



**CITY OF DALLAS  
POLK COUNTY, OREGON**

**Comprehensive Annual Financial Report**



**For the Year Ended June 30, 2020**

City of Dallas, Oregon

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2020

Prepared by

The Financial Department

City of Dallas, Oregon

Cecilia Ward, Finance Director

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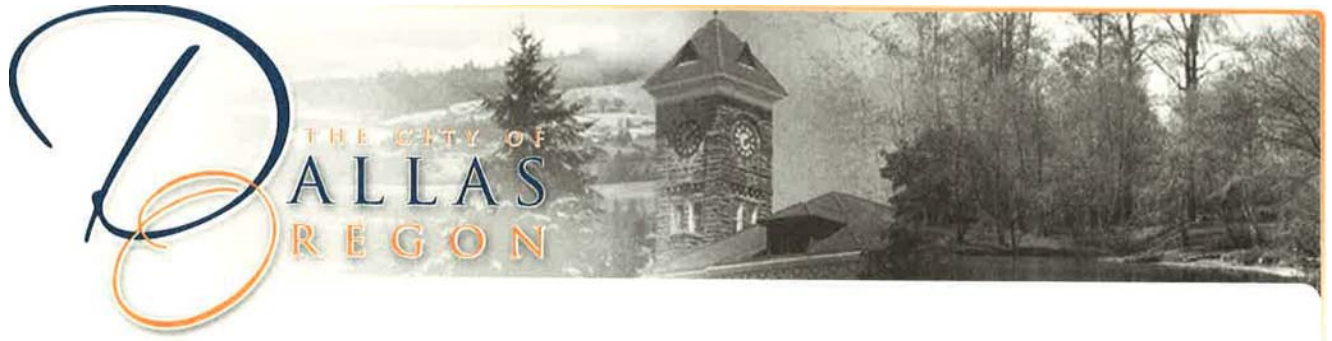
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## **INTRODUCTORY SECTION**



December 28, 2020

**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, 2020.

This report presents the financial position of the City as of June 30, 2020 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 1<sup>st</sup> 2020 for the City of Dallas was 16,555.



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>
2020 PSU Estimate	16,555	83,805
2010 Census	14,583	75,403
2000 Census	12,459	62,380

## ECONOMIC OUTLOOK

In its December 2020 Economic Forecast, the State of Oregon addresses the slow economic recovery from the effects of COVID-19. The State's forecast believes the economic expansion occurring prior to the COVID-19 restrictions will endure and continue after a vaccine is widely used and the government imposed restrictions are lifted. Since the COVID-19 restrictions have been in place, the City of Dallas has seen strong building permit activity surpassing the quantity and valuation of permit activity during the same time period last year.

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 we are hopeful this trend will continue in 2021. The major influencer on this trend will be the length of the government imposed restrictions businesses are currently facing, because of the spread of COVID-19.

The City's revenues have been and will continue to be affected by COVID-19. Our major funding sources, such as property taxes and franchise fees do not appear to be negatively affected by COVID-19, but some of our smaller revenues such as transient lodging taxes, fees, and fines are coming in slower and less than in normal years. The City expects these revenues to rebound to normal levels after a vaccine is widely available. In response to the lower revenue collection, the City has reduced services consistent with the anticipated revenues through the balance of fiscal year 2021.

## 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 \$10.48 million (excluding premium) in long-term debt outstanding as of June 30, 2020.

## MAJOR INITIATIVES

### Citywide Strategic Plan

The City Council adopted its first five-year strategic plan in July 2020. In this plan are several direct economic goals and action items, as listed below:

**Goal 7: Preserve Dallas's cherished historic downtown.**

*Actions:*

- a. *By June 2021 add new historic resources to the Local Landmarks Register identified through the recently completed historic survey.*
- b. *By June 2022 explore the creation of a downtown historic district on either a local or national historic register.*

**Goal 10: Diversify our local economy by adding new businesses and expanding existing businesses in our industrial, and manufacturing sectors, including creating and maintaining local incentives.**

*Actions:*

- a. *Better promote and utilize our Enterprise Zone tax abatement program and authorize a minimum of one business per year.*

**Goal 11: Create and maintain a balanced approach between downtown redevelopment and new/expanded commercial development**

*Actions:*

- a. *Complete the Economic Opportunities Analysis to determine our 20-year land supply needs.*
- b. *Explore options for expanding our Central Business District and General Commercial lands.*

**Goal 12: Capitalize on our surrounding agricultural and natural assets to bring new businesses to the City.**

*Actions:*

- a. *Build partnerships and make connections with regional wineries and commercial property owners to encourage the development of wine-related businesses and tasting rooms.*
- b. *Continue and maintain our participation with the Polk County Tourism Alliance to encourage and support tourism-related business opportunities.*

**Goal 13: Incentivize commercial and industrial development**

*Actions:*

- a. *Promote and encourage the use of the opportunity zone, which includes some of our industrial and commercially zoned lands.*
- b. *Work with real estate brokers, property owners, and local/regional partnerships to actively market our commercial and industrial properties.*

**Goal 14: We will build an entrepreneurial ecosystem supporting small business owners, and persons interested in going into business.**

*Actions:*

- a. *The Economic Development Commission will research and explore partnerships to determine the feasibility and plan of creating a local business incubator for entrepreneurs.*
- b. *We will engage with the Strategic Economic Development Corporation (SEDCOR), Chemeketa Community College, and the Small Business Development Center to host business meet ups, trainings, and networking opportunities for Dallas entrepreneurs/small business owners.*

**Goal 15: The Dallas Development Commission will use urban renewal funds to leverage private investment into downtown privately-owned buildings.**

*Actions:*

- a. Façade and Minor Maintenance programs will continue to be offered to building owners.
- b. In FY 2021 the Urban Renewal District Advisory Committee will develop new private investment programs.

**Goal 18: Complete 90% designs for the Godsey Road and Purple Pipe projects and be ready to go to bid by December 2020.**

*Actions:*

- a. *Engineering division will coordinate with Keller Associates for 90% design of Godsey Road project by December 2020.*
- b. *Engineering division will coordinate with Jacobs Engineering for 90% design of Recycled Water project by December 2020.*

**Goal 19: Serve the LaCreole Node with city utilities by the end of FY 2022.**

*Actions:*

- a. Evaluate options for providing water, sewer, and storm drainage to the LaCreole Node.
- b. Consult with Keller Associates to develop scope of utility projects to serve the LaCreole Node.
- c. Determine financial needs and resources to provide utility infrastructure to the LaCreole Node.

**Goal 20: Extend Fir Villa Road from Miller Avenue to Monmouth Cutoff Road.**

*Actions:*

- a. Prior to FY 2025 we will develop a plan for the extension of Fir Villa Road between Miller Avenue and Monmouth Cutoff Road.

**Goal 21: Increase our pre-treatment water storage capacity.**

*Actions:*

- a. *Prior to FY 2024, complete a study to determine projects to increase pre-treatment water storage capacity.*
- b. *Evaluate and implement water rate increases in FY 2021 to financially support future water storage projects.*
- c. *Actively pursue opportunities to purchase property in the watershed serving our public drinking water.*

Other goals and action items will play into the future health and prosperity of the City of Dallas, but may not be listed.

## 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, 2020.

#### INDEPENDENT AUDIT

The State of Oregon (ORS 298.405 to 298.555) requires an annual audit of the fiscal affairs of the City by an independent certified public accountant. The City of Dallas' financial statements have been audited by Merina+Co, a firm of licensed, certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Dallas for the fiscal year ended June 30, 2020, 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, 2019. 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.

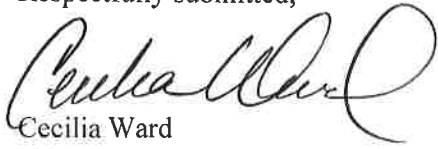
A Certificate of Achievement is valid for a period of one year only. The City of Dallas has received a Certificate of Achievement for the last twenty-seven consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements and we are submitting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

#### ACKNOWLEDGMENTS

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Cecilia Ward', written in a cursive style.

Cecilia Ward  
Finance Director  
Dallas, Oregon



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Dallas  
Oregon**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO



- Engineering
- Environmental Services
- Watershed management
- Public facility plans
- Public Works operations
- Fleet Maintenance
- Building facilities
- Parks & Recreation

- Planning
- Building
- Code Services

- Budget
- Payroll
- Accounts Payable
- Accounts Receivable
- Purchasing
- Utility billing
- Municipal Court
- Benefits
- Capital improvement projects

- Human Resources
- Information Technology
- Library
- Risk Management
- Communications
- Senior Services
- Economic Development
- Urban Renewal

- Records
- Patrol
- Investigation
- Animal Control
- Property/ Evidence

- Fire Prevention
- Fire Suppression
- Emergency Medical Services
- Volunteer Coordination

CITY OF DALLAS, OREGON  
MAYOR AND COUNCIL MEMBERS  
June 30, 2020

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<u>Name</u>	<u>Term Expires</u>
Brian Dalton, Mayor 1650 SW Bridlewood Dr Dallas, OR 97338	December 2020
Jennie Rummell, Council President 1555 SW Fairview Ave Dallas, OR 97338	December 2020
Terry Crawford 711 NW Ashley St Dallas, OR 97338	December 2020
Larry Briggs 1244 SE Academy St Dallas, OR 97338	December 2022
Kelly Gablicks 2452 SW Oakwood Dr Dallas, OR 97338	December 2020
Bill Hahn PO Box 405 Dallas, OR 97338	December 2022
Jackie Lawson 569 SE Walnut Ave Dallas, OR 97338	December 2022
Michael Schilling 860 SE LeCreole Dr Dallas, OR 97338	December 2022
Paul Trahan 1116 SE Barberry Ave Dallas, OR 97338	December 2020
Ken Woods, Jr 1130 Main St Dallas, OR 97338	December 2020

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



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## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
City of Dallas, Oregon

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dallas, Oregon, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise City of Dallas, Oregon's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dallas, Oregon, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis and schedule of revenues, expenditures and changes in fund balance – budget and actual, as listed in the table of contents under required supplementary information, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, schedule of the proportionate share of the net pension liability, schedule of contributions – pension, schedule of the proportionate share of OPEB - RHIA, schedule of contributions to OPEB – RHIA, schedule of changes in OPEB liability and related ratios – implicit rate subsidy and schedule of contributions to OPEB – implicit rate subsidy as listed in the table of contents under required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

### *Supplemental and Other Information*

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

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2020 on our consideration of the City of Dallas, Oregon's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Dallas, Oregon's internal control over financial reporting or on compliance. That report is issued separately and is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Dallas, Oregon's internal control over financial reporting and compliance.

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

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have also issued our report dated December 28, 2020, on our consideration of City of Dallas, Oregon's compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.



For Merina+Co  
Tualatin, Oregon  
December 28, 2020

**CITY OF DALLAS  
POLK COUNTY, OREGON**

**Year Ended June 30, 2020**

**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, 2020. 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.

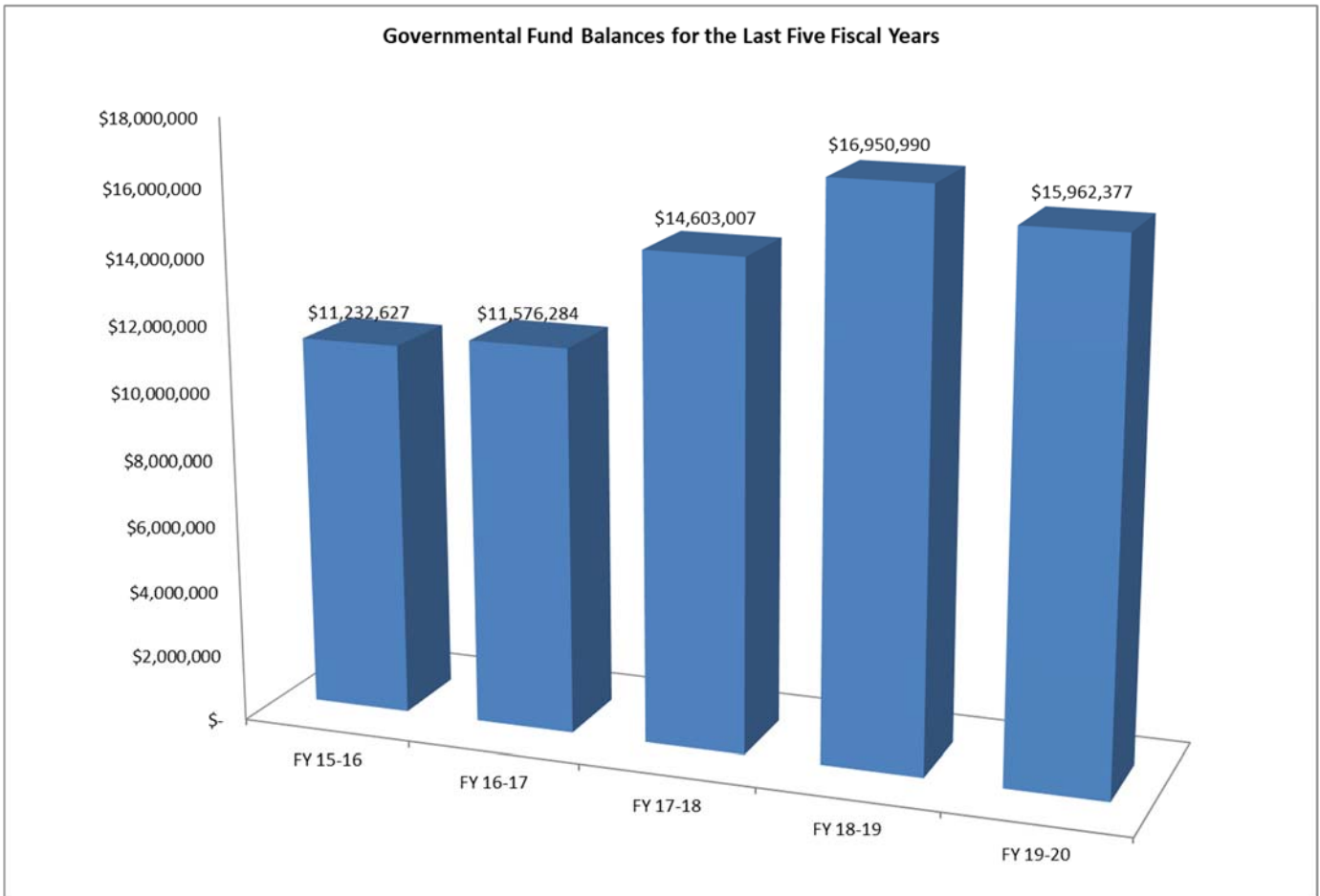
**FINANCIAL HIGHLIGHTS**

As of the close of the current fiscal year the City's governmental funds reported a combined ending fund balance of \$15,962,377, a decrease of \$988,613 in comparison with the previous year. The General Fund ending fund balance increased 17.20 percent to \$2,712,289 due to a decrease in operating expenditures across all general fund departments.

**Governmental Funds: Changes in Fund Balances**

Fund	June 30, 2020 Fund Balance	June 30, 2019 Fund Balance	Increase (decrease)	Percent Change
General Fund	\$ 2,712,289	\$ 2,314,216	\$ 398,073	17.20%
Systems Development Fund	9,679,547	10,761,025	\$(1,081,478)	-10.05%
Capital Projects Fund	132,850	(29,936)	\$ 162,786	-543.78%
Risk Management Fund	164,442	182,967	\$ (18,525)	-10.12%
Building Inspection Fund	730,457	669,575	\$ 60,882	9.09%
Street Fund	1,777,400	1,908,268	\$ (130,868)	-6.86%
Police Officer and Firefighter/EMS Fee Fund	53,148	75,203	\$ (22,055)	-29.32%
Trust/Reserve Fund	182,310	225,677	\$ (43,367)	-19.22%
Urban Renewal Fund	529,923	465,150	\$ 64,773	13.93%
General Obligation Bond Fund	-	378,834	\$ (378,834)	-100.00%
General Debt Fund	11	11	\$ -	0.00%
	<u>\$ 15,962,377</u>	<u>\$ 16,950,990</u>	<u>\$ (988,613)</u>	<u>-5.83%</u>

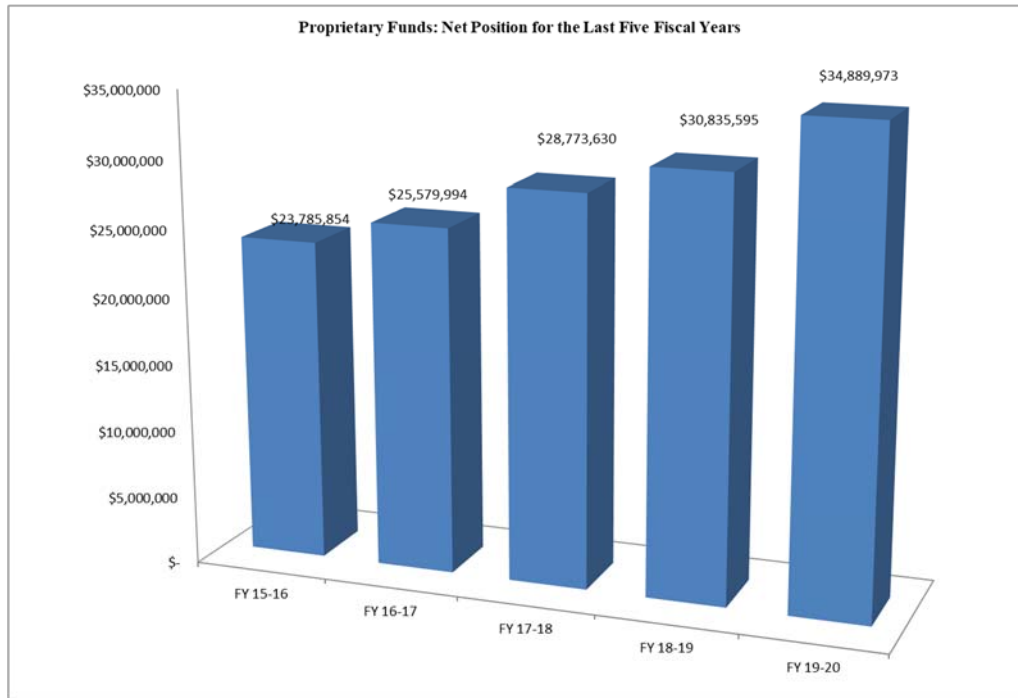
\*The Grants Fund is combined with the Capital Projects Fund.



Business-type net position increased \$4,054,378 (11.62 percent) for the 2019-20 fiscal year. Operating income for the Sewer, Water and Storm Water Funds was \$3,551,658. The net position from non-operating revenues and expenses was (\$30,660). During 2019-20 sewer lines were replaced on Hayter and Birch Street; the wastewater treatment plant had updates to the clarifier and the heating/cooling system; the water treatment plant upgraded a soda ash system along with replacing a pump and purchase of a forklift; and the storm water shared the cost of a street sweeper with the street fund (a governmental fund).

**Changes in Net Position: Proprietary Funds**

Fund	June 30, 2020	June 30, 2019	Increase (decrease)	Percent Change
	Net Position	Net Position		
Water Fund	\$ 14,262,999	\$ 13,368,458	\$ 894,541	6.69%
Sewer Fund	18,209,481	15,704,002	2,505,479	15.95%
Storm Water Fund	2,417,493	1,763,135	654,358	37.11%
	<u>\$ 34,889,973</u>	<u>\$ 30,835,595</u>	<u>\$ 4,054,378</u>	<u>13.15%</u>



For Fiscal Year 2019-20 there was a moderate growth in net position for the three enterprise funds where net position increased 6.69% in the Water Fund and increased 15.95% in the Sewer Fund. The increase in the Water Fund and Sewer Fund reflects reclassification of material and services to capital outlay. The Storm Water Fund, shows an increase of 37.11% due to a storm water rate increase reflected in operating revenues and the addition of capital contributions.

Internal Service Fund (Fleet Management Fund) net position decreased by \$93,881 for the 2019-20 fiscal year due to an increase in operating expenses.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



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

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

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

The government-wide financial statements are on pages 2 and 3 of this report.

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

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

The City of Dallas maintains 12 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 64 through 73 in this report.

The City of Dallas adopts an annual appropriated budget for all of its funds (see page 63-68). Budgetary comparison statements, demonstrating compliance with this budget, have been provided on pages 87 through 103 of this report.

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

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

**Notes to the Financial Statements.** The notes to the financial statements are an integral part of the basic financial statements and should be read along with them. The notes provide additional information necessary to communicate the financial position of the City of Dallas and are on pages 13 through 49 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 \$116,548,556, while total liabilities and deferred inflows of resources were \$24,420,448 resulting in combined net position (governmental and business-type activities) of \$92,128,108. The largest component of the City's total net position, \$80,444,214 or 87.3%, 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, 2020 and 2019 was as follows:

Statement of Net Position						
Years ended June 30, 2020 and 2019						
	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Current assets	\$ 18,229,550	\$ 18,606,049	\$ 4,158,768	\$ 4,196,785	\$ 22,388,318	\$ 22,802,834
Non-current assets:						
Prepaid pension asset	-	-	-	-	-	-
Capital Assets	50,597,840	49,311,777	39,502,390	36,593,190	90,100,230	85,904,967
<i>Total Assets</i>	68,827,390	67,917,826	43,661,158	40,789,975	112,488,548	108,707,801
Deferred outflows of resources	3,535,851	2,892,360	524,157	411,278	4,060,008	3,303,638
<i>Total assets and deferred outflows of resources</i>	\$ 72,363,241	\$ 70,810,186	\$ 44,185,315	\$ 41,201,253	\$ 116,548,556	\$ 112,011,439
Current liabilities	\$ 2,171,634	\$ 1,483,135	\$ 1,091,887	\$ 1,978,889	\$ 3,263,521	\$ 3,462,024
Long-term liabilities:						
Net pension liability	8,716,539	7,047,460	1,292,148	1,009,423	10,008,687	8,056,883
Other liabilities	3,645,679	2,080,874	6,823,618	7,280,492	10,469,297	9,361,366
<i>Total Liabilities</i>	14,533,852	10,611,469	9,207,653	10,268,804	23,741,505	20,880,273
Deferred inflows of resources	591,524	676,201	87,689	96,854	679,213	773,055
Net Position:						
Net investment in capital assets	48,197,682	48,416,186	32,246,532	27,913,008	80,444,214	76,329,194
Restricted	13,133,048	14,420,599	12,280		13,145,328	14,420,599
Unrestricted	(4,092,595)	(3,314,269)	2,631,161	2,922,587	(1,461,434)	(391,682)
<i>Total Net Position</i>	57,238,135	59,522,516	34,889,973	30,835,595	92,128,108	90,358,111
<i>Total liabilities, deferred inflows of resources, and net position</i>	\$ 72,363,241	\$ 70,810,186	\$ 44,185,315	\$ 41,201,253	\$ 116,548,556	\$ 112,011,439

Statement of Activities						
Years ended June 30, 2020 and 2019						
	Governmental Activities		Business-type Activities		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
<i>Revenues:</i>						
<i>Program Revenues:</i>						
Charges for services	\$ 3,553,071	\$ 3,855,299	\$ 6,836,157	\$ 6,608,518	\$ 10,389,228	\$ 10,463,817
Operating grants and contributions	1,641,459	599,195	-	-	1,641,459	599,195
Capital grants and contributions	1,638,878	339,717	1,700,395	861,194	3,339,273	1,200,911
<i>General Revenues:</i>						
Property taxes	4,833,754	4,834,156	-	-	4,833,754	4,834,156
Public service taxes	1,661,562	1,613,255	-	-	1,661,562	1,613,255
Franchise fees	1,336,582	1,302,982	-	-	1,336,582	1,302,982
Interest and investment earnings	280,366	238,463	208,310	211,308	488,676	449,771
Other Revenues	1,878,142	2,611,849	164,605	200,239	2,042,747	2,812,088
<i>Total Revenues</i>	<i>16,823,814</i>	<i>15,394,916</i>	<i>8,909,467</i>	<i>7,881,259</i>	<i>25,733,281</i>	<i>23,276,175</i>
<i>Expenses:</i>						
General government	(6,066,986)	(3,128,997)	-	-	(6,066,986)	(3,128,997)
Public safety	(7,405,408)	(8,334,194)	-	-	(7,405,408)	(8,334,194)
Highways and street	(2,773,333)	(783,447)	-	-	(2,773,333)	(783,447)
Culture and recreation	(1,283,472)	(842,281)	-	-	(1,283,472)	(842,281)
Community development	(2,594,730)	(3,021,745)	-	-	(2,594,730)	(3,021,745)
Interest on long-term debt	(136,259)	(56,981)	-	-	(136,259)	(56,981)
Sewage disposal	-	-	(1,180,763)	(2,258,528)	(1,180,763)	(2,258,528)
Water	-	-	(2,306,226)	(2,226,989)	(2,306,226)	(2,226,989)
Storm Water	-	-	(216,107)	(181,627)	(216,107)	(181,627)
<i>Total Expenses</i>	<i>(20,260,188)</i>	<i>(16,167,645)</i>	<i>(3,703,096)</i>	<i>(4,667,144)</i>	<i>(23,963,284)</i>	<i>(20,653,162)</i>
Increase (decrease) in net position before transfers	(3,436,374)	(772,729)	5,206,371	3,214,115	1,769,997	2,441,386
Transfers in (out)	1,151,993	1,152,150	(1,151,993)	(1,152,150)	-	-
Change in net position	(2,284,381)	379,421	4,054,378	2,061,965	1,769,997	2,441,386
Net position - beginning	59,522,516	59,143,095	30,835,595	28,773,630	90,358,111	87,916,725
Net position - ending	\$ 57,238,135	\$ 59,522,516	\$ 34,889,973	\$ 30,835,595	\$ 92,128,108	\$ 90,358,111

**Governmental Activities.** Total revenues for the City of Dallas' governmental activities for the fiscal year ended June 30, 2020, were \$16,823,814 (excluding transfers). Approximately 29% of the total revenue for the governmental activities was derived from property taxes and approximately 21% of the total revenue is from charges for services. Total expenses for governmental activities were \$20,260,188 (excluding transfers), resulting in a decrease in net position of \$2,284,381. The majority of the governmental activities revenue was used to fund public safety, which accounts for approximately 37% of the total governmental activities expense. Culture and recreation expenses account for 6% of the total, community development accounts for 13%, highways and streets account for 14%, and general government expenses account for 30% 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 \$8,909,467 (excluding transfers) for the current fiscal year. Approximately 77% of the total business-type activities revenue was derived from charges for services. The total expenses for business-type activities were \$3,703,096 (excluding transfers), resulting in an increase of net position by \$4,054,378. 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 \$15,962,377 a decrease of \$988,613 or 5.83%, 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 \$2,712,289, an increase of \$398,073 (17.20 percent) from the prior year (on the modified accrual basis). The increase was due to a decrease in operating expenditures across all general fund departments.

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 \$1,777,400, a decrease of 6.86% from the prior year. The decrease was due to two large projects. Main Street improvements and Hayter Street upgrades.

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, 2020 was \$9,679,547. A decrease of \$1,081,478 due to sewer capital improvements associated with growth and new development.

## **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 11% less than budgeted amounts due primarily to controlled spending of materials and services across all departments. The City continues its commitment to maintaining all facilities and equipment in good condition and providing excellent service to its citizens.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City of Dallas' capital assets for its governmental and business-type activities at the end of the current fiscal year equaled, \$90,005,113 net of accumulated depreciation, compared to \$85,904,967 at the end of last fiscal year. Capital assets include land, buildings, improvements, equipment, and infrastructure. The increase in capital assets for governmental activities is due to an addition of a Senior Center and street improvements. For business-type activities, capital asset additions consisted of a large sewer line replacement on

Hayter and Birch Street; the wastewater treatment plant had updates the HVAC system; the water distribution added AMR meters; a vehicle; and upgraded the soda ash system along with replacing a pump and purchase of a forklift; and the storm water shared the cost of a street sweeper with the street fund (a governmental fund). Additional information about the City's capital assets is presented in the notes to the financial statements on page 25.

Capital Assets						
Years ended June 30, 2020 and 2019						
	Governmental Activities		Business-type Activities		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Land	\$ 992,046	\$ 992,046	\$ 2,653,765	\$ 2,653,765	\$ 3,645,811	\$ 3,645,811
Buildings and improvements	17,895,220	16,223,521	64,925,616	61,177,992	82,820,836	77,401,513
Machinery and equipment	11,679,703	11,574,477	1,035,961	808,141	12,715,664	12,382,618
Infrastructure	80,748,841	77,975,592	-	-	80,748,841	77,975,592
Accumulated depreciation	(60,800,807)	(57,453,859)	(29,125,232)	(28,046,708)	(89,926,039)	(85,500,567)
			-			
<i>Total Net Capital Assets</i>	<u>\$ 50,515,003</u>	<u>\$ 49,311,777</u>	<u>\$ 39,490,110</u>	<u>\$ 36,593,190</u>	<u>\$ 90,005,113</u>	<u>\$ 85,904,967</u>

**Long-term Obligations.** At the end of the current fiscal year, long-term debt outstanding for the governmental activities totaled \$3,397,321 (excluding compensated absences payable), compared to \$2,065,591 the prior year. For business-type activities, long term debt outstanding totaled \$7,243,578 (excluding compensated absences payable), compared to \$8,680,182 the prior year. The increase in governmental debt is due to new financing in FY 19-20 for the new senior center and Main Street improvements. The decrease in business-type activity debt is due to principal payments on debt outstanding and the payoff of sewer debt. Additional information about the City's long-term debt is presented in the notes to the financial statements on page 26 through 31.

Long-Term Debt						
Years ended June 30, 2020 and 2019						
	Governmental Activities		Business-type Activities		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Pension Obligation Bonds	\$ 2,671,000	\$ 1,170,000	\$ -	\$ -	\$ 2,671,000	\$ 1,170,000
Capital Lease/Loans	562,598	706,355	-	-	562,598	706,355
Notes Payable	163,723	189,236	7,243,578	8,623,558	7,407,301	8,812,794
Bond Premium	-	-	-	56,624	-	56,624
<i>Total Net Position</i>	<u>\$ 3,397,321</u>	<u>\$ 2,065,591</u>	<u>\$ 7,243,578</u>	<u>\$ 8,680,182</u>	<u>\$ 10,640,899</u>	<u>\$ 10,745,773</u>

## **ECONOMIC FACTORS 2020**

The city's tax base is comprised of residential, commercial, and industrial properties. Residential property accounts for the highest percentage of the tax base. The City had expansion in both commercial and residential development. Building permit activity in 2020 was consistent with 2019. We issued a total of 638 building permits for an estimated value of \$33,006,500. 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 1.8% this year and now has an estimated population of 16,555.

The 2020 unemployment rate in the Dallas area is 4.8%, which is consistent with the 2019 rate. The coronavirus affected unemployment rates statewide and in the city of Dallas near the end of 2020, but those job losses are expected to recover when a vaccine to the virus is widely administered.

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 city has proactively reduced personnel and materials and services accounts in the FY 2021 budget to better align general fund revenues with expenditures for a stable city budget.

In 2020, the City Council revitalized the City's Economic Development Commission whose task it will be to build the city's economic development strategy to encourage and support business and employment growth, which will add to the tax base of the city. The City's Urban Renewal District is also very active in supporting and leveraging investments in private building projects.

## **REQUESTS FOR INFORMATION**

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

## **BASIC FINANCIAL STATEMENTS**



## **BASIC FINANCIAL STATEMENTS**

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

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

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

**CITY OF DALLAS, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 16,863,104	\$ 3,765,070	\$ 20,628,174
Cash held with county	43,352	-	43,352
Accounts receivable, net	1,033,688	311,446	1,345,134
Property taxes receivable	161,896	-	161,896
Interfund loan receivable (payable)	127,510	(127,510)	-
Inventory	-	209,762	209,762
<b>Total current assets</b>	<b>18,229,550</b>	<b>4,158,768</b>	<b>22,388,318</b>
Noncurrent assets:			
Net OPEB asset	82,837	12,280	95,117
Capital assets:			
Nondepreciable	992,046	2,653,765	3,645,811
Depreciable, net	49,522,957	36,836,345	86,359,302
<b>Total noncurrent assets</b>	<b>50,597,840</b>	<b>39,502,390</b>	<b>90,100,230</b>
<b>Total assets</b>	<b>68,827,390</b>	<b>43,661,158</b>	<b>112,488,548</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pension	3,504,285	519,478	4,023,763
Deferred outflows related to OPEB	31,566	4,679	36,245
<b>Total deferred outflows of resources</b>	<b>3,535,851</b>	<b>524,157</b>	<b>4,060,008</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 72,363,241</b>	<b>\$ 44,185,315</b>	<b>\$ 116,548,556</b>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 1,227,912	\$ 430,615	\$ 1,658,527
Payroll liabilities	343,199	-	343,199
Deferred revenue	-	25,411	25,411
Interest payable	26,543	118,331	144,874
Deposits payable	136,560	-	136,560
Current portion of compensated absences	100,193	13,840	114,033
Current portion of long-term debt	336,957	503,690	840,647
<b>Total current liabilities</b>	<b>2,171,364</b>	<b>1,091,887</b>	<b>3,263,251</b>
Noncurrent liabilities:			
Net pension liability	8,716,539	1,292,148	10,008,687
Net OPEB liability	284,735	42,209	326,944
Noncurrent portion of compensated absences	300,580	41,521	342,101
Noncurrent portion of long-term obligations	3,060,364	6,739,888	9,800,252
<b>Total noncurrent liabilities</b>	<b>12,362,218</b>	<b>8,115,766</b>	<b>20,477,984</b>
<b>Total liabilities</b>	<b>14,533,582</b>	<b>9,207,653</b>	<b>23,741,235</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflow related to pension	521,039	77,240	598,279
Deferred inflow related to OPEB	70,485	10,449	80,934
<b>Total deferred inflows of resources</b>	<b>591,524</b>	<b>87,689</b>	<b>679,213</b>
<b>NET POSITION:</b>			
Net investment in capital assets	48,197,682	32,246,532	80,444,214
Restricted for:			
OPEB benefits	82,837	12,280	95,117
Urban renewal projects	529,923	-	529,923
Debt service	11	-	11
Streets	1,777,400	-	1,777,400
Building department	730,457	-	730,457
Trust	182,310	-	182,310
Capital projects	150,563	-	150,563
System development	9,679,547	-	9,679,547
Unrestricted	(4,092,595)	2,631,161	(1,461,434)
<b>Total net position</b>	<b>57,238,135</b>	<b>34,889,973</b>	<b>92,128,108</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 72,363,241</b>	<b>\$ 44,185,315</b>	<b>\$ 116,548,556</b>

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

CITY OF DALLAS, OREGON  
STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net Expense Revenue and Change in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 6,066,986	\$ 613,897	\$ 100,000	\$ -	\$ (5,353,089)	\$ -	\$ (5,353,089)
Public safety	7,405,408	2,434,316	157,723	-	(4,813,369)	-	(4,813,369)
Highways and streets	2,773,333	-	150,000	1,359,503	(1,263,830)	-	(1,263,830)
Culture and recreation	1,283,472	493,594	2,641	279,375	(507,862)	-	(507,862)
Community development	2,594,730	11,264	1,231,095	-	(1,352,371)	-	(1,352,371)
Interest on long-term debt	136,261	-	-	-	(136,261)	-	(136,261)
Total governmental activities	20,260,190	3,553,071	1,641,459	1,638,878	(13,426,782)	-	(13,426,782)
<b>Business type activities:</b>							
Sewer Fund	1,180,763	3,687,494	-	475,720	-	2,982,451	2,982,451
Water Fund	2,306,226	2,841,713	-	617,475	-	1,152,962	1,152,962
Storm Water Fund	216,107	306,950	-	607,200	-	698,043	698,043
Total business-type activities	3,703,096	6,836,157	-	1,700,395	-	4,833,456	4,833,456
Total government	\$ 23,963,286	\$ 10,389,228	\$ 1,641,459	\$ 3,339,273	(13,426,782)	4,833,456	(8,593,326)
<b>General revenues:</b>							
Taxes:							
Property taxes					4,833,754	-	4,833,754
Public service taxes					1,661,562	-	1,661,562
Interest and investment earnings					280,366	208,310	488,676
Franchise fees					1,336,582	-	1,336,582
Other revenues					1,878,144	164,605	2,042,749
Transfers in (out)					1,151,993	(1,151,993)	-
Total general revenues and transfers					11,142,401	(779,078)	10,363,323
Change in net position					(2,284,381)	4,054,378	1,769,997
Net position - beginning					59,522,516	30,835,595	90,358,111
Net position - ending					\$ 57,238,135	\$ 34,889,973	\$ 92,128,108

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

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

**General Fund**

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

**Street Fund**

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

**System Development Fund**

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

CITY OF DALLAS, OREGON  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 June 30, 2020

	General Fund	Street Fund	System Development Fund	Other Governmental	Total Governmental
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 3,039,378	\$ 2,305,732	\$ 9,499,175	\$ 1,625,297	\$ 16,469,582
Cash held with county	41,507	-	-	1,845	43,352
Accounts receivable	706,819	106,100	-	211,406	1,024,325
Property taxes receivable	159,301	-	-	2,595	161,896
Due from other funds	15,688	-	-	-	15,688
Interfund loan receivable	-	-	754,618	-	754,618
Total assets	<u>\$ 3,962,693</u>	<u>\$ 2,411,832</u>	<u>\$ 10,253,793</u>	<u>\$ 1,841,143</u>	<u>\$ 18,469,461</u>
<b>LIABILITIES:</b>					
Accounts payable and other current liabilities	\$ 111,746	\$ 506,922	\$ 574,246	\$ 29,719	\$ 1,222,633
Payroll liabilities	343,199	-	-	-	343,199
Deposits payable	136,560	-	-	-	136,560
Due to other funds	-	-	-	15,688	15,688
Interfund loan payable	499,598	127,510	-	-	627,108
Total liabilities	<u>1,091,103</u>	<u>634,432</u>	<u>574,246</u>	<u>45,407</u>	<u>2,345,188</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	159,301	-	-	2,595	161,896
Total deferred inflows of resources	<u>159,301</u>	<u>-</u>	<u>-</u>	<u>2,595</u>	<u>161,896</u>
<b>FUND BALANCES:</b>					
Restricted for:					
Debt	-	-	-	11	11
Urban renewal projects	-	-	-	529,923	529,923
Streets	-	1,777,400	-	-	1,777,400
Building department	-	-	-	730,457	730,457
Trust	-	-	-	182,310	182,310
Capital projects	-	-	-	150,563	150,563
System development	-	-	9,679,547	-	9,679,547
Committed for:					
Community development	-	-	-	217,590	217,590
Unassigned	2,712,289	-	-	(17,713)	2,694,576
Total fund balances	<u>2,712,289</u>	<u>1,777,400</u>	<u>9,679,547</u>	<u>1,793,141</u>	<u>15,962,377</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,962,693</u>	<u>\$ 2,411,832</u>	<u>\$ 10,253,793</u>	<u>\$ 1,841,143</u>	<u>\$ 18,469,461</u>

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

**CITY OF DALLAS, OREGON**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**June 30, 2020**

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Total fund balances - governmental funds		\$ 15,962,377
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Nondepreciable	\$ 985,036	
Depreciable	<u>49,232,500</u>	50,217,536
Other long-term assets are not available to pay for current-period expenditures and, therefore, are reported as unavailable revenue in the funds:		
Property taxes earned but not available		161,896
Pension - related changes		(5,558,737)
OPEB related - changes		(233,485)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Compensated absences payable	\$ (388,845)	
Notes and bonds payable	(3,397,321)	
Interest payable	<u>(26,543)</u>	(3,812,709)
Internal service funds are used by management to charge costs of insurance and information systems and services to individual funds. Assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		<u>501,257</u>
Total net position - governmental activities		<u><u>\$ 57,238,135</u></u>

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

**CITY OF DALLAS, OREGON**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended June 30, 2020**

	General Fund	Street Fund	System Development Fund	Other Governmental	Total Governmental
<b>REVENUES:</b>					
Property taxes	\$ 4,642,543	\$ -	\$ -	\$ 212,887	\$ 4,855,430
Public service taxes	658,542	1,100,058	-	-	1,758,600
Franchise fees	1,336,582	-	-	-	1,336,582
Grants	-	-	-	1,545,011	1,545,011
Charges for services	2,316,017	-	1,783,722	-	4,099,739
Licenses and permits	1,670	-	-	457,339	459,009
Fees	-	-	-	418,544	418,544
Fines and forfeitures	183,013	-	-	-	183,013
Contributions and donations	-	-	-	79,583	79,583
Interest	143,454	119,484	-	17,428	280,366
Miscellaneous	334,361	69,893	-	328,280	732,534
Total revenues	<u>9,616,182</u>	<u>1,289,435</u>	<u>1,783,722</u>	<u>3,059,072</u>	<u>15,748,411</u>
<b>EXPENDITURES:</b>					
General government	1,811,370	-	-	1,925,378	3,736,748
Public safety	6,279,161	-	-	-	6,279,161
Highways and streets	-	554,726	-	-	554,726
Culture and recreation	580,126	-	-	192,450	772,576
Community development	1,680,262	-	-	852,302	2,532,564
Capital outlay	-	1,423,817	2,729,022	1,150,140	5,302,979
Debt service:					
Principal	145,758	25,000	-	115,512	286,270
Interest	42,846	19,767	-	61,080	123,693
Total expenditures	<u>10,539,523</u>	<u>2,023,310</u>	<u>2,729,022</u>	<u>4,296,862</u>	<u>19,588,717</u>
Revenues over (under) expenditures	(923,341)	(733,875)	(945,300)	(1,237,790)	(3,840,306)
<b>OTHER FINANCING SOURCES (USES):</b>					
Issuance of debt	-	721,000	-	927,000	1,648,000
Transfers in	1,982,725	-	45,497	860,875	2,889,097
Transfers out	(661,311)	(117,993)	(181,675)	(724,425)	(1,685,404)
Total other financing sources (uses)	<u>1,321,414</u>	<u>603,007</u>	<u>(136,178)</u>	<u>1,063,450</u>	<u>2,851,693</u>
Net changes in fund balances	398,073	(130,868)	(1,081,478)	(174,340)	(988,613)
<b>FUND BALANCES, BEGINNING</b>	<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>
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,712,289</u>	<u>\$ 1,777,400</u>	<u>\$ 9,679,547</u>	<u>\$ 1,793,141</u>	<u>\$ 15,962,377</u>

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

**CITY OF DALLAS, OREGON**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended June 30, 2020**

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Amounts reported in the statement of activities are different because:

Net change in fund balances		\$ (988,613)
<p>The statement of revenues, expenditures, and changes in fund balances report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.</p>		
Capital asset additions	\$ 3,881,203	
Current year depreciation	(3,424,755)	
Loss on disposal of assets	<u>(142,057)</u>	314,391
<p>The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.</p>		
Capital contributions		980,760
<p>Some revenue provide current financial resources in the governmental funds and are not reported in the statement of activities.</p>		
		(21,676)
<p>Governmental funds report pension contributions as expenditures. However, in the statements of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
		(861,385)
<p>Governmental funds report OPEB contributions as expenditures. However, in the statements of activities, the cost of OPEB benefits earned net of employee contributions is reported as OPEB expense.</p>		
		(233,485)
<p>Internal service funds are used by management to charge the costs of the administrative services department to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.</p>		
		(93,881)
<p>The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This is the amount by which proceeds exceeded repayments.</p>		
Debt service principal payments	\$ 316,272	
Accrued interest expense	(12,568)	
Debt proceeds	(1,648,000)	
Compensated absences	<u>(36,196)</u>	<u>(1,380,492)</u>
Change in net position of governmental activities		<u>\$ (2,284,381)</u>

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



## **FUND FINANCIAL STATEMENTS**

### **Proprietary Funds**

#### Enterprise Funds

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

#### **Sewer Fund**

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

#### **Water Fund**

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

#### **Storm Water Fund**

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

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

#### Internal Service Funds

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

#### **Fleet Management Fund**

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

**CITY OF DALLAS, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET POSITION**  
**June 30, 2020**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Sewer Fund	Water Fund	Storm Water Fund	Total	Internal Service Fund
<b>ASSETS:</b>					
Current assets:					
Cash and cash equivalents	\$ 729,287	\$ 2,862,237	\$ 173,546	\$ 3,765,070	\$ 393,522
Accounts receivables, net	176,297	116,722	18,427	311,446	9,363
Inventories	22,720	187,042	-	209,762	-
Total current assets	928,304	3,166,001	191,973	4,286,278	402,885
Noncurrent assets:					
Net OPEB Asset	3,829	7,708	743	12,280	2,522
Nondepreciable	663,527	1,990,238	-	2,653,765	7,010
Depreciable, net	17,880,464	16,539,271	2,416,610	36,836,345	290,457
Total noncurrent assets	18,547,820	18,537,217	2,417,353	39,502,390	299,989
Total assets	19,476,124	21,703,218	2,609,326	43,788,668	702,874
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred outflow related to pension	161,989	326,068	31,421	519,478	106,692
Deferred outflow related to OPEB benefits	1,459	2,937	283	4,679	961
Total deferred outflows of resources	163,448	329,005	31,704	524,157	107,653
Total assets and deferred outflows of resources	\$ 19,639,572	\$ 22,032,223	\$ 2,641,030	\$ 44,312,825	\$ 810,527
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 207,590	\$ 215,437	\$ 7,588	\$ 430,615	\$ 5,279
Interest payable	12,935	105,396	-	118,331	-
Deferred revenue	-	25,411	-	25,411	-
Interfund loan payable	-	-	127,510	127,510	-
Current accrued compensated absences	3,532	9,702	606	13,840	2,982
Current portion of long-term debt	54,000	449,690	-	503,690	-
Total current liabilities	278,057	805,636	135,704	1,219,397	8,261
Noncurrent liabilities:					
Noncurrent accrued compensated absences	10,597	29,105	1,819	41,521	8,946
Noncurrent portion of long-term debt	698,000	6,041,888	-	6,739,888	-
Net other postemployment benefit liability	13,162	26,494	2,553	42,209	8,669
Net pension liability	402,931	811,060	78,157	1,292,148	265,384
Total noncurrent liabilities	1,124,690	6,908,547	82,529	8,115,766	282,999
Total liabilities	1,402,747	7,714,183	218,233	9,335,163	291,260
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred inflow related to pension	24,086	48,482	4,672	77,240	15,864
Deferred inflow related to OPEB benefits	3,258	6,559	632	10,449	2,146
Total deferred inflows of resources	27,344	55,041	5,304	87,689	18,010
<b>NET POSITION:</b>					
Net investment in capital assets	12,037,931	17,791,991	2,416,610	32,246,532	297,467
Restricted for:					
OPEB benefits	3,829	7,708	743	12,280	961
Unrestricted	6,167,721	(3,536,700)	140	2,631,161	202,829
Total net position	18,209,481	14,262,999	2,417,493	34,889,973	501,257
Total liabilities, deferred inflows of resources, and net position	\$ 19,639,572	\$ 22,032,223	\$ 2,641,030	\$ 44,312,825	\$ 810,527

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

**CITY OF DALLAS, OREGON**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES,**  
**AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2020**

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Sewer Fund	Water Fund	Storm Water Fund	Total	Internal Service Fund
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 3,687,494	\$ 2,841,713	\$ 306,950	\$ 6,836,157	\$ 497,451
Miscellaneous	94,258	70,347	-	164,605	-
Total operating revenues	<u>3,781,752</u>	<u>2,912,060</u>	<u>306,950</u>	<u>7,000,762</u>	<u>497,451</u>
<b>OPERATING EXPENSES:</b>					
Personnel services	465,285	1,290,614	86,545	1,842,444	280,465
Materials and services	142,680	289,842	79,145	511,667	189,110
Depreciation and amortization	524,995	519,581	50,417	1,094,993	106,925
Total operating expenses	<u>1,132,960</u>	<u>2,100,037</u>	<u>216,107</u>	<u>3,449,104</u>	<u>576,500</u>
Operating income (loss)	2,648,792	812,023	90,843	3,551,658	(79,049)
<b>NON-OPERATING INCOME (EXPENSE):</b>					
Interest income	47,770	155,232	5,308	208,310	-
Interest expense	(47,803)	(206,189)	-	(253,992)	-
Gain on sale of capital assets	-	-	-	-	36,868
Total non-operating income (expenses)	<u>(33)</u>	<u>(50,957)</u>	<u>5,308</u>	<u>(45,682)</u>	<u>36,868</u>
Net income (loss) before operating transfers	2,648,759	761,066	96,151	3,505,976	(42,181)
<b>OPERATING TRANSFERS:</b>					
Transfers in (out)	<u>(619,000)</u>	<u>(484,000)</u>	<u>(48,993)</u>	<u>(1,151,993)</u>	<u>(51,700)</u>
Net income (loss) before contributions	2,029,759	277,066	47,158	2,353,983	(93,881)
<b>CAPITAL CONTRIBUTIONS:</b>					
Capital contributions	<u>475,720</u>	<u>617,475</u>	<u>607,200</u>	<u>1,700,395</u>	<u>-</u>
Change in net position	2,505,479	894,541	654,358	4,054,378	(93,881)
<b>NET POSITION, BEGINNING</b>	<u>15,704,002</u>	<u>13,368,458</u>	<u>1,763,135</u>	<u>30,835,595</u>	<u>595,138</u>
<b>NET POSITION, ENDING</b>	<u>\$ 18,209,481</u>	<u>\$ 14,262,999</u>	<u>\$ 2,417,493</u>	<u>\$ 34,889,973</u>	<u>\$ 501,257</u>

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

CITY OF DALLAS, OREGON  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 For the Fiscal Year Ended June 30, 2020

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Sewer Fund	Water Fund	Storm Water Fund	Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>					
Cash received from customers	\$ 3,759,800	\$ 3,333,072	\$ 297,759	\$ 7,390,631	\$ 490,462
Cash paid to employees	(536,231)	(1,405,104)	(84,888)	(2,026,223)	(234,021)
Cash paid to suppliers	(153,665)	(250,236)	(90,294)	(494,195)	(189,414)
Net cash provided (used) by operating activities	3,069,904	1,677,732	122,577	4,870,213	67,027
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Payment to other funds	-	25,411	127,510	152,921	-
Transfers in (out)	(619,000)	(484,000)	(48,993)	(1,151,993)	(51,700)
Net cash provided (used) by non-capital financing activities	(619,000)	(458,589)	78,517	(999,072)	(51,700)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchase of capital assets	(1,601,085)	(562,923)	-	(2,164,008)	(15,000)
Principal paid on capital debt	(997,353)	(439,251)	-	(1,436,604)	-
Proceeds from issuance of debt	-	-	(127,509)	(127,509)	-
Interest paid on capital debt	(57,002)	(167,204)	-	(224,206)	-
Gain (loss) on disposal	-	-	-	-	36,868
Net cash provided (used) by capital and related financing activities	(2,655,440)	(1,169,378)	(127,509)	(3,952,327)	21,868
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest on investments	47,770	155,232	5,308	208,310	-
Net cash provided (used) by investing activities	47,770	155,232	5,308	208,310	-
Net increase (decrease) in cash and cash equivalents	(156,766)	204,997	78,893	127,124	37,195
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	886,053	2,657,240	94,653	3,637,946	356,327
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 729,287</u>	<u>\$ 2,862,237</u>	<u>\$ 173,546</u>	<u>\$ 3,765,070</u>	<u>\$ 393,522</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating income	\$ 2,648,792	\$ 812,023	\$ 90,843	\$ 3,551,658	\$ (79,049)
Adjustments					
Depreciation and amortization	524,995	519,581	50,417	1,094,993	106,925
Decrease (increase) in:					
Accounts receivable	(21,952)	38,662	(9,191)	7,519	(6,989)
Inventories	2,254	27,857	-	30,111	-
OPEB asset	(3,829)	(7,708)	(743)	(12,280)	-
Increase (decrease) in:					
OPEB liability	14,961	30,116	2,902	47,979	-
Accounts payable and accrued expenses	(13,239)	11,749	(11,149)	(12,639)	(304)
Deposits	-	-	-	-	(2,522)
Deferred revenue	-	-	-	-	9,854
Accrued compensated absences	1,394	5,876	690	7,960	(1,495)
Net pension liability	(83,472)	239,576	(1,192)	154,912	40,607
Net cash provided (used) by operating activities	<u>\$ 3,069,904</u>	<u>\$ 1,677,732</u>	<u>\$ 122,577</u>	<u>\$ 4,870,213</u>	<u>\$ 67,027</u>
<b>NON-CASH CAPITAL FINANCING ACTIVITIES:</b>					
Capital contributions	\$ 475,720	\$ 617,475	\$ 607,200	\$ 1,700,395	\$ -
Total non-cash capital financing activities	<u>\$ 475,720</u>	<u>\$ 617,475</u>	<u>\$ 607,200</u>	<u>\$ 1,700,395</u>	<u>\$ -</u>

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

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

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

### **The Financial Reporting Entity**

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

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

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

### **Basic Financial Statements**

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

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

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

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

**Basis of Presentation**

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

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

These are the major governmental funds:

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

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

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

Additionally, the non-major special revenue funds 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. Non-major debt service funds include General Long Term Debt Fund and General Obligation Bond Fund.

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

Sewer Fund  
Water Fund  
Storm Water Fund

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

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

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

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

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

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

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

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

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

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

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



### **Cash and Investments**

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

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

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

### **Receivables and Payables**

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

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

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

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

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

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

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

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

### **Accrued Compensated Absences and Sick Pay**

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

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

### **Long-Term Debt**

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

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

**Use of Estimates**

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

**Net Position**

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

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

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

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

**Fund Balance**

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

- Nonspendable fund balance represents amounts that are not in a spendable form.

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

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

There were no non spendable or assigned fund balances as of June 30, 2020.

**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, 2020, there were pension related deferred outflows of \$4,023,763 representing PERS pension related deferrals reported in the Statement of Net Position and \$36,245 representing OPEB related deferrals reported in the Statement of Net Position.

In addition to liabilities, the basic financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, 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 three types of items which qualify for reporting in this category. The first item, unavailable revenue of \$161,896, is reported only in the governmental funds balance sheet for property taxes. At June 30, 2020, there were also deferred inflows of \$598,279 representing PERS pension related deferrals and deferred inflows of \$80,934 representing OPEB related deferrals reported in the Statement of Net Position.

### **Fair Value Inputs and Methodologies and Hierarchy**

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

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

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

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

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

## **2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

### **Budgetary Information**

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

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

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

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

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

**3. CASH AND CASH EQUIVALENTS**

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

At June 30, 2020 investments included in cash and cash equivalents consist of the following:

	<b>Weighted Average Maturity (years)</b>	<b>Fair Value</b>
	<u>                    </u>	<u>                    </u>
Investment in the State Treasurer's Local Government Investment Pool	-	\$ 14,657,584
	<u>                    </u>	<u>                    </u>
Total cash equivalents	-	\$ 14,657,584
	<u>                    </u>	<u>                    </u>

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Following is a summary of the City’s deposit and investment balances at June 30, 2020:

	<u>2020</u>
Cash Deposits:	
Cash on hand	\$ 750
Bank deposits	<u>5,969,840</u>
	5,970,590
Pooled cash and investments:	
State of Oregon LGIP	<u>14,657,584</u>
Total	<u>\$ 20,628,174</u>

**Deposits**

Custodial credit risk is the risk that in the event of a bank failure, the City’s deposits may not be returned. The City does not have a deposit policy for custodial credit risk. The Federal Depository Insurance Corporation (FDIC) provides insurance for the City’s deposits up to \$250,000 for the combined total of all deposit accounts at each financial institution. The remaining deposits are covered by the Public Funds Collateralization program (PFCP) of the State of Oregon in accordance with ORS 295. Depositories qualified under this program are required to pledge collateral against any public funds deposits in excess of deposit insurance amounts. This provides additional protection for public funds in the event of a bank failure or loss. ORS 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable. ORS 295 creates a shared liability structure for participating depositories, better protecting public funds though still not guaranteeing that all funds are 100% protected. As of June 30, 2020, the book value of the City’s deposits was \$5,969,850 and the bank balance was \$6,284,320. \$5,712,348 of the City’s bank balances were exposed to custodial credit risk as they were collateralized under PFCP.

**Credit Risk - Deposits**

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2020, none of the bank balances were exposed to custodial credit risk.

**Investments**

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

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

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

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

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

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

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

### **Interest Rate Risk**

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

### **Credit Risk- Investment**

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

Oregon Revised Statutes require banker's acceptances to be guaranteed by and carried on the books of a qualified financial institution, eligible for discount by Federal Reserve System, and issued by a qualified financial institution whose short-term letter of credit rating is rated in the highest category by one or more nationally recognized statistical rating organizations. There were no investments in banker's acceptances at June 30, 2020.

### **Concentration of Credit Risk**

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



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**4. NET POSITION**

The government-wide statement of net position reports \$13,145,328 of restricted net position, of which \$12,812,455 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, 2020, the total amount of inventory on hand for all funds was \$209,762.

**6. CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2020 was as follows:

<u>Primary Government</u>	<u>Total Primary Government</u>			<u>Ending Balance June 30, 2020</u>
	<u>Beginning Balance June 30, 2019</u>	<u>Additions</u>	<u>Deletions</u>	
<b>Capital assets, nondepreciable:</b>				
Land and land improvements	\$ 992,046	\$ -	\$ -	\$ 992,046
Total capital assets, nondepreciable	<u>992,046</u>	<u>-</u>	<u>-</u>	<u>992,046</u>
<b>Capital assets, depreciable:</b>				
Infrastructure	77,975,592	2,773,249	-	80,748,841
Buildings and improvements	16,223,521	1,840,828	(169,129)	17,895,220
Machinery and equipment	11,574,477	262,886	(157,660)	11,679,703
Total capital assets, depreciable	<u>105,773,590</u>	<u>4,876,963</u>	<u>(326,789)</u>	<u>110,323,764</u>
<b>Less accumulated depreciation for:</b>				
Infrastructure	(38,532,082)	(2,543,834)	-	(41,075,916)
Buildings and improvements	(9,888,685)	(493,596)	27,072	(10,355,209)
Machinery and equipment	(9,033,092)	(494,250)	157,660	(9,369,682)
Total accumulated depreciation	<u>(57,453,859)</u>	<u>(3,531,680)</u>	<u>184,732</u>	<u>(60,800,807)</u>
<b>Net capital assets</b>	<u>\$ 49,311,777</u>	<u>\$ 1,345,283</u>	<u>\$ (142,057)</u>	<u>\$ 50,515,003</u>

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

Depreciation on internal service capital assets in the amount of \$106,925 is included in general government expenses. All depreciation expense for governmental activities is charged to functions as follows:

<u>Governmental activities:</u>	
General government	\$ 191,143
Public safety	418,119
Culture and recreation	359,406
Highways & streets	<u>2,563,012</u>
Total depreciation	<u>\$ 3,531,680</u>

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Capital asset activity for business-type activities for the year ended June 30, 2020 was as follows:

<b>Business-type Activities</b>	<b>Total Business Activities</b>			
	<b>Beginning Balance June 30, 2019</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance June 30, 2020</b>
<b>Capital assets, nondepreciable:</b>				
Land and land improvements	\$ 2,644,052	\$ -	\$ -	\$ 2,644,052
Intangibles	9,713	-	-	9,713
Total capital assets, nondepreciable	<u>2,653,765</u>	<u>-</u>	<u>-</u>	<u>2,653,765</u>
<b>Capital assets, depreciable:</b>				
Buildings and improvements	61,177,992	3,747,624	-	64,925,616
Machinery and equipment	808,141	244,289	(16,469)	1,035,961
Total capital assets, depreciable	<u>61,986,133</u>	<u>3,991,913</u>	<u>(16,469)</u>	<u>65,961,577</u>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	(27,498,280)	(1,056,954)	-	(28,555,234)
Machinery and equipment	(548,428)	(38,039)	16,469	(569,998)
Total accumulated depreciation	<u>(28,046,708)</u>	<u>(1,094,993)</u>	<u>16,469</u>	<u>(29,125,232)</u>
<b>Net capital assets</b>	<u>\$ 36,593,190</u>	<u>\$ 2,896,920</u>	<u>\$ -</u>	<u>\$ 39,490,110</u>

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

<b>Business-type activities:</b>	
Sewer	\$ 524,995
Water	519,581
Stormwater	50,417
Total depreciation	<u>\$ 1,094,993</u>

## 7. LONG-TERM DEBT

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

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

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

Upon any Event of Default for the Business Type IF A 2014 Loan, remedies may include but are not limited to: Terminating IF A's commitment and obligation to make any further disbursements of financing proceeds under the contract, declaring all payments under the Note and all other

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amounts due under any of the financing documents immediately due and payable on demand, foreclosing liens or security interests pursuant to the contract or any other financing document.

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

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

<b>Governmental Activities</b>	<b>June 30, 2019 Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2020 Balance</b>	<b>Due Within One Year</b>
Governmental bonds:					
Governmental bonds	\$ 1,170,000	\$ 1,648,000	\$ 147,000	\$ 2,671,000	\$ 164,000
Direct placements and borrowings:					
Governmental loans	706,357	-	143,759	562,598	147,059
Governmental notes	189,236	-	25,513	163,723	25,898
Total bonds, loans, and notes	<u>2,065,593</u>	<u>1,648,000</u>	<u>316,272</u>	<u>3,397,321</u>	<u>336,957</u>
Compensated absences	<u>366,072</u>	<u>400,773</u>	<u>366,072</u>	<u>400,773</u>	<u>100,193</u>
Total governmental activities	<u>\$ 2,431,665</u>	<u>\$ 2,048,773</u>	<u>\$ 682,344</u>	<u>\$ 3,798,094</u>	<u>\$ 437,150</u>
<b>Business Type Activities</b>	<b>June 30, 2019 Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2020 Balance</b>	<b>Due Within One Year</b>
Business type bonds:					
Business type bonds	\$ 5,912,000	\$ -	\$ 1,262,000	\$ 4,650,000	\$ 384,000
Bond premium	56,624	-	56,624	-	-
Direct placements and borrowings:					
Enterprise loans	<u>2,711,558</u>	<u>-</u>	<u>117,980</u>	<u>2,593,578</u>	<u>119,690</u>
Total bonds and loans	<u>8,680,182</u>	<u>-</u>	<u>1,436,604</u>	<u>7,243,578</u>	<u>503,690</u>
Compensated absences	<u>47,400</u>	<u>55,361</u>	<u>47,400</u>	<u>55,361</u>	<u>13,840</u>
Total business type activities	<u>\$ 8,727,582</u>	<u>\$ 55,361</u>	<u>\$ 1,484,004</u>	<u>\$ 7,298,939</u>	<u>\$ 517,530</u>

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**Bonds**

**Governmental Bonds:**

2005 PERS Bonds: original amount \$1,585,000; interest rates from 4.38% to 5.00%; final payment due June 1, 2028	\$ 1,080,000
2019 Bond; Street Fund - Main St.: original amount \$721,000; interest rate 3.00%; final payment due June 1, 2039	696,000
2019 Bond; Urban Renewal - Main St.: original amount \$927,000; interest rate 3.00%; final payment due June 1, 2039	<u>895,000</u>
Total governmental bonds	<u>\$ 2,671,000</u>

Future governmental bonds debt service requirements are as follows:

	2005 PERS Bond		2019 Bond (Street and Urban Renewal)		Total Governmental Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 100,000	\$ 54,043	\$ 64,000	\$ 47,730	\$ 164,000	\$ 101,773
2022	115,000	49,039	66,000	45,810	181,000	94,849
2023	125,000	43,285	67,000	43,830	192,000	87,115
2024	140,000	37,030	69,000	41,820	209,000	78,850
2025	155,000	30,024	71,000	39,750	226,000	69,774
2026-2030	445,000	40,282	389,000	165,420	834,000	205,702
2031-2035	-	-	452,000	103,469	452,000	103,469
2036-2040	-	-	413,000	31,470	413,000	31,470
Total	<u>\$1,080,000</u>	<u>\$ 253,703</u>	<u>\$1,591,000</u>	<u>\$ 519,299</u>	<u>\$2,671,000</u>	<u>\$ 773,002</u>

**Business Type Bonds:**

Series 2011 Sewer Refunding Bonds: original amount \$7,285,000; interest rates from 2.0% to 4.0%; final payment was made February 1, 2020	\$ -
Series 2017 Sewer/Water Bond: original amount \$5,600,000; interest rate 2.58%; final payment due March 1, 2032	<u>4,650,000</u>
Total business type bonds	<u>\$ 4,650,000</u>

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

<b>Series 2017 Sewer/Water Bond</b>		
	Principal	Interest
2021	\$ 384,000	\$ 119,970
2022	395,000	110,062
2023	405,000	99,872
2024	416,000	89,423
2025	425,000	78,690
2026-2030	2,299,000	223,041
2031-2035	<u>326,000</u>	<u>12,668</u>
Total	<u>\$ 4,650,000</u>	<u>\$ 733,726</u>

**Loans**

**Governmental Loans - Direct Borrowings and Placements:**

2013 Urban Renewal Loan: original amount \$750,000; interest rate 2.90%; final payment due June 30, 2024	\$ 326,310
2015 Fire Pumper Loan: original amount \$385,795; interest rate 2.82%; final payment due November 30, 2024	206,288
2017 Land Sale Contract Loan: original amount \$100,000; final payment due November 30, 2020	<u>30,000</u>
Total governmental loans	<u>\$ 562,598</u>

Future governmental loan debt service requirements are as follows:

	<b>2013 Urban Renewal Loan</b>		<b>2015 Fire Pumper Loan</b>	
	Principal	Interest	Principal	Interest
2021	\$ 78,064	\$ 8,331	\$ 38,995	\$ 5,818
2022	80,361	6,034	40,095	4,718
2023	82,725	3,669	41,226	3,587
2024	85,160	1,235	42,388	2,425
2025	<u>-</u>	<u>-</u>	<u>43,584</u>	<u>1,229</u>
Total	<u>\$ 326,310</u>	<u>\$ 19,269</u>	<u>\$ 206,288</u>	<u>\$ 17,777</u>

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	<b>2017 Land Sale Contract Loan</b>		<b>Total Governmental Loans</b>	
	Principal	Interest	Principal	Interest
2021	\$ 30,000	\$ -	\$ 147,059	\$ 14,149
2022	-	-	120,456	10,752
2023	-	-	123,951	7,256
2024	-	-	127,548	3,660
2025	-	-	43,584	1,229
Total	<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ 562,598</u>	<u>\$ 37,046</u>

**Business Type Loans - Direct Borrowings and Placements:**

2014 IFA Safe Drinking Water Loan: original amount \$1,715,000; interest rate 3.46%; final payment due December 1, 2037 \$ 961,834

2016 DEQ Clean Water State Revolving Fund (CWSRF) Loan; original amount \$1,750,000; interest rate 1.60%; final payment due February 1, 2037 1,631,744

Total business type loans \$ 2,593,578

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

	<b>2014 IFA Safe Drinking Water Loan</b>		<b>2016 DEQ CWSRF Loan</b>		<b>Total Enterprise Loans</b>	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 39,456	\$ 33,279	\$ 80,234	\$ 22,726	\$ 119,690	\$ 56,005
2022	40,821	31,914	81,370	21,590	122,191	53,504
2023	42,234	30,502	82,521	20,439	124,755	50,941
2024	43,695	29,041	83,688	19,272	127,383	48,313
2025	45,207	27,529	84,872	18,088	130,079	45,617
2026-2030	250,607	113,071	442,721	72,079	693,328	185,150
2031-2035	297,068	66,610	474,944	39,856	772,012	106,466
2036-2040	<u>202,746</u>	<u>14,144</u>	<u>301,394</u>	<u>7,480</u>	<u>504,140</u>	<u>21,624</u>
Total	<u>\$ 961,834</u>	<u>\$ 346,090</u>	<u>\$ 1,631,744</u>	<u>\$ 221,530</u>	<u>\$ 2,593,578</u>	<u>\$ 567,620</u>

**Bond Anticipation Note**

**Governmental Notes - Direct Borrowings and Placements:**

2016 Radio Shack Note: original amount \$261,500; interest rate 1.50%; final payment due September 5, 2026 \$ 163,723

Total governmental notes \$ 163,723

Future governmental note debt service requirements are as follows:

<b>2016 Radio Shack Note</b>		
	Principal	Interest
2021	\$ 25,898	\$ 2,278
2022	26,289	1,887
2023	26,687	1,490
2024	27,090	1,087
2025	27,499	643
2026-2030	<u>30,260</u>	<u>265</u>
Total	<u>\$ 163,723</u>	<u>\$ 7,650</u>

## **8. PENSION PLAN**

### **General Information about the Pension Plan**

#### **Plan Description**

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

#### **Benefits Provided**

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

###### **Pension Benefits**

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or

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

### **Death Benefits**

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

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

### **Disability Benefits**

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

### **Benefit Changes After Retirement**

Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living (COLA) changes. The COLA is capped at 2.0 percent.

## **B. OPSRP Defined Benefit Pension Program (OPSRP DB)**

### **Pension Benefits**

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



normal retirement age:

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

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

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

#### **Death Benefits**

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

#### **Disability Benefits**

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

#### **Benefit Changes After Retirement**

Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. Under current law, the cap on the COLA in fiscal year 2015 and beyond will vary based on 1.25 percent on the first \$60,000 of annual benefit and \$750 plus 0.15 percent on annual benefits above \$60,000.

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

#### **Pension Benefits**

The IAP is an individual account-based program under the PERS tax-qualified governmental plan as defined under ORS 238A.400. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches

normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

### **Death Benefits**

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

### **Recordkeeping**

OPERS contracts with VOYA Financial to maintain IAP participant records.

## **Contributions**

### **A. Employer Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2017. Employer contributions for the year ended June 30, 2020 were \$1,264,132, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2020 were 26.60 percent for Tier One/Tier Two General Service Member, 35.28 percent for Tier One/Tier Two Police and Fire, 18.24 percent for OPSRP Pension Program General Service Members, 22.87 percent for OPSRP Pension Program Police and Fire Members.

### **B. Employee Contributions**

Beginning January 1, 2004, all employee contributions were placed in the OPSRP Individual Account Program (IAP), a defined contribution pension plan established by the Oregon Legislature. Prior to that date, all member contributions were credited to the Defined Benefit Pension Plan. Member contributions are set by statute at 6.0 percent of salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf. The IAP member

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accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements. As permitted, the City has opted to pick-up the contributions on behalf of employees; contribution were \$357,068 for the year ended June 30, 2020.

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

At June 30, 2020, the City reported a liability of \$10,008,687 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2019, the City's proportion was 0.005786169 percent, which was increased from its proportion of 0.005318543 measured as of June 30, 2018.

For the year ended June 30, 2020, the City's recognized pension expense of \$1,564,395. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 551,950	\$ -
Changes of assumptions	1,357,793	-
Net difference between projected and actual earnings on investments	-	283,736
Changes in proportion	445,080	255,005
Differences between employer contributions and proportionate share of contributions	154,808	59,538
Total (prior to post-MD contributions)	<u>2,509,631</u>	<u>598,279</u>
Contributions subsequent to the MD	<u>1,514,132</u>	<u>-</u>
Total	<u>\$ 4,023,763</u>	<u>\$ 598,279</u>

City's contributions subsequent to the measurement date of \$1,514,132 are reported as deferred outflows of resources related to pensions and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021.

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

<u>Year ended June 30:</u>	
2021	\$ 921,732
2022	141,230
2023	408,283
2024	371,268
2025	<u>68,839</u>
Total	<u>\$ 1,911,352</u>

**Actuarial Assumptions**

The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2017
Measurement Date	June 30, 2019
Experience Study Report	2016, published July 26, 2017
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Long-Term Expected Rate of Return	7.20 percent
Discount Rate	7.20 percent
Projected Salary Increases	3.50 percent overall payroll growth
Cost of Living Adjustments (COLA)	Blend of 2.00% COLA and grade COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision, blend based on service.
Mortality	<p><b>Health retirees and beneficiaries:</b> RP-2014 healthy annuitant, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Active Members:</b> RP-2014 Employees, sex-distinct, generational with Unisex, Social Security Data Scale, with collar adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> RP-2014 Disabled retirees, sex-distinct, generational with Unisex, Social Security Data Scale.</p>

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts

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are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2016 Experience Study which reviewed experience for the four-year period ending on December 31, 2016.

**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 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.

<u>Asset Class/Strategy</u>	<u>Assumed Asset Allocation</u>		
	<u>Low Range</u>	<u>High Range</u>	<u>Target</u>
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	14.0%	21.0%	17.5%
Alternative Equity	0.0%	12.5%	12.5%
Opportunity Portfolio	0.0%	3.0%	0.0%
Total			<u>100.0%</u>

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<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
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	1.30%	6.69%
Micro Cap US Equities	1.30%	6.80%
Developed Foreign Equities	13.13%	6.71%
Emerging Foreign Equities	4.12%	7.45%
Non-US Small Cap Equities	1.88%	7.01%
Private Equities	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%
	<hr/>	
Total	<u>100.00%</u>	
Assumed Inflation - Mean		2.50%

**Depletion Date Projection**

GASB 68 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 68 will often require that the actuary perform complex projections of future benefit payments and pension plan investments. GASB 68 (paragraph 67) does allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

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

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

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

**Discount Rate**

The discount rate used to measure the total pension liability was 7.20 percent for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.20 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:

	<u>1% Decrease (6.20%)</u>	<u>Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
City's proportionate share of the net pension liability (asset)	\$ 16,028,024	\$ 10,008,687	\$ 4,971,331

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

There were no changes during the June 30, 2019 measurement period that require disclosure.

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

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June

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2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

**9. OTHER POST-EMPLOYMENT BENEFIT PLAN**

**Postemployment Benefits Other than Pensions**

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

**Financial Statement Presentation**

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

	<u>Implicit Rate Subsidy</u>	<u>PERS RHIA Plan</u>	<u>Total OPEB on Financials</u>
Net OPEB Asset	\$ -	\$ 95,117	\$ 95,117
Deferred Outflows of Resources			
Change in Assumptions	10,211	-	10,211
Change in Proportionate Share	-	-	-
Contributions After MD	22,982	3,052	26,034
Total OPEB Liability	(326,944)	-	(326,944)
Deferred Inflows of Resources			
Difference in Expected and Actual Experience	(30,460)	(12,543)	(43,003)
Difference in Earnings	-	(5,871)	(5,871)
Change in Assumptions	(31,336)	(99)	(31,435)
Change in Proportionate Share	-	(625)	(625)
OPEB Expense/(Income)*	35,397	(12,751)	22,646

\*Included in program expenses on Statement of Activities

**Implicit Rate Subsidy**

**Plan Description**

The City’s single-employer defined benefit postemployment healthcare plan is administered by CityCounty Insurance Services (CIS). Benefit provisions are established through negotiations between the City and representatives of collective bargaining units or through resolutions passed



**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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by City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

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

**Benefits Provided**

The plan provides eligible retirees and their dependents under age 65 the same health care coverage at the same premium rates as offered to active employees. The retiree is responsible for the premiums. As of the valuation date of July 1, 2019, the following employees were covered by the benefit terms:

Active employees	83
Eligible retirees	3
Spouses of ineligible retirees	0
Total participants	<u>86</u>

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

The City’s total OPEB liability of \$298,999 was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018.

For the fiscal year ended June 30, 2020, the City recognized OPEB expense from this plan of \$35,397. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 30,460
Changes of assumptions	10,211	31,336
Total (prior to post-MD contributions)	10,211	61,796
Contributions subsequent to the MD	<u>22,982</u>	<u>-</u>
Total	<u>\$ 33,193</u>	<u>\$ 61,796</u>

Deferred outflows of resources related to OPEB of \$22,982 resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2021.

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2021	\$ (6,971)
2022	(6,971)
2023	(6,971)
2024	(6,971)
2025	(6,971)
Thereafter	(16,730)
Total	<u>\$ (51,585)</u>

**Actuarial Assumptions and Other Inputs**

The total OPEB liability in the July 1, 2019 valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

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

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Discount Rate	3.50 percent
Projected Salary Increases	3.50 percent overall payroll growth
Retiree Healthcare Participation	40% of eligible employees 60% of male members and 35% of female members will elect spouse coverage.
Mortality	<b>Health retirees and beneficiaries:</b> RP-2014 healthy annuitant, sex distinct mortality tables blended 50/50 blue collar and white collar, set back one year for males. Mortality is projected on a generational basis using the Unisex Social Security Data scale.
	<b>Healthcare cost trend rate:</b> Medical and vision: 7.00 percent per year decreasing to 4.75 percent.
	Dental: 4.50 percent per year

**Changes in the Total OPEB Liability**

Changes in assumptions is the result of the change in the discount rate from 3.87% to 3.50%.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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	<b>Total OPEB Liability</b>
Balance as of June 30, 2019	\$ 298,999
Changes for the year:	
Service cost	30,124
Interest on Total OPEB Liability	12,244
Effect of assumptions changes or inputs	11,321
Effect of economic demographic gains or losses	-
Benefit payments	<u>(25,744)</u>
Balance as of June 30, 2020	<u>\$ 326,944</u>

**Sensitivity of the Total OPEB Liability**

The following presents the City’s OPEB liability, as well as what the liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate. A similar sensitivity analysis is then presented for changes in the healthcare trend assumption.

Discount Rate:

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Total OPEB Liability	\$ 357,087	\$ 326,944	\$ 299,406

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 288,157	\$ 326,944	\$ 373,613

**PERS Retirement Health Insurance Account**

**Plan Description**

The City contributes to the PERS Retirement Health Insurance Account (RHIA) for each of its eligible employees. RHIA is a cost-sharing multiple-employer defined benefit other postemployment benefit plan administered by PERS. RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums for eligible retirees. ORS 238.420 established this trust fund. The Oregon Legislature has delegated authority to the Public Employees Retirement Board to administer and manage the system. The plan is closed to new entrants hired after August 29, 2003. PERS issues publicly available financial statements and required supplementary information. That report may be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, or online at <https://www.oregon.gov/pers/Documents/Financials/CAFR/2019-CAFR.pdf>.

### **Benefits Provided**

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

### **Contributions**

PERS funding policy provides for employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. Employer contribution rates for the period were based on the December 31, 2017 actuarial valuation and a percentage of payroll that first became effective July 1, 2019. The City contributed 0.06% of PERS-covered salaries for Tier One/Tier Two members to fund the normal cost portion of RHIA benefits and 0.00% of all PERS-covered salaries to amortize the unfunded actuarial accrued liability over a fixed period with new unfunded actuarial accrued liabilities being amortized over 20 years. The City's total for the year ended June 30, 2020 contributions was \$3,052.

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

At June 30, 2020, the City reported an asset of \$95,117 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2019, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2017 rolled forward to June 30, 2019. The City's proportion of the net OPEB asset was based on the City's contributions to the RHIA program during the measurement period relative to contributions from all participating employers. At June 30, 2019, the City's proportionate share was 0.04922296%, which is an increase from its proportion of 0.04853250% as of June 30, 2018.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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For the year ended June 30, 2020, the City recognized OPEB income from this plan of \$12,751. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to this OPEB plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 12,543
Changes of assumptions	-	99
Net difference between projected and actual earnings on investments	-	5,871
Changes in proportionate share	-	625
Differences between employer contributions and proportionate share of contributions	-	-
Total (prior to post-MD contributions)	-	19,138
Contributions subsequent to the MD	3,052	-
Total	<u>\$ 3,052</u>	<u>\$ 19,138</u>

Deferred outflows of resources related to OPEB of \$3,052 resulting from the City's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2021	\$ (9,889)
2022	(8,750)
2023	(1,105)
2024	606
2025	-
Total	<u>\$ (19,138)</u>

**Actuarial Methods and Assumptions**

The total OPEB asset in the December 31, 2017 actuarial valuation was determined using the actuarial methods and assumptions are the same as listed above in note 8 – Pension Plan Actuarial Assumptions.

**Long-Term Expected Rate of Return**

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

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.20% for the RHIA Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the RHIA plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the RHIA Plan was applied to all periods of projected benefit payments to determine the total OPEB liability.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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

The following presents the City’s proportionate share of the net OPEB liability (asset) calculated using the discount rate of 7.20%, as well as what the City’s proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

Discount Rate:

	<u>1% Decrease (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
Total OPEB Liability	\$ (73,740)	\$ (95,117)	\$ (113,331)

**OPEB Plan Fiduciary Net Position**

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

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

There were no changes during the June 30, 2019 measurement period that require disclosure.

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

There were no changes subsequent to the June 30, 2019 measurement period that require disclosure.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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**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:

	Transfers In	Transfers Out
Governmental funds:		
General Fund	\$ 1,982,725	\$ 661,311
Street Fund	-	117,993
System Development Fund	45,497	181,675
Non-Major Governmental Funds	860,875	724,425
Internal Service Fund	<u>16,800</u>	<u>68,500</u>
Total governmental funds	<u>2,889,097</u>	<u>1,737,104</u>
Business type funds:		
Sewer Fund	-	619,000
Water Fund	-	484,000
Storm Water Fund	-	48,993
Total business type funds	<u>-</u>	<u>1,151,993</u>
Total all funds	<u>\$ 2,889,097</u>	<u>\$ 2,889,097</u>

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

**11. INTERFUND LOANS**

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 individual approved by Council resolution. The City also has an interfund loan between the Street Fund and System Development Fund. There is also an interfund loan between the Storm Water Fund and System Development Fund.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2020**

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Interfund loan balances as of June 30, 2020:

	Interfund Loan Receivable	Interfund Loan Payable
System Development Fund	\$ 754,618	\$ -
General Fund	-	499,598
Street Fund	-	127,510
Strom Water Fund	-	127,510
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 754,618</u>	<u>\$ 754,618</u>

**12. INTERFUND DUE TO / DUE FROM**

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

	Due From Other Funds	Due To Other Funds
General Fund	\$ 15,688	\$ -
Grants Fund	-	15,688
	<u>                    </u>	<u>                    </u>
Total	<u>\$ 15,688</u>	<u>\$ 15,688</u>

**13. DEFERRED COMPENSATION PLAN**

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

**14. DEFICIT FUND BALANCE**

The grants fund had a deficit fund balance at June 30, 2020 of \$(17,713). The deficit will be financed through future revenues.

**15. CONTINGENCIES**

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

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



**16. TAX ABATEMENTS**

As of June 30, 2020, the City potentially had tax abatement through various state allowed programs that impacted levied taxes and would require disclosure under GASB 77. Based on the information available from the county as of the date of issuance of these basic financial statements, the amount of abatements for the year ended June 30, 2020 is deemed immaterial.

**17. 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.

**18. SUBSEQUENT EVENTS**

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the U.S., accelerating during the first half of March, as federal, state and local governments react to the public health crisis, creating significant uncertainties in the U.S. economy. The situation is rapidly changing and additional impacts may arise that we are not aware of currently. While the disruption is currently expected to be temporary, there is uncertainty around the duration. The ultimate impact of the pandemic on the results of operations, financial position, liquidity or capital resources cannot be reasonably estimated at this time.

## **REQUIRED SUPPLEMENTARY INFORMATION**

## REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedules
  - General Fund
  - General Fund - Schedule of Expenditures - Budgetary Basis
  - Street Fund
- Schedule of the Proportionate Share of the Net Pension Liability
- Schedule of Contributions - Pension
- Schedule of Proportionate Share of OPEB - RHIA
- Schedule of Contributions to OPEB - RHIA
- Schedule of Changes in OPEB Liability and Related Ratios - Implicit Rate Subsidy
- Schedule of Contributions to OPEB - Implicit Rate Subsidy

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 4,510,000	\$ 4,510,000	\$ 4,642,543	\$ 132,543
Public service taxes	710,500	710,500	658,542	(51,958)
Franchise fees	1,365,000	1,365,000	1,336,582	(28,418)
Charges for services	2,535,000	2,535,000	2,316,017	(218,983)
Licenses and permits	2,000	2,000	1,670	(330)
Fines and forfeitures	244,000	244,000	183,013	(60,987)
Interest	75,000	75,000	143,454	68,454
Miscellaneous	200,000	200,000	334,361	134,361
Total revenues	<u>9,641,500</u>	<u>9,641,500</u>	<u>9,616,182</u>	<u>(25,318)</u>
<b>EXPENDITURES:</b>				
General government	1,874,500	2,033,500	1,811,370	222,130
Public safety	7,012,595	6,954,495	6,279,161	675,334
Culture and recreation	640,000	640,000	580,126	59,874
Community development	1,796,900	1,863,200	1,680,262	182,938
Debt service:				
Principal	195,447	195,447	145,758	49,689
Interest	55,593	55,593	42,846	12,747
Contingency	100,000	91,800	-	91,800
Total expenditures	<u>11,675,035</u>	<u>11,834,035</u>	<u>10,539,523</u>	<u>1,294,512</u>
Revenues over (under) expenditures	(2,033,535)	(2,192,535)	(923,341)	1,269,194
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	2,000,200	2,000,200	1,982,725	(17,475)
Transfers out	(769,175)	(769,175)	(769,466)	(291) *
Total other financing sources (uses)	<u>1,231,025</u>	<u>1,231,025</u>	<u>1,213,259</u>	<u>(17,766)</u>
Net changes in fund balance	(802,510)	(961,510)	289,918	1,251,428
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>2,730,000</u>	<u>2,889,000</u>	<u>2,921,307</u>	<u>32,307</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ 1,927,490</u>	<u>\$ 1,927,490</u>	3,211,225	<u>\$ 1,283,735</u>
Interfund loan payable			(499,598)	
Reconciliation to General Fund - Generally Accepted Accounting Principles:				
Improvement fund, fund balance, ending budgetary basis			662	
<b>FUND BALANCES, ENDING</b>			<u>\$ 2,712,289</u>	

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

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Admin:				
Personnel services	\$ 735,000	\$ 879,000	\$ 598,964	\$ 280,036 *
Materials and services	168,000	183,000	323,073	(140,073) *
Subtotal	903,000	1,062,000	922,037	139,963
Finance:				
Personnel services	490,000	490,000	475,779	14,221
Materials and services	264,000	264,000	235,484	28,516
Subtotal	754,000	754,000	711,263	42,737
Facilities:				
Personnel services	126,000	126,000	96,876	29,124
Materials and services	91,500	91,500	81,194	10,306
Subtotal	217,500	217,500	178,070	39,430
Municipal court:				
Personnel services	120,000	120,000	108,059	11,941
Materials and services	133,300	133,300	129,544	3,756
Subtotal	253,300	253,300	237,603	15,697
Ambulance department:				
Personnel services	1,205,000	1,205,000	1,186,809	18,191 *
Materials and services	432,720	432,720	402,426	30,294 *
Transfer out	62,280	62,280	62,577	(297) *
Subtotal	1,700,000	1,700,000	1,651,812	48,188
Fire department:				
Personnel services	810,000	810,000	714,629	95,371
Materials and services	364,725	364,725	277,733	86,992
Loan payments	22,135	22,135	22,135	-
Debt Service:				
Principal	75,860	75,860	37,926	37,934
Interest	13,780	13,780	6,887	6,893
Transfer out	69,500	69,500	69,500	-
Subtotal	1,356,000	1,356,000	1,128,810	227,190
Police department:				
Personnel services	3,400,000	3,343,000	2,947,933	395,067
Materials and services	546,850	545,750	512,028	33,722
Subtotal	3,946,850	3,888,750	3,459,961	428,789

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Library:				
Personnel services	540,000	540,000	489,942	50,058
Materials and services	100,000	100,000	90,184	9,816
Subtotal	640,000	640,000	580,126	59,874
Community development - Parks:				
Personnel services	418,000	418,000	388,013	29,987
Materials and services	199,500	207,700	172,214	35,486
Transfer out	8,300	8,300	8,300	-
Subtotal	625,800	634,000	568,527	65,473
Community development - Aquatic center:				
Personnel services	512,000	512,000	468,731	43,269
Materials and services	331,600	331,600	264,062	67,538
Transfer out	33,960	33,960	33,954	6
Subtotal	877,560	877,560	766,747	110,813
Community development - Building/planning department:				
Personnel services	265,000	322,000	323,270	(1,270) *
Materials and services	70,800	71,900	63,972	7,928 *
Subtotal	335,800	393,900	387,242	6,658
Non-departmental:				
Transfer out	573,000	573,000	573,000	-
Debt Service:				
Principal	119,587	119,587	107,832	11,755
Interest	41,813	41,813	35,959	5,854
Subtotal	734,400	734,400	716,791	17,609
Total expenditures	\$ 12,344,210	\$ 12,511,410	\$ 11,308,989	\$ 1,202,421

\* Subtotal equals appropriation level

**CITY OF DALLAS, OREGON**  
**STREET FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Public service taxes	\$ 1,825,000	\$ 1,825,000	\$ 1,100,058	\$ (724,942)
Interest	55,000	55,000	119,484	64,484
Miscellaneous	50,000	50,000	69,893	19,893
Total revenues	1,930,000	1,930,000	1,289,435	(640,565)
<b>EXPENDITURES:</b>				
Personnel services	289,000	293,942	233,870	60,072
Materials and services	331,500	331,500	320,856	10,644
Capital outlay	1,872,500	1,872,500	1,423,817	448,683
Debt service:				
Principal	18,750	18,770	25,000	(6,230) *
Interest	26,000	26,000	19,767	6,233 *
Contingency	1,932,630	1,927,668	-	1,927,668
Total expenditures	4,470,380	4,470,380	2,023,310	2,447,070
Revenues over (under) expenditures	(2,540,380)	(2,540,380)	(733,875)	1,806,505
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	700,000	700,000	721,000	21,000
Transfers in	137,500	137,500	127,510	(9,990)
Transfers out	(122,120)	(122,120)	(117,993)	4,127
Total other financing sources (uses)	715,380	715,380	730,517	15,137
Net changes in fund balance	(1,825,000)	(1,825,000)	(3,358)	1,821,642
<b>FUND BALANCES, BEGINNING</b>	1,825,000	1,825,000	1,908,268	83,268
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	1,904,910	\$ 1,904,910
Interfund loan payable			(127,510)	
<b>FUND BALANCES, ENDING</b>			\$ 1,777,400	

\* Sum equals appropriation level

**CITY OF DALLAS, OREGON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Measurement Date June 30,	(a) City's proportion of the net pension liability (asset)	(b) City's proportionate share of the net pension liability (asset)	(c) City's covered payroll	(b/c) City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2019	0.05786169%	\$ 10,008,687	\$ 5,379,911	186.04%	80.20%
2018	0.05318543%	8,056,892	5,171,562	155.79%	82.10%
2017	0.05400000%	7,292,200	4,665,098	156.31%	83.10%
2016	0.05700000%	8,601,061	4,385,631	196.12%	80.53%
2015	0.06200000%	3,564,536	4,347,982	81.98%	91.90%
2014	0.06500000%	(1,463,347)	4,301,804	-34.02%	103.60%
2013	0.06500000%	3,294,492	4,703,849	70.04%	91.97%

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

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**NOTES TO SCHEDULE**

**Changes in Benefit Terms:**

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

A legislative change that occurred after the December 31, 2017 valuation date affected the plan provisions reflected for financial reporting purposes. Senate Bill 1049, signed into law in June 2019, introduced a limit on the amount of annual salary included for the calculation of benefits. Beginning in 2020, annual salary in excess of \$195,000 (as indexed in future years) will be excluded when determining member benefits. As a result, future Tier 1/Tier 2 and OPSRP benefits for certain active members are now projected to be lower than prior to the legislation. Senate Bill 1049 was reflected in the June 30, 2019 Total Pension Liability as a reduction in liability.

**Changes of Assumptions:**

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



**CITY OF DALLAS, OREGON**  
**SCHEDULE OF CONTRIBUTIONS - PENSION**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Year Ended June 30,	(a) Statutorily required contribution	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) City's covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 1,264,132	\$ 1,514,132	\$ (250,000)	\$5,953,953	25.43%
2019	940,036	940,036	-	5,379,911	17.47%
2018	914,094	914,094	-	5,171,562	17.68%
2017	671,043	671,043	-	4,665,098	14.38%
2016	635,399	635,399	-	4,385,631	14.49%
2015	733,439	733,439	-	4,347,982	16.87%
2014	764,158	764,158	-	4,301,804	17.76%

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

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**NOTES TO SCHEDULE**

**Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions**

Actuarial valuation:	December 31, 2015	December 31, 2013	December 31, 2011
Effective:	July 2017 - June 2019	July 2015 - June 2017	July 2013 - June 2015
Actuarial cost method:	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Amortization method:	Level percentage of payroll	Level percentage of payroll	Level percentage of payroll
Asset valuation method:	Market value	Market value	Market value
Remaining amortization periods:	20 years	20 years	N/A
Actuarial assumptions			
Inflation rate	2.50 percent	2.75 percent	2.75 percent
Projected salary increases	3.50 percent	3.75 percent	3.75 percent
Investment rate of return	7.50 percent	7.75 percent	8.00 percent

**CITY OF DALLAS, OREGON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF OPEB - RHIA**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Measurement Date June 30,	(a) City's proportion of the net OPEB liability (asset)	(b) City's proportionate share of the net OPEB liability (asset)	(c) Covered payroll	(b/c)	Plan fiduciary net position as a percentage of the total OPEB liability
				City's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	
2019	0.04922296%	\$ (95,117)	\$ 5,379,911	-1.77%	144.4%
2018	0.04853250%	(54,175)	5,171,562	-1.05%	124.0%
2017	0.04594645%	(19,175)	4,665,098	-0.41%	108.9%

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

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**NOTES TO SCHEDULE**

Changes of Assumptions:

The PERS Board adopted assumption changes that were used to measure the June 30, 2018 total OPEB liability. The changes include lowering of the long-term expected rate of return to 7.20 percent. In addition, healthy retiree participation and healthy mortality assumptions were changes to reflect an updated trends and mortality improvement scale for all groups.

**CITY OF DALLAS, OREGON**  
**SCHEDULE OF CONTRIBUTIONS TO OPEB - RHIA**  
**For the Last Ten Fiscal Years<sup>1</sup>**

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

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

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**NOTES TO SCHEDULE**

**Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions**

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

**CITY OF DALLAS, OREGON**  
**SCHEDULE OF CHANGES IN OPEB LIABILITY AND RELATED RATIOS - IMPLICIT RATE SUBSIDY**  
**For the Last Ten Fiscal Years<sup>1</sup>**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 30,124	\$ 25,276	\$ 26,975
Interest	12,244	12,971	10,825
Changes of benefit terms	-	-	-
Differences between economic/demographic gains or losses	-	(37,890)	-
Changes of assumptions	11,321	(21,783)	(20,515)
Benefit payment	(25,744)	(32,940)	(33,286)
<b>Net change in total OPEB liability</b>	<u>27,945</u>	<u>(54,366)</u>	<u>(16,001)</u>
<b>Total OPEB liability - beginning</b>	298,999	353,365	369,366
<b>Total OPEB liability - ending (a)</b>	<u><u>\$ 326,944</u></u>	<u><u>\$ 298,999</u></u>	<u><u>\$ 353,365</u></u>
Covered-employee payroll	\$ 5,379,911	\$ 5,171,562	\$ 4,665,098
Total OPEB liability as a percentage of covered-employee payroll	6.08%	5.78%	7.57%

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

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**CITY OF DALLAS, OREGON**  
**SCHEDULE OF CONTRIBUTIONS TO OPEB - IMPLICIT RATE SUBSIDY**  
**For the Last Ten Fiscal Years<sup>1</sup>**

Year Ended June 30,	(a) Actuarially determined contribution	(b) Contributions in relation to the actuarially required contribution	(a-b) Contribution deficiency (excess)	(c) Covered payroll	(b/c) Contributions as a percent of covered payroll
2020	\$ 22,982	\$ 22,982	\$ -	\$ 5,953,953	0.39%
2019	25,744	25,744	-	5,379,911	0.48%
2018	32,940	32,940	-	5,171,562	0.64%
2017	33,286	33,286	-	4,665,098	0.71%

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

<sup>1</sup>This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

**NOTES TO SCHEDULE**

Actuarial Assumptions and Methods Used to Set the Actuarially Determined Contributions

Actuarial valuation:	July 1, 2018	July 1, 2016
Effective:	June 30, 2018 and 2019	June 30, 2016 and 2017
Actuarial cost method:	Entry Age Normal	Entry Age Normal
Amortization method:	Level percentage of payroll, closed	Level percentage of payroll, closed
Amortization period:	10.2 years	9.2 years
Asset valuation method:	Market value	Market value
Remaining amortization periods:	20 years	20 years
Actuarial assumptions		
Inflation rate	2.50 percent	2.50 percent
Projected salary increases	3.50 percent	3.50 percent

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## **OTHER SUPPLEMENTARY INFORMATION**

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

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



## COMBINING STATEMENTS

Nonmajor Governmental Funds

### **Special Revenue Funds**

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

#### **Risk Management Fund**

This fund accounts for funds dedicated to specific purposes, including donations and bail monies held pending disposition of municipal court cases.

#### **Grants Fund**

This Fund accounts for major grants to the City.

#### **Police Officer Fee and Firefighter/EMS Fee Fund**

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

#### **Building Inspections Fund**

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

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

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

#### **Urban Renewal Fund**

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

### **Debt Service Fund**

#### **General Long Term Debt Fund**

This fund is used to pay principal and interest on the City's PERS pension obligation bonds.

#### **General Obligation Fund**

This fund is used to take in property tax revenue to cover the City's general obligation debt, debt that is associated with the construction of the Aquatic Center. Final debt payment was made in fiscal year 2018-2019.

### **Capital Projects Funds**

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

#### **Capital Projects Fund**

This fund is used to account for capital projects-related activity.

#### **Improvement Fund**

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

**CITY OF DALLAS, OREGON  
SYSTEM DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 2,795,000	\$ 2,795,000	\$ 1,783,722	\$ (1,011,278)
Total revenues	2,795,000	2,795,000	1,783,722	(1,011,278)
<b>EXPENDITURES:</b>				
Transportation	1,382,750	1,382,750	131,294	1,251,456
Park	1,514,250	1,514,250	51,292	1,462,958
Water	2,437,425	2,437,425	466,066	1,971,359
Sewer	5,738,750	5,738,750	1,948,351	3,790,399
Storm	800,625	800,625	132,019	668,606
Total expenditures	11,873,800	11,873,800	2,729,022	9,144,778
Revenues over (under) expenditures	(9,078,800)	(9,078,800)	(945,300)	8,133,500
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	145,475	145,475	153,652	8,177
Transfers out	(791,675)	(791,675)	(436,695)	354,980
Total other financing sources (uses)	(646,200)	(646,200)	(283,043)	363,157
Net changes in fund balances	(9,725,000)	(9,725,000)	(1,228,343)	8,496,657
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	9,725,000	9,725,000	10,153,272	428,272
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	8,924,929	\$ 8,924,929
Interfund loan receivable			754,618	
<b>FUND BALANCES, ENDING</b>			\$ 9,679,547	

**CITY OF DALLAS, OREGON**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2020**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 1,469,852	\$ 11	\$ 155,434	\$ 1,625,297
Cash held with county	1,845	-	-	1,845
Accounts receivable	211,406	-	-	211,406
Property taxes receivable	2,595	-	-	2,595
Total assets	<u>\$ 1,685,698</u>	<u>\$ 11</u>	<u>\$ 155,434</u>	<u>\$ 1,841,143</u>
<b>LIABILITIES:</b>				
Accounts payable and other current liabilities	\$ 24,848	\$ -	\$ 4,871	\$ 29,719
Due to other funds	15,688	-	-	15,688
Total liabilities	<u>40,536</u>	<u>-</u>	<u>4,871</u>	<u>45,407</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	2,595	-	-	2,595
Total deferred inflows of resources	<u>2,595</u>	<u>-</u>	<u>-</u>	<u>2,595</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Debt	-	11	-	11
Urban renewal projects	529,923	-	-	529,923
Building department	730,457	-	-	730,457
Trust	182,310	-	-	182,310
Capital projects	-	-	150,563	150,563
Committed for:				
Community development	217,590	-	-	217,590
Unassigned	(17,713)	-	-	(17,713)
Total fund balances	<u>1,642,567</u>	<u>11</u>	<u>150,563</u>	<u>1,793,141</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,685,698</u>	<u>\$ 11</u>	<u>\$ 155,434</u>	<u>\$ 1,841,143</u>

**CITY OF DALLAS, OREGON  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
For the Fiscal Year Ended June 30, 2020**

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Nonmajor Capital Projects Fund	Total
<b>REVENUES:</b>				
Property taxes	\$ 212,887	\$ -	\$ -	\$ 212,887
Grants	1,545,011	-	-	1,545,011
Licenses and permits	457,339	-	-	457,339
Fees	418,544	-	-	418,544
Contributions and donations	79,583	-	-	79,583
Interest	17,428	-	-	17,428
Miscellaneous	129,264	148,416	50,600	328,280
<b>Total revenues</b>	<b>2,860,056</b>	<b>148,416</b>	<b>50,600</b>	<b>3,059,072</b>
<b>EXPENDITURES:</b>				
General government	1,925,378	-	-	1,925,378
Culture and recreation	192,450	-	-	192,450
Community development	852,302	-	-	852,302
Capital outlay	950,220	-	199,920	1,150,140
Debt service:				
Principal	-	90,000	25,512	115,512
Interest	-	58,416	2,664	61,080
<b>Total expenditures</b>	<b>3,920,350</b>	<b>148,416</b>	<b>228,096</b>	<b>4,296,862</b>
Revenues over (under) expenditures	(1,060,294)	-	(177,496)	(1,237,790)
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	927,000	-	-	927,000
Transfers in	544,875	-	316,000	860,875
Transfers out	(345,591)	(378,834)	-	(724,425)
<b>Total other financing sources (uses)</b>	<b>1,126,284</b>	<b>(378,834)</b>	<b>316,000</b>	<b>1,063,450</b>
Net changes in fund balances	65,990	(378,834)	138,504	(174,340)
<b>FUND BALANCES, BEGINNING</b>	<b>1,576,577</b>	<b>378,845</b>	<b>12,059</b>	<b>1,967,481</b>
<b>FUND BALANCES, ENDING</b>	<b>\$ 1,642,567</b>	<b>\$ 11</b>	<b>\$ 150,563</b>	<b>\$ 1,793,141</b>

**CITY OF DALLAS, OREGON  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2020**

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	Risk Management Fund	Grants Fund
	<u>                    </u>	<u>                    </u>
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 164,442	\$ -
Cash held with county	-	-
Accounts receivable	-	3,550
Property taxes receivable	-	-
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 164,442</u>	<u>\$ 3,550</u>
<b>LIABILITIES:</b>		
Accounts payable and other current liabilities	\$ -	\$ 5,575
Due to other funds	-	15,688
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>-</u>	<u>21,263</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Unavailable revenue - property taxes	-	-
	<u>                    </u>	<u>                    </u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>		
Restricted for:		
Urban renewal projects	-	-
Building department	-	-
Trust	-	-
Committed for:		
Community development	164,442	-
Unassigned	-	(17,713)
	<u>                    </u>	<u>                    </u>
Total fund balances	<u>164,442</u>	<u>(17,713)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 164,442</u>	<u>\$ 3,550</u>

Police Officer Fee and Firefighter/EMS Fee Fund	Building Inspections Fund	Trust/Reserve Fund	Urban Renewal Fund	Total
\$ 29,238	\$ 647,012	\$ 185,903	\$ 443,257	\$ 1,469,852
-	-	-	1,845	1,845
23,910	83,946	-	100,000	211,406
-	-	-	2,595	2,595
<u>\$ 53,148</u>	<u>\$ 730,958</u>	<u>\$ 185,903</u>	<u>\$ 547,697</u>	<u>\$ 1,685,698</u>
\$ -	\$ 501	\$ 3,593	\$ 15,179	\$ 24,848
-	-	-	-	15,688
-	501	3,593	15,179	40,536
-	-	-	2,595	2,595
-	-	-	2,595	2,595
-	-	-	529,923	529,923
-	730,457	-	-	730,457
-	-	182,310	-	182,310
53,148	-	-	-	217,590
-	-	-	-	(17,713)
<u>53,148</u>	<u>730,457</u>	<u>182,310</u>	<u>529,923</u>	<u>1,642,567</u>
<u>\$ 53,148</u>	<u>\$ 730,958</u>	<u>\$ 185,903</u>	<u>\$ 547,697</u>	<u>\$ 1,685,698</u>

**CITY OF DALLAS, OREGON**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2020**

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	Risk Management Fund	Grants Fund
<b>REVENUES:</b>		
Property taxes	\$ -	\$ -
Grants	-	1,545,011
Licenses and permits	-	-
Fees	-	-
Contributions and donations	-	-
Interest	-	-
Miscellaneous	11,218	-
	<u>11,218</u>	<u>-</u>
Total revenues	<u>11,218</u>	<u>1,545,011</u>
<b>EXPENDITURES:</b>		
General government	-	1,369,429
Culture and recreation	-	-
Community development	435,243	-
Capital outlay	-	-
	<u>-</u>	<u>-</u>
Total expenditures	<u>435,243</u>	<u>1,369,429</u>
Revenues over (under) expenditures	(424,025)	175,582
<b>OTHER FINANCING SOURCES (USES):</b>		
Issuance of debt	-	-
Transfers in	405,500	-
Transfers out	-	(151,300)
	<u>-</u>	<u>(151,300)</u>
Total other financing sources (uses)	<u>405,500</u>	<u>(151,300)</u>
Net changes in fund balances	(18,525)	24,282
<b>FUND BALANCES, BEGINNING</b>	<u>182,967</u>	<u>(41,995)</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 164,442</u>	<u>\$ (17,713)</u>

Police Officer Fee and Firefighter/EMS Fee Fund	Building Inspections Fund	Trust/Reserve Fund	Urban Renewal Fund	Total
\$ -	\$ -	\$ -	\$ 212,887	\$ 212,887
-	-	-	-	1,545,011
-	457,339	-	-	457,339
418,544	-	-	-	418,544
-	-	79,583	-	79,583
-	-	-	17,428	17,428
-	1,227	-	116,819	129,264
<u>418,544</u>	<u>458,566</u>	<u>79,583</u>	<u>347,134</u>	<u>2,860,056</u>
440,599	-	-	115,350	1,925,378
-	-	192,450	-	192,450
-	417,059	-	-	852,302
-	-	-	950,220	950,220
<u>440,599</u>	<u>417,059</u>	<u>192,450</u>	<u>1,065,570</u>	<u>3,920,350</u>
(22,055)	41,507	(112,867)	(718,436)	(1,060,294)
-	-	-	927,000	927,000
-	69,875	69,500	-	544,875
-	(50,500)	-	(143,791)	(345,591)
-	<u>19,375</u>	<u>69,500</u>	<u>783,209</u>	<u>1,126,284</u>
(22,055)	60,882	(43,367)	64,773	65,990
<u>75,203</u>	<u>669,575</u>	<u>225,677</u>	<u>465,150</u>	<u>1,576,577</u>
<u>\$ 53,148</u>	<u>\$ 730,457</u>	<u>\$ 182,310</u>	<u>\$ 529,923</u>	<u>\$ 1,642,567</u>



**CITY OF DALLAS, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING BALANCE SHEET**  
**June 30, 2020**

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	General Obligation Fund	General Long Term Debt Fund	Total
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS:</b>			
Cash and cash equivalents	\$ -	\$ 11	\$ 11
Total assets	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 11</u>
<b>FUND BALANCES:</b>			
Restricted for:			
Debt	\$ -	\$ 11	\$ 11
Total fund balances	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 11</u>

**CITY OF DALLAS, OREGON**  
**NONMAJOR DEBT SERVICE FUNDS**  
**COMBINING SCHEDULE OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**For the Fiscal Year Ended June 30, 2020**

	General Obligation Fund	General Long Term Debt Fund	Total
<b>REVENUES:</b>			
Miscellaneous	\$ -	\$ 148,416	\$ 148,416
Total revenues	-	148,416	148,416
<b>EXPENDITURES:</b>			
Debt service:			
Principal	-	90,000	90,000
Interest	-	58,416	58,416
Total expenditures	-	148,416	148,416
Revenues over (under) expenditures	-	-	-
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	(378,834)	-	(378,834)
Total other financing sources (uses)	(378,834)	-	(378,834)
Net changes in fund balance	(378,834)	-	(378,834)
<b>FUND BALANCES, BEGINNING</b>	378,834	11	378,845
<b>FUND BALANCES, ENDING</b>	\$ -	\$ 11	\$ 11

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**  
**COMBINING BALANCE SHEET**  
**June 30, 2020**

	General Fund - Budgetary Basis	Improvement Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 3,038,716	\$ 662	\$ 3,039,378
Cash held with county	41,507	-	41,507
Accounts receivable	706,819	-	706,819
Property taxes receivable	159,301	-	159,301
Due from other funds	15,688	-	15,688
	<u>3,962,031</u>	<u>662</u>	<u>3,962,693</u>
Total assets	<u>\$ 3,962,031</u>	<u>\$ 662</u>	<u>\$ 3,962,693</u>
<b>LIABILITIES:</b>			
Accounts payable and other current liabilities	\$ 111,746	\$ -	\$ 111,746
Payroll liabilities	343,199	-	343,199
Deposits payable	136,560	-	136,560
Interfund loan payable	499,598	-	499,598
	<u>1,091,103</u>	<u>-</u>	<u>1,091,103</u>
Total liabilities	<u>1,091,103</u>	<u>-</u>	<u>1,091,103</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - property taxes	159,301	-	159,301
	<u>159,301</u>	<u>-</u>	<u>159,301</u>
Total deferred inflows of resources	<u>159,301</u>	<u>-</u>	<u>159,301</u>
<b>FUND BALANCES:</b>			
Unassigned	2,711,627	662	2,712,289
	<u>2,711,627</u>	<u>662</u>	<u>2,712,289</u>
Total fund balances	<u>2,711,627</u>	<u>662</u>	<u>2,712,289</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,962,031</u>	<u>\$ 662</u>	<u>\$ 3,962,693</u>

**CITY OF DALLAS, OREGON  
GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
For the Fiscal Year Ended June 30, 2020**

	General Fund - Budgetary Basis	Improvement Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
<b>REVENUES:</b>			
Property taxes	\$ 4,642,543	\$ -	\$ 4,642,543
Public service taxes	658,542	-	658,542
Franchise fees	1,336,582	-	1,336,582
Charges for services	2,316,017	-	2,316,017
Licenses and permits	1,670	-	1,670
Fines and forfeitures	183,013	-	183,013
Interest	143,454	-	143,454
Miscellaneous	334,361	-	334,361
	<hr/>	<hr/>	<hr/>
Total revenues	9,616,182	-	9,616,182
<b>EXPENDITURES:</b>			
General government	1,811,370	-	1,811,370
Public safety	6,279,161	-	6,279,161
Culture and recreation	580,126	-	580,126
Community development	1,680,262	-	1,680,262
Debt service:			
Principal	145,758	-	145,758
Interest	42,846	-	42,846
	<hr/>	<hr/>	<hr/>
Total expenditures	10,539,523	-	10,539,523
Revenues over (under) expenditures	(923,341)	-	(923,341)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	1,982,725	-	1,982,725
Transfers out	(769,466)	-	(769,466)
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	1,213,259	-	1,213,259
Net changes in fund balances	289,918	-	289,918
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	<hr/>	<hr/>	<hr/>
	2,921,307	662	2,921,969
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	<hr/>	<hr/>	<hr/>
	3,211,225	662	3,211,887
Interfund loan payable	(499,598)	-	(499,598)
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, ENDING</b>	<u>\$ 2,711,627</u>	<u>\$ 662</u>	<u>\$ 2,712,289</u>

## BUDGETARY COMPARISON SCHEDULES

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

Nonmajor Governmental Budgetary Comparison schedules included the following:

- Special Revenue Funds
  - Risk Management Fund
  - Grants Fund
  - Police Officer Fee and Firefighter/EMS Fee Fund
  - Building Inspections Fund
  - Trust/Reserve Fund
  - Urban Renewal Fund
  
- Debt Service Fund
  - General Obligation Fund
  - General Long Term Debt Fund
  
- Capital Project Funds
  - Capital Projects Fund
  - Improvement Fund

**CITY OF DALLAS, OREGON  
RISK MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 11,218	\$ 1,218
Total revenues	10,000	10,000	11,218	1,218
<b>EXPENDITURES:</b>				
Materials and services	410,000	446,000	435,243	10,757
Contingency	155,500	119,500	-	119,500
Total expenditures	565,500	565,500	435,243	130,257
Revenues over (under) expenditures	(555,500)	(555,500)	(424,025)	131,475
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	405,500	405,500	405,500	-
Total other financing sources (uses)	405,500	405,500	405,500	-
Net changes in fund balances	(150,000)	(150,000)	(18,525)	131,475
<b>FUND BALANCES, BEGINNING</b>	150,000	150,000	182,967	32,967
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 164,442	\$ 164,442

**CITY OF DALLAS, OREGON**  
**GRANTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Grants	\$ 4,247,700	\$ 4,247,700	\$ 1,545,011	\$ (2,702,689)
Total revenues	4,247,700	4,247,700	1,545,011	(2,702,689)
<b>EXPENDITURES:</b>				
Public works	2,410,000	2,410,000	120,695	2,289,305
Police	8,000	8,000	10,832	(2,832)
Library	3,700	3,700	3,257	443
Parks	79,000	79,000	-	79,000
General - community development block	1,600,000	1,600,000	1,234,645	365,355
Total expenditures	4,100,700	4,100,700	1,369,429	2,731,271
Revenues over (under) expenditures	147,000	147,000	175,582	28,582
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(150,000)	(150,000)	(151,300)	(1,300)
Total other financing sources (uses)	(150,000)	(150,000)	(151,300)	(1,300)
Net changes in fund balances	(3,000)	(3,000)	24,282	27,282
<b>FUND BALANCES, BEGINNING</b>	3,000	3,000	(41,995)	(44,995)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ (17,713)	\$ (17,713)

**CITY OF DALLAS, OREGON**  
**POLICE OFFICER FEE AND FIREFIGHTER/EMS FEE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fees	\$ 420,000	\$ 420,000	\$ 418,544	\$ (1,456)
Total revenues	420,000	420,000	418,544	(1,456)
<b>EXPENDITURES:</b>				
Personnel services	435,000	443,000	440,599	2,401
Contingency	40,000	32,000	-	32,000
Total expenditures	475,000	475,000	440,599	34,401
Net changes in fund balances	(55,000)	(55,000)	(22,055)	32,945
<b>FUND BALANCES, BEGINNING</b>	55,000	55,000	75,203	20,203
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 53,148	\$ 53,148



**CITY OF DALLAS, OREGON**  
**BUILDING INSPECTIONS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 1,100,000	\$ 1,100,000	\$ 457,339	\$ (642,661)
Miscellaneous	1,000	1,000	1,227	227
Total revenues	1,101,000	1,101,000	458,566	(642,434)
<b>EXPENDITURES:</b>				
Personnel services	360,000	377,959	374,699	3,260
Materials and services	43,000	48,000	42,360	5,640
Contingency	1,292,375	1,269,416	-	1,269,416
Total expenditures	1,695,375	1,695,375	417,059	1,278,316
Revenues over (under) expenditures	(594,375)	(594,375)	41,507	635,882
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	69,875	69,875	69,875	-
Transfers out	(50,500)	(50,500)	(50,500)	-
Total other financing sources (uses)	19,375	19,375	19,375	-
Net changes in fund balances	(575,000)	(575,000)	60,882	635,882
<b>FUND BALANCES, BEGINNING</b>	575,000	575,000	669,575	94,575
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 730,457	\$ 730,457

**CITY OF DALLAS, OREGON**  
**TRUST/RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Contributions and donations	\$ 84,500	\$ 84,500	\$ 79,583	\$ (4,917)
Total revenues	84,500	84,500	79,583	(4,917)
<b>EXPENDITURES:</b>				
Trust expenditures:				
Park	75,000	75,000	33,093	41,907
Police	15,000	15,000	2,000	13,000
Fire	162,500	162,500	95,159	67,341
Library	60,000	60,000	45,426	14,574
Aquatic	5,000	5,000	12,272	(7,272)
General	-	-	4,500	(4,500)
Total expenditures	317,500	317,500	192,450	125,050
Revenues over (under) expenditures	(233,000)	(233,000)	(112,867)	120,133
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	69,500	69,500	69,500	-
Total other financing sources (uses)	69,500	69,500	69,500	-
Net changes in fund balances	(163,500)	(163,500)	(43,367)	120,133
<b>FUND BALANCES, BEGINNING</b>	179,000	179,000	225,677	46,677
<b>FUND BALANCES, ENDING</b>	<u>\$ 15,500</u>	<u>\$ 15,500</u>	<u>\$ 182,310</u>	<u>\$ 166,810</u>

**CITY OF DALLAS, OREGON**  
**URBAN RENEWAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 213,500	\$ 213,500	\$ 212,887	\$ (613)
Grants	100,000	100,000	-	(100,000)
Interest	10,000	10,000	17,428	7,428
Miscellaneous	25,000	25,000	116,819	91,819
Total revenues	348,500	348,500	347,134	(1,366)
<b>EXPENDITURES:</b>				
Personnel services	33,000	33,000	27,927	5,073
Materials and services	135,000	135,000	87,423	47,577
Capital outlay	1,135,000	1,135,000	950,220	184,780
Contingency	47,700	47,700	-	47,700
Total expenditures	1,350,700	1,350,700	1,065,570	285,130
Revenues over (under) expenditures	(1,002,200)	(1,002,200)	(718,436)	283,764
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	900,000	900,000	927,000	27,000
Transfers out	(161,400)	(161,400)	(143,791)	17,609
Total other financing sources (uses)	738,600	738,600	783,209	44,609
Net changes in fund balances	(263,600)	(263,600)	64,773	328,373
<b>FUND BALANCES, BEGINNING</b>	425,000	425,000	465,150	40,150
<b>FUND BALANCES, ENDING</b>	<u>\$ 161,400</u>	<u>\$ 161,400</u>	<u>\$ 529,923</u>	<u>\$ 368,523</u>

**CITY OF DALLAS, OREGON  
GENERAL OBLIGATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2020**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	\$ (475,000)	\$ (475,000)	\$ (378,834)	\$ 96,166
Total other financing sources (uses)	(475,000)	(475,000)	(378,834)	96,166
Net changes in fund balances	(475,000)	(475,000)	(378,834)	96,166
<b>FUND BALANCES, BEGINNING</b>	475,000	475,000	378,834	(96,166)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ -	\$ -

**CITY OF DALLAS, OREGON  
GENERAL LONG TERM DEBT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2020**

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	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous	\$ 148,417	\$ 148,417	\$ 148,416	\$ (1)
Total revenues	148,417	148,417	148,416	(1)
<b>EXPENDITURES:</b>				
Debt service:				
Principal	90,000	90,000	90,000	-
Interest	58,417	58,417	58,416	1
Total expenditures	148,417	148,417	148,416	1
Net changes in fund balances	-	-	-	-
<b>FUND BALANCES, BEGINNING</b>	-	-	11	11
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 11	\$ 11

**CITY OF DALLAS, OREGON**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 50,600	\$ 45,600
Total revenues	5,000	5,000	50,600	45,600
<b>EXPENDITURES:</b>				
Capital outlay	831,000	831,000	199,920	631,080
Debt service:				
Principal	25,513	25,513	25,512	1
Interest	2,664	2,664	2,664	-
Contingency	5,823	5,823	-	5,823
Total expenditures	865,000	865,000	228,096	636,904
Revenues over (under) expenditures	(860,000)	(860,000)	(177,496)	682,504
<b>OTHER FINANCING SOURCES (USES):</b>				
Issuance of debt	600,000	600,000	-	(600,000)
Transfers in	316,000	316,000	316,000	-
Total other financing sources (uses)	916,000	916,000	316,000	(600,000)
Net changes in fund balances	56,000	56,000	138,504	82,504
<b>FUND BALANCES, BEGINNING</b>	60,000	60,000	12,059	(47,941)
<b>FUND BALANCES, ENDING</b>	<u>\$ 116,000</u>	<u>\$ 116,000</u>	<u>\$ 150,563</u>	<u>\$ 34,563</u>

**CITY OF DALLAS, OREGON**  
**IMPROVEMENT FUND - BUDGETARY BASIS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

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

## **BUDGETARY COMPARISON SCHEDULES**

### **Enterprise Funds**

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

Enterprise Budgetary Comparison schedules include the following:

- Sewer Fund
- Water Fund
- Storm Water Fund



**CITY OF DALLAS, OREGON**  
**SEWER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 3,600,000	\$ 3,600,000	\$ 3,687,494	\$ 87,494
Interest	50,000	50,000	47,770	(2,230)
Miscellaneous	80,000	80,000	94,258	14,258
Total revenues	<u>3,730,000</u>	<u>3,730,000</u>	<u>3,829,522</u>	<u>99,522</u>
<b>EXPENDITURES:</b>				
Personnel services	555,000	564,302	536,231	28,071 *
Materials and services	1,151,500	1,151,500	1,045,088	106,412 *
Capital outlay	7,892,500	7,892,500	753,776	7,138,724 *
Debt service:				
Principal	1,205,000	1,205,000	940,000	265,000
Interest	141,002	141,002	57,002	84,000
Contingency	226,478	217,176	-	217,176
Total expenditures	<u>11,171,480</u>	<u>11,171,480</u>	<u>3,332,097</u>	<u>7,839,383</u>
Revenues over (under) expenditures	(7,441,480)	(7,441,480)	497,425	7,938,905
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	335,000	335,000	-	(335,000)
Issuance of debt	7,000,000	7,000,000	-	(7,000,000)
Transfers out	(643,520)	(643,520)	(619,000)	24,520
Total other financing sources (uses)	<u>6,691,480</u>	<u>6,691,480</u>	<u>(619,000)</u>	<u>(7,310,480)</u>
Net changes in fund balances	(750,000)	(750,000)	(121,575)	628,425
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>750,000</u>	<u>750,000</u>	<u>819,569</u>	<u>69,569</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>697,994</u>	<u>\$ 697,994</u>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>				
Accrued interest			(12,935)	
OPEB assets			3,829	
Capital assets, net			18,543,991	
Inventories			22,720	
Loans Payable			(752,000)	
Compensated absences			(14,129)	
Deferred inflows related to pensions			(24,086)	
Deferred inflows related to OPEB			(3,258)	
OPEB liability			(13,162)	
Pension liability			(402,931)	
Deferred outflows related to pensions			161,989	
Deferred outflows related to OPEB			1,459	
<b>NET POSITION</b>			<u>\$ 18,209,481</u>	

\* Sum equals appropriation level

**CITY OF DALLAS, OREGON**  
**WATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 2,872,000	\$ 2,872,000	\$ 2,841,714	\$ (30,286)
Interest	118,000	118,000	155,232	37,232
Miscellaneous	90,000	90,000	70,347	(19,653)
Total revenues	3,080,000	3,080,000	3,067,293	(12,707)
<b>EXPENDITURES:</b>				
Personnel services	950,000	995,698	994,898	800 *
Materials and services	669,500	669,500	576,627	92,873 *
Capital outlay	542,500	542,500	276,138	266,362 *
Debt service:				
Principal	439,251	439,251	439,251	-
Interest	167,321	167,321	167,204	117
Contingency	2,277,428	2,231,730	-	2,231,730
Total expenditures	5,046,000	5,046,000	2,454,118	2,591,882
Revenues over (under) expenditures	(1,966,000)	(1,966,000)	613,175	2,579,175
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(484,000)	(484,000)	(484,000)	-
Total other financing sources (uses)	(484,000)	(484,000)	(484,000)	-
Net changes in fund balances	(2,450,000)	(2,450,000)	129,175	2,579,175
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	2,450,000	2,450,000	2,608,936	158,936
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	2,738,111	\$ 2,738,111

**RECONCILIATION TO NET POSITION - GAAP BASIS**

Accrued interest	(105,396)
OPEB asset	7,708
Capital assets, net	18,529,509
Inventories	187,042
Loans payable	(6,491,578)
Compensated absences	(38,807)
Deferred inflows related to pensions	(48,482)
Deferred inflows related to OPEB	(6,559)
OPEB liability	(26,494)
Pension liability	(811,060)
Deferred outflows related to pensions	326,068
Deferred outflows related to OPEB	2,937

**NET POSITION**

\$ 14,262,999

\* Sum equals appropriation level

**CITY OF DALLAS, OREGON**  
**STORM WATER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 210,000	\$ 210,000	\$ 306,950	\$ 96,950
Interest	3,000	3,000	5,308	2,308
Miscellaneous	5,000	5,000	-	(5,000)
Total revenues	218,000	218,000	312,258	94,258
<b>EXPENDITURES:</b>				
Personnel services	89,000	90,744	84,889	5,855 *
Materials and services	62,500	89,500	77,460	12,040 *
Capital outlay	187,500	187,500	129,194	58,306 *
Contingency	63,380	34,636	-	34,636
Total expenditures	402,380	402,380	291,543	110,837
Revenues over (under) expenditures	(184,380)	(184,380)	20,715	205,095
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	137,500	137,500	127,510	(9,990)
Transfers out	(53,120)	(53,120)	(48,993)	4,127
Total other financing sources (uses)	84,380	84,380	78,517	(5,863)
Net changes in fund balances	(100,000)	(100,000)	99,232	199,232
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	100,000	100,000	85,153	(14,847)
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	184,385	\$ 184,385

**RECONCILIATION TO NET POSITION - GAAP BASIS**

OPEB asset	743
Capital assets, net	2,416,610
Interfund loan	(127,510)
Compensated absences	(2,425)
Deferred inflows related to pensions	(4,672)
Deferred inflows related to OPEB	(632)
Pension liability	(78,157)
OPEB liability	(2,553)
Deferred outflows related to pensions	31,421
Deferred outflows related to OPEB	283

**NET POSITION**

\$ 2,417,493

\* Sum equals appropriation level

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

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

Proprietary Budgetary Comparison schedule includes the following:

- Fleet Management Fund

**CITY OF DALLAS, OREGON  
FLEET MANAGEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL  
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 456,000	\$ 456,000	\$ 497,451	41,451
Total revenues	456,000	456,000	497,451	41,451
<b>EXPENDITURES:</b>				
Personnel services	232,000	235,779	234,021	1,758 *
Materials and services	203,200	203,200	187,110	16,090 *
Capital outlay	-	20,000	17,000	3,000 *
Contingency	274,100	250,321	-	250,321
Total expenditures	709,300	709,300	438,131	271,169
Revenues over (under) expenditures	(253,300)	(253,300)	59,320	312,620
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	5,000	5,000	36,868	31,868
Transfers in	16,800	16,800	16,800	-
Transfers out	(68,500)	(68,500)	(68,500)	-
Total other financing sources (uses)	(46,700)	(46,700)	(14,832)	31,868
Net changes in fund balances	(300,000)	(300,000)	44,488	344,488
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>300,000</u>	<u>300,000</u>	<u>353,118</u>	<u>53,118</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	397,606	<u>\$ 397,606</u>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>				
Capital assets, net			297,467	
OPEB asset			2,522	
Deferred outflows related to pensions			106,692	
Deferred outflows related to OPEB			961	
Accrued compensated absences			(11,928)	
Pension liability			(265,384)	
OPEB liability			(8,669)	
Deferred inflows related to pensions			(15,864)	
Deferred inflows related to OPEB			(2,146)	
<b>NET POSITION</b>			<u>\$ 501,257</u>	

\* Sum equal appropriation level

## **STATISTICAL SECTION**

## STATISTICAL SECTION

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

### Contents

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

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

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

#### **Operating Information**

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

**Sources:** unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 48,197,682	\$ 48,416,186	\$ 49,729,006	\$ 49,522,634
Restricted for special purposes	13,133,048	14,420,599	11,357,160	9,100,601
Unrestricted	(4,092,595)	(3,314,269)	(1,943,071)	(945,149)
Total governmental activities net position	<u>\$ 57,238,135</u>	<u>\$ 59,522,516</u>	<u>\$ 59,143,095</u>	<u>\$ 57,678,086</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 32,246,532	\$ 27,913,008	\$ 25,900,291	\$ 23,439,707
Restricted for special purposes	12,280	-	-	-
Unrestricted	2,631,161	2,922,587	2,873,339	2,140,287
Total business-type activities net position	<u>\$ 34,889,973</u>	<u>\$ 30,835,595</u>	<u>\$ 28,773,630</u>	<u>\$ 25,579,994</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 80,444,214	\$ 76,329,194	\$ 75,629,297	\$ 72,962,341
Restricted for special purposes	13,145,328	14,420,599	11,357,160	9,100,601
Unrestricted	(1,461,434)	(391,682)	930,268	1,195,138
Total primary government net position	<u>\$ 92,128,108</u>	<u>\$ 90,358,111</u>	<u>\$ 87,916,725</u>	<u>\$ 83,258,080</u>

Source: City of Dallas Comprehensive Annual Financial Reports



<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
\$ 52,121,875	\$ 53,826,746	\$ 55,722,739	\$ 57,146,650	\$ 57,754,349	\$ 60,594,063
8,835,176	6,760,554	6,321,162	5,598,814	4,265,637	3,619,756
(2,318,099)	(746,388)	952,467	1,004,454	2,901,846	2,102,524
<u>\$ 58,638,952</u>	<u>\$ 59,840,912</u>	<u>\$ 62,996,368</u>	<u>\$ 63,749,918</u>	<u>\$ 64,921,832</u>	<u>\$ 66,316,343</u>
\$ 22,291,458	\$ 21,049,915	\$ 20,584,724	\$ 20,017,073	\$ 19,755,540	\$ 19,358,365
-	-	-	-	-	1,058,654
1,494,772	2,147,514	2,164,506	2,389,514	2,341,712	1,629,019
<u>\$ 23,786,230</u>	<u>\$ 23,197,429</u>	<u>\$ 22,749,230</u>	<u>\$ 22,406,587</u>	<u>\$ 22,097,252</u>	<u>\$ 22,046,038</u>
\$ 74,413,333	\$ 74,876,661	\$ 76,307,463	\$ 77,163,723	\$ 77,509,889	\$ 79,952,428
8,835,176	6,760,554	6,321,162	5,598,814	4,265,637	4,678,410
(823,327)	1,401,126	3,116,973	3,393,968	5,243,558	3,731,543
<u>\$ 82,425,182</u>	<u>\$ 83,038,341</u>	<u>\$ 85,745,598</u>	<u>\$ 86,156,505</u>	<u>\$ 87,019,084</u>	<u>\$ 88,362,381</u>

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

	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>EXPENSES</b>			
<b>Governmental activities:</b>			
General government	\$ 6,066,986	\$ 3,128,997	\$ 3,072,693
Public safety	7,405,408	8,334,194	8,421,394
Highways and streets	2,773,333	783,447	750,043
Culture and recreation	1,283,472	842,281	863,203
Community development	2,594,730	3,021,745	2,794,594
Interest on long-term debt	136,259	56,981	124,871
Total governmental activities expenses	<u>20,260,188</u>	<u>16,167,645</u>	<u>16,026,798</u>
<b>Business-type activities:</b>			
Sewage disposal	1,180,763	2,258,528	2,384,194
Water	2,306,226	2,226,989	2,062,003
Storm water	216,107	181,627	162,051
Total business-type activities expenses	<u>3,703,096</u>	<u>4,667,144</u>	<u>4,608,248</u>
Total expenses	<u>\$ 23,963,284</u>	<u>\$ 20,834,789</u>	<u>\$ 20,635,046</u>
<b>PROGRAM REVENUES</b>			
<b>Governmental activities:</b>			
Charges for services			
General Government	\$ 613,897	\$ 672,612	\$ 2,697,392
Public Safety	2,434,316	2,570,300	2,130,488
Highways and streets	-	-	171,029
Culture and Recreation	493,594	599,017	388,827
Community development	11,264	13,370	556,725
Operating grants and contributions	1,641,459	599,195	235,827
Capital grants and contributions	1,638,878	339,717	1,385,564
Total governmental activities program revenues	<u>6,833,408</u>	<u>4,794,211</u>	<u>7,565,852</u>
<b>Business-type activities:</b>			
Charges for services	6,836,157	6,608,518	6,162,438
Capital grants and contributions	1,700,395	861,194	2,216,095
Total business-type activities program revenues	<u>8,536,552</u>	<u>7,469,712</u>	<u>8,378,533</u>
Total program revenues	<u>\$ 15,369,960</u>	<u>\$ 12,263,923</u>	<u>\$ 15,944,385</u>
<b>Net (Expense)/Revenue</b>			
Governmental activities	\$ (13,426,780)	\$ (11,373,434)	\$ (8,460,946)
Business-type activities	4,833,456	2,802,568	3,770,285
Total net expense	<u>\$ (8,593,324)</u>	<u>\$ (8,570,866)</u>	<u>\$ (4,690,661)</u>
<b>General Revenues and Other Changes in Net Position</b>			
<b>Governmental activities:</b>			
Taxes and assessments	\$ 6,495,316	\$ 6,447,411	\$ 6,506,395
Franchise Fees	1,336,582	1,302,982	1,254,229
Miscellaneous	2,158,508	2,850,312	1,070,181
Transfers	1,151,993	1,152,150	1,095,150
Total governmental activities	<u>11,142,399</u>	<u>11,752,855</u>	<u>9,925,955</u>
<b>Business-type activities:</b>			
Miscellaneous	372,915	411,547	518,501
Gain on sale of land	-	-	-
Transfers	(1,151,993)	(1,152,150)	(1,095,150)
Total business-type activities	<u>(779,078)</u>	<u>(740,603)</u>	<u>(576,649)</u>
Total	<u>\$ 10,363,321</u>	<u>\$ 11,012,252</u>	<u>\$ 9,349,306</u>
<b>Change in Net Position</b>			
Governmental activities	\$ (2,284,381)	\$ 379,421	\$ 1,465,009
Business-type activities	4,054,378	2,061,965	3,193,636
Total	<u>\$ 1,769,997</u>	<u>\$ 2,441,386</u>	<u>\$ 4,658,645</u>

Source: City of Dallas Comprehensive Annual Financial Reports

	2017	2016	2015	2014	2013	2012	2011
\$	2,618,629	\$ 2,815,836	\$ 2,018,683	\$ 2,159,324	\$ 1,951,720	\$ 2,742,049	\$ 2,641,018
	7,462,693	6,812,741	4,208,590	4,965,673	5,169,796	5,227,369	5,041,368
	776,622	3,183,830	2,968,164	2,985,706	2,949,068	2,820,314	2,741,552
	833,397	1,020,182	705,867	748,446	730,924	688,907	762,439
	2,434,292	1,982,360	1,561,447	1,419,268	1,332,910	1,346,705	1,477,722
	157,956	183,031	211,552	219,436	239,631	264,813	292,992
	<u>14,283,589</u>	<u>15,997,980</u>	<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>
	2,584,857	2,681,117	2,472,804	2,463,249	2,406,124	2,403,297	2,471,140
	2,587,227	1,935,944	1,656,456	1,759,774	1,615,326	1,754,639	2,108,937
	159,480	185,698	-	-	-	-	-
	<u>5,331,564</u>	<u>4,802,759</u>	<u>4,129,260</u>	<u>4,223,023</u>	<u>4,021,450</u>	<u>4,157,936</u>	<u>4,580,077</u>
\$	<u>19,615,153</u>	<u>20,800,739</u>	<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>
\$	1,978,726	\$ 2,412,882	\$ 1,198,834	\$ 1,174,241	\$ 908,346	\$ 641,463	\$ 607,535
	1,707,545	1,621,164	1,014,802	1,399,346	1,177,937	1,045,911	1,321,333
	80,333	203,855	92,806	75,605	58,899	24,854	46,585
	203,841	564,981	547,647	104,465	92,220	77,705	606,867
	537,447	282,305	406,971	768,352	667,287	611,452	243,775
	95,408	251,797	16,252	5,981	7,305	9,573	11,579
	41,929	800,746	160,224	158,583	126,726	1,408,562	280,080
	<u>4,645,229</u>	<u>6,137,730</u>	<u>3,437,536</u>	<u>3,686,573</u>	<u>3,038,720</u>	<u>3,819,520</u>	<u>3,117,754</u>
	5,768,881	5,600,125	5,435,502	5,077,759	5,025,147	4,852,972	4,698,913
	1,363,150	569,295	247,351	-	-	-	-
	<u>7,132,031</u>	<u>6,169,420</u>	<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>11,777,260</u>	<u>12,307,150</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>
\$	(9,638,360)	\$ (9,860,250)	\$ (8,236,767)	\$ (8,811,280)	\$ (9,335,329)	\$ (9,270,637)	\$ (9,839,337)
	1,800,467	1,366,661	1,553,593	854,736	1,003,697	695,036	118,836
\$	<u>(7,837,893)</u>	<u>(8,493,589)</u>	<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>
\$	5,832,686	\$ 5,938,713	\$ 6,152,989	\$ 5,736,327	\$ 5,755,796	\$ 5,607,607	\$ 5,496,250
	1,185,056	1,116,780	1,093,765	1,170,721	1,028,427	1,062,257	908,608
	740,621	577,797	310,686	354,160	422,866	429,937	219,913
	1,025,000	1,025,000	1,025,000	796,522	956,326	776,325	1,000,000
	<u>8,783,363</u>	<u>8,658,290</u>	<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>
	1,018,297	247,140	271,629	278,691	261,964	132,503	175,124
	-	-	-	87,141	-	-	-
	(1,025,000)	(1,025,000)	(1,025,000)	(796,522)	(956,326)	(776,325)	(1,000,000)
	<u>(6,703)</u>	<u>(777,860)</u>	<u>(753,371)</u>	<u>(430,690)</u>	<u>(694,362)</u>	<u>(643,822)</u>	<u>(824,876)</u>
\$	<u>8,776,660</u>	<u>7,880,430</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>
\$	(854,997)	\$ (1,201,960)	\$ 345,673	\$ (753,550)	\$ (1,171,914)	\$ (1,394,511)	\$ (2,214,566)
	1,793,764	588,801	800,222	424,046	309,335	51,214	(706,040)
\$	<u>938,767</u>	<u>(613,159)</u>	<u>1,145,895</u>	<u>(329,504)</u>	<u>(862,579)</u>	<u>(1,343,297)</u>	<u>(2,920,606)</u>

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>General Fund:</b>			
Restricted	\$ -	\$ -	\$ -
Unassigned	2,712,289	2,314,216	2,278,112
Total General Fund	<u>\$ 2,712,289</u>	<u>\$ 2,314,216</u>	<u>\$ 2,278,112</u>
<b>Special Revenue Funds:</b>			
Restricted	\$ 3,220,090	\$ 3,268,670	\$ 1,918,839
Committed	217,590	258,170	213,301
Assigned	-	-	567,335
Unassigned	-	-	-
Total Special Revenue Funds	<u>\$ 3,437,680</u>	<u>\$ 3,526,840</u>	<u>\$ 2,699,475</u>
<b>Debt Service Funds:</b>			
Restricted	\$ 11.00	\$ 378,845.00	\$ 347,682.00
Committed	-	-	11
Total Debt Service Funds	<u>\$ 11</u>	<u>\$ 378,845</u>	<u>\$ 347,693</u>
<b>Capital Projects Funds:</b>			
Restricted	\$ 9,830,110 <sup>2</sup>	\$ 10,773,084 <sup>2</sup>	\$ 9,090,639 <sup>2</sup>
Committed	-	-	192,212
Unassigned	(17,713)	(41,995)	(5,124)
Total Capital Projects Funds	<u>\$ 9,812,397</u>	<u>\$ 10,731,089</u>	<u>\$ 9,277,727</u>
<b>All Governmental Funds:</b>			
Restricted	\$ 13,050,211	\$ 14,420,599	\$ 11,357,160
Committed	217,590	258,170	405,524
Assigned	-	-	567,335
Unassigned	2,694,576	2,272,221	2,272,988
Gene Total All Governmental Funds	<u>\$ 15,962,377</u>	<u>\$ 16,950,990</u>	<u>\$ 14,603,007</u>

Source: City of Dallas Comprehensive Annual Financial Report:

Notes:

2

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,450	\$ -
2,001,787	2,049,619	1,793,551	1,825,054	925,202	653,127	1,702,807
<u>\$ 2,001,787</u>	<u>\$ 2,049,619</u>	<u>\$ 1,793,551</u>	<u>\$ 1,825,054</u>	<u>\$ 925,202</u>	<u>\$ 1,253,577</u>	<u>\$ 1,702,807</u>
\$ 1,577,973	\$ 8,463,452	\$ 6,379,403	\$ 5,980,728	\$ 5,291,538	\$ 3,400,740	\$ 3,387,580
166,342	157,749	108,813	51,583	217,990	222,078	315,841
454,698 <sup>3</sup>	-	-	-	-	-	-
-	(185,924)	(168,005)	-	(17,817)	533,689	(258,241)
<u>\$ 2,199,013</u>	<u>\$ 8,435,277</u>	<u>\$ 6,320,211</u>	<u>\$ 6,032,311</u>	<u>\$ 5,491,711</u>	<u>\$ 4,156,507</u>	<u>\$ 3,445,180</u>
\$ 360,719.00	\$ 371,724.00	\$ 381,151.00	\$ 340,434.00	\$ 307,287.00	\$ 264,447.00	\$ 232,176.00
11	11	11	11	-	-	-
<u>\$ 360,730</u>	<u>\$ 371,735</u>	<u>\$ 381,162</u>	<u>\$ 340,445</u>	<u>\$ 307,287</u>	<u>\$ 264,447</u>	<u>\$ 232,176</u>
\$ 7,161,909 <sup>2</sup>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
234,497	445,996	130,902	-	-	-	-
(381,652)	-	-	-	-	-	-
<u>\$ 7,014,754</u>	<u>\$ 445,996</u>	<u>\$ 130,902</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,100,601	\$ 8,835,176	\$ 6,760,554	\$ 6,321,162	\$ 5,598,825	\$ 4,265,637	\$ 3,619,756
400,850	603,756	239,726	51,594	217,990	222,078	315,841
454,698	-	-	-	-	-	-
1,620,135	1,863,695	1,625,546	1,825,054	907,385	1,186,816	1,444,566
<u>\$ 11,576,284</u>	<u>\$ 11,302,627</u>	<u>\$ 8,625,826</u>	<u>\$ 8,197,810</u>	<u>\$ 6,724,200</u>	<u>\$ 5,674,531</u>	<u>\$ 5,380,163</u>

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>REVENUES</b>				
Taxes and assessments	\$ 4,855,430	\$ 4,993,262	\$ 4,715,373	\$ 4,427,603
Licenses and permits	459,009	586,167	2,895,086	1,856,176
Intergovernmental	3,303,611	2,666,041	2,327,152	1,514,298
Franchise fees	1,336,582	1,302,982	1,254,229	1,185,056
Charges for services	4,099,739	4,289,141	2,350,932	1,940,726
Fines and forfeitures	183,013	497,520	246,826	217,196
Miscellaneous	1,511,027	1,245,494	1,069,210	1,000,526
Total Revenues	<u>15,748,411</u>	<u>15,580,607</u>	<u>14,858,808</u>	<u>12,141,581</u>
<b>EXPENDITURES</b>				
Current operating:				
General government	3,736,748	2,327,527	1,711,724	1,453,008
Highways and streets	554,726	587,394	544,728	574,813
Culture and recreation	772,576	631,506	626,912	616,834
Public Safety	6,279,161	6,248,617	6,115,758	5,523,810
Community development	2,532,564	2,265,573	2,029,609	1,801,729
Capital outlay	5,302,979	1,668,882	1,111,693	2,032,532
Debt service				
Interest	123,693	99,750	128,119	656,772
Principal	286,270	638,725	697,192	153,826
Total Expenditures	<u>19,588,717</u>	<u>14,467,974</u>	<u>12,965,735</u>	<u>12,813,324</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(3,840,306)	1,112,633	1,893,073	(671,743)
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan proceeds	-	-	-	120,632
Transfers in	2,889,097	2,389,361	2,300,568	2,349,323
Transfers out	(1,685,404)	(1,205,011)	(1,168,418)	(1,454,555)
Proceeds from sale of capital assets	-	51,000	1,500	-
Debt proceeds	1,648,000	-	-	-
Total Other Financing Sources (Uses)	<u>2,851,693</u>	<u>1,235,350</u>	<u>1,133,650</u>	<u>1,015,400</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (988,613)</u>	<u>\$ 2,347,983</u>	<u>\$ 3,026,723</u>	<u>\$ 343,657</u>
Debt service as a percentage of noncapital expenditures	<u>2.61%</u>	<u>5.80%</u>	<u>7.43%</u>	<u>7.88%</u>

Source: City of Dallas Comprehensive Annual Financial Reports

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
\$	4,444,923	\$ 4,368,926	\$ 4,216,923	\$ 4,244,493	\$ 4,094,852	\$ 3,988,407
	2,511,999	1,092,380	939,972	630,626	321,837	430,191
	2,056,850	1,990,867	1,744,193	1,663,520	2,897,961	1,763,122
	1,116,780	1,093,765	1,170,721	1,028,427	1,062,257	908,608
	1,890,230	1,481,555	1,997,338	1,726,277	1,554,881	1,753,479
	209,729	189,771	146,523	117,985	141,888	187,692
	567,788	277,386	347,941	408,894	429,937	243,427
	<u>12,798,299</u>	<u>10,494,650</u>	<u>10,563,611</u>	<u>9,820,222</u>	<u>10,503,613</u>	<u>9,274,926</u>
	1,343,077	1,292,338	1,232,720	1,151,147	1,150,826	1,171,990
	585,384	529,501	548,007	538,624	564,266	525,820
	539,061	456,838	409,615	393,963	350,244	440,054
	5,118,464	4,951,183	4,689,828	4,874,365	4,918,023	4,787,775
	1,605,064	1,440,384	1,410,708	1,323,313	1,325,302	1,449,292
	1,397,170	1,486,639	1,672,887	561,519	2,043,949	1,275,423
	179,014	199,555	219,436	239,631	264,813	292,992
	711,459	680,596	620,000	604,330	588,147	578,301
	<u>11,478,693</u>	<u>11,037,034</u>	<u>10,803,201</u>	<u>9,686,892</u>	<u>11,205,570</u>	<u>10,521,647</u>
	1,319,606	(542,384)	(239,590)	133,330	(701,957)	(1,246,721)
	385,795	-	750,000	-	-	-
	1,944,307	1,459,395	1,315,147	1,812,349	1,251,603	1,870,664
	(972,907)	(488,995)	(351,947)	(896,010)	(475,278)	(1,040,664)
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>1,357,195</u>	<u>970,400</u>	<u>1,713,200</u>	<u>916,339</u>	<u>776,325</u>	<u>830,000</u>
\$	<u>2,676,801</u>	<u>\$ 428,016</u>	<u>\$ 1,473,610</u>	<u>\$ 1,049,669</u>	<u>\$ 74,368</u>	<u>\$ (416,721)</u>
	<u>8.89%</u>	<u>8.48%</u>	<u>8.72%</u>	<u>9.03%</u>	<u>8.76%</u>	<u>8.93%</u>

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

<b>FUNCTIONS/PROGRAMS</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Governmental Activities:</b>				
General government	\$ 713,897	\$ 672,612	\$ 2,697,392	\$ 1,978,726
Public safety	2,592,039	2,686,573	2,362,575	1,800,545
Highways and streets	1,509,503	339,717	1,223,729	80,333
Culture and recreation	775,610	602,713	721,691	245,770
Community development	1,242,359	492,596	560,465	539,855
Total Governmental Activities	<u>6,833,408</u>	<u>4,794,211</u>	<u>7,565,852</u>	<u>4,645,229</u>
<b>Business-type Activities:</b>				
Sewage disposal	4,163,214	3,557,368	3,927,609	3,660,323
Water	3,459,188	3,413,340	3,370,531	2,888,059
Storm Water	914,150	499,004	1,080,393	583,649
Total Business-type Activities	<u>8,536,552</u>	<u>7,469,712</u>	<u>8,378,533</u>	<u>7,132,031</u>
Total Activities	<u>\$ 15,369,960</u>	<u>\$ 12,263,923</u>	<u>\$ 15,944,385</u>	<u>\$ 11,777,260</u>

Source: City of Dallas Comprehensive Annual Financial Reports



<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
\$ 2,412,882	\$ 1,198,834	\$ 1,174,241	\$ 908,346	\$ 641,463	\$ 609,185
1,808,359	1,028,641	1,403,096	1,309,998	1,973,067	1,427,817
696,605	92,806	75,605	58,899	24,854	46,585
567,143	550,060	106,696	94,190	350,739	613,337
652,741	567,195	926,935	667,287	829,397	420,830
<u>6,137,730</u>	<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>
3,222,212	3,148,628	3,026,851	2,966,576	2,879,216	2,824,141
2,596,955	2,534,225	2,050,908	2,058,571	1,973,756	1,874,772
350,253	-	-	-	-	-
<u>6,169,420</u>	<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>\$ 12,307,150</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>

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

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<u>Fiscal Year Ending</u>	<u>Property</u>	<u>Special Assessments</u>	<u>Total</u>
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
2020	4,855,430	-	4,855,430
Change 2011 - 2020	21.4%	-100.0%	

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

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<b>Fiscal Year Ended June 30,</b>	<b>Real Property</b>		<b>Personal Property*</b>	
	<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>
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
2020	1,020,689,806	1,554,364,653	25,985,281	31,007,950

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

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<b>Public Utility Property</b>		<b>Total</b>		<b>Ratio of Total Assessed to Total Estimated Actual Value</b>	<b>Total Direct Tax Rate</b>
<b>Assessed Value</b>	<b>Estimated Actual Value</b>	<b>Assessed Value</b>	<b>Estimated Actual Value</b>		
\$ 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
20,372,620	20,464,743	1,067,047,707	1,605,837,346	66.45	4.20

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

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<b>Fiscal Year Ended June 30,</b>	<b>City of Dallas<sup>1</sup></b>	<b>City of Dallas<sup>2</sup></b>	<b>City of Dallas Total</b>	<b>Polk County</b>	<b>School District #2</b>
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
2020	4.20	-	4.20	2.11	6.19

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<b>Chemeketa Community College</b>	<b>Chemeketa Regional Library</b>	<b>Polk Conservation District</b>	<b>Willamette ESD</b>	<b>Dallas Cemetery District</b>	<b>4-H Extension District</b>	<b>Total</b>
\$ 0.79	\$ 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
0.88	0.08	0.05	0.29	0.05	0.07	13.92

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

Taxpayer	2020			2011		
	Assessed Value	Rank	% of Total City Taxable Assessed Value	Assessed Value	Rank	% of Total City Taxable Assessed Value
Dallas Mennonite Retirement Comm	\$ 12,500,280	1	1.03%	\$ -	-	-
Northwest Natural Gas	9,855,000	2	0.81%	7,532,000	2	0.96%
Greenway	8,864,760	3	0.73%	6,789,240	3	0.86%
Wal-Mart	7,737,460	4	0.64%	5,776,700	4	0.74%
Victoria Place General Partnership	7,369,110	5	0.61%	5,647,880	5	0.72%
Dallas Mennonite Ret Comm, Inc	6,539,340	6	0.54%	5,152,160	6	0.66%
Charter Communications	5,852,700	7	0.48%	-	-	-
Pacificorp (PP&L)	4,975,000	8	0.41%	-	-	-
ACI Real Estate SPE 131 LLC	4,499,510	9	0.37%	-	-	-
1351 Tandem Ave LLC Etal	4,373,900	10	0.36%	-	-	-
Safeway #404	-	-	-	2,932,720	8	0.37%
FR Acquisition, Inc.	-	-	-	2,749,480	10	0.35%
Weyerhauser Company	-	-	-	9,248,412	1	1.18%
Citizen Solder LLC	-	-	-	2,776,690	9	0.35%
Qwest Corporation	-	-	-	3,254,000	7	0.41%
	<u>\$ 72,567,060</u>		<u>5.98%</u>	<u>\$ 51,859,282</u>		<u>5.64%</u>

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



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

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<b>Fiscal Year Ended June 30,</b>	<b>Total tax levy (net of discounts)</b>	<b>Collected in year of levy</b>		<b>Collected in subsequent years</b>	<b>Total collections to date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2011	\$ 4,083,452	\$ 3,791,192	92.84	\$ 186,283	\$ 3,977,475	97.40
2012	4,197,403	3,869,533	92.19	147,389	4,016,922	95.70
2013	4,279,410	3,985,073	93.12	150,048	4,135,121	96.63
2014	4,298,867	4,012,740	93.34	147,138	4,159,878	96.77
2015	4,399,871	4,157,700	94.50	127,562	4,285,262	97.40
2016	4,518,220	4,278,742	94.70	107,553	4,386,295	97.08
2017	4,432,938	4,183,640	94.38	102,938	4,286,578	96.70
2018	4,699,253	4,442,743	94.54	80,965	4,523,708	96.26
2019	4,901,124	4,681,046	95.51	52,879	4,733,925	96.59
2020	4,743,320	4,642,543	97.88	-	4,642,543	97.88

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

**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:

<b>Fiscal Year Ended June 30,</b>	<b>Population</b>	<b>Assessed Value</b>	<b>Bonded Debt</b>	<b>Ratio of Bonded Debt to Assessed Value</b>	<b>Debt as % Personal Income</b>	<b>Bonded Debt Per Capita</b>
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	0.30%	127
2020	16,555	1,128,179,538	3,397,321	0.0030	NA	205

BUSINESS-TYPE ACTIVITIES:

<b>Fiscal Year Ended June 30,</b>	<b>Population</b>	<b>Assessed Value</b>	<b>Notes Payable and Bonded Debt</b>	<b>Ratio of Bonded Debt to Assessed Value</b>	<b>Debt as % Personal Income</b>	<b>Bonded Debt Per Capita</b>
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	1.24%	533.84
2020	16,555	1,128,179,538	7,243,578	0.0064	NA	438

TOTAL DEBT:

<b>Fiscal Year Ended June 30,</b>	<b>Population</b>	<b>Assessed Value</b>	<b>Notes Payable and Bonded Debt</b>	<b>Ratio of Bonded Debt to Assessed Value</b>	<b>Debt as % Personal Income</b>	<b>Bonded Debt Per Capita</b>
General Revenues and Other Changes in Net Position						
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	1.24%	660.87
2020	16,555	1,128,179,538	10,640,899	0.0094	NA	643

**CITY OF DALLAS, OREGON  
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2020**

<u>Governmental Unit</u>	<u>Real market values of overlapping districts</u>	<u>Tax-supported debt outstanding<sup>1</sup></u>	<u>Percentage overlapping<sup>2</sup></u>	<u>Overlapping debt applicable to the City of Dallas</u>
Debt Repaid with Property Taxes				
Chemeketa Community College	\$ 62,644,071,142	\$ 57,087,534	2.72 %	\$ 1,571,049
Willamette ESD	68,893,758,515	7,700,978	2.47 %	192,709
Polk Cty SD 2 (Dallas)	2,663,462,340	8,916,044	64.60 %	5,771,052
Polk County	9,528,804,555	14,720,000	17.90 %	2,663,172
Subtotal, overlapping debt		<u>88,424,556</u>		<u>10,197,982</u>
<b>Direct debt outstanding:</b>				
<b>City of Dallas</b>	<u>1,723,969,616</u>	<u>3,397,321</u>	100.00 %	<u>6,773,598</u> <sup>1</sup>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 1,723,969,616</u>	<u>\$ 91,821,877</u>		<u>\$ 16,971,580</u>

**NOTE:**

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

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

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

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

**CITY OF DALLAS, OREGON  
 COMPUTATION OF LEGAL DEBT MARGIN  
 JUNE 30, 2020 AND LAST TEN FISCAL YEARS**

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

Assessed value	\$ 1,067,047,707
Rate	<u>x 3%</u>
Debt limit	32,011,431
Debt applicable to limit	<u>0</u>
Legal debt margin	<u><u>\$ 32,011,431</u></u>

<u>Fiscal year ended June 30,</u>	<u>Debt Limit</u>	<u>Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>
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
2020	32,011,431	-	32,011,431

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	
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	389,669	179,126	568,795	227.00
2020	3,067,292	1,847,663	1,219,629	439,251	167,204	606,455	201.11

**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	
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
2020	3,829,522	2,335,095	1,494,427	940,000	57,002	997,002	149.89

**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	
2011	\$ 769	\$ -	\$ -	\$ -	\$ -
2012	-	-	-	-	-
2013	-	-	-	-	-
2014	-	-	-	-	-
2015	-	-	-	-	-
2016	-	-	-	-	-
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-

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

<b>Fiscal Year Ended June 30,</b>	<b>Population</b>	<b>Per Capita Personal Income</b>	<b>Total Personal Income (in 000's)</b>	<b>Estimated Employed Population*</b>	<b>Average Annual Wage*</b>	<b>Area in square miles</b>	<b>Average Density (persons / square mile)</b>	<b>Average Annual Unemploy- ment</b>
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	42,897	697,505	4,540	39,080	4.45	3,653.9	4.5% *
2020	16,555	NA	NA	NA	NA	4.45	3,720.2	9.7% *

\*State of Oregon Employment Department

Source: Portland State University Population Research and Census  
[www.qualityinfo.org](http://www.qualityinfo.org) - Oregon Employment Department

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

<b>Employer</b>	<b>2020</b>			<b>2011</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>
Polk County	377	1	8.30%	290	2	5.97%
Dallas Public Schools	365	2	8.04%	316	1	6.51%
Dallas Retirement Village	307	3	6.76%	270	3	5.56%
Safeway Stores, Inc.	240	4	5.29%	140	7	2.88%
Forest River	231	5	5.09%	150	6	3.09%
West Valley Hospital	214	6	4.71%	157	4	3.23%
City of Dallas	148	7	3.26%	97	9	2.00%
Wal-Mart	131	8	2.89%	151	5	3.11%
Mak Metals	34	9	0.75%	-	-	-
Open Road Transport	30	10	0.66%	-	-	-
James W. Fowler Company	-	-	-	125	8	2.57%
	<u>2,077</u>		<u>17.36%</u>	<u>1,406</u>		<u>28.96%</u>

Source: Employers  
 Oregon Employment Department

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

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<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General government	18	18	18	15	18	16	17	21	17	20
Public safety	26	26	23	23	25	25	29	28	33	35
Highways and streets	4	4	4	4	4	4	3	3	2	3
Culture and recreation	18	20	20	22	23	23	26	27	27	12
Sewage disposal	6	6	6	6	6	9	6	7	7	7
Water	6	5	5	5	5	3	4	7	9	9
Ambulance	19	18	19	19	17	19	18	16	16	16
Total	<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>	<u>102</u>

Source: City of Dallas



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

<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Police										
Arrests	904	927	1,035	993	1,114	1,064	1,108	1,336	1,200	802
Traffic violations	472	529	412	714	846	1,550	1,570	1,300	1,000	582
Municipal Court Cases	888	938	475	1,846	2,045	2,504	2,439	2,061	1,767	1,768
Fire Responses										
City	373	356	352	282	500	757	1,025	1,099	669	855
Rural	411	332	322	321	480	610	641	578	459	60
Ambulance										
Transports	1,817	1,811	1,949	2,045	2,297	2,378	2,466	2,468	2,486	2,674
Building Activity										
Permits Issued	132	108	147	191	194	242	214	642	715	638
Estimated Value (000's)	\$9,863	\$10,004	\$11,900	\$17,044	\$19,979	\$41,262	\$37,976	\$45,331	\$45,050	\$33,006
Planning Applications	36	43	73	108	118	175	136	118	112	110
Library										
Circulation	203,762	248,881	201,764	199,801	193,366	196,650	206,462	204,653	209,303	212,694
Miles of Streets Maintained	55.00	55.00	55.00	56.46	56.89	57.37	57.74	59.57	60.43	61.11
Water										
Connections	5,331	5,348	5,394	5,420	5,444	5,541	5,653	5,782	5,837	6,095
Sewer										
Connections	4,467	4,483	4,539	4,614	4,634	4,675	4,778	4,887	5,000	5,210

Source: City of Dallas

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

<b>Function</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Public safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	1	1	1	1	1	1	1	1	1	1
Ambulance										
Number of ambulances	3	3	3	3	3	3	3	3	4	4
Highways and streets										
Streets (miles)	59	59	59	59	60	60	60	61	61	62
Culture and recreation										
Number of parks	11	11	11	11	11	11	11	13	13	13
Acreage	80	80	80	99	99	99	99	106	106	107
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	486	488	490	505	559	568	575

Source: City of Dallas

## **AUDIT COMMENTS AND DISCLOSURES**

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

The Honorable Mayor and City Council  
City of Dallas, Oregon

We have audited the basic financial statements of City of Dallas, Oregon, as of and for the year ended June 30, 2020 and have issued our report thereon dated December 28, 2020. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the City of Dallas, Oregon's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the provisions of Oregon Revised Statutes as specified in the Oregon Administrative Rules 162-10-000 through 162-10-330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

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

However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Minimum Standards for Audits of Oregon Municipal Corporations* except as follows:

1. An over expenditure of \$7,272 in Aquatic expenses in the Trust and Reserve Fund.
2. An over expenditure of \$4,500 in General expenses in the Trust and Reserve Fund.
3. An over expenditure of \$2,832 in Police expenses in the Grants Fund.

4. An over expenditure of \$1,300 in Transfers out in the Grants Fund.
5. A deficit fund balance of \$17,713 in the Grants Fund.

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

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

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

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

#### **Purpose of this Report**

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



For Merina+Co  
Tualatin, Oregon  
December 28, 2020