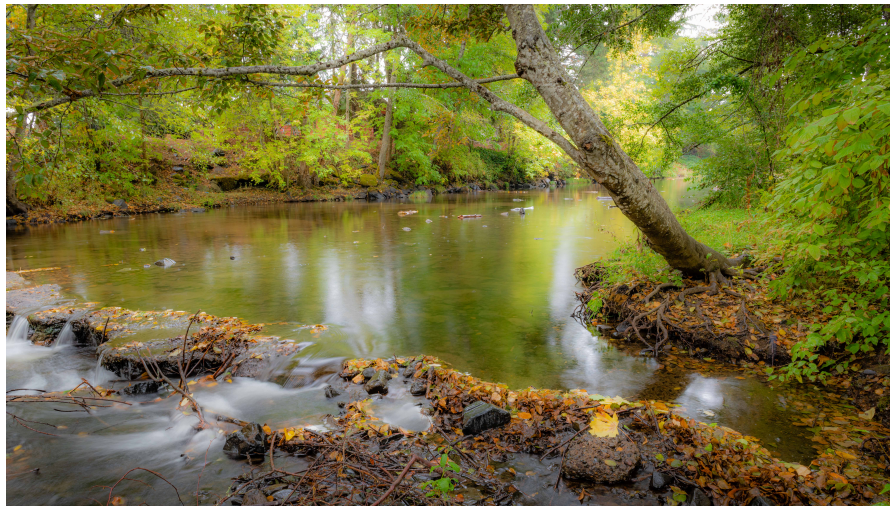




**CITY OF DALLAS  
POLK COUNTY, OREGON**

Annual Comprehensive Financial Report



For the Year Ended June 30, 2021

City of Dallas, Oregon

Annual Comprehensive Financial Report

For the Fiscal Year Ended

June 30, 2021

Prepared by

The Financial Department

City of Dallas, Oregon

Cecilia Ward, Finance Director

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

---

**INTRODUCTORY SECTION**

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

**FINANCIAL SECTION**

Independent Auditor’s Report.....x  
Management’s Discussion and Analysis ..... xiii

**Basic Financial Statements**..... 1

Government-Wide Financial Statements:  
    Statement of Net Position .....2  
    Statement of Activities .....3  
Fund Financial Statements: .....4  
    Governmental Funds:  
        Balance Sheet .....5  
        Reconciliation of the Balance Sheet of Governmental Funds to the  
            Statement of Net Position .....6  
        Statement of Revenues, Expenditures, and Changes in Fund Balances.....7  
        Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund  
            Balances of Governmental Funds to the Statement of Activities .....8  
    Proprietary Funds: .....9  
        Statement of Net Position .....10  
        Statement of Revenues, Expenses, and Changes in Net Position.....11  
        Statement of Cash Flows .....12  
Notes to the Basic Financial Statements ..... 13

**Required Supplementary Information** .....50

Budgetary Comparison Schedules:  
    Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
        General Fund – Budgetary Basis .....51  
    Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual  
        Street Fund.....52  
Schedule of the Proportionate Share of the Net Pension Liability.....53  
Schedule of Contributions – Pension .....54  
Schedule of Proportionate Share of OPEB - RHIA .....55  
Schedule of Contributions to OPEB - RHIA.....56

**Required Supplementary Information (continued)**

Schedule of Changes in OPEB Liability and Related Ratios – Implicit Rate Subsidy .....57  
Schedule of Contributions to OPEB – Implicit Rate Subsidy.....58

**Other Supplementary Information** .....59

Major Governmental Fund:  
    Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual  
        System Development Fund.....61  
Combining Schedules:  
    Nonmajor Governmental Funds Combining Balance Sheet.....62  
    Nonmajor Governmental Funds Combining Schedule of Revenues, Expenditures, and  
        Changes in Fund Balances.....63  
    Nonmajor Special Revenue Funds Combining Balance Sheet.....64  
    Nonmajor Special Revenue Funds Combining Schedule of Revenues, Expenditures, and  
        Changes in Fund Balances .....66  
    General Fund – Generally Accepted Accounting Principles Combining Balance Sheet .....68  
    General Fund – Generally Accepted Accounting Principles Combining Schedule of  
        Revenues, Expenditures, and Changes in Fund Balance .....69  
Schedule of Expenditures – Budget and Actual  
    General Fund –Budgetary Basis.....70  
Budgetary Comparison Schedules: .....72  
    Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual:  
        Risk Management Fund .....73  
        Grants Fund.....74  
        Police Officer Fee and Firefighter/EMS Fee Fund .....75  
        Building Inspections Fund .....76  
        Trust/Reserve Fund.....77  
        Urban Renewal Fund .....78  
        General Long Term Debt Fund.....79  
        Capital Projects Fund.....80  
        Improvement Fund.....81  
Proprietary Funds:  
    Enterprise Funds: .....82  
        Sewer Fund.....83  
        Water Fund.....84  
        Storm Water Fund .....85  
    Internal Service Fund:.....86  
        Fleet Management Fund.....87

**STATISTICAL SECTION**

Introduction.....88  
Net Position by Component (Last Ten Fiscal Years) .....89  
Changes in Net Position (Last Ten Fiscal Years) .....91  
Fund Balances, Governmental Funds (Last Ten Fiscal Years).....93  
Changes in Fund Balances, Governmental Funds (Last Ten Fiscal Years).....95  
Program Revenues by Function/Program (Last Ten Fiscal Years).....97  
Tax Revenue by Source, Governmental Funds (Last Ten Fiscal Years) .....99

Assessed and Estimated Value of Taxable Property (Last Ten Fiscal Years) .....	100
Property Tax Rates – All Direct and Overlapping Governments (Last Ten Fiscal Years).....	102
Principal Taxpayers of Polk County (Current Year and Nine Years Ago).....	104
Property Tax Levies and Collections (Last Ten Fiscal Years) .....	105
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita (Last Ten Fiscal Years) .....	106
Computation of Direct and Overlapping Governmental Activities Debt .....	107
Computation of Legal Debt Margin (Last Ten Fiscal Years) .....	108
Schedule of Pledged Revenue Bond Coverage (Last Ten Fiscal Years) .....	109
Demographic and Economic Statistics (Last Ten Fiscal Years).....	110
Principle Employers (Current Year and Nine Years Ago) .....	111
Full-Time Equivalent City Employees by Function (Last Ten Fiscal Years).....	112
Operating Indicators (Last Ten Fiscal Years) .....	113
Capital Asset Statistics by Function (Last Ten Fiscal Years).....	114

## **AUDIT COMMENTS AND DISCLOSURES**

Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	115
Independent Auditor’s Report on Compliance and Internal Control over Financial Reporting on an Audit of Financial Statements Performed in Accordance with <i>Oregon State Regulation</i> .....	117

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **INTRODUCTORY SECTION**



January 10, 2022

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

We are pleased to submit the Annual Comprehensive Financial Report of the City of Dallas, Oregon for the fiscal year ended June 30, 2021.

This report presents the financial position of the City as of June 30, 2021 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 Annual Comprehensive 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> 2021 for the City of Dallas was 17,320.



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>
2021 PSU Estimate	17,320	88,916
2010 Census	14,583	75,403
2000 Census	12,459	62,380

## ECONOMIC OUTLOOK

In its November 2021 Economic Forecast, the State of Oregon demonstrated a significant turnaround from one year ago. While employment continued to be below the pre-pandemic peak, wages and salaries were eight percent above the peak. In place of the weakened pandemic economy, new factors such as inflation, worker shortages and supply chain interruptions have emerged, serving to slow slightly what would otherwise be considered an extremely robust economy.

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

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

## LONG-TERM FINANCIAL PLANNING

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

In regards to the City's long-term debt obligations, including compensated absences, the City has a total of \$10.30 million (excluding premium) in long-term debt outstanding as of June 30, 2021.

## MAJOR INITIATIVES

### **Citywide Strategic Plan**

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

**FY2022 Council Priority Goals:**

**Goal 16: Prepare the former mill site for redevelopment**

*Actions:*

- a. *In FY2022 apply for a TGM grant to conduct a feasibility study and analysis regarding the extension of Monmouth Cutoff Road through the mill site property to Main Street, as well as determining appropriate land uses if an extension were to occur. –The City was awarded a TGM grant; work is scheduled to begin in 2022.*
- b. *In FY2022 consider the creation of an urban renewal district to include the mill site property. – The City has issued an RFQ for an Urban Renewal District Feasibility Study to begin in 2022.*
- c. *In FY2023 study flood plain and environmental barriers to redevelopment.*

**Other related Goals:**

**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. – The City was awarded a CLG Grant from the Oregon SHPO and undertook a public outreach and inventory project and National Historic District delineation.*
- b. *By June 2022 explore the creation of a downtown historic district on either a local or national historic register. – The City will pursue a National Historic District and will pursue the next eligible round of SHPO grants in 2023.*

**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. – Two new Enterprise Zone applications have been received in 2021.*
- b. *Consider tax incentive and SDC relief for certain projects.*

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

*Actions:*

- a. *Explore options for expanding our Central Business District and General Commercial lands. – Some of this will be accomplished through the Mill Site Redevelopment TGM project.*
- b. *Work specifically with the former mill site property owners to prepare the site for redevelopment, including options for rezoning portions of site to commercial zoning – Some of this will be accomplished through the Mill Site Redevelopment TGM project.*

**Goal 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. 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.—A record of 17 new Building Improvement Grant applications were received in 2021 and the demand for grant dollars exceeded the supply of grant funding, leading to a temporary suspension of the program.**
- b. In FY 2021 the Urban Renewal District Advisory Committee will develop new private investment programs.*

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

**2022-26 Economic Development Strategy**

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

Purpose statement:

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

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

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

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

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

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

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

## FINANCIAL INFORMATION

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

A budget is prepared and legally adopted by the City Council for each fund. All changes to the budget must be approved by City Council. These budgets are prepared on the modified accrual basis of accounting, complying with Oregon Local Budget Law. The ordinance authorizing appropriations for each fund sets the level by which expenditures cannot legally exceed appropriations. All funds except the General Fund establish the levels of budgetary control at the personnel services, materials and services, capital outlay, transfers, debt service, contingencies and all other requirements levels. For the General Fund, appropriations are at the department level for personnel services, materials and services, 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, 2021.

## 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, 2021, are free of material misstatement. The independent auditor's report is presented as the first component of the financial section of this report.

## FINANCIAL REPORTING AWARD

**Annual Comprehensive Financial Reporting Award.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dallas for its annual comprehensive financial report for the fiscal year ended June 30, 2020. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

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

program standards. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

#### ACKNOWLEDGMENTS

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Cecilia Ward". The signature is fluid and cursive, with a large loop at the end.

Cecilia Ward  
Finance Director  
Dallas, Oregon



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

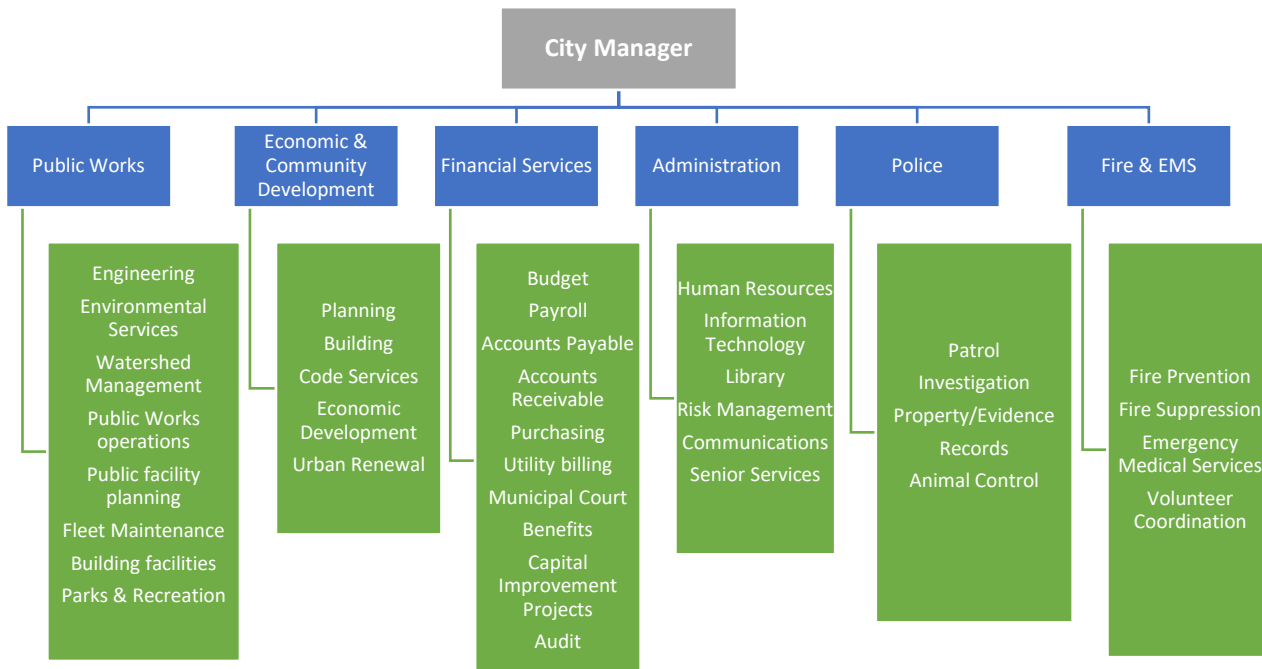
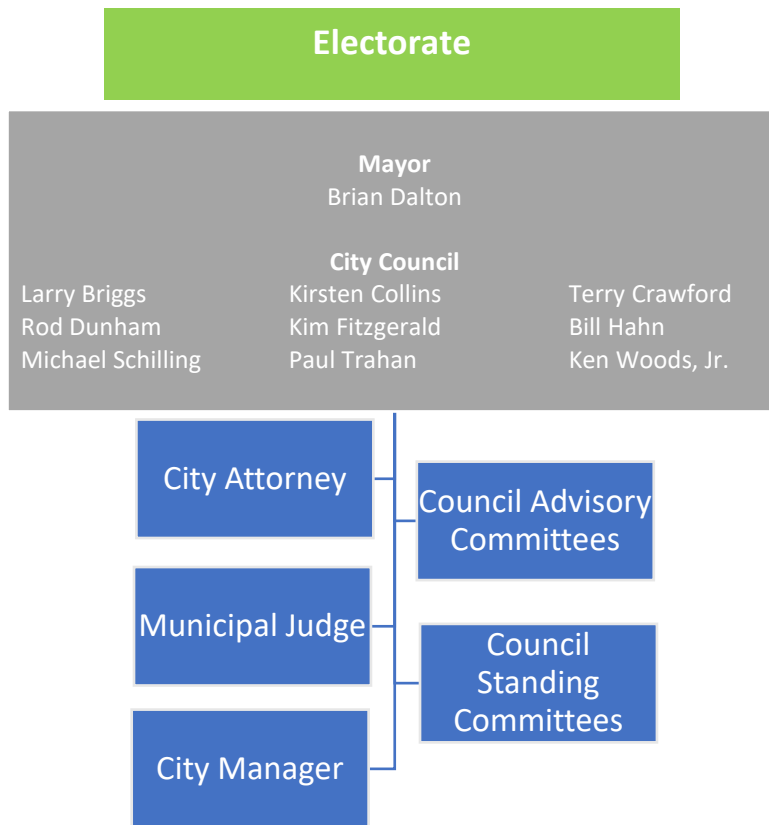
**City of Dallas  
Oregon**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



CITY OF DALLAS, OREGON  
MAYOR AND COUNCIL MEMBERS  
June 30, 2021

---

<u>Name</u>	<u>Term Expires</u>
Brian Dalton, Mayor 1650 SW Bridlewood Dr Dallas, OR 97338	December 2022
Michael Schilling, Council President 860 SE LeCreole Dr Dallas, OR 97338	December 2022
Bill Hahn PO Box 405 Dallas, OR 97338	December 2022
Paul Trahan 1116 SE Barberry Ave Dallas, OR 97338	December 2024
Ken Woods, Jr. 1130 Main St Dallas, OR 97338	December 2024
Terry Crawford 711 NW Ashley St Dallas, OR 97338	December 2022
Larry Briggs 1244 SE Academy St Dallas, OR 97338	December 2022
Kirsten Collins 1990 SE Gordon Ct Dallas, OR 97338	December 2024
Rod Dunham 1123 SE Heather Ln Dallas, OR 97338	December 2024
Kim Fitzgerald 490 SE Fir Villa Rd Dallas, OR 97338	December 2024

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



**THIS PAGE INTENTIONALLY LEFT BLANK**

## **FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council  
City of Dallas, Oregon

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dallas, Oregon, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Dallas, Oregon's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Dallas, Oregon, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

#### ***Required Supplementary Information***

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

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

### ***Other Supplementary Information***

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

### ***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2022 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 an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the 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 January 10, 2022, on our consideration of the 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  
January 10, 2022

**CITY OF DALLAS  
POLK COUNTY, OREGON**

**Year Ended June 30, 2021**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis of the City of Dallas Annual Comprehensive Financial Report (ACFR) presents a discussion and analysis of the City's financial performance during the fiscal year ended June 30, 2021. 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.

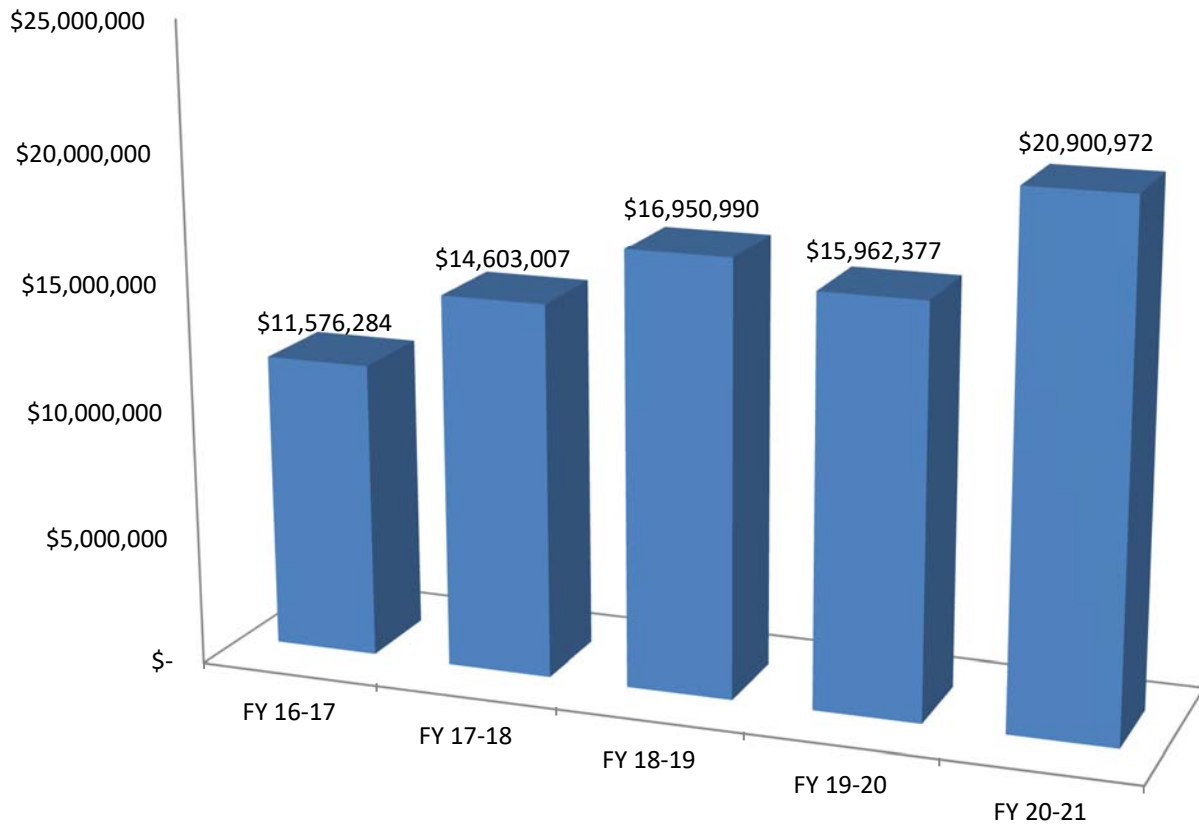
**FINANCIAL HIGHLIGHTS**

As of the close of the current fiscal year the City's governmental funds reported a combined ending fund balance of \$20,900,972, an increase of \$4,938,595 in comparison with the previous year. The General Fund ending fund balance increased 37 percent to \$3,715,726 due to a decrease in operating expenditures across all general fund departments and a number of one time revenues.

**Governmental Funds: Changes in Fund Balances**

Fund	June 30, 2021 Fund Balance	June 30, 2020 Fund Balance	Increase (decrease)	Percent Change
General Fund	\$ 3,715,726	\$ 2,712,289	\$ 1,003,437	37.00%
Systems Development Fund	12,500,366	9,679,547	2,820,819	29.14%
Grant/Capital Projects Fund	(67,501)	132,850	(200,351)	-150.81%
Risk Management Fund	148,143	164,442	(16,299)	-9.91%
Building Inspection Fund	1,070,379	730,457	339,922	46.54%
Street Fund	2,692,847	1,777,400	915,447	51.50%
Police Officer and Firefighter/EMS Fee Fund	165,539	53,148	112,391	211.47%
Trust/Reserve Fund	154,086	182,310	(28,224)	-15.48%
Urban Renewal Fund	521,376	529,923	(8,547)	-1.61%
General Debt Fund	11	11	-	0.00%
	<u>\$ 20,900,972</u>	<u>\$ 15,962,377</u>	<u>\$ 4,938,595</u>	<u>30.94%</u>

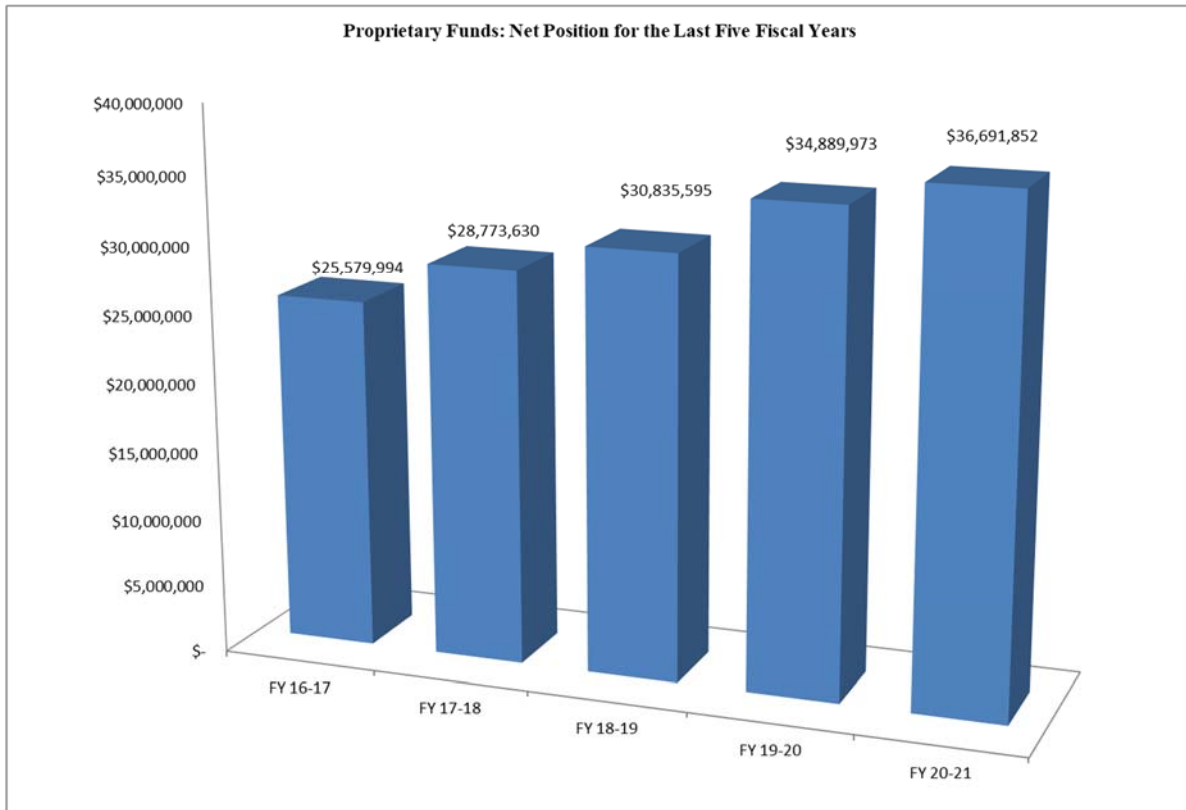
### Governmental Fund Balances for the Last Five Fiscal Years



Business-type net position increased \$1,801,879 (5.16 percent) for the 2020-21 fiscal year. Operating income for the Sewer, Water and Storm Water Funds was \$2,786,126. The net position from non-operating revenues and expenses was (\$67,318). During 2020-21 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, 2021	June 30, 2020	Increase (decrease)	Percent Change
	Net Position	Net Position		
Water Fund	\$ 14,241,919	\$ 14,262,999	\$ (21,080)	-0.15%
Sewer Fund	19,519,682	18,209,481	1,310,201	7.20%
Storm Water Fund	2,930,251	2,417,493	512,758	21.21%
	<u>\$ 36,691,852</u>	<u>\$ 34,889,973</u>	<u>\$ 1,801,879</u>	<u>5.16%</u>



For Fiscal Year 2020-21 there was a moderate growth in net position for the three enterprise funds where net position decreased 0.15% in the Water Fund and increased 7.20% in the Sewer Fund. The increase in the Sewer Fund reflects an increase in cash and cash equivalents. The Storm Water Fund, shows an increase of 21.21% due to a storm water rate increase reflected in operating revenues and an increase in cash and cash equivalents.

Internal Service Fund (Fleet Management Fund) net position decreased by \$108,957 for the 2020-21 fiscal year due to reduced capital assets and decrease in liabilities.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

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



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

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

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

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

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

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

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

The City of Dallas maintains 10 individual governmental funds. Information is presented separately for the General Fund, Street Fund and System Development Fund in the fund Balance Sheet and Statement of Revenue, Expenditures and Changes in Fund Balances. The other governmental funds are combined into a single, aggregated presentation. Information for these non-major governmental funds is provided in the form of *combining statements* on pages 62 through 69 in this report.

The City of Dallas adopts an annual appropriated budget for all of its funds (see page 51-52). Budgetary comparison statements, demonstrating compliance with this budget, have been provided on pages 73 through 87 of this report.

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

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

**Notes to the Financial Statements.** The notes to the financial statements are an integral part of the basic financial statements and should be read along with them. The notes provide additional information necessary to communicate the financial position of the City of Dallas and are on pages 13 through 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 \$120,996,102 while total liabilities and deferred inflows of resources were \$24,750,288 resulting in combined net position (governmental and business-type activities) of \$96,245,814. The largest component of the City's total net position, \$80,281,564 or 83%, 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, 2021 and 2020 was as follows:

Statement of Net Position  
Years ended June 30, 2021 and 2020

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Current assets	\$ 22,094,932	\$ 18,229,550	\$ 5,123,564	\$ 4,158,768	\$ 27,218,496	\$ 22,388,318
Non-current assets:						
Net OPEB asset	75,130	82,837	11,949	12,280	87,079	95,117
Capital assets	<u>48,755,932</u>	<u>50,515,003</u>	<u>40,345,894</u>	<u>39,490,110</u>	<u>89,101,826</u>	<u>90,005,113</u>
<i>Total Assets</i>	70,925,994	68,827,390	45,481,407	43,661,158	116,407,401	112,488,548
Deferred outflows of resources	<u>3,959,031</u>	<u>3,535,851</u>	<u>629,670</u>	<u>524,157</u>	<u>4,588,701</u>	<u>4,060,008</u>
<i>Total assets and deferred outflows of resources</i>	<u>\$ 74,885,025</u>	<u>\$ 72,363,241</u>	<u>\$ 46,111,077</u>	<u>\$ 44,185,315</u>	<u>\$ 120,996,102</u>	<u>\$ 116,548,556</u>
Current liabilities	\$ 1,104,317	\$ 2,171,364	\$ 1,378,222	\$ 1,091,887	\$ 2,482,539	\$ 3,263,251
Long-term liabilities:						
Net pension liability	10,342,046	8,716,539	1,644,864	1,292,148	11,986,910	10,008,687
Other liabilities	<u>3,352,688</u>	<u>3,645,679</u>	<u>6,311,526</u>	<u>6,823,618</u>	<u>9,664,214</u>	<u>10,469,297</u>
<i>Total Liabilities</i>	14,799,051	14,533,582	9,334,612	9,207,653	24,133,663	23,741,235
Deferred inflows of resources	<u>532,012</u>	<u>591,524</u>	<u>84,613</u>	<u>87,689</u>	<u>616,625</u>	<u>679,213</u>
Net Position:						
Net investment in capital assets	46,675,558	48,197,682	33,606,006	32,246,532	80,281,564	80,444,214
Restricted	17,014,195	13,133,048	11,949	12,280	17,026,144	13,145,328
Unrestricted	<u>(4,135,791)</u>	<u>(4,092,595)</u>	<u>3,073,897</u>	<u>2,631,161</u>	<u>(1,061,894)</u>	<u>(1,461,434)</u>
<i>Total Net Position</i>	<u>59,553,962</u>	<u>57,238,135</u>	<u>36,691,852</u>	<u>34,889,973</u>	<u>96,245,814</u>	<u>92,128,108</u>
<i>Total liabilities, deferred inflows of resources, and net position</i>	<u>\$ 74,885,025</u>	<u>\$ 72,363,241</u>	<u>\$ 46,111,077</u>	<u>\$ 44,185,315</u>	<u>\$ 120,996,102</u>	<u>\$ 116,548,556</u>

Statement of Activities  
Years ended June 30, 2021 and 2020

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
<i>Revenues:</i>						
<i>Program Revenues:</i>						
Charges for services	\$ 5,402,761	\$ 3,553,071	\$ 7,615,887	\$ 6,836,157	\$ 13,018,648	\$ 10,389,228
Operating grants and contributions	357,951	1,641,459	-	-	357,951	1,641,459
Capital grants and contributions	1,745,490	1,638,878	1,149,255	1,700,395	2,894,745	3,339,273
<i>General Revenues:</i>						
Property taxes	5,108,364	4,833,754	-	-	5,108,364	4,833,754
Public service taxes	2,076,648	1,661,562	-	-	2,076,648	1,661,562
Franchise fees	-	1,336,582	-	-	-	1,336,582
Interest and investment earnings	67,877	280,366	54,554	208,310	122,431	488,676
Other Revenues	3,486,477	1,878,144	198,045	164,605	3,684,522	2,042,749
<i>Total Revenues</i>	<u>18,245,568</u>	<u>16,823,816</u>	<u>9,017,741</u>	<u>8,909,467</u>	<u>27,263,309</u>	<u>25,733,283</u>
<i>Expenses:</i>						
General government	(3,843,319)	(6,066,986)	-	-	(3,843,319)	(6,066,986)
Public safety	(7,825,297)	(7,405,408)	-	-	(7,825,297)	(7,405,408)
Highways and street	(2,712,010)	(2,773,333)	-	-	(2,712,010)	(2,773,333)
Culture and recreation	(1,176,670)	(1,283,472)	-	-	(1,176,670)	(1,283,472)
Community development	(2,322,457)	(2,594,730)	-	-	(2,322,457)	(2,594,730)
Interest on long-term debt	(115,103)	(136,261)	-	-	(115,103)	(136,261)
Sewage disposal	-	-	(2,317,611)	(1,180,763)	(2,317,611)	(1,180,763)
Water	-	-	(2,578,628)	(2,306,226)	(2,578,628)	(2,306,226)
Storm Water	-	-	(253,439)	(216,107)	(253,439)	(216,107)
<i>Total Expenses</i>	<u>(17,994,856)</u>	<u>(20,260,190)</u>	<u>(5,149,678)</u>	<u>(3,703,096)</u>	<u>(23,144,534)</u>	<u>(23,747,179)</u>
Increase (decrease) in net position before transfers	250,712	(3,436,374)	3,868,063	5,206,371	4,118,775	1,769,997
Transfers in (out)	1,248,500	1,151,993	(1,248,500)	(1,151,993)	-	-
Change in net position	1,499,212	(2,284,381)	2,619,563	4,054,378	4,118,775	1,769,997
Net position - beginning	57,238,135	59,522,516	34,889,973	30,835,595	92,128,108	90,358,111
Prior period adjustment	816,615	-	(817,684)	-	(1,069)	-
Net position - ending	<u>\$ 59,553,962</u>	<u>\$ 57,238,135</u>	<u>\$ 36,691,852</u>	<u>\$ 34,889,973</u>	<u>\$ 96,245,814</u>	<u>\$ 92,128,108</u>

**Governmental Activities.** Total revenues for the City of Dallas' governmental activities for the fiscal year ended June 30, 2021, were \$18,245,568 (excluding transfers). Approximately 28% of the total revenue for the governmental activities was derived from property taxes and approximately 30% of the total revenue is from charges for services. Total expenses for governmental activities were \$17,994,856 (excluding transfers), resulting in an increase in net position of \$1,499,212. The majority of the governmental activities revenue was used to fund public safety, which accounts for approximately 43% of the total governmental activities expense. Culture and recreation expenses account for 7% of the total, community development accounts for 13%, highways and streets account for 15%, and general government expenses account for 21% 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 \$9,017,741 (excluding transfers) for the current fiscal year. Approximately 84% of the total business-type activities revenue was derived from charges for services. The total expenses for business-type activities were \$5,149,678 (excluding transfers), resulting in an increase of net position by \$2,619,563. 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 \$20,900,972 an increase of \$4,938,595 or 30.94%, 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 \$3,715,726, an increase of \$1,003,437 (37.00 percent) from the prior year (on the modified accrual basis). The increase was due to a decrease in operating expenditures across all general fund departments and one time revenues.

The Street fund accounts for state highway apportionment, federal funds, and grants, which are restricted to road maintenance. The fund balance of the Street fund at the end of the fiscal year was \$2,692,847, an increase of 51.50% from the prior year. The increase was due to a decrease in capital projects and an increase in one time revenues.

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, 2021 was \$12,500,366. An increase of \$2,820,819 due to a decrease in projects and increase in building permits.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

There were several amendments to the original budget. Actual revenues (budgetary basis) were more by 1.6% of budgeted amounts due to actual receipts of property tax were more than budgeted. Actual expenditures were 12% 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, \$89,101,826 net of accumulated depreciation, compared to \$90,005,113 at the end of last fiscal year. Capital assets include land, buildings, improvements, equipment, and infrastructure. The decrease in capital assets for governmental activities is due to accumulated depreciation with a few additions of machinery and equipment such as a new phone system and keyless entry system for city hall. For business-type activities, capital asset additions consisted of phase 2 of a large sewer line replacement on Hayter Street; other various sewer line improvements; portable generators addition of 30 acres for future water system improvements.

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, 2021 and 2020

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Land	\$ 1,108,613	\$ 992,046	\$ 2,999,811	\$ 2,653,765	\$ 4,108,424	\$ 3,645,811
Buildings and improvements	18,230,867	17,895,220	66,550,693	64,925,616	84,781,560	82,820,836
Machinery and equipment	11,860,466	11,679,703	1,129,995	1,035,961	12,990,461	12,715,664
Infrastructure	81,783,155	80,748,841	-	-	81,783,155	80,748,841
Accumulated depreciation	(64,227,169)	(60,800,807)	(30,334,605)	(29,125,232)	(94,561,774)	(89,926,039)
<i>Total Net Capital Assets</i>	<u>\$ 48,755,932</u>	<u>\$ 50,515,003</u>	<u>\$ 40,345,894</u>	<u>\$ 39,490,110</u>	<u>\$ 89,101,826</u>	<u>\$ 90,005,113</u>

**Long-term Obligations.** At the end of the current fiscal year, long-term debt outstanding for the governmental activities totaled \$3,060,364 (excluding compensated absences payable), compared to \$3,397,321 the prior year. For business-type activities, long term debt outstanding totaled \$6,739,888 (excluding compensated absences payable), compared to \$7,243,578 the prior year. The decrease in governmental debt is due to principal payments on debt outstanding. The decrease in business-type activity debt is also due to principal payments on debt outstanding. No new debt for governmental and business-type activity was issued for FY 2020-21. Additional information about the City’s long-term debt is presented in the notes to the financial statements on page 26 through 30.

Long-Term Debt  
Years ended June 30, 2021 and 2020

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Pension Obligation Bonds	\$ 2,507,000	\$ 2,671,000	\$ -	\$ -	\$ 2,507,000	\$ 2,671,000
Capital Lease/Loans	415,539	562,598	-	-	415,539	562,598
Notes Payable	137,825	163,723	6,739,888	7,243,578	6,877,713	7,407,301
<i>Total Net Position</i>	<u>\$ 3,060,364</u>	<u>\$ 3,397,321</u>	<u>\$ 6,739,888</u>	<u>\$ 7,243,578</u>	<u>\$ 9,800,252</u>	<u>\$ 10,640,899</u>

**ECONOMIC FACTORS 2021**

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 2021 was up over 2020. We issued a total of 710 building permits for an estimated value of \$54,661,131. 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 4.6% this year and now has an estimated population of 17,320. This growth rate is much higher than the statewide total over the same period of 0.5%.

The 2021 unemployment rate in the Dallas area is 4.2%, which is lower than the 2020 rate, but slightly above the 2019 rate. The coronavirus affected unemployment rates statewide in 2020 and early 2021, but the state and the region have largely recovered from losses incurred during the peak of the pandemic.

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 2022 budget to better align general fund revenues with expenditures for a stable city budget.

In 2021, the City restructured the Economic and Community Development Department and hired a new Director. The Economic Development Commission drafted 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 and saw a record year in the number of grants to the private sector, leading to additional investment in the District.

## **REQUESTS FOR INFORMATION**

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

**THIS PAGE INTENTIONALLY LEFT BLANK**



## **BASIC FINANCIAL STATEMENTS**

## **BASIC FINANCIAL STATEMENTS**

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

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

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

**CITY OF DALLAS, OREGON**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 19,453,440	\$ 5,523,488	\$ 24,976,928
Cash held with county	37,559	-	37,559
Accounts receivable, net	1,528,696	330,099	1,858,795
Property taxes receivable	145,055	-	145,055
Interfund loan receivable (payable)	930,182	(930,182)	-
Inventory	-	200,159	200,159
<b>Total current assets</b>	<b>22,094,932</b>	<b>5,123,564</b>	<b>27,218,496</b>
Noncurrent assets:			
Net OPEB asset	75,130	11,949	87,079
Capital assets:			
Nondepreciable	1,108,613	2,999,811	4,108,424
Depreciable, net	47,647,319	37,346,083	84,993,402
<b>Total noncurrent assets</b>	<b>48,831,062</b>	<b>40,357,843</b>	<b>89,188,905</b>
<b>Total assets</b>	<b>70,925,994</b>	<b>45,481,407</b>	<b>116,407,401</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pension	3,916,852	622,961	4,539,813
Deferred outflows related to OPEB	42,179	6,709	48,888
<b>Total deferred outflows of resources</b>	<b>3,959,031</b>	<b>629,670</b>	<b>4,588,701</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 74,885,025</b>	<b>\$ 46,111,077</b>	<b>\$ 120,996,102</b>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable and accrued expenses	\$ 313,761	\$ 776,027	\$ 1,089,788
Payroll liabilities	191,914	-	191,914
Deferred revenue	-	6,330	6,330
Interest payable	23,452	64,301	87,753
Deposits payable	136,560	-	136,560
Current portion of compensated absences	110,885	14,373	125,258
Current portion of long-term debt	327,745	517,191	844,936
<b>Total current liabilities</b>	<b>1,104,317</b>	<b>1,378,222</b>	<b>2,482,539</b>
Noncurrent liabilities:			
Net pension liability	10,342,046	1,644,864	11,986,910
Net OPEB liability	287,413	45,712	333,125
Noncurrent portion of compensated absences	332,656	43,117	375,773
Noncurrent portion of long-term obligations	2,732,619	6,222,697	8,955,316
<b>Total noncurrent liabilities</b>	<b>13,694,734</b>	<b>7,956,390</b>	<b>21,651,124</b>
<b>Total liabilities</b>	<b>14,799,051</b>	<b>9,334,612</b>	<b>24,133,663</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflow related to pension	458,043	72,849	530,892
Deferred inflow related to OPEB	73,969	11,764	85,733
<b>Total deferred inflows of resources</b>	<b>532,012</b>	<b>84,613</b>	<b>616,625</b>
<b>NET POSITION:</b>			
Net investment in capital assets	46,675,558	33,606,006	80,281,564
Restricted for:			
OPEB benefits	75,130	11,949	87,079
Urban renewal projects	521,376	-	521,376
Debt service	11	-	11
Streets	2,692,847	-	2,692,847
Building department	1,070,379	-	1,070,379
Trust	154,086	-	154,086
System development	12,500,366	-	12,500,366
Unrestricted	(4,135,791)	3,073,897	(1,061,894)
<b>Total net position</b>	<b>59,553,962</b>	<b>36,691,852</b>	<b>96,245,814</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 74,885,025</b>	<b>\$ 46,111,077</b>	<b>\$ 120,996,102</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, 2021

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	\$ 3,843,319	\$ 2,466,178	\$ -	\$ -	\$ (1,377,141)	\$ -	\$ (1,377,141)
Public safety	7,825,297	2,619,621	148,009	-	(5,057,667)	-	(5,057,667)
Highways and streets	2,712,010	-	-	1,272,088	(1,439,922)	-	(1,439,922)
Culture and recreation	1,176,670	296,061	47,631	473,402	(359,576)	-	(359,576)
Community development	2,322,457	20,901	162,311	-	(2,139,245)	-	(2,139,245)
Interest on long-term debt	115,103	-	-	-	(115,103)	-	(115,103)
<b>Total governmental activities</b>	<b>17,994,856</b>	<b>5,402,761</b>	<b>357,951</b>	<b>1,745,490</b>	<b>(10,488,654)</b>	<b>-</b>	<b>(10,488,654)</b>
<b>Business type activities:</b>							
Sewer Fund	2,317,611	3,796,382	-	354,980	-	1,833,751	1,833,751
Water Fund	2,578,628	3,292,519	-	501,225	-	1,215,116	1,215,116
Storm Water Fund	253,439	526,986	-	293,050	-	566,597	566,597
<b>Total business-type activities</b>	<b>5,149,678</b>	<b>7,615,887</b>	<b>-</b>	<b>1,149,255</b>	<b>-</b>	<b>3,615,464</b>	<b>3,615,464</b>
<b>Total government</b>	<b>\$ 23,144,534</b>	<b>\$ 13,018,648</b>	<b>\$ 357,951</b>	<b>\$ 2,894,745</b>	<b>(10,488,654)</b>	<b>3,615,464</b>	<b>(6,873,190)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					5,108,364	-	5,108,364
Public service taxes					2,076,648	-	2,076,648
Interest and investment earnings					67,877	54,554	122,431
Other revenues					3,427,977	198,045	3,626,022
Proceeds from sale of capital asset					58,500	-	58,500
Transfers in (out)					1,248,500	(1,248,500)	-
<b>Total general revenues and transfers</b>					<b>11,987,866</b>	<b>(995,901)</b>	<b>10,991,965</b>
<b>Change in net position</b>					<b>1,499,212</b>	<b>2,619,563</b>	<b>4,118,775</b>
<b>Net position - beginning</b>					<b>57,238,135</b>	<b>34,889,973</b>	<b>92,128,108</b>
<b>Prior period adjustment</b>					<b>816,615</b>	<b>(817,684)</b>	<b>(1,069)</b>
<b>Net position - ending</b>					<b>\$ 59,553,962</b>	<b>\$ 36,691,852</b>	<b>\$ 96,245,814</b>

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, 2021**

	General Fund	Street Fund	System Development Fund	Other Governmental	Total Governmental
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 3,254,378	\$ 2,502,790	\$ 11,228,217	\$ 2,056,315	\$ 19,041,700
Cash held with county	35,933	-	-	1,626	37,559
Accounts receivable	881,024	617,348	-	22,012	1,520,384
Property taxes receivable	138,950	-	-	6,105	145,055
Due from other funds	43,709	-	-	-	43,709
Interfund loan receivable	-	-	1,319,014	-	1,319,014
<b>Total assets</b>	<b>\$ 4,353,994</b>	<b>\$ 3,120,138</b>	<b>\$ 12,547,231</b>	<b>\$ 2,086,058</b>	<b>\$ 22,107,421</b>
<b>LIABILITIES:</b>					
Accounts payable and other current liabilities	\$ 170,844	\$ 38,459	\$ 46,865	\$ 44,211	\$ 300,379
Payroll liabilities	191,914	-	-	-	191,914
Deposits payable	136,560	-	-	-	136,560
Due to other funds	-	-	-	43,709	43,709
Interfund loan payable	-	388,832	-	-	388,832
<b>Total liabilities</b>	<b>499,318</b>	<b>427,291</b>	<b>46,865</b>	<b>87,920</b>	<b>1,061,394</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	138,950	-	-	6,105	145,055
<b>Total deferred inflows of resources</b>	<b>138,950</b>	<b>-</b>	<b>-</b>	<b>6,105</b>	<b>145,055</b>
<b>FUND BALANCES:</b>					
Restricted for:					
Debt	-	-	-	11	11
Urban renewal projects	-	-	-	521,376	521,376
Streets	-	2,692,847	-	-	2,692,847
Building department	-	-	-	1,070,379	1,070,379
Trust	-	-	-	154,086	154,086
System development	-	-	12,500,366	-	12,500,366
Committed for:					
Community development	-	-	-	313,682	313,682
Unassigned	3,715,726	-	-	(67,501)	3,648,225
<b>Total fund balances</b>	<b>3,715,726</b>	<b>2,692,847</b>	<b>12,500,366</b>	<b>1,992,033</b>	<b>20,900,972</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 4,353,994</b>	<b>\$ 3,120,138</b>	<b>\$ 12,547,231</b>	<b>\$ 2,086,058</b>	<b>\$ 22,107,421</b>

*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, 2021**

---

Total fund balances - governmental funds \$ 20,900,972

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

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

Non - depreciable	\$ 1,101,603	
Depreciable, net	<u>47,442,812</u>	48,544,415

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	145,055
---	---------

Pension - related changes	(6,677,748)
---------------------------	-------------

OPEB related - changes	(236,787)
------------------------	-----------

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

Compensated absences payable	\$ (430,429)	
Notes and bonds payable	(3,060,364)	
Interest payable	<u>(23,452)</u>	(3,514,245)

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>392,300</u>
--	----------------

Total net position - governmental activities	<u><u>\$ 59,553,962</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, 2021**

	General Fund	Street Fund	System Development Fund	Other Governmental	Total Governmental
<b>REVENUES:</b>					
Property taxes	\$ 4,900,954	\$ -	\$ -	\$ 224,251	\$ 5,125,205
Public service taxes	722,195	1,222,317	-	-	1,944,512
Franchise fees	1,422,706	-	-	-	1,422,706
Grants	-	-	-	357,951	357,951
Charges for services	2,379,302	64,255	3,134,009	-	5,577,566
Licenses and permits	1,570	-	-	815,694	817,264
Fees	-	-	-	427,241	427,241
Fines and forfeitures	159,633	-	-	-	159,633
Contributions and donations	-	-	-	92,983	92,983
Interest	36,771	25,598	-	5,508	67,877
Miscellaneous	769,179	549,316	-	193,970	1,512,465
Total revenues	<u>10,392,310</u>	<u>1,861,486</u>	<u>3,134,009</u>	<u>2,117,598</u>	<u>17,505,403</u>
<b>EXPENDITURES:</b>					
General government	1,844,379	-	-	729,979	2,574,358
Public safety	6,693,605	-	-	-	6,693,605
Highways and streets	-	527,611	-	-	527,611
Culture and recreation	550,769	-	-	196,216	746,985
Community development	1,334,156	-	-	884,968	2,219,124
Capital outlay	83,348	437,653	997,994	35,594	1,554,589
Debt service:					
Principal	208,957	28,000	-	100,000	336,957
Interest	43,271	20,880	-	54,043	118,194
Total expenditures	<u>10,758,485</u>	<u>1,014,144</u>	<u>997,994</u>	<u>2,000,800</u>	<u>14,771,423</u>
Revenues over (under) expenditures	(366,175)	847,342	2,136,015	116,798	2,733,980
<b>OTHER FINANCING SOURCES (USES):</b>					
Proceeds from sale of capital asset	58,500	-	-	-	58,500
Transfers in	1,645,834	176,003	-	516,340	2,338,177
Transfers out	(334,722)	(120,083)	(123,175)	(430,697)	(1,008,677)
Total other financing sources (uses)	<u>1,369,612</u>	<u>55,920</u>	<u>(123,175)</u>	<u>85,643</u>	<u>1,388,000</u>
Net changes in fund balances	1,003,437	903,262	2,012,840	202,441	4,121,980
<b>FUND BALANCES, BEGINNING</b>	2,712,289	1,777,400	9,679,547	1,793,141	15,962,377
Prior period adjustment	-	12,185	807,979	(3,549)	816,615
<b>FUND BALANCES, ENDING</b>	<u>\$ 3,715,726</u>	<u>\$ 2,692,847</u>	<u>\$ 12,500,366</u>	<u>\$ 1,992,033</u>	<u>\$ 20,900,972</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, 2021**

---

Amounts reported in the statement of activities are different because:

Net change in fund balances \$ 4,121,980

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.

Capital asset additions	\$	1,092,378	
Current year depreciation		(3,358,484)	(2,266,106)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to increase net position.

Capital contributions	592,985
-----------------------	---------

Some revenue provide current financial resources in the governmental funds and are not reported in the statement of activities.

(16,841)

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.

(1,119,011)

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.

(3,302)

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.

(108,957)

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.

Debt service principal payments	\$	336,957	
Accrued interest expense		3,091	
Compensated absences		(41,584)	298,464

Change in net position of governmental activities	\$ 1,499,212
---	--------------

*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, 2021**

	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	\$ 2,061,952	\$ 3,018,307	\$ 443,229	\$ 5,523,488	\$ 411,740
Accounts receivables, net	167,789	135,891	26,419	330,099	8,312
Inventories	23,604	176,555	-	200,159	-
Total current assets	2,253,345	3,330,753	469,648	6,053,746	420,052
Noncurrent assets:					
Net OPEB asset	3,849	7,347	753	11,949	2,243
Nondepreciable	663,527	2,336,284	-	2,999,811	7,010
Depreciable, net	18,186,551	16,517,222	2,642,310	37,346,083	204,507
Total noncurrent assets	18,853,927	18,860,853	2,643,063	40,357,843	213,760
Total assets	21,107,272	22,191,606	3,112,711	46,411,589	633,812
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>					
Deferred outflow related to pension	200,683	383,033	39,245	622,961	116,932
Deferred outflow related to OPEB benefits	2,161	4,125	423	6,709	1,259
Total deferred outflows of resources	202,844	387,158	39,668	629,670	118,191
Total assets and deferred outflows of resources	\$ 21,310,116	\$ 22,578,764	\$ 3,152,379	\$ 47,041,259	\$ 752,003
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable and accrued expenses	\$ 497,148	\$ 269,350	\$ 9,529	\$ 776,027	\$ 13,382
Interest payable	6,003	58,298	-	64,301	-
Deferred revenue	-	6,330	-	6,330	-
Interfund loan payable	-	832,350	97,832	930,182	-
Current accrued compensated absences	4,354	9,285	734	14,373	3,278
Current portion of long-term debt	56,000	461,191	-	517,191	-
Total current liabilities	563,505	1,636,804	108,095	2,308,404	16,660
Noncurrent liabilities:					
Noncurrent accrued compensated absences	13,063	27,854	2,200	43,117	9,834
Noncurrent portion of long-term debt	642,000	5,580,697	-	6,222,697	-
Net other postemployment benefit liability	14,726	28,106	2,880	45,712	8,580
Net pension liability	529,882	1,011,359	103,623	1,644,864	308,747
Total noncurrent liabilities	1,199,671	6,648,016	108,703	7,956,390	327,161
Total liabilities	1,763,176	8,284,820	216,798	10,264,794	343,821
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Deferred inflow related to pension	23,468	44,792	4,589	72,849	13,674
Deferred inflow related to OPEB benefits	3,790	7,233	741	11,764	2,208
Total deferred inflows of resources	27,258	52,025	5,330	84,613	15,882
<b>NET POSITION:</b>					
Net investment in capital assets	12,865,618	18,098,078	2,642,310	33,606,006	211,517
Restricted for:					
OPEB benefits	3,849	7,347	753	11,949	2,243
Unrestricted	6,650,215	(3,863,506)	287,188	3,073,897	178,540
Total net position	19,519,682	14,241,919	2,930,251	36,691,852	392,300
Total liabilities, deferred inflows of resources, and net position	\$ 21,310,116	\$ 22,578,764	\$ 3,152,379	\$ 47,041,259	\$ 752,003

*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, 2021**

	Business-Type Activities - Enterprise Funds				Governmental
	Sewer Fund	Water Fund	Storm Water Fund	Total	Internal Service Fund
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 3,796,382	\$ 3,292,519	\$ 526,986	\$ 7,615,887	\$ 522,803
Miscellaneous	92,395	105,650	-	198,045	-
Total operating revenues	<u>3,888,777</u>	<u>3,398,169</u>	<u>526,986</u>	<u>7,813,932</u>	<u>522,803</u>
<b>OPERATING EXPENSES:</b>					
Personnel services	633,554	1,146,489	107,252	1,887,295	267,396
Materials and services	1,093,901	740,575	78,837	1,913,313	198,132
Depreciation and amortization	577,698	582,150	67,350	1,227,198	85,950
Total operating expenses	<u>2,305,153</u>	<u>2,469,214</u>	<u>253,439</u>	<u>5,027,806</u>	<u>551,478</u>
Operating income (loss)	1,583,624	928,955	273,547	2,786,126	(28,675)
<b>NON-OPERATING INCOME (EXPENSE):</b>					
Interest income	13,055	38,504	2,995	54,554	-
Interest expense	(12,458)	(109,414)	-	(121,872)	-
Gain on sale of capital assets	-	-	-	-	718
Total non-operating income (expenses)	<u>597</u>	<u>(70,910)</u>	<u>2,995</u>	<u>(67,318)</u>	<u>718</u>
Net income (loss) before operating transfers	1,584,221	858,045	276,542	2,718,808	(27,957)
<b>OPERATING TRANSFERS:</b>					
Transfers in (out)	<u>(629,000)</u>	<u>(548,000)</u>	<u>(71,500)</u>	<u>(1,248,500)</u>	<u>(81,000)</u>
Net income (loss) before contributions	955,221	310,045	205,042	1,470,308	(108,957)
<b>CAPITAL CONTRIBUTIONS:</b>					
Capital contributions	<u>354,980</u>	<u>501,225</u>	<u>293,050</u>	<u>1,149,255</u>	<u>-</u>
Change in net position	1,310,201	811,270	498,092	2,619,563	(108,957)
<b>NET POSITION, BEGINNING</b>	18,209,481	14,262,999	2,417,493	34,889,973	501,257
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>-</u>	<u>(832,350)</u>	<u>14,666</u>	<u>(817,684)</u>	<u>-</u>
<b>NET POSITION, ENDING</b>	<u>\$ 19,519,682</u>	<u>\$ 14,241,919</u>	<u>\$ 2,930,251</u>	<u>\$ 36,691,852</u>	<u>\$ 392,300</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, 2021**

	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	\$ 3,897,285	\$ 3,359,919	\$ 518,994	\$ 7,776,198	\$ 523,854
Cash paid to employees	(541,253)	(1,007,054)	(88,898)	(1,637,205)	(235,325)
Cash paid to suppliers	(805,227)	(676,175)	(76,896)	(1,558,298)	(190,029)
Net cash provided (used) by operating activities	<u>2,550,805</u>	<u>1,676,690</u>	<u>353,200</u>	<u>4,580,695</u>	<u>98,500</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>					
Transfers from (to) other funds	(629,000)	(548,000)	(86,512)	(1,263,512)	(81,000)
Net cash provided (used) by non-capital financing activities	<u>(629,000)</u>	<u>(548,000)</u>	<u>(86,512)</u>	<u>(1,263,512)</u>	<u>(81,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>					
Purchase of capital assets	(528,805)	(404,922)	-	(933,727)	-
Principal paid on capital debt	(54,000)	(449,690)	-	(503,690)	-
Interest paid on capital debt	(19,390)	(156,512)	-	(175,902)	-
Gain (loss) on disposal	-	-	-	-	718
Net cash provided (used) by capital and related financing activities	<u>(602,195)</u>	<u>(1,011,124)</u>	<u>-</u>	<u>(1,613,319)</u>	<u>718</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>					
Interest on investments	13,055	38,504	2,995	54,554	-
Net cash provided (used) by investing activities	<u>13,055</u>	<u>38,504</u>	<u>2,995</u>	<u>54,554</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	1,332,665	156,070	269,683	1,758,418	18,218
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	<u>729,287</u>	<u>2,862,237</u>	<u>173,546</u>	<u>3,765,070</u>	<u>393,522</u>
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	<u>\$ 2,061,952</u>	<u>\$ 3,018,307</u>	<u>\$ 443,229</u>	<u>\$ 5,523,488</u>	<u>\$ 411,740</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>					
Operating income (loss)	\$ 1,583,624	\$ 928,955	\$ 273,547	\$ 2,786,126	\$ (28,675)
Adjustments					
Depreciation and amortization	577,698	582,150	67,350	1,227,198	85,950
Decrease (increase) in:					
Accounts receivable	8,508	(19,169)	(7,992)	(18,653)	1,051
Inventories	(884)	10,487	-	9,603	-
OPEB asset	(20)	361	(10)	331	-
Increase (decrease) in:					
OPEB liability	1,394	1,098	296	2,788	-
Accounts payable and accrued expenses	289,558	53,913	1,941	345,412	8,103
Deposits	-	-	-	-	279
Deferred revenue	-	(19,081)	-	(19,081)	(325)
Accrued compensated absences	3,288	(1,668)	509	2,129	1,184
Net pension liability	87,639	139,644	17,559	244,842	30,933
Net cash provided (used) by operating activities	<u>\$ 2,550,805</u>	<u>\$ 1,676,690</u>	<u>\$ 353,200</u>	<u>\$ 4,580,695</u>	<u>\$ 98,500</u>
<b>NON-CASH CAPITAL FINANCING ACTIVITIES:</b>					
Capital contributions	\$ 354,980	\$ 501,225	\$ 293,050	\$ 1,149,255	\$ -
Total non-cash capital financing activities	<u>\$ 354,980</u>	<u>\$ 501,225</u>	<u>\$ 293,050</u>	<u>\$ 1,149,255</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**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

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.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

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

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

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

Sewer Fund  
Water Fund  
Storm Water Fund

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

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

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

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

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



**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

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

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

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

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

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

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

### **Cash and Investments**

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

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

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

### **Receivables and Payables**

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

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

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

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.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

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.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

- 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, 2021.

**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, 2021, there were pension related deferred outflows of \$4,539,813 representing PERS pension related deferrals reported in the Statement of Net Position and \$48,888 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 \$145,055, is reported only in the governmental funds balance sheet for property taxes. At June 30, 2021, there were also deferred inflows of \$530,892 representing PERS pension related deferrals and deferred inflows of \$85,733 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.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

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, 2021 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	-	\$ 18,271,258
	<u>                    </u>	<u>                    </u>
Total cash equivalents	-	\$ 18,271,258
	<u>                    </u>	<u>                    </u>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

Following is a summary of the City’s deposit and investment balances at June 30, 2021:

	<u>2021</u>
Cash Deposits:	
Cash on hand	\$ 745
Bank deposits	<u>6,704,925</u>
	6,705,670
Pooled cash and investments:	
State of Oregon LGIP	<u>18,271,258</u>
Total	<u>\$ 24,976,928</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, 2021, the book value of the City’s deposits was \$6,704,925 and the bank balance was \$6,815,908. \$6,216,617 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, 2021, 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,



**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

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, 2021.

### **Concentration of Credit Risk**

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

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

**4. NET POSITION**

The government-wide statement of net position reports \$17,026,144 of restricted net position, of which \$16,872,058 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, 2021, the total amount of inventory on hand for all funds was \$200,159.

**6. CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2021 was as follows:

<b>Primary Government</b>	<b>Total Primary Government</b>			<b>Ending Balance June 30, 2021</b>
	<b>Beginning Balance June 30, 2020</b>	<b>Additions</b>	<b>Deletions</b>	
<b>Capital assets, nondepreciable:</b>				
Land and land improvements	\$ 992,046	\$ 116,567	\$ -	\$ 1,108,613
Total capital assets, nondepreciable	992,046	116,567	-	1,108,613
<b>Capital assets, depreciable:</b>				
Infrastructure	80,748,841	1,034,314	-	81,783,155
Buildings and improvements	17,895,220	335,647	-	18,230,867
Machinery and equipment	11,679,703	198,835	(18,072)	11,860,466
Total capital assets, depreciable	110,323,764	1,568,796	(18,072)	111,874,488
<b>Less accumulated depreciation for:</b>				
Infrastructure	(41,075,916)	(2,531,661)	-	(43,607,577)
Buildings and improvements	(10,355,209)	(473,973)	-	(10,829,182)
Machinery and equipment	(9,369,682)	(438,800)	18,072	(9,790,410)
Total accumulated depreciation	(60,800,807)	(3,444,434)	18,072	(64,227,169)
<b>Net capital assets</b>	<b>\$ 50,515,003</b>	<b>\$ (1,759,071)</b>	<b>\$ -</b>	<b>\$ 48,755,932</b>

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 \$85,950 is included in general government expenses. All depreciation expense for governmental activities is charged to functions as follows:

<b>Governmental activities:</b>	
General government	\$ 212,388
Public safety	368,908
Culture and recreation	320,368
Highways & streets	2,542,770
Total depreciation	<u>\$ 3,444,434</u>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

Capital asset activity for business-type activities for the year ended June 30, 2021 was as follows:

<b>Business-type Activities</b>	<b>Total Business Activities</b>			<b>Ending Balance June 30, 2021</b>
	<b>Beginning Balance June 30, 2020</b>	<b>Additions</b>	<b>Deletions</b>	
<b>Capital assets, nondepreciable:</b>				
Land and land improvements	\$ 2,644,052	\$ 346,046	\$ -	\$ 2,990,098
Intangibles	9,713	-	-	9,713
Total capital assets, nondepreciable	<u>2,653,765</u>	<u>346,046</u>	<u>-</u>	<u>2,999,811</u>
<b>Capital assets, depreciable:</b>				
Buildings and improvements	64,925,616	1,625,077	-	66,550,693
Machinery and equipment	<u>1,035,961</u>	<u>111,859</u>	<u>(17,825)</u>	<u>1,129,995</u>
Total capital assets, depreciable	<u>65,961,577</u>	<u>1,736,936</u>	<u>(17,825)</u>	<u>67,680,688</u>
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	(28,555,233)	(1,153,173)	-	(29,708,406)
Machinery and equipment	<u>(569,999)</u>	<u>(74,025)</u>	<u>17,825</u>	<u>(626,199)</u>
Total accumulated depreciation	<u>(29,125,232)</u>	<u>(1,227,198)</u>	<u>17,825</u>	<u>(30,334,605)</u>
<b>Net capital assets</b>	<u>\$ 39,490,110</u>	<u>\$ 855,784</u>	<u>\$ -</u>	<u>\$ 40,345,894</u>

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

<b>Business-type activities:</b>	
Sewer	\$ 577,698
Water	582,150
Stormwater	<u>67,350</u>
Total depreciation	<u>\$ 1,227,198</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

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

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

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

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

<b>Governmental Activities</b>	<b>June 30, 2020 Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2021 Balance</b>	<b>Due Within One Year</b>
Governmental bonds:					
Governmental bonds	\$ 2,671,000	\$ -	\$ 164,000	\$ 2,507,000	\$ 181,000
Direct placements and borrowings:					
Governmental loans	562,598	-	147,059	415,539	120,456
Governmental notes	163,723	-	25,898	137,825	26,289
Total bonds, loans, and notes	3,397,321	-	336,957	3,060,364	327,745
Compensated absences	400,773	443,541	400,773	443,541	110,885
Total governmental activities	<u>\$ 3,798,094</u>	<u>\$ 443,541</u>	<u>\$ 737,730</u>	<u>\$ 3,503,905</u>	<u>\$ 438,630</u>
<b>Business Type Activities</b>	<b>June 30, 2020 Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>June 30, 2021 Balance</b>	<b>Due Within One Year</b>
Business type bonds:					
Business type bonds	\$ 4,650,000	\$ -	\$ 384,000	\$ 4,266,000	\$ 395,000
Direct placements and borrowings:					
Enterprise loans	2,593,578	-	119,690	2,473,888	122,191
Total bonds and loans	7,243,578	-	503,690	6,739,888	517,191
Compensated absences	55,361	57,490	55,361	57,490	14,373
Total business type activities	<u>\$ 7,298,939</u>	<u>\$ 57,490</u>	<u>\$ 559,051</u>	<u>\$ 6,797,378</u>	<u>\$ 531,564</u>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

**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	\$ 980,000
2019 Bond; Street Fund - Main St.: original amount \$721,000; interest rate 3.00%; final payment due June 1, 2039	668,000
2019 Bond; Urban Renewal - Main St.: original amount \$927,000; interest rate 3.00%; final payment due June 1, 2039	<u>859,000</u>
Total governmental bonds	<u>\$ 2,507,000</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
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	170,000	22,268	73,000	37,620	243,000	59,888
2027-2031	275,000	18,014	401,000	153,749	676,000	171,763
2032-2036	-	-	465,000	89,910	465,000	89,910
2037-2041	-	-	315,000	19,080	315,000	19,080
Total	<u>\$ 980,000</u>	<u>\$ 199,660</u>	<u>\$ 1,527,000</u>	<u>\$ 471,569</u>	<u>\$ 2,507,000</u>	<u>\$ 671,229</u>

**Business Type Bonds:**

Series 2017 Sewer/Water Bond: original amount \$5,600,000; interest rate 2.58%; final payment due March 1, 2032	<u>\$ 4,266,000</u>
Total business type bonds	<u>\$ 4,266,000</u>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

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

<b>Series 2017 Sewer/Water Bond</b>		
	Principal	Interest
2022	\$ 395,000	\$ 110,062
2023	405,000	99,872
2024	416,000	89,423
2025	425,000	78,690
2026	436,000	67,725
2027-2031	2,024,000	163,726
2032-2036	<u>165,000</u>	<u>4,258</u>
<b>Total</b>	<b><u>\$ 4,266,000</u></b>	<b><u>\$ 613,756</u></b>

**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	\$ 248,246
2015 Fire Pumper Loan: original amount \$385,795; interest rate 2.82%; final payment due November 30, 2024	167,293
2017 Land Sale Contract Loan: original amount \$100,000; final payment due November 30, 2020	<u>-</u>
Total governmental loans	<b><u>\$ 415,539</u></b>

Future governmental loan debt service requirements are as follows:

	<b>2013 Urban Renewal Loan</b>		<b>2015 Fire Pumper Loan</b>		<b>Total Governmental Loans</b>	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 80,361	\$ 6,034	\$ 40,095	\$ 4,718	\$ 120,456	\$ 10,752
2023	82,725	3,669	41,226	3,587	123,951	7,256
2024	85,160	1,235	42,388	2,425	127,548	3,660
2025	<u>-</u>	<u>-</u>	<u>43,584</u>	<u>1,229</u>	<u>43,584</u>	<u>1,229</u>
<b>Total</b>	<b><u>\$ 248,246</u></b>	<b><u>\$ 10,938</u></b>	<b><u>\$ 167,293</u></b>	<b><u>\$ 11,959</u></b>	<b><u>\$ 415,539</u></b>	<b><u>\$ 22,897</u></b>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

**Loans**

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

2014 IFA Safe Drinking Water Loan: original amount \$1,715,000; interest rate 3.46%; final payment due December 1, 2037	\$ 922,378
2016 DEQ Clean Water State Revolving Fund (CWSRF) Loan; original amount \$1,750,000; interest rate 1.60%; final payment due February 1, 2037	<u>1,551,510</u>
Total business type loans	<u>\$ 2,473,888</u>

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

	2014 IFA Safe Drinking Water Loan		2016 DEQ CWSRF Loan		Total Enterprise Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
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	46,771	25,965	86,074	16,886	132,845	42,851
2027-2031	259,278	104,400	448,985	65,815	708,263	170,215
2032-2036	307,346	56,331	481,664	33,136	789,010	89,467
2037-2041	<u>137,026</u>	<u>7,129</u>	<u>202,336</u>	<u>3,578</u>	<u>339,362</u>	<u>10,707</u>
Total	<u>\$ 922,378</u>	<u>\$ 312,811</u>	<u>\$ 1,551,510</u>	<u>\$ 198,804</u>	<u>\$ 2,473,888</u>	<u>\$ 511,615</u>

**Bond Anticipation Note**

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

2016 Radio Shack Note: original amount \$261,500; interest rate 1.50%; final payment due September 5, 2026	<u>\$ 137,825</u>
Total governmental notes	<u>\$ 137,825</u>

Future governmental note debt service requirements are as follows:

	2016 Radio Shack Note	
	Principal	Interest
2022	\$ 26,289	\$ 1,887
2023	26,687	1,490
2024	27,090	1,087
2025	27,499	643
2026	<u>30,260</u>	<u>265</u>
Total	<u>\$ 137,825</u>	<u>\$ 5,372</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 Annual Comprehensive Financial Report and Actuarial Valuation that can be obtained at:

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

#### **Benefits Provided**

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

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

The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefit results. Monthly payments must be a minimum of \$200 per month or the member will receive a lump-sum payment of the actuarial equivalent of benefits to which he or she is entitled.

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of Final Average Salary will be limited for all members beginning in 2020. The limit will be equal to \$195,000 in 2020, and will be indexed with inflation in later years.

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



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

### **Death Benefits**

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

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

### **Disability Benefits**

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

### **Benefit Changes After Retirement**

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

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

### **Pension Benefits**

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

Police and fire: 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire

member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement.

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

Under Senate Bill 1049, passed during the 2019 legislative session, the salary included in the determination of final average salary will be limited for all members beginning in 2020. The limit will be equal to \$195,000 in 2020, and will be indexed with inflation in later years.

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

#### **Death Benefits**

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

#### **Disability Benefits**

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

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

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

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

#### **Pension Benefits**

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

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

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

### **Death Benefits**

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

### **Recordkeeping**

OPERS contracts with VOYA Financial to maintain IAP participant records.

## **Contributions**

### **A. Employer Contributions**

PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2017 actuarial valuation. The rates based on a percentage of payroll, first became effective July 1, 2019. Effective January 1, 2020, Senate Bill 1049 required employers to pay contributions on re-employed PERS retirees' salary as if they were an active member, excluding IAP (6 percent) contributions. Employer contributions for the year ended June 30, 2021 were \$1,375,766, excluding amounts to fund employer specific liabilities. The rates in effect for the fiscal year ended June 30, 2021 were 26.54 percent for Tier One/Tier Two General Service Member, 26.54 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

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

salary and are remitted by participating employers. The contributions are either deducted from member salaries or paid by the employers on the members behalf. The IAP member accounts represent member contributions made on or after January 1, 2004, plus earnings allocations less disbursements for refunds, death benefits, and retirements. As permitted, the City has opted to pick-up the contributions on behalf of employees; contribution were \$301,299 for the year ended June 30, 2021.

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

At June 30, 2021, the City reported a liability of \$11,986,910 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. 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, 2011, the City's proportion was 0.05492677 percent, which was increased from its proportion of 0.05786169 measured as of June 30, 2020.

For the year ended June 30, 2021, the City's recognized pension expense of \$1,394,786. At June 30, 2021, 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	\$ 527,569	\$ -
Changes of assumptions	643,300	22,540
Net difference between projected and actual earnings on investments	1,409,505	-
Changes in proportion	339,108	467,857
Differences between employer contributions and proportionate share of contributions	262,975	40,495
Total (prior to post-MD contributions)	<u>3,182,457</u>	<u>530,892</u>
Contributions subsequent to the MD	<u>1,357,356</u>	<u>-</u>
Total	<u>\$ 4,539,813</u>	<u>\$ 530,892</u>

City's contributions subsequent to the measurement date of \$1,357,356 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, 2022.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

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>	
2022	\$ 535,295
2023	790,543
2024	755,481
2025	535,952
2026	<u>34,294</u>
Total	<u>\$ 2,651,565</u>

**Actuarial Assumptions**

The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	December 31, 2018
Measurement Date	June 30, 2020
Experience Study Report	2018, published July 24, 2019
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> Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Active Members:</b> Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p> <p><b>Disabled retirees:</b> Pub-2010 Disable Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation.</p>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2018 Experience Study which reviewed experience for the four-year period ending on December 31, 2018.

**Long-term Expected Rate of Return**

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in May 2019 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	27.5%	37.5%	32.5%
Real Estate	9.5%	15.5%	12.5%
Private Equity	14.0%	21.0%	17.5%
Alternative Equity	7.5%	17.5%	15.0%
Opportunity Portfolio	0.0%	3.0%	0.0%
Risk Parity	0.0%	2.5%	2.5%
Total			<u>100.0%</u>

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Compounded Annual Return (Geometric)</u>
Core Fixed Income	9.60%	4.07%
Short-Term Bonds	9.60%	3.68%
Bank/Leveraged Loans	3.60%	5.19%
High Yield Bonds	1.20%	5.74%
Large/Mid Cap US Equities	16.17%	6.30%
Small Cap US Equities	1.35%	6.68%
Micro Cap US Equities	1.35%	6.79%
Developed Foreign Equities	13.48%	6.91%
Emerging Foreign Equities	4.24%	7.69%
Non-US Small Cap Equities	1.93%	7.25%
Private Equities	17.50%	8.33%
Real Estate (Property)	10.00%	5.55%
Real Estate (REITS)	2.50%	6.69%
Hedge Fund of Funds - Diversified	1.50%	4.06%
Hedge Fund - Event-Driven	0.38%	5.59%
Timber	1.12%	5.61%
Farmland	1.12%	6.12%
Infrastructure	2.24%	6.67%
Commodities	1.12%	3.79%
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.

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

- PERS has a formal written policy to calculate an Actuarially Determined Contribution (ADC), which is articulated in the actuarial valuation report.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

- 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)	\$ 17,799,572	\$ 11,986,910	\$ 7,112,724

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

A legislative change that occurred during the measurement period 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.



**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

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

There were no changes during the June 30, 2020 measurement period that require disclosure.

**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	\$ -	\$ 87,079	\$ 87,079
Deferred Outflows of Resources			
Change in Assumptions	11,880	-	11,880
Difference in Earnings	-	9,684	9,684
Change in Proportionate Share	-	6,615	6,615
Contributions After MD	19,782	927	20,709
Net OPEB Liability	(333,125)	-	(333,125)
Deferred Inflows of Resources			
Difference in Expected and Actual Experience	(44,979)	(8,902)	(53,881)
Change in Assumptions	(26,970)	(4,629)	(31,599)
Change in Proportionate Share	-	(253)	(253)
OPEB Expense/(Income)*	37,647	(10,897)	26,750

\*Included in program expenses on Statement of Activities

**Implicit Rate Subsidy**

**Plan Description**

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

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

Statement 75.

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

**Benefits Provided**

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

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

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

The City’s total OPEB liability of \$333,125 was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2020.

For the fiscal year ended June 30, 2021, the City recognized OPEB expense from this plan of \$37,647. At June 30, 2021, 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	\$ -	\$ 44,979
Changes of assumptions	<u>11,880</u>	<u>26,970</u>
Total (prior to post-MD contributions)	11,880	71,949
Contributions subsequent to the MD	<u>19,782</u>	<u>-</u>
Total	<u><u>\$ 31,662</u></u>	<u><u>\$ 71,949</u></u>

Deferred outflows of resources related to OPEB of \$19,782 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, 2022.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**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>		
2022	\$	(8,580)
2023		(8,580)
2024		(8,580)
2025		(8,580)
2026		(8,580)
Thereafter		<u>(17,169)</u>
Total	\$	<u>(60,069)</u>

**Actuarial Assumptions and Other Inputs**

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

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Inflation Rate	2.50 percent
Discount Rate	2.21 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> Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees. <b>Healthcare cost trend rate:</b> Medical and vision: 3.75 percent per year increasing to 5.75 percent.  Dental: 4.00 percent per year

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

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

**Changes in the Net OPEB Liability**

	<u>Net OPEB Liability</u>
Balance as of June 30, 2020	\$ 326,944
Changes for the year:	
Service cost	33,993
Interest on total OPEB liability	12,234
Effect of changes to benefit terms	-
Effect of economic demographic gains or losses	(20,133)
Effect of assumptions changes or inputs	3,069
Benefit payments	<u>(22,982)</u>
Balance as of June 30, 2021	<u>\$ 333,125</u>

Changes in assumptions is the result of the change in the discount rate from 3.50% to 2.21%.

**Sensitivity of the Net OPEB Liability**

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

Discount Rate:

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Net OPEB Liability	\$ 365,583	\$ 333,125	\$ 303,266

Healthcare Cost Trend:

	<u>1% Decrease</u>	<u>Current Health Care Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 287,658	\$ 333,125	\$ 388,824

**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

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

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/2020-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, 2018 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, 2021 contributions was \$927.

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

At June 30, 2021, the City reported an asset of \$87,079 for its proportionate share of the OPERS net OPEB asset. The net OPEB asset was measured as of June 30, 2020, and the net OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2018 rolled forward to June 30, 2020. 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, 2021, the City's proportionate share was -0.04273580%, which is an increase from its proportion of -0.04922296% as of June 30, 2020.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

For the year ended June 30, 2021, the City recognized OPEB income from this plan of \$10,897. At June 30, 2021, 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	\$ -	\$ 8,902
Changes of assumptions	-	4,629
Net difference between projected and actual earnings on investments	9,684	-
Changes in proportionate share	6,615	253
Total (prior to post-MD contributions)	16,299	13,784
Contributions subsequent to the MD	927	-
Total	<u>\$ 17,226</u>	<u>\$ 13,784</u>

Deferred outflows of resources related to OPEB of \$927 resulting from the City's contributions subsequent to the measurement date will be recognized as an increase in the net OPEB asset in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30:</u>	
2022	\$ (5,434)
2023	1,316
2024	3,580
2025	3,053
2026	-
Total	<u>\$ 2,515</u>

**Actuarial Methods and Assumptions**

The net OPEB asset in the December 31, 2018 actuarial valuation was determined using the actuarial methods and assumptions are the same as listed above in note 8 – Pension Plan Actuarial Assumptions.

**Long-Term Expected Rate of Return**

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

**Discount Rate**

The discount rate used to measure the net OPEB liability was 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 net OPEB liability.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

**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>
Net OPEB Asset	\$ (70,301)	\$ (87,079)	\$ (101,424)

**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, 2020 measurement period that require disclosure.

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

There were no changes subsequent to the June 30, 2020 measurement period that require disclosure.

**CITY OF DALLAS, OREGON**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

**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:

	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
General Fund	\$ 1,645,834	\$ 334,722
Street Fund	176,003	120,083
System Development Fund	-	123,175
Non-Major Governmental Funds	516,340	430,697
Internal Service Fund	8,500	89,500
Total governmental funds	<u>2,346,677</u>	<u>1,098,177</u>
Business-type funds:		
Sewer Fund	-	629,000
Water Fund	-	548,000
Storm Water Fund	-	71,500
Total business type funds	<u>-</u>	<u>1,248,500</u>
Total all funds	<u>\$ 2,346,677</u>	<u>\$ 2,346,677</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 then, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**11. INTERFUND LOANS**

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

Interfund loan balances as of June 30, 2021:

	<u>Interfund Loan Receivable</u>	<u>Interfund Loan Payable</u>
System Development Fund	\$ 1,319,014	\$ -
Street Fund	-	388,832
Water Fund	-	832,350
Strom Water Fund	-	97,832
Total	<u>\$ 1,319,014</u>	<u>\$ 1,319,014</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	\$ 43,709	\$ -
Grants Fund	-	43,709
	<u>43,709</u>	<u>43,709</u>
Total	<u>\$ 43,709</u>	<u>\$ 43,709</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, 2021 of \$(67,501). 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, 2021, 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, 2021 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

**CITY OF DALLAS, OREGON**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**  
**June 30, 2021**

---

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. NEW ACCOUNTING PRONOUNCEMENT**

The Governmental Accounting Standards Board (GASB) has issued *Statement No. 98, The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. The City implemented Statement 98 for the year ending June 30, 2021.

**19. 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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

**REQUIRED SUPPLEMENTARY INFORMATION**

## REQUIRED SUPPLEMENTARY INFORMATION

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

- Budgetary Comparison Schedules
  - General Fund
  - 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, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 4,700,000	\$ 4,700,000	\$ 4,900,954	\$ 200,954
Public service taxes	869,750	869,750	722,195	(147,555)
Franchise fees	1,350,000	1,350,000	1,422,706	72,706
Charges for services	2,429,000	2,432,600	2,379,302	(53,298)
Licenses and permits	2,000	2,000	1,570	(430)
Fines and forfeitures	233,000	233,000	159,633	(73,367)
Interest	100,000	100,000	36,771	(63,229)
Miscellaneous	175,000	556,000	769,179	213,179
<b>Total revenues</b>	<b>9,858,750</b>	<b>10,243,350</b>	<b>10,392,310</b>	<b>148,960</b>
<b>EXPENDITURES:</b>				
General government	1,676,000	1,965,140	1,844,379	120,761
Public safety	7,147,300	7,170,300	6,693,605	476,695
Culture and recreation	610,800	610,800	550,769	60,031
Community development	1,736,250	1,771,250	1,334,156	437,094
Capital outlay	106,850	141,868	83,348	58,520
Debt service:				
Principal	210,958	210,958	208,957	2,001
Interest	43,277	43,277	43,271	6
Contingency	100,000	65,000	-	65,000
<b>Total expenditures</b>	<b>11,631,435</b>	<b>11,978,593</b>	<b>10,758,485</b>	<b>1,220,108</b>
Revenues over (under) expenditures	(1,772,685)	(1,735,243)	(366,175)	1,369,068
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital asset	-	-	58,500	58,500
Transfers in	1,556,200	1,556,200	1,645,834	89,634
Transfers out	(816,879)	(854,321)	(834,320)	20,001
<b>Total other financing sources (uses)</b>	<b>739,321</b>	<b>701,879</b>	<b>870,014</b>	<b>168,135</b>
Net changes in fund balance	(1,033,364)	(1,033,364)	503,839	1,537,203
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<b>2,675,050</b>	<b>2,675,050</b>	<b>3,211,225</b>	<b>536,175</b>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<b>\$ 1,641,686</b>	<b>\$ 1,641,686</b>	<b>3,715,064</b>	<b>\$ 2,073,378</b>
Reconciliation to General Fund - Generally Accepted Accounting Principles:				
Improvement fund, fund balance, ending budgetary basis			662	
<b>FUND BALANCES, ENDING</b>			<b>\$ 3,715,726</b>	

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

**CITY OF DALLAS, OREGON**  
**STREET FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Public service taxes	\$ 2,065,000	\$ 2,065,000	\$ 1,222,317	\$ (842,683)
Charges for services	50,000	50,000	64,255	14,255
Interest	65,000	65,000	25,598	(39,402)
Miscellaneous	50,000	50,000	549,316	499,316
Total revenues	2,230,000	2,230,000	1,861,486	(368,514)
<b>EXPENDITURES:</b>				
Personnel services	324,000	324,000	236,866	87,134
Materials and services	309,200	309,200	290,745	18,455
Capital outlay	1,420,000	1,736,440	437,653	1,298,787
Debt service:				
Principal	28,000	28,000	28,000	-
Interest	20,880	20,880	20,880	-
Contingency	2,202,027	2,190,344	-	2,190,344
Total expenditures	4,304,107	4,608,864	1,014,144	3,594,720
Revenues over (under) expenditures	(2,074,107)	(2,378,864)	847,342	3,226,206
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	-	291,000	273,507	(17,493)
Transfers in	170,000	195,440	176,003	(19,437)
Transfers out	(125,893)	(137,576)	(120,083)	17,493
Total other financing sources (uses)	44,107	348,864	329,427	(19,437)
Net changes in fund balance	(2,030,000)	(2,030,000)	1,176,769	3,206,769
<b>FUND BALANCES, BEGINNING</b>	2,250,000	2,250,000	1,904,910	(345,090)
<b>FUND BALANCES, ENDING</b>	\$ 220,000	\$ 220,000	3,081,679	\$ 2,861,679
Interfund loan payable			(388,832)	
<b>FUND BALANCES, ENDING</b>			\$ 2,692,847	

\* 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
2020	0.05492677%	\$ 11,986,910	\$ 5,953,953	201.33%	75.80%
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
2021	\$ 1,357,356	\$ 1,357,356	\$ -	\$ 6,260,573	21.68%
2020	1,264,132	1,514,132	(250,000)	5,953,953	25.43%
2019	940,036	940,036	-	5,379,911	17.47%
2018	914,094	914,094	-	5,171,562	17.68%
2017	671,043	671,043	-	4,665,098	14.38%
2016	635,399	635,399	-	4,385,631	14.49%
2015	733,439	733,439	-	4,347,982	16.87%
2014	764,158	764,158	-	4,301,804	17.76%

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

<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

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

**CITY OF DALLAS, OREGON**  
**SCHEDULE OF THE PROPORTIONATE SHARE OF OPEB - RHIA**  
**For the Last Ten Fiscal 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	
2020	-0.04273580%	\$ (87,079)	\$ 5,953,953	-1.46%	150.1%
2019	-0.04922296%	(95,117)	5,379,911	-1.77%	144.4%
2018	-0.04853250%	(54,175)	5,171,562	-1.05%	124.0%
2017	-0.04594645%	(19,175)	4,665,098	-0.41%	108.9%

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

<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
2021	\$ 16,299	\$ 16,299	\$ -	\$ 6,260,573	0.26%
2020	3,052	3,052	-	5,953,953	0.05%
2019	24,396	24,396	-	5,379,911	0.45%
2018	23,500	23,500	-	5,171,562	0.45%
2017	22,656	22,656	-	4,665,098	0.49%

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

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

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

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

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

<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 employee payroll	(b/c) Contributions as a percent of covered payroll
2021	\$ 19,782	\$ 19,782	\$ -	\$ 6,260,573	0.32%
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, 2020	July 1, 2018	July 1, 2016
Effective:	June 30, 2020 and 2021	June 30, 2018 and 2019	June 30, 2016 and 2017
Actuarial cost method:	Entry Age Normal		
Amortization method:	Level percentage of payroll, closed		
Amortization period:	5.8 years	6.8 years	7.7 years
Asset valuation method:	Market value		
Remaining amortization periods:	20 years		
Actuarial assumptions:			
Inflation rate	2.50 percent		
Projected salary increases	3.50 percent		

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **OTHER SUPPLEMENTARY INFORMATION**

## **OTHER SUPPLEMENTARY INFORMATION**

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

Such statements and schedules include:

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



## COMBINING STATEMENTS

Nonmajor Governmental Funds

### **Special Revenue Funds**

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

#### **Risk Management Fund**

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

#### **Grants Fund**

This fund accounts for major grants to the City.

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

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

#### **Building Inspections Fund**

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

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

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

#### **Urban Renewal Fund**

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

### **Debt Service Fund**

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

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

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

### **Capital Projects Funds**

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

#### **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 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, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 9,495,000	\$ 9,495,000	\$ 3,134,009	\$ (6,360,991)
Total revenues	9,495,000	9,495,000	3,134,009	(6,360,991)
<b>EXPENDITURES:</b>				
Transportation	1,370,750	1,370,750	128,127	1,242,623
Park	1,461,800	1,461,800	116,567	1,345,233
Water	2,401,525	2,401,525	35,628	2,365,897
Sewer	13,280,550	12,989,550	682,801	12,306,749
Storm	747,200	747,200	34,871	712,329
Total expenditures	19,261,825	18,970,825	997,994	17,972,831
Revenues over (under) expenditures	(9,766,825)	(9,475,825)	2,136,015	11,611,840
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	534,584	243,584	243,583	(1)
Transfers out	(123,175)	(123,175)	(123,175)	-
Total other financing sources (uses)	411,409	120,409	120,408	(1)
Net changes in fund balances	(9,355,416)	(9,355,416)	2,256,423	11,611,839
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	<u>9,355,416</u>	<u>9,355,416</u>	<u>8,924,929</u>	<u>(430,487)</u>
<b>FUND BALANCES, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>11,181,352</u>	<u>\$ 11,181,352</u>
Interfund loan receivable			<u>1,319,014</u>	
<b>FUND BALANCES, ENDING</b>			<u>\$ 12,500,366</u>	

CITY OF DALLAS, OREGON  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
June 30, 2021

	Total Nonmajor Special Revenue Funds	General Long Term Debt Fund	Nonmajor Capital Projects Fund	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 2,056,304	\$ 11	\$ -	\$ 2,056,315
Cash held with county	1,626	-	-	1,626
Accounts receivable	22,012	-	-	22,012
Property taxes receivable	6,105	-	-	6,105
	<u>2,086,047</u>	<u>11</u>	<u>-</u>	<u>2,086,058</u>
Total assets	<u>\$ 2,086,047</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 2,086,058</u>
<b>LIABILITIES:</b>				
Accounts payable and other current liabilities	\$ 44,211	\$ -	\$ -	\$ 44,211
Due to other funds	43,709	-	-	43,709
	<u>87,920</u>	<u>-</u>	<u>-</u>	<u>87,920</u>
Total liabilities	<u>87,920</u>	<u>-</u>	<u>-</u>	<u>87,920</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Unavailable revenue - property taxes	6,105	-	-	6,105
	<u>6,105</u>	<u>-</u>	<u>-</u>	<u>6,105</u>
Total deferred inflows of resources	<u>6,105</u>	<u>-</u>	<u>-</u>	<u>6,105</u>
<b>FUND BALANCES:</b>				
Restricted for:				
Debt	-	11	-	11
Urban renewal projects	521,376	-	-	521,376
Building department	1,070,379	-	-	1,070,379
Trust	154,086	-	-	154,086
Committed for:				
Community development	313,682	-	-	313,682
Unassigned	(67,501)	-	-	(67,501)
	<u>1,992,022</u>	<u>11</u>	<u>-</u>	<u>1,992,033</u>
Total fund balances	<u>1,992,022</u>	<u>11</u>	<u>-</u>	<u>1,992,033</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,086,047</u>	<u>\$ 11</u>	<u>\$ -</u>	<u>\$ 2,086,058</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, 2021**

	Total Nonmajor Special Revenue Funds	General Long Term Debt Fund	Nonmajor Capital Projects Fund	Total
<b>REVENUES:</b>				
Property taxes	\$ 224,251	\$ -	\$ -	\$ 224,251
Grants	357,951	-	-	357,951
Licenses and permits	815,694	-	-	815,694
Fees	427,241	-	-	427,241
Contributions and donations	92,983	-	-	92,983
Interest	5,508	-	-	5,508
Miscellaneous	39,927	154,043	-	193,970
Total revenues	1,963,555	154,043	-	2,117,598
<b>EXPENDITURES:</b>				
General government	729,979	-	-	729,979
Culture and recreation	196,216	-	-	196,216
Community development	884,968	-	-	884,968
Capital outlay	35,594	-	-	35,594
Debt service:				
Principal	-	100,000	-	100,000
Interest	-	54,043	-	54,043
Total expenditures	1,846,757	154,043	-	2,000,800
Revenues over (under) expenditures	116,798	-	-	116,798
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	516,340	-	-	516,340
Transfers out	(280,134)	-	(150,563)	(430,697)
Total other financing sources (uses)	236,206	-	(150,563)	85,643
Net changes in fund balances	353,004	-	(150,563)	202,441
<b>FUND BALANCES, BEGINNING</b>	1,642,567	11	150,563	1,793,141
<b>Prior period adjustment</b>	(3,549)	-	-	(3,549)
<b>FUND BALANCES, ENDING</b>	\$ 1,992,022	\$ 11	\$ -	\$ 1,992,033

**CITY OF DALLAS, OREGON  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
June 30, 2021**

---

	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	\$ 148,243	\$ -
Cash held with county	-	-
Accounts receivable	-	-
Property taxes receivable	-	-
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 148,243</u>	<u>\$ -</u>
<b>LIABILITIES:</b>		
Accounts payable and other current liabilities	\$ 100	\$ 23,792
Due to other funds	-	43,709
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>100</u>	<u>67,501</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	148,143	-
Unassigned	-	(67,501)
	<u>                    </u>	<u>                    </u>
Total fund balances	<u>148,143</u>	<u>(67,501)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 148,243</u>	<u>\$ -</u>

Police Officer Fee and Firefighter/EMS Fee Fund	Building Inspections Fund	Trust/Reserve Fund	Urban Renewal Fund	Total
\$ 143,527	\$ 1,088,236	\$ 156,548	\$ 519,750	\$ 2,056,304
-	-	-	1,626	1,626
22,012	-	-	-	22,012
-	-	-	6,105	6,105
<u>\$ 165,539</u>	<u>\$ 1,088,236</u>	<u>\$ 156,548</u>	<u>\$ 527,481</u>	<u>\$ 2,086,047</u>
\$ -	\$ 17,857	\$ 2,462	\$ -	\$ 44,211
-	-	-	-	43,709
-	17,857	2,462	-	87,920
-	-	-	6,105	6,105
-	-	-	6,105	6,105
-	-	-	521,376	521,376
-	1,070,379	-	-	1,070,379
-	-	154,086	-	154,086
165,539	-	-	-	313,682
-	-	-	-	(67,501)
<u>165,539</u>	<u>1,070,379</u>	<u>154,086</u>	<u>521,376</u>	<u>1,992,022</u>
<u>\$ 165,539</u>	<u>\$ 1,088,236</u>	<u>\$ 156,548</u>	<u>\$ 527,481</u>	<u>\$ 2,086,047</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, 2021**

---

	Risk Management Fund	Grants Fund
<b>REVENUES:</b>		
Property taxes	\$ -	\$ -
Grants	-	357,951
Licenses and permits	-	-
Fees	-	-
Contributions and donations	-	-
Interest	-	-
Miscellaneous	22,787	-
	<hr/>	<hr/>
Total revenues	22,787	357,951
	<hr/>	<hr/>
<b>EXPENDITURES:</b>		
General government	-	344,751
Culture and recreation	-	-
Community development	412,086	-
Capital outlay	-	-
	<hr/>	<hr/>
Total expenditures	412,086	344,751
	<hr/>	<hr/>
Revenues over (under) expenditures	(389,299)	13,200
	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES):</b>		
Transfers in	373,000	20,956
Transfers out	-	(80,395)
	<hr/>	<hr/>
Total other financing sources (uses)	373,000	(59,439)
	<hr/>	<hr/>
Net changes in fund balances	(16,299)	(46,239)
	<hr/>	<hr/>
<b>FUND BALANCES, BEGINNING</b>	164,442	(17,713)
	<hr/>	<hr/>
<b>PRIOR PERIOD ADJUSTMENT</b>	-	(3,549)
	<hr/>	<hr/>
<b>FUND BALANCES, ENDING</b>	\$ 148,143	\$ (67,501)
	<hr/> <hr/>	<hr/> <hr/>

Police Officer Fee and Firefighter/EMS Fee Fund	Building Inspections Fund	Trust/Reserve Fund	Urban Renewal Fund	Total
\$ -	\$ -	\$ -	\$ 224,251	\$ 224,251
-	-	-	-	357,951
-	815,694	-	-	815,694
427,241	-	-	-	427,241
-	-	92,983	-	92,983
-	-	-	5,508	5,508
-	235	-	16,905	39,927
<u>427,241</u>	<u>815,929</u>	<u>92,983</u>	<u>246,664</u>	<u>1,963,555</u>
314,850	-	-	70,378	729,979
-	-	196,216	-	196,216
-	472,882	-	-	884,968
-	-	-	35,594	35,594
<u>314,850</u>	<u>472,882</u>	<u>196,216</u>	<u>105,972</u>	<u>1,846,757</u>
112,391	343,047	(103,233)	140,692	116,798
-	47,375	75,009	-	516,340
-	(50,500)	-	(149,239)	(280,134)
-	(3,125)	75,009	(149,239)	236,206
112,391	339,922	(28,224)	(8,547)	353,004
53,148	730,457	182,310	529,923	1,642,567
-	-	-	-	(3,549)
<u>\$ 165,539</u>	<u>\$ 1,070,379</u>	<u>\$ 154,086</u>	<u>\$ 521,376</u>	<u>\$ 1,992,022</u>



**CITY OF DALLAS, OREGON**  
**GENERAL FUND - GENERALLY ACCEPTED ACCOUNTING PRINCIPLES**  
**COMBINING BALANCE SHEET**  
**June 30, 2021**

	General Fund - Budgetary Basis	Improvement Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 3,253,716	\$ 662	\$ 3,254,378
Cash held with county	35,933	-	35,933
Accounts receivable	881,024	-	881,024
Property taxes receivable	138,950	-	138,950
Due from other funds	43,709	-	43,709
	<u>4,353,332</u>	<u>-</u>	<u>4,353,994</u>
Total assets	<u>\$ 4,353,332</u>	<u>\$ 662</u>	<u>\$ 4,353,994</u>
<b>LIABILITIES:</b>			
Accounts payable and other current liabilities	\$ 170,844	\$ -	\$ 170,844
Payroll liabilities	191,914	-	191,914
Deposits payable	136,560	-	136,560
	<u>499,318</u>	<u>-</u>	<u>499,318</u>
Total liabilities	<u>499,318</u>	<u>-</u>	<u>499,318</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - property taxes	138,950	-	138,950
	<u>138,950</u>	<u>-</u>	<u>138,950</u>
Total deferred inflows of resources	<u>138,950</u>	<u>-</u>	<u>138,950</u>
<b>FUND BALANCES:</b>			
Unassigned	3,715,064	662	3,715,726
	<u>3,715,064</u>	<u>662</u>	<u>3,715,726</u>
Total fund balances	<u>3,715,064</u>	<u>662</u>	<u>3,715,726</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,353,332</u>	<u>\$ 662</u>	<u>\$ 4,353,994</u>

**CITY OF DALLAS, OREGON**  
**GENERAL FUND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**For the Fiscal Year Ended June 30, 2021**

	General Fund - Budgetary Basis	Improvement Fund - Budgetary Basis	Total General Fund Generally Accepted Accounting Principles
<b>REVENUES:</b>			
Property taxes	\$ 4,900,954	\$ -	\$ 4,900,954
Public service taxes	722,195	-	722,195
Franchise fees	1,422,706	-	1,422,706
Charges for services	2,379,302	-	2,379,302
Licenses and permits	1,570	-	1,570
Fines and forfeitures	159,633	-	159,633
Interest	36,771	-	36,771
Miscellaneous	769,179	-	769,179
	<u>10,392,310</u>	<u>-</u>	<u>10,392,310</u>
<b>EXPENDITURES:</b>			
General government	1,844,379	-	1,844,379
Public safety	6,693,605	-	6,693,605
Culture and recreation	550,769	-	550,769
Community development	1,334,156	-	1,334,156
Capital outlay	83,348	-	83,348
Debt service:			
Principal	208,957	-	208,957
Interest	43,271	-	43,271
	<u>10,758,485</u>	<u>-</u>	<u>10,758,485</u>
Total expenditures	<u>10,758,485</u>	<u>-</u>	<u>10,758,485</u>
Revenues over (under) expenditures	(366,175)	-	(366,175)
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale of capital asset	58,500	-	58,500
Transfers in	1,645,834	-	1,645,834
Transfers out	(834,320)	-	(834,320)
	<u>870,014</u>	<u>-</u>	<u>870,014</u>
Total other financing sources (uses)	<u>870,014</u>	<u>-</u>	<u>870,014</u>
Net changes in fund balances	503,839	-	503,839
<b>FUND BALANCES, BEGINNING BUDGETARY BASIS</b>	<u>3,211,225</u>	<u>662</u>	<u>3,211,887</u>
<b>FUND BALANCES, ENDING</b>	<u>\$ 3,715,064</u>	<u>\$ 662</u>	<u>\$ 3,715,726</u>

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Admin:				
Personnel services	\$ 483,000	\$ 483,000	\$ 468,183	\$ 14,817
Materials and services	214,000	224,000	179,395	44,605
Subtotal	697,000	707,000	647,578	59,422
Finance:				
Personnel services	515,000	515,000	477,471	37,529
Materials and services	255,000	255,000	239,111	15,889
Subtotal	770,000	770,000	716,582	53,418
Facilities:				
Personnel services	122,000	122,000	123,317	(1,317) *
Materials and services	87,000	95,000	85,763	9,237 *
Subtotal	209,000	217,000	209,080	7,920
Municipal court:				
Personnel services	119,000	119,000	111,962	7,038
Materials and services	129,000	129,000	116,261	12,739
Subtotal	248,000	248,000	228,223	19,777
Ambulance department:				
Personnel services	1,305,000	1,305,000	1,296,820	8,180
Materials and services	425,300	425,300	396,239	29,061
Transfer out	313,749	313,749	313,749	-
Subtotal	2,044,049	2,044,049	2,006,808	37,241
Fire department:				
Personnel services	860,000	860,000	868,438	(8,438) *
Materials and services	318,000	341,000	303,024	37,976 *
Capital outlay	18,000	18,000	-	18,000 *
Debt Service:				
Principal	38,996	38,996	38,995	1 *
Interest	5,818	5,818	5,818	- *
Transfer out	148,487	148,487	148,487	- *
Subtotal	1,389,301	1,412,301	1,364,762	47,539
Police department:				
Personnel services	3,480,000	3,480,000	3,116,868	363,132
Materials and services	493,000	493,000	483,993	9,007
Capital outlay	8,000	8,000	-	8,000
Subtotal	3,981,000	3,981,000	3,600,861	380,139

**CITY OF DALLAS, OREGON**  
**GENERAL FUND - BUDGETARY BASIS**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**For the Fiscal Year Ended June 30, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
Library:				
Personnel services	518,000	518,000	435,434	82,566 *
Materials and services	92,800	92,800	115,335	(22,535) *
Capital outlay	32,650	32,650	-	32,650 *
Subtotal	643,450	643,450	550,769	92,681
Community development - Parks:				
Personnel services	257,000	292,000	238,206	53,794
Materials and services	134,000	134,000	114,462	19,538
Capital outlay	5,000	5,000	-	5,000
Transfer out	20,000	20,000	-	20,000
Subtotal	416,000	451,000	352,668	98,332
Community development - Aquatic center:				
Personnel services	590,000	590,000	381,831	208,169
Materials and services	320,100	320,100	208,295	111,805
Transfer out	109,643	109,643	109,642	1
Subtotal	1,019,743	1,019,743	699,768	319,975
Economic and community development				
Personnel services	368,000	368,000	346,318	21,682
Materials and services	67,150	67,150	45,044	22,106
Subtotal	435,150	435,150	391,362	43,788
Non-departmental:				
Materials and services	-	271,140	271,139	1
Capital outlay	61,200	96,218	83,348	12,870
Transfer out	225,000	262,442	262,442	-
Debt Service:				
Principal	171,962	171,962	169,962	2,000
Interest	37,459	37,459	37,453	6
Subtotal	495,621	839,221	824,344	14,877
Total expenditures	\$ 12,348,314	\$ 12,767,914	\$ 11,592,805	\$ 1,175,109

\* Subtotal equals appropriation level

## **BUDGETARY COMPARISON SCHEDULES**

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

Nonmajor Governmental Budgetary Comparison schedules included the following:

- Special Revenue Funds
  - Risk Management Fund
  - Grants Fund
  - Police Officer Fee and Firefighter/EMS Fee Fund
  - Building Inspections Fund
  - Trust/Reserve Fund
  - Urban Renewal Fund
  
- Debt Service Fund
  - General Long Term Debt Fund
  
- Capital Project Funds
  - 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, 2021**

---

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous	\$ 5,000	\$ 5,000	\$ 22,787	\$ 17,787
Total revenues	5,000	5,000	22,787	17,787
<b>EXPENDITURES:</b>				
Materials and services	381,500	381,500	412,086	(30,586)
Contingency	180,000	180,000	-	180,000
Total expenditures	561,500	561,500	412,086	149,414
Revenues over (under) expenditures	(556,500)	(556,500)	(389,299)	167,201
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	376,500	376,500	373,000	(3,500)
Total other financing sources (uses)	376,500	376,500	373,000	(3,500)
Net changes in fund balances	(180,000)	(180,000)	(16,299)	163,701
<b>FUND BALANCES, BEGINNING</b>	180,000	180,000	164,442	(15,558)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 148,143	\$ 148,143

**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, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Grants	\$ 2,673,310	\$ 3,336,510	\$ 357,951	\$ (2,978,559)
Total revenues	2,673,310	3,336,510	357,951	(2,978,559)
<b>EXPENDITURES:</b>				
Public works	2,490,000	2,510,000	73,473	2,436,527
Fire	16,519	23,519	14,420	9,099
Police	9,000	59,000	51,007	7,993
Library	4,650	4,650	2,545	2,105
General - community development block	-	586,200	203,306	382,894
Total expenditures	2,520,169	3,183,369	344,751	2,838,618
Revenues over (under) expenditures	153,141	153,141	13,200	(139,941)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	20,956	20,956	-
Transfers out	(140,000)	(140,000)	(80,395)	59,605
Total other financing sources (uses)	(140,000)	(119,044)	(59,439)	59,605
Net changes in fund balances	13,141	34,097	(46,239)	(80,336)
<b>FUND BALANCES, BEGINNING</b>	(13,141)	(34,097)	(17,713)	16,384
<b>PRIOR PERIOD ADJUSTMENT</b>	-	-	(3,549)	(3,549)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ (67,501)	\$ (67,501)

**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, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Fees	\$ 420,000	\$ 420,000	\$ 427,241	\$ 7,241
Total revenues	420,000	420,000	427,241	7,241
<b>EXPENDITURES:</b>				
Personnel services	420,000	420,000	314,850	105,150
Contingency	37,000	37,000	-	37,000
Total expenditures	457,000	457,000	314,850	142,150
Net changes in fund balances	(37,000)	(37,000)	112,391	149,391
<b>FUND BALANCES, BEGINNING</b>	37,000	37,000	53,148	16,148
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 165,539	\$ 165,539



**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, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 450,000	\$ 450,000	\$ 815,694	\$ 365,694
Miscellaneous	500	500	235	(265)
Total revenues	450,500	450,500	815,929	365,429
<b>EXPENDITURES:</b>				
Personnel services	390,000	390,000	385,290	4,710
Materials and services	44,000	44,000	87,592	(43,592)
Contingency	703,375	703,375	-	703,375
Total expenditures	1,137,375	1,137,375	472,882	664,493
Revenues over (under) expenditures	(686,875)	(686,875)	343,047	1,029,922
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	47,375	47,375	47,375	-
Transfers out	(50,500)	(50,500)	(50,500)	-
Total other financing sources (uses)	(3,125)	(3,125)	(3,125)	-
Net changes in fund balances	(690,000)	(690,000)	339,922	1,029,922
<b>FUND BALANCES, BEGINNING</b>	690,000	690,000	730,457	40,457
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 1,070,379	\$ 1,070,379

**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, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Contributions and donations	\$ 102,220	\$ 102,220	\$ 92,983	\$ (9,237)
Total revenues	102,220	102,220	92,983	(9,237)
<b>EXPENDITURES:</b>				
Trust expenditures:				
Park	71,400	74,129	35,391	38,738
Police	10,000	10,000	5,991	4,009
Fire	158,000	158,000	115,172	42,828
Library	63,000	63,000	26,756	36,244
Aquatic	10,000	10,000	12,906	(2,906)
General	10,000	10,000	-	10,000
Total expenditures	322,400	325,129	196,216	128,913
Revenues over (under) expenditures	(220,180)	(222,909)	(103,233)	119,676
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	72,280	75,009	75,009	-
Total other financing sources (uses)	72,280	75,009	75,009	-
Net changes in fund balances	(147,900)	(147,900)	(28,224)	119,676
<b>FUND BALANCES, BEGINNING</b>	147,900	147,900	182,310	34,410
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ 154,086	\$ 154,086

**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, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 228,500	\$ 228,500	\$ 224,251	\$ (4,249)
Interest	15,000	15,000	5,508	(9,492)
Miscellaneous	20,000	20,000	16,905	(3,095)
Total revenues	263,500	263,500	246,664	(16,836)
<b>EXPENDITURES:</b>				
Personnel services	12,000	12,000	13,240	(1,240)
Materials and services	246,250	291,250	57,138	234,112
Capital outlay	35,000	60,000	35,594	24,406
Contingency	27,758	27,758	-	27,758
Total expenditures	321,008	391,008	105,972	285,036
Revenues over (under) expenditures	(57,508)	(127,508)	140,692	268,200
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(151,246)	(151,246)	(149,239)	2,007
Total other financing sources (uses)	(151,246)	(151,246)	(149,239)	2,007
Net changes in fund balances	(208,754)	(278,754)	(8,547)	270,207
<b>FUND BALANCES, BEGINNING</b>	360,000	430,000	529,923	99,923
<b>FUND BALANCES, ENDING</b>	\$ 151,246	\$ 151,246	\$ 521,376	\$ 370,130

**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, 2021**

---

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Miscellaneous	\$ 154,044	\$ 154,044	\$ 154,043	\$ (1)
Total revenues	154,044	154,044	154,043	(1)
<b>EXPENDITURES:</b>				
Debt service:				
Principal	100,000	100,000	100,000	-
Interest	54,044	54,044	54,043	1
Total expenditures	154,044	154,044	154,043	1
Net changes in fund balances	-	-	-	-
<b>FUND BALANCES, BEGINNING</b>	-	-	11	11
<b>FUND BALANCES, ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11</u>	<u>\$ 11</u>

**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, 2021**

---

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	\$ (170,000)	\$ (170,000)	\$ (150,563)	\$ 19,437
Net changes in fund balances	(170,000)	(170,000)	(150,563)	19,437
<b>FUND BALANCES, BEGINNING</b>	170,000	170,000	150,563	(19,437)
<b>FUND BALANCES, ENDING</b>	\$ -	\$ -	\$ -	\$ -

**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, 2021**

---

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

## **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, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 3,650,000	\$ 3,650,000	\$ 3,796,382	\$ 146,382
Interest	45,000	45,000	13,055	(31,945)
Miscellaneous	75,000	75,000	92,395	17,395
Total revenues	<u>3,770,000</u>	<u>3,770,000</u>	<u>3,901,832</u>	<u>131,832</u>
<b>EXPENDITURES:</b>				
Personnel services	618,000	618,000	541,253	76,747 *
Materials and services	1,140,500	1,140,500	1,193,542	(53,042) *
Capital outlay	696,000	696,000	430,048	265,952 *
Debt service:				
Principal	319,000	319,000	54,000	265,000
Interest	103,402	103,402	19,390	84,012
Contingency	1,034,098	1,034,098	-	1,034,098
Total expenditures	<u>3,911,000</u>	<u>3,911,000</u>	<u>2,238,233</u>	<u>1,672,767</u>
Revenues over (under) expenditures	(141,000)	(141,000)	1,663,599	1,804,599
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(629,000)	(629,000)	(629,000)	-
Total other financing sources (uses)	<u>(629,000)</u>	<u>(629,000)</u>	<u>(629,000)</u>	<u>-</u>
Net changes in fund balances	(770,000)	(770,000)	1,034,599	1,804,599
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>770,000</u>	<u>770,000</u>	<u>697,994</u>	<u>(72,006)</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>1,732,593</u>	<u>\$ 1,732,593</u>

**RECONCILIATION TO NET POSITION - GAAP BASIS**

Accrued interest	(6,003)
OPEB assets	3,849
Capital assets, net	18,850,078
Inventories	23,604
Loans Payable	(698,000)
Compensated absences	(17,417)
Deferred inflows related to pensions	(23,468)
Deferred inflows related to OPEB	(3,790)
OPEB liability	(14,726)
Pension liability	(529,882)
Deferred outflows related to pensions	200,683
Deferred outflows related to OPEB	2,161

**NET POSITION**

\$ 19,519,682

\* 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, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 2,969,000	\$ 2,969,000	\$ 3,292,520	\$ 323,520
Interest	120,000	120,000	38,504	(81,496)
Miscellaneous	90,000	90,000	105,650	15,650
Total revenues	<u>3,179,000</u>	<u>3,179,000</u>	<u>3,436,674</u>	<u>257,674</u>
<b>EXPENDITURES:</b>				
Personnel services	1,020,000	1,020,000	996,568	23,432 *
Materials and services	678,500	678,500	675,266	3,234 *
Capital outlay	860,000	860,000	470,231	389,769 *
Debt service:				
Principal	449,691	449,691	449,690	1
Interest	156,575	156,575	156,512	63
Contingency	2,291,234	2,291,234	-	2,291,234
Total expenditures	<u>5,456,000</u>	<u>5,456,000</u>	<u>2,748,267</u>	<u>2,707,733</u>
Revenues over (under) expenditures	(2,277,000)	(2,277,000)	688,407	2,965,407
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	<u>(548,000)</u>	<u>(548,000)</u>	<u>(548,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(548,000)</u>	<u>(548,000)</u>	<u>(548,000)</u>	<u>-</u>
Net changes in fund balances	(2,825,000)	(2,825,000)	140,407	2,965,407
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>2,825,000</u>	<u>2,825,000</u>	<u>2,738,111</u>	<u>(86,889)</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	<u>2,878,518</u>	<u>\$ 2,878,518</u>
<b>RECONCILIATION TO NET POSITION - GAAP BASIS</b>				
Accrued interest			(58,298)	
OPEB asset			7,347	
Capital assets, net			18,853,506	
Interfund loan			(832,350)	
Inventories			176,555	
Loans payable			(6,041,888)	
Compensated absences			(37,139)	
Deferred inflows related to pensions			(44,792)	
Deferred inflows related to OPEB			(7,233)	
OPEB liability			(28,106)	
Pension liability			(1,011,359)	
Deferred outflows related to pensions			383,033	
Deferred outflows related to OPEB			4,125	
<b>NET POSITION</b>			<u>\$ 14,241,919</u>	

\* 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, 2021**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 420,000	\$ 420,000	\$ 526,986	\$ 106,986
Interest	3,000	3,000	2,995	(5)
Miscellaneous	2,000	2,000	-	(2,000)
Total revenues	425,000	425,000	529,981	104,981
<b>EXPENDITURES:</b>				
Personnel services	97,000	97,000	88,898	8,102 *
Materials and services	72,281	72,281	63,966	8,315 *
Capital outlay	225,000	225,000	14,871	210,129 *
Contingency	119,207	119,207	-	119,207
Total expenditures	513,488	513,488	167,735	345,753
Revenues over (under) expenditures	(88,488)	(88,488)	362,246	450,734
<b>OTHER FINANCING SOURCES (USES):</b>				
Interfund loan proceeds (payments)	(15,012)	(15,012)	(15,012)	-
Transfers out	(71,500)	(71,500)	(71,500)	-
Total other financing sources (uses)	(86,512)	(86,512)	(86,512)	-
Net changes in fund balances	(175,000)	(175,000)	275,734	450,734
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	175,000	175,000	184,385	9,385
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	\$ -	\$ -	460,119	\$ 460,119

**RECONCILIATION TO NET POSITION - GAAP BASIS**

OPEB asset	753
Capital assets, net	2,642,310
Interfund loan	(97,832)
Compensated absences	(2,934)
Deferred inflows related to pensions	(4,589)
Deferred inflows related to OPEB	(741)
Pension liability	(103,623)
OPEB liability	(2,880)
Deferred outflows related to pensions	39,245
Deferred outflows related to OPEB	423

**NET POSITION**

\$ 2,930,251

\* 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, 2021**

	Budget		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ 494,500	\$ 494,500	\$ 522,803	28,303
Total revenues	494,500	494,500	522,803	28,303
<b>EXPENDITURES:</b>				
Personnel services	250,000	250,000	235,325	14,675 *
Materials and services	216,000	216,000	198,132	17,868 *
Capital outlay	25,000	25,000	-	25,000 *
Contingency	292,500	292,500	-	292,500
Total expenditures	783,500	783,500	433,457	350,043
Revenues over (under) expenditures	(289,000)	(289,000)	89,346	378,346
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	5,000	5,000	718	(4,282)
Transfers in	8,500	8,500	8,500	-
Transfers out	(89,500)	(89,500)	(89,500)	-
Total other financing sources (uses)	(76,000)	(76,000)	(80,282)	(4,282)
Net changes in fund balances	(365,000)	(365,000)	9,064	374,064
<b>FUND BALANCE, BEGINNING BUDGETARY BASIS</b>	<u>365,000</u>	<u>365,000</u>	<u>397,606</u>	<u>32,606</u>
<b>FUND BALANCE, ENDING BUDGETARY BASIS</b>	<u>\$ -</u>	<u>\$ -</u>	406,670	<u>\$ 406,670</u>

**RECONCILIATION TO NET POSITION - GAAP BASIS**

Capital assets, net	211,517
OPEB asset	2,243
Deferred outflows related to pensions	116,932
Deferred outflows related to OPEB	1,259
Accrued compensated absences	(13,112)
Pension liability	(308,747)
OPEB liability	(8,580)
Deferred inflows related to pensions	(13,674)
Deferred inflows related to OPEB	(2,208)

**NET POSITION** \$ 392,300

\* Sum equal appropriation level

**THIS PAGE INTENTIONALLY LEFT BLANK**

## **STATISTICAL SECTION**

## STATISTICAL SECTION

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

### **Contents**

#### **Financial Trends**

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

#### **Revenue Capacity**

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

#### **Debt Capacity**

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

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

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

#### **Operating Information**

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 46,675,558	\$ 48,197,682	\$ 48,416,186	\$ 49,729,006
Restricted for special purposes	17,014,195	13,133,048	14,420,599	11,357,160
Unrestricted	(4,135,791)	(4,092,595)	(3,314,269)	(1,943,071)
Total governmental activities net position	<u>\$ 59,553,962</u>	<u>\$ 57,238,135</u>	<u>\$ 59,522,516</u>	<u>\$ 59,143,095</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 33,606,006	\$ 32,246,532	\$ 27,913,008	\$ 25,900,291
Restricted for special purposes	11,949	12,280	-	-
Unrestricted	3,073,897	2,631,161	2,922,587	2,873,339
Total business-type activities net position	<u>\$ 36,691,852</u>	<u>\$ 34,889,973</u>	<u>\$ 30,835,595</u>	<u>\$ 28,773,630</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 80,281,564	\$ 80,444,214	\$ 76,329,194	\$ 75,629,297
Restricted for special purposes	17,026,144	13,145,328	14,420,599	11,357,160
Unrestricted	(1,061,894)	(1,461,434)	(391,682)	930,268
Total primary government net position	<u>\$ 96,245,814</u>	<u>\$ 92,128,108</u>	<u>\$ 90,358,111</u>	<u>\$ 87,916,725</u>

Source: City of Dallas Annual Comprehensive Financial Reports



<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
\$ 49,522,634	\$ 52,121,875	\$ 53,826,746	\$ 55,722,739	\$ 57,146,650	\$ 57,754,349
9,100,601	8,835,176	6,760,554	6,321,162	5,598,814	4,265,637
(945,149)	(2,318,099)	(746,388)	952,467	1,004,454	2,901,846
<u>\$ 57,678,086</u>	<u>\$ 58,638,952</u>	<u>\$ 59,840,912</u>	<u>\$ 62,996,368</u>	<u>\$ 63,749,918</u>	<u>\$ 64,921,832</u>
\$ 23,439,707	\$ 22,291,458	\$ 21,049,915	\$ 20,584,724	\$ 20,017,073	\$ 19,755,540
-	-	-	-	-	-
2,140,287	1,494,772	2,147,514	2,164,506	2,389,514	2,341,712
<u>\$ 25,579,994</u>	<u>\$ 23,786,230</u>	<u>\$ 23,197,429</u>	<u>\$ 22,749,230</u>	<u>\$ 22,406,587</u>	<u>\$ 22,097,252</u>
\$ 72,962,341	\$ 74,413,333	\$ 74,876,661	\$ 76,307,463	\$ 77,163,723	\$ 77,509,889
9,100,601	8,835,176	6,760,554	6,321,162	5,598,814	4,265,637
1,195,138	(823,327)	1,401,126	3,116,973	3,393,968	5,243,558
<u>\$ 83,258,080</u>	<u>\$ 82,425,182</u>	<u>\$ 83,038,341</u>	<u>\$ 85,745,598</u>	<u>\$ 86,156,505</u>	<u>\$ 87,019,084</u>

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

	2021	2020	2019	2018
<b>EXPENSES</b>				
<b>Governmental activities:</b>				
General government	\$ 3,843,319	\$ 6,066,986	\$ 3,128,997	\$ 3,072,693
Public safety	7,825,297	7,405,408	8,334,194	8,421,394
Highways and streets	2,712,010	2,773,333	783,447	750,043
Culture and recreation	1,176,670	1,283,472	842,281	863,203
Community development	2,322,457	2,594,730	3,021,745	2,794,594
Interest on long-term debt	115,103	136,259	56,981	124,871
Total governmental activities expenses	<u>17,994,856</u>	<u>20,260,188</u>	<u>16,167,645</u>	<u>16,026,798</u>
<b>Business-type activities:</b>				
Sewage disposal	2,317,611	1,180,763	2,258,528	2,384,194
Water	2,578,628	2,306,226	2,226,989	2,062,003
Storm water	253,439	216,107	181,627	162,051
Total business-type activities expenses	<u>5,149,678</u>	<u>3,703,096</u>	<u>4,667,144</u>	<u>4,608,248</u>
Total expenses	<u>\$ 23,144,534</u>	<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	\$ 2,466,178	\$ 613,897	\$ 672,612	\$ 2,697,392
Public Safety	2,619,621	2,434,316	2,570,300	2,130,488
Highways and streets	-	-	-	171,029
Culture and Recreation	296,061	493,594	599,017	388,827
Community development	20,901	11,264	13,370	556,725
Operating grants and contributions	357,951	1,641,459	599,195	235,827
Capital grants and contributions	1,745,490	1,638,878	339,717	1,385,564
Total governmental activities program revenues	<u>7,506,202</u>	<u>6,833,408</u>	<u>4,794,211</u>	<u>7,565,852</u>
<b>Business-type activities:</b>				
Charges for services	7,615,887	6,836,157	6,608,518	6,162,438
Operating grants and contributions	-	-	-	-
Capital grants and contributions	1,149,255	1,700,395	861,194	2,216,095
Total business-type activities program revenues	<u>8,765,142</u>	<u>8,536,552</u>	<u>7,469,712</u>	<u>8,378,533</u>
Total program revenues	<u>\$ 16,271,344</u>	<u>\$ 15,369,960</u>	<u>\$ 12,263,923</u>	<u>\$ 15,944,385</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (10,488,654)	\$ (13,426,780)	\$ (11,373,434)	\$ (8,460,946)
Business-type activities	3,615,464	4,833,456	2,802,568	3,770,285
Total net expense	<u>\$ (6,873,190)</u>	<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	\$ 7,185,012	\$ 6,495,316	\$ 6,447,411	\$ 6,506,395
Franchise Fees	-	1,336,582	1,302,982	1,254,229
Miscellaneous	3,495,854	2,158,508	2,850,312	1,070,181
Proceeds from property sales	58,500	-	-	-
Transfers	1,248,500	1,151,993	1,152,150	1,095,150
Total governmental activities	<u>11,987,866</u>	<u>11,142,399</u>	<u>11,752,855</u>	<u>9,925,955</u>
<b>Business-type activities:</b>				
Miscellaneous	252,599	372,915	411,547	518,501
Gain on sale of land	-	-	-	-
Transfers	(1,248,500)	(1,151,993)	(1,152,150)	(1,095,150)
Total business-type activities	<u>(995,901)</u>	<u>(779,078)</u>	<u>(740,603)</u>	<u>(576,649)</u>
Total	<u>\$ 10,991,965</u>	<u>\$ 10,363,321</u>	<u>\$ 11,012,252</u>	<u>\$ 9,349,306</u>
<b>Change in Net Position</b>				
Governmental activities	\$ 1,499,212	\$ (2,284,381)	\$ 379,421	\$ 1,465,009
Business-type activities	2,619,563	4,054,378	2,061,965	3,193,636
Total	<u>\$ 4,118,775</u>	<u>\$ 1,769,997</u>	<u>\$ 2,441,386</u>	<u>\$ 4,658,645</u>

Source: City of Dallas Annual Comprehensive Financial Reports

	2017	2016	2015	2014	2013	2012
\$	2,618,629	\$ 2,815,836	\$ 2,018,683	\$ 2,159,324	\$ 1,951,720	\$ 2,742,049
	7,462,693	6,812,741	4,208,590	4,965,673	5,169,796	5,227,369
	776,622	3,183,830	2,968,164	2,985,706	2,949,068	2,820,314
	833,397	1,020,182	705,867	748,446	730,924	688,907
	2,434,292	1,982,360	1,561,447	1,419,268	1,332,910	1,346,705
	157,956	183,031	211,552	219,436	239,631	264,813
	14,283,589	15,997,980	11,674,303	12,497,853	12,374,049	13,090,157
	2,584,857	2,681,117	2,472,804	2,463,249	2,406,124	2,403,297
	2,587,227	1,935,944	1,656,456	1,759,774	1,615,326	1,754,639
	159,480	185,698	-	-	-	-
	5,331,564	4,802,759	4,129,260	4,223,023	4,021,450	4,157,936
\$	19,615,153	\$ 20,800,739	\$ 15,803,563	\$ 16,720,876	\$ 16,395,499	\$ 17,248,093
\$	1,978,726	\$ 2,412,882	\$ 1,198,834	\$ 1,174,241	\$ 908,346	\$ 641,463
	1,707,545	1,621,164	1,014,802	1,399,346	1,177,937	1,045,911
	80,333	203,855	92,806	75,605	58,899	24,854
	203,841	564,981	547,647	104,465	92,220	77,705
	537,447	282,305	406,971	768,352	667,287	611,452
	95,408	251,797	16,252	5,981	7,305	9,573
	41,929	800,746	160,224	158,583	126,726	1,408,562
	4,645,229	6,137,730	3,437,536	3,686,573	3,038,720	3,819,520
	5,768,881	5,600,125	5,435,502	5,077,759	5,025,147	4,852,972
	-	-	-	-	-	-
	1,363,150	569,295	247,351	-	-	-
	7,132,031	6,169,420	5,682,853	5,077,759	5,025,147	4,852,972
\$	11,777,260	\$ 12,307,150	\$ 9,120,389	\$ 8,764,332	\$ 8,063,867	\$ 8,672,492
\$	(9,638,360)	\$ (9,860,250)	\$ (8,236,767)	\$ (8,811,280)	\$ (9,335,329)	\$ (9,270,637)
	1,800,467	1,366,661	1,553,593	854,736	1,003,697	695,036
\$	(7,837,893)	\$ (8,493,589)	\$ (6,683,174)	\$ (7,956,544)	\$ (8,331,632)	\$ (8,575,601)
\$	5,832,686	\$ 5,938,713	\$ 6,152,989	\$ 5,736,327	\$ 5,755,796	\$ 5,607,607
	1,185,056	1,116,780	1,093,765	1,170,721	1,028,427	1,062,257
	740,621	577,797	310,686	354,160	422,866	429,937
	-	-	-	-	-	-
	1,025,000	1,025,000	1,025,000	796,522	956,326	776,325
	8,783,363	8,658,290	8,582,440	8,057,730	8,163,415	7,876,126
	1,018,297	247,140	271,629	278,691	261,964	132,503
	-	-	-	87,141	-	-
	(1,025,000)	(1,025,000)	(1,025,000)	(796,522)	(956,326)	(776,325)
	(6,703)	(777,860)	(753,371)	(430,690)	(694,362)	(643,822)
\$	8,776,660	\$ 7,880,430	\$ 7,829,069	\$ 7,627,040	\$ 7,469,053	\$ 7,232,304
\$	(854,997)	\$ (1,201,960)	\$ 345,673	\$ (753,550)	\$ (1,171,914)	\$ (1,394,511)
	1,793,764	588,801	800,222	424,046	309,335	51,214
\$	938,767	\$ (613,159)	\$ 1,145,895	\$ (329,504)	\$ (862,579)	\$ (1,343,297)

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>General Fund:</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	3,715,726	2,712,289	2,314,216	2,278,112
Total General Fund	<u>\$ 3,715,726</u>	<u>\$ 2,712,289</u>	<u>\$ 2,314,216</u>	<u>\$ 2,278,112</u>
<b>Special Revenue Funds:</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Restricted	4,438,688	3,220,090	3,268,670	1,918,839
Committed	313,682	217,590	258,170	213,301
Assigned	-	-	-	567,335
Unassigned	-	-	-	-
Total Special Revenue Funds	<u>\$ 4,752,370</u>	<u>\$ 3,437,680</u>	<u>\$ 3,526,840</u>	<u>\$ 2,699,475</u>
<b>Debt Service Funds:</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Restricted	11	11	378,845	347,682
Committed	-	-	-	11
Unassigned	-	-	-	-
Total Debt Service Funds	<u>\$ 11</u>	<u>\$ 11</u>	<u>\$ 378,845</u>	<u>\$ 347,693</u>
<b>Capital Projects Funds:</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Restricted	12,500,366 <sup>2</sup>	9,830,110 <sup>2</sup>	10,773,084 <sup>2</sup>	9,090,639 <sup>2</sup>
Committed	-	-	-	192,212
Unassigned	(67,501)	(17,713)	(41,995)	(5,124)
Total Capital Projects Funds	<u>\$ 12,432,865</u>	<u>\$ 9,812,397</u>	<u>\$ 10,731,089</u>	<u>\$ 9,277,727</u>
<b>All Governmental Funds:</b>				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Restricted	16,939,065	13,050,211	14,420,599	11,357,160
Committed	313,682	217,590	258,170	405,524
Assigned	-	-	-	567,335
Unassigned	3,648,225	2,694,576	2,272,221	2,272,988
Gene Total All Governmental Funds	<u>\$ 20,900,972</u>	<u>\$ 15,962,377</u>	<u>\$ 16,950,990</u>	<u>\$ 14,603,007</u>

Source: City of Dallas Annual Comprehensive Financial Reports

Notes: <sup>2</sup>

<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	600,450
-	-	-	-	-	-
2,001,787	2,049,619	1,793,551	1,825,054	925,202	653,127
<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,577,973	8,463,452	6,379,403	5,980,728	5,291,538	3,400,740
166,342	157,749	108,813	51,583	217,990	222,078
454,698 <sup>3</sup>	-	-	-	-	-
-	(185,924)	(168,005)	-	(17,817)	533,689
<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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
360,719	371,724	381,151	340,434	307,287	264,447
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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
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>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
9,100,601	8,835,176	6,760,554	6,321,162	5,598,825	4,265,637
400,850	603,756	239,726	51,594	217,990	222,078
454,698	-	-	-	-	-
1,620,135	1,863,695	1,625,546	1,825,054	907,385	1,186,816
<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>

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**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>REVENUES</b>				
Taxes and assessments	\$ 5,125,205	\$ 4,855,430	\$ 4,993,262	\$ 4,715,373
Licenses and permits	817,264	459,009	586,167	2,895,086
Intergovernmental	2,302,463	3,303,611	2,666,041	2,327,152
Franchise fees	1,422,706	1,336,582	1,302,982	1,254,229
Charges for services	5,577,566	4,099,739	4,289,141	2,350,932
Fines and forfeitures	159,633	183,013	497,520	246,826
Miscellaneous	2,100,566	1,511,027	1,245,494	1,069,210
Total Revenues	<u>17,505,403</u>	<u>15,748,411</u>	<u>15,580,607</u>	<u>14,858,808</u>
<b>EXPENDITURES</b>				
Current operating:				
General government	2,574,358	3,736,748	2,327,527	1,711,724
Highways and streets	527,611	554,726	587,394	544,728
Culture and recreation	746,985	772,576	631,506	626,912
Public Safety	6,693,605	6,279,161	6,248,617	6,115,758
Community development	2,219,124	2,532,564	2,265,573	2,029,609
Capital outlay	1,554,589	5,302,979	1,668,882	1,111,693
Debt service				
Interest	118,194	123,693	99,750	128,119
Principal	336,957	286,270	638,725	697,192
Total Expenditures	<u>14,771,423</u>	<u>19,588,717</u>	<u>14,467,974</u>	<u>12,965,735</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	2,733,980	(3,840,306)	1,112,633	1,893,073
<b>OTHER FINANCING SOURCES (USES)</b>				
Loan proceeds	-	-	-	-
Transfers in	2,338,177	2,889,097	2,389,361	2,300,568
Transfers out	(1,008,677)	(1,685,404)	(1,205,011)	(1,168,418)
Proceeds from sale of capital assets	58,500	-	51,000	1,500
Debt proceeds		1,648,000	-	-
Total Other Financing Sources (Uses)	<u>1,388,000</u>	<u>2,851,693</u>	<u>1,235,350</u>	<u>1,133,650</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 4,121,980</u>	<u>\$ (988,613)</u>	<u>\$ 2,347,983</u>	<u>\$ 3,026,723</u>
Debt service as a percentage of noncapital expenditures	<u>3.44%</u>	<u>2.61%</u>	<u>5.80%</u>	<u>7.43%</u>

Source: City of Dallas Annual Comprehensive Financial Reports

	2017	2016	2015	2014	2013	2012
\$	4,427,603	\$ 4,444,923	\$ 4,368,926	\$ 4,216,923	\$ 4,244,493	\$ 4,094,852
	1,856,176	2,511,999	1,092,380	939,972	630,626	321,837
	1,514,298	2,056,850	1,990,867	1,744,193	1,663,520	2,897,961
	1,185,056	1,116,780	1,093,765	1,170,721	1,028,427	1,062,257
	1,940,726	1,890,230	1,481,555	1,997,338	1,726,277	1,554,881
	217,196	209,729	189,771	146,523	117,985	141,888
	1,000,526	567,788	277,386	347,941	408,894	429,937
	12,141,581	12,798,299	10,494,650	10,563,611	9,820,222	10,503,613
	1,453,008	1,343,077	1,292,338	1,232,720	1,151,147	1,150,826
	574,813	585,384	529,501	548,007	538,624	564,266
	616,834	539,061	456,838	409,615	393,963	350,244
	5,523,810	5,118,464	4,951,183	4,689,828	4,874,365	4,918,023
	1,801,729	1,605,064	1,440,384	1,410,708	1,323,313	1,325,302
	2,032,532	1,397,170	1,486,639	1,672,887	561,519	2,043,949
	656,772	179,014	199,555	219,436	239,631	264,813
	153,826	711,459	680,596	620,000	604,330	588,147
	12,813,324	11,478,693	11,037,034	10,803,201	9,686,892	11,205,570
	(671,743)	1,319,606	(542,384)	(239,590)	133,330	(701,957)
	120,632	385,795	-	750,000	-	-
	2,349,323	1,944,307	1,459,395	1,315,147	1,812,349	1,251,603
	(1,454,555)	(972,907)	(488,995)	(351,947)	(896,010)	(475,278)
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,015,400	1,357,195	970,400	1,713,200	916,339	776,325
\$	343,657	\$ 2,676,801	\$ 428,016	\$ 1,473,610	\$ 1,049,669	\$ 74,368
	7.88%	8.89%	8.48%	8.72%	9.03%	8.76%

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

<b>FUNCTIONS/PROGRAMS</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Governmental Activities:</b>				
General government	\$ 2,466,178	\$ 713,897	\$ 672,612	\$ 2,697,392
Public safety	2,767,630	2,592,039	2,686,573	2,362,575
Highways and streets	1,272,088	1,509,503	339,717	1,223,729
Culture and recreation	817,094	775,610	602,713	721,691
Community development	183,212	1,242,359	492,596	560,465
Total Governmental Activities	<u>7,506,202</u>	<u>6,833,408</u>	<u>4,794,211</u>	<u>7,565,852</u>
<b>Business-type Activities:</b>				
Sewage disposal	4,151,362	4,163,214	3,557,368	3,927,609
Water	3,793,744	3,459,188	3,413,340	3,370,531
Storm Water	820,036	914,150	499,004	1,080,393
Total Business-type Activities	<u>8,765,142</u>	<u>8,536,552</u>	<u>7,469,712</u>	<u>8,378,533</u>
Total Activities	<u>\$ 16,271,344</u>	<u>\$ 15,369,960</u>	<u>\$ 12,263,923</u>	<u>\$ 15,944,385</u>

Source: City of Dallas Annual Comprehensive Financial Reports



<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 1,978,726	\$ 2,412,882	\$ 1,198,834	\$ 1,174,241	\$ 908,346	\$ 641,463
1,800,545	1,808,359	1,028,641	1,403,096	1,309,998	1,973,067
80,333	696,605	92,806	75,605	58,899	24,854
245,770	567,143	550,060	106,696	94,190	350,739
539,855	652,741	567,195	926,935	667,287	829,397
<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>
3,660,323	3,222,212	3,148,628	3,026,851	2,966,576	2,879,216
2,888,059	2,596,955	2,534,225	2,050,908	2,058,571	1,973,756
583,649	350,253	-	-	-	-
<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>\$ 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>

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

---

<u>Fiscal Year Ending</u>	<u>Property</u>	<u>Special Assessments</u>	<u>Total</u>
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
2021	5,125,205	-	5,125,205
Change 2012 - 2021	27.1%		

**THIS PAGE INTENTIONALLY LEFT BLANK**

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

---

<b>Fiscal Year Ended June 30,</b>	<b>Real Property</b>		<b>Personal Property*</b>	
	<b>Assessed</b>	<b>Estimated</b>	<b>Assessed</b>	<b>Estimated</b>
	<b>Value</b>	<b>Value</b>	<b>Value</b>	<b>Value</b>
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
2021	1,077,082,656	1,695,109,446	28,131,521	34,692,100

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

\* Includes mobile homes

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

---

<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>		
\$ 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
22,994,542	23,101,622	1,128,208,719	1,752,903,168	64.36	4.20

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

---

<b>Fiscal Year Ended June 30,</b>	<b>City of Dallas<sup>1</sup></b>	<b>City of Dallas<sup>2</sup></b>	<b>City of Dallas Total</b>	<b>Polk County</b>	<b>School District #2</b>
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
2021	4.20	-	4.20	2.11	6.20

---

<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>
\$ 0.87	\$ 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
0.88	0.08	0.05	0.29	0.05	0.06	13.89

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

Taxpayer	2021			2012		
	Assessed Value	Rank	% of Total City Taxable Assessed Value	Assessed Value	Rank	% of Total City Taxable Assessed Value
Dallas Mennonite Retirement Comm	\$ 13,581,680	1	1.12%	\$ -	-	-
Northwest Natural Gas	11,110,000	2	0.92%	6,135,000	3	0.76%
Greenway	9,123,970	3	0.75%	6,992,900	2	0.87%
Wal-Mart	7,969,570	4	0.66%	5,949,990	4	0.74%
Victoria Place General Partnership	7,590,180	5	0.63%	5,817,310	5	0.72%
Dallas Mennonite Ret Comm, Inc	6,735,510	6	0.56%	5,306,710	6	0.66%
Charter Communications	5,776,000	7	0.48%	3,311,000	7	0.41%
Pacificorp (PP&L)	5,280,000	8	0.44%	2,712,000	10	0.34%
ACI Real Estate SPE 131 LLC	4,634,490	9	0.38%	-	-	-
1351 Tandem Ave LLC Etal	4,505,110	10	0.37%	-	-	-
Safeway #404	-	-	-	3,020,700	8	0.38%
Lacreole Properties Inc	-	-	-	2,806,590	9	0.35%
Weyerhaeuser Company	-	-	-	12,664,841	1	1.57%
	<u>\$ 76,306,510</u>		<u>6.31%</u>	<u>\$ 54,717,041</u>		<u>6.80%</u>

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



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

---

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

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

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

GOVERNMENTAL ACTIVITIES:

<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>
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%	127.04
2020	16,555	1,067,047,707	3,397,321	0.0032	0.45%	205.21
2021	17,320	\$ 1,128,208,719	\$ 3,060,364	0.0027	NA	\$ 176.70

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>
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	1,067,047,707	7,243,578	0.0068	0.96%	437.55
2021	17,320	\$ 1,128,208,719	\$ 6,739,888	0.0060	NA	\$ 389.14

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						
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	1,067,047,707	10,640,899	0.0100	0.96%	642.76
2021	17,320	\$ 1,128,208,719	\$ 9,800,252	0.0087	NA	\$ 565.83

**CITY OF DALLAS, OREGON  
COMPUTATION OF DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
JUNE 30, 2021**

<b>Governmental Unit</b>	<b>Real market values of overlapping districts</b>	<b>Tax-supported debt outstanding<sup>1</sup></b>	<b>Percentage overlapping<sup>2</sup></b>	<b>Overlapping debt applicable to the City of Dallas</b>
Debt Repaid with Property Taxes				
Chemeketa Community College	\$ 66,116,112,315	\$ 48,120,992	2.85 %	\$ 1,369,090
Willamette ESD	72,625,646,147	7,075,261	2.59 %	183,256
Polk Cty SD 2 (Dallas)	2,851,718,219	6,199,280	65.96 %	4,089,219
Polk County	10,277,544,323	<u>13,970,000</u>	18.30 %	<u>2,556,887</u>
Subtotal, overlapping debt		75,365,533		8,198,452
<b>Direct debt outstanding:</b>				
<b>City of Dallas</b>	<u>1,881,072,323</u>	<u>3,060,364</u>	100.00 %	<u>3,060,364</u> <sup>1</sup>
<b>Total Direct and Overlapping Debt</b>	<u>\$ 1,881,072,323</u>	<u>\$ 78,425,897</u>		<u>\$ 11,258,816</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  
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	
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
2021	3,398,169	2,142,065	1,256,104	449,690	156,512	606,202	207.21

**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	
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
2021	3,888,777	2,164,843	1,723,934	54,000	19,390	73,390	2,349.00

**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>
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	45,660	755,901	4,416	42,051	4.45	3,720.2	6.6%
2021	17,320	NA	NA	NA	NA	4.45	3,892.1	4.2%

\*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>2021</b>			<b>2012</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	430	1	9.74%	290	2	5.98%
Dallas Public Schools	420	2	9.51%	323	1	6.66%
Dallas Retirement Village	280	3	6.34%	280	3	5.77%
Forest River	238	4	5.39%	200	4	4.12%
West Valley Hospital	214	5	4.85%	154	5	3.18%
Safeway Stores, Inc.	190	6	4.30%	128	7	2.64%
City of Dallas	151	7	3.42%	97	8	2.00%
Wal-Mart	150	8	3.40%	134	6	2.76%
Mak Metals	46	9	1.04%	-	-	-
Open Road Transport	46	10	1.04%	-	-	-
James W. Fowler Company	-	-	-	85	9	1.75%
	<u>2,165</u>		<u>49.03%</u>	<u>1,691</u>		<u>34.87%</u>

Source: Employers

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

---

<b>Function</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>	<b>2021</b>
General government	18	18	15	18	16	17	21	17	20	18
Public safety	26	23	23	25	25	29	28	33	35	33
Highways and streets	4	4	4	4	4	3	3	2	3	3
Culture and recreation	20	20	22	23	23	26	27	27	12	21
Sewage disposal	6	6	6	6	9	6	7	7	7	7
Water	5	5	5	5	3	4	7	9	9	7
Ambulance	18	19	19	17	19	18	16	16	16	16
<b>Total</b>	<b>97</b>	<b>95</b>	<b>93</b>	<b>98</b>	<b>99</b>	<b>103</b>	<b>109</b>	<b>111</b>	<b>102</b>	<b>105</b>

Source: City of Dallas



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

<b>Function</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>	<b>2021</b>
Police										
Arrests	927	1,035	993	1,114	1,064	1,108	1,336	1,200	802	443
Traffic violations	529	412	714	846	1,550	1,570	1,300	1,000	582	685
Municipal Court Cases	938	475	1,846	2,045	2,504	2,439	2,061	1,767	1,768	1,406
Fire Responses										
City	356	352	282	500	757	1,025	1,099	669	915	1,187
Rural*	332	322	321	480	610	641	578	459	-	-
*data no longer collected due to mutual aid agreements										
Ambulance										
Transports	1,811	1,949	2,045	2,297	2,378	2,466	2,468	2,486	2,674	2,859
Building Activity										
Permits Issued	108	147	191	194	242	214	642	715	638	700
Estimated Value (000's)	\$10,004	\$11,900	\$17,044	\$19,979	\$41,262	\$37,976	\$45,331	\$45,050	\$33,006	\$54,541
Planning Applications	43	73	108	118	175	136	118	112	110	117
Library										
Circulation	248,881	201,764	199,801	193,366	196,650	206,462	204,653	209,303	212,694	227,388
Miles of Streets Maintained	55.00	55.00	56.46	56.89	57.37	57.74	59.57	60.43	61.11	61.61
Water										
Connections	5,348	5,394	5,420	5,444	5,541	5,653	5,782	5,837	6,095	6,225
Sewer										
Connections	4,483	4,539	4,614	4,634	4,675	4,778	4,887	5,000	5,210	5,345

Source: City of Dallas

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

<b>Function</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>	<b>2021</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	4	4	4
Highways and streets										
Streets (miles)	59	59	59	60	60	60	61	61	62	63
Culture and recreation										
Number of parks	11	11	11	11	11	11	13	13	13	13
Acreage	80	80	99	99	99	99	106	106	107	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	486	488	490	505	559	568	575	582

Source: City of Dallas

## **AUDIT COMMENTS AND DISCLOSURES**

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

The Honorable Mayor and City Council  
City of Dallas, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Dallas, Oregon as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise City of Dallas, Oregon's basic financial statements, and have issued our report thereon dated January 10, 2022.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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



For Merina+Co  
Tualatin, Oregon  
January 10, 2022

**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 the City of Dallas, Oregon, as of and for the year ended June 30, 2021 and have issued our report thereon dated January 10, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the *Minimum Standards of Audits of Oregon Municipal Corporations*, prescribed by the Secretary of State and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Report on 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 162-10-0000 through 162-10-0330 of the *Minimum Standards for Audits of Oregon Municipal Corporations*, as set forth below, noncompliance with which could have a direct and material effect on the financial statements:

- 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.

Expenditures in the following funds exceeded appropriations for the year ended June 30, 2021:

<u>Fund</u>	<u>Budget Category</u>	<u>Amount</u>
Risk Management Fund	Risk Management	\$ 30,586
Building Inspections Fund	Building Inspections	\$ 38,882

Trust Fund	Aquatic Center	\$ 2.906
------------	----------------	----------

At June 30, 2021, the following funds had a deficit budgetary basis fund balance:

<u>Fund</u>	<u>Amount</u>
Grants Fund	\$ 67,501

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

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 the 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  
January 10, 2022