

**URBAN RENEWAL AGENCY OF THE  
CITY OF TROUTDALE  
(A Component Unit of The City of Troutdale, OR)  
MULTNOMAH COUNTY, OREGON**

**FOR THE YEAR ENDED JUNE 30, 2020**

**ANNUAL FINANCIAL REPORT**



**12700 SW 72<sup>nd</sup> Ave.  
Tigard, OR 97223**

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of The City of Troutdale, OR)**  
**MULTNOMAH COUNTY, OREGON**

**For the Year Ended June 30, 2020**

**ANNUAL FINANCIAL REPORT**

This Page Intentionally Left Blank

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of The City of Troutdale)**  
**MULTNOMAH COUNTY, OREGON**

<b>BOARD OF DIRECTORS</b>	<b>TERM EXPIRES</b>
Casey Ryan, Mayor	December 31, 2020
David Ripma	December 31, 2022
Randy Lauer	December 31, 2020
Jamie Kranz	December 31, 2022
Glenn White	December 31, 2020
Nick Moon	December 31, 2022
Zach Hudson	December 31, 2020

All directors receive mail at the address listed below.

**ADMINISTRATION**

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

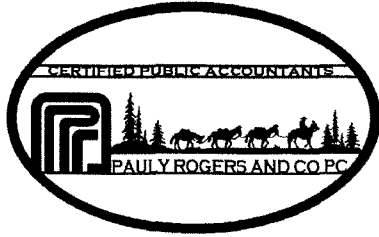
This Page Intentionally Left Blank

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of The City of Troutdale)**  
**MULTNOMAH COUNTY, OREGON**

**TABLE OF CONTENTS**

	<b><u>PAGE NUMBER</u></b>
INDEPENDENT AUDITORS' REPORT	1
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
MANAGEMENT'S DISCUSSION AND ANALYSIS	3
<b><u>BASIC FINANCIAL STATEMENTS</u></b>	
Government-wide Financial Statements:	
Statement of Net Position	4
Statement of Activities	5
Fund Financial Statements:	
Balance Sheet – Governmental Funds	6
Reconciliation of Balance Sheet of Governmental Funds to Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds	8
Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds to Statement of Activities	9
Notes to Basic Financial Statements	10
<b><u>REQUIRED SUPPLEMENTARY INFORMATION</u></b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Actual and Budget General Fund – Riverfront Development Fund	19
<b><u>SUPPLEMENTARY INFORMATION</u></b>	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Actual and Budget Debt Service Fund	20
Independent Auditors' Report Required by Oregon State Regulations	21

This Page Intentionally Left Blank



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

November 24, 2020

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Urban Renewal Agency of the City of Troutdale  
Multnomah County, Oregon

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Urban Renewal Agency of the City of Troutdale as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Urban Renewal Agency of the City of Troutdale, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.



## **Other Matters**

### *Required Supplementary Information*

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

The budgetary comparison schedules presented as Required Supplementary Information, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America, and in our opinion are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### *Supplementary Information*

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

### *Other Information*

The listing of board members containing their term expiration dates located before the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with Minimum Standards for Audits of Oregon Municipal Corporations, we have issued our report dated November 24, 2020, on our consideration of compliance with certain provisions of laws and regulations, including the provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing and not to provide an opinion on compliance.



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

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of The City of Troutdale)**  
**MULTNOMAH COUNTY, OREGON**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Fiscal Year Ended June 30, 2020**

This discussion and analysis presents the highlights of the financial activities and resulting financial position for the Urban Renewal Agency of the City of Troutdale (Agency). It focuses on the significant issues and activities for the year under audit. Please read it in conjunction with the Agency's financial statements.

**FINANCIAL HIGHLIGHTS**

- Total assets increased by \$1,630,000 due to investment in capital assets.
- Total liabilities increased by \$1,665,000 primarily due to an increase in long term debt to finance investment in capital assets and an associated increase in accounts payable.
- Total net position decreased by \$35,000.
- Total revenues increased by \$33,000 from growth of tax increment revenues.
- Total expenses increased by \$243,000 primarily due to professional services increase in material and services costs.

**REPORT LAYOUT**

The Management Discussion and Analysis (MD&A) is intended to serve as an introduction to the Urban Renewal Agency of the City of Troutdale's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The report also contains other supplementary data in addition to the basic financial statements themselves.

**Government-Wide Financial Statements.**

These two statements present an overview of the Agency's finances, in a manner similar to the private sector. Each statement presents highly condensed, entity-wide information and uses the full accrual basis of accounting.

- The Statement of Net Position presents information on the Agency's total assets and liabilities, with the resulting difference between the two presented as net position. Over time, increases or decreases to net position may serve as a useful indicator of whether the Agency's financial position is improving or deteriorating.
- The Statement of Activities focuses on the change in net position over the last year. The costs of the Agency's programs are presented and show to what extent governmental activities are subsidized by taxes and other general revenues.

## Fund Financial Statements

Following the government-wide statements is a section containing fund financial statements. The Agency's funds are presented in their own columns. A "Budgetary Comparison Statement" for each fund is presented after the "Notes to the Basic Financial Statements."

## Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the financial data provided in the government-wide and fund financial statements. Completing the document is a schedule of property tax transactions and balances as well as reports by the independent certified public accountant, as required by statute.

## AGENCY AS A WHOLE

### Government-Wide Financial Statements

#### Statement of Net Position at June 30, 2020:

The Agency's net position decreased by \$34,761 from \$384,698 to 349,937. Assets increased by \$1,629,758 and liabilities increased by \$1,664,519.

**Table 1**  
**Governmental**  
**Activities**

	2019	2020
ASSETS		
Cash and investments	\$808,700	\$657,778
Property Taxes Receivable	4,472	5,797
Account Receivable	760	1,327
Capital Assets	4,915,150	6,693,968
Total assets	5,729,082	7,358,840
LIABILITIES		
Accounts Payable	144,384	308,903
Noncurrent Liabilities		
Due within more than one year	5,200,000	6,700,000
Total liabilities	5,344,384	7,008,903
Net position:		
Invested in capital assets, net of debt	122,227	53,261
Restricted for Debt Service	170,113	424,825
Unrestricted	92,358	(128,149)
Total net position	\$384,698	\$349,937

## Governmental Activities

The Agency negotiated and entered Consent Judgement Prospective Purchaser Agreement (PPA) with the Oregon Department of Environmental Quality (DEQ) to provide the Agency with environmental liability protection, which can also be transferred with the land providing future developers with continued environmental liability protection. The Agency completed the purchase of real property covered by the PPA from both the City and Eastwinds Development LLC in March 2018. The Agency continued to conduct environmental remediation, demolition and site preparation to fulfill the obligations of the PPA and making the URA site shovel ready for redevelopment.

### Statement of Activities for the Year Ended June 30, 2020:

Total government revenues are \$310,221 and total government expenses are \$344,982.

**Table 2**  
**Governmental**  
**Activities**

	2019	2020
REVENUES		
Property Taxes	\$155,615	\$243,294
Grant Contributions	0	0
Interest on Investments	75,673	32,533
Lease Income	41,780	34,394
Total revenues	273,068	310,221
EXPENSES		
General Government	101,793	334,416
Interest on Long-Term Debt	-	10,566
Total expenses	101,793	344,982
Changes in Net Position	171,275	34,761
Net Position – Beginning	213,423	384,698
Net Position – Ending	\$384,698	\$349,937

## Governmental Activities

Total revenues increased by \$37,153 resulting from an increase of tax increment proceeds of \$87,679 which was offset by a decrease of \$43,140 in investment income, and \$7,386 decrease of lease income. The UR Plan Area continues to have unpredictable changes in taxable assessed value.

Expenses increased by \$243,189 primarily due to an increase of professional services and debt service interest expense in support of the environmental remediation project.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

As of June 30, 2020, all of the Agency capital assets are not subject to depreciation and are reflected in the following, Table 3, "Change in Capital Assets". Construction in progress was increased \$1,778,818 resulting from the continuation of the demolition and environmental remediation capital project.

**Table 3**  
**Capital Assets at Fiscal Year End**  
**(Net of Depreciation)**

	<b>Governmental Activities</b>	
	2019	2020
Land	\$2,406,807	\$2,406,807
Infrastructure	0	0
Construction in progress	2,508,343	4,287,162
<b>Total</b>	<b>\$4,915,150</b>	<b>\$6,693,968</b>

### Debt Outstanding

Debt increased by \$1,500,000 as of June 30, 2020, the Agency had \$6,700,000 in debt outstanding compared with \$5,200,000 the prior year. There is no outstanding debt due within one year.

**Table 4**  
**Outstanding Debt at Fiscal Year End**

	<b>Totals</b>	
	2019	2020
Governmental		
Loans Payable	\$5,200,000	\$6,700,000
<b>Total</b>	<b>\$5,200,000</b>	<b>\$6,700,000</b>

Loans Payable increased by \$1,500,000 resulting from a loan from the City to the Agency, in anticipation of a loan of equal amount to the City from the State of Oregon Business Development Department ("OBDD") from the Oregon Brownfields Redevelopment Fund. Due to processing delays the City received the loan in the subsequent fiscal year. Additionally, both a repayment to the City, and an additional loan from the City, of equal amounts of \$100,000 were transacted. The Agency entered into an Intergovernmental Agreement (IGA) in March 2018 with the City of Troutdale for the City to loan the Agency funds to purchase real property and to conduct environmental remediation, demolition and site preparation making the URA site shovel ready for redevelopment. The Agency and City entered into an additional IGA of substantially similar terms for the new \$1,500,000 loan. The IGAs provide for the Agency to repay to the City from the subsequent real property resale for private redevelopment, there is no schedule of future payments. Refer to page 17 of the notes for more detailed information on the Agency's debt.

## **URBAN RENEWAL AGENCY BUDGETARY HIGHLIGHTS**

The Agency adopted a supplemental budget to increase both revenues and expenditures of the original budget. Both other financing sources of long-term debt and capital outlay for investment in capital assets were increased by \$1,500,000.

There were significant variations between the final budget and actual amounts occurred in state and federal grants revenue line, the capital outlay expenditure line and long-term debt proceeds line.

Tax revenues for the year were originally budgeted at \$157,000 increased with the supplemental budget to \$232,000 with actual receipts totaling \$240,101.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Tax increment revenue is the primary resource for the Urban Renewal Agency of the City of Troutdale. When an urban renewal district is formed, the existing tax base is frozen. The urban renewal plan then receives property taxes that are generated from the increase in assessed value over the frozen base. Urban renewal does not create an additional tax; rather property tax collections are "divided" among the affected taxing districts and the urban renewal plan. When the plan is completed, taxes are no longer divided, and taxing districts once again receive the full distribution of property tax collections.

Property tax collection rates remain strong, with nearly 95% of the current levy collected this year. Since a 3% discount is applied if the property tax bill is paid in full by November 15, property tax collections will never equal 100% of the original amount levied.

The Agency continues to prepare the approximately 20-acre site for commercial development by completing the cleanup of environmental contamination and required remediation. The clearing project is expected to be completed in coming year. Certification of the satisfactory environmental clean-up will follow, subject to site supervision by DEQ approved environmental engineers and completion of the DEQ approved contaminated media management plan (CMMP) requirements, and additional environmental requirements.

Once private investment is committed, and the real property is resold, funding for infrastructure such as access roads and pedestrian byways should be possible. The cost to complete these projects will be determined once a new development layout is established.

The Agency continues to borrow from the City of Troutdale and with the limited tax increment revenues make progress on repaying its debt. Next year's budget estimates tax increment revenues at \$246,000. The Agency has \$6,700,000 in outstanding debt which funded Agency operations in prior years and investment in capital assets. Available tax increment and real property sales proceeds will be used to repay outstanding loans.

## **REQUESTS FOR INFORMATION**

The Agency's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Agency's finances and to demonstrate the Agency's accountability. If you have questions about the report or need additional financial information, please contact the Agency's Finance Director at 219 E. Historic Columbia River Hwy, Troutdale, Oregon 97060.

This Page Intentionally Left Blank

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of The City of Troutdale)**  
**MULTNOMAH COUNTY, OREGON**

**BASIC FINANCIAL STATEMENTS**



This Page Intentionally Left Blank

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of the City of Troutdale, Oregon)**  
**MULTNOMAH COUNTY, OREGON**

**STATEMENT OF NET POSITION**  
**June 30, 2020**

---

**ASSETS**

Cash and Cash Equivalents	\$ 657,748
Property Taxes Receivable	5,797
Accounts Receivable	1,327
Capital Assets:	
Land	2,406,807
Construction In Progress	<u>4,287,161</u>

Total Assets	<u>7,358,840</u>
--------------	------------------

**LIABILITIES**

Current:

Accounts and Retainage Payable	308,903
--------------------------------	---------

Long Term:

Long Term Obligations, Due In More Than One Year	<u>6,700,000</u>
--	------------------

Total Liabilities	<u>7,008,903</u>
-------------------	------------------

**NET POSITION**

Net Investment in Capital Assets	53,261
Restricted for Debt Service	424,825
Unrestricted	<u>(128,149)</u>

Total Net Position	<u><u>\$ 349,937</u></u>
--------------------	--------------------------

See accompanying notes to the financial statements.

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of the City of Troutdale, Oregon)**  
**MULTNOMAH COUNTY, OREGON**

**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2020**

FUNCTIONS	EXPENSES	FUNCTION REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	
Urban Renewal Improvements	\$ 344,982	\$ -	\$ -	\$ (344,982)
Total Governmental Activities	<u>\$ 344,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(344,982)</u>
General Revenues:				
				243,294
				32,533
				<u>34,394</u>
				<u>310,221</u>
				(34,761)
				<u>384,698</u>
				<u>\$ 349,937</u>

See accompanying notes to the financial statements.

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of the City of Troutdale, Oregon)**  
**MULTNOMAH COUNTY, OREGON**

**BALANCE SHEET**  
**Governmental Funds**  
**June 30, 2020**

<b>ASSETS</b>	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
Cash and Investments	\$ 234,880	\$ 422,868	\$ 657,748
Property Taxes Receivable	-	5,797	5,797
Accounts Receivable	-	1,327	1,327
Total assets	<u>\$ 234,880</u>	<u>\$ 429,992</u>	<u>\$ 664,872</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES:</b>			
<b>LIABILITIES</b>			
Accounts and Retainage Payable	\$ 308,903	\$ -	\$ 308,903
Total Liabilities	<u>308,903</u>	<u>-</u>	<u>308,903</u>
<b>DEFERRED INFLOWS</b>			
Unavailable Revenue - Property Tax	-	5,167	5,167
Total Deferred Inflows	<u>-</u>	<u>5,167</u>	<u>5,167</u>
<b>FUND BALANCES</b>			
Restricted for Debt Service	-	424,825	424,825
Unassigned	(74,023)	-	(74,023)
Total Fund Balance	<u>(74,023)</u>	<u>424,825</u>	<u>350,802</u>
Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 234,880</u>	<u>\$ 429,992</u>	<u>\$ 664,872</u>

See accompanying notes to the financial statements.

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of the City of Troutdale, Oregon)**  
**MULTNOMAH COUNTY, OREGON**

**RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO STATEMENT OF NET POSITION**

**June 30, 2020**

---

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

Fund Balance	\$ 350,802
Long-term liabilities applicable to the Agency's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position.	
Long-term debt	(6,700,000)
The cost of governmental capital assets (land, buildings, improvements, machinery and equipment, infrastructure, and construction in progress) is reported as an expenditure in governmental funds. The statement of net position includes those capital assets among the assets of the Agency as a whole.	
Net Capital Assets	6,693,968
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	
Unavailable Revenue	<u>5,167</u>
Total Net Position	<u><u>\$ 349,937</u></u>

See accompanying notes to the financial statements.

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of the City of Troutdale, Oregon)**  
**MULTNOMAH COUNTY, OREGON**

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2020**

<b>REVENUES</b>	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Total</b>
Property Taxes	\$ -	\$ 242,121	\$ 242,121
Interest Income	740	31,793	32,533
Lease Income	34,394	-	34,394
Total Revenues	35,134	273,914	309,048
<b>EXPENDITURES</b>			
Materials and Services	495,486	-	495,486
Debt Service	-	110,566	110,566
Capital Outlay	1,617,748	-	1,617,748
Total Expenditures	2,113,234	110,566	2,223,800
Excess of Revenues, Over (Under) Expenditures	(2,078,100)	163,348	(1,914,752)
<b>OTHER FINANANCING SOURCES/(USES)</b>			
Loan Proceeds	1,600,000	-	1,600,000
Total other financing sources/uses	1,600,000	-	1,600,000
Net Change in Fund Balance	(478,100)	163,348	(314,752)
Beginning Fund Balance	404,077	261,477	665,554
Ending Fund Balance	\$ (74,023)	\$ 424,825	\$ 350,802

See accompanying notes to the financial statements.

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of the City of Troutdale, Oregon)**  
**MULTNOMAH COUNTY, OREGON**

**RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2020**

---

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities

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

Net change in fund balance - governmental fund	\$ (314,752)
--	--------------

The issuance of long-term debt provides current financial resources to the governmental fund, while repayment of long-term debt principal consumes current financial resources of the governmental fund. However, neither transaction has any effect on net position. This amount is the net effect of these differences.

Long-term debt principal repaid	100,000
Long term debt proceeds	(1,600,000)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital asset additions	1,778,818
-------------------------	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the fund.

Property Taxes	<u>1,173</u>
----------------	--------------

Change in Net Position	<u><u>\$ (34,761)</u></u>
------------------------	---------------------------

See accompanying notes to the financial statements.

URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE  
(A Component Unit of The City of Troutdale)

MULTNOMAH COUNTY, OREGON

NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Urban Renewal Agency of the City of Troutdale, Oregon (Agency) financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

**A. ORGANIZATION AND OPERATION**

The Agency was organized under Chapter 457 of the Oregon Revised Statutes to assist in the development and redevelopment of the City's waterfront area, primarily through tax increment financing. The City Council of the City of Troutdale is the Board of Directors of the Agency.

**B. DESCRIPTION OF THE REPORTING ENTITY**

Financial accountability is determined in accordance with criteria set forth in generally accepted accounting principles (GAAP), primarily on the basis of authority to appoint voting majority of an organization's governing board, ability to impose its will on that organization, the potential for that organization to provide specific benefits or impose specific financial burdens and that organization's fiscal dependency. Component units, as established by the Governmental Accounting Standards Board (GASB) Statement No. 61, are separate organizations that are included in the Agency's reporting entity because of the significance of their operational or financial relationships with the Agency. All significant activities and organizations with which the Agency exercises oversight responsibility have been considered for inclusion in the basic financial statements. There are no component units. However, the Agency is a blended component unit of the City of Troutdale. The Agency is a component unit of the City of Troutdale because the Troutdale City Council exercises oversight authority over the Agency as demonstrated by the designation of the Agency's Board Member and the existence of a financial benefit/burden relationship. The Agency is included in the financial statements of the City of Troutdale for the year ended June 30, 2020.

**C. BASIS OF PRESENTATION**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (GWFS)**

The government-wide financial statements report information irrespective of fund activity, and the fund financial statements report information using funds. The government-wide statements focus on the sustainability and the change in aggregate financial position resulting from the activities of the fiscal period. These aggregated statements consist of the Statement of Net Position and the Statement of Activities. These statements were prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. General revenues are from property and related taxes, and interest. All expenses are categorized either as program disbursements or interest on long-term debt.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. There are no program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.



URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE  
(A Component Unit of The City of Troutdale)

MULTNOMAH COUNTY, OREGON

NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**FUND FINANCIAL STATEMENTS**

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available ("susceptible to accrual"). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period, except for property taxes which are accrued if collected within 30 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

There are two major governmental funds:

**GENERAL FUND – RIVERFRONT DEVELOPMENT FUND**

This is the primary operating fund. It accounts for all of the financial operations. The principal revenue sources are property taxes and interest revenue.

**DEBT SERVICE FUND**

This fund accounts for the debt service associated with the Agency. The principal revenue source is property taxes.

**D. BUDGETS**

A budget is prepared for the governmental fund in accordance with the legal requirements set forth in the Oregon Local Budget Law. The budget process begins early in each fiscal year with the establishment of the budget committee. Recommendations are developed through late winter with the budget committee approving the budget in early spring. Public notices of the budget hearing are generally published in early spring with a public hearing being held approximately three weeks later. The budget may be amended prior to adoption. However, budgeted expenditures for each fund may not be increased by more than ten percent. The budget is then adopted, appropriations are made and the tax levy declared no later than June 30.

The expenditure budget is appropriated at the following levels:

**LEVEL OF CONTROL**

Materials and Services  
Capital Outlay  
Debt Service  
Contingency

URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE  
(A Component Unit of The City of Troutdale)

MULTNOMAH COUNTY, OREGON

NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. BUDGETS (CONTINUED)**

Expenditures cannot legally exceed the above appropriation levels except in the case of grants which could not be estimated at the time of budget adoption. Appropriations lapse at the fiscal year end. Management may amend line items in the budget without Board approval as long as appropriation levels (the legal level of control) are not changed. Supplemental appropriations may occur if the Board approves them due to a need which exists which was not determined at the time the budget was adopted.

Budget amounts shown in the basic financial statements reflect the original and final budget amounts. Expenditures were within authorized appropriations.

**E. PROPERTY TAXES AND PROPERTY TAXES RECEIVABLE**

Property taxes receivable are recorded to indicate the amount of uncollected taxes that can be expected to be received in the future. Such taxes are offset by a liability to indicate that these amounts have to be recorded as receipts. Ad valorem property taxes are levied and become a lien on all taxable property as of July 1. Property taxes are levied on November 15. Collection dates are November 15, February 15, and May 15. Discounts are allowed if the amount due is received by November 15. Taxes unpaid and outstanding on May 16 are considered delinquent. Taxes are billed and collected by Multnomah County and remittance is made at periodic intervals.

**F. ESTIMATES**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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 results could differ from those estimates.

**G. CASH AND INVESTMENTS**

For financial reporting purposes, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents.

**Fair Value Inputs and Methodologies and Hierarchy**

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

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

URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE  
(A Component Unit of The City of Troutdale)

MULTNOMAH COUNTY, OREGON

NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. CASH AND INVESTMENTS (CONTINUED)**

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

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

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

**H. RECEIVABLES AND PAYABLES**

Receivables for federal and state grants, and state, county and local shared revenue are recorded as revenue is earned. The receivables for state, county and local shared revenue are recorded in accounts receivable. Investment earnings (e.g., accrued interest receivable) are recorded as revenue is earned on investments. Activity between funds that are representative of lending and borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to / from other funds."

**I. CAPITAL ASSETS**

Capital assets are recorded at the original or estimated historical cost. Donated capital assets are recorded at their estimated acquisition value on the date donated. Capital assets are charged to expenditures as purchased in the governmental funds, and capitalized and depreciated in the government-wide-statements. Capital assets are defined as assets with an initial cost of more than \$5,000 and an estimated life equal to or greater than one year. Interest incurred during construction, maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets are depreciated using the straight-line method and infrastructure capital assets are being depreciated over an estimated useful life of 30 years.

**J. LONG-TERM OBLIGATIONS**

Long-term obligations are reported in the government-wide financial statements as liabilities. The governmental individual fund financial statements do not report long-term obligations because they do not require the use of current financial resources.

**K. NET POSITION**

Net position comprises the various net earnings from operations, nonoperating revenues, expenses and contributions of capital. Net position is classified in the following three categories:

URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE  
(A Component Unit of The City of Troutdale)

MULTNOMAH COUNTY, OREGON

NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**K. NET POSITION (CONTINUED)**

- Net investment in capital assets – consists of all capital assets, net of accumulated depreciation and reduced by any outstanding balances of any bonds or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – consists of external constraints placed on asset use by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net position – consists of all other assets that are not included in the other categories previously mentioned.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

**L. FUND BALANCE**

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

- Nonspendable fund balance represents amounts that are not in a spendable form.
- 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. Authority has been given by resolution to the City Manager and the Finance Director.
- Unassigned fund balance is the residual classification of the General Fund. Only the General Fund may report a positive unassigned fund balance. Other governmental funds would report any negative residual fund balance as unassigned.

The following order of spending is used 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.

URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE  
(A Component Unit of The City of Troutdale)

MULTNOMAH COUNTY, OREGON

NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government has no items which qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

**2. CASH AND INVESTMENTS**

State statutes govern the cash management policies. Statutes authorize investment in banker's acceptances, time certificates of deposit, repurchase agreements, obligations of the United States and its agencies and instrumentalities, and the Oregon State Treasurer's Local Government Investment Pool.

**DEPOSITS**

The insurance and collateral requirements for deposits are established by banking regulations and Oregon law. Effective July 1, 2008, state statutes (ORS 295.002) allow public officials to deposit public funds in one or more depositories currently qualified pursuant to ORS 295.001 to 295.108. As long as the bank depository has entered into an agreement (ORS 295.008(2)(b)) and has deposited securities pursuant to state statutes (ORS 295.015(1)), there now may be on deposit at any one bank depository and its branches, a sum in excess of the amount insured by the Federal Deposit Insurance Corporation.

Cash is pooled with the City of Troutdale. Please refer to the City's basic financial statements and footnotes, issued under separate cover, for additional information pertaining to the nature and collateralization of the City's cash and investments.

Cash at June 30, 2020 consisted of:

Pooled Cash	<u>\$ 657,748</u>
Total	<u><u>\$ 657,748</u></u>

**Credit Risk – Deposits**

In the case of deposits, this is the risk that in the event of bank failure, the deposits may not be returned. There is no deposit policy for custodial risk. All deposits were at an approved depository. As of June 30, 2020, none of the

URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE  
(A Component Unit of The City of Troutdale)

MULTNOMAH COUNTY, OREGON

NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

---

**2. CASH AND INVESTMENTS (CONTINUED)**

**DEPOSITS (CONTINUED)**

bank balance was exposed to custodial credit risk because it was insured or collateralized.

**INVESTMENTS**

Investments in the Local Government Investment Pool (LGIP) are included in the Oregon Short-Term Fund, which is an external investment pool that is not a 2a-7-like external investment pool, and is not registered with the U.S. Securities and Exchange Commission as an investment company. Fair value of the LGIP is calculated at the same value as the number of pool shares owned. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. Investments in the Short-Term Fund are governed by ORS 294.135, Oregon Investment Council, and portfolio guidelines issued by the Oregon Short-Term Fund Board, which establish diversification percentages and specify the types and maturities of investments. The portfolio guidelines permit securities lending transactions as well as investments in repurchase agreements and reverse repurchase agreements. The fund's compliance with all portfolio guidelines can be found in their annual report when issued. The LGIP seeks to exchange shares at \$1.00 per share; an investment in the LGIP is neither insured nor guaranteed by the FDIC or any other government agency. Although the LGIP seeks to maintain the value of share investments at \$1.00 per share, it is possible to lose money by investing in the pool. We intend to measure these investments at book value since it approximates fair value. The pool is comprised of a variety of investments. These investments are characterized as a level 2 fair value measurement in the Oregon Short Term Fund's audited financial report. Amounts in the State Treasurer's Local Government Investment Pool are not required to be collateralized. The audited financial reports of the Oregon Short Term Fund can be found here:

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

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

**Interest Rate Risk**

Oregon Revised Statutes require investments to not exceed a maturity of 18 months, except when the local government has adopted a written investment policy that was submitted to and reviewed by the OSTFB. There are no investments that have a maturity date that exceeds 18 months.

**Credit Risk**

Oregon Revised Statutes does not limit investments as to credit rating for securities purchased from US Government Agencies or USGSE. The State Investment Pool is not rated.

**Concentration Risk**

Concentration risk is the risk of loss due to a large portion of investments with a single issuer. At June 30, 2020, 100% of total investments were in the State Treasurer's Investment Pool. State statutes do not limit the percentage of investments in this instrument.

URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE  
(A Component Unit of The City of Troutdale)

MULTNOMAH COUNTY, OREGON

NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

**3. CAPITAL ASSETS**

Description	7/1/2019 Beginning Balance	Increases	Decreases	6/30/2020 Ending Balance
<b>Governmental Activities</b>				
Capital assets not depreciated				
Land and improvements	\$ 2,406,807	\$ -	\$ -	\$ 2,406,807
Construction in Progress	2,508,343	1,778,818		4,287,161
Total Capital assets not depreciated	4,915,150	1,778,818	-	6,693,968
Governmental activities capital assets, net	\$ 4,915,150	\$ -	\$ -	\$ 6,693,968

**4. LONG TERM OBLIGATIONS**

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, 2020.

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

	Beginning Balance	Adjustment	Increase	Decrease	Ending Balance	Due in One Year
<b>Governmental Activities</b>						
Direct Obligations						
City Loan	\$ 200,000	\$ -	\$ 100,000	\$ (100,000)	\$ 200,000	\$ -
2018 Full Faith and Credit Loan City	5,000,000	-	-	-	5,000,000	-
2020 Full Faith and Credit Loan City	-	-	1,500,000	-	1,500,000	-
Total Governmental Activities	\$ 5,200,000	\$ -	\$ 1,600,000	\$ (100,000)	\$ 6,700,000	\$ -

City Loan

The Agency entered into an Intergovernmental agreement with the City of Troutdale in January of 2018 for the City to loan the Urban Renewal Agency funds as necessary to support urban renewal activities. The Agency shall repay the loan following receipt of tax increment collections or other revenue; however, repayment of the principal amount from the loan and any accrued interest, shall not exceed five years from the Agency's first receipt of the loan proceeds. As the Agency pays back the loan with tax increment collections, there is no schedule of future payments.

The loan shall bear interest at an annual rate which is equivalent to the rate at which the City borrowed the funds, or at the City's forgone investment rate, depending on the source of the funds.

2018 City Loan

Full faith and credit obligation bonds were issued in March of 2018 by the City in the amount of \$5,000,000, to assist the Agency in financing projects for the Troutdale Riverfront Renewal Plan. The Agency entered into an Intergovernmental Agreement (IGA) in March 2018 with the City of Troutdale for the City to loan the Agency funds to purchase real property and to conduct environmental remediation, demolition and site preparation making

URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE  
(A Component Unit of The City of Troutdale)

MULTNOMAH COUNTY, OREGON

NOTES TO COMPONENT UNIT BASIC FINANCIAL STATEMENTS

---

**4. LONG TERM OBLIGATIONS (CONTINUED)**

the URA site shovel ready for redevelopment. The IGA provides for the Agency to repay the City from subsequent real property resale for private redevelopment, there is no schedule of future payments.

2020 City Loan

Full faith and credit obligation bonds were issued in June of 2020 by the City in the amount of \$1,500,000 of financing from the City through the loan from the Business Oregon Brownfields Redevelopment Fund. The Agency and City intend for the financing to be repaid from proceeds of the subsequent sale for private development for all or a portion of the Agency real property. The Agency will commit to pay the amounts due from the City under the financing agreement, and have entered into an Intergovernmental Agreement (IGA) with the City to pay those amounts, but solely from the proceeds of re-sale of the purchased real property, and unspent proceeds of the IGA borrowing.

**5. RISK MANAGEMENT**

There is exposure to various risks of loss related to torts; errors and omissions; and natural disasters. The Agency is covered by The City of Troutdale's commercial insurance to minimize its exposure to these risks. Settled claims have not exceeded this commercial coverage for three years.

**6. PROPERTY TAX LIMITATIONS**

The State of Oregon imposes a constitutional limit on property taxes for schools and non-school government operations. The limitation provides that property taxes for non-school operations are limited to \$10.00 for each \$1,000 of property market value. This limitation does not apply to taxes levied for principal and interest on general obligation bonded debt.

The State further reduced property taxes by replacing the previous constitutional limits on tax bases with a rate and value limit in 1997. This reduction is accomplished by rolling property values back to their 1995-96 values less 10% and limiting future tax value growth of each property to no more than 3% per year, subject to certain exceptions. Taxes levied to support bonded debt are exempted from the reductions.

The State Constitution sets restrictive voter approval requirements for most tax and many fee increases and new bond issues.

**7. COVID-19**

The COVID-19 outbreak in the United States has caused disruption through mandated and voluntary closure of government and business activities. These developments are expected to impact Agency revenues. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration. Therefore, the Agency expects this matter to negatively affect its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

**8. DEFICIT FUND BALANCE**

At June 30, the General Fund reported a deficit fund balance of (\$74,023), which will be corrected in the next fiscal year via property tax revenues.



This Page Intentionally Left Blank

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of The City of Troutdale)**  
**MULTNOMAH COUNTY, OREGON**

**REQUIRED SUPPLEMENTARY INFORMATION**

This Page Intentionally Left Blank

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of the City of Troutdale, Oregon)**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ACTUAL AND BUDGET**  
**GENERAL FUND - RIVERFRONT DEVELOPMENT FUND**  
**For the Year Ended June 30, 2020**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Intergovernmental - State and Federal Grants	\$ 550,000	\$ 550,000	\$ -	\$ (550,000)
Lease Income	30,000	30,000	34,394	4,394
Interest Income	5,000	5,000	740	(4,260)
Total Revenues	585,000	585,000	35,134	(549,866)
<b>EXPENDITURES</b>				
Materials and Services	829,200	829,200 (1)	495,486	333,714
Capital Outlay	4,990,000	6,490,000 (1)	1,617,748	4,872,252
Contingency	653,591	653,591 (1)	-	653,591
Total Expenditures	6,472,791	7,972,791	2,113,234	5,859,557
Excess of Revenues, Over (Under) Expenditures	(5,887,791)	(7,387,791)	(2,078,100)	5,309,691
<b>OTHER FINANANCING SOURCES/(USES)</b>				
Loan Proceeds	5,800,000	7,300,000	1,600,000	(5,700,000)
Total other financing sources/uses	5,800,000	7,300,000	1,600,000	(5,700,000)
Net Change in Fund Balance	(87,791)	(87,791)	(478,100)	(390,309)
Beginning Fund Balance	87,791	87,791	404,077	316,286
Ending Fund Balance	\$ -	\$ -	\$ (74,023)	\$ (74,023)

(1) Appropriation Level

This Page Intentionally Left Blank

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of The City of Troutdale)**  
**MULTNOMAH COUNTY, OREGON**

**SUPPLEMENTARY INFORMATION**

This Page Intentionally Left Blank

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of the City of Troutdale, Oregon)**  
**MULTNOMAH COUNTY, OREGON**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**ACTUAL AND BUDGET**  
**DEBT SERVICE FUND**  
**For the Year Ended June 30, 2020**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES</b>				
Property Taxes				
Current Year's Levy	\$ 157,496	\$ 232,496	\$ 240,101	\$ 7,605
Prior Years' Levies	2,000	2,000	1,768	(232)
Tax Penalties and Interest	-	-	252	252
	<u>159,496</u>	<u>234,496</u>	<u>242,121</u>	<u>7,625</u>
Intergovernmental - State and Federal Grants				
Interest Income	<u>15,000</u>	<u>15,000</u>	<u>31,793</u>	<u>16,793</u>
Total Revenues	<u>174,496</u>	<u>249,496</u>	<u>273,914</u>	<u>24,418</u>
<b>EXPENDITURES</b>				
Debt Service				
Principal	100,000	155,000	100,000	55,000
Interest	<u>3,500</u>	<u>23,500</u>	<u>10,566</u>	<u>12,934</u>
Total Expenditures	<u>103,500</u>	<u>178,500 (1)</u>	<u>110,566</u>	<u>67,934</u>
Net Change in Fund Balance	70,996	70,996	163,348	92,352
Beginning Fund Balance	<u>335,814</u>	<u>335,814</u>	<u>261,477</u>	<u>(74,337)</u>
Ending Fund Balance	<u>\$ 406,810</u>	<u>\$ 406,810</u>	<u>\$ 424,825</u>	<u>\$ 18,015</u>

(1) Appropriation Level

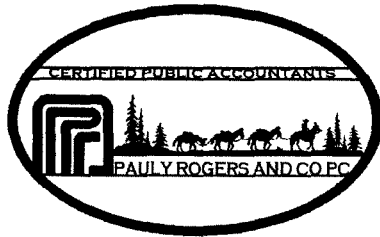


This Page Intentionally Left Blank

**URBAN RENEWAL AGENCY OF THE CITY OF TROUTDALE**  
**(A Component Unit of The City of Troutdale)**  
**MULTNOMAH COUNTY, OREGON**

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

This Page Intentionally Left Blank



PAULY, ROGERS, AND CO., P.C.  
12700 SW 72<sup>nd</sup> Ave. Tigard, OR 97223  
(503) 620-2632 (503) 684-7523 FAX  
www.paulyrogersandcpcpas.com

November 24, 2020

### **Independent Auditors' Report Required by Oregon State Regulations**

We have audited the basic financial statements of the Urban Renewal Agency of the City of Troutdale as of and for the year ended June 30, 2020, and have issued our report thereon dated November 24, 2020. 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 financial statements are free of material misstatement, we performed tests of 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.**
- **Authorized investment of surplus funds (ORS Chapter 294).**
- **Public contracts and purchasing (ORS Chapters 279A, 279B, 279C).**

In connection with our testing nothing came to our attention that caused us to believe the Urban Renewal Agency of 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 control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the internal controls over financial reporting.

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

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

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