-	-	599,195	235,827
Capital grants and contributions	339,717	1,385,564	861,194	2,216,095	1,200,911	3,601,659
<i>General Revenues:</i>						
Property taxes	4,834,156	4,747,934	-	-	4,834,156	4,747,934
Public service taxes	1,613,255	1,758,461	-	-	1,613,255	1,758,461
Franchise fees	1,302,982	1,254,229	-	-	1,302,982	1,254,229
Interest and investment earnings	238,463	143,345	211,308	111,519	449,771	254,864
Loss on Sale of Capital Assets	-	-	-	-	-	-
Other Revenues	2,611,849	926,836	200,239	406,982	2,812,088	1,333,818
Total Revenues	15,394,916	16,396,657	7,881,259	8,897,034	23,276,175	25,293,691
<i>Expenses:</i>						
General government	(3,128,997)	(3,072,693)	-	-	(3,128,997)	(3,072,693)
Public safety	(8,334,194)	(8,421,394)	-	-	(8,334,194)	(8,421,394)
Highways and street	(783,447)	(750,043)	-	-	(783,447)	(750,043)
Culture and recreation	(842,281)	(863,203)	-	-	(842,281)	(863,203)
Community development	(3,021,745)	(2,794,594)	-	-	(3,021,745)	(2,794,594)
Interest on long-term debt	(56,981)	(124,871)	-	-	(56,981)	(124,871)
Sewage disposal	-	-	(2,258,528)	(2,384,194)	(2,258,528)	(2,384,194)
Water	-	-	(2,226,989)	(2,062,003)	(2,226,989)	(2,062,003)
Storm Water	-	-	(181,627)	(162,051)	(181,627)	(162,051)
Total Expenses	(16,167,645)	(16,026,798)	(4,667,144)	(4,608,248)	(20,834,789)	(20,472,995)
Increase (decrease) in net position before transfers	(772,729)	369,859	3,214,115	4,288,786	2,441,386	4,658,645
Transfers in (out)	1,152,150	1,095,150	(1,152,150)	(1,095,150)	-	-
Transfers of capital assets	-	-	-	-	-	-
Change in net position	379,421	1,465,009	2,061,965	3,193,636	2,441,386	4,658,645
Net position - beginning	59,143,095	57,678,086	28,773,630	25,579,994	87,916,725	83,258,080
Prior Period Adjustment	-	-	-	-	-	-
Net position - ending	\$ 59,522,516	\$ 59,143,095	\$ 30,835,595	\$ 28,773,630	\$ 90,358,111	\$ 87,916,725

Governmental Activities. Total revenues for the City of Dallas' governmental activities for the fiscal year ended June 30, 2019, were \$15,394,916 (excluding transfers). Approximately 31% of the total revenue for the governmental activities was derived from property taxes and approximately 25% of the total revenue is from charges for services. Total expenses for governmental activities were \$16,167,645 (excluding transfers), resulting in an increase in net position of \$379,421. The majority of the governmental activities revenue was used to fund public safety, which accounts for approximately 52% of the total governmental activities expense. Culture and recreation expenses account for 5% of the total, community development accounts for 19%, highways and streets account for 5%, and general government expenses account for 19% of the total. Interest on long-term debt expenses is less than 1% of total governmental activities expenses. All depreciation expense related to governmental activities has been allocated to individual governmental functions.

Business-Type Activities. Charges for services and general revenues of business-type activities totaled \$7,881,259 (excluding transfers) for the current fiscal year. Approximately 84% of the total business-type activities revenue was derived from charges for services. The total expenses for business-type activities were \$4,667,144 (excluding transfers), resulting in an increase of net position by \$2,061,965. 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 \$16,950,990 an increase of \$2,347,983 or 13.85%, from the prior year. The City's governmental funds include the General fund, Street fund, Systems Development Fund, and other non-major governmental funds.

The General fund is the chief operating fund of the City. At the end of the audited fiscal year, the General fund reported a fund balance of \$2,314,216, an increase of \$36,104 (1.56 percent) from the prior year (on the modified accrual basis). The minimal increase was due to a prior period adjustment for interfund loans.

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 \$1,908,268, an increase of 23.25% from the prior year. The increase was due to the legislator passing HB2017 a transportation infrastructure package, which in part, increased transportation funding to counties and cities.

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 had one outstanding GO Bond which was paid off in FY 2018-19.

The Systems Development Fund is used to account for fees and capital improvements associated with growth and development. The fund balance of the Systems Development Fund at June 30, 2019 was \$10,761,025.

Proprietary Funds. At the end of the current fiscal year, net position of the enterprise funds equaled \$30,835,595. The change in total net position of all the proprietary funds was minimal. The Sewer fund net position increased by \$833,754 and Water fund net position increased by \$976,162. The increase in the Water Fund and Sewer Fund was due to increased capital contributions and deferred maintenance. The change in net position for the Storm water fund was \$252,049 due to capital contributions.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were several amendments to the original budget. Actual revenues (budgetary basis) were less than 1.0% of budgeted amounts due to a decrease in budgeted charges for services. Actual expenditures were 9.06% 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, \$85,904,967 net of accumulated depreciation, compared to \$87,160,665 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 page 21. For business-type activities, capital asset additions consisted of improvements at the wastewater treatment facility and new sewer lines in the Sewer Department. In the Water Department, additions included improvements at the water treatment plant. Additional information about the City's capital assets is presented in the notes to the financial statements on page 22.

Capital Assets
Years ended June 30, 2019 and 2018

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	<u>2018-19</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2017-18</u>
Land	\$ 992,046	\$ 992,046	\$ 2,653,765	\$ 2,653,765	\$ 3,645,811	\$ 3,645,811
Construction in progress	-	-	-	-	\$ -	\$ -
Buildings and improvements	16,223,521	16,122,775	61,177,992	59,486,424	77,401,513	75,609,199
Machinery and equipment	11,574,477	10,992,836	808,141	795,839	12,382,618	11,788,675
Infrastructure	77,975,592	77,352,226	-	-	77,975,592	77,352,226
Accumulated depreciation	<u>(57,453,859)</u>	<u>(54,236,711)</u>	<u>(28,046,708)</u>	<u>(26,998,535)</u>	<u>(85,500,567)</u>	<u>(81,235,246)</u>
			-			
<i>Total Net Capital Assets</i>	<u>\$ 49,311,777</u>	<u>\$ 51,223,172</u>	<u>\$ 36,593,190</u>	<u>\$ 35,937,493</u>	<u>\$ 85,904,967</u>	<u>\$ 87,160,665</u>

Long-term Obligations. At the end of the current fiscal year, long-term debt outstanding for the governmental activities totaled \$2,065,591 (excluding compensated absences payable), compared to \$2,744,166 the prior year. For business-type activities, long term debt outstanding totaled \$8,680,182 (excluding compensated absences payable), compared to \$10,037,202 the prior year. The decrease in governmental debt is due to principal payments on debt outstanding. The decrease in business-type activity debt is due to principal payments on debt outstanding. Additional information about the City’s long-term debt is presented in the notes to the financial statements on page 31 through 35.

Long-Term Debt
Years ended June 30, 2019 and 2018

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
General Obligation Bonds	\$ -	\$ 420,000	\$ -	\$ -	\$ -	\$ 420,000
Pension Obligation Bonds	1,170,000	1,250,000	-	-	1,170,000	1,250,000
Capital Lease/Loans	706,355	846,904	-	-	706,355	846,904
Notes Payable	189,236	214,369	8,623,558	9,922,498	8,812,794	10,136,867
Bond Premium	-	12,893	56,624	114,704	56,624	127,597
<i>Total Net Position</i>	<u>\$ 2,065,591</u>	<u>\$ 2,744,166</u>	<u>\$ 8,680,182</u>	<u>\$ 10,037,202</u>	<u>\$ 10,745,773</u>	<u>\$ 12,781,368</u>

ECONOMIC FACTORS 2019

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 2018, which is also true for the City. The City had expansion in both commercial and residential development. Major projects were several remodels by Grace Church, McDonalds and Dallas Retirement Village, as well as the new Senior Center and Polk County projects totaling approximately \$9.7 million. In 2019, the City has issued 112 single family building permits, which is slightly down compared with 2018. The new residential building added just under \$25 million to the City's assessed value. The increase is due to an expanding economy and a larger number of available residential building lots. It is worth noting that approval was given to four new subdivisions in 2019, totaling 88 residential lots. Overall, the population of the City of Dallas is continuing to see growth year over year. Portland State population growth estimates show the City of Dallas grew 2.7% this year and now has an estimated population of 16,260.

The 2019 unemployment rate in the Dallas area is 4.5%, which is the same as in 2018. The Dallas area unemployment rate continues to closely mirror the National and State of Oregon unemployment rates, which remain steady at similar rates. The per capita personal income for Polk County, like many other rural areas, is up over last year 4.6%, but continues to be behind the Oregon average (includes metro areas).

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. Overall, the City’s financial position has improved.

REQUESTS FOR INFORMATION

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

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CITY OF DALLAS
POLK COUNTY, OREGON

BASIC FINANCIAL STATEMENTS

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**CITY OF DALLAS
POLK COUNTY, OREGON**

**STATEMENT OF NET POSITION
June 30, 2019**

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current Assets			
Cash and Investments	\$ 17,086,968	\$ 3,637,946	\$ 20,724,914
Cash Held with County	31,580	-	31,580
Accounts Receivable, net	1,303,929	318,966	1,622,895
Property Taxes Receivable	183,572	-	183,572
Inventory	-	239,873	239,873
Total Current Assets	18,606,049	4,196,785	22,802,834
Noncurrent Assets:			
Capital Assets:			
Nondepreciable	992,046	2,653,765	3,645,811
Depreciable, net	48,319,731	33,939,425	82,259,156
Total Noncurrent Assets	49,311,777	36,593,190	85,904,967
Total Assets	67,917,826	40,789,975	108,707,801
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows Related to Pension - PERS	2,892,360	411,278	3,303,638
Total Assets and Deferred Outflows of Resources	\$ 70,810,186	\$ 41,201,253	\$ 112,011,439
LIABILITIES:			
Current Liabilities:			
Accounts Payable	\$ 693,403	\$ 443,254	\$ 1,136,657
Payroll Liabilities	160,298	-	160,298
Interest Payable	13,977	88,545	102,522
Deposit Payable	264,668	-	264,668
Current Portion of Compensated Absences	91,518	11,850	103,368
Current Portion of Long-term Debt	259,271	1,435,240	1,694,511
Total Current Liabilities	1,483,135	1,978,889	3,462,024
Noncurrent Liabilities:			
Net Pension Liability - PERS	7,047,460	1,009,423	8,056,883
Noncurrent Portion of Compensated Absences	274,554	35,550	310,104
Noncurrent Portion of Long-term Debt	1,806,320	7,244,942	9,051,262
Total Noncurrent Liabilities	9,128,334	8,289,915	17,418,249
Total Liabilities	10,611,469	10,268,804	20,880,273
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows Related to Pension - PERS	676,201	96,854	773,055
NET POSITION:			
Net Investment in Capital Assets	\$48,416,186	27,913,008	76,329,194
Restricted			
Debt Service	378,845	-	378,845
Urban Renewal Projects	465,150	-	465,150
Streets	1,908,268	-	1,908,268
System Development	10,761,025	-	10,761,025
Building	669,575	-	669,575
Trust	225,677	-	225,677
Capital Projects	12,059	-	12,059
Unrestricted	(3,314,269)	2,922,587	(391,682)
Total Net Position	59,522,516	30,835,595	90,358,111
Total Liabilities, Deferred Inflows of Resources, Net Position	\$ 70,810,186	\$ 41,201,253	\$ 112,011,439

See accompanying notes to basic financial statements.

**CITY OF DALLAS
POLK COUNTY, OREGON**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2019**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General Government	\$ 3,128,997	\$ 672,612	\$ -	\$ -
Public Safety	8,334,194	2,570,300	116,273	-
Highways and Streets	783,447	-	-	339,717
Culture and Recreations	842,281	599,017	3,696	-
Community Development	3,021,745	13,370	479,226	-
Interest on Long-Term Debt	56,981	-	-	-
Total Governmental Activities	16,167,645	3,855,299	599,195	339,717
Business-Type Activities				
Sewer	2,258,528	3,557,368	-	-
Water	2,226,989	2,840,818	-	572,522
Storm Water	181,627	210,332	-	288,672
Total Business-Type Activities	4,667,144	6,608,518	-	861,194
Total Primary Government	\$ 20,834,789	\$ 10,463,817	\$ 599,195	\$ 1,200,911

See accompanying notes to the basic financial statements

**CITY OF DALLAS
POLK COUNTY, OREGON**

**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2019**

	Program Revenues			Total
	Net Revenue (Expenses)	Governmental Activities	Business-Type Activities	
Functions/Programs				
Primary Government				
Governmental Activities				
General Government	\$ (2,456,385)	\$ (2,456,385)	\$ -	\$ (2,456,385)
Public Safety	(5,647,621)	(5,647,621)	-	(5,647,621)
Highways and Streets	(443,730)	(443,730)	-	(443,730)
Culture and Recreations	(239,568)	(239,568)	-	(239,568)
Community Development	(2,529,149)	(2,529,149)	-	(2,529,149)
Interest on Long-Term Debt	(56,981)	(56,981)	-	(56,981)
Total Governmental Activities	(11,373,434)	(11,373,434)	-	(11,373,434)
Business- Type Activities				
Sewer	1,298,840	-	1,298,840	1,298,840
Water	1,186,351	-	1,186,351	1,186,351
Storm Water	317,377	-	317,377	317,377
Total Business-Type Activities	2,802,568	-	2,802,568	2,802,568
Total Primary Government	\$ (8,570,866)	(11,373,434)	2,802,568	(8,570,866)
General Revenues:				
Property Taxes		4,834,156	-	4,834,156
Public Service Taxes		1,613,255	-	1,613,255
Franchise Fees		1,302,982	-	1,302,982
Interest and Investment earnings		238,463	211,308	449,771
Other Revenues		2,611,849	200,239	2,812,088
Total General Revenues		10,600,705	411,547	11,012,252
Transfers		1,152,150	(1,152,150)	-
Change in Net Position		379,421	2,061,965	2,441,386
Beginning Net Position		59,143,095	28,773,630	87,916,725
Ending Net Position		\$ 59,522,516	\$ 30,835,595	\$ 90,358,111

See accompanying notes to the basic financial statements

**CITY OF DALLAS
POLK COUNTY, OREGON**

**COMBINED BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2019**

	GENERAL FUND	STREET FUND	SYSTEM DEVELOPMENT FUND	OTHER GOVERNMENTAL	TOTAL
ASSETS:					
Cash and Investments	\$ 2,748,111	\$ 1,825,328	\$ 10,158,314	\$ 1,998,888	\$ 16,730,641
Cash Held with County	27,225	-	-	4,355	31,580
Accounts Receivable	727,644	142,634	-	431,277	1,301,555
Property Taxes Receivable	157,431	-	-	26,141	183,572
Interfund Loan	-	-	607,753	-	607,753
Due from Other Funds	14,818	-	-	-	14,818
Total Assets	<u>\$ 3,675,229</u>	<u>\$ 1,967,962</u>	<u>\$ 10,766,067</u>	<u>\$ 2,460,661</u>	<u>\$ 18,869,919</u>
LIABILITIES:					
Liabilities:					
Accounts Payable and Other Current Liabilities	\$ 170,863	\$ 59,694	\$ 5,042	\$ 452,221	\$ 687,820
Payroll liabilities	160,298	-	-	-	160,298
Deposit Payable	264,668	-	-	-	264,668
Interfund Loan	607,753	-	-	-	607,753
Due to Other Funds	-	-	-	14,818	14,818
Total Liabilities	<u>1,203,582</u>	<u>59,694</u>	<u>5,042</u>	<u>467,039</u>	<u>1,735,357</u>
Deferred inflows:					
Unavailable Property Taxes Revenues	157,431	-	-	26,141	183,572
Total Deferred inflows	<u>157,431</u>	<u>-</u>	<u>-</u>	<u>26,141</u>	<u>183,572</u>
Fund Balances:					
Restricted for:					
Debt	-	-	-	378,845	378,845
Urban Renewal Projects	-	-	-	465,150	465,150
Streets	-	1,908,268	-	-	1,908,268
System Development	-	-	10,761,025	-	10,761,025
Building Department	-	-	-	669,575	669,575
Trust	-	-	-	225,677	225,677
Capital Projects	-	-	-	12,059	12,059
Committed for:					
Community Development	-	-	-	258,170	258,170
Unassigned	2,314,216	-	-	(41,995)	2,272,221
Total Fund Balances	<u>2,314,216</u>	<u>1,908,268</u>	<u>10,761,025</u>	<u>1,967,481</u>	<u>16,950,990</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 3,675,229</u>	<u>\$ 1,967,962</u>	<u>\$ 10,766,067</u>	<u>\$ 2,460,661</u>	<u>\$ 18,869,919</u>

See accompanying notes to basic financial statements.

CITY OF DALLAS
POLK COUNTY, OREGON

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS
TO STATEMENT OF NET POSITION**

June 30, 2019

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

Fund Balances - Governmental Funds	\$	16,950,990
The PERS net pension asset (liability) is the difference between the total pension liability and the assets set aside to pay benefits earned to past and current employees and beneficiaries.		
		(6,852,063)
Deferred inflows and outflows of resources related to the PERS pension plan include differences between expected and actual experience, changes of assumptions, differences between projects and actual earning, and contributions subsequent to the measurement date.		
Net Pension Related Deferrals		
Deferred Outflows - PERS		2,812,163
Deferred Inflows - PERS		(657,452)
The cost of capital assets is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the City as a whole.		
Net Capital Assets		48,922,385
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.		
Accrued Compensated Absences		(352,649)
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		
		595,138
Other long-term assets/liabilities are not available to pay for current-period expenditures and therefore are not recognized in the funds.		
Long term Liabilities:		
Bonds Payable	\$	(1,170,000)
Loans Payable		(706,355)
Notes Payable		(189,236)
Interest Payable		(13,977)
		(2,079,568)
Property taxes collected after year end but not available soon enough to pay for current obligations are unearned in governmental funds but are recognized as revenue in the Statement of Activities		
Unearned Revenue and unavailable property taxes		183,572
Total Net Position	\$	59,522,516

See accompanying notes to basic financial statements.

**CITY OF DALLAS
POLK COUNTY, OREGON**

**COMBINED STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019**

	GENERAL FUND	STREET FUND	SYTEM DEVELOPMENT FUND	OTHER GOVERNMENTAL	TOTAL
REVENUES:					
Property Taxes	\$ 4,323,199	\$ -	\$ -	\$ 670,063	\$ 4,993,262
Public Service Taxes	915,753	1,151,095	-	-	2,066,848
Franchise Fees	1,302,982	-	-	-	1,302,982
Grants or Intergovernmental	-	-	-	599,193	599,193
Charges for Service	2,318,020	-	1,971,121	-	4,289,141
Licenses and Permits	2,628	-	-	583,539	586,167
Fines and Forfeitures	233,146	-	-	264,374	497,520
Interest	134,020	89,286	-	15,157	238,463
Miscellaneous	464,261	95,753	-	447,017	1,007,031
Total Revenues	9,694,009	1,336,134	1,971,121	2,579,343	15,580,607
EXPENDITURES:					
General Government	1,535,674	-	-	791,853	2,327,527
Public Safety	6,248,617	-	-	-	6,248,617
Highways and Streets	-	587,394	-	-	587,394
Culture and Recreation	552,644	-	-	78,862	631,506
Community Development	1,471,578	-	-	793,995	2,265,573
Capital Outlay	-	201,665	646,517	820,700	1,668,882
Debt Service					
Principal	110,549	-	-	528,176	638,725
Interest	20,646	-	-	79,104	99,750
Total Expenditures	9,939,708	789,059	646,517	3,092,690	14,467,974
Excess of Revenues Over, (Under) Expenditures	(245,699)	547,075	1,324,604	(513,347)	1,112,633
Other Financing Sources, (Uses)					
Proceeds from sale of capital assets	51,000	-	-	-	51,000
Transfers In	1,444,806	-	13,533	931,022	2,389,361
Transfers Out	(536,832)	(103,350)	(344,922)	(219,907)	(1,205,011)
Total Other Financing Sources, (Uses)	958,974	(103,350)	(331,389)	711,115	1,235,350
Net Change in Fund Balance	713,275	443,725	993,215	197,768	2,347,983
Fund Balance - Beginning	2,278,112	1,464,543	9,090,639	1,769,713	14,603,007
Prior Period Adjustment	(677,171)	-	677,171	-	-
Fund Balance - End of Year	\$ 2,314,216	\$ 1,908,268	\$ 10,761,025	\$ 1,967,481	\$ 16,950,990

See accompanying notes to basic financial statements.

**CITY OF DALLAS
POLK COUNTY, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS - TO
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
For the Year Ended June 30, 2019**

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

Excess of Revenues over Expenditures - Governmental Funds \$ 2,347,983

The PERS pension expense represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position available to pay pension benefits.

Pension Expense - Governmental Funds (483,336)

Governmental funds 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 capital outlays exceeded depreciation in the current period.

Capital Asset Additions - Governmental Funds 1,731,361

Depreciation Expense - Governmental Funds (3,498,429)

Loss on Disposal of Capital Assets (138,098)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis of accounting, expenses and liabilities are reported regardless of when financial resources are available.

Changes in Compensated Absences (43,661)

Change in Accrued Interest 2,919

Debt Principal Payments 678,575

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.
Prior Year Interfund Loan paid off in Current Year

(48,786)

(10,000)

Property taxes that do not meet the measurable and available criteria are not recognized as revenue in the current year in the governmental funds. In the Statement of Activities property taxes are recognized as revenue when levied.

(159,107)

Change in Net Position \$ 379,421

See accompanying notes to basic financial statements.

**CITY OF DALLAS
POLK COUNTY, OREGON**

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2019**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	SEWER FUND	WATER FUND	STORM WATER FUND	TOTAL	INTERNAL SERVICE FUND
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:					
Current Assets:					
Cash and Investments	\$ 886,053	\$ 2,657,240	\$ 94,653	\$ 3,637,946	\$ 356,327
Accounts Receivable, net	154,345	155,384	9,237	318,966	2,374
Inventory	24,974	214,899	-	239,873	-
Total Current Assets	1,065,372	3,027,523	103,890	4,196,785	358,701
Noncurrent Assets					
Nondepreciable Capital Assets	663,527	1,990,238	-	2,653,765	7,010
Depreciable Capital Assets, net	16,328,654	15,878,454	1,732,317	33,939,425	382,382
Total Noncurrent Assets	16,992,181	17,868,692	1,732,317	36,593,190	389,392
Deferred Outflows of Resources					
Deferred Outflows Related to Pension - PERS	208,636	175,947	26,695	411,278	80,197
Total Assets and Deferred Outflows of Resources	\$ 18,266,189	\$ 21,072,162	\$ 1,862,902	\$ 41,201,253	\$ 828,290
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION:					
Current Liabilities:					
Accounts Payable and Accrued Expenses	\$ 220,829	\$ 203,688	\$ 18,737	\$ 443,254	\$ 5,583
Interest Payable	22,134	66,411	-	88,545	-
Accrued Compensated Absences - Current	3,184	8,233	434	11,850	3,356
Bonds Payable - Current	997,353	437,887	-	1,435,240	-
Total Current Liabilities	1,243,500	716,219	19,171	1,978,889	8,939
Long Term Liabilities					
Accrued Compensated Absences	9,551	24,698	1,301	35,550	10,067
Bonds Payable	752,000	6,492,942	-	7,244,942	-
Net Pension Liability - PERS	508,359	428,710	72,354	1,009,423	195,397
Total Long Term Liabilities	1,269,910	6,946,350	73,655	8,289,915	205,464
Total Liabilities	2,513,410	7,662,569	92,825	10,268,804	214,403
Deferred Inflows of Resources:					
Deferred Inflow Related to Pension - PERS	48,777	41,135	6,942	96,854	18,749
Net Position					
Net Investment in Capital Assets	15,242,828	10,937,863	1,732,317	27,913,008	389,392
Unrestricted	461,174	2,430,595	30,818	2,922,587	205,746
Total Net Position	15,704,002	13,368,458	1,763,135	30,835,595	595,138
Total Liabilities, Deferred Inflows of Resources, and Net Position	\$ 18,266,189	\$ 21,072,162	\$ 1,862,902	\$ 41,201,253	\$ 828,290

See accompanying notes to basic financial statements.

**CITY OF DALLAS
POLK COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2019**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	SEWER FUND	WATER FUND	STORM WATER FUND	TOTAL	INTERNAL SERVICE FUND
OPERATING REVENUES:					
Charges for Services	\$ 3,557,368	\$ 2,840,818	\$ 210,332	\$ 6,608,518	\$ 502,488
Miscellaneous	78,653	121,486	100	200,239	10,145
Total Operating Revenues	<u>3,636,021</u>	<u>2,962,304</u>	<u>210,432</u>	<u>6,808,757</u>	<u>512,633</u>
OPERATING EXPENSES:					
Personnel Services	561,274	818,660	84,436	1,464,370	222,339
Materials and Services	1,176,102	722,052	60,786	1,958,940	207,579
Depreciation	500,268	511,499	36,405	1,048,172	99,301
Total Operating Expenses	<u>2,237,644</u>	<u>2,052,211</u>	<u>181,627</u>	<u>4,471,482</u>	<u>529,219</u>
Operating Income (Loss)	1,398,377	910,093	28,805	2,337,275	(16,586)
NON-OPERATING INCOME (EXPENSE):					
Interest Income	57,261	148,325	5,722	211,308	-
Interest Expense	(20,884)	(174,778)	-	(195,662)	-
Total Non-operating Income (Expense)	<u>36,377</u>	<u>(26,453)</u>	<u>5,722</u>	<u>15,646</u>	<u>-</u>
Net Income (Loss) Before Transfers	1,434,754	883,640	34,527	2,352,921	(16,586)
TRANSFERS:					
Transfers In	-	-	-	-	44,800
Transfers Out	(601,000)	(480,000)	(71,150)	(1,152,150)	(77,000)
Net Income (Loss) Before Contributions	833,754	403,640	(36,623)	1,200,771	(48,786)
CAPITAL CONTRIBUTIONS:					
Capital Contributions	-	572,522	288,672	861,194	-
Change in Net Position	833,754	976,162	252,049	2,061,965	(48,786)
Beginning Net Position	14,870,248	12,392,296	1,511,086	28,773,630	643,924
Ending Net Position	<u>\$ 15,704,002</u>	<u>\$ 13,368,458</u>	<u>\$ 1,763,135</u>	<u>\$ 30,835,595</u>	<u>\$ 595,138</u>

See accompanying notes to basic financial statements.

**CITY OF DALLAS
POLK COUNTY, OREGON**

**STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2019**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	SEWER FUND	WATER FUND	STORM WATER FUND	TOTAL	INTERNAL SERVICE FUND
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 3,647,351	\$ 2,937,531	\$ 211,055	\$ 6,795,937	\$ 510,709
Cash Payments to Suppliers	(1,043,797)	(835,249)	(46,856)	(1,925,902)	(221,971)
Cash Payments to Employees	(530,934)	(773,259)	(79,732)	(1,383,925)	(205,741)
Net Cash From Operations	<u>2,072,620</u>	<u>1,329,023</u>	<u>84,467</u>	<u>3,486,110</u>	<u>82,997</u>
Cash Flows From Non-Capital Financing Activities:					
Transfers to Other Funds	(621,884)	(654,778)	(71,150)	(1,347,812)	(77,000)
Net Cash (Used) By Non-Capital Financing Activities	<u>(621,884)</u>	<u>(654,778)</u>	<u>(71,150)</u>	<u>(1,347,812)</u>	<u>(77,000)</u>
Cash Flows From Capital and Related Financing Activities:					
Acquisition and Construction of Capital Assets	(567,942)	(253,904)	(20,829)	(842,675)	(93,072)
Debt Principal Repayments	(967,351)	(389,669)	-	(1,357,020)	-
Net Cash (Used) By Capital and Related Financing Activities	<u>(1,535,293)</u>	<u>(643,573)</u>	<u>(20,829)</u>	<u>(2,199,695)</u>	<u>(93,072)</u>
Cash Flows From Investing Activities					
Investment Income	57,261	148,325	5,722	211,308	44,800
Net Cash Provided By Investing Activities	<u>57,261</u>	<u>148,325</u>	<u>5,722</u>	<u>211,308</u>	<u>44,800</u>
Net Increase (Decrease) In Cash and Investments	(27,296)	178,997	(1,790)	149,911	(42,275)
Cash and Investments at Beginning of Year	913,349	2,478,243	96,443	3,488,035	398,602
Cash and Investments at End of Year	<u>\$ 886,053</u>	<u>\$ 2,657,240</u>	<u>\$ 94,653</u>	<u>\$ 3,637,946</u>	<u>\$ 356,327</u>
Reconciliation of Cash Flows From Operating Activities to Operating Income					
Operating Income	\$ 1,398,377	\$ 910,093	\$ 28,805	\$ 2,337,275	\$ (16,586)
Adjustments					
Depreciation/Amortization	500,268	511,499	36,405	1,048,172	99,301
(Increase), Decrease in Accounts Receivable	11,330	(24,773)	623	(12,820)	(1,924)
(Increase), Decrease in Supply Inventory	(24,974)	(70,260)	-	(95,234)	-
Increase, (Decrease) in Accounts Payable	172,445	(38,589)	13,930	147,786	(4,392)
Increase, (Decrease) in Accrued Compensated Absences	(5,520)	15,160	(3,399)	6,241	2,824
Increase, (Decrease) in Interest Payable	(15,166)	(4,348)	-	(19,514)	-
Increase, (Decrease) in Net Pension Liability	35,860	30,241	8,103	74,204	13,774
Increase, (Decrease) in Interfund Loan Payable	-	-	-	-	(10,000)
Net Cash From Operations	<u>\$ 2,072,620</u>	<u>\$ 1,329,023</u>	<u>\$ 84,467</u>	<u>\$ 3,486,110</u>	<u>\$ 82,997</u>
Non-cash Investing and Financing Activities:					
1. Capital Contributions	\$ -	\$ 572,522	\$ 288,672	\$ 861,194	\$ -

See accompanying notes to basic financial statements.

CITY OF DALLAS
POLK COUNTY, OREGON

NOTES TO THE BASIC FINANCIAL STATEMENTS

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CITY OF DALLAS
POLK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic 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.

A. THE FINANCIAL REPORTING ENTITY

The City of Dallas, Oregon (the "City") is governed by an elected mayor and elected council members who comprise the City Council. The City Council exercises supervisory responsibilities over the City operations, but day-to-day management control is the responsibility of a City Manager. As required by the Generally Accepted Accounting Principles, all activities of the City have been included in these basic financial statements.

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

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

B. BASIC FINANCIAL STATEMENTS

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

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

CITY OF DALLAS
POLK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. BASIC FINANCIAL STATEMENTS (CONTINUED)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) fees, fines, and charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. BASIS OF PRESENTATION

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

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

These are the major governmental funds:

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

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

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

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

CITY OF DALLAS
POLK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. BASIS OF PRESENTATION (CONTINUED)

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

Sewer Fund
Water Fund
Storm Water Fund

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

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

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

Governmental Fund Financial Statements are presented on a modified accrual basis of accounting with a current financial resource measurement focus. This focus concentrates on the fund's resources available for spending currently or in the near future. Only transactions and events affecting the fund's current financial resources are reported. Similar to the connection between an economic resource measurement focus and full accrual accounting, a current financial resource measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Property taxes, franchise fees, licenses and permits, and interest associated with the current financial period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period if received within 60 days of year end. All other revenues are considered to be measurable and available only when cash is received.

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

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

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

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

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

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

E. ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

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

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

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

Receivables and Payables

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

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)

Receivables and Payables (Continued)

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

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

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

Inventories

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

Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition at the date of donation.

Additions or improvements and other capital outlays that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

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

CITY OF DALLAS
POLK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)

Accrued Compensated Absences and Sick Pay

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

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

Long-Term Debt

In the government-wide financial statements, and the proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

Use of Estimates

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

Net Position

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

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

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

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

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)

Fund Balance

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

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

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

There were no nonspendable or assigned fund balances as of June 30, 2019.

Deferred Outflows/Inflows of Resources

In addition to assets, the basic financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. At June 30, 2019, there were pension related deferred outflows of \$3,303,638 representing PERS pension related deferrals reported in the Statement of Net Position.

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. ASSETS, LIABILITIES, AND EQUITY (CONTINUED)

Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items which qualify for reporting in this category. The first item, unavailable revenue of \$183,572, is reported only in the governmental funds balance sheet for property taxes. At June 30, 2019, there were also deferred inflows of \$773,055 reported in the Statement of Net Position representing PERS pension related deferrals.

F. FAIR VALUE INPUTS AND METHODOLOGIES AND HIERARCHY

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

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

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

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

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

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

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

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. BUDGETARY INFORMATION (CONTINUED)

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

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

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

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

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenses of the various funds were within authorized appropriations for the year ended June 30, 2019 except for Grant Fund-Police by \$1,371, Police Officer Fee and Firefighter/EMS Fee Fund – Firefighter EMS Benefits by \$1,895, Trust/Reserve Fund – General by \$22,509.

3. CASH AND INVESTMENTS

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

Cash and investments are comprised of the following at June 30, 2019:

Deposits with financial institutions	\$ 908,856
Online Xpress	16,231
Investment	2,987,435
Oregon State Treasurer's Local Government Investment Pool	<u>16,812,392</u>
Total	<u>\$ 20,724,914</u>

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

Cash and investments are reflected in the government-wide Statement of Net Position as follows:

Governmental Activities	\$ 17,086,968
Business Type Activities	<u>3,637,946</u>
Total Cash and Investments	<u>\$ 20,724,914</u>

Deposits

Deposits with financial institutions include bank demand deposits. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at approved depositories as identified by the Treasury. The total bank balance per the bank statements as of June 30, 2019 was \$1,061,327, of which \$306,906 was covered by federal depository insurance and the remainder was collateralized by the Oregon Public Funds Collateralization Program (PFCP).

Credit Risk - Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2019, none of the bank balances were exposed to custodial credit risk.

Investments

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

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency.

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

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

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

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

CITY OF DALLAS
POLK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

3. CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2019 there were the following investments:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (in months)</u>		
		<u>Less than 3</u>	<u>3-18</u>	<u>18-59</u>
Corporate Bonds	\$ 2,987,435	\$ -	\$ 1,992,776	\$ 994,659
State Treasurer's Investment Pool	<u>16,812,392</u>	<u>16,812,392</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 19,799,827</u>	<u>\$ 16,812,392</u>	<u>\$ 1,992,776</u>	<u>\$ 994,659</u>

Interest Rate Risk

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

Credit Risk - Investment

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

Oregon Revised Statutes require banker's acceptances to be guaranteed by and carried on the books of a qualified financial institution, eligible for discount by Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations. There were no investments in banker's acceptances at June 30, 2019.

Concentration of Credit Risk

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

4. NET POSITION

The government-wide statement of net position reports \$14,420,599 of restricted net position, of which \$14,182,863 is restricted by enabling legislation.

5. INVENTORY

Inventory is maintained for the proprietary activities for normal use in day to day activities and for city projects. At June 30, 2019, the total amount of inventory on hand for all funds was \$239,873.

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2019 was as follows:

	Balance <u>07/01/18</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>06/30/19</u>
Capital Assets, non-depreciable				
Land and Land Improvements	\$ 992,046	\$ -	\$ -	\$ 992,046
Total Non-Depreciable	<u>992,046</u>	<u>-</u>	<u>-</u>	<u>992,046</u>
Capital Assets, depreciable				
Infrastructure	77,352,226	623,366	-	77,975,592
Buildings and Improvments	16,122,775	543,176	(442,430)	16,223,521
Machinery and Equipment	10,992,836	657,891	(76,250)	11,574,477
Total Depreciable	<u>104,467,837</u>	<u>1,824,433</u>	<u>(518,680)</u>	<u>105,773,590</u>
Accumulated Depreciation:				
Infrastructure	(35,902,093)	(2,629,989)	-	(38,532,082)
Buildings and Improvements	(9,697,049)	(499,617)	307,981	(9,888,685)
Machinery and Equipment	(8,637,569)	(468,124)	72,601	(9,033,092)
Total Accumulated Depreciation	<u>(54,236,711)</u>	<u>(3,597,730)</u>	<u>380,582</u>	<u>(57,453,859)</u>
Governmental Wide Activities				
Capital Assets, Net	<u>\$ 51,223,172</u>			<u>\$ 49,311,777</u>

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

The deletions in Buildings and Improvements and Machinery and Equipment resulted in a loss on sale of assets of \$87,098 for the year ended June 30, 2019.

Depreciation on internal service capital assets in the amount of \$99,301 is included in general government expenses. All depreciation expense for governmental activities is charged to functions as follows:

General Government	\$ 774,448
Public Safety	1,812,539
Highways and Streets	170,386
Culture and Recreation	183,181
Community Development	<u>657,176</u>
Total depreciation expense, governmental activities	<u>\$ 3,597,730</u>

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

6. CAPITAL ASSETS (CONTINUED)

Capital asset activity for business-type activities for the year ended June 30, 2019 was as follows:

	Balance <u>07/01/18</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>06/30/19</u>
Capital Assets, non-depreciable				
Land and Land Improvements	\$ 2,644,052	\$ -	\$ -	\$ 2,644,052
Intangibles	9,713	-	-	9,713
Total Non-Depreciable	<u>2,653,765</u>	<u>-</u>	<u>-</u>	<u>2,653,765</u>
Capital Assets, depreciable				
Buildings and Improvments	59,486,425	1,691,567	-	61,177,992
Machinery and Equipment	795,839	12,302	-	808,141
Total Depreciable	<u>60,282,264</u>	<u>1,703,869</u>	<u>-</u>	<u>61,986,133</u>
Accumulated Depreciation:				
Buildings and Improvements	(26,504,610)	(993,670)	-	(27,498,280)
Machinery and Equipment	(493,926)	(54,502)	-	(548,428)
Total Accumulated Depreciation	<u>(26,998,536)</u>	<u>(1,048,172)</u>	<u>-</u>	<u>(28,046,708)</u>
Governmental Wide Activities				
Capital Assets, Net	<u>\$ 35,937,493</u>			<u>\$ 36,593,190</u>

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

Sewer	\$ 500,268
Water	511,499
Storm Water	<u>36,405</u>
Total depreciation expense, business-type activities	<u>\$ 1,048,172</u>

7. DEPOSITS

Deposits are funds held as collateral by the City for public improvements. At June 30, 2019, the total amount of deposits held by the City was \$264,668 as reported in the Governmental Funds Balance Sheet.

8. DEFINED BENEFIT PENSION PLAN

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Comprehensive Annual Financial Report which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>

If the link is expired please contact Oregon PERS for this information.

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.

CITY OF DALLAS
POLK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

- i. **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, and 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 benefits 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 1 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 2 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.
 - ii. **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 on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii. **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.
 - iv. **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 equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
- i. **Pension Benefits.** 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.

CITY OF DALLAS
POLK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 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.

- ii. **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.
- iii. **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.
- iv. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

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. The 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, 2015 actuarial valuation, which became effective July 1, 2017. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2019 were \$940,036, excluding amounts to fund employer specific liabilities. In addition approximately \$322,795 in employee contributions were paid or picked up by the City in fiscal 2019.

Pension Asset or Liability

At June 30, 2019, the City reported a net pension liability of \$8,056,883 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2016. 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 employers, actuarially determined. As of the measurement date of June 30, 2018 and 2017, the City's proportion was .053 percent and .054 percent, respectively. Pension expense for the year ended June 30, 2019 was \$568,322.

The rates in effect for the year ended June 30, 2019 were:

- (1) Tier 1/Tier 2 – 22.03%
- (2) OPSRP general services – 13.74%
- (3) OPSRP police and fire – 18.51%

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 274,071	\$ -
Changes in assumptions	1,873,212	-
Net difference between projected and actual earnings on pension plan investments	-	357,772
Net changes in proportionate share	-	392,918
Differences between City contributions and proportionate share of contributions	219,320	22,365
Subtotal - Amortized Deferrals (below)	2,366,603	773,055
City contributions subsequent to measuring date	940,036	-
Deferred outflow (inflow) of resources	\$ 3,306,639	\$ 773,055

The amount of contributions subsequent to the measurement date will be included as a reduction of the net pension liability in the fiscal year ended June 30, 2020.

Subtotal amounts related to pension as deferred outflows of resources, \$2,366,603, and deferred inflows of resources, (\$773,055), net to \$1,593,548 and will be recognized in pension expense as follows:

Year ending June 30,	Amount
2020	\$ 921,443
2021	637,202
2022	(114,156)
2023	99,820
2024	49,239
Thereafter	-
Total	\$ 1,593,548

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated March 4, 2019. Oregon PERS produces an independently audited CAFR which can be found at:

<https://www.oregon.gov/pers/Documents/Financials/CAFR/2018-CAFR.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2017 through June 30, 2019, were set using the entry age normal 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 (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer 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 actuarially determined amount for funding a disability benefit component, and (c) 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.

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions:

Valuation Date	December 31, 2016 rolled forward to June 30, 2018
Experience Study Report	2016, Published July 26, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.50 percent
Investment rate of return	7.20 percent (changed from 7.50 percent)
Projected salary increase	3.50 percent overall payroll growth
Cost of Living Adjustment	Blend of 2% COLA and graded COLA (1.25%/.15%) in accordance with Moro decision, blend based on service.
Mortality	Healthy retirees and beneficiaries: RP-2014 Healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Active members: RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation. Disabled retirees: RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts 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 method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

Assumed Asset Allocation:

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	0.0%	3.0%	0.0%
Debt Securities	15.0%	25.0%	20.0%
Public Equity	32.5%	42.5%	37.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	13.5%	21.5%	17.5%
Alternative Investments	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			100.0%

(Source: June 30, 2018 PERS CAFR; p. 98)

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 2015, revised as of June 7, 2017, 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.

Asset Class	Target Allocation	Compound Annual (Geometric) Return
Core Fixed Income	8.00%	3.49%
Short-Term Bonds	8.00%	3.38%
Bank/Leveraged Loans	3.00%	5.09%
High Yield Bonds	1.00%	6.45%
Large/Mid Cap US Equities	15.75%	6.30%
Small Cap US Equities	1.31%	6.69%
Micro Cap US Equities	1.31%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Market Equities	4.13%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equity	17.50%	7.82%
Real Estate (Property)	10.00%	5.51%
Real Estate (REITS)	2.50%	6.37%
Hedge Fund of Funds - Diversified	2.50%	4.09%
Hedge Fund - Event-driven	0.63%	5.86%
Timber	1.88%	5.62%
Farmland	1.88%	6.15%
Infrastructure	3.75%	6.60%
Commodities	1.88%	3.84%
<i>Assumed Inflation - Mean</i>		2.50%

(Source: June 30, 2018 PERS CAFR; p. 72)

Discount Rate – The discount rate used to measure the total pension liability as of the measurement dates of June 30, 2018 and 2017, was 7.20 percent and 7.50 percent, respectively, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the 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.

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
City's proportionate share of the net pension liability	\$ 13,464,589	\$ 8,056,883	\$ 3,593,281

Changes Subsequent to the Measurement Date

As described above, GASB 67 and GASB 68 require the Total Pension Liability to be determined based on the benefit terms in effect at the Measurement Date. Any changes to benefit terms that occurs after that date are reflected in amounts reported for the subsequent Measurement Date. However, Paragraph 80f of GASB 68 requires employers to briefly describe any changes between the Measurement Date and the employer's reporting date that are expected to have a significant effect on the employer's share of the collective Net Pension Liability, along with an estimate of the resulting change, if available.

There are no changes subsequent to the June 30, 2018 Measurement Date that meet this requirement and thus would require a brief description under the GASB standard.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

Employees of the City are provided with pensions through OPERS. All the benefits of OPERS are established by the Oregon legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003. Chapter 238A created the Oregon Public Service Retirement Plan (OPSRP), which consists of the Defined Benefit Pension Program and the Individual Account Program (IAP). Membership includes public employees hired on or after August 29, 2003. PERS members retain their existing defined benefit plan accounts, but member contributions are deposited into the member's IAP account. OPSRP is part of OPERS, and is administered by the OPERS Board.

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan.

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

8. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 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.

Contributions:

Employees of the City pay six (6) percent of their covered payroll. The City did not make any optional contributions to member IAP accounts for the year ended June 30, 2019.

Additional disclosures related to Oregon PERS not applicable to specific employers are available online, or by contacting PERS at the following address: PO Box 23700 Tigard, OR 97281-3700.

<http://www.oregon.gov/pers/EMP/Pages/GASB.aspx>

9. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA)

Plan Description:

As a member of Oregon Public Employees Retirement System (OPERS) the City contributes to the Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by OPERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible retirees. Oregon Revised Statute (ORS) 238.420 established this trust fund. Authority to establish and amend the benefit provisions of RHIA reside with the Oregon Legislature. The plan is closed to new entrants after January 1, 2004. OPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700.

Funding Policy:

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

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

9. OTHER POST-EMPLOYMENT BENEFIT PLAN - (RHIA) (CONTINUED)

A surviving spouse or dependent of a deceased OPERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from OPERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating employers are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.53% of annual covered OPERF payroll and 0.45% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to RHIA for the year ended June 30, 2019 were considered by management to be immaterial to the basic financial statements.

At June 30, 2019, the City's net OPEB liability/(asset) and deferred inflows and outflows for RHIA were not considered material to the basic financial statements by management and were not accrued in the government wide statements.

10. INTERFUND TRANSFERS

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

	Transfer Out	Transfer In
Governmental Funds:		
General Fund	\$ 536,832	\$ 1,444,806
Street Fund	103,350	-
System Development Fund	344,922	13,533
Non-major Governmental Funds	219,907	931,022
Internal Service Fund	77,000	44,800
Total Governmental Funds	1,282,011	2,434,161
Business-Type Funds:		
Sewer Fund	601,000	-
Water Fund	480,000	-
Storm Water Fund	71,150	-
Total Business-Type Funds	1,152,150	-
Total All Funds	\$ 2,434,161	\$ 2,434,161

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
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

11. INTERFUND LOANS RECEIVABLE AND PAYABLE

Interfund loans receivable and payable represent a loan balance owed on the fund financials. The City has five interfund loans between the General Fund and the System Development Fund all individually approved by Council resolution. The balances at year end are as follows:

	Interfund Loan Receivable	Interfund Loan Payable
General Fund	\$ -	\$ 607,753
System Development Fund	607,753	-
Total	\$ 607,753	\$ 607,753

12. INTERFUND DUE TO / DUE FROMS

Interfund receivable and payable represents cash due to / due froms owed to a fund by other funds. Amounts were comprised of the following:

	Due to	Due from
General Fund	\$ -	\$ 14,818
Non-major Governmental Funds	14,818	-
Total	\$ 14,818	\$ 14,818

13. LONG TERM OBLIGATIONS

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

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

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

Upon any Event of Default for the Business Type IFA 2014 Loan, remedies may include but are not limited to: Terminating IFA's commitment and obligation to make any further disbursements of financing proceeds under the contract, declaring all payments under the Note and all other amounts due under any of the financing documents immediately due and payable on demand, foreclosing liens or security interests pursuant to the contract or any other financing document.

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

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

13. LONG TERM OBLIGATIONS – (CONTINUED)

	Outstanding 7/1/2018	Issued	Matured and Redeemed	Outstanding 6/30/2019	Due Within One Year
Governmental Activities:					
Other Debt					
Governmental Bonds	\$ 1,670,000	\$ -	\$ 500,000	\$ 1,170,000	\$ 90,000
Bond Premium	12,893	-	12,893	-	-
Direct Placements and Borrowings					
Governmental Loans	846,904	-	140,549	706,355	143,758
Governmental Notes	214,369	-	25,133	189,236	25,513
Total Debt	2,744,166	-	678,575	2,065,591	259,271
Compensated Absences	319,587	43,661	(2,824)	366,072	91,518
Total Compensated Absences	319,587	43,661	(2,824)	366,072	91,518
Total governmental activities	\$ 3,063,753	\$ 43,661	\$ 675,751	\$ 2,431,663	\$ 350,789

Bonds

2005 PERS Bonds: original amount \$1,585,000; interest rates from 4.38% to 5.00%; final payment due June 1, 2028

\$ 1,170,000

Total Bonds

\$ 1,170,000

Loans - Direct Borrowings and Placements

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

\$ 402,142

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

244,213

2017 Land Sale Contract Loan: original amount \$100,000; final payment due November 30, 2020

60,000

Total Loans

\$ 706,355

Notes - Direct Borrowings and Placements

2016 Radio Shack Note: original amount \$261,500; interest rate 1.50%; final payment due September 5, 2026

\$ 189,236

Total Loans

\$ 189,236

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

13. LONG TERM OBLIGATIONS (CONTINUED)

Future Governmental bonds debt service requirements are as follows:

Year Ending June 30	2005 PERS Bonds	
	Principal	Interest
2020	\$ 90,000	\$ 58,416
2021	100,000	54,043
2022	115,000	49,040
2023	125,000	43,284
2024	140,000	37,030
2025-2029	600,000	70,308
Total	<u>\$ 1,170,000</u>	<u>\$ 312,121</u>

Future Governmental loans debt service requirements are as follows:

Year Ending June 30	2013 Urban Renewal Loan		Year Ending June 30	2015 Fire Pumper Loan	
	Principal	Interest		Principal	Interest
2020	\$ 75,832	\$ 10,563	2020	\$ 37,926	\$ 6,887
2021	78,064	8,331	2021	38,995	5,818
2022	80,361	6,034	2022	40,095	4,718
2023	82,725	3,669	2023	41,226	3,587
2024	85,160	1,235	2024	42,388	2,425
2025-2029	-	-	2025-2029	43,583	1,229
Total	<u>\$ 402,142</u>	<u>\$ 29,832</u>	Total	<u>\$ 244,213</u>	<u>\$ 24,664</u>

Year Ending June 30	2017 Land Sale Loan		Year Ending June 30	Total of All Loans	
	Principal	Interest		Principal	Interest
2020	\$ 30,000	\$ -	2020	\$ 143,758	\$ 17,450
2021	30,000	-	2021	147,059	14,149
2022	-	-	2022	120,456	10,752
2023	-	-	2023	123,951	7,256
2024	-	-	2024	127,548	3,660
2025-2029	-	-	2025-2029	43,583	1,229
Total	<u>\$ 60,000</u>	<u>\$ -</u>	Total	<u>\$ 706,355</u>	<u>\$ 54,496</u>

Future Governmental notes debt service requirements are as follows:

Year Ending June 30	2016 Radio Shack	
	Principal	Interest
2020	\$ 25,513	\$ 2,664
2021	25,898	2,278
2022	26,289	1,887
2023	26,687	1,490
2024	27,090	1,087
2025-2029	57,759	908
Total	<u>\$ 189,236</u>	<u>\$ 10,314</u>

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

13. LONG TERM OBLIGATIONS (CONTINUED)

The table below presents current year changes in business-type obligations, and the current portions due for each issue.

	Outstanding 7/1/2018	Issued	Matured and Redeemed	Outstanding 6/30/2019	Due Within One Year
Business-type Activities:					
Other Debt					
Sewer Fund Bonds:					
Series 2011	\$ 1,850,000	\$ -	\$ 910,000	\$ 940,000	\$ 940,000
Series 2017	752,000	-	-	752,000	-
Water Fund Bonds:					
Series 2017	4,533,000	-	313,000	4,220,000	322,000
Bond Premium	114,704	-	58,080	56,624	56,624
Bond Subtotal	7,249,704	-	1,281,080	5,968,624	1,318,624
Direct Placements and Borrowings					
Water Fund Loans:	2,787,498	-	75,940	2,711,558	116,616
Total Debt	10,037,202	-	1,357,020	8,680,182	1,435,240
Compensated Absences	41,158	6,242	-	47,400	11,850
Total Compensated Absences	41,158	6,242	-	47,400	11,850
Total business-type activities	<u>\$ 10,078,360</u>	<u>\$ 6,242</u>	<u>\$ 1,357,020</u>	<u>\$ 8,727,582</u>	<u>\$ 1,447,090</u>

Bonds

Series 2011: original amount \$7,285,000; interest rate from 2.0% to 4.0%; final payment due February 1, 2020

\$ 940,000

Series 2017: original amount \$5,600,000; interest rate 2.58%; final payment due March 1, 2032

4,972,000

Total Bonds

\$ 5,912,000

Loans - Direct Borrowings and Placements

IFA Safe Drinking Water Loan: original amount \$1,715,000; interest rate 3.46%; final payment due December 1, 2018

\$ 2,711,558

Total Loans

\$ 2,711,558

Series 2017 bond is a refunding bond of the Oregon ECDD Loan and the Series 2014 Bond Anticipation Note.

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

13. LONG TERM OBLIGATIONS (CONTINUED)

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

Year Ending June 30	2011 Refunding Bond		Year Ending June 30	2017 Refunding Bond	
	Principal	Interest		Principal	Interest
2020	\$ 940,000	\$ 37,600	2020	\$ 322,000	\$ 128,278
2021	-	-	2021	384,000	119,970
2022	-	-	2022	395,000	110,062
2023	-	-	2023	405,000	99,872
2024	-	-	2024	416,000	89,422
2025-2029	-	-	2025-2029	2,241,000	280,860
2030-2034	-	-	2030-2034	809,000	33,538
Total	\$ 940,000	\$ 37,600	Total	\$ 4,972,000	\$ 862,002

Year Ending June 30	Total of All Bonds	
	Principal	Interest
2020	\$ 1,262,000	\$ 165,878
2021	384,000	119,970
2022	395,000	110,062
2023	405,000	99,872
2024	416,000	89,422
2025-2029	2,241,000	280,860
2030-2034	809,000	33,538
Total	\$ 5,912,000	\$ 899,602

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

Year Ending June 30	IFA 2014		Year Ending June 30	2018 Clean Water State Revolving Fund Loan	
	Principal	Interest		Principal	Interest
2020	\$ 38,866	\$ 34,599	2020	\$ 77,750	\$ 27,076
2021	38,727	33,279	2021	78,999	25,827
2022	40,821	31,914	2022	80,268	24,558
2023	42,234	30,502	2023	81,557	23,269
2024	43,695	29,041	2024	82,868	21,958
2025-2029	242,226	121,452	2025-2029	434,739	89,391
2030-2034	287,133	76,545	2030-2034	470,798	53,332
2035-2039	266,269	23,357	2035-2039	404,608	14,701
Total	\$ 999,971	\$ 380,689	Total	\$ 1,711,587	\$ 280,112

Year Ending June 30	Total of All Loans	
	Principal	Interest
2020	\$ 116,616	\$ 61,675
2021	117,726	59,106
2022	121,089	56,472
2023	123,791	53,771
2024	126,563	50,999
2025-2029	676,965	210,843
2030-2034	757,931	129,877
2035-2039	670,877	38,058
Total	\$ 2,711,558	\$ 660,801

**CITY OF DALLAS
POLK COUNTY, OREGON**

NOTES TO BASIC FINANCIAL STATEMENTS

14. DEFICIT FUND BALANCE

The Grants Fund had a deficit fund balance at June 30, 2019 of (\$41,995). The deficit will be financed through future revenues.

15. DEFERRED COMPENSATION PLAN

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

16. RISK MANAGEMENT

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

17. PROPERTY TAX LIMITATION

The voters of the State of Oregon imposed a constitutional limit on property taxes for schools and nonschool government operations. The limitation provides that property taxes for nonschool operations are limited to \$10.00 for each \$1,000 of property market value. Local government taxes in the City currently do not exceed the \$10.00 rate limit; however, this limitation may affect the availability of future tax revenues for the City. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

The state voters further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction was accomplished by rolling property values for 1997-98 back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions. The Constitution also sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

18. TAX ABATEMENTS

As of June 30, 2019, the City potentially had tax abatements through various state allowed programs that impacted levied taxes and would require disclosure under GASB 77. Based on the information available from the county as of the date of issuance of these basic financial statements, the amount of abatements for the year ended June 30, 2019 is deemed immaterial.

CITY OF DALLAS
POLK COUNTY, OREGON

NOTES TO BASIC FINANCIAL STATEMENTS

19. PRIOR PERIOD ADJUSTMENT

The City reported a prior period adjustment in the amount of \$677,171 in the General Fund and System Development Fund to account for Interfund Loans that were not previously presented.

**CITY OF DALLAS
POLK COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2019**

<u>GENERAL FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Property taxes	\$ 4,200,000	\$ 4,200,000	\$ 4,323,199	\$ 123,199
Public Services taxes	1,042,000	1,060,000	915,753	(144,247)
Franchise fees	1,417,000	1,417,000	1,302,982	(114,018)
Charges for services	2,380,000	2,380,000	2,318,020	(61,980)
Licenses and permits	2,200	2,200	2,628	428
Fines and forfeitures	235,000	235,000	233,146	(1,854)
Interest	50,000	50,000	134,020	84,020
Miscellaneous Revenues	150,000	359,000	464,261	105,261
Total Revenue	9,476,200	9,703,200	9,694,009	(9,191)
EXPENDITURES:				
General government	1,663,500	1,663,500	1,535,674	127,826
Public safety	6,747,400	6,881,400	6,248,617	632,783
Culture and recreation	576,650	576,650	552,644	24,006
Community development	1,426,400	1,605,400	1,471,578	133,822
Debt Service				
Principal	136,894	136,894	110,549	26,345
Interest	29,631	29,631	20,646	8,985
Contingency	100,000	37,000	-	37,000
Total Expenditures	10,680,475	10,930,475	9,939,708	990,767
Excess of Revenues Over, (Under) Expenditures	(1,204,275)	(1,227,275)	(245,699)	981,576
Other Financing Sources, (Uses)				
Proceeds from sale of capital assets	-	51,000	51,000	-
Transfers In	1,388,800	1,388,800	1,444,806	56,006
Transfers Out	(424,885)	(622,885)	(606,250)	16,635
Total Other Financing Sources, (Uses)	963,915	816,915	889,556	72,641
Net Change in Fund Balance	(240,360)	(410,360)	643,857	1,054,217
Beginning Fund Balance	1,725,000	1,895,000	2,277,450	382,450
Ending Fund Balance	<u>\$ 1,484,640</u>	<u>\$ 1,484,640</u>	2,921,307	<u>\$ 1,436,667</u>
Reconciliation to Governmental Fund Balance				
Ending Fund Balance:				
Improvement Fund			662	
Interfund Loan (Note 11)			(607,753)	
Fund Balance			<u>\$ 2,314,216</u>	

CITY OF DALLAS
POLK COUNTY, OREGON

GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Administration:				
Personnel services	\$ 591,000	\$ 591,000	\$ 558,370	\$ 32,630
Materials and services	177,500	177,500	146,779	30,721
Subtotal	<u>768,500</u>	<u>768,500 (1)</u>	<u>705,149</u>	<u>63,351</u>
Finance:				
Personnel services	430,000	430,000	387,202	42,798
Materials and services	271,000	271,000	257,958	13,042
Subtotal	<u>701,000</u>	<u>701,000 (1)</u>	<u>645,160</u>	<u>55,840</u>
Facilities:				
Personnel services	119,000	119,000	107,065	11,935
Materials and services	75,000	75,000	78,300	(3,300)
Subtotal	<u>194,000</u>	<u>194,000 (1)</u>	<u>185,365</u>	<u>8,635</u>
Municipal court:				
Personnel services	118,000	118,000	104,359	13,641
Materials and services	131,600	131,600	135,225	(3,625)
Subtotal	<u>249,600</u>	<u>249,600 (1)</u>	<u>239,584</u>	<u>10,016</u>
Ambulance department:				
Personnel services	1,380,000	1,409,000	1,356,655	52,345
Materials and services	422,000	442,000	391,462	50,538
Loan payments	45,750	45,750	29,121	16,629
Transfer out	10,000	10,000	10,000	-
Subtotal	<u>1,857,750</u>	<u>1,906,750 (1)</u>	<u>1,787,238</u>	<u>119,512</u>
Fire department:				
Personnel services	540,000	585,000	509,323	75,677
Materials and services	495,000	535,000	481,740	53,260
Loan payments	22,135	22,135	22,135	-
Transfer out	80,000	80,000	80,000	-
Debt service				
Principal	63,230	63,230	36,885	26,345
Interest	16,900	16,900	7,928	8,972
Subtotal	<u>1,217,265</u>	<u>1,302,265 (1)</u>	<u>1,138,011</u>	<u>164,254</u>
Police department:				
Personnel services	3,117,000	3,117,000	2,751,317	365,683
Materials and services	543,800	543,800	518,536	25,264
Transfer out	14,000	14,000	14,000	-
Subtotal	<u>3,674,800</u>	<u>3,674,800 (1)</u>	<u>3,283,853</u>	<u>390,947</u>

Continued on page 39B

CITY OF DALLAS
POLK COUNTY, OREGON

GENERAL FUND - BUDGETARY BASIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Library:				
Personnel services	\$ 475,000	\$ 475,000	\$ 468,368	\$ 6,632
Materials and services	101,650	101,650	84,276	17,374
Subtotal	<u>576,650</u>	<u>576,650</u> (1)	<u>552,644</u>	<u>24,006</u>
Community development - Parks:				
Personnel services	260,000	260,000	260,090	(90)
Materials and services	90,500	234,500	138,162	96,338
Transfer out	8,300	8,300	8,300	-
Subtotal	<u>358,800</u>	<u>502,800</u> (1)	<u>406,552</u>	<u>96,248</u>
Community development - Aquatic center:				
Personnel services	475,000	510,000	504,990	5,010
Materials and services	313,600	313,600	308,835	4,765
Loan payments	21,700	21,700	21,694	6
Subtotal	<u>810,300</u>	<u>845,300</u> (1)	<u>835,519</u>	<u>9,781</u>
Community development - Planning department:				
Personnel services	238,000	238,000	228,447	9,553
Materials and services	49,300	49,300	31,054	18,246
Subtotal	<u>287,300</u>	<u>287,300</u> (1)	<u>259,501</u>	<u>27,799</u>
Non-departmental				
Transfer out	223,000	421,000 (1)	421,000	-
Debt service				
Principal	73,664	73,664 (2)	73,664	-
Interest	12,731	12,731 (2)	12,718	13
Subtotal	<u>309,395</u>	<u>507,395</u>	<u>507,382</u>	<u>13</u>
Total Expenditures	<u>\$ 11,005,360</u>	<u>\$ 11,516,360</u>	<u>\$ 10,545,958</u>	<u>\$ 970,402</u>

(1) Appropriation Level

(2) Sum Equals Appropriation Level

Continued from page 39A

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2019**

STREET FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Public service taxes	\$ 1,250,000	\$ 1,250,000	\$ 1,151,095	\$ (98,905)
Interest	25,000	25,000	89,286	64,286
Miscellaneous	40,000	40,000	95,753	55,753
Total Revenues	1,315,000	1,315,000	1,336,134	21,134
EXPENDITURES:				
Personnel services	325,000	325,000 (2)	261,616	63,384
Materials and services	311,900	311,900 (2)	325,778	(13,878)
Capital outlay	508,500	508,500 (2)	201,665	306,835
Contingencies	1,166,250	1,166,250 (1)	-	1,166,250
Total Expenditures	2,311,650	2,311,650	789,059	1,522,591
Excess of Revenues Over, (Under) Expenditures	(996,650)	(996,650)	547,075	1,543,725
Other Financing (Uses):				
Transfers Out	(103,350)	(103,350) (1)	(103,350)	-
Total Other Financing (Uses)	(103,350)	(103,350)	(103,350)	-
Net Change in Fund Balance	(1,100,000)	(1,100,000)	443,725	1,543,725
Beginning Fund Balance	1,100,000	1,100,000	1,464,543	364,543
Ending Fund Balance	\$ -	\$ -	\$ 1,908,268	\$ 1,908,268

(1) Appropriation Level

(2) Sum Equals Appropriation Level

**CITY OF DALLAS
POLK COUNTY, OREGON**

REQUIRED SUPPLEMENTARY INFORMATION

At June 30, 2019

PERS

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) Employer's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.053 %	\$ 8,056,883	\$ 5,171,562	155.8 %	82.1 %
2018	0.054	7,292,200	4,665,098	156.3	83.1
2017	0.057	8,601,061	4,385,631	196.1	80.5
2016	0.062	3,564,536	4,347,982	82.0	91.9
2015	0.065	(1,463,347)	4,301,804	(34.0)	103.6
2014	0.065	3,294,492	4,359,208	75.6	92.0

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are 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.

SCHEDULE OF CONTRIBUTIONS

Year	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2019	\$ 940,036	\$ 940,036	\$ -	\$ 5,379,911	17.5 %
2018	914,094	914,094	-	5,171,562	17.7
2017	671,043	671,043	-	4,665,098	14.4
2016	635,399	635,399	-	4,385,631	14.5
2015	733,439	733,439	-	4,347,982	16.9
2014	764,158	764,158	-	4,301,804	17.8

The amounts presented for each fiscal year were actuarially determined at 12/31 and rolled forward to the measurement date of 6/30 for each year presented.

These schedules are 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.

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**CITY OF DALLAS
POLK COUNTY, OREGON**

SUPPLEMENTARY INFORMATION

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**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2019**

<u>SYSTEM DEVELOPMENT FUND</u>				
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
System Development Charges	\$ 2,060,000	\$ 2,060,000	\$ 1,971,121	\$ (88,879)
Total Revenues	<u>2,060,000</u>	<u>2,060,000</u>	<u>1,971,121</u>	<u>(88,879)</u>
EXPENDITURES:				
Transportation	745,700	745,700 (1)	78,836	666,864
Park	1,166,275	1,166,275 (1)	179,093	987,182
Water	2,187,750	2,187,750 (1)	383,836	1,803,914
Sewer	5,586,710	5,586,710 (1)	4,752	5,581,958
Storm	429,925	429,925 (1)	-	429,925
Total Expenditures	<u>10,116,360</u>	<u>10,116,360</u>	<u>646,517</u>	<u>9,469,843</u>
Excess of Revenues Over, (Under) Expenditures	(8,056,360)	(8,056,360)	1,324,604	9,380,964
Other Financing (Uses)				
Transfers in	99,585	99,585	82,951	(16,634)
Transfers out	(441,900)	(441,900) (1)	(344,922)	96,978
Total Other Financing Sources (Uses)	<u>(342,315)</u>	<u>(342,315)</u>	<u>(261,971)</u>	<u>96,978</u>
Net Change in Fund Balance	(8,398,675)	(8,398,675)	1,062,633	9,461,308
Beginning Fund Balance	<u>8,398,675</u>	<u>8,398,675</u>	<u>9,090,639</u>	<u>691,964</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	10,153,272	<u>\$ 10,153,272</u>
Reconciliation to Governmental Fund Balance				
Interfund Loan (Note 11)			607,753	
Fund Balance			<u>\$ 10,761,025</u>	

(1) Appropriation Level. Transfers Out are Included in the Functions above on the Budget Resolution

**CITY OF DALLAS
POLK COUNTY, OREGON**

**COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2019**

	NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR GENERAL LONG-TERM DEBT FUND	NONMAJOR GENERAL OBLIGATION BOND FUND	NONMAJOR CAPITAL PROJECTS FUND	TOTAL
ASSETS:					
Cash and Investments	\$ 1,607,059	\$ 11	\$ 375,747	\$ 16,071	\$ 1,998,888
Cash Held with County	1,268	-	3,087	-	4,355
Accounts Receivable	431,277	-	-	-	431,277
Property Taxes Receivable	6,906	-	19,235	-	26,141
Total Assets	\$ 2,046,510	\$ 11	\$ 398,069	\$ 16,071	\$ 2,460,661
LIABILITIES:					
Accounts Payable	\$ 448,209	\$ -	\$ -	\$ 4,012	\$ 452,221
Due to Other Funds	14,818	-	-	-	14,818
Total Liabilities	463,027	-	-	4,012	467,039
DEFERRED INFLOWS:					
Unavailable Property Taxes Revenues	6,906	-	19,235	-	26,141
Total Deferred inflows	6,906	-	19,235	-	26,141
FUND BALANCES:					
Restricted	1,360,402	11	378,834	12,059	1,751,306
Committed	258,170	-	-	-	258,170
Unassigned	(41,995)	-	-	-	(41,995)
Total Fund Balances	1,576,577	11	378,834	12,059	1,967,481
Total Liabilities, Deferred Inflows, and Fund Balances	\$ 2,046,510	\$ 11	\$ 398,069	\$ 16,071	\$ 2,460,661

CITY OF DALLAS
POLK COUNTY, OREGON

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2019

	NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR GENERAL LONG-TERM DEBT FUND	NONMAJOR GENERAL OBLIGATION BOND FUND	NONMAJOR CAPITAL PROJECTS FUND	TOTAL
REVENUES:					
Property Taxes	\$ 202,111	\$ -	\$ 467,952	\$ -	\$ 670,063
Licenses and Permits	583,539	-	-	-	583,539
Fees	264,374	-	-	-	264,374
Grants	599,193	-	-	-	599,193
Contributions	102,668	-	-	-	102,668
Interest	15,157	-	-	-	15,157
Miscellaneous	122,569	142,304	-	79,476	344,349
Total Revenues	1,889,611	142,304	467,952	79,476	2,579,343
EXPENDITURES:					
General Government	895,648	-	-	625,475	1,521,123
Culture and Recreation	170,292	-	-	-	170,292
Community Development	793,995	-	-	-	793,995
Debt Service:					
Principal	-	80,000	420,000	28,176	528,176
Interest	-	62,304	16,800	-	79,104
Total Expenditures	1,859,935	142,304	436,800	653,651	3,092,690
Excess of Revenues Over, (Under) Expenditures	29,676	-	31,152	(574,175)	(513,347)
Other Financing Sources, (Uses):					
Transfers In	537,000	-	-	394,022	931,022
Transfers Out	(219,907)	-	-	-	(219,907)
Total Other Financing Sources, (Uses)	317,093	-	-	394,022	711,115
Net Change in Fund Balance	346,769	-	31,152	(180,153)	197,768
Beginning Fund Balance	1,229,808	11	347,682	192,212	1,769,713
Ending Fund Balance	\$ 1,576,577	\$ 11	\$ 378,834	\$ 12,059	\$ 1,967,481

**CITY OF DALLAS
POLK COUNTY, OREGON**
**COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
June 30, 2019**

	RISK MANAGEMENT FUND	GRANTS FUND	POLICE OFFICER AND FIRE- FIGHTER/EMS FEE FUND	BUILDING INSPECTIONS FUND	TRUST/ RESERVE FUND	URBAN RENEWAL FUND	TOTAL
ASSETS:							
Cash and Investments	\$ 182,967	\$ -	\$ 53,704	\$ 670,905	\$ 233,601	\$ 465,882	\$ 1,607,059
Cash Held with County	-	-	-	-	-	1,268	1,268
Accounts Receivable	-	409,778	21,499	-	-	-	431,277
Property Taxes Receivable	-	-	-	-	-	6,906	6,906
Total Assets	<u>\$ 182,967</u>	<u>\$ 409,778</u>	<u>\$ 75,203</u>	<u>\$ 670,905</u>	<u>\$ 233,601</u>	<u>\$ 474,056</u>	<u>\$ 2,046,510</u>
LIABILITIES:							
Accounts Payable	\$ -	\$ 436,955	\$ -	\$ 1,330	\$ 7,924	\$ 2,000	\$ 448,209
Due to Other Funds	-	14,818	-	-	-	-	14,818
Total Liabilities	<u>-</u>	<u>451,773</u>	<u>-</u>	<u>1,330</u>	<u>7,924</u>	<u>2,000</u>	<u>463,027</u>
DEFERRED INFLOWS:							
Unavailable Property Taxes Revenues	-	-	-	-	-	6,906	6,906
Total Deferred inflows	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,906</u>	<u>6,906</u>
FUND BALANCES:							
Restricted	-	-	-	669,575	225,677	465,150	1,360,402
Committed	182,967	-	75,203	-	-	-	258,170
Unassigned	-	(41,995)	-	-	-	-	(41,995)
Total Fund Balances	<u>182,967</u>	<u>(41,995)</u>	<u>75,203</u>	<u>669,575</u>	<u>225,677</u>	<u>465,150</u>	<u>1,576,577</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 182,967</u>	<u>\$ 409,778</u>	<u>\$ 75,203</u>	<u>\$ 670,905</u>	<u>\$ 233,601</u>	<u>\$ 474,056</u>	<u>\$ 2,046,510</u>

CITY OF DALLAS
POLK COUNTY, OREGON

COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2019

	RISK MANAGEMENT FUND	GRANTS FUND	POLICE OFFICER AND FIRE- FIGHTER/EMS FEE FUND	BUILDING INSPECTIONS FUND	TRUST/ RESERVE FUND	URBAN RENEWAL FUND	TOTAL
REVENUES:							
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 202,111	\$ 202,111
Licenses and Permits	-	-	-	583,539	-	-	583,539
Fees	-	-	264,374	-	-	-	264,374
Grants	-	599,193	-	-	-	-	599,193
Contributions	-	-	-	-	102,668	-	102,668
Interest	-	-	-	-	-	15,157	15,157
Miscellaneous	90,757	-	-	406	-	31,406	122,569
Total Revenues	90,757	599,193	264,374	583,945	102,668	248,674	1,889,611
EXPENDITURES:							
General Government	-	555,039	189,171	-	-	151,438	895,648
Culture and Recreation	-	-	-	-	170,292	-	170,292
Community Development	435,677	-	-	358,318	-	-	793,995
Total Expenditures	435,677	555,039	189,171	358,318	170,292	151,438	1,859,935
Excess of Revenues Over, (Under) Expenditures	(344,920)	44,154	75,203	225,627	(67,624)	97,236	29,676
Other Financing Sources, (Uses):							
Transfers In	405,500	-	-	51,500	80,000	-	537,000
Transfers Out	-	(81,025)	-	(52,500)	-	(86,382)	(219,907)
Total Other Financing Sources, (Uses)	405,500	(81,025)	-	(1,000)	80,000	(86,382)	317,093
Net Change in Fund Balance	60,580	(36,871)	75,203	224,627	12,376	10,854	346,769
Beginning Fund Balance	122,387	(5,124)	-	444,948	213,301	454,296	1,229,808
Ending Fund Balance	\$ 182,967	\$ (41,995)	\$ 75,203	\$ 669,575	\$ 225,677	\$ 465,150	\$ 1,576,577

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2019**

RISK MANAGEMENT FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 90,757	\$ 80,757
Total Revenue	10,000	10,000	90,757	80,757
EXPENDITURES:				
Materials and services	450,000	625,500 (1)	435,677	189,823
Total Expenditures	450,000	625,500	435,677	189,823
Excess of Revenues Over, (Under) Expenditures	(440,000)	(615,500)	(344,920)	270,580
Other Financing Sources, (Uses)				
Transfers In	340,000	515,500	405,500	(110,000)
Total Other Financing Sources, (Uses)	340,000	515,500	405,500	(110,000)
Net Change in Fund Balance	(100,000)	(100,000)	60,580	160,580
Beginning Fund Balance	100,000	100,000	122,387	22,387
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 182,967</u>	<u>\$ 182,967</u>

(1) Appropriation Level

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2019**

	<u>GRANT FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Grants	\$ 1,903,000	\$ 1,903,000	\$ 599,193	\$ (1,303,807)
Total Revenues	<u>1,903,000</u>	<u>1,903,000</u>	<u>599,193</u>	<u>(1,303,807)</u>
EXPENDITURES:				
Public Works	220,000	220,000 (1)	40,062	179,938
Fire	25,000	25,000 (2)	25,000	-
Police	5,000	5,000 (1)	6,371	(1,371)
Library	6,000	6,000 (1)	4,380	1,620
General - Community Development Block	<u>1,500,000</u>	<u>1,500,000 (1)</u>	<u>479,226</u>	<u>1,020,774</u>
Total Expenditures	<u>1,756,000</u>	<u>1,756,000</u>	<u>555,039</u>	<u>1,200,961</u>
Excess of Revenues Over Expenditures	147,000	147,000	44,154	(102,846)
Other Financing Sources (Uses):				
Transfers Out	<u>(150,000)</u>	<u>(150,000) (2)</u>	<u>(81,025)</u>	<u>68,975</u>
Total Other Financing Sources (Uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(81,025)</u>	<u>68,975</u>
Net Change in Fund Balance	(3,000)	(3,000)	(36,871)	(33,871)
Beginning Fund Balance	<u>3,000</u>	<u>3,000</u>	<u>(5,124)</u>	<u>(8,124)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (41,995)</u>	<u>\$ (41,995)</u>

- (1) Appropriation Level
(2) Sum Equals Appropriation Level

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2019**

POLICE OFFICER FEE AND FIREFIGHTER/EMS FEE FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Fees	\$ -	\$ 215,000	\$ 264,374	\$ 49,374
Total Revenue	<u>-</u>	<u>215,000</u>	<u>264,374</u>	<u>49,374</u>
EXPENDITURES:				
Police Salaries	-	75,000 (1)	62,784	12,216
Police Benefits	-	35,000 (1)	27,815	7,185
Firefighter/EMS Salaries	-	70,000 (1)	61,677	8,323
Firefighter/EMS Benefits	-	35,000 (1)	36,895	(1,895)
Total Expenditures	<u>-</u>	<u>215,000</u>	<u>189,171</u>	<u>25,829</u>
Net Change in Fund Balance	-	-	75,203	75,203
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,203</u>	<u>\$ 75,203</u>
(1) Appropriation Level				

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2019**

BUILDING INSPECTIONS FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Licenses and Permits	\$ 625,000	\$ 625,000	\$ 583,539	\$ (41,461)
Miscellaneous	1,000	1,000	406	(594)
Total Revenue	<u>626,000</u>	<u>626,000</u>	<u>583,945</u>	<u>(42,055)</u>
EXPENDITURES:				
Personnel services	373,000	373,000 (2)	319,386	53,614
Materials and services	39,500	39,500 (2)	38,932	568
Contingency	592,500	592,500 (1)	-	592,500
Total Expenditures	<u>1,005,000</u>	<u>1,005,000</u>	<u>358,318</u>	<u>646,682</u>
Excess of Revenues Over, (Under) Expenditures	(379,000)	(379,000)	225,627	604,627
Other Financing Sources, (Uses)				
Transfers In	51,500	51,500	51,500	-
Transfers Out	(52,500)	(52,500) (1)	(52,500)	-
Total Other Financing Sources, (Uses)	<u>(1,000)</u>	<u>(1,000)</u>	<u>(1,000)</u>	<u>-</u>
Net Change in Fund Balance	<u>(380,000)</u>	<u>(380,000)</u>	<u>224,627</u>	<u>604,627</u>
Beginning Fund Balance	<u>380,000</u>	<u>380,000</u>	<u>444,948</u>	<u>64,948</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 669,575</u>	<u>\$ 669,575</u>

(1) Appropriation Level
(2) Sum Equals Appropriation Level

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2019**

<u>TRUST/RESERVE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Contributions	\$ 160,500	\$ 195,500	\$ 102,668	\$ (92,832)
Total Revenues	<u>160,500</u>	<u>195,500</u>	<u>102,668</u>	<u>(92,832)</u>
EXPENDITURES:				
Trust Expenditures				
Park	50,000	50,000 (1)	34,350	15,650
Police	20,000	20,000 (1)	4,610	15,390
Fire	204,000	204,000 (1)	50,690	153,310
Library	70,000	70,000 (1)	45,133	24,867
Glow Run	-	5,000 (1)	-	5,000
Aquatic	-	30,000 (1)	-	30,000
General	13,000	13,000 (1)	35,509	(22,509)
Total Expenditures	<u>357,000</u>	<u>392,000</u>	<u>170,292</u>	<u>221,708</u>
Excess of Revenues Over, (Under) Expenditures	(196,500)	(196,500)	(67,624)	128,876
Other Financing Sources, (Uses):				
Transfer In	-	-	80,000	80,000
Total Other Financing Sources, (Uses)	<u>-</u>	<u>-</u>	<u>80,000</u>	<u>80,000</u>
Net Change in Fund Balance	(196,500)	(196,500)	12,376	208,876
Beginning Fund Balance	<u>196,500</u>	<u>196,500</u>	<u>213,301</u>	<u>16,801</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225,677</u>	<u>\$ 225,677</u>

(1) Appropriation Level

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2019**

<u>URBAN RENEWAL FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Property Taxes	\$ 185,500	\$ 185,500	\$ 202,111	\$ 16,611
Interest	3,000	3,000	15,157	12,157
Miscellaneous	1,000	1,000	31,406	30,406
Total Revenues	189,500	189,500	248,674	59,174
EXPENDITURES:				
Personnel Services	22,700	22,700 (2)	22,962	(262)
Materials and Services	108,000	138,000 (2)	56,052	81,948
Capital Outlay	225,000	225,000 (2)	72,424	152,576
Contingencies	96,000	66,000 (1)	-	66,000
Total Expenditures	451,700	451,700	151,438	300,262
Excess of Revenues Over, (Under) Expenditures	(262,200)	(262,200)	97,236	359,436
Other Financing (Uses):				
Transfers Out	(86,400)	(86,400) (1)	(86,382)	18
Total Other Financing Sources (Uses)	(86,400)	(86,400)	(86,382)	18
Net Change in Fund Balance	(348,600)	(348,600)	10,854	359,454
Beginning Fund Balance	435,000	435,000	454,296	19,296
Ending Fund Balance	\$ 86,400	\$ 86,400	\$ 465,150	\$ 378,750

(1) Appropriation Level

(2) Sum Equals Appropriation Level

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2019**

<u>GENERAL LONG-TERM DEBT FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Miscellaneous	\$ 142,304	\$ 142,304	\$ 142,304	\$ -
Total Revenues	<u>142,304</u>	<u>142,304</u>	<u>142,304</u>	<u>-</u>
EXPENDITURES:				
Debt Service				
Principal	80,000	80,000	80,000	-
Interest	<u>62,304</u>	<u>62,304</u>	<u>62,304</u>	<u>-</u>
Total Expenditures	<u>142,304</u>	<u>142,304</u> (1)	<u>142,304</u>	<u>-</u>
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	<u>-</u>	<u>-</u>	<u>11</u>	<u>11</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 11</u>

(1) Appropriation Level

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2019**

GENERAL OBLIGATION BOND FUND

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)</u>
REVENUES:				
Property Taxes	\$ 105,000	\$ 105,000	\$ 467,952	\$ 362,952
Total Revenue	<u>105,000</u>	<u>105,000</u>	<u>467,952</u>	<u>362,952</u>
EXPENDITURES:				
Debt service				
Principal	420,000	420,000	420,000	-
Interest	<u>16,800</u>	<u>16,800</u>	<u>16,800</u>	<u>-</u>
Total Expenditures	<u>436,800</u>	<u>436,800 (1)</u>	<u>436,800</u>	<u>-</u>
Net Change in Fund Balance	(331,800)	(331,800)	31,152	362,952
Beginning Fund Balance	<u>350,000</u>	<u>350,000</u>	<u>347,682</u>	<u>(2,318)</u>
Ending Fund Balance	<u>\$ 18,200</u>	<u>\$ 18,200</u>	<u>\$ 378,834</u>	<u>\$ 360,634</u>

(1) Appropriation Level

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2019**

	<u>CAPITAL PROJECTS FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	
REVENUES:				
Miscellaneous	\$ -	\$ -	\$ 79,476	\$ 79,476
Total Revenues	<u>-</u>	<u>-</u>	<u>79,476</u>	<u>79,476</u>
EXPENDITURES:				
Aquatic Center	90,000	110,000 (1)	77,200	32,800
EMS	218,000	303,000 (1)	272,624	30,376
Facilities	100,000	150,000 (1)	115,340	34,660
Finance	13,000	13,000 (1)	8,788	4,212
Fire	665,000	665,000 (1)	75,040	589,960
Library	5,500	20,500 (1)	18,807	1,693
Police	65,000	65,000 (1)	57,676	7,324
Debt Service	28,177	28,177 (1)	28,176	1
Contingencies	51,323	51,323 (1)	-	51,323
Total Expenditures	<u>1,236,000</u>	<u>1,406,000</u>	<u>653,651</u>	<u>752,349</u>
Excess of Revenues Over Expenditures	<u>(1,236,000)</u>	<u>(1,406,000)</u>	<u>(574,175)</u>	<u>831,825</u>
Other Financing Sources (Uses):				
Sale of Capital Assets	100,000	100,000	-	(100,000)
Finance Proceeds	600,000	600,000	-	(600,000)
Transfers In	321,000	504,000	394,022	(109,978)
Total Other Financing Sources (Uses)	<u>1,021,000</u>	<u>1,204,000</u>	<u>394,022</u>	<u>(809,978)</u>
Net Change in Fund Balance	(215,000)	(202,000)	(180,153)	21,847
Beginning Fund Balance	<u>215,000</u>	<u>215,000</u>	<u>192,212</u>	<u>(22,788)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ 13,000</u>	<u>\$ 12,059</u>	<u>\$ (941)</u>

(1) Appropriation Level

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2019**

	<u>IMPROVEMENT FUND</u>			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u></u>
REVENUES:				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-
EXPENDITURES:				
Miscellaneous	-	-	-	-
Total Expenditures	-	-	-	-
Net Change in Fund Balance	-	-	-	-
Beginning Fund Balance	-	-	662	662
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 662</u>	<u>\$ 662</u>

(1) Appropriation Level

Note: This fund's activities have been combined with the General Fund activities in accordance with GASB #54 due to no substantial funding received from committed or restricted sources.

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2019**

<u>SEWER ENTERPRISE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Charges for Services	\$ 3,400,000	\$ 3,400,000	\$ 3,557,368	\$ 157,368
Interest	35,000	35,000	57,261	22,261
Miscellaneous	75,000	75,000	78,654	3,654
Total Revenues	3,510,000	3,510,000	3,693,283	183,283
EXPENDITURES:				
Personnel Services	630,000	630,000 (2)	530,935	99,065
Materials and Services	1,151,500	1,151,500 (2)	1,056,357	95,143
Capital Outlay	4,913,000	4,913,000 (2)	712,661	4,200,339
Debt Service:				
Principal	1,175,000	1,175,000 (3)	910,000	265,000
Interest	177,402	177,402 (3)	93,401	84,001
Contingency	272,098	272,098 (1)	-	272,098
Total Expenditures	8,319,000	8,319,000	3,303,354	5,015,646
Excess of Revenues Over Expenditures	(4,809,000)	(4,809,000)	389,929	(5,198,929)
Other Financing Sources, (Uses)				
Finance Proceeds	4,360,000	4,360,000	-	(4,360,000)
Transfers Out	(601,000)	(601,000) (1)	(601,000)	-
Total Other Financing Sources, (Uses)	3,759,000	3,759,000	(601,000)	4,360,000
Net Change in Fund Balance	(1,050,000)	(1,050,000)	(211,071)	838,929
Beginning Fund Balance	1,050,000	1,050,000	1,030,640	(19,360)
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	819,569	<u>\$ 819,569</u>
RECONCILIATION TO NET POSITION				
Capital Assets, net			16,992,181	
Inventory			24,974	
Loans Payable			(1,749,353)	
Accrued Interest			(22,134)	
Compensated absences			(12,735)	
Net pension liability - PERS			(508,359)	
Pension Deferred Outflows - PERS			208,636	
Pension Deferred Inflows - PERS			(48,777)	
TOTAL NET POSITION			<u>\$ 15,704,002</u>	

- (1) Appropriation Level
(2) Sum Equals Appropriation Level
(3) Sum Equals Appropriation Level

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET- BUDGETARY BASIS
For the Year Ended June 30, 2019**

<u>WATER ENTERPRISE FUND</u>				VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Charges for Services	\$ 2,612,000	\$ 2,612,000	\$ 2,840,818	\$ 228,818
Interest	70,000	70,000	148,325	78,325
Miscellaneous	85,000	85,000	121,486	36,486
Total Revenues	<u>2,767,000</u>	<u>2,767,000</u>	<u>3,110,629</u>	<u>343,629</u>
EXPENDITURES:				
Personnel Services	708,000	843,000 (2)	843,519	(519)
Materials and Services	614,500	694,500 (2)	722,052	(27,552)
Capital Outlay	327,000	327,000 (2)	253,904	73,096
Debt Service:				
Principal	389,669	389,669 (3)	389,669	-
Interest	150,259	179,159 (3)	179,126	33
Contingencies	2,477,572	2,233,672 (1)	-	2,233,672
Total Expenditures	<u>4,667,000</u>	<u>4,667,000</u>	<u>2,388,270</u>	<u>2,278,730</u>
Excess of Revenues Over Expenditures	(1,900,000)	(1,900,000)	722,359	2,622,359
Other Financing Sources, (Uses)				
Transfers Out	(480,000)	(480,000) (1)	(480,000)	-
Total Other Financing Sources, (Uses)	<u>(480,000)</u>	<u>(480,000)</u>	<u>(480,000)</u>	<u>-</u>
Net Change in Fund Balance	(2,380,000)	(2,380,000)	242,359	2,622,359
Beginning Fund Balance	<u>2,380,000</u>	<u>2,380,000</u>	<u>2,366,577</u>	<u>(13,423)</u>
Ending Fund Balance	<u>\$ -</u>	<u>\$ -</u>	2,608,936	<u>\$ 2,608,936</u>

RECONCILIATION TO NET POSITION:

Capital Assets, net	17,868,692
Inventory	214,899
Compensated absences	(32,931)
Long-term Debt	(6,930,829)
Accrued Interest	(66,411)
Net pension liability - PERS	(428,710)
Pension Deferred Outflows - PERS	175,947
Pension Deferred Inflows - PERS	(41,135)
TOTAL NET POSITION	<u><u>\$ 13,368,458</u></u>

- (1) Appropriation Level
(2) Sum Equals Appropriation Level
(3) Sum Equals Appropriation Level

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2019**

STORM WATER ENTERPRISE FUND

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES:				
Charges for Services	\$ 200,000	\$ 200,000	\$ 210,329	\$ 10,329
Interest	3,000	3,000	5,722	2,722
Miscellaneous	5,000	5,000	100	(4,900)
Total Revenues	208,000	208,000	216,151	8,151
EXPENDITURES:				
Personnel Services	107,000	107,000 (2)	79,730	27,270
Materials and Services	67,500	67,500 (2)	60,786	6,714
Capital Outlay	57,500	57,500 (2)	20,828	36,672
Operating Contingency	52,350	14,850 (1)	-	14,850
Total Expenditures	284,350	246,850	161,344	85,506
Excess of Revenues Over Expenditures	(76,350)	(38,850)	54,807	93,657
Other Financing Sources (Uses):				
Transfers Out	(33,650)	(71,150) (1)	(71,150)	-
Total Other Financing Sources (Uses)	(33,650)	(71,150)	(71,150)	-
Net Change in Fund Balance	(110,000)	(110,000)	(16,343)	93,657
Beginning Fund Balance	110,000	110,000	101,496	(8,504)
Ending Fund Balance	\$ -	\$ -	85,153	\$ 85,153

Reconciliation to GAAP Basis:
RECONCILIATION TO NET POSITION:

Capital Assets, net	1,732,317
Compensated absences	(1,734)
Net pension liability - PERS	(72,354)
Pension Deferred Outflows - PERS	26,695
Pension Deferred Inflows - PERS	(6,942)
TOTAL NET POSITION	\$ 1,763,135

- (1) Appropriation Level
(2) Sum Equals Appropriation Level

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
ACTUAL AND BUDGET - BUDGETARY BASIS
For the Year Ended June 30, 2019**

	INTERNAL SERVICE FLEET MANAGEMENT FUND			VARIANCE TO FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES:				
Charges for Services	\$ 465,000	\$ 465,000	\$ 502,488	\$ 37,488
Total Revenues	465,000	465,000	502,488	37,488
EXPENDITURES:				
Personnel Services	235,000	235,000 (2)	215,741	19,259
Materials and Services	174,200	214,200 (2)	207,579	6,621
Capital Outlay	119,000	119,000 (2)	93,072	25,928
Contingencies	299,600	259,600 (1)	-	259,600
Total Expenditures	827,800	827,800	516,392	311,408
Excess of Revenues Over Expenditures	(362,800)	(362,800)	(13,904)	348,896
Other Financing Sources (Uses):				
Sale of capital assets	5,000	5,000	10,145	5,145
Transfers In	44,800	44,800	44,800	-
Transfers Out	(77,000)	(77,000) (1)	(77,000)	-
Total Other Financing Sources (Uses)	(27,200)	(27,200)	(22,055)	5,145
Net Change in Fund Balance	(390,000)	(390,000)	(35,959)	354,041
Beginning Fund Balance	390,000	390,000	389,077	(923)
Ending Fund Balance	\$ -	\$ -	353,118	\$ 353,118
RECONCILIATION TO NET POSITION				
Capital Assets, net			389,392	
Inventory			-	
Compensated absences			(13,423)	
Net pension liability - PERS			(195,397)	
Pension Deferred Outflows - PERS			80,197	
Pension Deferred Inflows - PERS			(18,749)	
TOTAL NET POSITION			\$ 595,138	

- (1) Appropriation Level
(2) Sum Equals Appropriation Level

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2019**

GENERAL PROPERTY TAX LEVY

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/18	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/19
Current:						
2018-19	\$ 4,437,594	\$ 118,395	\$ (345)	\$ 1,911	\$ 4,238,330	\$ 82,435
Prior Years:						
2017-18	115,068	(12)	(25,791)	2,794	55,532	36,551
2016-17	71,407	-	(21,784)	2,695	28,819	23,499
2015-16	33,656	-	(11,086)	3,948	17,510	9,008
2014-15	19,654	-	(4,573)	2,646	16,199	1,528
Prior	47,414	-	(3,804)	1,121	40,321	4,410
Total Prior	287,199	(12)	(67,038)	13,204	158,381	74,996
Total All Funds	\$ 4,724,793	\$ 118,383	\$ (67,383)	\$ 15,115	\$ 4,396,711	\$ 157,431

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 4,396,711
Taxes in Lieu	(73,513)
Change from Prior Year Unavailable Revenue	(129,768)
Total Revenue	\$ 4,193,430

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2019**

DEBT SERVICE PROPERTY TAX LEVY

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/18	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/19
Current:						
2018-19	\$ 463,530	\$ 12,367	\$ (36)	\$ 200	\$ 442,716	\$ 8,611
Prior Years:						
2017-18	14,655	(2)	(3,284)	356	7,073	4,656
2016-17	9,607	-	(2,931)	363	3,877	3,162
2015-16	5,750	-	(1,895)	675	2,992	1,538
2014-15	3,768	-	(877)	507	3,106	292
Prior	10,376	-	(1,026)	240	8,614	976
Total Prior	44,156	(2)	(10,013)	2,141	25,662	10,624
Total All Funds	\$ 507,686	\$ 12,365	\$ (10,049)	\$ 2,341	\$ 468,378	\$ 19,235

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 468,378
Taxes in Lieu	(426)
Change from Prior Year Unavailable Revenue	(24,920)
Total Revenue	<u>\$ 443,032</u>

**CITY OF DALLAS
POLK COUNTY, OREGON**

**SCHEDULE OF PROPERTY TAX TRANSACTIONS AND BALANCES
OF TAXES UNCOLLECTED
For the Year Ended June 30, 2019**

URBAN RENEWAL PROPERTY TAX LEVY

TAX YEAR	ORIGINAL LEVY OR BALANCE UNCOLLECTED AT 7/1/18	DEDUCT DISCOUNTS	ADJUSTMENTS TO ROLLS	ADD INTEREST	CASH COLLECTIONS BY COUNTY TREASURER	BALANCE UNCOLLECTED OR UNSEGREGATED AT 6/30/19
Current:						
2018-19	\$ 207,964	\$ 5,548	\$ (16)	\$ 90	\$ 198,625	\$ 3,865
Prior Years:						
2017-18	4,988	(1)	(1,118)	121	2,407	1,585
2016-17	2,731	-	(833)	103	1,102	899
2015-16	1,299	-	(428)	152	676	347
2014-15	726	-	(169)	98	599	56
Prior	1,579	-	11	41	1,477	154
Total Prior	11,323	(1)	(2,537)	515	6,261	3,041
Total All Funds	\$ 219,287	\$ 5,547	\$ (2,553)	\$ 605	\$ 204,886	\$ 6,906

RECONCILIATION TO REVENUE:

Cash Collections by County Treasurer Above	\$ 204,886
Taxes in Lieu	(2,775)
Change from Prior Year Unavailable Revenue	(4,417)
Total Revenue	<u>\$ 197,694</u>

City of Dallas
 Schedule of Expenditures of Federal Awards By Grant
 For the Year Ended June 30, 2019

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Pass-through Entity Identifying Number</i>	<i>Federal Expenditures(\$)</i>
Federal Grantor (Department of Justice-Bureau of Justice Assistance)			
Direct Programs			
Bulletproof Vest Partnership (BVP)	16.607		2,040
Total Federal Grantor			<u>2,040</u>
Federal Grantor (Department of Homeland Security-FEMA)			
Direct Programs			
Assistance to Firefighters Grant Safer Grant	97.044		81,025
Total Federal Grantor			<u>81,025</u>
Federal Grantor (Department of Housing and Urban Development)			
Direct Programs			
Community Development Block Grant - Senior Center Project C14012	14.228		7,500
Total Federal Grantor			<u>7,500</u>
Total Expenditures of Federal Awards			<u><u>90,565</u></u>

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**CITY OF DALLAS
POLK COUNTY, OREGON
STATISTICAL SECTION**

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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>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Governmental activities:					
Net investment in capital assets	\$ 48,416,186	\$ 49,729,006	\$ 49,522,634	\$ 52,121,875	\$ 53,826,746
Restricted for special purposes	14,420,599	11,357,160	9,100,601	8,835,176	6,760,554
Unrestricted	(3,314,269)	(1,943,071)	(945,149)	(2,318,099)	(746,388)
Total governmental activities net position	<u>\$ 59,522,516</u>	<u>\$ 59,143,095</u>	<u>\$ 57,678,086</u>	<u>\$ 58,638,952</u>	<u>\$ 59,840,912</u>
Business-type activities:					
Net investment in capital assets	\$ 27,913,008	\$ 25,900,291	\$ 23,439,707	\$ 22,291,458	\$ 21,049,915
Restricted for special purposes	-	-	-	-	-
Unrestricted	2,922,587	2,873,339	2,140,287	1,494,772	2,147,514
Total business-type activities net position	<u>\$ 30,835,595</u>	<u>\$ 28,773,630</u>	<u>\$ 25,579,994</u>	<u>\$ 23,786,230</u>	<u>\$ 23,197,429</u>
Primary government:					
Net investment in capital assets	\$ 76,329,194	\$ 75,629,297	\$ 72,962,341	\$ 74,413,333	\$ 74,876,661
Restricted for special purposes	\$ 14,420,599	\$ 11,357,160	9,100,601	8,835,176	6,760,554
Unrestricted	\$ (391,682)	\$ 930,268	1,195,138	(823,327)	1,401,126
Total primary government net position	<u>\$ 90,358,111</u>	<u>\$ 87,916,725</u>	<u>\$ 83,258,080</u>	<u>\$ 82,425,182</u>	<u>\$ 83,038,341</u>

Source: City of Dallas Comprehensive Annual Financial Reports

2014	2013	2012	2011	2010
\$ 55,722,739	\$ 57,146,650	\$ 57,754,349	\$ 60,594,063	\$ 62,406,592
6,321,162	5,598,814	4,265,637	3,619,756	3,826,763
952,467	1,004,454	2,901,846	2,102,524	2,297,554
<u>\$ 62,996,368</u>	<u>\$ 63,749,918</u>	<u>\$ 64,921,832</u>	<u>\$ 66,316,343</u>	<u>\$ 68,530,909</u>
\$ 20,584,724	\$ 20,017,073	\$ 19,755,540	\$ 19,358,365	\$ 19,200,108
-	-	-	1,058,654	1,058,954
2,164,506	2,389,514	2,341,712	1,629,019	2,493,016
<u>\$ 22,749,230</u>	<u>\$ 22,406,587</u>	<u>\$ 22,097,252</u>	<u>\$ 22,046,038</u>	<u>\$ 22,752,078</u>
\$ 76,307,463	\$ 77,163,723	\$ 77,509,889	\$ 79,952,428	\$ 81,606,700
6,321,162	5,598,814	4,265,637	4,678,410	4,885,717
3,116,973	3,393,968	5,243,558	3,731,543	4,790,570
<u>\$ 85,745,598</u>	<u>\$ 86,156,505</u>	<u>\$ 87,019,084</u>	<u>\$ 88,362,381</u>	<u>\$ 91,282,987</u>

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

	2019	2018	2017	2016
EXPENSES				
Governmental activities:				
General government	\$ 3,128,997	\$ 3,072,693	\$ 2,618,629	\$ 2,815,836
Public safety	8,334,194	8,421,394	7,462,693	6,812,741
Highways and streets	783,447	750,043	776,622	3,183,830
Culture and recreation	842,281	863,203	833,397	1,020,182
Community development	3,021,745	2,794,594	2,434,292	1,982,360
Interest on long-term debt	56,981	124,871	157,956	183,031
Total governmental activities expenses	16,167,645	16,026,798	14,283,589	15,997,980
Business-type activities:				
Sewage disposal	2,258,528	2,384,194	2,584,857	2,681,117
Water	2,226,989	2,062,003	2,587,227	1,935,944
Storm water	181,627	162,051	159,480	185,698
Total business-type activities expenses	4,667,144	4,608,248	5,331,564	4,802,759
Total expenses	\$ 20,834,789	\$ 20,635,046	\$ 19,615,153	\$ 20,800,739
PROGRAM REVENUES				
Governmental activities:				
Charges for services				
General Government	\$ 672,612	\$ 2,697,392	\$ 1,978,726	\$ 2,412,882
Public Safety	2,570,300	2,130,488	1,707,545	1,621,164
Highways and streets	-	171,029	80,333	203,855
Culture and Recreation	599,017	388,827	203,841	564,981
Community development	13,370	556,725	537,447	282,305
Operating grants and contributions	599,195	235,827	95,408	251,797
Capital grants and contributions	339,717	1,385,564	41,929	800,746
Total governmental activities program revenues	4,794,211	7,565,852	4,645,229	6,137,730
Business-type activities:				
Charges for services	6,608,518	6,162,438	5,768,881	5,600,125
Operating grants and contributions	-	-	-	-
Capital grants and contributions	861,194	2,216,095	1,363,150	569,295
Total business-type activities program revenues	7,469,712	8,378,533	7,132,031	6,169,420
Total program revenues	\$ 12,263,923	\$ 15,944,385	\$ 11,777,260	\$ 12,307,150
Net (Expense)/Revenue				
Governmental activities	\$ (11,373,434)	\$ (8,460,946)	\$ (9,638,360)	\$ (9,860,250)
Business-type activities	2,802,568	3,770,285	1,800,467	1,366,661
Total net expense	\$ (8,570,866)	\$ (4,690,661)	\$ (7,837,893)	\$ (8,493,589)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes and assessments	\$ 6,447,411	\$ 6,506,395	\$ 5,832,686	\$ 5,938,713
Franchise Fees	1,302,982	1,254,229	1,185,056	1,116,780
Intergovernmental	-	-	-	-
Miscellaneous	2,850,312	1,070,181	740,621	577,797
Transfer of capital assets	-	-	-	-
Proceeds from property sales	-	-	-	-
Transfers	1,152,150	1,095,150	1,025,000	1,025,000
Total governmental activities	11,752,855	9,925,955	8,783,363	8,658,290
Business-type activities:				
Miscellaneous	411,547	518,501	1,018,297	247,140
Gain on sale of land	-	-	-	-
Transfer of capital assets	-	-	-	-
Transfers	(1,152,150)	(1,095,150)	(1,025,000)	(1,025,000)
Total business-type activities	(740,603)	(576,649)	(6,703)	(777,860)
Total	\$ 11,012,252	\$ 9,349,306	\$ 8,776,660	\$ 7,880,430
Change in Net Position				
Governmental activities	\$ 379,421	\$ 1,465,009	\$ (854,997)	\$ (1,201,960)
Business-type activities	2,061,965	3,193,636	1,793,764	588,801
Total	\$ 2,441,386	\$ 4,658,645	\$ 938,767	\$ (613,159)

Source: City of Dallas Comprehensive Annual Financial Reports

	2015	2014	2013	2012	2011	2010
\$	2,018,683	\$ 2,159,324	\$ 1,951,720	\$ 2,742,049	\$ 2,641,018	\$ 2,298,816
	4,208,590	4,965,673	5,169,796	5,227,369	5,041,368	5,013,276
	2,968,164	2,985,706	2,949,068	2,820,314	2,741,552	16,526,988
	705,867	748,446	730,924	688,907	762,439	672,989
	1,561,447	1,419,268	1,332,910	1,346,705	1,477,722	1,545,603
	211,552	219,436	239,631	264,813	292,992	315,071
	<u>11,674,303</u>	<u>12,497,853</u>	<u>12,374,049</u>	<u>13,090,157</u>	<u>12,957,091</u>	<u>26,372,743</u>
	2,472,804	2,463,249	2,406,124	2,403,297	2,471,140	2,690,895
	1,656,456	1,759,774	1,615,326	1,754,639	2,108,937	2,188,120
	-	-	-	-	-	-
	4,129,260	4,223,023	4,021,450	4,157,936	4,580,077	4,879,015
\$	<u>15,803,563</u>	<u>16,720,876</u>	<u>16,395,499</u>	<u>17,248,093</u>	<u>17,537,168</u>	<u>31,251,758</u>
\$	1,198,834	\$ 1,174,241	\$ 908,346	\$ 641,463	\$ 607,535	\$ 260,475
	1,014,802	1,399,346	1,177,937	1,045,911	1,321,333	1,287,955
	92,806	75,605	58,899	24,854	46,585	25,413
	547,647	104,465	92,220	77,705	606,867	572,865
	406,971	768,352	667,287	611,452	243,775	699,139
	16,252	5,981	7,305	9,573	11,579	48,167
	160,224	158,583	126,726	1,408,562	280,080	315,877
	<u>3,437,536</u>	<u>3,686,573</u>	<u>3,038,720</u>	<u>3,819,520</u>	<u>3,117,754</u>	<u>3,209,891</u>
	5,435,502	5,077,759	5,025,147	4,852,972	4,698,913	4,745,483
	-	-	-	-	-	-
	247,351	-	-	-	-	-
	<u>5,682,853</u>	<u>5,077,759</u>	<u>5,025,147</u>	<u>4,852,972</u>	<u>4,698,913</u>	<u>4,745,483</u>
\$	<u>9,120,389</u>	<u>8,764,332</u>	<u>8,063,867</u>	<u>8,672,492</u>	<u>7,816,667</u>	<u>7,955,374</u>
\$	(8,236,767)	\$ (8,811,280)	\$ (9,335,329)	\$ (9,270,637)	\$ (9,839,337)	\$ (23,162,852)
	1,553,593	854,736	1,003,697	695,036	118,836	(133,532)
\$	<u>(6,683,174)</u>	<u>(7,956,544)</u>	<u>(8,331,632)</u>	<u>(8,575,601)</u>	<u>(9,720,501)</u>	<u>(23,296,384)</u>
\$	6,152,989	\$ 5,736,327	\$ 5,755,796	\$ 5,607,607	\$ 5,496,250	\$ 5,234,147
	1,093,765	1,170,721	1,028,427	1,062,257	908,608	777,412
	-	-	-	-	-	-
	310,686	354,160	422,866	429,937	219,913	440,239
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,025,000	796,522	956,326	776,325	1,000,000	(300,549)
	<u>8,582,440</u>	<u>8,057,730</u>	<u>8,163,415</u>	<u>7,876,126</u>	<u>7,624,771</u>	<u>6,151,249</u>
	271,629	278,691	261,964	132,503	175,124	205,206
	-	87,141	-	-	-	-
	-	-	-	-	-	-
	(1,025,000)	(796,522)	(956,326)	(776,325)	(1,000,000)	300,549
	<u>(753,371)</u>	<u>(430,690)</u>	<u>(694,362)</u>	<u>(643,822)</u>	<u>(824,876)</u>	<u>505,755</u>
\$	<u>7,829,069</u>	<u>7,627,040</u>	<u>7,469,053</u>	<u>7,232,304</u>	<u>6,799,895</u>	<u>6,657,004</u>
\$	345,673	\$ (753,550)	\$ (1,171,914)	\$ (1,394,511)	\$ (2,214,566)	\$ (17,011,603)
	800,222	424,046	309,335	51,214	(706,040)	372,223
\$	<u>1,145,895</u>	<u>(329,504)</u>	<u>(862,579)</u>	<u>(1,343,297)</u>	<u>(2,920,606)</u>	<u>(16,639,380)</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	2,314,216	2,278,112	2,001,787	2,049,619	1,793,551
Total General Fund	<u>\$ 2,314,216</u>	<u>\$ 2,278,112</u>	<u>\$ 2,001,787</u>	<u>\$ 2,049,619</u>	<u>\$ 1,793,551</u>
Special Revenue Funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	3,268,670	1,918,839	1,577,973	8,463,452	6,379,403
Committed	258,170	213,301	166,342	157,749	108,813
Assigned	-	567,335	454,698 ³	-	-
Unassigned	-	-	-	(185,924)	(168,005)
Total Special Revenue Funds	<u>\$ 3,526,840</u>	<u>\$ 2,699,475</u>	<u>\$ 2,199,013</u>	<u>\$ 8,435,277</u>	<u>\$ 6,320,211</u>
Debt Service Funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	378,845	347,682	360,719	371,724	381,151
Committed	-	11	11	11	11
Unassigned	-	-	-	-	-
Total Debt Service Funds	<u>\$ 378,845</u>	<u>\$ 347,693</u>	<u>\$ 360,730</u>	<u>\$ 371,735</u>	<u>\$ 381,162</u>
Capital Projects Funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	10,773,084 ²	9,090,639 ²	7,161,909 ²	-	-
Committed	-	192,212	234,497	445,996	130,902
Unassigned	(41,995)	(5,124)	(381,652)	-	-
Total Capital Projects Funds	<u>\$ 10,731,089</u>	<u>\$ 9,277,727</u>	<u>\$ 7,014,754</u>	<u>\$ 445,996</u>	<u>\$ 130,902</u>
All Governmental Funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Restricted	14,420,599	11,357,160	9,100,601	8,835,176	6,760,554
Committed	258,170	405,524	400,850	603,756	239,726
Assigned	-	567,335	454,698	-	-
Unassigned	2,272,221	2,272,988	1,620,135	1,863,695	1,625,546
Total All Governmental Funds	<u>\$ 16,950,990</u>	<u>\$ 14,603,007</u>	<u>\$ 11,576,284</u>	<u>\$ 11,302,627</u>	<u>\$ 8,625,826</u>

Source: City of Dallas Comprehensive Annual Financial Reports

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

² System Development and Grants Fund are now under Capital Projects instead of Special Revenue as it was in the previous years.

<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	¹
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	1,211,673	
-	-	600,450	-	-	
-	-	-	-	-	
1,825,054	925,202	653,127	1,702,807	-	
<u>\$ 1,825,054</u>	<u>\$ 925,202</u>	<u>\$ 1,253,577</u>	<u>\$ 1,702,807</u>	<u>\$ 1,211,673</u>	
\$ -	\$ -	\$ -	\$ -	\$ 4,128,493	
-	-	-	-	257,241	
5,980,728	5,291,538	3,400,740	3,387,580	-	
51,583	217,990	222,078	315,841	-	
-	-	-	-	-	
-	(17,817)	533,689	(258,241)	-	
<u>\$ 6,032,311</u>	<u>\$ 5,491,711</u>	<u>\$ 4,156,507</u>	<u>\$ 3,445,180</u>	<u>\$ 4,385,734</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	199,477	
340,434	307,287	264,447	232,176	-	
11	-	-	-	-	
-	-	-	-	-	
<u>\$ 340,445</u>	<u>\$ 307,287</u>	<u>\$ 264,447</u>	<u>\$ 232,176</u>	<u>\$ 199,477</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ -	\$ -	\$ -	\$ -	\$ 4,128,493	
-	-	-	-	1,668,391	
6,321,162	5,598,825	4,265,637	3,619,756	-	
51,594	217,990	222,078	315,841	-	
-	-	-	-	-	
1,825,054	907,385	1,186,816	1,444,566	-	
<u>\$ 8,197,810</u>	<u>\$ 6,724,200</u>	<u>\$ 5,674,531</u>	<u>\$ 5,380,163</u>	<u>\$ 5,796,884</u>	

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
REVENUES				
Taxes and assessments	\$ 4,993,262	\$ 4,715,373	\$ 4,427,603	\$ 4,444,923
Licenses and permits	586,167	2,895,086	1,856,176	2,511,999
Intergovernmental	2,666,041	2,327,152	1,514,298	2,056,850
Franchise fees	1,302,982	1,254,229	1,185,056	1,116,780
Charges for services	4,289,141	2,350,932	1,940,726	1,890,230
Fines and forfeitures	497,520	246,826	217,196	209,729
Miscellaneous	1,245,494	1,069,210	1,000,526	567,788
Total Revenues	<u>15,580,607</u>	<u>14,858,808</u>	<u>12,141,581</u>	<u>12,798,299</u>
EXPENDITURES				
Current operating:				
General government	2,327,527	1,711,724	1,453,008	1,343,077
Highways and streets	587,394	544,728	574,813	585,384
Culture and recreation	631,506	626,912	616,834	539,061
Public Safety	6,248,617	6,115,758	5,523,810	5,118,464
Community development	2,265,573	2,029,609	1,801,729	1,605,064
Capital outlay	1,668,882	1,111,693	2,032,532	1,397,170
Debt service				
Interest	99,750	128,119	656,772	179,014
Principal	638,725	697,192	153,826	711,459
Total Expenditures	<u>14,467,974</u>	<u>12,965,735</u>	<u>12,813,324</u>	<u>11,478,693</u>
REVENUES OVER (UNDER) EXPENDITURES	1,112,633	1,893,073	(671,743)	1,319,606
OTHER FINANCING SOURCES (USES)				
Loan proceeds			120,632	385,795
Transfers in	2,389,361	2,300,568	2,349,323	1,944,307
Transfers out	(1,205,011)	(1,168,418)	(1,454,555)	(972,907)
Proceeds from sale of capital assets	51,000	1,500	-	-
Debt proceeds	-	-	-	-
Bond refunding	-	-	-	-
Total Other Financing Sources (Uses)	<u>1,235,350</u>	<u>1,133,650</u>	<u>1,015,400</u>	<u>1,357,195</u>
NET CHANGE IN FUND BALANCES	<u>\$ 2,347,983</u>	<u>\$ 3,026,723</u>	<u>\$ 343,657</u>	<u>\$ 2,676,801</u>
Debt service as a percentage of noncapital expenditures	<u>6.12%</u>	<u>7.48%</u>	<u>8.13%</u>	<u>9.69%</u>

Source: City of Dallas Comprehensive Annual Financial Reports

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$	4,368,926	\$ 4,216,923	\$ 4,244,493	\$ 4,094,852	\$ 3,988,407	\$ 3,846,626
	1,092,380	939,972	630,626	321,837	430,191	416,350
	1,990,867	1,744,193	1,663,520	2,897,961	1,763,122	1,703,570
	1,093,765	1,170,721	1,028,427	1,062,257	908,608	777,412
	1,481,555	1,997,338	1,726,277	1,554,881	1,753,479	1,729,236
	189,771	146,523	117,985	141,888	187,692	257,229
	277,386	347,941	408,894	429,937	243,427	440,239
	<u>10,494,650</u>	<u>10,563,611</u>	<u>9,820,222</u>	<u>10,503,613</u>	<u>9,274,926</u>	<u>9,170,662</u>
	1,292,338	1,232,720	1,151,147	1,150,826	1,171,990	1,230,491
	529,501	548,007	538,624	564,266	525,820	478,340
	456,838	409,615	393,963	350,244	440,054	379,147
	4,951,183	4,689,828	4,874,365	4,918,023	4,787,775	4,670,936
	1,440,384	1,410,708	1,323,313	1,325,302	1,449,292	1,479,368
	1,486,639	1,672,887	561,519	2,043,949	1,275,423	1,618,527
	199,555	219,436	239,631	264,813	292,992	500,000
	680,596	620,000	604,330	588,147	578,301	315,071
	<u>11,037,034</u>	<u>10,803,201</u>	<u>9,686,892</u>	<u>11,205,570</u>	<u>10,521,647</u>	<u>10,671,880</u>
	(542,384)	(239,590)	133,330	(701,957)	(1,246,721)	(1,501,218)
	-	750,000	-	-	-	-
	1,459,395	1,315,147	1,812,349	1,251,603	1,870,664	1,727,916
	(488,995)	(351,947)	(896,010)	(475,278)	(1,040,664)	(1,559,921)
	-	-	-	-	-	-
	-	-	-	-	-	55,410
	-	-	-	-	-	-
	<u>970,400</u>	<u>1,713,200</u>	<u>916,339</u>	<u>776,325</u>	<u>830,000</u>	<u>223,405</u>
\$	<u>428,016</u>	<u>\$ 1,473,610</u>	<u>\$ 1,049,669</u>	<u>\$ 74,368</u>	<u>\$ (416,721)</u>	<u>\$ (1,277,813)</u>
	<u>10.15%</u>	<u>10.12%</u>	<u>10.19%</u>	<u>10.27%</u>	<u>10.40%</u>	<u>9.89%</u>

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
FUNCTIONS/PROGRAMS				
Governmental Activities:				
General government	\$ 672,612	\$ 2,697,392	\$ 1,978,726	\$ 2,412,882
Public safety	2,686,573	2,362,575	1,800,545	1,808,359
Highways and streets	339,717	1,223,729	80,333	696,605
Culture and recreation	602,713	721,691	245,770	567,143
Community development	492,596	560,465	539,855	652,741
Total Governmental Activities	<u>4,794,211</u>	<u>7,565,852</u>	<u>4,645,229</u>	<u>6,137,730</u>
Business-type Activities:				
Sewage disposal	3,557,368	3,927,609	3,660,323	3,222,212
Water	3,413,340	3,370,531	2,888,059	2,596,955
Storm Water	499,004	1,080,393	583,649	350,253
Total Business-type Activities	<u>7,469,712</u>	<u>8,378,533</u>	<u>7,132,031</u>	<u>6,169,420</u>
Total Activities	<u>\$ 12,263,923</u>	<u>\$ 15,944,385</u>	<u>\$ 11,777,260</u>	<u>\$ 12,307,150</u>

Source: City of Dallas Comprehensive Annual Financial Reports

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
\$ 1,198,834	\$ 1,174,241	\$ 908,346	\$ 641,463	\$ 609,185	\$ 260,475
1,028,641	1,403,096	1,309,998	1,973,067	1,427,817	1,336,943
92,806	75,605	58,899	24,854	46,585	316,961
550,060	106,696	94,190	350,739	613,337	575,173
567,195	926,935	667,287	829,397	420,830	720,339
<u>3,437,536</u>	<u>3,686,573</u>	<u>3,038,720</u>	<u>3,819,520</u>	<u>3,117,754</u>	<u>3,209,891</u>
3,148,628	3,026,851	2,966,576	2,879,216	2,824,141	2,826,340
2,534,225	2,050,908	2,058,571	1,973,756	1,874,772	1,919,143
-	-	-	-	-	-
<u>5,682,853</u>	<u>5,077,759</u>	<u>5,025,147</u>	<u>4,852,972</u>	<u>4,698,913</u>	<u>4,745,483</u>
<u>\$ 9,120,389</u>	<u>\$ 8,764,332</u>	<u>\$ 8,063,867</u>	<u>\$ 8,672,492</u>	<u>\$ 7,816,667</u>	<u>\$ 7,955,374</u>

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

<u>Fiscal Year Ending</u>	<u>Property</u>	<u>Special Assessments</u>	<u>Total</u>
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	4,368,926	-	4,368,926
2016	4,444,923	-	4,444,923
2017	4,427,603	-	4,427,603
2018	4,715,373	-	4,715,373
2019	4,993,262	-	4,993,262
Change 2010 - 2019	28.7%	-100.0%	

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

Fiscal Year Ended June 30,	Real Property		Personal Property*	
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value
2010	\$ 718,755,409	\$ 1,077,982,914	\$ 26,479,386	\$ 27,345,280
2011	743,665,180	1,046,051,831	24,825,707	25,538,640
2012	763,676,927	977,827,398	22,964,094	23,577,060
2013	786,988,600	920,317,855	22,626,259	23,294,880
2014	792,003,938	890,833,202	19,482,173	20,120,730
2015	826,326,001	950,906,011	19,661,327	20,305,700
2016	803,156,128	930,135,179	20,153,830	21,172,910
2017	841,626,815	1,021,312,224	20,761,689	22,244,150
2018	900,461,155	1,181,625,123	22,019,212	24,333,730
2019	954,864,007	1,390,792,984	24,346,674	26,598,100

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

* Includes mobile homes

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

Public Utility Property		Total		Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
\$ 17,996,620	\$ 18,003,660	\$ 763,231,415	\$ 1,123,331,854	67.94	5.19
17,379,650	17,658,479	785,870,537	1,089,248,950	72.15	5.20
18,047,300	19,931,067	804,688,321	1,021,335,525	78.79	5.22
16,391,600	18,346,106	826,006,459	961,958,841	85.87	5.17
17,290,720	18,689,559	828,776,831	929,643,491	89.15	5.09
18,311,463	19,314,768	864,298,791	990,526,479	87.26	4.99
11,866,800	13,158,182	835,176,758	964,466,271	86.59	4.91
12,170,120	12,223,910	874,558,624	1,055,780,284	82.84	4.66
17,086,639	17,653,830	939,567,006	1,223,612,683	76.79	4.73
19,721,901	20,070,365	998,932,582	1,437,461,449	69.49	4.63

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

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

Note: ¹ Permanent tax rate = Total direct tax rate; ² Tax levy for debt service

Source: Polk County Department of Assessment and Taxation
Oregon Department of Revenue Property Tax Districts Information Supplemental

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

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

Taxpayer	2019			2010		
	Assessed Value	Rank	% of Total City Taxable Assessed Value	Assessed Value	Rank	% of Total City Taxable Assessed Value
Dallas Mennonite Retirement Comm	\$ 12,141,180	1	1.15%	\$ -	-	-
Greenway	8,600,250	2	0.81%	6,591,520	3	0.84%
Northwest Natural Gas	8,451,000	3	0.80%	7,569,000	2	0.96%
Wal-Mart	7,512,110	4	0.71%	5,608,470	4	0.71%
Victoria Place General Partnership	6,743,820	5	0.64%	5,483,390	5	0.70%
Dallas Mennonite Ret Comm, Inc	6,348,890	6	0.60%	5,002,110	6	0.64%
Charter Communications	6,128,500	7	0.58%	-	-	-
1351 Tandem Ave LLC Etal	4,246,510	8	0.40%	-	-	-
Safeway #404	3,715,040	9	0.35%	2,847,310	9	0.36%
Tate Investment Properties LLC	3,754,680	10	0.36%	-	-	-
FR Acquisition, Inc.	-	-	-	2,829,020	10	0.36%
Weyerhaeuser Company	-	-	-	14,686,567	1	1.87%
TTM Printed Circuit Group, LP	-	-	-	3,256,900	7	0.41%
Qwest Corporation	-	-	-	3,206,800	8	0.41%
	<u>\$ 67,641,980</u>		<u>6.40%</u>	<u>\$ 57,081,087</u>		<u>7.26%</u>

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

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

Fiscal Year Ended June 30,	Total tax levy (net of discounts)	Collected in year of levy		Collected in subsequent years	Total collections to date	
		Amount	Percent of Levy		Amount	Percent of Levy
2010	\$ 3,963,447	\$ 3,677,240	92.78	\$ 202,768	\$ 3,880,008	97.89
2011	4,083,452	3,791,192	92.84	186,250	3,977,442	97.40
2012	4,197,403	3,869,533	92.19	147,327	4,016,860	95.70
2013	4,279,410	3,985,073	93.12	149,874	4,134,947	96.62
2014	4,298,867	4,012,740	93.34	147,005	4,159,745	96.76
2015	4,399,871	4,157,700	94.50	126,489	4,284,189	97.37
2016	4,518,220	4,278,742	94.70	96,496	4,375,238	96.84
2017	4,432,938	4,183,640	94.38	80,233	4,263,873	96.19
2018	4,699,253	4,442,743	94.54	62,605	4,505,348	95.87
2019	4,901,124	4,681,046	95.51	-	4,681,046	95.51

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:

Fiscal Year Ended June 30,	Population	Assessed Value	Bonded Debt	Ratio of Bonded Debt to Assessed Value	Debt as % Personal Income	Bonded Debt Per Capita
2010	15,555	\$ 763,231,415	\$ 6,290,000	0.0082	1.69%	\$ 404.37
2011	14,590	785,870,537	5,760,000	0.0073	1.53%	394.79
2012	14,620	804,688,321	5,200,000	0.0065	1.34%	355.68
2013	14,690	826,006,459	4,610,000	0.0056	1.15%	313.82
2014	14,800	828,776,831	4,740,000	0.0057	1.09%	320.27
2015	14,940	864,298,791	4,059,404	0.0047	0.90%	271.71
2016	15,040	835,176,758	3,733,740	0.0045	0.70%	248.25
2017	15,570	874,558,624	3,364,251	0.0038	0.54%	216.07
2018	15,830	939,567,006	2,744,166	0.0029	0.42%	173.35
2019	16,260	\$ 998,932,582	\$ 2,065,591	0.0021	NA	\$ 127.04

BUSINESS-TYPE ACTIVITIES:

Fiscal Year Ended June 30,	Population	Assessed Value	Notes Payable and Bonded Debt	Ratio of Bonded Debt to Assessed Value	Debt as % Personal Income	Bonded Debt Per Capita
2010	15,555	\$ 763,231,415	\$ 14,634,621	0.0192	3.94%	\$ 940.83
2011	14,590	785,870,537	13,502,102	0.0172	3.58%	925.44
2012	14,620	804,688,321	12,147,154	0.0151	3.12%	830.86
2013	14,690	826,006,459	10,921,544	0.0132	2.71%	743.47
2014	14,800	828,776,831	9,846,469	0.0119	2.27%	665.30
2015	14,940	864,298,791	9,839,085	0.0114	2.19%	658.57
2016	15,040	835,176,758	9,843,419	0.0118	1.86%	654.48
2017	15,570	874,558,624	9,526,879	0.0109	1.53%	611.87
2018	15,830	939,567,006	10,037,202	0.0107	1.53%	634.06
2019	16,260	\$ 998,932,582	\$ 8,680,182	0.0087	NA	\$ 533.84

TOTAL DEBT:

Fiscal Year Ended June 30,	Population	Assessed Value	Notes Payable and Bonded Debt	Ratio of Bonded Debt to Assessed Value	Debt as % Personal Income	Bonded Debt Per Capita
General Revenues and Other Changes in Net Position						
2010	15,555	\$ 763,231,415	\$ 20,924,621	0.0274	5.63%	\$1,345.20
2011	14,590	785,870,537	19,262,102	0.0245	5.11%	1,320.23
2012	14,620	804,688,321	17,347,154	0.0216	4.46%	1,186.54
2013	14,690	826,006,459	15,531,544	0.0188	3.86%	1,057.29
2014	14,800	828,776,831	14,586,469	0.0176	3.36%	985.57
2015	14,940	864,298,791	13,898,489	0.0161	3.09%	930.29
2016	15,040	835,176,758	13,577,159	0.0163	2.56%	902.74
2017	15,570	874,558,624	12,891,130	0.0147	2.07%	827.95
2018	15,830	939,567,006	12,781,368	0.0136	1.53%	807.41
2019	16,260	\$ 998,932,582	\$ 10,745,773	0.0108	NA	\$ 660.87

**CITY OF DALLAS, OREGON
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
JUNE 30, 2019**

<u>Governmental Unit</u>	<u>Real market values of overlapping districts</u>	<u>Tax-supported debt outstanding¹</u>	<u>Percentage overlapping²</u>	<u>Overlapping debt applicable to the City of Dallas</u>
Debt Repaid with Property Taxes				
Chemeketa Community College	\$ 56,635,708,601	\$ 65,383,375	2.72 %	\$ 1,779,997
Willamette ESD	62,422,526,719	8,523,891	2.47 %	210,540
Polk Cty SD 2 (Dallas)	2,386,594,512	10,269,272	64.60 %	6,634,443
Polk County	8,611,935,241	1,225,000	17.90 %	219,320
Subtotal, overlapping debt		85,401,538		8,844,300
Direct debt outstanding:				
City of Dallas	<u>1,541,854,186</u>	<u>2,065,591</u>	100.00 %	<u>2,731,273</u> ¹
Total Direct and Overlapping Debt	<u>\$ 1,541,854,186</u>	<u>\$ 87,467,129</u>		<u>\$ 11,575,573</u>

NOTE:

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

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

² The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the City's taxable assessed value that is within the government'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, 2019**

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

Assessed value	\$ 998,932,582
Rate	x 3%
Debt limit	<u>29,967,977</u>
Debt applicable to limit	<u>0</u>
Legal debt margin	<u><u>\$ 29,967,977</u></u>

<u>Fiscal year ended June 30,</u>	<u>Debt Limit</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>
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
2017	26,236,759	554,281	25,682,478
2018	28,187,010	72,318	28,114,692
2019	29,967,977	-	29,967,977

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	
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	2,367,299	676,669	211,315	151,517	362,832	186.50
2017	3,084,785	1,608,356	1,476,429	218,458	150,771	369,229	399.87
2018	4,730,037	3,106,328	1,623,709	315,000	144,964	459,964	353.01
2019	3,110,629	1,819,475	1,291,154	313,000	179,126	492,126	262.36

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	
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	2,355,995	1,378,373	845,000	146,990	991,990	138.95
2017	3,493,180	2,026,990	1,466,190	855,000	71,522	926,522	158.25
2018	3,499,154	1,774,136	1,725,018	875,000	126,893	1,001,893	172.18
2019	3,693,283	2,299,953	1,393,330	910,000	93,401	1,003,401	138.86

SPECIAL ASSESSMENT BONDS

General Revenues and Other Changes in Net Position

Fiscal Year Ended June 30,	Assessment Principal Collections	Debt Service Requirements			Percent Coverage
		Principal	Interest	Total	
2010	1,028	-	-	-	-
2011	769	-	-	-	-

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

Fiscal Year Ended June 30,	Population	Per Capita Personal Income	Total Personal Income (in 000's)	Estimated Employed Population*	Average Annual Wage*	Area in square miles	Average Density (persons / square mile)	Average Annual Unemployment
2010	15,555	23,873	371,345	3,826	30,396	4.45	3,495.5	9.7%
2011	14,590	25,883	377,633	3,800	31,285	4.45	3,278.7	9.4%
2012	14,620	26,634	389,389	3,878	31,361	4.45	3,285.4	9.1%
2013	14,690	27,395	402,433	3,507	32,102	4.45	3,301.1	8.5%
2014	14,800	29,289	433,477	3,595	33,053	4.45	3,325.8	7.4%
2015	14,940	30,045	448,872	4,203	33,896	4.45	3,357.3	6.2%
2016	15,040	35,249	530,145	4,302	35,245	4.45	3,379.8	5.3%
2017	15,570	39,958	622,146	4,338	36,280	4.45	3,498.9	4.6%
2018	15,830	41,379	655,030	4,401	37,903	4.45	3,557.3	4.3%
2019	16,260	NA	NA	NA	NA	4.45	3,653.9	4.5%

*State of Oregon Employment Department

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

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

Employer	2019			2010		
	Employees	Rank	% of Total City Employment†	Employees	Rank	% of Total City Employment
Dallas Public Schools	414	1	9.41%	346	1	7.06%
Polk County	377	2	8.57%	305	2	6.22%
Dallas Retirement Village	324	3	7.36%	245	4	5.00%
Forest River	250	4	5.68%	250	3	5.10%
West Valley Hospital	190	5	4.32%	146	6	2.98%
City of Dallas	169	6	3.84%	101	9	2.06%
Safeway Stores, Inc.	166	7	3.77%	120	8	2.45%
Wal-Mart	140	8	3.18%	168	5	3.43%
Goodwill Dallas	37	9	0.84%	-	-	-
Mak Metals	33	10	0.75%	-	-	-
James W. Fowler Company	-	-	-	142	7	2.90%
	<u>2,100</u>		<u>22.38%</u>	<u>1,823</u>		<u>37.17%</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**

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	19	18	18	18	15	18	16	17	21	17
Public safety	26	26	26	23	23	25	25	29	28	33
Highways and streets	3	4	4	4	4	4	4	3	3	2
Culture and recreation	20	18	20	20	22	23	23	26	27	27
Sewage disposal	6	6	6	6	6	6	9	6	7	7
Water	8	6	5	5	5	5	3	4	7	9
Ambulance	19	19	18	19	19	17	19	18	16	16
Total	<u>101</u>	<u>97</u>	<u>97</u>	<u>95</u>	<u>93</u>	<u>98</u>	<u>99</u>	<u>103</u>	<u>109</u>	<u>111</u>

Source: City of Dallas

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Arrests	988	904	927	1,035	993	1,114	1,064	1,108	1,336	1,200
Traffic violations	810	472	529	412	714	846	1,550	1,570	1,300	1,000
Municipal Court Cases	1,475	888	938	475	1,846	2,045	2,504	2,439	2,061	1,767
Fire Responses										
City	350	373	356	352	282	500	757	1,025	1,099	669
Rural	455	411	332	322	321	480	610	641	578	459
Ambulance										
Transports	1,708	1,817	1,811	1,949	2,045	2,297	2,378	2,466	2,468	2,486
Building Activity										
Permits Issued	160	132	108	147	191	194	242	214	642	715
Estimated Value (000's)	\$16,100	\$9,863	\$10,004	\$11,900	\$17,044	\$19,979	\$41,262	\$37,976	\$45,331	\$45,050
Planning Applications	47	36	43	73	108	118	175	136	118	112
Library										
Circulation	183,498	203,762	248,881	201,764	199,801	193,366	196,650	206,462	204,653	209,303
Miles of Streets Maintained	55.00	55.00	55.00	55.00	56.46	56.89	57.37	57.74	59.57	60.43
Water										
Connections	5,329	5,331	5,348	5,394	5,420	5,444	5,541	5,653	5,782	5,837
Sewer										
Connections	4,474	4,467	4,483	4,539	4,614	4,634	4,675	4,778	4,887	5,000

Source: City of Dallas

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

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	4
Highways and streets										
Streets (miles)	59	59	59	59	59	60	60	60	61	61
Culture and recreation										
Number of parks	11	11	11	11	11	11	11	11	13	13
Acreage	80	80	80	80	99	99	99	99	106	106
Aquatic centers (sq ft)	32170	32170	32170	32170	32170	32170	32170	32170	32170	32170
Sewage disposal										
Max daily capacity	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd	12.5 mgd
Water										
Max daily capacity	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd	10.5 mgd
Fire hydrants	485	485	485	485	486	488	490	505	559	568

Source: City of Dallas

CITY OF DALLAS
POLK COUNTY, OREGON

Independent Auditors' Report Required by Oregon State Regulations

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December 9, 2019

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Dallas as of and for the year ended June 30, 2019, and have issued our report thereon dated December 9, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **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, 279C).**
- **Programs funded from outside sources.**

In connection with our testing nothing came to our attention that caused us to believe the City of Dallas was not in substantial compliance with certain provisions of laws, regulations, contracts, and grants, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules 162-10-000 through 162-10-320 of the Minimum Standards for Audits of Oregon Municipal Corporations, except as follows:

1. Expenditures of all the various funds there within authorized appropriations, except as noted on page 18.

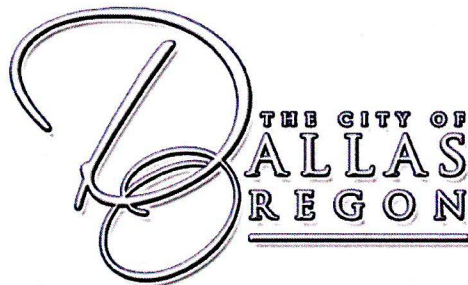
OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal control over financial reporting.

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

Roy R Rogers

ROY R. ROGERS, CPA
PAULY, ROGERS AND CO., P.C.



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