

**CITY OF TROUTDALE
TROUTDALE, OREGON**

For the Year Ended June 30, 2019

COMPREHENSIVE ANNUAL FINANCIAL REPORT



12700 SW 72nd Ave.
Tigard, OR 97223

CITY OF TROUTDALE OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2019

SUBMITTED BY
FINANCE DEPARTMENT

Erich Mueller

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CITY OF TROUTDALE, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2019

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INTRODUCTORY SECTION

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CITY OF TROUTDALE

“Gateway to the Columbia River Gorge”

December 19, 2019

TO THE HONORABLE MAYOR, 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, 2019. 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 unmodified (“clean”) opinion on the City of Troutdale financial statements for the year ended June 30, 2019. 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 16,185.

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.

The 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

Local Economy. The city's location in the Portland metropolitan region provides residents with many diverse employment opportunities. The majority of Troutdale's residents in the workforce commute to a job somewhere else in the region. The Portland Oregon regional economy has fully recovered from the great recession.

The ongoing economic expansion has impacted the Portland metropolitan area with positive but modest job growth during the past year. The unemployment rate remains below 4.0% since 2017. Both construction activity and business tax collections continue to improve from the 2008 financial crisis levels.

The Oregon economy has slowed slightly from a 3.8% GDP rate in 2018. The consumer sentiment remains strong provides some encouragement to the outlook. Both home prices and unemployment have continued to improve, with auto sales, while export manufacturing is slowing due to a stronger dollar and emerging markets weakness.

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 \$1.3 million in the current year, an increase of \$158,000 or 13%, from the prior year, representing continued local business growth indicating a healthy local economy.

There continues to be interest in Troutdale Reynolds Industrial Park (TRIP) site with the addition of the recently completed Amazon.com fulfillment center project. Development increase is a combination of an easy commute to the nearby cities and the presence of high recreation, and education facilities that have strengthened the city's economic base. Residential and commercial permits have increased. The housing market continues to grow. The City continues to examine

opportunities to incrementally invest in services which meet the need of the growing community, while also maintaining existing capital assets in a manner that ensures future years are not overly burdened with costs of our most basic and vital infrastructure.

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, Urban Renewal Agency cost, capped property tax increases, increasing health care and retirement costs, and limited acreage for residential development.

Due to its strong and healthy local economy, the City has maintained a strong credit rating for a city of its' size. Moody's Investors Service previously rated the City's general obligation bonds as Aa2. In 2018 Moody's Investors Service rated the City's full faith and credit obligations as Aa2. The City was able to come through the recession of the last decade relatively well due to stable property tax revenues and to responsible fiscal management.

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

Long-term Financial Planning. The annual budget serves as the foundation for the City of Troutdale's financial planning and control. The City's current and on-going planning efforts include annual goals set by the City Council, a comprehensive plan, and rolling year capital improvement plan supporting shorter-term strategic decisions. The City maintains a Capital Improvement Program which serves as its planning document to ensure that its facilities, equipment, and infrastructure are well maintained and in operating condition. A five-year general fund forecast which includes reserves is reviewed by the Budget Committee during the budget process. Financial forecasts on a regular basis to provide relevant financial information and long-term planning tools for the variety of business functions that the city performs, and range in length from 5 to 20 years depending on the business function. These plans are designed to provide enhanced fiscal sustainability for each program as well as throughout the City. Developing and utilizing these plans enhances the City's ability to address future fiscal needs in a proactive and measured approach.

The City remains committed to providing essential services and infrastructure to its residential and commercial population. The City is managed by fiscally conservative City officials who have always been careful with spending and keeping our debt ratio low. While revenues generally come in higher than anticipated, expenditures are kept to reasonable levels and generally lower than revenues, so as to maintain our reserves for future requirements.

Relevant Financial Policies. The City has a policy of providing accurate information on program and operating costs to assist sound management of the city government by providing accurate and timely information to the City Council's deliberations. In addition, the City policy is to provide and maintain essential public facilities, utilities, infrastructure and capital equipment through sound operational principles, which minimize the cost and financial risk of the city's government consistent with services, desired by the public.

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. In 2018 the Agency purchased real property from Eastwinds Development LLC, to combine with the City owned land that housed the former sewage treatment plant, to undertake environmental remediation and site demolition to prepare the property for redevelopment. The City and Agency entered into a prospective purchaser agreement with the State of Oregon Department of Environmental Quality through Consent Judgment to provide for environmental liability protections for future approved development.

Full Faith and Credit Obligations – In order to fund the Agency's real property purchase the City borrowed \$5 million to provide an interfund loan to the Agency. The City is obligated to repay these debts from any available general revenue. Lenders see these debt payments as first priority payments from the General Fund without regard to other City spending considerations. Through an Intergovernmental Government Agreement (IGA) the City loaned the full \$5 million to the Agency to purchase the property and perform site preparation for resale including demolition and environmental cleanup across both properties. The Agency is obligated under the IGA to pay the City from the property sale proceeds, however if the fair reuse value at which the Agency sells the property is less than the costs, there will be inadequate funds to repay the City in full. However, the City will still be required to repay the outstanding Full Faith and Credit obligations at time of the property resale. Additionally, General Fund during the site preparation period, is required to make the annual debt service payments without revenue from the Agency until the property resale, which will impact both the budget and the ending fund balance.

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 in July 2015 the City also leased the Community Police Facility to Multnomah County beginning in the coming Fiscal Year. The MCSO operates the Patrol Division from the City facility resulting in increased police presence in the City. From the rental income \$175,000 is applied to the annual general obligation bond payments, and thereby reducing the necessary debt service levy upon City taxpayers.

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. At the recent election the citizens declined to approve a general obligation bond to fund the rebuilding and restoration of the facility. 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, 2018. This was the 29th 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,

A handwritten signature in black ink, appearing to read "E. Mueller", with a stylized flourish at the end.

Erich R. Mueller
Finance Director

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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, 2018

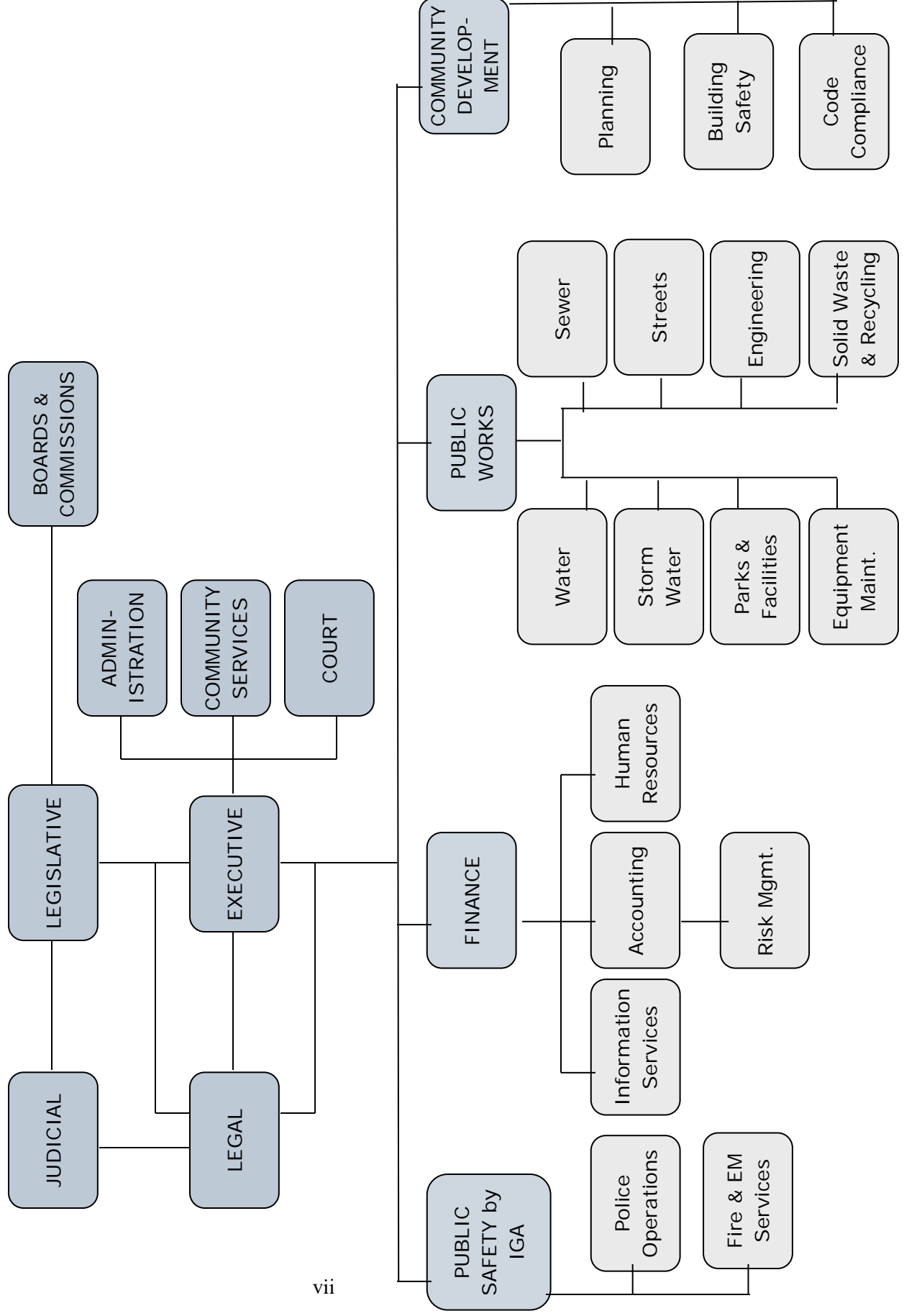
Christopher P. Morrell

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, 2019

ELECTED OFFICIALS:

| | <u>Term Expires</u> |
|--|---------------------|
|--|---------------------|

MAYOR

| | |
|------------|-------------------|
| Casey Ryan | December 31, 2020 |
|------------|-------------------|

COUNCIL MEMBERS

| | |
|-------------|-------------------|
| David Ripma | December 31, 2022 |
|-------------|-------------------|

| | |
|-------------|-------------------|
| Randy Lauer | December 31, 2020 |
|-------------|-------------------|

| | |
|-------------|-------------------|
| Jamie Kranz | December 31, 2022 |
|-------------|-------------------|

| | |
|-------------|-------------------|
| Glenn White | December 31, 2020 |
|-------------|-------------------|

| | |
|-----------|-------------------|
| Nick Moon | December 31, 2022 |
|-----------|-------------------|

| | |
|-------------|-------------------|
| Zach Hudson | December 31, 2020 |
|-------------|-------------------|

APPOINTED OFFICIALS:

CITY MANAGER

Ray Young

LEGAL COUNSEL

Ed Trompke

PUBLIC WORKS DIRECTOR

Fred Ostler

COMMUNITY DEVELOPMENT DIRECTOR

Chris Damgen

FINANCE DIRECTOR

Erich Mueller

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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12700 SW 72nd Ave. Tigard, OR 97223
(503) 620-2632 (503) 684-7523 FAX
www.paulyrogersandcpcpas.com

December 19, 2019

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, 2019, 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, 2019, 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 Statement No. 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements for the year ended June 30, 2018. 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 19, 2019, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive, flowing style.

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, 2019. 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 \$67.1 million (*net position*). Of this amount, \$6 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$4.4 million during the year. Due primarily from the delayed capital outlay and effective cost controls.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$17.8 million, a decrease of \$0.7 million due to significant costs of the environmental remediation of the urban renewal site. \$5.6 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, net of interfund loans to the URA, was \$5.6 million or 51% of total general fund expenditures during the year. The change in the ending fund balance for the General Fund is attributable to decreased planned capital outlay and reductions in budgeted expenditures.
- The City's capital assets net of depreciation increased by \$0.3 million primarily due to the URA work in progress, other limited capital outlay, and routine depreciation and equipment disposals. Long-term debt decreased by \$0.3 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 assets, 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 | |
|----------------------------------|------------------------------------|----------------|-------------------------------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Cash and investments | \$ 17.5 | \$ 18.1 | \$ 10.2 | \$ 8.0 | \$ 27.7 | \$ 26.1 |
| Other assets | 1.1 | 1.3 | 0.8 | 0.7 | 1.9 | 2.0 |
| Capital assets | 23.1 | 20.1 | 31.6 | 31.5 | 54.7 | 51.6 |
| Total assets | <u>41.7</u> | <u>39.5</u> | <u>42.7</u> | <u>40.2</u> | <u>84.4</u> | <u>79.7</u> |
| Deferred Outflows of Resource | 1.0 | 0.8 | 0.3 | 0.3 | 1.3 | 1.1 |
| Other liabilities | 0.9 | 0.6 | 2.0 | 1.1 | 2.9 | 1.7 |
| Long-term debt outstanding | 13.4 | 13.7 | - | - | 13.4 | 13.7 |
| Total liabilities | <u>14.3</u> | <u>14.3</u> | <u>2.0</u> | <u>1.1</u> | <u>16.3</u> | <u>15.4</u> |
| Deferred Inflows of Resources | 1.7 | 2.0 | 0.6 | 0.7 | 2.3 | 2.7 |
| Net Position: | | | | | | |
| Net investment in capital assets | 12.5 | 8.8 | 31.6 | 31.5 | 44.1 | 40.3 |
| Restricted | 12.1 | 11.0 | 4.7 | 3.3 | 16.8 | 14.3 |
| Unrestricted | 2.1 | 4.2 | 4.1 | 3.9 | 6.2 | 8.1 |
| Total net position | <u>\$ 26.7</u> | <u>\$ 24.0</u> | <u>\$ 40.4</u> | <u>\$ 38.7</u> | <u>\$ 67.1</u> | <u>\$ 62.7</u> |

The City's assets exceeded liabilities by \$67.1 million at the close of the fiscal year, a \$4.4 million increase from the prior year, primarily due to 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 significant 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

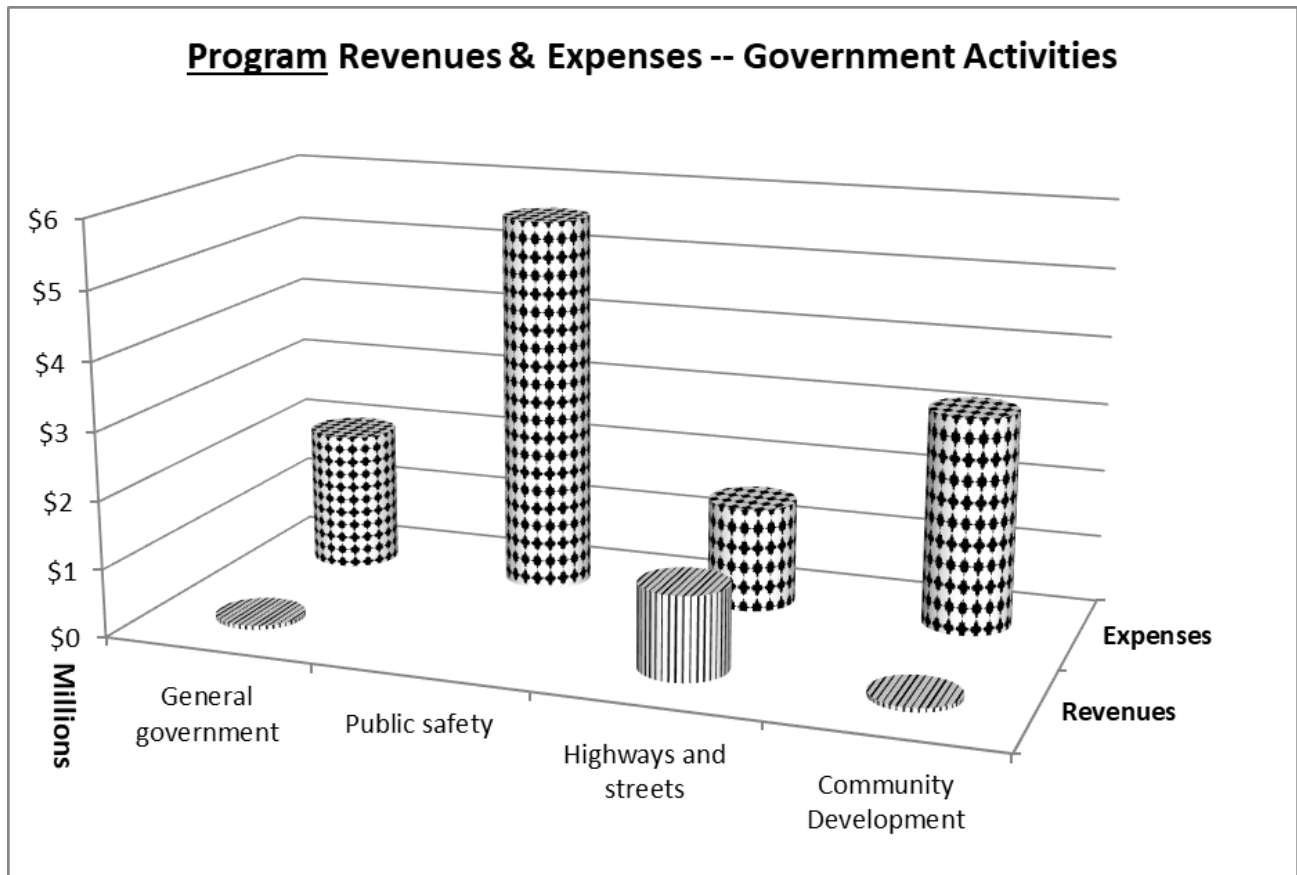
Table 2 provides a summary of the primary sources and uses and the resulting change in net position for the City. The information is condensed from the statement of activities.

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

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------------------|------------------------------------|----------------|-------------------------------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 0.1 | \$ 0.1 | \$ 8.4 | \$ 7.5 | \$ 8.5 | \$ 7.6 |
| Operating grants and contributions | 1.2 | 1.1 | - | - | 1.2 | 1.1 |
| Capital grants and contributions | 0.1 | 0.9 | 1.4 | 1.7 | 1.5 | 2.5 |
| General revenues: | | | | | | |
| Property taxes | 5.5 | 5.4 | 0.4 | 1.1 | 5.9 | 6.5 |
| Franchise and other taxes | 3.9 | 4.8 | - | - | 3.9 | 4.8 |
| Other receipts | 4.6 | 4.0 | 0.3 | 0.1 | 4.8 | 4.1 |
| Total revenues | <u>15.4</u> | <u>16.1</u> | <u>10.5</u> | <u>10.3</u> | <u>25.8</u> | <u>26.5</u> |
| Expenses: | | | | | | |
| General government | 2.0 | 2.3 | - | - | 2.0 | 2.3 |
| Public safety | 5.7 | 5.8 | - | - | 5.7 | 5.8 |
| Highways and streets | 1.5 | 1.3 | - | - | 1.5 | 1.3 |
| Solid waste/recycling | 0.0 | 0.0 | - | - | 0.0 | 0.0 |
| Community development | 3.1 | 2.6 | - | - | 3.1 | 2.6 |
| Interest on long-term debt | 0.2 | 0.0 | - | - | 0.2 | 0.0 |
| Water | - | - | 2.6 | 1.8 | 2.6 | 1.8 |
| Sewer | - | - | 3.5 | 3.4 | 3.5 | 3.4 |
| Storm sewer | - | - | 1.0 | 0.8 | 1.0 | 0.8 |
| Public services | - | - | 1.8 | 1.6 | 1.8 | 1.6 |
| Total expenses | <u>12.5</u> | <u>12.0</u> | <u>9.0</u> | <u>7.6</u> | <u>21.4</u> | <u>19.7</u> |
| Increase (decrease) in net position | | | | | | |
| position before Transfers | 2.9 | 4.1 | 1.5 | 2.7 | 4.4 | 6.8 |
| Transfers | (0.2) | (0.3) | 0.2 | 0.3 | - | 0.0 |
| Increase (decrease) in net position | 2.7 | 3.8 | 1.7 | 3.0 | 4.4 | 6.8 |
| Net position, beginning | <u>24.0</u> | <u>20.2</u> | <u>38.7</u> | <u>35.6</u> | <u>62.7</u> | <u>55.8</u> |
| Net position, ending | <u>\$ 26.7</u> | <u>\$ 24.0</u> | <u>\$ 40.4</u> | <u>\$ 38.6</u> | <u>\$ 67.1</u> | <u>\$ 62.6</u> |

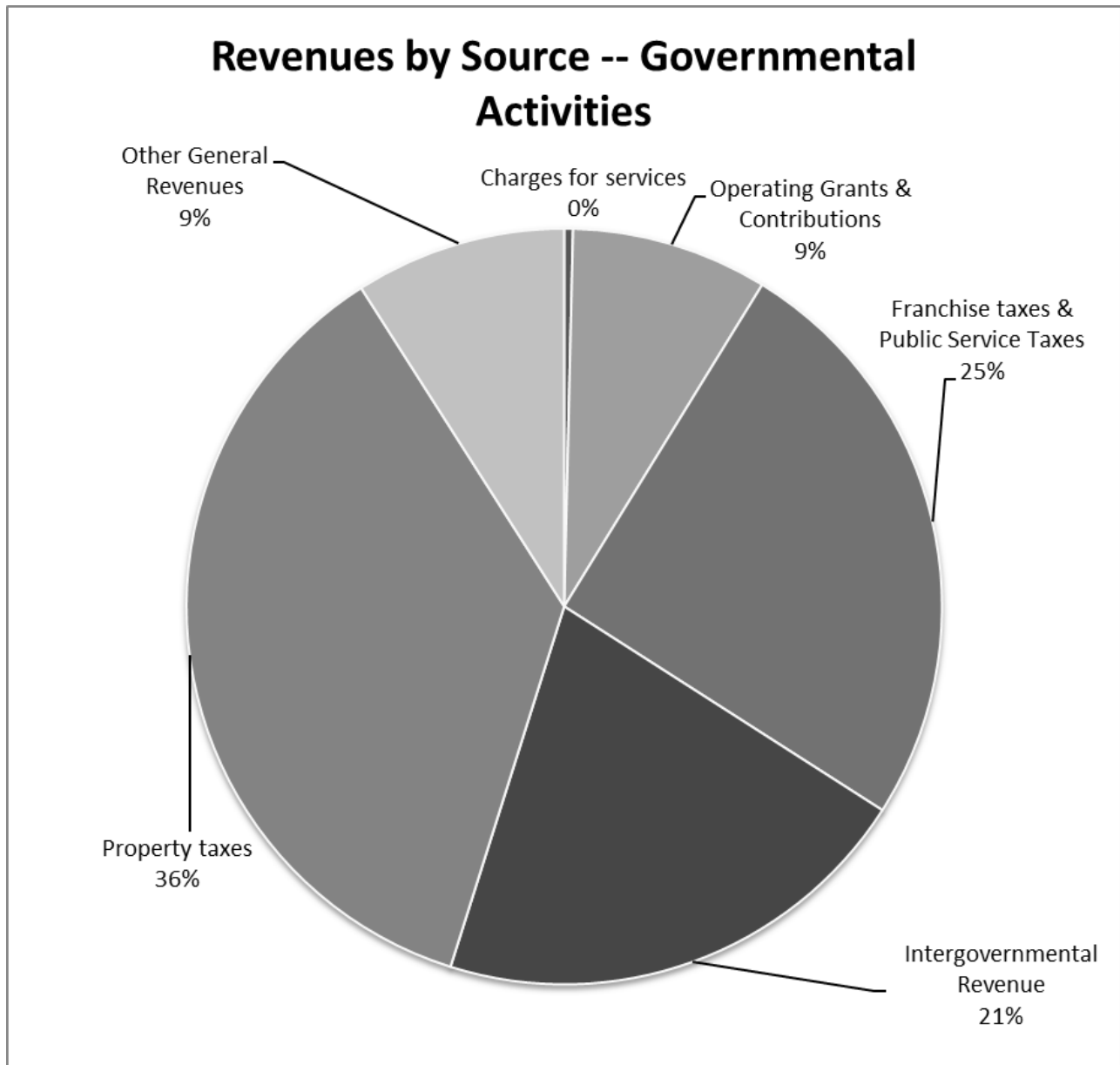
During the fiscal year, the City's total net position increased by \$4.4 million. Business Type activities increased \$1.7 million and the Governmental activities \$2.7 million increase.

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.

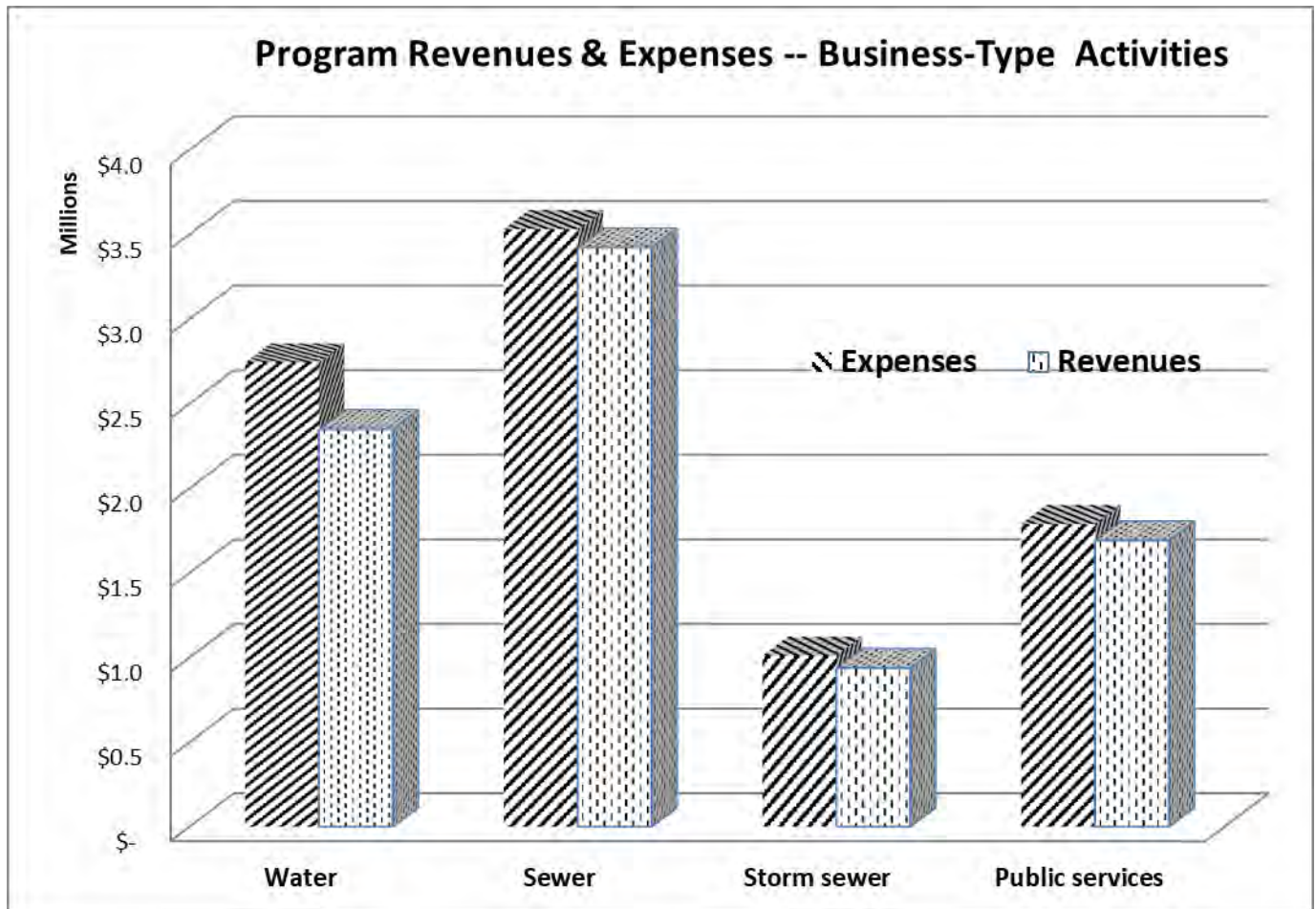
The graph below is a visual representation of the various sources of revenues used to support governmental activities.



Governmental revenues modestly increased from the prior year. The majority of governmental revenues (82%) include property taxes, franchise fees and intergovernmental revenues. Less than 1% of revenues are from user fees and charges for services, with 9% from operating and capital grants and 9% other revenues. The increase in governmental revenues from the continued economic recovery are reflected in County Business Income Tax receipts, State Shared Revenues, and both State and Local gas tax revenue increases over the prior year.

Governmental program expenses were generally level at an increased of \$0.3 million compared to the prior year due to a delay in planned capital outlay. The increases in governmental expenses occurred with the annual cost of living adjustment and benefits costs attributable to Personnel expenses, and general cost inflation for Materials and Services.

Business-type activities resulted in a \$1.7 million increase to the City's total net position due primarily to schedule delays in capital projects and increased development revenues. The following graph shows the program revenues and expenses generated by each business-type function.



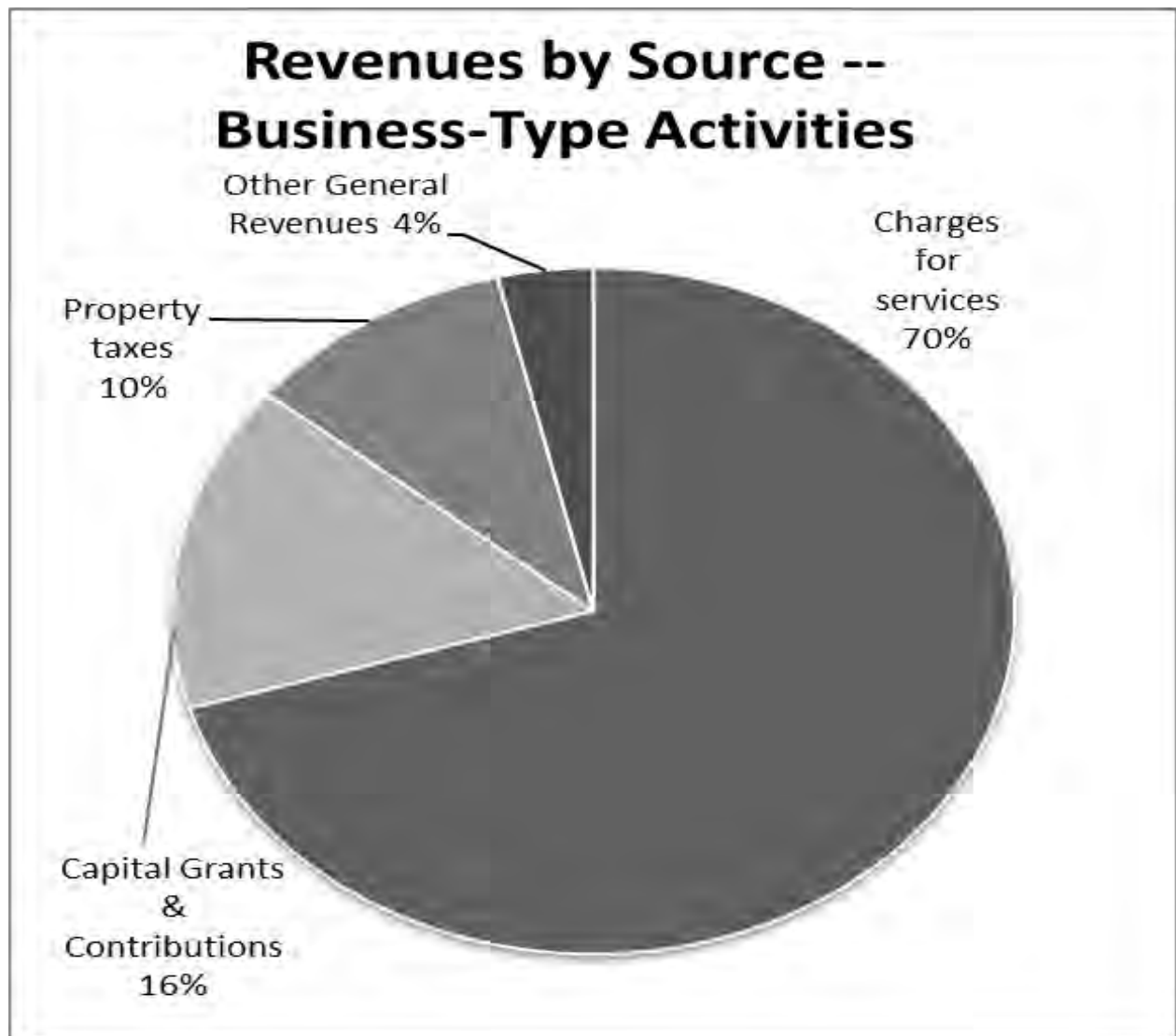
The primary source of revenue for the City operated water, sewer, and storm sewer utilities are customer user fees. Public services (Public Works management and equipment maintenance services) generate some revenues but are primarily funded from charges to the direct utility operating functions they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

Total revenues increased \$0.9 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. Utility systems development charges were significantly above the prior year. 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. SDC fees of \$1.5 million resulting from increased overall development and from significant industrial site development including the new Amazon distribution center completed in 2018. Additional significant increase in residential development in the City is in process for 2019.

City utility user fees for water, sewer and storm services increased by \$0.9 million or 13% compared to the prior year. This reflects the user rate increase and increased consumption from both economic and weather conditions, and final removal of the storm water rate cap.

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 \$1.7 million or 29% compared to the prior year, comprised primarily of \$1.4 of project capital outlay. The remaining 5.3% due to increased annual

cost of living adjustment and benefits costs, contract services, and repair and maintenance projects.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Fund balances totaled \$17.8 million at June 30, 2019. A summary of fund balances follows:

Table 3
City of Troutdale, Oregon
Fund Balances

| | <u>June 30, 2019</u> | <u>June 30, 2018</u> | <u>Change</u> |
|--------------------|-----------------------------|-----------------------------|----------------------------|
| General Fund | \$ 11,532,517 | \$ 10,788,736 | \$ 743,781 |
| Street Fund | 3,480,524 | 3,346,020 | 134,504 |
| URA Dev Fund | (5,795,923) | (3,270,209) | (2,525,714) |
| Other Governmental | <u>8,584,039</u> | <u>7,680,506</u> | <u>903,533</u> |
| Total | <u><u>\$ 17,801,157</u></u> | <u><u>\$ 18,545,053</u></u> | <u><u>\$ (743,896)</u></u> |

The general fund balance increased due to Parks and Facilities Divisions capital project delays, and effective cost controls. The Street Fund deferred maintenance continued combined with construction weather delays, coupled with the increase in both State and Local gas tax revenues, resulted in the balance increase. The voters approved a staged local fuel tax which has brought significant additional revenue to the fund. The Urban Renewal Agency (URA) purchased real property in the prior year and has conducted extensive site demolition and environmental remediation to prepare the property for division and resale for private redevelopment. Other Governmental funds increase reflects development building safety inspection fee revenue from significant construction during the year, and deferred capital outlay across funds.

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. The City Council approved two resolutions for budget transfer of General Fund contingency appropriations authority to various departments within the General Fund and to other funds, summarized as follows:

- \$65,000 transfer to various departments for the wage cost increases in • The American Federation of State, County and Municipal Employees (AFSCME) union collective bargaining agreement adopted during the fiscal year.

- A total of \$60,000 budget contingency transfers to various departments and divisions for increased labor costs, facility equipment and fixtures, legal fees, and consulting services.

Actual revenues for the year were below budgeted amounts by \$145,000 due primarily to couple of budgeted but not obtained grants and loans. The beginning fund balance in the General Fund was \$487,000 greater than budgeted.

On the expenditure side, operations for all departments were under budget by \$3 million. The major expenditure underspend was from deferred capital outlays, which when combined with controlled spending across all departments, accounted for the overall reduction. Excluding budgeted contingency, expenditures came in 16.8% under budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the City had \$54.8 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.

Table 4
City of Troutdale, Oregon
Capital Assets
(Net of Depreciation)
(in millions)

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------|------------------------------------|----------------|-------------------------------------|----------------|----------------|----------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$ 5.9 | \$ 5.9 | \$ 1.6 | \$ 1.6 | \$ 7.5 | \$ 7.5 |
| Intangible assets | 0.1 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 |
| Buildings & improvements | 7.5 | 7.7 | 1.3 | 1.4 | 8.8 | 9.1 |
| Land improvements | 2.1 | 1.3 | 0.0 | 0.0 | 2.1 | 1.3 |
| Equipment | 0.4 | 0.3 | 0.3 | 0.2 | 0.7 | 0.5 |
| Infrastructure | 4.7 | 4.7 | 27.3 | 28.2 | 32.0 | 32.9 |
| Work in Progress | 2.5 | 0.3 | 1.0 | 0.0 | 3.5 | 0.3 |
| Total | <u>\$ 23.2</u> | <u>\$ 20.2</u> | <u>\$ 31.6</u> | <u>\$ 31.5</u> | <u>\$ 54.8</u> | <u>\$ 51.8</u> |

Assets for governmental activities, excluding the \$2.5 million Urban Renewal Agency work in progress, increased by \$0.3 million resulting from the annual recorded depreciation largely offset by minor capital infrastructure dedications as shown above.

Assets for business-type activities increased by \$0.1 million net of depreciation resulting from the routine annual recorded depreciation, minor property disposal, 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, pages 26-27, 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 \$10.9 million in bonds and notes outstanding. Of that amount, \$0.3 million is due within one year. Total long-term debt decreased \$0.3 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 | |
|---------------------------------|------------------------------------|---------------|-------------------------------------|-------------|---------------|---------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| General obligation bond PD | 5.9 | 6.2 | - | - | 5.9 | 6.2 |
| Full Faith & Credit Obligations | 5.0 | 5.0 | - | - | 5.0 | 5.0 |
| Total | <u>\$10.9</u> | <u>\$11.2</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$10.9</u> | <u>\$11.2</u> |

Moody's Investors Service previously rated the City's general obligation bonds as Aa2. In 2018 Moody's Investors Service rated the City's full faith and credit obligations as Aa2. For more detailed information on the City's debt and amortization terms refer to the LONG-TERM DEBT section, pages 28-29 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 property tax rate is \$3.7652 per \$1,000 of tax-assessed value.
- For past few years the City had been experiencing an average 5.4% rate of growth in property taxes in the years since Fiscal Year 2013-2014 when the assessed value actually decreased 0.88% from the prior year. The prior reporting period property taxes increased 5.8% with the current reporting period increase of 4.6%. The ongoing seven year tax and appeals court process over the State of Oregon central assessment process for utilities and Comcast Cable recently concluded through a settlement. The one-time adjustment reduced the period increase to 0.7% with only an approximately \$36,000 of property tax revenue increase over the prior year. The coming period property tax revenue is expected to resume a more typical 3% to 4% growth range.

- 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, 2015, 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 rates for most employers began July 1, 2017, and are expected to increase the City rates 3.6 rate points beginning July 1, 2019.
- The Street Fund financial forecast for many year indicated 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, approved the measure. The new tax 3 year phase in was completed January 2018. The first full rate year resulted in \$931,000 of revenue, which has narrowed the funding gap for necessary street maintenance.
- The City entered into an Intergovernmental Agreement (IGA) with Multnomah County for the Multnomah County Sheriff's Office (MCSO) to provide law enforcement services in the City. This period was the fourth year of the new 10 year IGA and has saved the City an estimated \$3.1 million to date over the previous solo City operated department costs. Future annual cost escalation formula which includes an average of CPI and labor cost increases over the preceding year through the expiration.
- The American Federation of State, County and Municipal Employees (AFSCME) union collective bargaining agreement is in the middle year of the three year contract term in the coming period. The AFSCME union contract provides a 4% cost of living adjustment (COLA) increase each year of the agreement.

Continuing to loom on the horizon is the growing disconnect between what the constrained property tax system in Oregon can provide, and the expected level of government services. With labor, health care, pension, and energy costs all increasing at higher than the maximum 3% annual assessed value increase, property taxes cannot sustain government service at the current levels.

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.

**BASIC
FINANCIAL
STATEMENTS**

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CITY OF TROUTDALE, OREGON

Statement of Net Position

June 30, 2019

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Cash and investments | \$ 8,458,607 | \$ 5,549,114 | \$ 14,007,721 |
| Accounts receivable, net | 870,253 | 694,012 | 1,564,265 |
| Property taxes receivable | 169,383 | 25,784 | 195,167 |
| Prepaid expenses | 3,434 | - | 3,434 |
| Inventories | 11,471 | 79,086 | 90,557 |
| Restricted cash and investments | 9,004,636 | 4,684,760 | 13,689,396 |
| Capital assets: | | | |
| Nondepreciable | 5,982,601 | 2,662,267 | 8,644,868 |
| Depreciable, net | 17,206,190 | 28,961,355 | 46,167,545 |
| Total assets | <u>41,706,575</u> | <u>42,656,378</u> | <u>84,362,953</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related deferral | 872,495 | 322,704 | 1,195,199 |
| OPEB related deferral | 102,249 | - | 102,249 |
| Total deferred outflows of resources | <u>974,744</u> | <u>322,704</u> | <u>1,297,448</u> |
| LIABILITIES | | | |
| Accounts payable | 387,479 | 1,026,428 | 1,413,907 |
| Accrued payroll | 170,063 | 64,421 | 234,484 |
| Deposits | 3,625 | 20,200 | 23,825 |
| Interest payable | 33,624 | - | 33,624 |
| Unearned revenue | 3,500 | - | 3,500 |
| Noncurrent liabilities: | | | |
| <i>Due within one year</i> | | | |
| Current portion of long-term debt | 326,757 | - | 326,757 |
| Accrued compensated absences - current | 33,305 | 16,378 | 49,683 |
| <i>Due in more than one year</i> | | | |
| Net Pension liability | 2,174,442 | 804,246 | 2,978,688 |
| Total OPEB liability | 277,614 | - | 277,614 |
| Accrued compensated absences - long term | 133,221 | 65,511 | 198,732 |
| Noncurrent portion of long-term debt | 10,778,221 | - | 10,778,221 |
| Total liabilities | <u>14,321,851</u> | <u>1,997,184</u> | <u>16,319,035</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related deferral | 1,631,935 | 603,592 | 2,235,527 |
| OPEB related deferral | 23,076 | - | 23,076 |
| Total deferred inflows of resources | <u>1,655,011</u> | <u>603,592</u> | <u>2,258,603</u> |
| NET POSITION | | | |
| Net investment in capital assets | 12,528,876 | 31,623,622 | 44,152,498 |
| Restricted | | | |
| Capital Projects | 5,107,895 | 4,684,760 | 9,792,655 |
| Streets | 3,469,761 | - | 3,469,761 |
| Building Department Services | 2,042,496 | - | 2,042,496 |
| Other | 139,553 | - | 139,553 |
| Debt Service | 1,357,220 | - | 1,357,220 |
| Unrestricted | 2,058,656 | 4,069,924 | 6,128,580 |
| Total net position | <u>\$ 26,704,457</u> | <u>\$ 40,378,306</u> | <u>\$ 67,082,763</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, 2019

| 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 | \$ 2,048,064 | \$ 57,544 | \$ - | \$ - | \$ (1,990,520) | \$ - | \$ (1,990,520) |
| Public safety | 5,569,285 | - | - | - | (5,569,285) | - | (5,569,285) |
| Highway and Streets | 1,540,598 | - | 1,199,833 | 31,857 | (308,908) | - | (308,908) |
| Solid waste/recycling | 10,946 | - | - | - | (10,946) | - | (10,946) |
| Community development | 3,183,733 | - | - | 60,000 | (3,123,733) | - | (3,123,733) |
| Interest on long-term debt | 166,046 | - | - | - | (166,046) | - | (166,046) |
| Total governmental activities | <u>12,518,672</u> | <u>57,544</u> | <u>1,199,833</u> | <u>91,857</u> | <u>(11,169,438)</u> | <u>-</u> | <u>(11,169,438)</u> |
| Business-type activities: | | | | | | | |
| Water | 2,644,216 | 2,349,240 | - | 82,045 | - | (212,931) | (212,931) |
| Sewer | 3,531,119 | 3,422,477 | - | 1,089,323 | - | 980,681 | 980,681 |
| Storm sewer | 1,009,700 | 937,188 | - | 270,363 | - | 197,851 | 197,851 |
| Public services | 1,788,365 | 1,691,434 | - | - | - | (96,931) | (96,931) |
| Total business type activities | <u>8,973,400</u> | <u>8,400,339</u> | <u>-</u> | <u>1,441,731</u> | <u>-</u> | <u>868,670</u> | <u>868,670</u> |
| Total government | <u>\$ 21,492,072</u> | <u>\$ 8,457,883</u> | <u>\$ 1,199,833</u> | <u>\$ 1,533,588</u> | <u>(11,169,438)</u> | <u>868,670</u> | <u>(10,300,768)</u> |
| General revenues: | | | | | | | |
| Taxes | | | | | | | |
| Property taxes | | | | | 5,546,391 | 383,154 | 5,929,545 |
| Franchise taxes | | | | | 1,449,159 | - | 1,449,159 |
| Public service taxes | | | | | 2,436,188 | - | 2,436,188 |
| Interest | | | | | 424,820 | 239,658 | 664,478 |
| Other revenues | | | | | 4,161,828 | 14,970 | 4,176,798 |
| Transfers | | | | | (175,000) | 175,000 | - |
| Total general revenues and transfers | | | | | <u>13,843,386</u> | <u>812,782</u> | <u>14,656,168</u> |
| Change in net position | | | | | 2,673,948 | 1,681,452 | 4,355,400 |
| Net position - beginning | | | | | 24,030,509 | 38,696,854 | 62,727,363 |
| Net position - ending | | | | | <u>\$ 26,704,457</u> | <u>\$ 40,378,306</u> | <u>\$ 67,082,763</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, 2019

| | General Fund | Street Fund | URA Riverfront Development | Other Governmental | Total Governmental |
|---|----------------------|---------------------|---------------------------------------|-------------------------------|-------------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 6,087,306 | \$ 3,245,120 | \$ - | \$ 8,130,817 | \$ 17,463,243 |
| Accounts receivable | 561,598 | 282,830 | - | 25,825 | 870,253 |
| Property taxes receivable | 164,911 | - | - | 4,472 | 169,383 |
| Prepaid items | 3,434 | - | - | - | 3,434 |
| Interfund loan | 5,200,000 | - | - | 119,000 | 5,319,000 |
| Inventory | 708 | 10,763 | - | - | 11,471 |
| Due from | - | - | - | 451,539 | 451,539 |
| Total assets | <u>\$ 12,017,957</u> | <u>\$ 3,538,713</u> | <u>\$ -</u> | <u>\$ 8,731,653</u> | <u>\$ 24,288,323</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 148,759 | \$ 52,583 | \$ 144,384 | \$ 41,753 | \$ 387,479 |
| Payroll liabilities | 155,215 | 5,606 | - | 9,242 | 170,063 |
| Deposits | 1,000 | - | - | 2,625 | 3,625 |
| Unearned Revenue | 3,500 | - | - | - | 3,500 |
| Interfund loan | 29,000 | - | 5,200,000 | 90,000 | 5,319,000 |
| Due to | - | - | 451,539 | - | 451,539 |
| Total liabilities | <u>337,474</u> | <u>58,189</u> | <u>5,795,923</u> | <u>143,620</u> | <u>6,335,206</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable Revenue - Taxes | <u>147,966</u> | <u>-</u> | <u>-</u> | <u>3,994</u> | <u>151,960</u> |
| FUND BALANCES | | | | | |
| Nonspendable | 4,142 | 10,763 | - | - | 14,905 |
| Restricted | - | 3,469,761 | - | 8,647,164 | 12,116,925 |
| Unassigned | <u>11,528,375</u> | <u>-</u> | <u>(5,795,923)</u> | <u>(63,125)</u> | <u>5,669,327</u> |
| Total fund balances | <u>11,532,517</u> | <u>3,480,524</u> | <u>(5,795,923)</u> | <u>8,584,039</u> | <u>17,801,157</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 12,017,957</u> | <u>\$ 3,538,713</u> | <u>\$ -</u> | <u>\$ 8,731,653</u> | <u>\$ 24,288,323</u> |
| 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 | | | | | 23,188,791 |
| 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 | | | | | 151,960 |
| Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds. | | | | | |
| | | | | | (166,526) |
| The net pension liability and the total OPEB 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 liability | | | | | (2,174,442) |
| Deferred inflows and deferred outflows | | | | | (759,440) |
| Total OPEB liability | | | | | (277,614) |
| Deferred inflows and deferred outflows | | | | | 79,173 |
| 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 | | | | | (33,624) |
| Bond payable | | | | | (10,885,000) |
| Post-closure cost care | | | | | (195,970) |
| Bond premium | | | | | (24,008) |
| Net Position of Governmental Activities | | | | | <u>\$ 26,704,457</u> |

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, 2019

| | General Fund | Street Fund | URA Riverfront Development | Other Governmental | Total Governmental |
|--|-------------------------|---------------------|---------------------------------------|-------------------------------|-------------------------------|
| REVENUES | | | | | |
| Intergovernmental | \$ 1,859,937 | \$ 1,188,006 | \$ 41,780 | \$ 107,760 | \$ 3,197,483 |
| Charges for services | 9,934 | - | - | 193,561 | 203,495 |
| Property taxes | 5,471,863 | - | - | 191,364 | 5,663,227 |
| Franchise | 1,250,279 | - | - | 198,880 | 1,449,159 |
| Licenses and permits | 47,610 | - | - | 634,212 | 681,822 |
| Fines and forfeitures | 265,867 | - | - | - | 265,867 |
| Interest | 146,982 | 77,063 | 42,642 | 158,133 | 424,820 |
| Miscellaneous | 1,832,217 | - | - | 12,000 | 1,844,217 |
| Hotel/motel transient tax | 716,523 | - | - | - | 716,523 |
| Fuel tax | - | 967,797 | - | - | 967,797 |
| Solid waste tax | 70,046 | - | - | - | 70,046 |
| Total revenues | <u>11,671,258</u> | <u>2,232,866</u> | <u>84,422</u> | <u>1,495,910</u> | <u>15,484,456</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 2,495,214 | - | - | - | 2,495,214 |
| Public safety | 5,920,806 | - | - | - | 5,920,806 |
| Highway and Streets | - | 1,319,170 | - | - | 1,319,170 |
| Solid waste/recycling | 11,997 | - | - | - | 11,997 |
| Community development | 2,149,460 | - | 580,724 | 563,783 | 3,293,967 |
| Capital outlay | - | 779,192 | 2,029,412 | 36,594 | 2,845,198 |
| Debt service: | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | 167,000 | 167,000 |
| Total expenditures | <u>10,577,477</u> | <u>2,098,362</u> | <u>2,610,136</u> | <u>767,377</u> | <u>16,053,352</u> |
| Excess (deficiency) of revenues over (under) expenditures | 1,093,781 | 134,504 | (2,525,714) | 728,533 | (568,896) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | 175,000 | 175,000 |
| Transfers out | (350,000) | - | - | - | (350,000) |
| Total other financing sources (uses) | <u>(350,000)</u> | <u>-</u> | <u>-</u> | <u>175,000</u> | <u>(175,000)</u> |
| Net change in fund balance | 743,781 | 134,504 | (2,525,714) | 903,533 | (743,896) |
| FUND BALANCES, BEGINNING | <u>10,788,736</u> | <u>3,346,020</u> | <u>(3,270,209)</u> | <u>7,680,506</u> | <u>18,545,053</u> |
| FUND BALANCES, ENDING | <u>\$ 11,532,517</u> | <u>\$ 3,480,524</u> | <u>\$ (5,795,923)</u> | <u>\$ 8,584,039</u> | <u>\$ 17,801,157</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, 2019

Net change in fund balances - total governmental funds \$ (743,896)

*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 | \$ 3,770,290 | |
| Less current year depreciation | <u>(762,495)</u> | 3,007,795 |

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

| | | |
|----------------|--|-----------|
| Property taxes | | (116,836) |
|----------------|--|-----------|

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 | 290,000 | |
| Bond premium and discount amortization | 1,573 | |
| Landfill post-closure cost care | 11,501 | |
| Capital lease payments | <u>5,758</u> | 308,832 |

The pension expense and the changes in deferred inflows and outflows related to the net pension liability represents the changes in net pension 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.

226,150

The OPEB expense and the changes in deferred inflows and outflows related to the total OPEB liability represents the changes in the total OPEB liability from year to year due to changes in total pension liability and the fair value of the OPEB plan net position to pay pension benefits.

4,088

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 | (13,139) | |
| Accrued interest expense | <u>954</u> | <u>(12,185)</u> |

| | | |
|---|--|----------------------------|
| Change in net position of governmental activities | | <u><u>\$ 2,673,948</u></u> |
|---|--|----------------------------|

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, 2019

| | Budget | | | Variance with |
|--|---------------------|---------------------|----------------------|---------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Property taxes | | | | |
| Current year | \$ 5,309,137 | \$ 5,309,137 | \$ 5,273,396 | \$ (35,741) |
| Prior year | 72,242 | 72,242 | 191,463 | 119,221 |
| Penalties and interest | 7,500 | 7,500 | 7,004 | (496) |
| Intergovernmental | 2,027,988 | 2,027,988 | 1,859,937 | (168,051) |
| Charges for services | 128,500 | 128,500 | 9,934 | (118,566) |
| Franchise | 1,237,260 | 1,237,260 | 1,250,279 | 13,019 |
| Licenses and permits | 42,770 | 42,770 | 47,610 | 4,840 |
| Fines and forfeitures | 100,000 | 100,000 | 265,867 | 165,867 |
| Interest | 279,671 | 279,671 | 146,982 | (132,689) |
| Miscellaneous | 1,916,986 | 1,916,986 | 1,932,217 | 15,231 |
| Hotel/motel transient tax | 728,263 | 728,263 | 716,523 | (11,740) |
| Solid waste tax | 66,207 | 66,207 | 70,046 | 3,839 |
| | <u>11,916,524</u> | <u>11,916,524</u> | <u>11,771,258</u> | <u>(145,266)</u> |
| Total revenues | | | | |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Legislative | 36,605 | 36,605 | 19,452 | 17,153 |
| Judicial | 117,174 | 118,136 | 102,309 | 15,827 |
| Legal | 282,057 | 284,238 | 104,007 | 180,231 |
| General Government | 865,827 | 865,827 | 617,907 | 247,920 |
| Administration | 798,875 | 814,200 | 702,419 | 111,781 |
| Community Services | 142,340 | 143,810 | 129,457 | 14,353 |
| Information Services | 268,290 | 270,839 | 236,327 | 34,512 |
| Finance | 610,605 | 623,812 | 583,336 | 40,476 |
| Police Operations | 3,632,504 | 3,633,083 | 3,575,792 | 57,291 |
| Public Safety Building Operations | 126,081 | 146,081 | 126,217 | 19,864 |
| Solid Waste/Recycling | 21,178 | 21,706 | 11,997 | 9,709 |
| Fire Protection Services | 2,218,797 | 2,218,797 | 2,218,797 | - |
| Planning | 437,218 | 505,591 | 452,146 | 53,445 |
| Parks and Greenways | 1,973,440 | 1,962,766 | 1,149,379 | 813,387 |
| Facilities | 1,172,718 | 1,163,710 | 547,935 | 615,775 |
| Contingency | 850,000 | 744,508 | - | 744,508 |
| | <u>13,553,709</u> | <u>13,553,709</u> | <u>10,577,477</u> | <u>2,976,232</u> |
| Total expenditures | | | | |
| Revenues over (under) expenditures | (1,637,185) | (1,637,185) | 1,193,781 | 2,830,966 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (476,000) | (476,000) | (476,000) | - |
| | <u>(476,000)</u> | <u>(476,000)</u> | <u>(476,000)</u> | <u>-</u> |
| Total other financing sources (uses) | | | | |
| Net changes in fund balances | (2,113,185) | (2,113,185) | 717,781 | 2,830,966 |
| FUND BALANCE, BEGINNING | <u>5,156,523</u> | <u>5,156,523</u> | <u>5,643,736</u> | <u>487,213</u> |
| FUND BALANCE, ENDING | <u>\$ 3,043,338</u> | <u>\$ 3,043,338</u> | <u>\$ 6,361,517</u> | <u>\$ 3,318,179</u> |
| Budget to GAAP Reconciliation | | | | |
| Interfund loan transactions | | | <u>5,171,000</u> | |
| GAAP Fund Balance | | | <u>\$ 11,532,517</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, 2019

| | Budget | | | Variance with |
|---------------------------------|---------------------|---------------------|---------------------|---------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Intergovernmental | \$ 1,181,466 | \$ 1,181,466 | \$ 1,188,006 | \$ 6,540 |
| Charges for services | 300 | 300 | - | (300) |
| Fuel Tax | 930,530 | 930,530 | 967,797 | 37,267 |
| Interest | 5,000 | 5,000 | 77,063 | 72,063 |
| Miscellaneous | 384,000 | 384,000 | - | (384,000) |
| Total revenues | 2,501,296 | 2,501,296 | 2,232,866 | (268,430) |
| EXPENDITURES: | | | | |
| Personnel services | 192,310 | 207,822 | 195,781 | 12,041 |
| Materials and services | 1,602,894 | 1,602,894 | 1,123,389 | 479,505 |
| Capital outlay | 1,217,400 | 1,217,400 | 779,192 | 438,208 |
| Contingency | 800,000 | 784,488 | - | 784,488 |
| Total expenditures | 3,812,604 | 3,812,604 | 2,098,362 | 1,714,242 |
| Net changes in fund balances | (1,311,308) | (1,311,308) | 134,504 | 1,445,812 |
| FUND BALANCES, BEGINNING | 2,390,709 | 2,390,709 | 3,346,020 | 955,311 |
| FUND BALANCES, ENDING | <u>\$ 1,079,401</u> | <u>\$ 1,079,401</u> | <u>\$ 3,480,524</u> | <u>\$ 2,401,123</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
Water Reimbursement Fund

Sewer

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

Storm Sewer

Storm Sewer Improvement Fund
Storm Sewer Utility Fund
Storm Sewer Reimbursement 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, 2019

| | Business-type Activities - Enterprise Funds | | | | |
|---|---|---------------|--------------|-----------------|---------------|
| | Water | Sewer | Storm Sewer | Public Services | Totals |
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 1,043,107 | \$ 3,477,320 | \$ 424,255 | \$ 604,432 | \$ 5,549,114 |
| Accounts receivables, net | 279,144 | 324,801 | 90,067 | - | 694,012 |
| Inventories | 79,086 | - | - | - | 79,086 |
| Property taxes receivable | - | 25,784 | - | - | 25,784 |
| Total current assets | 1,401,337 | 3,827,905 | 514,322 | 604,432 | 6,347,996 |
| Noncurrent assets: | | | | | |
| Restricted cash and cash equivalents | 190,168 | 1,881,177 | 2,613,415 | - | 4,684,760 |
| Capital assets not being depreciated | 237,890 | 2,421,306 | 3,071 | - | 2,662,267 |
| Capital assets being depreciated, net | 7,576,082 | 16,459,895 | 4,925,378 | - | 28,961,355 |
| Total noncurrent assets | 8,004,140 | 20,762,378 | 7,541,864 | - | 36,308,382 |
| Total assets | 9,405,477 | 24,590,283 | 8,056,186 | 604,432 | 42,656,378 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension related deferral | 131,472 | 131,472 | 59,760 | - | 322,704 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 142,040 | 799,936 | 23,851 | 17,018 | 982,845 |
| Retainage payable | - | 43,583 | - | - | 43,583 |
| Payroll liabilities | 12,632 | 15,373 | 5,403 | 31,013 | 64,421 |
| Accrued compensated absences - current | 5,732 | 7,546 | 3,100 | - | 16,378 |
| Deposits | 20,200 | - | - | - | 20,200 |
| Total current liabilities | 180,604 | 866,438 | 32,354 | 48,031 | 1,127,427 |
| Noncurrent liabilities: | | | | | |
| Net pension liability | 327,656 | 327,656 | 148,934 | - | 804,246 |
| Accrued compensated absences | 22,927 | 30,182 | 12,402 | - | 65,511 |
| Total liabilities | 531,187 | 1,224,276 | 193,690 | 48,031 | 1,997,184 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Net deferred pension asset | 245,908 | 245,908 | 111,776 | - | 603,592 |
| NET POSITION | | | | | |
| Net investment in capital assets | 7,813,972 | 18,881,201 | 4,928,449 | - | 31,623,622 |
| Restricted for infrastructure expansion | 190,168 | 1,881,177 | 2,613,415 | - | 4,684,760 |
| Unrestricted | 755,714 | 2,489,193 | 268,616 | 556,401 | 4,069,924 |
| Total net position | \$ 8,759,854 | \$ 23,251,571 | \$ 7,810,480 | \$ 556,401 | \$ 40,378,306 |

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, 2019

| | Business-type Activities - Enterprise Funds | | | | |
|--|--|----------------------|---------------------|------------------------|----------------------|
| | Water | Sewer | Storm Sewer | Public Services | Totals |
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 2,349,240 | \$ 3,422,477 | \$ 937,188 | \$ 1,652,657 | \$ 8,361,562 |
| Licenses & permits | - | - | - | 38,777 | 38,777 |
| Total operating revenues | <u>2,349,240</u> | <u>3,422,477</u> | <u>937,188</u> | <u>1,691,434</u> | <u>8,400,339</u> |
| OPERATING EXPENSES | | | | | |
| Personal services | 425,873 | 512,799 | 176,588 | 1,041,198 | 2,156,458 |
| Depreciation | 421,173 | 585,519 | 272,890 | - | 1,279,582 |
| Contractual services | 902,075 | 165,773 | 361,649 | 197,207 | 1,626,704 |
| Utilities | 450,604 | 629,839 | 1,450 | 45,662 | 1,127,555 |
| Repairs and maintenance | 226,083 | 422,325 | 43,371 | 41,637 | 733,416 |
| Other operating expenses | 316,518 | 1,214,864 | 153,752 | 462,661 | 2,147,795 |
| Total operating expenses | <u>2,742,326</u> | <u>3,531,119</u> | <u>1,009,700</u> | <u>1,788,365</u> | <u>9,071,510</u> |
| Operating income (loss) | <u>(393,086)</u> | <u>(108,642)</u> | <u>(72,512)</u> | <u>(96,931)</u> | <u>(671,171)</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Interest revenue | 49,761 | 108,162 | 62,411 | 19,324 | 239,658 |
| Miscellaneous | 3,605 | 8,961 | - | 2,404 | 14,970 |
| Intergovernmental | 98,110 | - | - | - | 98,110 |
| Property taxes | - | 383,154 | - | - | 383,154 |
| Total nonoperating revenues (expenses) | <u>151,476</u> | <u>500,277</u> | <u>62,411</u> | <u>21,728</u> | <u>735,892</u> |
| Income (loss) before contributions and transfers | (241,610) | 391,635 | (10,101) | (75,203) | 64,721 |
| Capital Contributions | 82,045 | 1,089,323 | 270,363 | - | 1,441,731 |
| Transfers In | - | 175,000 | - | - | 175,000 |
| Total | <u>82,045</u> | <u>1,264,323</u> | <u>270,363</u> | <u>-</u> | <u>1,616,731</u> |
| Increase (decrease) in net position | (159,565) | 1,655,958 | 260,262 | (75,203) | 1,681,452 |
| Net position - beginning | <u>8,919,419</u> | <u>21,595,613</u> | <u>7,550,218</u> | <u>631,604</u> | <u>38,696,854</u> |
| Net position - ending | <u>\$ 8,759,854</u> | <u>\$ 23,251,571</u> | <u>\$ 7,810,480</u> | <u>\$ 556,401</u> | <u>\$ 40,378,306</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, 2019

| | Business-type Activities - Enterprise Funds | | | | |
|--|--|--------------|--------------------|------------------------|---------------|
| | Water | Sewer | Storm Sewer | Public Services | Total |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers | \$ 2,307,632 | \$ 3,461,897 | \$ 907,730 | \$ 1,691,434 | \$ 8,368,693 |
| Payments to employees | (438,463) | (528,714) | (188,235) | (1,010,185) | (2,165,597) |
| Payments to suppliers | (2,017,313) | (1,615,363) | (543,667) | (756,650) | (4,932,993) |
| Net cash provided (used) by operating activities | (148,144) | 1,317,820 | 175,828 | (75,401) | 1,270,103 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Capital contribution | 82,045 | 1,089,323 | 270,363 | - | 1,441,731 |
| Purchases of capital assets | (208,753) | (1,157,518) | - | - | (1,366,271) |
| Property taxes | - | 383,154 | - | - | 383,154 |
| Intergovernmental | 101,715 | 8,961 | - | - | 110,676 |
| Net cash provided (used) by capital and related financing activities | (24,993) | 323,920 | 270,363 | - | 569,290 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | |
| Transfers | - | 175,000 | - | - | 175,000 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest received | 49,761 | 108,162 | 62,411 | 21,728 | 242,062 |
| Net increase in cash and cash equivalents | (123,376) | 1,924,902 | 508,602 | (53,673) | 2,256,455 |
| Balances - beginning of the year | 1,356,651 | 3,433,595 | 2,529,068 | 658,105 | 7,977,419 |
| Balances - end of the year | \$ 1,233,275 | \$ 5,358,497 | \$ 3,037,670 | \$ 604,432 | \$ 10,233,874 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | |
| Operating Income | \$ (393,086) | \$ (108,642) | \$ (72,512) | \$ (96,931) | \$ (671,171) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Cash flows reported in other categories: | | | | | |
| Depreciation expense | 421,173 | 585,519 | 272,890 | - | 1,279,582 |
| Change in assets and liabilities: | | | | | |
| Accounts receivable | (50,922) | 39,420 | (29,458) | - | (40,960) |
| Inventories | (34,640) | - | - | - | (34,640) |
| Accounts payable | (87,393) | 817,438 | 16,555 | (9,483) | 737,117 |
| Payroll liabilities | 12,632 | 15,373 | 5,403 | 31,013 | 64,421 |
| Accrued compensated absences | 8,855 | 2,789 | (1,559) | - | 10,085 |
| Pension related accounts | (34,077) | (34,077) | (15,491) | - | (83,645) |
| Deposits | 9,314 | - | - | - | 9,314 |
| Net cash provided by operating activities | \$ (148,144) | \$ 1,317,820 | \$ 175,828 | \$ (75,401) | \$ 1,270,103 |

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, 2019

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.

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, 2019

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 public safety (police and fire), 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, 2019

- *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)
Water Reimbursement 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)
Sewer Reimbursement Fund (budgetary basis financial statements only)
- *Storm Sewer Fund*
Storm Sewer Utility Fund (budgetary basis financial statements only)
Storm Sewer Improvement Fund (budgetary basis financial statements only)
Storm Sewer Reimbursement Fund (budgetary basis financial statements only)
- *Public Services Fund*

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.

CITY OF TROUTDALE, OREGON
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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.

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

The cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Fair Value Inputs and Methodologies and Hierarchy

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

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

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

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

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

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. 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 and Prepaid items

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.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CITY OF TROUTDALE, OREGON
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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 reported at acquisition value rather than fair value.

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.

Debt

In the government-wide financial statements, and proprietary fund financial statements, 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.

CITY OF TROUTDALE, OREGON
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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.
- 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. A deferred outflow is reported on the Statement of Net Position for the pension deferral and OPEB deferral.

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 items reported on the Statement of Net Position are as follows – pension related deferral and OPEB related deferral.

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.

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 legal level of control which is the department 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

CITY OF TROUTDALE, OREGON
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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, except for the Sam Cox Building Fund – Materials and Services in the amount of \$1,068.

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, 2019:

| | |
|---|-----------------------------|
| Cash and investments | \$ 14,007,721 |
| Restricted assets - cash and investments | <u>13,689,396</u> |
| | <u><u>\$ 27,697,117</u></u> |
| | |
| Deposits with financial institutions | \$ 1,095,403 |
| Petty cash | 950 |
| Oregon State Treasurer's Local Government Investment Pool | <u>26,600,764</u> |
| | <u><u>\$ 27,697,117</u></u> |

DEPOSITS

Deposits with financial institutions include bank demand deposits. At year-end, the total bank balance per the bank statements is \$1,731,241. 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

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by

CITY OF TROUTDALE, OREGON
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the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

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

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

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

| Investment type | Maturities | Fair value |
|---|------------------|---------------------|
| Oregon State Treasury's Local Government Investment Pool | Avg 0 – 6 months | <u>\$26,600,764</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.

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, 2019, 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, 2019 for the major and non-major governmental funds in the aggregate are as follows:

| | General | Street | Total Non-major | Total |
|----------------|-------------------|-------------------|--------------------|---------------------|
| Property taxes | \$ 164,911 | \$ - | \$ 4,472 | \$ 169,383 |
| Accounts | <u>561,598</u> | <u>282,830</u> | <u>25,825</u> | <u>870,253</u> |
| | <u>\$ 726,509</u> | <u>\$ 282,830</u> | <u>\$ 30,297</u> | <u>\$ 1,039,636</u> |

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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 | \$ 151,960 |
| Total | <u>\$ 151,960</u> |

CAPITAL ASSETS

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

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|---------------------|---------------------|----------------------|
| Governmental Activities | | | | |
| Non-depreciable | | | | |
| Land | \$ 5,867,327 | \$ - | \$ - | \$ 5,867,327 |
| Intangibles | 45,942 | 47,936 | - | 93,878 |
| Construction in progress | 255,302 | 2,529,739 | (255,302) | 2,529,739 |
| Total non-depreciable | <u>6,168,571</u> | <u>2,577,675</u> | <u>(255,302)</u> | <u>8,490,944</u> |
| Depreciable | | | | |
| Buildings and improvements | 10,799,121 | - | - | 10,799,121 |
| Land improvements | 4,858,330 | 826,490 | - | 5,684,820 |
| Equipment | 1,447,649 | 165,046 | - | 1,612,695 |
| Infrastructure | 25,188,555 | 456,381 | - | 25,644,936 |
| Total depreciable | <u>42,293,655</u> | <u>1,447,917</u> | <u>-</u> | <u>43,741,572</u> |
| Accumulated depreciation | | | | |
| Buildings and improvements | (3,112,493) | (229,017) | - | (3,341,510) |
| Land improvements | (3,559,266) | (115,128) | - | (3,674,394) |
| Equipment | (1,121,611) | (112,812) | - | (1,234,423) |
| Infrastructure | (20,487,860) | (305,538) | - | (20,793,398) |
| Total accumulated depreciation | <u>(28,281,230)</u> | <u>(762,495)</u> | <u>-</u> | <u>(29,043,725)</u> |
| Depreciable, net | <u>14,012,425</u> | <u>685,422</u> | <u>-</u> | <u>14,697,847</u> |
| Governmental activities capital assets, net | <u>\$ 20,180,996</u> | <u>\$ 3,263,097</u> | <u>\$ (255,302)</u> | <u>\$ 23,188,791</u> |

Depreciation expense for governmental activities is charged to functions as follows:

| | |
|--|-------------------|
| General government | \$ 80,228 |
| Public safety | 167,045 |
| Highways and streets | 336,961 |
| Community development | <u>178,261</u> |
| Total depreciation for governmental activities | <u>\$ 762,495</u> |

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2019

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

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|--------------------|-------------|----------------------|
| Business-type Activities | | | | |
| Non-depreciable | | | | |
| Land | \$ 1,646,972 | \$ - | \$ - | \$ 1,646,972 |
| Intangibles | 30,788 | - | - | 30,788 |
| Construction in progress | 13,501 | 971,006 | - | 984,507 |
| Total non-depreciable | <u>1,691,261</u> | <u>971,006</u> | <u>-</u> | <u>2,662,267</u> |
| Depreciable | | | | |
| Buildings and improvements | 2,331,719 | - | - | 2,331,719 |
| Land improvements | 369,982 | - | - | 369,982 |
| Equipment | 1,159,340 | 186,512 | - | 1,345,852 |
| Infrastructure | 57,592,463 | 208,753 | - | 57,801,216 |
| Total depreciable | <u>61,453,504</u> | <u>395,265</u> | <u>-</u> | <u>61,848,769</u> |
| Accumulated depreciation | | | | |
| Buildings and improvements | (954,172) | (48,405) | - | (1,002,577) |
| Land improvements | (325,503) | (11,226) | - | (336,729) |
| Equipment | (978,879) | (46,346) | - | (1,025,225) |
| Infrastructure | (29,349,278) | (1,173,605) | - | (30,522,883) |
| Total accumulated depreciation | <u>(31,607,832)</u> | <u>(1,279,582)</u> | <u>-</u> | <u>(32,887,414)</u> |
| Depreciable, net | <u>29,845,672</u> | <u>(884,317)</u> | <u>-</u> | <u>28,961,355</u> |
| Business-type activities capital assets, net | <u>\$ 31,536,933</u> | <u>\$ 86,689</u> | <u>\$ -</u> | <u>\$ 31,623,622</u> |

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

| | |
|---|---------------------|
| Water | \$ 421,173 |
| Sewer | 585,519 |
| Storm Sewer | 272,890 |
| Total depreciation business-type activities | <u>\$ 1,279,582</u> |

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, 2019. 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.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2019

Interfund receivables and payables are used to fund current operations and long term projects. The interfund activity for fiscal year ended June 30, 2019 is as follows:

| ALL ACTIVITIES | TRANSFERS FROM | TRANSFERS TO |
|----------------------------------|------------------------------|----------------------------|
| GENERAL FUND | \$ 350,000 | \$ - |
| NONMAJOR FUNDS | - | 175,000 |
| SEWER FUND | - | 175,000 |
| | <u>350,000</u> | <u>350,000</u> |
| TOTAL INTERFUND TRANSFERS | <u>\$ 350,000</u> | <u>\$ 350,000</u> |
| | INTERFUND LOAN RECEIVABLE | INTERFUND LOAN PAYABLE |
| GOVERNMENTAL ACTIVITIES | | |
| GENERAL FUND | \$ 5,200,000 | \$ 29,000 |
| URA RIVERFRONT DEVELOPMENT | - | 5,200,000 |
| NONMAJOR FUNDS | 119,000 | 90,000 |
| | <u>5,319,000</u> | <u>5,319,000</u> |
| | <u>\$ 5,319,000</u> | <u>\$ 5,319,000</u> |

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, 2019.

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 | | | | | | |
| G.O. Bonds | \$ 6,175,000 | \$ - | \$ - | \$ (290,000) | \$ 5,885,000 | \$ 315,000 |
| Full Faith and Credit Obligations | 5,000,000 | - | - | - | 5,000,000 | |
| Capital Leases | 5,758 | - | - | (5,758) | - | - |
| Landfill post-closure care | 207,471 | - | - | (11,501) | 195,970 | 11,757 |
| Deferred Amounts: | | | | | | |
| Bond Premium | 42,681 | - | - | (3,283) | 39,398 | - |
| Bond Discount | (17,100) | - | - | 1,710 | (15,390) | - |
| Total Governmental Activities | <u>\$ 11,413,810</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (310,542)</u> | <u>\$ 11,104,978</u> | <u>\$ 326,757</u> |

CITY OF TROUTDALE, OREGON
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June 30, 2019

GOVERNMENTAL ACTIVITIES

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, 2019 is \$5,885,000. 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 |
|-------------------------|---------------------|---------------------|
| 2020 | \$ 315,000 | \$ 242,098 |
| 2021 | 340,000 | 229,498 |
| 2022 | 370,000 | 215,898 |
| 2023 | 400,000 | 201,098 |
| 2024 | 430,000 | 185,098 |
| 2025-2029 | 2,675,000 | 638,165 |
| 2030-2031 | 1,355,000 | 88,738 |
| Totals | <u>\$ 5,885,000</u> | <u>\$ 1,800,593</u> |

Full Faith and Credit Obligation Bonds

Full faith and credit obligation bonds were issued in March of 2018 in the amount of \$5,000,000 to finance projects for the Troutdale Riverfront Renewal Plan. These ten (10) year term bonds were issued with interest rates ranging from 3.15% to 3.59% and the final maturity due in 2028. The balance outstanding at June 30, 2019 is \$5,000,000. Upon the occurrence and continuance of any event of default, the escrow agent may proceed, and upon written request the owners of fifty-one (51 %) percent or more of the principal amount of obligations then outstanding shall take whatever action may appear necessary or desirable to enforce the financing agreement or to protect any of the rights vested in the escrow agent or the owners of obligations by the escrow agreement or by the obligations, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the escrow agreement or in aid of the exercise of any power granted in the escrow agreement or for the enforcement of any other legal or equitable right vested in the escrow agent by the escrow agreement or by law. Provided, however, that the financing amount and the financing payments shall not be subject to acceleration. Principal and interest is payable from property tax revenues. Annual debt service requirements to maturity for full faith and credit obligation bonds for governmental type activities are as follows:

CITY OF TROUTDALE, OREGON
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June 30, 2019

| Year Ending June 30, | Principal | Interest |
|-------------------------|---------------------|---------------------|
| 2020 | \$ - | \$ 167,000 |
| 2021 | - | 167,000 |
| 2022 | - | 167,000 |
| 2023 | - | 167,000 |
| 2024 | - | 167,000 |
| 2025-2029 | 5,000,000 | 345,000 |
| Totals | <u>\$ 5,000,000</u> | <u>\$ 1,180,000</u> |

Capital leases

Three capital leases have been entered into for several copiers. The cost of the equipment was capitalized for \$50,976. The leases are for a period of 60 months and yearly payments are required ranging from \$1,125 to \$3,436. The current year lease expense was \$5,758. The leases were paid off in the current year.

ACCRUED COMPENSATED ABSENCES

Changes in accrued compensated absences are as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Due within one year |
|---------------|----------------------|-------------------|---------------------|-------------------|------------------------|
| Governmental | \$ 153,387 | \$ 184,102 | \$ (170,963) | \$ 166,526 | \$ 33,305 |
| Business Type | <u>71,804</u> | <u>88,565</u> | <u>(78,480)</u> | <u>81,889</u> | <u>16,378</u> |
| Total | <u>\$ 225,191</u> | <u>\$ 272,667</u> | <u>\$ (249,443)</u> | <u>\$ 248,415</u> | <u>\$ 49,683</u> |

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
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RESTRICTED ASSETS

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

| | <u>Governmental</u> | <u>Business-Type</u> |
|-----------------------------|---------------------|----------------------|
| Street | \$ 3,245,120 | \$ - |
| Project Fund | 54,408 | - |
| Street Tree | 38,603 | - |
| Code Specialties | 2,090,466 | - |
| Sam Cox Building | 29,530 | - |
| Community Enhancement Fund | 54,174 | - |
| Bike Paths and Trails | 21,711 | - |
| Debt service reserves: | | |
| FF & C Debt Service | 95,743 | - |
| URA Debt Service | 808,700 | - |
| System Development Charges: | | |
| Water Improvement | - | 184,213 |
| Water Reimbursement | - | 5,955 |
| Sewer Improvement | - | 1,195,164 |
| Sewer Reimbursement | - | 686,013 |
| Street Improvement | 1,046,594 | - |
| Street Reimbursement | 103,082 | - |
| Storm Improvement | - | 2,582,501 |
| Storm Reimbursement | - | 30,914 |
| Parks Improvement | 1,416,505 | - |
| Total restricted assets | <u>\$ 9,004,636</u> | <u>\$ 4,684,760</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.

CITY OF TROUTDALE, OREGON
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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:

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

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

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

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

A member is considered vested and will be eligible at minimum retirement age for a service retirement allowance if he or she has had a contribution in each of five calendar years or has reached at least 50 years of age before ceasing employment with a participating employer (age 45 for police and fire members). General service employees may retire after reaching age 55. Police and fire members are eligible after reaching age 50. Tier 1 general service employee benefits are reduced if retirement occurs prior to age 58 with fewer than 30 years of service. Police and fire member benefits are reduced if retirement occurs prior to age 55 with fewer than 25 years of service. Tier 2 members are eligible for full benefits at age 60. The ORS Chapter 238 Defined Benefit Pension Plan is closed to new members hired on or after August 29, 2003.

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

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

CITY OF TROUTDALE, OREGON
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- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value equity investments. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.
- b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.
 - employed continuously as a police and fire member for at least five years immediately preceding retirement.
 - i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:
 - Police and fire:* 1.8 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been
 - General service:* 1.5 percent is multiplied by the number of years of service and the final average salary. Normal retirement age for general service members is age 65, or age 58 with 30 years of retirement credit.A member of the pension program becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, and, if the pension program is terminated, the date on which termination becomes effective.
 - ii. **Death Benefits.** Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50 percent of the pension that would otherwise have been paid to the deceased member.
 - iii. **Disability Benefits.** A member who has accrued 10 or more years of retirement credits before the member becomes disabled or a member who becomes disabled due to job-related injury shall receive a disability benefit of 45 percent of the member's salary determined as of the last full month of employment before the disability occurred.
 - iv. **Benefit Changes After Retirement.** Under ORS 238A.210 monthly benefits are adjusted annually through cost-of-living changes. The cap on the COLA will vary based on the amount of the annual benefit.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. The funding policy applies to the PERS Defined Benefit Plan and the Other Postemployment Benefit Plans. Employer contribution rates during the period were based on the December 31, 2015 actuarial valuation, which became effective July 1, 2017. The state of Oregon and certain schools, community colleges, and political subdivision have made unfunded actuarial liability payments and their rates have been reduced. Employer contributions for the year ended June 30, 2019 were

CITY OF TROUTDALE, OREGON
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\$327,986, excluding amounts to fund employer specific liabilities. In addition approximately \$184,153 in employee contributions were paid or picked up by the City in fiscal 2019. At June 30, 2019, the City reported a net pension liability of \$2,978,688 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2018 and 2017, the City's proportion was .02 percent and .02 percent, respectively. Pension expense for the year ended June 30, 2019 was (\$309,795).

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

- (1) Tier 1/Tier 2 – 14.74%
- (2) OPSRP general services – 8.02%

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|--|----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ 101,326 | \$ - |
| Changes in assumptions | 692,539 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 132,270 |
| Net changes in proportionate share | 23,741 | 1,909,179 |
| Differences between City contributions and proportionate share of contributions | 49,607 | 194,078 |
| Subtotal - Amortized Deferrals (below) | 867,213 | 2,235,527 |
| City contributions subsequent to measuring date | 327,986 | - |
| Deferred outflow (inflow) of resources | <u>\$ 1,195,199</u> | <u>\$ 2,235,527</u> |

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

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

| <u>Year ending June 30,</u> | <u>Amount</u> |
|-----------------------------|------------------------------|
| 2020 | \$ (284,439) |
| 2021 | (375,630) |
| 2022 | (586,534) |
| 2023 | (135,138) |
| 2024 | 13,428 |
| Thereafter | - |
| Total | <u><u>\$ (1,368,314)</u></u> |

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

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

CITY OF TROUTDALE, OREGON
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Actuarial Valuations – The employer contribution rates effective July 1, 2017 through June 30, 2019, were set using the entry age normal actuarial cost method. For the Tier One/Tier Two component of the PERS Defined Benefit Plan, this method produced an employer contribution rate consisting of (1) an amount for normal cost (estimated amount necessary to finance benefits earned by employees during the current service year), (2) an amount for the amortization unfunded actuarial accrued liabilities, which are being amortized over a fixed period with new unfunded actuarial liabilities being amortized over 20 years.

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

Actuarial Methods and Assumptions:

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

Actuarial valuations of an ongoing plan involve estimates of value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Experience studies are performed as of December 31 of even numbered years. The method and assumptions shown are based on the 2016 Experience Study which is reviewed for the four-year period ending December 31, 2016.

CITY OF TROUTDALE, OREGON
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Assumed Asset Allocation:

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

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

Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015, revised as of June 7, 2017, the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. The table below shows Milliman's assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

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

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

Discount Rate – The discount rate used to measure the total pension liability as of the measurement date of June 30, 2018 and 2017, was 7.20 percent and 7.50 percent, respectively, for the Defined Benefit Pension Plan. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the Defined Benefit Pension Plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate – The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.20 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate.

| | 1% Decrease (6.20%) | Discount Rate (7.20%) | 1% Increase (8.20%) |
|--|---------------------------|-----------------------------|---------------------------|
| City's proportionate share of the net pension liability | \$ 4,977,949 | \$ 2,978,688 | \$ 1,329,460 |

Changes Subsequent to the Measurement Date

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

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

Deferred Compensation Plan

A deferred compensation plan is available to employees wherein they may execute an individual agreement with the City for amounts earned by them to not be paid until a future date when certain circumstances are met. These circumstances are: termination by reason of death, disability, resignation, or retirement. Payment to the employee will be made over a period not to exceed 15 years. The deferred compensation plan is one which is authorized under IRC Section 457 and has been approved in its specifics by a private ruling from the Internal Revenue Service. The assets of the plan are held by the administrator for the sole benefit of the plan participants and are not considered assets or liabilities of the City.

OPSRP Individual Account Program (OPSRP IAP)

Plan Description:

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

Pension Benefits:

Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies. Upon retirement, a member of the OPSRP IAP may receive the amounts in his or her employee account, rollover account, and vested employer account as a lump-sum payment or in equal installments over a 5-, 10-, 15-, 20-year period or an anticipated life span option. Each distribution option has a \$200 minimum distribution limit.

Death Benefits:

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2019

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

Contributions:

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

Retirement Health Insurance Account

Plan Description:

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

Funding Policy:

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

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by OPERS, and the City currently contributes 0.50% of annual covered OPERF payroll and 0.43% of OPSRP payroll under a contractual requirement in effect until June 30, 2019. The OPERS Board of Trustees sets the employer contribution rates based on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The City's contributions to RHIA for the years ended June 30, 2017, 2018 and 2018 were \$14,293, \$14,560 and \$13,868, respectively, which equaled the required contributions each year.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2019

At June 30, 2019, the City's net OPEB liability/(asset) and deferred inflows and outflows were not considered significant by management and were not accrued on the government wide statements.

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

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

POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) GASB 75

Plan Description: The City operates a single-employer retiree benefit plan that provides postemployment health, dental and vision insurance benefits to eligible employees and their spouses. There are active and retired members in the plan. All classes of employee are eligible to continue coverage upon retirement. Qualified spouses, domestic partners, and children may qualify for coverage. Coverage for retirees and eligible dependents continues until Medicare eligibility for each individual (or until dependent children become ineligible).

Benefits and eligibility for members are established through the collective bargaining agreements. The post-retirement healthcare plan is established in accordance with Oregon Revised Statutes (ORS) 243.303. ORS stipulated that for the purpose of establishing healthcare premiums, the rate must be based on all plan members, including both active employees and retirees. The difference between retiree claims cost, which because of the effect of age is generally higher in comparison to all plan members, and the amount of retiree healthcare premiums represents the City's implicit employer contribution. The City did not establish an irrevocable trust (or equivalent arrangement) to account for the plan

Funding Policy: The benefits from this program are paid by the City on a self-pay basis and the required contribution is based on projected pay-as-you go financing requirements. There is not obligation on the part of the City to fund these benefits in advance.

Actuarial Methods and Assumptions: The City engaged an actuary to perform an evaluation as of June 30, 2019 using entry age normal, level percent of salary Actuarial Cost Method. The Single Employer Pension Plan liability was determined using the following actuarial assumptions, applied to all periods including the measurement:

| | |
|---------------------------------|-------|
| Discount Rate per year | 3.58% |
| General Inflation Rate per year | 2.50% |
| Salary Scale per year | 3.50% |

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2019

Health Care Cost Trends:

| <u>Year</u> | <u>Trend</u> | | <u>Year</u> | <u>Trend</u> |
|-------------|--------------|--|-------------|--------------|
| 2018 | 6.75 % | | 2036-2038 | 6.00 % |
| 2019 | 7.00 | | 2039-2045 | 5.75 |
| 2020 | 5.5 | | 2046-2050 | 5.50 |
| 2021-2025 | 5.00 | | 2051-2061 | 5.25 |
| 2026-2029 | 4.75 | | 2062-2065 | 5.00 |
| 2030-2033 | 5.00 | | 2066+ | 4.75 |
| 2034 | 5.25 | | | |
| 2035 | 5.75 | | | |

Mortality rates were based on rates adopted by the Oregon Public Employees Retirement System (PERS) for its December 31, 2017 actuarial valuation of retirement benefits.

Turnover rates were based on percentages developed for the valuation of benefits under Oregon PERS and vary by years of service.

Disability rates were not used.

Retirement rates were based on Oregon PERS assumptions. Annual rates are based on age, Tier / OPSRP, and duration of service.

The projection of benefits for financial reporting purpose does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Changes in Medical Benefit OPEB Liability:

| | | |
|---|-------------------|-------------------|
| Total OPEB Liability - Beginning | <u>2019</u> | <u>2018</u> |
| | \$ 207,616 | \$ 217,397 |
| Changes for the Year: | | |
| Service Cost | 12,623 | 13,287 |
| Interest | 7,628 | 6,317 |
| Changes of Benefit Terms | - | - |
| Effect of economic/demographic gains/losses | 82,584 | - |
| Changes of Assumptions or Other Input | (18,358) | (11,198) |
| Benefit Payments | (14,479) | (18,187) |
| Net Changes for the Year | <u>69,998</u> | <u>(9,781)</u> |
| Total OPEB Liability - Ending | <u>\$ 277,614</u> | <u>\$ 207,616</u> |

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2019

Sensitivity of the Net Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates: The following presents the net other post-employment benefit liability (NOL), calculated using the discount rate of 3.87 percent, as well as what the liability would be if it was calculated using a discount rate 1-percentage-point lower (2.87 percent) or 1-percentage-point higher (4.87 percent) than the current rate:

| June 30, 2019 | 1% Decrease | Current Discount Rate | 1% Increase |
|----------------------|----------------|--------------------------|----------------|
| Total OPEB Liability | \$ 296,315 | \$ 277,614 | \$ 260,401 |

The following presents the net other post-employment benefit liability (NOL), calculated using trend rate of 6.5 percent graded down to 5.0 percent, as well as what the liability would be if it was calculated using a trend rate 1-percentage-point lower (5.5 percent graded down to 4.0 percent) or 1-percentage-point higher (7.5 percent graded down to 6.0 percent) than the current rate:

| June 30, 2019 | 1% Decrease | Current Trend Rate | 1% Increase |
|----------------------|----------------|-----------------------|----------------|
| Total OPEB Liability | \$ 256,325 | \$ 277,614 | \$ 302,362 |

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ 69,680 | \$ - |
| Changes in assumptions | - | (23,076) |
| Benefit Payments | 32,569 | - |
| Deferred outflow (inflow) of resources | <u>\$ 102,249</u> | <u>\$ (23,076)</u> |

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 |
|----------------------|------------------|
| 2020 | \$ 8,230 |
| 2021 | 8,230 |
| 2022 | 8,230 |
| 2023 | 8,230 |
| 2024 | 9,674 |
| Thereafter | 4,010 |
| Total | <u>\$ 46,604</u> |

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, 2019 estimated liability of \$195,970. 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, 2019

5. DEFICIT FUND BALANCE

There is a deficit fund balance in the following fund:

URA Riverfront Development Fund - \$5,795,923
Sam Cox Building - \$63,125

The deficit fund balances are the result of budgetary to GAAP accounting differences for Interfund Loans. The fund balance deficits will be resolved when the interfund loans are paid off.

6. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2019 are as follows:

| Fund Balances: | General Fund | Street Fund | URA Riverfront Development | Nonmajor Funds | Total |
|-----------------------------|----------------------|---------------------|-----------------------------------|-----------------------|----------------------|
| <u>Nonspendable:</u> | | | | | |
| Prepaid items | \$ 3,434 | \$ 10,763 | \$ - | \$ - | \$ 14,197 |
| Inventory | 708 | - | - | - | 708 |
| Total | 4,142 | 10,763 | - | - | 14,905 |
| <u>Restricted:</u> | | | | | |
| Capital projects | - | - | - | 7,289,944 | 7,289,944 |
| Debt service | - | - | - | 1,357,220 | 1,357,220 |
| Street maintenance | - | 3,469,761 | - | - | 3,469,761 |
| Total | - | 3,469,761 | - | 8,647,164 | 12,116,925 |
| Unassigned: | 11,528,375 | - | (5,795,923) | (63,125) | 5,669,327 |
| Total Fund Balances | \$ 11,532,517 | \$ 3,480,524 | \$ (5,795,923) | \$ 8,584,039 | \$ 17,801,157 |

7. TAX ABATEMENT DISCLOSURES

As of June 30, 2019, the City offers tax abatements as a sponsor of the Columbia Cascade Enterprise Zone, ORS Chapter 285C, which would reduce the City's property tax revenue. For the current reporting period there were no companies receiving Enterprise Zone tax abatements. However, one project is expected to receive the tax abatement in the next reporting period and is receiving the Enterprise Zone Construction-In-Process tax abatement in current reporting period.

- Construction in Progress, Enterprise Zone, ORS 285C.170. To stimulate and protect economic success in State of Oregon authorized enterprise zones by providing tax incentives for new commercial investment in buildings, equipment and associated infrastructure. This abatement exempts the additional taxable value of property being constructed in furtherance of the production of income, in the process of construction, and not yet in use or occupancy on

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2019

January 1. City property tax revenues were reduced \$84,826.64 by the program during the current reporting period.

In addition, there were tax abatement programs provided by the State of Oregon which also reduced the City's property tax revenues.

- Special Assessment of Historic Property, ORS 358.487 to 358.543. To support historic building preservation the program specially assesses a property's assessed value for 15 years through the State Historic Preservation Office (SHPO) approval. City property tax revenues were reduced by \$19,187 by the program during the current reporting period.
- Alternative Energy Systems, ORS 307.175. To encourage alternative energy production this abatement exempts the additional taxable value of equipping a property with net metering or with alternative systems for onsite electricity or climate control as compared to a conventional system until 2023. City property taxes were reduced by \$3,658 by the program during the current reporting period.
- The Oregon Enterprise Zone program is a State of Oregon economic development program established, that allows for property tax exemptions. A Construction-in-Process exemption is available for qualifying properties currently under construction in an Enterprise Zone.

To qualify, the property must be owned or leased by an authorized business that is contractually obligated to own or lease the property until placed in service, it may not be previously subject to exemption as a commercial facility (ORS 307.330), and may not be operated, in all or part, as a hotel, motel, or destination resort.

Property may be exempt for no more than two tax years, which must be consecutive, and is not dependent on the property already receiving or being qualified to receive the Enterprise Zone exemption. City property taxes were reduced by \$84,827 by the program during the current reporting period.

- Day Care Centers, Student Housing and Religious Schools, ORS 307.145. Legislature has determined that providing a property tax exemption to a variety of religious, charitable, educational and other nonprofit organizations provides a general public good to the community. This abatement exempts qualified nonprofit organization property from property taxes. City property tax revenues were reduced \$2,201 by the program during the current reporting period.

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**REQUIRED
SUPPLEMENTARY
INFORMATION**

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CITY OF TROUTDALE, OREGON

**REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2019**

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 |
|---------------------------|--|---|-------------------------------------|--|--|
| 2019 | 0.0197 % | \$ 2,978,688 | \$ 3,328,387 | 0.9 % | 82.1 % |
| 2018 | 0.0202 | 2,722,947 | 3,061,346 | 0.9 | 83.1 |
| 2017 | 0.0532 | 7,989,157 | 2,896,024 | 2.8 | 80.5 |
| 2016 | 0.0580 | 3,351,769 | 4,718,429 | 0.7 | 91.9 |
| 2015 | 0.0540 | (1,224,762) | 4,771,980 | (26.0) | 103.6 |
| 2014 | 0.0540 | 2,757,356 | 3,534,062 | 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 |
|------|---|---|--|----------------------------------|--|
| 2019 | \$ 327,986 | \$ 327,986 | \$ - | \$ 3,381,884 | 9.7 % |
| 2018 | 324,308 | 324,308 | - | 3,328,387 | 9.7 |
| 2017 | 292,159 | 292,159 | - | 3,061,346 | 9.5 |
| 2016 | 296,606 | 296,606 | - | 2,896,024 | 10.2 |
| 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.

CITY OF TROUTDALE, OREGON

SCHEDULE OF CHANGES IN OTHER POST-EMPLOYMENT BENEFITS (OPEB) LIABILITY
For the Year Ended June 30, 2019

| | 2019 | 2018 |
|--|-------------------|-------------------|
| Total OPEB Liability - Beginning | \$ 207,616 | \$ 217,397 |
| Changes for the year: | | |
| Service Cost | 12,623 | 13,287 |
| Interest | 7,628 | 6,317 |
| Changes of Benefit Terms | - | - |
| Changes in economic/demographic gains or losses | 82,584 | - |
| Changes of Assumptions or Other Input | (18,358) | (11,198) |
| Benefit Payments | (14,479) | (18,187) |
| Net Changes for the Year | 69,998 | (9,781) |
| Total OPEB Liability - Ending | \$ 277,614 | \$ 207,616 |
| Covered Payroll | 3,381,884 | 3,328,387 |
| Total OPEB Plan as a Percentage of Covered Payroll | 8.21% | 6.24% |

Note: This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full year trend has been compiled, information is presented for the years for which the required supplementary schedule information is available. The City implemented GASB 75 in the fiscal year ending June 30, 2018.

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, 2019

| | Budgeted Amounts | | Actual | Variance with |
|---|------------------|-------------|----------------|---------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| Charges for Services | \$ 50,000 | \$ 50,000 | \$ 41,780 | \$ (8,220) |
| Interest | 2,500 | 2,500 | 42,642 | 40,142 |
| Total revenues | 52,500 | 52,500 | 84,422 | 31,922 |
| EXPENDITURES: | | | | |
| Materials and services | 700,000 | 700,000 | 580,724 | 119,276 |
| Capital outlay | 2,115,000 | 2,115,000 | 2,029,412 | 85,588 |
| Contingency | 14,024 | 14,024 | - | 14,024 |
| Total expenditures | 2,829,024 | 2,829,024 | 2,610,136 | 218,888 |
| Revenues over (under) expenditures | (2,776,524) | (2,776,524) | (2,525,714) | 250,810 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Interfund Loan Proceeds | 100,000 | 100,000 | 100,000 | - |
| Total other financing sources (uses) | 100,000 | 100,000 | 100,000 | - |
| Net changes in fund balances | (2,676,524) | (2,676,524) | (2,425,714) | 250,810 |
| FUND BALANCES, BEGINNING | 2,676,524 | 2,676,524 | 2,829,791 | 153,267 |
| FUND BALANCES, ENDING | \$ - | \$ - | \$ 404,077 | \$ 404,077 |
| Budget to GAAP Reconciliation | | | | |
| Interfund loan transactions | | | (6,200,000) | |
| GAAP Fund Balance | | | \$ (5,795,923) | |

CITY OF TROUTDALE, OREGON
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2019

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Debt Service Funds | Total Nonmajor Capital Projects Funds | Total |
|--|---|--|--|---------------------|
| ASSETS | | | | |
| Cash and investments | \$ 2,234,484 | \$ 904,443 | \$ 4,991,890 | \$ 8,130,817 |
| Accounts receivable | 25,065 | 760 | - | 25,825 |
| Property taxes receivable | - | 4,472 | - | 4,472 |
| Interfund loan receivable | - | - | 119,000 | 119,000 |
| Due from | - | 451,539 | - | 451,539 |
| Total assets | <u>\$ 2,259,549</u> | <u>\$ 1,361,214</u> | <u>\$ 5,110,890</u> | <u>\$ 8,731,653</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 38,758 | \$ - | \$ 2,995 | \$ 41,753 |
| Payroll liabilities | 9,242 | - | - | 9,242 |
| Deposits payable | 2,625 | - | - | 2,625 |
| Total liabilities | <u>140,625</u> | <u>-</u> | <u>2,995</u> | <u>143,620</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue - Taxes | <u>-</u> | <u>3,994</u> | <u>-</u> | <u>3,994</u> |
| FUND BALANCES | | | | |
| Restricted | 2,182,049 | 1,357,220 | 5,107,895 | 8,647,164 |
| Unassigned | (63,125) | - | - | (63,125) |
| Total fund balances | <u>2,118,924</u> | <u>1,357,220</u> | <u>5,107,895</u> | <u>8,584,039</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 2,259,549</u> | <u>\$ 1,361,214</u> | <u>\$ 5,110,890</u> | <u>\$ 8,731,653</u> |

CITY OF TROUTDALE, OREGON
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2019

| | Street Tree Fund | Bike Paths & Trails Fund | Code Specialties Fund | Sam Cox Building Fund | Comm. Enhance. Fund | Total |
|------------------------------------|-----------------------------|---|--------------------------------------|--------------------------------------|------------------------------------|---------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ 38,603 | \$ 21,711 | \$ 2,090,466 | \$ 29,530 | \$ 54,174 | \$ 2,234,484 |
| Accounts receivable | - | 1,074 | - | - | 23,991 | 25,065 |
| Total assets | <u>\$ 38,603</u> | <u>\$ 22,785</u> | <u>\$ 2,090,466</u> | <u>\$ 29,530</u> | <u>\$ 78,165</u> | <u>\$ 2,259,549</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 38,728 | \$ 30 | \$ - | \$ 38,758 |
| Payroll liabilities | - | - | 9,242 | - | - | 9,242 |
| Deposits payable | - | - | - | 2,625 | - | 2,625 |
| Interfund loan | - | - | - | 90,000 | - | 90,000 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>47,970</u> | <u>92,655</u> | <u>-</u> | <u>140,625</u> |
| FUND BALANCES | | | | | | |
| Restricted | 38,603 | 22,785 | 2,042,496 | - | 78,165 | 2,182,049 |
| Unassigned | - | - | - | (63,125) | - | (63,125) |
| Total fund balances | <u>38,603</u> | <u>22,785</u> | <u>2,042,496</u> | <u>(63,125)</u> | <u>78,165</u> | <u>2,118,924</u> |
| Total liabilities and fund balance | <u>\$ 38,603</u> | <u>\$ 22,785</u> | <u>\$ 2,090,466</u> | <u>\$ 29,530</u> | <u>\$ 78,165</u> | <u>\$ 2,259,549</u> |

CITY OF TROUTDALE, OREGON
Nonmajor Debt Service Funds
Combining Balance Sheet
June 30, 2019

| | <u>URA Debt Service Fund</u> | <u>FF&C Debt Service Fund</u> | <u>Total</u> |
|--------------------------------------|----------------------------------|---------------------------------------|---------------------|
| ASSETS | | | |
| Cash and investments | \$ 808,700 | \$ 95,743 | \$ 904,443 |
| Property taxes receivable | 4,472 | - | 4,472 |
| Accounts receivable | 760 | - | 760 |
| Due from | 451,539 | - | 451,539 |
| Total assets | <u>\$ 1,265,471</u> | <u>\$ 95,743</u> | <u>\$ 1,361,214</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable Revenue - Taxes | \$ 3,994 | \$ - | \$ 3,994 |
| Total deferred inflows of resouces | <u>3,994</u> | <u>-</u> | <u>3,994</u> |
| FUND BALANCES | | | |
| Restricted | 1,261,477 | 95,743 | 1,357,220 |
| Total fund balances | <u>1,261,477</u> | <u>95,743</u> | <u>1,357,220</u> |
| Total liabilities and fund balances | <u>\$ 1,265,471</u> | <u>\$ 95,743</u> | <u>\$ 1,361,214</u> |

CITY OF TROUTDALE, OREGON
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2019

| | Street Improvement Fund | Parks Improvement Fund | Utilities Underground Fund | Street Reimburse ment Fund | Project Fund | Total |
|--|--|---------------------------------------|---|---|---------------------|---------------------|
| ASSETS | | | | | | |
| Cash and investments | \$ 1,046,594 | \$ 1,416,505 | \$ 2,371,301 | \$ 103,082 | \$ 54,408 | \$ 4,991,890 |
| Interfund loan receivable | - | 119,000 | - | - | - | 119,000 |
| Total assets | <u>\$ 1,046,594</u> | <u>\$ 1,535,505</u> | <u>\$ 2,371,301</u> | <u>\$ 103,082</u> | <u>\$ 54,408</u> | <u>\$ 5,110,890</u> |
| LIABILITIES | | | | | | |
| Accounts payable | \$ - | \$ 2,995 | \$ - | \$ - | \$ - | \$ 2,995 |
| Total liabilities | <u>-</u> | <u>2,995</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,995</u> |
| FUND BALANCES | | | | | | |
| Restricted | 1,046,594 | 1,532,510 | 2,371,301 | 103,082 | 54,408 | 5,107,895 |
| Total fund balances | <u>1,046,594</u> | <u>1,532,510</u> | <u>2,371,301</u> | <u>103,082</u> | <u>54,408</u> | <u>5,107,895</u> |
| Total liabilities and fund balances | <u>\$ 1,046,594</u> | <u>\$ 1,535,505</u> | <u>\$ 2,371,301</u> | <u>\$ 103,082</u> | <u>\$ 54,408</u> | <u>\$ 5,110,890</u> |

CITY OF TROUTDALE, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2019

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Debt Service Funds | Total Nonmajor Capital Projects Funds | Total |
|--|---|--|--|---------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 107,760 | \$ - | \$ - | \$ 107,760 |
| Charges for services | - | - | 193,561 | 193,561 |
| Property taxes | - | 191,364 | - | 191,364 |
| Franchise | - | - | 198,880 | 198,880 |
| Licenses and permits | 634,212 | - | - | 634,212 |
| Interest | 40,440 | 1,814 | 115,879 | 158,133 |
| Miscellaneous | 12,000 | - | - | 12,000 |
| Total revenues | <u>794,412</u> | <u>193,178</u> | <u>508,320</u> | <u>1,495,910</u> |
| EXPENDITURES | | | | |
| Community development | 563,783 | - | - | 563,783 |
| Capital outlay | 1,800 | - | 34,794 | 36,594 |
| Debt service: | | | | |
| Interest | - | 167,000 | - | 167,000 |
| Total expenditures | <u>565,583</u> | <u>167,000</u> | <u>34,794</u> | <u>767,377</u> |
| Excess (deficiency) of revenues over (under) expenditures | 228,829 | 26,178 | 473,526 | 728,533 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 175,000 | - | 175,000 |
| Total other financing sources (uses) | <u>-</u> | <u>175,000</u> | <u>-</u> | <u>175,000</u> |
| Net changes in fund balances | 228,829 | 201,178 | 473,526 | 903,533 |
| FUND BALANCES, BEGINNING | <u>1,890,095</u> | <u>1,156,042</u> | <u>4,634,369</u> | <u>7,680,506</u> |
| FUND BALANCES, ENDING | <u>\$ 2,118,924</u> | <u>\$ 1,357,220</u> | <u>\$ 5,107,895</u> | <u>\$ 8,584,039</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, 2019

| | Street Tree Fund | Bike Paths & Trails Fund | Code Specialties Fund | Sam Cox Building Fund | Comm. Enhance. Fund | Total |
|---------------------------------|---------------------------------|---|--------------------------------------|--------------------------------------|------------------------------------|---------------------|
| REVENUES | | | | | | |
| Intergovernmental | \$ - | \$ 11,827 | \$ - | \$ - | \$ 95,933 | \$ 107,760 |
| Licenses, permits, and fees | - | - | 613,380 | 20,832 | - | 634,212 |
| Miscellaneous | - | - | 12,000 | - | - | 12,000 |
| Interest | 967 | 336 | 38,854 | - | 283 | 40,440 |
| Total revenues | <u>967</u> | <u>12,163</u> | <u>664,234</u> | <u>20,832</u> | <u>96,216</u> | <u>794,412</u> |
| EXPENDITURES | | | | | | |
| Community development | 2,794 | - | 492,003 | 5,313 | 63,673 | 563,783 |
| Capital outlay | - | 1,800 | - | - | - | 1,800 |
| Total expenditures | <u>2,794</u> | <u>1,800</u> | <u>492,003</u> | <u>5,313</u> | <u>63,673</u> | <u>565,583</u> |
| Net changes in fund balances | (1,827) | 10,363 | 172,231 | 15,519 | 32,543 | 228,829 |
| FUND BALANCES, BEGINNING | <u>40,430</u> | <u>12,422</u> | <u>1,870,265</u> | <u>(78,644)</u> | <u>45,622</u> | <u>1,890,095</u> |
| FUND BALANCES, ENDING | <u>\$ 38,603</u> | <u>\$ 22,785</u> | <u>\$2,042,496</u> | <u>\$ (63,125)</u> | <u>\$ 78,165</u> | <u>\$ 2,118,924</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, 2019

| | URA Debt Service Fund | FF&C Debt Service Fund | Total |
|---|----------------------------------|---------------------------------------|----------------------------|
| REVENUES | | | |
| Property taxes | \$ 191,364 | \$ - | \$ 191,364 |
| Interest | - | 1,814 | 1,814 |
| Total revenues | <u>191,364</u> | <u>1,814</u> | <u>193,178</u> |
| EXPENDITURES | | | |
| Debt Service | | | |
| Interest | - | 167,000 | 167,000 |
| Total expenditures | <u>-</u> | <u>167,000</u> | <u>167,000</u> |
| Excess (deficiency) of revenues over (under) expenditures | 191,364 | (165,186) | 26,178 |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | - | 175,000 | 175,000 |
| Total other financing sources (uses) | <u>-</u> | <u>175,000</u> | <u>175,000</u> |
| Net changes in fund balances | 191,364 | 9,814 | 201,178 |
| FUND BALANCES, BEGINNING | <u>1,070,113</u> | <u>85,929</u> | <u>1,156,042</u> |
| FUND BALANCES, ENDING | <u><u>\$ 1,261,477</u></u> | <u><u>\$ 95,743</u></u> | <u><u>\$ 1,357,220</u></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, 2019

| | Street Improvement Fund | Parks Improvement Fund | Utilities Undergrounding Fund | Street Reimbursement Fund | Project Fund | Total |
|-------------------------------------|--|---------------------------------------|--|--|---------------------|---------------------|
| REVENUES | | | | | | |
| Charges for services | \$ 31,857 | \$ 60,000 | \$ - | \$ 101,704 | \$ - | \$ 193,561 |
| Franchise | - | - | 198,880 | - | - | 198,880 |
| Interest | 15,880 | 43,522 | 53,767 | 1,378 | 1,332 | 115,879 |
| Total revenues | <u>47,737</u> | <u>103,522</u> | <u>252,647</u> | <u>103,082</u> | <u>1,332</u> | <u>508,320</u> |
| EXPENDITURES | | | | | | |
| Capital outlay | - | 34,794 | - | - | - | 34,794 |
| Total expenditures | <u>-</u> | <u>34,794</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>34,794</u> |
| Net changes in fund balances | 47,737 | 68,728 | 252,647 | 103,082 | 1,332 | 473,526 |
| FUND BALANCES, BEGINNING | <u>998,857</u> | <u>1,463,782</u> | <u>2,118,654</u> | <u>-</u> | <u>53,076</u> | <u>4,634,369</u> |
| FUND BALANCES, ENDING | <u>\$ 1,046,594</u> | <u>\$ 1,532,510</u> | <u>\$ 2,371,301</u> | <u>\$ 103,082</u> | <u>\$ 54,408</u> | <u>\$ 5,107,895</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
Metro Community Enhancement Fund

Debt Service Funds

URA Debt Service Fund
FF&C Debt Service Fund

Capital Projects Funds

Street Improvement Fund
Parks Improvement Fund
Utilities Undergrounding Fund
Street Reimbursement 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, 2019

| | Budget | | | Variance with |
|---------------------------------|----------|----------|-----------|---------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Interest | \$ 350 | \$ 350 | \$ 967 | \$ 617 |
| Total revenues | 350 | 350 | 967 | 617 |
| EXPENDITURES: | | | | |
| Materials and services | 44,875 | 44,875 | 2,794 | 42,081 |
| Total expenditures | 44,875 | 44,875 | 2,794 | 42,081 |
| Net changes in fund balances | (44,525) | (44,525) | (1,827) | 42,698 |
| FUND BALANCES, BEGINNING | 44,525 | 44,525 | 40,430 | (4,095) |
| FUND BALANCES, ENDING | \$ - | \$ - | \$ 38,603 | \$ 38,603 |

**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, 2019**

| | Budget | | | Variance with |
|---------------------------------|-----------|-----------|-----------|---------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 11,647 | \$ 11,647 | \$ 11,827 | \$ 180 |
| Interest | 100 | 100 | 336 | 236 |
| Total revenues | 11,747 | 11,747 | 12,163 | 416 |
| EXPENDITURES: | | | | |
| Capital outlay | 23,813 | 23,813 | 1,800 | 22,013 |
| Total expenditures | 23,813 | 23,813 | 1,800 | 22,013 |
| Net changes in fund balances | (12,066) | (12,066) | 10,363 | 22,429 |
| FUND BALANCES, BEGINNING | 12,066 | 12,066 | 12,422 | 356 |
| FUND BALANCES, ENDING | \$ - | \$ - | \$ 22,785 | \$ 22,785 |

**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, 2019**

| | Budget | | | Variance with |
|---------------------------------|-------------|-------------|---------------------|---------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Permits and fees | \$ 417,000 | \$ 417,000 | \$ 613,380 | \$ 196,380 |
| Miscellaneous | 12,200 | 12,200 | 12,000 | (200) |
| Interest | - | - | 38,854 | 38,854 |
| Total revenues | 429,200 | 429,200 | 664,234 | 235,034 |
| EXPENDITURES: | | | | |
| Building inspections | 336,764 | 387,768 | 341,214 | 46,554 |
| Electrical inspections | 75,047 | 75,294 | 58,565 | 16,729 |
| Plumbing inspections | 74,223 | 124,963 | 92,224 | 32,739 |
| Contingency | 906,401 | 804,410 | - | 804,410 |
| Total expenditures | 1,392,435 | 1,392,435 | 492,003 | 900,432 |
| Net changes in fund balances | (963,235) | (963,235) | 172,231 | 1,135,466 |
| FUND BALANCES, BEGINNING | 963,235 | 963,235 | 1,870,265 | 907,030 |
| FUND BALANCES, ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,042,496</u> | <u>\$ 2,042,496</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, 2019

| | Budget | | | Variance with |
|--|-------------|-------------|--------------------|------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Permits and fees | \$ 15,000 | \$ 15,000 | \$ 20,832 | \$ 5,832 |
| Miscellaneous | 1,000 | 1,000 | - | (1,000) |
| Total revenues | 16,000 | 16,000 | 20,832 | 4,832 |
| EXPENDITURES: | | | | |
| Materials and Services | 26,565 | 26,565 | 27,633 | (1,068) |
| Capital Outlay | 6,000 | 6,000 | 180 | 5,820 |
| Contingency | 31,324 | 31,324 | - | 31,324 |
| Total expenditures | 63,889 | 63,889 | 27,813 | 36,076 |
| Revenues over (under) expenditures | (47,889) | (47,889) | (6,981) | (31,244) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | 20,000 | 20,000 | - | (20,000) |
| Total other financing sources (uses) | 20,000 | 20,000 | - | (20,000) |
| Net changes in fund balances | (27,889) | (27,889) | (6,981) | 20,908 |
| FUND BALANCES, BEGINNING | 27,889 | 27,889 | 33,856 | 5,967 |
| FUND BALANCES, ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 26,875</u> | <u>\$ 26,875</u> |
| Budget to GAAP Reconciliation | | | | |
| Interfund loan transactions | | | (90,000) | |
| GAAP Fund Balance | | | <u>\$ (63,125)</u> | |

**CITY OF TROUTDALE, OREGON
COMMUNITY ENHANCEMENT PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019**

| | Budget | | | Variance with |
|--|-------------|-------------|------------------|------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Permits and fees | \$ 99,260 | \$ 99,260 | \$ 95,933 | \$ (3,327) |
| Interest | 100 | 100 | 283 | 183 |
| Total revenues | 99,360 | 99,360 | 96,216 | (3,144) |
| EXPENDITURES: | | | | |
| Materials and Services | 123,182 | 123,182 | 63,673 | 59,509 |
| Total expenditures | 123,182 | 123,182 | 63,673 | 59,509 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers Out | (19,852) | (19,852) | - | 19,852 |
| Total other financing sources (uses) | (19,852) | (19,852) | - | 19,852 |
| Net changes in fund balances | (43,674) | (43,674) | 32,543 | 76,217 |
| FUND BALANCES, BEGINNING | 43,674 | 43,674 | 45,622 | 1,948 |
| FUND BALANCES, ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 78,165</u> | <u>\$ 78,165</u> |

| | Budget | | | Variance with |
|---------------------------------|------------|------------|--------------|---------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Property taxes | | | | |
| Current year | \$ 144,000 | \$ 144,000 | \$ 153,170 | \$ 9,170 |
| Prior year | 2,000 | 2,000 | 4,963 | 2,963 |
| Penalties and interest | 1,500 | 1,500 | 33,231 | 31,731 |
| | | | | |
| Total revenues | 147,500 | 147,500 | 191,364 | 43,864 |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal and Interest | 102,500 | 102,500 | 100,000 | 2,500 |
| | | | | |
| Total expenditures | 102,500 | 102,500 | 100,000 | 2,500 |
| | | | | |
| Net changes in fund balances | 45,000 | 45,000 | 91,364 | 46,364 |
| FUND BALANCES, BEGINNING | | | | |
| | 160,641 | 160,641 | 170,113 | 9,472 |
| FUND BALANCES, ENDING | | | | |
| | \$ 205,641 | \$ 205,641 | \$ 261,477 | \$ 55,836 |
| | | | | |
| Budget to GAAP Reconciliation | | | | |
| Interfund loan transactions | | | 1,000,000 | |
| | | | | |
| GAAP Fund Balance | | | \$ 1,261,477 | |

CITY OF TROUTDALE, OREGON
FF&C DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

| | Budget | | | Variance with |
|--|-----------------|-----------------|------------------|------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Interest | \$ 100 | \$ 100 | \$ 1,814 | \$ 1,714 |
| Total revenues | 100 | 100 | 1,814 | 1,714 |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Interest | 167,000 | 167,000 | 167,000 | - |
| Total expenditures | 167,000 | 167,000 | 167,000 | - |
| Revenues over (under) expenditures | (166,900) | (166,900) | (165,186) | 1,714 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 175,000 | 175,000 | 175,000 | - |
| Total other financing sources (uses) | 175,000 | 175,000 | 175,000 | - |
| Net changes in fund balances | 8,100 | 8,100 | 9,814 | 1,714 |
| FUND BALANCES, BEGINNING | 579 | 579 | 85,929 | 85,350 |
| FUND BALANCES, ENDING | <u>\$ 8,679</u> | <u>\$ 8,679</u> | <u>\$ 95,743</u> | <u>\$ 87,064</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, 2019**

| | Budget | | | Variance with |
|---------------------------------|-------------|-------------|--------------|---------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| System development charges | \$ 40,000 | \$ 40,000 | \$ 31,857 | \$ (8,143) |
| Interest | 2,500 | 2,500 | 15,880 | 13,380 |
| Total revenues | 42,500 | 42,500 | 47,737 | 5,237 |
| EXPENDITURES: | | | | |
| Materials and services | 25,000 | 25,000 | - | 25,000 |
| Capital outlay | 800,000 | 800,000 | - | 800,000 |
| Contingency | 471,174 | 471,174 | - | 471,174 |
| Total expenditures | 1,296,174 | 1,296,174 | - | 1,296,174 |
| Net changes in fund balances | (1,253,674) | (1,253,674) | 47,737 | 1,301,411 |
| FUND BALANCES, BEGINNING | 1,253,674 | 1,253,674 | 998,857 | (254,817) |
| FUND BALANCES, ENDING | \$ - | \$ - | \$ 1,046,594 | \$ 1,046,594 |

**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, 2019**

| | Budget | | | Variance with |
|--|-------------|-------------|--------------|---------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Intergovernmental | \$ 148,500 | \$ 148,500 | \$ 48,500 | \$ (100,000) |
| System development charges | 15,000 | 15,000 | 60,000 | 45,000 |
| Interest | 12,000 | 12,000 | 43,522 | 31,522 |
| Total revenues | 175,500 | 175,500 | 152,022 | (23,478) |
| EXPENDITURES: | | | | |
| Materials and services | 75,000 | 75,000 | - | 75,000 |
| Capital outlay | 402,500 | 402,500 | 34,794 | 367,706 |
| Contingency | 674,881 | 674,881 | - | 674,881 |
| Total expenditures | 1,152,381 | 1,152,381 | 34,794 | 1,117,587 |
| Revenues over (under) expenditures | (976,881) | (976,881) | 117,228 | 1,094,109 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers Out | (293,000) | (293,000) | - | 293,000 |
| Total other financing sources (uses) | (293,000) | (293,000) | - | 293,000 |
| Net changes in fund balances | (1,269,881) | (1,269,881) | 117,228 | 1,387,109 |
| FUND BALANCE, BEGINNING | 1,269,881 | 1,269,881 | 1,296,282 | 26,401 |
| FUND BALANCE, ENDING | \$ - | \$ - | \$ 1,413,510 | \$ 1,413,510 |
| Budget to GAAP Reconciliation | | | | |
| Interfund loan transactions | | | 119,000 | |
| GAAP Fund Balance | | | \$ 1,532,510 | |

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, 2019

| | Budget | | | Variance with |
|--------------------------------|-------------|-------------|---------------------|---------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Franchise fees | \$ 191,425 | \$ 191,425 | \$ 198,880 | \$ 7,455 |
| Interest | 5,000 | 5,000 | 53,767 | 48,767 |
| Total revenues | 196,425 | 196,425 | 252,647 | 56,222 |
| EXPENDITURES: | | | | |
| Capital outlay | 2,237,958 | 2,237,958 | - | 2,237,958 |
| Total expenditures | 2,237,958 | 2,237,958 | - | 2,237,958 |
| Net changes in fund balances | (2,041,533) | (2,041,533) | 252,647 | 2,294,180 |
| FUND BALANCE, BEGINNING | 2,041,533 | 2,041,533 | 2,118,654 | 77,121 |
| FUND BALANCE, ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,371,301</u> | <u>\$ 2,371,301</u> |

**CITY OF TROUTDALE, OREGON
STREET REIMBURSEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|-------------|-------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for services | \$ 79,600 | \$ 79,600 | \$ 101,704 | \$ 22,104 |
| Interest | 100 | 100 | 1,378 | 1,278 |
| Total revenues | 79,700 | 79,700 | 103,082 | 23,382 |
| EXPENDITURES: | | | | |
| Materials and services | 5,000 | 5,000 | - | 5,000 |
| Capital outlay | 6,000 | 6,000 | - | 6,000 |
| Contingency | 68,700 | 68,700 | - | 68,700 |
| Total expenditures | 79,700 | 79,700 | - | 79,700 |
| Net changes in fund balances | - | - | 103,082 | 103,082 |
| FUND BALANCES, BEGINNING | - | - | - | - |
| FUND BALANCES, ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 103,082</u> | <u>\$ 103,082</u> |

**CITY OF TROUTDALE, OREGON
POLICE FACILITY PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019**

| | Budget | | | Variance with |
|---------------------------------|-------------|-------------|------------------|------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Interest | \$ 1,200 | \$ 1,200 | \$ 1,332 | \$ 132 |
| Total revenues | 1,200 | 1,200 | 1,332 | 132 |
| EXPENDITURES: | | | | |
| Capital outlay | 54,105 | 54,105 | - | 54,105 |
| Total expenditures | 54,105 | 54,105 | - | 54,105 |
| Net changes in fund balances | (52,905) | (52,905) | 1,332 | 54,237 |
| FUND BALANCES, BEGINNING | 52,905 | 52,905 | 53,076 | 171 |
| FUND BALANCES, ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 54,408</u> | <u>\$ 54,408</u> |

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

Proprietary Funds

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

Storm Sewer Improvement Fund
Storm Sewer Utility Fund
Storm Sewer Reimbursement 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, 2019**

| | Budget | | | Variance with |
|---------------------------------|-------------------|-------------------|---------------------|---------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Intergovernmental | \$ - | \$ - | \$ 98,110 | \$ 98,110 |
| Charges for services | 2,261,179 | 2,261,179 | 2,349,240 | 88,061 |
| Interest | 5,000 | 5,000 | 38,031 | 33,031 |
| Miscellaneous | 1,000 | 1,000 | 3,606 | 2,606 |
| Total revenues | 2,267,179 | 2,267,179 | 2,488,987 | 221,808 |
| EXPENDITURES: | | | | |
| Personnel services | 448,465 | 527,336 | 451,095 | 76,241 |
| Materials and services | 1,372,755 | 1,372,755 | 1,215,370 | 157,385 |
| Capital outlay | 1,002,400 | 1,052,400 | 840,465 | 211,935 |
| Contingency | 350,000 | 221,129 | - | 221,129 |
| Total expenditures | 3,173,620 | 3,173,620 | 2,506,930 | 666,690 |
| Net changes in fund balances | (906,441) | (906,441) | (17,943) | 888,498 |
| FUND BALANCES, BEGINNING | 1,095,780 | 1,095,780 | 1,246,670 | 150,890 |
| FUND BALANCES, ENDING | <u>\$ 189,339</u> | <u>\$ 189,339</u> | <u>\$ 1,228,727</u> | <u>\$ 1,039,388</u> |

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, 2019

| | Budget | | | Variance with |
|---------------------------------|-------------|-------------|-------------------|-------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| System development charges | \$ 10,000 | \$ 10,000 | \$ 76,456 | \$ 66,456 |
| Interest | 100 | 100 | 11,364 | 11,264 |
| Total revenues | 10,100 | 10,100 | 87,820 | 77,720 |
| EXPENDITURES: | | | | |
| Materials and services | 25,000 | 25,000 | 85 | 24,915 |
| Capital outlay | 35,000 | 85,000 | 48,113 | 36,887 |
| Contingency | 68,595 | 18,595 | - | 18,595 |
| Total expenditures | 128,595 | 128,595 | 48,198 | 80,397 |
| Net changes in fund balances | (118,495) | (118,495) | 39,622 | 158,117 |
| FUND BALANCES, BEGINNING | 118,495 | 118,495 | 142,330 | 23,835 |
| FUND BALANCES, ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 181,952</u> | <u>\$ 181,952</u> |

**CITY OF TROUTDALE, OREGON
WATER REIMBURSEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019**

| | Budget | | | Variance with |
|---------------------------------|-------------|-------------|-----------------|-----------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Charges for services | \$ 26,890 | \$ 26,890 | \$ 5,589 | \$ (21,301) |
| Interest | 100 | 100 | 366 | 266 |
| Total revenues | 26,990 | 26,990 | 5,955 | (21,035) |
| EXPENDITURES: | | | | |
| Materials and services | 5,000 | 5,000 | - | 5,000 |
| Capital outlay | 6,000 | 6,000 | - | 6,000 |
| Contingency | 15,990 | 15,990 | - | 15,990 |
| Total expenditures | 26,990 | 26,990 | - | 26,990 |
| Net changes in fund balances | - | - | 5,955 | 5,955 |
| FUND BALANCES, BEGINNING | - | - | - | - |
| FUND BALANCES, ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 5,955</u> | <u>\$ 5,955</u> |

CITY OF TROUTDALE, OREGON
WATER FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2019

| | Revenues | Expenditures/ Expenses |
|--|------------------|-----------------------------------|
| Water Fund | \$ 2,488,986 | \$ 2,506,930 |
| Water Improvement Fund | 87,820 | 48,198 |
| Water Reimbursement Fund | 5,955 | - |
| Total (Budgetary) | <u>2,582,761</u> | <u>2,555,128</u> |
| Capital outlay expenditures capitalized | - | (208,753) |
| Depreciation expense | - | 421,173 |
| Pension expense | - | (34,077) |
| Net change in accrued compensated absences | <u>-</u> | <u>8,855</u> |
| Revenues and expenses (GAAP) | \$ 2,582,761 | \$ 2,742,326 |

**CITY OF TROUTDALE, OREGON
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019**

| | Budget | | | Variance with |
|---------------------------------|-------------------|-------------------|---------------------|---------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Charges for services | \$ 3,204,494 | \$ 3,204,494 | \$ 3,422,477 | \$ 217,983 |
| Interest | 6,000 | 6,000 | 67,873 | 61,873 |
| Miscellaneous | 1,000 | 1,000 | 8,960 | 7,960 |
| Total revenues | 3,211,494 | 3,211,494 | 3,499,310 | 287,816 |
| EXPENDITURES: | | | | |
| Personnel services | 525,026 | 587,604 | 544,087 | 43,517 |
| Materials and services | 2,056,403 | 2,056,403 | 1,887,395 | 169,008 |
| Capital outlay | 1,756,525 | 1,756,525 | 1,159,212 | 597,313 |
| Contingency | 500,000 | 437,422 | - | 437,422 |
| Total expenditures | 4,837,954 | 4,837,954 | 3,590,694 | 1,247,260 |
| Net changes in fund balances | (1,626,460) | (1,626,460) | (91,384) | 1,535,076 |
| FUND BALANCES, BEGINNING | 1,789,604 | 1,789,604 | 2,606,909 | 817,305 |
| FUND BALANCES, ENDING | <u>\$ 163,144</u> | <u>\$ 163,144</u> | <u>\$ 2,515,525</u> | <u>\$ 2,352,381</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, 2019

| | Budget | | | Variance with |
|--|-------------------|-------------------|-------------------|------------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Property taxes | | | | |
| Current Year | \$ 368,700 | \$ 368,700 | \$ 375,573 | \$ 6,873 |
| Prior Year | 5,000 | 5,000 | 53,253 | 48,253 |
| Interest | 100 | 100 | 5,138 | 5,038 |
| Miscellaneous | 175,000 | 175,000 | - | (175,000) |
| | | | | |
| Total revenues | 373,800 | 373,800 | 433,964 | 60,164 |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal | 290,000 | 290,000 | 290,000 | - |
| Interest | 253,700 | 253,700 | 253,698 | 2 |
| | | | | |
| Total debt service | 543,700 | 543,700 | 543,698 | 2 |
| | | | | |
| Revenues over (under) expenditures | (169,900) | (169,900) | (109,734) | 60,166 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 175,000 | 175,000 | 175,000 | - |
| | | | | |
| Total other financing sources (uses) | 175,000 | 175,000 | 175,000 | - |
| | | | | |
| Net changes in fund balances | 5,100 | 5,100 | 65,266 | 60,166 |
| FUND BALANCES, BEGINNING | 329,104 | 329,104 | 364,875 | 35,771 |
| FUND BALANCES, ENDING | <u>\$ 334,204</u> | <u>\$ 334,204</u> | <u>\$ 430,141</u> | <u>\$ 95,937</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, 2019**

| | Budget | | | Variance with |
|---------------------------------|-----------|-----------|--------------|---------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| System development charges | \$ 40,000 | \$ 40,000 | \$ 413,387 | \$ 373,387 |
| Interest | 100 | 100 | 25,065 | 24,965 |
| Total revenues | 40,100 | 40,100 | 438,452 | 398,352 |
| EXPENDITURES: | | | | |
| Materials and Services | 25,000 | 25,000 | 5 | 24,995 |
| Capital Outlay | 330,000 | 330,000 | - | 330,000 |
| Contingency | 413,379 | 413,379 | - | 413,379 |
| Total expenditures | 768,379 | 768,379 | 5 | 768,374 |
| Net changes in fund balances | (728,279) | (728,279) | 438,447 | 1,166,726 |
| FUND BALANCES, BEGINNING | 728,279 | 728,279 | 756,717 | 28,438 |
| FUND BALANCES, ENDING | \$ - | \$ - | \$ 1,195,164 | \$ 1,195,164 |

**CITY OF TROUTDALE, OREGON
SEWER REIMBURSEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|-------------|-------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for services | \$ 70,850 | \$ 70,850 | \$ 675,937 | \$ 605,087 |
| Interest | 100 | 100 | 10,085 | 9,985 |
| Total revenues | 70,950 | 70,950 | 686,022 | 615,072 |
| EXPENDITURES: | | | | |
| Materials and services | 5,000 | 5,000 | 9 | 4,991 |
| Capital outlay | 6,000 | 6,000 | - | 6,000 |
| Contingency | 59,950 | 59,950 | - | 59,950 |
| Total expenditures | 70,950 | 70,950 | 9 | 70,941 |
| Net changes in fund balances | - | - | 686,013 | 686,013 |
| FUND BALANCES, BEGINNING | - | - | - | - |
| FUND BALANCES, ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 686,013</u> | <u>\$ 686,013</u> |

CITY OF TROUTDALE, OREGON
SEWER FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2019

| | Revenues | Expenditures/ Expenses |
|--|------------------|-----------------------------------|
| Sewer Fund | \$ 3,499,310 | \$ 3,590,694 |
| Debt Service Fund | 433,964 | 543,698 |
| Sewer Improvement Fund | 438,452 | 5 |
| Sewer Reimbursement Fund | 686,022 | 9 |
| Total | <u>5,057,748</u> | <u>4,134,406</u> |
| Depreciation expense | - | 585,519 |
| Capital outlay | - | (1,157,518) |
| Net change in accrued compensated absences | - | 2,789 |
| Change in unavailable property taxes | (45,671) | - |
| Pension expense | <u>-</u> | <u>(34,077)</u> |
| Revenues and expenses | \$ 5,012,077 | \$ 3,531,119 |

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, 2019

| | Budgeted Amounts | | Actual | Variance with |
|---------------------------------|------------------|-------------|--------------|---------------|
| | Original | Final | Amounts | Final Budget |
| REVENUES: | | | | |
| System development charges | \$ 10,000 | \$ 10,000 | \$ 240,633 | \$ 230,633 |
| Interest | 7,000 | 7,000 | 56,441 | 49,441 |
| Total revenues | 17,000 | 17,000 | 297,074 | 280,074 |
| EXPENDITURES: | | | | |
| Materials and services | 47,500 | 47,500 | 4,045 | 43,455 |
| Capital outlay | 800,000 | 800,000 | 100,000 | 700,000 |
| Contingency | 1,755,088 | 1,755,088 | - | 1,755,088 |
| Total expenditures | 2,602,588 | 2,602,588 | 104,045 | 2,498,543 |
| Net changes in fund balances | (2,585,588) | (2,585,588) | 193,029 | 2,778,617 |
| FUND BALANCES, BEGINNING | 2,585,588 | 2,585,588 | 2,385,427 | (200,161) |
| FUND BALANCES, ENDING | \$ - | \$ - | \$ 2,578,456 | \$ 2,578,456 |

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, 2019

| | Budget | | | Variance with |
|---------------------------------|------------|------------|------------|---------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Charges for services | \$ 693,713 | \$ 693,713 | \$ 937,188 | \$ 243,475 |
| Interest | 500 | 500 | 4,785 | 4,285 |
| Miscellaneous | 500 | 500 | - | (500) |
| | | | | |
| Total revenues | 694,713 | 694,713 | 941,973 | 247,260 |
| | | | | |
| EXPENDITURES: | | | | |
| Personnel services | 174,430 | 219,411 | 193,638 | 25,773 |
| Materials and services | 495,375 | 495,375 | 437,225 | 58,150 |
| Capital outlay | 155,025 | 130,025 | 18,952 | 111,073 |
| Contingency | 24,378 | 4,397 | - | 4,397 |
| | | | | |
| Total expenditures | 849,208 | 849,208 | 649,815 | 199,393 |
| | | | | |
| Net changes in fund balances | (154,495) | (154,495) | 292,158 | 446,653 |
| | | | | |
| FUND BALANCES, BEGINNING | 154,495 | 154,495 | 196,954 | 42,459 |
| | | | | |
| FUND BALANCES, ENDING | \$ - | \$ - | \$ 489,112 | \$ 489,112 |

**CITY OF TROUTDALE, OREGON
STORM SEWER REIMBURSEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|-------------|-------------|------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for services | \$ 16,670 | \$ 16,670 | \$ 29,730 | \$ 13,060 |
| Interest | 100 | 100 | 1,184 | 1,084 |
| Total revenues | 16,770 | 16,770 | 30,914 | 14,144 |
| EXPENDITURES: | | | | |
| Materials and services | 5,000 | 5,000 | - | 5,000 |
| Capital outlay | 6,000 | 6,000 | - | 6,000 |
| Contingency | 5,770 | 5,770 | - | 5,770 |
| Total expenditures | 16,770 | 16,770 | - | 16,770 |
| Net changes in fund balances | - | - | 30,914 | 30,914 |
| FUND BALANCES, BEGINNING | - | - | - | - |
| FUND BALANCES, ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 30,914</u> | <u>\$ 30,914</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, 2019

| | Revenues | Expenditures/ Expenses |
|--|------------------|-----------------------------------|
| Storm Sewer Improvement Fund | \$ 297,075 | \$ 104,045 |
| Storm Sewer Utility Fund | 941,973 | 649,815 |
| Storm Sewer Reimbursement Fund | 30,914 | - |
| Total | <u>1,269,962</u> | <u>753,860</u> |
| Depreciation expense | - | 272,890 |
| Pension expense | - | (15,491) |
| Net change in accrued compensated absences | <u>-</u> | <u>(1,559)</u> |
| Revenues and expenses | \$ 1,269,962 | \$ 1,009,700 |

CITY OF TROUTDALE, OREGON
INTERNAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2019

| | Budget | | | Variance with |
|---------------------------------|--------------|--------------|--------------|---------------|
| | Original | Final | Actual | Final Budget |
| REVENUES: | | | | |
| Charges for services | \$ 1,738,657 | \$ 1,738,657 | \$ 1,652,657 | \$ (86,000) |
| Licenses and permits | 4,556 | 4,556 | 38,777 | 34,221 |
| Interest | 1,000 | 1,000 | 19,324 | 18,324 |
| Miscellaneous | - | - | 2,404 | 2,404 |
| Total revenues | 1,744,213 | 1,744,213 | 1,713,162 | (31,051) |
| EXPENDITURES: | | | | |
| Equipment maintenance | 329,724 | 334,708 | 305,394 | 29,314 |
| Public works management | 1,530,606 | 1,583,489 | 1,482,971 | 100,518 |
| Contingency | 404,867 | 347,000 | - | 347,000 |
| Total expenditures | 2,265,197 | 2,265,197 | 1,788,365 | 476,832 |
| Net Changes in fund balances | (520,984) | (520,984) | (75,203) | 445,781 |
| FUND BALANCES, BEGINNING | 520,984 | 520,984 | 631,604 | 110,620 |
| FUND BALANCES, ENDING | \$ - | \$ - | \$ 556,401 | \$ 556,401 |

CITY OF TROUTDALE, OREGON
PUBLIC SERVICES FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2019

| | Revenues | Expenditures/ Expenses |
|-----------------------|---------------------|-----------------------------------|
| Public Services Fund | <u>\$ 1,713,162</u> | <u>\$ 1,788,365</u> |
| Total | 1,713,162 | 1,788,365 |
| Transfers | <u>-</u> | <u>-</u> |
| Revenues and expenses | \$ 1,713,162 | \$ 1,788,365 |

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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, 2019

Governmental funds capital assets:

| | |
|---|-----------------------------|
| Land | \$ 5,867,327 |
| Intangibles | 93,878 |
| Land improvements | 5,684,820 |
| Buildings and building improvements | 10,799,121 |
| Equipment | 1,612,696 |
| Infrastructure | 25,644,935 |
| Work in process | <u>2,529,739</u> |
| Total governmental funds capital assets | <u><u>\$ 52,232,516</u></u> |

Investments in governmental capital assets by source:

| | |
|---|-----------------------------|
| Balance, July 1, 2018 | \$ 48,462,226 |
| Net changes provided by: | |
| General fund | 79,821 |
| Urban Renewal | 2,508,343 |
| Parks | 632,761 |
| Public Works | 92,984 |
| Streets | <u>456,381</u> |
| Total | 3,770,290 |
| Total governmental funds capital assets | <u><u>\$ 52,232,516</u></u> |

CITY OF TROUTDALE, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2019

| | <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 | \$ 1,282,688 | \$ 1,138,972 | \$ 398,112 | \$ - | \$ 21,396 | \$ 2,841,168 |
| Urban Renewal | 2,406,807 | - | - | - | 2,508,343 | 4,915,150 |
| Community Development | 7,096,391 | 2,198,023 | 654,643 | 443,959 | - | 10,393,016 |
| Public Safety | 115,781 | 7,425,333 | 175,217 | - | - | 7,716,331 |
| Highways and Streets | <u>744,358</u> | <u>36,793</u> | <u>384,724</u> | <u>25,200,976</u> | <u>-</u> | <u>26,366,851</u> |
| Total Investment | <u>\$ 11,646,025</u> | <u>\$ 10,799,121</u> | <u>\$ 1,612,696</u> | <u>\$ 25,644,935</u> | <u>\$ 2,529,739</u> | <u>\$ 52,232,516</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, 2019

| Function and Activity | Balance July 1, 2018 | Additions | Deductions | Balance June 30, 2019 |
|-------------------------|-------------------------|---------------------|---------------------|--------------------------|
| General Government | \$ 2,761,347 | \$ 79,821 | \$ - | \$ 2,841,168 |
| Urban Renewal | 2,406,807 | 2,508,343 | | 4,915,150 |
| Community Development | 9,667,271 | 981,047 | (255,302) | 10,393,016 |
| Public Safety | 7,716,331 | - | - | 7,716,331 |
| Highways and Streets | 25,910,470 | 456,381 | - | 26,366,851 |
| Total Investment | <u>\$ 48,462,226</u> | <u>\$ 4,025,592</u> | <u>\$ (255,302)</u> | <u>\$ 52,232,516</u> |

City of Troutdale, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

June 30, 2019

| Tax Year | Taxes Uncollected July 1, 2018 | 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, 2019 |
|-------------------|---|--|----------------------------------|--------------------------------|---|--|--|
| 2018-19 | \$ | \$ 6,057,425 | \$ (159,356) | \$ 1,259 | \$ (15,403) | \$ (5,792,797) | \$ 91,128 |
| 2017-18 | 103,718 | | 548 | 2,173 | (21,404) | (33,574) | 51,461 |
| 2016-17 | 49,108 | | (269) | 2,178 | (430) | (27,388) | 23,198 |
| 2015-16 | 37,015 | | (411) | 2,708 | (362) | (28,620) | 10,331 |
| 2014-15 | 42,544 | | (959) | 2,018 | (236) | (41,261) | 2,107 |
| 2013-14 | 34,893 | | (935) | 235 | (193) | (31,027) | 2,973 |
| 2012-13 | 31,354 | | (899) | 132 | (187) | (29,447) | 953 |
| 2011-12 | 31,970 | | (657) | 34 | (18) | (21,328) | 10,001 |
| 2010-11 | 19,684 | | (572) | 33 | (29) | (18,599) | 517 |
| 2009-10 | 17,913 | | (519) | 38 | (35) | (16,886) | 510 |
| 2008-09 and prior | 2,270 | | - | 260 | (23) | (519) | 1,988 |
| Total | \$ <u>370,469</u> | \$ <u>6,057,425</u> | \$ <u>(164,030)</u> | \$ <u>11,069</u> | \$ <u>(38,321)</u> | \$ <u>(6,041,447)</u> | \$ <u>195,167</u> |

| | Revenue Total | Receivable June 30, 2019 |
|---|---------------------|--------------------------------|
| Governmental Funds | \$ 5,546,391 | \$ 169,383 |
| Proprietary Funds | <u>383,154</u> | <u>25,784</u> |
| Subtotal | 5,929,545 | \$ <u>195,167</u> |
| Miscellaneous adjustments | | |
| Change in property taxes subject to accrual | <u>111,902</u> | |
| Total taxes, tax penalties and interest | \$ <u>6,041,447</u> | |

OTHER INFORMATION

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City of Troutdale, Oregon

SCHEDULE OF DEBT PRINCIPAL TRANSACTIONS

June 30, 2019

| | Interest Rate | | Original Issue Date | Amount | Outstanding July 1, 2018 | 2018-2019 Transactions | | | Outstanding at June 30, 2019 |
|---|------------------|---|------------------------|---------------------|--------------------------------|----------------------------|--------------------|-------------------|---------------------------------|
| | | | | | | Increases/ (Reductions) | Matured/ Called | Paid | Unmatured |
| <u>General obligation bonds</u> | | | | | | | | | |
| Police Facility Bonds, Series 2011 | 2.0-4.35 | % | 2-17-11 | \$ <u>7,540,000</u> | \$ <u>6,175,000</u> | \$ <u>-</u> | \$ <u>290,000</u> | \$ <u>290,000</u> | \$ <u>5,885,000</u> |
| <u>Full Faith and Credit Obligation Bonds</u> | | | | | | | | | |
| Troutdale Riverfront Renewal Plan | 3.15-3.59 | % | 3-1-18 | \$ <u>5,000,000</u> | \$ <u>5,000,000</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>-</u> | \$ <u>5,000,000</u> |

City of Troutdale, Oregon

SCHEDULE OF DEBT INTEREST TRANSACTIONS

June 30, 2019

| | Issue Date | 2018-2019 Transactions | | | | | Future Liability at June 30, 2019 | |
|---|------------|------------------------|---------------------|----------------------------|-------------------|-------------------|-----------------------------------|---------------------|
| | | Unmatured | Total | Increases/ (Reductions) | Matured | Paid | Unmatured | Total |
| <u>General obligation bonds</u> | | | | | | | | |
| Police Facility Bonds, Series 2011 2.0%-4.35% interest | 2-17-11 | \$ <u>2,054,285</u> | \$ <u>2,054,285</u> | \$ <u>-</u> | \$ <u>253,698</u> | \$ <u>253,698</u> | \$ <u>1,800,587</u> | \$ <u>1,800,587</u> |
| <u>Full Faith and Credit Obligation Bonds</u> | | | | | | | | |
| Troutdale Riverfront Renewal Plan | 3-1-18 | \$ <u>1,347,000</u> | \$ <u>1,347,000</u> | \$ <u>-</u> | \$ <u>167,000</u> | \$ <u>167,000</u> | \$ <u>1,180,000</u> | \$ <u>1,180,000</u> |

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS
OF GENERAL OBLIGATION BONDS

June 30, 2019

| Year of Maturity | Police Facility Series 2011 Issued 2-17-2011 | |
|---------------------|--|----------------------------|
| | Principal | Interest |
| 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 | <u>700,000</u> | <u>30,450</u> |
| | \$ <u><u>5,885,000</u></u> | \$ <u><u>1,800,587</u></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 | Micellaneous Revenues | Total |
|---|--------------|------------------------------------|----------------------------|--------------------------|------------------------------------|-------------------|--------------------------|--------------|
| 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 |
| 2016 | 5,879,695 | 2,617,629 | 269,583 | 222,053 | 60,110 | 1,332,446 | 1,441,518 | 11,823,034 |
| 2017 | 6,515,952 | 2,570,534 | 1,054,239 | 381,928 | 67,403 | 1,345,455 | 2,111,679 | 14,047,190 |
| 2018 | 7,107,336 | 2,867,310 | 1,742,901 | 235,011 | 874,578 | 1,397,703 | 2,258,970 | 16,483,809 |
| 2019 | 7,417,593 | 3,197,483 | 681,822 | 265,867 | 203,495 | 1,449,159 | 2,269,037 | 15,484,456 |

(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 | Community Development | Solid Waste/ Recycling | Capital Outlay | Debt Service | Total |
|---|-----------------------|------------------|----------------------------|--------------------------|---------------------------|-------------------|-----------------|--------------|
| 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 |
| 2016 | 2,101,025 | 5,572,587 | 977,486 | 1,649,501 | 14,832 | 616,417 | 143,843 | 11,075,691 |
| 2017 | 2,281,365 | 5,391,943 | 731,374 | 2,000,360 | 9,257 | 344,192 | 145,354 | 10,903,845 |
| 2018 | 2,542,026 | 5,552,528 | 1,001,291 | 2,374,536 | 14,297 | 3,312,230 | 183,330 | 14,980,238 |
| 2019 | 2,495,214 | 5,920,806 | 1,319,170 | 3,293,967 | 11,997 | 2,845,198 | 167,000 | 16,053,352 |

(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, 2019

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.

94-98

Revenue Capacity

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

99-102

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.

103-106

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.

107-111

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.

112-113

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

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 12,618,818 | \$ 5,149,917 | \$ 10,813,733 | \$ 11,681,650 | \$ 11,679,907 | \$ 10,979,510 | \$ 11,576,791 | \$ 11,304,143 | \$ 8,767,186 | \$ 12,528,876 |
| Restricted | 97,144 | 10,864,094 | 6,788,007 | 5,338,679 | 5,478,484 | 5,893,683 | 5,886,401 | 7,647,283 | 11,091,412 | 12,116,925 |
| Unrestricted | <u>7,697,747</u> | <u>4,302,031</u> | <u>1,151,803</u> | <u>3,056,564</u> | <u>3,110,090</u> | <u>2,775,525</u> | <u>1,610,901</u> | <u>1,255,451</u> | <u>4,171,911</u> | <u>2,058,656</u> |
| Total governmental activities net assets | <u>\$ 20,413,709</u> | <u>\$ 20,316,042</u> | <u>\$ 18,753,543</u> | <u>\$ 20,076,893</u> | <u>\$ 20,268,481</u> | <u>\$ 19,648,718</u> | <u>\$ 19,074,093</u> | <u>\$ 20,206,877</u> | <u>\$ 24,030,509</u> | <u>\$ 26,704,457</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 26,758,247 | \$ 26,309,662 | \$ 25,923,958 | \$ 26,034,221 | \$ 30,043,118 | \$ 29,873,029 | \$ 30,273,275 | \$ 30,214,400 | \$ 31,536,933 | \$ 31,623,622 |
| Restricted | 2,256,533 | 2,278,696 | 2,056,152 | 1,147,530 | 2,332,344 | 2,374,868 | 2,044,059 | 2,121,132 | 3,288,474 | 4,684,760 |
| Unrestricted | <u>2,835,946</u> | <u>2,965,237</u> | <u>3,220,411</u> | <u>4,392,238</u> | <u>3,449,058</u> | <u>3,417,969</u> | <u>2,116,593</u> | <u>3,323,380</u> | <u>3,871,447</u> | <u>4,069,924</u> |
| Total business-type activities net assets | <u>\$ 31,850,726</u> | <u>\$ 31,553,595</u> | <u>\$ 31,200,521</u> | <u>\$ 31,573,989</u> | <u>\$ 35,824,520</u> | <u>\$ 35,665,866</u> | <u>\$ 34,433,927</u> | <u>\$ 35,658,912</u> | <u>\$ 38,696,854</u> | <u>\$ 40,378,306</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 39,377,065 | \$ 31,459,579 | \$ 36,737,691 | \$ 37,715,871 | \$ 41,723,025 | \$ 40,852,539 | \$ 41,850,066 | \$ 41,518,543 | \$ 40,304,119 | \$ 44,152,498 |
| Restricted | 2,353,677 | 13,142,790 | 8,844,159 | 6,486,209 | 7,810,828 | 8,268,551 | 7,930,460 | 9,768,415 | 14,379,886 | 16,801,685 |
| Unrestricted | <u>10,533,693</u> | <u>7,267,268</u> | <u>4,372,214</u> | <u>7,448,802</u> | <u>6,559,148</u> | <u>6,193,494</u> | <u>3,727,494</u> | <u>4,578,831</u> | <u>8,043,358</u> | <u>6,128,580</u> |
| Total primary government net assets | <u>\$ 52,264,435</u> | <u>\$ 51,869,637</u> | <u>\$ 49,954,064</u> | <u>\$ 51,650,882</u> | <u>\$ 56,093,001</u> | <u>\$ 55,314,584</u> | <u>\$ 53,508,020</u> | <u>\$ 55,865,789</u> | <u>\$ 62,727,363</u> | <u>\$ 67,082,763</u> |

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)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 2,474,134 | \$ 2,207,978 | \$ 2,290,744 | \$ 1,980,493 | \$ 1,875,390 | \$ 2,016,349 | \$ 2,251,403 | \$ 2,366,482 | \$ 2,344,521 | \$ 2,048,064 |
| Public safety | 5,145,857 | 5,081,873 | 6,030,937 | 4,760,654 | 5,365,424 | 5,235,720 | 6,536,118 | 6,272,781 | 5,767,448 | 5,569,285 |
| Highways and streets | 578,566 | 1,427,173 | 1,419,589 | 1,239,829 | 1,408,175 | 1,166,959 | 1,519,782 | 1,179,564 | 1,319,285 | 1,540,598 |
| Solid waste/recycling | 3,352 | 8,165 | 15,320 | 28,845 | 15,945 | 13,375 | 16,926 | 10,465 | 14,408 | 10,946 |
| Community development | 1,537,680 | 900,494 | 1,818,625 | 1,580,808 | 1,812,461 | 1,780,461 | 2,204,802 | 2,579,361 | 2,565,323 | 3,183,733 |
| Interest on long-term debt | 85,879 | 86,643 | 16,125 | 20,900 | 1,379 | 15,454 | 11,020 | 6,215 | 37,488 | 166,046 |
| Transfers Out | - | - | - | - | - | - | - | - | - | - |
| Total governmental activities expenses | <u>9,825,468</u> | <u>9,712,326</u> | <u>11,591,340</u> | <u>9,611,529</u> | <u>10,478,774</u> | <u>10,228,318</u> | <u>12,540,051</u> | <u>12,414,868</u> | <u>12,048,473</u> | <u>12,518,672</u> |
| Business-type activities: | | | | | | | | | | |
| Water | \$ 1,783,764 | \$ 1,941,720 | \$ 2,019,228 | \$ 1,882,941 | \$ 1,887,225 | \$ 1,696,706 | \$ 2,409,035 | \$ 1,975,540 | \$ 1,837,104 | \$ 2,644,216 |
| Sewer | 2,577,321 | 2,714,223 | 3,306,348 | 3,180,079 | 3,343,454 | 3,087,108 | 4,066,368 | 3,262,115 | 3,446,285 | 3,531,119 |
| Storm sewer | 423,444 | 685,874 | 566,641 | 449,292 | 461,676 | 614,969 | 1,303,614 | 835,776 | 813,068 | 1,009,700 |
| Public services | 945,183 | 891,327 | 961,728 | 942,509 | 1,081,187 | 1,108,024 | 1,336,509 | 1,333,159 | 1,552,103 | 1,788,365 |
| Total business-type activities expenses | <u>5,729,712</u> | <u>6,233,144</u> | <u>6,853,945</u> | <u>6,454,821</u> | <u>6,773,542</u> | <u>6,506,807</u> | <u>9,115,526</u> | <u>7,406,590</u> | <u>7,648,560</u> | <u>8,973,400</u> |
| Total primary government expenses | <u>\$ 15,555,180</u> | <u>\$ 15,945,470</u> | <u>\$ 18,445,285</u> | <u>\$ 16,066,350</u> | <u>\$ 17,252,316</u> | <u>\$ 16,735,125</u> | <u>\$ 21,655,577</u> | <u>\$ 19,821,458</u> | <u>\$ 19,697,033</u> | <u>\$ 21,492,072</u> |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 913,289 | \$ 463,477 | \$ 323,000 | \$ 275,880 | \$ 397,213 | \$ 325,671 | \$ 69,903 | \$ 55,717 | \$ 57,058 | \$ 57,544 |
| Other activities | 7,593 | 7,650 | 7,875 | 7,875 | 8,175 | 7,875 | 600 | 2,700 | - | - |
| Operating grants and contributions | 641,179 | 744,784 | 802,626 | 914,475 | 889,969 | 929,972 | 963,559 | 974,986 | 1,051,943 | 1,199,833 |
| Capital grants and contributions | 481,516 | 10,406 | 2,508 | 53,745 | 50,397 | 57,550 | 509,705 | 57,376 | 865,435 | 91,857 |
| Total governmental activities program revenues | <u>2,043,577</u> | <u>1,226,317</u> | <u>1,136,009</u> | <u>1,251,975</u> | <u>1,345,754</u> | <u>1,321,068</u> | <u>1,543,767</u> | <u>1,090,779</u> | <u>1,974,436</u> | <u>1,349,234</u> |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water | 1,581,316 | 1,339,871 | 1,397,723 | 1,508,663 | 1,443,755 | 1,429,516 | 1,670,061 | 1,699,038 | 2,105,320 | 2,349,240 |
| Sewer | 2,179,348 | 2,180,436 | 2,290,594 | 2,380,969 | 2,471,898 | 2,575,013 | 2,777,232 | 2,895,792 | 3,087,338 | 3,422,477 |
| Storm sewer | 196,743 | 197,412 | 214,480 | 231,036 | 240,270 | 251,092 | 319,224 | 380,035 | 618,967 | 937,188 |
| Public services | 842,452 | 975,025 | 1,021,826 | 1,024,115 | 1,029,977 | 973,584 | 1,323,756 | 1,638,251 | 1,714,483 | 1,691,434 |
| Operating grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Capital grants and contributions | 1,729,149 | 108,618 | 161,711 | 40,867 | 63,281 | 4,176,323 | 52,032 | 104,379 | 1,654,498 | 1,441,731 |
| Total business-type activities program revenues | <u>6,529,008</u> | <u>4,801,362</u> | <u>5,086,334</u> | <u>5,185,650</u> | <u>5,249,181</u> | <u>9,405,528</u> | <u>6,142,305</u> | <u>6,717,495</u> | <u>9,180,606</u> | <u>9,842,070</u> |
| Total primary government program revenues | <u>\$ 8,572,585</u> | <u>\$ 6,027,679</u> | <u>\$ 6,222,343</u> | <u>\$ 6,437,625</u> | <u>\$ 6,594,935</u> | <u>\$ 10,726,596</u> | <u>\$ 7,686,072</u> | <u>\$ 7,808,274</u> | <u>\$ 11,155,042</u> | <u>\$ 11,191,304</u> |

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------------------|------------------------|-----------------------|------------------------|-----------------------|-----------------------|------------------------|------------------------|-----------------------|------------------------|
| Net(expense)/revenue | | | | | | | | | | |
| Governmental activities | \$ (8,486,009) | \$ (10,455,331) | \$ (8,359,554) | \$ (9,133,020) | \$ (8,907,250) | \$ (8,915,124) | \$ (10,996,284) | \$ (11,324,089) | \$ (10,074,037) | \$ (11,169,438) |
| Business-type activities | (1,431,782) | (1,767,611) | (1,269,171) | (1,524,361) | 2,898,721 | (1,037,004) | (2,973,221) | (689,095) | 1,532,046 | 868,670 |
| Total primary government net expense | <u>\$ (9,917,791)</u> | <u>\$ (12,222,942)</u> | <u>\$ (9,628,725)</u> | <u>\$ (10,657,381)</u> | <u>\$ (6,008,529)</u> | <u>\$ (9,952,128)</u> | <u>\$ (13,969,505)</u> | <u>\$ (12,013,184)</u> | <u>\$ (8,541,991)</u> | <u>\$ (10,300,768)</u> |
| General Revenues and Other Changes in Net Assets | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 3,956,364 | \$ 4,100,036 | \$ 4,196,608 | \$ 4,198,071 | \$ 4,389,337 | \$ 4,862,600 | \$ 4,945,564 | \$ 5,218,664 | \$ 5,417,849 | \$ 5,546,391 |
| Franchise taxes | 1,308,156 | 1,242,675 | 1,279,355 | 1,272,918 | 1,276,287 | 1,319,304 | 1,332,446 | 1,345,455 | 1,397,703 | 1,449,159 |
| Business income taxes | 657,704 | 716,750 | 670,940 | 708,606 | 789,670 | 875,509 | 1,118,817 | 1,054,570 | 1,185,784 | 1,343,887 |
| Hotel taxes | 402,806 | 429,249 | 427,973 | 451,708 | 480,624 | 47,516 | 718,344 | 738,182 | 724,913 | 716,523 |
| Liquor taxes | 174,967 | 182,575 | 204,188 | 213,221 | 224,251 | 577,726 | 230,109 | 245,594 | 256,000 | 268,894 |
| Cigarette taxes | 22,674 | 20,911 | 23,354 | 22,735 | 21,545 | 21,382 | 21,140 | 20,367 | 19,813 | 18,543 |
| Solid waste taxes | 52,465 | 56,310 | 54,109 | 57,118 | 56,968 | 58,114 | 64,176 | 64,278 | 74,054 | 70,046 |
| Unrestricted grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Investment earnings | 54,186 | 56,150 | 74,488 | 54,752 | 45,229 | 45,229 | 61,068 | 114,463 | 258,228 | 424,820 |
| Miscellaneous | 1,835,854 | 1,809,260 | 1,845,851 | 2,609,996 | 2,065,383 | 2,219,435 | 1,929,995 | 3,655,300 | 4,780,722 | 4,005,123 |
| Gain on sale of capital assets | - | (135,266) | - | - | - | - | - | - | - | - |
| Transfers | (15,000) | - | - | - | - | - | - | - | - | - |
| Total governmental activities | <u>\$ 8,450,176</u> | <u>\$ 8,478,650</u> | <u>\$ 8,776,866</u> | <u>\$ 9,589,125</u> | <u>\$ 9,349,294</u> | <u>\$ 10,026,816</u> | <u>\$ 10,421,659</u> | <u>\$ 12,456,873</u> | <u>\$ 14,115,066</u> | <u>\$ 13,843,386</u> |
| Business-type activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | 653,165 | 721,442 | 1,274,401 | 1,431,836 | 1,459,418 | 1,409,806 | 1,320,157 | 1,306,567 | 1,115,233 | 383,154 |
| Investment earnings | 36,579 | 25,830 | 28,190 | 30,758 | 30,761 | 30,100 | 42,170 | 67,792 | 142,071 | 239,658 |
| Miscellaneous | 93,082 | 102,407 | 12,630 | 116,514 | 128,366 | 47,957 | 26,955 | 21,721 | (91,408) | 14,970 |
| Gain on sale of capital assets | - | - | - | - | - | - | - | - | - | - |
| Transfers | 15,000 | - | - | - | - | - | 352,000 | 518,000 | 340,000 | 175,000 |
| Total business-type activities | <u>797,826</u> | <u>849,679</u> | <u>1,315,221</u> | <u>1,579,108</u> | <u>1,618,545</u> | <u>1,487,863</u> | <u>1,741,282</u> | <u>1,914,080</u> | <u>1,505,896</u> | <u>812,782</u> |
| Total primary government | <u>\$ 9,248,002</u> | <u>\$ 9,328,329</u> | <u>\$ 10,092,087</u> | <u>\$ 11,168,233</u> | <u>\$ 10,967,839</u> | <u>\$ 11,514,679</u> | <u>\$ 12,162,941</u> | <u>\$ 14,370,953</u> | <u>15,620,962</u> | <u>14,656,168</u> |
| Change in Net Assets | | | | | | | | | | |
| Governmental activities | \$ (35,833) | \$ (1,976,681) | \$ 417,312 | \$ 456,105 | \$ 442,044 | \$ 1,111,692 | \$ (574,625) | \$ 1,132,784 | \$ 4,041,029 | \$ 2,673,948 |
| Business-type activities | (633,956) | (917,932) | 46,050 | 54,747 | 4,517,266 | 450,859 | (1,231,939) | 1,224,985 | 3,037,942 | 1,681,452 |
| Total primary government | <u>\$ (669,789)</u> | <u>\$ (2,894,613)</u> | <u>\$ 463,362</u> | <u>\$ 510,852</u> | <u>\$ 4,959,310</u> | <u>\$ 1,562,551</u> | <u>\$ (1,806,564)</u> | <u>\$ 2,357,769</u> | <u>\$ 7,078,971</u> | <u>\$ 4,355,400</u> |

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)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------------------|---------------------|---------------------|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|
| General fund | | | | | | | | | | |
| Reserved (pre GASB #54) | \$ 356,254 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved (pre GASB #54) | 3,525,521 | - | - | - | - | - | - | - | - | - |
| <i>GASB No. 54 Categories:</i> | | | | | | | | | | |
| Nonspendable | - | 2,326 | 1,973 | 4,234 | 4,763 | 4,684 | 2,135 | 13,286 | 8,683 | 4,142 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | 54,000 | 54,000 | - | - | - | - | - | - | - |
| Unassigned | - | 3,578,983 | 3,620,883 | 3,728,007 | 3,700,166 | 4,073,773 | 4,543,953 | 5,475,619 | 10,780,053 | 11,528,375 |
| Total general fund | <u>\$ 3,881,775</u> | <u>\$ 3,635,309</u> | <u>\$ 3,676,856</u> | <u>\$ 3,732,241</u> | <u>\$ 3,704,929</u> | <u>\$ 4,078,457</u> | <u>\$ 4,546,088</u> | <u>\$ 5,488,905</u> | <u>\$ 10,788,736</u> | <u>\$ 11,532,517</u> |
| All other governmental funds | | | | | | | | | | |
| Reserved (pre GASB #54) | \$ 63,025 | \$ 97,144 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds (pre GASB #54) | 973,682 | 946,312 | - | - | - | - | - | - | - | - |
| Capital project funds (pre GASB #54) | 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 | 9,818 | 13,758 | 10,763 |
| Restricted | - | - | 11,776,026 | 6,825,730 | 5,338,679 | 5,478,484 | 5,893,683 | 5,886,401 | 11,091,412 | 12,116,925 |
| Assigned | - | - | 21,768 | (37,723) | - | - | - | - | - | - |
| Unassigned | - | - | (156,207) | (222,158) | (247,179) | (481,797) | (623,605) | (686,170) | (3,348,853) | (5,859,048) |
| Total all other governmental funds | <u>\$ 3,929,026</u> | <u>\$ 3,959,237</u> | <u>\$ 11,654,820</u> | <u>\$ 6,577,456</u> | <u>\$ 5,104,579</u> | <u>\$ 5,008,821</u> | <u>\$ 5,282,337</u> | <u>\$ 5,210,049</u> | <u>\$ 7,756,317</u> | <u>\$ 6,268,640</u> |

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)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-------------------|---------------------|-----------------------|-----------------------|---------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 5,749,690 | \$ 5,821,325 | \$ 5,917,906 | \$ 5,978,748 | \$ 6,186,703 | \$ 6,798,659 | \$ 7,212,141 | \$ 7,861,407 | \$ 1,742,901 | \$ 8,866,752 |
| Licenses and permits | 381,506 | 229,827 | 276,682 | 246,595 | 356,378 | 401,936 | 269,583 | 1,054,239 | 235,011 | 681,822 |
| Intergovernmental | 1,656,814 | 1,982,701 | 2,043,778 | 2,794,696 | 2,237,890 | 2,498,274 | 2,617,629 | 2,570,534 | 258,228 | 3,197,483 |
| Charges for services | 351,583 | 261,490 | 318,235 | 409,348 | 344,131 | 313,894 | 60,110 | 67,403 | 2,000,742 | 203,495 |
| Fines | 353,827 | 402,602 | 359,776 | 362,591 | 339,269 | 295,888 | 222,053 | 381,928 | 874,578 | 265,867 |
| Investment earnings | 54,186 | 56,150 | 74,488 | 54,752 | 45,229 | 47,516 | 61,068 | 114,463 | 2,867,310 | 424,820 |
| Miscellaneous | 1,020,628 | 950,705 | 997,837 | 1,087,082 | 1,144,248 | 964,757 | 1,380,450 | 1,997,216 | 8,505,039 | 1,844,217 |
| Total revenues | 9,568,234 | 9,704,800 | 9,988,702 | 10,933,812 | 10,653,848 | 11,320,924 | 11,823,034 | 14,047,190 | 16,483,809 | 15,484,456 |
| Expenditures | | | | | | | | | | |
| General government | 2,233,315 | 2,120,597 | 2,104,647 | 2,088,156 | 2,067,329 | 2,182,269 | 2,101,025 | 2,281,365 | 2,542,226 | 2,495,214 |
| Public safety | 4,860,333 | 5,201,680 | 5,307,537 | 5,240,764 | 5,462,943 | 5,677,030 | 5,572,587 | 5,391,943 | 5,552,528 | 5,920,806 |
| Highways and streets | 546,464 | 782,891 | 724,049 | 786,038 | 929,899 | 732,538 | 977,486 | 731,374 | 1,001,291 | 1,319,170 |
| Solid waste/recycling | 3,166 | 8,139 | 13,780 | 13,517 | 17,225 | 15,114 | 14,832 | 9,257 | 14,297 | 11,997 |
| Community development | 1,452,360 | 1,360,661 | 1,360,507 | 1,295,030 | 1,581,270 | 1,617,532 | 1,649,501 | 2,000,360 | 2,374,536 | 3,293,967 |
| Capital outlay | 172,217 | 364,552 | 5,534,665 | 2,788,459 | 619,939 | 307,304 | 616,417 | 344,192 | 3,312,230 | 2,845,198 |
| Debt service | | | | | | | | | | |
| Principal | 100,000 | 105,000 | 110,000 | 115,000 | 120,000 | 126,033 | 132,182 | 138,264 | 141,518 | |
| Interest | 35,466 | 31,930 | 28,221 | 24,340 | 20,286 | 16,060 | 11,661 | 7,090 | 41,812 | 167,000 |
| Total expenditures | 9,403,321 | 9,975,450 | 15,183,406 | 12,351,304 | 10,818,891 | 10,673,880 | 11,075,691 | 10,903,845 | 14,980,438 | 16,053,352 |
| Excess of revenues over (under) expenditures | 164,913 | (270,650) | (5,194,704) | (1,417,492) | (165,043) | 647,044 | 747,343 | 3,143,345 | 1,503,571 | 1,503,571 |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | 152,056 | 482,104 | 138,000 | 143,000 | 141,000 | 142,000 | 142,000 | 142,100 | 257,876 | 175,000 |
| Transfers out | (167,056) | (482,104) | (138,000) | (143,000) | (141,000) | (142,000) | (494,000) | (660,100) | (597,876) | (350,000) |
| Capital leases proceeds | | 114,105 | 158,887 | | 41,973 | - | - | | | |
| Bond proceeds | | 7,540,000 | | | | - | - | | 5,000,000 | |
| Bonds premium | | 65,662 | | | | - | - | | | |
| Total other financing sources (uses) | (15,000) | 7,719,767 | 158,887 | - | 41,973 | - | (352,000) | (518,000) | 4,660,000 | (175,000) |
| Net change in fund balances | \$ 149,913 | \$ 7,449,117 | \$ (5,035,817) | \$ (1,417,492) | \$ (123,070) | \$ 647,044 | \$ 395,343 | \$ 2,625,345 | \$ 6,163,571 | \$ (743,896) |
| Debt service as a percentage of noncapital expenditures | 1.5% | 1.4% | 1.5% | 1.5% | 1.4% | 1.4% | 1.4% | 1.4% | 1.6% | 1.3% |

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

| Fiscal Year Ended | Assessed Value ¹ | | | | | | | | | Total Real Market Value | Ratio of Total Assessed Value to Total Real Market Value | Total City Tax Rate |
|----------------------|-----------------------------|------------------------|------------------------|----------------|------------------------|----------------------|--------------------------|------------------------------|---------------|----------------------------|---|------------------------|
| | Real Property | | | | | Personal Property | Manufactured Property | Public Utilities Property | Total | | | |
| | Residential Property | Commercial Property | Industrial Property | Other Property | Total Real Property | | | | | | | |
| 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% | 4.41 |
| 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% | 4.47 |
| 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% | 4.98 |
| 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% | 5.16 |
| 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% | 5.16 |
| 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% | 5.00 |
| 2016 | 833,060,570 | 263,739,740 | 19,145,910 | 64,346,310 | 1,180,292,530 | 82,551,860 | 11,255,730 | 46,033,700 | 1,320,133,820 | 1,985,287,321 | 66.50% | 4.87 |
| 2017 | 859,236,490 | 274,626,400 | 15,759,960 | 66,272,230 | 1,215,895,080 | 89,002,700 | 12,687,070 | 77,829,200 | 1,395,414,050 | 2,128,241,371 | 65.57% | 4.80 |
| 2018 | 889,103,470 | 289,950,500 | 15,562,390 | 67,726,240 | 1,262,342,600 | 80,886,545 | 13,530,170 | 101,609,600 | 1,458,368,915 | 2,402,175,197 | 60.71% | 4.64 |
| 2019 | 917,663,990 | 304,550,660 | 15,826,410 | 70,482,960 | 1,308,524,020 | 80,648,350 | 14,343,870 | 68,322,700 | 1,471,838,940 | 2,699,209,727 | 54.53% | 4.12 |

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

| CITY OF TROUTDALE , OREGON | | | | | Overlapping Rates | | | | | | | | | | | Total Direct & Overlapping Rates | |
|----------------------------|-----------|--------------|--------|------------|-------------------|------------------|---------------|---------|-------------------|-----------------|----------------|-----------|---------|-----------------|--------------------|----------------------------------|--|
| | | | | | Regional & County | | | | | School District | | | | | | | |
| Urban Renewal | | | | | Multnomah | | Metro Service | | Soil Conservation | | Total Regional | Multnomah | | Reynolds School | Mt. Hood Community | | |
| Fiscal Year | Operating | Debt Service | Agency | Total City | County | Port of Portland | District | Tri-Met | District | & County | County ESD | District | College | Total Schools | | | |
| 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 | 0.07 | 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 | | |
| 2016 | 3.74 | 1.03 | 0.10 | 4.87 | 5.63 | 0.07 | 0.39 | - | 0.09 | 6.18 | 0.45 | 5.94 | 0.49 | 6.88 | 17.93 | | |
| 2017 | 3.74 | 0.96 | 0.09 | 4.80 | 5.54 | 0.07 | 0.40 | - | 0.01 | 6.02 | 0.46 | 6.02 | 0.49 | 6.96 | 17.78 | | |
| 2018 | 3.74 | 0.80 | 0.10 | 4.64 | 5.54 | 0.07 | 0.41 | - | 0.09 | 6.11 | 0.45 | 6.26 | 0.49 | 7.20 | 17.95 | | |
| 2019 | 3.74 | 0.27 | 0.11 | 4.12 | 5.56 | 0.07 | 0.47 | - | 0.10 | 6.19 | 0.45 | 6.23 | 0.49 | 7.17 | 17.48 | | |

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, 2019

| Taxpayer | 2018-2019 | | | 2009-2010 | | |
|-------------------------------------|------------------------|------|--|------------------------|------|--|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| FEDEX GROUND PACKAGE SYSTEM, INC | \$ 94,983,230 | 1 | 6.5% | \$ 13,160,990 | 3 | 1.2% |
| COMCAST CORPORATION | 29,512,000 | 2 | 2.0% | | | |
| AUSTELL COLUMBIA GORGE EQUITIES LLC | 24,328,310 | 3 | 1.7% | 18,655,330 | 2 | 1.7% |
| PORTLAND GENERAL ELECTRIC CO | 20,570,000 | 4 | 1.4% | 8,536,000 | 8 | 0.8% |
| TOYO TANSO USA, INC | 14,344,710 | 5 | 1.0% | 19,085,520 | 1 | 1.8% |
| MOUNTAIN MEADOWS COMMUNITY, INC | 13,071,160 | 6 | 0.9% | 10,018,000 | 4 | 0.9% |
| BURLINGAME DEVELOPMENT INC | 13,006,470 | 7 | 0.9% | 9,338,220 | 6 | 0.9% |
| MGP X PROPERTIES LLC | 11,097,130 | 8 | 0.8% | 9,135,810 | 7 | |
| TROUTDALE TERRACE LLC | 10,613,780 | 9 | 0.7% | 8,134,670 | 9 | 0.8% |
| HPT TA PROPERTIES TRUST | 9,697,150 | 10 | 0.7% | 7,432,130 | 10 | 0.7% |
| TUBE SPECIALTIES CO INC | | | | 9,582,890 | 5 | 0.9% |
| Totals | <u>\$241,223,940</u> | | <u>16.4%</u> | <u>\$ 113,079,560</u> | | <u>10.5%</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 | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | | Delinquent Tax Collections | Total Collections to Date | |
|------------------------------|-----------------------------------|--|--------------------|-------------------------------|---------------------------|--------------------|
| | | Current Tax Collections | Percentage of Levy | | Amount | Percentage of Levy |
| 2010 | 4,776,510 | 4,453,024 | 93.2% | 322,975 | 4,776,000 | 99.99% |
| 2011 | 4,916,098 | 4,641,549 | 94.4% | 274,033 | 4,915,581 | 99.99% |
| 2012 | 5,548,240 | 5,286,245 | 95.3% | 251,994 | 5,538,239 | 99.82% |
| 2013 | 5,673,471 | 5,466,703 | 96.4% | 205,815 | 5,672,518 | 99.98% |
| 2014 | 5,998,948 | 5,676,214 | 94.6% | 319,762 | 5,995,975 | 99.95% |
| 2015 | 6,444,151 | 6,111,873 | 94.8% | 330,172 | 6,442,045 | 99.97% |
| 2016 | 6,432,106 | 6,109,545 | 95.0% | 312,230 | 6,421,775 | 99.84% |
| 2017 | 6,706,161 | 6,381,733 | 95.2% | 301,229 | 6,682,962 | 99.65% |
| 2018 | 6,837,147 | 6,502,012 | 95.1% | 283,674 | 6,785,686 | 99.25% |
| 2019 | 6,057,425 | 5,792,797 | 95.6% | - | 5,792,797 | 95.63% |

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 | Finance Agreement | General Obligation Bonds | Net G.O. Bond (Premium) / Discount | | | |
| 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% | 1008 |
| 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) | 10,944,233 | 0.03% | 698 |
| 2016 | 6,685,000 | 49,247 | 26,148 | 273,000 | 2,420,000 | (28,294) | 9,425,101 | 0.02% | 602 |
| 2017 | 6,440,000 | 45,964 | 15,952 | 138,000 | 1,235,000 | (14,147) | 7,860,769 | 0.02% | 503 |
| 2018 | 6,175,000 | 25,581 | 5,758 | 5,000,000 | - | - | 11,206,339 | 0.02% | 697 |
| 2019 | 5,885,000 | 24,008 | - | 5,000,000 | - | - | 10,909,008 | N/A | 674 |

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 |
|-------------|-----------------------------|--|------------|--|-------------------------|
| 2010 | 8,456,824 | 260,037 | 8,196,787 | 0.80% | 932 |
| 2011 | 15,151,633 | 222,672 | 14,928,961 | 0.76% | 870 |
| 2012 | 14,142,497 | 259,279 | 13,883,218 | 0.74% | 795 |
| 2013 | 12,988,361 | 326,086 | 12,662,275 | 0.67% | 715 |
| 2014 | 11,774,225 | 473,658 | 11,300,567 | 0.58% | 625 |
| 2015 | 10,480,089 | 652,205 | 9,827,884 | 0.44% | 528 |
| 2016 | 9,125,953 | 789,600 | 8,336,353 | 0.35% | 430 |
| 2017 | 7,706,817 | 923,444 | 6,783,373 | 0.48% | 640 |
| 2018 | 6,175,000 | 1,156,042 | 5,018,958 | 0.21% | 312 |
| 2019 | 5,924,398 | 1,357,220 | 4,567,178 | 0.17% | 282 |

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, 2019

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable ¹ | Estimated Share of Overlapping Debt |
|---------------------------------------|------------------|---|--|
| Debt repaid with property taxes: | | | |
| Multnomah County | \$ 330,220,117 | 1.98% | \$ 6,534,334 |
| Metro | 836,005,000 | 0.87% | 7,262,896 |
| Port of Portland | 58,452,781 | 0.79% | 459,203 |
| Reynolds School District No. 7 | 200,178,150 | 22.62% | 45,275,815 |
| Gresham-Barlow School District No. 10 | 344,989,393 | 22.18% | 76,505,606 |
| Mt. Hood Community College | 53,819,068 | 5.38% | 2,894,151 |
| Multnomah Education Service District | 26,825,000 | 1.95% | 521,879 |
| Other: | | | |
| Multnomah County | 5,230,000 | 1.98% | 103,490 |
| Port of Portland | 1,146,270,828 | 0.79% | 9,005,065 |
| Subtotal, overlapping debt | | | 148,562,441 |
| City of Troutdale, Oregon direct debt | | | <u>10,909,008</u> |
| Total direct and overlapping debt | | | <u><u>\$ 159,471,449</u></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 | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2018 |
| Debt Limit | \$ 55,676,056 | \$ 54,720,846 | \$ 51,943,677 | \$ 51,339,262 | \$ 51,872,159 | \$ 57,128,678 | \$ 59,558,620 | \$ 63,847,241 | \$ 72,065,256 | \$ 80,976,292 |
| Total net debt application to limit | - | - | - | - | - | - | - | - | 5,000,000 | 5,000,000 |
| Legal debt margin | <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> | <u>\$ 59,558,620</u> | <u>\$ 63,847,241</u> | <u>\$ 67,065,256</u> | <u>\$ 75,976,292</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% | 6.94% | 6.17% |

Legal Debt Margin Calculation for Fiscal Year 2018-2019

| | |
|--|----------------------|
| Real market value (2018-19) ¹ | \$2,699,209,727 |
| Debt limit (3% of total real market value) | 80,976,292 |
| Debt subject to limit: | <u>5,000,000</u> |
| Legal debt margin | <u>\$ 75,976,292</u> |

¹ Note: Oregon Revised Statute 287A.050 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 new police station, which is excluded from debt subject to the limit. The Full Faith and Credit Obligations issued in 2018 are subject to the 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 |
| 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 |
| 2016 | 79 | 3,666,027 | 40 | 1,466,695 | 1,320,133,820 | 4.77 |
| 2017 | 46 | 21,609,088 | 56 | 6,298,576 | 1,387,498,970 | 4.73 |
| 2018 | 72 | 178,558,311 | 54 | 3,612,348 | 1,458,368,915 | 4.64 |
| 2019 | 55 | 25,983,709 | 29 | 1,411,408 | 1,471,838,940 | 4.01 |

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 |
|-------------|-----------------------------------|---|
| 2010 | - | - |
| 2011 | - | - |
| 2012 | - | - |
| 2013 | - | - |
| 2014 | - | - |
| 2015 | - | - |
| 2016 | - | - |
| 2017 | - | - |
| 2018 | - | - |
| 2019 | - | - |

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 |
|-------------|-------------------------|---|--|-----------------------------------|---|
| 2010 | 15,535 | 29,458,183,000 | 39,384 | 4,674 | 10.5% |
| 2011 | 15,595 | 31,161,157,000 | 41,302 | 4,089 | 9.1% |
| 2012 | 15,980 | 32,644,222,000 | 43,189 | 4,252 | 8.2% |
| 2013 | 16,000 | 33,376,029,000 | 43,728 | 4,128 | 7.2% |
| 2014 | 16,005 | 36,588,018,000 | 45,794 | 4,221 | 6.4% |
| 2015 | 16,015 | 38,906,295,000 | 48,422 | 4,159 | 5.8% |
| 2016 | 16,020 | 41,194,678,000 | 50,489 | 4,156 | 5.6% |
| 2017 | 16,035 | 43,873,915,000 | 54,329 | 4,064 | 4.1% |
| 2018 | 16,070 | 46,966,887,000 | 56,991 | 4,101 | 3.9% |
| 2019 | 16,185 | N/A | N/A | 3,914 | 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**

| Employer | 2019 | | | 2010 | | |
|-----------------------------------|------------------|-------------|--|------------------|-------------|--|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Amazon.com | 2,202 | 1 | 29.36% | | | |
| FedEx Ground Package System, Inc. | 753 | 2 | 10.04% | 446 | 1 | 9.52% |
| Walsh Trucking Co., LTD | 416 | 3 | 5.55% | 220 | 2 | 4.70% |
| Home Depot USA, Inc. | 165 | 4 | 2.20% | 81 | 8 | 1.73% |
| Wolcott Plumbing | 141 | 5 | 1.88% | | | |
| Tube Specialties | 140 | 6 | 1.87% | 191 | 3 | 4.08% |
| Brand Safway Services | 137 | 7 | 1.83% | | | |
| Travel Centers of America | 125 | 8 | 1.67% | 125 | 5 | 2.67% |
| Safeway, Inc. | 120 | 9 | 1.60% | | | |
| Edgefield McMenamins | 120 | 10 | 1.60% | 120 | 6 | 2.56% |
| | | | | | | |
| Toyo Tanso USA, Inc. | | | | 132 | 4 | 2.82% |
| Albertson's, Inc. | | | | 100 | 7 | 2.13% |
| Swift Transportation, Inc. | | | | 75 | 9 | 1.60% |
| Tokin Gresham Honda | | | | 48 | 10 | 1.02% |
| Totals | 4,319 | | 57.59% | 1,538 | | 28.76% |

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 | | | | | | | | 2018 | 2019 |
|-----------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | |
| General Government | 14.0 | 14.3 | 14.3 | 15.8 | 13.4 | 12.4 | 14.1 | 15.1 | 16.0 | 16.0 |
| Police | | | | | | | | | | |
| Officers | 22 | 23 | 23 | 24 | 25 | 25 | 0.0 | 0.0 | 0.0 | 0.0 |
| Civilians | 5.0 | 4.5 | 4.5 | 3.5 | 3.5 | 3.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Building Safety | 4.0 | 2.1 | 2.1 | 1.7 | 1.5 | 1.8 | 3.3 | 3.0 | 3.0 | 3.0 |
| Community Development | 3.0 | 2.5 | 2.5 | 2.0 | 1.0 | 1.5 | 2.5 | 3.0 | 3.0 | 3.5 |
| Parks & Facilities | 4.0 | 4.0 | 4.0 | 4.4 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Streets | 2.0 | 1.5 | 1.6 | 1.5 | 1.9 | 1.9 | 1.8 | 1.8 | 2.1 | 2.1 |
| Water | 6.0 | 5.5 | 5.4 | 5.0 | 4.8 | 5.0 | 5.1 | 4.1 | 4.1 | 4.1 |
| Sewer | 6.0 | 6.0 | 6.0 | 8.0 | 8.0 | 6.0 | 5.9 | 5.9 | 5.5 | 5.5 |
| Storm | | | | | | 2.1 | 2.2 | 2.2 | 2.6 | 2.6 |
| Public Works Services | | | | | | | | | | |
| Equipment Maintenance | 2.1 | 1.5 | 2.1 | 2.1 | 1.7 | 1.7 | 2.1 | 2.1 | 2.1 | 2.1 |
| Management | 6.0 | 5.8 | 5.9 | 6.0 | 5.9 | 6.2 | 6.2 | 10.0 | 9.0 | 9.0 |
| Total | <u>74.1</u> | <u>70.6</u> | <u>71.4</u> | <u>74.0</u> | <u>72.8</u> | <u>72.8</u> | <u>49.5</u> | <u>53.6</u> | <u>53.8</u> | <u>54.3</u> |

Source: City financial records.

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

| Function | Fiscal Year | | | | | | | | | |
|--|-------------|-------|--------|--------|--------|--------|--------|--------|--------|-------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Police | | | | | | | | | | |
| Calls for service ¹ | 8,179 | 8,236 | 11,897 | 11,798 | 10,505 | 10,592 | 10,484 | 10,943 | 11,879 | N/A |
| Traffic Calls ¹ | 3,808 | 3,828 | 3,316 | 3,060 | 2,508 | 1,571 | 2,440 | 2,644 | 2,897 | N/A |
| Part I crimes ² | 532 | 549 | 599 | 550 | 558 | 493 | 613 | 615 | 646 | N/A |
| Part II crimes ² | 772 | 882 | 940 | 727 | 608 | 727 | 238 | 329 | 242 | N/A |
| Water | | | | | | | | | | |
| Number of users | 4,616 | 4,645 | 4,641 | 4,644 | 4,648 | 4,655 | 4,662 | 4,539 | 4,555 | 4,570 |
| Average daily production (in thousands of gallons) | 1,562 | 1,547 | 1,643 | 1,617 | 1,547 | 1,592 | 1,641 | 1,560 | 1,620 | 1,616 |
| Sewer System | | | | | | | | | | |
| Number of users | 4,511 | 4,514 | 4,476 | 4,373 | 4,491 | 4,498 | 4,419 | 4,452 | 4,462 | 4,475 |
| Average daily use (in thousands of gallons) | 1,200 | 1,200 | 1,397 | 1,390 | 1,337 | 1,303 | 1,170 | 1,500 | 1,600 | 1,650 |
| Storm Water System | | | | | | | | | | |
| Number of users | 4,619 | 4,633 | 4,560 | 4,466 | 4,584 | 4,591 | 4,609 | 4,686 | 4,705 | 4,698 |

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 | | | | | | | | | |
|--|-------------|------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| Public Safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 24 | 20 | 20 | 20 | 20 | 20 | 0 | 0 | 0 | 0 |
| Highways and streets | | | | | | | | | | |
| Streets (miles) | 42.5 | 42.8 | 42.9 | 42.8 | 43.2 | 43.2 | 43.8 | 43.6 | 43.73 | 43.84 |
| Culture and recreation | | | | | | | | | | |
| Parks acreage | 73 | 87 | 89.70 | 86.45 | 86.45 | 83.47 | 83.47 | 83.47 | 83.47 | 86.45 |
| Greenways acreage | 96 | 164 | 164.11 | 163.91 | 152.30 | 154.03 | 154.03 | 154.03 | 154.03 | 154.03 |
| Parks, Greenways & Natural Areas | 18 | 29 | 29 | 30 | 30 | 29 | 29 | 29 | 29 | 32 |
| Water system | | | | | | | | | | |
| Water main lines (miles) | 64 | 61 | 61.25 | 65.50 | 66.89 | 66.72 | 66.72 | 67.6 | 67.85 | 67.31 |
| 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 | 6.0 |
| Daily production capacity (in millions of gallons) | 3.8 | 6.0 | 6.0 | 5.2 | 5.8 | 5.8 | 5.8 | 6.99 | 6.99 | 6.99 |
| Sewer system | | | | | | | | | | |
| Sanitary sewer lines (miles) | 51.5 | 54.6 | 54.62 | 55.91 | 55.87 | 55.92 | 55.98 | 55.98 | 56.07 | 56.45 |
| Daily plant capacity (in millions of gallons) | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 6.3 | 3 | 3 |
| Storm water system | | | | | | | | | | |
| Miles of service lines | 32.4 | 37.0 | 37.0 | 34.3 | 34.3 | 34.4 | 34.4 | 34.4 | 34.4 | 34.8 |

Sources: Various City departments.

**CITY OF TROUTDALE
MULTNOMAH COUNTY, OREGON**

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

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December 19, 2019

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, 2019, and have issued our report thereon dated December 19, 2019. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

As part of obtaining reasonable assurance about whether the 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, except for the following:

- a. We noted a budget over-expenditure as noted on page 24 of the report.

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.

A handwritten signature in black ink that reads "Tara M. Kamp, CPA". The signature is written in a cursive, flowing style.

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