

CITY OF TROUTDALE
TROUTDALE, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2011

CITY OF TROUTDALE OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the year ended June 30, 2011

SUBMITTED BY
FINANCE DEPARTMENT

Erich Mueller

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CITY OF TROUTDALE, OREGON

COMPREHENSIVE ANNUAL FINANCIAL REPORT FISCAL YEAR ENDING JUNE 30, 2011

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**INTRODUCTORY
SECTION**

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CITY OF TROUTDALE

"Gateway to the Columbia River Gorge"

December 10, 2011

TO THE HONORABLE MAYOR JIM KIGHT, MEMBERS OF THE CITY COUNCIL, AND CITIZENS OF THE CITY OF TROUTDALE, OREGON

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Troutdale, Oregon for the fiscal year ended June 30, 2011. State law requires that every local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement.

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

The City selected the accounting firm of Pauly, Rogers and Co., P.C. to conduct the independent financial audit. The auditor rendered an unqualified ("clean") opinion on the City of Troutdale financial statements for the year ended June 30, 2011. 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. MD&A complement 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 16,000.

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

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

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

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

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

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

ECONOMIC CONDITION AND OUTLOOK

The economy is changing, and as always it provides mixed signals during recovery and transition. Some find encouragement in the slight upturn of retail sales, corporate spending and profit improvement and other mildly positive indicators. However, continued high unemployment, softness in the housing market and the ongoing euro-area debt crisis provide a still gloomy outlook.

The ongoing slow economic recovery has impacted the Portland metropolitan area during the past year. Both construction activity and business tax collections remain below the pre 2008 financial crisis levels. Continued weak, but positive, economic growth is the current national economic forecast, however, the Oregon economy is likely to recover at slower than optimal pace well into 2013.

The certified population of Troutdale was recently updated to reflect census results bring total residents to 16,000. With the completion of the new FedEx facility at the Troutdale Reynolds Industrial Park (TRIP) site, building permit revenues for construction in Troutdale totaled only \$157,000, and new commercial construction completely ceased. The value of new residential property starts during the year totaled only \$640,000, reflecting the continued softness in the residential real estate market.

The City of Troutdale receives a portion of the business income tax collected by Multnomah County. The tax paid to the County equals 1.45% of net business revenues. The County shares 10% of the collections with the City of Troutdale, City of Gresham, City of Wood Village and City of Fairview. The tax is distributed based on population and assessed values. Troutdale received \$605,731 in the current year, an increase of \$58,000 or 10.6%, representing a recovery of businesses.

The City's location in the Portland metropolitan area provides citizens with many diverse employment opportunities. The unemployment rate for the Portland metropolitan area was 9.2% in June 2011, and has move down from 10.5% a year prior. The Portland metropolitan area's June 2011 unemployment rate was equal to that of the national average of 9.2%, and is slightly less than the Oregon State unemployment rate of 9.4%.

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.

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

MAJOR FINANCIAL INITIATIVES

Replace 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. Work has begun on replacing the Police Department building setting the stage for achieving a long standing City goal. The successful bond offering in February 2011 provided the project funding. The design and planning primarily occurred in this fiscal year with the construction expected to be substantially completed in next fiscal year.

City Hall Building – Addressing the structural and environmental safety issues of the City Hall building is the City's most pressing facility need. Beyond the several current structural issues, the facility lacks the necessary space for current and future needs. The current facility lacks adequate parking for citizens, contractors and staff, and adequate secure records storage space. The City is reviewing options for repair or relocation.

Urban Renewal Agency for the City of Troutdale – On May 16, 2006 the Troutdale voters approved the formation of the Urban Renewal Agency for the City of Troutdale. The goal of the Agency is to fund public improvements and spur private development in the Troutdale Riverfront area. The goal of the district is to promote the optimum development of the site. The City owned land that housed the former sewage treatment plant is one specific property the City would like to see redeveloped. Anticipated development in the district includes a mix of retail, business, and residential housing. The City also plans to provide public improvements to the area including transportation access improvements, a riverfront park, public plaza, public parking and a pedestrian bridge to the Town Center area. The Agency budget appropriation was provided by the City during the 2010 fiscal year and was included as a component unit in the City's financial statements.

Fire & Emergency Services – Fire protection is provided in Troutdale through an intergovernmental agreement with the City of Gresham. In past years, the Troutdale residents have paid significantly less than Gresham residents for fire services. A Three-City Fire Service Advisory Committee was established to analyze the options available to continue providing affordable quality fire services to the citizens. Based on the recommendations by the Committee, Troutdale agreed to a ten-year contract with the City of Gresham that phases in the increased fire services costs over a

two-year period. The first increase occurred in FY 2005-06 totaling \$240,000 or 28%, followed by a second increase of \$143,000 or 13% in FY 2006-07. The agreement calls for a 3.5% increase in fire service costs for the next three years and 4% for the following five years of the contract. Property tax revenues are the main funding source for fire service costs. Statutory limits on property tax growth have restricted increases in Troutdale's property tax collections, which only grew at 2.63%, resulting in costs outpacing the contract increases for the past two years. The significant increase in fire service costs will continue to impact General Fund operations and financial stability. Troutdale will continue to work with the other cities to monitor service quality and associated increased costs.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Troutdale for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the 21st consecutive year that the City has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.


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

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

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

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

Respectfully Submitted,



Craig R. Ward
City Manager



Erich R. Mueller
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Troutdale
Oregon

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davidson

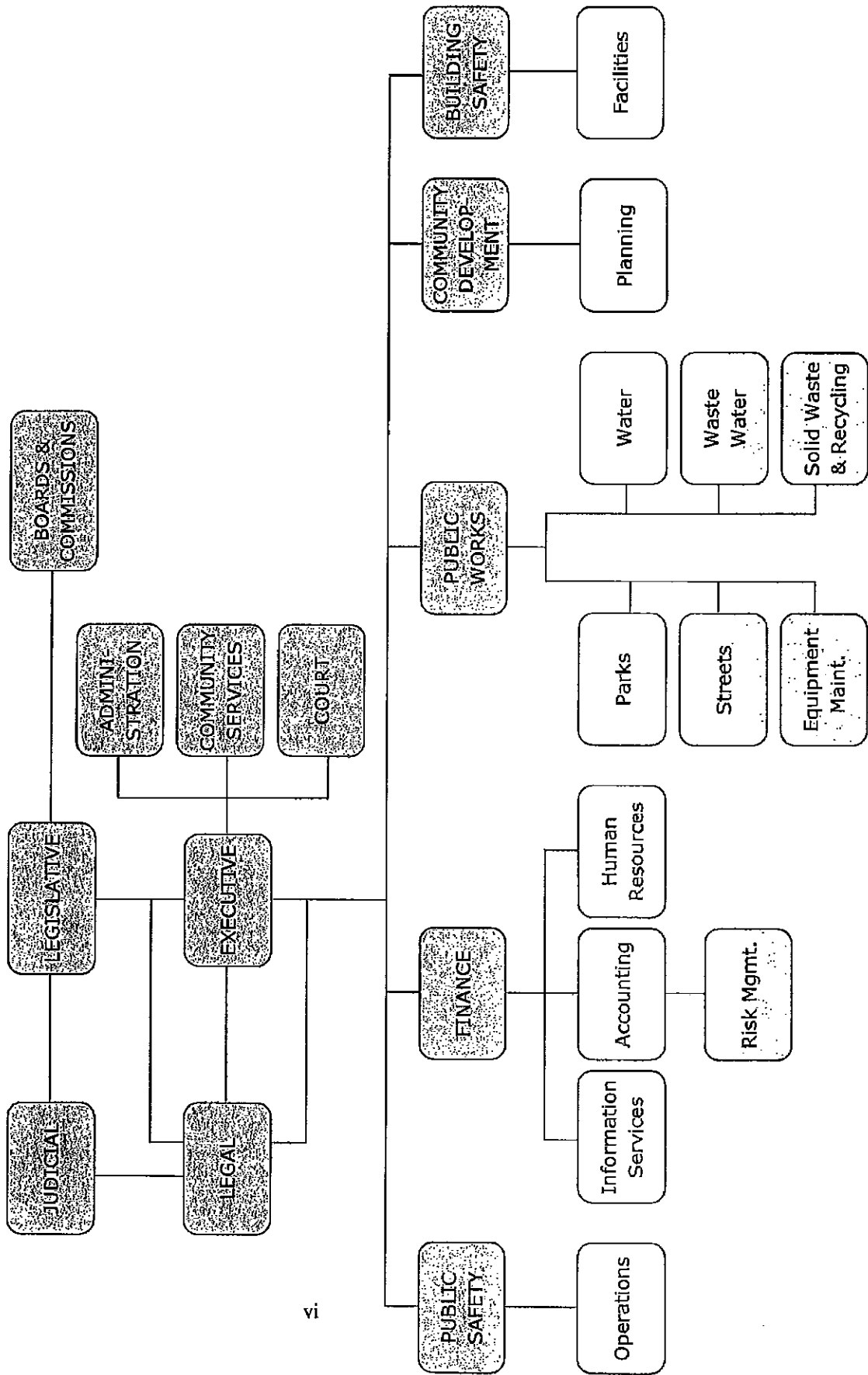
President

Jeffrey R. Enos

Executive Director

City of Troutdale

Organization Chart by Function



City of Troutdale, Oregon

PRINCIPAL OFFICIALS AS OF JUNE 30, 2011

ELECTED OFFICIALS:

Term Expires

MAYOR

Jim Kight December 31, 2012

COUNCIL MEMBERS

David Ripma December 31, 2014

Eric Anderson December 31, 2012

Norm Thomas December 31, 2014

Glenn White December 31, 2012

Rich Allen December 31, 2014

Doug Daoust December 31, 2012

APPOINTED OFFICIALS:

CITY MANAGER

Craig Ward

FINANCE DIRECTOR

Erich Mueller

LEGAL COUNSEL

David Ross

All may be reached at:

104 SE Kibling Avenue
Troutdale, OR 97060
(503) 665-5175

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**FINANCIAL
SECTION**

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

-
- 12700 SW 72ND AVENUE • TIGARD, OREGON 97223
 - (503) 620-2632 • FAX (503) 684-7523

December 10, 2011

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

INDEPENDENT AUDITORS' REPORT

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, Oregon, as of and for the year ended June 30, 2011, which collectively comprise the basic financial statements as listed in the table of contents. The basic financial statements are the responsibility of management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business type activities, each major fund and the aggregate remaining fund information of the City of Troutdale, Oregon, at June 30, 2011, and the results of its operations and the cash flows where applicable and respective budgetary comparisons for the General Fund, Street Fund, and Project fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Troutdale's basic financial statement. The supplementary information is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The supplementary information, as listed in the table of contents, has been subjected to the auditing procedures applied in audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section, statistical tables, capital assets used in the operation of governmental funds on pages 68-70, and other financial schedules on pages 77-79 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Pauly, Rogers and Co., P.C.
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, 2011. It focuses on the year's financial activities, significant changes in the City's financial position, budget changes and variances from the approved budget, as well as economic factors affecting the City. We encourage readers to consider the information presented here in conjunction with the additional information provided in the Letter of Transmittal and the Basic Financial Statements included in this report.

FINANCIAL HIGHLIGHTS

- The assets of the City exceed its liabilities at the close of the fiscal year by \$51.9 million (*net assets*). Of this amount, \$7.3 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets decreased \$0.4 million during the year. Minimal investment in Capital outlay was exceeded by the increase in accumulated depreciation.
- As of the close of the fiscal year, the City's governmental funds reported combined ending fund balances of \$15.3 million, an increase of \$7.5 due to the bond proceeds for the newly approved police facility project. Over \$3.4 million of the ending fund balance is available to meet the City's ongoing obligations to citizens and creditors. (*unassigned fund balance*).
- At year-end, the unassigned fund balance for the General Fund was \$3.6 million or 41% of total general fund expenditures during the year. The limited decrease in the ending fund balance for the General Fund of \$0.2 million is attributable to decreased capital outlay and reductions in budgeted expenditures.
- The City's capital assets net of depreciation decreased by \$1.2 million due to limited improvements to buildings and infrastructure along with vehicle and equipment purchases. Long-term debt increased by \$6.7 million from the new bond issue less 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 Assets and the Statement of Activities.

- The Statement of Net Assets focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts.
 - The Statement of Activities focuses on gross and net costs of city programs and the extent to which such programs rely upon general tax and other revenues. This Statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
 - Fund financial statements focus separately on major government funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Other Governmental Funds". Budgetary comparison statements are presented for the General Fund and the Street Fund (the sole major special revenue fund). Statements for the City's proprietary funds follow the governmental funds and include net assets, revenues, expenses and changes in fund net assets, 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 Assets

Over time, increases or decreases in net assets 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 assets at fiscal year-end and is a condensed version of the statement of net assets.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Cash and investments	\$ 15.5	\$ 7.6	\$ 5.0	\$ 4.9	\$ 20.5	\$ 12.5
Other assets	0.7	0.8	0.5	0.4	1.2	1.2
Capital assets	13.8	13.6	33.8	35.2	47.6	48.8
Total assets	30.0	22.0	39.3	40.5	69.3	62.5
Other liabilities	1.4	0.8	1.1	1.1	2.5	1.9
Long-term debt outstanding	8.3	0.9	6.6	7.5	14.9	8.4
Total liabilities	9.7	1.7	7.7	8.6	17.4	10.3
Net Assets:						
Invested in capital assets, net of related debt	5.1	12.6	26.3	26.8	31.4	39.4
Restricted	11.8	0.1	2.3	2.3	14.1	2.4
Unrestricted	3.4	7.7	3.0	2.8	6.4	10.5
Total net assets	\$ 20.3	\$ 20.4	\$ 31.6	\$ 31.9	\$ 51.9	\$ 52.3

The City's assets exceeded liabilities by \$51.9 million at the close of the fiscal year, a \$0.4 million decrease from the prior year. The majority of the City's net assets reflect investment in capital assets (e.g., land, buildings, equipment and infrastructure) less any related outstanding debt used to acquire those assets. Net assets invested in capital are non-liquid assets that cannot be used to meet current operating cash flow needs of the City. Investments include buildings and equipment used to provide city services and infrastructure benefiting the community, including roads, curbs and sidewalks, and water, sewer and waste water systems.

Restricted net assets are subject to external restrictions on how they may be used. These restricted net assets include system development charges 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 restricted net assets is the capital project fund for the construction of the police facility.

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

Statement of Activities

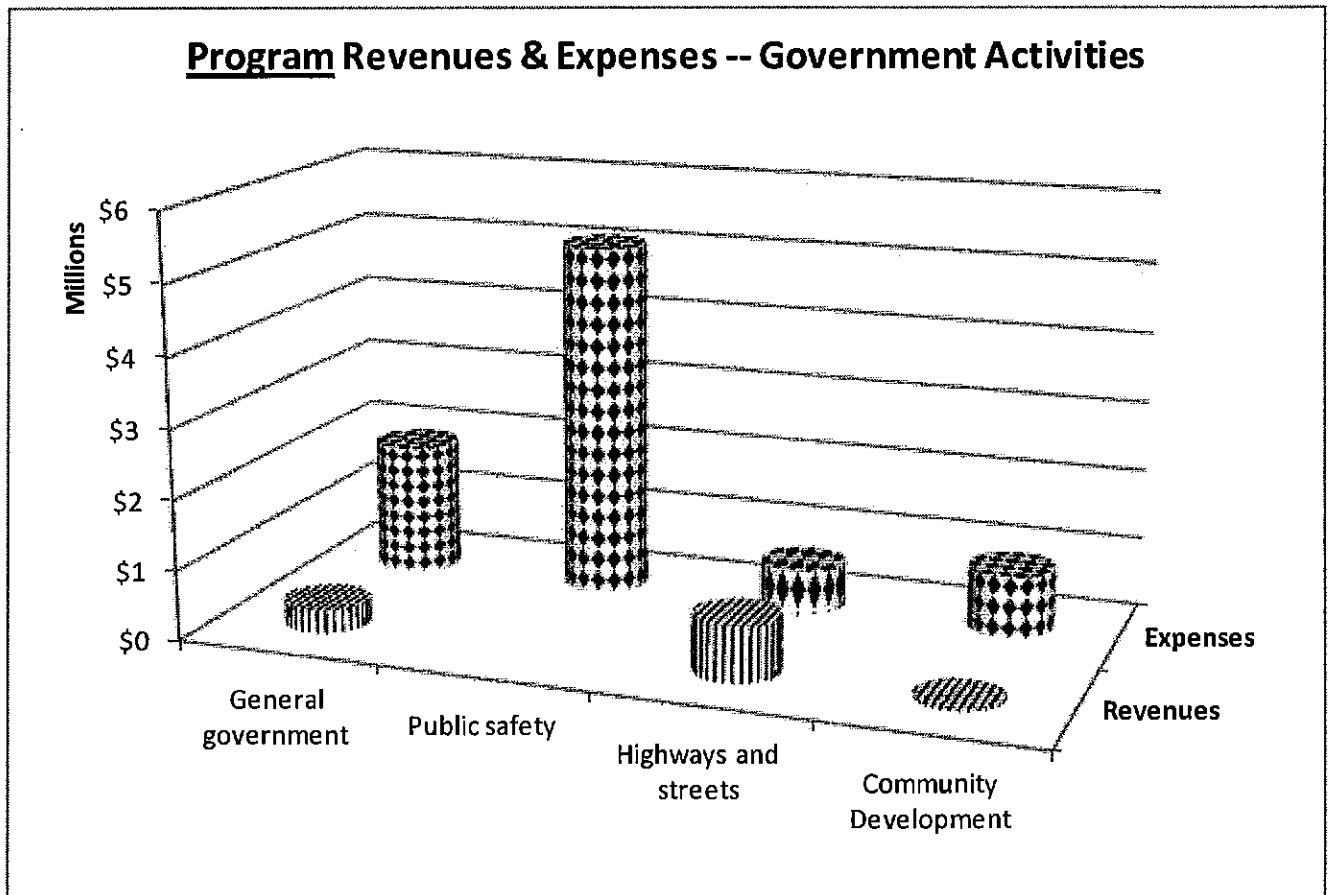
Table 2 provides a summary of the primary sources and uses and the resulting change in net assets for the City. The information is condensed from the statement of activities.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 0.3	\$ 0.5	\$ 4.9	\$ 4.8	\$ 5.2	\$ 5.3
Operating grants and contributions	0.8	0.7	-	-	0.8	0.7
Capital grants and contributions	-	-	0.2	1.7	0.2	1.7
General revenues:						
Property taxes	4.1	4.0	0.7	0.6	4.8	4.6
Franchise and other taxes	1.9	1.3	-	-	1.9	1.3
Other receipts	2.5	3.1	0.1	0.2	2.6	3.3
Total revenues	9.6	9.6	5.9	7.3	15.5	16.9
Expenses:						
General government	2.2	2.5	-	-	2.2	2.5
Public safety	5.1	5.1	-	-	5.1	5.1
Highways and streets	1.4	0.6	-	-	1.4	0.6
Solid waste/recycling	-	-	-	-	-	-
Community development	0.9	1.5	-	-	0.9	1.5
Interest on long-term debt	0.1	0.1	-	-	0.1	0.1
Water	-	-	1.9	1.8	1.9	1.8
Sewer	-	-	2.7	2.5	2.7	2.5
Storm sewer	-	-	0.7	0.4	0.7	0.4
Public services	-	-	0.9	0.9	0.9	0.9
Total expenses	9.7	9.8	6.2	5.6	15.9	15.4
Increase (decrease) in net assets	(0.1)	(0.2)	(0.3)	1.8	(0.4)	1.6
Net assets, beginning	20.4	20.0	31.9	30.5	52.3	50.5
Prior period adjustment	-	0.6	-	(0.4)	-	0.2
Net assets, beginning, as restated	20.4	20.6	31.9	30.1	52.3	50.7
Net assets, ending	\$ 20.3	\$ 20.4	\$ 31.6	\$ 31.9	\$ 51.9	\$ 52.3

During the fiscal year, the City's total net assets decreased by \$0.4 million. Business Type activities decreased \$0.3 million and the Governmental activities \$0.1 million decrease.

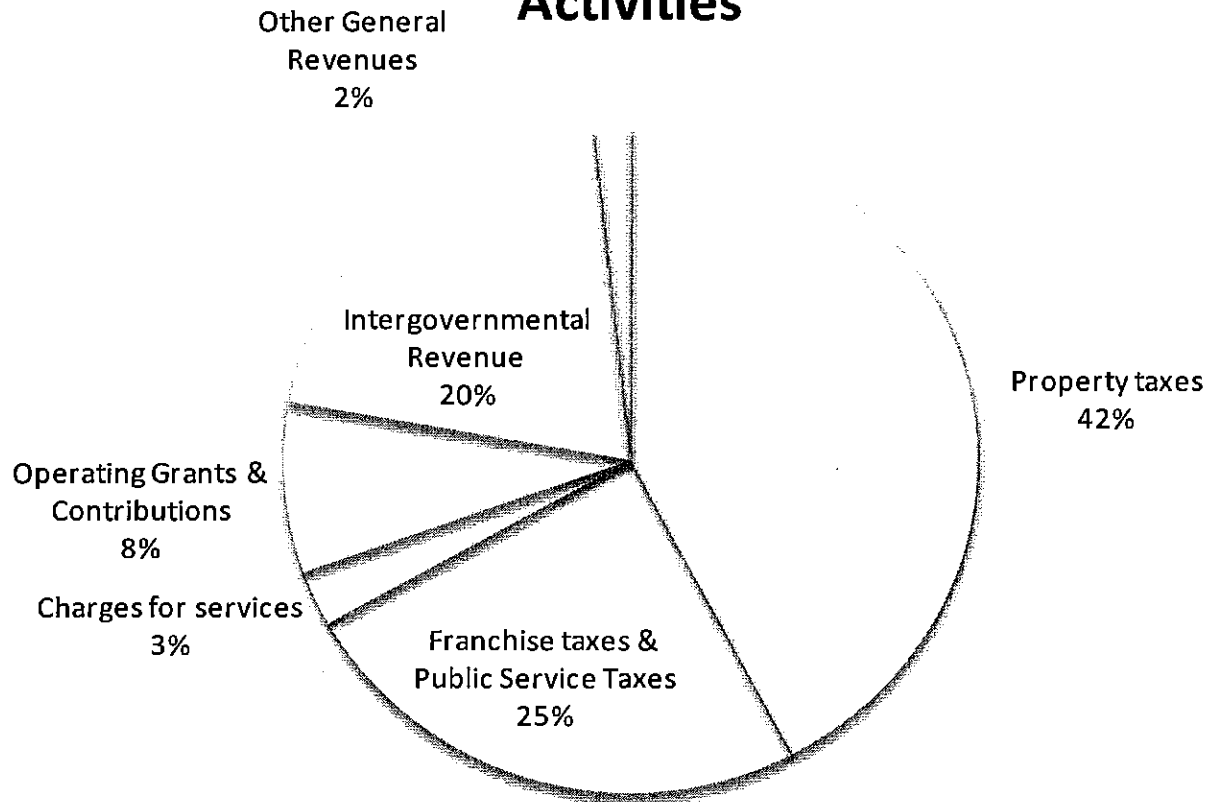
The following graph shows the expenses of each governmental function compared to the program revenues generated specifically from its operations.



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

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

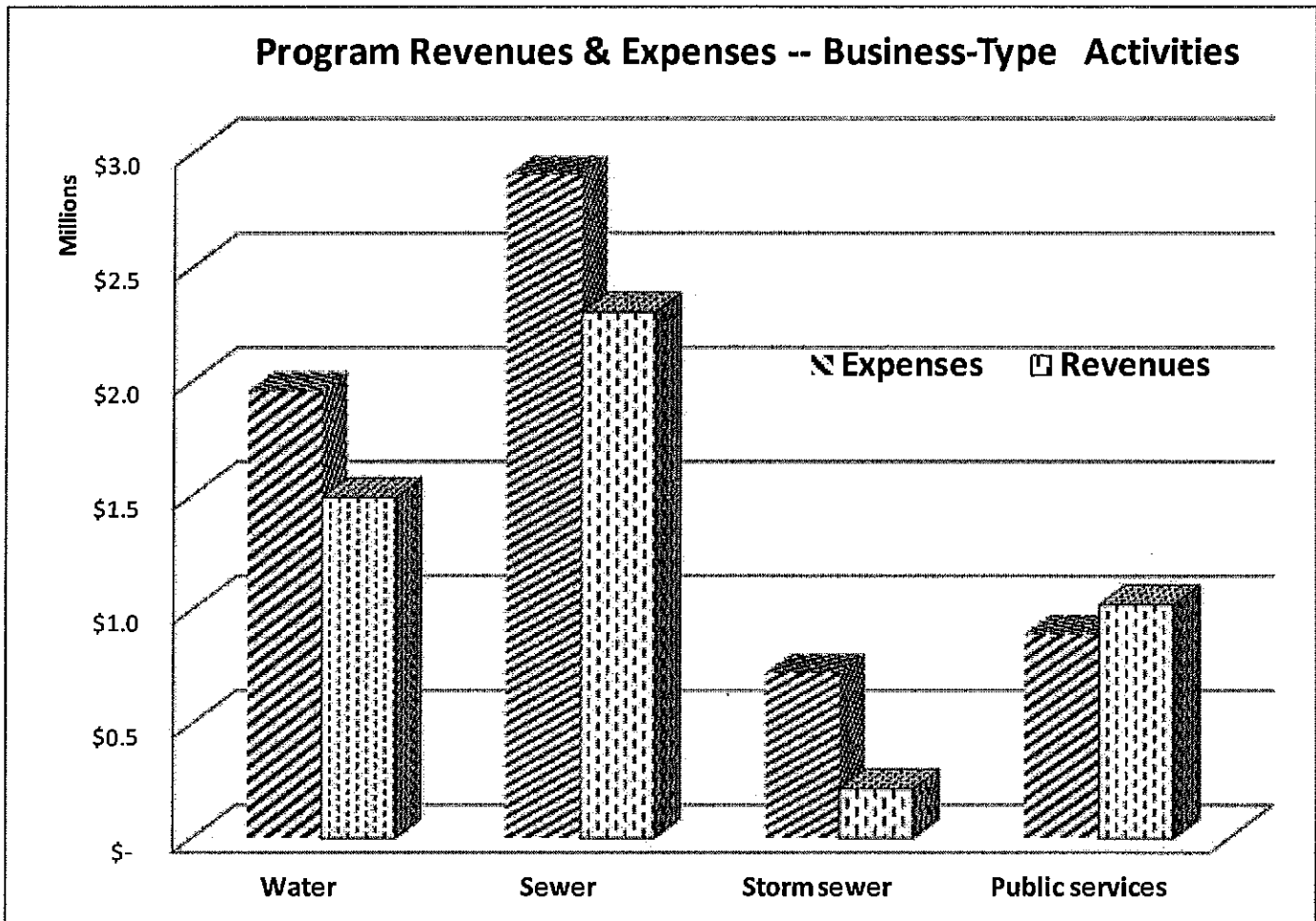
Revenues by Source -- Governmental Activities



Governmental revenues were flat with the prior year, reflecting a bottoming out from the steep 11% decline from 2008 to 2009. The majority of governmental revenues (87%) include property taxes, franchise fees and intergovernmental revenues. 5% of revenues are from user fees and charges for services, while the remaining 13% are made up of operating and capital grants and other revenues. The decrease in governmental revenues is due to the economic downturn which has resulted in lower franchise tax fees and County Business Income Tax receipts.

Governmental program expenses decreased by \$0.1 million or 1% compared to the prior year. The decrease in governmental expenses is attributable to active budgetary control across the governmental activities, and a decrease in capital outlay.

Business-type activities provided a \$0.3 million decrease to the City's total net assets. The following graph shows the program revenues and expenses generated by each business-type function.



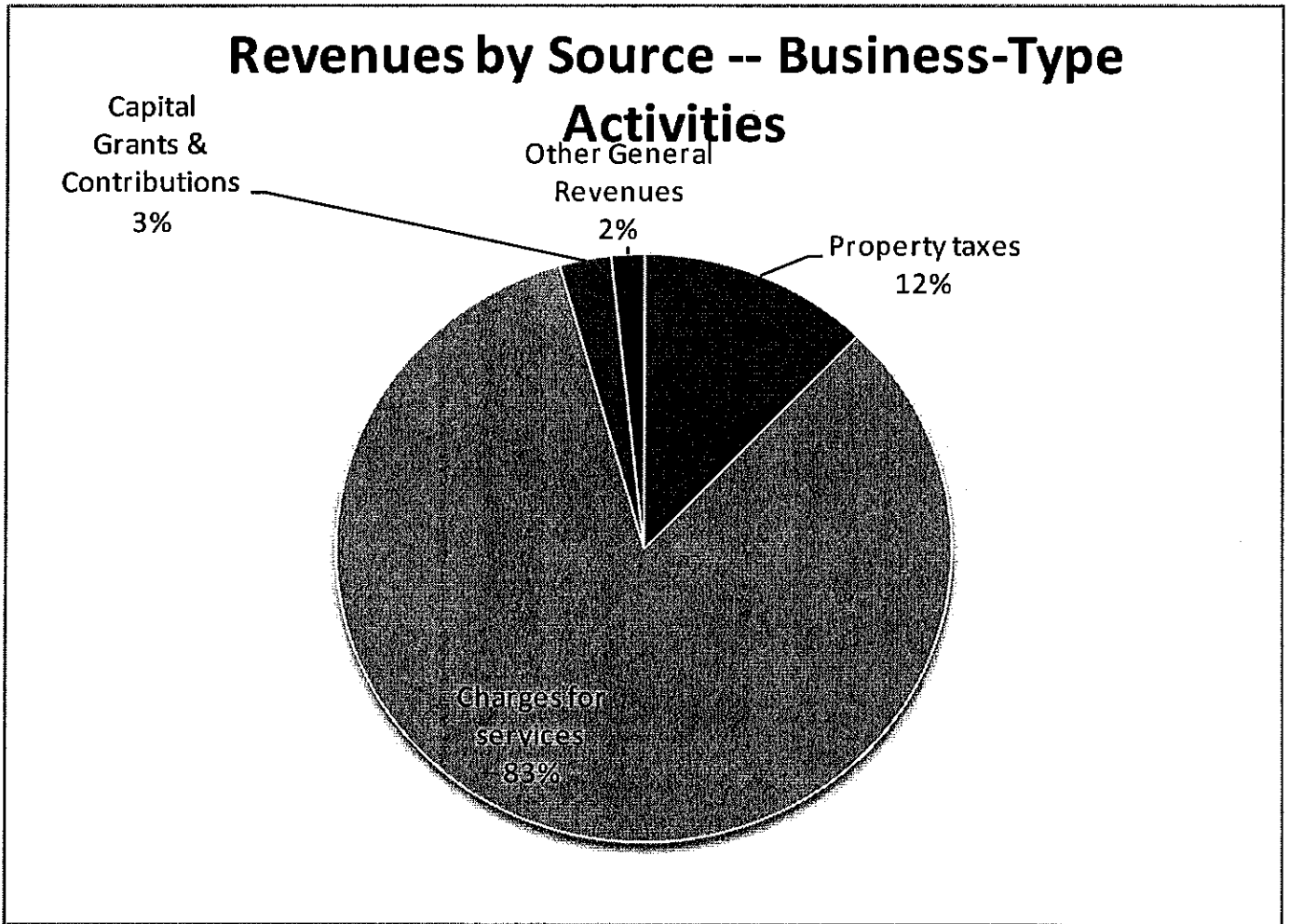
The primary source of revenue for the City operated water, sewer, and storm sewer utilities are customer user fees. Public services (Public Works management and equipment maintenance services) generate some revenues but are primarily funded from charges to the direct utility operating functions they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

Total revenues increased 0.4 million or 6.3% compared to the prior year. The increase is attributable to the user rate increase for water, sewer and storm water systems, and property taxes. The City collected \$0.1 million in utility systems development charges, flat with the prior year, and down \$1 million from the two years prior. Charges collected for system development impact are used to pay the costs of infrastructure expansion as needed to meet the demands of population growth, including debt service on financed infrastructure construction. In prior years there had been a significant increase in these collections, which was reflected in the increase in residential development in the City. Residential development slowed down dramatically in FY

2007 and has remained at a subdued level which resulted in a low level of systems development charge collections.

City utility user fees for water, sewer and storm services increased by \$0.2 million or 5% compared to the prior year. This reflects the user rate increase and a decrease in consumption from the economic conditions and seasonally cooler weather.

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 (83%) are generated from user fees and charges for services. Minimal revenues collected are attributable to private developers through systems development charges.

Business-type program expenses increased by \$0.5 million or 8.7% compared to the prior year, primarily due to increased repair and maintenance and capital outlay projects in both the Water and Sewer activities.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Fund balances totaled \$46,843,724 at June 30, 2011. A summary of fund balances follows:

**Table 3
City of Troutdale, Oregon
Fund Balances**

	<u>June 30, 2011</u>	<u>June 30, 2010</u>	<u>Change</u>
General Fund	\$ 3,635,309	\$ 3,881,775	\$ (246,466)
Street Fund	925,165	942,147	(16,982)
PD Facility Project	7,362,593	-	7,362,593
Other Governmental	3,367,062	3,017,090	349,972
Water	10,270,417	10,710,332	(439,915)
Sewer	14,173,849	13,726,494	447,355
Storm Sewer	6,866,475	7,302,915	(436,440)
Public Services	242,854	110,985	131,869
Total	<u>\$ 46,843,724</u>	<u>\$ 39,691,738</u>	<u>\$ 7,151,986</u>

GENERAL FUND BUDGETARY HIGHLIGHTS

The budgetary statement for the General Fund shows the original budget, final budget and actual revenues, expenditures and transfers in and out for the fiscal year. Differences between the original and amended budget were not significant. The City Council approved several supplemental budgets changing the adopted budget. The resolutions approved the transfer of General Fund contingency appropriation authority totaling \$447,150 to various departments within the General Fund. The changes are summarized as follows:

- \$36,000 New Police Building cost estimating due diligence, including architectural services, engineering evaluations, soil testing, cost estimation services, and topographical survey.
- \$25,000 hazardous materials abatement for lead and asbestos, and the demolition, removal and excavation on the Davis property
- \$35,500 Housing and Relocation expenses and increased salary and benefit expenses for new City Administrator
- \$15,500 Additional salary and benefit expenses for new Recreation Manager
- \$25,000 EMEA Economic Development Funding, Regional Partners, and "Store to Door" program cost share, Consortium Economic Development - Special Assessment, and Down town holiday lighting
- \$100,000 Storefronts Program / Business Incentive Fee Subsidy (BIFS) program expense,
- \$50,000 for labor law legal expenses, investigations and settlement costs associated with employee relations, City Hall copier capital lease
- \$70,000 for Police Operations for patrol vehicle MDT capital lease, preliminary professional services related to the new building, and night vision equipment

- \$20,000 unanticipated expenses associated with the structural failures surrounding the council chamber, for furniture, equipment, materials and professional assessment services
- \$12,615 Flood Insurance - ODOT I-84 bridge work increased flood risk coverage

Actual revenues for the year were less than budgeted amounts by \$235,000. The recession has resulted in lower than budgeted charges for services and interest earning, continued reduction in residential development and reduction in the intergovernmental revenue, which were the major components of the revenue shortfall. The beginning fund balance in the General Fund was \$152,000 greater than budgeted.

On the expenditure side, operations for all departments were under budget by \$605,000. Again the recession impacted development activity with budgeted spending being deferred. The other major expenditure reductions related to building improvements and other deferred capital outlays, which when combined with controlled spending across all departments, accounted for the overall reduction.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of year-end, the City had \$47.6 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	
	2011	2010	2011	2010	2011	2010
Land	\$ 3.4	\$ 3.1	\$ 1.8	\$ 1.8	\$ 5.2	\$ 4.9
Intangible assets	-	-	-	-	-	-
Buildings & improvements	1.8	2.0	1.7	1.8	3.5	3.8
Land improvements	1.4	1.6	0.2	0.2	1.6	1.8
Equipment	0.5	0.5	0.1	0.1	0.6	0.6
Infrastructure	5.6	6.1	30.1	31.3	35.7	37.4
Work in Progress	1.0	0.3	-	-	1.0	0.3
Total	<u>\$13.7</u>	<u>\$13.6</u>	<u>\$33.9</u>	<u>\$35.2</u>	<u>\$47.6</u>	<u>\$48.8</u>

Assets for governmental activities increased by \$0.1 million from the annual recorded depreciation being offset primarily by the increase for work in progress on the new police facility.

Assets for business-type activities decreased by \$1.3 million net of depreciation from minimal capital outlay offset by depreciation expense.

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

DEBT OUTSTANDING

Debt outstanding at year-end is summarized in Table 5. As of year-end, the City had \$16 million in bonds and notes outstanding. Of that amount, \$1.8 million is due within one year. Total long-term debt increased by \$6.5 million during the year, the net from \$1 million scheduled principal debt service payments, and the increase from the new bond issue of \$7.5 million. More detailed information can be found in the notes to the financial statements.

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

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
C.O.P. Building Loan	\$ 0.9	\$ 1.0	\$ -	\$ -	\$ 0.9	\$ 1.0
General obligation bond WPCF	-	-	7.6	8.6	7.6	8.6
General obligation bond PD	7.5	-	-	-	7.5	-
Lease payable	-	-	-	-	-	-
Total	\$ 8.4	\$ 1.0	\$ 7.6	\$ 8.6	\$ 16.0	\$ 9.6

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

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

ECONOMIC FACTORS AND RATES

- The State's property tax regulations set permanent rates and limited growth in existing property values to a maximum of three percent per year. The assessed values for new residential and commercial construction are also adjusted to reflect the growth limitations so they receive the same tax benefit as existing properties. Troutdale's permanent tax rate is \$3.7652 per \$1,000 of tax-assessed value.
- Value added through new construction continues to increase assessed value. For the current year Troutdale's total assessed value was \$1,111,032,859 an increase of only 2.9%.
- 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 Fiscal Year 2010-2011 were based on the system's valuation as of December 31, 2007, and were not affected by the 2008 market downturn, nor the market improvement during 2009. Employer rates be effective July 1, 2011 are based on investment returns for calendar years 2008 and 2009 and the resulting the system valuation as of December 31, 2009. At this time an approximately 4% rate points of subject payroll increase is estimated to increase City costs by \$180,000 in each of the next two years.

- Troutdale's share of the Multnomah County Business Income Tax monies received increased by \$58,000 or 10.6% compared to the prior year, representing a recovery of businesses from the steep 33% decline from 2008 to 2009. Indications are that this revenue will trend slightly higher into the next fiscal year as business activity slowly continues to recover from the recession. The City receives these revenues through an Intergovernmental Agreement with Multnomah County. Troutdale received \$605,731 from the Business Income Tax representing 7% of current year General Fund revenue.
- The City provides fire and emergency services to its citizens through an Intergovernmental Agreement with the City of Gresham. A 10-year agreement was signed in October 2005. Under the agreement, fire services costs increase each year and calls for a 4% increase in each of the next five years
- The Street Fund financial forecast indicates a declining fund balance even at a minimal preservation and maintenance level. To fund the department recommended maintenance cycle, and meet the City's goal of 100% good or better street rating in ten years, an additional \$293,000 is required annually. The City will need to address this issue through new revenue sources and/or cost and service level reductions.

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 104 SE Kibling Avenue, Troutdale, Oregon 97060.

**BASIC
FINANCIAL
STATEMENTS**

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CITY OF TROUTDALE, OREGON

Statement of Net Assets

June 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 4,475,549	\$ 2,682,685	\$ 7,158,234
Accounts receivable, net	544,679	403,781	948,460
Property taxes receivable	216,918	37,126	254,044
Prepaid expenses	1,793	-	1,793
Inventories	13,766	25,761	39,527
Restricted cash and investments	11,039,739	2,278,696	13,318,435
Capital assets:			
Nondepreciable	4,452,771	1,776,518	6,229,289
Depreciable, net	9,254,578	32,079,115	41,333,693
Total assets	<u>29,999,793</u>	<u>39,283,682</u>	<u>69,283,475</u>
LIABILITIES			
Accounts payable	596,774	98,579	695,353
Accrued payroll	197,363	-	197,363
Accrued compensated absences - current	54,896	12,141	67,037
Deposits	1,050	500	1,550
Interest payable	56,654	24,333	80,987
Noncurrent liabilities:			
<i>Due within one year</i>			
Current portion of long-term debt	208,072	960,000	1,168,072
<i>Due in more than one year</i>			
Accrued compensated absences - long term	219,582	48,563	268,145
Noncurrent portion of long-term debt	8,349,360	6,585,971	14,935,331
Total liabilities	<u>9,683,751</u>	<u>7,730,087</u>	<u>17,413,838</u>
NET ASSETS			
Invested in capital assets, net of related debt	5,149,917	26,309,662	31,459,579
Restricted			
Capital Projects	10,568,788	2,278,696	12,847,484
Debt Service	135,460	-	135,460
Other	1,071,778	-	1,071,778
Unrestricted	3,390,099	2,965,237	6,355,336
Total net assets	<u>\$ 20,316,042</u>	<u>\$ 31,553,595</u>	<u>\$ 51,869,637</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, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Asset		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:						
General government	\$ 2,207,978	\$ -	\$ -	\$ (1,884,978)	\$ -	\$ (1,884,978)
Public safety	5,081,873	-	-	(5,081,873)	-	(5,081,873)
Highway and Streets	1,427,173	780,915	2,508	(635,875)	-	(635,875)
Solid waste/recycling	8,165	-	-	(8,165)	-	(8,165)
Community development	900,494	21,711	-	(878,783)	-	(878,783)
Interest on long-term debt	86,643	-	-	(86,643)	-	(86,643)
Total governmental activities	9,712,326	802,626	2,508	(8,576,317)	-	(8,576,317)
Business-type activities:						
Water	1,941,720	-	5,380	-	(538,617)	(538,617)
Sewer	2,714,223	-	131,346	-	(292,283)	(292,283)
Storm sewer	685,874	-	24,985	-	(446,409)	(446,409)
Public services	891,327	-	-	-	130,499	130,499
Total business type activities	6,233,144	-	161,711	-	(1,146,810)	(1,146,810)
Total government	\$ 15,945,470	\$ 802,626	\$ 164,219	(8,576,317)	(1,146,810)	(9,723,127)
	General revenues:					
	Taxes					
	Property taxes			4,100,036	721,442	4,821,478
	Franchise taxes			1,242,675	-	1,242,675
	Public service taxes			659,961	-	659,961
	Interest and investment earnings			56,150	25,830	81,980
	Other revenues			2,555,094	102,407	2,657,501
	Loss on disposal of asset			(135,266)	-	(135,266)
	Total general revenues and transfers			8,478,650	849,679	9,328,329
	Change in net assets			(97,667)	(297,131)	(394,798)
	Net assets - beginning			20,413,709	31,850,726	52,264,435
	Net assets - ending			\$ 20,316,042	\$ 31,553,595	\$ 51,869,637

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.

Project Fund

This fund accounts for the bond proceeds and construction for the new fire station.

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CITY OF TROUTDALE, OREGON
Governmental Funds
Balance Sheet
June 30, 2011

	<u>General Fund</u>	<u>Street Fund</u>	<u>Project Fund</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
ASSETS					
Cash and investments	\$ 3,724,683	\$ 1,076,587	\$ 7,431,861	\$ 3,282,157	\$ 15,515,288
Accounts receivable	468,699	74,928	-	1,052	544,679
Property taxes receivable	214,745	-	-	2,173	216,918
Prepaid items	1,793	-	-	-	1,793
Interfund loan	110,000	-	-	387,000	497,000
Inventory	533	13,233	-	-	13,766
Due from	-	-	-	37,550	37,550
Total assets	<u>\$ 4,520,453</u>	<u>\$ 1,164,748</u>	<u>\$ 7,431,861</u>	<u>\$ 3,709,932</u>	<u>\$ 16,826,994</u>
LIABILITIES					
Accounts payable	\$ 245,646	\$ 239,583	\$ 69,268	\$ 42,277	\$ 596,774
Payroll liabilities	197,363	-	-	-	197,363
Deposits	-	-	-	1,050	1,050
Deferred revenue	205,135	-	-	1,993	207,128
Interfund loan	237,000	-	-	260,000	497,000
Due to	-	-	-	37,550	37,550
Total liabilities	<u>885,144</u>	<u>239,583</u>	<u>69,268</u>	<u>342,870</u>	<u>1,536,865</u>
FUND BALANCES					
Nonspendable	2,326	13,233	-	-	15,559
Restricted	-	911,932	7,362,593	3,523,269	11,797,794
Assigned	54,000	-	-	-	54,000
Unassigned	3,578,983	-	-	(156,207)	3,422,776
Total fund balances	<u>3,635,309</u>	<u>925,165</u>	<u>7,362,593</u>	<u>3,367,062</u>	<u>15,290,129</u>
Total liabilities and fund balance	<u>\$ 4,520,453</u>	<u>\$ 1,164,748</u>	<u>\$ 7,431,861</u>	<u>\$ 3,709,932</u>	<u>\$ 16,826,994</u>

Amounts reported for governmental activities in the Statement of Net Assets are different because:
 Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds

13,707,349

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

207,128

Accrued compensated absences are not due and payable in the current period and therefore are not reported in the funds.

(274,478)

All long term liabilities are reported in the Statement of Net Assets whereas in governmental funds, long term liabilities are not due and payable in the current period and are not reported

Interest payable

(56,654)

Bond payable

(7,540,000)

Capital lease payable

(78,770)

Loan payable

(873,000)

Bond premium

(65,662)

Net Assets of Governmental Activities

\$ 20,316,042

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, 2011

	<u>General Fund</u>	<u>Street Fund</u>	<u>Project Fund</u>	<u>Other Governmental</u>	<u>Total Governmental</u>
REVENUES					
Intergovernmental	\$ 1,164,634	\$ 773,247	\$ -	\$ 44,820	\$ 1,982,701
Charges for services	229,396	7,875	-	24,219	261,490
Property taxes	4,045,485	-	-	47,606	4,093,091
Franchise	1,069,772	-	-	172,903	1,242,675
Licenses and permits	55,425	-	-	174,402	229,827
Fines and forfeitures	402,602	-	-	-	402,602
Interest	23,525	5,665	13,171	13,789	56,150
Miscellaneous	935,954	2,158	-	12,593	950,705
Hotel/motel transient tax	429,249	-	-	-	429,249
Solid waste tax	56,310	-	-	-	56,310
Total revenues	<u>8,412,352</u>	<u>788,945</u>	<u>13,171</u>	<u>490,332</u>	<u>9,704,800</u>
EXPENDITURES					
Current:					
General government	2,120,597	-	-	-	2,120,597
Public safety	5,201,680	-	-	-	5,201,680
Highway and Streets	-	782,891	-	-	782,891
Solid waste/recycling	8,139	-	-	-	8,139
Community development	960,403	-	-	400,258	1,360,661
Capital outlay	-	23,036	256,240	85,276	364,552
Debt service:					
Principal	-	-	-	105,000	105,000
Interest	-	-	-	31,930	31,930
Total expenditures	<u>8,290,819</u>	<u>805,927</u>	<u>256,240</u>	<u>622,464</u>	<u>9,975,450</u>
Excess (deficiency) of revenues over (under) expenditures	121,533	(16,982)	(243,069)	(132,132)	(270,650)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	482,104	482,104
Transfers out	(482,104)	-	-	-	(482,104)
Capital lease proceeds	114,105	-	-	-	114,105
Bond proceeds	-	-	7,540,000	-	7,540,000
Bond premium	-	-	65,662	-	65,662
Total other financing sources (uses)	<u>(367,999)</u>	<u>-</u>	<u>7,605,662</u>	<u>482,104</u>	<u>7,719,767</u>
Net change in fund balance	(246,466)	(16,982)	7,362,593	349,972	7,449,117
FUND BALANCES, BEGINNING	<u>3,881,775</u>	<u>942,147</u>	<u>-</u>	<u>3,017,090</u>	<u>7,841,012</u>
FUND BALANCES, ENDING	<u>\$ 3,635,309</u>	<u>\$ 925,165</u>	<u>\$ 7,362,593</u>	<u>\$ 3,367,062</u>	<u>\$ 15,290,129</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, 2011

Net change in fund balances - total governmental funds \$ 7,449,117

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	\$ 1,400,751	
Loss on disposal	(135,266)	
Less current year depreciation	<u>(1,154,954)</u>	110,531

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

Property taxes	6,945
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Loan proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. 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 Assets. This is the amount by which proceeds exceeded repayments.

Principal payments	140,335	
Bond proceeds	(7,540,000)	
Bond premium	(65,662)	
Capital lease proceeds	<u>(114,105)</u>	<u>(7,579,432)</u>

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	\$ (30,115)	
Accrued interest expense	<u>(54,713)</u>	<u>(84,828)</u>

Change in net assets of governmental activities	<u><u>\$ (97,667)</u></u>
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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, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes				
Current year	\$ 3,960,189	\$ 3,960,189	\$ 3,957,939	\$ (2,250)
Prior year	79,702	79,702	73,820	(5,882)
Penalties and interest	7,500	7,500	13,726	6,226
Intergovernmental	1,348,904	1,348,904	1,164,634	(184,270)
Charges for services	167,000	167,000	229,396	62,396
Franchise	1,113,000	1,113,000	1,069,772	(43,228)
Licenses and permits	59,970	59,970	55,425	(4,545)
Fines and forfeitures	200,000	200,000	402,602	202,602
Interest	9,000	9,000	23,525	14,525
Miscellaneous	104,062	104,062	935,954	831,892
Hotel/motel transient tax	397,308	397,308	429,249	31,941
Solid waste tax	54,000	54,000	56,310	2,310
Total revenues	7,500,635	7,500,635	8,412,352	911,717
EXPENDITURES:				
Current:				
General government	304,120	522,370	414,037	108,333
Executive	1,002,916	1,105,816	1,012,569	93,247
Information services	242,943	242,943	221,411	21,532
Finance	498,024	498,024	472,580	25,444
Public safety	3,826,510	3,932,510	3,758,040	174,470
Fire protection services	1,443,640	1,443,640	1,443,640	-
Solid waste/recycling	10,990	10,990	8,139	2,851
Community development	234,870	296,070	293,889	2,181
Parks & facilities	882,422	841,222	666,514	174,708
Contingency	450,000	2,850	-	2,850
Total expenditures	8,896,435	8,896,435	8,290,819	605,616
Revenues over (under) expenditures	(1,395,800)	(1,395,800)	121,533	1,517,333
OTHER FINANCING SOURCES (USES):				
Transfers in	941,050	941,050	150,000	(791,050)
Transfers out	(514,404)	(514,404)	(508,104)	6,300
Capital lease proceeds	-	-	114,105	114,105
Total other financing sources (uses)	426,646	426,646	(243,999)	(670,645)
Net changes in fund balances	(969,154)	(969,154)	(122,466)	846,688
FUND BALANCE, BEGINNING	3,731,856	3,731,856	3,884,775	152,919
FUND BALANCE, ENDING	\$ 2,762,702	\$ 2,762,702	\$ 3,762,309	\$ 999,607
Budget to GAAP Reconciliation				
Intefund loan transactions			(127,000)	
GAAP Fund Balance			\$ 3,635,309	

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, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 714,177	\$ 714,177	\$ 773,247	\$ 59,070
Charges for services	300	300	7,875	7,575
Interest	5,000	5,000	5,665	665
Miscellaneous	700	700	2,158	1,458
Total revenues	720,177	720,177	788,945	68,768
EXPENDITURES:				
Personal service	132,113	132,113	109,990	22,123
Materials and service	714,900	714,900	672,901	41,999
Capital outlay	57,100	57,100	23,036	34,064
Contingency	150,000	150,000	-	150,000
Total expenditures	1,054,113	1,054,113	805,927	248,186
Revenues over (under) expenditures	(333,936)	(333,936)	(16,982)	316,954
OTHER FINANCING SOURCES (USES):				
Transfers in	7,875	7,875	-	(7,875)
Transfers out	(71,400)	(71,400)	-	71,400
Total other financing sources (uses)	(63,525)	(63,525)	-	63,525
Net changes in fund balances	(397,461)	(397,461)	(16,982)	380,479
FUND BALANCES, BEGINNING	778,226	778,226	942,147	163,921
FUND BALANCES, ENDING	\$ 380,765	\$ 380,765	\$ 925,165	\$ 544,400

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

**CITY OF TROUTDALE, OREGON
PROJECT FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Interest	\$ -	\$ -	\$ 13,171	\$ 13,171
Total revenues	-	-	13,171	13,171
EXPENDITURES:				
Capital outlay	-	7,540,000	256,240	7,283,760
Total expenditures	-	7,540,000	256,240	7,283,760
Revenues over (under) expenditures	-	(7,540,000)	(243,069)	7,296,931
OTHER FINANCING SOURCES (USES):				
Bond Proceeds	-	7,540,000	7,540,000	-
Bond Premium	-	-	65,662	65,662
Total other financing sources (uses)	-	7,540,000	7,605,662	65,662
Net changes in fund balances	-	-	7,362,593	7,362,593
FUND BALANCES, BEGINNING	-	-	-	-
FUND BALANCES, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,362,593</u>	<u>\$ 7,362,593</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

Sewer

Sewer Fund

Debt Service Fund (business-type activity portion)

Sewer Improvement Fund

Storm Sewer

Storm Sewer Improvement Fund

Storm Sewer Utility Fund

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

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CITY OF TROUTDALE, OREGON
Proprietary Funds
Statement of Net Assets
June 30, 2011

	Business-type Activities - Enterprise Funds				Totals
	Water	Sewer	Storm Sewer	Public Services	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 717,479	\$ 1,461,928	\$ 258,340	\$ 244,938	\$ 2,682,685
Accounts receivables, net	143,070	237,977	22,734	-	403,781
Inventories	25,761	-	-	-	25,761
Property taxes receivable	-	37,126	-	-	37,128
Total current assets	886,310	1,737,031	281,074	244,938	3,149,353
Noncurrent assets:					
Restricted cash and cash equivalents	28,797	151,459	2,098,440	-	2,278,696
Capital assets not being depreciated	216,013	1,557,434	3,071	-	1,776,518
Capital assets being depreciated, net	9,224,591	18,355,164	4,499,360	-	32,079,115
Total noncurrent assets	9,469,401	20,064,057	6,600,871	-	36,134,329
Total assets	10,355,711	21,801,088	6,881,945	244,938	39,283,682
LIABILITIES					
Current liabilities:					
Accounts payable	63,724	19,665	13,106	2,084	98,579
Accrued compensated absences - current	4,214	7,454	473	-	12,141
Deposits	500	-	-	-	500
Interest payable	-	24,333	-	-	24,333
Bond payable - current maturity	-	960,000	-	-	960,000
Total current liabilities	68,438	1,011,452	13,579	2,084	1,095,553
Noncurrent liabilities:					
Bond payable	-	6,585,971	-	-	6,585,971
Accrued compensated absences	16,856	29,816	1,891	-	48,563
Total liabilities	85,294	7,627,239	15,470	2,084	7,730,087
NET ASSETS					
Invested in capital assets, net of related debt	9,440,604	12,366,827	4,502,431	-	26,309,862
Restricted for infrastructure expansion	28,797	151,459	2,098,440	-	2,278,696
Unrestricted	801,016	1,655,783	265,604	242,854	2,965,237
Total net assets	\$ 10,270,417	\$ 14,173,849	\$ 6,866,475	\$ 242,854	\$ 31,553,595

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 Assets
For the Year Ended June 30, 2011

Business-type Activities - Enterprise Funds

	Water	Sewer	Storm Sewer	Public Services	Totals
OPERATING REVENUES					
Charges for services	\$ 1,397,723	\$ 2,290,594	\$ 214,480	\$ 1,013,946	\$ 4,916,743
Licenses & permits	-	-	-	7,880	7,880
Miscellaneous	92,297	9,938	-	172	102,407
Total operating revenues	<u>1,490,020</u>	<u>2,300,532</u>	<u>214,480</u>	<u>1,021,998</u>	<u>5,027,030</u>
OPERATING EXPENSES					
Personal services	393,098	565,397	2,364	586,197	1,547,056
Depreciation	496,620	628,254	273,875	-	1,398,749
Contractual services	187,727	100,289	141,416	97,461	526,893
Utilities	380,609	381,039	567	22,566	784,781
Repairs and maintenance	216,315	295,698	254,044	21,137	787,194
Other operating expenses	267,351	405,017	13,608	163,966	849,942
Total operating expenses	<u>1,941,720</u>	<u>2,375,694</u>	<u>685,874</u>	<u>891,327</u>	<u>5,894,615</u>
Operating income (loss)	<u>(451,700)</u>	<u>(75,162)</u>	<u>(471,394)</u>	<u>130,671</u>	<u>(867,585)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment revenue	6,405	8,258	9,969	1,198	25,830
System development charges	5,380	131,346	24,985	-	161,711
Interest expense	-	(338,529)	-	-	(338,529)
Property taxes	-	721,442	-	-	721,442
Total nonoperating revenues (expenses)	<u>11,785</u>	<u>522,517</u>	<u>34,954</u>	<u>1,198</u>	<u>570,454</u>
Change in net assets	(439,915)	447,355	(436,440)	131,869	(297,131)
Net assets - beginning	<u>10,710,332</u>	<u>13,726,494</u>	<u>7,302,915</u>	<u>110,985</u>	<u>31,850,726</u>
Net assets - ending	<u>\$ 10,270,417</u>	<u>\$ 14,173,849</u>	<u>\$ 6,866,475</u>	<u>\$ 242,854</u>	<u>\$ 31,553,595</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, 2011

	Business-type Activities - Enterprise Funds				Total
	Water	Sewer	Storm Sewer	Public Services	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 1,461,242	\$ 2,290,639	\$ 212,912	\$ 74,500	\$ 4,039,293
Payments to employees	(399,208)	(568,454)	-	(586,197)	(1,553,859)
Payments to suppliers	(650,336)	(876,138)	(289,070)	(146,394)	(1,961,938)
Payments from interfund services provided	-	-	-	947,498	947,498
Payments for interfund services used	(400,000)	(305,000)	(110,500)	(164,000)	(979,500)
Net cash provided (used) by operating activities	<u>11,698</u>	<u>541,047</u>	<u>(186,658)</u>	<u>125,407</u>	<u>491,494</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
System development charges	5,380	131,346	24,985	-	161,711
Purchases of capital assets	(39,311)	-	-	-	(39,311)
Property taxes	-	721,442	-	-	721,442
Principal paid on capital debt	-	(910,853)	-	-	(910,853)
Interest paid on capital debt	-	(341,066)	-	-	(341,066)
Net cash provided (used) by capital and related financing activities	<u>(33,931)</u>	<u>(399,131)</u>	<u>24,985</u>	<u>-</u>	<u>(408,077)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	6,405	8,258	9,969	1,198	25,830
Net increase in cash and cash equivalents	<u>(15,828)</u>	<u>150,174</u>	<u>(151,704)</u>	<u>126,605</u>	<u>109,247</u>
Balances - beginning of the year	<u>762,104</u>	<u>1,463,213</u>	<u>2,508,484</u>	<u>118,333</u>	<u>4,852,134</u>
Balances - end of the year	<u>\$ 746,276</u>	<u>\$ 1,613,387</u>	<u>\$ 2,356,780</u>	<u>\$ 244,938</u>	<u>\$ 4,961,381</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income	\$ (451,700)	\$ (75,162)	\$ (471,394)	\$ 130,671	\$ (867,585)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Cash flows reported in other categories:					
Depreciation expense	496,620	628,254	273,875	-	1,398,749
Change in assets and liabilities:					
Accounts receivable	(28,578)	(9,893)	(1,568)	-	(40,039)
Inventories	(2,027)	-	-	-	(2,027)
Accounts payable	3,693	905	10,065	(5,264)	9,399
Accrued compensated absences	(6,110)	(3,057)	2,364	-	(6,803)
Deposits	(200)	-	-	-	(200)
Net cash provided by operating activities	<u>\$ 11,698</u>	<u>\$ 541,047</u>	<u>\$ (186,658)</u>	<u>\$ 125,407</u>	<u>\$ 491,494</u>

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

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FIDUCIARY FINANCIAL STATEMENTS

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

Helping Hands Fund

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

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CITY OF TROUTDALE, OREGON
Helping Hands Fund
Statement of Fiduciary Net Assets
June 30, 2011

	<u>Helping Hands Fund</u>
ASSETS	
Cash and investments	<u>\$ 2,978</u>
LIABILITIES	
Accounts payable	\$ 1,813
Due to others	<u> 1,165</u>
Total liabilities	<u>\$ 2,978</u>

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

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**NOTES TO
BASIC FINANCIAL STATEMENTS**

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CITY OF TROUTDALE, OREGON

Notes to Basic Financial Statements

June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

The City of Troutdale, Oregon is a municipal corporation, incorporated on October 2, 1907. The City operates under a Council-Administrator form of government adopted by the voters in 1994. 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 Administrator, 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 Administrator.

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. 39, 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 of the City of Troutdale was created pursuant to voter approval in May 2006. 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. 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 Agency was approved for 10 years and up to \$7 million in principal indebtedness. 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 Assets and the Statement of Activities.

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2011

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

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 supplemental information.

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

Basis of Presentation

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

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

There are the following major governmental funds:

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

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2011

- *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.
- *Project Fund*
This fund accounts for the general obligation bond and construction of the fire station.

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

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

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

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

Additionally, there is the following fiduciary fund:

- *Helping Hands fund*

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

The government-wide financial statements and the proprietary funds financial statements are presented on a *full accrual* basis of accounting with an *economic resource* measurement focus. An economic resource focus concentrates on an entity or fund's net assets. All transactions and events that affect the total economic resources (net assets) 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.

A deferred 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* deferred 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 deferred revenue is eliminated. Note that deferred 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

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2011

government must be recognized. Thus, the expense and related accrued liability for long term portions of debt and compensated absences must be included.

Since the governmental fund statements are presented on a different measurement focus and basis 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 fees intended to recover the cost of connecting new customers to the utility systems as operating revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and overhead charges, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. All Financial Accounting Standards Board (FASB) pronouncements issued prior to November 30, 1989 have been applied, unless those pronouncements conflict or contradict Governmental Accounting Standards Board (GASB) pronouncements. Subsequent private-sector guidance will not be followed.

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

ASSETS, LIABILITIES, AND EQUITY

Cash and Investments

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

Receivables and Payables

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

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2011

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 deferred 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 deferred revenue and, accordingly, have not been recognized as revenue.

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

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

Supply Inventories

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

Restricted Assets

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

Capital Assets

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

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

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

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

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

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

Accrued Compensated Absences and Sick Pay

Accumulated vested vacation and comp-time pay is accrued as it is earned. For governmental funds, only the portion in connection with terminated employees is reported. The non-current portion (the amount estimated to be used in subsequent fiscal years) is maintained separately and represents a reconciling item between the fund-level and government-wide presentations. In business-type/enterprise funds, both the current and long-term liabilities are recorded.

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

Long-Term Debt

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are treated as period costs in the year of issue and are shown as other financing uses.

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

Fund Equity

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. The objective of this statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated, and unreserved/undesignated were replaced with five new classifications – nonspendable, restricted, committed, assigned, and unassigned.

- Nonspendable fund balance represents amounts that are not in a spendable form. The nonspendable fund balance represents inventories and prepaid items.
- Restricted fund balance represents amounts that are legally restricted by outside parties for a specific purpose (such as debt covenants, grant requirements, donor requirements, or other governments) or are restricted by law (constitutionally or by enabling legislation).

- Committed fund balance represents funds formally set aside by the governing body for a particular purpose. The use of committed funds would be approved by resolution.
- Assigned fund balance represents amounts that are constrained by the expressed intent to use resources for specific purposes that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body or by an official to whom that authority has been given by the governing body.
- 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.

There are no committed fund balances.

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.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

BUDGETARY INFORMATION

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

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

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

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.

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The City Council legally adopted the budget by resolution before July 1. The resolution establishes appropriations for each fund and expenditures cannot legally exceed these appropriations. The level of control established by the resolution is by department for the General Fund and by object class for all other funds. Expenditure budgets are appropriated at the function level in the General Fund and the following levels for all other funds: Personal Services, Materials and Services, Capital Outlay, Interfund Transactions, Debt Service, and Operating Contingency. Appropriations lapse as of year-end.

The City Council may change the budget throughout the year by transferring appropriations between levels of control and by adopting supplemental budgets as authorized by Oregon Revised Statutes. Unexpected additional resources may be added to the budget through the use of a supplemental budget. A supplemental budget requires hearings before the public, publications in newspapers and approval by the City Council. Expenditure appropriations may not be legally over-expended except in the case of grant receipts that could not be reasonably estimated at the time the budget was adopted, and for debt service on new debt issued during the budget year. Management may modify original and supplemental budgets by the use of appropriation transfers between the levels of control within a fund. During the fiscal year ended June 30, 2011, City Council approved two separate budget appropriation transfer resolutions.

Excess of Expenditures over Appropriations

Expenditures of the various funds were within authorized appropriations.

3. DETAILED NOTES ON ALL FUNDS

POOLED DEPOSITS AND INVESTMENTS

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

Cash and investments are comprised of the following at June 30, 2011:

Deposits with financial institutions	\$ 481,283
Petty cash	1,400
Oregon State Treasurer's Local Government Investment Pool	19,996,964
	<u>\$ 20,479,647</u>

Cash and investments are reflected in the government-wide Statement of Net Assets as follows:

Cash and investments	\$ 7,158,234
Restricted assets - cash and investments	13,318,435
Fiduciary cash and investments	2,978
	<u>\$ 20,479,647</u>

CITY OF TROUTDALE, OREGON
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DEPOSITS

Deposits with financial institutions include bank demand deposits. At year-end, the total bank balance per the bank statements is \$724,236. Oregon Revised Statutes require deposits to be adequately covered by federal depository insurance or deposited at an approved depository as identified by the Treasury.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the deposits may not be returned. There is no deposit policy for custodial credit risk. As of June 30, 2011, all of the bank balance was insured by FDIC.

INVESTMENTS

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

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

Amounts in the Pool are not required to be collateralized. As of June 30, 2011 the fair value of the position in the LGIP approximates fair value of the value of the pool shares as reported in the Oregon Short Term Fund audited financial statements.

As of June 30, 2011 there were the following investments:

<u>Investment type</u>	<u>Maturities</u>	<u>Fair value</u>
Oregon State Treasury's Local Government Investment Pool	Avg 6 – 18 months	<u>\$19,996,964</u>

Interest Rate Risk

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

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

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

Concentration of Credit Risk

At June 30, 2011, 100% of total investments 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, 2011 for the major and non-major governmental funds in the aggregate are as follows:

	General	Street	Total Non- major	Total
Property taxes	\$ 214,745	\$ -	\$ 2,173	\$ 216,918
Accounts	468,699	74,928	1,052	544,679
	\$ 683,444	\$ 74,928	\$ 3,225	\$ 761,597

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

Governmental funds report deferred 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 defer revenue 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 deferred revenue reported in the governmental funds were as follows:

	Governmental Funds
Property taxes	\$ 196,185
Other items	10,943
Deferred Revenue	\$ 207,128

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

Capital asset activity for the fiscal year ended June 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Non-depreciable				
Land	\$ 3,077,545	\$ 383,880	\$ -	\$ 3,461,425
Intangibles	-	16,218	-	16,218
Construction in progress	334,910	640,218	-	975,128
Total non-depreciable	<u>3,412,455</u>	<u>1,040,316</u>	<u>-</u>	<u>4,452,771</u>
Depreciable				
Buildings and improvements	3,414,632	-	-	3,414,632
Land improvements	3,348,456	31,283	-	3,379,739
Equipment	1,960,373	241,620	(173,937)	2,028,056
Infrastructure	22,865,107	87,532	-	22,952,639
Total depreciable	<u>31,588,568</u>	<u>360,435</u>	<u>(173,937)</u>	<u>31,775,066</u>
Accumulated depreciation				
Buildings and improvements	(1,380,393)	(242,000)	-	(1,622,393)
Land improvements	(1,813,451)	(121,302)	-	(1,934,753)
Equipment	(1,431,003)	(184,834)	38,671	(1,577,166)
Infrastructure	(16,779,358)	(606,818)	-	(17,386,176)
Total accumulated depreciation	<u>(21,404,205)</u>	<u>(1,154,954)</u>	<u>38,671</u>	<u>(22,520,488)</u>
Depreciable, net	<u>10,184,363</u>	<u>(794,519)</u>	<u>(135,266)</u>	<u>9,254,578</u>
Governmental activities capital assets, net	<u>\$ 13,596,818</u>	<u>\$ 245,797</u>	<u>\$ (135,266)</u>	<u>\$ 13,707,349</u>

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

General government	\$ 115,975
Public safety	115,856
Highways and streets	653,701
Community development	269,422
Total depreciation for governmental activities	<u>\$ 1,154,954</u>

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2011

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Non-depreciable				
Land	\$ 1,751,742	\$ -	\$ -	\$ 1,751,742
Construction in progress	24,776	-	-	24,776
Total non-depreciable	<u>1,776,518</u>	<u>-</u>	<u>-</u>	<u>1,776,518</u>
Depreciable				
Buildings and improvements	2,313,407	-	-	2,313,407
Land improvements	369,982	-	-	369,982
Equipment	663,859	13,244	(30,749)	646,354
Infrastructure	50,626,768	26,067	-	50,652,835
Total depreciable	<u>53,974,016</u>	<u>39,311</u>	<u>(30,749)</u>	<u>53,982,578</u>
Accumulated depreciation				
Buildings and improvements	(562,935)	(48,696)	-	(611,631)
Land improvements	(174,565)	(21,604)	-	(196,169)
Equipment	(523,101)	(30,485)	30,749	(522,837)
Infrastructure	(19,274,862)	(1,297,964)	-	(20,572,826)
Total accumulated depreciation	<u>(20,535,463)</u>	<u>(1,398,749)</u>	<u>30,749</u>	<u>(21,903,463)</u>
Depreciable, net	<u>33,438,553</u>	<u>(1,359,438)</u>	<u>-</u>	<u>32,079,115</u>
Business-type activities capital assets, net	<u>\$ 35,215,071</u>	<u>\$ (1,359,438)</u>	<u>\$ -</u>	<u>\$ 33,855,633</u>

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

Water	\$ 496,620
Sewer	628,254
Storm Sewer	273,875
Total depreciation business-type activities	<u>\$ 1,398,749</u>

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

Interfund transfers between governmental and business-type activities are reported as net transfers in the Statement of Activities. Net transfers in the Statement of Activities are reported as zero for the fiscal year ended June 30, 2011. 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, 2011 is as follows:

	<u>TRANSFERS FROM</u>	<u>TRANSFERS TO</u>
GOVERNMENT ACTIVITIES		
GENERAL FUND	\$ 482,104	\$ -
NON MAJOR FUNDS	-	482,104
TOTAL INTERFUND TRANSFERS	<u>\$ 482,104</u>	<u>\$ 482,104</u>
	<u>INTEFUND LOAN RECEIVABLE</u>	<u>INTEFUND LOAN PAYABLE</u>
GOVERNMENT ACTIVITIES		
GENERAL FUND	\$ 110,000	\$ 237,000
NON MAJOR FUNDS	387,000	260,000
TOTAL GOVERNMENT FUNDS	<u>\$ 497,000</u>	<u>\$ 497,000</u>
	<u>DUE FROM</u>	<u>DUE TO</u>
GOVERNMENT ACTIVITIES		
NON MAJOR FUNDS	\$ 37,550	\$ -
NON MAJOR FUNDS	-	37,550
TOTAL GOVERNMENT FUNDS	<u>\$ 37,550</u>	<u>\$ 37,550</u>

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
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LONG-TERM DEBT

There are a variety of debt types for the purpose of carrying out capital financing activities. The various types of debt are discussed below. Outstanding debt amounts are as of June 30, 2011

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					
Parks and Facilities Loan	\$ 978,000	\$ -	\$ (105,000)	\$ 873,000	\$ 110,000
G.O. Bond	-	7,540,000	-	7,540,000	60,000
Capital Leases	-	114,105	(35,335)	78,770	38,072
Deferred Amounts:					
Bond Premium	-	65,662	-	65,662	-
Total Governmental Activities	\$ 978,000	\$ 7,719,767	\$ (140,335)	\$ 8,557,432	\$ 208,072
Business-type Activities					
General Obligation Bonds					
Sewer, Series 1999	\$ 80,000	\$ -	\$ (80,000)	\$ -	\$ -
Refunding, 2008	8,490,000	-	(845,000)	7,645,000	960,000
Deferred Amounts:					
Bond Premium	(213,885)	-	26,736	(187,149)	-
Bond Discount	100,709	-	(12,589)	88,120	-
Total Business-type Activities	\$ 8,456,824	\$ -	\$ (910,853)	\$ 7,545,971	\$ 960,000

GOVERNMENTAL ACTIVITIES

Loan Payable

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

Annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest
2012	\$ 110,000	\$ 28,221
2013	115,000	24,340
2014	120,000	20,286
2015	125,000	16,060
2016	130,000	11,661
2017-18	273,000	9,470
Totals	<u>\$ 873,000</u>	<u>\$ 110,038</u>

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
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General Obligation Bonds

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

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

Year Ending June 30,	Principal	Interest
2012	\$ 60,000	\$ 371,245
2013	165,000	286,835
2014	185,000	283,535
2015	215,000	279,835
2016	230,000	275,535
2017-21	1,455,000	1,259,814
2022-26	2,160,000	919,290
2027-31	3,070,000	409,707
Totals	<u>\$ 7,540,000</u>	<u>\$ 4,085,796</u>

Capital leases

A capital lease was entered into during the year for a Ricoh Copier Lease. The cost of the equipment was capitalized for \$19,290. The lease is for a period of 36 months and monthly payments are required in the amount of \$598. \$3,932 was paid for the lease in the current year. The following is a schedule of future lease payments at June 30:

Year Ending June 30,	Principal	Interest
2012	\$ 6,265	\$ 911
2013	6,736	440
2014	2,357	35
Totals	<u>\$ 15,358</u>	<u>\$ 1,386</u>

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
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A capital lease was entered into during the year for a Panasonic Toughbooks. The cost of the equipment was capitalized for \$94,815. The lease is for a period of 36 months and yearly payments are required ranging from \$41,211 to \$31,806. \$31,403 was paid for the lease in the current year. The following is a schedule of future lease payments at June 30:

Year Ending June 30,	Principal	Interest
2012	\$ 31,807	\$ 404
2013	31,605	201
Totals	<u>\$ 63,412</u>	<u>\$ 605</u>

BUSINESS-TYPE ACTIVITIES

General Obligation Bonds

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

General obligation bonds were issued in February 1999 in the amount of \$16,000,000 for the acquisition of land and construction of a new Water Pollution Control Facility. These twenty (20) year term bonds were issued with interest rates ranging from 3.2% to 4.75% and the final maturity due in June 2018. The balance outstanding at June 30, 2011 is \$7,645,000. Principal and interest is payable from property tax revenues, sewer user fees, and sewer system development fees.

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

Year Ending June 30,	Principal	Interest
2012	\$ 960,000	\$ 296,056
2013	1,000,000	258,656
2014	1,040,000	223,344
2015	1,090,000	183,306
2016	1,135,000	140,981
2017-18	2,420,000	146,201
Totals	<u>\$ 7,645,000</u>	<u>\$ 1,248,544</u>

CITY OF TROUTDALE, OREGON

Notes to Basic Financial Statements

June 30, 2011

RESTRICTED ASSETS

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

	<u>Governmental</u>	<u>Business-Type</u>
Special revenue reserves:		
Street	\$ 1,076,587	\$ -
Project Fund	7,431,861	
Street Tree	48,502	-
Code Specialties	82,884	-
Sam Cox Building	174,957	
Bike Paths and Trails	34,961	-
URA Riverfront Development	-	-
Debt service reserves:		
General Fund COP	654	-
URA Debt Service	96,781	-
System Development Charges:		
Water SDC	-	28,797
Sewer SDC	-	151,459
Street SDC	902,846	-
Storm SDC	-	2,098,440
Parks SDC	1,189,706	-
Total restricted assets	<u>\$ 11,039,739</u>	<u>\$ 2,278,696</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

There are two pension plans contributed to which are administered by the Oregon Public Employees Retirement System (PERS) as a cost-sharing multiple-employer defined benefit pension plans. The Oregon Public Employees Retirement Fund (OPERF) the defined benefit portion of the plan, applies to the City's contribution for qualifying employees who were hired before August 29, 2003. The Oregon Public Service Retirement Plan (OPSRP) is a hybrid successor plan to the OPERF and consists of two programs: The Pension Program, the defined benefit portion of the plan, applies to qualifying employees hired after August 29, 2003. Benefits are calculated by a formula for members who attain normal retirement age. The formula takes into account final average salary and years of service. As of January 1, 2004, all PERS member contributions go into the Individual Account Program (IAP), the defined contribution portion of the plan. PERS members retain their existing PERS accounts, but any future member contributions are deposited into the member's IAP, not the member's PERS account.

Both PERS plans provide retirement and disability benefits, post employment healthcare benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS is administered under Oregon Revised Statue Chapter 238, which establishes the Public Employees Retirement Board as the governing body of PERS. PERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by writing to PERS, PO Box 23700, Tigard, OR 97281-3700 or by calling 503-598-7377.

Funding Policy

Members of PERS are required to contribute 6% of their salary covered under the plan, which is invested in the OPSRP Individual Account Program. The employer is allowed to pay any or all of the employees' contribution in addition to the required employer's contribution. For the fiscal year ended June 30, 2011, the employees of the Troutdale Police Officers Association contributed all of the 6% contribution. The City paid all of the 6% contribution for the union employees covered by the American Federation of State, County, and Municipal employees, and all the remaining non-union represented City employees. The City is required by ORS 238.225 to contribute at an actuarially determined rate for the qualifying employees under the OPERF plan, and a general service rate for the qualifying employees under the OPSRP plan. The OPERF and the OPSRP rates in effect for the fiscal year ended June 30, 2011 were 6.29% and 4.46% respectively. The OPSRP rate applicable to police and fire personnel and related payroll, in effect for the fiscal year ended June 30, 2011, was 7.17%. The contribution requirements for plan members are established by ORS Chapter 238 and may be amended by an act of the Oregon Legislature.

Annual Pension Cost

Contributions to PERS for the years ending June 30, 2011, 2010 and 2009 were \$530,150, \$470,476 and \$477,951, respectively, which equaled the annual required contribution (ARC) for each year.

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

CITY OF TROUTDALE, OREGON
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Retirement Health Insurance Account (RHIA)

Plan Description.

As a member of Oregon Public Employees Retirement System (PERS) the contributions are made 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 PERS. 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. PERS 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 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 shall be paid by the eligible retired member in the manner provided in ORS 238.410. To be eligible to receive this monthly payment toward the premium cost the member must: (1) have eight years or more of qualifying service in PERS at the time of retirement or receive a disability allowance as if the member had eight years or more of creditable service in PERS, (2) receive both Medicare Parts A and B coverage, and (3) enroll in a PERS-sponsored health plan. A surviving spouse or dependent of a deceased PERS retiree who was eligible to receive the subsidy is eligible to receive the subsidy if he or she (1) is receiving a retirement benefit or allowance from PERS or (2) was insured at the time the member died and the member retired before May 1, 1991.

Participating cities are contractually required to contribute to RHIA at a rate assessed each year by PERS, currently 0.29% for OPERF and .19% for OPSRP members of their annual covered payroll. The PERS Board of Trustees sets the employer contribution rate based on the annual required contribution (ARC) of the employers, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years.

Contributions to RHIA for the years ending June 30, 2010 and 2011 were \$14,728 and \$13,707 respectively, which equaled the ARC for each year.

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

DEFERRED COMPENSATION PLANS

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

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2011

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.

5. DEFICIT FUND BALANCE

There is a deficit fund balance in the following fund:

URA Riverfront Development Fund - \$156,207

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

CITY OF TROUTDALE, OREGON
Notes to Basic Financial Statements
June 30, 2011

6. FUND BALANCE CONSTRAINTS

The specific purposes for each of the categories of fund balance as of June 30, 2011 are as follows:

Fund Balances:	<u>General Fund</u>	<u>Street Fund</u>	<u>Project Fund</u>	<u>Non-Major Funds</u>	<u>Total</u>
<u>Nonspendable:</u>					
Prepaid items	\$ 1,793	\$ -	\$ -	\$ -	\$ 1,793
Inventory	533	13,233	-	-	13,766
Total	<u>2,326</u>	<u>13,233</u>	<u>-</u>	<u>-</u>	<u>15,559</u>
<u>Restricted:</u>					
Capital projects	-	-	7,362,593	3,206,195	10,568,788
Debt service	-	-	-	135,460	135,460
Street maintenance	-	911,932	-	-	911,932
Building department	-	-	-	97,394	97,394
Other	-	-	-	84,220	84,220
Total	<u>-</u>	<u>911,932</u>	<u>7,362,593</u>	<u>3,523,269</u>	<u>11,797,794</u>
<u>Assigned to:</u>					
Visitors Center	54,000	-	-	-	54,000
Total	<u>54,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,000</u>
Unassigned:	<u>3,578,983</u>	<u>-</u>	<u>-</u>	<u>(156,207)</u>	<u>3,422,776</u>
Total Fund Balances	<u>\$ 3,635,309</u>	<u>\$ 925,165</u>	<u>\$ 7,362,593</u>	<u>\$ 3,367,062</u>	<u>\$ 15,290,129</u>

CITY OF TROUTDALE
MULTNOMAH COUNTY, OREGON

SUPPLEMENTAL INFORMATION

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CITY OF TROUTDALE, OREGON
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2011

	<u>Total Nonmajor Special Revenue Funds</u>	<u>Total Nonmajor Debt Service Funds</u>	<u>Total Nonmajor Capital Projects Funds</u>	<u>Total</u>
ASSETS				
Cash and investments	\$ 341,304	\$ 97,435	\$ 2,843,418	\$ 3,282,157
Accounts receivable	757	295	-	1,052
Property taxes receivable	-	2,173	-	2,173
Interfund loan receivable	-	-	387,000	387,000
Due from	-	37,550	-	37,550
Total assets	<u>\$ 342,061</u>	<u>\$ 137,453</u>	<u>\$ 3,230,418</u>	<u>\$ 3,709,932</u>
LIABILITIES				
Accounts payable	\$ 9,397	\$ -	\$ 32,880	\$ 42,277
Deposits payable	1,050	-	-	1,050
Deferred revenue	-	1,993	-	1,993
Intefund loan	150,000	-	110,000	260,000
Due to	-	-	37,550	37,550
Total liabilities	<u>160,447</u>	<u>1,993</u>	<u>180,430</u>	<u>342,870</u>
FUND BALANCES				
Restricted	181,614	135,460	3,206,195	3,523,269
Unassigned	-	-	(156,207)	(156,207)
Total fund balances	<u>181,614</u>	<u>135,460</u>	<u>3,049,988</u>	<u>3,367,062</u>
Total liabilities and fund balances	<u>\$ 342,061</u>	<u>\$ 137,453</u>	<u>\$ 3,230,418</u>	<u>\$ 3,709,932</u>

CITY OF TROUTDALE, OREGON
Nonmajor Special Revenue Funds
Combining Balance Sheet
June 30, 2011

	Street Tree Fund	Bike Paths & Trails Fund	Code Specialties Fund	Sam Cox Building Fund	Total
ASSETS					
Cash and investments	\$ 48,502	\$ 34,961	\$ 82,884	\$ 174,957	\$ 341,304
Accounts receivable	-	757	-	-	757
Total assets	<u>\$ 48,502</u>	<u>\$ 35,718</u>	<u>\$ 82,884</u>	<u>\$ 174,957</u>	<u>\$ 342,061</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 7,258	\$ 2,139	\$ 9,397
Deposits payable	-	-	-	1,050	1,050
Intefund loan	-	-	-	150,000	150,000
Total liabilities	<u>-</u>	<u>-</u>	<u>7,258</u>	<u>153,189</u>	<u>160,447</u>
FUND BALANCES					
Restricted	<u>48,502</u>	<u>35,718</u>	<u>75,626</u>	<u>21,768</u>	<u>181,614</u>
Total fund balances	<u>48,502</u>	<u>35,718</u>	<u>75,626</u>	<u>21,768</u>	<u>181,614</u>
Total liabilities and fund balance	<u>\$ 48,502</u>	<u>\$ 35,718</u>	<u>\$ 82,884</u>	<u>\$ 174,957</u>	<u>\$ 342,061</u>

CITY OF TROUTDALE, OREGON
Nonmajor Debt Service Funds
Combining Balance Sheet
June 30, 2011

	<u>COP Debt Service Fund</u>	<u>URA Debt Service Fund</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 654	\$ 96,781	\$ 97,435
Property taxes receivable	-	2,173	2,173
Accounts receivable	-	295	295
Due from	-	37,550	37,550
Total assets	<u>\$ 654</u>	<u>\$ 136,799</u>	<u>\$ 137,453</u>
LIABILITIES			
Deferred revenue	\$ -	\$ 1,993	\$ 1,993
Total liabilities	<u>-</u>	<u>1,993</u>	<u>1,993</u>
FUND BALANCES			
Restricted	654	134,806	135,460
Total fund balances	<u>654</u>	<u>134,806</u>	<u>135,460</u>
Total liabilities and fund balances	<u>\$ 654</u>	<u>\$ 136,799</u>	<u>\$ 137,453</u>

CITY OF TROUTDALE, OREGON
Nonmajor Capital Projects Funds
Combining Balance Sheet
June 30, 2011

	<u>Street Improvement Fund</u>	<u>Parks Improvement Fund</u>	<u>Utilities Underground Fund</u>	<u>STP Site Redevelopment Fund</u>	<u>URA Riverfront Development Fund</u>	<u>Total</u>
ASSETS						
Cash and investments	\$ 902,846	\$ 1,189,706	\$ 750,833	\$ 33	\$ -	\$ 2,843,418
Interfund loan receivable	-	387,000	-	-	-	387,000
Total assets	<u>\$ 902,846</u>	<u>\$ 1,576,706</u>	<u>\$ 750,833</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 3,230,418</u>
LIABILITIES						
Accounts payable	\$ -	\$ 24,223	\$ -	\$ -	\$ 8,657	\$ 32,880
Interfund loan payable	-	-	-	-	110,000	110,000
Due to	-	-	-	-	37,550	37,550
Total liabilities	<u>-</u>	<u>24,223</u>	<u>-</u>	<u>-</u>	<u>156,207</u>	<u>180,430</u>
FUND BALANCES						
Restricted	902,846	1,552,483	750,833	33	-	3,206,195
Unassigned	-	-	-	-	(156,207)	(156,207)
Total fund balances	<u>902,846</u>	<u>1,552,483</u>	<u>750,833</u>	<u>33</u>	<u>(156,207)</u>	<u>3,049,988</u>
Total liabilities and fund balances	<u>\$ 902,846</u>	<u>\$ 1,576,706</u>	<u>\$ 750,833</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 3,230,418</u>

CITY OF TROUTDALE, OREGON
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2011

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total
REVENUES				
Intergovernmental	\$ 7,668	\$ -	\$ 37,152	\$ 44,820
Charges for services	-	-	24,219	24,219
Property taxes	-	47,606	-	47,606
Franchise	-	-	172,903	172,903
Licenses and permits	174,402	-	-	174,402
Interest	514	332	12,943	13,789
Miscellaneous	-	-	12,593	12,593
Total revenues	<u>182,584</u>	<u>47,938</u>	<u>259,810</u>	<u>490,332</u>
EXPENDITURES				
Community development	359,239	692	40,327	400,258
Capital outlay	-	-	85,276	85,276
Debt service:				
Principal	-	105,000	-	105,000
Interest	-	31,930	-	31,930
Total expenditures	<u>359,239</u>	<u>137,622</u>	<u>125,603</u>	<u>622,464</u>
Excess (deficiency) of revenues over (under) expenditures	(176,655)	(89,684)	134,207	(132,132)
OTHER FINANCING SOURCES (USES)				
Transfers in	354,104	128,000	-	482,104
Total other financing sources (uses)	<u>354,104</u>	<u>128,000</u>	<u>-</u>	<u>482,104</u>
Net changes in fund balances	177,449	38,316	134,207	349,972
FUND BALANCES, BEGINNING	<u>4,165</u>	<u>97,144</u>	<u>2,915,781</u>	<u>3,017,090</u>
FUND BALANCES, ENDING	<u>\$ 181,614</u>	<u>\$ 135,460</u>	<u>\$ 3,049,988</u>	<u>\$ 3,367,062</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, 2011

	Street Tree Fund	Bike Paths & Trails Fund	Code Specialties Fund	Sam Cox Building Fund	Total
REVENUES					
Intergovernmental	\$ -	\$ 7,668	\$ -	\$ -	\$ 7,668
Licenses, permits, and fees	-	-	157,694	16,708	174,402
Interest	265	150	-	99	514
Total revenues	<u>265</u>	<u>7,818</u>	<u>157,694</u>	<u>16,807</u>	<u>182,584</u>
EXPENDITURES					
Community development	9,458	-	345,676	4,105	359,239
Total expenditures	<u>9,458</u>	<u>-</u>	<u>345,676</u>	<u>4,105</u>	<u>359,239</u>
Excess (deficiency) of revenues over (under) expenditures	(9,193)	7,818	(187,982)	12,702	(176,655)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	354,104	-	354,104
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>354,104</u>	<u>-</u>	<u>354,104</u>
Net changes in fund balances	(9,193)	7,818	166,122	12,702	177,449
FUND BALANCES, BEGINNING	<u>57,695</u>	<u>27,900</u>	<u>(90,496)</u>	<u>9,066</u>	<u>4,165</u>
FUND BALANCES, ENDING	<u>\$ 48,502</u>	<u>\$ 35,718</u>	<u>\$ 75,626</u>	<u>\$ 21,768</u>	<u>\$ 181,614</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, 2011

	COP Debt Service Fund	URA Debt Service Fund	Total
REVENUES			
Property taxes	\$ -	\$ 47,606	\$ 47,606
Interest	332	-	332
Total revenues	<u>332</u>	<u>47,606</u>	<u>47,938</u>
EXPENDITURES			
Materials and Services	-	692	692
Debt Service			
Principal	105,000	-	105,000
Interest	31,930	-	31,930
Total expenditures	<u>136,930</u>	<u>692</u>	<u>137,622</u>
Excess (deficiency) of revenues over (under) expenditures	(136,598)	46,914	(89,684)
OTHER FINANCING SOURCES (USES)			
Transfers in	128,000	-	128,000
Total other financing sources (uses)	<u>128,000</u>	<u>-</u>	<u>128,000</u>
Net changes in fund balances	(8,598)	46,914	38,316
FUND BALANCES, BEGINNING	<u>9,252</u>	<u>87,892</u>	<u>97,144</u>
FUND BALANCES, ENDING	<u>\$ 654</u>	<u>\$ 134,806</u>	<u>\$ 135,460</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, 2011

	Street Improvement Fund	Parks Improvement Fund	Utilities Undergrounding Fund	Site Redevelopment Fund	URA Riverfront Development Fund	Total
REVENUES						
Charges for services	\$ 2,508	\$ 21,711	\$ -	\$ -	\$ -	\$ 24,219
Intergovernmental grant	-	37,152	-	-	-	37,152
Franchise	-	-	172,903	-	-	172,903
Interest	2,555	7,589	2,799	-	-	12,943
Miscellaneous revenue	-	12,593	-	-	-	12,593
Total revenues	<u>5,063</u>	<u>79,045</u>	<u>175,702</u>	<u>-</u>	<u>-</u>	<u>259,810</u>
EXPENDITURES						
Materials and services	8,187	-	-	-	32,140	40,327
Capital outlay	-	85,276	-	-	-	85,276
Total expenditures	<u>8,187</u>	<u>85,276</u>	<u>-</u>	<u>-</u>	<u>32,140</u>	<u>125,603</u>
Net changes in fund balances	(3,124)	(6,231)	175,702	-	(32,140)	134,207
FUND BALANCES, BEGINNING	<u>905,970</u>	<u>1,558,714</u>	<u>575,131</u>	<u>33</u>	<u>(124,067)</u>	<u>2,915,781</u>
FUND BALANCES, ENDING	<u>\$ 902,846</u>	<u>\$ 1,552,483</u>	<u>\$ 750,833</u>	<u>\$ 33</u>	<u>\$ (156,207)</u>	<u>\$ 3,049,988</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

COP Debt Service Fund
URA Debt Service Fund

Capital Projects Funds

Street Improvement Fund
Parks Improvement Fund
Utilities Undergrounding Fund
STP Site Redevelopment Fund
URA Riverfront Development Fund

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**CITY OF TROUTDALE, OREGON
STREET TREE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ 350	\$ 350	\$ 265	\$ (85)
Total revenues	350	350	265	(85)
EXPENDITURES:				
Materials and service	61,000	61,000	9,458	51,542
Net changes in fund balances	(60,650)	(60,650)	(9,193)	51,457
FUND BALANCES, BEGINNING	60,888	60,888	57,695	(3,193)
FUND BALANCES, ENDING	\$ 238	\$ 238	\$ 48,502	\$ 48,264

**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, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 5,500	\$ 5,500	\$ 7,668	\$ 2,168
Investment earnings	100	100	150	50
Total revenues	5,600	5,600	7,818	2,218
EXPENDITURES:				
Capital outlay	32,110	32,110	-	32,110
Total expenditures	32,110	32,110	-	32,110
Net changes in fund balances	(26,510)	(26,510)	7,818	34,328
FUND BALANCES, BEGINNING	26,510	26,510	27,900	1,390
FUND BALANCES, ENDING	\$ -	\$ -	\$ 35,718	\$ 35,718

**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, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Permits and fees	\$ 149,400	\$ 149,400	\$ 157,694	\$ 8,294
Miscellaneous	500	500	-	(500)
Investment earnings	500	500	-	(500)
Total revenues	150,400	150,400	157,694	7,294
EXPENDITURES:				
Building	348,344	328,344	217,562	110,782
Electrical	95,087	105,087	73,746	31,341
Plumbing	60,456	70,456	54,368	16,088
Total expenditures	503,887	503,887	345,676	158,211
Revenues over (under) expenditures	(353,487)	(353,487)	(187,982)	165,505
OTHER FINANCING SOURCES (USES):				
Transfers in	354,104	354,104	354,104	-
Total other financing sources (uses)	354,104	354,104	354,104	-
Net changes in fund balances	617	617	166,122	165,505
FUND BALANCES, BEGINNING	-	-	9,504	9,504
FUND BALANCES, ENDING	\$ 617	\$ 617	\$ 175,626	\$ 175,009
Budget to GAAP Reconciliation				
Interfund loan transactions			(100,000)	
GAAP Fund Balance			<u>\$ 75,626</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, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 33,000	\$ 33,000	\$ -	\$ (33,000)
Permits and fees	-	-	16,708	16,708
Investment earnings	500	500	99	(401)
Miscellaneous	500	500	-	(500)
Total revenues	34,000	34,000	16,807	(17,193)
EXPENDITURES:				
Materials and Services	11,500	11,500	787	10,713
Capital Outlay	176,500	176,500	3,318	173,182
Contingency	11,025	11,025	-	11,025
Total expenditures	199,025	199,025	4,105	194,920
Revenues over (under) expenditures	(165,025)	(165,025)	12,702	177,727
OTHER FINANCING SOURCES (USES):				
Transfers in	150,000	150,000	150,000	-
Total other financing sources (uses)	150,000	150,000	150,000	-
Net changes in fund balances	(15,025)	(15,025)	162,702	177,727
FUND BALANCES, BEGINNING	15,025	15,025	9,066	(5,959)
FUND BALANCES, ENDING	\$ -	\$ -	\$ 171,768	\$ 171,768
Budget to GAAP Reconciliation				
Interfund loan transactions			(150,000)	
GAAP Fund Balance			\$ 21,768	

**CITY OF TROUTDALE, OREGON
COP DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Investment earnings	\$ 500	\$ 500	\$ 332	\$ (168)
Total revenues	500	500	332	(168)
EXPENDITURES:				
Debt service:				
Principal	105,000	105,000	105,000	-
Interest	32,000	32,000	31,930	70
Total expenditures	137,000	137,000	136,930	70
Revenues over (under) expenditures	(136,500)	(136,500)	(136,598)	(238)
OTHER FINANCING SOURCES (USES):				
Transfers in	128,000	128,000	128,000	-
Total other financing sources (uses)	128,000	128,000	128,000	-
Net changes in fund balances	(8,500)	(8,500)	(8,598)	(98)
FUND BALANCES, BEGINNING	9,225	9,225	9,252	27
FUND BALANCES, ENDING	<u>\$ 725</u>	<u>\$ 725</u>	<u>\$ 654</u>	<u>\$ (71)</u>

CITY OF TROUTDALE, OREGON
URA DEBT SERVICE
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes				
Current year	\$ 42,500	\$ 42,500	\$ 46,598	\$ 4,098
Prior year	-	-	582	582
Penalties and interest	500	500	426	(74)
Total revenues	<u>43,000</u>	<u>43,000</u>	<u>47,606</u>	<u>4,606</u>
EXPENDITURES:				
Materials and service	1,300	1,300	692	608
Debt service:				
Principal	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total expenditures	<u>51,300</u>	<u>51,300</u>	<u>50,692</u>	<u>608</u>
Net changes in fund balances	(8,300)	(8,300)	(3,086)	5,214
FUND BALANCES, BEGINNING	<u>35,477</u>	<u>35,477</u>	<u>37,892</u>	<u>2,415</u>
FUND BALANCES, ENDING	<u>\$ 27,177</u>	<u>\$ 27,177</u>	<u>\$ 34,806</u>	<u>\$ 7,629</u>
			Budget to GAAP Reconciliation	
			Interfund loan transactions	<u>100,000</u>
			GAAP Fund Balance	<u>\$ 134,806</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, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
System development charges	\$ 15,000	\$ 15,000	\$ 2,508	\$ (12,492)
Investment earnings	2,500	2,500	2,555	55
Total revenues	<u>17,500</u>	<u>17,500</u>	<u>5,063</u>	<u>(12,437)</u>
EXPENDITURES:				
Materials and service	10,000	10,000	8,187	1,813
Capital outlay	597,000	597,000	-	597,000
Contingency	263,790	263,790	-	263,790
Total expenditures	<u>870,790</u>	<u>870,790</u>	<u>8,187</u>	<u>862,603</u>
Net changes in fund balances	<u>(853,290)</u>	<u>(853,290)</u>	<u>(3,124)</u>	<u>850,166</u>
FUND BALANCES, BEGINNING	<u>853,290</u>	<u>853,290</u>	<u>905,970</u>	<u>52,680</u>
FUND BALANCES, ENDING	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 902,846</u></u>	<u><u>\$ 902,846</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, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ 26,000	\$ 26,000	\$ 37,152	\$ 11,152
System development charges	36,185	36,185	21,711	(14,474)
Investment earnings	8,000	8,000	7,589	(411)
Miscellaneous	590,000	590,000	12,593	(577,407)
Total revenues	660,185	660,185	79,045	(581,140)
EXPENDITURES:				
Materials and service	10,000	10,000	-	10,000
Capital outlay	830,000	830,000	85,276	744,724
Contingency	300,000	300,000	-	300,000
Total expenditures	1,140,000	1,140,000	85,276	1,054,724
Revenues over (under) expenditures	(479,815)	(479,815)	(6,231)	473,584
OTHER FINANCING SOURCES (USES):				
Transfer in	-	-	26,000	26,000
Transfer out	(150,000)	(150,000)	(150,000)	-
Total other financing sources (uses)	(150,000)	(150,000)	(124,000)	26,000
Net changes in fund balances	(629,815)	(629,815)	(130,231)	499,584
FUND BALANCE, BEGINNING	1,326,980	1,326,980	1,295,714	(31,266)
FUND BALANCE, ENDING	\$ 697,165	\$ 697,165	\$ 1,165,483	\$ 468,318
			Budget to GAAP Reconciliation	
			Interfund loan transactions	387,000
			GAAP Fund Balance	<u>\$ 1,552,483</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, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Franchise fees	\$ 166,000	\$ 166,000	\$ 172,903	\$ 6,903
Investment earnings	2,189	2,189	2,799	610
Total revenues	<u>168,189</u>	<u>168,189</u>	<u>175,702</u>	<u>7,513</u>
EXPENDITURES:				
Capital outlay	<u>743,000</u>	<u>743,000</u>	<u>-</u>	<u>743,000</u>
Total expenditures	<u>743,000</u>	<u>743,000</u>	<u>-</u>	<u>743,000</u>
Net changes in fund balances	(574,811)	(574,811)	175,702	750,513
FUND BALANCE, BEGINNING	<u>574,811</u>	<u>574,811</u>	<u>575,131</u>	<u>320</u>
FUND BALANCE, ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 750,833</u>	<u>\$ 750,833</u>

CITY OF TROUTDALE, OREGON
STP SITE REDEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

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

**CITY OF TROUTDALE, OREGON
URA RIVERFRONT DEVELOPMENT
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental grant	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>(250,000)</u>
EXPENDITURES:				
Materials and service	50,000	50,000	32,140	17,860
Contingency	250,000	250,000	-	250,000
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>32,140</u>	<u>267,860</u>
Net changes in fund balances	(50,000)	(50,000)	(32,140)	17,860
FUND BALANCES, BEGINNING	<u>70,163</u>	<u>70,163</u>	<u>85,933</u>	<u>15,770</u>
FUND BALANCES, ENDING	<u>\$ 20,163</u>	<u>\$ 20,163</u>	<u>\$ 53,793</u>	<u>\$ 33,630</u>
			Budget to GAAP Reconciliation	
			Interfund loan transactions	(210,000)
			GAAP Fund Balance	<u>\$ (156,207)</u>

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

Proprietary Funds

Water Fund

Water Improvement Fund

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

Sewer Fund

Debt Service Fund (business-type activity portion)

Sewer Improvement Fund

Sewer Fund Reconciliation of Budgetary Revenues and
Expenditures to Proprietary Revenues and Expenses

Storm Sewer Improvement Fund

Storm Sewer Utility Fund

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

Public Services Fund

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**CITY OF TROUTDALE, OREGON
WATER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 83,565	\$ 83,565
Charges for services	1,559,800	1,559,800	1,397,723	(162,077)
Investment earnings	15,000	15,000	5,194	(9,806)
Miscellaneous	73,200	73,200	8,732	(64,468)
Total revenues	1,648,000	1,648,000	1,495,214	(152,786)
EXPENDITURES:				
Personal service	419,849	419,849	399,208	20,641
Materials and service	1,135,000	1,135,000	1,026,651	108,349
Capital outlay	367,300	367,300	55,628	311,672
Contingency	150,000	150,000	-	150,000
Total expenditures	2,072,149	2,072,149	1,481,487	590,662
Net changes in fund balances	(424,149)	(424,149)	2,976,701	3,400,850
FUND BALANCES, BEGINNING	705,944	705,944	816,144	110,200
FUND BALANCES, ENDING	\$ 281,795	\$ 281,795	\$ 3,792,845	\$ 3,511,050

**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, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
System development charges	\$ 7,000	\$ 7,000	\$ 5,380	\$ (1,620)
Investment earnings	100	100	1,211	1,111
Total revenues	<u>7,100</u>	<u>7,100</u>	<u>6,591</u>	<u>(509)</u>
EXPENDITURES:				
Capital outlay	<u>11,700</u>	<u>11,700</u>	<u>9,034</u>	<u>2,666</u>
Total expenditures	<u>11,700</u>	<u>11,700</u>	<u>9,034</u>	<u>2,666</u>
Net changes in fund balances	(4,600)	(4,600)	(2,443)	2,157
FUND BALANCES, BEGINNING	<u>7,750</u>	<u>7,750</u>	<u>23,355</u>	<u>15,605</u>
FUND BALANCES, ENDING	<u>\$ 3,150</u>	<u>\$ 3,150</u>	<u>\$ 20,912</u>	<u>\$ 17,762</u>

CITY OF TROUTDALE, OREGON
WATER FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2011

	Revenues	Expenditures/ Expenses
Water Fund	\$ 1,495,214	\$ 1,481,487
Water Improvement Fund	6,591	9,034
Total (Budgetary)	1,501,805	1,490,521
Capital outlay expenditures capitalized	-	(39,311)
Depreciation expense	-	496,620
Net change in accrued compensated absences	-	(6,110)
Revenues and expenses (GAAP)	\$ 1,501,805	\$ 1,941,720

CITY OF TROUTDALE, OREGON
SEWER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 2,236,200	\$ 2,236,200	\$ 2,290,594	\$ 54,394
Investment earnings	6,000	6,000	4,962	(1,038)
Miscellaneous	1,000	1,000	9,938	8,938
Total revenues	2,243,200	2,243,200	2,305,494	62,294
EXPENDITURES:				
Personal service	616,786	616,786	568,454	48,332
Materials and service	1,272,650	1,272,650	1,141,843	130,807
Capital outlay	104,500	104,500	40,200	64,300
Contingency	150,000	150,000	-	150,000
Total expenditures	2,143,936	2,143,936	1,750,497	393,439
Revenues over (under) expenditures	99,264	99,264	554,997	455,733
OTHER FINANCING SOURCES (USES):				
Transfers in	31,500	31,500	-	(31,500)
Transfers out	(350,537)	(350,537)	(350,537)	-
Total other financing sources (uses)	(319,037)	(319,037)	(350,537)	(31,500)
Net changes in fund balances	(219,773)	(219,773)	204,460	424,233
FUND BALANCES, BEGINNING	995,079	995,079	1,256,255	261,176
FUND BALANCES, ENDING	\$ 775,306	\$ 775,306	\$ 1,460,715	\$ 685,409

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, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes				
Current Year	\$ 700,000	\$ 700,000	\$ 706,170	\$ 6,170
Prior Year	5,000	5,000	14,829	9,829
Investment earnings	1,500	1,500	2,018	518
Total revenues	<u>706,500</u>	<u>706,500</u>	<u>723,017</u>	<u>16,517</u>
EXPENDITURES:				
Debt service:				
Principal	925,000	925,000	925,000	-
Interest	327,000	327,000	326,919	81
Total expenditures	<u>1,252,000</u>	<u>1,252,000</u>	<u>1,251,919</u>	<u>81</u>
Revenues over (under) expenditure:	(545,500)	(545,500)	(528,902)	16,436
OTHER FINANCING SOURCES (USES):				
Transfers in	491,537	491,537	491,537	-
Total other financing sources (uses)	<u>491,537</u>	<u>491,537</u>	<u>491,537</u>	<u>-</u>
Net changes in fund balances	(53,963)	(53,963)	(37,365)	16,598
FUND BALANCES, BEGINNING	<u>218,997</u>	<u>218,997</u>	<u>260,037</u>	<u>41,040</u>
FUND BALANCES, ENDING	<u>\$ 165,034</u>	<u>\$ 165,034</u>	<u>\$ 222,672</u>	<u>\$ 57,638</u>

**CITY OF TROUTDALE, OREGON
SEWER IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
System development charges	\$ 22,000	\$ 22,000	\$ 131,346	\$ 109,346
Investment earnings	100	100	1,278	1,178
Total revenues	<u>22,100</u>	<u>22,100</u>	<u>132,624</u>	<u>110,524</u>
EXPENDITURES:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	22,100	22,100	132,624	110,524
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(141,000)</u>	<u>(141,000)</u>	<u>(141,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(141,000)</u>	<u>(141,000)</u>	<u>(141,000)</u>	<u>-</u>
Net changes in fund balances	(118,900)	(118,900)	(8,376)	110,524
FUND BALANCES, BEGINNING	<u>153,915</u>	<u>153,915</u>	<u>159,835</u>	<u>5,920</u>
FUND BALANCES, ENDING	<u>\$ 35,015</u>	<u>\$ 35,015</u>	<u>\$ 151,459</u>	<u>\$ 116,444</u>

CITY OF TROUTDALE, OREGON
SEWER FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2011

	<u>Revenues</u>	<u>Expenditures/ Expenses</u>
Sewer Fund	\$ 2,305,494	\$ 1,750,497
Debt Service Fund	723,017	1,251,919
Sewer Improvement Fund	132,624	-
Total	<u>3,161,135</u>	<u>3,002,416</u>
Depreciation expense	-	628,254
Net change in accrued compensated absences	-	(3,057)
Property taxes deferred	443	-
Interest	-	(2,537)
Bond Premium and Discount Amortization	-	14,147
Payment of bond principal	-	(925,000)
	<u>-</u>	<u>(925,000)</u>
Revenues and expenses	\$ 3,161,578	\$ 2,714,223

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, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
System development charges	\$ 4,600	\$ 4,600	\$ 24,985	\$ 20,385
Investment earnings	10,000	10,000	9,019	(981)
Total revenues	14,600	14,600	34,004	19,404
EXPENDITURES:				
Materials and service	10,000	10,000	-	10,000
Capital outlay	1,075,000	1,075,000	20,981	1,054,019
Contingency	150,000	150,000	-	150,000
Total expenditures	1,235,000	1,235,000	20,981	1,214,019
Net changes in fund balances	(1,220,400)	(1,220,400)	13,023	1,233,423
FUND BALANCES, BEGINNING	1,854,481	1,854,481	2,072,323	217,842
FUND BALANCES, ENDING	\$ 634,081	\$ 634,081	\$ 2,085,346	\$ 1,451,265

**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, 2011**

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 213,000	\$ 213,000	\$ 214,480	\$ 1,480
Investment earnings	2,000	2,000	950	(1,050)
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	216,000	216,000	215,430	(570)
EXPENDITURES:				
Materials and service	207,525	207,525	151,569	55,956
Capital outlay	287,397	287,397	237,085	50,312
Contingency	50,000	50,000	-	50,000
Total expenditures	544,922	544,922	388,654	156,268
Net changes in fund balances	(328,922)	(328,922)	(173,224)	155,698
FUND BALANCES, BEGINNING	328,922	328,922	454,286	125,364
FUND BALANCES, ENDING	\$ -	\$ -	\$ 281,062	\$ 281,062

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CITY OF TROUTDALE, OREGON
STORM SEWER FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2011

	Revenues	Expenditures/ Expenses
Storm Sewer Improvement Fund	\$ 34,004	\$ 20,981
Storm Sewer Utility Fund	215,430	388,654
Total	249,434	409,635
Depreciation expense	-	273,875
Change in Accrued Vacation	-	2,364
Revenues and expenses	\$ 249,434	\$ 685,874

CITY OF TROUTDALE, OREGON
PUBLIC SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Year Ended June 30, 2011

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Charges for services	\$ 11,100	\$ 11,100	\$ 1,013,946	\$ 1,002,846
Licenses and permits	7,000	7,000	7,880	880
Investment earnings	1,000	1,000	1,198	198
Miscellaneous	1,000	1,000	172	(828)
Total revenues	20,100	20,100	1,023,196	1,003,096
EXPENDITURES:				
Equipment maintenance	254,786	254,786	186,925	67,861
Public works management	783,475	783,475	704,402	79,073
Contingency	816	816	-	816
Total expenditures	1,039,077	1,039,077	891,327	147,750
Revenues over (under) expenditures	(1,018,977)	(1,018,977)	131,869	1,150,846
OTHER FINANCING SOURCES (USES):				
Transfers in	991,200	991,200	-	(991,200)
Total other financing sources (uses)	991,200	991,200	-	(991,200)
Net Changes in fund balances	(27,777)	(27,777)	131,869	159,646
FUND BALANCES, BEGINNING	27,777	27,777	110,985	83,208
FUND BALANCES, ENDING	\$ -	\$ -	\$ 242,854	\$ 242,854

CITY OF TROUTDALE, OREGON
PUBLIC SERVICES FUND
RECONCILIATION OF BUDGETARY REVENUES AND EXPENDITURES
TO PROPRIETARY REVENUES AND EXPENSES
For the Year Ended June 30, 2011

	<u>Revenues</u>	<u>Expenditures/ Expenses</u>
Public Services Fund	1,023,196	891,327
Total	<u>1,023,196</u>	<u>891,327</u>
Transfers	<u>-</u>	<u>-</u>
Revenues and expenses	1,023,196	891,327

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

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CITY OF TROUTDALE, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule By Source
June 30, 2011

Governmental funds capital assets:

Land	\$ 3,461,425
Intangibles	16,218
Land improvements	3,379,739
Buildings and building improvements	3,414,632
Equipment	2,028,056
Infrastructure	22,952,639
Work in process	<u>975,128</u>
Total governmental funds capital assets	<u>\$ 36,227,837</u>

Investments in governmental capital assets by source:

Balance, July 1, 2010	35,001,024
Net changes provided by:	
General fund	17,120
Parks	802,006
Public Safety	381,843
Public Works	7,118
Streets	<u>18,726</u>
Total Additions	1,226,813
Total governmental funds capital assets	<u>\$ 36,227,837</u>

CITY OF TROUTDALE, OREGON
Capital Assets Used in the Operation of Governmental Funds
Schedule By Function and Activity
June 30, 2011

	Land and Land Improvements and Intangibles	Buildings and Improvements	Equipment	Infrastructure	Work in Progress	Total
General Government	\$ 1,277,908	\$ 1,148,822	\$ 230,276	\$ -	\$ -	\$ 2,657,006
Community Development	4,763,837	2,031,166	544,902	-	383,978	7,723,883
Public Safety	71,279	197,851	916,271	87,532	256,240	1,529,173
Highways and Streets	744,358	36,793	336,607	22,865,107	334,910	24,317,775
Total Investment	<u>\$ 6,857,382</u>	<u>\$ 3,414,632</u>	<u>\$ 2,028,056</u>	<u>\$ 22,952,639</u>	<u>\$ 975,128</u>	<u>\$ 36,227,837</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, 2011

Function and Activity	Balance June 30, 2010	Additions	Deductions	Balance June 30, 2011
General Government	\$ 2,639,886	\$ 38,180	\$ (21,060)	\$ 2,657,006
Community Development	6,914,758	835,407	(26,282)	7,723,883
Public Safety	1,147,330	508,438	(126,595)	1,529,173
Highways and Streets	24,299,049	18,726	-	24,317,775
Total Investment	<u>\$ 35,001,023</u>	<u>\$ 1,400,751</u>	<u>\$ (173,937)</u>	<u>\$ 36,227,837</u>

CITY OF TROUTDALE, OREGON
Helping Hands Fund
Statement of Changes in Fiduciary Assets and Liabilities
For the Year Ended June 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
ASSETS				
Cash and investments	\$ 1,826	\$ 1,780	\$ (628)	\$ 2,978
Total Assets	<u>\$ 1,826</u>	<u>\$ 1,780</u>	<u>\$ (628)</u>	<u>\$ 2,978</u>
 LIABILITIES				
Due to Others	\$ 1,826	\$ 1,780	\$ (628)	\$ 2,978
Total Liabilities	<u>\$ 1,826</u>	<u>\$ 1,780</u>	<u>\$ (628)</u>	<u>\$ 2,978</u>

City of Troutdale, Oregon

SCHEDULE OF PROPERTY TAX TRANSACTIONS AND OUTSTANDING BALANCES

June 30, 2011

Tax Year	Taxes Uncollected July 1, 2010	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, 2011
2010-11	\$	\$ 4,966,124	\$ (123,491)	\$ 1,400	\$ (16,834)	\$ (4,689,374)	\$ 137,825
2009-10	150,607	-	173	3,514	(10,538)	(80,994)	62,761
2008-09	66,355	-	54	3,759	(2,981)	(32,700)	34,487
2007-08	29,349	-	3	3,841	(449)	(20,962)	11,783
2006-07	11,009	-	1	2,374	(418)	(11,055)	1,910
2005-06	1,732	-	-	315	(127)	(1,106)	814
2004-05	1,123	-	-	104	(139)	(296)	793
2003-04	824	-	-	23	(24)	(65)	759
2002-03	639	-	-	31	(59)	(77)	534
2001-02 and prior	2,509	-	-	71	(59)	(143)	2,378
Total	\$ 264,147	\$ 4,966,124	\$ (123,261)	\$ 15,432	\$ (31,627)	\$ (4,836,771)	\$ 254,044

	Revenue Total	Receivable June 30, 2011
Governmental Funds	\$ 4,093,091	\$ 216,918
Proprietary Funds	721,442	37,126
Subtotal	4,814,533	\$ 254,044
Miscellaneous adjustments		
Change in property taxes subject to accrual	22,238	
Total taxes, tax penalties and interest	\$ 4,836,771	

City of Troutdale, Oregon

SCHEDULE OF DEBT PRINCIPAL TRANSACTIONS

June 30, 2011

	Interest Rate	Date	Original Issue Amount	Outstanding July 1, 2010	2010-2011 Transactions			Outstanding at June 30, 2011	
					Increases/ (Reductions)	Matured/ Called	Paid	Matured	Unmatured
<u>General obligation bonds</u>									
Sewer (WPCF) Bonds, Series 1999	3.20-4.75 %	2-1-99	\$ 16,000,000	\$ 80,000	\$ -	\$ 80,000	\$ 80,000	\$ -	\$ -
WPCF Refunding Bonds, Series 2008	3.25-4 %	6-17-08	\$ 8,555,000	\$ 8,490,000	\$ -	\$ 845,000	\$ 845,000	\$ -	\$ 7,645,000
Police Facility Bonds, Series 2011	2.0-4.35 %	2-17-11	\$ 7,540,000	\$ -	\$ 7,540,000	\$ -	\$ -	\$ -	\$ 7,540,000
<u>COP Note Payable</u>									
P & F Building Loan	3.45 %	3-31-08	\$ 1,173,000	\$ 978,000	\$ -	\$ 105,000	\$ 105,000	\$ -	\$ 873,000

City of Troutdale, Oregon

SCHEDULE OF DEBT INTEREST TRANSACTIONS

June 30, 2011

Issue Date	Future Liability at July 1, 2010		2010-2011 Transactions				Future Liability at June 30, 2011		
	Matured	Unmatured	Total	Increases/ (Reductions)	Matured	Paid	Matured	Unmatured	Total
<u>General obligation bonds</u>									
Sewer (WPCF) Bonds, Series 1999 3.2%-4.75% interest	\$ -	\$ 3,400	\$ 3,400	\$ -	\$ 3,400	\$ 3,400	\$ -	\$ -	\$ -
WPCF Refunding Bonds, Series 2008 3.25%-4% interest	\$ -	\$ 1,572,062	\$ 1,572,062	\$ -	\$ 323,519	\$ 323,519	\$ -	\$ 1,248,543	\$ 1,248,543
Police Facility Bonds, Series 2011 2.0%-4.35% interest	\$ -	\$ -	\$ -	\$ 4,085,790	\$ -	\$ -	\$ -	\$ 4,085,790	\$ 4,085,790
<u>COP Note Payable</u>									
P & F Building Loan	\$ -	\$ 141,968	\$ 141,968	\$ -	\$ 31,930	\$ 31,930	\$ -	\$ 110,038	\$ 110,038

City of Troutdale, Oregon

SCHEDULE OF FUTURE DEBT SERVICE REQUIREMENTS
OF GENERAL OBLIGATION BONDS

June 30, 2011

Year of Maturity	Police Facility Series 2011 Issued 2-17-2011		WPCF Refunding Bonds Series 2008 Issued 6-17-08	
	Principal	Interest	Principal	Interest
2011-12	\$ 60,000	\$ 371,245	\$ 960,000	\$ 296,056
2012-13	165,000	286,835	1,000,000	258,656
2013-14	185,000	283,535	1,040,000	223,344
2014-15	215,000	279,835	1,090,000	183,306
2015-16	230,000	275,535	1,135,000	140,981
2016-17	245,000	270,935	1,185,000	96,800
2017-18	265,000	263,585	1,235,000	49,400
2018-19	290,000	253,698		
2019-20	315,000	242,098		
2020-21	340,000	229,498		
2021-22	370,000	215,898		
2022-23	400,000	201,098		
2023-24	430,000	185,098		
2024-25	465,000	167,898		
2025-26	495,000	149,297		
2026-27	535,000	129,498		
2027-28	570,000	107,563		
2028-29	610,000	83,908		
2029-30	655,000	58,288		
2030-31	700,000	30,450		
	<u>\$ 7,540,000</u>	<u>\$ 4,085,796</u>	<u>\$ 7,645,000</u>	<u>\$ 1,248,544</u>

City of Troutdale, Oregon

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

June 30, 2011

<u>Year of Maturity</u>	<u>Issued 3-31-2008</u>	
	<u>Principal</u>	<u>Interest</u>
2011-12	\$ 110,000	\$ 28,221
2012-13	115,000	24,340
2013-14	120,000	20,286
2014-15	125,000	16,060
2015-16	130,000	11,661
2016-17	135,000	7,090
2017-18	<u>138,000</u>	<u>2,381</u>
	<u>\$ 873,000</u>	<u>\$ 110,038</u>

City of Troutdale, Oregon

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

Last ten fiscal years

(1) Fiscal year ended June 30,	Taxes	Intergovernmental Revenues	Licenses and Permits	Fines and Forfeitures	Charges for Current Services	Franchise Fees	Assessment Collections	Miscellaneous Revenues	Total
2002	3,672,712	1,364,530	703,778	154,618	4,598,635	971,312	-	963,216	12,428,801
2003	3,598,946	1,372,953	401,449	160,968	3,784,782	940,636	-	292,514	10,552,248
2004	3,774,031	1,502,592	602,270	175,766	4,349,675	946,924	-	497,143	11,848,401
2005	3,901,334	1,594,803	779,707	238,224	5,675,889	1,038,017	119,259	624,132	13,971,365
2006	4,285,743	1,842,157	1,083,534	202,858	6,149,853	1,117,420	-	655,102	15,336,667
2007	3,883,181	1,999,245	812,426	249,012	473,001	1,161,085	-	674,984	9,252,934
2008	3,711,381	2,593,522	474,563	244,938	468,389	1,216,792	-	1,828,045	10,537,630
2009	3,807,929	2,279,607	516,513	209,957	796,010	1,269,282	-	1,211,874	10,091,172
2010	4,495,720	1,656,814	381,506	553,827	351,583	1,308,156	-	1,020,628	9,568,234
2011	4,578,650	1,982,701	229,827	402,602	261,490	1,242,675	-	1,006,855	9,704,800

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

City of Troutdale, Oregon

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

Last ten fiscal years

(1) Fiscal year ended June 30,	General Government	Public Safety	Highways and Streets	Buildings and Grounds	Community Development	Solid Waste/ Recycling	Utilities Operations	Equipment Maintenance	Capital Outlay	Debt Service	Total
2002	1,861,423	2,929,049	502,530	705,125	759,755	32,081	2,516,163	245,493	3,576,740	2,156,199	15,284,558
2003	1,768,056	3,154,263	270,316	789,000	615,671	32,984	2,047,687	246,072	191,551	1,852,806	10,968,406
2004	1,672,111	3,229,207	331,973	792,856	659,029	30,819	2,054,627	236,992	764,837	1,749,496	11,521,947
2005	1,521,311	3,301,811	290,225	745,275	671,707	24,659	2,115,635	204,795	1,027,988	1,814,431	11,717,837
2006	1,677,810	3,684,302	307,984	814,643	868,886	22,711	2,321,155	195,304	932,556	1,813,009	12,638,360
2007	1,878,820	4,111,126	311,201	-	1,717,759	22,311	-	-	896,634	98,818	9,036,649
2008	2,126,571	4,424,792	445,657	-	1,833,020	19,850	-	-	1,510,559	199,982	10,560,411
2009	2,040,359	4,780,944	705,840	-	1,708,006	22,958	-	-	1,062,479	133,830	10,454,416
2010	2,233,315	4,860,333	546,464	-	1,452,360	3,166	-	-	172,217	135,466	9,403,321
2011	2,120,597	5,201,680	782,891	-	1,560,661	8,139	-	-	364,552	136,930	9,975,450

(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.

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City of Troutdale, Oregon

SCHEDULE OF ACCOUNTABILITY FOR INDEPENDENTLY ELECTED OFFICIALS

Fiscal year ended June 30, 2011

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

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

STATISTICAL SECTION

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

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.

Revenue Capacity

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

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.

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.

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.

CITY OF TROUTDALE, OREGON
NET ASSETS BY COMPONENT
 Last Nine Fiscal Years¹
 (accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	\$ 4,964,293	\$ 5,334,623	\$ 6,066,944	\$ 13,218,658	\$ 12,750,707	\$ 13,454,306	\$ 12,296,699	\$ 12,618,818	\$ 5,149,917
Restricted	51,161	14,895	301,187	523,987	352,981	209,567	419,279	97,144	10,864,094
Unrestricted	3,662,469	4,163,346	5,044,469	6,568,873	7,303,390	7,776,207	7,271,820	7,897,747	4,302,031
Total governmental activities net assets	\$ 8,677,923	\$ 9,532,864	\$ 11,412,600	\$ 20,311,518	\$ 20,407,098	\$ 21,440,080	\$ 19,987,798	\$ 20,413,709	\$ 20,316,042
Business-type activities									
Invested in capital assets, net of related debt	\$ 13,174,732	\$ 13,249,517	\$ 13,658,236	\$ 24,565,664	\$ 25,272,549	\$ 25,408,873	\$ 27,192,212	\$ 26,758,247	\$ 26,309,662
Restricted	2,347,953	1,996,165	2,539,442	3,141,708	2,464,044	2,270,173	2,496,813	2,256,533	2,278,696
Unrestricted	1,878,602	2,034,883	2,347,751	2,657,209	2,546,157	2,866,812	2,606,022	2,835,946	2,965,237
Total business-type activities net assets	\$ 17,401,267	\$ 17,280,565	\$ 18,745,429	\$ 30,364,551	\$ 30,282,750	\$ 30,565,858	\$ 32,295,047	\$ 31,850,726	\$ 31,553,695
Primary government									
Invested in capital assets, net of related debt	\$ 18,139,025	\$ 18,584,140	\$ 19,925,180	\$ 37,784,322	\$ 38,023,256	\$ 38,863,179	\$ 39,488,911	\$ 39,377,065	\$ 31,459,579
Restricted	2,389,114	2,011,060	2,940,629	3,665,695	2,817,095	2,479,740	2,916,092	2,353,677	13,142,790
Unrestricted	5,541,071	6,218,229	7,392,220	9,228,082	9,849,547	10,663,019	9,877,842	10,533,693	7,267,288
Total primary government net assets	\$ 26,079,210	\$ 26,813,429	\$ 30,158,029	\$ 50,676,099	\$ 50,689,898	\$ 52,005,938	\$ 52,282,845	\$ 52,264,435	\$ 51,869,637

¹ Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

CITY OF TROUTDALE, OREGON
CHANGES IN NET ASSETS
Last Nine Fiscal Years¹
(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
Governmental activities									
General government	\$ 1,807,200	\$ 1,716,929	\$ 1,576,672	\$ 1,721,974	\$ 2,115,824	\$ 2,344,166	\$ 2,244,169	\$ 2,474,134	\$ 2,207,978
Public safety	3,123,676	3,273,007	3,378,182	3,769,206	4,565,517	4,870,942	5,479,783	5,145,857	5,081,873
Highways and streets	573,186	670,463	702,695	1,122,029	345,597	490,333	809,014	578,566	1,427,173
Solid waste/recycling	33,334	30,733	24,033	23,270	24,777	21,854	28,314	3,352	8,165
Community development	1,565,946	1,615,628	2,033,127	2,208,775	1,907,596	2,015,085	1,957,668	1,537,680	900,494
Interest on long-term debt	30,856	26,218	22,529	18,983	28,838	107,887	38,591	85,879	86,643
Transfers Out	-	-	-	-	292,014	-	-	-	-
Total governmental activities expenses	7,134,198	7,332,978	7,737,236	8,864,237	9,280,163	9,850,267	10,555,539	9,826,468	9,712,326
Business-type activities									
Water	\$ 1,359,120	\$ 1,403,987	\$ 1,415,936	\$ 1,616,035	\$ 1,801,572	\$ 1,318,135	\$ 1,806,634	\$ 1,783,764	\$ 1,941,720
Sewer	3,578,735	3,510,725	3,400,892	2,567,913	3,354,959	1,945,525	2,480,974	2,577,321	2,714,223
Storm sewer	196,406	257,284	339,906	321,934	365,772	329,182	356,319	423,444	685,874
Public services	781,249	815,320	821,515	935,727	906,810	755,993	928,672	945,183	891,327
Total business-type activities expenses	5,915,510	5,987,316	5,978,249	5,441,609	6,429,113	4,348,235	5,570,599	5,729,712	6,233,144
Total primary government expenses	\$ 13,049,708	\$ 13,320,294	\$ 13,715,487	\$ 14,305,846	\$ 15,709,276	\$ 14,198,502	\$ 16,126,138	\$ 15,555,180	\$ 15,945,470
Program Revenues									
Governmental activities									
Charges for services	\$ 654,906	\$ 638,357	\$ 700,413	\$ 722,131	\$ 792,196	\$ 795,134	\$ 913,289	\$ 463,477	\$ 323,000
General government	807,664	1,119,235	1,450,561	1,821,013	1,253,165	9,777	7,593	7,660	7,875
Other activities	761,228	813,016	750,991	820,100	647,282	676,716	641,179	744,784	802,626
Operating grants and contributions	70,126	665,915	1,384,075	1,023,166	246,541	140,912	481,516	10,406	2,508
Capital grants and contributions	2,293,924	3,236,523	4,288,040	4,366,410	2,939,124	1,622,539	2,043,577	1,226,317	1,136,009
Total governmental activities program revenues	1,240,247	1,336,011	1,248,113	1,307,401	1,339,410	1,410,442	1,581,316	1,339,871	1,397,723
Business-type activities									
Charges for services	1,751,103	1,848,790	1,947,967	2,055,602	2,820,196	2,091,078	2,179,348	2,180,436	2,290,594
Water	175,897	179,071	181,739	189,352	194,667	197,162	196,743	197,412	214,480
Sewer	841,698	906,246	860,028	891,084	823,641	24,095	842,452	975,025	1,021,826
Operating grants and contributions	339,821	1,041,063	2,454,466	1,684,669	353,641	228,607	1,729,149	108,618	161,711
Capital grants and contributions	4,348,766	5,311,181	6,692,313	6,128,106	5,531,555	3,951,394	6,529,008	4,801,362	5,086,334
Total business-type activities program revenues	6,642,690	8,547,704	10,978,353	10,514,518	8,470,679	5,573,923	8,572,585	6,027,679	6,222,343

	Fiscal Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Net (expense)/revenue										
Governmental activities	\$ (4,840,274)	\$ (4,096,455)	\$ (3,451,198)	\$ (4,477,827)	\$ (7,284,663)	\$ (8,796,728)	\$ (9,511,962)	\$ (8,598,151)	\$ (8,576,317)	\$
Business-type activities	(1,566,744)	(676,135)	714,064	686,439	(897,557)	(398,851)	959,409	(928,350)	(1,146,810)	\$
Total primary government net expense	\$ (6,407,018)	\$ (4,772,590)	\$ (2,737,134)	\$ (3,791,328)	\$ (8,182,220)	\$ (9,195,579)	\$ (7,553,553)	\$ (9,527,501)	\$ (9,723,127)	\$
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$ 2,773,215	\$ 2,975,547	\$ 2,974,357	\$ 3,215,460	\$ 3,412,698	\$ 3,712,009	\$ 3,807,929	\$ 3,966,364	\$ 4,100,036	\$
Franchise taxes	1,828,640	1,892,473	1,038,017	1,117,420	1,161,065	1,216,792	1,269,282	1,308,156	1,242,675	\$
Business income taxes	-	-	461,314	619,714	724,670	1,477,529	1,312,523	657,704	716,750	\$
Hotel taxes	-	-	313,081	366,328	394,548	433,883	414,443	402,906	429,249	\$
Liquor taxes	-	-	222,730	260,549	260,717	174,506	186,331	174,967	182,575	\$
Cigarette taxes	-	-	24,761	27,328	27,315	25,122	24,312	22,674	20,911	\$
Solid waste taxes	-	-	57,301	54,380	54,659	50,704	50,203	52,465	56,310	\$
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	\$
Investment earnings	57,318	55,155	103,706	244,578	368,356	332,818	148,990	54,186	56,150	\$
Miscellaneous	102,223	26,418	133,886	23,885	463,547	1,495,529	1,004,940	1,835,854	1,809,260	\$
Gain on sale of capital assets	1,952	1,803	1,781	5,592	(3,904)	(6,772)	-	-	-	\$
Transfers	-	-	-	-	-	-	13,727	(15,000)	(135,266)	\$
Total governmental activities	\$ 4,763,348	\$ 4,951,396	\$ 5,330,934	\$ 5,925,234	\$ 6,863,691	\$ 8,912,120	\$ 8,232,680	\$ 8,450,176	\$ 8,478,650	\$
Business-type activities										
Taxes										
Property taxes	407,195	435,421	548,979	659,337	656,160	668,318	641,663	653,165	721,442	\$
Investment earnings	74,632	53,732	99,263	217,908	294,353	308,010	110,273	36,579	25,830	\$
Miscellaneous	57,445	64,648	93,025	103,424	118,501	52,231	18,844	93,082	102,407	\$
Gain on sale of capital assets	1,620	1,612	9,533	1,500	-	-	-	-	-	\$
Transfers	-	-	-	-	-	-	-	-	-	\$
Total business-type activities	\$ 540,892	\$ 555,413	\$ 750,800	\$ 982,069	\$ 1,069,014	\$ 1,028,559	\$ 770,780	\$ 797,826	\$ 849,679	\$
Total primary government	\$ 5,304,240	\$ 5,506,809	\$ 6,081,734	\$ 6,907,303	\$ 7,932,705	\$ 9,940,679	\$ 9,003,460	\$ 9,248,002	\$ 9,328,329	\$
Change in Net Assets										
Governmental activities	\$ (76,926)	\$ 854,941	\$ 1,879,736	\$ 1,447,407	\$ 546,537	\$ 1,032,992	\$ (279,282)	\$ (148,975)	\$ (97,667)	\$
Business-type activities	(1,025,852)	(120,722)	1,464,864	1,668,568	171,467	283,108	1,729,189	(130,524)	(297,131)	\$
Total primary government	\$ (1,102,778)	\$ 734,219	\$ 3,344,600	\$ 3,115,975	\$ 717,994	\$ 1,316,100	\$ 1,449,907	\$ (279,499)	\$ (394,798)	\$

¹ Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

CITY OF TROUTDALE , OREGON
FUND BALANCE OF GOVERNMENTAL FUNDS
Last Nine Fiscal Years¹
(modified accrual basis of accounting)

	Fiscal Year Ended								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund									
Reserved (pre GASB #54)	\$ -	\$ -	\$ 298,623	\$ 519,613	\$ 348,077	\$ 179,985	\$ 359,254	\$ 359,254	\$ -
Unreserved (pre GASB #54)	1,094,888	1,372,240	2,298,242	3,248,008	3,840,090	4,120,709	3,405,819	3,525,521	-
<i>GASB No. 54 Categories:</i>									
Nonspendable	-	-	-	-	-	-	-	-	2,326
Restricted	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	54,000
Unassigned	-	-	-	-	-	-	-	-	3,578,983
Total general fund	\$ 1,094,888	\$ 1,372,240	\$ 2,594,865	\$ 3,766,621	\$ 4,188,167	\$ 4,300,674	\$ 3,762,073	\$ 3,881,775	\$ 3,635,309
All other governmental funds									
Reserved (pre GASB #54)	\$ 51,161	\$ 14,895	\$ 4,564	\$ 5,374	\$ 6,914	\$ 29,602	\$ 63,025	\$ 97,144	\$ -
Unreserved, reported in:									
Special revenue funds (pre GASB #54)	771,305	785,523	818,593	1,009,502	1,171,736	1,115,154	973,682	946,312	-
Capital project funds (pre GASB #54)	1,449,224	1,730,754	1,897,361	2,325,262	2,349,660	2,595,166	2,892,319	2,915,781	-
Permanent funds (pre GASB #54)	-	-	-	-	-	-	-	-	-
<i>GASB No. 54 Categories:</i>									
Nonspendable	-	-	-	-	-	-	-	-	13,233
Restricted	-	-	-	-	-	-	-	-	11,776,026
Assigned	-	-	-	-	-	-	-	-	21,768
Unassigned	-	-	-	-	-	-	-	-	(159,207)
Total all other governmental funds	\$ 2,271,690	\$ 2,531,172	\$ 2,720,518	\$ 3,340,138	\$ 3,528,630	\$ 3,739,942	\$ 3,929,026	\$ 3,959,237	\$ 11,654,820

¹ Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

CITY OF TROUTDALE, OREGON
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Nine Fiscal Years¹
(modified accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues									
Taxes	\$ 4,130,555	\$ 4,302,828	\$ 4,394,811	\$ 4,745,810	\$ 5,044,286	\$ 4,928,173	\$ 5,077,211	\$ 5,749,890	\$ 5,821,325
Licenses and permits	399,779	597,019	765,197	1,073,884	812,426	474,563	516,513	381,506	229,827
Intergovernmental	1,372,953	1,502,592	1,594,804	1,842,158	1,999,245	2,593,522	2,593,522	1,656,814	1,862,701
Charges for services	323,324	817,966	1,124,220	1,395,454	473,001	488,389	796,010	351,583	261,490
Fines	160,968	175,767	238,224	202,858	249,012	244,938	209,957	353,827	402,602
Investment earnings	57,318	48,870	103,705	244,578	368,356	332,816	148,990	54,166	56,150
Special assessments	-	-	218,655	-	-	-	-	-	-
Miscellaneous	94,095	80,277	221,340	67,790	306,828	1,495,227	748,969	1,020,828	950,705
Total revenues	6,538,962	7,323,319	8,660,986	9,592,530	9,252,934	10,537,630	10,091,172	9,568,234	9,704,800
Expenditures									
General government	\$ 1,742,890	\$ 1,664,958	\$ 1,521,311	\$ 1,677,810	\$ 1,678,820	\$ 2,126,571	\$ 2,040,359	\$ 2,233,315	\$ 2,120,597
Public safety	3,045,355	3,168,045	3,301,811	3,684,302	4,111,126	4,424,782	4,760,944	4,660,333	5,201,680
Highways and streets	270,316	331,974	290,225	307,983	311,201	445,657	705,640	548,484	782,891
Solid waste/recycling	32,884	30,819	24,859	22,711	22,311	19,850	22,958	3,168	8,139
Community development	1,364,611	1,398,064	1,416,882	1,679,711	1,717,739	1,833,020	1,708,005	1,452,360	1,380,661
Capital outlay	306,960	517,644	780,082	536,833	896,634	1,510,539	1,082,479	172,217	364,552
Debt service									
Principal	211,695	145,665	204,108	207,707	66,533	184,638	95,000	100,000	105,000
Interest	65,377	25,657	27,099	22,116	12,285	15,144	38,830	35,466	31,830
Total expenditures	7,040,088	7,283,026	7,566,257	8,139,173	9,036,649	10,560,411	10,454,416	9,403,321	9,975,450
Excess of revenues over (under) expenditures	(501,096)	40,293	1,094,709	1,453,357	216,285	(22,781)	(363,244)	164,813	(270,650)
Other financing sources (uses)									
Transfers in	\$ 843,670	\$ 711,769	\$ 1,045,687	\$ 845,165	\$ 869,565	\$ 1,018,630	\$ 308,775	\$ 152,056	\$ 482,104
Transfers out	(564,443)	(465,028)	(728,625)	(507,146)	(477,832)	(670,030)	(295,048)	(167,056)	(482,104)
Capital leases proceeds									114,105
Bond proceeds									7,540,000
Bonds premium		250,000							65,662
Total other financing sources (uses)	279,227	496,741	317,262	338,019	391,753	348,600	13,727	(15,000)	7,719,767
Net change in fund balances	\$ (221,869)	\$ 537,034	\$ 1,411,971	\$ 1,791,376	\$ 608,038	\$ 325,819	\$ (349,517)	\$ 149,813	\$ 7,449,117
Debt service as a percentage of noncapital expenditures	4.3%	2.6%	3.5%	3.1%	1.2%	2.3%	1.4%	1.5%	1.4%

¹ Information is presented for years ended subsequent to the implementation of GASB Statement No. 34. Eventually, ten years of data will be shown.

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

Fiscal Year Ended	Assessed Value ¹										Ratio of Total Assessed Value to Total Real Market Value	Total City Tax Rate
	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		
2002	N/A	N/A	N/A	N/A	647,346,480	25,656,038	14,165,250	17,716,302	704,886,070	915,540,978	76.99%	4.47
2003	N/A	N/A	N/A	N/A	678,676,130	26,944,737	13,374,440	16,766,641	735,961,948	966,802,778	76.12%	4.71
2004	507,430,800	129,019,010	30,546,890	33,594,130	700,590,930	28,780,653	8,506,950	19,656,910	758,535,343	992,922,699	76.39%	4.42
2005	530,257,460	134,143,850	28,662,870	40,384,040	733,476,220	29,422,966	8,116,330	20,404,041	791,421,557	1,053,405,383	75.13%	4.35
2006	551,050,710	140,100,840	28,415,350	40,815,250	760,382,250	28,271,863	8,435,290	20,381,089	817,470,512	1,080,228,728	75.68%	4.46
2007	564,419,560	151,840,560	33,795,970	41,416,120	811,472,250	29,339,549	8,052,540	22,171,590	871,035,929	1,202,192,264	72.45%	4.55
2008	630,551,890	164,555,350	36,306,040	42,068,440	873,501,720	28,987,384	8,839,580	21,986,600	933,315,284	1,374,707,003	67.89%	4.46
2009	671,196,810	170,212,610	38,397,830	55,947,030	935,754,280	30,404,405	9,312,120	25,594,310	1,001,035,115	1,629,878,407	61.42%	4.43
2010	724,460,240	132,033,070	95,568,630	58,252,340	1,010,312,280	30,827,601	10,750,860	30,057,100	1,081,947,841	1,855,868,519	58.30%	4.39
2011	748,603,040	135,205,020	102,409,550	55,708,990	1,041,926,600	28,461,859	10,538,230	30,086,170	1,111,032,859	1,824,028,187	60.91%	4.46

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 these 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.

N/A - Itemization of real property assessed values not available for 1997 through 2002.

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

Fiscal Year	CITY OF TROUTDALE, OREGON										Overlapping Rates					Total Direct & Overlapping Rates
	Operating	Debt Service	Total City	Multnomah County	Port of Portland	Metro Service District	Tri-Met	Soil Conservation District	Total Regional & County	Multnomah County ESD	Reynolds School District	School District	M1. Hood Community College	Total Schools		
2002	3.77	0.94	4.71	5.21	0.07	0.32	0.14		5.74	0.46	6.32		0.52	7.30		
2003	3.77	0.85	4.42	5.17	0.07	0.28	0.12		5.64	0.46	6.02		0.52	7.00		
2004	3.77	0.58	4.35	5.27	0.07	0.29	0.11		5.74	0.46	6.02		0.51	6.99		
2005	3.77	0.69	4.46	5.28	0.07	0.28	0.11		5.74	0.46	6.04		0.50	7.00		
2006	3.77	0.78	4.55	5.31	0.07	0.28	0.12		5.78	0.46	6.01		0.49	6.96		
2007	3.77	0.69	4.46	5.30	0.07	0.28	0.10		5.75	0.46	5.95		0.49	6.90		
2008	3.77	0.66	4.43	5.42	0.07	0.43	0.09		6.01	0.46	5.83		0.49	6.78		
2009	3.77	0.64	4.41	5.38	0.07	0.40	0.08		5.93	0.46	5.80		0.49	6.75		
2010	3.77	0.62	4.39	5.39	0.07	0.44	0.09	0.10	6.08	0.46	5.59		0.49	6.54		
2011	3.77	0.67	4.44	5.37	0.07	0.41	0.09	0.10	6.04	0.46	5.58		0.49	6.53		

Source: Multnomah County Tax Supervising and Conservation Commission.

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. 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, 2011**

Taxpayer	2011			2002		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Toyo Tanso U S A Inc	\$ 19,085,520	1	1.8%	\$ 16,836,510	1	2.3%
Chelsea Financing Prtnrshp LP	18,655,330	2	1.7%	14,726,950	2	2.0%
Fedex Ground Package	13,160,990	3	1.2%			
Mountain Meadows Community Inc	10,018,000	4	0.9%			
Tube Specialties Co Inc	9,582,890	5	0.9%	12,477,510	3	1.7%
Burlingame Development Inc	9,338,220	6	0.9%	7,243,660	5	1.0%
MCW-RC OR-Cherry Park LLC	9,135,810	7	0.8%			
Portland General Electric Co	8,536,000	8	0.8%			
Troutdale Terrace LLC	8,134,670	9	0.8%			
HPT TA Properties Trust	7,432,130	10	0.7%			
Sunrise Pointe Partners LTD				7,908,350	4	1.1%
Retail Property Partners Limited Partnership				6,802,020	6	0.9%
Cherry Ridge Limited Partnership				5,922,270	7	0.8%
TA Operating Corp				5,606,450	8	0.8%
Troutdale Market Center LLC				3,793,440	9	0.5%
Meier 1 LLC				3,631,670	10	0.5%
Totals	\$113,079,560		10.5%	\$ 84,948,830		11.5%

Source: Multnomah County Division of Assessment and Taxation.

**CITY OF TROUTDALE , OREGON
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy			Total Collections to Date	
		Current Tax Collections	Percentage of Levy	Delinquent Tax Collections	Amount	Percentage of Levy
2002	3,474,234	3,261,916	93.9%	211,965	3,473,881	99.99%
2003	3,370,629	3,169,211	94.0%	200,933	3,370,144	99.99%
2004	3,520,010	3,320,950	94.3%	198,526	3,519,476	99.98%
2005	3,660,063	3,444,764	94.1%	214,540	3,659,304	99.98%
2006	4,002,040	3,783,906	94.5%	217,341	4,001,247	99.98%
2007	4,161,638	4,064,812	97.7%	96,012	4,160,824	99.98%
2008	4,502,533	4,353,221	96.7%	147,402	4,500,623	99.96%
2009	4,643,517	4,345,859	93.6%	285,874	4,631,734	99.75%
2010	4,776,510	4,453,024	93.2%	288,999	4,742,023	99.28%
2011	4,916,098	4,641,549	94.4%	-	4,641,549	94.42%

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

Fiscal Year	Governmental Activities					Business-Type Activities					Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Refers to Improvement Bonds	Certificate of Participation	Lease Payable	Installment Contract Loan	Finance Agreement	General Obligation Bonds	Revenue Bonds	Economic Development Loan	Total Primary Government		
2002	140,000	-	-	650,448	-	-	14,475,000	-	1,305,301	16,570,749	0.07%	1,164
2003	70,000	-	-	508,868	-	-	13,840,000	-	1,076,456	15,465,324	0.06%	1,084
2004	-	-	-	433,203	-	250,000	13,180,000	-	832,531	14,695,734	0.06%	1,011
2005	-	-	-	354,079	-	125,000	12,490,000	-	572,531	13,541,610	0.05%	910
2006	-	-	-	271,372	-	-	11,770,000	-	295,397	12,336,769	0.05%	816
2007	-	-	-	184,839	-	-	11,020,000	-	-	11,204,839	0.04%	726
2008	-	-	-	-	-	1,173,000	10,310,000	-	-	11,483,000	0.04%	743
2009	-	-	-	-	-	1,078,000	9,450,000	-	-	10,528,000	0.04%	678
2010	-	-	-	-	-	978,000	8,570,000	-	-	9,548,000	N/A	612
2011	7,540,000	-	-	-	-	873,000	7,645,000	-	-	16,058,000	N/A	1,005

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

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
2002	14,615,000	44,829	14,570,171	1.51%	1,023
2003	13,910,000	42,897	13,867,103	1.40%	970
2004	13,180,000	11,040	13,168,960	1.25%	906
2005	12,490,000	25,762	12,464,238	1.15%	838
2006	11,770,000	62,073	11,707,927	0.97%	775
2007	11,020,000	109,294	10,910,706	0.79%	707
2008	10,310,000	154,960	10,155,040	0.62%	657
2009	9,450,000	214,654	9,235,346	0.50%	594
2010	8,570,000	260,037	8,309,963	0.46%	533
2011	15,185,000	256,551	14,928,449	0.82%	934

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, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Multnomah County	\$ 38,620,000	1.98%	\$ 764,228
Metro	153,915,000	0.89%	1,371,262
Tri-Met Transportation District	19,115,000	0.89%	170,648
Reynolds School District No. 7	40,580,000	22.86%	9,276,276
Other:			
Multnomah County	206,158,982	1.98%	4,079,554
Metro	51,770,000	0.89%	461,230
Port of Portland	679,184,691	0.80%	5,452,730
Tri-Met Transportation District	230,261,531	0.89%	2,055,650
Mt. Hood Community College	65,286,317	5.30%	3,463,011
Multnomah Education Service District	35,580,000	1.95%	691,918
Reynolds School District No. 7	97,928,610	22.86%	22,385,726
Subtotal, overlapping debt			50,172,234
City of Troutdale, Oregon direct debt			16,058,000
Total direct and overlapping debt			\$ 66,230,234

Source: Debt outstanding data provided by Multnomah County Tax Supervising and Conservation Commission. Assessed value data provided by 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. Applicable percentages were estimated by determining the portion of the governmental unit's taxable assessed value that is within the City's boundaries and dividing it by the City's total taxable assessed value.

CITY OF TROUTDALE, OREGON
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt Limit	\$ 29,004,083	\$ 29,767,681	\$ 31,602,161	\$ 32,406,862	\$ 36,065,768	\$ 41,241,210	\$ 48,896,352	\$ 50,725,479	\$ 55,676,056	\$ 54,720,846
Total net debt application to limit	95,172	27,103	-	-	-	-	-	-	-	-
Legal debt margin	\$ 28,908,911	\$ 29,760,578	\$ 31,602,161	\$ 32,406,862	\$ 36,065,768	\$ 41,241,210	\$ 48,896,352	\$ 50,725,479	\$ 55,676,056	\$ 54,720,846
Total net debt applicable to the limit as a percentage of debt limit	0.33%	0.09%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2011

Real market value (2010-11) ¹	\$ 1,824,028,187
Debt limit (3% of total real market value)	54,720,846
Debt subject to limit:	0
Legal debt margin	<u>\$ 54,720,846</u>

¹ Note: Oregon Revised Statute 267.004 provides a debt limit of 3% of the taxable real market value within the City's boundaries for general obligation bonds. Utility revenue bonds and assessment bonds are excluded from the limitation. The general obligation bonds outstanding for the City are for the sewer plant expansion project and the new police station, both of which are excluded from debt subject to the limit. Therefore, the legal debt margin equals the State imposed debt limit.

**CITY OF TROUTDALE, OREGON
 PLEDGED-REVENUE COVERAGE
 Last Ten Fiscal Years**

Water Fund							
Debt Service							
Fiscal Year	Total Revenue	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Total	Coverage
2002	1,252,723	798,196	454,527	480,328	223,960	704,288	65%
2003	1,312,750	653,657	659,093	-	-	-	0%
2004	1,409,829	750,407	659,422	-	-	-	0%
2005	1,343,458	780,333	563,125	-	-	-	0%
2006	1,433,214	811,527	621,687	-	-	-	0%
2007	1,478,913	1,040,387	438,546	-	-	-	0%
2008	1,543,370	1,381,638	161,734	-	-	-	0%
2009	1,603,532	1,308,463	295,069	-	-	-	0%
2010	1,430,203	1,343,222	86,981	-	-	-	0%
2011	1,495,214	1,425,857	69,357	-	-	-	0%

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

**CITY OF TROUTDALE , OREGON
PROPERTY VALUE AND NEW CONSTRUCTION VALUE
Last Ten Fiscal Years**

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
2002	9	10,197,403	259	20,000,489	735,961,948	4.71
2003	4	5,891,841	17	2,774,619	758,535,343	4.42
2004	10	1,253,571	81	11,278,963	791,421,557	4.35
2005	4	1,062,000	201	25,682,296	817,470,512	4.46
2006	4	3,724,838	196	33,824,614	871,035,929	4.55
2007	16	3,056,423	54	13,374,712	933,315,284	4.46
2008	7	1,322,870	39	8,529,159	1,001,035,115	4.43
2009	14	40,047,369	17	3,173,369	1,039,496,918	4.40
2010	43	58,680,115	20	3,642,609	1,079,497,361	4.44
2011	-	-	3	640,367	1,107,900,669	4.42

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

Fiscal Year	Special Assessment Billings	Special Assessment Collections ¹
2002	-	-
2003	-	-
2004	-	-
2005	-	119,259
2006	-	-
2007	-	-
2008	-	-
2009	-	-
2010	-	-
2011	-	-

¹ Includes prepayments.

**CITY OF TROUTDALE , OREGON
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years**

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
2002	14,240	23,499,244,000	32,973	4,069	7.5%
2003	14,300	23,890,048,000	33,541	4,099	7.9%
2004	14,530	24,484,971,000	34,552	4,126	7.6%
2005	14,880	25,011,925,000	35,868	4,233	6.5%
2006	15,110	27,043,127,000	38,040	4,487	5.4%
2007	15,430	28,234,192,000	39,428	4,293	4.8%
2008	15,465	29,654,879,000	40,376	4,388	6.0%
2009	15,535	29,430,654,000	39,206	3,689	10.8%
2010	15,595	N/A	N/A	4,674	10.6%
2011	15,980	N/A	N/A	4,089	8.4%

Data Sources:

¹ Portland State University, Population Research and Census center.

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

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

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

N/A - data not available.

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

Employer	2011			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
FedEx Ground Package System Inc	641	1	13.32%	446	1	9.52%
Walsh Trucking Co., LTD	220	2	4.57%	220	2	4.70%
Fujii Farms, Inc	202	3	4.20%			
Tube Specialties	191	4	3.97%	191	3	4.08%
Toyo Tanso USA, Inc.	165	5	3.43%	132	4	2.82%
Home Depot USA, Inc.	162	6	3.37%	81	8	1.73%
Travel Centers of America	125	7	2.60%	125	5	2.87%
Edgefield Gardens/ McMenamins Edgefield	120	8	2.49%	120	6	2.56%
Albertson's, Inc.	100	9	2.08%	100	7	2.13%
Safeway Inc	99	10	2.06%			
Swift Transportation, Inc.				75	9	1.60%
Tonkin Gresham Honda				48	10	1.02%
Totals	2,025		42.08%	1,538		32.83%

Source: City of Troutdale business license applications.
2011 Combined full time and part time positions reported

**CITY OF TROUTDALE , OREGON
 FULL-TIME EQUIVALENT CITY GOVERNMENT
 EMPLOYEES BY FUNCTION
 Last Ten Fiscal Years**

Function	Full-time Equivalent Employees for Fiscal Year Ended									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government	14.9	13.9	14.1	14.1	13.8	13.5	14.5	14.5	14.0	14.25
Police										
Officers	19	19	19	19	20	22	22	24	22	23
Civilians	3.5	4.0	4.0	4.0	3.8	3.8	4.7	5.0	5.0	4.50
Building Safety									4.0	4.00
Community Development	15.0	15.0	15.0	15.0	16.7	16.7	16.8	16.8	3.0	2.50
Parks									4.0	4.00
Streets	2.4	2.4	2.5	2.2	1.9	1.9	2.0	2.0	2.0	1.50
Water	4.6	4.7	4.7	5.2	4.9	4.9	5.9	5.9	6.0	5.50
Sewer	6.0	7.0	7.0	7.0	7.0	7.0	7.0	8.0	6.0	7.00
Public Services										
Equipment Maintenance	3.0	3.0	2.8	2.6	2.2	2.2	2.1	2.1	2.1	1.50
Management	5.6	5.6	5.7	5.7	6.0	6.0	6.0	6.0	6.0	5.8
Total	74.0	74.5	74.8	74.8	76.3	78.0	81.0	84.2	74.1	73.5

Source: City financial records.

CITY OF TROUTDALE, OREGON
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Calls for service ¹	7,899	8,865	8,905	8,683	8,266	8,582	9,462	8,662	8,285	N/A
Traffic Calls ¹	3,822	3,687	4,467	3,100	2,635	2,695	3,250	3,018	3,808	N/A
Part I crimes ²	659	732	727	643	591	714	685	560	532	N/A
Part II crimes ²	686	969	601	639	558	735	754	736	772	N/A
Water										
Number of users	4,156	4,178	4,147	4,307	4,464	4,557	4,599	4,605	4,616	4,645
Average daily production (in thousands of gallons)	1,640	1,661	1,749	1,603	1,748	1,742	1,754	1,733	1,562	1,547
Sewer System										
Number of users	3,970	3,902	4,031	4,063	4,248	4,350	4,345	4,497	4,511	4,514
Average daily use or consumption (in thousands of gallons)	1,396	1,362	1,329	1,284	1,454	1,548	1,471	1,348	1,200	1,200
Storm Water System										
Number of users	N/A	4,084	4,142	4,158	4,341	4,447	4,443	4,605	4,619	4,633

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

Function	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	19	19	20	19	22	22	24	24	20
Highways and streets										
Streets (miles)	38.0	38.0	38.0	39.6	39.6	40.8	41.2	41.2	42.5	42.8
Culture and recreation										
Parks acreage	72	72	73	73	73	73	73	73	73	87.34
Greenways acreage	96	96	96	96	96	96	96	96	96	164.11
Parks, Greenways & Natural Areas	17	17	18	18	18	18	18	18	18	29
Water system										
Water main lines (miles)	58	58	59	63	64	64	64	64.3	64.3	61.25
Daily storage capacity (in millions of gallons)	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6	6	6
Daily production capacity (in millions of gallons)	6.3	6.3	6.3	6.3	6.3	6.3	4.3 ²	4.4	3.8	6.04
Sewer system										
Sanitary sewer lines (miles)	45.0	47.0	47.0	50.0	51.0	51.0	51.2	51.5	51.5	54.62
Daily plant capacity (in millions of gallons)	3.0 *	3.0	3.0	3.0	3.0	3.0	3.0	3	3	3
Storm water system										
Miles of service lines	27.0	27.0	27.0	30.0	32.0	32.0	32.4	32.4	32.4	37.02

Sources: Various City departments.

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

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

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**CITY OF TROUTDALE
MULTNOMAH COUNTY, OREGON**

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

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PAULY, ROGERS AND CO., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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 - (503) 620-2632 • FAX (503) 684-7523

December 10, 2011

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, 2011, and have issued our report thereon dated December 10, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

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

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

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

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

OAR 162-10-0230 Internal Control

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

We noted matters involving the internal control structure and its operation that we consider to be significant deficiencies under standards established by the American Institute of Certified Public Accountants, which are noted in our management letter dated December 10, 2011.

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.

Pauly, Rogers and Co, P.C.
PAULY, ROGERS AND CO., P.C.