



Randy Lauer, *Mayor*

David Ripma

Alison Caswell

Geoffrey Wunn

Glenn White

Jordan Wittren

Sandy Glantz

Agenda

January 9, 2024

Regular Meeting | 7:00 p.m.

Troutdale Police Community Center – Kellogg Room
234 SW Kendall Ct, Troutdale, OR 97060

1. **Pledge of Allegiance, Roll Call, Agenda Update**
2. **Motion:** Election of 2024 Council President
3. **Public Comment:** Public Comment on non-agenda and consent agenda items is welcome at this time. *Public comment on agenda items will be taken at the time the item is considered. Public comments should be directed to the Presiding Officer and limited to matters of community interest or related to matters which may, or could, come before Council. Each speaker shall be limited to 5 minutes for each agenda item unless a different amount of time is allowed by the Presiding Officer, with consent of the Council. The Council and Mayor should avoid immediate or protracted responses to citizen comments.*
4. **Consent Agenda:**
 - 4.1 **Resolution:** A resolution approving an Intergovernmental Agreement with the City of Gresham for continued building inspection services.
5. **Public Hearing / Ordinance (Introduced 12/12/23):** An ordinance updating Public Contract and Purchasing Procedures and amending Chapter 2.24 of the Troutdale Municipal Code. – *Erich Mueller, Finance Director*
6. **Resolution:** A resolution approving the City's Financial Statements and Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended June 30, 2023, and accepting the Independent Auditors' Reports. – *Erich Mueller, Finance Director*
7. **Report:** Next steps for Law Enforcement and Fire Services contracts. – *Ray Young, City Manager*
8. **Staff Communications**
9. **Council Communications**
10. **Adjournment**

Randy Lauer, Mayor

Dated: January 2, 2024

Meeting Participation

The public may attend the meeting in person or via Zoom. Please email info@troutdaleoregon.gov by **5:00pm on Monday, January 8th** to request Zoom meeting access credentials. You may also submit written public comments via email to info@troutdaleoregon.gov no later than **5:00pm on Monday, January 8th**. City Council Regular Meetings are broadcast live on Comcast Cable Channel 30 (HD Channel 330) and Frontier Communications Channel 38 and replayed on the weekend following the meeting - Friday at 4:00pm and Sunday at 9:00pm.

Further information and copies of agenda packets are available at: Troutdale City Hall, 219 E. Historic Columbia River Hwy. Monday through Friday, 8:00 a.m. - 5:00 p.m.; on our Web Page www.troutdaleoregon.gov/meetings or call Sarah Skroch, City Recorder at 503-674-7258.

The meeting location is wheelchair accessible. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to: Sarah Skroch, City Recorder 503-674-7258.



STAFF REPORT

SUBJECT: A resolution approving an Intergovernmental Agreement with the City of Gresham for continued building inspection services.

MEETING TYPE: City Council - Regular Meeting **MEETING DATE:** January 9, 2024

PRESENTER: Erich Mueller, Finance Director **DEPARTMENT / AFFILIATION:** Finance Dept

ACTION REQUIRED: Resolution (Consent) **PUBLIC HEARING:** No

COMMITTEE / COMMISSION RECOMMENDATION: N/A

STAFF RECOMMENDATION: Approval Adopt the proposed resolution approving the IGA for continued building inspections services on an "as requested" basis.

Exhibits:

- A. Intergovernmental Agreement (IGA) with Gresham for Building Department Services.

Subject Relates to:

- Council Goals
- Legislative
- Land Use / Development
- Other
Continued inspection services

Discussion Points:

- Continuation of successful contract services arrangement with the City of Gresham.
- Successor to the most recent IGA from 2018.
- Maintains local control through Troutdale Development Code ensuring compliance with zoning and land use standards.
- Gresham is providing Building Inspection Services to Troutdale, Wood Village and Fairview which was a result of the competitive RFP process jointly conducted by the 3 Cities.

Background:

Building services are provided by the City through delegation of authority under the State Building Code. The City operates the Building Inspection program which requires

certified personnel to perform plan reviews and structural, mechanical, electrical and plumbing inspections, and building official duties.

Since 2013 the City has provided building inspections services through a combination of City employees and contracted service providers both from the City of Gresham and private firms. The high degree of variability in development activity over the past decade has hampered regular employee staffing levels. The effective use of contracted service providers has allowed the City to effectively flex with the ebbs and flows of inspection volume demand.

Current:

The State Building Codes Division (BCD) continues to impose greater regulations through the Oregon Administrative Rules (OAR) that increase the requirements and expense for smaller cities to effectively maintain their own Building inspection programs. The successor IGA will enable Gresham and the 3 Cities to continue to comply with the State rules and better position the inspection programs to comply with the BCD program renewal requirements.

The successor IGA continues Gresham standardized service delivery to the 3 Cities, provides for cost recovery requirements of the BDC for program costs, and provides a certified Building Official for the 3 Cities.

The City continues to maintain local control through the Troutdale Development Code and ensuring compliance with zoning and land use standards. However, operating a standalone Troutdale Building Inspection Program remains increasing difficulty, due to the increased licenses and certification requirements and lack of qualified inspectors, the practical obstacle of having no office space to house an inspection staff, and the high cost of having permanent full-time staff regardless of fluctuating inspection volume.

The IGA with enables the sharing resources, better serves the public, and voids unnecessary duplication of staff, equipment, and training and will continue to promote efficiency and effectiveness in local government administration and service delivery to developers and contractors.

The IGA term is through fiscal year 2025-2026, has an annual fiscal year fee adjustment beginning in fiscal year 2023-2024, and may be terminated at any time after 180 days' notice.

Summary:

The IGA provides Troutdale with necessary “when requested” services for the City to continue to provide the full range of building inspection services, while better adjusting to fluctuating demand than by fully staffing the operation with permanent City employees. Gresham will provide the necessary credentialed inspectors as needed, as well as specialty expertise such as structural engineers, for complex project plan review needs.

Mr. Sean Blaire, Assistant Building Official for City of Gresham, shall continue to serve as the City of Troutdale Building Official.

A contract with a third-party service provider for building official and specialty code inspector services is necessary to maintain the City’s building code program compliance with the State Building Codes Division.

Pros & Cons:

A. Approve the proposed resolution providing for continued building inspection services through the IGA with the City of Gresham, avoiding a break in service to the construction industry and program non-compliance with the State Building Codes Division.

B. Not approve the proposed resolution creating a gap in inspection service to existing and future construction projects and jeopardizing the City’s continued delegation of authority under the State Building Code to operate its Building Inspection program.

Oversight:

- *Budget Impact:* Yes, current year (describe) Yes, future (describe) N/A
Unknown, dependent upon construction volume
- *Community Involvement Process:* Yes (describe) N/A
- *Approval by City Attorney:* Yes N/A

Reviewed and Approved by the City Manager: _____



INTERGOVERNMENTAL AGREEMENT
BETWEEN THE CITIES OF GRESHAM AND TROUTDALE
City of Gresham Contract No. 312324

This agreement (hereinafter "Agreement") is made and entered into by and between the City of Gresham, a home rule city, (hereinafter "Gresham") and the City of Troutdale (hereinafter "Troutdale"). The effective date of this Agreement will be July 1, 2023, or when each party has signed the Agreement, whichever is later.

RECITALS

- A. WHEREAS, Troutdale has an operational need for additional staffing of a Building Department to perform residential, commercial and/or industrial building permit related services based on actual and projected workload including Building Official, plans examiner(s), structural/mechanical building inspector(s), specialty code inspectors (electrical, plumbing), life safety and structural engineering. In addition, Troutdale has an occasional need for advisory-only services related to potential non-building code enforcement case(s) that are not associated with active building permit(s); and
- B. WHEREAS, Gresham and Troutdale have had an established and successful contract relationship for the provision of Building Inspection services, and desire to continue and build upon this existing partnership; and
- C. WHEREAS, Development and construction activity in Multnomah County, Gresham and Troutdale will continue to experience variations in the demand for Building Services over the course of the next several fiscal years; and
- D. WHEREAS, Gresham and Troutdale agree that the IGA enables the sharing of resources, better serves the public, and avoids unnecessary duplication of staff, equipment, and training and will continue to promote efficiency and effectiveness in local government administration and service delivery, and
- E. WHEREAS, by the authority granted in Oregon Revised Statute (ORS) 190.110 a government unit may enter into a cooperative agreement with another government unit for the performance of work on certain types of projects with the allocation of costs on terms and conditions mutually agreeable to the contracting parties.

NOW THEREFORE, it is agreed by and between Gresham and Troutdale as follows:

TERMS OF AGREEMENT

1. Services:

- 1.1. Gresham shall provide Troutdale qualified plans examiner(s), structural/mechanical building code inspection(s), specialty code inspector(s) for electrical & plumbing, structural engineering plans examiner and building official staff (collectively Staff) with sufficient expertise and experience to perform the services, when requested by Troutdale.
- 1.2. Gresham will, to the best extent possible, endeavor to provide the necessary Staff, upon request, to attend appointments in Troutdale with one business day advance notice.
- 1.3. Most other plan review and administrative related work performed by Staff that is associated with this IGA will take place at Gresham City Hall. Permit Technician services are not included in this scope of work on an as needed basis for short- or long- term staffing needs.
- 1.4. When requested, Gresham will provide Troutdale occasional advisory only services related to a potential non-building code enforcement case that is not associated with an active building permit.

2. Inspections and Plan Review:

- 2.1. Gresham will provide residential, commercial, and industrial building (structural), mechanical, plumbing, and electrical inspections in accordance with Troutdale's Operating Plan filed with the State of Oregon Building Codes Division. Gresham will endeavor to perform requested inspections no more than one business day after the request is received. Should Gresham need to reschedule an inspection to the following business day because of operational limitations, Gresham Staff will notify Troutdale as well as the person(s) requesting the inspection. Unless otherwise agreed upon, in the event an inspection request is received after working hours, on weekends or holidays, the request shall be treated as received on the next regular business day. The assigned Troutdale Permit Technician will coordinate with Gresham Staff each morning about inspection workloads for the given day.
- 2.2. Gresham will provide residential, commercial, and industrial plan review services for Troutdale for all disciplines (building, mechanical, plumbing, electrical and Fire Life Safety as required by applicable Oregon Revised Statutes (ORSs) and Oregon Administrative Rules (OARs). Gresham will also provide any necessary structural engineering review with the licensed professional engineer as requested. The assigned Troutdale Permit Technician will coordinate the responsibility of routing plans between Troutdale and Gresham.
- 2.3. Performance Standards for Gresham Plan Review will be as follows:
 - 2.3.1 Most residential plans and commercial plans identified as "simple" shall be reviewed within 10 business days of Gresham's receipt, and not more than 5 business days of Gresham's receipt for the review of a resubmittal.

2.3.2 All commercial plans not deemed simple, and complex residential plans shall be initially reviewed and commented on within 15 business days of Gresham's receipt and not more than 5 business days of Gresham's receipt for review of a resubmittal.

2.3.3 In the event that Gresham cannot perform in accordance with this standard. Troutdale, after providing Gresham seven (7) calendar days written notice and an opportunity to cure, has the right to select from a mutually agreed upon list of firms, and at its own expense, a State of Oregon Building Codes Division approved Third-Party Plan Review and Inspection Business, to complete the plan review and/or inspections not performed by Gresham.

2.3.4 If Troutdale elects to obtain a Third-Party Plan Review and Inspection services, Gresham will remain the Building Official and retain the right to review and approve the Third-Party Plan Review and inspections business' service work, to ensure compliance with the building code.

2.4. Policies:

Troutdale policies and procedures will apply to permit fees and processing, plan review comments, scheduling of inspections and recording of inspection results. Gresham will lead an ongoing effort throughout the term of this Agreement to work with Troutdale in establishing, to the best extent possible, consistent administrative policies, methodologies and processing standards related to the execution of daily building permit related responsibilities. Examples include but are not limited to assessing of reinspection fees, issuance of temporary or permanent certificate of occupancies, inspection request types, inspection scheduling, stop work orders, deferred submittals etc.

2.5 Communication:

For communication with its customers, Troutdale will establish email addresses for identified Gresham Staff along with a letterhead for any written communications. Before Gresham Staff approves a Troutdale issued certificate of occupancy, temporary or permanent, Gresham Staff shall request and receive confirmation from Troutdale that all fees and other development-related obligations have been satisfied.

2.6 Hours Adjustments:

Any adjustment to hours shall be mutually agreed upon by the Troutdale City Manager or designee and the Gresham City Manager or designee.

2.7 Building official duties:

Plan reviews and inspections performed will be limited to those job functions contained within Gresham's Job Classification(s) and generally include but are not limited to intake and processing of planning and building applicable codes and standards, inspection of work to verify conformance with applicable codes and standards, administrative duties as building official for the jurisdiction, calculation of fees associated with permit applications, serving as a liaison with building inspectors and applicants, and maintenance of associated files.

2.8 Rates:

Services, including any applicable travel time, will be provided at an hourly rate (rounded up to the nearest quarter hour) payable to City of-Gresham.

- Beginning July 1, 2023, Fiscal Year 2023/2024 and for each fiscal year thereafter, the hourly rate for service will be adjusted beginning July 1 of each fiscal year utilizing an agreed upon methodology as shown in Exhibit A to this Agreement.
- If Building services are requested outside typical business hours (Monday-Friday 7:30 AM – 4:30 PM), an overtime premium of \$30 per hour will be added to the hourly rates above.

2.9 Gresham Implementation Requirements:

Gresham implementation of the scope of Work includes providing the public with the information about code requirements, interpretation of the codes, plan review, inspections, and limited code enforcement.

2.10 Code Enforcement: Gresham will pursue code enforcement related to active building permits only. Gresham will pursue code enforcement for a maximum of 30 calendar days, in accordance with Troutdale's policies and procedures and the applicable code. If the code enforcement issue is not resolved after the expiration of 30 calendar days, Gresham will refer the issue to Troutdale for further enforcement action.

2.11 Partial Planning Review: When requested by Troutdale, and with written consent by the applicants, Gresham will review a building permit application that has already undergone partial planning review but has not received full planning approval. The applicant's consent must acknowledge that they accept the inherent risk of proceeding prior to full planning approval and the potential that final planning approval and/or Gresham's building permit review might require additional fees and services to be paid for by the applicant prior to the issuance of the building permit.

3. Billing and Payments:

3.1 Gresham will invoice Troutdale each month for the prior month of service with billing period of 21st of the month through the 20th of the following month, with billing based on time sheets submitted by Gresham Staff to Troutdale for services performed on an hourly basis. Invoice and supporting documentation will be delivered by email in a PDF format attached file and will be received by Troutdale no later than the 10th calendar day following the month of service (Example: Hours worked from January 21 – February 20 will be invoiced by March 10). The time sheets shall include time actually worked (rounded up to the nearest quarter hour increment) by Gresham.

3.2 Troutdale agrees to pay the invoice within 30 calendar days from receipt of the invoice.

4 Assumption plan:

Gresham agrees to evaluate the Troutdale Building Department program assumption plan in accordance with OAR 918-020-0095 and ORS 455.148 or ORS 455.150, making recommendations for the modification of the plan's contents.

5 Performing Services:

While performing Services, Staff will be subject to the direction and control of the Troutdale City Manager or designee as it relates to the above stated scope of work. This requirement:

however, does not supersede any authority or responsibility conferred by law, statute, or rule upon the Building Official acting in his/her capacity on behalf of the City of Troutdale. Staff shall follow all applicable state laws, Troutdale file management, administrative forms and procedures, code compliance software and Troutdale will ensure that Staff use of software or copyrighted material is allowed under any applicable license. Staff will remain full-time or part-time employees of Gresham and will continue to be compensated and provided benefits, as applicable, by Gresham, and shall not be entitled to any benefits or other compensation provided from the City of Troutdale. Nothing herein is intended to, nor does it create an employment relationship between Gresham Staff and Troutdale

6 Fees Generated: All fees for, and revenue generated by the work performed by Staff while working at Troutdale will be collected and retained by Troutdale.

7 Evaluation by Troutdale:

Staff work will be evaluated by the Troutdale City Manager or designee and communicated to the Gresham City Manager or designee on a monthly basis. Responsibilities for addressing grievances, disciplining Staff or resolving other personnel-related problems will be the responsibility of the Gresham City Manager or designee, with the full cooperation and assistance of the Troutdale City Manager or designee.

8 Termination of Agreement:

This agreement expires on June 30, 2026. Either party may terminate the Agreement at any time prior to that expiration date by providing one hundred eighty (180) calendar days written notice to the other party. This Agreement may be extended in one-year increments, not to exceed a contract term of five (5) years, with not less than ninety (90) calendar days prior written notice and the mutual consent of both parties' city manager in writing.

9 Indemnification:

Subject to the limitations of the Oregon Tort Claim Act, ORS 30.260 through 30.300, each party agrees to indemnify, defend and hold harmless the other party and its officers, agents, employees and elected officials from any and all liability, loss, and costs arising out of or resulting from the acts of the individual City, their officers, agents, employees and elected officials, including intentional or willful misconduct, in the performance of this Agreement.

9.1. In addition to Section 9, The City of Troutdale agrees to indemnify, defend, hold harmless, and make whole the City of Gresham, City of Gresham Staff, and City of Gresham's officers, agents, employees, and elected officials (indemnified parties) from any and all liability, loss, or cost, including the fees of attorneys and expert witnesses related in any way to the denial, condition, suspension, revocation, or refusal to issue or renew any indemnified parties license, registration, or certificate provided for or required by the Building Code Division (OAR Chapter 918) but only to the extent arising out of or in any way related to the acts of the City of Troutdale, Its officers, agents, employees and elected officials, including but not limited to intentional or willful misconduct.

10 Records: In accordance with ORS 455. 148, 455. 150, 455.210 and OAR 918.020 and any other applicable state statutes and administrative rules. Troutdale shall provide Gresham any requested budgetary and financial records that would demonstrate, to Gresham's satisfaction, that any dedicated program revenues and associated expenditures for building permit related

activity are used for the administration of and enforcement of a building inspection program for which Troutdale has assumed responsibility.

- 11 Rules and Practices: The Gresham City Manager or designee, and Troutdale City Manager or designee may establish rules and practices necessary to carry out this Agreement. Designees for the City Managers can work directly with the Building Official to make temporary or permanent adjustments to items such as working hours, turnaround times, etc. Rules and practices adopted under this paragraph shall not modify the term of this Agreement.
- 12 Equipment: Troutdale agrees to provide all necessary equipment to perform the Services including desktop computer located in Troutdale offices, office supplies and materials, but not including vehicles, cell phones or laptop computers. Any personal protective gear unique to Staff shall be provided by Gresham. In the event Staff needs Gresham equipment to perform the Services, Troutdale shall not be required to compensate Gresham for Staff use of Gresham equipment, including use of city vehicles.
- 13 Workers' Compensation: Each jurisdiction is a subject employer under the Oregon Workers' Compensation Law, and at all times shall comply with ORS 656.017, which requires them to provide workers' compensation coverage that satisfies Oregon Law for all their subject workers. Each party agrees to maintain insurance consistent with the Oregon Tort Claims Act, ORS 30.270 and customary for public agencies of same size and type.
- 14 Transfer: Troutdale and Gresham agree this Agreement does not constitute a transfer of a public employees pursuant to ORS 236.605 through 236.640.
- 15 Entire Agreement: This Agreement and attached exhibits constitute the entire agreement between Gresham and Troutdale on the subject matter hereof. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification or change of terms of this Agreement will bind either party unless in writing and signed by all parties and all necessary approvals have been obtained. Such waiver, consent, modification, or changes, if made, will be effective only in the specific instances and for the specific purpose given. This Agreement is personal to Troutdale and Gresham and is not intended to confer upon any other person or entity any rights or remedies whatsoever.
- 16 Adherence to Law: Each party shall comply with all federal, state, and local laws and ordinances applicable to this Agreement.
- 17 Governing Law: The provisions of this Agreement shall be construed in accordance with the laws of the State of Oregon and shall be deemed to incorporate by reference all requirements for public contracts as may be required by law. Any actions or suits involving any questions arising under this Agreement must be brought in the appropriate court in Multnomah County, Oregon. If the claim must be brought in a federal forum, then it must be brought and conducted in the United States District Court of the District of Oregon.
- 18 Non-Discrimination: In the exercise and enjoyment of authority under this Agreement, no party shall discriminate against any person because of age, sex, race, religion, color, national origin,

marital status, pregnancy, veteran status, any physical, mental or sensory disability, or actual or perceived sexual orientation or any other discrimination prohibited by federal or Oregon law.

19 This Agreement supersedes and replaces Intergovernmental Agreement # _____ Between Troutdale and Gresham.

Note: Agreement continues and signatures on the following page.

The parties by execution of this Agreement hereby acknowledge that their respective city managers have read and understand this Agreement, that each has the authority to sign and bind respectively Gresham and Troutdale and that Gresham and Troutdale shall be bound by its terms and conditions.

CITY OF GRESHAM

CITY OF TROUTDALE

Eric Schmidt, Interim City Manager
City of Gresham

Ray Young, City Manager
City of Troutdale

Date

Date

**APPROVED AS TO FORM:
CITY OF GRESHAM**

**APPROVED AS TO FORM:
CITY OF TROUTDALE**

City Attorney's Office

City Attorney

Exhibit A

Rate Methodology – Composite Hourly Rate as of July 1, 2023:

Beginning July 1, 2023, for Fiscal Year 2023/2024, the composite hourly rate for services for this initial fiscal year shall be **\$134/hour**. This composite rate is the weighted average of hours by position (Building Official, Inspector, Plans Examiner, Structural Engineer) looking over the past 3 fiscal years.

The hourly rate by position is based on the City of Gresham's Indirect Cost Rate Proposal and Central Service Cost Allocation Plan. This rate will be adjusted annually based on plan updates, and Troutdale will be informed by July 15 of any revisions to the composite rate for each subsequent fiscal year.

In addition to the above, any requested Program Technician services will be applied based on the city's usage of the services at the hourly rates listed below.

- **Building Program/Permit Technician** **\$79/hour**

RESOLUTION NO.

A RESOLUTION APPROVING AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY OF GRESHAM FOR CONTINUED BUILDING INSPECTION SERVICES.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. By delegation of authority under the State Building Code, the City operates the Building Inspection program which requires certified personnel to perform plan reviews, specialty codes inspections, and building official duties.
2. That the City has an operational need for additional staffing of a Building Department to perform on a “as requested” basis, building permit services based on actual and projected workloads including plan reviews, specialty codes inspections, and building official duties, (Building Inspection Services).
3. That through a series of Intergovernmental Agreements (IGA), the most recently adopted by Resolution 2438 January 22, 2019, for building inspection services, the City has an established, ongoing and successful contract relationship with the City of Gresham, and that the Cities desire to continue and build upon this existing partnership.
4. That with the fluctuation in development and construction activity in Multnomah County, Gresham and Troutdale have experienced variations in the demand for Building Inspection Services over the course of the past several fiscal years.
5. That the Cities agree that the IGA enables the sharing resources, better serves the public, and avoids unnecessary duplication of staff, equipment, and training and will continue to promote efficiency and effectiveness in local government administration and service delivery.
6. That by the authority granted in Oregon Revised Statutes (ORS) 190.010 et. seq., local government agencies may enter into cooperative agreements with other units of local government for the performance of work on certain types of improvement projects with the allocation of costs on terms and conditions mutually agreeable to the contracting parties.

7. That Gresham through their Community Development Department has the resources to continue to provide quality and professional Building Inspection Services.

8. That the IGA for Building Inspection Services from Gresham is necessary to successfully maintain the City's continued delegation of authority under the State Building Code to operate its Building Inspection program, and the Cities desire to enter into the IGA, which will serve a valuable, necessary and authorized public purpose, and that doing so is in the best interest of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE:

Section 1. The City should enter into an IGA with the City of Gresham for Building Inspection Services, and approves the IGA in substantial conformity with Exhibit A of the Staff Report.

Section 2. The City Council finds that in accordance with the authority granted in Oregon Revised Statute (ORS) 190.110 entering into an IGA with the City of Gresham for Building Inspection Services serves a valuable, necessary, and authorized public purpose and is in the public interest.

Section 3. Designates the Ray Young, City Manager or Erich Mueller, Finance Director (each a "City Official") or a designee of the City Official, to act on behalf of the City, and without further action by the City Council, the City Official is hereby authorized, empowered and directed to sign the IGA on behalf of the City, and any and all other required and necessary documents to implement the intent of the IGA.

Section 4. The City Official is hereby authorized and directed to execute, acknowledge and deliver the IGA in substantial conformity with Exhibit A of the Staff Report, including any other supporting and implementing documents, and to take any other action as may be advisable, convenient, necessary, or appropriate to give full force and effect to the terms and intent of the resolution, and the execution thereof by any such City Official, shall be conclusive as to such determination.

Section 5. The City Official is hereby authorized and directed to revise the Building Inspection Program Operating Plan and make other changes as may be necessary to reflect the IGA and any other administrative or program changes, and to file the plan with the Oregon Building Codes Division.

Section 6. The City Official is hereby authorized and directed to update software and computer network systems for the efficient and effective electronic submission of building plans and permit processing, and make other changes as may be necessary to continue to promote efficiency and effectiveness in local government administration and service delivery.

Section 7. Further, consistent with intent of the IGA, and in the best interest of the City, the City Official is authorized to determine, execute, acknowledge and deliver any subsequent addendums, appendices, extensions, revisions, modifications, or successor documents of the IGA, and the execution thereof by any such City Official, shall be conclusive as to such determination.

Section 8. The Finance Director is authorized to disburse funds as necessary to fulfill the IGA obligations, and is further directed to implement all such actions necessary to ensure budgetary compliance.

Section 9. This Resolution shall be effective upon adoption.

YEAS:
NAYS:
ABSTAINED:

Randy Lauer, Mayor

Date

Sarah Skroch, City Recorder
Adopted:



STAFF REPORT

SUBJECT: 2nd Reading: An Ordinance Updating Public Contract And Purchasing Procedures And Amending Chapter 2.24 Of The Troutdale Municipal Code.

MEETING TYPE: City Council - Regular Meeting **MEETING DATE:** January 9, 2024

PRESENTER: Erich Mueller, Finance Director **DEPARTMENT / AFFILIATION:** Finance Dept

ACTION REQUIRED: Ordinance - Adoption **PUBLIC HEARING:** Yes

COMMITTEE / COMMISSION RECOMMENDATION: N/A

STAFF RECOMMENDATION: Approval Ordinance adoption.

Exhibits: **A.** Redline Changes to Troutdale Municipal Code (TMC) Chapter 2.24

Subject Relates to:

- Council Goals
 Legislative
 Land Use / Development
 Other

Changes since the Ordinance Introduction December 12, 2023, are limited to updating and correction of dates, adding “or designee” to section 11 as discussed, and not including the 30 extra pages of the existing Code as exhibit B. No other changes since introduction.

Discussion Points:

- Public Purchasing Rules are primarily regulated by the State Legislature.
- Some degree of City “home rule” is allowed if the City adopts its own Purchasing Rules.
- Troutdale Municipal Code (TMC) Chapter 2.24 are the City’s adopted public contract and purchasing rules.
- Due to changes by the legislature the City Purchasing Rules need to be updated.
- City Purchasing Rules provide benefit to the public providing staff a framework for proper procurement procedures.

Background:

The Oregon Public Contracting Code (State Code) consists of three chapters in the Oregon Revised Statutes (ORS): ORS 279A (policy for all contracting activities), ORS 279B (procurements of goods and services), and ORS 279C (construction as well as architectural, engineering, photogrammetric mapping, transportation planning, land surveying services, and related services). ORS Chapters 279A, 279B and 279C comprise 141 pages of State Code requirements.

The Legislature completely overhauled and rewrote the State Code in 2005 and has modified the State Code multiple times since, most recently in the 2023 session. The State Code's primary purpose is establishing the procurement requirements for the various agencies and departments within Oregon state government. However, through preemption the Legislature has also chosen to impose the State Code on all counties, cities, and other public agencies.

The State Code also requires the Attorney General to publish administrative rules known as the Model Rules for all the state agencies and departments to use as procedures. The Model Rules are four Chapters of the Oregon Administrative Rules and comprise an additional 93 pages of requirements.

The State Code allows a small degree of local control by allowing a local jurisdiction to opt out of the Attorney General's Model Rules by adopting their own purchasing rules. Counties, cities, and other public agencies are subject to the Model Rules unless they adopt their own rules.

In 2005 the Local Contract Review Board established the City's own procurement rules which the Council adopted as TMC Chapter 2.24 Public Contracts and Purchasing.

The purpose of TMC Chapter 2.24 is to utilize public contracting practices and methods which maximize the efficient use of City resources. The goal is to use public funds in the best interest of the public and the City by obtaining best value in procurements. It is necessary that purchases are accomplished in an ethical and cost-efficient manner, while encouraging impartial and open competition. The rules provide direction to City staff regarding purchasing practices and purchasing authority to achieve a systematic and uniform administration of public contracts. The purchasing rules also provide important benefit of separating the policy framework from the procurement transactions, which protects elected officials from potential ethics accusations of steering City spending to alleged cronies.

Current Status:

The State Code requires agencies which adopt their own rules, rather than be subject to the Attorney General's Model Rules, to review and update their own rules when either the Legislature or Attorney General make changes to State Code or Model Rules.

The City's purchasing rules were last updated January 25, 2022, since which the Legislature has since made changes to the Oregon Public Contracting Code. The City's purchasing rules need to be updated to maintain compliance with the State Statutes.

Updates to the Purchasing Rules:

The edits to select sections of the City's purchasing rules are shown in Exhibit A of the Staff Report, and the proposed final text is in Attachment A of the Ordinance.

In the 2023 legislative session, the Oregon Governor signed a bill that modified the procurement method thresholds for purchases by the State of Oregon and all other public agencies. The current thresholds have been in place for approximately 20 years, and were not reflective of the current cost environment. The following revisions are reflected in the attached changes to the City's purchasing rules.

| Procurement Type | Current Threshold | Updated Threshold |
|--|---------------------|---------------------|
| Small Procurement | | |
| Goods and Services | \$10,000 | \$25,000 |
| Public Improvement/Construction | \$10,000 | \$25,000 |
| Personal/Professional Services | \$50,000 | \$100,000 |
| Architectural – Engineering and Related | \$100,000 | No Change |
| Intermediate Procurement | | |
| Goods and Services | \$10,000-\$150,000 | \$25,000-\$250,000 |
| Public Improvement/Construction | \$10,000-\$100,000 | \$25,000-\$100,000 |
| Personal/Professional Services | \$50,000-\$250,000 | \$100,000-\$250,000 |
| Architectural – Engineering and Related | \$100,000-\$250,000 | No Change |
| Formal Procurement | | |
| Goods and Services | More than \$150,000 | More than \$250,000 |
| Public Improvement/Construction | More than \$100,000 | No Change |
| Personal/Professional Services | More than \$250,000 | No Change |
| Architectural – Engineering and Related | More than \$250,000 | No Change |

The other updates are some wording to improve staff usability, and typo correction. Updates were made to match the State Code threshold amounts for changes to the small, intermediate, and formal procurement levels as they apply to both good and services, personal services, and to construction, public improvements, and public works projects.

The updates are necessary to provide consistency as we deal with vendors who work with other public agencies and are accustomed to complying the State Code. Clarification of the wording also facilitates transaction compliance testing conducted for the annual financial audit.

Several of the Ordinance findings and sections reference the City Council acting as the Local Contract Review Board. Technically the statutes of Oregon Public Contracting Code delegates authority to adopt rules to Local Contract Review Board, rather than to the agency's governing body. Officially the Council is adopting the Ordinance to change the TMC, and the Local Contract Review Board, (which is also the Council) is adopting the text as the City's procurement rules.

Summary:

The proposed Ordinance updates to the City's purchasing rules necessary to bring the City back into compliance with the revisions to Oregon Public Contracting Code which become effective January 1, 2024. Having out of date rules creates confusion with vendors/contractors, and results in inefficacy with greater overhead procurement solicitation costs.

Tonight is the second reading of the proposed Ordinance for adoption.

Pros & Cons:

- A. Following tonight's public hearing, approve the proposed TMC amendment updating the purchasing rules will be in compliance with the Oregon Public Contracting Code.
- B. Do not approve the proposed TMC amendment updating the purchasing rules, creates confusion with vendors/contractors, and results in inefficacy with greater overhead procurement solicitation costs, and may jeopardize City's home rule authority over public procurements due to the non-compliance with the Oregon Public Contracting Code.

Oversight:

- *Budget Impact:* Yes, current year (describe) Yes, future (describe) N/A
- *Community Involvement Process:* Yes (describe) N/A
- *Approval by City Attorney:* Yes N/A

Reviewed and Approved by the City Manager:



Updates to Sections of the Troutdale Municipal Code,
Chapter 2.24 PUBLIC CONTRACTS AND PURCHASING

(. . .)

2.24.080 Small procurement.

A. Any procurement of goods or services not exceeding ~~ten~~ **twenty five** thousand dollars, and any procurement of construction, public improvement or public works not exceeding ~~ten~~ **twenty five** thousand dollars, **and any procurement of personal services not exceeding one hundred thousand dollars**, may be awarded in any manner deemed practical or convenient by the DPO, including by direct selection or award.

B. A contract awarded under this section may be amended to exceed the dollars limitations of Section A. only upon approval of the city manager or chief purchasing officer (CPO).

C. A procurement may not be artificially divided or fragmented so as to constitute a small procurement under this section.

(Ord. 769 § 1 Att. A (part), 2006)

(Ord. No. 875, § 1(Att. A), 1-25-2022)

(. . .)

2.24.090 Intermediate procurement.

A. Any procurement of goods or services exceeding ~~ten~~ **twenty five** thousand dollars but not exceeding ~~one~~ **two** hundred and fifty thousand dollars, and any procurement of construction, public improvement or public works exceeding ~~ten~~ **twenty five** thousand dollars but not exceeding one hundred thousand dollars, **and any procurement of personal services exceeding one hundred thousand dollars but not exceeding two hundred and fifty thousand dollars**, may be awarded after seeking three informally solicited competitive price quotes or competitive proposals from prospective bidders. If three quotes or proposals are not reasonably available, fewer will suffice but the DPO shall make a written record of the efforts to obtain the quotes or proposals.

B. A contract awarded under this section may be amended to exceed the dollar limitations of Section A. only upon approval of the city manager or CPO.

C. A procurement may not be artificially divided or fragmented so as to constitute an intermediate procurement under this section.

(Ord. 769 § 1 Att. A (part), 2006)

(Ord. No. 875, § 1(Att. A), 1-25-2022)

(. . .)

2.24.100 Formal procurement and exemptions.

A. Any procurement of goods or services, **and any procurement of personal services** exceeding ~~one~~ **two** hundred and fifty thousand dollars, and any procurement of construction, public improvement or public works exceeding one hundred thousand dollars, shall be awarded only after a formal competitive solicitation process unless otherwise provided for in this chapter.

(. . .)

2.24.105 Chief purchasing officer (CPO) duties.

A. Subject to the direction and control of the city manager, and except as otherwise specifically provided by these rules, the CPO shall administer these rules.

B. The ~~COP~~ **CPO** duties shall include:

(. . .)

ORDINANCE NO.

AN ORDINANCE UPDATING PUBLIC CONTRACT AND PURCHASING PROCEDURES AND AMENDING CHAPTER 2.24 OF THE TROUTDALE MUNICIPAL CODE.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. That the City as a State of Oregon municipality is subject to the Oregon Public Contracting Code (the "Code") Oregon Revised Statutes (ORS) 279A, 279B, and 279C.
2. That it is the policy of the City that a sound and responsive public contracting system should allow impartial, meaningful, and open competition, conducted in a cost efficient manner, preserving formal competitive selection as the standard for public contracts unless otherwise specifically exempted herein, by state law, or by subsequent ordinance or resolutions.
3. That by Ordinance No. 220 on March 16, 1976, the Troutdale City Council (Council) was designated as the Local Contract Review Board and was granted to it all the powers conferred on the board by statute and all such additional powers as authorized by state law.
4. That by Ordinance. No. 761 on February 8, 2005, the Council established the Troutdale Municipal Code (TMC), Public Contracts and Purchasing Chapter 2.24 as the City's procurement rules pursuant to ORS 279A.065(2), rather than the City be subject to the Attorney General's promulgated administrative rules known as the Model Rules.
5. That to continue to preserve, to the maximum extent allowed under State law, the city's home rule authority over public procurement, the City desires to continue to adopt its own rules of procedure rather than be subject to the Model Rules adopted by the Attorney General under ORS 279A.065(5).
6. That in order to continue to maintain its own Rules, the City must, in accordance with ORS 279A.065(6)(b), review its Public Contracting Rules, each time the Attorney General modifies its Model Rules in order to ensure that the City Rules remain consistent with applicable law.
7. That by Ordinance. No. 875 on January 25, 2022, the Council last updated the TMC Public Contracts and Purchasing Chapter 2.24.

8. That the Oregon Legislature has modified ORS 279A, 279B and 279C pertaining to public contracts and purchasing, and the Attorney General has modified the Model Rules.

9. That sitting as the Local Contract Review Board the Council is authorized to act on all such matters on behalf of the City, pursuant to ORS 279A.060, to adopt Public Contracting Rules.

10. That sitting as the Local Contract Review Board the Council has determined to make amendments to the City's public contracting rules to update them in compliance with the required Oregon Legislature amendments to the Oregon Public Contracting Code

11. That sitting as the Local Contract Review Board the Council finds it advisable and necessary to approve the updating the City Public Contracts and Purchasing Chapter 2.24 pursuant to ORS 279A.060, which will serve a valuable and necessary public purpose and is an authorized public purpose, and that doing so is in the best interest of the City.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TROUTDALE:

Section 1. The Public Contracts and Purchasing Chapter 2.24 of the Troutdale Municipal Code select sections are amended to read as provided in Attachment A.

Section 2. The City hereby reserves to the maximum extent allowed under State law the city's home rule authority over public procurement.

Section 3. The Council is hereby designated to continue as the Local Contract Review Board of the City pursuant to ORS 279A.060 and shall have all of the rights, powers and authority necessary to carry out the provisions of Chapters 279A, 279B, and 279C (the "Public Contracting Code") and attached Rules.

Section 4. As the designated the Local Contract Review Board, actions taken by the Council governing public contracts and purchasing shall be deemed the actions of the Local Contract Review Board.

Section 5. Sitting as the Local Contract Review Board the Council, continues to declare that pursuant to ORS 279A.065(6) that the Attorney General's promulgated administrative rules known as the Model Rules pursuant to ORS 279A.065(2) do not apply to City.

Section 6. Sitting as the Local Contract Review Board the Council, pursuant to ORS 279A.055 and 279A.070 hereby accepts, approves, and adopts this Ordinance and Attachment A collectively known as the Troutdale Public Contracting Rules (the "Rules").

Section 7. Sitting as the Local Contract Review Board the Council, pursuant to ORS 279B.085 and 279C.335 as specified in this Ordinance and Attachment A hereby accepts, approves, and adopts the classes of special procurement and public improvement contract exemptions. Local Contract Review Board finds that the continued special solicitation methods for these classes of public contracts and exemptions and the methods approved for their award (1) are unlikely to encourage favoritism in the awarding of public contracts or substantially diminish competition for public contracts, and (2) the awarding of public contracts under the exemption will result in substantial cost savings to City, or otherwise substantially promote the public interest in a manner that could not practicably be realized by complying with requirements that are applicable under ORS 279B.055, 279B.060, 279B.065, or 279B.070 or under any rules adopted thereunder. Unless otherwise specified in a particular exemption rule, such contracts may be awarded in any manner that the City Manager deems appropriate to City's needs, including by direct appointment or otherwise. Except as otherwise provided, the City Manager will make a record of the method of award.

Section 8. These amended provisions of Chapter 2.24 of the Troutdale Municipal Code shall apply to any public contract of the City which is in a procurement process as of the effective date of this ordinance. Contracting and purchasing actions that are first advertised, but if not advertised then entered into, prior to the effective date of this ordinance shall be administered under the provisions of the Troutdale Municipal Code in effect at the time those actions are finalized. This ordinance applies to any public contract solicited or advertised after the effective date of this ordinance.

Section 9. This Ordinance amends, restates, supersedes, replaces portions the Public Contracts and Purchasing Chapter 2.24 of the Troutdale Municipal Code, and supersedes and repeals any and all ordinances, resolutions, and/or policies in conflict with this Ordinance. The Council may amend the Public Contracting Rules at any time in the same manner as that required for the Council to adopt an ordinance.

Section 10. In accordance with ORS 279A.065(6)(b), the City shall review its Public Contracting Rules, adopted herein, each time the Attorney General modifies its Model Rules in order to ensure that the Rules remain consistent with applicable law.

Section 11. The City Manager, Ray Young, and Chief Purchasing Officer and Finance Director, Erich Mueller, (each an "City Official"), or designee, are designated to act on behalf of and in the best interest of the City, and without further action by the Council or Local Contract Review Board, the City Official is hereby authorized, empowered and directed to execute and implement, on behalf of the City, this Ordinance and may exercise

all authorities, powers and duties granted to a Contracting Agency under the Public Contracting Code and attached Rules, unless otherwise established by City policy, and to execute any and all other required and necessary documents to implement the intent of this Ordinance.

Section 12. Provisions of this Ordinance shall amend the Public Contracts and Purchasing Chapter 2.24 of the Troutdale Municipal Code, and the word “ordinance” may be changed to “code”, “article”, “section”, “chapter” or another word and the sections of the Ordinance may be renumbered, or re-lettered, the City Recorder is authorized to correct any cross-references and any typographical errors.

Section 13. This Ordinance shall be effective February 9, 2024.

YEAS:
NAYS:
ABSTAINED:

Randy Lauer, Mayor

Date

Sarah Skroch, City Recorder
Adopted:

Select Sections of the Troutdale Municipal Code,
Chapter 2.24 PUBLIC CONTRACTS AND PURCHASING

(. . .)

2.24.080 Small procurement.

A. Any procurement of goods or services not exceeding twenty five thousand dollars, and any procurement of construction, public improvement or public works not exceeding twenty five thousand dollars, and any procurement of personal services not exceeding one hundred thousand dollars, may be awarded in any manner deemed practical or convenient by the DPO, including by direct selection or award.

B. A contract awarded under this section may be amended to exceed the dollars limitations of Section A. only upon approval of the city manager or chief purchasing officer (CPO).

C. A procurement may not be artificially divided or fragmented so as to constitute a small procurement under this section.

(Ord. 769 § 1 Att. A (part), 2006)

(Ord. No. 875, § 1(Att. A), 1-25-2022)

(. . .)

2.24.090 Intermediate procurement.

A. Any procurement of goods or services exceeding twenty five thousand dollars but not exceeding two hundred and fifty thousand dollars, and any procurement of construction, public improvement or public works exceeding twenty five thousand dollars but not exceeding one hundred thousand dollars, and any procurement of personal services exceeding one hundred thousand dollars but not exceeding two hundred and fifty thousand dollars, may be awarded after seeking three informally solicited competitive price quotes or competitive proposals from prospective bidders. If three quotes or proposals are not reasonably available, fewer will suffice but the DPO shall make a written record of the efforts to obtain the quotes or proposals.

B. A contract awarded under this section may be amended to exceed the dollar limitations of Section A. only upon approval of the city manager or CPO.

C. A procurement may not be artificially divided or fragmented so as to constitute an intermediate procurement under this section.

(Ord. 769 § 1 Att. A (part), 2006)

(Ord. No. 875, § 1(Att. A), 1-25-2022)

(. . .)

2.24.100 Formal procurement and exemptions.

A. Any procurement of goods or services, and any procurement of personal services exceeding two hundred and fifty thousand dollars, and any procurement of construction, public improvement or public works exceeding one hundred thousand dollars, shall be awarded only after a formal competitive solicitation process unless otherwise provided for in this chapter.

(. . .)

2.24.105 Chief purchasing officer (CPO) duties.

A. Subject to the direction and control of the city manager, and except as otherwise specifically provided by these rules, the CPO shall administer these rules.

B. The CPO duties shall include:

(. . .)



STAFF REPORT

SUBJECT: A Resolution Approving The City’s Financial Statements And Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended June 30, 2023 And Accepting The Independent Auditors’ Reports. .

MEETING TYPE: City Council - Regular Meeting **MEETING DATE:** January 9, 2024

PRESENTER: Erich Mueller, Finance Director **DEPARTMENT / AFFILIATION:** Finance Dept

ACTION REQUIRED: Resolution **PUBLIC HEARING:** No

COMMITTEE / COMMISSION RECOMMENDATION: N/A

STAFF RECOMMENDATION: Approval Adopt the proposed resolution approving the Financial Statements and ACFR for fiscal year 2022-2023 and “accepting” the Independent Auditors’ Reports.

Exhibits:

- A. Financial Statements and Annual Comprehensive Financial Report (ACFR), and Auditor Reports
- B. Auditor’s Communication to the Governing Body, SAS No. 114 Letter

Subject Relates to:

- Council Goals Legislative Land Use / Development Other

Approving the financial statements and the ACFR documents compliance with ORS 297.425

Document financial oversight by the City Council

Discussion Points:

- The ultimate responsibility for the monitoring, financial accountability, and oversight of the City’s fiscal affairs, rests upon the City Council.
- The ACFR is the City’s presentation of its financial statements for external reporting purposes and facilitates the monitoring and accountability responsibilities of the City Council for oversight of the City’s fiscal affairs.

- As the ACFR is the City's presentation of its official GAAP (Generally Accepted Accounting Principles) based financial statements, external users of the ACFR desire independent assurance that the basic financial statements are reliable.
- The role and purpose of the Independent Auditor is to express an opinion on the fairness of the presentation of the financial statements, and in accordance with their professional standards and State and Federal requirements, provided several report letters.
- The Council's approval of the City's ACFR will complete the audit for the fiscal year ended June 30, 2023.

Background:

The Audit Package includes five components:

- **Annual Comprehensive Financial Report (ACFR)**
- **Audit Opinion Letter**
- **Management Letter**
- **Independent Auditors' Report Required by Oregon State Regulations**
- **Auditor Communication to the Governing Body - SAS No. 114**

Annual Comprehensive Financial Report (ACFR) - Financial Statements

The Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023, contains the City's official financial statements which were subject to audit by an independent certified public accounting firm, and is attached as Exhibit A.

The ACFR comprises three basic sections: the introductory section which provides general information on the government's structure, the financial section that provides information on each individual fund, and the statistical section which provides a broad range of financial and demographic information useful in assessing a government's economic condition.

The minimum level of Generally Accepted Accounting Principles (GAAP) compliant financial reporting for state and local governments requires a complete set of basic financial statements, including accompanying note disclosures, and certain required supplementary information (RSI).

The City has chosen to exceed the minimum GAAP requirement by completing the broader framework of an ACFR. The City participates in the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial

Reporting Program. The most recent GFOA certificate is on page (vii) of the ACFR (attached Exhibit A).

The City has successfully obtained the GFOA Certificate of Achievement for Excellence in Financial Reporting for the past 33 years and anticipates another certificate with this report now in review by GFOA. Of the 39,000 municipal governments across the country, Troutdale is among the only 4,354 which obtain the Certificate of Achievement for Excellence in Financial Reporting Program.

The Statistical Section (beginning on page 95 of the report) includes useful information for the Council, management, citizens and financial partners of the City. Historical data is presented for assets, fund balances, assessed values, property taxes, debt, demographics and City internal functions. This information helps the reader understand where the City has been and where it is going.

Much of this additionally information is required to maintain compliance with the City's "continuing disclosure" requirements of our publicly issued debt, both the full faith and credit debt and General Obligation Bonds.

Audit Opinion Letter

The Annual Comprehensive Financial Report (ACFR) of the City of Troutdale for the fiscal year ended June 30, 2023, was audited by Pauly, Rogers and Co., P.C. The auditor issued an unmodified opinion, also known as a "clean" opinion with no reservations. The *Independent Auditors' Report* is page 1 of the ACFR (attached Exhibit A), and is presented for your review and acceptance.

- The letter identifies the financial statements, management's responsibility, the auditor's scope and role, and importantly their resulting conclusion opinion of the financial statements. *"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position [of the City] ...in accordance with accounting principles generally accepted in the United States of America."*

Management Letter

The Auditing Standards Board Statement on Auditing Standards (SAS) No. 115, *Communicating Internal Control Related Matters Identified in an Audit*, is informally referred to as the "Management Letter". Again, this year, the Auditors found no basis to issue a Management Letter, as noted as 3. under *Results of Audit* at the top of page 2 of their SAS 114 letter, which is attached as Exhibit B.

SAS No. 115 requires auditors to evaluate and identify internal control deficiencies. There are 3 categories of internal control exceptions, in order of seriousness;

- lowest: “not significant deficiencies”
- intermediate: “significant deficiencies” and
- most serious: “material weaknesses”

No deficiencies were observed in any of these 3 categories of internal control exceptions.

Oregon Municipal Audit Law

The auditor’s required letter under Oregon Administrative Rules 162-10-000 *Minimum Standards for Audits of Oregon Municipal Corporations*, is page 116 of the ACFR (attached Exhibit A).

This OAR requires comments and disclosures from the auditors related to their audit of the financial statements and certain schedules in the ACFR including but not limited to:

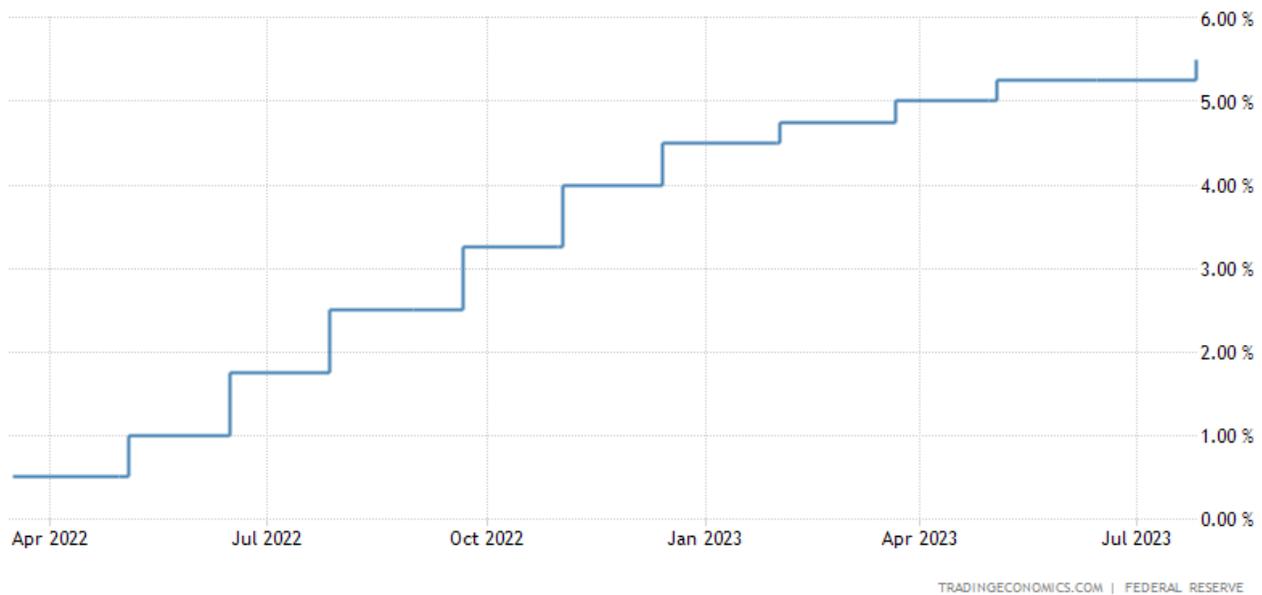
- Deposit of public funds with financial institutions (ORS Chapter 295)
- Indebtedness limitations, restrictions, and repayment.
- Budgets legally required (ORS Chapter 294).
- Insurance and fidelity bonds in force or required by law.
- Highway revenues used for public highways, roads, and streets.
-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

There was one exception noted for **Excess of Expenditures over Appropriations** the categories reported on page 24 and 116 of the ACFR (attached Exhibit A).

Expenditures of the various funds were within authorized appropriations, except for the following, each of which exceeded the authorized budget limits:

- Bike Paths and Trails Fund - materials and services by \$112
- URA Debt Service Fund – debt service by \$1,546
- the General Fund – general government by 391,702.

The first two bullet points are interest payments on internal loans which was greater than budgeted. The interest payments are from one fund to another. Given the record setting increase in interest rates over the budget period interest expense was not surprisingly under budgeted.



The above chart illustrates the increase in the Federal Reserve benchmark policy interest rate during the budget period. The rate increased more than 10-fold, from less than one half of one percent, to above five percent, the greatest increase in the shortest period on record.

This dramatic increase in rates impacted both interest cost on our internal loans but also again this year another reduction in the fund balance for unrealized loss in the Oregon Short Term Fund, which is addressed in subsequent pages of this staff report.

The third bullet point of \$391,702 “over budget” was due to the implementation of the Government Accounting Standards Board (GASB) Statement 87 *Leases* in the prior fiscal year. GASB 87 requirements in the following fiscal year were different which I failed to recognize until reviewing activity with the Auditors.

The \$391,702 “over budget” was strictly an internal accounting entry, there was no check or disbursement of funds. GASB 87 “remeasurement” of leases required both an equal charge and a credit amount of approximately \$646,000 so there was no net impact to ending fund balance. However, the “charge” was considered a capital expense in the budget. Had it been identified prior to fiscal year end a budget adjustment would have avoided the audit exception.

All three bullet points are just internal accounting entries and only technical rather than substantive exceptions to the Minimum Standards for Audits of Oregon Municipal Corporations. The Auditors have noted the exceptions for compliance but have not given them any greater weight as an audit finding or control deficiency.

Auditor Communication to the Governing Body – SAS No. 114

The auditor's required letter under the Auditing Standards Board Statement on Auditing Standards (SAS) No. 114, The *Auditor's Communication to the Governing Body*, is attached for your review and acceptance, as Exhibit B.

SAS No. 114 requires auditors to communicate openly, candidly, and specifically with those charged with corporate governance, regarding significant findings and issues related to the audit. Their observations are described beginning at the top of page 2 of their SAS 114 letter, under Result of Audit:

- they report that a “clean” unmodified audit opinion was issued,
- the exceptions to State minimum standards was noted as described above,
- that a separate Management Letter SAS 115 was *not* issued again this year.

Under Significant Audit Findings section, they report *no issues* with the areas of:

- *Qualitative Aspects of Accounting Practices*
- *Difficulties Encountered in Performing the Audit*
- *Corrected and Uncorrected Misstatements*
- *Disagreements with Management*
- *Management Representations*
- *Management Consultations with Other Independent Accountants*
- *Other Audit Findings or Issues*
- *Required Supplementary Information*
- *Supplementary Information accompanying the basic financial statements*
- *Other Information accompanying the basic financial statements*

No deficiencies were observed.

Under the **Other Matters – Future Accounting and Auditing Issues** section, they the upcoming GASB Standards 99, 100, and 101 which will impact the City's financial reporting and auditing burden. The objectives of these Statements are to improve the consistency and enhance comparability in accounting and financial reporting.

GASB 99 – *Omnibus 2022*

GASB 100 – *Accounting Changes And Error Corrections*

GASB 101 – *Compensated Absences*

Each of these will impact the current and future reporting periods of the City.

The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)

The American Rescue Plan Act of 2021 (ARPA) provided relief to address the impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. The City received the second tranche of \$1.8 million during the report period from the ARPA Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) providing assistance to local governments.

Since the prior fiscal year audit the US Treasury revised their requirements and excluded any CSLFRF under \$10 million from audit and reporting requirements of the The Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). As such the audit report is a few pages shorter this reporting period, as the City did not have other federal grant funds which would otherwise require the *Schedule of Federal Expenditures*.

Fair Value Adjustment for Unrealized Loss in Oregon Short-Term Fund

As was the case in the prior fiscal year audit report, again this reporting period there was another reduction in the fund balance for unrealized loss in the Oregon Short Term Fund.

The City holds the bulk of all fund balances, of approximately \$47 million as of June 30, 2023, in the Local Government Investment Pool (LGIP). The LGIP investments are included in the Oregon Short-Term Fund, which is an external investment pool company. The fair value of the LGIP is calculated in a manner similar to a money market mutual fund, which is targeted at \$1 for each pool share owned.

Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The short term value of these investments were negatively impacted by the dramatic increase in increase in the Federal Reserve benchmark policy interest rate described above.

The State audit of the Oregon Short Term Fund determined as of June 30, 2023, the fair value of the investments in the LGIP was 99.63% of the value of the pool shares, which is less than a \$1 per pool share.

To reflect the City's proportional share of the unrealized loss in the Oregon Short Term Fund described above, the City recorded a fair value reduction adjustment of \$177,126. The entire adjustment was reflected in the General Fund. This reduction adjustment was reversed in full the following day, which is in the next fiscal year. This is an improvement of 0.65% in the valuation from the prior fiscal year. This represents a 57% improvement of \$238,730 as compared to prior year the unrealized loss \$415,856.

This fair value reduction adjustment is a snapshot of the underlying investment’s value as of June 30, 2023. The adjustment is not an expenditure, a disbursement, a cost, or a recognized loss, but rather a temporary (1 day) adjustment to the stated fair value. An actual loss would require a liquidation sale of all the of the Oregon Short Term Fund of approximately \$34 billion.

The City is not expected to experience any actual, realized investment loss from this matter, and in fact, did not experience any actual investment loss from the prior year’s adjustment. This adjustment is reported at the top of page 26 of the ACFR, (Exhibit A), and here for full disclosure as part of the Council’s fiscal oversight role.

Summary:

The resolution establishes the official record of the City financial statements and supports transparency to the public and City debt investors of the City’s sources and uses of funds.

However, the proposed resolution does not “approve” the audit opinion and letter reports, but rather “accepts” these reports. These letter reports are the auditors’ professional judgment and are not subject to client approval or disapproval.

Pros & Cons:

A. Approving the financial statements and the ACFR as prepared by staff and accepting the Auditors’ report and the OAR and SAS letters of communication, would complete the official record and demonstrate financial oversight by the Council and compliance with the Municipal Audit Law, ORS 297.425.

B. Not approving the financial statements, ACFR and not accepting the Auditors’ report and the OAR and SAS letters of communication, fails to comply with the Municipal Audit Law, ORS 297.425 creating negative consequences for City’s banking relationships and credit rating, and increased liability.

Oversight:

- *Budget Impact:* Yes, current year (describe) Yes, future (describe) N/A
- *Community Involvement Process:* Yes (describe) N/A
- *Approval by City Attorney:* Yes N/A

Reviewed and Approved by the City Manager: _____

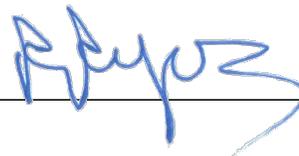


Exhibit A
Agenda Item 6
Council Mgt 01-09-2024

CITY OF TROUTDALE
TROUTDALE, OREGON

For the Year Ended June 30, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT



12700 SW 72nd Ave.
Tigard, OR 97223

CITY OF TROUTDALE OREGON

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended June 30, 2023

SUBMITTED BY
FINANCE DEPARTMENT
Erich Mueller

CITY OF TROUTDALE, OREGON
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDING JUNE 30, 2023

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**INTRODUCTORY
SECTION**



THE CITY OF TROUTDALE

OREGON

EST. 1907

December 21, 2023

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 Annual Comprehensive Financial Report (ACFR) of the City of Troutdale, Oregon for the fiscal year ended June 30, 2023. 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, 2023. 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 16,819.

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 COVID-19 public health emergency has disrupted families, schools, employment, all levels of government and the overall economy. The various government orders to limit person to person contact modestly impacted City revenues and expenses during prior reporting periods, and have now largely faded. The unemployment rate after spiking in the Spring of 2020 to over 15% has decreased to approximately 3.6% and is expected to rise slightly over the subsequent reporting period.

The American Rescue Plan Act of 2021 (ARPA), provides additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. The City received the second and final tranche of \$1.8 million during the report period from the ARPA Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) providing assistance to local governments.

The Oregon economy contracted in 2020 with a negative 3.1% GDP rate. Unprecedented federal support programs to counter the COVID-19 impacts resulted in strong consumer sentiment with a 2021 GDP rebound exceeding 5%. Strong labor demand continues, challenged by hybrid or remote school schedules and care giving obligations keeping many out of the workforce. GDP for 2023 is projected at 2.4% reflecting the significant efforts of the Federal Reserve to reduce the 40 year record high inflation through their 11 interest rate hikes over the past year. GDP is expected to decline to 0.8% and as a consequence a mild recession is expected in first half of 2024.

The City of Troutdale receives a portion of the business income tax collected by Multnomah County. The County distributes an allocation to 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. The County Commission recently increased the tax rate and modified the portion of revenue which is allocated to the four East County Cities. The combination of the rate increase, formula change, and COVID-19 impacts. Troutdale received \$1.7 million in the report period and remain flat next year.

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 in 2022 continued their previous rating of 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. Throughout 2019 and 2020 environmental remediation and site demolition to prepare the property for redevelopment was conducted and costs significantly exceeded initial estimates. The City loaned additional funds to the Agency to complete the environmental remediation. The City and Agency completed the obligations of the Consent Judgment prospective purchaser agreement with the State of Oregon Department of Environmental Quality providing for environmental liability protections for future approved development. The Agency is presently in an exclusive negotiating period with the firm selected to develop the site now known as the Confluence at Troutdale.

Full Faith and Credit (FF&C) 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, the 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. The City added \$1.5 million to the FF&C obligations with a loan from the Brownfields Redevelopment Fund through the Oregon Business Development Department to finance to completion of the environmental remediation at the URA site.

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. The General Obligation Bonds were refunded in 2021 which will save the taxpayers approximately \$800,000 of future interest expense.

Old City Hall Building – The Old City Hall was vacant for 10 years in pursuit of the Council goal is to explore options to sell Old City Hall for redevelopment the building was sold. The proposed redevelopment of Old City Hall into restaurant, bar, and beer brewing operation will be a positive addition to the community. The redevelopment will contribute to continued economic redevelopment downtown and be of community value in saving a 100-year-old building.

The Tourism and Economic Development Division established in 2019 continues to develop tourism promotion plans and is preparing for implementation of the Town Center Plan vision and goals. The completion of the Depot remodeling project has seen the reopening of the of a Troutdale Visitors Center located at the Depot.

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 annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 33rd 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 annual comprehensive financial report (ACFR), whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. 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 Annual Comprehensive 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,



Erich R. Mueller
Finance Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Troutdale
Oregon**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

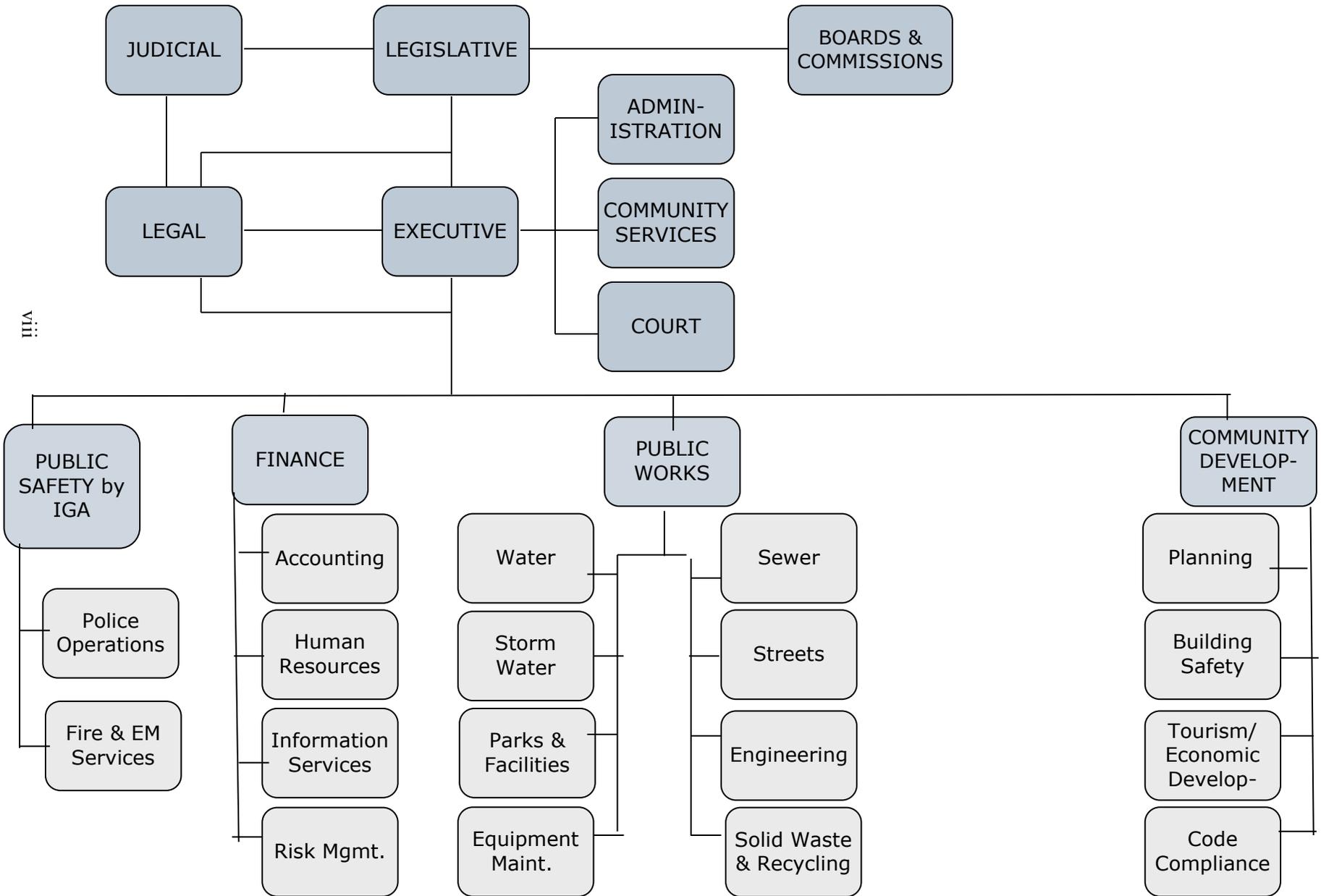
June 30, 2022

Christopher P. Morrill

Executive Director/CEO

City of Troutdale

Organization Chart by Function



City of Troutdale, Oregon

PRINCIPAL OFFICIALS AS OF JUNE 30, 2023

ELECTED OFFICIALS:

| | <u>Term Expires</u> |
|------------------------|---------------------|
| MAYOR | |
| Randy Lauer | December 31, 2024 |
| COUNCIL MEMBERS | |
| David Ripma | December 31, 2026 |
| Alison Caswell | December 31, 2024 |
| Geoffrey Wunn | December 31, 2026 |
| Glenn White | December 31, 2024 |
| Jordan Wittren | December 31, 2024 |
| Sandy Glantz | December 31, 2024 |

APPOINTED OFFICIALS:

CITY MANAGER

Ray Young

LEGAL COUNSEL

Ed Trompke

PUBLIC WORKS DIRECTOR

Travis Hultin

COMMUNITY DEVELOPMENT DIRECTOR

David Berniker

FINANCE DIRECTOR

Erich Mueller

All may be reached at:

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

**FINANCIAL
SECTION**



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

December 21, 2023

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

INDEPENDENT AUDITORS' REPORT

Opinions

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, 2023, and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and major special revenue funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with the auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Troutdale and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

The City adopted new accounting guidance, *GASB Statement No. 96 – Subscription-based Information Technology agreements* during the fiscal year under audit. Our opinions are not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The supplementary information, as listed in the table of contents, 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

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 21, 2023 on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

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, 2023. 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.

The COVID-19 public health emergency which began in 2020 disrupted families, schools, employment, all levels of government and the overall economy. In general the community has evolved to learn to live with COVID in some form in an ongoing manner. Lingering impacts from pandemic upon City revenues and expenses during the reporting period have largely faded away. The various Federal assistance payments and programs moderated the economic impacts for both households and the City. The Federal assistance directly to City was a significant benefit in the reporting period, but has concluded and is not expected to continue through the subsequent fiscal year.

FINANCIAL HIGHLIGHTS

- City assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the fiscal year by \$90.5 million (*total net position*). Of this amount, net assets increased \$8.1 million with deferred outflows of resources unchanged from the prior year. A reduction in deferred inflows of resources partially offset an increase in liabilities with resulted in a net increase of \$7.5 million in net position. The *unrestricted net position* ended the year at \$14.8 million, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased \$7.5 million during the year. Due primarily from the increase in cash and investments from ARPA funds and effective cost controls. Deferred outflows of resources were unchanged resulting from the pension plan actuarial method assumptions, difference between planned and actual benefits payments experience, along with measurement date value changes for Medical Benefit OPEB Liability. Similarly total deferred inflows of resources decreased \$1.6 million resulting from the updated pension plan and Medical Benefit OPEB Liability recalculations. Additional information on the deferred resource flows can be found on pages 38-39 and 46 of the Notes to the Basic Financial Statements.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$29.3 million, an increase of \$4.5 million due to higher revenue combined with effective cost controls, lease financing and assets sales. Completion of the prior significant costs of the environmental remediation of the urban renewal site reduced costs, and restricted balances from system development charges. \$8.7 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 \$8.7 million or 56% of total general fund expenditures during the year

excluding debt refunding activity. The change in the ending fund balance for the General Fund is attributable to the delayed capital outlay, ARPA funds and reductions in budgeted expenditures.

- The City's capital assets net of depreciation increased by \$1 million primarily due to limited infrastructure projects work in progress, other limited capital outlay, and routine depreciation and equipment disposals. Outstanding debt, excluding landfill post-closure liabilities, and bond premium and, decreased by \$0.4 million through scheduled debt payments.

OVERVIEW OF FINANCIAL STATEMENTS

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

- **Management's Discussion and Analysis (MD&A).** This section of the report provides financial highlights, overview and economic factors affecting the City. The MD&A is intended to explain the significant changes in financial position and differences in operations between the current and prior years.
- **Basic Financial Statements.** This section consists of government-wide financial statements, fund financial statements and notes to the financial statements. The first several statements are highly condensed and present a government-wide view of the City's finances. Within this view, all City operations are categorized and reported as either governmental or business-type activities. Governmental activities are principally supported by taxes and intergovernmental revenues while business-type activities recover all or a significant portion of their costs through user fees and charges. Governmental activities include basic services such as public safety, transportation, community development and general government. Business-type activities are water, sewer, storm sewer, and public services. The government-wide statements include the Statement of Net Position and the Statement of Activities.
 - The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.
 - The Statement of Activities focuses on gross and net costs of city programs and the extent to which such programs rely upon general tax and other revenues. This Statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
 - Fund financial statements focus separately on major government funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds". Budgetary comparison statements are presented for the General Fund and the Street Fund (the sole major special revenue fund). Statements for the City's proprietary funds follow the governmental funds and include 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 | |
|----------------------------------|------------------------------------|----------------|-------------------------------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Cash and investments | \$ 28.7 | \$ 24.3 | \$ 20.2 | \$ 18.2 | \$ 48.9 | \$ 42.5 |
| Other assets | 2.5 | 2.3 | 1.5 | 1.2 | 4.0 | 3.5 |
| Capital assets | 25.2 | 24.6 | 31.6 | 31.1 | 56.8 | 55.7 |
| Total assets | 56.4 | 51.2 | 53.3 | 50.5 | 109.7 | 101.6 |
| Deferred Outflow s of Resource | 2.2 | 2.2 | 0.8 | 0.8 | 3.0 | 3.0 |
| Other liabilities | 5.9 | 0.6 | 0.4 | 0.3 | 6.3 | 1.0 |
| Long-term debt outstanding | 11.0 | 14.7 | 1.7 | 1.1 | 12.7 | 15.8 |
| Total liabilities | 16.9 | 15.4 | 2.1 | 1.4 | 19.0 | 16.8 |
| Deferred Inflow s of Resources | 2.3 | 3.5 | 0.8 | 1.2 | 3.1 | 4.8 |
| Net Position: | | | | | | |
| Net investment in capital assets | 13.4 | 13.0 | 31.5 | 31.1 | 44.9 | 44.1 |
| Restricted | 20.6 | 18.6 | 10.3 | 9.4 | 30.8 | 27.9 |
| Unrestricted | 5.4 | 2.9 | 9.4 | 8.1 | 14.8 | 11.0 |
| Total net position | \$ 39.4 | \$ 34.4 | \$ 51.2 | \$ 48.6 | \$ 90.5 | \$ 83.1 |

The City's assets and deferred outflows exceeded liabilities and deferred inflows by \$90.5 million at the close of the fiscal year, a \$7.5 million increase from the prior year, primarily due to the delay in many capital projects and cautious budget expenditures. Total deferred outflows of resources increased \$0.17 million resulting from Pension related deferrals. Total liabilities increased from both a reduction of Net Pension liabilities and routine debt payment reductions. Deferred inflow of resources decreased due to recognition of right to use lease deferred inflows resulting from the implementation of GASB standards 87 and 96, including a second year lease remeasurement, as well as an increase in Pension related deferrals.

The majority of the City's net position reflect investment in capital assets (e.g., land, buildings, equipment and infrastructure, and significantly this year construction in process for the ongoing environmental remediation on the URA site), 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.

The City adopted new accounting guidance, GASB Statement No. 96- Subscription-Based Information Technology Arrangements (SBITA), for the fiscal year, using the facts and circumstances, and professional judgment, to best provide for user's assessing the accountability of the City and the expected overall public benefit. SBITA assets and liabilities represented \$0.5 million of activity upon implementation.

Restricted net position funds 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

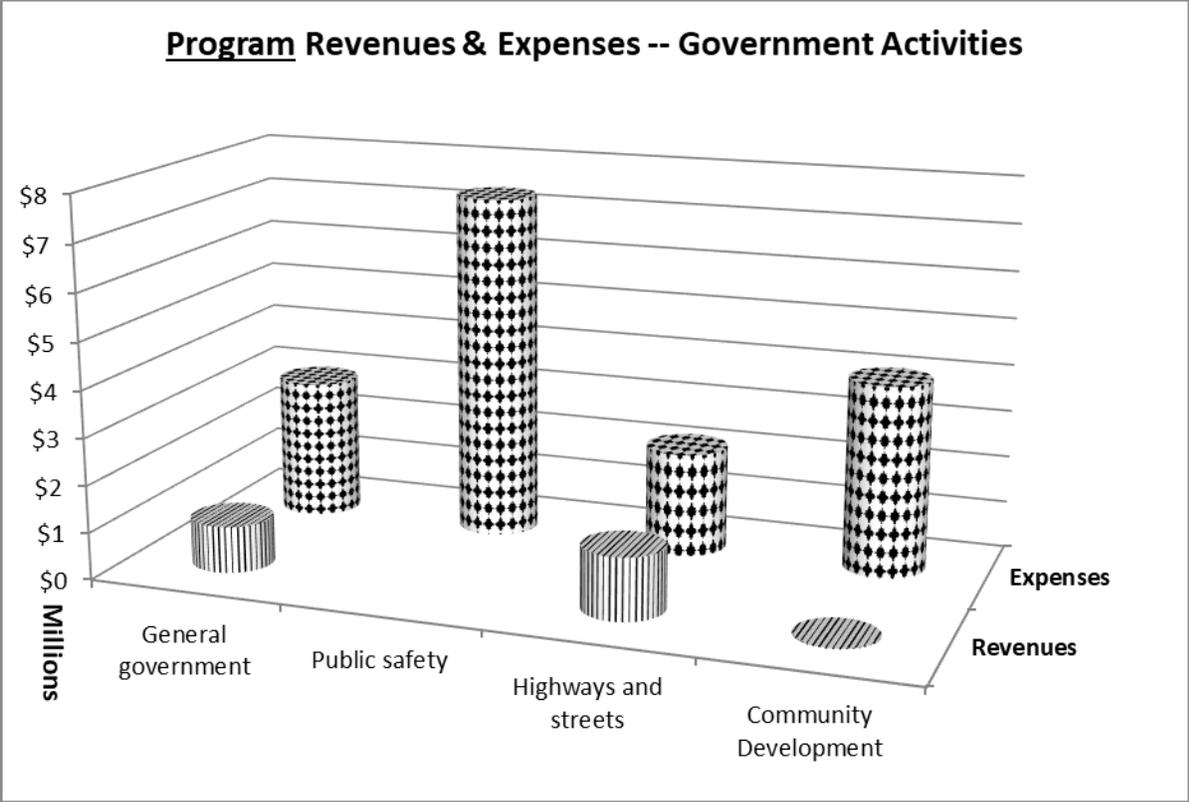
Table 2 provides a summary of the primary sources and uses and the resulting change in net position for the City. The information is condensed from the statement of activities.

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

| | Governmental Activities | | Business-type Activities | | Total | |
|-------------------------------------|------------------------------------|----------------|-------------------------------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 1.0 | \$ 1.0 | \$ 10.4 | \$ 10.1 | \$ 11.4 | \$ 11.1 |
| Operating grants and contributions | 1.3 | 1.3 | - | - | 1.3 | 1.3 |
| Capital grants and contributions | 0.0 | 0.6 | 0.8 | 3.1 | 0.8 | 3.7 |
| General revenues: | | | | | | |
| Property taxes | 6.7 | 6.4 | - | - | 6.7 | 6.4 |
| Franchise and other taxes | 4.7 | 4.4 | - | - | 4.7 | 4.4 |
| Other receipts | 8.2 | 6.1 | 0.6 | 0.2 | 8.8 | 6.3 |
| Total revenues | <u>22.0</u> | <u>19.9</u> | <u>11.8</u> | <u>13.4</u> | <u>33.7</u> | <u>33.2</u> |
| Expenses: | | | | | | |
| General government | 3.0 | 3.4 | - | - | 3.0 | 3.4 |
| Public safety | 7.3 | 6.9 | - | - | 7.3 | 6.9 |
| Highways and streets | 2.1 | 2.0 | - | - | 2.1 | 2.0 |
| Solid waste/recycling | 0.1 | 0.0 | - | - | 0.1 | 0.0 |
| Community development | 4.1 | 2.9 | - | - | 4.1 | 2.9 |
| Interest on long-term debt | 0.4 | 0.4 | - | - | 0.4 | 0.4 |
| Water | - | - | 2.6 | 2.6 | 2.6 | 2.6 |
| Sewer | - | - | 3.7 | 3.4 | 3.7 | 3.4 |
| Storm sewer | - | - | 1.1 | 1.1 | 1.1 | 1.1 |
| Public services | - | - | 1.8 | 1.9 | 1.8 | 1.9 |
| Total expenses | <u>17.0</u> | <u>15.5</u> | <u>9.2</u> | <u>8.9</u> | <u>26.2</u> | <u>24.4</u> |
| Increase (decrease) in net position | | | | | | |
| position before Transfers | 5.0 | 4.4 | 2.6 | 4.5 | 7.6 | 8.9 |
| Transfers | - | - | - | - | - | - |
| Increase (decrease) in net position | 5.0 | 4.4 | 2.6 | 4.5 | 7.6 | 8.9 |
| Net position, beginning | <u>34.4</u> | <u>30.1</u> | <u>48.6</u> | <u>44.1</u> | <u>83.1</u> | <u>74.2</u> |
| Net position, ending | <u>\$ 39.4</u> | <u>\$ 34.4</u> | <u>\$ 51.2</u> | <u>\$ 48.6</u> | <u>\$ 90.6</u> | <u>\$ 83.1</u> |

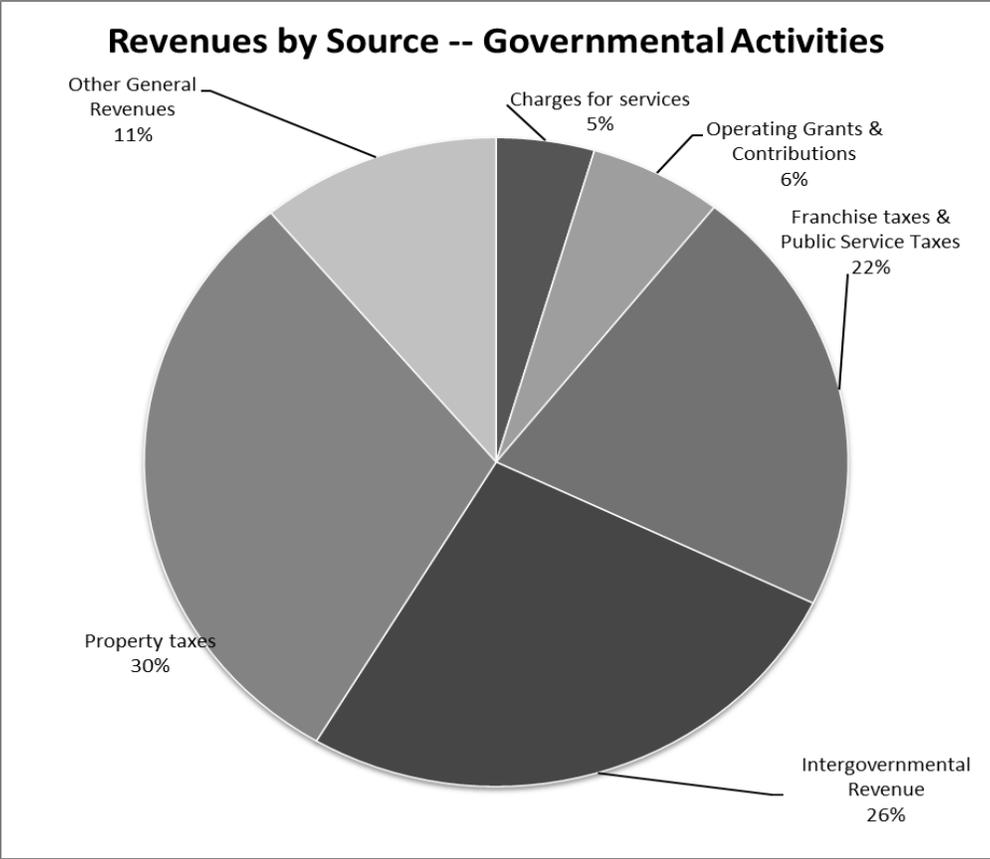
During the fiscal year, the City's total net position increased by \$7.5 million. Business Type activities increased \$2.6 million and the Governmental activities \$4.9 million increase.

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.

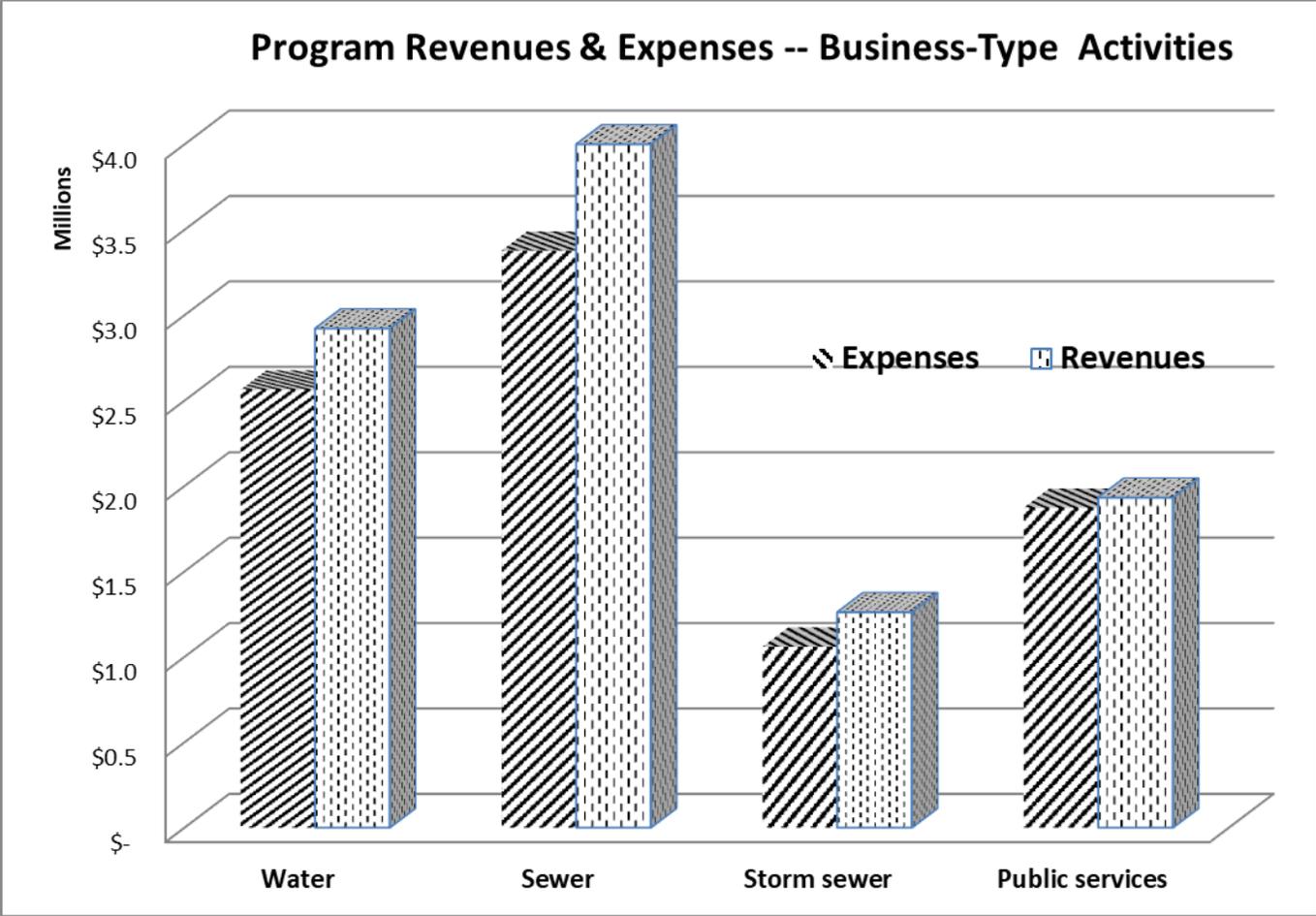
The graph below is a visual representation of the various sources of revenues used to support governmental activities.



Governmental revenues modestly increased from the prior year. The majority of governmental revenues (78%) include property taxes, franchise fees and intergovernmental revenues. The revenues from user fees and charges for services of 5%, with 6% from operating and capital grants and 11% other revenues. The governmental revenues fully recovered from economic activity effects of the COVID-19 public health emergency. During the period both State and Local gas tax revenues and transient lodging tax receipts began to recover and modestly increase over the prior year. General State Revenue sharing as well as State Shared Revenues for liquor, marijuana and cigarette increased modestly. The County Business Income Tax (BIT) receipts increased over the prior year due to a change in the tax rate and delays in the filing deadlines due to COVID-19.

Governmental program expenses modestly increased \$1.5 million compared to the prior year due completed and delayed capital outlay projects. 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 \$2.6 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.

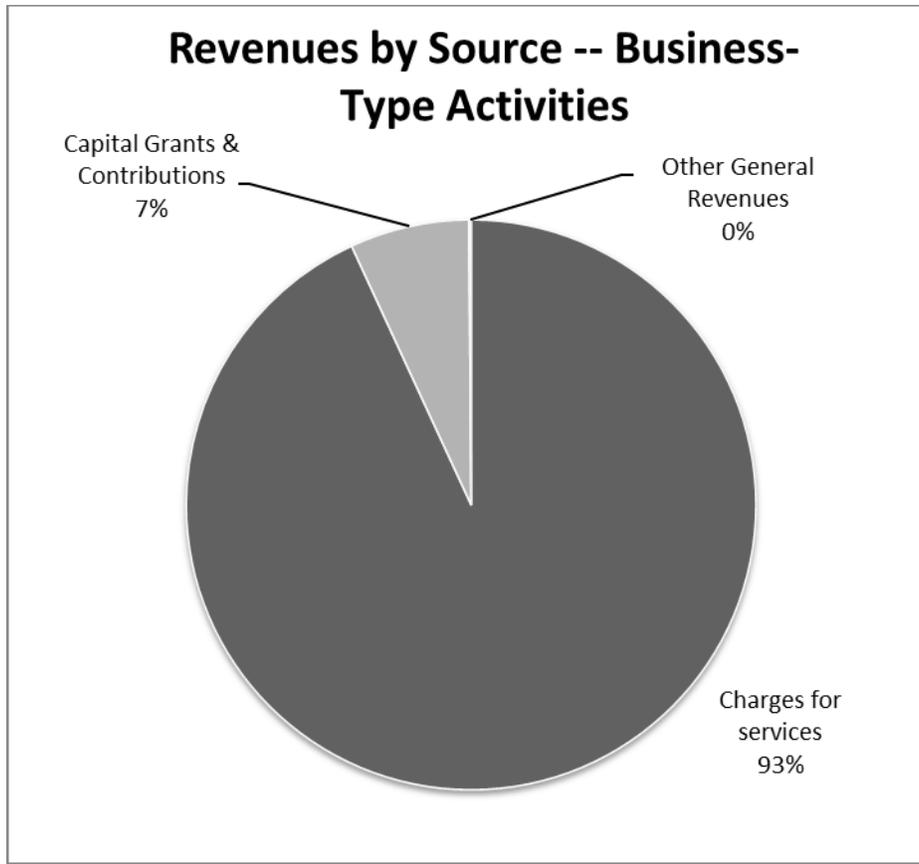


The primary source of revenue for the City operated water, sewer, and storm sewer utilities are customer user fees. Public services (Public Works management and equipment maintenance services) generate some revenues but are primarily funded from charges to the direct utility operating functions they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

Total revenues decreased \$1.6 million over the prior year due to weather impact upon consumption levels, and the impact of an 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 \$0.7 million resulting from the several multi-family housing projects. Additional increase in residential development in the City continues into 2024.

City utility user fees for water, sewer and storm services increased by \$0.3 million or 2% compared to the prior year. This reflects the user rate increase and changes in consumption from both economic and weather conditions.

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



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

Business-type program expenses increased by \$0.4 million compared to the prior year, comprised primarily from the of capital outlay projects. The increase was marginally supported by 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 \$29.3 million at June 30, 2023. A summary of fund balances follows:

Table 3
City of Troutdale, Oregon
Fund Balances

| | <u>June 30, 2023</u> | <u>June 30, 2022</u> | <u>Change</u> |
|--------------------|----------------------|----------------------|---------------------|
| General Fund | \$ 17,210,872 | \$ 14,535,462 | \$ 2,675,410 |
| Street Fund | 4,897,515 | 4,508,460 | 389,055 |
| URA Dev Fund | (8,442,216) | (8,337,363) | (104,853) |
| Other Governmental | 15,598,872 | 14,011,371 | 1,587,501 |
| Total | <u>\$ 29,265,043</u> | <u>\$ 24,717,930</u> | <u>\$ 4,547,113</u> |

The general fund balance increased due to effective cost controls, combined with receipt of the second tranche of the ARPA Coronavirus State and Local Fiscal Recovery Funds of \$1.8 million. The Street Fund balance increase resulted from deferred maintenance continued combined with construction weather delays, and recovery of State and Local gas tax revenues above pre-COVID levels. Other Governmental funds increase reflects development building safety inspection fee revenue from significant construction during the year, utility undergrounding privilege tax, and deferred capital outlay across funds and transfers from the General Fund to the Full Faith and Credit Debt Service Fund.

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 adopted a supplemental budget resolution for budget transfer of General Fund contingency appropriations authority to various departments within the General Fund and to other funds, summarized as follows:

- The American Federation of State, County and Municipal Employees (AFSCME) union collective bargaining agreement (CBA) adopted during the fiscal year included a 5% cost of living adjustment (COLA) increase. Contingency transfers of \$641,000 into various General Fund departments, and \$169,500 of transfers into the debt service funds.
- A \$50,000 transfer from Depot remodel project due to delays from related to COVID-19 conditions impacting contractors and product supply chains and other necessary but un-budgeted expenditures.
- Additional expenses of General Obligation Bond 2021 Refunding Series necessary but un-budgeted expenditures transferring \$10,000 from Contingency.
- Various transfers for unanticipated and necessary expenses associated with the temporary labor coverage cost for employees on Family and Medical Leave (FMLA) status in the General Fund Administration Division, Water Utility Fund, Street Fund, Sewer Utility Fund, and Stormwater Utility Fund.
- A \$512,000 transfer for unanticipated and necessary additional expenses of Visitor Center remodeling including, \$63,000 in economic development incentives for brew pubs and food trucks, \$434,000 redevelopment incentive cost subsidy for purchase and sale of Old City Hall to Tourism and Economic Development division.

Actual revenues for the year were above budgeted amounts due primarily to the County Business Income Tax (BIT) receipts, unbudgeted receipt of \$230,000 cash grant from Metro from the Legislature's trash clean funding program, unbudgeted lease and SBITA based financing also contributed to the revenue above budget result. The beginning fund balance in the General Fund was \$1.5 million higher than budgeted.

On the expenditure side, operations for all departments were under budget by \$2,116,000. 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 10% under budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the City had \$56.8 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 | |
|-------------------------------|------------------------------------|----------------|-------------------------------------|----------------|----------------|----------------|
| | 2023 | 2022 | 2023 | 2022 | 2023 | 2022 |
| Land | \$ 5.8 | \$ 5.9 | \$ 1.7 | \$ 1.7 | \$ 7.5 | \$ 7.6 |
| Intangible assets | - | - | 0.1 | 0.1 | 0.1 | 0.1 |
| Buildings & improvements | 7.2 | 6.8 | 1.2 | 1.2 | 8.4 | 8.0 |
| Right-to-use Lease facilities | 0.6 | 0.1 | - | - | 0.6 | 0.1 |
| Land improvements | 6.7 | 6.8 | 0.0 | 0.0 | 6.7 | 6.8 |
| Equipment | 0.3 | 0.3 | 0.6 | 0.5 | 0.9 | 0.7 |
| Right-to-use Lease equipment | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Right-to-use Subscriptions | 0.3 | 0.0 | 0.1 | 0.0 | 0.4 | 0.0 |
| Infrastructure | 3.8 | 4.1 | 26.9 | 27.3 | 30.8 | 31.4 |
| Work in Progress | 0.3 | 0.7 | 1.0 | 0.3 | 1.3 | 1.0 |
| Total | <u>\$ 25.2</u> | <u>\$ 24.7</u> | <u>\$ 31.6</u> | <u>\$ 31.1</u> | <u>\$ 56.8</u> | <u>\$ 55.8</u> |

Assets for governmental activities increased by the implementation of GASB 87 Right to Use Leased Assets and GASB Statement No. 96- Subscription-Based Information Technology Arrangements (SBITA) assets, were largely offset by routine annual recorded depreciation. Continued site preparation for redevelopment of the Urban Renewal Agency site increased work in progress for future land improvements. These items resulted in governmental activities capital assets modestly increasing.

Assets for business-type activities increased by \$0.5 million net of depreciation resulting from minor additions for work in progress and 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 28-29, 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 \$11.7 million in bonds and notes outstanding. Of that amount, \$1.3 million is due within one year. Total long-term debt increased \$1 million resulting from recognizing lease and SBITA liabilities and modestly reduced from routine 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)

| | <u>Governmental</u> <u>Activities</u> | | <u>Business-type</u> <u>Activities</u> | | <u>Total</u> | |
|---------------------------------|--|----------------|---|---------------|----------------|----------------|
| | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> | <u>2023</u> | <u>2022</u> |
| General obligation bond PD | 3.9 | 4.2 | - | - | 3.9 | 4.2 |
| Bond Premium/Discount Net | 0.6 | 0.7 | - | - | 0.6 | 0.7 |
| Full Faith & Credit Obligations | 6.3 | 6.5 | - | - | 6.3 | 6.5 |
| IT Subscription Liabilities | 0.3 | - | 0.1 | - | 0.4 | - |
| Lease Liabilities | 0.6 | 0.1 | 0.0 | 0.02 | 0.7 | 0.1 |
| Landfill post-closure care | 0.1 | 0.2 | - | - | 0.1 | 0.2 |
| Total | <u>\$11.94</u> | <u>\$11.72</u> | <u>\$0.11</u> | <u>\$0.02</u> | <u>\$12.06</u> | <u>\$11.74</u> |

Moody's Investors Service in 2022 continued their previous rating of the City's general obligation bonds as Aa2. Moody's Investors Service in 2022 also continued their previous rating of the City's full faith and credit obligations as Aa2. The City successfully implemented a 2021 Series general obligation bond refunding for the 2011 Series issued for the Police Facility project. For more detailed information on the City's debt and amortization terms refer to the LONG-TERM DEBT section, pages 31-32 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. General Fund property tax revenue grew at 5.9% following 2.3% of the prior year. Property tax revenues show a total increase of approximately \$250,000. The coming year tax revenue is budgeted to grow in the more typical 3% 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 again increase the average City rates 3 percentage rate points beginning July 1, 2023. Financial markets 2022 downturn resulting from the Federal Reserve's tightening of monetary policy will likely increase the upward pressure on future employer contribution rates.

- The Street Fund financial forecast for many years 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 the citizens approved a local gas tax ballot measure. Travel recovered from the COVID-19 slowdown, the combined State and local gas tax revenue received was \$34,000 or 1.5%, above the expected revenue budget. The Street Fund balance remains at a healthy level exceeding 245% of annual expenditures.
- Community service fees of \$921,000 were collected pursuant to an Extended Enterprise Zone Agreement during the reporting period and are expected to continue in approximately same amount for one additional subsequent fiscal year.
- 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 \$5.9 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 (CBA) the included a 5% cost of living adjustment (COLA) increase in report period. The three year successor CBA includes a CPI based COLA increases in years two and three of the agreement.
- Part of the federal government response to the COVID-19 pandemic provides through the American Rescue Plan Act of 2021, (ARPA) additional relief to address the continued impact of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses. A provision of ARPA established the \$362 billion Coronavirus State and Local Fiscal Recovery Fund (CSLFRF) providing direct aid to state and local governments aimed at mitigating the continuing economic impact of the COVID-19 pandemic. The City received the second and final tranche of \$1.8 million during the report period. The funds may be used for ARPA established eligible costs incurred after March 3, 2021.
- The County Business Income Tax (BIT) receipts declined 36% during the 2008 Great Recession. The County Commission recently increased the tax rate and modified the portion of revenue which is allocated to the four East County Cities. The combination of the rate increase, formula change, and COVID-19 impacts, and the extended tax filing deadline, collected revenue decreased \$17,000 or less than 0.01% from the prior year.

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.

The COVID-19 public health emergency economic disruptions have largely faded, only the inflation impact of all the federal support programs and the abundant monetary policy actions continues. Inflation has and will continue to impact the City's costs, however we do not see any material immediate financial risks for the City. Revenue estimates for the Transient Lodging Taxes (TLT) and both the State and local gas taxes increased the report period from the prior year and have been modestly increased in the subsequent fiscal year adopted budget.

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

REQUESTS FOR INFORMATION

The City's financial statements are designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about the report or need additional financial information, please contact the City's Finance Director at City Hall, 219 E. Historic Columbia River Hwy, Troutdale, Oregon 97060-2078.



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**BASIC
FINANCIAL
STATEMENTS**

CITY OF TROUTDALE, OREGON
Statement of Net Position
June 30, 2023

| | Governmental Activities | Business-Type Activities | Total |
|--|------------------------------------|-------------------------------------|----------------------|
| ASSETS | | | |
| Cash and investments | \$ 13,849,943 | \$ 9,947,484 | \$ 23,797,427 |
| Accounts receivable, net | 1,367,618 | 877,012 | 2,244,630 |
| Property taxes receivable | 178,735 | - | 178,735 |
| Lease Receivable | 901,160 | 330,112 | 1,231,272 |
| Prepaid expenses | 43,201 | - | 43,201 |
| Inventories | 24,092 | 200,199 | 224,291 |
| Restricted cash and investments | 14,856,605 | 10,288,809 | 25,145,414 |
| Capital assets: | | | |
| Nondepreciable | 6,110,051 | 2,873,145 | 8,983,196 |
| Depreciable, net | 19,101,819 | 28,759,706 | 47,861,525 |
| Total assets | <u>56,433,224</u> | <u>53,276,467</u> | <u>109,709,691</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related deferral | 2,165,549 | 800,957 | 2,966,506 |
| OPEB related deferral | 38,132 | - | 38,132 |
| Total deferred outflows of resources | <u>2,203,681</u> | <u>800,957</u> | <u>3,004,638</u> |
| LIABILITIES | | | |
| Accounts payable | 744,899 | 385,765 | 1,130,664 |
| Accrued payroll | 154,679 | - | 154,679 |
| Deposits | 1,450 | 15,200 | 16,650 |
| Interest payable | 29,299 | - | 29,299 |
| Unearned revenue | 3,500 | - | 3,500 |
| Noncurrent liabilities: | | | |
| <i>Due within one year</i> | | | |
| Current portion of long-term debt | 5,548,634 | - | 5,548,634 |
| Current portion of lease liability | 65,537 | 3,969 | 69,506 |
| Current portion of subscription liability | 81,414 | 24,090 | 105,504 |
| Accrued compensated absences - current | 33,812 | 33,644 | 67,456 |
| <i>Due in more than one year</i> | | | |
| Net Pension liability | 3,740,408 | 1,383,438 | 5,123,846 |
| Total OPEB liability | 182,005 | - | 182,005 |
| Accrued compensated absences - long term | 135,247 | 134,574 | 269,821 |
| Noncurrent portion of long-term debt | 5,412,408 | - | 5,412,408 |
| Noncurrent portion of lease liability | 577,952 | 7,799 | 585,751 |
| Noncurrent portion of subscription liability | 258,936 | 76,617 | 335,553 |
| Total liabilities | <u>16,970,180</u> | <u>2,065,096</u> | <u>19,035,276</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related deferral | 1,347,111 | 498,246 | 1,845,357 |
| OPEB related deferral | 74,932 | - | 74,932 |
| Lease deferred inflows | 886,799 | 316,966 | 1,203,765 |
| Total deferred inflows of resources | <u>2,308,842</u> | <u>815,212</u> | <u>3,124,054</u> |
| NET POSITION | | | |
| Net investment in capital assets | 13,414,333 | 31,520,376 | 44,934,709 |
| Restricted | | | |
| Capital Projects | 7,822,305 | 10,288,809 | 18,111,114 |
| Streets | 4,874,208 | - | 4,874,208 |
| Building Department Services | 1,910,729 | - | 1,910,729 |
| Other | 57,260 | - | 57,260 |
| Debt Service | 5,865,693 | - | 5,865,693 |
| Unrestricted | 5,413,355 | 9,387,931 | 14,801,286 |
| Total net position | <u>\$ 39,357,883</u> | <u>\$ 51,197,116</u> | <u>\$ 90,554,999</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, 2023

| Functions/Programs | 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 | \$ 2,978,597 | \$ - | \$ - | \$ (1,989,403) | \$ - | \$ (1,989,403) |
| Public safety | 7,349,093 | - | - | (7,349,093) | - | (7,349,093) |
| Highway and Streets | 2,209,727 | 1,322,733 | 8,414 | (878,580) | - | (878,580) |
| Solid waste/recycling | 52,273 | - | - | (52,273) | - | (52,273) |
| Community development | 4,054,223 | - | 15,000 | (4,039,223) | - | (4,039,223) |
| Interest on long-term debt | 398,813 | - | - | (398,813) | - | (398,813) |
| Total governmental activities | <u>17,042,726</u> | <u>1,322,733</u> | <u>23,414</u> | <u>(14,707,385)</u> | <u>-</u> | <u>(14,707,385)</u> |
| Business-type activities: | | | | | | |
| Water | 2,555,338 | - | 58,313 | - | 592,074 | 592,074 |
| Sewer | 3,705,052 | - | 672,872 | - | 1,102,876 | 1,102,876 |
| Storm sewer | 1,118,644 | - | 26,166 | - | 184,305 | 184,305 |
| Public services | 1,840,703 | - | - | - | 80,277 | 80,277 |
| Total business type activities | <u>9,219,737</u> | <u>-</u> | <u>757,351</u> | <u>-</u> | <u>1,959,532</u> | <u>1,959,532</u> |
| Total government | <u>\$ 26,262,463</u> | <u>\$ 1,322,733</u> | <u>\$ 780,765</u> | <u>(14,707,385)</u> | <u>1,959,532</u> | <u>(12,747,853)</u> |
| General revenues: | | | | | | |
| Taxes | | | | | | |
| Property taxes | | | | 6,678,551 | - | 6,678,551 |
| Franchise taxes | | | | 1,848,987 | - | 1,848,987 |
| Public service taxes | | | | 2,880,192 | - | 2,880,192 |
| Interest | | | | 1,077,067 | 539,402 | 1,616,469 |
| Other revenues | | | | 7,143,584 | 56,887 | 7,200,471 |
| Total general revenues | | | | <u>19,628,381</u> | <u>596,289</u> | <u>20,224,670</u> |
| Change in net position | | | | 4,920,996 | 2,555,821 | 7,476,817 |
| Net position - beginning, restated | | | | 34,436,887 | 48,641,295 | 83,078,182 |
| Net position - ending | | | | <u>\$ 39,357,883</u> | <u>\$ 51,197,116</u> | <u>\$ 90,554,999</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.

CITY OF TROUTDALE, OREGON

Governmental Funds

Balance Sheet

June 30, 2023

| | <u>General Fund</u> | <u>Street Fund</u> | <u>URA Riverfront Development</u> | <u>Other Governmental</u> | <u>Total Governmental</u> |
|---|--------------------------|-------------------------|---------------------------------------|-------------------------------|-------------------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 10,395,139 | \$ 4,615,435 | \$ - | \$ 13,695,974 | \$ 28,706,548 |
| Accounts receivable | 1,079,816 | 277,079 | - | 10,723 | 1,367,618 |
| Property taxes receivable | 164,075 | - | - | 14,660 | 178,735 |
| Lease receivable | 558,651 | - | 342,509 | - | 901,160 |
| Prepaid items | 43,201 | - | - | - | 43,201 |
| Interfund loan | 6,700,000 | - | - | 440,000 | 7,140,000 |
| Inventory | 785 | 23,307 | - | - | 24,092 |
| Due from | - | - | - | 1,738,291 | 1,738,291 |
| Total assets | \$ 18,941,667 | \$ 4,915,821 | \$ 342,509 | \$ 15,899,648 | \$ 40,099,645 |
| LIABILITIES | | | | | |
| Accounts and Retainage Payable | \$ 623,772 | \$ 18,306 | \$ 16,140 | \$ 86,681 | \$ 744,899 |
| Payroll liabilities | 154,679 | - | - | - | 154,679 |
| Deposits | 1,000 | - | - | 450 | 1,450 |
| Unearned Revenue | 3,500 | - | - | - | 3,500 |
| Interfund loan | 240,000 | - | 6,700,000 | 200,000 | 7,140,000 |
| Due to | - | - | 1,738,291 | - | 1,738,291 |
| Total liabilities | 1,022,951 | 18,306 | 8,454,431 | 287,131 | 9,782,819 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable Revenue - Taxes | 151,339 | - | - | 13,645 | 164,984 |
| Unavailable Revenue - Lease | 556,505 | - | 330,294 | - | 886,799 |
| Total deferred inflows | 707,844 | - | 330,294 | 13,645 | 1,051,783 |
| FUND BALANCES | | | | | |
| Nonspendable | 43,986 | 23,307 | - | - | 67,293 |
| Restricted | - | 4,874,208 | - | 15,655,987 | 20,530,195 |
| Unassigned | 17,166,886 | - | (8,442,216) | (57,115) | 8,667,555 |
| Total fund balances | 17,210,872 | 4,897,515 | (8,442,216) | 15,598,872 | 29,265,043 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 18,941,667 | \$ 4,915,821 | \$ 342,509 | \$ 15,899,648 | \$ 40,099,645 |

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 | 25,211,870 |
| 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 | 164,984 |
| Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds. | (169,059) |
| 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 | (3,740,408) |
| Deferred inflows and deferred outflows | 818,438 |
| Total OPEB liability | (182,005) |
| Deferred inflows and deferred outflows | (36,800) |
| 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 | (29,299) |
| Long term debt | (10,190,585) |
| Lease Liabilities | (643,489) |
| Subscription Liabilities | (340,350) |
| Post-closure cost care | (147,343) |
| Bond premium | (623,114) |
| Net Position of Governmental Activities | \$ 39,357,883 |

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, 2023

| | <u>General Fund</u> | <u>Street Fund</u> | <u>URA Riverfront Development</u> | <u>Other Governmental</u> | <u>Total Governmental</u> |
|--|-------------------------|---------------------|---------------------------------------|-------------------------------|-------------------------------|
| REVENUES | | | | | |
| Intergovernmental | \$ 4,410,540 | \$ 1,309,703 | \$ 58,541 | \$ 13,030 | \$ 5,791,814 |
| Charges for services | 936,189 | - | - | 56,923 | 993,112 |
| Property taxes | 6,241,825 | - | - | 412,458 | 6,654,283 |
| Franchise | 1,603,168 | - | - | 245,819 | 1,848,987 |
| Licenses and permits | 53,005 | - | - | 965,360 | 1,018,365 |
| Fines and forfeitures | 375,820 | - | - | - | 375,820 |
| Interest | 560,000 | 126,091 | 12,937 | 378,039 | 1,077,067 |
| Miscellaneous | 1,946,204 | 12,370 | - | - | 1,958,574 |
| Hotel/motel transient tax | 863,104 | - | - | - | 863,104 |
| Fuel tax | - | 937,435 | - | - | 937,435 |
| Solid waste tax | 61,288 | - | - | - | 61,288 |
| Total revenues | <u>17,051,143</u> | <u>2,385,599</u> | <u>71,478</u> | <u>2,071,629</u> | <u>21,579,849</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 2,916,873 | - | - | - | 2,916,873 |
| Public safety | 7,129,077 | - | - | - | 7,129,077 |
| Highway and Streets | - | 1,935,856 | - | - | 1,935,856 |
| Solid waste/recycling | 51,763 | - | - | - | 51,763 |
| Community development | 2,858,867 | - | 176,331 | 822,581 | 3,857,779 |
| Capital outlay | 1,083,123 | 60,688 | - | 55,448 | 1,199,259 |
| Debt service: | | | | | |
| Principal | 136,713 | - | - | 493,042 | 629,755 |
| Interest | 15,855 | - | - | 384,505 | 400,360 |
| Total expenditures | <u>14,192,271</u> | <u>1,996,544</u> | <u>176,331</u> | <u>1,755,576</u> | <u>18,120,722</u> |
| Excess (deficiency) of revenues over (under) expenditures | 2,858,872 | 389,055 | (104,853) | 316,053 | 3,459,127 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | - | - | 1,271,448 | 1,271,448 |
| Transfers out | (1,271,448) | - | - | - | (1,271,448) |
| Sale of capital asset | 441,600 | - | - | - | 441,600 |
| Lease proceeds | 646,386 | - | - | - | 646,386 |
| Bond premium | - | - | - | - | - |
| Total other financing sources (uses) | <u>(183,462)</u> | <u>-</u> | <u>-</u> | <u>1,271,448</u> | <u>1,087,986</u> |
| Net change in fund balance | 2,675,410 | 389,055 | (104,853) | 1,587,501 | 4,547,113 |
| FUND BALANCES, BEGINNING | <u>14,535,462</u> | <u>4,508,460</u> | <u>(8,337,363)</u> | <u>14,011,371</u> | <u>24,717,930</u> |
| FUND BALANCES, ENDING | <u>\$ 17,210,872</u> | <u>\$ 4,897,515</u> | <u>\$ (8,442,216)</u> | <u>\$ 15,598,872</u> | <u>\$ 29,265,043</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, 2023

Net change in fund balances - total governmental funds \$ 4,547,113

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 | \$ 1,105,342 | |
| Loss on disposal | (81,995) | |
| Less current year depreciation | <u>(810,702)</u> | 212,645 |

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

| | |
|----------------|--------|
| Property taxes | 24,268 |
|----------------|--------|

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 | 539,415 | |
| Bond premium and discount amortization | 77,248 | |
| Landfill post-closure cost care | 12,562 | |
| Lease liability payments | 135,890 | |
| Lease additions | (646,386) | |
| Subscription liability payments | 79,081 | 197,810 |

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.

(118,517)

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.

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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 | 55,826 | |
| Accrued interest expense | <u>1,547</u> | <u>57,373</u> |

Change in net position of governmental activities \$ 4,920,996

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, 2023

| | Budget | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|-------------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Property taxes | | | | |
| Current year | \$ 5,979,457 | \$ 5,979,457 | \$ 6,029,353 | \$ 49,896 |
| Prior year | 71,552 | 71,552 | 206,892 | 135,340 |
| Penalties and interest | 7,500 | 7,500 | 5,580 | (1,920) |
| Intergovernmental | 4,216,935 | 4,216,935 | 4,410,540 | 193,605 |
| Charges for services | 898,861 | 898,861 | 936,189 | 37,328 |
| Franchise | 1,384,492 | 1,384,492 | 1,603,168 | 218,676 |
| Licenses and permits | 51,770 | 51,770 | 53,005 | 1,235 |
| Fines and forfeitures | 236,500 | 236,500 | 375,820 | 139,320 |
| Interest | 25,000 | 25,000 | 560,000 | 535,000 |
| Miscellaneous | 1,902,090 | 1,902,090 | 1,946,204 | 44,114 |
| Hotel/motel transient tax | 715,850 | 715,850 | 863,104 | 147,254 |
| Solid waste tax | 65,212 | 65,212 | 61,288 | (3,924) |
| | <u>15,555,219</u> | <u>15,555,219</u> | <u>17,051,143</u> | <u>1,495,924</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Legislative | 61,169 | 61,169 | 29,406 | 31,763 |
| Judicial | 169,680 | 169,680 | 129,388 | 40,292 |
| Legal | 298,405 | 298,405 | 213,910 | 84,495 |
| General Government | 833,367 | 833,367 | 1,225,069 | (391,702) |
| Administration | 969,641 | 989,641 | 905,156 | 84,485 |
| Community Services | 192,737 | 192,737 | 185,380 | 7,357 |
| Information Services | 397,639 | 397,639 | 237,385 | 160,254 |
| Finance | 805,593 | 805,593 | 779,136 | 26,457 |
| Police Operations | 4,526,450 | 4,539,450 | 4,345,229 | 194,221 |
| Public Safety Building Operations | 216,486 | 216,486 | 181,467 | 35,019 |
| Solid Waste/Recycling | 44,247 | 94,247 | 51,763 | 42,484 |
| Fire Protection Services | 2,608,989 | 2,608,989 | 2,608,989 | - |
| Planning | 692,457 | 692,457 | 518,170 | 174,287 |
| Tourism & Economic Development | 586,837 | 1,098,837 | 1,044,162 | 54,675 |
| Parks and Greenways | 2,036,444 | 1,986,444 | 876,502 | 1,109,942 |
| Facilities | 904,049 | 954,049 | 861,159 | 92,890 |
| Contingency | 1,000,000 | 359,000 | - | 359,000 |
| | <u>16,344,190</u> | <u>16,298,190</u> | <u>14,192,271</u> | <u>2,105,919</u> |
| Revenues over (under) expenditures | (788,971) | (742,971) | 2,858,872 | 3,601,843 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Lease proceeds | - | - | 646,386 | 646,386 |
| Transfers in | 200,000 | 200,000 | 200,000 | - |
| Transfers out | (1,415,961) | (1,461,961) | (1,451,448) | 10,513 |
| Sale of capital asset | 5,000 | 5,000 | 441,600 | 436,600 |
| | <u>(1,210,961)</u> | <u>(1,256,961)</u> | <u>(163,462)</u> | <u>1,093,499</u> |
| Net changes in fund balances | (1,999,932) | (1,999,932) | 2,695,410 | 4,695,342 |
| FUND BALANCE, BEGINNING | <u>6,888,114</u> | <u>6,888,114</u> | <u>8,055,462</u> | <u>1,167,348</u> |
| FUND BALANCE, ENDING | <u>\$ 4,888,182</u> | <u>\$ 4,888,182</u> | <u>\$ 10,750,872</u> | <u>\$ 5,862,690</u> |
| | | | Budget to GAAP Reconciliation | |
| | | | Interfund loan transactions | <u>6,460,000</u> |
| | | | GAAP Fund Balance | <u>\$ 17,210,872</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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|----------------------------|----------------------------|----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ 1,253,548 | \$ 1,253,548 | \$ 1,309,703 | \$ 56,155 |
| Charges for services | 300 | 300 | - | (300) |
| Fuel Tax | 959,633 | 959,633 | 937,435 | (22,198) |
| Interest | 3,620 | 3,620 | 126,091 | 122,471 |
| Miscellaneous | - | - | 12,370 | 12,370 |
| | <u>2,217,101</u> | <u>2,217,101</u> | <u>2,385,599</u> | <u>168,498</u> |
| EXPENDITURES: | | | | |
| Personnel services | 416,274 | 416,274 | 365,536 | 50,738 |
| Materials and services | 1,894,146 | 1,894,146 | 1,570,320 | 323,826 |
| Capital outlay | 585,800 | 585,800 | 60,688 | 525,112 |
| Contingency | 1,200,000 | 1,200,000 | - | 1,200,000 |
| | <u>4,096,220</u> | <u>4,096,220</u> | <u>1,996,544</u> | <u>2,099,676</u> |
| Net changes in fund balances | (1,879,119) | (1,879,119) | 389,055 | 2,268,174 |
| FUND BALANCES, BEGINNING | <u>4,267,471</u> | <u>4,267,471</u> | <u>4,508,460</u> | <u>240,989</u> |
| FUND BALANCES, ENDING | <u><u>\$ 2,388,352</u></u> | <u><u>\$ 2,388,352</u></u> | <u><u>\$ 4,897,515</u></u> | <u><u>\$ 2,509,163</u></u> |

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

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
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.

CITY OF TROUTDALE, OREGON
Proprietary Funds
Statement of Net Position
June 30, 2023

Business-type Activities - Enterprise Funds

| | Water | Sewer | Storm Sewer | Public Services | Totals |
|--|----------------------|----------------------|---------------------|------------------------|----------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| Cash and cash equivalents | \$ 2,238,559 | \$ 4,823,628 | \$ 1,813,664 | \$ 1,071,633 | \$ 9,947,484 |
| Accounts receivables, net | 378,053 | 383,871 | 115,088 | - | 877,012 |
| Lease receivable | 330,112 | - | - | - | 330,112 |
| Inventories | 200,199 | - | - | - | 200,199 |
| Total current assets | <u>3,146,923</u> | <u>5,207,499</u> | <u>1,928,752</u> | <u>1,071,633</u> | <u>11,354,807</u> |
| Noncurrent assets: | | | | | |
| Restricted cash and cash equivalents | 1,369,113 | 5,558,787 | 3,360,909 | - | 10,288,809 |
| Capital assets not being depreciated | 275,235 | 2,432,828 | 3,071 | 162,011 | 2,873,145 |
| Capital assets being depreciated, net | 7,439,510 | 16,380,746 | 4,374,622 | 564,828 | 28,759,706 |
| Total noncurrent assets | <u>9,083,858</u> | <u>24,372,361</u> | <u>7,738,602</u> | <u>726,839</u> | <u>41,921,660</u> |
| Total assets | <u>12,230,781</u> | <u>29,579,860</u> | <u>9,667,354</u> | <u>1,798,472</u> | <u>53,276,467</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension related deferral | 326,316 | 326,316 | 148,325 | - | 800,957 |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 31,635 | 210,056 | 7,002 | 10,184 | 258,877 |
| Retainage payable | - | 126,888 | - | - | 126,888 |
| Accrued compensated absences - current | 9,625 | 8,912 | 3,871 | 11,236 | 33,644 |
| Deposits | 15,200 | - | - | - | 15,200 |
| Lease liability due within one year | - | - | - | 3,969 | 3,969 |
| Subscription liability due within one year | - | - | - | 24,090 | 24,090 |
| Total current liabilities | <u>56,460</u> | <u>345,856</u> | <u>10,873</u> | <u>49,479</u> | <u>462,668</u> |
| Noncurrent liabilities: | | | | | |
| Net pension liability | 563,623 | 563,623 | 256,192 | - | 1,383,438 |
| Accrued compensated absences | 38,499 | 35,646 | 15,485 | 44,944 | 134,574 |
| Lease liability | - | - | - | 7,799 | 7,799 |
| Subscription liability | - | - | - | 76,617 | 76,617 |
| Total liabilities | <u>658,582</u> | <u>945,125</u> | <u>282,550</u> | <u>178,839</u> | <u>2,065,096</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Deferred inflows related to leases | 316,966 | - | - | - | 316,966 |
| Net deferred pension asset | 202,989 | 202,989 | 92,268 | - | 498,246 |
| Total Deferred Inflows | <u>519,955</u> | <u>202,989</u> | <u>92,268</u> | <u>-</u> | <u>815,212</u> |
| NET POSITION | | | | | |
| Net investment in capital assets | 7,714,745 | 18,813,574 | 4,377,693 | 614,364 | 31,520,376 |
| Restricted for infrastructure expansion | 1,369,113 | 5,558,787 | 3,360,909 | - | 10,288,809 |
| Unrestricted | 2,294,702 | 4,385,701 | 1,702,259 | 1,005,269 | 9,387,931 |
| Total net position | <u>\$ 11,378,560</u> | <u>\$ 28,758,062</u> | <u>\$ 9,440,861</u> | <u>\$ 1,619,633</u> | <u>\$ 51,197,116</u> |

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

CITY OF TROUTDALE, OREGON
Proprietary Funds
Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended June 30, 2023

| | Business-type Activities - Enterprise Funds | | | | |
|--|--|----------------------|---------------------|------------------------|----------------------|
| | Water | Sewer | Storm Sewer | Public Services | Totals |
| OPERATING REVENUES | | | | | |
| Charges for services | \$ 3,089,099 | \$ 4,135,056 | \$ 1,276,783 | \$ 1,907,790 | \$ 10,408,728 |
| Licenses & permits | - | - | - | 13,190 | 13,190 |
| Total operating revenues | <u>3,089,099</u> | <u>4,135,056</u> | <u>1,276,783</u> | <u>1,920,980</u> | <u>10,421,918</u> |
| OPERATING EXPENSES | | | | | |
| Personal services | 683,288 | 757,754 | 309,854 | 1,284,564 | 3,035,460 |
| Depreciation | 378,146 | 727,886 | 242,599 | 70,680 | 1,419,311 |
| Contractual services | 299,927 | 184,469 | 458,528 | 154,858 | 1,097,782 |
| Utilities | 541,692 | 700,871 | 1,839 | 35,856 | 1,280,258 |
| Repairs and maintenance | 271,785 | 469,954 | 61,702 | 34,216 | 837,657 |
| Other operating expenses | 380,500 | 863,610 | 44,122 | 260,529 | 1,548,761 |
| Total operating expenses | <u>2,555,338</u> | <u>3,704,544</u> | <u>1,118,644</u> | <u>1,840,703</u> | <u>9,219,229</u> |
| Operating income (loss) | <u>533,761</u> | <u>430,512</u> | <u>158,139</u> | <u>80,277</u> | <u>1,202,689</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | |
| Interest revenue | 100,069 | 259,882 | 149,782 | 29,669 | 539,402 |
| Interest expense | - | (508) | - | (4,230) | (4,738) |
| Miscellaneous | 36,914 | 23,922 | - | 281 | 61,117 |
| Total nonoperating revenues (expenses) | <u>136,983</u> | <u>283,296</u> | <u>149,782</u> | <u>25,720</u> | <u>595,781</u> |
| Income (loss) before contributions and transfers | 670,744 | 713,808 | 307,921 | 105,997 | 1,798,470 |
| Capital Contributions | 58,313 | 672,872 | 26,166 | - | 757,351 |
| Total | <u>58,313</u> | <u>672,872</u> | <u>26,166</u> | <u>-</u> | <u>757,351</u> |
| Increase (decrease) in net position | 729,057 | 1,386,680 | 334,087 | 105,997 | 2,555,821 |
| Net position - beginning | <u>10,649,503</u> | <u>27,371,382</u> | <u>9,106,774</u> | <u>1,513,636</u> | <u>48,641,295</u> |
| Net position - ending | <u>\$ 11,378,560</u> | <u>\$ 28,758,062</u> | <u>\$ 9,440,861</u> | <u>\$ 1,619,633</u> | <u>\$ 51,197,116</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, 2023

| | Business-type Activities - Enterprise Funds | | | | Total |
|--|--|----------------------|---------------------|------------------------|----------------------|
| | Water | Sewer | Storm Sewer | Public Services | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | |
| Receipts from customers | \$ 2,957,645 | \$ 4,134,252 | \$ 1,278,107 | \$ 1,920,980 | \$ 10,290,984 |
| Payments to employees | (670,272) | (758,358) | (307,567) | (1,258,923) | (2,995,120) |
| Payments to suppliers | (1,639,382) | (2,053,036) | (565,970) | (493,207) | (4,751,595) |
| Net cash provided (used) by operating activities | <u>647,991</u> | <u>1,322,858</u> | <u>404,570</u> | <u>168,850</u> | <u>2,544,269</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | |
| Capital contribution | 58,313 | 672,872 | 26,166 | - | 757,351 |
| Purchases of capital assets | (719,640) | (960,220) | (65,771) | (184,699) | (1,930,330) |
| Principal paid on capital debt | - | - | - | 96,101 | 96,101 |
| Interest paid on capital debt | - | (508) | - | - | (508) |
| Intergovernmental | 36,914 | 23,922 | - | - | 60,836 |
| Net cash provided (used) by capital and related financing activities | <u>(624,413)</u> | <u>(263,934)</u> | <u>(39,605)</u> | <u>(88,598)</u> | <u>(1,016,550)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | |
| Interest received | 100,069 | 259,882 | 149,782 | 25,720 | 535,453 |
| Net increase in cash and cash equivalents | 123,647 | 1,318,806 | 514,747 | 105,972 | 2,063,172 |
| Balances - beginning of the year | 3,484,025 | 9,063,609 | 4,659,826 | 965,661 | 18,173,121 |
| Balances - end of the year | <u>\$ 3,607,672</u> | <u>\$ 10,382,415</u> | <u>\$ 5,174,573</u> | <u>\$ 1,071,633</u> | <u>\$ 20,236,293</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | | | | | |
| Operating Income | \$ 533,761 | \$ 430,512 | \$ 158,139 | \$ 80,277 | \$ 1,202,689 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Cash flows reported in other categories: | | | | | |
| Depreciation expense | 378,146 | 727,886 | 242,599 | 70,680 | 1,419,311 |
| Change in assets and liabilities: | | | | | |
| Accounts receivable | (129,995) | (804) | 1,324 | - | (129,475) |
| Lease receivable and inflow | (6,459) | - | - | - | (6,459) |
| Inventories | (108,129) | - | - | - | (108,129) |
| Accounts payable | (37,349) | 165,868 | 221 | (7,748) | 120,992 |
| Payroll liabilities | (15,732) | (18,892) | (7,302) | (30,539) | (72,465) |
| Accrued compensated absences | 10,890 | 430 | 1,472 | 56,180 | 68,972 |
| Pension related accounts | 17,858 | 17,858 | 8,117 | - | 43,833 |
| Deposits | 5,000 | - | - | - | 5,000 |
| Net cash provided by operating activities | <u>\$ 647,991</u> | <u>\$ 1,322,858</u> | <u>\$ 404,570</u> | <u>\$ 168,850</u> | <u>\$ 2,544,269</u> |

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

**NOTES TO
BASIC FINANCIAL STATEMENTS**

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, 2023

The *Statement of Net Position* presents information on all of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the net of which is presented as the *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.

CITY OF TROUTDALE, OREGON
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June 30, 2023

- *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.
- *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)
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
Notes to Basic Financial Statements
June 30, 2023

Since the governmental fund statements are presented on a different measurement focus and basis of 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
Notes to Basic Financial Statements
June 30, 2023

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.

Lease Receivables

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the agreement or implicitly determined by the government, reduced by principal payments received.

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
Notes to Basic Financial Statements
June 30, 2023

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.

Lease Assets

Lease assets are assets which the government leases for a term of more than one year. The value of leases is determined by the net present value of the leases at the government's incremental borrowing rate at the time of the lease agreement, amortized over the term of the agreement.

Subscription Assets

Subscription assets are assets in which the government obtains control of the right to use the underlying IT asset. The value of the subscription asset is initially measured as the sum of the initial subscription liability amount, any payments made to the IT software vendor before commencement of the subscription term, and any capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The subscription asset is amortized in a straight-line manner over the course of the subscription term.

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

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2023

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.

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.

Lease Liability

In the government-wide financial statements, lease liabilities are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of lease payments is reported as other financing sources.

Subscription Liabilities

In the government-wide financial statements, subscription liabilities are reported as liabilities in the Statement of Net Position. In the governmental fund financial statements, the present value of subscription payments expected to be made during the subscription term is reported as other financing sources. The subscription liability should be initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments should be discounted using the interest rate the SBITA vendor charges the government, which may be implicit, or the government's incremental borrowing rate if the interest rate is not readily determinable. A government should recognize amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

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.

CITY OF TROUTDALE, OREGON
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- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).
- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. 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 assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City's deferred outflows are clearly labeled on the face of the financial statements.

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 assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City's deferred inflows are clearly labeled on the face of the financial statements.

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.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
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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 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 following: Bike Paths and Trails Fund - materials and services by \$112, URA Debt Service Fund – debt service by \$1,546, and the General Fund – general government by 391,702.

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, 2023:

| | |
|--|----------------------|
| Cash and investments | \$ 23,797,427 |
| Restricted assets - cash and investments | 25,145,414 |
| | <u>\$ 48,942,841</u> |

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2023

DEPOSITS

Deposits with financial institutions include bank demand deposits. At year-end, the total bank balance per the bank statements is \$1,432,282. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

| | | |
|---|----|------------|
| Deposits with financial institutions | \$ | 1,247,424 |
| Petty cash | | 650 |
| Oregon State Treasurer's Local Government Investment Pool | | 47,694,767 |
| | \$ | 48,942,841 |

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 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 fair market 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. As of June 30, 2023, the fair value of the position in the LGIP is 99.63% of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements. 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, 2023, there were the following investments:

| Investment type | Maturities | Fair value |
|--|------------------|--------------|
| Oregon State Treasury's Local Government Investment Pool | Avg 0 – 6 months | \$47,694,767 |

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2023

To reflect the City's proportional share of the unrealized loss in the Oregon Short Term Fund described above, the City recorded a fair value reduction adjustment of \$177,126. The City has elected to reflect the entire adjustment in the General Fund.

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, 2023, 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, 2023 for the major and non-major governmental funds in the aggregate are as follows:

| | <u>General</u> | <u>Street</u> | <u>URA Riverfront Developm ent</u> | <u>Total Non-major</u> | <u>Total</u> |
|----------------|---------------------|-------------------|--|----------------------------|---------------------|
| Property taxes | \$ 164,075 | \$ - | \$ - | \$ 14,660 | \$ 178,735 |
| Accounts | 1,079,816 | 277,079 | - | 10,723 | 1,367,618 |
| Leases | 558,651 | - | 342,509 | - | 901,160 |
| | <u>\$ 1,802,542</u> | <u>\$ 277,079</u> | <u>\$ 342,509</u> | <u>\$ 25,383</u> | <u>\$ 2,447,513</u> |

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 | \$ 164,984 |
| Leases | 886,799 |
| Total | <u>\$ 1,051,783</u> |

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2023

LEASE RECEIVABLES AND RELATED DEFERRED INFLOWS

| | Original Amount | Outstanding June 30, 2022 | Additions | Deletions | Outstanding June 30, 2023 |
|--|---------------------|------------------------------|------------------|-------------------|------------------------------|
| Governmental Activities | | | | | |
| Facility Lease, Police Facility, 234 SW Kendall Ct, interest 0.47%, principal and interest of \$21,288 monthly, due 2025 | \$ 1,012,487 | \$ 760,848 | \$ - | \$ 252,459 | \$ 508,389 |
| Facility Lease, Sugar Pine Drive In, 1208 ECHRH, interest 0.47%, principal and interest of \$649 monthly, due 2023 | 15,775 | 8,045 | 50,261 | 8,045 | 50,261 |
| Cellular Antenna Space, URA Water Tower, interest 1.29%, principal and interest of \$23,720 annually, due 2036 | 381,109 | 362,286 | - | 19,776 | 342,510 |
| Total Governmental Activities | \$ 1,409,371 | \$ 1,131,179 | \$ 50,261 | \$ 280,280 | \$ 901,160 |
| Business-type Activities | | | | | |
| Cellular Antenna Space, Water Reservoir # 2, 2445 SE Stark St, interest 1.29%, principal and interest of \$18,662 annually, due 2036 | \$ 365,730 | \$ 348,035 | \$ - | \$ 17,923 | \$ 330,112 |
| Total Business-type Activities | \$ 365,730 | \$ 348,035 | \$ - | \$ 17,923 | \$ 330,112 |

Future maturities of the receivables are as follows. The deferred inflows are amortized on a straight line basis.

| | Governmental Activities | | Business-type Activities | |
|---------|-------------------------|------------------|--------------------------|------------------|
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 282,490 | \$ 7,372 | \$ 18,153 | \$ 4,242 |
| 2025 | 286,079 | 5,782 | 18,386 | 4,009 |
| 2026 | 33,005 | 4,594 | 18,622 | 3,772 |
| 2027 | 34,813 | 4,024 | 23,341 | 3,533 |
| 2028 | 36,695 | 3,420 | 23,641 | 3,233 |
| 2029-33 | 143,756 | 11,126 | 133,658 | 11,461 |
| 2034-36 | 84,322 | 1,972 | 94,311 | 2,434 |
| Total | \$ 901,160 | \$ 38,290 | \$ 330,112 | \$ 32,684 |

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2023

CAPITAL ASSETS

Capital asset activity for governmental activities for the fiscal year ended June 30, 2023 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|----------------------|---------------------|---------------------|----------------------|
| Governmental Activities | | | | |
| Non-depreciable | | | | |
| Land | \$ 5,801,327 | \$ - | \$ (650) | \$ 5,800,677 |
| Construction in progress | 730,389 | 122,818 | (543,833) | 309,374 |
| Total non-depreciable | <u>6,531,716</u> | <u>122,818</u> | <u>(544,483)</u> | <u>6,110,051</u> |
| Depreciable/Amortizable | | | | |
| Buildings and improvements | 10,643,941 | 773,242 | (534,552) | 10,882,631 |
| Right to use building lease | 180,823 | 581,580 | - | 762,403 |
| Land improvements | 10,560,844 | - | - | 10,560,844 |
| Equipment | 1,272,640 | 171,535 | (124,190) | 1,319,985 |
| Right to use equipment - Intangible | 24,964 | - | - | 24,964 |
| Right to use subscriptions - Intangible | - | 419,431 | - | 419,431 |
| Infrastructure | 25,612,505 | - | - | 25,612,505 |
| Total depreciable | <u>48,295,717</u> | <u>1,945,788</u> | <u>(658,742)</u> | <u>49,582,763</u> |
| Accumulated depreciation and amortization | | | | |
| Buildings and improvements | (3,839,599) | (231,874) | 464,835 | (3,606,638) |
| Right to use building lease | (64,807) | (64,773) | - | (129,580) |
| Land improvements | (3,809,935) | (72,753) | - | (3,882,688) |
| Equipment | (988,470) | (113,234) | 112,562 | (989,142) |
| Right to use equipment - Intangible | (8,991) | (7,795) | - | (16,786) |
| Right to use subscriptions - Intangible | - | (83,886) | - | (83,886) |
| Infrastructure | (21,535,837) | (236,387) | - | (21,772,224) |
| Total accumulated depreciation/amortization | <u>(30,247,639)</u> | <u>(810,702)</u> | <u>577,397</u> | <u>(30,480,944)</u> |
| Depreciable/Amortizable, net | <u>18,048,078</u> | <u>1,135,086</u> | <u>(81,345)</u> | <u>19,101,819</u> |
| Governmental activities capital assets, net | <u>\$ 24,579,794</u> | <u>\$ 1,257,904</u> | <u>\$ (625,828)</u> | <u>\$ 25,211,870</u> |

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

| | |
|---|-------------------|
| General government | \$ 247,476 |
| Public safety | 149,896 |
| Highways and streets | 254,830 |
| Community development | 158,500 |
| Total depreciation business-type activities | <u>\$ 810,702</u> |

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2023

Capital asset activity for business-type activities for the fiscal year ended June 30, 2023 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|--|----------------------|--------------------|---------------------|----------------------|
| Business-type Activities | | | | |
| Non-depreciable | | | | |
| Land | \$ 1,712,972 | \$ - | \$ - | \$ 1,712,972 |
| Intangibles | 126,799 | - | - | 126,799 |
| Construction in progress | 279,417 | 882,648 | (128,691) | 1,033,374 |
| Total non-depreciable | <u>2,119,188</u> | <u>882,648</u> | <u>(128,691)</u> | <u>2,873,145</u> |
| Depreciable/Amortizable | | | | |
| Buildings and improvements | 2,426,714 | | (2,180) | 2,424,534 |
| Land improvements | 392,339 | - | - | 392,339 |
| Equipment | 1,908,686 | 214,017 | (160,116) | 1,962,587 |
| Right to use equipment - Intangible | 18,918 | - | - | 18,918 |
| Right to use subscriptions - Intangible | - | 124,107 | - | 124,107 |
| Infrastructure | <u>61,461,817</u> | <u>849,878</u> | <u>(47,977)</u> | <u>62,263,718</u> |
| Total depreciable | <u>66,208,474</u> | <u>1,188,002</u> | <u>(210,273)</u> | <u>67,186,203</u> |
| Accumulated depreciation and amortization | | | | |
| Buildings and improvements | (1,223,325) | (50,123) | 2,179 | (1,271,269) |
| Land improvements | (388,347) | (1,823) | - | (390,170) |
| Equipment | (1,444,682) | (107,844) | 148,488 | (1,404,038) |
| Right to use equipment - Intangible | (2,726) | (4,771) | - | (7,497) |
| Right to use subscriptions - Intangible | - | (24,821) | - | (24,821) |
| Infrastructure | <u>(34,146,750)</u> | <u>(1,229,929)</u> | <u>47,977</u> | <u>(35,328,702)</u> |
| Total accumulated depreciation/amortization | <u>(37,205,830)</u> | <u>(1,419,311)</u> | <u>198,644</u> | <u>(38,426,497)</u> |
| Depreciable/Amortizable, net | <u>29,002,644</u> | <u>(231,309)</u> | <u>(11,629)</u> | <u>28,759,706</u> |
| Business-type activities | | | | |
| capital assets, net | <u>\$ 31,121,832</u> | <u>\$ 651,339</u> | <u>\$ (140,320)</u> | <u>\$ 31,632,851</u> |

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

| | |
|---|---------------------|
| Water | \$ 378,146 |
| Sewer | 727,886 |
| Storm Sewer | 242,599 |
| Public Services | 70,680 |
| Total depreciation business-type activities | <u>\$ 1,419,311</u> |

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2023

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, 2023. Transfers between funds provide support for various programs in accordance with budgetary authorizations.

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

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

Interfund receivables and payables are used to fund current operations and long term projects. The interfund activity for fiscal year ended June 30, 2023 is as follows:

| ALL ACTIVITIES | <u>TRANSFERS FROM</u> | <u>TRANSFERS TO</u> | | |
|----------------------------|--------------------------------------|-----------------------------------|---------------------|---------------------|
| GENERAL FUND | \$ 1,271,448 | \$ - | | |
| NONMAJOR FUNDS | <u>-</u> | <u>1,271,448</u> | | |
| TOTAL INTERFUND TRANSFERS | <u>\$ 1,271,448</u> | <u>\$ 1,271,448</u> | | |
| | <u>INTERFUND LOAN RECEIVABLE</u> | <u>INTERFUND LOAN PAYABLE</u> | <u>DUE FROM</u> | <u>DUE TO</u> |
| GOVERNMENTAL ACTIVITIES | | | | |
| GENERAL FUND | \$ 6,700,000 | \$ 240,000 | \$ - | \$ - |
| URA RIVERFRONT DEVELOPMENT | - | 6,700,000 | - | 1,738,291 |
| NONMAJOR FUNDS | <u>440,000</u> | <u>200,000</u> | <u>1,738,291</u> | <u>-</u> |
| TOTAL | <u>\$ 7,140,000</u> | <u>\$ 7,140,000</u> | <u>\$ 1,738,291</u> | <u>\$ 1,738,291</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, 2023.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2023

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

| | Beginning Balance | Increase | Decrease | Ending Balance | Due in One Year |
|-----------------------------------|----------------------|-------------|---------------------|----------------------|---------------------|
| Governmental Activities | | | | | |
| Bonds | | | | | |
| Full Faith and Credit Obligations | \$ 5,000,000 | \$ - | \$ - | \$ 5,000,000 | \$ 5,000,000 |
| GO Refunding Bond 2021 | 4,230,000 | - | (345,000) | 3,885,000 | 370,000 |
| Other | | | | | |
| Landfill post-closure care | 159,905 | - | (12,562) | 147,343 | 12,842 |
| Direct Borrowing | | | | | |
| OBDD Loan 2020 | 1,500,000 | - | (194,415) | 1,305,585 | 165,792 |
| Deferred Amounts: | | | | | |
| Bond Premium | 710,622 | - | (78,958) | 631,664 | - |
| Bond Discount | (10,260) | - | 1,710 | (8,550) | - |
| | <u>\$ 11,590,267</u> | <u>\$ -</u> | <u>\$ (629,225)</u> | <u>\$ 10,961,042</u> | <u>\$ 5,548,634</u> |
| Total Governmental Activities | | | | | |

GOVERNMENTAL ACTIVITIES

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, 2023 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. The City is electing to pay off the total principal balance in November of 2023.

| Year Ending June 30, | Principal | Interest |
|-------------------------|---------------------|-------------------|
| 2024 | \$ 5,000,000 | \$ 167,000 |
| Totals | <u>\$ 5,000,000</u> | <u>\$ 167,000</u> |

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2023

GO Refunding Bonds 2021

General obligation refunding bonds were issued in July of 2021 in the amount of \$4,570,000 for refunding of the February 2011 general obligation bonds. These ten (10) year term bonds were issued with interest rates ranging from 3.25% to 4.0% and the final maturity due in 2031. The balance outstanding at June 30, 2023 is \$3,885,000. The current lower interest rates provided the opportunity for the City to reduce total debt service payments by \$924,938 and resulted in an economic gain of \$882,063. Upon the occurrence and continuance of any Event of Default the Owners of fifty-one (51%) percent or more of the principal amount of Bonds then Outstanding may take whatever action may appear necessary or desirable to enforce or to protect any of the rights of the Owners of Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in the Declaration or the Bonds or in aid of the exercise of any power granted in the Declaration or in the Bonds or for the enforcement of any other legal or equitable right vested in the Owners of Bonds by the Declaration or the Bonds or by law. However, the Bonds shall not be subject to acceleration.

| Year Ending June 30, | Principal | Interest |
|-------------------------|--------------|------------|
| 2024 | \$ 370,000 | \$ 150,800 |
| 2025 | 405,000 | 136,000 |
| 2026 | 430,000 | 119,800 |
| 2027 | 470,000 | 103,675 |
| 2028 | 495,000 | 88,400 |
| 2029-33 | 1,715,000 | 140,400 |
| Totals | \$ 3,885,000 | \$ 739,075 |

Direct Borrowing – OBDD Loan 2020

A loan was received in July of 2021 in the amount of \$1,500,000 for the Riverfront Redevelopment Cleanup Project. The loan spans 11 years and bears an interest rate of 3% per annum. The balance outstanding at June 30, 2023 is \$1,305,585. Annual debt service requirements are noted below:

| Year Ending June 30, | Principal | Interest |
|-------------------------|--------------|------------|
| 2024 | \$ 165,792 | \$ 38,669 |
| 2025 | 170,834 | 33,246 |
| 2026 | 176,031 | 27,759 |
| 2027 | 181,385 | 22,103 |
| 2028 | 186,902 | 16,315 |
| 2029-33 | 424,641 | 14,384 |
| Totals | \$ 1,305,585 | \$ 152,476 |

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2023

Lease Liability

| | Original Amount | Outstanding June 30, 2022 | Additions | Deletions | Outstanding June 30, 2023 |
|--|-------------------------|------------------------------|--------------------------|-------------------|------------------------------|
| Governmental Activities | | | | | |
| Large Format Printer, CommDev, 17.31%, principal and interest of \$210 monthly, due 2025 (Lease #300-3243659-100) | \$ 6,810 | \$ 5,355 | \$ - | \$ 1,727 | \$ 3,628 |
| Copier/Printer, CommDev, 7.27%, principal and interest of \$180 monthly, due 2022 (Lease #1497594-1033528USC) | 2,905 | 886 | - | 886 | - |
| Copier/Printer (2), City Hall, 7.58%, principal and interest of \$475 monthly, due 2024 (Lease #1497594-1033528USC1) | 15,249 | 10,545 | - | 5,073 | 5,472 |
| Facility Lease, 219 EHCRH, interest 2.45%, principal and interest of \$3,150 monthly, due 2033 | 427,240 | 58,833 | 334,941 | 66,246 | 327,528 |
| Facility Lease, 321 EHCRH, interest 2.48%, principal and interest of \$2,933 monthly, due 2033 | 399,969 | 57,374 | 311,445 | 61,958 | 306,861 |
| Total Governmental Activities | \$ 132,993 | \$ 132,993 | \$ 646,386 | \$ 135,890 | \$ 643,489 |
| | | | | Current Portion | (65,537) |
| | | | | Long Term Portion | <u>\$ 577,952</u> |
| | Original Amount | Outstanding June 30, 2022 | Additions | Deletions | Outstanding June 30, 2023 |
| Business Type Activities | | | | | |
| Large Format Printer, PWKS, 3.86%, principal and interest of \$250 monthly, due 2027 (Lease #300-3268031-100) | \$ 13,637 | \$ 12,974 | \$ - | \$ 2,538 | \$ 10,436 |
| Copier/Printer, PWKS, 12.55%, principal and interest of \$198 monthly, due 2024 (Lease #300-3224871-100) | 5,280 | 3,400 | - | 2,068 | 1,332 |
| Total Business Type Activities | \$ 16,374 | \$ 16,374 | \$ - | \$ 4,606 | \$ 11,768 |
| | | | | Current Portion | (3,969) |
| | | | | Long Term Portion | <u>\$ 7,799</u> |
| | Governmental Activities | | Business Type Activities | | |
| | Principal | Interest | Principal | Interest | |
| 2024 | \$ 65,537 | \$ 15,680 | \$ 3,969 | \$ 413 | |
| 2025 | 61,037 | 13,640 | 2,741 | 253 | |
| 2026 | 60,942 | 12,054 | 2,849 | 145 | |
| 2027 | 46,701 | 8,046 | 2,209 | 36 | |
| 2028 | 79,778 | 11,468 | - | - | |
| 2029-33 | 329,494 | 20,173 | - | - | |
| Total | <u>\$ 643,489</u> | <u>\$ 81,061</u> | <u>\$ 11,768</u> | <u>\$ 847</u> | |

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2023

Subscription Liability

Governmental Activities:

The City recognized software subscription liabilities for administrative processing in place beginning July 1, 2022 of \$419,431. The agreements have annual renewals which are reasonably certain to be renewed for five years and are discounted at a rate of \$2.95%.

Business Type Activities:

The City recognized software subscription liabilities for utility production and monitoring processes in place beginning July 1, 2022 of \$124,107. The agreements have annual renewals which are reasonably certain to be renewed for five years and are discounted at a rate of \$2.95%.

| | Original Amount | Outstanding June 30, 2022 | Additions | Deletions | Outstanding June 30, 2023 |
|--|--------------------|------------------------------|-------------------|-------------------|------------------------------|
| Governmental Activities | | | | | |
| Administrative Processing Software | \$ 419,431 | \$ - | \$ 419,431 | \$ 79,081 | \$ 340,350 |
| | | | | | |
| Total Governmental Activities | \$ 419,431 | \$ - | \$ 419,431 | \$ 79,081 | \$ 340,350 |
| | | | | Current Portion | (81,414) |
| | | | | Long Term Portion | \$ 258,936 |
| | | | | | |
| Business Type Activities | | | | | |
| Utility Production & Monitoring Software | \$ 124,107 | \$ - | \$ 124,107 | \$ 23,400 | \$ 100,707 |
| | | | | | |
| Total Business Type Activities | \$ 124,107 | \$ - | \$ 124,107 | \$ 23,400 | \$ 100,707 |
| | | | | Current Portion | (24,090) |
| | | | | Long Term Portion | \$ 76,617 |

Future maturities are as follows:

| | Governmental | | Business Type | |
|-------|--------------|-----------|---------------|----------|
| | Principal | Interest | Principal | Interest |
| 2024 | \$ 81,414 | \$ 10,040 | \$ 24,090 | \$ 2,971 |
| 2025 | 83,815 | 7,639 | 24,800 | 2,260 |
| 2026 | 86,288 | 5,166 | 25,532 | 1,529 |
| 2027 | 88,833 | 2,621 | 26,285 | 775 |
| Total | \$ 340,350 | \$ 25,466 | \$ 100,707 | \$ 7,535 |

CITY OF TROUTDALE, OREGON
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ACCRUED COMPENSATED ABSENCES

Changes in accrued compensated absences are as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance | Due within one year |
|---------------|----------------------|-------------------|---------------------|-------------------|------------------------|
| Governmental | \$ 224,885 | \$ 211,974 | \$ (267,800) | \$ 169,059 | \$ 33,812 |
| Business Type | <u>99,246</u> | <u>269,590</u> | <u>(200,618)</u> | <u>168,218</u> | <u>33,644</u> |
| Total | <u>\$ 324,131</u> | <u>\$ 481,564</u> | <u>\$ (468,418)</u> | <u>\$ 337,277</u> | <u>\$ 67,456</u> |

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

RESTRICTED ASSETS

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

| | <u>Governmental</u> | <u>Business-Type</u> |
|-----------------------------|----------------------|----------------------|
| Street | \$ 4,615,435 | \$ - |
| Street Tree | 57,260 | - |
| Code Specialties | 1,981,354 | - |
| Sam Cox Building | 137,268 | - |
| Bike Paths and Trails | 10,631 | - |
| Debt service reserves: | | |
| FF & C Debt Service | 3,669,370 | - |
| URA Debt Service | 285,259 | - |
| Debt service fund | 170,513 | - |
| System Development Charges: | | |
| Water Improvement | - | 931,948 |
| Water Reimbursement | - | 437,165 |
| Sewer Improvement | - | 2,191,964 |
| Sewer Reimbursement | - | 3,366,823 |
| Street Improvement | 1,140,760 | - |
| Street Reimbursement | 372,046 | - |
| Storm Improvement | - | 3,223,705 |
| Storm Reimbursement | - | 137,204 |
| Parks Improvement | 2,416,709 | - |
| Total restricted assets | <u>\$ 14,856,605</u> | <u>\$ 10,288,809</u> |

4. OTHER INFORMATION

RISK MANAGEMENT

There is exposure to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of City-County Insurance Services (CCIS), a public entity risk pool currently operating a common risk management and insurance program. An annual premium is paid to CCIS for its insurance coverage. Based on the experience and the pool, there may be liability for an additional premium of up to approximately 20% of its initial premium or it may receive a refund. There has never been the requirement to pay an additional premium. Predetermined limits and deductible amounts are stated in the policy. Commercial insurance is carried for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

CONTINGENT LIABILITIES

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

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

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

PENSION PLAN – OREGON PUBLIC EMPLOYEES RETIREMENT SYSTEM

Plan Description – The Oregon Public Employees Retirement System (PERS) consists of a single cost-sharing multiple-employer defined benefit plan. All benefits of the system are established by the legislature pursuant to Oregon Revised Statute (ORS) Chapters 238 and 238A. Oregon PERS produces an independently audited Annual Comprehensive Financial Report which can be found at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.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.

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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 one or more of the following contributions are met:
 - member was employed by PERS employer at the time of death,
 - member died within 120 days after termination of PERS covered employment,
 - member died as a result of injury sustained while employed in a PERS-covered job, or
 - member was on an official leave of absence from a PERS-covered job at the time of death.
- iii. **Disability Benefits.** A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.
- iv. **Benefit Changes After Retirement.** Members may choose to continue participation in their variable account after retiring and may experience annual benefit fluctuations due to changes in the fair value of the underlying global equity investments of that account. Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0 percent.

b. **OPSRP Pension Program (OPSRP DB).** The ORS Chapter 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003.

- i. **Pension Benefits.** This portion of OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

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

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,

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
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receives for life 50 percent of the pension that would otherwise have been paid to the deceased member. The surviving spouse may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

- 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.

Contributions – PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered employee 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, 2019 actuarial valuation, which became effective July 1, 2021. 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, 2023 were \$406,396, excluding amounts to fund employer specific liabilities. In addition approximately \$281,436 in employee contributions were paid or picked up by the City in fiscal 2023. At June 30, 2023, the City reported a net pension liability of \$5,123,846 for its proportionate share of the net pension liability. The pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated December 31, 2020. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of the measurement date of June 30, 2022 and 2021, the City's proportion was .033 percent and .029 percent, respectively. Pension expense for the year ended June 30, 2023 was \$162,350.

The rates in effect for the year ended June 30, 2023 were:

- (1) Tier 1/Tier 2 – 16.34%
(2) OPSRP general services – 13.06%

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|--|----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ 248,721 | \$ 31,953 |
| Changes in assumptions | 803,959 | 7,345 |
| Net difference between projected and actual earnings on pension plan investments | - | 916,045 |
| Net changes in proportionate share | 1,507,430 | 91,523 |
| Differences between contributions and proportionate share of contributions | | 798,491 |
| Subtotal - Amortized Deferrals (below) | 2,560,110 | 1,845,357 |
| Contributions subsequent to measuring date | 406,396 | - |
| Deferred outflow (inflow) of resources | \$ 2,966,506 | \$ 1,845,357 |

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, 2024.

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

| Year ending June 30, | Amount |
|----------------------|------------|
| 2024 | \$ 251,017 |
| 2025 | 98,772 |
| 2026 | (161,435) |
| 2027 | 523,419 |
| 2028 | 2,981 |
| Thereafter | - |
| Total | \$ 714,754 |

All assumptions, methods and plan provisions used in these calculations are described in the Oregon PERS system-wide GASB 68 reporting summary dated February 2, 2023. Oregon PERS produces an independently audited ACFR which can be found at: <https://www.oregon.gov/pers/Documents/Financials/CAFR/2022-Annual-Comprehensive-Financial-Report.pdf>

Actuarial Valuations – The employer contribution rates effective July 1, 2021 through June 30, 2023, 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.

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Actuarial Methods and Assumptions:

| | |
|---------------------------|--|
| Valuation date | December 31, 2020 |
| Experience Study Report | 2020, Published July 20, 2021 |
| Actuarial cost method | Entry Age Normal |
| Amortization method | Level percentage of payroll |
| Asset valuation method | Fair value |
| Inflation rate | 2.40 percent |
| Investment rate of return | 6.90 percent |
| Discount rate | 6.90 percent |
| Projected salary increase | 3.40 percent |
| Cost of Living Adjustment | Blend of 2% COLA and graded COLA (1.25%/0.15%) in accordance with <i>Moro</i> decision; blend based on service |
| Mortality | Healthy retirees and beneficiaries: Pub-2010 Healthy Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Active members: Pub-2010 Employee, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. Disabled retirees: Pub-2010 Disabled Retiree, sex distinct, generational with Unisex, Social Security Data Scale, with job category adjustments and set-backs as described in the valuation. |

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 2020 Experience Study which is reviewed for the four-year period ending December 31, 2020.

Assumed Asset Allocation:

| Asset Class/Strategy | Low Range | High Range | OIC Target |
|-------------------------|-----------|------------|------------|
| Debt Securities | 15.0% | 25.0% | 20.0% |
| Public Equity | 25.0% | 35.0% | 30.0% |
| Real Estate | 7.5% | 17.5% | 12.5% |
| Private Equity | 15.0% | 27.5% | 20.0% |
| Risk Parity | 0.0% | 3.5% | 2.5% |
| Real Assets | 2.5% | 10.0% | 7.5% |
| Diversifying Strategies | 2.5% | 10.0% | 7.5% |
| Opportunity Portfolio | 0.0% | 5.0% | 0.0% |
| Total | | | 100.0% |

(Source: June 30, 2022 PERS ACFR; p. 104)

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Long-Term Expected Rate of Return:

To develop an analytical basis for the selection of the long-term expected rate of return assumption, in June 2021 the PERS Board reviewed long-term assumptions developed by both Milliman’s capital market assumptions team and the Oregon Investment Council’s (OIC) investment advisors. The table below shows Milliman’s assumptions for each of the asset classes in which the plan was invested at that time based on the OIC long-term target asset allocation. The OIC’s description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions, and includes adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

| Asset Class | Target Allocation | Compound Annual (Geometric) Return |
|-------------------------------------|--------------------------|---|
| Global Equity | 30.62% | 5.85% |
| Private Equity | 25.50% | 7.71% |
| Core Fixed Income | 23.75% | 2.73% |
| Real Estate | 12.25% | 5.66% |
| Master Limited Partnerships | 0.75% | 5.71% |
| Infrastructure | 1.50% | 6.26% |
| Commodities | 0.63% | 3.10% |
| Hedge Fund of Funds - Multistrategy | 1.25% | 5.11% |
| Hedge Fund Equity - Hedge | 0.63% | 5.31% |
| Hedge Fund - Macro | 5.62% | 5.06% |
| US Cash | -2.50% | 1.76% |
| <i>Assumed Inflation - Mean</i> | | 2.40% |

(Source: June 30, 2022 PERS ACFR; p. 74)

Discount Rate – The discount rate used to measure the total pension liability was 6.90 percent for the Defined Benefit Pension Plan, a reduction approved by the Board from 7.20 percent in the prior fiscal year. 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 6.90 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 one percent lower (5.90 percent) or one percent higher (7.90 percent) than the current rate.

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| | 1% Decrease (5.90%) | Discount Rate (6.90%) | 1% Increase (7.90%) |
|--|---------------------------|-----------------------------|---------------------------|
| Proportionate share of the net pension liability | \$ 9,086,698 | \$ 5,123,846 | \$ 1,807,122 |

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, 2022 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 resignation, death, disability, or retirement; unforeseeable emergency; or by requesting a de minimis distribution from inactive accounts valued less than \$5,000. 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

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

Death Benefits:

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

Contributions:

Employees of the City pay six (6) percent of their covered employee payroll. Effective July 1, 2020, currently employed Tier 1/Tier 2 and OPSRP members earning \$2,500 or more per month (increased to \$3,333 per month in 2022) will have a portion of their 6 percent monthly IAP contributions redirected to an Employee Pension Stability Account. The Employee Pension Stability Account will be used to pay part of the member's future benefit. Of the 6 percent monthly IAP contribution, Tier 1/Tier 2 will have 2.5 percent redirected to the Employee Pension Stability Account and OPSRP will have 0.75 percent redirected to the Employee Pension Stability Account, with the remaining going to the member's existing IAP account. Members may voluntarily choose to make additional after-tax contributions into their IAP account to make a full 6 percent contribution to the IAP. The City did not make any optional contributions to member IAP accounts for the year ended June 30, 2023.

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>

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

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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 0.05% of annual covered OPERF payroll and 0.00% of OPSRP payroll under a contractual requirement in effect until June 30, 2023. Consistent with GASB Statement 75, the OPERS Board of Trustees sets the employer contribution rates as a measure of the proportionate relationship of the employer to all employers consistent with the manner in which contributions to the OPEB plan are determined. The basis for the employer's portion is determined by comparing the employer's actual, legally required contributions made during the fiscal year to the plan with the total actual contributions made in the fiscal year of all employers. The City's contributions to RHIA for the years ended June 30, 2021, 2022 and 2023 were \$763, \$763, and \$800 respectively, which equaled the required contributions each year.

At June 30, 2023, 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.

Post Employment Benefits Other Than Pensions (OPEB) GASB 75

Plan Description: The District 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 postretirement 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 District's implicit employer contribution. The District 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 District 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 District to fund these benefits in advance.

Actuarial Methods and Assumptions: The District engaged an actuary to perform an evaluation as of July 1, 2022 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:

CITY OF TROUTDALE, OREGON
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| | | |
|--------------------------------------|---------|-------|
| Discount Rate per year | | 3.54% |
| General Inflation Rate per year | | 2.40% |
| Salary Scale per year | | 3.40% |
| Annual Medical Premium increase rate | 2023 | 6.75% |
| | 2024 | 6.50% |
| | 2025 | 6.00% |
| | 2026 | 5.25% |
| | 2027 | 5.00% |
| | 2028-29 | 4.75% |
| | 2030 | 4.50% |
| | 2031-65 | 4.25% |
| | 2066-71 | 4.00% |
| | 2072+ | 3.75% |

Mortality rates were based on the Pub-2010 General and Safety Employee and Healthy Retiree tables, sex distinct for members and dependents, with a one-year setback for male general service employees and female safety employees.

Turnover rates are based on Oregon PERS valuation assumptions as of December 31, 2021.

Disability was not used.

Retirement rates reflects assumptions used in the Oregon PERS actuarial valuation.

Changes in Medical Benefit OPEB Liability:

| Total OPEB Liability - Beginning | <u>2023</u> | <u>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|-------------------|
| | \$ 204,510 | \$ 191,597 | \$ 275,373 |
| Changes for the Year: | | | |
| Service Cost | 18,031 | 17,515 | 14,441 |
| Interest | 4,676 | 4,513 | 9,581 |
| Changes of Benefit Terms | - | - | - |
| Effect of economic/demographic gains/losses | (4,687) | - | (57,472) |
| Changes of Assumptions or Other Input | (28,360) | 759 | (17,923) |
| Benefit Payments | (12,165) | (9,874) | (32,403) |
| Net Changes for the Year | <u>(22,505)</u> | <u>12,913</u> | <u>(83,776)</u> |
| Total OPEB Liability - Ending | <u>\$ 182,005</u> | <u>\$ 204,510</u> | <u>\$ 191,597</u> |

Sensitivity of the Net Other Post-Employment Benefit Liability to Changes in Discount and Trend Rates: The following analysis presents the net OPEB liability using a discount rate of 3.54%, as well as what the City's net OPEB liability would be if it was calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate, a similar sensitivity analysis is presented for the changes in the healthcare trend assumption:

CITY OF TROUTDALE, OREGON
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| June 30, 2023 | 1% Decrease | Current Discount Rate | 1% Increase |
|----------------------|----------------|--------------------------|----------------|
| Total OPEB Liability | \$ 195,945 | \$ 182,005 | \$ 168,927 |

| June 30, 2023 | 1% Decrease Healthcare | Current Trend Rate Healthcare | 1% Increase Healthcare |
|----------------------|------------------------------|-------------------------------------|------------------------------|
| Total OPEB Liability | \$ 161,813 | \$ 182,005 | \$ 205,863 |

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Benefits:

The City reports information on deferred outflows and deferred inflows of resources at year end as well as a schedule of amounts of those deferred outflows of resources and deferred inflows of resources that will be recognized in other post-employment benefit expense for the following five years.

| | Deferred Outflow of Resources | Deferred Inflow of Resources |
|---|----------------------------------|---------------------------------|
| Difference between expected and actual experience | \$ (35,839) | \$ 18,064 |
| Changes in assumptions | (39,093) | 3,049 |
| Benefit Payments | - | 17,019 |
| Deferred outflow (inflow) of resources | <u>\$ (74,932)</u> | <u>\$ 38,132</u> |

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> |
|-----------------------------|--------------------|
| 2024 | \$ (4,548) |
| 2025 | (10,212) |
| 2026 | (14,853) |
| 2027 | (11,895) |
| 2028 | (4,050) |
| Thereafter | (8,261) |
| Total | <u>\$ (53,819)</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, 2023 estimated liability of \$147,344. 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.

5. DEFICIT FUND BALANCE

There is a deficit fund balance in the following fund:

- URA Riverfront Development Fund - \$8,442,216
- Sam Cox Building - \$48,989
- Bike Paths and Trails - \$8,126

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.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2023

6. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2023 are as follows:

| Fund Balances: | General Fund | Street Fund | URA Riverfront Development | Nonmajor Funds | Total |
|-----------------------------|-----------------------------|----------------------------|---------------------------------------|-----------------------------|-----------------------------|
| <u>Nonspendable:</u> | | | | | |
| Prepaid items | \$ 43,201 | \$ - | \$ - | \$ - | \$ 43,201 |
| Inventory | 785 | 23,307 | - | - | 24,092 |
| Total | <u>43,986</u> | <u>23,307</u> | - | - | <u>67,293</u> |
| <u>Restricted:</u> | | | | | |
| Capital projects | - | - | - | 9,790,294 | 9,790,294 |
| Debt service | - | - | - | 5,865,693 | 5,865,693 |
| Street maintenance | - | 4,874,208 | - | - | 4,874,208 |
| Total | - | <u>4,874,208</u> | - | <u>15,655,987</u> | <u>20,530,195</u> |
| Unassigned: | <u>17,166,886</u> | - | <u>(8,442,216)</u> | <u>(57,115)</u> | <u>8,667,555</u> |
| Total Fund Balances | <u><u>\$ 17,210,872</u></u> | <u><u>\$ 4,897,515</u></u> | <u><u>\$ (8,442,216)</u></u> | <u><u>\$ 15,598,872</u></u> | <u><u>\$ 29,265,043</u></u> |

7. TAX ABATEMENT DISCLOSURES

As of June 30, 2023, 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. 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 \$22,446 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 tax revenues were reduced \$746 by the program during the current reporting period.
- Day Care Centers, Student Housing and Religious Schools, ORS 307.145. The 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 \$2,853 by the program during the current reporting period.

Columbia Cascade Enterprise Zone Tax Abatement

The City's Enterprise Zone is authorized by Oregon Revised Statute (ORS) 285C.050 – 285C.250, the Oregon Enterprise Zone Act (the Act). The City, jointly with the City of Fairview, originally created the Columbia Cascade Enterprise Zone (EZ) with Resolution No. 1901,

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2023

approved by Council on September 11, 2007. The City of Wood Village subsequently joined and expanded the EZ in 2008. The EZ was redesignated via Resolution No. 2423 on June 26, 2018. ORS 285C.255 defines the sunset of all enterprise zone programs, terminating existing programs as of June 30, 2025.

EZ applications go through a series of reviews by the City and by the county assessor, including a preauthorization consultation and review of written application materials. For approved applications for an extended five year abatement, City Council takes formal action via adoption of a resolution finding that the business is eligible for the exemption under the Act, and that the size of the proposed investment, the employment at the facility of the firm or the nature of the activities undertaken by the firm within the EZ will significantly enhance the local economy, promote the purposes for which the zone was created and increase employment within the zone. Applications for a three year abatement are approved administratively by the Enterprise Zone Manager.

Taxes are abated via an exemption of assessed value from applicable tax levies, for a period of three tax years from when the property is placed in service. Applicable tax levies include the permanent rate levies and operating levies for taxing districts that include the property, which may include the City, county, school districts and other special districts depending on the location of the property within the EZ. If the business requests an additional two years of abatement with their application, a community service fee equal to 25% of the total abated taxes will be payable to the City for all five years of the abatement when an extension is requested. Any community service fees received by the City from participating businesses are available for general governmental purposes including use on economic development activities.

Recipients of the EZ tax abatement make commitments to the City in their application in a number of areas, including statutory requirements for an increase in full-time employment of 10%, no concurrent job losses in Oregon within 30 miles of the EZ, maintenance of employment levels during the exemption period, and first-source agreements with local job training providers. The City places additional requirements for a minimum investment of \$1 million, a procurement plan demonstrating a good faith effort to increase purchasing with East Multnomah County area companies, and requirements related to compensation, benefits, and training opportunities.

For the fiscal year ended June 30, 2023, the City's property tax revenues were reduced by an estimated \$684,432 as a result of the Enterprise Zone program. Community service fees of \$921,448 were collected from participating businesses during the fiscal year.

8. SUBSEQUENT EVENT

In November of 2023, the City repaid the total principal balance of the Full Faith and Credit Obligation Bonds in the amount of \$5,000,000.

**REQUIRED
SUPPLEMENTARY INFORMATION**

CITY OF TROUTDALE, OREGON

**REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2023**

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 |
|---------------------|---|--|-------------------------------|---|--|
| 2023 | 0.0335 % | \$ 5,123,846 | \$ 4,587,519 | 1.1 % | 84.5 % |
| 2022 | 0.0296 | 3,548,034 | 4,424,504 | 0.8 | 87.6 |
| 2021 | 0.0213 | 4,649,867 | 3,969,957 | 1.2 | 75.8 |
| 2020 | 0.0227 | 3,931,554 | 3,381,884 | 1.2 | 80.2 |
| 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 |
|------|-----------------------------------|--|----------------------------------|----------------------------|---|
| 2023 | \$ 406,396 | \$ 406,396 | \$ - | \$ 5,017,628 | 8.1 % |
| 2022 | 395,245 | 395,245 | - | 4,587,519 | 8.6 |
| 2021 | 460,746 | 460,746 | - | 4,424,504 | 10.4 |
| 2020 | 376,316 | 376,316 | - | 3,969,957 | 9.5 |
| 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, 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Total OPEB Liability - Beginning | \$ 204,510 | \$ 191,597 | \$ 275,373 | \$ 277,614 | \$ 207,616 | \$ 217,397 |
| Changes for the year: | | | | | | |
| Service Cost | 18,031 | 17,515 | 14,441 | 12,994 | 12,623 | 13,287 |
| Interest | 4,676 | 4,513 | 9,581 | 10,622 | 7,628 | 6,317 |
| Changes of Benefit Terms | - | - | - | - | - | - |
| Changes in economic/demographic gains or losses | (4,687) | - | (57,472) | - | 82,584 | - |
| Changes of Assumptions or Other Input | (28,360) | 759 | (17,923) | 6,712 | (18,358) | (11,198) |
| Benefit Payments | (12,165) | (9,874) | (32,403) | (32,569) | (14,479) | (18,187) |
| Net Changes for the Year | (22,505) | 12,913 | (83,776) | (2,241) | 69,998 | (9,781) |
| Total OPEB Liability - Ending | \$ 182,005 | \$ 204,510 | \$ 191,597 | \$ 275,373 | \$ 277,614 | \$ 207,616 |
| Covered-employee payroll | 5,017,628 | 4,587,519 | 4,424,504 | 3,969,957 | 3,381,884 | 3,328,387 |
| Total OPEB Plan as a Percentage of Covered Payroll | 3.63% | 4.46% | 4.33% | 6.94% | 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.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

SUPPLEMENTARY INFORMATION

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, 2023

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|------------------|------------------|-------------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ 1,500,000 | \$ 1,500,000 | \$ - | \$ (1,500,000) |
| Charges for Services | - | - | 58,541 | 58,541 |
| Interest | 1,000 | 1,000 | 12,937 | 11,937 |
| Miscellaneous | 30,200 | 30,200 | - | (30,200) |
| | <u>1,531,200</u> | <u>1,531,200</u> | <u>71,478</u> | <u>(1,459,722)</u> |
| EXPENDITURES: | | | | |
| Materials and services | 540,200 | 540,200 | 176,331 | 363,869 |
| Capital outlay | 4,250,000 | 4,250,000 | - | 4,250,000 |
| Contingency | 1,212,112 | 1,212,112 | - | 1,212,112 |
| | <u>6,002,312</u> | <u>6,002,312</u> | <u>176,331</u> | <u>5,825,981</u> |
| Revenues over (under) expenditures | (4,471,112) | (4,471,112) | (104,853) | 4,366,259 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Interfund Loan Proceeds | 4,300,000 | 4,300,000 | 100,000 | (4,200,000) |
| Total other financing sources (uses) | <u>4,300,000</u> | <u>4,300,000</u> | <u>100,000</u> | <u>(4,200,000)</u> |
| Net changes in fund balances | (171,112) | (171,112) | (4,853) | 166,259 |
| FUND BALANCES, BEGINNING | <u>171,112</u> | <u>171,112</u> | <u>262,637</u> | <u>91,525</u> |
| FUND BALANCES, ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 257,784</u> | <u>\$ 257,784</u> |
| | | | Budget to GAAP Reconciliation | |
| | | | Interfund loan transactions | <u>(8,700,000)</u> |
| | | | GAAP Fund Balance | <u>\$ (8,442,216)</u> |

CITY OF TROUTDALE, OREGON
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2023

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Debt Service Funds | Total Nonmajor Capital Projects Funds | Total |
|--|---|--|--|----------------------|
| ASSETS | | | | |
| Cash and investments | \$ 2,186,513 | \$ 4,125,142 | \$ 7,384,319 | \$ 13,695,974 |
| Accounts receivable | 9,478 | 1,245 | - | 10,723 |
| Property taxes receivable | - | 14,660 | - | 14,660 |
| Interfund loan receivable | - | - | 440,000 | 440,000 |
| Due from | - | 1,738,291 | - | 1,738,291 |
| Total assets | <u>\$ 2,195,991</u> | <u>\$ 5,879,338</u> | <u>\$ 7,824,319</u> | <u>\$ 15,899,648</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 84,667 | \$ - | \$ 2,014 | \$ 86,681 |
| Deposits payable | 450 | - | - | 450 |
| Interfund loan payable | 200,000 | - | - | 200,000 |
| Total liabilities | <u>285,117</u> | <u>-</u> | <u>2,014</u> | <u>287,131</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue - Taxes | - | 13,645 | - | 13,645 |
| FUND BALANCES | | | | |
| Restricted | 1,967,989 | 5,865,693 | 7,822,305 | 15,655,987 |
| Unassigned | (57,115) | - | - | (57,115) |
| Total fund balances | <u>1,910,874</u> | <u>5,865,693</u> | <u>7,822,305</u> | <u>15,598,872</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 2,195,991</u> | <u>\$ 5,879,338</u> | <u>\$ 7,824,319</u> | <u>\$ 15,899,648</u> |

CITY OF TROUTDALE, OREGON
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2023

| | <u>Street Tree Fund</u> | <u>Bike Paths & Trails Fund</u> | <u>Code Specialties Fund</u> | <u>Sam Cox Building Fund</u> | <u>Total</u> |
|------------------------------------|-----------------------------|---|--------------------------------------|--------------------------------------|---------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 57,260 | \$ 10,631 | \$ 1,981,354 | \$ 137,268 | \$ 2,186,513 |
| Accounts receivable | - | 1,243 | 8,235 | - | 9,478 |
| Total assets | <u>\$ 57,260</u> | <u>\$ 11,874</u> | <u>\$ 1,989,589</u> | <u>\$ 137,268</u> | <u>\$ 2,195,991</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ - | \$ - | \$ 78,860 | \$ 5,807 | \$ 84,667 |
| Deposits payable | - | - | - | 450 | 450 |
| Interfund loan payable | - | 20,000 | - | 180,000 | 200,000 |
| Total liabilities | <u>-</u> | <u>20,000</u> | <u>78,860</u> | <u>186,257</u> | <u>285,117</u> |
| FUND BALANCES | | | | | |
| Restricted | 57,260 | - | 1,910,729 | - | 1,967,989 |
| Unassigned | - | (8,126) | - | (48,989) | (57,115) |
| Total fund balances | <u>57,260</u> | <u>(8,126)</u> | <u>1,910,729</u> | <u>(48,989)</u> | <u>1,910,874</u> |
| Total liabilities and fund balance | <u>\$ 57,260</u> | <u>\$ 11,874</u> | <u>\$ 1,989,589</u> | <u>\$ 137,268</u> | <u>\$ 2,195,991</u> |

CITY OF TROUTDALE, OREGON
Nonmajor Debt Service Funds
Combining Balance Sheet
June 30, 2023

| | <u>URA Debt Service Fund</u> | <u>FF&C Debt Service Fund</u> | <u>Debt Service Fund</u> | <u>Total</u> |
|--------------------------------------|----------------------------------|---------------------------------------|------------------------------|---------------------|
| ASSETS | | | | |
| Cash and investments | \$ 285,259 | \$ 3,669,370 | \$ 170,513 | \$ 4,125,142 |
| Property taxes receivable | 4,386 | - | 10,274 | 14,660 |
| Accounts receivable | 487 | - | 758 | 1,245 |
| Due from | 1,738,291 | - | - | 1,738,291 |
| Total assets | <u>\$ 2,028,423</u> | <u>\$ 3,669,370</u> | <u>\$ 181,545</u> | <u>\$ 5,879,338</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable Revenue - Taxes | \$ 3,996 | \$ - | 9,649 | \$ 13,645 |
| Total deferred inflows of resources | <u>3,996</u> | <u>-</u> | <u>9,649</u> | <u>13,645</u> |
| FUND BALANCES | | | | |
| Restricted | <u>2,024,427</u> | <u>3,669,370</u> | <u>171,896</u> | <u>5,865,693</u> |
| Total fund balances | <u>2,024,427</u> | <u>3,669,370</u> | <u>171,896</u> | <u>5,865,693</u> |
| Total liabilities and fund balances | <u>\$ 2,028,423</u> | <u>\$ 3,669,370</u> | <u>\$ 181,545</u> | <u>\$ 5,879,338</u> |

CITY OF TROUTDALE, OREGON
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2023

| | <u>Street Improvement Fund</u> | <u>Parks Improvement Fund</u> | <u>Utilities Underground Fund</u> | <u>Street Reimburse- ment Fund</u> | <u>Total</u> |
|--|--|---------------------------------------|---|--|---------------------|
| ASSETS | | | | | |
| Cash and investments | \$ 1,140,760 | \$ 2,416,709 | \$ 3,454,804 | \$ 372,046 | \$ 7,384,319 |
| Interfund loan receivable | - | 440,000 | - | - | 440,000 |
| Total assets | <u>\$ 1,140,760</u> | <u>\$ 2,856,709</u> | <u>\$ 3,454,804</u> | <u>\$ 372,046</u> | <u>\$ 7,824,319</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 33 | \$ 1,850 | \$ - | \$ 131 | \$ 2,014 |
| Total liabilities | <u>33</u> | <u>1,850</u> | <u>-</u> | <u>131</u> | <u>2,014</u> |
| FUND BALANCES | | | | | |
| Restricted | 1,140,727 | 2,854,859 | 3,454,804 | 371,915 | 7,822,305 |
| Total fund balances | <u>1,140,727</u> | <u>2,854,859</u> | <u>3,454,804</u> | <u>371,915</u> | <u>7,822,305</u> |
| Total liabilities and fund balances | <u>\$ 1,140,760</u> | <u>\$ 2,856,709</u> | <u>\$ 3,454,804</u> | <u>\$ 372,046</u> | <u>\$ 7,824,319</u> |

CITY OF TROUTDALE, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2023

| | Total Nonmajor Special Revenue Funds | Total Nonmajor Debt Service Funds | Total Nonmajor Capital Projects Funds | Total |
|--|---|--|--|----------------------|
| REVENUES | | | | |
| Intergovernmental | \$ 13,030 | \$ - | \$ - | \$ 13,030 |
| Charges for services | - | - | 56,923 | 56,923 |
| Property taxes | - | 412,458 | - | 412,458 |
| Franchise | - | - | 245,819 | 245,819 |
| Licenses and permits | 965,360 | - | - | 965,360 |
| Interest | 58,236 | 104,983 | 214,820 | 378,039 |
| Total revenues | <u>1,036,626</u> | <u>517,441</u> | <u>517,562</u> | <u>2,071,629</u> |
| EXPENDITURES | | | | |
| Community development | 819,922 | - | 2,659 | 822,581 |
| Capital outlay | 30,094 | - | 25,354 | 55,448 |
| Debt service: | | | | |
| Principal | - | 493,042 | - | 493,042 |
| Interest | - | 384,505 | - | 384,505 |
| Total expenditures | <u>850,016</u> | <u>877,547</u> | <u>28,013</u> | <u>1,755,576</u> |
| Excess (deficiency) of revenues over (under) expenditures | 186,610 | (360,106) | 489,549 | 316,053 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 1,271,448 | - | 1,271,448 |
| Total other financing sources (uses) | <u>-</u> | <u>1,271,448</u> | <u>-</u> | <u>1,271,448</u> |
| Net changes in fund balances | 186,610 | 911,342 | 489,549 | 1,587,501 |
| FUND BALANCES, BEGINNING | <u>1,724,264</u> | <u>4,954,351</u> | <u>7,332,756</u> | <u>14,011,371</u> |
| FUND BALANCES, ENDING | <u>\$ 1,910,874</u> | <u>\$ 5,865,693</u> | <u>\$ 7,822,305</u> | <u>\$ 15,598,872</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, 2023

| | <u>Street Tree Fund</u> | <u>Bike Paths & Trails Fund</u> | <u>Code Specialties Fund</u> | <u>Sam Cox Building Fund</u> | <u>Total</u> |
|---------------------------------|-----------------------------|---|--------------------------------------|--------------------------------------|---------------------|
| REVENUES | | | | | |
| Intergovernmental | \$ - | \$ 13,030 | \$ - | \$ - | \$ 13,030 |
| Licenses, permits, and fees | - | - | 935,410 | 29,950 | 965,360 |
| Interest | 1,654 | 174 | 52,746 | 3,662 | 58,236 |
| Total revenues | <u>1,654</u> | <u>13,204</u> | <u>988,156</u> | <u>33,612</u> | <u>1,036,626</u> |
| EXPENDITURES | | | | | |
| Community development | 3,092 | 612 | 814,220 | 1,998 | 819,922 |
| Capital outlay | - | - | - | 30,094 | 30,094 |
| Total expenditures | <u>3,092</u> | <u>612</u> | <u>814,220</u> | <u>32,092</u> | <u>850,016</u> |
| Net changes in fund balances | (1,438) | 12,592 | 173,936 | 1,520 | 186,610 |
| FUND BALANCES, BEGINNING | <u>58,698</u> | <u>(20,718)</u> | <u>1,736,793</u> | <u>(50,509)</u> | <u>1,724,264</u> |
| FUND BALANCES, ENDING | <u>\$ 57,260</u> | <u>\$ (8,126)</u> | <u>\$ 1,910,729</u> | <u>\$ (48,989)</u> | <u>\$ 1,910,874</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, 2023

| | <u>URA Debt Service Fund</u> | <u>FF&C Debt Service Fund</u> | <u>Debt Service Fund</u> | <u>Total</u> |
|---|----------------------------------|---------------------------------------|------------------------------|---------------------|
| REVENUES | | | | |
| Property taxes | \$ 164,526 | \$ - | \$ 247,932 | \$ 412,458 |
| Interest | - | 94,439 | 10,544 | 104,983 |
| Total revenues | <u>164,526</u> | <u>94,439</u> | <u>258,476</u> | <u>517,441</u> |
| EXPENDITURES | | | | |
| Debt Service | | | | |
| Principal | - | 148,042 | 345,000 | 493,042 |
| Interest | 11,546 | 208,359 | 164,600 | 384,505 |
| Total expenditures | <u>11,546</u> | <u>356,401</u> | <u>509,600</u> | <u>877,547</u> |
| Excess (deficiency) of revenues over (under) expenditures | 152,980 | (261,962) | (251,124) | (360,106) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 1,096,448 | 175,000 | 1,271,448 |
| Total other financing sources (uses) | <u>-</u> | <u>1,096,448</u> | <u>175,000</u> | <u>1,271,448</u> |
| Net changes in fund balances | 152,980 | 834,486 | (76,124) | 911,342 |
| FUND BALANCES, BEGINNING | <u>1,871,447</u> | <u>2,834,884</u> | <u>248,020</u> | <u>4,954,351</u> |
| FUND BALANCES, ENDING | <u>\$ 2,024,427</u> | <u>\$ 3,669,370</u> | <u>\$ 171,896</u> | <u>\$ 5,865,693</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, 2023

| | <u>Street Improvement Fund</u> | <u>Parks Improvement Fund</u> | <u>Utilities Undergrounding Fund</u> | <u>Street Reimbursement Fund</u> | <u>Total</u> |
|---------------------------------|--|---------------------------------------|--|--|---------------------|
| REVENUES | | | | | |
| Charges for services | \$ 8,414 | \$ 15,000 | \$ - | \$ 33,509 | \$ 56,923 |
| Franchise | - | - | 245,819 | - | 245,819 |
| Interest | 32,190 | 81,776 | 93,571 | 7,283 | 214,820 |
| Total revenues | <u>40,604</u> | <u>96,776</u> | <u>339,390</u> | <u>40,792</u> | <u>517,562</u> |
| EXPENDITURES | | | | | |
| Materials and services | 1,061 | 1,441 | - | 157 | 2,659 |
| Capital outlay | - | 25,354 | - | - | 25,354 |
| Total expenditures | <u>1,061</u> | <u>26,795</u> | <u>-</u> | <u>157</u> | <u>28,013</u> |
| Net changes in fund balances | 39,543 | 69,981 | 339,390 | 40,635 | 489,549 |
| FUND BALANCES, BEGINNING | <u>1,101,184</u> | <u>2,784,878</u> | <u>3,115,414</u> | <u>331,280</u> | <u>7,332,756</u> |
| FUND BALANCES, ENDING | <u>\$ 1,140,727</u> | <u>\$ 2,854,859</u> | <u>\$ 3,454,804</u> | <u>\$ 371,915</u> | <u>\$ 7,822,305</u> |

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

Governmental Funds

Special Revenue Funds

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

Debt Service Funds

URA Debt Service Fund
FF&C Debt Service Fund
Debt Service Fund

Capital Projects Funds

Street Improvement Fund
Parks Improvement Fund
Utilities Undergrounding Fund
Street Reimbursement Fund

**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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|--------------------|--------------------|-------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Sudivision fees | \$ 1,000 | \$ 1,000 | \$ - | \$ (1,000) |
| Interest | 350 | 350 | 1,654 | 1,304 |
| Total revenues | <u>1,350</u> | <u>1,350</u> | <u>1,654</u> | <u>304</u> |
| EXPENDITURES: | | | | |
| Materials and services | <u>60,592</u> | <u>60,592</u> | <u>3,092</u> | <u>57,500</u> |
| Total expenditures | <u>60,592</u> | <u>60,592</u> | <u>3,092</u> | <u>57,500</u> |
| Net changes in fund balances | (59,242) | (59,242) | (1,438) | 57,804 |
| FUND BALANCES, BEGINNING | <u>59,242</u> | <u>59,242</u> | <u>58,698</u> | <u>(544)</u> |
| FUND BALANCES, ENDING | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 57,260</u></u> | <u><u>\$ 57,260</u></u> |

**CITY OF TROUTDALE, OREGON
BIKE PATHS & TRAILS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---|-----------------|-----------------|--|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental revenues | \$ 12,471 | \$ 12,471 | \$ 13,030 | \$ 559 |
| Interest | 100 | 100 | 174 | 74 |
| Total revenues | 12,571 | 12,571 | 13,204 | 633 |
| EXPENDITURES: | | | | |
| Materials and services | 500 | 500 | 612 | (112) |
| Capital outlay | 10,819 | 10,819 | - | 10,819 |
| Total expenditures | 11,319 | 11,319 | 612 | 10,707 |
| Revenues over (under) expenditures | 1,252 | 1,252 | 12,592 | 11,340 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers out | (10,000) | (10,000) | (10,000) | - |
| Total other financing sources (uses) | (10,000) | (10,000) | (10,000) | - |
| Net changes in fund balances | (8,748) | (8,748) | 2,592 | 11,340 |
| FUND BALANCES, BEGINNING | 8,748 | 8,748 | 9,282 | 534 |
| FUND BALANCES, ENDING | \$ - | \$ - | \$ 11,874 | \$ 11,874 |
| | | | Budget to GAAP Reconciliation Interfund loan transactions | (20,000) |
| | | | GAAP Fund Balance | \$ (8,126) |

**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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|----------------------------------|----------------------|----------------------|----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Permits and fees | \$ 1,369,000 | \$ 1,369,000 | \$ 935,410 | \$ (433,590) |
| Miscellaneous | 100 | 100 | - | (100) |
| Interest | 25,000 | 25,000 | 52,746 | 27,746 |
| Total revenues | <u>1,394,100</u> | <u>1,394,100</u> | <u>988,156</u> | <u>(405,944)</u> |
| EXPENDITURES: | | | | |
| Building inspections | 563,850 | 563,850 | 519,376 | 44,474 |
| Electrical inspections | 118,095 | 118,095 | 100,633 | 17,462 |
| Plumbing inspections | 229,124 | 229,124 | 194,211 | 34,913 |
| Contingency | 2,079,491 | 2,079,491 | - | 2,079,491 |
| Total expenditures | <u>2,990,560</u> | <u>2,990,560</u> | <u>814,220</u> | <u>2,176,340</u> |
| Net changes in fund balances | (1,596,460) | (1,596,460) | 173,936 | 1,770,396 |
| FUND BALANCES, BEGINNING | <u>1,596,460</u> | <u>1,596,460</u> | <u>1,736,793</u> | <u>140,333</u> |
| FUND BALANCES, ENDING | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 1,910,729</u></u> | <u><u>\$ 1,910,729</u></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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---|------------------|------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Permits and fees | \$ 17,000 | \$ 17,000 | \$ 29,950 | \$ 12,950 |
| Interest | 500 | 500 | - | (500) |
| Miscellaneous | 500 | 500 | 3,662 | 3,162 |
| Total revenues | 18,000 | 18,000 | 33,612 | 15,612 |
| EXPENDITURES: | | | | |
| Materials and Services | 4,722 | 4,722 | 1,998 | 2,724 |
| Capital Outlay | 33,000 | 33,000 | 30,094 | 2,906 |
| Contingency | 101,689 | 101,689 | - | 101,689 |
| Total expenditures | 139,411 | 139,411 | 32,092 | 107,319 |
| Revenues over (under) expenditures | (121,411) | (121,411) | 1,520 | (91,707) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | (22,500) | (22,500) | (22,500) | - |
| Total other financing sources (uses) | (22,500) | (22,500) | (22,500) | - |
| Net changes in fund balances | (143,911) | (143,911) | (20,980) | 122,931 |
| FUND BALANCES, BEGINNING | 143,911 | 143,911 | 151,991 | 8,080 |
| FUND BALANCES, ENDING | \$ - | \$ - | \$ 131,011 | \$ 131,011 |
| Budget to GAAP Reconciliation | | | | |
| Interfund loan transactions | | | (180,000) | |
| GAAP Fund Balance | | | \$ (48,989) | |

**CITY OF TROUTDALE, OREGON
URA DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|------------------|------------------|-------------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Property taxes | | | | |
| Current year | \$ 179,857 | \$ 179,857 | \$ 152,435 | \$ (27,422) |
| Prior year | 2,000 | 2,000 | 5,892 | 3,892 |
| Penalties and interest | 5,000 | 5,000 | 6,199 | 1,199 |
| Total revenues | <u>186,857</u> | <u>186,857</u> | <u>164,526</u> | <u>(22,331)</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal and Interest | 210,000 | 210,000 | 211,546 | (1,546) |
| Total expenditures | <u>210,000</u> | <u>210,000</u> | <u>211,546</u> | <u>(1,546)</u> |
| Net changes in fund balances | (23,143) | (23,143) | (47,020) | (23,877) |
| FUND BALANCES, BEGINNING | <u>47,449</u> | <u>47,449</u> | <u>71,447</u> | <u>23,998</u> |
| FUND BALANCES, ENDING | <u>\$ 24,306</u> | <u>\$ 24,306</u> | <u>\$ 24,427</u> | <u>\$ 121</u> |
| | | | | |
| | | | Budget to GAAP Reconciliation | |
| | | | Interfund loan transactions | <u>2,000,000</u> |
| | | | GAAP Fund Balance | <u>\$ 2,024,427</u> |

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, 2023

| | Budget | | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Interest | \$ 10,000 | \$ 10,000 | \$ 94,439 | \$ 84,439 |
| Total revenues | 10,000 | 10,000 | 94,439 | 84,439 |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal | 159,500 | 159,500 | 148,042 | 11,458 |
| Interest | 210,700 | 210,700 | 208,359 | 2,341 |
| Total expenditures | 370,200 | 370,200 | 356,401 | 13,799 |
| Revenues over (under) expenditures | (360,200) | (360,200) | (261,962) | 98,238 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | 1,060,961 | 1,060,961 | 1,096,448 | 35,487 |
| Total other financing sources (uses) | 1,060,961 | 1,060,961 | 1,096,448 | 35,487 |
| Net changes in fund balances | 700,761 | 700,761 | 834,486 | 133,725 |
| FUND BALANCES, BEGINNING | 2,828,859 | 2,828,859 | 2,834,884 | 6,025 |
| FUND BALANCES, ENDING | <u>\$ 3,529,620</u> | <u>\$ 3,529,620</u> | <u>\$ 3,669,370</u> | <u>\$ 139,750</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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---|-------------------|-------------------|-------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Property taxes | | | | |
| Current Year | \$ 240,640 | \$ 240,640 | \$ 238,352 | \$ (2,288) |
| Prior Year | 5,000 | 5,000 | 9,580 | 4,580 |
| Interest | 100 | 100 | 10,544 | 10,444 |
| Total revenues | <u>245,740</u> | <u>245,740</u> | <u>258,476</u> | <u>12,736</u> |
| EXPENDITURES: | | | | |
| Debt Service: | | | | |
| Principal | 340,000 | 346,000 | 345,000 | 1,000 |
| Interest | 161,000 | 165,000 | 164,600 | 400 |
| Total debt service | <u>501,000</u> | <u>511,000</u> | <u>509,600</u> | <u>1,400</u> |
| Revenues over (under) expenditures | (255,260) | (265,260) | (251,124) | 14,136 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers in | <u>175,000</u> | <u>185,000</u> | <u>175,000</u> | <u>(10,000)</u> |
| Total other financing sources (uses) | <u>175,000</u> | <u>185,000</u> | <u>175,000</u> | <u>(10,000)</u> |
| Net changes in fund balances | (80,260) | (80,260) | (76,124) | 4,136 |
| FUND BALANCES, BEGINNING | <u>230,839</u> | <u>230,839</u> | <u>248,020</u> | <u>17,181</u> |
| FUND BALANCES, ENDING | <u>\$ 150,579</u> | <u>\$ 150,579</u> | <u>\$ 171,896</u> | <u>\$ 21,317</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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|--------------------|--------------------|----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| System development charges | \$ 10,000 | \$ 10,000 | \$ 8,414 | \$ (1,586) |
| Interest | 2,500 | 2,500 | 32,190 | 29,690 |
| Total revenues | <u>12,500</u> | <u>12,500</u> | <u>40,604</u> | <u>28,104</u> |
| EXPENDITURES: | | | | |
| Materials and services | 25,100 | 25,100 | 1,061 | 24,039 |
| Capital outlay | 475,000 | 475,000 | - | 475,000 |
| Contingency | 600,755 | 600,755 | - | 600,755 |
| Total expenditures | <u>1,100,855</u> | <u>1,100,855</u> | <u>1,061</u> | <u>1,099,794</u> |
| Net changes in fund balances | (1,088,355) | (1,088,355) | 39,543 | 1,127,898 |
| FUND BALANCES, BEGINNING | <u>1,088,355</u> | <u>1,088,355</u> | <u>1,101,184</u> | <u>12,829</u> |
| FUND BALANCES, ENDING | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 1,140,727</u></u> | <u><u>\$ 1,140,727</u></u> |

**CITY OF TROUTDALE, OREGON
PARKS IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---|------------------|------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Intergovernmental | \$ 100,000 | \$ 100,000 | \$ - | \$ (100,000) |
| System development charges | 15,000 | 15,000 | 15,000 | - |
| Interest | 16,000 | 16,000 | 81,776 | 65,776 |
| Miscellaneous | 112,500 | 112,500 | - | (112,500) |
| Total revenues | <u>243,500</u> | <u>243,500</u> | <u>96,776</u> | <u>(146,724)</u> |
| EXPENDITURES: | | | | |
| Materials and services | 75,000 | 75,000 | 1,441 | 73,559 |
| Capital outlay | 472,500 | 472,500 | 25,354 | 447,146 |
| Contingency | 1,719,579 | 1,719,579 | - | 1,719,579 |
| Total expenditures | <u>2,267,079</u> | <u>2,267,079</u> | <u>26,795</u> | <u>2,240,284</u> |
| Revenues over (under) expenditures | (2,023,579) | (2,023,579) | 69,981 | 2,093,560 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Transfers In | - | - | 112,500 | 112,500 |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>112,500</u> | <u>112,500</u> |
| Net changes in fund balances | (2,023,579) | (2,023,579) | 182,481 | 2,206,060 |
| FUND BALANCE, BEGINNING | <u>2,023,579</u> | <u>2,023,579</u> | <u>2,232,378</u> | <u>208,799</u> |
| FUND BALANCE, ENDING | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,414,859</u> | <u>\$ 2,414,859</u> |
| Budget to GAAP Reconciliation | | | | |
| Interfund loan transactions | | | <u>440,000</u> | |
| GAAP Fund Balance | | | <u>\$ 2,854,859</u> | |

**CITY OF TROUTDALE, OREGON
UTILITIES UNDERGROUNDING FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023**

| | Budget | | Actual | Variance with Final Budget |
|--------------------------------|--------------------|--------------------|----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Franchise fees | \$ 216,794 | \$ 216,794 | \$ 245,819 | \$ 29,025 |
| Interest | 35,000 | 35,000 | 93,571 | 58,571 |
| Total revenues | <u>251,794</u> | <u>251,794</u> | <u>339,390</u> | <u>87,596</u> |
| EXPENDITURES: | | | | |
| Capital outlay | <u>3,387,403</u> | <u>3,387,403</u> | - | <u>3,387,403</u> |
| Total expenditures | <u>3,387,403</u> | <u>3,387,403</u> | - | <u>3,387,403</u> |
| Net changes in fund balances | (3,135,609) | (3,135,609) | 339,390 | 3,474,999 |
| FUND BALANCE, BEGINNING | <u>3,135,609</u> | <u>3,135,609</u> | <u>3,115,414</u> | <u>(20,195)</u> |
| FUND BALANCE, ENDING | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 3,454,804</u></u> | <u><u>\$ 3,454,804</u></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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|--------------------|--------------------|--------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| System Development Charges | \$ 79,600 | \$ 79,600 | \$ 33,509 | \$ (46,091) |
| Interest | 100 | 100 | 7,283 | 7,183 |
| Total revenues | <u>79,700</u> | <u>79,700</u> | <u>40,792</u> | <u>(38,908)</u> |
| EXPENDITURES: | | | | |
| Materials and services | 6,000 | 6,000 | 157 | 5,843 |
| Capital outlay | 225,000 | 225,000 | - | 225,000 |
| Contingency | 139,833 | 139,833 | - | 139,833 |
| Total expenditures | <u>370,833</u> | <u>370,833</u> | <u>157</u> | <u>370,676</u> |
| Net changes in fund balances | (291,133) | (291,133) | 40,635 | 331,768 |
| FUND BALANCES, BEGINNING | <u>291,133</u> | <u>291,133</u> | <u>331,280</u> | <u>40,147</u> |
| FUND BALANCES, ENDING | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 371,915</u></u> | <u><u>\$ 371,915</u></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

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

Public Service Fund Reconciliation of Budgetary Revenues and
Expenditures to Proprietary Revenues and Expenses

**CITY OF TROUTDALE, OREGON
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023**

| | Budget | | Actual | Variance with Final Budget |
|--|------------------|------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for services | \$ 2,717,987 | \$ 2,717,987 | \$ 3,089,099 | \$ 371,112 |
| Interest | 5,000 | 5,000 | 67,053 | 62,053 |
| Miscellaneous | 79,304 | 79,304 | 36,172 | (43,132) |
| | <u>2,802,291</u> | <u>2,802,291</u> | <u>3,192,324</u> | <u>390,033</u> |
| Total revenues | | | | |
| EXPENDITURES: | | | | |
| Personnel services | 773,832 | 773,832 | 654,540 | 119,292 |
| Materials and services | 1,792,935 | 1,792,935 | 1,459,045 | 333,890 |
| Capital outlay | 1,722,800 | 1,722,800 | 736,189 | 986,611 |
| Contingency | 325,000 | 325,000 | - | 325,000 |
| | <u>4,614,567</u> | <u>4,614,567</u> | <u>2,849,774</u> | <u>1,764,793</u> |
| Total expenditures | | | | |
| Revenues over (under) expenditures | (1,812,276) | (1,812,276) | 342,550 | 2,154,826 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Sale of Capital Asset | - | - | 12,370 | (12,370) |
| | <u>-</u> | <u>-</u> | <u>12,370</u> | <u>(12,370)</u> |
| Total other financing sources (uses) | | | | |
| Net changes in fund balances | (1,812,276) | (1,812,276) | 354,920 | 2,167,196 |
| FUND BALANCES, BEGINNING | <u>1,849,628</u> | <u>1,849,628</u> | <u>2,429,406</u> | <u>579,778</u> |
| FUND BALANCES, ENDING | <u>\$ 37,352</u> | <u>\$ 37,352</u> | <u>\$ 2,784,326</u> | <u>\$ 2,746,974</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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|--------------------|--------------------|--------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| System development charges | \$ 10,000 | \$ 10,000 | \$ 36,699 | \$ 26,699 |
| Interest | 100 | 100 | 25,960 | 25,860 |
| Total revenues | <u>10,100</u> | <u>10,100</u> | <u>62,659</u> | <u>52,559</u> |
| EXPENDITURES: | | | | |
| Materials and services | 56,000 | 56,000 | 1,574 | 54,426 |
| Capital outlay | 160,000 | 160,000 | 24,474 | 135,526 |
| Contingency | 460,715 | 460,715 | - | 460,715 |
| Total expenditures | <u>676,715</u> | <u>676,715</u> | <u>26,048</u> | <u>650,667</u> |
| Net changes in fund balances | (666,615) | (666,615) | 36,611 | 703,226 |
| FUND BALANCES, BEGINNING | <u>666,615</u> | <u>666,615</u> | <u>894,579</u> | <u>227,964</u> |
| FUND BALANCES, ENDING | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 931,190</u></u> | <u><u>\$ 931,190</u></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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|--------------------|--------------------|--------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| System Development Charges | \$ 26,890 | \$ 26,890 | \$ 21,614 | \$ (5,276) |
| Interest | 300 | 300 | 7,056 | 6,756 |
| Total revenues | <u>27,190</u> | <u>27,190</u> | <u>28,670</u> | <u>1,480</u> |
| EXPENDITURES: | | | | |
| Materials and services | 6,000 | 6,000 | 535 | 5,465 |
| Capital outlay | 56,000 | 56,000 | 3,355 | 52,645 |
| Contingency | 122 | 122 | - | 122 |
| Total expenditures | <u>62,122</u> | <u>62,122</u> | <u>3,890</u> | <u>58,232</u> |
| Net changes in fund balances | (34,932) | (34,932) | 24,780 | 59,712 |
| FUND BALANCES, BEGINNING | <u>34,932</u> | <u>34,932</u> | <u>411,939</u> | <u>377,007</u> |
| FUND BALANCES, ENDING | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 436,719</u></u> | <u><u>\$ 436,719</u></u> |

**CITY OF TROUTDALE, OREGON
WATER FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2023**

| | <u>Revenues</u> | <u>Expenditures/ Expenses</u> |
|--|------------------|-----------------------------------|
| Water Fund | \$ 3,204,694 | \$ 2,849,774 |
| Water Improvement Fund | 62,659 | 26,048 |
| Water Reimbursement Fund | 28,670 | 3,890 |
| Total (Budgetary) | <u>3,296,023</u> | <u>2,879,712</u> |
| Capital outlay expenditures capitalized | - | (731,268) |
| Loss on capital asset | (11,628) | - |
| Depreciation expense | - | 378,146 |
| Pension expense | - | 17,858 |
| Net change in accrued compensated absences | <u>-</u> | <u>10,890</u> |
| Revenues and expenses (GAAP) | \$ 3,284,395 | \$ 2,555,338 |

**CITY OF TROUTDALE, OREGON
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---|---------------------|---------------------|---------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for services | \$ 3,816,413 | \$ 3,816,413 | \$ 4,135,056 | \$ 318,643 |
| Interest | 40,000 | 40,000 | 129,152 | 89,152 |
| Miscellaneous | 1,000 | 1,000 | 16,114 | 15,114 |
| Total revenues | 3,857,413 | 3,857,413 | 4,280,322 | 422,909 |
| EXPENDITURES: | | | | |
| Personnel services | 726,307 | 754,807 | 739,466 | 15,341 |
| Materials and services | 2,223,413 | 2,223,413 | 2,097,221 | 126,192 |
| Capital outlay | 1,157,500 | 1,507,500 | 1,033,155 | 474,345 |
| Debt Service | | 1,500 | 508 | 992 |
| Contingency | 600,000 | 220,000 | - | 220,000 |
| Total expenditures | 4,707,220 | 4,707,220 | 3,870,350 | 836,870 |
| Revenues over (under) expenditures | (849,807) | (849,807) | 409,972 | 1,259,779 |
| OTHER FINANCING SOURCES (USES): | | | | |
| Sale of capital asset | - | - | 7,808 | 7,808 |
| Total other financing sources (uses) | - | - | 7,808 | 7,808 |
| Net changes in fund balances | (849,807) | (849,807) | 417,780 | 1,267,587 |
| FUND BALANCES, BEGINNING | 3,598,429 | 3,598,429 | 4,454,337 | 855,908 |
| FUND BALANCES, ENDING | \$ 2,748,622 | \$ 2,748,622 | \$ 4,872,117 | \$ 2,123,495 |

**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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|--------------------|--------------------|----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| System development charges | \$ 40,000 | \$ 40,000 | \$ 166,819 | \$ 126,819 |
| Interest | 12,000 | 12,000 | 58,459 | 46,459 |
| Total revenues | <u>52,000</u> | <u>52,000</u> | <u>225,278</u> | <u>173,278</u> |
| EXPENDITURES: | | | | |
| Materials and Services | 26,000 | 26,000 | 1,256 | 24,744 |
| Capital Outlay | 180,000 | 180,000 | - | 180,000 |
| Contingency | 1,961,315 | 1,961,315 | - | 1,961,315 |
| Total expenditures | <u>2,167,315</u> | <u>2,167,315</u> | <u>1,256</u> | <u>2,166,059</u> |
| Net changes in fund balances | (2,115,315) | (2,115,315) | 224,022 | 2,339,337 |
| FUND BALANCES, BEGINNING | <u>2,115,315</u> | <u>2,115,315</u> | <u>1,967,555</u> | <u>(147,760)</u> |
| FUND BALANCES, ENDING | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 2,191,577</u></u> | <u><u>\$ 2,191,577</u></u> |

**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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|--------------------|--------------------|----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| System Development Charges | \$ 70,850 | \$ 70,850 | \$ 506,053 | \$ 435,203 |
| Interest | 1,000 | 1,000 | 72,271 | 71,271 |
| Total revenues | <u>71,850</u> | <u>71,850</u> | <u>578,324</u> | <u>506,474</u> |
| EXPENDITURES: | | | | |
| Materials and services | 26,000 | 26,000 | 1,792 | 24,208 |
| Capital outlay | 456,000 | 456,000 | 45,700 | 410,300 |
| Contingency | 2,167,497 | 2,167,497 | - | 2,167,497 |
| Total expenditures | <u>2,649,497</u> | <u>2,649,497</u> | <u>47,492</u> | <u>2,602,005</u> |
| Net changes in fund balances | (2,577,647) | (2,577,647) | 530,832 | 3,108,479 |
| FUND BALANCES, BEGINNING | <u>2,577,647</u> | <u>2,577,647</u> | <u>2,834,816</u> | <u>257,169</u> |
| FUND BALANCES, ENDING | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 3,365,648</u></u> | <u><u>\$ 3,365,648</u></u> |

**CITY OF TROUTDALE, OREGON
SEWER FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2023**

| | <u>Revenues</u> | <u>Expenditures/ Expenses</u> |
|--|------------------|-----------------------------------|
| Sewer Fund | \$ 4,288,130 | \$ 3,870,350 |
| Sewer Improvement Fund | 225,278 | 1,256 |
| Sewer Reimbursement Fund | 578,324 | 47,492 |
| Total | <u>5,091,732</u> | <u>3,919,098</u> |
| Depreciation expense | - | 727,886 |
| Capital outlay | - | (960,220) |
| Net change in accrued compensated absences | - | 430 |
| Pension expense | <u>-</u> | <u>17,858</u> |
| Revenues and expenses | \$ 5,091,732 | \$ 3,705,052 |

**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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|--------------------|--------------------|----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for services | \$ 1,278,951 | \$ 1,278,951 | \$ 1,276,783 | \$ (2,168) |
| Licenses and permits | 4,000 | 4,000 | - | (4,000) |
| Interest | 500 | 500 | 47,016 | 46,516 |
| Miscellaneous | 500 | 500 | 7,497 | 6,997 |
| | <u>1,283,951</u> | <u>1,283,951</u> | <u>1,331,296</u> | <u>47,345</u> |
| EXPENDITURES: | | | | |
| Personnel services | 293,738 | 308,738 | 300,265 | 8,473 |
| Materials and services | 696,463 | 696,463 | 558,536 | 137,927 |
| Capital outlay | 223,000 | 223,000 | 43,376 | 179,624 |
| Contingency | 1,445,841 | 1,430,841 | - | 1,430,841 |
| | <u>2,659,042</u> | <u>2,659,042</u> | <u>902,177</u> | <u>1,756,865</u> |
| Net changes in fund balances | (1,375,091) | (1,375,091) | 429,119 | 1,804,210 |
| FUND BALANCES, BEGINNING | <u>1,375,091</u> | <u>1,375,091</u> | <u>1,492,856</u> | <u>117,765</u> |
| FUND BALANCES, ENDING | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 1,921,975</u></u> | <u><u>\$ 1,921,975</u></u> |

**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, 2023**

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------|--------------------|--------------------|----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| System development charges | \$ 10,000 | \$ 10,000 | \$ 20,894 | \$ 10,894 |
| Interest | 40,000 | 40,000 | 91,620 | 51,620 |
| Total revenues | <u>50,000</u> | <u>50,000</u> | <u>112,514</u> | <u>62,514</u> |
| EXPENDITURES: | | | | |
| Materials and services | 11,000 | 11,000 | 886 | 10,114 |
| Capital outlay | 575,000 | 575,000 | - | 575,000 |
| Contingency | 2,536,714 | 2,536,714 | - | 2,536,714 |
| Total expenditures | <u>3,122,714</u> | <u>3,122,714</u> | <u>886</u> | <u>3,121,828</u> |
| Net changes in fund balances | (3,072,714) | (3,072,714) | 111,628 | 3,184,342 |
| FUND BALANCES, BEGINNING | <u>3,072,714</u> | <u>3,072,714</u> | <u>3,111,898</u> | <u>39,184</u> |
| FUND BALANCES, ENDING | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 3,223,526</u></u> | <u><u>\$ 3,223,526</u></u> |

**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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|--------------------|--------------------|--------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| System Development Charges | \$ 16,670 | \$ 16,670 | \$ 5,272 | \$ (11,398) |
| Interest | 100 | 100 | 3,649 | 3,549 |
| Total revenues | <u>16,770</u> | <u>16,770</u> | <u>8,921</u> | <u>(7,849)</u> |
| EXPENDITURES: | | | | |
| Materials and services | 11,000 | 11,000 | 56 | 10,944 |
| Capital outlay | 55,000 | 55,000 | 29,107 | 25,893 |
| Contingency | 93,782 | 93,782 | - | 93,782 |
| Total expenditures | <u>159,782</u> | <u>159,782</u> | <u>29,163</u> | <u>130,619</u> |
| Net changes in fund balances | (143,012) | (143,012) | (20,242) | 122,770 |
| FUND BALANCES, BEGINNING | <u>143,012</u> | <u>143,012</u> | <u>157,401</u> | <u>14,389</u> |
| FUND BALANCES, ENDING | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 137,159</u></u> | <u><u>\$ 137,159</u></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, 2023**

| | <u>Revenues</u> | <u>Expenditures/ Expenses</u> |
|--------------------------------|-----------------------------|-----------------------------------|
| Storm Sewer Improvement Fund | \$ 112,514 | \$ 886 |
| Storm Sewer Utility Fund | 1,331,296 | 902,177 |
| Storm Sewer Reimbursement Fund | 8,921 | 29,163 |
| Total | <u>1,452,731</u> | <u>932,226</u> |
| Depreciation expense | - | 242,599 |
| Capital outlay | - | (65,771) |
| Pension expense | - | 8,118 |
| Accrued vacation expense | <u> </u> | <u>1,472</u> |
| Revenues and expenses | \$ 1,452,731 | \$ 1,118,644 |

**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, 2023**

| | Budget | | Actual | Variance with Final Budget |
|---------------------------------|--------------------|--------------------|----------------------------|-------------------------------|
| | Original | Final | | |
| REVENUES: | | | | |
| Charges for services | \$ 1,991,714 | \$ 1,991,714 | \$ 1,907,790 | \$ (83,924) |
| Licenses and permits | 4,556 | 4,556 | 13,190 | 8,634 |
| Interest | 1,000 | 1,000 | 29,669 | 28,669 |
| Miscellaneous | - | - | 281 | 281 |
| | <u>1,997,270</u> | <u>1,997,270</u> | <u>1,950,930</u> | <u>(46,340)</u> |
| Total revenues | | | | |
| EXPENDITURES: | | | | |
| Equipment maintenance | 467,100 | 467,100 | 426,334 | 40,766 |
| Public works management | 1,766,791 | 1,766,791 | 1,380,337 | 386,454 |
| Contingency | 524,086 | 524,086 | - | 524,086 |
| | <u>2,757,977</u> | <u>2,757,977</u> | <u>1,806,671</u> | <u>951,306</u> |
| Total expenditures | | | | |
| Net Changes in fund balances | (760,707) | (760,707) | 144,259 | 904,966 |
| FUND BALANCES, BEGINNING | <u>760,707</u> | <u>760,707</u> | <u>917,190</u> | <u>156,483</u> |
| FUND BALANCES, ENDING | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 1,061,449</u></u> | <u><u>\$ 1,061,449</u></u> |

**CITY OF TROUTDALE, OREGON
PUBLIC SERVICES FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2023**

| | <u>Revenues</u> | <u>Expenditures/ Expenses</u> |
|--|-----------------|-----------------------------------|
| Public Services Fund | \$ 1,950,930 | \$ 1,806,671 |
| Total | 1,950,930 | 1,806,671 |
| Depreciation expense | - | 70,680 |
| Capital outlay | - | (60,592) |
| Debt payments | - | (28,006) |
| Net change in accrued compensated absences | - | 56,180 |
| Revenues and expenses | \$ 1,950,930 | \$ 1,844,933 |

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

CITY OF TROUTDALE, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2023

Governmental funds capital assets:

| | |
|---|----------------------|
| Land | \$ 5,800,677 |
| Right to use equipment lease | 24,964 |
| Land improvements | 10,560,844 |
| Buildings and building improvements | 10,882,631 |
| Right to use building lease | 762,403 |
| Equipment | 1,319,985 |
| Infrastructure | 25,612,505 |
| Subscription assets | 419,431 |
| Work in process | 309,374 |
| | <u>309,374</u> |
| Total governmental funds capital assets | <u>\$ 55,692,814</u> |

Investments in governmental capital assets by source:

| | |
|---|----------------------|
| Balance, July 1, 2022 | \$ 54,827,433 |
| Net changes provided by: | |
| General fund | 726,453 |
| Urban Renewal | 58,359 |
| Parks | 69,792 |
| Streets | 10,777 |
| Total | <u>865,381</u> |
| Total governmental funds capital assets | <u>\$ 55,692,814</u> |

CITY OF TROUTDALE, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2023

| | Land and Land Improvements and Intangibles | Buildings and Improvements | Equipment | Subscriptions | Infrastructure | Work in Progress | Total |
|-----------------------|--|-------------------------------|---------------------|-------------------|----------------------|-------------------|----------------------|
| General Government | \$ 1,794,189 | \$ 2,153,576 | \$ 295,506 | 419,431 | \$ - | \$ - | \$ 4,662,702 |
| Urban Renewal | 6,751,289 | - | - | - | - | 244,913 | 6,996,202 |
| Community Development | 6,955,904 | 2,029,817 | 547,736 | - | - | 64,459 | 9,597,916 |
| Public Safety | 115,781 | 7,425,335 | 32,000 | - | - | - | 7,573,116 |
| Highways and Streets | 744,358 | 36,307 | 469,708 | - | 25,612,505 | - | 26,862,878 |
| Total Investment | <u>\$ 16,361,521</u> | <u>\$ 11,645,035</u> | <u>\$ 1,344,950</u> | <u>\$ 419,431</u> | <u>\$ 25,612,505</u> | <u>\$ 309,372</u> | <u>\$ 55,692,814</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, 2023

| Function and Activity | Balance July 1, 2022 | Additions | Deductions | Balance June 30, 2023 |
|-------------------------|-----------------------------|----------------------------|------------------------------|-----------------------------|
| General Government | \$ 3,936,248 | \$ 1,810,695 | \$ (1,084,241) | \$ 4,662,702 |
| Urban Renewal | 6,937,844 | 58,358 | - | 6,996,202 |
| Community Development | 9,528,125 | 154,841 | (85,050) | 9,597,916 |
| Public Safety | 7,573,113 | 3 | - | 7,573,116 |
| Highways and Streets | <u>26,852,103</u> | <u>44,708</u> | <u>(33,933)</u> | <u>26,862,878</u> |
| Total Investment | <u><u>\$ 54,827,433</u></u> | <u><u>\$ 2,068,605</u></u> | <u><u>\$ (1,203,224)</u></u> | <u><u>\$ 55,692,814</u></u> |

City of Troutdale, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

June 30, 2023

| Tax Year | Taxes Uncollected July 1, 2022 | 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, 2023 |
|---|---|--|----------------------------------|--------------------------------|---|--|--|
| 2022-2023 | \$ | \$ 6,892,607 | \$ (180,984) | \$ 810 | \$ (19,503) | \$ (6,597,004) | \$ 95,926 |
| 2021-2022 | 75,803 | | 276 | 1,091 | (11,546) | (30,921) | 34,703 |
| 2020-2021 | 31,746 | | 85 | 803 | (5,124) | (7,603) | 19,906 |
| 2019-2020 | 19,342 | | 37 | 1,821 | (1,674) | (9,771) | 9,755 |
| 2018-19 | 8,348 | | 40 | 1,013 | (1,521) | (5,845) | 2,036 |
| 2017-18 | 2,571 | | 1 | 215 | (487) | (818) | 1,482 |
| 2016-17 | 1,376 | | - | 213 | (159) | (620) | 811 |
| 2015-16 | 604 | | - | 6 | (9) | (19) | 582 |
| 2014-15 | 536 | | - | 7 | (97) | (20) | 426 |
| 2013-14 | 487 | | - | 4 | (3) | (9) | 478 |
| 2012-13 | 634 | | - | 2 | (6) | (5) | 625 |
| 2011-12 and prior | 12,170 | | - | 153 | (31) | (289) | 12,005 |
| Total | \$ <u>153,618</u> | \$ <u>6,892,607</u> | \$ <u>(180,546)</u> | \$ <u>6,138</u> | \$ <u>(40,159)</u> | \$ <u>(6,652,924)</u> | \$ <u>178,735</u> |
| | | | | | | Revenue Total | Receivable June 30, 2023 |
| Governmental Funds | | | | | | \$ 6,652,924 | \$ 178,735 |
| Miscellaneous adjustments | | | | | | | |
| Change in property taxes subject to accrual | | | | | | <u>1,359</u> | |
| Total taxes, tax penalties and interest | | | | | | \$ <u>6,654,283</u> | |

**OTHER
INFORMATION**

City of Troutdale, Oregon

SCHEDULE OF DEBT PRINCIPAL TRANSACTIONS

June 30, 2023

| | Interest Rate | Date | Original Issue Amount | Outstanding July 1, 2022 | Increases/ (Reductions) | 2022-2023 Transactions | | Outstanding at June 30, 2023 Unmatured |
|---|---------------|-----------|-----------------------|--------------------------|-------------------------|------------------------|------------|--|
| | | | | | | Matured/ Called | Paid | |
| <u>General obligation bonds</u> | | | | | | | | |
| Police Facility Bonds | 3.25-4.0 % | 7-7-21 | \$ 4,570,000 | \$ 4,230,000 | \$ - | \$ 345,000 | \$ 345,000 | \$ 3,885,000 |
| Refunding Series 2021 | | | | | | | | |
| <u>Full Faith and Credit Obligations</u> | | | | | | | | |
| Troutdale Riverfront Renewal Plan | 3.15-3.59 % | 3-1-18 | \$ 5,000,000 | \$ 5,000,000 | \$ - | \$ - | \$ - | \$ 5,000,000 |
| Riverfront Redevelopment Cleanup Project | | | | | | | | |
| State Brownfields Redevelopment Fd Financing Contract #N20018 | 3.00 % | 8-13-2020 | \$ 1,500,000 | \$ 1,500,000 | \$ (60,000) | \$ 134,415 | \$ 134,415 | \$ 1,305,585 |
| <u>Leases - Right to Use</u> | | | | | | | | |
| Governmental Activities | | | | | | | | |
| Various Equipment Leases | 7.27-17.31 % | various | \$ 46,117 | \$ 16,786 | \$ - | \$ 7,686 | \$ 7,686 | \$ 9,100 |
| Various Facility Leases | 0.33 % | various | \$ 195,345 | \$ 116,207 | \$ 646,386 | \$ 128,204 | \$ 128,204 | \$ 634,389 |
| Business-type Activities | | | | | | | | |
| Various Equipment Leases | 3.86-12.55 % | various | \$ 8,893 | \$ 16,374 | \$ - | \$ 4,606 | \$ 4,606 | \$ 11,768 |
| <u>IT Subscriptions - Right to Use</u> | | | | | | | | |
| Governmental Activities | | | | | | | | |
| Administrative Processing Software | 2.95 % | 7-1-22 | \$ 419,431 | \$ - | \$ 419,431 | \$ 79,081 | \$ 79,081 | \$ 340,350 |
| Business-type Activities | | | | | | | | |
| Production Processing Software | 2.95 % | 7-1-22 | \$ 124,107 | \$ - | \$ 124,107 | \$ 23,400 | \$ 23,400 | \$ 100,707 |

City of Troutdale, Oregon

SCHEDULE OF DEBT INTEREST TRANSACTIONS

June 30, 2023

| | Issue Date | 2022-2023 Transactions | | | | Future Liability at June 30, 2023 | | |
|---|------------|------------------------|------------|----------------------------|------------|-----------------------------------|------------|------------|
| | | Unmatured | Total | Increases/ (Reductions) | Matured | Paid | Unmatured | Total |
| <u>General obligation bonds</u> | | | | | | | | |
| Police Facility Bonds, Refunding Series 2021 | 7-7-21 | \$ 903,675 | \$ 903,675 | \$ - | \$ 164,600 | \$ 164,600 | \$ 739,075 | \$ 739,075 |
| <u>3.25%-4.0% interest</u> | | | | | | | | |
| <u>Full Faith and Credit Obligations</u> | | | | | | | | |
| Troutdale Riverfront Renewal Plan | 3-1-18 | \$ 679,000 | \$ 679,000 | \$ - | \$ 167,000 | \$ 167,000 | \$ 512,000 | \$ 512,000 |
| <u>Riverfront Redevelopment Cleanup Project</u> | | | | | | | | |
| State Brownfields Redevelopment Fund | 8-13-2020 | \$ 190,696 | \$ 190,696 | \$ - | \$ 43,700 | \$ 43,700 | \$ 146,996 | \$ 146,996 |
| <u>Financing Contract #N20018</u> | | | | | | | | |
| <u>Leases - Right to Use</u> | | | | | | | | |
| <u>Governmental Activities</u> | | | | | | | | |
| Various Equipment Leases | various | \$ 2,237 | \$ 2,237 | \$ - | \$ 1,436 | \$ 1,436 | \$ 801 | \$ 801 |
| <u>Governmental Activities</u> | | | | | | | | |
| Various Facility Leases | various | \$ 360 | \$ 360 | \$ 84,020 | \$ 3,319 | \$ 3,319 | \$ 81,061 | \$ 81,061 |
| <u>Business-type Activities</u> | | | | | | | | |
| Various Equipment Leases | various | \$ 1,614 | \$ 1,614 | \$ - | \$ 767 | \$ 767 | \$ 847 | \$ 847 |
| <u>IT Subscriptions - Right to Use</u> | | | | | | | | |
| <u>Governmental Activities</u> | | | | | | | | |
| Administrative Processing Software | 7-1-22 | - | \$ - | \$ 37,839 | \$ 12,373 | \$ 12,373 | \$ 25,466 | \$ 25,466 |
| <u>Business-type Activities</u> | | | | | | | | |
| Production Processing Software | 7-1-22 | - | \$ - | \$ 11,196 | \$ 3,661 | \$ 3,661 | \$ 7,535 | \$ 7,535 |

City of Troutdale, Oregon

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS
OF GENERAL OBLIGATION BONDS

June 30, 2023

| Year of Maturity | Police Facility Refunding Series 2021 Issued 7-7-2021 | |
|---------------------|---|--------------------------|
| | Principal | Interest |
| 2023-24 | \$ 370,000 | \$ 150,800 |
| 2024-25 | 405,000 | 136,000 |
| 2025-26 | 430,000 | 119,800 |
| 2026-27 | 470,000 | 103,675 |
| 2027-28 | 495,000 | 88,400 |
| 2028-29 | 530,000 | 68,600 |
| 2029-30 | 575,000 | 47,400 |
| 2030-31 | <u>610,000</u> | <u>24,400</u> |
| | \$ <u><u>3,885,000</u></u> | \$ <u><u>739,074</u></u> |

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

Last ten fiscal years

| (1) Fiscal year ended June 30, | Taxes | Intergovernmental Revenues | Licenses and Permits | Fines and Forfeitures | Charges for Current Services | Franchise Fees | Miscellaneous Revenues | Total |
|---|--------------|-------------------------------|----------------------------|--------------------------|------------------------------------|-------------------|---------------------------|---------------|
| 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 |
| 2020 | 7,670,016 | 2,918,014 | 826,231 | 258,240 | 1,665,445 | 1,506,321 | 2,332,022 | 17,176,289 |
| 2021 | 7,832,574 | 4,027,831 | 531,677 | 235,317 | 887,203 | 1,555,665 | 2,035,187 | 17,105,454 |
| 2022 | 8,261,920 | 5,416,518 | 882,100 | 281,446 | 1,684,177 | 1,714,422 | 1,650,328 | 19,890,911 |
| 2023 | 8,516,110 | 5,791,814 | 1,018,365 | 375,820 | 993,112 | 1,848,987 | 3,035,641 | 21,579,849 |

(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.

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 |
|---|-----------------------|------------------|----------------------------|--------------------------|---------------------------|-------------------|-----------------|---------------|
| 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 |
| 2020 | 2,776,919 | 6,300,868 | 1,916,831 | 3,044,448 | 15,411 | 2,247,870 | 734,655 | 17,037,002 |
| 2021 | 3,447,499 | 6,634,570 | 1,730,287 | 3,024,155 | 24,824 | 734,378 | 738,369 | 16,334,082 |
| 2022 | 3,399,564 | 6,792,222 | 1,745,399 | 2,780,248 | 18,438 | 475,352 | 5,982,527 | 21,193,750 |
| 2023 | 2,916,873 | 7,129,077 | 1,935,856 | 3,857,779 | 51,763 | 1,199,259 | 1,030,115 | 18,120,722 |

(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, 2023

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 annual comprehensive 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.

96-100

Revenue Capacity

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

101-104

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.

105-108

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.

109-113

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.

114-115

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 11,679,907 | \$ 10,979,510 | \$ 11,576,791 | \$ 11,304,143 | \$ 8,767,186 | \$ 12,528,876 | \$ 14,391,019 | \$ 13,541,199 | \$ 13,016,440 | \$ 13,414,333 |
| Restricted | 5,478,484 | 5,893,683 | 5,886,401 | 7,647,283 | 11,091,412 | 12,116,955 | 14,817,802 | 16,072,989 | 18,561,612 | 20,530,195 |
| Unrestricted | 3,110,090 | 2,775,525 | 1,610,901 | 1,255,451 | 4,171,911 | 2,058,656 | 32,835 | 1,081,141 | 2,858,835 | 5,413,355 |
| Total governmental activities net assets | \$ 20,268,481 | \$ 19,648,718 | \$ 19,074,093 | \$ 20,206,877 | \$ 24,030,509 | \$ 26,704,487 | \$ 29,241,656 | \$ 30,695,329 | \$ 34,436,887 | \$ 39,357,883 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 30,043,118 | \$ 29,873,029 | \$ 30,273,275 | \$ 30,214,400 | \$ 31,536,933 | \$ 31,623,622 | \$ 32,225,418 | \$ 31,700,969 | \$ 31,105,458 | \$ 31,520,376 |
| Restricted | 2,332,344 | 2,374,868 | 2,044,059 | 2,121,132 | 3,288,474 | 4,684,760 | 5,230,099 | 6,339,894 | 9,386,906 | 10,288,809 |
| Unrestricted | 3,449,058 | 3,417,969 | 2,116,593 | 3,323,380 | 3,871,447 | 4,069,924 | 3,668,489 | 5,464,196 | 8,148,931 | 9,387,931 |
| Total business-type activities net assets | \$ 35,824,520 | \$ 35,665,866 | \$ 34,433,927 | \$ 35,658,912 | \$ 38,696,854 | \$ 40,378,306 | \$ 41,124,006 | \$ 43,505,059 | \$ 48,641,295 | \$ 51,197,116 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 41,723,025 | \$ 40,852,539 | \$ 41,850,066 | \$ 41,518,543 | \$ 40,304,119 | \$ 44,152,498 | \$ 46,616,437 | \$ 45,242,168 | \$ 44,121,898 | \$ 44,934,709 |
| Restricted | 7,810,828 | 8,268,551 | 7,930,460 | 9,768,415 | 14,379,886 | 16,801,715 | 20,047,901 | 22,412,883 | 27,948,518 | 30,819,004 |
| Unrestricted | 6,559,148 | 6,193,494 | 3,727,494 | 4,578,831 | 8,043,358 | 6,128,580 | 3,701,324 | 6,545,337 | 11,007,766 | 14,801,286 |
| Total primary government net assets | \$ 56,093,001 | \$ 55,314,584 | \$ 53,508,020 | \$ 55,865,789 | \$ 62,727,363 | \$ 67,082,793 | \$ 70,365,662 | \$ 74,200,388 | \$ 83,078,182 | \$ 90,554,999 |

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)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 1,875,390 | \$ 2,016,349 | \$ 2,251,403 | \$ 2,366,482 | \$ 2,344,521 | \$ 2,048,064 | \$ 2,831,406 | \$ 3,443,527 | \$ 3,359,514 | \$ 2,978,597 |
| Public safety | 5,365,424 | 5,235,720 | 6,536,118 | 6,272,781 | 5,767,448 | 5,569,285 | 6,396,456 | 6,625,288 | 6,861,384 | 7,349,093 |
| Highways and streets | 1,408,175 | 1,166,959 | 1,519,782 | 1,179,564 | 1,319,285 | 1,540,598 | 2,182,418 | 2,026,287 | 1,981,049 | 2,209,727 |
| Solid waste/recycling | 15,945 | 13,375 | 16,926 | 10,465 | 14,408 | 10,946 | 15,235 | 24,209 | 18,210 | 52,273 |
| Community development | 1,812,461 | 1,780,461 | 2,204,802 | 2,579,361 | 2,565,323 | 3,183,733 | 3,238,324 | 3,124,179 | 2,885,429 | 4,054,223 |
| Interest on long-term debt | 1,379 | 15,454 | 11,020 | 6,215 | 37,488 | 166,046 | 418,620 | 397,251 | 389,592 | 398,813 |
| Transfers Out | - | - | - | - | - | - | - | - | - | - |
| Total governmental activities expenses | \$ 10,478,774 | \$ 10,228,318 | \$ 12,540,051 | \$ 12,414,868 | \$ 12,048,473 | \$ 12,518,672 | \$ 15,082,459 | \$ 15,640,741 | \$ 15,495,178 | \$ 17,042,726 |
| Business-type activities: | | | | | | | | | | |
| Water | \$ 1,887,225 | \$ 1,696,706 | \$ 2,409,035 | \$ 1,975,540 | \$ 1,837,104 | \$ 2,644,216 | \$ 2,170,890 | \$ 2,588,595 | \$ 2,563,098 | \$ 2,555,338 |
| Sewer | 3,343,454 | 3,087,108 | 4,066,368 | 3,262,115 | 3,446,285 | 3,531,119 | 3,233,923 | 3,400,426 | 3,377,648 | 3,705,052 |
| Storm sewer | 461,676 | 614,969 | 1,303,614 | 835,776 | 813,068 | 1,009,700 | 1,046,295 | 866,763 | 1,059,022 | 1,118,644 |
| Public services | 1,081,187 | 1,108,024 | 1,336,509 | 1,333,159 | 1,552,103 | 1,788,365 | 1,717,118 | 1,813,519 | 1,872,315 | 1,840,703 |
| Total business-type activities expenses | \$ 6,773,542 | \$ 6,506,807 | \$ 9,115,526 | \$ 7,406,590 | \$ 7,648,560 | \$ 8,973,400 | \$ 8,168,226 | \$ 8,669,303 | \$ 8,872,083 | \$ 9,219,737 |
| Total primary government expenses | \$ 17,252,316 | \$ 16,735,125 | \$ 21,655,577 | \$ 19,821,458 | \$ 19,697,033 | \$ 21,492,072 | \$ 23,250,685 | \$ 24,310,044 | \$ 24,367,261 | \$ 26,262,463 |
| Program Revenues | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | \$ 397,213 | \$ 325,671 | \$ 69,903 | \$ 55,717 | \$ 57,058 | \$ 57,544 | \$ 1,162,322 | \$ 796,667 | \$ 959,386 | \$ 989,194 |
| Other activities | 8,175 | 7,875 | 600 | 2,700 | - | - | - | 19,482 | 14,435 | - |
| Operating grants and contributions | 889,969 | 929,972 | 963,559 | 974,986 | 1,051,943 | 1,199,833 | 1,124,872 | 1,221,393 | 1,321,226 | 1,322,733 |
| Capital grants and contributions | 50,397 | 57,550 | 509,705 | 57,376 | 865,435 | 91,957 | 549,558 | 65,000 | 637,954 | 23,414 |
| Total governmental activities program revenues | \$ 1,345,754 | \$ 1,321,068 | \$ 1,543,767 | \$ 1,090,779 | \$ 1,974,436 | \$ 1,349,334 | \$ 2,836,752 | \$ 2,102,542 | \$ 2,933,001 | \$ 2,335,341 |
| Business-type activities: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water | 1,443,755 | 1,429,516 | 1,670,061 | 1,699,038 | 2,105,320 | 2,349,240 | 2,245,950 | 2,764,547 | 2,860,548 | 3,089,099 |
| Sewer | 2,471,898 | 2,575,013 | 2,777,232 | 2,895,792 | 3,087,338 | 3,422,477 | 3,524,806 | 3,813,031 | 4,098,053 | 4,135,056 |
| Storm sewer | 240,270 | 251,092 | 319,224 | 380,035 | 618,967 | 937,188 | 1,062,834 | 1,192,560 | 1,276,783 | 1,276,783 |
| Public services | 1,029,977 | 973,584 | 1,323,756 | 1,638,251 | 1,714,483 | 1,691,434 | 1,968,467 | 1,933,376 | 1,928,725 | 1,920,980 |
| Operating grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Capital grants and contributions | 63,281 | 4,176,323 | 52,032 | 104,379 | 1,654,498 | 1,441,731 | 463,654 | 1,114,116 | 3,057,195 | 757,351 |
| Total business-type activities program revenues | \$ 5,249,181 | \$ 9,405,528 | \$ 6,142,305 | \$ 6,717,495 | \$ 9,180,606 | \$ 9,842,070 | \$ 9,265,711 | \$ 10,817,630 | \$ 13,205,313 | \$ 11,179,269 |
| Total primary government program revenues | \$ 6,594,935 | \$ 10,726,596 | \$ 7,686,072 | \$ 7,808,274 | \$ 11,155,042 | \$ 11,191,404 | \$ 12,102,463 | \$ 12,920,172 | \$ 16,138,314 | \$ 13,514,610 |

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|----------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Net(expense)/revenue | | | | | | | | | | |
| Governmental activities | \$ (8,907,250) | \$ (8,915,124) | \$ (10,996,284) | \$ (11,324,089) | \$ (10,074,037) | \$ (11,169,338) | \$ (12,245,498) | \$ (13,538,199) | \$ (12,562,177) | \$ (14,707,385) |
| Business-type activities | 2,898,721 | (1,037,004) | (2,973,221) | (689,095) | 1,532,046 | 868,670 | 1,097,485 | 2,148,327 | 4,333,230 | 1,959,532 |
| Total primary government net expense | \$ (6,008,529) | \$ (9,952,128) | \$ (13,969,505) | \$ (12,013,184) | \$ (8,541,991) | \$ (10,300,668) | \$ (11,148,013) | \$ (11,389,872) | \$ (8,228,947) | \$ (12,747,853) |
| General Revenues and Other Changes in Net Assets | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | \$ 4,389,337 | \$ 4,862,600 | \$ 4,945,564 | \$ 5,218,664 | \$ 5,417,849 | \$ 5,546,391 | \$ 6,113,796 | \$ 6,255,637 | \$ 6,425,825 | \$ 6,678,551 |
| Franchise taxes | 1,276,287 | 1,319,304 | 1,332,446 | 1,345,455 | 1,397,703 | 1,449,159 | 1,506,321 | 1,555,665 | 1,714,422 | 1,848,987 |
| Business income taxes | 789,670 | 875,509 | 1,118,817 | 1,054,570 | 1,185,784 | 1,343,887 | 1,111,907 | 1,495,069 | 1,735,106 | 1,718,219 |
| Hotel taxes | 480,624 | 47,516 | 718,344 | 738,182 | 724,913 | 716,523 | 548,594 | 537,637 | 817,018 | 863,104 |
| Liquor taxes | 224,251 | 577,726 | 230,109 | 245,594 | 256,000 | 268,894 | 287,180 | 315,733 | 305,068 | 326,226 |
| Cigarette taxes | 21,545 | 21,382 | 21,140 | 20,367 | 19,813 | 18,543 | 17,693 | 15,554 | 13,408 | 12,104 |
| Solid waste taxes | 56,968 | 58,114 | 64,176 | 64,278 | 74,054 | 70,046 | 65,580 | 64,844 | 64,512 | 61,288 |
| Unrestricted grants and contributions | - | - | - | - | - | - | - | - | - | - |
| Investment earnings | 45,229 | 45,229 | 61,068 | 114,463 | 258,228 | 424,820 | 386,982 | 144,931 | (282,057) | 1,077,067 |
| Miscellaneous | 2,065,383 | 2,219,435 | 1,929,995 | 3,655,300 | 4,780,722 | 4,005,123 | 4,314,502 | 4,606,802 | 6,148,713 | 7,042,834 |
| Gain on sale of capital assets | - | - | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | - | - | - | - |
| Total governmental activities | \$ 9,349,294 | \$ 10,026,816 | \$ 10,421,659 | \$ 12,456,873 | \$ 14,115,066 | \$ 13,843,386 | \$ 14,352,556 | \$ 14,991,872 | \$ 16,942,016 | \$ 19,628,381 |
| Business-type activities: | | | | | | | | | | |
| Taxes | | | | | | | | | | |
| Property taxes | 1,459,418 | 1,409,806 | 1,320,157 | 1,306,567 | 1,115,233 | 383,154 | - | - | - | - |
| Investment earnings | 30,761 | 30,100 | 42,170 | 67,792 | 142,071 | 239,658 | 205,421 | 80,535 | 85,730 | 539,402 |
| Miscellaneous | 128,366 | 47,957 | 26,955 | 21,721 | (91,408) | 14,970 | (103,718) | 152,191 | 78,995 | 56,887 |
| Gain on sale of capital assets | - | - | - | - | - | - | - | - | - | - |
| Transfers | - | - | 352,000 | 518,000 | 340,000 | 175,000 | - | - | - | - |
| Total business-type activities | \$ 1,618,545 | \$ 1,487,863 | \$ 1,741,282 | \$ 1,914,080 | \$ 1,505,896 | \$ 812,782 | \$ 101,703 | \$ 232,726 | \$ 164,725 | \$ 596,289 |
| Total primary government | \$ 10,967,839 | \$ 11,514,679 | \$ 12,162,941 | \$ 14,370,953 | \$ 15,620,962 | \$ 14,656,168 | \$ 14,454,259 | \$ 15,224,598 | \$ 17,106,741 | \$ 20,224,670 |
| Change in Net Assets | | | | | | | | | | |
| Governmental activities | \$ 442,044 | \$ 1,111,692 | \$ (574,625) | \$ 1,132,784 | \$ 4,041,029 | \$ 2,674,048 | \$ 2,107,058 | \$ 1,453,673 | \$ 4,379,839 | \$ 4,920,996 |
| Business-type activities | 4,517,266 | 450,859 | (1,231,939) | 1,224,985 | 3,037,942 | 1,681,452 | 1,199,188 | 2,381,053 | 4,497,955 | 2,555,821 |
| Total primary government | \$ 4,959,310 | \$ 1,562,551 | \$ (1,806,564) | \$ 2,357,769 | \$ 7,078,971 | \$ 4,355,500 | \$ 3,306,246 | \$ 3,834,726 | \$ 8,877,794 | \$ 7,476,817 |

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)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General fund | | | | | | | | | | |
| Reserved (pre GASB #54) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved (pre GASB #54) | - | - | - | - | - | - | - | - | - | - |
| <i>GASB No. 54 Categories:</i> | | | | | | | | | | |
| Nonspendable | 4,763 | 4,684 | 2,135 | 13,286 | 8,683 | 4,142 | 2,038 | 2,447 | 2,302 | 43,986 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | 3,700,166 | 4,073,773 | 4,543,953 | 5,475,619 | 10,780,053 | 11,528,375 | 11,455,510 | 12,841,986 | 14,533,160 | 17,166,886 |
| Total general fund | \$ 3,704,929 | \$ 4,078,457 | \$ 4,546,088 | \$ 5,488,905 | \$ 10,788,736 | \$ 11,532,517 | \$ 11,457,548 | \$ 12,844,433 | \$ 14,535,462 | \$ 17,210,872 |
| All other governmental funds | | | | | | | | | | |
| Reserved (pre GASB #54) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | | | | | | |
| Special revenue funds (pre GASB #54) | - | - | - | - | - | - | - | - | - | - |
| Capital project funds (pre GASB #54) | - | - | - | - | - | - | - | - | - | - |
| Permanent funds (pre GASB #54) | - | - | - | - | - | - | - | - | - | - |
| <i>GASB No. 54 Categories:</i> | | | | | | | | | | |
| Nonspendable | 13,079 | 12,134 | 12,259 | 9,818 | 13,758 | 10,763 | 25,255 | 40,565 | 29,446 | 23,307 |
| Restricted | 5,338,679 | 5,478,484 | 5,893,683 | 5,886,401 | 11,091,412 | 12,116,925 | 14,817,802 | 16,072,989 | 18,561,612 | 20,530,195 |
| Assigned | - | - | - | - | - | - | - | - | - | - |
| Unassigned | (247,179) | (481,797) | (623,605) | (686,170) | (3,348,853) | (5,859,048) | (7,930,020) | (8,304,030) | (8,408,590) | (8,499,331) |
| Total all other governmental funds | \$ 5,104,579 | \$ 5,008,821 | \$ 5,282,337 | \$ 5,210,049 | \$ 7,756,317 | \$ 6,268,640 | \$ 6,913,037 | \$ 7,809,524 | \$ 10,182,468 | \$ 12,054,171 |

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)

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------------------|-------------------|-------------------|---------------------|---------------------|---------------------|-------------------|---------------------|---------------------|---------------------|
| Revenues | | | | | | | | | | |
| Taxes | \$ 6,186,703 | \$ 6,798,659 | \$ 7,212,141 | \$ 7,861,407 | \$ 1,742,901 | \$ 8,866,752 | \$ 9,175,973 | \$ 9,388,239 | \$ 9,976,342 | \$ 10,365,097 |
| Licenses and permits | 356,378 | 401,936 | 269,583 | 1,054,239 | 235,011 | 681,822 | 826,231 | 531,677 | 882,100 | 1,018,365 |
| Intergovernmental | 2,237,890 | 2,498,274 | 2,617,629 | 2,570,534 | 258,228 | 3,197,483 | 2,918,014 | 4,027,831 | 5,416,518 | 5,791,814 |
| Charges for services | 344,131 | 313,894 | 60,110 | 67,403 | 2,000,742 | 203,495 | 1,665,445 | 887,203 | 1,684,177 | 993,112 |
| Fines | 339,269 | 295,888 | 222,053 | 381,928 | 874,578 | 265,867 | 258,240 | 235,317 | 281,446 | 375,820 |
| Investment earnings | 45,229 | 47,516 | 61,068 | 114,463 | 2,867,310 | 424,820 | 386,982 | 144,931 | (282,057) | 1,077,067 |
| Miscellaneous | 1,144,248 | 964,757 | 1,380,450 | 1,997,216 | 8,505,039 | 1,844,217 | 1,945,404 | 1,890,256 | 1,932,385 | 1,958,574 |
| Total revenues | 10,653,848 | 11,320,924 | 11,823,034 | 14,047,190 | 16,483,809 | 15,484,456 | 17,176,289 | 17,105,454 | 19,890,911 | 21,579,849 |
| Expenditures | | | | | | | | | | |
| General government | 2,067,329 | 2,182,269 | 2,101,025 | 2,281,365 | 2,542,226 | 2,495,214 | 2,776,919 | 3,447,499 | 3,399,564 | 2,916,873 |
| Public safety | 5,462,943 | 5,677,030 | 5,572,587 | 5,391,943 | 5,552,528 | 5,920,806 | 6,300,868 | 6,634,570 | 6,792,222 | 7,129,077 |
| Highways and streets | 929,899 | 732,538 | 977,486 | 731,374 | 1,001,291 | 1,319,170 | 1,916,831 | 1,730,287 | 1,745,399 | 1,935,856 |
| Solid waste/recycling | 17,225 | 15,114 | 14,832 | 9,257 | 14,297 | 11,997 | 15,411 | 24,824 | 18,438 | 51,763 |
| Community development | 1,581,270 | 1,617,532 | 1,649,501 | 2,000,360 | 2,374,536 | 3,293,967 | 3,044,448 | 3,024,155 | 2,780,248 | 3,857,779 |
| Capital outlay | 619,939 | 307,304 | 616,417 | 344,192 | 3,312,230 | 2,845,198 | 2,247,870 | 734,378 | 475,352 | 1,199,259 |
| Debt service | | | | | | | | | | |
| Principal | 120,000 | 126,033 | 132,182 | 138,264 | 141,518 | 167,000 | 315,000 | 340,000 | 5,592,310 | 629,755 |
| Interest | 20,286 | 16,060 | 11,661 | 7,090 | 41,812 | | 419,655 | 398,369 | 390,217 | 400,360 |
| Total expenditures | 10,818,891 | 10,673,880 | 11,075,691 | 10,903,845 | 14,980,438 | 16,053,352 | 17,037,002 | 16,334,082 | 21,193,750 | 18,120,722 |
| Excess of revenues over (under) expenditures | (165,043) | 647,044 | 747,343 | 3,143,345 | 1,503,571 | (568,896) | 139,287 | 771,372 | (1,302,839) | 3,459,127 |
| Other financing sources (uses) | | | | | | | | | | |
| Transfers in | 141,000 | 142,000 | 142,000 | 142,100 | 257,876 | 175,000 | 1,443,474 | 1,086,898 | 1,235,961 | 1,271,448 |
| Transfers out | (141,000) | (142,000) | (494,000) | (660,100) | (597,876) | (350,000) | (1,443,474) | (1,086,898) | (1,235,961) | (1,271,448) |
| Capital leases proceeds | - | - | - | - | - | - | - | - | - | 646,386 |
| Sale of capital asset | - | - | - | - | - | - | - | 12,000 | 8,106 | 441,600 |
| Bond proceeds | - | - | - | - | 5,000,000 | - | - | 1,500,000 | 4,570,000 | - |
| Bonds premium | - | - | - | - | - | - | - | - | 788,706 | - |
| Total other financing sources (uses) | 41,973 | - | (352,000) | (518,000) | 4,660,000 | (175,000) | - | 1,512,000 | 5,366,812 | 1,087,986 |
| Net change in fund balances | \$ (123,070) | \$ 647,044 | \$ 395,343 | \$ 2,625,345 | \$ 6,163,571 | \$ (743,896) | \$ 139,287 | \$ 2,283,372 | \$ 4,063,973 | \$ 4,547,113 |
| Debt service as a percentage of noncapital expenditures | 1.4% | 1.4% | 1.4% | 1.4% | 1.6% | 1.3% | 5.0% | 4.7% | 28.9% | 6.1% |

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 | | | | | | | | | | Ratio of Total Assessed Value to Total Real Market Value |
|-------------------|-----------------------------|---------------------|---------------------|----------------|---------------------|-------------------|-----------------------|---------------------------|------------------|-------------------------|--|
| | Real Property | | | | | | | | | | |
| | Residential Property | Commercial Property | Industrial Property | Other Property | Total Real Property | Personal Property | Manufactured Property | Public Utilities Property | Total | Total Real Market Value | Total City Tax Rate |
| 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% |
| 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 | 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 | 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 | 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 | 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 | 4.12 |
| 2020 | 948,168,310 | 344,786,730 | NA ² | 72,528,260 | 1,365,483,300 | 84,761,640 | 14,507,480 | 69,309,000 | 1,534,061,420 | 3,058,030,327 | 4.09 |
| 2021 | 978,413,450 | 368,698,540 | NA ² | 77,373,450 | 1,424,485,440 | 95,056,510 | 14,958,420 | 62,612,300 | 1,597,112,670 | 3,233,746,253 | 4.03 |
| 2022 | 1,012,416,740 | 360,263,850 | NA ² | 92,553,640 | 1,465,234,230 | 88,906,320 | 15,410,170 | 65,293,600 | 1,634,844,320 | 3,434,956,079 | 4.04 |
| 2023 | 1,046,699,710 | 376,513,470 | NA ² | 110,123,130 | 1,533,336,310 | 111,526,300 | 15,833,530 | 69,084,500 | 1,729,780,640 | 3,802,552,603 | 5.44 |

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. (S&T/a)

² Annual reporting of properties categories of commercial and industrial combined by the Multnomah County Assessor's Office

CITY OF TROUTDALE, OREGON
PROPERTY TAX RATES¹
DIRECT AND OVERLAPPING² GOVERNMENTS
Last Ten Fiscal Years Ending June 30th

| Fiscal Year | CITY OF TROUTDALE, OREGON | | | | | | | | | | Overlapping Rates | | | | | | | | | | Total Direct & Overlapping Rates |
|-------------|---------------------------|--------------|------------|------------------|------------------------|-------------------|----------------------------|-------------------------|----------------------|--------------------------|----------------------------|----------------------|--------------------------|----------------------------|------|---------------|--|--|--|--|----------------------------------|
| | Urban Renewal Agency | | | | | Regional & County | | | | | School District | | | | | Total Schools | | | | | |
| | Operating | Debt Service | Total City | Port of Portland | Metro Service District | Tri-Met | Soil Conservation District | Total Regional & County | Multnomah County ESD | Reynolds School District | Mt. Hood Community College | Multnomah County ESD | Reynolds School District | Mt. Hood Community College | | | | | | | |
| 2014 | 3.74 | 1.29 | 5.16 | 0.07 | 0.47 | - | 0.10 | 6.29 | 0.45 | 5.97 | 0.49 | 0.45 | 5.97 | 0.49 | 6.92 | 18.36 | | | | | |
| 2015 | 3.73 | 1.12 | 5.00 | 0.07 | 0.46 | - | 0.10 | 6.25 | 0.45 | 5.77 | 0.49 | 0.45 | 5.77 | 0.49 | 6.71 | 17.96 | | | | | |
| 2016 | 3.74 | 1.03 | 4.87 | 0.07 | 0.39 | - | 0.09 | 6.18 | 0.45 | 5.94 | 0.49 | 0.45 | 5.94 | 0.49 | 6.88 | 17.93 | | | | | |
| 2017 | 3.74 | 0.96 | 4.80 | 0.07 | 0.40 | - | 0.01 | 6.02 | 0.46 | 6.02 | 0.49 | 0.46 | 6.02 | 0.49 | 6.96 | 17.78 | | | | | |
| 2018 | 3.74 | 0.80 | 4.64 | 0.07 | 0.41 | - | 0.09 | 6.11 | 0.45 | 6.26 | 0.49 | 0.45 | 6.26 | 0.49 | 7.20 | 17.95 | | | | | |
| 2019 | 3.74 | 0.27 | 4.12 | 0.07 | 0.47 | - | 0.10 | 6.19 | 0.45 | 6.23 | 0.49 | 0.45 | 6.23 | 0.49 | 7.17 | 17.48 | | | | | |
| 2020 | 3.73 | 0.20 | 4.09 | 0.07 | 0.66 | - | 0.10 | 6.38 | 0.45 | 5.68 | 0.49 | 0.45 | 5.68 | 0.49 | 6.62 | 17.09 | | | | | |
| 2021 | 3.74 | 0.19 | 4.03 | 0.07 | 0.59 | - | 0.10 | 6.33 | 0.45 | 5.98 | 0.49 | 0.45 | 5.98 | 0.49 | 6.92 | 17.29 | | | | | |
| 2022 | 3.74 | 0.19 | 4.04 | 0.07 | 0.57 | - | 0.10 | 6.31 | 0.45 | 6.04 | 0.49 | 0.45 | 6.04 | 0.49 | 6.99 | 17.34 | | | | | |
| 2023 | 3.74 | 0.14 | 5.44 | 0.07 | 0.56 | - | - | 6.23 | 0.45 | 5.98 | 0.49 | 0.45 | 5.98 | 0.49 | 6.92 | 18.59 | | | | | |

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, 2023**

| Taxpayer | 2022-2023 | | | 2013-2014 | | |
|--|------------------------|------|--|------------------------|------|--|
| | 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 | \$ 117,251,930 | 1 | 6.8% | \$ 15,069,100 | 3 | 1.3% |
| COMCAST CORPORATION | 40,502,000 | 2 | 2.3% | 14,497,300 | 4 | 1.2% |
| EAGLE RIDGE APARTMENTS LLC | 28,230,950 | 3 | 1.6% | | | |
| AUSTELL COLUMBIA GORGE EQUITIES LLC ET | 25,571,180 | 4 | 1.5% | | | |
| TOYO TANSO U S A INC | 21,787,620 | 5 | 1.3% | 19,483,110 | 2 | 1.7% |
| AMAZON.COM SERVICES, INC. | 18,870,280 | 6 | 1.1% | | | |
| MOUNTAIN MEADOWS COMMUNITY INC | 14,711,680 | 7 | 0.9% | 11,275,330 | 5 | 1.0% |
| BURLINGAME DEVELOPMENT INC | 14,638,760 | 8 | 0.8% | 10,930,170 | 6 | 0.9% |
| PORTLAND GENERAL ELECTRIC | 14,371,000 | 9 | 0.8% | 10,483,000 | 7 | |
| MGP X PROPERTIES LLC | 12,823,310 | 10 | 0.7% | 9,812,510 | 8 | 0.8% |
| CHELSEA FINANCING PARTNERSHIP LP | | | | 20,996,570 | 1 | 1.8% |
| TROUTDALE TERRACE LLC | | | | 9,155,600 | 9 | 0.8% |
| TUBE SPECIALTIES CO LLC | | | | 9,103,110 | 10 | 0.8% |
| Totals | <u>\$ 308,758,710</u> | | <u>17.8%</u> | <u>\$ 130,805,800</u> | | <u>11.2%</u> |

Source: Multnomah County Division of Assessment and Taxation.

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

| Fiscal Year Ended June 30 | Collected within the Fiscal Year of the Levy | | | | Total Collections to Date | |
|------------------------------|--|----------------------------|--------------------|-------------------------------|---------------------------|--------------------|
| | Total Tax Levy for Fiscal Year | Current Tax Collections | Percentage of Levy | Delinquent Tax Collections | Amount | Percentage of Levy |
| 2014 | \$ 5,998,948 | \$ 5,676,214 | 94.6% | \$ 322,257 | \$ 5,998,470 | 99.99% |
| 2015 | 6,444,151 | 6,111,873 | 94.8% | 331,852 | 6,443,725 | 99.99% |
| 2016 | 6,432,106 | 6,109,545 | 95.0% | 321,979 | 6,431,523 | 99.99% |
| 2017 | 6,706,161 | 6,381,733 | 95.2% | 323,617 | 6,705,350 | 99.99% |
| 2018 | 6,837,147 | 6,502,012 | 95.1% | 333,653 | 6,835,665 | 99.98% |
| 2019 | 6,057,425 | 5,792,797 | 95.6% | 262,592 | 6,055,390 | 99.97% |
| 2020 | 6,277,564 | 5,991,215 | 95.4% | 276,594 | 6,267,809 | 99.84% |
| 2021 | 6,444,048 | 6,168,065 | 95.7% | 256,076 | 6,424,141 | 99.69% |
| 2022 | 6,599,098 | 6,331,518 | 95.9% | 232,876 | 6,564,395 | 99.47% |
| 2023 | 6,892,607 | 6,597,004 | 95.7% | - | 6,597,004 | 95.71% |

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 | Leases Payable | IT Subscription Payable | Financed Purchases | Finance Agreements | General Obligation Bonds | Net G.O. Bond (Premium) / Discount | Leases Payable | IT Subscription Payable | | | |
| 2014 | \$ 7,130,000 | \$ 55,813 | \$ - | \$ - | \$ 88,645 | \$ 528,000 | \$ 4,645,000 | \$ (56,588) | \$ - | \$ - | \$ 12,479,515 | 0.03% | \$ 780 |
| 2015 | 6,915,000 | 52,530 | - | - | 61,144 | 403,000 | 3,555,000 | (42,441) | - | - | 11,005,377 | 0.03% | 687 |
| 2016 | 6,685,000 | 49,247 | - | - | 26,148 | 273,000 | 2,420,000 | (28,294) | - | - | 9,451,249 | 0.02% | 590 |
| 2017 | 6,440,000 | 45,964 | - | - | 15,952 | 138,000 | 1,235,000 | (14,147) | - | - | 7,876,721 | 0.02% | 491 |
| 2018 | 6,175,000 | 25,581 | - | - | 5,758 | 5,000,000 | - | - | - | - | 11,212,097 | 0.02% | 698 |
| 2019 | 5,885,000 | 24,008 | - | - | 5,758 | 5,000,000 | - | - | - | - | 10,914,766 | 0.02% | 674 |
| 2020 | 5,570,000 | 22,435 | - | - | - | 5,000,000 | - | - | - | - | 10,592,435 | 0.02% | 655 |
| 2021 | 5,230,000 | 20,862 | - | - | - | 6,500,000 | - | - | - | - | 11,750,862 | 0.02% | 720 |
| 2022 | 4,230,000 | 700,362 | 132,993 | - | - | 6,500,000 | - | - | - | 16,374 | 11,579,729 | 0.02% | 685 |
| 2023 | 3,885,000 | 623,114 | 643,489 | 340,350 | - | 6,305,585 | - | - | 11,768 | 100,707 | 11,910,013 | N/A | 700 |

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 |
|-------------|-----------------------------|--|---------------|--|-------------------------|
| 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 | 496,076 | 7,210,741 | 0.34% | 450 |
| 2018 | 6,200,581 | 364,876 | 5,835,705 | 0.24% | 363 |
| 2019 | 5,909,008 | 430,141 | 5,478,867 | 0.20% | 339 |
| 2020 | 5,592,435 | 357,847 | 5,234,588 | 0.16% | 324 |
| 2021 | 5,250,862 | 268,702 | 4,982,160 | 0.16% | 305 |
| 2022 | 4,930,362 | 240,020 | 4,690,342 | 0.15% | 277 |
| 2023 | 4,508,114 | 171,896 | 4,336,218 | 0.11% | 255 |

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, 2023

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable ¹ | Estimated Share of Overlapping Debt |
|--|------------------|---|--|
| Debt repaid with property taxes: | | | |
| Multnomah County | \$ 627,742,035 | 1.94% | \$ 12,175,886 |
| Metro | 897,955,000 | 0.86% | 7,697,977 |
| Port of Portland | 45,725,000 | 0.77% | 353,786 |
| Reynolds School District No. 7 | 172,514,640 | 22.06% | 38,062,766 |
| Gresham-Barlow School District No. 10 | 309,023,557 | 22.30% | 68,924,430 |
| Mt. Hood Community College | 105,667,863 | 5.45% | 5,761,038 |
| Multnomah Education Service District | 81,533,416 | 1.91% | 1,555,335 |
| Other: | | | |
| Multnomah County | 329,986,000 | 1.94% | 6,400,515 |
| Port of Portland | 1,831,747,273 | 0.77% | 14,172,694 |
| Subtotal, overlapping debt | | | 155,104,426 |
| City of Troutdale, Oregon direct debt ² | | | <u>10,813,699</u> |
| Total direct and overlapping debt | | | <u><u>\$ 165,918,125</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.

² Excludes estimated costs needed to perform landfill postclosure care.

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

| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|
| Debt Limit | \$ 51,872,159 | \$ 57,128,678 | \$ 59,558,620 | \$ 63,847,241 | \$ 72,065,256 | \$ 80,976,292 | \$ 91,740,910 | \$ 97,012,388 | \$ 103,048,682 | \$ 114,076,578 |
| Total net debt application to limit | - | - | - | - | 5,000,000 | 5,000,000 | 5,000,000 | 6,500,000 | 6,500,000 | 6,500,000 |
| Legal debt margin | \$ 51,872,159 | \$ 57,128,678 | \$ 59,558,620 | \$ 63,847,241 | \$ 67,065,256 | \$ 75,976,292 | \$ 86,740,910 | \$ 90,512,388 | \$ 96,548,682 | \$ 107,576,578 |
| Total net debt applicable to the limit as a percentage of debt limit | - | - | - | - | - | 6.17% | 5.45% | 6.70% | 6.31% | 5.70% |

Legal Debt Margin Calculation for Fiscal Year 2021-2022

| | |
|--|-----------------------|
| Real market value (2022-2023) ¹ | \$ 3,802,552,603 |
| Debt limit (3% of total real market value) | 114,076,578 |
| Debt subject to limit: | <u>6,500,000</u> |
| Legal debt margin | <u>\$ 107,576,578</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 |
| 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 |
| 2020 | 63 | 48,010,824 | 38 | 1,799,864 | 1,534,061,420 | 3.93 |
| 2021 | 12 | 3,516,624 | 66 | 10,007,815 | 1,597,112,670 | 3.93 |
| 2022 | 12 | 9,059,962 | 150 | 21,074,157 | 1,634,844,320 | 3.93 |
| 2023 | 21 | 56,633,325 | 49 | 1,528,724 | 1,729,780,640 | 3.89 |

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 |
|-------------|-----------------------------------|---|
| 2014 | - | - |
| 2015 | - | - |
| 2016 | - | - |
| 2017 | - | - |
| 2018 | - | - |
| 2019 | - | - |
| 2020 | - | - |
| 2021 | - | - |
| 2022 | - | - |
| 2023 | - | - |

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 |
|-------------|-------------------------|---|--|-----------------------------------|---|
| 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 | 49,399,774,000 | 59,921 | 3,914 | 3.8% |
| 2020 | 16,180 | 52,080,033,000 | 62,603 | 3,958 | 11.4% |
| 2021 | 16,319 | 56,502,646,000 | 68,374 | 3,882 | 5.7% |
| 2022 | 16,913 | 55,618,917,000 | 69,435 | 3,758 | 3.9% |
| 2023 | 17,005 | N/A | N/A | 3,652 | 3.3% |

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

N/A - data not available.

**CITY OF TROUTDALE , OREGON
PRINCIPAL EMPLOYERS**

| Employer | 2023 | | | 2014 | | |
|-----------------------------------|------------------|-------------|--|------------------|-------------|--|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Amazon.com | 2,538 | 1 | 28.00% | | | |
| FedEx Ground Package System, Inc. | 1,750 | 2 | 19.31% | 740 | 1 | 15.47% |
| Walsh Trucking Co., LTD | 416 | 3 | 4.59% | 220 | 2 | 4.60% |
| Tube Specialties | 140 | 4 | 1.54% | 191 | 3 | 3.99% |
| Brand Safway Services | 137 | 5 | 1.51% | 90 | 10 | 1.88% |
| Travel Centers of America | 125 | 6 | 1.38% | 125 | 6 | 2.61% |
| Edgefield McMenamins | 120 | 7 | 1.32% | 120 | 7 | 2.51% |
| Wolcott Plumbing | 113 | 8 | 1.25% | | | |
| Home Depot USA, Inc. | 105 | 9 | 1.16% | 168 | 4 | 3.51% |
| Toyo Tanso USA, Inc. | 102 | 10 | 1.13% | 134 | 5 | 2.80% |
| Fujii Farms, Inc | | | | 102 | 9 | 2.13% |
| Postal Express | | | | 113 | 8 | 2.36% |
| Totals | 5,546 | | 61.18% | 2,003 | | 41.88% |

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

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

| Function | Full-time Equivalent Employees for Fiscal Year Ended | | | | | | | | | |
|-----------------------|---|-------------|-------------|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> |
| General Government | 13.4 | 12.4 | 14.1 | 15.1 | 16.0 | 16.0 | 16.0 | 16.0 | 16.1 | 16.1 |
| Police | | | | | | | | | | |
| Officers | 25 | 25 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 |
| Civilians | 3.5 | 3.5 | 0.5 | 0.5 | 0.5 | 0.5 | 1.0 | 1.0 | 1.0 | 1.0 |
| Building Safety | 1.5 | 1.8 | 3.3 | 3.0 | 3.0 | 3.0 | 3.5 | 3.5 | 4.7 | 4.7 |
| Community Development | 1.0 | 1.5 | 2.5 | 3.0 | 3.0 | 3.5 | 3.5 | 3.5 | 3.1 | 3.1 |
| Parks & Facilities | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Streets | 1.9 | 1.9 | 1.8 | 1.8 | 2.1 | 2.1 | 2.3 | 3.8 | 3.8 | 4.8 |
| Water | 4.8 | 5.0 | 5.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 4.1 | 5.1 |
| Sewer | 8.0 | 6.0 | 5.9 | 5.9 | 5.5 | 5.5 | 5.5 | 6.4 | 6.4 | 6.4 |
| Storm | | 2.1 | 2.2 | 2.2 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 | 2.6 |
| Public Works Services | | | | | | | | | | |
| Equipment Maintenance | 1.7 | 1.7 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 | 2.1 |
| Management | 5.9 | 6.2 | 6.2 | 10.0 | 9.0 | 9.0 | 9.0 | 8.0 | 8.0 | 8.0 |
| Total | <u>72.8</u> | <u>72.8</u> | <u>49.5</u> | <u>53.6</u> | <u>53.8</u> | <u>54.3</u> | <u>55.50</u> | <u>57.00</u> | <u>58.00</u> | <u>60.00</u> |

Source: City financial records.

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

| Function | Fiscal Year | | | | | | | | | |
|--|-------------|--------|--------|--------|--------|--------|--------|--------|-------|-------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Police | | | | | | | | | | |
| Calls for service ¹ | 10,505 | 10,592 | 10,484 | 10,943 | 11,879 | 12,587 | 12,188 | 11,681 | 9,537 | N/A |
| Traffic Calls ¹ | 2,508 | 1,571 | 2,440 | 2,644 | 2,897 | 3,855 | 2,521 | 2,951 | 2,312 | N/A |
| Part I crimes ² | 558 | 493 | 613 | 615 | 646 | 640 | 569 | 632 | 662 | N/A |
| Part II crimes ² | 608 | 727 | 238 | 329 | 242 | 358 | 340 | 302 | 230 | N/A |
| Water | | | | | | | | | | |
| Number of users | 4,648 | 4,655 | 4,662 | 4,539 | 4,555 | 4,570 | 4,705 | 4,600 | 4,610 | 4,679 |
| Average daily production (in thousands of gallons) | 1,547 | 1,592 | 1,641 | 1,560 | 1,620 | 1,616 | 1,596 | 1,530 | 1,504 | 1,594 |
| Sewer System | | | | | | | | | | |
| Number of users | 4,491 | 4,498 | 4,419 | 4,452 | 4,462 | 4,475 | 4,532 | 4,503 | 4,509 | 4,589 |
| Average daily use (in thousands of gallons) | 1,337 | 1,303 | 1,170 | 1,500 | 1,600 | 1,650 | 1,273 | 1,324 | 1,507 | 1,433 |
| Storm Water System | | | | | | | | | | |
| Number of users | 4,584 | 4,591 | 4,609 | 4,686 | 4,705 | 4,698 | 4,617 | 4,725 | 4,757 | 4,797 |

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 | | | | | | | | | |
|--|-------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Public Safety | | | | | | | | | | |
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 20 | 20 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Highways and streets | | | | | | | | | | |
| Streets (miles) | 43.2 | 43.2 | 43.8 | 43.6 | 43.73 | 43.84 | 43.89 | 43.24 | 43.36 | 43.33 |
| Culture and recreation | | | | | | | | | | |
| Parks acreage | 86.45 | 83.47 | 83.47 | 83.47 | 83.47 | 86.45 | 87.76 | 87.77 | 86.45 | 86.45 |
| Greenways acreage | 152.30 | 154.03 | 154.03 | 154.03 | 154.03 | 154.03 | 154.03 | 154.03 | 154.03 | 154.03 |
| Parks, Greenways & Natural Areas | 30 | 29 | 29 | 29 | 29 | 32 | 32 | 32 | 32 | 32 |
| Water system | | | | | | | | | | |
| Water main lines (miles) | 66.9 | 66.7 | 66.7 | 67.6 | 67.9 | 67.3 | 67.3 | 67.5 | 67.5 | 67.4 |
| 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) | 5.80 | 5.80 | 5.80 | 6.99 | 6.99 | 6.99 | 6.99 | 6.99 | 6.99 | 6.99 |
| Sewer system | | | | | | | | | | |
| Sanitary sewer lines (miles) | 55.87 | 55.92 | 55.98 | 55.98 | 56.07 | 56.45 | 56.38 | 56.27 | 56.27 | 56.29 |
| Daily plant capacity (in millions of gallons) | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Storm water system | | | | | | | | | | |
| Miles of service lines | 34.32 | 34.42 | 34.42 | 34.42 | 34.42 | 34.82 | 48.91 | 36.10 | 36.10 | 35.69 |

Sources: Various City departments.

**CITY OF TROUTDALE
MULTNOMAH COUNTY, OREGON**

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



PAULY, ROGERS, AND Co., P.C.
12700 SW 72nd Ave. Tigard, OR 97223
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www.paulyrogersandcocpas.com

December 21, 2023

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, 2023, and have issued our report thereon dated December 21, 2023. 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**
- **Programs funded with outside sources**

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.

1. Budget over expenditures as noted on page 24.

OAR 162-10-0230 Internal Control

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

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



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

**CITY OF TROUTDALE
TROUTDALE, OREGON**

For the Year Ended June 30, 2023

Communication to the Governing Body



12700 SW 72nd Ave.
Tigard, OR 97223



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December 21, 2023

To the City Council
City of Troutdale
Multnomah County, Oregon

We have audited the basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Troutdale for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Purpose of the Audit

Our audit was conducted using sampling, inquiries and analytical work to opine on the fair presentation of the basic financial statements and compliance with:

- generally accepted accounting principles and auditing standards
- the Oregon Municipal Audit Law and the related administrative rules

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the basic financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the basic financial statements does not relieve you or management of your responsibilities. Our engagement letter details our nonaudit services we provide; these services do not constitute an audit under Government Auditing Standards.

In planning and performing our audit, we considered internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

Our responsibility for the supplementary information accompanying the basic financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the basic financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit involved judgment about the number of transactions examined and the areas to be tested.

Our audit included obtaining an understanding of the City and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the City or to acts by management or employees acting on behalf of the City. We also communicated any internal control related matters that are required to be communicated under professional standards.

Results of Audit

1. Audit opinion letter - an unmodified opinion on the basic financial statements has been issued. This means we have given a “clean” opinion with no reservations.
2. State minimum standards – We found no exceptions or issues requiring comment, except as noted on page 116 of the report.
3. Management letter – No management letter was issued.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used are described in Note 1 to the basic financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2023, except for the implementation of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. We noted no transactions entered into during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the basic financial statements in the proper period.

Accounting estimates are an integral part of the basic financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the basic financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most significant estimates in the financial statements are the actuarial estimate of the City’s portion of the statewide Net Pension Liability (or Asset) and Other Post Employment Benefits. Other sensitive estimates affecting the basic financial statements were Management’s estimate of Accounts Receivable and Capital Asset Depreciation, which are based on estimated collectability of receivables and useful lives of assets. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was: management override of controls which was addressed in the audit testing. The disclosures in the basic financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements or determined that their effects are immaterial. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, taken as a whole. There were immaterial uncorrected misstatements noted during the audit which were discussed with management. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even if, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit.

Pauly, Rogers and Co., P.C.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the basic financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the basic financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards with management each year prior to our retention as the auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Required Supplementary Information

We applied certain limited procedures to the required supplementary information that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the required supplementary information and do not express an opinion or provide any assurance on it.

Supplementary Information

We were engaged to report on the supplementary information, which accompany the basic financial statements but are not required supplementary information. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the basic financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the basic financial statements or to the basic financial statements themselves.

Other Information

We were not engaged to report on the other information, which accompanies the basic financial statements but is not required supplementary information. Such information has 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 it.

Other Matters – Future Accounting and Auditing Issues

In order to keep you aware of new auditing standards issued by the American Institute of Certified Public Accountants and accounting statements issued by the Governmental Accounting Standards Board (GASB), we have prepared the following summary of the more significant upcoming issues:

GASB 99 – OMNIBUS 2022

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

GASB 100 – ACCOUNTING CHANGES AND ERROR CORRECTIONS – an amendment of GASB 62

The requirements of this Statement are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on

beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated.

Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles.

GASB 101 – COMPENSATED ABSENCES

The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources.

This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

Pauly, Rogers and Co., P.C.

This information is intended solely for the information and use of the City Council and management and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Tara M. Kamp, CPA".

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

RESOLUTION NO.

A RESOLUTION APPROVING THE CITY'S FINANCIAL STATEMENTS AND ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) FOR THE FISCAL YEAR ENDED JUNE 30, 2023, AND ACCEPTING THE INDEPENDENT AUDITORS' REPORTS.

THE TROUTDALE CITY COUNCIL FINDS AS FOLLOWS:

1. That the Municipal Audit Law, Oregon Revised Statutes Chapter 297 Section 425 requires an annual audit of the City's financial statements and report to the Oregon Secretary of State's Office.
2. That the Governmental Accounting Standards Board (GASB) has identified accountability as the paramount objective of financial reporting, providing two essential components: fiscal accountability and operational accountability.
3. That to support accountability in financial reporting the City has prepared financial statements and an Annual Comprehensive Financial Report (ACFR).
4. That the Generally Accepted Government Auditing Standards (GAGAS) has identified those charged with governance as responsible for overseeing the financial reporting process, subject matter, or program under audit, including related internal controls.
5. That City Management is primarily and ultimately responsible for the fairness of the presentation of the basic financial statements.
6. That City Council is ultimately responsible for the monitoring, accountability and oversight of the City's fiscal affairs.
7. That the annual presentation of the ACFR facilitates the monitoring and accountability responsibilities of the City Council for oversight of the City's fiscal affairs.
8. That Independent Certified Public Accountants, Pauly, Rogers and Company, P.C., was previously engaged by the City to audit the financial statements and express an independent professional opinion on the fairness of the presentation of the City's financial statements.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TROUTDALE, OREGON THAT:

Section 1: The City's financial statements and Annual Comprehensive Financial Report (ACFR) prepared by City Management for the Fiscal Year ended June 30, 2023 are approved as presented in Exhibit A of the Staff Report.

Section 2: The Report of the Independent Auditors' on the audited financial statements of the City for the Fiscal Year ended June 30, 2023 is accepted as presented in Exhibit A of the Staff Report.

Section 3: The auditors' letter required under Statement on Auditing Standards (SAS) No. 114; *The Auditor's Communication to the Governing Body*, is accepted as presented in Exhibit B of the Staff Report.

Section 4: The Report of the Independent Auditors' required under Oregon Administrative Rules 162.10.000 *Minimum Standards for Audits of Oregon Municipal Corporations*, is accepted as presented in Exhibit A of the Staff Report.

Section 5: The Report of the Independent Auditors' on *Communicating Internal Control Related Matters Identified in an Audit* Statement on Auditing Standards (SAS) No. 115; known as the "Management Letter" was not issued again this year as the Auditors found no conditions which required a Management Letter.

Section 6: This resolution is effective upon adoption.

**YEAS:
NAYS:
ABSTAINED:**

Randy Lauer, Mayor

Date

Sarah Skroch, City Recorder
Adopted:



STAFF REPORT

SUBJECT: Next Steps for Law Enforcement and Fire Services Contracts

| | |
|---|--|
| MEETING TYPE: City Council - Regular Meeting | MEETING DATE: January 9, 2024 |
| PRESENTER: Ray Young | DEPARTMENT / AFFILIATION: Executive |
| ACTION REQUIRED: Information / Discussion | PUBLIC HEARING: No |
| COMMITTEE / COMMISSION RECOMMENDATION: N/A | |
| STAFF RECOMMENDATION: N/A | |

Exhibits:

- A. Recommendation Regarding New Steps Law Enforcement Services
- B. Recommendation Regarding Next Steps Fire Services

Subject Relates to:

- Council Goals
 - Legislative
 - Land Use / Development
 - Other
- Preparation for the law enforcement (LE) and Fire IGA’s ending

Discussion Points:

- Should Staff be directed to take the recommended action steps in preparing to provide police and fire services to the residents beyond June 2025.
- What, if any, additional steps should staff be directed to take

Background:

The City is currently being provided fire protection services under an Intergovernmental Agreement (IGA) with the City of Gresham. The fire IGA was a “joint” contract which included services to Wood Village and Fairview also. Each city paid an amount based upon our proportional populations. The City is also being provided law enforcement services under an IGA with the Multnomah County Sheriff’s Office. This contract was only between the City and MCSO. The other two cities are under their own, separate, IGA with Multnomah County for LE services. Both of our agreements are for 10-years and end on the same date, June 30th, 2025.

The providing of fire and law enforcement protection is one of the most fundamental services that any government can provide its residents. It is also one of the most expensive services that the citizens pay for. In the first year of the contract, budget year 2015-16, the City paid \$2,826,656 for law enforcement services, and paid \$1,856,715 for fire services. In this budget year, 2023-24, we budgeted to pay \$4,605,038 for law enforcement services, and \$2,726,394 for fire. The total of these two expenses consumes approximately one half of our regular General Fund income.

Staff has no reason to believe that there are any significant deficiencies in how Gresham and Multnomah County are providing these services. It is entirely possible that the City will chose to renew the IGA's and continue getting its law enforcement and fire protection services from these two providers. However, considering that these expenses have a significant impact on our General Fund, they are both very important to our residents, and with the anticipated rising costs for these services, the City should carefully evaluate these, and other options, to provide these critical services in the future.

There is also the added issue of whether the City should continue to pay for fire services from the General Fund. The City is one of the few municipalities in the Metro area that still pay for fire services from the General Fund. Most cities have transferred this responsibility to fire districts, an additional government agency with its own board and property tax funding. The primary reason that other cities are able to fund fire services from their General Fund is that their permanent property tax rate, established by law in the 90's, are significantly higher than ours. (Portland's is \$7.89 v. Troutdale's is \$3.76). Gresham, Fairview and Wood Village are also exploring asking their residents to join/create a fire district as all 3 of them have permanent property tax rates less than ours.

On September 27th, 2022, the Council created the Public Safety Working Group (PSWG) pursuant to Resolution 2578. The primary charge to the Group was "... identifying what questions should be considered in preparing for the upcoming IGA renegotiations, to gather the necessary information to address those questions, and request the retention of consultants or studies to assist in the gathering of information."

The PSWG gave their report to the Council on December 13th, 2023. As a result, Council asked staff to return on January 9th with recommendations for actual action steps to begin the process of pursuing the future of Law Enforcement (LE) and Fire Service in Troutdale beyond June of 2025. Attached, as Exhibit A. and B. are the recommendations from the PSWG regarding LE and Fire with, in red, action steps suggested by Staff.

Some of the steps have already been begun. The 3 Cities mayors have met and are sending a joint letter to Gresham asking to begin discussion regarding future fire service. Requests for Proposals (RFP) have been requested from experts to help determine the financial viability of re-establishing the Troutdale Police Department, and RFP's have been requested for

assistance in determining the proper level of law enforcement services. It is suggested that the Council “reconvene” the PSWG to work with consultants to determine the appropriate level of LE services that may be appropriate. This determination is critical before the City can request proposals, and determine cost, for different LE service providers.

Pros & Cons:

Pros:

- N/A

Cons:

- N/A

Oversight:

- *Budget Impact:* Yes, current year (describe) Yes, future (describe) N/A
LE and Fire services are the two biggest budget line-item expenses in the General Fund.
- *Community Involvement Process:* Yes (describe) N/A
Community was allowed 4 meetings to comment
- *Approval by City Attorney:* Yes N/A

Reviewed and Approved by the City Manager: _____



Recommendations to City Council from the Public Safety Working Group regarding information to be gathered to assist in determining the best path forward for Troutdale Law Enforcement July 1st, 2025, forward.

1. Review/hire consultant to compare current service level, get information from similar sized cities regarding service levels and determine what is desirable/recommended. **To be done under D. below.**
2. If increasing LE coverage in Troutdale is desirable, consider the type and cost of lower cost alternatives to sworn LE personnel for LE duties not requiring sworn LE personnel. (Park Rangers, more code compliance FTE, private security for parks and other areas, neighborhood watch, redlight cameras, etc.) **To be done under B. and C. below.**
3. After desired FTE/level of service determined, request a bid from City of Gresham for “desirable” level of sworn LE services. **(Likely can wait until service level determined, probably 3-4 months.)**
4. After desired FTE/level of service determined, request a bid from Mult County for “desirable” level of LE services. **(Likely can wait until service level determined, probably 3-4 months.)**
5. Request a consultant to prepare estimate for one time startup costs to re-create the Troutdale Police Department and annual General Fund budgetary cost of a TPD at the desirable LE service level. Coordinate with Wood Village and Fairview to include them in additional financial analysis of creating a larger Three Cities Police Department. **To be done under A. below.**
6. If alternatives to sworn officers is suggested, ask for a determination of cost. **Request after B. and C. below done.**
7. Get a report from MCSO, if available, of the current comparison of “discretionary” v. “non-discretionary” time for patrol deputies in Troutdale. **(To be done in January)**

8. Get a report from MCSO, if available, of what percentage of time is in district v. out of district for patrol deputies in Troutdale. (To be done in January)
9. Determine what is a “baseline” of LE service that a Multnomah County resident receives v. what we currently receive under our IGA.
10. Review our current IGA to determine what terms need greater clarification to insure as much “control” and value as possible in a future contract. (To be done under B. Below)
11. Get an analysis done by a commercial real estate broker to determine the market rate for leasing the Troutdale Police Community Center, and recommendations for appropriate lease terms. (Likely can wait for 6 months.)

To Do In January

- A. Hire Consultant to estimate cost to start up Troutdale Police Department (TPD), and the annual cost to the from General Fund.
- B. Create Study Group, including LE personnel, to review current MultCo LE contract and determine preferred FTE.
- C. Create Study Group, including LE, to review previous TPD FTE and determine preferred FTE.
- D. Request reports under items 7 and 8 above.
- E. Contact DPSST, PSU Department of Criminology & Criminal Justice, and SOU Criminal Justice programs for assistance in locating help in determining level of LE service.

Exhibit B

1/9/24 Council Mtg. Item #7

Recommendations to City Council from the Public Safety Working Group regarding information to be gathered to assist in determining the best path forward for Troutdale Fire Protection July 1st, 2025, forward.

1. Review current service levels and response times and determine what is desirable. (In January, Staff Compile response times achieved vs. National Standards)
2. Request a consultant to determine likely financial impact of voter approved new fire district or annexation into Fire District 10. Impact on citizens and the City's General Fund. Coordinate with Wood Village and Fairview for cost sharing. (In January, contact PSU and USC regarding updating prior reports, and try to "piggyback" on Gresham's financial consultant, if they find one)
3. Request a bid from City of Gresham for new 10-year fire contract. Letter to Gresham from 3 cities, in progress. Will be sent the first part of January)
4. Request a bid from City of Gresham for "rolling" one year fire contracts pending Gresham's decision on future financing of fire services, or a fire district. (Combine with 3. Above)
5. Review current contract and determine additional terms to better define contracted level of service. (By end of February retain fire service consultant to assist in determining better metrics for contract.)
6. Schedule Gresham Fire and Emergency Services Chief to appear before Council in the first quarter of 2024 to present the contractual annual report. (Set for February 27th)
7. Consult with a Bond levy/Fire District vote firm, and Fire District 10, regarding steps for possibly asking citizens to join Fire District 10. Coordinate with WV and Fairview.