

CITY OF TROUTDALE OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2015

SUBMITTED BY
FINANCE DEPARTMENT

Erich Mueller

CITY OF TROUTDALE
TROUTDALE, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2015

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CITY OF TROUTDALE, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDING JUNE 30, 2015

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**INTRODUCTORY
SECTION**

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CITY OF TROUTDALE

"Gateway to the Columbia River Gorge"

December 22, 2015

TO THE HONORABLE MAYOR DOUG DAOUST, MEMBERS OF THE CITY COUNCIL, AND CITIZENS OF THE CITY OF TROUTDALE, OREGON

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Troutdale, Oregon for the fiscal year ended June 30, 2015. State law requires that every local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe the City's internal control structure adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City selected the accounting firm of Pauly, Rogers and Co., P.C. to conduct the independent financial audit. The auditor rendered an unqualified ("clean") opinion on the City of Troutdale financial statements for the year ended June 30, 2015. The independent auditor's report is located at the front of the Financial Section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

CITY PROFILE

The City of Troutdale is located in northwestern Oregon, in the eastern part of the Portland metropolitan area, in Multnomah County. It is comprised of approximately six square miles and has a population of 16,020.

Troutdale was incorporated in 1907 and operates under the provisions of its own charter adopted in 1994 and applicable State law. The City operates under the Council-Manager form of government. Policy making and legislative authority are vested in the City Council which consists of a Mayor and six Council members. The Mayor is elected to a four-year term; the Council members are elected at large by the citizens of Troutdale with each Councilor serving a four-year term. The City Council provides community leadership and develops policies to guide the City by setting goals, passing ordinances and adopting resolutions, appointing advisory committees, authorizing contracts, adopting budgets, and hiring the City Manager, City Attorney and City Judge.

The City Manager is the administrative head of the City responsible for carrying out the policies and ordinances of the Council, managing the day-to-day operations of the City and appointing department heads.

The City provides a full range of services as authorized in its charter and ordinances. This includes police protection, contract fire service, street construction and maintenance, water, sanitary and storm sewers, parks, land use planning and zoning, public improvements, building inspections, code enforcement, municipal court, recreation programs and general administrative services.

The City's annual budget is prepared in accordance with the provisions of Oregon Local Budget Law. The budgeting process includes citizen input through various stages of preparation, public hearings, and adoption of the final budget by the City Council. Additional resources not anticipated in the adopted budget may be added through the use of a supplemental budget. A supplemental budget requires hearings before the public, publication in newspapers, and formal adoption by the City Council. Original and supplemental budgets may be modified by the use of appropriation transfers with required approval by the City Council.

This annual budget serves as the foundation for the City of Troutdale's financial planning and control. Budgetary control is maintained and appropriated at the department or program level in the general operating fund and public services fund while all other funds are maintained and appropriated by major category of expense, such as personnel services, materials and services, capital outlay, debt service, and transfers. The operating contingency account is appropriated separately in each fund.

For additional statistics and information about the City of Troutdale please refer to the Statistical Section of this report.

ECONOMIC CONDITION AND OUTLOOK

The economy has generally maintained over the past year with an expected 2.5% GDP in 2015 following a 2.4% rate in 2014. The improvement in consumer sentiment provides some encouragement to the outlook. Corporate profits have maintained but growth has flattened since the 2014 banner year. Both home prices and unemployment have continued to improve, with auto sales, while export manufacturing is slowing due to emerging markets weakness.

The ongoing economic recovery has impacted the Portland metropolitan area with positive but modest job growth during the past year. Both construction activity and business tax collections continue to improve from the 2008 financial crisis levels.

The certified population of Troutdale was recently updated to reflect census results bring total residents to 16,020. Improvement in the new commercial construction from no activity in the prior year and a slight uptick in residential property activity both point to an improving real estate market. There is renewed interest in Troutdale Reynolds Industrial Park (TRIP) site, in addition to an expansion project to the successful FedEx facility. Building permit revenues for construction in Troutdale continued to recover from \$292,000 in the prior year to \$343,000, and the value of new residential property starts remained at about \$1.1million.

The City of Troutdale receives a portion of the business income tax collected by Multnomah County. The tax paid to the County equals 1.45% of net business revenues. The County shares 10% of the collections with the City of Troutdale, City of Gresham, City of Wood Village and City of Fairview. The tax is distributed based on population and assessed values. Troutdale received \$875,000 in the current year, an increase of \$85,000 or 11%, representing continuing recovery of businesses.

The City's location in the Portland metropolitan area provides citizens with many diverse employment opportunities. The unemployment rate for the Portland metropolitan area was 5.4% in June 2015, and has move down from 6.1% a year prior. The national average of 5.3% is slightly less than the Oregon State unemployment rate of 5.5%.

Troutdale has a diversified economic base. The City is home to one of the Port of Portland's three general aviation airports. The vibrancy of Troutdale is apparent with its easy access to the Port of Portland's international airport and Interstate 84 with two major travel center trucking stops, three motels, one hotel/resort and recreational vehicle park. Troutdale is home to light manufacturing, regional transportation trucking facilities, residential care facilities, factory outlet stores and state of the art shopping centers. A community college and major hospital facility border the south corporate boundary of Troutdale.

Troutdale's strategic location at the eastern edge of the Portland metropolitan area, the western gateway to the Columbia River Gorge National Scenic Area and the Sandy River Recreation Area, allows Troutdale to offer a combination of urban and rural lifestyles to its residents as well as attracting tourists and providing extensive services to commercial travelers.

The City faces longer term financial impact items which include City Hall replacement, capped property tax increases, increasing health care and retirement costs, and limited acreage for residential development.

See the Management's Discussion and Analysis (MD&A) section for additional discussion of economic factors affecting the City.

MAJOR FINANCIAL INITIATIVES

Urban Renewal Agency for the City of Troutdale – In January 2006 the City Council established the Urban Renewal Agency for the City of Troutdale (Agency). In May 2006 the Troutdale voters approved the Troutdale Riverfront Renewal Plan. The goal of the Agency is to fund public improvements and spur private development in the Troutdale Riverfront area. The goal of the district is to promote the optimum development of the site. The City owned land that housed the former sewage treatment plant is one specific property the City would like to see redeveloped. Anticipated development in the district includes a mix of retail, business, and residential housing. The City also plans to provide public improvements to the area including transportation access improvements, a riverfront park, public plaza, public parking and a pedestrian bridge to the Town Center area. The Agency budget appropriation was provided by the City during the 2015 fiscal year and was included as a component unit in the City's financial statements.

Contracted Law Enforcement Services – During the past year the City and the Multnomah County Sheriff's Office (MCSO) negotiated a ten year intergovernmental agreement (IGA) for the MCSO to provide police services in the City beginning in the coming Fiscal Year. The IGA provides for expanded law enforcement patrol supervision, expanded investigative expertise, additional service enhancements, while maintaining the city identity, providing expanding career opportunities for transferred police officers, and significantly lower cost than continuing a directly operated City police department. Excluding implementation costs, the first year estimated savings exceed \$1 million of reduced general fund costs. The IGA provides an annual cost escalation formula driven by the MCSO labor contract cost increases, limited to a bracket of 2% to 5% increase over the preceding year, beginning with FY 2016-17 through the 2025 expiration.

Police Department Building – On November 2, 2010 Troutdale voters decided it was a civic priority to construct the proposed Community Police Facility by approving \$7.5 million of dedicated property tax resources through a General Obligation Bond. In conjunction with the IGA for Law Enforcement Services with the MCSO the City also leased the Community Police Facility to Multnomah County beginning in the coming Fiscal Year. The MCSO will operate the Patrol Division from the City facility resulting in increased police presence in the City. The rental income net of landlord operational expense is planned to be applied to the annual bond payments and thereby reduce the necessary debt service levy upon City taxpayers.

Fire & Emergency Services – Fire protection in Troutdale has been provided through a ten year IGA with the City of Gresham which expired this reporting period. Prior to the 2005-2015 IGA Troutdale residents have paid significantly less than Gresham residents for fire services. This IGA was negotiated to narrow the cost disparity with significant fire services costs increases phased in during the first two years, followed by fixed percentage increases over the remaining eight years of the IGA term.

During the past year a negotiating committee of City Managers and elected officials proceeded to develop a successor IGA for the expiring agreement. The 2015-2025 IGA again narrows the per resident cost disparity with significant fire services costs increases phased in during the first two years, followed by fixed percentage increases over the remaining eight years of the IGA term. The first increase for FY 2015-16 totaling \$168,000 or 10%, followed by a second year increase of \$203,000 or 11% in FY 2016-17. The IGA provides an annual cost escalation formula which includes an average of CPI and labor cost increases, limited to a bracket of 2.5% to 4.5% increase over the preceding year, beginning with FY 2017-18 through the 2025 expiration.

City Hall Building – Addressing the structural and environmental safety issues of the City Hall building is the City's most pressing facility need. Beyond the several current structural issues, the facility lacks the necessary space for current and future needs. The current facility lacks adequate parking for citizens, contractors and staff, and adequate secure records storage space. The building was vacated with operations being distributed to several locations around the City. The City continues to review options for a longer term solution.

AWARDS AND ACKNOWLEDGMENTS

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 Troutdale for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 25th consecutive year that the City has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

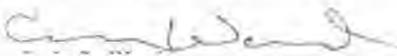
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report was a combined effort of the dedicated staff in the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. We also acknowledge the efforts of other departments who provided information that helped to make the report far more than a presentation of financial statements.

In closing, we acknowledge the City Council of Troutdale for their continued support and leadership.

Respectfully Submitted,



Craig R. Ward
City Manager



Erich R. Mueller
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Troutdale
Oregon**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

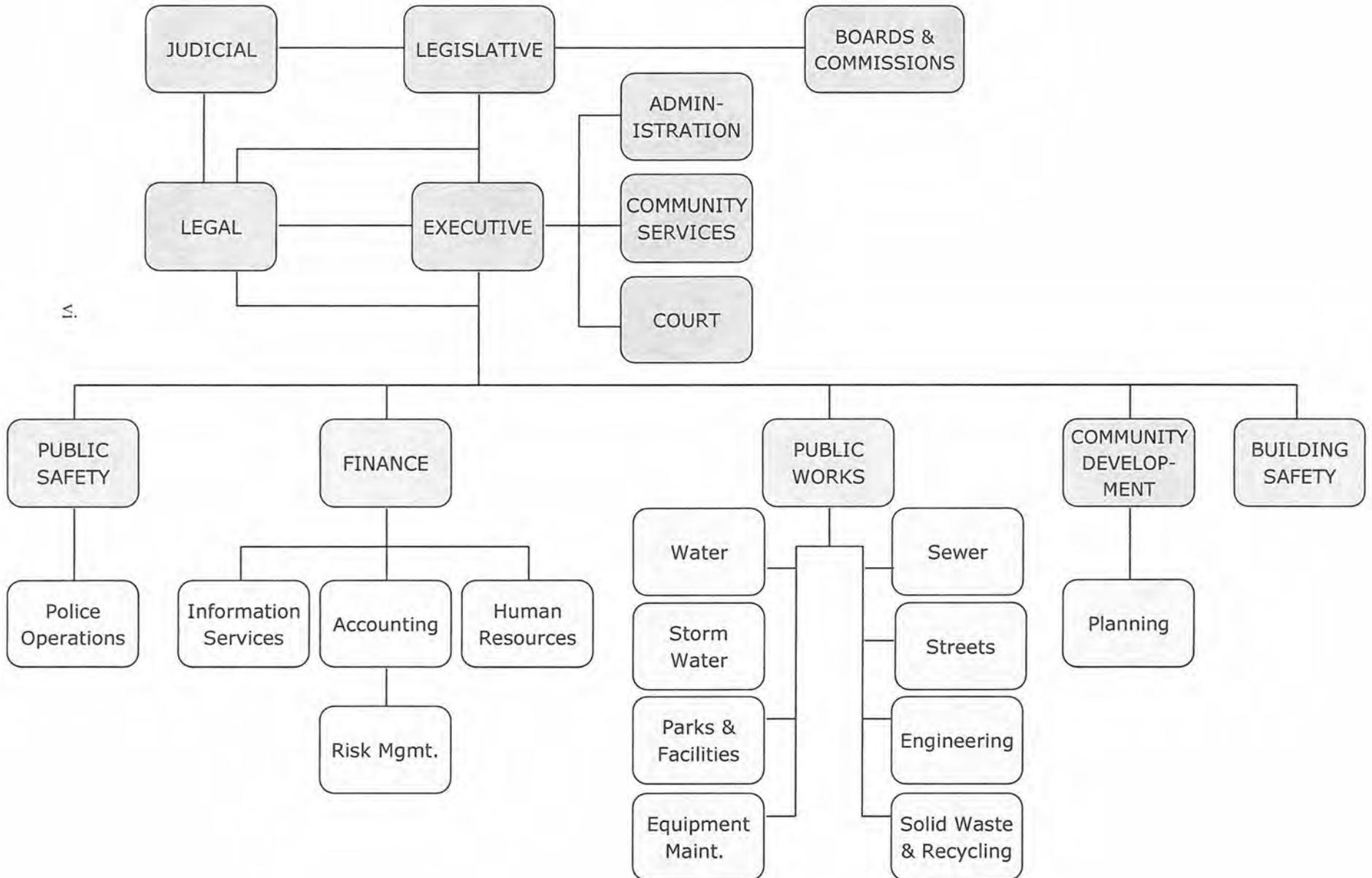
June 30, 2014

Executive Director/CEO

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City of Troutdale

Organization Chart by Function



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City of Troutdale, Oregon

PRINCIPAL OFFICIALS AS OF JUNE 30, 2015

ELECTED OFFICIALS:

Term Expires

MAYOR

Doug Daoust

December 31, 2016

COUNCIL MEMBERS

David Ripma

December 31, 2018

Eric Anderson

December 31, 2016

Larry Morgan

December 31, 2018

Glenn White

December 31, 2016

Rich Allen

December 31, 2018

John Wilson

December 31, 2016

APPOINTED OFFICIALS:

CITY MANAGER

Craig Ward

FINANCE DIRECTOR

Erich Mueller

LEGAL COUNSEL

Ed Trompke

All may be reached at:

219 E. Historic Columbia River Hwy
Troutdale, OR 97060-2078
(503) 665-5175

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**FINANCIAL
SECTION**

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

December 22, 2015

To the Honorable Mayor and
Members of the City Council
City of Troutdale, Oregon

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troutdale, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troutdale, as of June 30, 2015, and the respective changes in financial position and budgetary comparisons for the general fund and street fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

The City adopted the provisions of GASB 68 – Accounting and Financial Reporting for Pensions and GASB 71 – Pension Transition for Contributions Made Subsequent to the Measurement Date, for the year ended June 30, 2015. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary and other information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Report on Other Legal and Regulatory Requirements

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated December 22, 2015, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This narrative provides an overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. It focuses on the year's financial activities, significant changes in the City's financial position, budget changes and variances from the approved budget, as well as economic factors affecting the City. We encourage readers to consider the information presented here in conjunction with the additional information provided in the Letter of Transmittal and the Basic Financial Statements included in this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceed its liabilities at the close of the fiscal year by \$55.3 million (*net position*). Of this amount, \$6.2 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased \$0.8 million during the year. Due primarily from the GASB 68 restated beginning net position and somewhat offset by minimal investment in capital outlay and effective cost controls marginally higher than budgeted revenues.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$9.3 million, an increase of \$0.6 million due to reductions in budgeted expenditures. \$3.5 million of the ending fund balance is available to meet the City's ongoing obligations to citizens and creditors. (*unassigned fund balance*).
- At year-end, the unassigned fund balance for the General Fund was \$4.1 million or 45% of total general fund expenditures during the year. The limited change in the ending fund balance for the General Fund is attributable to decreased capital outlay and reductions in budgeted expenditures.
- The City's capital assets net of depreciation decreased by \$2.6 million due to limited capital outlay and routine depreciation and equipment disposals. Long-term debt decreased by \$1.4 million through scheduled debt payments.

OVERVIEW OF FINANCIAL STATEMENTS

The City's annual financial report consists of several sections. Taken together they provide a comprehensive financial look at the City. The components of the report include the following:

- **Management's Discussion and Analysis (MD&A).** This section of the report provides financial highlights, overview and economic factors affecting the City. The MD&A is intended to explain the significant changes in financial position and differences in operations between the current and prior years.
- **Basic Financial Statements.** This section consists of government-wide financial statements, fund financial statements and notes to the financial statements. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities are principally supported

by taxes and intergovernmental revenues while business-type activities recover all or a significant portion of their costs through user fees and charges. Governmental activities include basic services such as public safety, transportation, community development and general government. Business-type activities are water, sewer, storm sewer, and public services. The government-wide statements include the Statement of Net Position and the Statement of Activities.

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.
 - The Statement of Activities focuses on gross and net costs of city programs and the extent to which such programs rely upon general tax and other revenues. This Statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
 - Fund financial statements focus separately on major government funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds". Budgetary comparison statements are presented for the General Fund and the Street Fund (the sole major special revenue fund). Statements for the City's proprietary funds follow the governmental funds and include net position, revenues, expenses and changes in fund net position, and cash flow.
 - The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.
- **Supplementary Information.** This section includes combining statements for non-major governmental funds and budgetary comparison schedules.
- Combining Statements. Major funds are included within the Basic Financial Statements, whereas non-major funds are presented here. These statements include balance sheets and statements of revenues, expenditures and changes in fund balances.
 - Budgetary Comparisons. Budgetary information for all funds, except the General Fund and Street Fund, which are presented within the Basic Financial Statements, are presented here.
 - Capital Assets and Other Financial Schedules complete the Financial Section of the report.
- **Statistical Section.** Trend information and demographics.
- **Reports by Independent Certified Public Accountants.** Supplemental communication on city compliance and internal controls as required by Oregon statutes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Table 1 provides a summary of net position at fiscal year-end and is a condensed version of the statement of net position.

Table 1
City of Troutdale, Oregon
Summary of Net Position
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Cash and investments	\$ 9.5	\$ 8.6	\$ 5.6	\$ 5.4	\$ 15.1	\$ 14.0
Other assets	2.0	0.9	0.9	0.5	2.9	1.4
Capital assets	18.4	19.7	33.4	34.7	51.8	54.4
Total assets	<u>29.9</u>	<u>29.2</u>	<u>39.9</u>	<u>40.6</u>	<u>69.8</u>	<u>69.8</u>
Other liabilities	1.5	1.3	1.3	1.3	2.8	2.6
Long-term debt outstanding	7.3	7.7	2.4	3.5	9.7	11.2
Total liabilities	<u>8.7</u>	<u>8.9</u>	<u>3.7</u>	<u>4.8</u>	<u>12.4</u>	<u>13.7</u>
Deferred Inflow s of Resources	1.5	-	0.5	-	2.0	-
Net Position:						
Net investment in capital assets	11.0	11.7	29.9	30.0	40.9	41.7
Restricted	5.8	5.5	2.4	2.3	8.2	7.8
Unrestricted	2.8	3.1	3.4	3.5	6.2	6.6
Total net position	<u>\$ 19.6</u>	<u>\$ 20.2</u>	<u>\$ 35.7</u>	<u>\$ 35.8</u>	<u>\$ 55.3</u>	<u>\$ 56.1</u>

(Note: Prior year was not restated for GASB 68 as the information was not available.)

The City's assets exceeded liabilities by \$55.3 million at the close of the fiscal year, a \$0.8 million decrease from the prior year, primarily due to the GASB 68 restatement for the significant net pension liability which was somewhat offset by the delay in many capital projects and cautious budget expenditures. The majority of the City's net position reflect investment in capital assets (e.g., land, buildings, equipment and infrastructure) less any related outstanding debt used to acquire those assets. Net position invested in capital are non-liquid assets that cannot be used to meet current operating cash flow needs of the City. Investments include buildings and equipment used to provide city services and infrastructure benefiting the community, including roads, curbs and sidewalks, and water, sewer and waste water systems.

Restricted net position are subject to external restrictions on how they may be used. These restricted net position include system development charges (SDC) collected from developers to pay the cost of infrastructure expansion as needed to meet the demands of population growth, and taxes and other collections limited to repayment of debt. The modest increase in construction activity has generated SDC fees increasing restricted net position.

The remainder of the net position, referred to as unrestricted, may be used to meet the ongoing obligations of the government to citizens and creditors.

Statement of Activities

Table 2 provides a summary of the primary sources and uses and the resulting change in net position for the City. The information is condensed from the statement of activities.

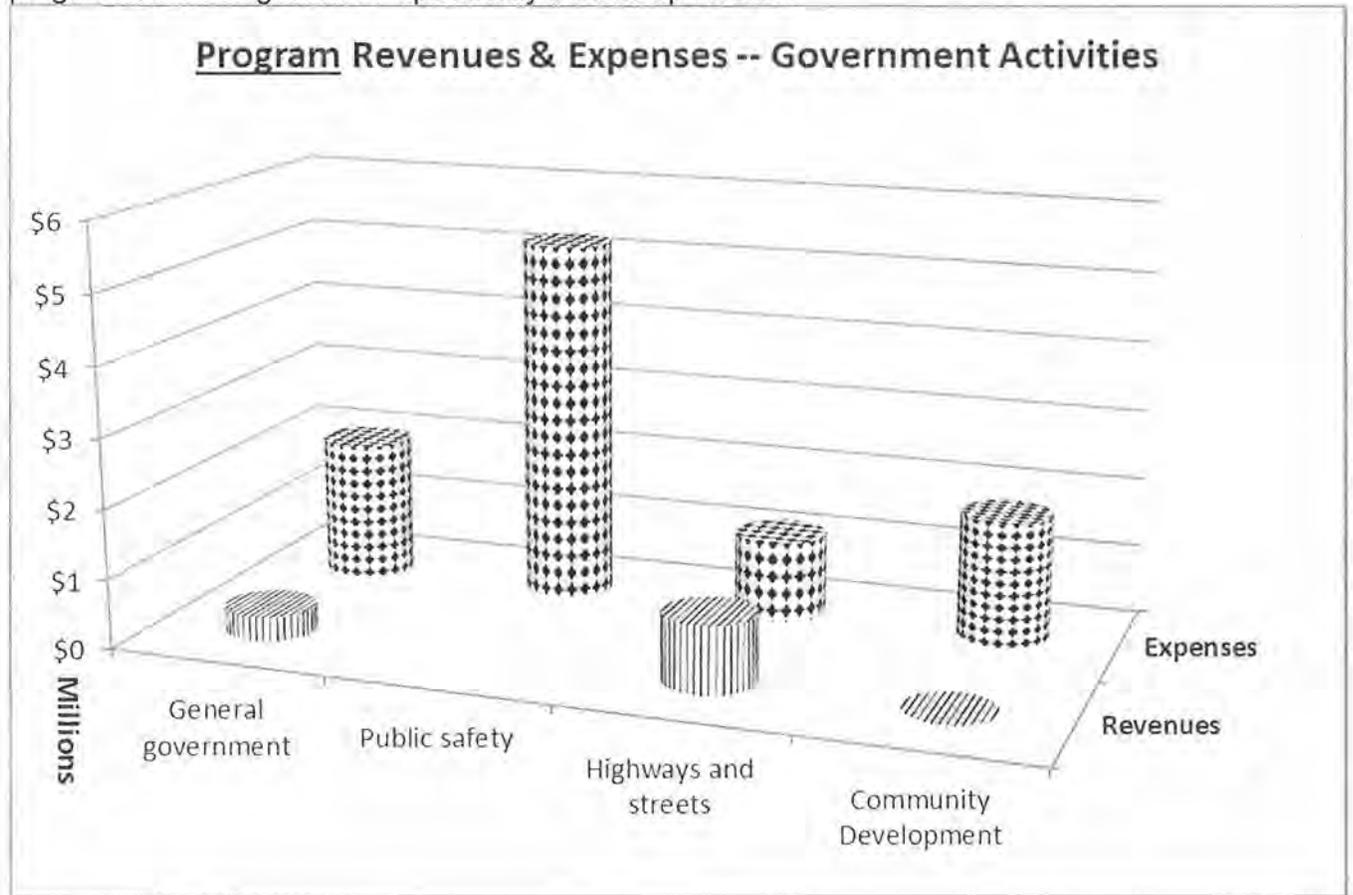
**Table 2
City of Troutdale, Oregon
Summary of Changes in Net Position
(in millions)**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 0.3	\$ 0.3	\$ 5.4	\$ 5.2	\$ 5.8	\$ 5.6
Operating grants and contributions	1.0	0.9	-	-	1.0	0.9
Capital grants and contributions	0.0	0.1	0.0	4.2	0.1	4.2
General revenues:						
Property taxes	4.9	4.4	1.4	1.5	6.3	5.8
Franchise and other taxes	2.4	2.2	-	-	2.4	2.2
Other receipts	2.8	2.8	0.1	0.1	2.9	2.9
Total revenues	<u>11.3</u>	<u>10.7</u>	<u>7.0</u>	<u>11.0</u>	<u>18.3</u>	<u>21.6</u>
Expenses:						
General government	2.0	1.9	-	-	2.0	1.9
Public safety	5.2	5.4	-	-	5.2	5.4
Highways and streets	1.2	1.4	-	-	1.2	1.4
Solid waste/recycling	0.0	0.0	-	-	0.0	0.0
Community development	1.8	1.8	-	-	1.8	1.8
Interest on long-term debt	0.0	0.0	-	-	0.0	0.0
Water	-	-	1.7	1.9	1.7	1.9
Sewer	-	-	3.1	3.3	3.1	3.3
Storm sewer	-	-	0.6	0.5	0.6	0.5
Public services	-	-	1.1	1.1	1.1	1.1
Total expenses	<u>10.2</u>	<u>10.5</u>	<u>6.5</u>	<u>6.8</u>	<u>16.7</u>	<u>17.2</u>
Increase (decrease) in net position	1.1	0.2	0.5	4.2	1.6	4.4
Net position, beginning	18.5	20.1	35.2	31.6	53.8	51.7
Net position, ending	<u>\$ 19.7</u>	<u>\$ 20.3</u>	<u>\$ 35.7</u>	<u>\$ 35.8</u>	<u>\$ 55.3</u>	<u>\$ 56.1</u>

(Note: Prior year was not restated for GASB 68 as the information was not available.)

During the fiscal year, the City's total net position decreased by \$0.8 million. Business Type activities decreased \$0.1 million and the Governmental activities \$0.7 million decrease.

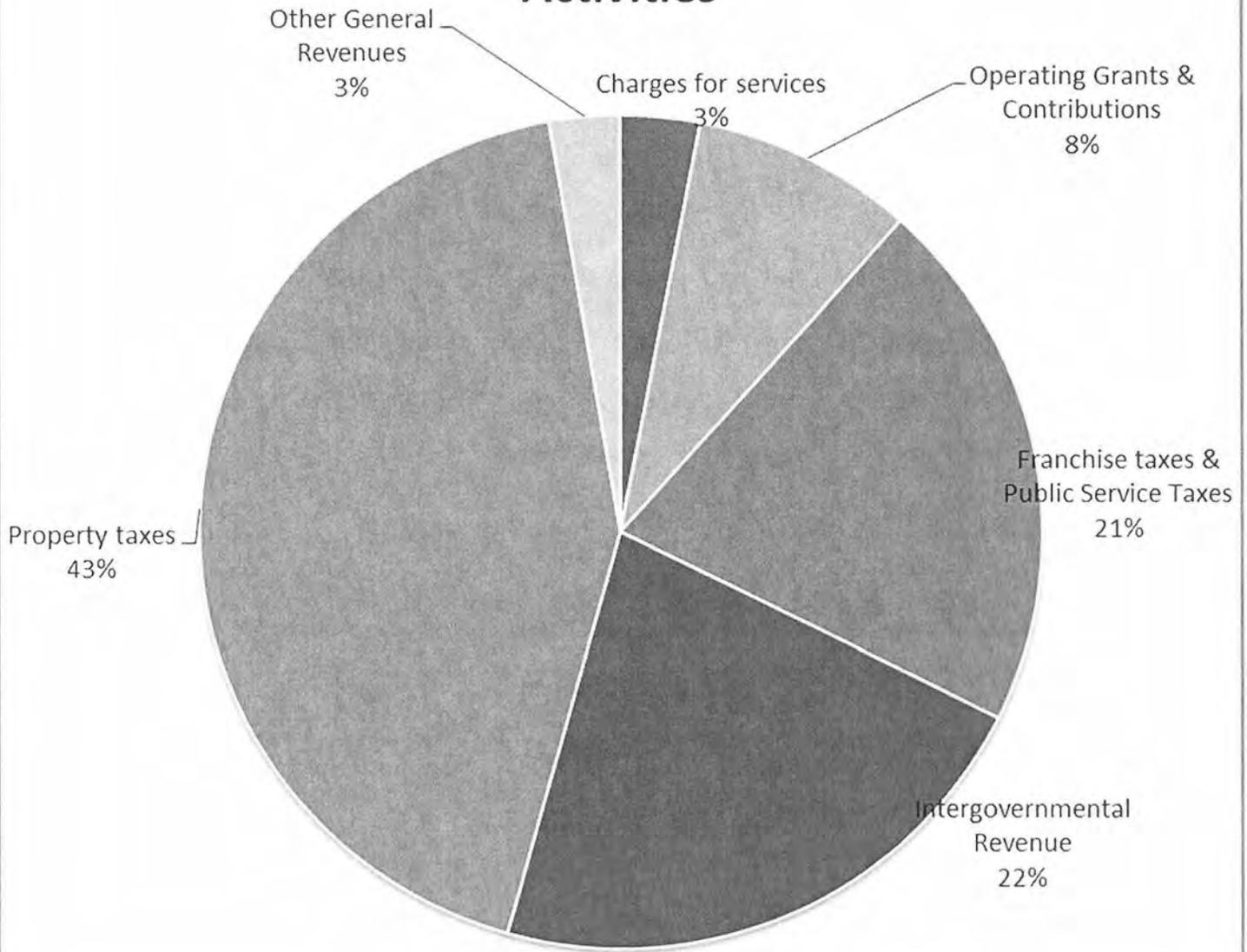
The following graph shows the expenses of each governmental function compared to the program revenues generated specifically from its operations.



General government support services (administration, legal, human resources, financial, and computer information services) generate some revenues but are primarily funded from charges to the direct operating functions they support. The public safety function (police, fire and emergency services) generates program revenues as well, but property taxes and other General Fund revenues fund the majority of its costs. The highways and streets program is responsible for maintenance and construction of transportation systems, with funding provided by gas tax revenues. Community development services include building permit, planning and zoning, parks maintenance, and facilities maintenance functions. The building permit program covers total service costs with user permit fees. The planning and zoning and parks and facilities maintenance functions cover some program costs with user fees, but property taxes and other General Fund revenues fund the majority of their costs.

The graph below is a visual representation of the various sources of revenues used to support governmental activities.

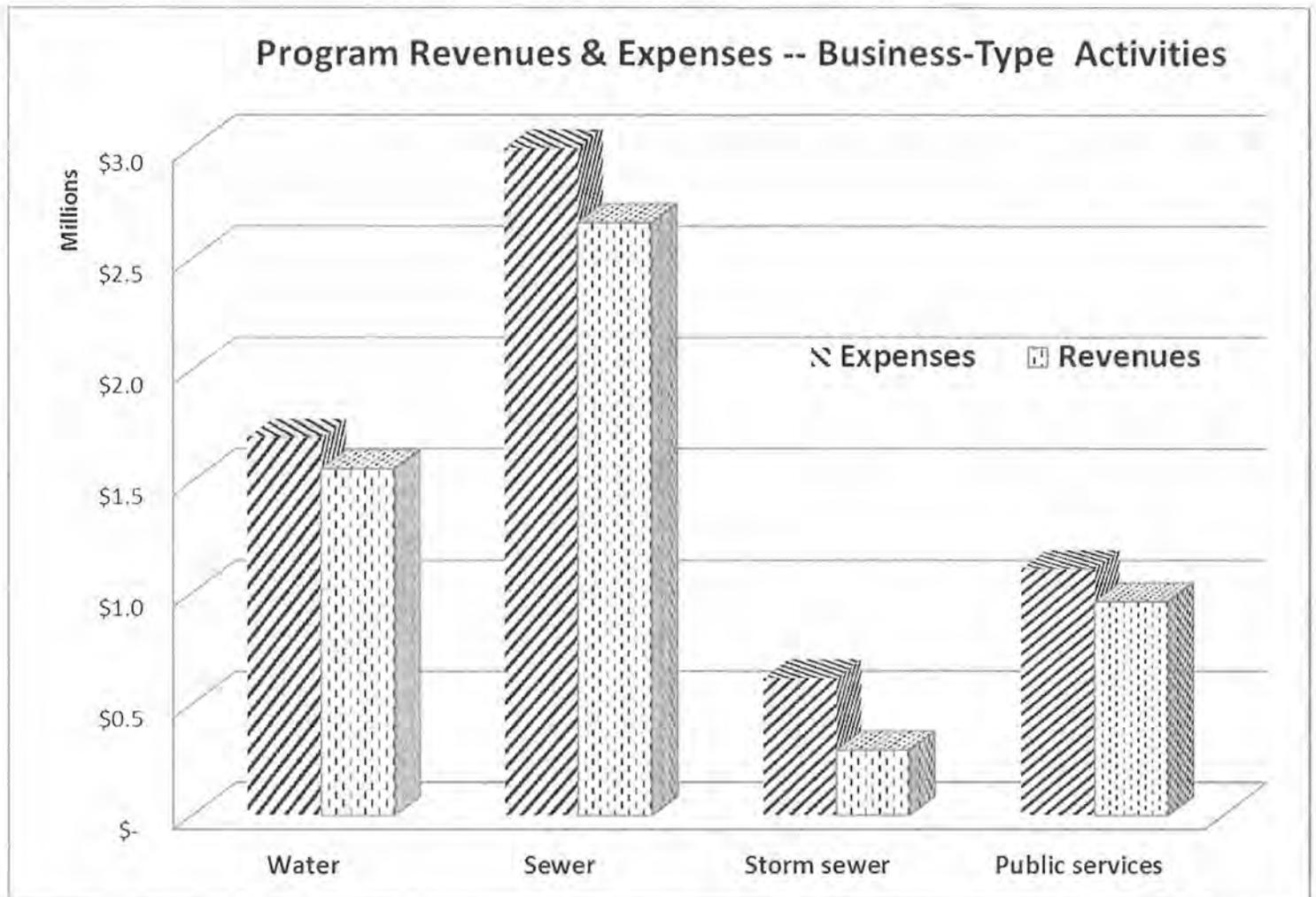
Revenues by Source -- Governmental Activities



Governmental revenues modestly increased from the prior year. The majority of governmental revenues (86%) include property taxes, franchise fees and intergovernmental revenues. 3% of revenues are from user fees and charges for services, with 8% from operating and capital grants and 3% other revenues. The increase in governmental revenues from the economic recovery reflected in County Business Income Tax receipts and State Shared Revenues.

Governmental program expenses decreased by \$0.3 million compared to the prior year. The increase in governmental expenses is attributable to Streets maintenance weather impact delays and marginal cost changes in public safety for police compensation and the fire protection contract.

Business-type activities provided a \$0.5 million increase to the City's total net position. The following graph shows the program revenues and expenses generated by each business-type function.



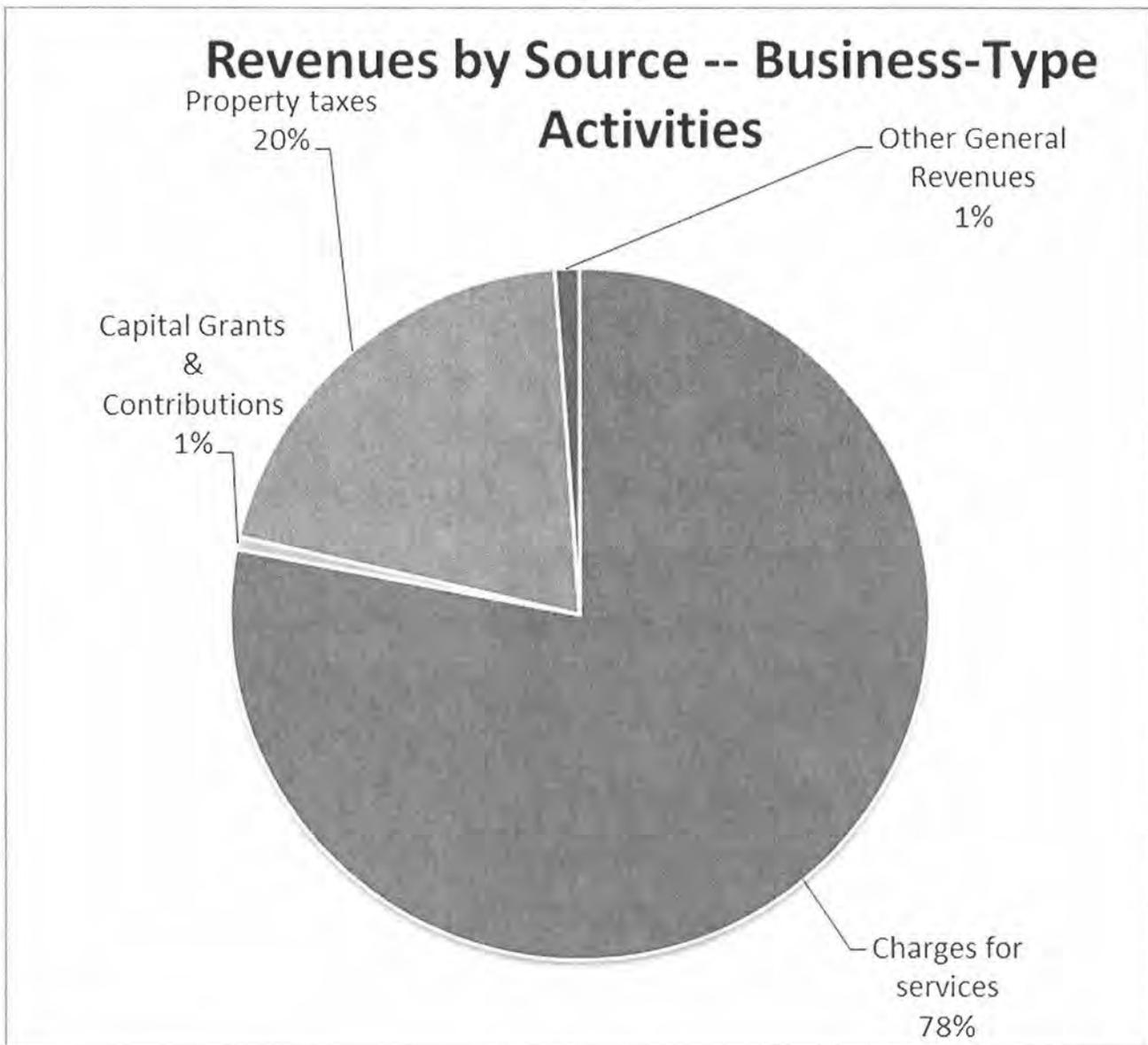
The primary source of revenue for the City operated water, sewer, and storm sewer utilities are customer user fees. Public services (Public Works management and equipment maintenance services) generate some revenues but are primarily funded from charges to the direct utility operating functions they support. Expenses in excess of program revenues represents the decrease in net position discussed above.

Total revenues decreased \$0.3 million over the prior year due to weather impact upon consumption levels, and the impact of a modest increase of the user rates for water, sewer and storm water systems, and property taxes. The City collected less than \$0.1 million in utility

systems development charges, down from the prior year FedEx sorting center parking area expansion. Charges collected for system development impact are used to pay the costs of infrastructure expansion as needed to meet the demands of population growth, including debt service on financed infrastructure construction. In prior years there had been a significant increase in these collections, which was reflected in the increase in residential development in the City. Residential development slowed down dramatically in FY 2007 and has remained at a subdued level which resulted in a low level of systems development charge collections.

City utility user fees for water, sewer and storm services decreased by \$0.3 million or 4.4% compared to the prior year. This reflects the user rate increase somewhat offset by a decrease in consumption from both economic and weather conditions.

The graph below is a visual representation of the various sources of revenues used to support business-type activities.



The majority of business-type activities revenues are generated from user fees and SDC fees from private developers.

Business-type program expenses increased by \$0.1 million or 1% compared to the prior year, primarily due to repair and maintenance projects in both the Water and Storm Sewer Management activities.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Fund balances totaled \$45 million at June 30, 2015. A summary of fund balances follows:

Table 3
City of Troutdale, Oregon
Fund Balances

	June 30, 2015	restated June 30, 2014	Change
General Fund	\$ 4,078,457	\$ 3,704,929	\$ 373,528
Street Fund	1,310,305	1,123,819	186,486
Other Governmental	3,972,032	3,885,002	87,030
Water	9,446,997	9,581,421	(134,424)
Sewer	18,744,109	17,698,862	1,045,247
Storm Sewer	7,318,045	7,631,542	(313,497)
Public Services	156,715	303,182	(146,467)
Total	<u>\$ 45,026,660</u>	<u>\$ 43,928,757</u>	<u>\$ 1,097,903</u>

The general fund balance increased \$0.4 million effective cost controls marginally higher than budgeted revenues. The Street Fund deferred maintenance continued coupled with construction weather delays resulted in a temporary balance increase. The voters approved a staged local fuel tax which is expected to bring additional revenue to fund to partially slow the continual maintenance costs in excess of revenue growth in the fund. The Public Services fund experienced the planned spend down of accumulated fund balance.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budgetary statement for the General Fund shows the original budget, final budget and actual revenues, expenditures and transfers in and out for the fiscal year. Differences between the original and amended budget were not significant. The City Council approved a resolution for the transfer of General Fund contingency appropriation authority totaling \$499,000 to various departments within the General Fund. The changes are summarized as follows:

- \$140,000 loan to the Urban Renewal Agency to cover expenditures for expenses associated with the ongoing brown field testing and analysis and professional consulting services

- \$220,000 budget contingency transfer to the Police budget to cover the overtime expenses.
- \$65,000 for legal counsel on environmental liability associated with the development process of Phase 2 of the Troutdale Reynolds Industrial Park, (TRIP site) and other legal matters and services.
- \$74,000 to provide for additional personnel expenses for Family and Medical Leave (FMLA) coverage, public artwork acquisition, file server and firewall replacements, and various other unanticipated and necessary additional expenses.
- \$22,000 budget contingency transfers to provide for unanticipated and necessary additional expenses in the Code Specialties Fund for increased permit volume in Building, Electrical and Plumbing Divisions.
- \$70,000 budget contingency transfers to provide for necessary additional expenses in the Streets Fund associated with the multi-phase street maintenance public engagement and education communications program.

Actual revenues for the year were greater than budgeted amounts by \$184,000 due primarily to greater than budgeted intergovernmental revenue. The beginning fund balance in the General Fund was \$294,000 greater than budgeted.

On the expenditure side, operations for all departments were under budget by \$865,000. Again the recession impacted development activity with budgeted spending being deferred. The other major expenditure reductions related to building improvements and other deferred capital outlays, which when combined with controlled spending across all departments, accounted for the overall reduction. Factoring out contingency budget expenditures came in 5.4% under original budget amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the City had \$51.8 million (net of accumulated depreciation) invested in capital assets, as reflected in Table 4. More detailed information can be found in the notes to the financial statements.

Capital Assets
(Net of Depreciation)
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 3.5	\$ 3.5	\$ 1.8	\$ 1.8	\$ 5.2	\$ 5.3
Intangible assets	0.0	-	0.0	-	0.0	-
Buildings & improvements	8.3	8.5	1.5	1.6	9.8	10.1
Land improvements	1.7	2.0	0.1	0.1	1.8	2.1
Equipment	0.4	0.8	0.3	0.4	0.7	1.2
Infrastructure	4.4	4.6	29.7	30.8	34.1	35.4
Work in Progress	0.1	0.3	-	-	0.1	0.3
Total	<u>\$ 18.4</u>	<u>\$ 19.7</u>	<u>\$ 33.4</u>	<u>\$ 34.7</u>	<u>\$ 51.8</u>	<u>\$ 54.4</u>

Assets for governmental activities decreased by \$1.3 million resulting from the annual recorded depreciation and the demolition of the old police station.

Assets for business-type activities decreased by \$1.3 million net of depreciation resulting from the routine annual recorded depreciation and no significant developer constructed and donated public improvement projects.

Additional information on the City's capital assets can be found in the Capital Assets Section of the Notes to the Basic Financial Statements.

DEBT OUTSTANDING

Debt outstanding at year-end is summarized in Table 5. As of year-end, the City had \$10.8 million in bonds and notes outstanding. Of that amount, \$1.9 million is due within one year. Total long-term debt decreased from \$1.4 million scheduled principal debt service payments. More detailed information can be found in the notes to the financial statements.

Table 5
City of Troutdale, Oregon
Outstanding Debt
(in millions)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
C.O.P. Building Loan	\$ 0.4	\$ 0.5	\$ -	\$ -	\$ 0.4	\$ 0.5
General obligation bond WPCF	-	-	3.5	4.6	3.5	4.6
General obligation bond PD	6.9	7.1	-	-	6.9	7.1
Lease payable	-	-	-	-	-	-
Total	<u>\$ 7.3</u>	<u>\$ 7.6</u>	<u>\$ 3.5</u>	<u>\$ 4.6</u>	<u>\$ 10.8</u>	<u>\$ 12.2</u>

Moody's Investors Service has rated the City's general obligation bonds as Aa2. Other debt of the City has not been rated.

For more detailed information on the City's debt and amortization terms refer to the Long-Term Debt Section of the Notes to the Basic Financial Statements.

ECONOMIC FACTORS AND RATES

- The State's property tax regulations set permanent rates and limited growth in existing property values to a maximum of three percent per year. The assessed values for new residential and commercial construction are also adjusted to reflect the growth limitations so they receive the same tax benefit as existing properties. Troutdale's permanent tax rate is \$3.7652 per \$1,000 of tax-assessed value.
- For past few years the City had been experiencing a slowing rate of growth in property taxes, and in Fiscal Year 2013-2014 the assessed value actually decreased 0.88% from the prior year. This reporting period property values rebounded resulting in a 3.6% increase. The coming Fiscal Year 2015-2016 increased 2.6% with approximately \$117,000 of property tax revenue increase over the prior year.
- The financial markets and credit crisis resulted in substantial declines in the PERS investment portfolio during 2008 of approximately 28% loss in asset value. Under current legislation, employer contribution rates are set every two years, changing July 1 of the odd numbered year. Employer rates for this reporting period were based on the system's valuation as of December 31, 2013, and reflect the changes from the Legislature's Special Session. The Special Legislative Session actions of 2013 which reduced employer costs were ruled unconstitutional by the State Supreme Court in April 2015. Substantially higher employer rates will begin in July 1, 2017.
- The City provides fire and emergency services to its citizens through an Intergovernmental Agreement (IGA) with the City of Gresham which expired this reporting period. A new 10 year IGA was negotiated which provides for a significant cost increase phased in during the first two years, followed by an annual cost escalation formula which includes an average of CPI and labor cost increases, limited to a bracket of 2.5% to 4.5% increase over the preceding year, beginning with third year through the expiration.
- The Street Fund financial forecast indicates a declining fund balance even at a minimal preservation and maintenance level. To fund the department recommended maintenance cycle, and meet the City's goal of 100% good or better street rating in ten years, an additional \$430,000 is required annually. The City referred a local gas tax ballot measure to the voters, who subsequent to the reporting period, approved the measure. The new tax will phase in over three calendar years beginning with 2016. The actual revenue once fully implemented will narrow the funding gap for necessary street maintenance.

Additional information about the operating issues discussed above can be found in the Letter of Transmittal under the heading, "Economic Condition and Outlook".

REQUESTS FOR INFORMATION

The City's financial statements are designed to provide 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. If you have questions about the report or need additional financial information, please contact the City's Finance Director at City Hall, 219 E. Historic Columbia River Hwy, Troutdale, Oregon 97060-2078.

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**BASIC
FINANCIAL
STATEMENTS**

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CITY OF TROUTDALE, OREGON

Statement of Net Position

June 30, 2015

	<u>Governmental</u> <u>Activities</u>	<u>Business-Type</u> <u>Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 5,440,449	\$ 3,226,039	\$ 8,666,488
Accounts receivable, net	683,843	524,836	1,208,679
Property taxes receivable	300,190	88,175	388,365
Prepaid expenses	4,050	-	4,050
Inventories	12,893	30,124	43,017
Restricted cash and investments	4,098,472	2,374,868	6,473,340
Net Pension Asset	905,873	318,889	1,224,762
Capital assets:			
Nondepreciable	3,577,553	1,784,894	5,362,447
Depreciable, net	14,833,631	31,600,694	46,434,325
Total assets	<u>29,856,954</u>	<u>39,948,519</u>	<u>69,805,473</u>
LIABILITIES			
Accounts payable	552,717	181,166	733,883
Accrued payroll	334,854	-	334,854
Accrued compensated absences - current	33,873	11,267	45,140
Deposits	4,100	1,261	5,361
Interest payable	23,318	11,588	34,906
Unearned revenue	3,500	-	3,500
Noncurrent liabilities:			
<i>Due within one year</i>			
Current portion of long-term debt	406,001	1,135,000	1,541,001
<i>Due in more than one year</i>			
Accrued compensated absences - long term	107,265	45,070	152,335
Noncurrent portion of long-term debt	7,266,164	2,377,559	9,643,723
Total liabilities	<u>8,731,792</u>	<u>3,762,911</u>	<u>12,494,703</u>
DEFERRED INFLOWS OF RESOURCES			
Net deferred pension asset	<u>1,476,444</u>	<u>519,742</u>	<u>1,996,186</u>
NET POSITION			
Net investment in capital assets	10,979,510	29,873,029	40,852,539
Restricted			
Capital Projects	5,241,478	2,374,868	7,616,346
Debt Service	652,205	-	652,205
Unrestricted	2,775,525	3,417,969	6,193,494
Total net position	<u>\$ 19,648,718</u>	<u>\$ 35,665,866</u>	<u>\$ 55,314,584</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON
Statement of Activities
For the Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 2,016,349	\$ 347,099	\$ -	\$ -	\$ (1,669,250)	\$ -	\$ (1,669,250)
Public safety	5,235,720	-	-	-	(5,235,720)	-	(5,235,720)
Highway and Streets	1,166,959	47	950,585	12,963	(203,364)	-	(203,364)
Solid waste/recycling	13,375	-	-	-	(13,375)	-	(13,375)
Community development	1,780,461	-	-	2,500	(1,777,961)	-	(1,777,961)
Interest on long-term debt	15,454	-	-	-	(15,454)	-	(15,454)
Total governmental activities	<u>10,228,318</u>	<u>347,146</u>	<u>950,585</u>	<u>15,463</u>	<u>(8,915,124)</u>	<u>-</u>	<u>(8,915,124)</u>
Business-type activities:							
Water	1,696,706	1,546,851	-	8,474	-	(141,381)	(141,381)
Sewer	3,087,108	2,650,379	-	13,350	-	(423,379)	(423,379)
Storm sewer	614,969	271,915	-	19,104	-	(323,950)	(323,950)
Public services	<u>1,108,024</u>	<u>959,730</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(148,294)</u>	<u>(148,294)</u>
Total business type activities	<u>6,506,807</u>	<u>5,428,875</u>	<u>-</u>	<u>40,928</u>	<u>-</u>	<u>(1,037,004)</u>	<u>(1,037,004)</u>
Total government	<u>\$ 16,735,125</u>	<u>\$ 5,776,021</u>	<u>\$ 950,585</u>	<u>\$ 56,391</u>	<u>(8,915,124)</u>	<u>(1,037,004)</u>	<u>(9,952,128)</u>
General revenues:							
Taxes							
Property taxes					4,862,600	1,409,806	6,272,406
Franchise taxes					1,319,304	-	1,319,304
Public service taxes					1,037,776	-	1,037,776
Interest and investment earnings					47,516	30,100	77,616
Other revenues					2,759,620	47,957	2,807,577
Total general revenues and transfers					<u>10,026,816</u>	<u>1,487,863</u>	<u>11,514,679</u>
Change in net position					1,111,692	450,859	1,562,551
Net position - beginning					18,537,026	35,215,007	53,752,033
Net position - ending					<u>\$ 19,648,718</u>	<u>\$ 35,665,866</u>	<u>\$ 55,314,584</u>

The notes to the financial statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

Major Governmental Funds

General Fund

This fund accounts for the financial operations of the City which are not accounted for in any other fund. Principal sources of revenues are property taxes, state shared revenues, franchise fees and recovered expenditures. Primary expenditures in the general fund are made for police protection, community development, and general development.

Street Fund

This fund accounts for revenues from gasoline tax apportionments from the State of Oregon that are used for the repair and maintenance associated with streets.

URA Riverfront Development Fund

This fund accounts for the operations of the urban renewal agency. Primary resources are property taxes.

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CITY OF TROUTDALE, OREGON
Governmental Funds
Balance Sheet
June 30, 2015

	General Fund	Street Fund	URA Riverfront Development	Other Governmental	Total Governmental
ASSETS					
Cash and investments	\$ 3,929,254	\$ 1,316,176	\$ -	\$ 4,293,491	\$ 9,538,921
Accounts receivable	596,803	85,233	-	1,807	683,843
Property taxes receivable	291,537	-	-	8,653	300,190
Prepaid items	4,050	-	-	-	4,050
Interfund loan	250,000	-	-	223,000	473,000
Inventory	634	12,259	-	-	12,893
Due from	-	-	-	303,253	303,253
Total assets	\$ 5,072,278	\$ 1,413,668	\$ -	\$ 4,830,204	\$ 11,316,150
LIABILITIES					
Accounts payable	\$ 246,692	\$ 103,363	\$ 17,414	\$ 185,248	\$ 552,717
Payroll liabilities	334,854	-	-	-	334,854
Deposits	-	-	-	4,100	4,100
Unearned Revenue	3,500	-	-	-	3,500
Interfund loan	133,000	-	250,000	90,000	473,000
Due to	-	-	303,253	-	303,253
Total liabilities	718,046	103,363	570,667	279,348	1,671,424
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Taxes	275,775	-	-	8,157	283,932
FUND BALANCES					
Nonspendable	4,684	12,259	-	-	16,943
Restricted	-	1,298,046	-	4,595,637	5,893,683
Unassigned	4,073,773	-	(570,667)	(52,938)	3,450,168
Total fund balances	4,078,457	1,310,305	(570,667)	4,542,699	9,360,794
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,072,278	\$ 1,413,668	\$ -	\$ 4,830,204	\$ 11,316,150

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	18,411,184
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:	
Property taxes earned but unavailable	283,932
Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(141,138)
The net pension asset (liability) and deferred inflows and outflows related to the net pension asset is the difference between the total pension liability and assets set aside to pay benefits earned to past and current employees and beneficiaries	
Net pension asset	905,873
Net deferred pension asset - deferred inflow	(1,476,444)
All long term liabilities are reported in the Statement of Net Position whereas in governmental funds, long term liabilities are not due and payable in the current period and are not reported	
Interest payable	(23,318)
Bond payable	(6,915,000)
Capital lease payable	(61,144)
Loan payable	(403,000)
Post-closure cost care	(240,491)
Bond premium	(52,530)
Net Position of Governmental Activities	\$ 19,648,718

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015

	<u>General Fund</u>	<u>Street Fund</u>	<u>URA Riverfront Development</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
REVENUES					
Intergovernmental	\$ 1,404,270	\$ 941,334	\$ 143,419	\$ 9,251	\$ 2,498,274
Charges for services	298,384	47	-	15,463	313,894
Property taxes	4,665,212	-	-	178,303	4,843,515
Franchise	1,127,819	-	-	191,485	1,319,304
Licenses and permits	48,715	-	-	353,221	401,936
Fines and forfeitures	295,888	-	-	-	295,888
Interest	20,044	6,863	-	20,609	47,516
Miscellaneous	929,993	-	-	34,764	964,757
Hotel/motel transient tax	577,726	-	-	-	577,726
Solid waste tax	58,114	-	-	-	58,114
Total revenues	<u>9,426,165</u>	<u>948,244</u>	<u>143,419</u>	<u>803,096</u>	<u>11,320,924</u>
EXPENDITURES					
Current:					
General government	2,182,269	-	-	-	2,182,269
Public safety	5,677,030	-	-	-	5,677,030
Highway and Streets	-	732,538	-	-	732,538
Solid waste/recycling	15,114	-	-	-	15,114
Community development	1,036,224	-	226,250	355,058	1,617,532
Capital outlay	-	29,220	10,855	267,229	307,304
Debt service:					
Principal	-	-	-	126,033	126,033
Interest	-	-	-	16,060	16,060
Total expenditures	<u>8,910,637</u>	<u>761,758</u>	<u>237,105</u>	<u>764,380</u>	<u>10,673,880</u>
Excess (deficiency) of revenues over (under) expenditures	515,528	186,486	(93,686)	38,716	647,044
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	142,000	142,000
Transfers out	(142,000)	-	-	-	(142,000)
Total other financing sources (uses)	<u>(142,000)</u>	<u>-</u>	<u>-</u>	<u>142,000</u>	<u>-</u>
Net change in fund balance	373,528	186,486	(93,686)	180,716	647,044
FUND BALANCES, BEGINNING	<u>3,704,929</u>	<u>1,123,819</u>	<u>(476,981)</u>	<u>4,361,983</u>	<u>8,713,750</u>
FUND BALANCES, ENDING	<u>\$ 4,078,457</u>	<u>\$ 1,310,305</u>	<u>\$ (570,667)</u>	<u>\$ 4,542,699</u>	<u>\$ 9,360,794</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year Ended June 30, 2015

Net change in fund balances - total governmental funds \$ 647,044

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlay exceeded depreciation in the current period.

Capital asset additions	\$ 149,475	
Loss on disposal	(271,135)	
Less current year depreciation	<u>(1,148,218)</u>	(1,269,878)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds

Property taxes	19,085
----------------	--------

Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. The repayment of the principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which proceeds exceeded repayments.

Principal payments	340,000	
Bond premium	3,283	
Landfill post-closure cost care	10,765	
Capital lease proceeds	(7,751)	
Capital lease payments	<u>35,252</u>	381,549

The pension expense and the changes in deferred inflows and outflows related to the Net Pension Asset represents the changes in net pension asset (liability) from year to year due to changes in total pension liability and the fair value of pension plan net position to pay pension benefits.

1,160,883

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	172,402	
Accrued interest expense	<u>607</u>	<u>173,009</u>

Change in net position of governmental activities \$ 1,111,692

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON
GENERAL FUND
STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes				
Current year	\$ 4,538,872	\$ 4,538,872	\$ 4,572,077	\$ 33,205
Prior year	93,936	93,936	77,478	(16,458)
Penalties and interest	7,500	7,500	15,657	8,157
Intergovernmental	1,278,500	1,278,500	1,404,270	125,770
Charges for services	289,269	289,269	298,384	9,115
Franchise	1,117,112	1,117,112	1,127,819	10,707
Licenses and permits	42,770	42,770	48,715	5,945
Fines and forfeitures	339,300	339,300	295,888	(43,412)
Interest	18,000	18,000	20,044	2,044
Miscellaneous	999,751	999,751	929,993	(69,758)
Hotel/motel transient tax	463,011	463,011	577,726	114,715
Solid waste tax	54,000	54,000	58,114	4,114
	<u>9,242,021</u>	<u>9,242,021</u>	<u>9,426,165</u>	<u>184,144</u>
EXPENDITURES:				
Current:				
Legislative	27,975	36,875	28,362	8,513
Judicial	111,976	111,976	96,306	15,670
Legal	204,796	229,796	201,616	28,180
General Government	433,436	473,436	332,954	140,482
Administration	649,491	649,492	608,942	40,550
Community Services	152,351	152,351	113,627	38,724
Information Services	264,822	279,822	275,495	4,327
Finance	537,091	537,091	524,967	12,124
Police Command	1,055,363	1,075,362	1,074,372	990
Police Operations	3,266,045	3,426,046	2,913,803	512,243
Solid Waste/Recycling	25,374	25,375	15,114	10,261
Fire Protection Services	1,688,855	1,688,855	1,688,855	-
Planning	276,148	276,148	227,672	48,476
Parks and Greenways	429,610	442,112	439,885	2,227
Facilities	363,411	370,911	368,667	2,244
Contingency	750,000	221,100	-	221,100
	<u>10,236,744</u>	<u>9,996,748</u>	<u>8,910,637</u>	<u>1,086,111</u>
Revenues over (under) expenditures	(994,723)	(754,727)	515,528	1,270,255
OTHER FINANCING SOURCES (USES):				
Transfers in	265,000	265,000	265,000	-
Transfers out	(239,300)	(409,300)	(308,000)	101,300
	<u>25,700</u>	<u>(144,300)</u>	<u>(43,000)</u>	<u>101,300</u>
Net changes in fund balances	(969,023)	(899,027)	472,528	1,371,555
FUND BALANCE, BEGINNING	<u>3,195,167</u>	<u>3,195,167</u>	<u>3,488,929</u>	<u>293,762</u>
FUND BALANCE, ENDING	<u>\$ 2,226,144</u>	<u>\$ 2,296,140</u>	<u>\$ 3,961,457</u>	<u>\$ 1,665,317</u>
			Budget to GAAP Reconciliation	
			Interfund loan transactions	117,000
			GAAP Fund Balance	<u>\$ 4,078,457</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF TROUTDALE, OREGON
STREET FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 876,177	\$ 876,177	\$ 941,334	\$ 65,157
Charges for services	300	300	47	(253)
Interest	5,000	5,000	6,863	1,863
Miscellaneous	700	700	-	(700)
Total revenues	<u>882,177</u>	<u>882,177</u>	<u>948,244</u>	<u>66,067</u>
EXPENDITURES:				
Personal service	169,094	169,094	159,247	9,847
Materials and service	855,100	925,100	573,291	351,809
Capital outlay	127,400	127,400	29,220	98,180
Contingency	250,000	180,000	-	180,000
Total expenditures	<u>1,401,594</u>	<u>1,401,594</u>	<u>761,758</u>	<u>639,836</u>
Net changes in fund balances	(519,417)	(519,417)	186,486	705,903
FUND BALANCES, BEGINNING	<u>1,074,432</u>	<u>1,074,432</u>	<u>1,123,819</u>	<u>49,387</u>
FUND BALANCES, ENDING	<u>\$ 555,015</u>	<u>\$ 555,015</u>	<u>\$ 1,310,305</u>	<u>\$ 755,290</u>

The notes to the financial statements are an integral part of this statement.

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FUND FINANCIAL STATEMENTS

Proprietary Funds

The City of Troutdale utilizes four Proprietary Funds. These funds are used to account for acquisition, operation, and maintenance of the water, sewer, and storm sewer facilities and the cost of public works management and operating automotive and other equipment used by public works. These funds are entirely or predominantly self-supported through user charges to customer. Funds included are:

Water
Sewer
Storm Sewer
Public Services

For budgetary purposes (see budget schedules in the Supplemental Information section), the Water, Sewer, and Storm Sewer funds are accounted in the following separate funds:

Water
Water Fund
Water Improvement Fund

Sewer
Sewer Fund
Debt Service Fund (business-type activity portion)
Sewer Improvement Fund

Storm Sewer
Storm Sewer Improvement Fund
Storm Sewer Utility Fund

For generally accepted accounting principles purposes, these aforementioned funds and the Public Services Fund are consolidated and included as four Enterprise Funds.

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CITY OF TROUTDALE, OREGON
Proprietary Funds
Statement of Net Position
June 30, 2015

Business-type Activities - Enterprise Funds

	Water	Sewer	Storm Sewer	Public Services	Totals
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 692,130	\$ 2,213,754	\$ 159,329	\$ 160,826	\$ 3,226,039
Accounts receivables, net	211,007	282,964	30,865	-	524,836
Inventories	30,124	-	-	-	30,124
Interfund loan	-	44,000	-	-	44,000
Property taxes receivable	-	88,175	-	-	88,175
Total current assets	<u>933,261</u>	<u>2,628,893</u>	<u>190,194</u>	<u>160,826</u>	<u>3,913,174</u>
Noncurrent assets:					
Restricted cash and cash equivalents	30,228	143,328	2,201,312	-	2,374,868
Net pension asset	114,754	155,616	48,519	-	318,889
Capital assets not being depreciated	224,389	1,557,434	3,071	-	1,784,894
Capital assets being depreciated, net	8,405,091	18,167,800	5,027,803	-	31,600,694
Total noncurrent assets	<u>8,774,462</u>	<u>20,024,178</u>	<u>7,280,705</u>	<u>-</u>	<u>36,079,345</u>
Total assets	<u>9,707,723</u>	<u>22,653,071</u>	<u>7,470,899</u>	<u>160,826</u>	<u>39,992,519</u>
LIABILITIES					
Current liabilities:					
Accounts payable	56,572	100,857	19,626	4,111	181,166
Accrued compensated absences - current	3,172	6,065	2,030	-	11,267
Deposits	1,261	-	-	-	1,261
Interest payable	-	11,588	-	-	11,588
Interfund loan	-	-	44,000	-	44,000
Bond payable - current maturity	-	1,135,000	-	-	1,135,000
Total current liabilities	<u>61,005</u>	<u>1,253,510</u>	<u>65,656</u>	<u>4,111</u>	<u>1,384,282</u>
Noncurrent liabilities:					
Bond payable	-	2,377,559	-	-	2,377,559
Accrued compensated absences	12,688	24,262	8,120	-	45,070
Total liabilities	<u>73,693</u>	<u>3,655,331</u>	<u>73,776</u>	<u>4,111</u>	<u>3,806,911</u>
DEFERRED INFLOWS OF RESOURCES					
Net deferred pension asset	<u>187,033</u>	<u>253,631</u>	<u>79,078</u>	<u>-</u>	<u>519,742</u>
NET POSITION					
Net investment in capital assets	8,629,480	16,212,675	5,030,874	-	29,873,029
Restricted for infrastructure expansion	30,228	143,328	2,201,312	-	2,374,868
Unrestricted	787,289	2,388,106	85,859	156,715	3,417,969
Total net position	<u>\$ 9,446,997</u>	<u>\$ 18,744,109</u>	<u>\$ 7,318,045</u>	<u>\$ 156,715</u>	<u>\$ 35,665,866</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2015

	Business-type Activities - Enterprise Funds				
	Water	Sewer	Storm Sewer	Public Services	Totals
OPERATING REVENUES					
Charges for services	\$ 1,546,851	\$ 2,650,379	\$ 271,915	\$ 950,734	\$ 5,419,879
Licenses & permits	-	-	-	8,996	8,996
Miscellaneous	414	47,282	-	261	47,957
Total operating revenues	<u>1,547,265</u>	<u>2,697,661</u>	<u>271,915</u>	<u>959,991</u>	<u>5,476,832</u>
OPERATING EXPENSES					
Personal services	226,569	332,178	100,280	769,074	1,428,101
Depreciation	489,074	780,700	258,197	-	1,527,971
Contractual services	198,429	110,812	202,273	121,368	632,882
Utilities	382,888	444,786	987	23,707	852,368
Repairs and maintenance	201,851	282,307	29,535	21,618	535,311
Other operating expenses	282,592	447,515	23,697	172,257	926,061
Total operating expenses	<u>1,781,403</u>	<u>2,398,298</u>	<u>614,969</u>	<u>1,108,024</u>	<u>5,902,694</u>
Operating income (loss)	<u>(234,138)</u>	<u>299,363</u>	<u>(343,054)</u>	<u>(148,033)</u>	<u>(425,862)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment revenue	6,543	11,538	10,453	1,566	30,100
System development charges	8,474	13,350	19,104	-	40,928
Interest expense	-	(688,810)	-	-	(688,810)
Miscellaneous	-	-	-	-	-
Intergovernmental	84,697	-	-	-	84,697
Property taxes	-	1,409,806	-	-	1,409,806
Total nonoperating revenues (expenses)	<u>99,714</u>	<u>745,884</u>	<u>29,557</u>	<u>1,566</u>	<u>876,721</u>
Change in net position	(134,424)	1,045,247	(313,497)	(146,467)	450,859
Net position - beginning - restated	<u>9,581,421</u>	<u>17,698,862</u>	<u>7,631,542</u>	<u>303,182</u>	<u>35,215,007</u>
Net position - ending	<u>\$ 9,446,997</u>	<u>\$ 18,744,109</u>	<u>\$ 7,318,045</u>	<u>\$ 156,715</u>	<u>\$ 35,665,866</u>

The notes to the financial statements are an integral part of this statement.

CITY OF TROUTDALE, OREGON
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2015

Business-type Activities - Enterprise Funds

	Water	Sewer	Storm Sewer	Public Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 1,492,012	\$ 2,676,971	\$ 267,443	\$ 959,991	\$ 5,396,417
Payments to employees	(378,406)	(528,014)	(160,605)	(769,074)	(1,836,099)
Payments to suppliers	(1,099,170)	(1,224,735)	(236,866)	(339,446)	(2,900,217)
Net cash provided (used) by operating activities	<u>14,436</u>	<u>924,222</u>	<u>(130,028)</u>	<u>(148,529)</u>	<u>660,101</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contribution	8,474	13,350	19,104	-	40,928
Purchases of capital assets	(139,607)	(109,491)	(32,931)	-	(282,029)
Interfund loan	-	44,000	(44,000)	-	-
Property taxes	-	1,409,806	-	-	1,409,806
Principal paid on capital debt	-	(1,075,853)	-	-	(1,075,853)
Interest paid on capital debt	-	(692,288)	-	-	(692,288)
Intergovernmental	84,697	-	-	-	84,697
Net cash provided (used) by capital and related financing activities	<u>(46,436)</u>	<u>(410,476)</u>	<u>(57,827)</u>	<u>-</u>	<u>(514,739)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	6,543	11,538	10,453	1,566	30,100
Net increase in cash and cash equivalents	<u>(25,457)</u>	<u>525,284</u>	<u>(177,402)</u>	<u>(146,963)</u>	<u>175,462</u>
Balances - beginning of the year	<u>747,815</u>	<u>1,831,798</u>	<u>2,538,043</u>	<u>307,789</u>	<u>5,425,445</u>
Balances - end of the year	<u>\$ 722,358</u>	<u>\$ 2,357,082</u>	<u>\$ 2,360,641</u>	<u>\$ 160,826</u>	<u>\$ 5,600,907</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income	\$ (234,138)	\$ 299,363	\$ (343,054)	\$ (148,033)	\$ (425,862)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Cash flows reported in other categories:					
Depreciation expense	489,074	780,700	258,197	-	1,527,971
Change in assets and liabilities:					
Accounts receivable	(55,739)	(20,690)	(4,472)	-	(80,901)
Inventories	(5,326)	-	-	-	(5,326)
Accounts payable	(28,084)	60,685	19,626	(496)	51,731
Accrued compensated absences	(4,778)	3,587	1,853	-	662
Pension related accounts	(147,059)	(199,423)	(62,178)	-	(408,660)
Deposits	486	-	-	-	486
Net cash provided by operating activities	<u>\$ 14,436</u>	<u>\$ 924,222</u>	<u>\$ (130,028)</u>	<u>\$ (148,529)</u>	<u>\$ 660,101</u>

The notes to the financial statements are an integral part of this statement.

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FIDUCIARY FINANCIAL STATEMENTS

Agency funds are used to account for assets held as an agent for individuals, private organizations, and other governments. They are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations.

Helping Hands Fund

This agency fund receives and disburses funds on behalf of local churches, businesses and the Troutdale Police Department to aid destitute transient persons within the city limits. The Troutdale Police Department administers the fund with the advice and concurrence of the operating organizations.

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CITY OF TROUTDALE, OREGON
Helping Hands Fund
Statement of Fiduciary Net Position
June 30, 2015

	<u>Helping Hands Fund</u>
ASSETS	
Cash and investments	\$ 3,155
LIABILITIES	
Accounts payable	\$ 8,514
Due to others	(5,359)
Total liabilities	<u>\$ 3,155</u>

The notes to the financial statements are an integral part of this statement.

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**NOTES TO
BASIC FINANCIAL STATEMENTS**

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CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP statements require the application of all relevant Governmental Accounting Standards Board (GASB) pronouncements. The financial statements have incorporated all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on accounting procedures issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

REPORTING ENTITY

The City of Troutdale, Oregon is a municipal corporation, incorporated on October 2, 1907. The City operates under a Council-Manager form of government as amended by the voters in 2010. The governing body consists of six elected council members and a mayor. The mayor and council members are each elected to serve a four-year term. All are part-time elected officials who exercise the legislative powers of the City and determine matters of policy. The City Manager, a full-time appointed official, administers policies and coordinates the activities of the City. The heads of the various departments, formed to provide services, are under the direct supervision of the City Manager.

Accounting principles generally accepted in the United States of America require that these financial statements present the City of Troutdale (the primary government) and all component units, if any. Component units, as established by the Government Accounting Standards Board (GASB) Statement No. 14, 39, 61, are separate organizations that are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

The Urban Renewal Agency (Agency) of the City of Troutdale was created by City Council Ordinance pursuant to Oregon Revised Statute (ORS) 457.035 in January of 2006. The Troutdale Riverfront Renewal Plan (Plan) obtained voter approval in May 2006, and the Plan was assigned to the Agency to implement. The Agency is a legally separate entity which is governed by a board comprised of the members of the City Council as stipulated by the Agency's bylaws, and operational management of the Agency's activities is performed by City Management. The City Council has the ability to impose its will on the Agency as determined on the basis of budget adoption, taxation authority, and funding for the Agency. The Plan duration was originally approved for 10 years, which was extended an additional 10 years, with the up to a total of \$7 million in principal indebtedness limit unchanged. The Agency is presented as a blended component unit within the governmental funds.

BASIC FINANCIAL STATEMENTS

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

Government-wide financial statements display information about the reporting government as a whole. These statements focus on the sustainability as an entity and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2015

The *Statement of Net Position* presents information on all of the assets and liabilities, with the difference between the two reported as *net position*.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants 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, proprietary, or fiduciary, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary 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 financial section of the basic financial statements and detailed in the supplementary information.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between the business-type activities/enterprise funds and the General Fund. Charges are allocated as reimbursement for services provided by the General Fund in support of those functions based on levels or service provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. These charges are included in direct program expenses.

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 financial statements.

There are stated minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and proprietary combined) for the determination of major funds. Non-major funds are combined in a column in the fund financial statements titled "Other Governmental" and detailed in the combining section.

There are the following major governmental funds:

- *General Fund*
This is the primary operating fund. It accounts for all financial operations, except those required to be accounted for in another fund. Principal sources of revenues are property taxes, licenses and permits, state and county shared revenues, franchise fees and charges for administrative services from other funds. Primary expenditures in the general fund are made for police protection, community development, and general government.
- *Street Fund*
This fund accounts for the State of Oregon gasoline taxes. The state gasoline taxes are restricted for expenditures under Article XI, Section 3 of the Oregon Constitution for construction, maintenance and repair of streets, roads and bike and foot paths.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2015

- *URA Riverfront Development Fund*
This fund accounts for the general operations of the urban renewal agency. Primary resources are property taxes.

Additionally, there are the following non-major funds within the governmental fund type.

- *Special Revenue Funds*
These funds account for revenues from specific taxes or ear-marked revenues that are legally restricted to expenditures for specific purposes.
- *Debt Service Funds*
These funds account for the accumulation of resources and payment of bond principal and interest.
- *Capital Projects Funds*
These funds account for revenues derived from specific tax or other ear-marked revenue sources, which are legally restricted to finance the acquisition or construction of major capital assets.

Each of the four proprietary funds are presented as major funds. Three funds are used to account for the acquisition, operation, and maintenance of water, sewer, and storm sewer facilities and are entirely or predominantly self-supported through user charges to customers. Additionally, the Public Services Fund is used to account for the public works management function and the cost of operating automotive and other equipment used by the public works department. The fund's financing sources for the public works management and equipment maintenance activities are billings to the benefiting public works funds. The activities in this fund directly support the operations of the three other proprietary funds. The following proprietary funds are reported:

- *Water Fund*
Water Fund (budgetary basis financial statements only)
Water Improvement Fund (budgetary basis financial statements only)
- *Sewer Fund*
Sewer Fund (budgetary basis financial statements only)
Sewer Improvement Fund (budgetary basis financial statements only)
Debt Service Fund (budgetary basis financial statements only – portion related to Sewer Bonds)
- *Storm Sewer Fund*
Storm Sewer Utility Fund (budgetary basis financial statements only)
Storm Sewer Improvement Fund (budgetary basis financial statements only)
- *Public Services Fund*

Additionally, there is the following fiduciary fund:

- *Helping Hands fund*
This fund accounts for funds on behalf of local churches, businesses and the Troutdale Police Department to aid destitute transient persons within the city limits.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The government-wide financial statements and the 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 an entity or 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 focus 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 measurement 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 during the period are reported. Similar to the connection between an economic resource measurement focus and full accrual basis of accounting, a current financial resources measurement focus is inseparable from a modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. *Measurable* means the amount of the transaction can be determined and revenues are considered *available* when they are collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For this purpose, revenues are considered available if they are collected within 60 days of the end of the current fiscal period. Revenues considered susceptible to accrual are property taxes, state, county and local shared revenues taxes and fees, franchise fees, intergovernmental grants, and investment income.

A unavailable revenue liability arises on the balance sheets of the governmental funds when potential 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 and assessments not deemed available to finance operation of the current period. In the government-wide Statement of Activities, with a full accrual basis of accounting, revenue must be recognized as soon as it is earned regardless of its availability. Thus, the liability created on the balance sheets of the governmental funds for unavailable revenue is eliminated. Note that 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 monies 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, or when amounts have been accumulated in the debt service fund for payments to be made early in the following year. 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 of the government must be recognized. Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

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Since the governmental fund statements are presented on a different measurement focus and basis accounting than the government-wide statements' governmental column, a reconciliation is necessary to explain the adjustments needed to transform the fund based financial statements into the governmental column of the government-wide presentation. This reconciliation is part of the 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 City's Water, Sewer, Storm Sewer, and Public Services Funds are charges to customers for sales and services. The Water, Sewer, and Storm Sewer Funds also recognize System Development Charges (SDC) fees intended to recover the cost of connecting new customers to the utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and overhead charges, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. All Financial Accounting Standards Board (FASB) pronouncements issued prior to November 30, 1989 have been applied, unless those pronouncements conflict or contradict Governmental Accounting Standards Board (GASB) pronouncements. Subsequent private-sector guidance will not be followed.

When both restricted and unrestricted resources are available for use, it is the policy to use restricted resources first, then unrestricted resources as they are needed.

ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND EQUITY

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, cash with fiscal agent, and amounts in investment pools that have the general characteristics of demand deposit accounts. Investments are stated at fair value.

Receivables and Payables

Activity between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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 an unavailable revenue because it is not deemed available to finance operations of the current period. An allowance for doubtful accounts is not deemed necessary by management, as uncollectible taxes become a lien on the property. 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.

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Discounts are allowed if the amount due is received by November 15 or February 15. Taxes unpaid and outstanding on May 16 are considered delinquent.

Assessments are recognized as receivables at the time the property owners are assessed for property improvement. These receivables are offset by unavailable revenue and, accordingly, have not been recognized as revenue.

In the government-wide financial statements, property taxes and assessment receivables are recognized as revenue when earned.

Receivables of the proprietary funds are recognized as revenue when earned, including services provided but not billed.

Supply Inventories

Inventories of materials and supplies in all funds are stated at cost on a first-in, first-out basis and charged to expenses as used.

Restricted Assets

Cash and investments which may only be used for construction of capital assets or debt service principal and interest payments in accordance with applicable laws and regulations have been reported as restricted cash and investments on the Government-wide Statement of Net Position and the Proprietary Fund Statement of Net Position.

Capital Assets

Capital assets — which include property, plant, equipment, and infrastructure (e.g., streets, sidewalks, and similar items) — are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are charged to expenditures as purchased in the governmental fund statements, and capitalized in the proprietary fund statements.

Capital assets are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life of greater than one year. Capital assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at estimated fair market value as of the date of the donation.

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

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

<u>Asset</u>	<u>Years</u>
Buildings and improvements	20 - 50
Improvements other than buildings	10 - 20
Utility systems and infrastructure	20 - 40
Machinery, equipment, and vehicles	5 - 15

Capital assets include contribution of capital assets from outside developers. Revenue from these capital contributions is reflected in general revenues on the statement of activities.

Accrued Compensated Absences and Sick Pay

Accumulated vested vacation and comp-time pay is accrued as it is earned. For governmental funds, only the portion in connection with terminated employees is reported. The non-current portion (the amount estimated to be used in subsequent fiscal years) is maintained separately 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 all funds when leave is taken.

Long-Term Debt

In the government-wide financial statements, and proprietary fund types in the 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 are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financing uses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is 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.

Fund Balance

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. 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 of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body. Pursuant to the Fund Balance Policy adopted by the City Council Resolution 2110, the City Manager and the Finance Director have been given authority to assign fund balances.

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- 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 governing body has approved the following order of spending regarding fund balance categories: 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.

Use of Estimates

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. Additionally, another item is reported on the Statement of Net Position – Net Deferred Pension Asset. This amount is equal to the difference between actuarially projected investment earnings and actual investment earnings, less contributions that the City paid to PERS during 2014-2015.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

An annual budget is adopted on a basis consistent with Oregon Revised Statutes (ORS 294 – Local Budgets Law). The process under which the budget is adopted is described in the following paragraphs.

Each April or May, the City Manager submits a proposed budget to the Budget Committee (consisting of the City Council and an equal number of citizens of the City). All funds are required to be budgeted for except the fiduciary fund. The budget is prepared on the modified accrual basis of accounting. Interfund loans are budgeted as sources and uses in accordance with state budget laws. Estimated receipts and expenditures are budgeted for by fund and object.

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

CITY OF TROUTDALE, OREGON
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The Budget Committee conducts public hearings for the purpose of obtaining citizens' comments, and then approves a budget which is then submitted 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 adopted 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 is by department for the General Fund and by object class for all other funds. Expenditure budgets are appropriated at the function level in the General Fund and the following levels for all other funds: Personal Services, Materials and Services, Capital Outlay, Interfund Transactions, Debt Service, and Operating 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 modify original and supplemental budgets by the use of appropriation transfers between the levels of control within a fund.

Excess of Expenditures over Appropriations

Expenditures of the various funds were within authorized appropriations.

3. DETAILED NOTES ON ALL FUNDS

POOLED DEPOSITS AND INVESTMENTS

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

Cash and investments are comprised of the following at June 30, 2015:

Cash and investments	\$ 8,666,488
Restricted assets - cash and investments	6,473,340
Fiduciary cash and investments	3,155
	<u>\$ 15,142,983</u>
Deposits with financial institutions	\$ 135,485
Petty cash	1,000
Oregon State Treasurer's Local Government Investment Pool	15,006,498
	<u>\$ 15,142,983</u>

CITY OF TROUTDALE, OREGON
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DEPOSITS

Deposits with financial institutions include bank demand deposits. At year-end, the total bank balance per the bank statements is \$235,614. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Custodial 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. At various times during the fiscal year, bank balances exceeded the FDIC limit but the excess funds were covered by collateral pledged by qualified depositories. These depositories are qualified by the Oregon State Treasurer's office.

INVESTMENTS

Policy is to follow the State statutes governing cash management. Oregon Revised Statutes authorize investment 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 others.

The Oregon State Treasurer's Local Government Investment Pool (LGIP or Pool) is participated in and is an open-ended; no-load diversified portfolio created under ORS 294.805 to 294.895. The Pool is not registered with the U.S. Securities and Exchange Commission as an investment company and is not rated. The State's investment policies are governed by the Oregon Revised Statutes and the Oregon Investment Council. The State Treasurer is the investment officer for the Pool and is responsible for all funds in the Pool. These funds must be invested and managed, as a prudent investor would, exercising reasonable care, skill and caution. Investments in the Pool are further governed by portfolio guidelines issued by the Oregon Short-Term Fund Board (OSTFB), which establishes diversification percentages and specifies the types and maturities of investments. The Oregon Audits Division of the Secretary of State's Office audits the Pool annually. A copy of the State's Comprehensive Annual Financial Report may be obtained at the Oregon State Treasury, 350 Winter St. NE, Salem, Oregon 97310-0840.

Amounts in the Pool are not required to be collateralized. As of June 30, 2015, the fair value of the position in the LGIP approximates fair value of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements.

As of June 30, 2015, there were the following investments:

Investment type	Maturities	Fair value
Oregon State Treasury's Local Government Investment Pool	Avg 0 – 6 months	<u>\$15,006,498</u>

Interest Rate Risk

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. Declines in fair values are managed by limiting the weighted average maturity of the investment portfolio to levels required by State statute.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
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Credit Risk

State statutes authorize investment primarily in general obligations of the U.S. government and its agencies, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, certain commercial papers and the Oregon State Treasury's Local Government Investment Pool. The Oregon State Treasury's Local Government Investment Pool is not rated.

Concentration of Credit Risk

At June 30, 2015, 100% of total investments were in the Oregon State Treasury's Local Government Investment Pool. State statutes do not limit the percentage of investment in the Pool.

RECEIVABLES

Receivables as of June 30, 2015 for the major and non-major governmental funds in the aggregate are as follows:

	General	Street	Total Non- major	Total
Property taxes	\$ 291,537	\$ -	\$ 8,653	\$ 300,190
Accounts	596,803	85,233	1,807	683,843
	\$ 888,340	\$ 85,233	\$ 10,460	\$ 984,033

There is no allowance for uncollectible accounts deemed necessary by management.

Governmental funds report unavailable revenue in the fund financial statements in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also delay recognition in connection with resources that have been received, but not yet earned. As of the end of the fiscal year, the various components of unavailable and unearned revenue reported in the governmental funds were as follows:

Property Taxes	\$ 283,932
Other items	3,500
Total	\$ 287,432

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
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CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Non-depreciable				
Land	\$ 3,461,425	\$ -	\$ -	\$ 3,461,425
Intangibles	16,218	-	-	16,218
Construction in progress	334,910	-	(235,000)	99,910
Total non-depreciable	<u>3,812,553</u>	<u>-</u>	<u>(235,000)</u>	<u>3,577,553</u>
Depreciable				
Buildings and improvements	10,712,205	61,126	-	10,773,331
Land improvements	4,655,414	39,177	(5,452)	4,689,139
Equipment	2,221,521	33,506	(635,019)	1,620,008
Infrastructure	23,635,283	250,665	-	23,885,948
Total depreciable	<u>41,224,423</u>	<u>384,474</u>	<u>(640,471)</u>	<u>40,968,426</u>
Accumulated depreciation				
Buildings and improvements	(2,231,180)	(241,431)	-	(2,472,611)
Land improvements	(2,664,547)	(288,095)	5,190	(2,947,452)
Equipment	(1,467,481)	(142,431)	364,147	(1,245,765)
Infrastructure	(18,992,706)	(476,261)	-	(19,468,967)
Total accumulated depreciation	<u>(25,355,914)</u>	<u>(1,148,218)</u>	<u>369,337</u>	<u>(26,134,795)</u>
Depreciable, net	<u>15,868,509</u>	<u>(763,744)</u>	<u>(271,134)</u>	<u>14,833,631</u>
Governmental activities capital assets, net	<u>\$ 19,681,062</u>	<u>\$ (763,744)</u>	<u>\$ (506,134)</u>	<u>\$ 18,411,184</u>

Changes in capital assets per the above table are net of transfers between functional programs. Depreciation expense for governmental activities is charged to functions as follows:

General government	\$ 69,350
Public safety	211,351
Highways and streets	518,643
Community development	348,874
Total depreciation for governmental activities	<u>\$ 1,148,218</u>

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
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	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Non-depreciable				
Land	\$ 1,751,742	\$ -	\$ -	\$ 1,751,742
Intangibles	9,466	21,322	-	30,788
Construction in progress	2,364	-	-	2,364
Total non-depreciable	<u>1,763,572</u>	<u>21,322</u>	<u>-</u>	<u>1,784,894</u>
Depreciable				
Buildings and improvements	2,313,407	18,312	-	2,331,719
Land improvements	369,982	-	-	369,982
Equipment	1,047,635	12,732	-	1,060,367
Infrastructure	55,200,453	229,663	-	55,430,116
Total depreciable	<u>58,931,477</u>	<u>260,707</u>	<u>-</u>	<u>59,192,184</u>
Accumulated depreciation				
Buildings and improvements	(757,707)	(50,053)	-	(807,760)
Land improvements	(260,265)	(21,242)	-	(281,507)
Equipment	(634,612)	(138,087)	-	(772,699)
Infrastructure	(24,410,935)	(1,318,589)	-	(25,729,524)
Total accumulated depreciation	<u>(26,063,519)</u>	<u>(1,527,971)</u>	<u>-</u>	<u>(27,591,490)</u>
Depreciable, net	<u>32,867,958</u>	<u>(1,267,264)</u>	<u>-</u>	<u>31,600,694</u>
Business-type activities capital assets, net	<u>\$ 34,631,530</u>	<u>\$ (1,245,942)</u>	<u>\$ -</u>	<u>\$ 33,385,588</u>

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

Water	\$ 489,074
Sewer	780,700
Storm Sewer	258,197
Total depreciation business-type activities	<u>\$ 1,527,971</u>

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
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INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund transfers between governmental and business-type activities are reported as net transfers in the Statement of Activities. Net transfers in the Statement of Activities are reported as zero for the fiscal year ended June 30, 2015. Transfers between funds provide support for various programs in accordance with budgetary authorizations.

Interfund transfers are used to pay administrative services, provide funds for debt service, contribute toward the cost of capital projects, and provide operational resources.

The transfers for business type activities are presented in the budgetary funds and not in the proprietary funds as for generally accepted accounting principals purposes, these funds are consolidated.

Interfund receivables and payables are used to fund current operations and long term projects.

The interfund activity for fiscal year ended June 30, 2015 is as follows:

	TRANSFERS FROM	TRANSFERS TO
GOVERNMENT ACTIVITIES		
GENERAL FUND	\$ 142,000	\$ -
NON MAJOR FUNDS	-	142,000
TOTAL INTERFUND TRANSFERS	\$ 142,000	\$ 142,000
	INTEFUND LOAN RECEIVABLE	INTEFUND LOAN PAYABLE
GOVERNMENT ACTIVITIES		
GENERAL FUND	\$ 250,000	\$ 133,000
URA RIVERFRONT DEVELOPMENT	-	250,000
NON MAJOR FUNDS	223,000	90,000
TOTAL GOVERNMENT FUNDS	\$ 473,000	\$ 473,000

CITY OF TROUTDALE, OREGON
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LONG-TERM DEBT

There are a variety of debt types for the purpose of carrying out capital financing activities. The various types of debt are discussed below. Outstanding debt amounts are as of June 30, 2015.

The following table presents current year changes in long-term debt outstanding, along with the current portions due for each issue.

	Beginning Balance	Adjustment	Increase	Decrease	Ending Balance	Due in One Year
Governmental Activities						
Parks and Facilities Loan	\$ 528,000	\$ -	\$ -	\$ (125,000)	\$ 403,000	\$ 130,000
G.O. Bond	7,130,000	-	-	(215,000)	6,915,000	230,000
Capital Leases	88,645	7,751	-	(35,252)	61,144	34,996
Landfill post-closure care	251,256	-	-	(10,765)	240,491	11,005
Deferred Amounts:						
Bond Premium	55,813	-	-	(3,283)	52,530	-
Total Governmental Activities	\$ 8,053,714	\$ 7,751	\$ -	\$ (389,300)	\$ 7,672,165	\$ 406,001
Business-type Activities						
Refunding, 2008	\$ 4,645,000	\$ -	\$ -	\$ (1,090,000)	\$ 3,555,000	\$ 1,135,000
Deferred Amounts:						
Bond Premium	(106,941)	-	-	26,736	(80,205)	-
Bond Discount	50,353	-	-	(12,589)	37,764	-
Total Business-type Activities	\$ 4,588,412	\$ -	\$ -	\$ (1,075,853)	\$ 3,512,559	\$ 1,135,000

GOVERNMENTAL ACTIVITIES

Loan Payable

A loan was entered into in the amount of \$1,173,000 in March of 2008. Principal and interest of 3.45%, on the loan will be paid from general purpose revenues and user fees, however, the full faith and credit of the government is pledged for payment.

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2016	\$ 130,000	\$ 11,661
2017	135,000	7,090
2018	138,000	2,381
Totals	<u>\$ 403,000</u>	<u>\$ 21,132</u>

CITY OF TROUTDALE, OREGON
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General Obligation Bonds

General obligation bonds were issued in February of 2011 in the amount of \$7,540,000 for the construction of a new police station. These twenty (20) year term bonds were issued with interest rates ranging from 2.0% to 4.0% and the final maturity due in 2031. The balance outstanding at June 30, 2015 is \$6,915,000. Principal and interest is payable from property tax revenues.

Annual debt service requirements to maturity for general obligation bonds for governmental type activities are as follows:

Year Ending June 30,	Principal	Interest
2016	\$ 230,000	\$ 275,535
2017	245,000	270,935
2018	265,000	263,585
2019	290,000	253,698
2020	315,000	242,098
2021-25	2,005,000	999,490
2026-30	2,865,000	528,555
2031	700,000	30,450
Totals	<u>\$ 6,915,000</u>	<u>\$ 2,864,346</u>

Capital leases

A capital lease was entered into for a Panasonic Arbitrator. The cost of the equipment was capitalized for \$118,800. The lease is for a period of 60 months and yearly payments are required. \$24,700 was paid for the lease in the current year. The following is a schedule of future lease payments at June 30:

June 30,	Principal	Interest
2016	\$ 24,800	\$ -
Total	<u>\$ 24,800</u>	<u>\$ -</u>

A capital lease was entered into for a copier. The cost of the equipment was capitalized for \$7,771. The lease is for a period of 36 months and yearly payments are required ranging from \$2,891. The current year lease expense was \$2,104. The lease was paid off in the current year.

Capital leases were entered into for additional copiers. The cost of the equipment was capitalized for \$50,976. The lease is for a period of 60 months and yearly payments are required ranging from \$10,060. The current year lease expense was \$5,448. The following is a schedule of future lease payments at June 30:

Year Ending June 30,	Principal	Interest
2015	\$ 10,196	\$ 1,604
2016	10,196	1,178
2017	10,194	700
2018	5,758	253
Totals	<u>\$ 36,344</u>	<u>\$ 3,735</u>

CITY OF TROUTDALE, OREGON
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June 30, 2015

BUSINESS-TYPE ACTIVITIES

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds were issued to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds were issued in February 1999 in the amount of \$16,000,000 for the acquisition of land and construction of a new Water Pollution Control Facility. These twenty (20) year term bonds were issued with interest rates ranging from 3.2% to 4.75% and the final maturity due in June 2018. The balance outstanding at June 30, 2015 is \$3,555,000. Principal and interest is payable from property tax revenues, sewer user fees, and sewer system development fees.

Annual debt service requirements to maturity for general obligation bonds for business type activities are as follows:

Year Ending June 30,	Principal	Interest
2016	\$ 1,135,000	\$ 140,981
2017	1,185,000	96,800
2018	1,235,000	49,400
Totals	\$ 3,555,000	\$ 287,181

ACCRUED COMPENSATED ABSENCES

Changes in accrued compensated absences are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due within one year
Governmental	\$ 313,540	\$ 13,489	\$(185,891)	\$ 141,138	\$33,873
Business Type	55,675	5,440	(4,778)	56,337	11,267
Total	\$ 369,215	\$ 18,929	\$(190,669)	\$ 197,475	\$45,140

The General Fund has been charged with the costs to liquidate the liability for the compensated absence for the governmental funds.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2015

RESTRICTED ASSETS

The balances of the restricted cash and investment accounts are as follows:

	<u>Governmental</u>	<u>Business-Type</u>
Street	\$ 1,316,176	\$ -
Project Fund	51,353	-
Street Tree	47,567	-
Code Specialties	159,545	-
Sam Cox Building	41,162	-
Bike Paths and Trails	54,071	-
Debt service reserves:		
General Fund COP	7,114	-
URA Debt Service	340,357	-
System Development Charges:		
Water SDC	-	30,228
Sewer SDC	-	143,328
Street SDC	908,399	-
Storm SDC	-	2,201,312
Parks SDC	1,172,728	-
Total restricted assets	<u>\$ 4,098,472</u>	<u>\$ 2,374,868</u>

4. OTHER INFORMATION

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 (CCIS), a public entity risk pool currently operating a common risk management and insurance program. An annual premium is paid to CCIS for its insurance coverage. Based on the experience and the pool, there may be liability for an additional premium of up to approximately 20% of its initial premium or it may receive a refund. There has never been the requirement to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. Commercial insurance is carried for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CONTINGENT LIABILITIES

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Management intends to vigorously contest these matters and does not believe their ultimate resolution will have a material effect upon the financial position, results of operations or cash flows.

During 1979 and 1980 sewer hookup reservations were sold as a means of financing the expansion of the wastewater treatment plant. Amounts received from property owners are nontransferable and nonrefundable. Deposits are applied to the sewer system development charge at the time of hookup.

Federal grants are subject to audit by the grantor agency and any adjustments may become a liability of the appropriate fund. Management believes that adjustments, if any, will not materially affect the financial position.

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

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

- a. **PERS Pension (Chapter 238).** The ORS Chapter 238 Defined Benefit Plan is closed to new members hired on or after August 29, 2003.
 - i) Pension Benefits. The PERS retirement allowance is payable monthly for life. It may be selected from 13 retirement benefit options. These options include survivorship benefits and lump-sum refunds. The basic benefit is based on years of service and final average salary. A percentage (2.0 percent for police and fire employees, and 1.67 percent for general service employees) is multiplied by the number of years of service and the final average salary. Benefits may also be calculated under either a formula plus annuity (for members who were contributing before August 21, 1981) or a money match computation if a greater benefits results.
 - ii) Death Benefits. Upon the death of a non-retired member, the beneficiary receives a lump-sum refund of the member's account balance (accumulated contributions and interest). In addition, the beneficiary will receive a lump-sum payment from employer funds equal to the account balance, provided on or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
 - iii) Disability Benefits. A member with 10 or more years of creditable service who becomes disable from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
 - iv) Benefit Changes After Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b) **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
 - i) Pension Benefits. This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2015

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

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

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

- ii) Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
- iii) Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
- iv) Benefit Changes After Retirement. Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2011 actuarial valuation, which became effective July 1, 2013. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2015 were \$414,661, excluding amounts to fund employer specific liabilities. In addition approximately \$273,315 in employee contributions were paid or picked up by the City in fiscal 2015.

At June 30, 2015, the City reported a net pension asset of \$1,224,762 for its proportionate share of the net pension asset. The pension asset was measured as of December 31, 2012, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2012, the City's proportion was .054 percent.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2015

	Deferred Outflow of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,363,294
Changes in proportion and differences between City contributions and proportionate share of contributions	-	47,554
City contributions subsequent to measurement date	-	-
	-	(2,410,848)
City contributions subsequent to measurement date	414,662	-
Net deferred outflow (inflow) of resources		\$ (1,996,186)

Amounts reported as deferred outflows or inflow of resources related to pension will be recognized in pension expense as follows:

Year ending June 30,	Amount
2016	\$ (601,161)
2017	(601,161)
2018	(601,161)
2019	(601,161)
2020	(6,204)
Thereafter	-
Total	\$ (2,410,848)

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated July 29, 2015. Oregon PERS produces an independently audited CAFR which can be found at:

http://www.oregon.gov/pers/Pages/section/financial_reports/financial.aspx.

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

For the OPSRP Pension Program component of the PERS Defined Benefit Plan, this method produced an employer rate consisting of (a) an amount for normal cost (the estimated amount necessary to finance benefits earned by the employees during the current service year), (b) an actuarially determined amount for funding a disability benefit component, and (c) an amount for

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2015

the amortization of unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial accrued liabilities being amortized over 16 years.

Actuarial Methods and Assumptions:

Valuation date	December 31, 2012 rolled forward to June 30, 2014
Experience Study Report	2012, Published September 18, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Amortized as a level percentage of payroll as layered amortization bases over a closed period; Tier One/Tier Two UAL is amortized over 20 years and OPSRP pension UAL is amortized over 16 years
Asset valuation method	Market value of assets
Inflation rate	2.75 percent
Investment rate of return	7.75 percent
Projected salary increase	3.75 percent overall payroll growth; salaries for individuals are assumed to grow at 3.75 percent plus assumed rates of merit/longevity increases based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale AA, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (65% for males and 90% for females) of the RP-2000 static combined disabled mortality sex-distinct table.

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2012 Experience Study which is reviewed for the four-year period ending December 31, 2012.

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

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.75 percent, as well as what the City's proportionate share of the net

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2015

pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75 percent) or 1-percentage-point higher (8.75 percent) than the current rate.

	Decrease (6.75%)	Rate (7.75%)	Increase (8.75%)
City's proportionate share of the net pension liability	\$ 2,593,603	\$ (1,224,762)	\$ (4,454,203)

Changes in Plan Provisions Subsequent to Measurement Date: The Oregon Supreme Court on April 30, 2015, ruled in the Moro decision, that the provisions of Senate Bill 861, signed into law in October 2013, that limited the post-retirement COLA on benefits accrued prior to the signing of the law were unconstitutional. Benefits could be modified prospectively, but not retrospectively. As a result, those who retired before the bills were passed will continue to receive a COLA tied to the Consumer Price Index that normally results in a 2% increase annually. PERS will make restoration payments to those benefit recipients. PERS members who have accrued benefits before and after the effective dates of the 2013 legislation will have a blended COLA rate when they retire. Oregon Public Employees Retirement System Notes to the Schedules of Employer Allocations and Pension Amounts by Employer As of and for the Fiscal Year Ended June 30, 2014. This is a change in benefit terms subsequent to the measurement date of June 30, 2014, which will be reflected in the next year's actuarial valuations. The impact of the Moro decision on the total pension liability and employer's net pension liability (asset) has not been fully determined. However, PERS' third-party actuaries have estimated the impact of the Moro decision under one possible methodology, which is summarized below (dollars in millions). Estimates have been rounded to the nearest \$10 million.

	June 30, 2014 Measurement Date	
	Pre-Moro	Post-Moro
Net pension liability		
Total pension liability	\$ 63,135	\$ 68,050
Fiduciary net position	65,402	65,400
Net pension liability (asset)	\$ -2,267	\$ 2,650

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

http://www.oregon.gov/pers/EMP/docs/er_general_information/opers_gasb_68_disclosure_information_revised.pdf

An actuary has determined that no material implicit rate subsidy exists and therefore there is no OPEB obligation for implicit post-employment benefits.

DEFERRED COMPENSATION PLANS

Two deferred compensation trust plans were created in accordance with Internal Revenue Code Section 457. The trusts hold the assets for the exclusive benefit of plan participants and their beneficiaries. Plan assets are not the property of the City, or subject to the claims of the City's general creditors.

PROPERTY TAX LIMITATION

The State of Oregon has a constitutional limit on property taxes for governmental operations. Under the limitation, tax revenue is separated into those for public schools and those for local governments other than public schools. The limitation specifies a maximum rate for all local government operations of \$10.00 per \$1,000 of real market value, while schools are similarly limited to a \$5.00 maximum rate. Local government taxes in the City currently do not exceed the \$10.00 rate limit; however, this limitation may affect the availability of future tax revenues.

In May 1997, voters approved Measure 50 which rolled back assessed values to 90% of 1995-96 and limits future increases of taxable assessed values to 3% per year, exclusive of new construction and property that is improved, rezoned, subdivided, or ceases to qualify for exemption. Tax rates are now fixed and not subject to change. Voters may approve local initiatives above the fixed rate provided a majority approves at either (i) a general election in an even numbered year, or (ii) at any other election in which at least 50% of registered voters cast a ballot.

POST-CLOSURE LANDFILL CARE

The Sunrise Park (Obrist) Landfill previous Solid Waste Disposal Site Closure Permit Number 1193 expired in April 2009. The facility is permitted as a Closed Construction and Demolition Landfill. The landfill closure permit was renewed by the Oregon Department of Environmental Quality (DEQ) on December 21, 2012 based upon a Land Use Compatibility Statement May 14, 1998 and a Solid Waste Disposal Site Closure Permit renewal application of November 17, 2008, and an Environmental Monitoring Plan approved by DEQ on March 15, 2011.

The City has had a previously unrecorded a liability for the estimated costs of landfill postclosure care. As part of the above renewal application with DEQ the City is providing a financial assurance plan beginning with the 2012-2013 fiscal year and for each subsequent year to comply with State and federal laws and regulations which require the City to perform certain maintenance and monitoring functions at the site for thirty years after closure.

The City has evaluated the liability by examining the estimated costs needed to perform the postclosure care over the remaining life determined the year ended June 30, 2015 estimated liability of \$240,491. The estimated future costs to maintain and monitor the landfill may change due to one or more of the following factors of inflation, deflation, changes in technology or changes to applicable laws or regulations. The City believes this long term liability has been, and will remain, immaterial in light of the City's overall financial condition.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2015

5. DEFICIT FUND BALANCE

There is a deficit fund balance in the following fund:

URA Riverfront Development Fund - \$570,667
Sam Cox Building - \$52,938

The deficit fund balances are the result of budgetary to GAAP accounting differences for Interfund Loans.

6. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2015 are as follows:

Fund Balances:	<u>General Fund</u>	<u>Street Fund</u>	<u>URA Riverfront Development</u>	<u>Non-Major Funds</u>	<u>Total</u>
<u>Nonspendable:</u>					
Prepaid items	\$ 4,050	\$ -	\$ -	\$ -	\$ 4,050
Inventory	634	12,259	-	-	12,893
Total	4,684	12,259	-	-	16,943
<u>Restricted:</u>					
Capital projects	-	-	-	3,943,432	3,943,432
Debt service	-	-	-	652,205	652,205
Street maintenance	-	1,298,046	-	-	1,298,046
Total	-	1,298,046	-	4,595,637	5,893,683
Unassigned:	4,073,773	-	(570,667)	(52,938)	3,450,168
Total Fund Balances	<u>\$ 4,078,457</u>	<u>\$ 1,310,305</u>	<u>\$ (570,667)</u>	<u>\$ 4,542,699</u>	<u>\$ 9,360,794</u>

7. RESTATEMENT OF PRIOR YEAR NET POSITION

Due to the implementation of GASB 68 a restatement of the prior year net position was required. The restatement is as follows:

Net position-Beginning as previously reported	\$ 56,093,001
Proportionate share of net pension liability	(2,757,356)
Net outflow/(inflows) of resources	416,388
Net position-Beginning as restated	<u>\$ 53,752,033</u>

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

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CITY OF TROUTDALE, OREGON

REQUIRED SUPPLEMENTARY INFORMATION
For the fiscal year ended June 30, 2015

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Year Ended June 30,	(a) Employer's proportion of the net pension liability (NPL)	(b) Employer's proportionate share of the net pension liability (NPL)	(c) City's covered payroll	(b/c) NPL as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
2015	5.40 %	\$ (1,224,762)	\$ 4,718,429	(26.0) %	103.6 %
2014	5.40	2,757,356	4,771,980	57.8	92.0

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

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

SCHEDULE OF CONTRIBUTIONS

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered payroll	Contributions as a percent of covered payroll
2015	\$ 414,661	\$ 414,661	\$ -	\$ 4,718,429	8.8 %
2014	416,388	416,388	-	4,771,980	8.7

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

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

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**SUPPLEMENTARY
INFORMATION**

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**CITY OF TROUTDALE, OREGON
URA RIVERFRONT DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental grant	\$ 245,000	\$ 245,000	\$ 143,419	\$ (101,581)
Total revenues	245,000	245,000	143,419	(101,581)
EXPENDITURES:				
Materials and service	450,100	450,100	226,250	223,850
Capital outlay	1,550,000	1,550,000	10,855	1,539,145
Contingency	260,269	260,269	-	260,269
Total expenditures	2,260,369	2,260,369	237,105	2,023,264
Revenues over (under) expenditures	(2,015,369)	(2,015,369)	(93,686)	1,921,683
OTHER FINANCING SOURCES (USES):				
Interfund Loan Proceeds	2,000,000	2,000,000	140,000	(1,860,000)
Total other financing sources (uses)	2,000,000	2,000,000	140,000	(1,860,000)
Net changes in fund balances	(15,369)	(15,369)	46,314	61,683
FUND BALANCES, BEGINNING	15,369	15,369	233,019	217,650
FUND BALANCES, ENDING	\$ -	\$ -	\$ 279,333	\$ 279,333
Budget to GAAP Reconciliation				
Interfund loan transactions			(850,000)	
GAAP Fund Balance			\$ (570,667)	

CITY OF TROUTDALE, OREGON
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2015

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 302,345	\$ 347,471	\$ 3,643,675	\$ 4,293,491
Accounts receivable	822	985	-	1,807
Property taxes receivable	-	8,653	-	8,653
Interfund loan receivable	-	-	223,000	223,000
Due from	-	303,253	-	303,253
Total assets	<u>\$ 303,167</u>	<u>\$ 660,362</u>	<u>\$ 3,866,675</u>	<u>\$ 4,830,204</u>
LIABILITIES				
Accounts payable	\$ 52,140	\$ -	\$ 133,108	\$ 185,248
Deposits payable	4,100	-	-	4,100
Interfund loan	90,000	-	-	90,000
Due to	-	-	-	-
Total liabilities	<u>146,240</u>	<u>-</u>	<u>133,108</u>	<u>279,348</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Taxes	<u>-</u>	<u>8,157</u>	<u>-</u>	<u>8,157</u>
FUND BALANCES				
Restricted	209,865	652,205	3,733,567	4,595,637
Unassigned	(52,938)	-	-	(52,938)
Total fund balances	<u>156,927</u>	<u>652,205</u>	<u>3,733,567</u>	<u>4,542,699</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 303,167</u>	<u>\$ 660,362</u>	<u>\$ 3,866,675</u>	<u>\$ 4,830,204</u>

CITY OF TROUTDALE, OREGON
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2015

	<u>Street Tree Fund</u>	<u>Bike Paths & Trails Fund</u>	<u>Code Specialties Fund</u>	<u>Sam Cox Building Fund</u>	<u>Total</u>
ASSETS					
Cash and investments	\$ 47,567	\$ 54,071	\$ 159,545	\$ 41,162	\$ 302,345
Accounts receivable	-	861	(39)	-	822
Total assets	<u>\$ 47,567</u>	<u>\$ 54,932</u>	<u>\$ 159,506</u>	<u>\$ 41,162</u>	<u>\$ 303,167</u>
LIABILITIES					
Accounts payable	\$ -	\$ 29,799	\$ 22,341	\$ -	\$ 52,140
Deposits payable	-	-	-	4,100	4,100
Interfund loan	-	-	-	90,000	90,000
Total liabilities	<u>-</u>	<u>29,799</u>	<u>22,341</u>	<u>94,100</u>	<u>146,240</u>
FUND BALANCES					
Restricted	47,567	25,133	137,165	-	209,865
Unassigned	-	-	-	(52,938)	(52,938)
Total fund balances	<u>47,567</u>	<u>25,133</u>	<u>137,165</u>	<u>(52,938)</u>	<u>156,927</u>
Total liabilities and fund balance	<u>\$ 47,567</u>	<u>\$ 54,932</u>	<u>\$ 159,506</u>	<u>\$ 41,162</u>	<u>\$ 303,167</u>

CITY OF TROUTDALE, OREGON
Nonmajor Debt Service Funds
Combining Balance Sheet
June 30, 2015

	<u>COP Debt Service Fund</u>	<u>URA Debt Service Fund</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 7,114	\$ 340,357	\$ 347,471
Property taxes receivable	-	8,653	8,653
Accounts receivable	-	985	985
Due from	-	303,253	303,253
Total assets	<u>\$ 7,114</u>	<u>\$ 653,248</u>	<u>\$ 660,362</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Taxes	\$ -	\$ 8,157	\$ 8,157
Total deferred inflows of resources	<u>-</u>	<u>8,157</u>	<u>8,157</u>
FUND BALANCES			
Restricted	7,114	645,091	652,205
Total fund balances	<u>7,114</u>	<u>645,091</u>	<u>652,205</u>
Total liabilities and fund balances	<u>\$ 7,114</u>	<u>\$ 653,248</u>	<u>\$ 660,362</u>

CITY OF TROUTDALE, OREGON
 Nonmajor Capital Projects Funds
 Combining Balance Sheet
 June 30, 2015

	<u>Street Improvement Fund</u>	<u>Parks Improvement Fund</u>	<u>Utilities Underground Fund</u>	<u>STP Site Redevelopm ent Fund</u>	<u>Project Fund</u>	<u>Total</u>
ASSETS						
Cash and investments	\$ 908,399	\$ 1,172,728	\$ 1,511,162	\$ 33	\$ 51,353	\$ 3,643,675
Interfund loan receivable	-	223,000	-	-	-	223,000
Total assets	<u>\$ 908,399</u>	<u>\$ 1,395,728</u>	<u>\$ 1,511,162</u>	<u>\$ 33</u>	<u>\$ 51,353</u>	<u>\$ 3,866,675</u>
LIABILITIES						
Accounts payable	\$ 116,506	\$ 16,602	\$ -	\$ -	\$ -	\$ 133,108
Interfund loan payable	-	-	-	-	-	-
Due to	-	-	-	-	-	-
Total liabilities	<u>116,506</u>	<u>16,602</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>133,108</u>
FUND BALANCES						
Restricted	791,893	1,379,126	1,511,162	33	51,353	3,733,567
Total fund balances	<u>791,893</u>	<u>1,379,126</u>	<u>1,511,162</u>	<u>33</u>	<u>51,353</u>	<u>3,733,567</u>
Total liabilities and fund balances	<u>\$ 908,399</u>	<u>\$ 1,395,728</u>	<u>\$ 1,511,162</u>	<u>\$ 33</u>	<u>\$ 51,353</u>	<u>\$ 3,866,675</u>

CITY OF TROUTDALE, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
REVENUES				
Intergovernmental	\$ 9,251	\$ -	\$ -	\$ 9,251
Charges for services	-	-	15,463	15,463
Property taxes	-	178,303	-	178,303
Franchise	-	-	191,485	191,485
Licenses and permits	353,221	-	-	353,221
Interest	550	337	19,722	20,609
Miscellaneous	22,048	-	12,716	34,764
Total revenues	<u>385,070</u>	<u>178,640</u>	<u>239,386</u>	<u>803,096</u>
EXPENDITURES				
Community development	355,058	-	-	355,058
Capital outlay	47,250	-	219,979	267,229
Debt service:				
Principal	-	126,033	-	126,033
Interest	-	16,060	-	16,060
Total expenditures	<u>402,308</u>	<u>142,093</u>	<u>219,979</u>	<u>764,380</u>
Excess (deficiency) of revenues over (under) expenditures	(17,238)	36,547	19,407	38,716
OTHER FINANCING SOURCES (USES)				
Transfers in	-	142,000	-	142,000
Total other financing sources (uses)	<u>-</u>	<u>142,000</u>	<u>-</u>	<u>142,000</u>
Net changes in fund balances	(17,238)	178,547	19,407	180,716
FUND BALANCES, BEGINNING	<u>174,165</u>	<u>473,658</u>	<u>3,714,160</u>	<u>4,361,983</u>
FUND BALANCES, ENDING	<u>\$ 156,927</u>	<u>\$ 652,205</u>	<u>\$ 3,733,567</u>	<u>\$ 4,542,699</u>

CITY OF TROUTDALE, OREGON
Nonmajor Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015

	<u>Street Tree Fund</u>	<u>Bike Paths & Trails Fund</u>	<u>Code Specialties Fund</u>	<u>Sam Cox Building Fund</u>	<u>Total</u>
REVENUES					
Intergovernmental	\$ -	\$ 9,251	\$ -	\$ -	\$ 9,251
Licenses, permits, and fees	-	-	333,173	20,048	353,221
Miscellaneous	-	-	22,048	-	22,048
Interest	230	320	-	-	550
Total revenues	<u>230</u>	<u>9,571</u>	<u>355,221</u>	<u>20,048</u>	<u>385,070</u>
EXPENDITURES					
Community development	152	-	286,736	68,170	355,058
Total expenditures	<u>152</u>	<u>47,250</u>	<u>286,736</u>	<u>68,170</u>	<u>402,308</u>
Net changes in fund balances	78	(37,679)	68,485	(48,122)	(17,238)
FUND BALANCES, BEGINNING	<u>47,489</u>	<u>62,812</u>	<u>68,680</u>	<u>(4,816)</u>	<u>174,165</u>
FUND BALANCES, ENDING	<u>\$ 47,567</u>	<u>\$ 25,133</u>	<u>\$ 137,165</u>	<u>\$ (52,938)</u>	<u>\$ 156,927</u>

CITY OF TROUTDALE, OREGON
Nonmajor Debt Service Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2015

	<u>COP Debt Service Fund</u>	<u>URA Debt Service Fund</u>	<u>Total</u>
REVENUES			
Property taxes	\$ -	\$ 178,303	\$ 178,303
Interest	337	-	337
Total revenues	<u>337</u>	<u>178,303</u>	<u>178,640</u>
EXPENDITURES			
Debt Service			
Principal	125,000	1,033	126,033
Interest	16,060	-	16,060
Total expenditures	<u>141,060</u>	<u>1,033</u>	<u>142,093</u>
Excess (deficiency) of revenues over (under) expenditures	(140,723)	177,270	36,547
OTHER FINANCING SOURCES (USES)			
Transfers in	142,000	-	142,000
Total other financing sources (uses)	<u>142,000</u>	<u>-</u>	<u>142,000</u>
Net changes in fund balances	1,277	177,270	178,547
FUND BALANCES, BEGINNING	<u>5,837</u>	<u>467,821</u>	<u>473,658</u>
FUND BALANCES, ENDING	<u>\$ 7,114</u>	<u>\$ 645,091</u>	<u>\$ 652,205</u>

CITY OF TROUTDALE, OREGON
 Nonmajor Capital Projects Funds
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 For the Year Ended June 30, 2015

	Street Improvement Fund	Parks Improvement Fund	Utilities Undergrounding Fund	Site Redevelopment Fund	Project Fund	Total
REVENUES						
Charges for services	\$ 12,963	\$ 2,500	\$ -	\$ -	\$ -	\$ 15,463
Intergovernmental	-	-	-	-	-	-
Franchise	-	-	191,485	-	-	191,485
Interest	2,874	10,094	6,510	-	244	19,722
Miscellaneous revenue	-	12,716	-	-	-	12,716
Total revenues	<u>15,837</u>	<u>25,310</u>	<u>197,995</u>	<u>-</u>	<u>244</u>	<u>239,386</u>
EXPENDITURES						
Materials and services	-	-	-	-	-	-
Capital outlay	190,402	28,127	-	-	1,450	219,979
Total expenditures	<u>190,402</u>	<u>28,127</u>	<u>-</u>	<u>-</u>	<u>1,450</u>	<u>219,979</u>
Net changes in fund balances	(174,565)	(2,817)	197,995	-	(1,206)	19,407
FUND BALANCES, BEGINNING	<u>966,458</u>	<u>1,381,943</u>	<u>1,313,167</u>	<u>33</u>	<u>52,559</u>	<u>3,714,160</u>
FUND BALANCES, ENDING	<u>\$ 791,893</u>	<u>\$ 1,379,126</u>	<u>\$ 1,511,162</u>	<u>\$ 33</u>	<u>\$ 51,353</u>	<u>\$ 3,733,567</u>

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**SCHEDULE OF REVENUES,
EXPENDITURES/EXPENSES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

Governmental Funds

Special Revenue Funds

Street Tree Fund
Bike Paths and Trails Fund
Code Specialties Fund
Sam Cox Building Fund

Debt Service Funds

COP Debt Service Fund
URA Debt Service Fund

Capital Projects Funds

Street Improvement Fund
Parks Improvement Fund
Utilities Undergrounding Fund
STP Site Redevelopment Fund
Projects Fund

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CITY OF TROUTDALE, OREGON
STREET TREE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ 350	\$ 350	\$ 230	\$ (120)
Total revenues	350	350	230	(120)
EXPENDITURES:				
Materials and service	48,797	48,797	152	48,645
Net changes in fund balances	(48,447)	(48,447)	78	48,525
FUND BALANCES, BEGINNING	48,447	48,447	47,489	(958)
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,567</u>	<u>\$ 47,567</u>

**CITY OF TROUTDALE, OREGON
BIKE PATHS & TRAILS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 8,620	\$ 8,620	\$ 9,251	\$ 631
Investment earnings	100	100	320	220
Total revenues	<u>8,720</u>	<u>8,720</u>	<u>9,571</u>	<u>851</u>
EXPENDITURES:				
Capital outlay	<u>71,935</u>	<u>71,935</u>	<u>47,250</u>	<u>24,685</u>
Total expenditures	<u>71,935</u>	<u>71,935</u>	<u>47,250</u>	<u>24,685</u>
Net changes in fund balances	(63,215)	(63,215)	(37,679)	25,536
FUND BALANCES, BEGINNING	<u>63,215</u>	<u>63,215</u>	<u>62,812</u>	<u>(403)</u>
FUND BALANCES, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,133</u></u>	<u><u>\$ 25,133</u></u>

**CITY OF TROUTDALE, OREGON
CODE SPECIALTIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Permits and fees	\$ 212,164	\$ 212,163	\$ 333,173	\$ 121,010
Miscellaneous	100	12,100	22,048	9,948
Investment earnings	100	100	-	(100)
Total revenues	<u>212,364</u>	<u>224,363</u>	<u>355,221</u>	<u>130,858</u>
EXPENDITURES:				
Building	207,886	217,887	210,477	7,410
Electrical	56,880	79,173	75,352	3,821
Plumbing	47,779	67,778	65,907	1,871
Contingency	22,294	-	-	-
Total expenditures	<u>334,839</u>	<u>364,838</u>	<u>351,736</u>	<u>13,102</u>
Revenues over (under) expenditures	(122,475)	(140,475)	3,485	143,960
OTHER FINANCING SOURCES (USES):				
Transfers in	77,000	95,000	-	(95,000)
Total other financing sources (uses)	<u>77,000</u>	<u>95,000</u>	<u>-</u>	<u>(95,000)</u>
Net changes in fund balances	(45,475)	(45,475)	3,485	48,960
FUND BALANCES, BEGINNING	<u>45,475</u>	<u>45,475</u>	<u>133,680</u>	<u>88,205</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 137,165</u>	<u>\$ 137,165</u>

CITY OF TROUTDALE, OREGON
SAM COX BUILDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Permits and fees	\$ 33,500	\$ 33,500	\$ 20,048	\$ (13,452)
Investment earnings	500	500	-	(500)
Total revenues	<u>34,000</u>	<u>34,000</u>	<u>20,048</u>	<u>(13,952)</u>
EXPENDITURES:				
Materials and Services	26,760	26,760	17,346	9,414
Capital Outlay	70,000	70,000	65,824	4,176
Contingency	23,041	23,041	-	23,041
Total expenditures	<u>119,801</u>	<u>119,801</u>	<u>83,170</u>	<u>36,631</u>
Net changes in fund balances	<u>(85,801)</u>	<u>(85,801)</u>	<u>(63,122)</u>	<u>22,679</u>
FUND BALANCES, BEGINNING	<u>85,801</u>	<u>85,801</u>	<u>100,184</u>	<u>14,383</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,062</u>	<u>\$ 37,062</u>
			Budget to GAAP Reconciliation	
			Interfund loan transactions	(90,000)
			GAAP Fund Balance	<u>\$ (52,938)</u>

**CITY OF TROUTDALE, OREGON
COP DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ 100	\$ 100	\$ 337	\$ 237
Total revenues	100	100	337	237
EXPENDITURES:				
Debt Service:				
Principal	125,000	125,000	125,000	-
Interest	17,000	17,000	16,060	940
Total debt service	142,000	142,000	141,060	940
Revenues over (under) expenditures	(141,900)	(141,900)	(140,723)	1,177
OTHER FINANCING SOURCES (USES):				
Transfers in	142,000	142,000	142,000	-
Total other financing sources (uses)	142,000	142,000	142,000	-
Net changes in fund balances	100	100	1,277	1,177
FUND BALANCES, BEGINNING	13,475	13,475	5,837	(7,638)
FUND BALANCES, ENDING	<u>\$ 13,575</u>	<u>\$ 13,575</u>	<u>\$ 7,114</u>	<u>\$ (6,461)</u>

CITY OF TROUTDALE, OREGON
URA DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes				
Current year	\$ 156,268	\$ 156,268	\$ 172,332	\$ 16,064
Prior year	-	-	2,166	2,166
Penalties and interest	100	100	3,805	3,705
Total revenues	<u>156,368</u>	<u>156,368</u>	<u>178,303</u>	<u>21,935</u>
EXPENDITURES:				
Debt Service:				
Principal and Interest	<u>201,300</u>	<u>201,300</u>	<u>201,033</u>	<u>267</u>
Total expenditures	<u>201,300</u>	<u>201,300</u>	<u>201,033</u>	<u>267</u>
Net changes in fund balances	(44,932)	(44,932)	(22,730)	22,202
FUND BALANCES, BEGINNING	<u>58,786</u>	<u>58,786</u>	<u>67,821</u>	<u>9,035</u>
FUND BALANCES, ENDING	<u>\$ 13,854</u>	<u>\$ 13,854</u>	<u>\$ 45,091</u>	<u>\$ 31,237</u>
			Budget to GAAP Reconciliation	
			Interfund loan transactions	<u>600,000</u>
			GAAP Fund Balance	<u>\$ 645,091</u>

**CITY OF TROUTDALE, OREGON
STREET IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
System development charges	\$ 40,000	\$ 40,000	\$ 12,963	\$ (27,037)
Investment earnings	2,500	2,500	2,874	374
Total revenues	<u>42,500</u>	<u>42,500</u>	<u>15,837</u>	<u>(26,663)</u>
EXPENDITURES:				
Materials and service	5,000	5,000	-	5,000
Capital outlay	735,000	735,000	190,402	544,598
Contingency	176,976	176,976	-	176,976
Total expenditures	<u>916,976</u>	<u>916,976</u>	<u>190,402</u>	<u>726,574</u>
Net changes in fund balances	(874,476)	(874,476)	(174,565)	699,911
FUND BALANCES, BEGINNING	<u>874,476</u>	<u>874,476</u>	<u>966,458</u>	<u>91,982</u>
FUND BALANCES, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 791,893</u></u>	<u><u>\$ 791,893</u></u>

**CITY OF TROUTDALE, OREGON
PARKS IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 141,000	\$ 141,000	\$ 41,000	\$ (100,000)
System development charges	15,000	15,000	2,500	(12,500)
Investment earnings	8,000	8,000	10,094	2,094
Miscellaneous	-	-	12,716	12,716
	<u>164,000</u>	<u>164,000</u>	<u>66,310</u>	<u>(97,690)</u>
EXPENDITURES:				
Materials and service	100	100	-	100
Capital outlay	100,000	100,000	28,127	71,873
Contingency	300,000	300,000	-	300,000
	<u>400,100</u>	<u>400,100</u>	<u>28,127</u>	<u>371,973</u>
Net changes in fund balances	(236,100)	(236,100)	38,183	274,283
FUND BALANCE, BEGINNING	<u>1,104,035</u>	<u>1,104,035</u>	<u>1,117,943</u>	<u>13,908</u>
FUND BALANCE, ENDING	<u>\$ 867,935</u>	<u>\$ 867,935</u>	<u>\$ 1,156,126</u>	<u>\$ 288,191</u>
			Budget to GAAP Reconciliation	
			Interfund loan transactions	<u>223,000</u>
			GAAP Fund Balance	<u>\$ 1,379,126</u>

**CITY OF TROUTDALE, OREGON
 UTILITIES UNDERGROUNDING FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Franchise fees	\$ 181,000	\$ 181,000	\$ 191,485	\$ 10,485
Investment earnings	4,884	4,884	6,510	1,626
Total revenues	<u>185,884</u>	<u>185,884</u>	<u>197,995</u>	<u>12,111</u>
EXPENDITURES:				
Capital outlay	<u>1,498,116</u>	<u>1,498,116</u>	-	<u>1,498,116</u>
Total expenditures	<u>1,498,116</u>	<u>1,498,116</u>	-	<u>1,498,116</u>
Net changes in fund balances	(1,312,232)	(1,312,232)	197,995	1,510,227
FUND BALANCE, BEGINNING	<u>1,312,232</u>	<u>1,312,232</u>	<u>1,313,167</u>	<u>935</u>
FUND BALANCE, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,511,162</u></u>	<u><u>\$ 1,511,162</u></u>

CITY OF TROUTDALE, OREGON
STP SITE REDEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
FUND BALANCE, BEGINNING	\$ -	\$ -	\$ 33	\$ 33
FUND BALANCE, ENDING	\$ -	\$ -	\$ 33	\$ 33

CITY OF TROUTDALE, OREGON
PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ 1,000	\$ 1,000	\$ 244	\$ (756)
Total revenues	1,000	1,000	244	(756)
EXPENDITURES:				
Capital outlay	75,000	75,000	1,450	73,550
Total expenditures	75,000	75,000	1,450	73,550
Net changes in fund balances	(74,000)	(74,000)	(1,206)	72,794
FUND BALANCES, BEGINNING	74,000	74,000	52,559	(21,441)
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,353</u>	<u>\$ 51,353</u>

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**SCHEDULE OF REVENUES,
EXPENDITURES/EXPENSES
AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL**

Proprietary Funds

Water Fund
Water Improvement Fund
Water Fund Reconciliation of Budgetary Revenues and
Expenditures to Proprietary Revenues and Expenses

Sewer Fund
Debt Service Fund (business-type activity portion)
Sewer Improvement Fund
Sewer Fund Reconciliation of Budgetary Revenues and
Expenditures to Proprietary Revenues and Expenses

Storm Sewer Improvement Fund
Storm Sewer Utility Fund
Storm Sewer Fund Reconciliation of Budgetary Revenues and
Expenditures to Proprietary Revenues and Expenses

Public Services Fund

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CITY OF TROUTDALE, OREGON
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 79,200	\$ 79,200	\$ 84,697	\$ 5,497
Charges for services	1,562,300	1,562,300	1,546,851	(15,449)
Investment earnings	7,000	7,000	5,065	(1,935)
Miscellaneous	1,000	1,000	414	(586)
Total revenues	1,649,500	1,649,500	1,637,027	(12,473)
EXPENDITURES:				
Personal service	406,847	406,847	378,406	28,441
Materials and service	1,172,800	1,172,800	1,080,909	91,891
Capital outlay	252,400	252,400	120,189	132,211
Contingency	150,000	150,000	-	150,000
Total expenditures	1,982,047	1,982,047	1,579,504	402,543
Net changes in fund balances	(332,547)	(332,547)	57,523	390,070
FUND BALANCES, BEGINNING	596,280	596,280	821,027	224,747
FUND BALANCES, ENDING	\$ 263,733	\$ 263,733	\$ 878,550	\$ 614,817

**CITY OF TROUTDALE, OREGON
WATER IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
System development charges	\$ 9,000	\$ 9,000	\$ 8,474	\$ (526)
Investment earnings	100	100	1,478	1,378
Total revenues	<u>9,100</u>	<u>9,100</u>	<u>9,952</u>	<u>852</u>
EXPENDITURES:				
Materials and services	7,500	7,500	4,269	3,231
Contingency	26,099	26,099	-	26,099
Total expenditures	<u>33,599</u>	<u>33,599</u>	<u>4,269</u>	<u>29,330</u>
Net changes in fund balances	(24,499)	(24,499)	5,683	30,182
FUND BALANCES, BEGINNING	<u>24,499</u>	<u>24,499</u>	<u>21,423</u>	<u>(3,076)</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,106</u>	<u>\$ 27,106</u>

CITY OF TROUTDALE, OREGON
WATER FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2015

	Revenues	Expenditures/ Expenses
Water Fund	\$ 1,637,027	\$ 1,579,504
Water Improvement Fund	9,952	4,269
Total (Budgetary)	1,646,979	1,583,773
Capital outlay expenditures capitalized	-	(139,608)
Depreciation expense	-	489,074
Pension expense	-	(147,059)
Net change in accrued compensated absences	-	(4,777)
	-	(4,777)
Revenues and expenses (GAAP)	\$ 1,646,979	\$ 1,781,403

CITY OF TROUTDALE, OREGON
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 2,637,000	\$ 2,637,000	\$ 2,650,379	\$ 13,379
Investment earnings	6,000	6,000	7,025	1,025
Miscellaneous	1,000	1,000	250	(750)
Total revenues	<u>2,644,000</u>	<u>2,644,000</u>	<u>2,657,654</u>	<u>13,654</u>
EXPENDITURES:				
Personal service	547,395	547,395	528,014	19,381
Materials and service	1,384,346	1,384,346	1,261,655	122,691
Capital outlay	304,200	304,200	133,256	170,944
Contingency	232,500	232,500	-	232,500
Total expenditures	<u>2,468,441</u>	<u>2,468,441</u>	<u>1,922,925</u>	<u>545,516</u>
Revenues over (under) expenditures	175,559	175,559	734,729	559,170
OTHER FINANCING SOURCES (USES):				
Transfers in	44,000	44,000	44,000	-
transfers out	(356,526)	(356,526)	(356,526)	-
Insurance Reimbursement	-	-	47,032	47,032
Total other financing sources (uses)	<u>(312,526)</u>	<u>(312,526)</u>	<u>(265,494)</u>	<u>47,032</u>
Net changes in fund balances	(136,967)	(136,967)	469,235	606,202
FUND BALANCES, BEGINNING	<u>1,187,221</u>	<u>1,187,221</u>	<u>1,532,821</u>	<u>345,600</u>
FUND BALANCES, ENDING	<u>\$ 1,050,254</u>	<u>\$ 1,050,254</u>	<u>\$ 2,002,056</u>	<u>\$ 951,802</u>

CITY OF TROUTDALE, OREGON
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes				
Current Year	\$ 1,362,474	\$ 1,362,474	\$ 1,376,753	\$ 14,279
Prior Year	5,000	5,000	30,034	25,034
Investment earnings	100	100	3,365	3,265
	<u>1,367,574</u>	<u>1,367,574</u>	<u>1,410,152</u>	<u>42,578</u>
EXPENDITURES:				
Debt Service:				
Principal	1,305,000	1,305,000	1,305,000	-
Interest	464,000	464,000	463,141	859
	<u>1,769,000</u>	<u>1,769,000</u>	<u>1,768,141</u>	<u>859</u>
Revenues over (under) expenditures	(401,426)	(401,426)	(357,989)	43,437
OTHER FINANCING SOURCES (USES):				
Transfers in	356,526	356,526	356,526	-
	<u>356,526</u>	<u>356,526</u>	<u>356,526</u>	<u>-</u>
Total other financing sources (uses)	(44,900)	(44,900)	(1,463)	43,437
Net changes in fund balances	(44,900)	(44,900)	(1,463)	43,437
FUND BALANCES, BEGINNING	<u>345,294</u>	<u>345,294</u>	<u>400,082</u>	<u>54,788</u>
FUND BALANCES, ENDING	<u>\$ 300,394</u>	<u>\$ 300,394</u>	<u>\$ 398,619</u>	<u>\$ 98,225</u>

**CITY OF TROUTDALE, OREGON
SEWER IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
System development charges	\$ 40,000	\$ 40,000	\$ 13,350	\$ (26,650)
Investment earnings	100	100	1,148	1,048
Total revenues	<u>40,100</u>	<u>40,100</u>	<u>14,498</u>	<u>(25,602)</u>
EXPENDITURES:				
Materials and Services	25,000	25,000	-	25,000
Capital Outlay	30,000	30,000	-	30,000
Contingency	104,138	104,138	-	104,138
Total expenditures	<u>159,138</u>	<u>159,138</u>	<u>-</u>	<u>159,138</u>
Net changes in fund balances	(119,038)	(119,038)	14,498	133,536
FUND BALANCES, BEGINNING	<u>119,038</u>	<u>119,038</u>	<u>128,830</u>	<u>9,792</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 143,328</u>	<u>\$ 143,328</u>

CITY OF TROUTDALE, OREGON
SEWER FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2015

	Revenues	Expenditures/ Expenses
Sewer Fund	\$ 2,748,686	\$ 1,922,925
Debt Service Fund	1,410,152	1,768,141
Sewer Improvement Fund	14,498	-
Total	4,173,336	3,691,066
Depreciation expense	-	780,700
Capital outlay	-	(109,491)
Net change in accrued compensated absences	-	3,587
Change in unavailable property taxes	3,019	-
Interest	-	(3,478)
Pension expense	-	(199,423)
Interfund loan transaction	(44,000)	-
Bond Premium and Discount Amortization	-	14,147
Payment of bond principal	-	(1,090,000)
Revenues and expenses	\$ 4,132,355	\$ 3,087,108

**CITY OF TROUTDALE, OREGON
STORM SEWER IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
System development charges	\$ 10,000	\$ 10,000	\$ 19,104	\$ 9,104
Investment earnings	7,000	7,000	9,558	2,558
Total revenues	<u>17,000</u>	<u>17,000</u>	<u>28,662</u>	<u>11,662</u>
EXPENDITURES:				
Materials and service	10,000	10,000	-	10,000
Capital outlay	880,000	880,000	20,698	859,302
Contingency	150,000	150,000	-	150,000
Total expenditures	<u>1,040,000</u>	<u>1,040,000</u>	<u>20,698</u>	<u>1,019,302</u>
Net changes in fund balances	(1,023,000)	(1,023,000)	7,964	1,030,964
FUND BALANCES, BEGINNING	<u>2,125,612</u>	<u>2,125,612</u>	<u>2,182,091</u>	<u>56,479</u>
FUND BALANCES, ENDING	<u>\$ 1,102,612</u>	<u>\$ 1,102,612</u>	<u>\$ 2,190,055</u>	<u>\$ 1,087,443</u>

CITY OF TROUTDALE, OREGON
 STORM SEWER UTILITY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 254,000	\$ 254,000	\$ 271,915	\$ 17,915
Investment earnings	2,000	2,000	895	(1,105)
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	<u>257,000</u>	<u>257,000</u>	<u>272,810</u>	<u>15,810</u>
EXPENDITURES:				
Personal service	173,515	173,515	160,605	12,910
Materials and service	363,225	363,225	300,492	62,733
Capital outlay	50,000	50,000	12,233	37,767
Contingency	10,186	10,186	-	10,186
Total expenditures	<u>596,926</u>	<u>596,926</u>	<u>473,330</u>	<u>123,596</u>
 Net changes in fund balances	 (339,926)	 (339,926)	 (200,520)	 139,406
FUND BALANCES, BEGINNING	<u>339,926</u>	<u>339,926</u>	<u>382,345</u>	<u>42,419</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 181,825</u>	<u>\$ 181,825</u>

CITY OF TROUTDALE, OREGON
STORM SEWER FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2015

	<u>Revenues</u>	<u>Expenditures/ Expenses</u>
Storm Sewer Improvement Fund	\$ 28,662	\$ 20,698
Storm Sewer Utility Fund	272,810	473,330
Total	<u>301,472</u>	<u>494,028</u>
Depreciation expense	-	258,197
Capital outlay	-	(32,931)
Pension expense	-	(62,178)
Interfund loan transaction	-	(44,000)
Net change in accrued compensated absences	<u>-</u>	<u>1,853</u>
Revenues and expenses	\$ 301,472	\$ 614,969

CITY OF TROUTDALE, OREGON
PUBLIC SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 937,300	\$ 937,300	\$ 950,734	\$ 13,434
Licenses and permits	15,556	15,556	8,996	(6,560)
Investment earnings	1,000	1,000	1,566	566
Miscellaneous	-	-	261	261
Total revenues	<u>953,856</u>	<u>953,856</u>	<u>961,557</u>	<u>7,701</u>
EXPENDITURES:				
Equipment maintenance	284,899	284,899	216,103	68,796
Public works management	920,692	920,692	891,921	28,771
Contingency	59,348	59,348	-	59,348
Total expenditures	<u>1,264,939</u>	<u>1,264,939</u>	<u>1,108,024</u>	<u>156,915</u>
 Net Changes in fund balances	 (311,083)	 (311,083)	 (146,467)	 164,616
FUND BALANCES, BEGINNING	<u>311,083</u>	<u>311,083</u>	<u>303,182</u>	<u>(7,901)</u>
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 156,715</u>	<u>\$ 156,715</u>

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**CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS**

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CITY OF TROUTDALE, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2015

Governmental funds capital assets:

Land	\$ 3,461,425
Intangibles	16,218
Land improvements	10,773,331
Buildings and building improvements	4,689,139
Equipment	1,620,008
Infrastructure	23,885,948
Work in process	99,910

Total governmental funds capital assets	\$ 44,545,979
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Investments in governmental capital assets by source:

Balance, July 1, 2014	45,036,976
Net changes provided by:	
General fund	(17,453)
Parks	95,524
Public Safety	(601,491)
Public Works	4,028
Streets	28,395
Total Additions	(490,997)

Total governmental funds capital assets	\$ 44,545,979
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CITY OF TROUTDALE, OREGON
 Capital Assets Used in the Operation of Governmental Funds
 Schedule By Function and Activity
 June 30, 2015

	<u>Land and Land Improvements and Intangibles</u>	<u>Buildings and Improvements</u>	<u>Equipment</u>	<u>Infrastructure</u>	<u>Work in Progress</u>	<u>Total</u>
General Government	\$ 1,282,689	\$ 1,138,972	\$ 266,865	\$ -	\$ -	\$ 2,688,526
Community Development	6,023,954	2,172,234	542,685	-	-	8,738,873
Public Safety	115,781	7,425,332	470,070	-	-	8,011,183
Highways and Streets	<u>744,358</u>	<u>36,793</u>	<u>340,388</u>	<u>23,885,948</u>	<u>99,910</u>	<u>25,107,397</u>
Total Investment	<u>\$ 8,166,782</u>	<u>\$ 10,773,331</u>	<u>\$ 1,620,008</u>	<u>\$ 23,885,948</u>	<u>\$ 99,910</u>	<u>\$ 44,545,979</u>

CITY OF TROUTDALE, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
For the Year Ended June 30, 2015

Function and Activity	Balance June 30, 2014	Additions	Deductions	Balance June 30, 2015
General Government	\$ 2,705,978	\$ 14,881	\$ (32,333)	\$ 2,688,526
Community Development	8,639,321	106,199	(6,647)	8,738,873
Public Safety	8,612,674	-	(601,491)	8,011,183
Highways and Streets	<u>25,079,003</u>	<u>263,394</u>	<u>(235,000)</u>	<u>25,107,397</u>
Total Investment	<u>\$ 45,036,976</u>	<u>\$ 384,474</u>	<u>\$ (875,471)</u>	<u>\$ 44,545,979</u>

CITY OF TROUTDALE, OREGON
Helping Hands Fund
Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
ASSETS				
Cash and investments	\$ 8,514	\$ 2,036	\$ (7,395)	\$ 3,155
Total Assets	<u>\$ 8,514</u>	<u>\$ 2,036</u>	<u>\$ (7,395)</u>	<u>\$ 3,155</u>
LIABILITIES				
Due to Others	\$ 8,514	\$ 2,036	\$ (7,395)	\$ 3,155
Total Liabilities	<u>\$ 8,514</u>	<u>\$ 2,036</u>	<u>\$ (7,395)</u>	<u>\$ 3,155</u>

City of Troutdale, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

June 30, 2015

Tax Year	Taxes Uncollected July 1, 2014	Add Levy As Extended By Assessor	(Deduct) Discounts Allowed	Add Interest Adjustments	Add (Deduct) Cancellations and Adjustments	(Deduct) Interest and Tax Collected	Taxes Uncollected June 30, 2015
2014-15	\$	\$ 6,444,151	\$ (165,283)	\$ 1,839	\$ (17,186)	\$ (6,111,873)	\$ 151,649
2013-14	156,027	-	200	3,157	(9,055)	(64,422)	85,907
2012-13	85,365	-	34	3,359	(1,755)	(26,336)	60,667
2011-12	68,303	-	6	4,773	(1,438)	(25,508)	46,136
2010-11	30,938	-	1	2,706	(290)	(12,029)	21,326
2009-10	20,087	-	(0)	448	(301)	(1,459)	18,774
2008-09	1,544	-	-	227	(212)	(654)	905
2007-08	738	-	-	59	(26)	(168)	604
2006-07	523	-	-	40	(17)	(102)	443
2005-06	405	-	-	37	(12)	(89)	342
2004-05 and prior	1,845	-	-	192	(49)	(376)	1,612
Total	\$ 365,775	\$ 6,444,151	\$ (165,042)	\$ 16,838	\$ (30,341)	\$ (6,243,016)	\$ 388,365

	Revenue Total	Receivable June 30, 2015
Governmental Funds	\$ 4,862,600	\$ 300,190
Proprietary Funds	1,409,806	88,175
Subtotal	6,272,406	\$ 388,365
Miscellaneous adjustments		
Change in property taxes subject to accrual	(29,390)	
Total taxes, tax penalties and interest	\$ 6,243,016	

City of Troutdale, Oregon

SCHEDULE OF DEBT PRINCIPAL TRANSACTIONS

June 30, 2015

	Interest Rate	Date	Original Issue Amount	Outstanding July 1, 2014	2014-2015 Transactions			Outstanding at June 30, 2015	
					Increases/ (Reductions)	Matured/ Called	Paid	Matured	Unmatured
<u>General obligation bonds</u>									
WPCF Refunding Bonds, Series 2008	3.25-4 %	6-17-08	\$ <u>8,555,000</u>	\$ <u>4,645,000</u>	\$ <u>-</u>	\$ <u>1,090,000</u>	\$ <u>1,090,000</u>	\$ <u>-</u>	\$ <u>3,555,000</u>
Police Facility Bonds, Series 2011	2.0-4.35 %	2-17-11	\$ <u>7,540,000</u>	\$ <u>7,130,000</u>	\$ <u>-</u>	\$ <u>215,000</u>	\$ <u>215,000</u>	\$ <u>-</u>	\$ <u>6,915,000</u>
<u>COP Note Payable</u>									
P & F Building Loan	3.45 %	3-31-08	\$ <u>1,173,000</u>	\$ <u>528,000</u>	\$ <u>-</u>	\$ <u>125,000</u>	\$ <u>125,000</u>	\$ <u>-</u>	\$ <u>403,000</u>

City of Troutdale, Oregon

SCHEDULE OF DEBT INTEREST TRANSACTIONS

June 30, 2015

	Issue Date	Future Liability at June 30, 2014			2014-2015 Transactions			Future Liability at June 30, 2015		
		Matured	Unmatured	Total	Increases/ (Reductions)	Matured	Paid	Matured	Unmatured	Total
<u>General obligation bonds</u>										
WPCF Refunding Bonds, Series 2008 3.25%-4% interest	6-17-08	\$ -	\$ 470,488	\$ 470,488	\$ -	\$ 183,306	\$ 183,306	\$ -	\$ 287,182	\$ 287,182
Police Facility Bonds, Series 2011 2.0%-4.35% interest	2-17-11	\$ -	\$ 3,144,175	\$ 3,144,175	\$ -	\$ 279,835	\$ 279,835	\$ -	\$ 2,864,340	\$ 2,864,340
<u>COP Note Payable</u>										
P & F Building Loan	3-31-08	\$ -	\$ 37,191	\$ 37,191	\$ -	\$ 16,060	\$ 16,060	\$ -	\$ 21,131	\$ 21,131

City of Troutdale, Oregon

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS
OF GENERAL OBLIGATION BONDS

June 30, 2015

Year of Maturity	Police Facility Series 2011 Issued 2-17-2011		WPCF Refunding Bonds Series 2008 Issued 6-17-08	
	Principal	Interest	Principal	Interest
2015-16	\$ 230,000	\$ 275,535	\$ 1,135,000	\$ 140,981
2016-17	245,000	270,935	1,185,000	96,800
2017-18	265,000	263,585	1,235,000	49,400
2018-19	290,000	253,698		
2019-20	315,000	242,098		
2020-21	340,000	229,498		
2021-22	370,000	215,898		
2022-23	400,000	201,098		
2023-24	430,000	185,098		
2024-25	465,000	167,898		
2025-26	495,000	149,298		
2026-27	535,000	129,498		
2027-28	570,000	107,563		
2028-29	610,000	83,908		
2029-30	655,000	58,288		
2030-31	700,000	30,450		
	\$ <u>6,915,000</u>	\$ <u>2,864,340</u>	\$ <u>3,555,000</u>	\$ <u>287,182</u>

City of Troutdale, Oregon

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS OF
 LOAN PAYABLE FOR THE CONSTRUCTION OF THE
 PARKS & FACILITIES BUILDING

June 30, 2015

<u>Year of Maturity</u>	<u>Issued 3-31-2008</u>	
	<u>Principal</u>	<u>Interest</u>
2015-16	\$ 130,000	\$ 11,661
2016-17	135,000	7,090
2017-18	<u>138,000</u>	<u>2,381</u>
	<u>\$ 403,000</u>	<u>\$ 21,131</u>

City of Troutdale, Oregon

SCHEDULE OF GENERAL GOVERNMENTAL REVENUES BY SOURCE
 BUDGETARY BASIS
 ALL GOVERNMENTAL FUND TYPES

Last ten fiscal years

(1) Fiscal year ended June 30,	Taxes	Intergovern- mental Revenues	Licenses and Permits	Fines and Forfeitures	Charges for Current Services	Franchise Fees	Assessment Collections	Total
2006	\$ 4,285,743	\$ 1,842,157	\$ 1,083,534	\$ 202,858	\$ 6,149,853	\$ 1,117,420	\$ 655,102	\$ 15,336,667
2007	3,883,181	1,999,245	812,426	249,012	473,001	1,161,085	674,984	9,252,934
2008	3,711,381	2,593,522	474,563	244,938	468,389	1,216,792	1,828,045	10,537,630
2009	3,807,929	2,279,607	516,513	209,957	796,010	1,269,282	1,211,874	10,091,172
2010	4,495,720	1,656,814	381,506	353,827	351,583	1,308,156	1,020,628	9,568,234
2011	4,578,650	1,982,701	229,827	402,602	261,490	1,242,675	1,006,855	9,704,800
2012	4,638,551	2,043,778	276,682	359,776	318,235	1,279,355	1,072,325	9,988,702
2013	4,705,830	2,794,696	246,595	362,591	409,348	1,272,918	1,141,834	10,933,812
2014	4,910,416	2,237,890	356,378	339,269	344,131	1,276,287	1,189,477	10,653,848
2015	5,479,355	2,498,274	401,936	295,888	313,894	1,319,304	1,012,273	11,320,924

(1) This schedule is presented on the budgetary basis. Statements and Schedules of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual are used to determine these amounts and supplemented by detailed financial records of the City.

City of Troutdale, Oregon

SCHEDULE OF GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
BUDGETARY BASIS
ALL GOVERNMENTAL FUND TYPES

Last ten fiscal years

(1) Fiscal year ended June 30,	General Government	Public Safety	Highways and Streets	Buildings and Grounds	Community Development	Solid Waste/ Recycling	Utilities Operations	Equipment Maintenance	Capital Outlay	Debt Service	Total
2006	\$ 1,677,810	\$ 3,684,302	\$ 307,984	\$ 814,643	\$ 868,886	\$ 22,711	\$ 2,321,155	\$ 195,304	\$ 932,556	\$ 1,813,009	\$ 12,638,360
2007	1,878,820	4,111,126	311,201	-	1,717,739	22,311	-	-	896,634	98,818	9,036,649
2008	2,126,571	4,424,792	445,657	-	1,833,020	19,850	-	-	1,510,539	199,982	10,560,411
2009	2,040,359	4,780,944	705,840	-	1,708,006	23,958	-	-	1,062,479	133,830	10,454,416
2010	2,233,315	4,860,333	546,464	-	1,452,360	3,166	-	-	172,217	135,466	9,403,321
2011	2,120,597	5,201,680	782,891	-	1,360,661	8,139	-	-	364,552	136,930	9,975,450
2012	2,104,647	5,307,537	724,049	-	1,360,507	13,780	-	-	5,534,665	138,221	15,183,406
2013	2,088,156	5,240,764	786,038	-	1,295,030	13,517	-	-	2,788,459	139,340	12,351,304
2014	2,067,329	5,462,943	929,899	-	1,581,270	17,225	-	-	619,939	140,286	10,818,891
2015	2,182,269	5,677,030	732,538	-	1,617,532	15,114	-	-	307,304	142,093	10,673,880

(1) This schedule is presented on the budgetary basis. Statements and Schedules of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual are used to determine these amounts and supplemented by detailed financial records of the City.

City of Troutdale, Oregon

SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS

Fiscal year ended June 30, 2015

Oregon Revised Statutes section 297 requires a statement of accountability for each independently elected official collecting or receiving money in the municipal corporation. The statement is a presentation of the beginning balances, receipts, disbursements, refunds, and turnovers to the appropriate governmental official, reconciled to cash on hand at the beginning and end of the audit period.

In compliance with ORS 297, there are no independently elected officials that collect or receive money on behalf of the City of Troutdale.

STATISTICAL SECTION

This part of the City of Troutdale's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall health.

Pages

Financial Trends

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

85-89

Revenue Capacity

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

90-93

Debt Capacity

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

94-97

Demographic and Economic Information

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

98-102

Operating Information

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

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CITY OF TROUTDALE, OREGON
NET POSITION BY COMPONENT
Last Ten Fiscal Years Ending June 30th
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	\$ 13,218,658	\$ 12,750,707	\$ 13,454,306	\$ 12,296,699	\$ 12,618,818	\$ 5,149,917	\$ 10,813,733	\$ 11,681,650	\$ 11,679,907	\$ 10,979,510
Restricted	523,987	352,991	209,567	419,279	97,144	10,864,094	6,788,007	5,338,679	5,478,484	5,893,683
Unrestricted	6,568,873	7,303,390	7,776,207	7,271,820	7,697,747	4,302,031	1,151,803	3,056,564	3,110,090	2,775,525
Total governmental activities net position	\$ 20,311,518	\$ 20,407,088	\$ 21,440,080	\$ 19,987,798	\$ 20,413,709	\$ 20,316,042	\$ 18,753,543	\$ 20,076,893	\$ 20,268,481	\$ 19,648,718
Business-type activities										
Net investment in capital assets	\$ 24,565,664	\$ 25,272,549	\$ 25,408,873	\$ 27,192,212	\$ 26,758,247	\$ 26,309,662	\$ 25,923,958	\$ 26,034,221	\$ 30,043,118	\$ 29,873,029
Restricted	3,141,708	2,464,044	2,270,173	2,496,813	2,256,533	2,278,696	2,056,152	1,147,530	2,332,344	2,374,868
Unrestricted	2,657,209	2,546,157	2,886,812	2,606,022	2,835,946	2,965,237	3,220,411	4,392,238	3,449,058	3,417,969
Total business-type activities net position	\$ 30,364,581	\$ 30,282,750	\$ 30,565,858	\$ 32,295,047	\$ 31,850,726	\$ 31,553,595	\$ 31,200,521	\$ 31,573,989	\$ 35,824,520	\$ 35,665,866
Primary government										
Invested in capital assets, net of related debt	\$ 37,784,322	\$ 38,023,256	\$ 38,863,179	\$ 39,488,911	\$ 39,377,065	\$ 31,459,579	\$ 36,737,691	\$ 37,715,871	\$ 41,723,025	\$ 40,852,539
Restricted	3,665,695	2,817,035	2,479,740	2,916,092	2,353,677	13,142,790	8,844,159	6,486,209	7,810,828	8,268,551
Unrestricted	9,226,082	9,849,547	10,663,019	9,877,842	10,533,693	7,267,268	4,372,214	7,448,802	6,559,148	6,193,494
Total primary government net position	\$ 50,676,099	\$ 50,689,838	\$ 52,005,938	\$ 52,282,845	\$ 52,264,435	\$ 51,869,637	\$ 49,954,064	\$ 51,650,882	\$ 56,093,001	\$ 55,314,584

¹ Information is presented for years ended subsequent to the implementation of GASB Statement No. 34.

CITY OF TROUTDALE, OREGON
CHANGES IN NET POSITION
Last Ten Fiscal Years Ending June 30th
(accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	\$ 1,721,974	\$ 2,115,824	\$ 2,344,166	\$ 2,244,169	\$ 2,474,134	\$ 2,207,978	\$ 2,290,744	\$ 1,980,493	\$ 1,875,390	\$ 2,016,349
Public safety	3,769,206	4,565,517	4,870,942	5,479,783	5,145,857	5,081,873	6,030,937	4,760,654	5,365,424	5,235,720
Highways and streets	1,122,029	345,597	490,333	809,014	578,566	1,427,173	1,419,589	1,239,829	1,408,175	1,166,959
Solid waste/recycling	23,270	24,777	21,854	26,314	3,352	8,165	15,320	28,845	15,945	13,375
Community development	2,208,775	1,907,596	2,015,085	1,957,668	1,537,680	900,494	1,818,625	1,580,808	1,812,461	1,780,461
Interest on long-term debt	18,983	28,838	107,887	38,591	85,879	86,643	16,125	20,900	1,379	15,454
Transfers Out	-	292,014	-	-	-	-	-	-	-	-
Total governmental activities expenses	8,864,237	9,280,163	9,850,267	10,555,539	9,825,468	9,712,326	11,591,340	9,611,529	10,478,774	10,228,318
Business-type activities:										
Water	\$ 1,616,035	\$ 1,801,572	\$ 1,318,135	\$ 1,806,634	\$ 1,783,764	\$ 1,941,720	\$ 2,019,228	\$ 1,882,941	\$ 1,887,225	\$ 1,696,706
Sewer	2,567,913	3,354,959	1,945,525	2,480,974	2,577,321	2,714,223	3,306,348	3,180,079	3,343,454	3,087,108
Storm sewer	321,934	365,772	329,182	356,319	423,444	685,874	566,641	449,292	461,676	614,969
Public services	935,727	906,810	755,393	926,672	945,183	891,327	961,728	942,509	1,081,187	1,108,024
Total business-type activities expenses	5,441,609	6,429,113	4,348,235	5,570,599	5,729,712	6,233,144	6,853,945	6,454,821	6,773,542	6,506,807
Total primary government expenses	\$ 14,305,846	\$ 15,709,276	\$ 14,198,502	\$ 16,126,138	\$ 15,555,180	\$ 15,945,470	\$ 18,445,285	\$ 16,066,350	\$ 17,252,316	\$ 16,735,125
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 722,131	\$ 792,136	\$ 795,134	\$ 913,289	\$ 463,477	\$ 323,000	\$ 275,880	\$ 397,213	\$ 325,671	\$ 347,099
Other activities	1,821,013	1,253,165	9,777	7,593	7,650	7,875	7,875	8,175	7,875	47
Operating grants and contributions	820,100	647,282	676,716	641,179	744,784	802,626	914,475	889,969	929,972	950,585
Capital grants and contributions	1,023,166	246,541	140,912	481,516	10,406	2,508	53,745	50,397	57,550	15,463
Total governmental activities program revenues	4,386,410	2,939,124	1,622,539	2,043,577	1,226,317	1,136,009	1,251,975	1,345,754	1,321,068	1,313,194
Business-type activities:										
Charges for services:										
Water	1,307,401	1,339,410	1,410,442	1,581,316	1,339,871	1,397,723	1,508,663	1,443,755	1,429,516	1,546,851
Sewer	2,055,602	2,820,196	2,091,078	2,179,348	2,180,436	2,290,594	2,380,969	2,471,898	2,575,013	2,650,379
Storm sewer	189,352	194,667	197,162	196,743	197,412	214,480	231,036	240,270	251,092	271,915
Public services	891,084	823,641	24,095	842,452	975,025	1,021,826	1,024,115	1,029,977	973,584	959,730
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	1,684,669	353,641	228,607	1,729,149	108,618	161,711	40,867	63,281	4,176,323	40,928
Total business-type activities program revenues	6,128,108	5,531,555	3,951,384	6,529,008	4,801,362	5,086,334	5,185,650	5,249,181	9,405,528	5,469,803
Total primary government program revenues	\$ 10,514,518	\$ 8,470,679	\$ 5,573,923	\$ 8,572,585	\$ 6,027,679	\$ 6,222,343	\$ 6,437,625	\$ 6,594,935	\$ 10,726,596	\$ 6,782,997

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net(expense)/revenue										
Governmental activities	\$ (4,477,827)	\$ (7,284,663)	\$ (8,798,728)	\$ (8,511,962)	\$ (8,599,151)	\$ (8,576,317)	\$ (10,339,365)	\$ (8,265,775)	\$ (9,157,706)	\$ (8,915,124)
Business-type activities	686,499	(897,557)	(396,851)	958,409	(928,350)	(1,146,810)	(1,668,295)	(1,205,640)	2,631,986	(1,037,004)
Total primary government net expense	\$ (3,791,328)	\$ (8,182,220)	\$ (9,195,579)	\$ (7,553,553)	\$ (9,527,501)	\$ (9,723,127)	\$ (12,007,660)	\$ (9,471,415)	\$ (6,525,720)	\$ (9,952,128)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 5,215,460	\$ 5,412,698	\$ 5,712,009	\$ 5,807,929	\$ 5,956,364	\$ 6,100,036	\$ 6,196,608	\$ 6,198,071	\$ 6,389,337	\$ 6,862,600
Franchise taxes	1,117,420	1,161,085	1,216,792	1,269,282	1,308,156	1,242,675	1,279,355	1,272,918	1,276,287	1,319,304
Business income taxes	619,714	724,670	1,477,529	1,312,523	657,704	716,750	670,940	708,606	789,670	875,509
Hotel taxes	356,328	394,548	433,883	414,443	402,806	429,249	427,973	451,708	480,624	47,516
Liquor taxes	260,549	260,717	174,506	186,331	174,967	182,575	204,188	213,221	224,251	577,726
Cigarette taxes	27,328	27,315	25,122	24,312	22,674	20,911	23,354	22,735	21,545	21,382
Solid waste taxes	54,380	54,659	50,704	50,203	52,465	56,310	54,109	57,118	56,968	58,114
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	244,578	368,356	332,818	148,990	54,186	56,150	74,488	54,752	45,229	45,229
Miscellaneous	23,885	465,547	1,495,529	1,004,940	1,835,854	1,809,260	1,845,851	2,609,996	2,065,383	2,219,435
Gain on sale of capital assets	5,592	(3,904)	(6,772)	-	-	(135,266)	-	-	-	-
Transfers	-	-	-	13,727	(15,000)	-	-	-	-	-
Total governmental activities	\$ 5,925,234	\$ 6,863,691	\$ 8,912,120	\$ 8,232,680	\$ 8,450,176	\$ 8,478,650	\$ 8,776,866	\$ 9,589,125	\$ 9,349,294	\$ 10,026,816
Business-type activities:										
Taxes										
Property taxes	659,337	656,160	668,318	641,663	653,165	721,442	1,274,401	1,431,836	1,459,418	1,409,806
Investment earnings	217,808	294,353	308,010	110,273	56,579	25,830	28,190	30,758	30,761	30,100
Miscellaneous	103,424	118,501	52,231	18,844	93,082	102,407	12,630	116,514	128,366	47,957
Gain on sale of capital assets	1,500	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	15,000	-	-	-	-	-
Total business-type activities	982,069	1,069,014	1,028,559	770,780	797,826	849,679	1,315,221	1,579,108	1,618,545	1,487,863
Total primary government	\$ 6,907,303	\$ 7,932,705	\$ 9,940,679	\$ 9,003,460	\$ 9,248,002	\$ 9,328,329	\$ 10,092,087	\$ 11,168,233	\$ 10,967,839	\$ 11,514,679
Change in Net Position										
Governmental activities	\$ 1,447,407	\$ 546,537	\$ 1,032,992	\$ (279,282)	\$ (148,975)	\$ (97,667)	\$ (1,562,499)	\$ 1,323,350	\$ 191,588	\$ 1,111,692
Business-type activities	1,668,568	171,457	283,108	1,729,189	(130,524)	(297,131)	(353,074)	373,468	4,250,531	450,859
Total primary government	\$ 3,115,975	\$ 717,994	\$ 1,316,100	\$ 1,449,907	\$ (279,499)	\$ (394,798)	\$ (1,915,573)	\$ 1,696,818	\$ 4,442,119	\$ 1,562,551

¹ Information is presented for years ended subsequent to the implementation of GASB Statement No. 34

CITY OF TROUTDALE, OREGON
FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years Ending June 30th
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund										
Reserved (pre GASB #54)	\$ 518,613	\$ 346,077	\$ 179,965	\$ 356,254	\$ 356,254	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved (pre GASB #54)	3,248,008	3,840,090	4,120,709	3,405,819	3,525,521	-	-	-	-	-
<i>GASB No. 54 Categories:</i>										
Nonspendable	-	-	-	-	-	2,326	1,973	4,234	4,763	4,684
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	54,000	54,000	-	-	-
Unassigned	-	-	-	-	-	3,578,983	3,620,883	3,728,007	3,700,166	4,073,773
Total general fund.	\$ 3,766,621	\$ 4,186,167	\$ 4,300,674	\$ 3,762,073	\$ 3,881,775	\$ 3,635,309	\$ 3,676,856	\$ 3,732,241	\$ 3,704,929	\$ 4,078,457
All other governmental funds										
Reserved (pre GASB #54)	\$ 5,374	\$ 6,914	\$ 29,602	\$ 63,025	\$ 97,144	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds (pre GASB #54)	1,009,502	1,171,736	1,115,154	973,682	946,312	-	-	-	-	-
Capital project funds (pre GASB #54)	2,325,262	2,349,980	2,595,186	2,892,319	2,915,781	-	-	-	-	-
Permanent funds (pre GASB #54)	-	-	-	-	-	-	-	-	-	-
<i>GASB No. 54 Categories:</i>										
Nonspendable	-	-	-	-	-	13,233	11,607	13,079	12,134	12,259
Restricted	-	-	-	-	-	11,776,026	6,825,730	5,338,679	5,478,484	5,893,683
Assigned	-	-	-	-	-	21,768	(37,723)	-	-	-
Unassigned	-	-	-	-	-	(156,207)	(222,158)	(247,179)	(481,797)	(623,605)
Total all other governmental funds	\$ 3,340,138	\$ 3,528,630	\$ 3,739,942	\$ 3,929,026	\$ 3,959,237	\$ 11,654,820	\$ 6,577,456	\$ 5,104,579	\$ 5,008,821	\$ 5,282,337

¹ Information is presented for years ended subsequent to the implementation of GASB Statement No. 34

CITY OF TROUTDALE, OREGON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years Ending June 30th
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 4,745,810	\$ 5,044,266	\$ 4,928,173	\$ 5,077,211	\$ 5,749,690	\$ 5,821,325	\$ 5,917,906	\$ 5,978,748	\$ 6,186,703	\$ 6,798,659
Licenses and permits	1,073,864	812,426	474,563	516,513	381,506	229,827	276,682	246,595	356,378	401,936
Intergovernmental	1,842,156	1,999,245	2,593,522	2,593,522	1,656,814	1,982,701	2,043,778	2,794,696	2,237,890	2,498,274
Charges for services	1,395,454	473,001	468,389	796,010	351,583	261,490	318,235	409,348	344,131	313,894
Fines	202,858	249,012	244,938	209,957	353,827	402,602	359,776	362,591	339,269	295,888
Investment earnings	244,578	368,356	332,818	148,990	54,186	56,150	74,488	54,752	45,229	47,516
Miscellaneous	87,790	306,628	1,495,227	748,969	1,020,628	950,705	997,837	1,087,082	1,144,248	964,757
Total revenues	9,592,530	9,252,934	10,537,630	10,091,172	9,568,234	9,704,800	9,988,702	10,933,812	10,653,848	11,320,924
Expenditures										
General government	1,677,810	1,878,820	2,126,571	2,040,359	2,233,315	2,120,597	2,104,647	2,088,156	2,067,329	2,182,269
Public safety	3,684,302	4,111,126	4,424,792	4,780,944	4,860,333	5,201,680	5,307,537	5,240,764	5,462,943	5,677,030
Highways and streets	307,983	311,201	445,657	705,840	546,464	782,891	724,049	786,038	929,899	732,538
Solid waste/recycling	22,711	22,311	19,850	22,958	3,166	8,139	13,780	13,517	17,225	15,114
Community development	1,679,711	1,717,739	1,833,020	1,708,006	1,452,360	1,360,661	1,360,507	1,295,030	1,581,270	1,617,532
Capital outlay	536,833	896,634	1,510,539	1,062,479	172,217	364,552	5,534,665	2,788,459	619,939	307,304
Debt service										
Principal	207,707	86,533	184,838	95,000	100,000	105,000	110,000	115,000	120,000	126,033
Interest	22,116	12,285	15,144	38,830	35,466	31,930	28,221	24,340	20,286	16,060
Total expenditures	8,139,173	9,036,649	10,560,411	10,454,416	9,403,321	9,975,450	15,183,406	12,351,304	10,818,891	10,673,880
Excess of revenues over (under) expenditures	1,453,357	216,285	(22,781)	(363,244)	164,913	(270,650)	(5,194,704)	(1,417,492)	(165,043)	647,044
Other financing sources (uses)										
Transfers in	845,165	869,585	1,018,630	308,775	152,056	482,104	138,000	143,000	141,000	142,000
Transfers out	(507,146)	(477,832)	(670,030)	(295,048)	(167,056)	(482,104)	(138,000)	(143,000)	(141,000)	(142,000)
Capital leases proceeds						114,105	158,887		41,973	-
Bond proceeds						7,540,000				-
Bonds premium						65,662				-
Total other financing sources (uses)	338,019	391,753	348,600	13,727	(15,000)	7,719,767	158,887	-	41,973	-
Net change in fund balances	\$ 1,791,376	\$ 608,038	\$ 325,819	\$ (349,517)	\$ 149,913	\$ 7,449,117	\$ (5,035,817)	\$ (1,417,492)	\$ (123,070)	\$ 647,044
Debt service as a percentage of noncapital expenditures	3.1%	1.2%	2.3%	1.4%	1.5%	1.4%	1.5%	1.5%	1.4%	1.4%

¹ Information is presented for years ended subsequent to the implementation of GASB Statement No. 34.

CITY OF TROUTDALE, OREGON
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years Ending June 30th

Assessed Value ¹												
Real Property												
Fiscal Year Ended	Residential Property	Commercial Property	Industrial Property	Other Property	Total Real Property	Personal Property	Manufactured Property	Public Utilities Property	Total	Total Real Market Value	Ratio of Total Assessed Value to Total Real Market Value	Total City Tax Rate
2006	\$ 551,050,710	\$ 140,100,940	\$ 28,415,350	\$ 40,815,250	\$ 760,382,250	\$ 28,271,883	\$ 8,435,290	\$ 20,381,089	\$ 817,470,512	\$ 1,080,228,726	75.68%	4.46
2007	584,419,580	151,840,560	33,795,970	41,416,120	811,472,250	29,339,549	8,052,540	22,171,590	871,035,929	1,202,192,264	72.45%	4.55
2008	630,551,890	164,555,350	36,306,040	42,088,440	873,501,720	28,987,384	8,839,580	21,986,600	933,315,284	1,374,707,003	67.89%	4.43
2009	671,196,810	170,212,610	38,397,830	55,947,030	935,754,280	30,404,405	9,312,120	25,564,310	1,001,035,115	1,629,878,407	61.42%	4.40
2010	724,460,240	132,033,070	95,566,630	58,252,340	1,010,312,280	30,827,601	10,750,860	30,057,100	1,081,947,841	1,855,868,519	58.30%	4.39
2011	748,603,040	135,205,020	102,409,550	55,708,990	1,041,926,600	28,481,859	10,538,230	30,086,170	1,111,032,859	1,824,028,187	60.91%	4.44
2012	750,287,090	138,073,440	105,218,010	57,320,510	1,050,899,050	30,835,046	10,518,970	37,638,877	1,129,891,943	1,731,455,887	65.26%	4.93
2013	735,543,050	198,583,360	19,993,540	68,507,590	1,022,627,540	50,886,853	9,312,620	39,162,900	1,121,989,913	1,711,308,740	65.56%	5.09
2014	767,084,170	212,904,330	19,566,760	61,056,060	1,060,611,320	53,724,870	9,628,180	40,383,830	1,164,348,200	1,729,071,950	67.34%	5.02
2015	807,457,540	267,671,940	19,354,720	62,446,640	1,156,930,840	79,633,140	9,635,280	43,185,990	1,289,385,250	1,904,289,273	67.71%	4.86

Source: Multnomah County Division of Assessment and Taxation.

¹ Properties are assessed annually by the County (residential properties) and the State (major commercial properties). Real market values are based on those assessments. Oregon voters approved Ballot Measure 50 in May of 1997, which established a base for property values (the assessed values shown) and limited future increases to three percent per year, regardless of actual market values. New construction is valued equivalent to existing assessed properties by applying a changed property ratio to real market values of the construction as determined by the assessors. (Sal7a)

**CITY OF TROUTDALE , OREGON
PROPERTY TAX RATES ¹
DIRECT AND OVERLAPPING ² GOVERNMENTS
Last Ten Fiscal Years Ending June 30th**

Fiscal Year	CITY OF TROUTDALE , OREGON				Overlapping Rates							School District				Total Direct & Overlapping Rates
	Operating	Debt Service	Urban Renewal Agency	Total City	Regional & County				Soil Conservation District	Total Regional & County	Multnomah County ESD	Reynolds School District	Mt. Hood Community College	Total Schools		
					Multnomah County	Port of Portland	Metro Service District	Tri-Met								
2006	3.77	0.78	-	4.55	5.31	0.07	0.28	0.12	0.04	5.82	0.46	6.02	0.49	6.96	17.33	
2007	3.77	0.69	-	4.46	5.29	0.07	0.28	0.10	0.03	5.77	0.46	5.95	0.49	6.90	17.13	
2008	3.76	0.66	0.02	4.44	5.41	0.07	0.43	0.09	0.07	6.07	0.46	5.83	0.49	6.77	17.28	
2009	3.76	0.64	0.03	4.43	5.38	0.07	0.40	0.08	0.09	6.02	0.46	5.80	0.49	6.75	17.20	
2010	3.76	0.62	0.04	4.41	5.39	0.07	0.44	0.09	0.10	6.08	0.46	5.59	0.49	6.54	17.04	
2011	3.75	0.67	0.04	4.47	5.37	0.07	0.41	0.09	0.10	6.04	0.46	5.58	0.49	6.53	17.03	
2012	3.75	1.16	0.07	4.98	5.42	0.16	0.31	0.06	0.10	5.96	0.46	5.75	0.49	6.70	17.64	
2013	3.74	1.31	0.10	5.16	5.40	0.07	0.40	-	0.10	5.97	0.45	5.95	0.49	6.89	18.02	
2014	3.74	1.29	0.13	5.16	5.65	0.07	0.47	-	0.10	6.29	0.45	5.97	0.49	6.92	18.36	
2015	3.73	1.12	0.14	5.00	5.63	0.07	0.46	-	0.10	6.25	0.45	5.77	0.49	6.71	17.96	

Source: Multnomah County Division of Assessment and Taxation

¹ In May of 1997 Oregon voters approved Ballot Measure 50 which established permanent tax rates for local taxing districts. Changes to permanent rates would require a state-wide majority vote to remove the effects of the measure from the Oregon constitution. Special levies, with certain restrictions, can be added to permanent rates by vote within each district.

² Overlapping rates are the tax rates of various local and county governments that apply to property owners within the City of Troutdale, for Levy Code Area 242. Not all overlapping rates apply to all City of Troutdale property owners (e.g., the rates for special districts apply only to the proportion of the City of Troutdale's property owners whose property is located within the geographic boundaries of the special district).

**CITY OF TROUTDALE, OREGON
PRINCIPAL PROPERTY TAXPAYERS
June 30, 2015**

Taxpayer	2014-2015			2005-2006		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
FEDEX GROUND PACKAGE	\$ 93,483,610	1	7.3%			
CHELSEA GCA REALTY PARTNERSHIP	21,626,430	2	1.7%	\$ 16,575,140	1	1.9%
TOYO TANSO USA, INC.	17,787,100	3	1.4%	14,824,540	2	1.7%
COMCAST CORPORATION	16,721,500	4	1.3%			
MOUNTAIN MEADOWS COMMUNITY INC	11,613,580	5	0.9%			
BURLINGAME DEVELOPMENT INC.	11,258,050	6	0.9%	7,809,910	6	0.9%
PORTLAND GENERAL ELECTRIC	10,156,000	7	0.8%			
MGP X PROPERTIES LLC	10,106,880	8	0.8%			
TROUTDALE TERRACE	9,430,260	9	0.7%	7,227,590	8	0.8%
HPT TA PROPERTIES LLC	8,615,820	10	0.7%	7,703,550	7	0.9%
Tube Specialties Co., Inc.				13,680,060	3	1.6%
Kravitz, Alan Metal				8,900,890	4	1.0%
Retail Property Partners LP				8,117,060	5	0.9%
Albertson's				5,940,420	9	0.7%
Pan Facific Retail				5,377,630	10	0.6%
Totals	<u>\$ 210,799,230</u>		<u>16.5%</u>	<u>\$ 96,156,790</u>		<u>11.0%</u>

Source: Multnomah County Division of Assessment and Taxation

**CITY OF TROUTDALE , OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years Ending June 30th**

Fiscal Year Ended June 30	Collected within the Fiscal Year of the Levy				Total Collections to Date	
	Total Tax Levy for Fiscal Year	Current Tax Collections	Percentage of Levy	Delinquent Tax Collections	Amount	Percentage of Levy
2006	\$ 4,002,040	\$ 3,783,906	94.5%	\$ 217,792	\$ 4,001,698	99.99%
2007	4,161,638	4,064,812	97.7%	96,383	4,161,195	99.99%
2008	4,502,533	4,353,221	96.7%	148,708	4,501,929	99.99%
2009	4,643,517	4,345,859	93.6%	296,753	4,642,612	99.98%
2010	4,776,510	4,453,024	93.2%	304,711	4,757,735	99.61%
2011	4,916,098	4,641,549	94.4%	253,224	4,894,772	99.57%
2012	5,548,240	5,286,245	95.3%	215,859	5,502,104	99.17%
2013	5,673,471	5,466,703	96.4%	146,102	5,612,804	98.93%
2014	5,998,948	5,676,214	94.6%	236,827	5,913,041	98.57%
2015	6,444,151	6,111,873	94.8%	-	6,111,873	94.84%

Source: Multnomah County Division of Assessment and Taxation
Annual Property Tax Distribution Summary
Annual Property Tax Receivable Summary

CITY OF TROUTDALE, OREGON
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years Ending June 30th

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Net G.O. Bond (Premium) / Discount	Capital Lease Payable	Installment Contract Loan	Finance Agreement	General Obligation Bonds	Net G.O. Bond (Premium) / Discount	Oregon Economic Development Loan			
2006	\$ -	\$ -	\$ 271,372	\$ -	\$ -	\$ 11,770,000	\$ -	\$ 295,397	\$ 12,336,769	0.05%	816
2007	-	-	184,839	-	-	11,020,000	-	-	11,204,839	0.04%	726
2008	-	-	-	-	1,173,000	10,310,000	-	-	11,483,000	0.04%	743
2009	-	-	-	-	1,078,000	9,450,000	(127,323)	-	10,400,677	0.04%	669
2010	-	-	-	-	978,000	8,570,000	(113,176)	-	9,434,824	0.03%	605
2011	7,540,000	65,662	78,770	-	873,000	7,645,000	(99,029)	-	16,103,403	0.05%	1,008
2012	7,480,000	62,379	146,684	-	763,000	6,685,000	(84,882)	-	15,052,181	0.05%	941
2013	7,315,000	59,096	81,194	-	648,000	5,685,000	(70,735)	-	13,717,555	0.04%	857
2014	7,130,000	55,813	88,645	-	528,000	4,645,000	(56,588)	-	12,390,870	0.03%	774
2015	6,915,000	52,530	61,144	-	403,000	3,555,000	(42,441)	-	11,184,724	N/A	698

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Demographic and Economic Statistics for population data used in this calculation.

N/A - data not available.

CITY OF TROUTDALE , OREGON
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years Ending June 30th

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Value of Taxable Property ¹	Per Capita ²
2006	\$ 11,770,000	\$ 62,073	\$ 11,707,927	1.08%	775
2007	11,020,000	109,294	10,910,706	0.91%	707
2008	10,310,000	154,960	10,155,040	0.74%	657
2009	9,322,677	214,654	9,108,023	0.56%	586
2010	8,456,824	260,037	8,196,787	0.44%	526
2011	15,151,633	222,672	14,928,961	0.82%	934
2012	14,142,497	259,279	13,883,218	0.80%	868
2013	12,988,361	326,086	12,662,275	0.74%	791
2014	11,774,225	473,658	11,300,567	0.65%	706
2015	10,480,089	652,205	9,827,884	0.52%	613

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data used in this calculation.

² See the Schedule of Demographic and Economic Statistics for population data used in this calculation.

CITY OF TROUTDALE, OREGON
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Multnomah County	\$ 289,918,314	1.52%	\$ 4,406,758
Metro	223,625,000	0.77%	1,721,913
Port of Portland	65,302,566	0.71%	463,648
Reynolds School District No. 7	101,835,776	22.53%	22,943,600
Gresham-Barlow School District No. 10	80,738,445	0.52%	419,840
Mt. Hood Community College	65,483,058	5.21%	3,411,667
Multnomah Education Service District	31,355,000	1.49%	467,190
Other:			
Multnomah County	262,714,000	1.52%	3,993,253
Port of Portland	786,275,000	0.71%	5,582,553
TriMet Transportation District	552,480,000	0.86%	4,751,328
Subtotal, overlapping debt			48,161,749
City of Troutdale, Oregon direct debt			<u>7,431,674</u>
Total direct and overlapping debt			<u>\$ 55,593,423</u>

Source: The State of Oregon Office of the Treasurer, acting on behalf of the Municipal Debt Advisory Commission (MDAC)
& Multnomah County Division of Assessment and Taxation

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Troutdale. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values.

**CITY OF TROUTDALE, OREGON
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years Ending June 30th**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 36,065,768	\$ 41,241,210	\$ 48,896,352	\$ 50,725,479	\$ 55,676,056	\$ 54,720,846	\$ 51,943,677	\$ 51,339,262	\$ 51,872,159	\$ 57,128,678
Total net debt application to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 36,065,768</u>	<u>\$ 41,241,210</u>	<u>\$ 48,896,352</u>	<u>\$ 50,725,479</u>	<u>\$ 55,676,056</u>	<u>\$ 54,720,846</u>	<u>\$ 51,943,677</u>	<u>\$ 51,339,262</u>	<u>\$ 51,872,159</u>	<u>\$ 57,128,678</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2014-2015

Real market value (2014-15) ¹	\$ 1,904,289,273
Debt limit (3% of total real market value)	57,128,678
Debt subject to limit:	<u>-</u>
Legal debt margin	<u>\$ 57,128,678</u>

¹ Note: Oregon Revised Statute 287.004 provides a debt limit of 3% of the taxable real market value within the City's boundaries for general obligation bonds. Utility revenue bonds and assessment bonds are excluded from the limitation. The general obligation bonds outstanding for the City are for the sewer plant expansion project and the new police station, both of which are excluded from debt subject to the limit. Therefore, the legal debt margin equals the State imposed debt limit.

CITY OF TROUTDALE , OREGON
PROPERTY VALUE AND NEW CONSTRUCTION VALUE
Last Ten Fiscal Years Ending June 30th

Fiscal Year	New Commercial Construction ¹		New Residential Construction ¹		Property Value	
	Number of Units	Value	Number of Units	Value	Assessed Value ²	Tax Rate
2006	4	\$ 3,724,838	196	\$ 33,824,614	\$ 871,035,929	4.55
2007	16	3,056,423	54	13,374,712	933,315,284	4.46
2008	7	1,322,870	39	8,529,159	1,001,035,115	4.43
2009	14	40,047,369	17	3,173,369	1,039,496,918	4.40
2010	43	58,680,115	20	3,642,609	1,079,497,361	4.39
2011	-	-	3	640,367	1,107,900,669	4.44
2012	46	7,876,916	16	940,582	1,124,964,739	4.93
2013	42	3,061,104	19	937,644	1,115,008,909	5.09
2014	53	18,894,063	19	1,205,558	1,278,870,040	5.06
2015	86	8,443,560	36	1,093,255	1,289,385,250	4.86

¹ City of Troutdale Building Department.

² Multnomah County Division of Assessment and Taxation.

CITY OF TROUTDALE , OREGON
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
Last Ten Fiscal Years Ending June 30th

Fiscal Year	Special Assessment Billings	Special Assessment Collections ¹
2006	-	-
2007	-	-
2008	-	-
2009	-	-
2010	-	-
2011	-	-
2012	-	-
2013	-	-
2014	-	-
2015	-	-

¹ Includes prepayments.

CITY OF TROUTDALE, OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years Ending June 30th

Fiscal Year	Population ¹	Personal Income (Multnomah County) ²	Per Capita Personal Income (Portland Metro Area) ²	School Enrollment ³	Unemployment Rate (Portland Metro Area) ⁴
2006	15,110	\$ 27,043,127,000	\$ 38,040	4,487	5.4%
2007	15,430	28,234,192,000	39,428	4,293	4.9%
2008	15,465	29,654,879,000	40,376	4,388	6.0%
2009	15,535	28,440,292,000	38,565	3,689	10.7%
2010	15,595	29,458,183,000	39,384	4,674	10.5%
2011	15,980	31,161,157,000	41,302	4,089	9.1%
2012	16,000	32,644,222,000	43,189	4,252	8.2%
2013	16,005	33,376,029,000	43,728	4,128	7.2%
2014	16,015	36,588,018,000	45,794	4,221	6.4%
2015	16,020	N/A	N/A	4,159	N/A

Data Sources:

¹ Portland State University, Population Research and Census center.

² U.S. Department of Commerce, Bureau of Economic Analysis. Calendar year info

³ Reynolds School District: Four schools located within corporate limits.

⁴ U.S. Department of Labor, Bureau of Labor Statistics, Calendar year info since 2007

N/A - data not available.

**CITY OF TROUTDALE, OREGON
PRINCIPAL EMPLOYERS
Current Year and Prior Year**

Employer	2015			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
FedEx Ground Package System, Inc	740	1	15.46%	740	1	15.46%
Walsh Trucking Co., LTD	220	2	4.60%	220	2	4.60%
Tube Specialties	191	3	3.99%	191	3	3.99%
Home Depot USA, Inc.	168	4	3.51%	168	5	3.51%
Toyo Tanso USA, Inc.	134	5	2.80%	134	4	2.80%
Travel Centers of America	125	6	2.61%	125	6	2.61%
Edgefield Gardens/ McMenamins Edgefield	120	7	2.51%	120	7	2.51%
Postal Express, Inc.	113	8	2.36%	113	8	2.36%
Fujii Farms, Inc.	102	9	2.13%	102	9	2.13%
Safeway, Inc.	90	10	1.88%	90		1.88%
Totals	2,003		41.86%	2,003		41.88%

Source: City of Troutdale business license applications self reported.
Combined full time and part time positions reported.

CITY OF TROUTDALE , OREGON
FULL-TIME EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION
Last Ten Fiscal Years Ending June 30th

Function	Full-time Equivalent Employees for Fiscal Year Ended									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	13.8	13.5	14.5	14.5	14.0	14.3	14.3	15.8	13.4	12.4
Police										
Officers	20	22	22	24	22	23	23	24	25	25.0
Civilians	3.8	3.8	4.7	5.0	5.0	4.5	4.5	3.5	3.5	3.5
Building Safety					4.0	2.1	2.1	1.7	1.5	1.8
Community Development	16.7	16.7	16.8	16.8	3.0	2.5	2.5	2.0	1.0	1.5
Parks & Facilities					4.0	4.0	4.0	4.4	6.0	6.0
Streets	1.9	1.9	2.0	2.0	2.0	1.5	1.6	1.5	1.9	1.9
Water	4.9	4.9	5.9	5.9	6.0	5.5	5.4	5.0	4.8	5.0
Sewer	7.0	7.0	7.0	8.0	6.0	6.0	6.0	8.0	8.0	6.0
Storm										2.1
Public Works Services										
Equipment Maintenance	2.2	2.2	2.1	2.1	2.1	1.5	2.1	2.1	1.7	1.7
Management	6.0	6.0	6.0	6.0	6.0	5.8	5.9	6.0	5.9	6.2
Total	76.3	78.0	81.0	84.2	74.1	70.6	71.4	74.0	72.8	72.8

Source: City financial records.

CITY OF TROUTDALE , OREGON
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years Ending June 30th

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Calls for service ¹	8,266	8,582	9,462	8,662	8,179	8,236	11,897	11,798	10,505	N/A
Traffic Calls ¹	2,635	2,695	3,250	3,018	3,808	3,828	3,316	3,060	2,508	N/A
Part I crimes ²	591	714	685	560	532	549	599	550	558	N/A
Part II crimes ²	558	735	754	736	772	882	940	727	608	N/A
Water										
Number of users	4,464	4,557	4,599	4,605	4,616	4,645	4,641	4,644	4,648	4,655
Average daily production (in thousands of gallons)	1,748	1,742	1,754	1,733	1,562	1,547	1,643	1,617	1,547	1,592
Sewer System										
Number of users	4,248	4,350	4,345	4,497	4,511	4,514	4,476	4,373	4,491	4,498
Average daily use or consumption (in thousands of gallons)	1,454	1,548	1,471	1,348	1,200	1,200	1,397	1,390	1,337	1,303
Storm Water System										
Number of users	4,341	4,447	4,443	4,605	4,619	4,633	4,560	4,466	4,584	4,591

Sources: Various City departments.

N/A - data not available.

¹ Calls for Service compiled on a calendar year basis from Bureau of Emergency Communications (BOEC) dispatch reports. Traffic calls compiled on a calendar year basis from BOEC dispatch reports but are officer initiated.

² Police Part I and II crime statistics compiled on a calendar year basis. Part I crimes include homicide, forcible rape, robbery, aggravated assault, burglary, larceny, motor vehicle theft, and arson. Part II crimes include simple assault, forgery/counterfeit, fraud, embezzlement, stolen property, vandalism, weapons laws, prostitution, other sex offenses, drug abuse, gambling, offenses against family, DUI, liquor laws, disorderly conduct, negligent homicide, and curfew/runaway.

Note: Indicators are not available for highways and streets and general government.

CITY OF TROUTDALE , OREGON
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years Ending June 30th

Function	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	19	22	22	24	24	20	20	20	20	20
Highways and streets:										
Streets (miles)	39.6	40.8	41.2	41.2	42.5	42.8	42.9	42.8	43.2	43.2
Culture and recreation										
Parks acreage	73	73	73	73	73	87.34	89.70	86.45	86.45	83.47
Greenways acreage	96	96	96	96	96	164.11	164.11	163.91	152.30	154.03
Parks, Greenways & Natural Areas	18	18	18	18	18	29	29	30	30	29
Water system										
Water main lines (miles)	64	64	64	64	64	61.25	61.25	65.50	66.89	66.72
Daily storage capacity (in millions of gallons)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6
Daily production capacity (in millions of gallons)	6.3	6.3	4.3 ²	4.4	3.8	6.0	6.0	5.2	5.8	5.8
Sewer system										
Sanitary sewer lines (miles)	51.0	51.0	51.2	51.5	51.5	54.62	54.62	55.91	55.87	55.92
Daily plant capacity (in millions of gallons)	3	3	3	3	3	3	3	3	3	3
Storm water system										
Miles of service lines	32.0	32.0	32.4	32.4	32.4	37.0	37.0	34.3	47.2	47.36

Sources: Various City departments.

¹ New Water Pollution Control Facility opened for production in 2002.

² Previous years reported total water rights. In FY 2008, total physical well production capacity is reported.

**CITY OF TROUTDALE
MULTNOMAH COUNTY, OREGON**

**INDEPENDENT AUDITORS' REPORT
REQUIRED BY OREGON STATE REGULATIONS**

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December 22, 2015

Independent Auditors' Report Required by Oregon State Regulations

We have audited the basic financial statements of the City of Troutdale as of and for the year ended June 30, 2015, and have issued our report thereon dated December 22, 2015. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

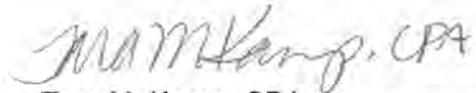
- **Deposit of public funds with financial institutions (ORS Chapter 295)**
- **Indebtedness limitations, restrictions and repayment.**
- **Budgets legally required (ORS Chapter 294).**
- **Insurance and fidelity bonds in force or required by law.**
- **Highway revenues used for public highways, roads, and streets.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**
- **Schedule of Accountability of Elected Officials**

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

OAR 162-10-0230 Internal Control

In planning and performing our audit, we considered the internal controls over financial reporting as a basis for designing our auditing procedures 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 internal controls over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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



Tara M. Kamp, CPA
PAULY, ROGERS AND CO., P.C.