Jennifer Cooperman
Chief Financial Officer

Tom Rinehart
Chief Administrative Officer

Ted Wheeler
Mayor

CITY OF PORTLAND
Office of Management and Finance
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Date: December 19, 2018

To: Mayor Ted Wheeler and City Council

From: Jennifer Cooperman, Chief Financial Officer

Subject: Accept the City of Portland Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018

I am pleased to submit for your consideration and acceptance, the City of Portland Comprehensive Annual Financial Report for Fiscal Year Ended June 30, 2018 (2018 CAFR). All Council Offices were provided with a printed copy of the 2018 CAFR, which is also available on the City of Portland's website (see Exhibit 1).

This report comprises the annual, audited financial statements for the City of Portland. It provides the actual financial results of City operations and presents information in accordance with generally accepted accounting principles (GAAP) and Governmental Accounting Standards Board (GASB) requirements.

Controller/Deputy Chief Financial Officer Michelle Kirby and I will be presenting the 2018 CAFR at the December 19, 2018, Council Session, and at that time will discuss the City's current financial condition and long-term fiscal health. We will be following independent auditor Jim Lanzarotta of Moss Adams, and City Auditor Mary Hull Caballero.

Thank you for your consideration.

An Equal Opportunity Employer
To help ensure equal access to programs, services and activities, the Office of Management & Finance will reasonably modify policies/procedures and provide auxiliary aids/services to persons with disabilities upon request.

Exhibit 1

The City of Portland, Oregon
Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2018

Available online at:

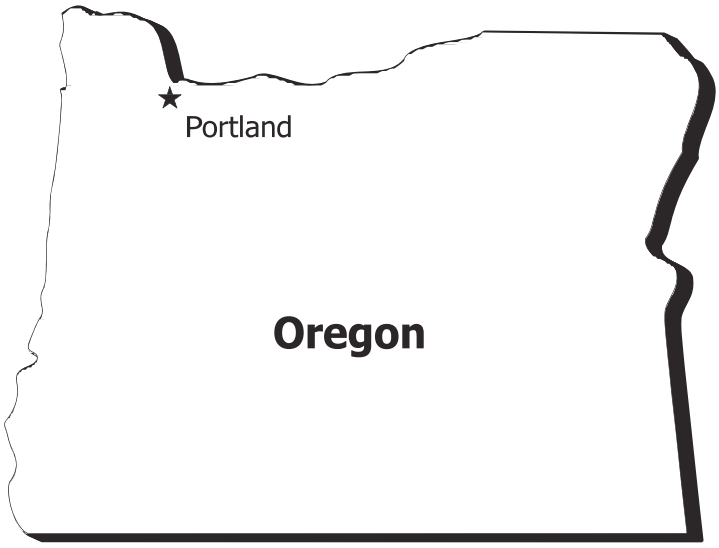
https://www.portlandoregon.gov/omf/?c=26053

Printed copies have been previously provided to the City Council

City of Portland, Oregon

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018

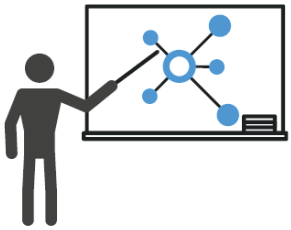


Working together for a better Portland!

The last few years have seen a dramatic population growth in the City of Portland. With this increase in population comes challenges. City services are stretched to capacity, and age-old systems and processes must be updated to address our customer's evolving needs. As the City continues to grow, so does the need for creative and practical solutions to meet new expectations and priorities in our communities.

We are working together, every day, to address this challenge! The Office of Management and Finance "2018-2020 Strategic Plan" provides priorities and a roadmap for achieving success. Strategies for success include:

- Adopt 21st century business solutions
- Develop an inclusive and talented workforce
- Lead citywide initiatives



CITY OF PORTLAND, OREGON

Comprehensive Annual Financial Report
For The Fiscal Year Ended
June 30, 2018

Prepared by the Bureau of Revenue
and Financial Services - Accounting Division

Tom Rinehart, Chief Administrative Officer
Jennifer Cooperman, Chief Financial Officer

Foggy sunrise over Portland

City of Portland, Oregon
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2018
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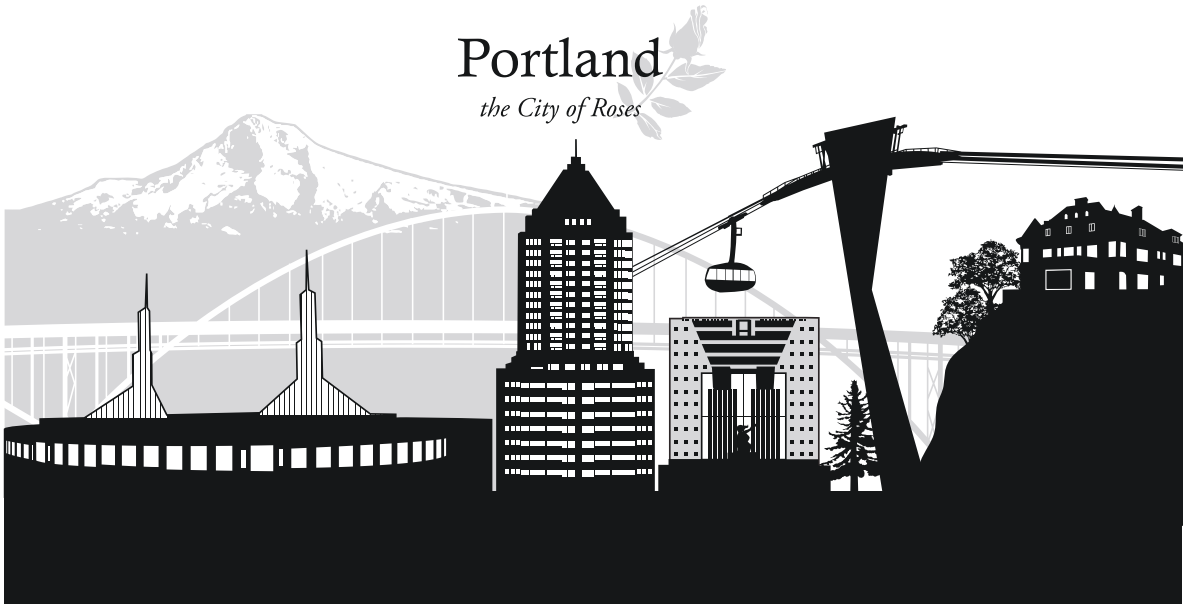
Tilikum Crossing Bridge in morning light

St. John's Bridge at sunset

INTRODUCTORY SECTION



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Jennifer Cooperman
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October 30, 2018

Mayor Ted Wheeler, City Commissioners,
City Auditor, and Residents of the
City of Portland, Oregon

The Bureau of Revenue and Financial Services is pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Portland, Oregon (the City) for the fiscal year (FY) ended June 30, 2018.

This CAFR is published to provide the City Council, City staff, our residents, and other readers with detailed information concerning the financial position and activities of the City. City management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

To the best of our knowledge and belief, the enclosed report is accurate in all material respects and is organized in a manner designed to fairly present the financial position and results of operations of the City as measured by the financial activity of its various funds. The accompanying disclosures are necessary to enable the reader to gain the maximum understanding of the City's financial affairs.

THE REPORT

The CAFR is presented in three main sections: introductory, financial, and statistical. The **Introductory Section** includes this transmittal letter, a list of principal officials, organizational charts, and a copy of last fiscal year's *Certificate of Achievement for Excellence in Financial Reporting* awarded by the Government Finance Officers Association of the United States and Canada.

The **Financial Section** is prepared in accordance with accounting principles generally accepted in the United States of America. This section of the CAFR includes the Management's Discussion and Analysis (MD&A), which can be found immediately following the report of the independent auditor. These are followed by the basic financial statements, required supplementary information, and combining and individual fund statements and schedules.

The MD&A provides a narrative introduction, overview, and analysis to accompany the basic financial statements and should be read in conjunction with this letter of transmittal. The basic financial statements include the government-wide financial statements that present an overview of the City's entire operations, while the fund level statements present the financial information of each of the City's major funds, as well as non-major funds.

Lastly, the **Statistical Section** includes selected financial and demographic information, generally presented on a multi-year basis.

BRFS BUREAU OF REVENUE AND FINANCIAL SERVICES

CITY PROFILE

The City comprises an area of approximately 145 square miles in northwestern Oregon, with a population estimate of 647,805 as of July 1, 2017, making Portland the 26th largest city in the United States. Located astride the Willamette River at its confluence with the Columbia River, the City is the center of commerce, finance, industry, services and transportation for a metropolitan area of more than two million people. The City is the largest city in Oregon, the seat of Multnomah County, and the second largest city in the Pacific Northwest. The climate of the area is marked by warm, dry summers and mild-to-chilly, rainy winters. This climate is ideal for growing roses and for more than a century, Portland has been known as the "City of Roses".

The City was incorporated in 1851 and is a home rule charter city. The City Charter is the basic law under which the City operates and can be amended only by a vote of the people. In 1913 a modified commission form of government was created, which is rare for cities as large as Portland. The City Charter provides for five non-partisan Council members, called Commissioners, including the Mayor. Commissioners are elected at-large to four-year terms. The Mayor and Commissioners act as legislators and administrators, responsible for enacting City laws, enforcing City laws, and administering bureaus under the respective Commissioner's supervision. The Mayor assigns the bureaus to each Commissioner.

The elected City Auditor is required by Charter to be a Certified Public Accountant, Certified Internal Auditor, or Certified Management Accountant. The City Auditor is not part of the Council and has no formal voting authority. The City Auditor is accountable directly to the voters of Portland and is responsible for the management of the annual financial audit of the City, as required by City Charter.

The City operates under the provisions of the City Charter and City Code, which are consistent with the Oregon Constitution and State law (Oregon Revised Statutes). The Charter grants legal authority to City government, determines the form of City government, and assigns duties to public officials. The City's Code consists of all the regulatory and penal ordinances and certain administrative ordinances of the City. Ordinances are passed by a simple majority vote of three of the five Commissioners.

The City provides the following services, as authorized in its Charter:

- **Planning and community development**:
  Building reviews, housing services, employment, and economic development
- **Citizen and community services:**
  Neighborhood improvements, housing development, and shelter programs
- **Public safety:**
  Police, fire and rescue, emergency communications, and emergency management
- **Transportation and parking:**
  Street maintenance, neighborhood traffic studies, and street improvements
- **Support services/ legislative/ administrative:**
  Facilities, financial, fleet, human resources, printing, risk management, and technology
- **Parks:**
  Recreational and cultural services
- **Utilities:**
  Water, sewer, and stormwater
- **Other operations:**
  Refuse disposal oversight and environmental remediation

Portland is notable for its land-use planning and investment in public transportation. The City is frequently recognized as one of the most environmentally conscious or "green" cities in the United States because of its high walkability, large community of bicyclists, expansive network of public transportation options, 11,000+ acres of public parks, and commitment to sustainability.

REPORTING ENTITY

This CAFR encompasses all City funds and the activity of entities which are required to be included because the City is financially accountable for them, including the Fire and Police Disability and Retirement (FPDR) Fund and Prosper Portland (formerly known as the Portland Development Commission). Under the City Charter, the FPDR and Prosper Portland are required to have separate financial audits conducted by external certified public accountants. Additional information is provided in the Notes to the Financial Statements, beginning on page 61 of this CAFR. The various funds of these entities are also included in this CAFR, and the information presented has been condensed from separately commissioned audit reports to conform to City reporting formats.

ECONOMIC CONDITIONS AND OUTLOOK

A. Recent economic performance

Nine years into the current economic expansion, local economic conditions remain relatively healthy. Over the last year, employment growth has slowed from over 3% to around 2% growth, which is typical at this point in the business cycle when a tight labor market makes it difficult to find workers and higher wages begin to bring people back into the labor force. The Multnomah County unemployment rate has remained in the 3% to 4% range for nearly two years, while the local real estate market is starting to soften measurably as home price growth and rental rates have moderated.

Inflation rose at a 4.8 percent annualized rate for the first six months of 2018, which was among the fastest growth in the last two decades. Higher housing, energy, and transportation costs helped to push inflation higher, while education and apparel costs fell slightly. The 2018 calendar year CPI-W, which determines the cost of living increases for nearly all City employees, is expected to be higher than in recent years, likely exceeding four percent.

The City has two primary revenue sources that are acutely sensitive to economic conditions: business license taxes and transient lodging taxes. General Fund business license revenues reached record levels, growing nearly fourteen percent to more than $134 million for FY2017-18. Meanwhile, General Fund transient lodging taxes also grew substantially to just under $35 million. Overall, General Fund revenue from external sources grew by 7.1 percent in FY2017-18 over FY2016-17.

B. Outlook

The local economy is experiencing robust and sustained growth. The latest data show income gains are finally materializing, as the tight labor market and legislative increases in the minimum wage take effect. The local unemployment rate remains near record lows, while also below state and national unemployment rates. Several new hotels near downtown have opened in the past year, with more still under construction. Passenger traffic through the Portland International Airport (PDX), which reached a record high in 2017, has continued to grow thus far in 2018.

The City has seen record revenue growth over the last three years, as local economic growth has exceeded both national and state averages. However, the most recent data show slower job growth as companies are finding it difficult to find workers, while budget cuts at the state level will also act as a drag on growth in the next several years. The biggest risks to the City's economic outlook are generally outside of the local economy. Internal factors, such as increasing costs from new labor contracts, and external factors such as the performance of the global economy and overall geopolitical uncertainty, could actively harm the general economic conditions that underlie the City's forecast assumptions.

FINANCIAL POLICIES AND PLANNING

A. Financial policies

The City Council has adopted and adheres to a set of Comprehensive Financial Management Policies. These policies serve as the blueprint for management to achieve and maintain fiscal stability, so the City is financially able to meet its immediate and long-term service objectives. Topics covered in the City's financial policies include budgeting, revenue, financial planning, financial reporting, internal controls, investment and debt management, and reserve funds. The policies are periodically reviewed and amended to ensure they reflect best practices and comply with external requirements such as Generally Accepted Accounting Principles (GAAP) and Local Budget Law.

B. Long-term financial planning

The City maintains a five-year financial planning horizon and balances requirements to resources over the life of the five-year forecast. The City's budget distinguishes between ongoing and one-time General Fund revenues. City financial policies discourage the use of one-time revenue to fund ongoing obligations. The City continues to maintain General Fund reserves at least equal to 10 percent of General Fund discretionary and overhead revenues to guard against a significant economic downturn, disaster, or major unanticipated expense. In FY 2017-18, the City Council invested a total of $551.1 million one-time and ongoing discretionary General Fund resources on bureau programs and maintaining existing infrastructure.

C. Financial management and oversight

As previously discussed, the City's financial policies provide a framework for developing stable and sustainable financial plans. These plans, which form the basis of budget requests and plans approved by the City Council, help to ensure consistent and predictable financial results over time. Bureau managers, under direction of the City Budget Office, produce budgets and financial plans that focus predominantly on short-range financial performance. The City Council in 2014 created a Chief Financial Officer (CFO) position with specific responsibility for measuring and monitoring the City's long-term fiscal health and reporting on a regular basis to City Council on these matters. This combination of strong financial policies, disciplined short-term budget management, and long-term fiscal monitoring provide the necessary financial management and oversight that are key attributes of the City's strong credit ratings.

D. Future funding challenges

Although the current financial condition of the City is strong, there is a continuing set of near-term and longer-term financial obligations that will need to be monitored and managed. The City's two employee pension systems, FPDR and the Oregon Public Employees Retirement System (PERS), are experiencing increasing cost trends that create growing financial obligations for the City. This is particularly true for the PERS system, which in 2015 saw cost-saving legislative reforms from 2013 overturned by the Oregon Supreme Court. While 2017 calendar year PERS earnings were strong, contributing to an increase in the system's funding status, payroll contribution rates are forecasted to increase over the next several bienniums, serving to underscore this concern.

Increasing and sustaining the City's investment in infrastructure is also critical to addressing long-term indicators of fiscal health, where underinvestment in infrastructure, particularly in the transportation area, is a key contributor to declines in the City's net position. The local City gas tax (approved in 2016) will help this effort but is insufficient by itself to fully address City transportation funding needs. Recognizing that the City needs to address its asset maintenance funding gap, the City Council committed to an initial investment of $50 million in "repair, replacement, rehabilitation" projects over the next seven years, which is the first phase of a new *Build Portland* program that is expected to invest at least $600 million in asset maintenance by 2040.

Added to this backdrop of “normal” infrastructure needs is a growing and continuing need to invest more resources in the development of affordable housing and other programs that address housing affordability and homelessness issues. Voter approval of a $258 million general obligation affordable housing bond measure in November 2016 (the largest bond measure in the City’s history), along with City Council action to contribute transient lodging tax revenues collected from short-term rental activities (i.e., Airbnb, VRBO, etc.) to affordable housing, and the City’s continuing contributions to the City/County Joint Office of Homeless Services (established in 2016) underscore the City’s commitment to meaningfully address this issue.

Additionally, the City will need to fund its share of certain legacy liabilities associated with the Portland Harbor Superfund cleanup and the Columbia River Levee flood management system.

This mix of pension funding requirements, normal and predictable infrastructure needs, affordable housing and homeless services, and legacy liabilities represent the City’s core funding challenges at this time.

OTHER FINANCIAL INFORMATION

A. Accounting system and budgetary control

The City’s accounting system supports an adequate internal control structure. This structure helps to safeguard the City’s assets against loss, theft, or misuse. The accounting system provides reliable financial records for preparing financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure provides reasonable, but not absolute, assurance that the City’s assets are safeguarded. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondly, the evaluation of costs and benefits require estimates and judgments by management.

The preparation of the City’s budget is governed by Oregon Budget Law, ORS §294.305 to §294.565. The Mayor proposes a budget and the City Council serves as the Budget Committee in approving and adopting the budget. Public notice is given for all Budget Committee meetings. Citizens are involved in the budget process through surveys, forums, public hearings, and representation from five community budget advisors who participate in budget deliberations with the Council.

The City Council is required to adopt a budget no later than June 30, the end of the fiscal year. This annual budget serves as the foundation for the City’s financial planning and control. The budget is prepared and presented by bureau and by fund.

The City Council sets the level of appropriations under Oregon Budget Law at the fund, organizational unit (bureau), and major category of expenditure (i.e. bureau expenditure, debt, cash transfer, and contingency). Transfers between major object categories (i.e. personnel services, materials and services, capital, etc.) are allowed with approval of the Commissioner-in-Charge. The City Council conducts at least three budget monitoring and amendment actions during the fiscal year to address changing financial needs and conditions.

B. Major initiatives and highlights

The FY 2017-18 financial condition for the City remained healthy as the local economy continued to expand. At the time of the Adopted Budget, the City found itself with approximately a $24 million surplus in one-time, and a $3 million deficit in ongoing General Fund resources. The ongoing deficit was primarily driven by decisions made by Council to obligate approximately $13 million in new General Fund resources before final budget Adoption. The increase in resources, as well as reprioritized resources, were focused on the following priorities:

- *Housing and Homelessness:* Council allocated a total of $26.5 million in General Fund resources to support the Joint Office of Homeless Services, a coordinated effort housed at Multnomah County and jointly funded by the County and the City. This includes $17.1 million in ongoing support – a $5.2 million increase over the previous year – and $9.4 million in one-time support. Additionally, the budget included approximately $900,000 to launch the new Rental Services Office.

- *Public Safety:* Council provided a $5.1 million net increase in General Fund support for public safety bureaus, including $3.3 million in ongoing support for Portland Police sworn officers per the terms of a labor bargaining agreement and $1.2 million in ongoing support and 14 new FTE for a new Community Service Officer pilot program. Police bureau adds were partially offset by $1.9 million in reductions, most notably with the elimination of the Mounted Patrol Unit. Council also increased staffing and funding for the Bureau of Emergency Management's Neighborhood Emergency Team program, which engages and trains community volunteers to lead their neighborhood in emergency preparedness and response efforts.

- *Livability*: Council allocated $1.4 million to support efforts to improve livability in Portland, including the addition of four park rangers to patrol the Springwater Corridor and parks in East Portland; funding to expand the Office of Neighborhood Involvement's Graffiti Abatement Program; and funding to manage the impacts of camping on neighborhoods, the right-of-way, and other City-owned property by increasing efforts to remove trash, needles, and semi-permanent structures.

- *Infrastructure Maintenance and Replacement:* The FY 2017-18 budget included $2 million in ongoing funds to launch Build Portland, a plan to invest $600 million over 20 years in upgrading the City's roads, parks and other civic infrastructure. Additionally, as part of the capital set-aside allocation process, Council included a total of $7.2 million for critical major maintenance projects within the Bureau of Transportation, including $5 million for ADA accessible sidewalks, $950,000 to replace or rebuild five traffic signals, $100,000 to repair and improve 25 rapid flashing beacons, $500,000 for guardrail upgrades at 20 guardrail sites across the City, and $650,000 for the construction of a multi-use pathway on North Greeley avenue.

C. Tax abatement programs

Governmental Accounting Standards Board (GASB) Statement No. 77 "Tax Abatement Disclosures" requires that governments provide disclosure about tax abatement programs and the amount of foregone tax dollars as of the fiscal year end. See Note IV. F. "Tax Abatements" on page 159. The GASB requirement is intended to make the financial impact of these abatement agreements transparent to the reader of the financial statements. However, a discussion of the expected long-term benefits of these tax abatement programs is not allowed in the note disclosure. To help provide a more complete picture of these programs, the following provides a summary of the benefits derived from the City's two abatement program types: Low Income Housing, and the Enterprise Zone (E-Zone), and the Historic Property preservation program which is granted by the State of Oregon.

Low Income Housing – The rising number of people who cannot find a safe, healthy, affordable place to live has become a critical issue for our community. The Low Income Housing limited tax abatement programs supports affordable housing and leverages private multi-family and single family housing development to advance the City's housing and economic prosperity goals. Property tax abatements provide a financial incentive for the construction and/or provision of affordable housing units by reducing the property taxes owed. In FY 2016-2017, there were 14,712 housing units receiving property tax abatements under this program. More information regarding the Housing Bureau's tax exemption programs can be found on their website: https://www.portlandoregon.gov/phb/74475 .

Enterprise Zone (E-Zone) – Since 1996, the City's E-Zone programs have leveraged over $1 billion in private investments and have created and retained over five thousand full-time, quality jobs. Companies have invested anywhere from $500,000 to $150 million in facilities, equipment, and machinery as part of their E-Zone qualified investments. In addition to the private investment and job creation requirements, the public benefits derived from the E-Zone program include: 1) increased business opportunities for companies within the E-Zone through the program's local procurement requirement; 2) enhanced tax base in the E-Zone to the benefit of all taxing jurisdictions; and 3) payment of 15% of the value of the tax abatement into the Business Development and Workforce Training Fund to support local job training and financial assistance to small businesses in the area. The E-Zone program is administered by Prosper Portland (formerly known as the Portland Development Commission), a component unit of the City, and additional information can be found on their website: www.prosperportland.us.

Historic Property – The Oregon State Historic Preservation Office was established in 1967 to manage and administer programs for the protection of the state's historic and cultural resources. These programs protect and preserve the tangible and educational assets that contribute directly to Oregon's heritage, and also opportunities for local economic development. More information can be found at: https://www.oregon.gov/oprd/HCD/SHPO

OTHER INFORMATION

A. Independent audit

The City Charter requires the elected City Auditor to conduct financial audits of the City in accordance with generally accepted governmental auditing standards, and to appoint, coordinate and monitor the annual audit of the City's financial statements by an independent licensed public accountant. The City's financial records, as represented in the CAFR, have been audited by the independent Certified Public Accountants, Moss Adams LLP, who were competitively selected by the Office of the City Auditor to be the City's financial auditors. The Independent Auditor's Report on the City' financial statements is included in the financial section of this CAFR.

This contract for the annual financial audit included the compliance audit of the City's federal awards under Title 2 U. S. Code of Federal Regulations (CFR) Part 200. Due to the size and complexity of the City's financial systems, the Report of Independent Auditors and Schedule of Expenditures of Federal Awards, is issued separately from this CAFR. Copies of the report are available upon request from the Office of Management and Finance, or on the City's internet site: https://www.portlandoregon.gov/brfs/26053.

B. Certificate of Achievement

The Government Finance Officers Association (GFOA) has awarded the City with a *Certificate of Achievement for Excellence in Financial Reporting* for its CAFR consecutively for the last thirty-seven fiscal years. To be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized CAFR with contents that conform to program standards. Such reports must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to conform to Certificate of Achievement Program requirements, and we are submitting it to GFOA for their consideration of another certificate award.

C. Acknowledgments

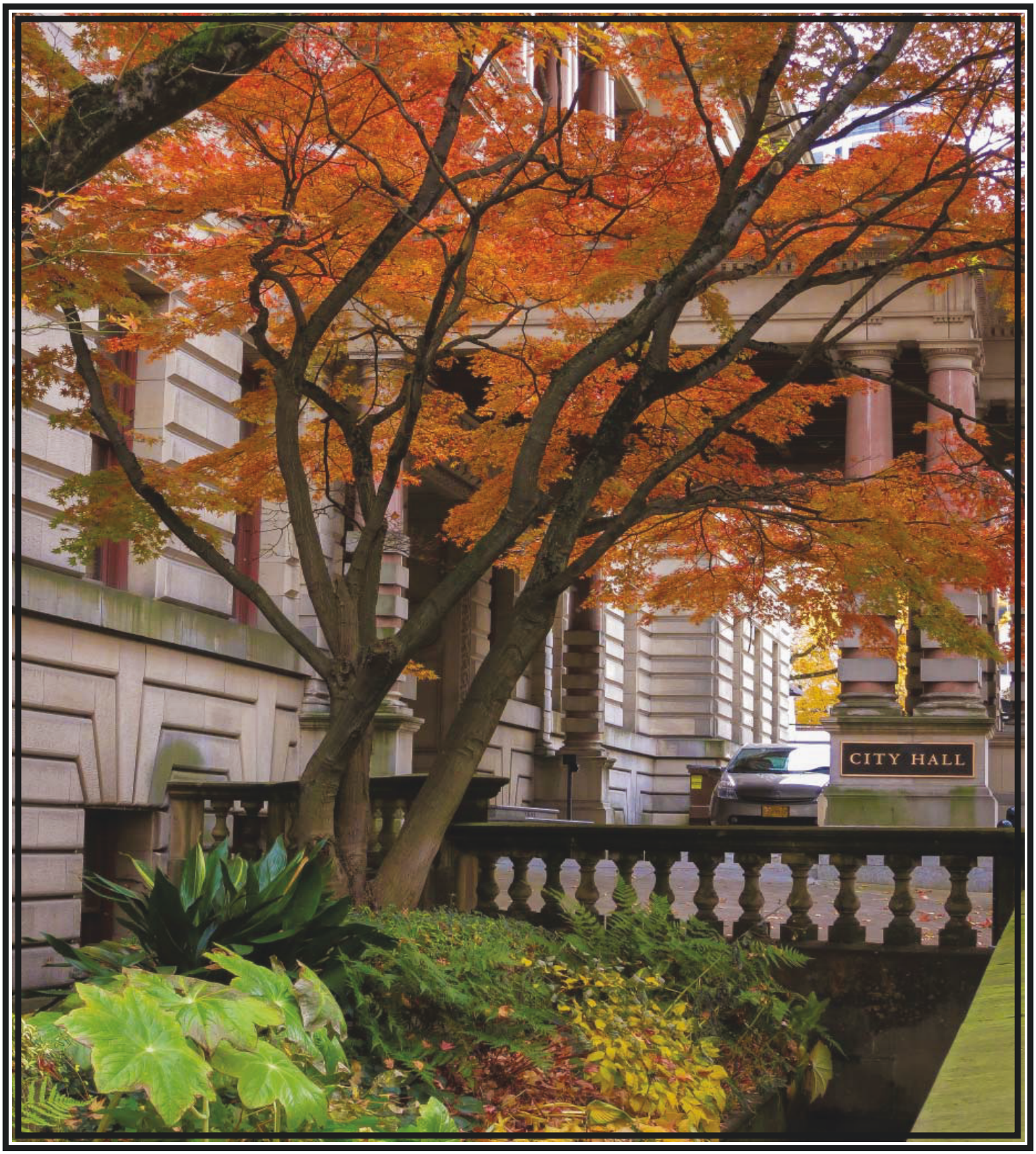
We would like to express our sincere gratitude to all City personnel who contributed to this CAFR, especially those in the Accounting Division. Four years ago, the City established a goal of reducing the amount of time required to publish the CAFR, to ensure timely reporting of financial information. Steady and significant progress has been made during this time and this year's CAFR transmittal date of October 30 marks the earliest the City has produced this document and establishes the City as a national leader in providing timely financial information to the community and interested users of its CAFR. The Accounting Division is commended for diligently executing process improvements over the last several years to achieve this goal.

We would also like to extend our appreciation to the bureaus, City Council, City Auditor, and the many City managers whose leadership and commitment to financial excellence are vital to the health and vitality of the City of Portland.

Respectfully submitted,

Tom Rinehart
Chief Administrative Officer
Office of Management & Finance

Jennifer Cooperman
Chief Financial Officer
Bureau of Revenue & Financial Services



City Hall in the Fall

ELECTED OFFICIALS OF THE CITY OF PORTLAND

Ted Wheeler
Mayor

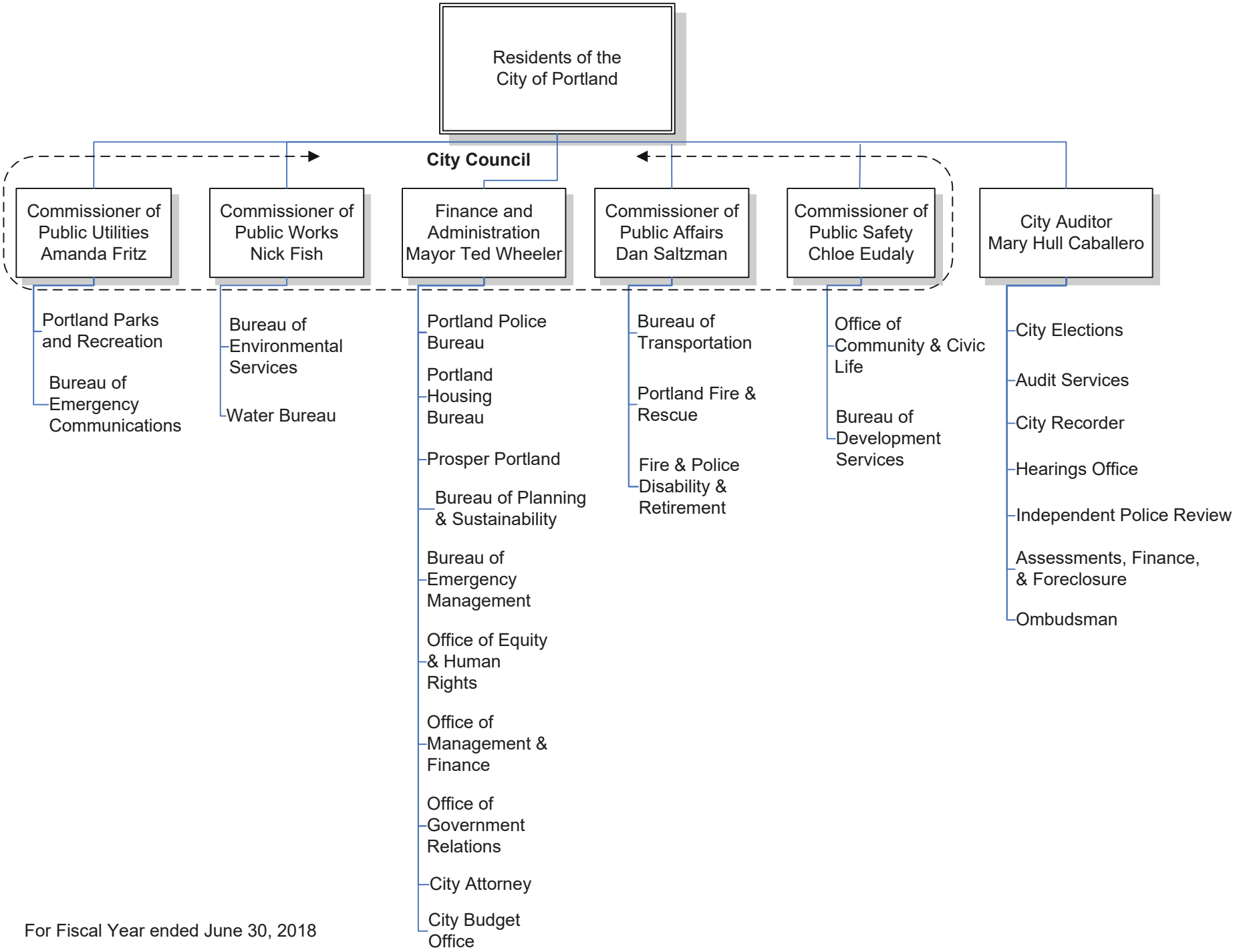
Commissioner Chloe Eudaly

Commissioner Nick Fish

Commissioner Amanda Fritz

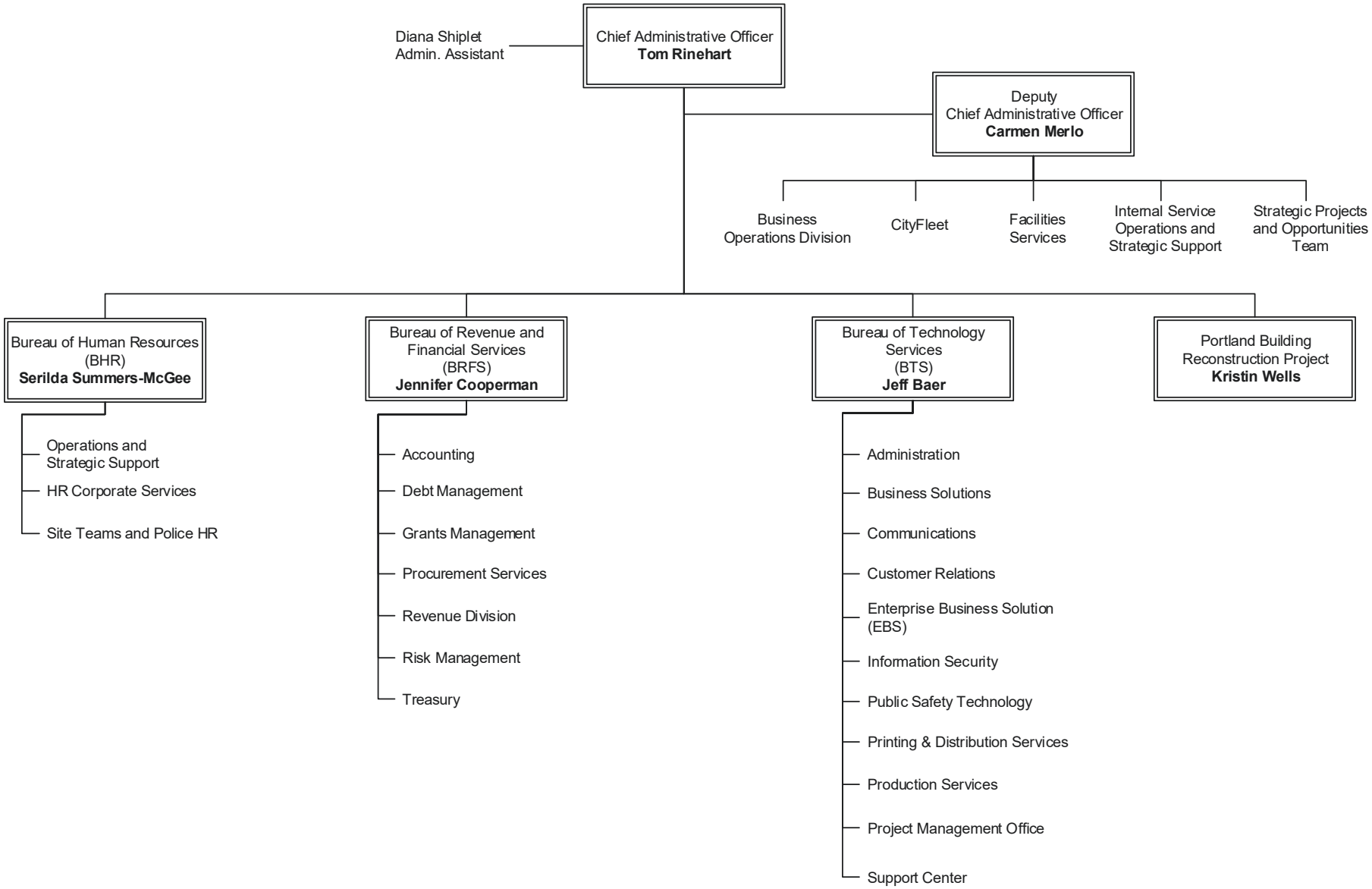
Commissioner Dan Saltzman

Mary Hull Caballero
City Auditor

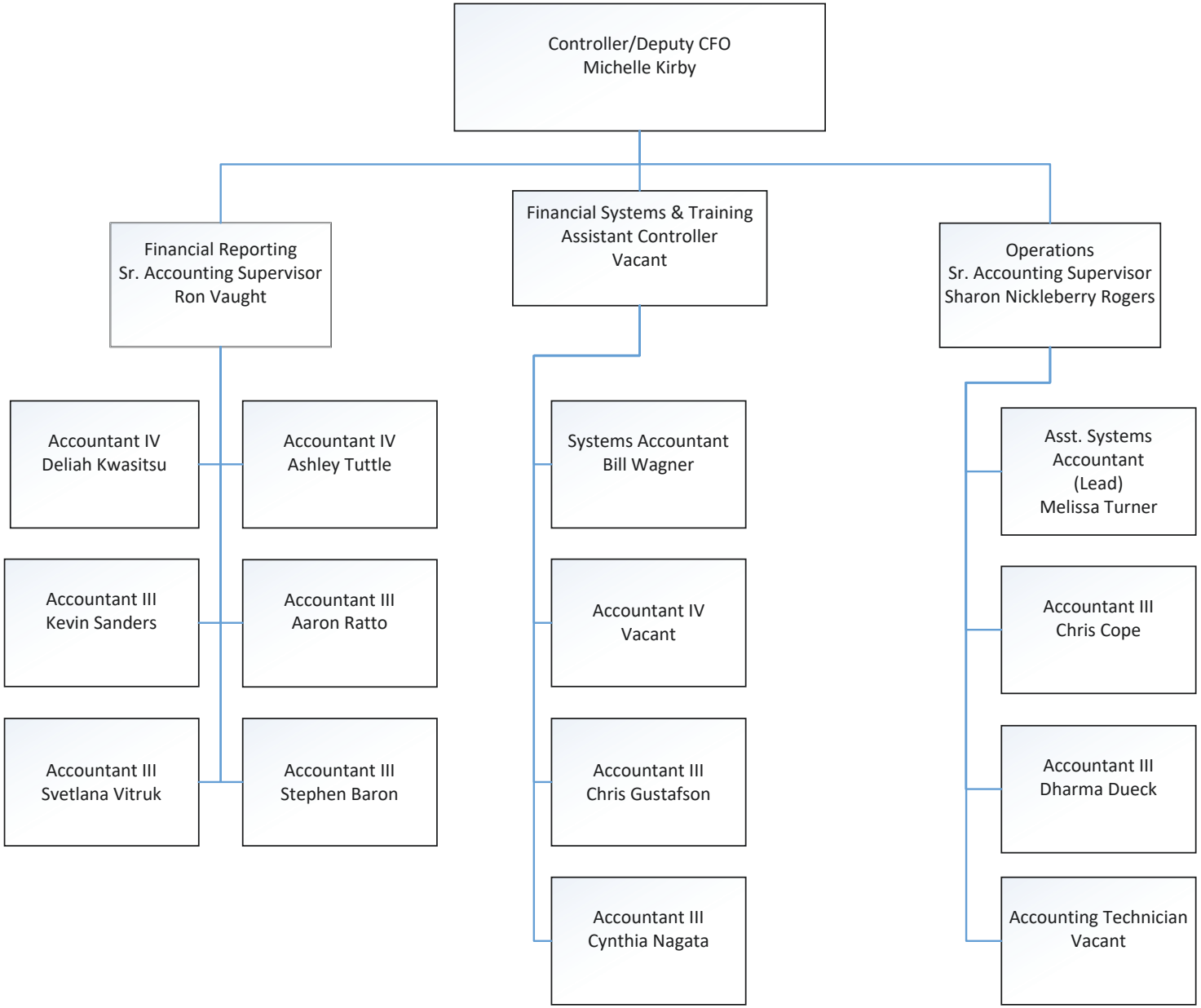


For Fiscal Year ended June 30, 2018

Office of Management and Finance



Accounting Division



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Portland

Oregon

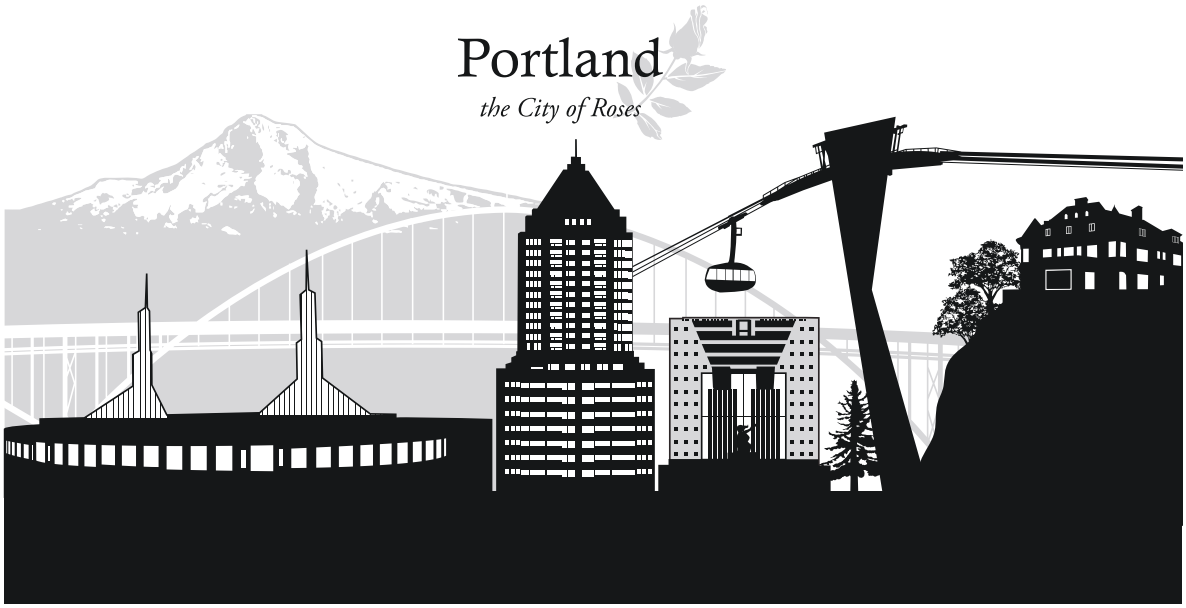
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION



FINANCIAL SECTION

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MOSSADAMS

Report of Independent Auditors

To the City Council
City of Portland, Oregon
Portland, Oregon

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Portland, Oregon, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's 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.

Auditor's 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditor's 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 entity's 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Portland, Oregon, as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I.E to the financial statements, the City adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective July 1, 2017. The beginning of year net position has been adjusted for this change. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison schedules, other employee postemployment benefits information, and employee retirement pension benefits information (collectively, the required supplementary information) on pages 19 through 43 and 165 through 176, respectively, 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 management's discussion and analysis, employee postemployment benefits information, and employee retirement pension benefits information on pages 19 through 43, and pages 170 through 176 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 this information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The budgetary schedules described above on pages 165 through 169 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The budgetary schedules 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 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 budgetary schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, and other financial schedules on pages 177 to 336 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

This supplementary information 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. This 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the budgetary schedules, combining and individual nonmajor fund financial statements, and other financial schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Portland's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

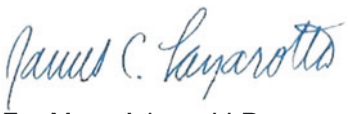
The introductory section and statistical information have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

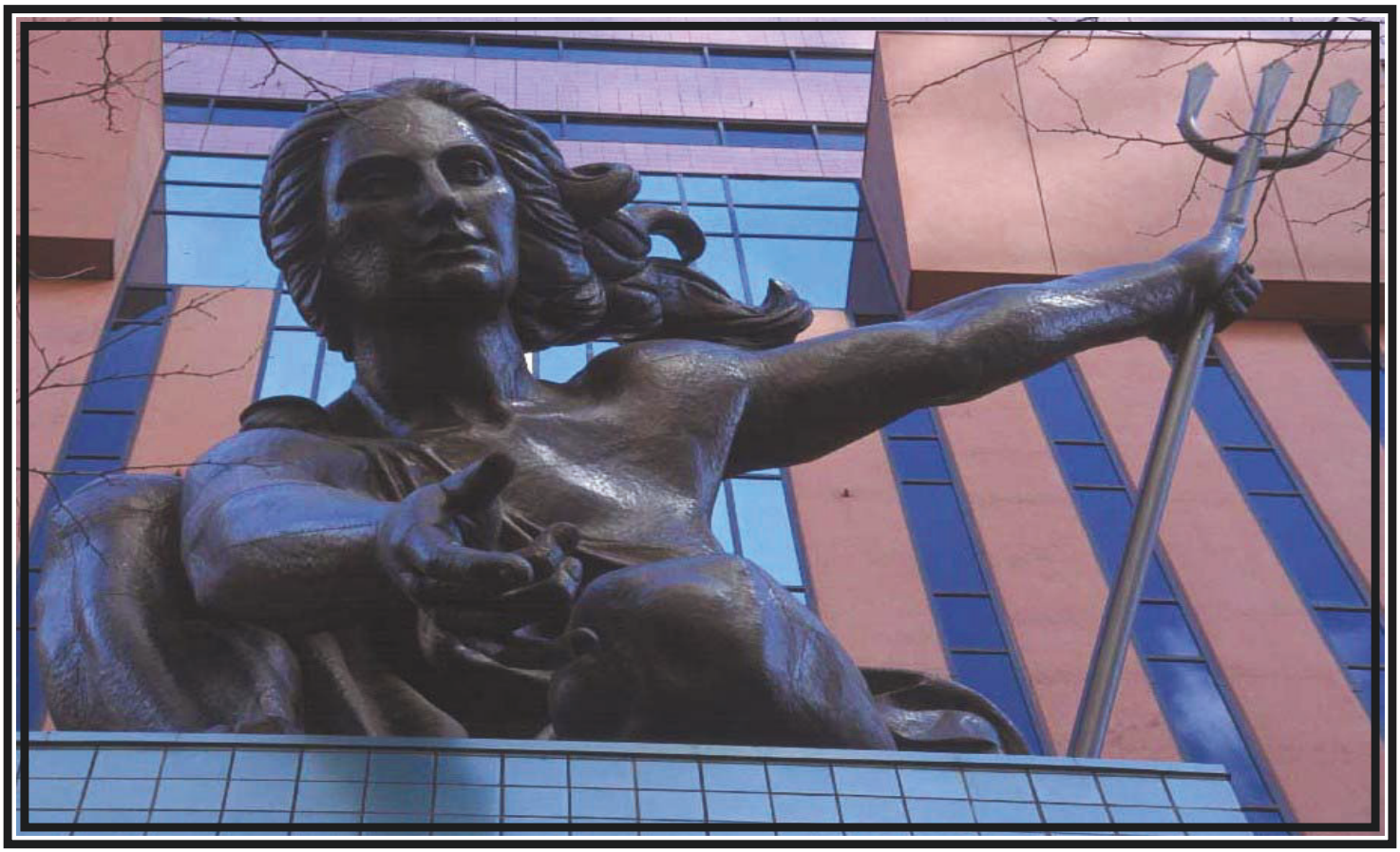
In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2018 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Report on Other Legal and Regulatory Requirements

In accordance with the Minimum Standards of Audits of Oregon Municipal Corporations, we have issued our report dated October 30, 2018 on our consideration of the City's 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.



For Moss Adams LLP
Portland, Oregon
October 30, 2018



Portlandia

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Portland (the "City"), we offer readers of the City's Comprehensive Annual Financial Report (CAFR) this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found starting on page 1 of this report.

FINANCIAL HIGHLIGHTS

Following are the City's financial highlights for fiscal year ending June 30, 2018:

- Assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY 2017-18 by $1,047,521,791 *(net position)*. Included in this amount is an unrestricted *net position* deficit totaling $3,833,032,759, as shown on Table 1-C on page 24. This negative balance is attributable to governmental activities and is further discussed in the government-wide financial analysis section of this Management's Discussion and Analysis (MD&A) found on page 22.

- The City's total *net position* increased from operations by $157,003,543 from FY 2016-17 as shown on Table 2-C on page 27, consisting of a decrease of $90,244,790 in the net position of the governmental activities, which is offset by an increase in net position of the business-type activities of $247,248,333. The analysis of these changes in net position related to governmental activities and business-type activities is further discussed beginning on page 28 of this MD&A.

- The City's governmental funds reported combined ending fund balances of $821,072,663, an increase of $110,904,603, in comparison to FY 2016-17, as shown in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds on page 50. Of the combined ending governmental fund balances, $123,718,648 or 15.1%, is available for spending at the City's discretion subject to Council approved policies *(assigned and unassigned fund balances)*.

- The unassigned fund balance for the General Fund was $46,265,155 or 6.5% of total General Fund expenditures.

- The City's total outstanding bonded debt decreased from FY 2016-17 by $2,074,717 or 6.2%, as shown on Table 5 on page 39. Various factors are attributable for this decrease and are discussed in detail on page 38.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other information in addition to the basic financial statements themselves.

A. Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the City's assets, deferred outflows, liabilities, and deferred inflows with the difference between them reported as *net position*. Over time, increases or decreases in *net position* may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in *net position* are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities)*. Governmental activities include: public safety, parks/recreation/culture, community development, transportation, legislative/administrative/support services, and interest on long-term debt. The business-type activities of the City include environmental services, water, hydroelectric power, parking facilities, golf, motor sports, and spectator facilities.

The government-wide financial statements include not only the City itself (known as the *primary government*), but also Prosper Portland (formerly known as Portland Development Commission), a legally separate entity for which the City is financially accountable. Financial information for Prosper Portland is reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 44 - 46 of this report.

B. Fund financial statements

A *fund* is a group of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

  Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term funding decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

  The City maintains 50 individual governmental funds. Governmental funds are further classified as *general, special revenue, debt service, capital projects*, or *permanent* funds. Within each fund-type group, funds are additionally classified as *major* or *nonmajor* funds.

  Individual fund information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Transportation Operating Fund which are considered to be *major funds*. Data from the other 48 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these *nonmajor* governmental funds is provided in the form of *combining statements* elsewhere in this report.

  The City's major governmental funds, the General Fund and the Transportation Operating Fund are presented in their respective columns, and the remaining funds are combined into a column titled "Other Funds". For each major fund, a budgetary comparison statement is presented. Information on *nonmajor* funds can be found in the combining schedules of *nonmajor* funds and/or the supplemental information-budgetary comparison schedules sections of this report. Completing this report is a series of other financial

and statistical schedules as required by statute.

The basic governmental fund financial statements can be found on pages 48 - 51 of this report.

- **Proprietary funds.** The City maintains 18 proprietary funds, which are further classified as either enterprise funds or internal service funds.

  Enterprise funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Of the 18 proprietary funds, nine are *enterprise* funds.

  Internal service funds are used to accumulate and allocate costs internally among the City's various bureaus. The City uses internal service funds to account for health insurance, facilities, fleet, printing and distribution, self-insurance for general liability, worker's compensation, technology services, and enterprise business solutions. These services predominantly benefit governmental rather than business-type functions. Therefore, they have been included within *governmental activities* in the government-wide financial statements. Of the 18 proprietary funds, nine are *internal service funds.*

  Proprietary funds statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for water and sewer system operations, both of which are considered major funds. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

  The basic proprietary fund financial statements can be found on pages 52 - 57 of this report.

- **Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements, because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

  The basic fiduciary fund financial statements can be found on pages 58 - 59 of this report.

C. Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 61 - 163 of this report.

D. Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligations to the citizenry and its employees. Required supplementary information can be found beginning on pages 165 of this report.

The combining statements referred to earlier in connection with *nonmajor* governmental funds and proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found beginning on page 177 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, *net position* may serve as a useful indicator of a government's financial position. The net position of the Governmental Activities is reflected in Table 1-A on page 23, and the net position of the Business-type Activities is reflected in Table 1-B which also can be found on page 23. For the City as a whole, assets exceeded liabilities by $1,047,521,791 at the close of FY 2017-18, which is presented in Table 1-C on page 24.

A. Analysis of net position

At the end of FY 2017-18, the City is able to report positive balances in two categories of *net position* for the government as a whole: (1) net investment in capital assets, and (2) restricted *net position*. Unrestricted *net position*, the third category of *net position*, had a negative balance in governmental activities. Business-type activities have a positive balance for all three categories of *net position*.

The largest portion of the City's *net position* reflects an investment of $4,220,067,371 or 402.9% in capital assets (e.g., land, buildings, equipment, and intangible assets), net of any related outstanding debt used to acquire those assets, as shown on Table 1-C on page 24. The high percentage of investment in capital assets, in relation to total *net position*, is largely a result of the offsetting deficit *unrestricted net position* (discussed in detail below). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources because the capital assets cannot be liquidated to pay for the liabilities. A more detailed discussion of capital assets begins on page 34.

The second component of the City's *net position*, is restricted net position which totals $660,487,179 or approximately 63.1% of total net position. This amount represents resources that are subject to external restrictions on how they may be used. By definition, the City cannot remove these restrictions as they are imposed by parties outside the City.

The remaining balance is an *unrestricted net position* deficit totaling $3,833,032,759. This deficit is primarily due to the net pension obligation for the Fire and Police Disability, Retirement and Death Benefit (FPDR) Plan, which is recorded entirely in governmental activities. The FPDR Plan was established in 1942 to provide disability, retirement and death benefits for sworn members of the City's Police and Fire bureaus, and their survivors. The FPDR Plan consists of three tiers, two of which are now closed to new employees following reforms approved by voters in 2006. Pursuant to the City Charter, pension benefits for tier one and tier two FPDR Plan members are funded on a pay-as-you-go basis. Pension benefits for third tier FPD&R Plan members are funded when earned. Disability and death benefits for all FPDR Plan members are funded on a pay-as-you-go-basis. The 2006 reforms were intended to slowly convert FPDR Plan tier one and tier two pension benefits from a pay-as-you-go model to a more traditional funded-when-earned model.

Annual FPDR Plan benefits and expenses are paid with revenues derived from a voter-approved and dedicated property tax levy, which can be levied each year up to an amount no greater than $2.80 per $1,000 of taxable real market value. The current levy is $1.08 per $1,000 of taxable real market value. This dedicated property tax levy has been sufficient in all years to meet required annual benefit payments, and its adequacy to make future payments is tested regularly. The most recent levy adequacy analysis, completed as of June 30, 2016 by the FPDR Plan's independent actuary, again confirmed the ability of the tax levy to fully cover future benefits and plan expenses when due under a wide range of most likely scenarios.

Because of the FPDR Plan's historic pay-as-you-go funding basis, the net pension obligation of $3.3 billion does not reflect the value of future revenues from the dedicated property tax levy. Although this presentation conforms to generally accepted accounting principles, the FPDR Plan operates as if its liabilities were fully funded which is the practical financial result as long as the dedicated property tax levy is able to fully fund all benefits and expenses when due. The unique funding of the FPDR Plan is one that the City has shared with citizens, investors and external stakeholders for many years, including the credit rating agencies. The rating agencies regularly review the City's financial policies, practices and performance, including the manner in which the FPDR Plan is funded, and have assigned the City an Aaa rating for over 40 consecutive years.

Table 1-A
City of Portland, Oregon
Summary of Net Position
For Years as Stated

Governmental Activities

	FY 2017-18	FY 2016-17	Change
ASSETS			
Current and other assets	$ 1,180,553,466	$ 1,045,861,932	$ 134,691,534
Capital assets	2,000,897,173	2,040,545,724	(39,648,551)
Total assets	3,181,450,639	3,086,407,656	95,042,983
DEFERRED OUTFLOWS OF RESOURCES	457,720,407	668,106,857	(210,386,450)
LIABILITIES			
Long-term liabilities outstanding	4,853,367,127	4,928,336,814	(74,969,687)
Other liabilities	242,478,244	223,683,959	18,794,285
Total liabilities	5,095,845,371	5,152,020,773	(56,175,402)
DEFERRED INFLOWS OF RESOURCES	272,476,709	197,618,408	74,858,301
NET POSITION			
Invested in capital assets, net of related debt	1,761,907,611	1,881,668,361	(119,760,750)
Restricted	659,255,908	549,657,817	109,598,091
Unrestricted surplus (deficit)	(4,150,314,553)	(4,026,450,846)	(123,863,707)
Total net position	$ (1,729,151,034)	$ (1,595,124,668)	$ (134,026,366)

Table 1-B
City of Portland, Oregon
Summary of Net Position
For Years as Stated

Business-type Activities

	FY 2017-18	FY 2016-17	Change
ASSETS			
Current and other assets	$ 810,415,326	$ 603,187,713	$ 207,227,613
Capital assets	4,638,960,365	4,534,944,184	104,016,181
Total assets	5,449,375,691	5,138,131,897	311,243,794
DEFERRED OUTFLOWS OF RESOURCES	45,244,228	72,778,576	(27,534,348)
LIABILITIES			
Long-term liabilities outstanding	2,459,620,785	2,426,922,183	32,698,602
Other liabilities	246,887,828	230,809,979	16,077,849
Total liabilities	2,706,508,613	2,657,732,162	48,776,451
DEFERRED INFLOWS OF RESOURCES	11,438,481	12,876,668	(1,438,187)
NET POSITION			
Invested in capital assets, net of related debt	2,458,159,760	2,328,512,375	129,647,385
Restricted	1,231,271	12,535,569	(11,304,298)
Unrestricted surplus (deficit)	317,281,794	199,253,699	118,028,095
Total net position	$ 2,776,672,825	$ 2,540,301,643	$ 236,371,182

Table 1-C
City of Portland, Oregon
Summary of Net Position
For Years as Stated

Total Net Position

	FY 2017-18	FY 2016-17	Change
ASSETS			
Current and other assets	$ 1,990,968,792	$ 1,649,049,645	$ 341,919,147
Capital assets	6,639,857,538	6,575,489,908	64,367,630
Total assets	8,630,826,330	8,224,539,553	406,286,777
DEFERRED OUTFLOWS OF RESOURCES	502,964,635	740,885,433	(237,920,798)
LIABILITIES			
Long-term liabilities outstanding	7,312,987,912	7,355,258,997	(42,271,085)
Other liabilities	489,366,072	454,493,938	34,872,134
Total liabilities	7,802,353,984	7,809,752,935	(7,398,951)
DE DEFERRED INFLOWS OF RESOURCES	283,915,190	210,495,076	73,420,114
NET POSITION			
Invested in capital assets, net of related debt:	4,220,067,371	4,210,180,736	9,886,635
Restricted	660,487,179	562,193,386	98,293,793
Unrestricted surplus (deficit)	(3,833,032,759)	(3,827,197,147)	(5,835,612)
Total net position	$ 1,047,521,791	$ 945,176,975	$ 102,344,816

B. Analysis of changes in net position

As noted previously, the City's total change in *net position* resulting from operations increased by $157,003,543 during FY 2017-18. This increase is explained in the governmental and business-type activities discussion beginning on page 28.

Table 2-A
City of Portland, Oregon
Summary of Changes in Net Position
For Years as Stated

Governmental Activities

	FY 2017-18	FY 2016-17	Change
Revenues			
Program revenues:			
Charges for services	$ 548,353,453	$ 521,493,734	$ 26,859,719
Operating grants and contributions	223,583,230	130,202,782	93,380,448
Capital grants and contributions	40,574,464	117,286,144	(76,711,680)
General revenues:			
Property taxes	583,197,121	537,142,744	46,054,377
Lodging taxes	53,180,447	50,782,865	2,397,582
Miscellaneous taxes	46,767,750	24,080,946	22,686,804
Investment earnings	14,941,081	21,443,369	(6,502,288)
Total revenues	1,510,597,546	1,402,432,584	108,164,962
Expenses			
Public safety	643,316,126	662,029,926	(18,713,800)
Parks, recreation and culture	112,001,845	107,882,771	4,119,074
Community development	329,573,060	290,457,585	39,115,475
Transportation and metered parking	320,566,855	319,449,307	1,117,548
Legislative / admin / support services	146,510,653	129,284,091	17,226,562
Environmental services	171,074	65,043	106,031
Water	145,078	208,375	(63,297)
Parking facilities	17,000	17,000	-
Interest on long-term debt	48,756,317	47,225,026	1,531,291
Total expenses	1,601,058,008	1,556,619,124	44,438,884
Revenues over (under) expenses	(90,460,462)	(154,186,540)	63,726,078
Transfers	215,672	1,839,223	(1,623,551)
Change in net position	(90,244,790)	(152,347,317)	62,102,527
Net Position -- beginning, previously reported	(1,595,124,668)	(1,444,156,722)	(150,967,946)
Restatement per GASB 75 Implementation (See Note I.E)	(43,781,576)	-	(43,781,576)
Net position -- beginning, restated	(1,638,906,244)	(1,442,777,351)	(196,128,893)
Net position -- ending	$ (1,729,151,034)	$ (1,595,124,668)	$ (284,994,312)

Table 2-B
City of Portland, Oregon
Summary of Changes in Net Position
For Years as Stated

Business-type Activities

	FY 2017-18	FY 2016-17	Change
Revenues			
Program revenues:			
Charges for services	$ 647,308,833	$ 600,268,704	$ 47,040,129
Capital grants and contributions	4,380,708	1,484,603	2,896,105
General revenues:			
Investment earnings	3,522,031	2,752,477	769,554
Total revenues	655,211,572	604,505,784	50,705,788
Expenses			
Environmental services	221,952,760	247,437,383	(25,484,623)
Water	145,619,884	145,140,721	479,163
Hydroelectric power	11,863,295	1,446,666	10,416,629
Parking facilities	8,290,186	8,332,521	(42,335)
Golf	9,739,047	9,485,970	253,077
Motor sports	1,824,639	1,556,365	268,274
Spectator facilities	8,457,756	11,357,823	(2,900,067)
Total expenses	407,747,567	424,757,449	(17,009,882)
Revenues over (under) expenses	247,464,005	179,748,335	67,715,670
Transfers	(215,672)	(1,839,223)	1,623,551
Change in net position	247,248,333	177,909,112	69,339,221
Net Position -- beginning, previously reported	2,540,301,643	2,363,771,902	176,529,741
Restatement per GASB 75 implementation (See Note I.E)	(10,877,151)	-	(10,877,151)
Net position -- beginning, restated	2,529,424,492	2,362,392,531	167,031,961
Net position -- ending	$ 2,776,672,825	$ 2,540,301,643	$ 412,900,923

Table 2-C
City of Portland, Oregon
Summary of Changes in Net Position
For Years as Stated

Total Net Position

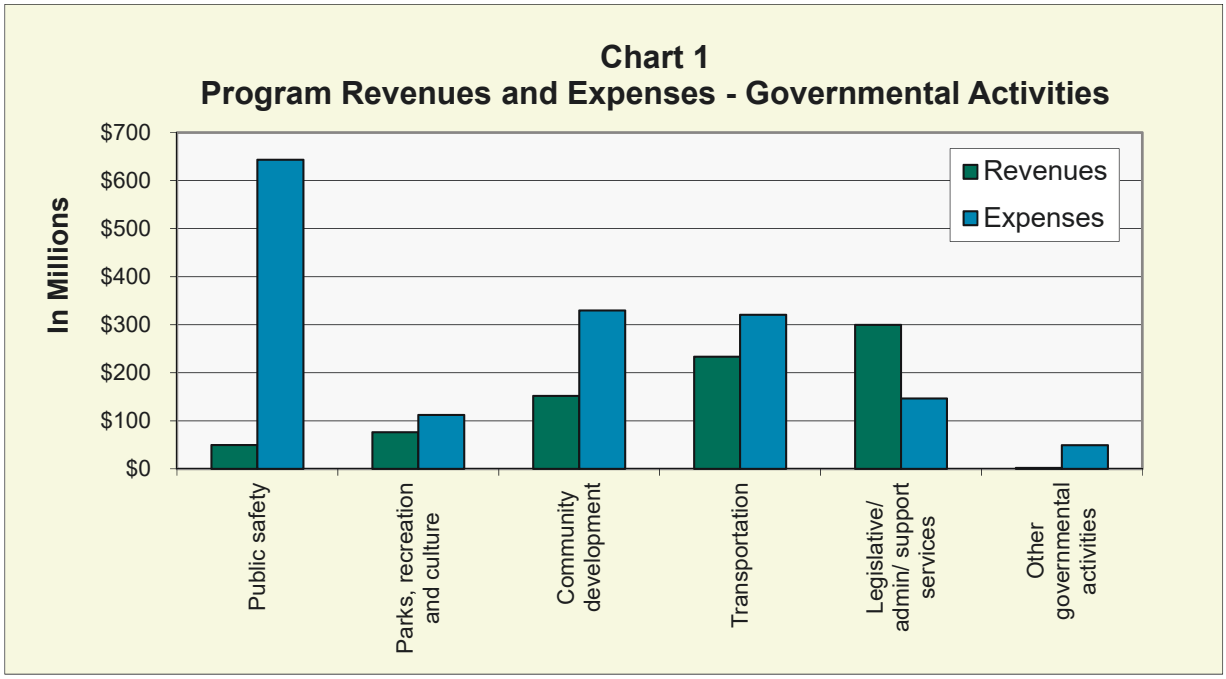
	FY 2017-18	FY 2016-17	Change
Revenues			
Program revenues:			
Charges for services	$ 1,195,662,286	$ 1,121,762,438	$ 73,899,848
Operating grants and contributions	223,583,230	130,202,782	93,380,448
Capital grants and contributions	44,955,172	118,770,747	(73,815,575)
General revenues:			
Property taxes	583,197,121	537,142,744	46,054,377
Lodging taxes	53,180,447	50,782,865	2,397,582
Miscellaneous taxes	46,767,750	24,080,946	22,686,804
Investment earnings	18,463,112	24,195,846	(5,732,734)
Total revenues	2,165,809,118	2,006,938,368	158,870,750
Expenses			
Public safety	643,316,126	662,029,926	(18,713,800)
Parks, recreation and culture	112,001,845	107,882,771	4,119,074
Community development	329,573,060	290,457,585	39,115,475
Transportation	320,566,855	319,449,307	1,117,548
Legislative / admin / support services	146,510,653	129,284,091	17,226,562
Interest on long-term debt	48,756,317	47,225,026	1,531,291
Environmental services	222,123,834	247,502,426	(25,378,592)
Water	145,764,962	145,349,096	415,866
Hydroelectric power	11,863,295	1,446,666	10,416,629
Parking facilities	8,307,186	8,349,521	(42,335)
Golf	9,739,047	9,485,970	253,077
Motor sports	1,824,639	1,556,365	268,274
Spectator facilities	8,457,756	11,357,823	(2,900,067)
Total expenses	2,008,805,575	1,981,376,573	27,429,002
Change in net position	157,003,543	25,561,795	131,441,748
Net Position -- beginning, previously reported	945,176,975	919,615,180	25,561,795
Restatement per GASB 75 implementation (See Note I.E)	(54,658,727)	-	(54,658,727)
Net position -- beginning, restated	890,518,248	919,615,180	(29,096,932)
Net position -- ending	$ 1,047,521,791	$ 945,176,975	$ 102,344,816

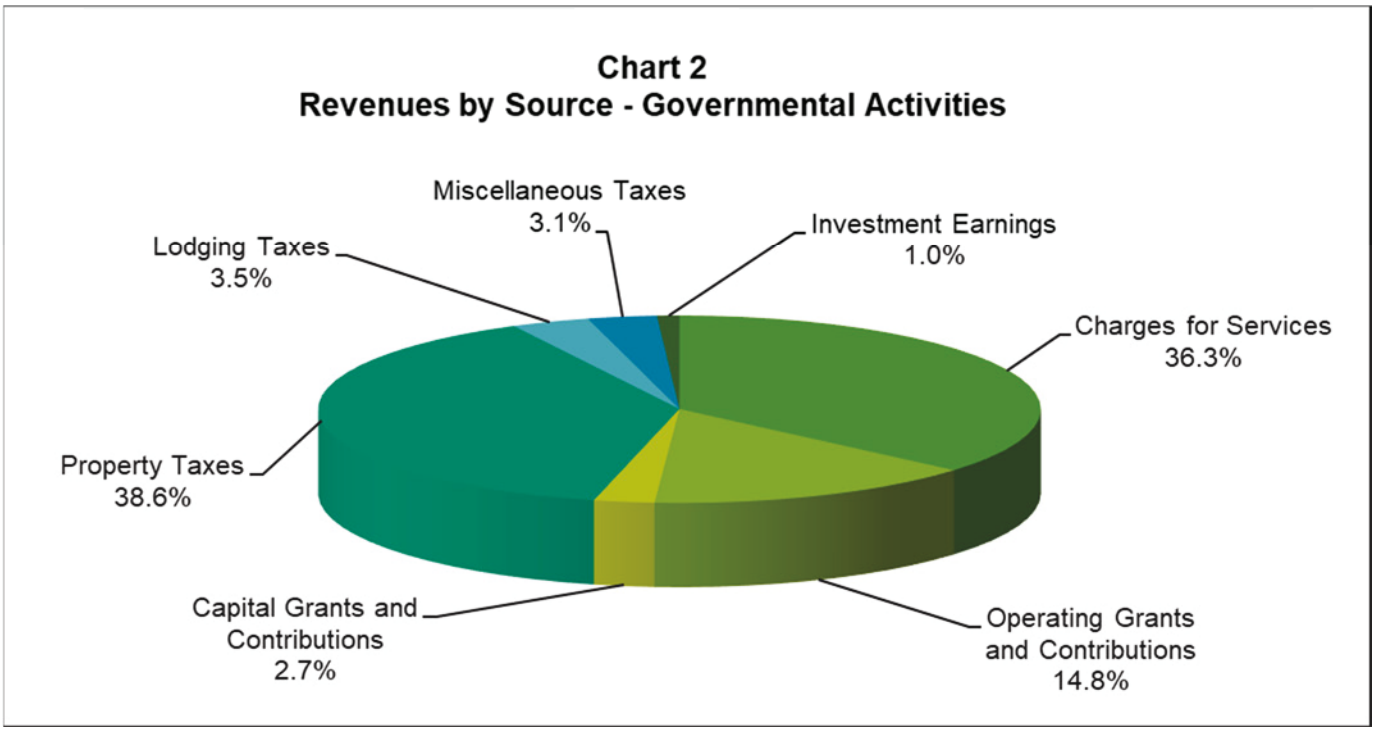
Governmental activities. Governmental activities decreased the City's *net position* by $90,244,790, which is reflected in Table 2-A on page 25.

- Total revenues increased over the prior year, although they were still less than the total expenses for the governmental activities. Specifically, the Charges for Services, and Property Taxes line items increased over the prior year by $26,859,719 and $46,054,377 respectively. These revenue increases reflect the economic expansion in the region that has followed the great recession of 2008. Housing prices in the Portland area have continued to be among the fastest growing in the country, which is reflected in the increase in property taxes. Strong growth in the construction industry resulted in increased permit fees and assessments, which are included in the charges for services line item.

- Total net expenses increased over the prior year by $44,438,884, with the most significant increase attributable to community development programs, which is partially offset by a decrease in public safety expenses. Specifically, expenses in this program saw an increase of $39,115,475 due to affordable housing initiatives and urban renewal projects. The declaration of a city-wide housing emergency in 2015, which was extended to the fall of 2017, necessitated the creation of solutions to meet the growing need for affordable multifamily rental housing and to address the homeless crisis. The Portland Housing Bureau is expanding its role and services in response to the rapidly shifting housing landscape.

The following charts provide a visual representation of the expenses and revenues for governmental activities for FY 2017-18. Chart 1 shows expenses and program revenues generated by each program activity while Chart 2 shows all governmental revenues by source type.



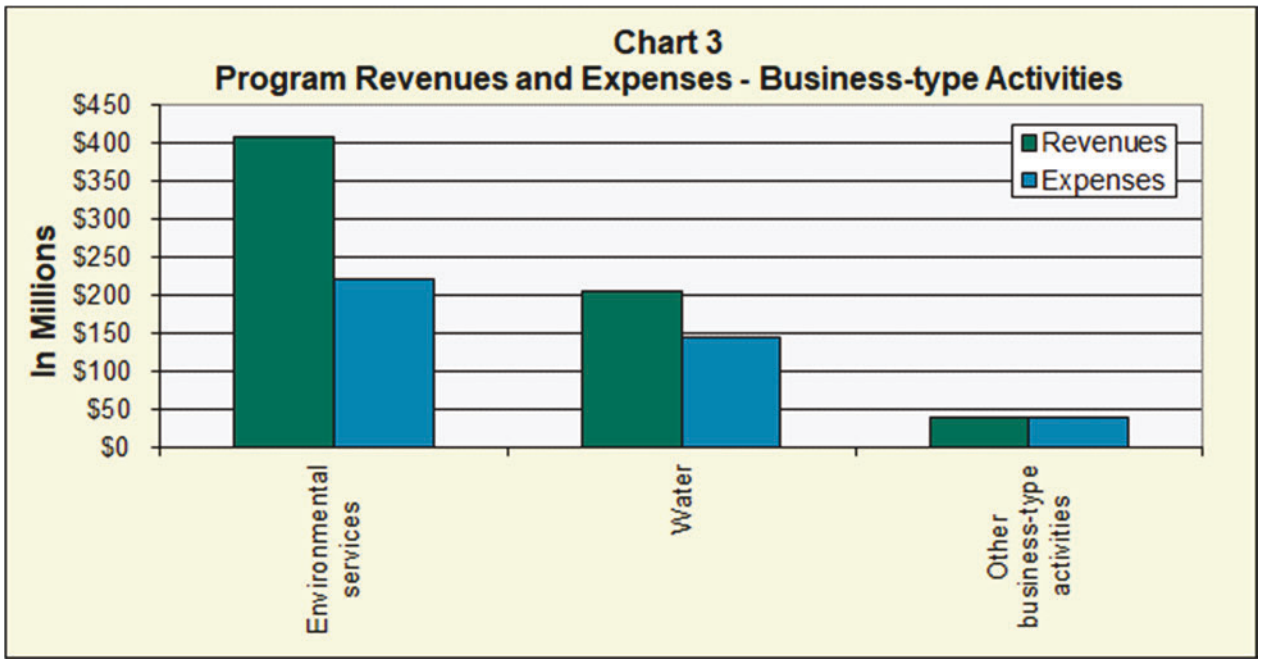


Business-type activities. Business-type activities increased the City's *net position* by $247,248,333, as reflected in Table 2-B on page 26. Environmental services and water operations contributed $183,839,298 and $60,693,307, respectively. The remaining *net position* contributions came from other business-type activities as shown in Chart 3. Key elements of these *net position* increases are as follows:

- Charges for services are the primary revenue for business-type activities and were $47,040,129 more than last year. Service charges and fees from water and environmental services operations accounted for $38,071,917, or 80.9% of the increase, resulting from approved rate increases of 6.7% and 2.9%, respectively, along with increase in demand. The rate increases were necessary to fund the ongoing operations and maintenance of aging systems, comply with U.S. Environmental Protection Agency mandates and permit requirements, and fund additional debt service payments resulting from the financing of system improvements. There was also an increase in demand and system development charges due to growth.

- Expenses in business-type activities decreased from the prior year by $17,009,882, primarily resulting from decreases in environmental services operating expenses. Specifically, interest expense decreased from the prior fiscal year in the Sewage Disposal Enterprise Fund. Discussion on the defeasance of sewer system revenue and refunding bonds can be seen on page 38.

The following graph provides a visual representation of the expenses and revenues for business-type activities for the current fiscal year.



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

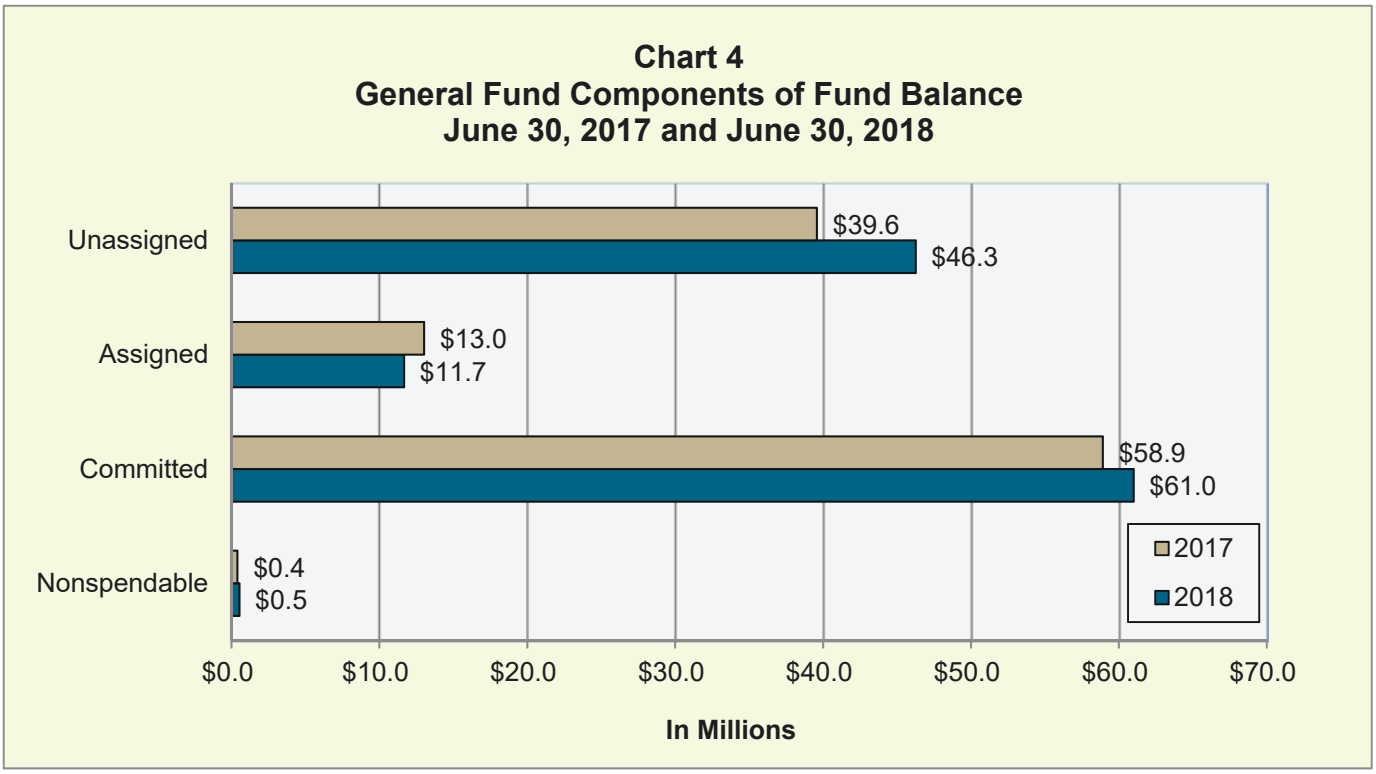
A. Governmental funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's cash flow and funding requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $821,072,663, an increase from the prior fiscal year of $110,904,603, as a result of net activity. Of the combined ending fund balances, $22,014,705 or 2.7% constitutes the *unassigned fund balance*, and $101,703,943 or 12.4% constitutes *assigned fund balance* in the appropriate fund types as shown in the Governmental Funds Balance Sheet on page 48. The remainder of fund balance is classified as *nonspendable*, *restricted, or committed*. Amounts classified as *restricted* or *committed* are not available for new spending as they can only be used for their restricted or committed purpose.

The General Fund is the chief operating fund of the City. At the end of FY 2017-18, *total fund balance* was $119,475,058, of which $46,265,155 or 38.7% is unassigned, $11,668,282 or 9.8% is assigned through the fiscal year budget, and $60,999,524 or 51.1% is committed. The committed portion of General Fund balance represents the General Fund Reserve, which by policy cannot be spent except under the authority and action of the City Council. The final portion of General Fund balance, $542,097 or 0.5% is nonspendable, as shown on page 48. As a measure of the General Fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Fund balance represents 16.7% of total General Fund expenditures.

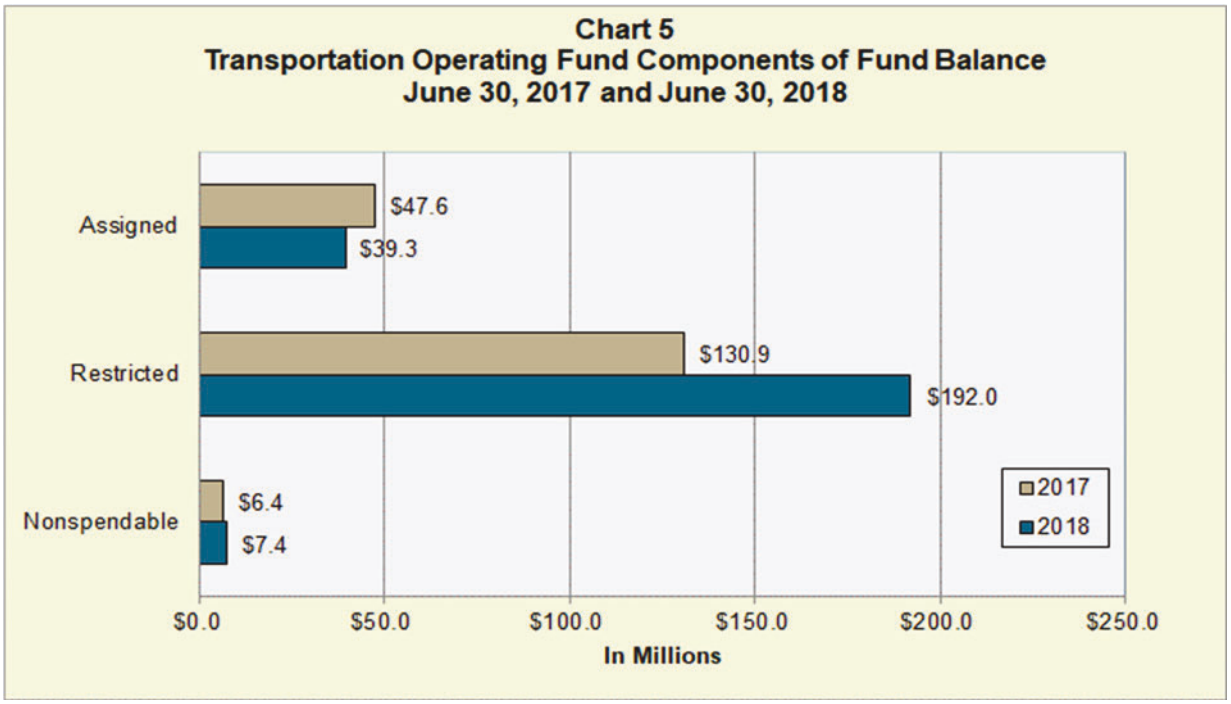
Chart 4 illustrates the changes in the components of the General Fund balance from June 30, 2017, to June 30, 2018.



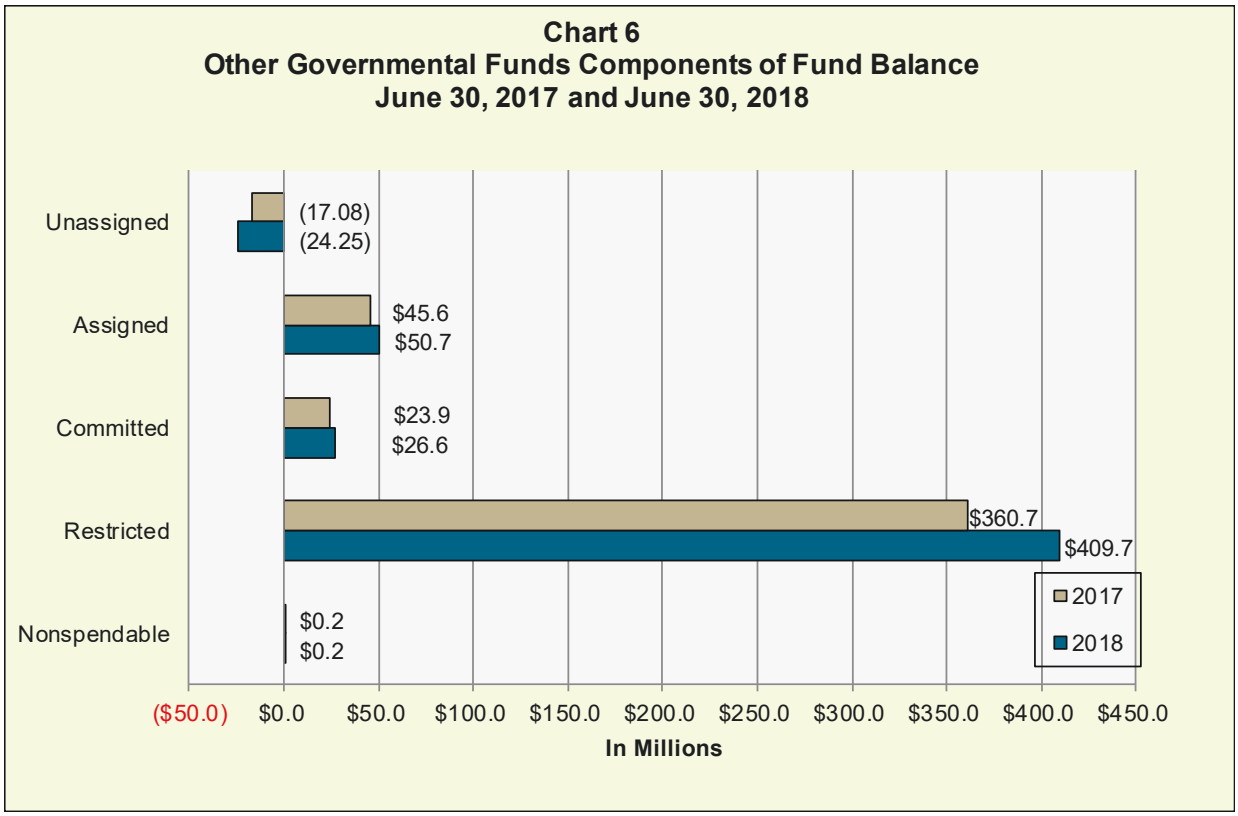
The total fund balance of the City's General Fund increased by $7,541,197 during FY 2017-18. Both revenues and expenditures saw increases greater than $50 million. Significant revenue increases included property taxes and licenses and fees. These revenue increases reflect continued improvement in the local economy which appears to have now fully recovered. Expenditure increases are seen in each of the General Fund functions (public safety, parks/recreation/culture, community development, and legislative/admin/support services), resulting from increases in personal services costs, including negotiated salary increases and increased costs of pensions and benefits.

The Transportation Operating Fund had a total ending fund balance of $238,712,143 for FY 2017-18, an increase of $53,803,269; of which $7,371,044 is nonspendable, $192,005,451 is restricted, and $39,335,648 is assigned, as shown on page 48. Revenues saw a significant increase of $27,894,952 from the prior fiscal year. Revenue increases are due to the new voter approved Gas Tax which was effective in January 2017, and is restricted to road repairs and pedestrian and bicyclist improvements. In addition, growth was seen in licenses and fees, intergovernmental revenue, and parking fees. The fund expenditures saw increases due to increased personal services cost primarily related to the increased cost of benefits and pensions, and due to the cost of running the programs and projects noted above.

Chart 5 illustrates the changes in the components of fund balance for the Transportation Operating Fund from June 30, 2017, to June 30, 2018.



Other Governmental Funds showed a significant increase in ending fund balance for FY 2017-18, $49,560,137 or 12.0%, primarily due to increased revenues across most categories. Chart 6 illustrates the changes in the components of fund balance for Other Governmental Funds from June 30, 2017, to June 30, 2018.



See pages 177 - 203 for greater detail on Combining Statements for governmental funds.

B. Proprietary funds

The City's proprietary fund statements provide the same type of information found in the government-wide financial statements but in more detail, as shown on pages 52 - 57.

At the end of FY 2017-18, *unrestricted net position* of the Sewage Disposal Fund and the Water Fund amounted to $179,539,738 and $95,065,921, respectively. The total change in *net position* from operations for the Sewage Disposal Fund and the Water Fund was $183,839,298 and $60,693,307, respectively.

The *unrestricted net position* for other enterprise funds totaled $31,091,376, while the change in *net position* for other enterprise funds equaled an increase of $1,546,568. Other factors concerning the finances of the proprietary funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budgeted expenditures and the final amended budget totaled an increase of approximately $25,754,278 and can be briefly summarized as follows:

- *$10,032,756 increase in personal services.* This budgetary *increase* resulted primarily from the City's Budget Monitoring Process (BMP) including compensation set-aside adjustments. These adjustments included increases for the Portland Police Bureau, Portland Fire & Rescue, and Portland Parks & Recreation. General Fund bureaus set aside the portion of their personal services budget associated with cost of living adjustments and health care increases. In most years, these costs are expected to be absorbed through vacancies experienced in the regular course of business. In years where bureaus are fully staffed throughout the year, they can request compensation set- aside to avoid overspending their personal services budget. Compensation set-aside increases were partially offset by a number of small adjustments spread across multiple bureaus. The major portion of this increase was recommended as part of the Spring BMP process and was due to increases in labor costs related to newly negotiated labor contracts.

- *$10,757,240 net increase in external and internal materials and services*. This budgetary net *increase* resulted primarily from the City's BMP, which included Fall BMP encumbrance carryovers. Encumbrances reflect commitments of prior year resources. To the degree that spending did not occur in the previous year, the ending balance corresponding to the underspending is reallocated in the current year. Encumbrance carryovers include advances that have been made where the goods or services have not been delivered.

- $2,822,245 *increase in capital outlay*. This budgetary *increase* resulted primarily from the City's Capital Set-Aside policy, which requires 50% of excess beginning fund balance to be allocated to major maintenance and infrastructure costs. The bulk of the increase was the $2,442,073 increase to the Fire Bureaus capital outlay allocation. Specific projects included emergency apparatus, fire station roof replacement, and other deferred maintenance projects.

- *$2,142,037 increase in general operating contingencies*. This overall budgetary *increase* is primarily the net result of various draws on the compensation set-aside amount spread across multiple bureaus, and program carryover requests for various projects that will not be encumbered or spent by the end of the fiscal year.

Actual revenues were $26,314,185 above the final amended budget, primarily due to increased licenses and fees of $21,237,799 and increased taxes of $1,989,326, reflecting the better than expected state of the local economy. In addition, actual revenues received for service charges and state revenue sharing were also greater than the budget by $2,104,558 and 2,068,596, respectively.

Actual expenditures were $35,828,920 less than the final amended budget, primarily due to under expenditures for: materials and services of $18,799,532, capital outlay of $1,622,911, and general operating contingencies of $15,196,304. These under expenditures were primarily due to:

- $18,799,532 in under expenditures in materials and services spreads across multiple bureaus.

  The Office of Management and Finance (OMF) underspent $4,313,629 in materials and services. The primary driver of this variance was due to underspending amongst the 30 different organizational and project/programmatic structures. Another factor was underspending of Special Appropriations managed by OMF by $1,722,826. Budgets are managed to avoid exceeding Council approved spending authority, and no single activity accounts for the majority of the unspent variance.

  The Portland Police Bureau experienced underspending in materials and services in the amount of $9,558,514, due to equipment purchases initiated but not completed before the end of the fiscal year. As requested by the bureau, the majority of these encumbrances were reappropriated in FY 2018-19 through the Fall BMP.

- $1,622,911 in under expenditures in capital outlay, related primarily to Portland Fire and Rescue which underspent its budget by $1,363,916. The majority of the amount was for the purchase of two fire trucks, which were ordered but not received by June 30, which is not unusual due to the length of time needed for the construction of this type of emergency apparatus. The budget will be carried forward for the FY 2018-19 budget through the Fall BMP.

Local budget law (ORS 294.100 and 294.435(4)) requires local governments to stay within the appropriations set for the fiscal year. During FY 2017-18, General Fund expenditures did not exceed budgetary estimates in any of the expenditure categories.

CAPITAL ASSETS AND DEBT ADMINISTRATION

A. Capital assets

The City's investment in capital assets for its governmental and business-type activities, as of June 30, 2018, amounts to $6,639,857,538 (net of accumulated depreciation, reclassifications and transfers). This investment in capital assets includes infrastructure, construction in progress, buildings, land, improvements to land, equipment, land use rights, software, and owning rights. As seen in Table 3, the total increase in the City's investment in capital assets for the current fiscal year was $64,367,630 or 1.0%, resulting from an increase in business-type activities which was partially offset by a decrease in governmental activities.

Major capital asset events during the current fiscal year included the following:

Governmental activities - Governmental capital assets decreased by $39,648,551 or 1.9%. Key factors in this change were decreases to infrastructure, improvements to land, and software. Decreases in these areas were offset by an increase to construction in progress, buildings, land, equipment, and land use rights. Specific changes by asset type were a result of the following activities and projects.

- Infrastructure decreased $86,602,482 or 9.2% due to depreciation in excess of investments in capital by the Portland Bureau of Transportation (PBOT) during the fiscal year.

- The increase in buildings of $31,495,960 or 12.5% was primarily due to the completion and capitalization of renovations on the Ellington Apartments. The 263-unit complex was purchased and renovated to ensure affordable housing in a NE Portland neighborhood. The project was financed by the voter approved affordable housing general obligation bonds.

- Land increased by $8,195,743 or 3.5% also due primarily to the Ellington Apartments described above.

- Land use rights increased $6,536,048 or 13.4% due to various PBOT right of way and public easement street construction projects.

- Software decreased $3,212,639 or 21.8% due primarily to retiring multiple obsolete software systems for Portland Fire and Rescue, and various other software that is no longer used.

Business-type activities - Business-type capital assets increased $104,016,181 or 2.3%. This increase resulted from additional investments in capital assets of $187,816,759 which were offset by depreciation of $83,800,578. Specific changes by asset type were a result of the following activity and projects.

- An increase in infrastructure of $25,386,512 or 0.7% mainly due to the capitalization of Bureau of Environmental Services (BES) and Portland Water Bureau (PWB) projects. For BES, this includes the SW 86th Avenue pump station, and other pump station and sewer improvements. For PWB, various water main projects were the primary infrastructure asset capitalized during the fiscal year.

- The construction in progress increase of $87,191,012 or 32.9% was driven by BES main-line public sewer projects in various locations including the Powell Sewer Project, Woodlawn-King Sewer Project, Richmond-South Tabor, Humboldt Sewer, and other citywide projects.

- Buildings decreased $5,663,419 or 3.1% due to depreciation and asset retirements in excess of the minor amount of building additions.

- Land decreased $2,921,630 or 2.61% primarily due to the sale of the 14.5 acre Terminal 1 property by BES. Improvements to land also decreased due to the retirement of an improvement related to the Terminal One sale, and also due to depreciation in excess of minimal additions.

- Software increased $923,518 or 58.2% due to software upgrades for the Cayenta utility billing system, and the PWB mobile work order application.

The following table provides a summary of comparative information regarding the City's capital assets for both FY 2017-18 and FY 2016- 17:

Table 3
City of Portland, Oregon
Capital Assets, Net of Depreciation
For Years as Stated

Asset Category	FY 2017-18	FY 2016-17	Change
	Governmental Activities		
Infrastructure	$ 854,475,148	$ 941,077,630	$ (86,602,482)
Construction in progress	363,522,156	358,954,769	4,567,387
Buildings	282,505,341	251,009,381	31,495,960
Land	241,782,972	233,587,229	8,195,743
Improvements to land	65,826,401	70,875,889	(5,049,488)
Equipment	125,771,021	121,350,101	4,420,920
Intangible assets:			
Land use rights	55,446,679	48,910,631	6,536,048
Software	11,538,502	14,751,141	(3,212,639)
Owning rights	28,953	28,953	-
Total	$ 2,000,897,173	$ 2,040,545,724	$ (39,648,551)
	Business-type Activities		
Infrastructure	$ 3,890,559,241	$ 3,865,172,729	$ 25,386,512
Construction in progress	351,816,672	264,625,660	87,191,012
Buildings	179,152,227	184,815,646	(5,663,419)
Land	109,036,011	111,957,641	(2,921,630)
Improvements to land	54,058,198	57,077,783	(3,019,585)
Equipment	34,756,748	33,134,474	1,622,274
Intangible assets:			
Land use rights	17,064,665	16,566,396	498,269
Software	2,511,215	1,587,697	923,518
Owning rights	5,388	6,158	(770)
Total	$ 4,638,960,365	$ 4,534,944,184	$ 104,016,181
	Total Net Capital Assets		
Infrastructure	$ 4,745,034,389	4,806,250,359	$ (61,215,970)
Construction in progress	715,338,828	623,580,429	91,758,399
Buildings	461,657,568	435,825,027	25,832,541
Land	350,818,983	345,544,870	5,274,113
Improvements to land	119,884,599	127,953,672	(8,069,073)
Equipment	160,527,769	154,484,575	6,043,194
Intangible assets:			
Land use rights	72,511,344	65,477,027	7,034,317
Software	14,049,717	16,338,838	(2,289,121)
Owning rights	34,341	35,111	(770)
Total	$ 6,639,857,538	$ 6,575,489,908	$ 64,367,630

Information on the City's capital assets can be found in Note III.F. on pages 97 - 101 of this report.

B. Debt administration

The City holds debt in the form of lines of credit, loans, and bonds. The decreases of $2,074,717 in bonds outstanding and $3,206,052 in loans outstanding, were offset by an increase of $55,397,925 to the lines of credit outstanding and, account for the net increase in debt outstanding of $50,117,156.

The increases in the lines of credit was largely attributable to issuance of additional interim financing for urban renewal district projects, the Portland Building remodel project, and for City-backed local improvement district projects. These lines of credit will ultimately be repaid with proceeds from long-term bonds or other City resources.

The decrease in bonds outstanding is a combination of a $48,433,927 net increase in business-type activity bonds, primarily sewer revenue bonds, and an $50,508,644 net decrease in governmental bonds. The detail of the City's bonded debt is presented in Table 5 on page 39.

Table 4
City of Portland, Oregon
Outstanding Debt
For Years as Stated

	FY 2017-18	FY 2016-17	Change
Governmental Activities			
Bonds	$ 904,853,761	$ 955,362,405	$ (50,508,644)
Lines of Credit	163,711,560	108,313,635	55,397,925
Loans	12,647,396	14,473,577	(1,826,181)
Total governmental activities	1,081,212,717	1,078,149,617	3,063,100
Business-type Activities			
Bonds	2,446,703,344	2,398,269,417	48,433,927
Loans	12,174,625	13,554,496	(1,379,871)
Total business-type activities	2,458,877,969	2,411,823,913	47,054,056
Total Outstanding Debt			
Bonds	3,351,557,105	3,353,631,822	(2,074,717)
Lines of Credit	163,711,560	108,313,635	55,397,925
Loans	24,822,021	28,028,073	(3,206,052)
Total outstanding debt	$ 3,540,090,686	$ 3,489,973,530	$ 50,117,156

As of June 30, 2018, the City had total bonded debt outstanding of $3,351,557,105. Unamortized premiums and discounts for governmental activities net to $34,435,274, while unamortized premiums and discounts for business-type activities net to $198,827,912.

Of the total bonded debt outstanding, $137,330,000 is general obligation bond debt for governmental activities, secured by the full faith and credit and unlimited taxing power of the City, an increase of $13,320,000 from FY 2016-17. This increase was due to the issuance of the General Obligation Bonds, 2018 Series A which had an original issue amount of $23,445,000, and were issued to provide financing for parks improvements that are eligible for federally tax-exempt financing, including a portion of the rehabilitation of Pioneer Courthouse Square, improvements to playground, pools, maintenance facilities, trails and bridges, and projects designed to improve accessibility. In addition, the City issued the 2018 Series B General Obligation Bonds, which had an original issue amount of $8,815,000. These bonds were issued to refund certain outstanding maturities of the City's General Obligation Emergency Facilities Bonds, 2008 Series A and to pay costs of issuance.

The City has $412,612,719 of limited tax revenue bonds outstanding, a decrease of $29,859,469 from FY 2016-17. Limited tax revenue bonds are secured by the full faith and credit of the City and have been issued for a variety of purposes, including funding pension liabilities. These bonds will be repaid from specific revenue sources and from the General Fund. In June 2018, the City issued $7,900,000 of 2018 Series A Limited Tax Revenue bonds. Proceeds of these bonds were used to repay a loan for the Ellington Apartments projects, an affordable housing project, and to pay costs of issuance.

An additional $357,231,200 of the City's outstanding debt consists of urban renewal bonds that are issued to fund urban renewal activities and are repaid from tax increment revenues generated from the City's various urban renewal areas. The decrease of $34,994,400 was due to scheduled debt service payments.

As of June 30, 2018, the City's governmental activities had $28,660,000 of outstanding limited tax improvement bonds, a decrease of $3,925,000 from FY 2016-17. The decrease was due to scheduled and early redemption of outstanding principal.

The remainder of the City's debt is comprised of revenue bonds, totaling $2,182,460,000, which is primarily recorded in business-type activities, an increase of $59,948,000 over FY 2016-17. In general, revenue bonds are secured solely by specified revenue sources such as water, sewer, or gas tax revenues. On September 17, 2017, the city carried out a cash-defeasance of the 2018 maturity of the City of Portland First Lien Sewer System Revenue and Refunding Bonds, 2008 Series A. The cost of the securities was $60,406,922. In addition, in May of 2018 the City issued $191,930,000 of 2018 Series A Second Lien Sewer Revenue bonds. The bonds were issued to finance capital facilities and improvements to the sanitary sewer and stormwater drainage system owned and operated by the City and to pay issuance costs.

The following table provides comparative information on the City's outstanding bonded debt:

Table 5
City of Portland, Oregon
Outstanding Bonded Debt
For Years as Stated

	FY 2017-18	FY 2016-17	Change
Governmental Activities			
General Obligation Bonds	$ 137,330,000	$ 124,010,000	$ 13,320,000
Limited Tax Improvement Bonds	28,660,000	32,585,000	(3,925,000)
Urban Renewal Bonds	357,231,200	392,225,600	(34,994,400)
Limited Tax Revenue Bonds	339,307,288	360,410,948	(21,103,660)
Revenue Bonds	7,890,000	9,512,000	(1,622,000)
Unamortized premiums & discounts	34,435,273	36,618,857	(2,183,584)
Total governmental activities	904,853,761	955,362,405	(50,508,644)
Business-type Activities			
Limited Tax Revenue Bonds	73,305,431	82,061,240	(8,755,809)
Revenue Bonds	2,174,570,000	2,113,000,000	61,570,000
Unamortized premiums & discounts	198,827,913	203,208,177	(4,380,264)
Total business-type activities	2,446,703,344	2,398,269,417	48,433,927
Total Outstanding Debt			
General Obligation Bonds	137,330,000	124,010,000	13,320,000
Limited Tax Improvement Bonds	28,660,000	32,585,000	(3,925,000)
Urban Renewal Bonds	357,231,200	392,225,600	(34,994,400)
Limited Tax Revenue Bonds	412,612,719	442,472,188	(29,859,469)
Revenue Bonds	2,182,460,000	2,122,512,000	59,948,000
Unamortized premiums & discounts	233,263,186	239,827,034	(6,563,848)
Total outstanding bonded debt	$ 3,351,557,105	$ 3,353,631,822	$ (2,074,717)

Other factors impacting the City's debt management program are as follows:

- **Debt limitation.** Oregon Revised Statutes provides a limit on non-self-supporting general obligation debt of three percent of the real market value of all taxable property within the City's boundaries. Based on the City's FY 2017-18 real market value, this debt limitation is $4,124,479,217. The amount of outstanding City debt subject to this limitation is $137,330,000. In addition, voters have authorized an additional $14,935,206 for parks improvement, and $220,919,433 for affordable housing bonds. These bonds, when issued, will be subject to the three percent limitation.

- **Debt ratings.** The City's unlimited tax general obligation debt remains rated "Aaa" by Moody's Investors Service ("Moody's") and was confirmed in May 2017. Current ratings for all of the City's various types of debt are shown below.

Credit	Moody's Rating
Unlimited Tax General Obligation Bonds	Aaa
Limited Tax Revenue Bonds	Aaa
Limited Tax Improvement Bonds	Aaa
Limited Tax Pension Obligation Revenue Bonds	Aaa
Limited Tax Housing Revenue Bonds	Aaa
First Lien Water Revenue Bonds	Aaa
Second Lien Water Revenue Bonds	Aa1
First Lien Sewer Revenue Bonds (1)	Aa1
Second Lien Sewer Revenue Bonds (2)	Aa2
Gas Tax Revenue Bonds	Aa2
Oregon Convention Center Urban Renewal Bonds	Aa3
Downtown Waterfront Urban Renewal Bonds	Aa3
South Park Blocks Urban Renewal Bonds	Aa3
River District Urban Renewal Bonds	A1
North Macadam Urban Renewal Bonds	A1
Lents Town Center Urban Renewal Bonds	A1
Central Eastside Urban Renewal Bonds	A1
Interstate Corridor Urban Renewal Bonds	A1

Notes:
(1) These bonds are additionally rated AA by Standard and Poor's.
(2) These bonds are additionally rated AA- by Standard and Poor's.

- **Debt ratios.** The City's debt ratios, as of June 30, 2018, are shown below:

	Amount	Per Capita	Percent of Real Market Valuation	Percent of Assessed Valuation
Population July 1, 2017 (1)	647,805	--	--	
2017-18 Real Market Value	$137,482,640,578	$212,228	--	
2017-18 Assessed Value (2)	$65,686,657,350	$101,399	47.80%	
Gross Bonded Debt (3)	$685,041,019	$1,057	0.50%	1.00%
Net Direct Debt (4)	$305,955,791	$472	0.20%	0.50%
Net Overlapping Debt	$1,827,419,871	$2,821	1.30%	2.80%
Net Direct and Overlapping Debt	$2,133,375,662	$3,293	1.60%	3.20%

(1) Population figures provided by US Census Bureau.

(2) Market Value reported in this table encompasses City of Portland values within Multnomah, Washington, and Clackamas Counties, including estimated urban renewal incremental real market values. Market Values reported in this table are "Measure 5 Values", which represent the real market value of properties that are not specially assessed; and the value of specially assessed properties, including farm, forestland, and exempt property, which are less than full real market value. In 2017-18, the Measure 5 Market Value represented about 83 percent of full real market value.

(3) Includes City's outstanding general obligation bonds, limited tax revenue bonds, limited tax improvement bonds, and general fund backed lines of credit and state loans.

(4) Includes non self-supporting limited tax revenue bonds secured by the City's General Fund as well as general obligation bonds paid from a separate, unlimited *ad valorem* tax.

Additional information on the City's long-term debt can be found in Note III.I. on pages 107 - 123 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following economic factors currently affect the City of Portland and were considered in developing the City's budget for FY 2018-19.

- According to the U.S. Bureau of Labor Statistics, the unemployment rate for the City of Portland in June 2018 was 3.5%. This compares favorably with the State of Oregon rate of four percent and the national rate of 4.1%.

- Based on data released in July 2018, inflation rose at an annualized rate of 4.8% for the first six months of 2018, which was among the fastest growth in the last two decades. Higher housing, energy, and transportation costs helped to push inflation higher, while education and apparel costs fell slightly. The 2018 calendar year CPI-W, which determines the cost of living increases for nearly all City employees, is expected to be higher than in recent years, likely larger than four percent.

- Water rates and sewer bills increased 6.7% and 2.95%, respectively, for the FY 2017-18 budget year. These increases were necessary to fund ongoing operation and maintenance of aging systems, comply with U.S. Environmental Protection Agency mandates and permit requirements, and fund additional debt service payments resulting from the financing of system improvements.

- The local real estate market is starting to soften measurably as home price growth and rental rates have moderated. According to the S&P-Case Schiller index, after seeing either the fastest or second fastest growth in home prices nationwide for the last two years, the rate of growth in Portland is now roughly the nationwide average of six percent. Meanwhile, rent growth has nearly completely stopped. According to Colliers, rents increased by 0.4% over the second quarter of 2017.

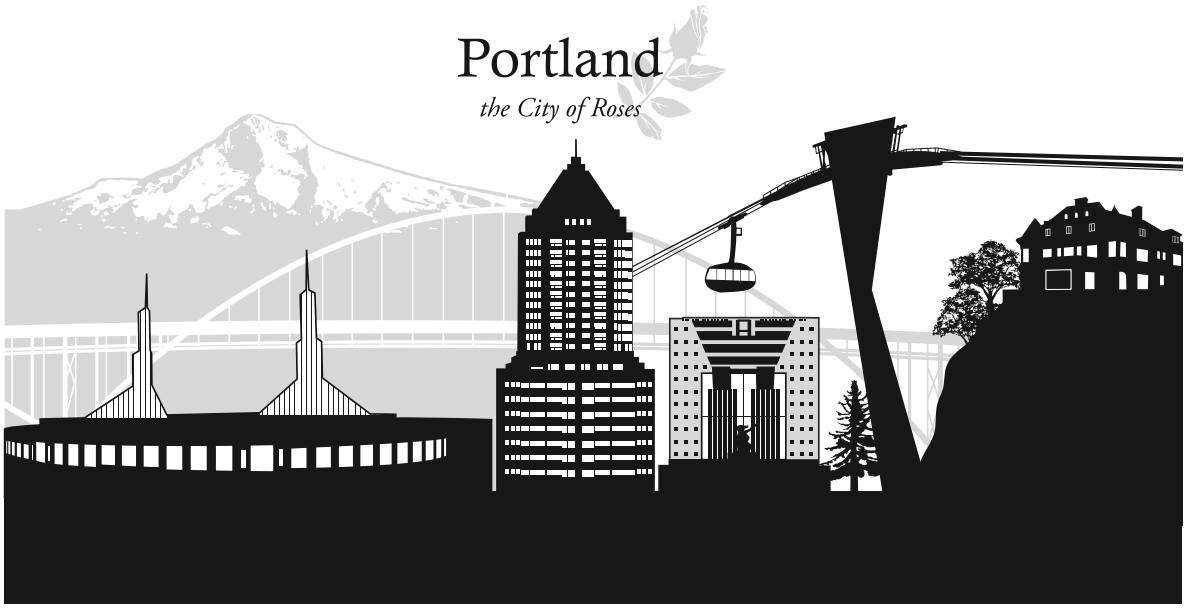
- After peaking at about 3.5% growth rate in the summer of 2015, year-over-year employment growth has slowed slightly to about 2.3% for the last few years. The tight labor market has limited growth as finding workers has been difficult in some industries. The proliferation of building in the area has led to a greater than 30% growth in construction employment over the last three years.

- The City has seen record revenue growth over the last several years, as local economic growth has exceeded both national and state averages. Nearly all broad economic measures remain in positive territory, although most indicators have slowed over the past year. While further growth will likely characterize at least the next 12 to 18 months, it will likely be at more moderate levels.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the City of Portland’s Accounting Division, Bureau of Revenue and Financial Services, 1120 SW Fifth Avenue, Suite 1250, Portland, Oregon 97204.

Basic Financial Statements



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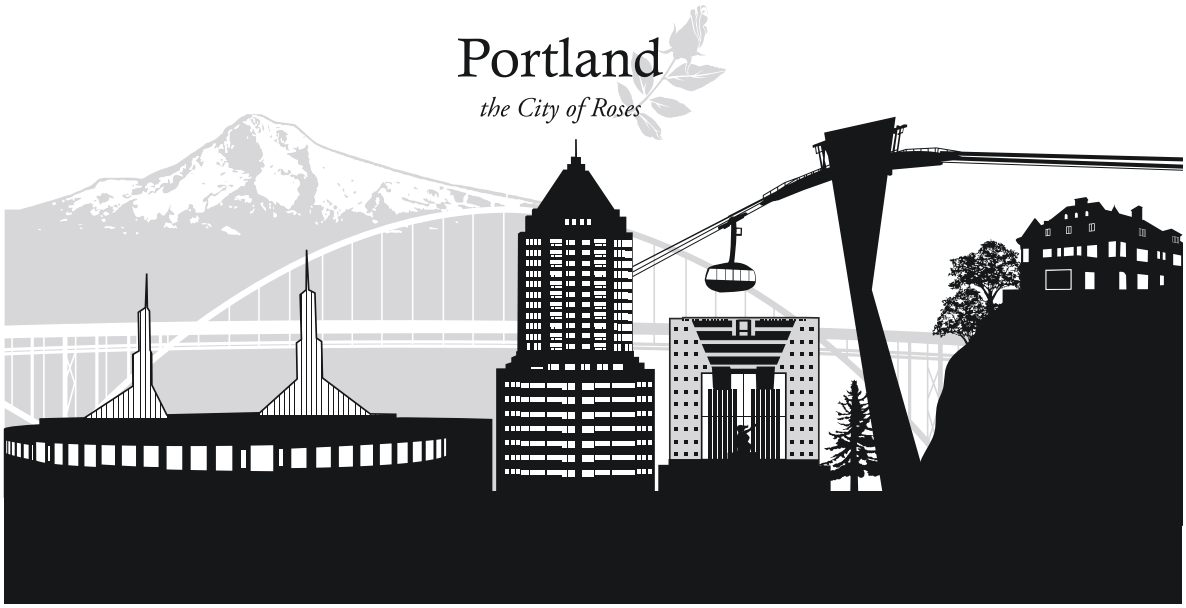
Government-wide Financial Statements



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Portland City Hall

City of Portland, Oregon
Statement of Net Position
June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Prosper Portland
ASSETS				
Current assets (unrestricted):				
Cash and investments	$ 361,874,745	$ 416,855,083	$ 778,729,828	$ 291,756,944
Receivables:				
Taxes	18,570,996	-	18,570,996	-
Accounts, net	61,608,314	89,106,796	150,715,110	25,563,420
Assessments	7,045,394	3,214,208	10,259,602	-
Notes and loans, net	353,700	-	353,700	3,274,502
Advances	1,874,834	179,761	2,054,595	-
Accrued interest	2,730,849	2,726,223	5,457,072	1,219,322
Due from primary government	-	-	-	5,135,978
Due from component unit	699,621	-	699,621	-
Internal balances [1]	7,593,491	17,506,509		-
Inventories	9,285,226	4,512,601	13,797,827	-
Property held for sale	-	151,630	151,630	107,239,851
Prepaid expenses	2,338,263	2,386,887	4,725,150	-
Current assets (restricted):				
Cash and investments	-	20,622,397	20,622,397	-
Receivables:				
Taxes	23,338,269	-	23,338,269	-
Accounts, net	17,271,340	-	17,271,340	-
Assessments	28,270,643	-	28,270,643	-
Notes and loans, net	6,432,131	-	6,432,131	-
Advances	3,923	-	3,923	-
Grants	7,074,101	-	7,074,101	-
Accrued interest	1,413,529	-	1,413,529	-
Due from component unit	23,114,012	-	23,114,012	-
Internal balances [1]	(25,100,000)	-		-
Total current assets	555,793,381	557,262,095	1,113,055,476	434,190,017
Noncurrent assets (unrestricted):				
Capital assets, not being depreciated or amortized:				
Land	241,782,973	109,036,011	350,818,984	16,016,870
Construction in progress	363,522,155	351,816,672	715,338,827	5,704,940
Intangible assets				
Land use rights	55,446,679	16,270,860	71,717,539	-
Owning rights	28,953	-	28,953	-
Capital assets, net of accumulated depreciation:				
Infrastructure	854,475,146	3,890,559,240	4,745,034,386	-
Buildings	282,505,345	179,152,227	461,657,572	34,440,976
Improvements to land	65,826,401	54,058,200	119,884,601	-
Equipment	125,771,021	34,756,748	160,527,769	234,039
Intangible assets				
Land use rights	-	793,805	793,805	-
Owning rights	-	5,388	5,388	-
Software	11,538,500	2,511,214	14,049,714	1,209,231
Net capital assets	2,000,897,173	4,638,960,365	6,639,857,538	57,606,056
Receivables:				
Escrow account	-	-	-	3,000,000
Assessments	-	4,721,670	4,721,670	-
Notes and loans, net	6,340,872	624,556	6,965,428	33,335,864
OPEB asset	1,183,453	270,733	1,454,186	18,170
Noncurrent assets (restricted):				
Cash and investments	515,113,633	247,536,272	762,649,905	-
Receivables:				
Assessments	34,447,123	-	34,447,123	-
Notes and loans, net	61,527,339	-	61,527,339	-
Grants	6,147,665	-	6,147,665	-
Total noncurrent assets	2,625,657,258	4,892,113,596	7,517,770,854	93,960,090
Total assets	3,181,450,639	5,449,375,691	8,630,826,330	528,150,107
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pensions	451,756,424	43,798,252	495,554,676	3,645,258
Deferred outflows - OPEB	5,963,983	1,364,353	7,328,336	68,684
Deferred charge for debt refunding	-	81,623	81,623	-
Total deferred outflows of resources	457,720,407	45,244,228	502,964,635	3,713,942

[1] Internal balances are designated as restricted and/or unrestricted. Total internal balances are zero.

Continued next page

City of Portland, Oregon
Statement of Net Position, Continued
June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Prosper Portland
LIABILITIES				
Current liabilities (payable from unrestricted assets):				
Accounts payable	$ 46,424,528	$ 15,296,017	$ 61,720,545	$ 8,067,477
Self insurance claims	13,314,539	160,963	13,475,502	-
Compensated absences	45,254,449	9,325,841	54,580,290	110,288
Bonds payable	8,321,049	175,479,481	183,800,530	-
Notes and loans payable	1,982,752	1,393,792	3,376,544	-
Accrued interest payable	3,716,303	21,073,359	24,789,662	-
Unearned revenue	713,073	1,607,828	2,320,901	50,000
Due to primary government	-	-	-	23,813,633
Due to component unit	3,757,904	-	3,757,904	-
Landfill postclosure	36,089	59,102	95,191	-
Pollution remediation	-	1,210,000	1,210,000	770,135
Other liabilities	-	659,048	659,048	440,510
Current liabilities (payable from restricted assets):				
Accounts payable	13,698,410	20,622,397	34,320,807	-
Bonds payable	80,309,765	-	80,309,765	-
Due to component unit	1,378,074	-	1,378,074	-
Unearned revenue	4,824,972	-	4,824,972	-
Other liabilities	18,001,337	-	18,001,337	-
Total current liabilities	241,733,244	246,887,828	488,621,072	33,252,043
Noncurrent liabilities:				
Self insurance claims	18,406,861	867,929	19,274,790	-
Compensated absences	14,581,909	147,717	14,729,626	488,110
Bonds payable	816,222,947	2,271,223,863	3,087,446,810	-
Notes and loans payable	174,376,204	10,780,833	185,157,037	-
Accrued interest payable	104,507,859	30,805,121	135,312,980	-
Net pension liability - FPDR	3,277,352,198	-	3,277,352,198	-
Net pension liability - PERS	362,112,977	126,705,989	488,818,966	9,878,065
Other postemployment benefits	84,896,790	15,104,282	100,001,072	336,842
Landfill postclosure	992,991	2,402,216	3,395,207	-
Pollution remediation	275,845	1,433,000	1,708,845	43,831,654
Other liabilities	385,546	149,835	535,381	-
Total noncurrent liabilities	4,854,112,127	2,459,620,785	7,313,732,912	54,534,671
Total liabilities	5,095,845,371	2,706,508,613	7,802,353,984	87,786,714
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pensions	265,698,113	3,967,130	269,665,243	334,234
Deferred inflows - OPEB	5,846,573	707,053	6,553,626	-
Deferred charge for debt refunding	932,023	6,764,298	7,696,321	24,442
Total deferred inflows of resources	272,476,709	11,438,481	283,915,190	358,676
NET POSITION				
Net investment in capital assets	1,761,907,611	2,458,159,760	4,220,067,371	57,606,056
Restricted for:				
Public safety	6,477,389	-	6,477,389	-
Parks, recreation and culture	2,474,757	-	2,474,757	-
Community development	221,627,147	-	221,627,147	394,726,468
Transportation	189,494,913	-	189,494,913	-
Debt service	116,362,484	180,000	116,542,484	-
Capital projects	122,312,962	1,051,271	123,364,233	-
Parks endowment fund:				
Nonexpendable	185,647	-	185,647	-
Environmental services	320,609	-	320,609	-
Unrestricted surplus (deficit)	(4,150,314,553)	317,281,794	(3,833,032,759)	(8,613,865)
Total net position	$ (1,729,151,034)	$ 2,776,672,825	$ 1,047,521,791	$ 443,718,659

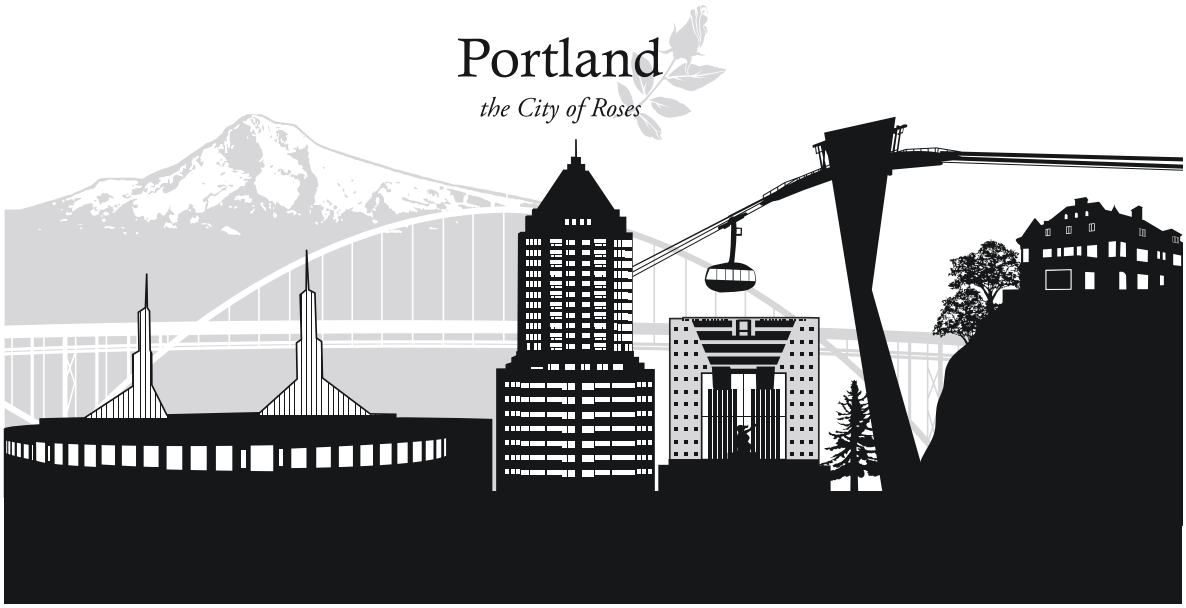
The accompanying notes are an integral part of the basic financial statements.

City of Portland, Oregon
Statement of Activities
For the Fiscal Year Ended June 30, 2018

		Program Revenues			Net (Expense) Revenue and Changes in Net Position			
					Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Prosper Portland
Function/Programs								
Primary government:								
Governmental activities:								
Public safety	$ 643,316,126	$ 25,653,732	$ 23,684,180	$ 67,379	$ (593,910,835)	$ -	$ (593,910,835)	$ -
Parks, recreation and culture	112,001,845	35,219,434	21,209,834	19,715,457	(35,857,120)	-	(35,857,120)	-
Community development	329,573,060	87,158,590	63,462,586	1,116,668	(177,835,216)	-	(177,835,216)	-
Transportation	320,566,855	132,575,619	81,333,838	19,615,294	(87,042,104)	-	(87,042,104)	-
Legislative / admin / support services	146,510,653	267,746,078	31,962,740	-	153,198,165	-	153,198,165	-
Environmental services	171,074	-	864,023	59,666	752,615	-	752,615	-
Water	145,078	-	115,973	-	(29,105)	-	(29,105)	-
Parking facilities	17,000	-	950,056	-	933,056	-	933,056	-
Interest on long-term debt	48,756,317	-	-	-	(48,756,317)	-	(48,756,317)	-
Total governmental activities	1,601,058,008	548,353,453	223,583,230	40,574,464	(788,546,861)	-	(788,546,861)	-
Business-type activities:								
Environmental services	221,952,760	403,733,997	-	3,419,865	-	185,201,102	185,201,102	-
Water	145,619,884	203,801,745	-	718,451	-	58,900,312	58,900,312	-
Hydroelectric power	11,863,295	2,508,455	-	-	-	(9,354,840)	(9,354,840)	-
Parking facilities	8,290,186	14,547,546	-	-	-	6,257,360	6,257,360	-
Golf	9,739,047	8,925,357	-	-	-	(813,690)	(813,690)	-
Motor sports	1,824,639	1,836,023	-	-	-	11,384	11,384	-
Spectator facilities	8,457,756	11,955,710	-	242,392	-	3,740,346	3,740,346	-
Total business-type activities:	407,747,567	647,308,833	-	4,380,708	-	243,941,974	243,941,974	-
Total primary government	$ 2,008,805,575	$ 1,195,662,286	$ 223,583,230	$ 44,955,172	(788,546,861)	243,941,974	(544,604,887)	-
Component unit:								
Prosper Portland	$ 122,165,157	$ 8,020,194	$ 9,854,692	$ -	-	-	-	(104,290,271)
General revenues:								
Taxes:								
Property					583,197,121	-	583,197,121	-
Lodging					53,180,447	-	53,180,447	-
Miscellaneous					46,767,750	-	46,767,750	-
Payments from the City					-	-	-	116,187,078
Investment earnings					14,941,081	3,522,031	18,463,112	3,489,261
Miscellaneous revenues					-	-	-	32,050,623
Transfers					215,672	(215,672)	-	-
Total general revenues and transfers					698,302,071	3,306,359	701,608,430	151,726,962
Change in net position					(90,244,790)	247,248,333	157,003,543	47,436,691
Net position -- beginning, previously reported					(1,595,124,668)	2,540,301,643	945,176,975	396,258,309
Restatement per GASB 75 implementation (See Note I.E.)					(43,781,576)	(10,877,151)	(54,658,727)	23,659
Net position - beginning, restated					(1,638,906,244)	2,529,424,492	890,518,248	396,281,968
Net position -- ending					$ (1,729,151,034)	$ 2,776,672,825	$ 1,047,521,791	$ 443,718,659

The accompanying notes are an integral part of the basic financial statements.

Fund Financial Statements



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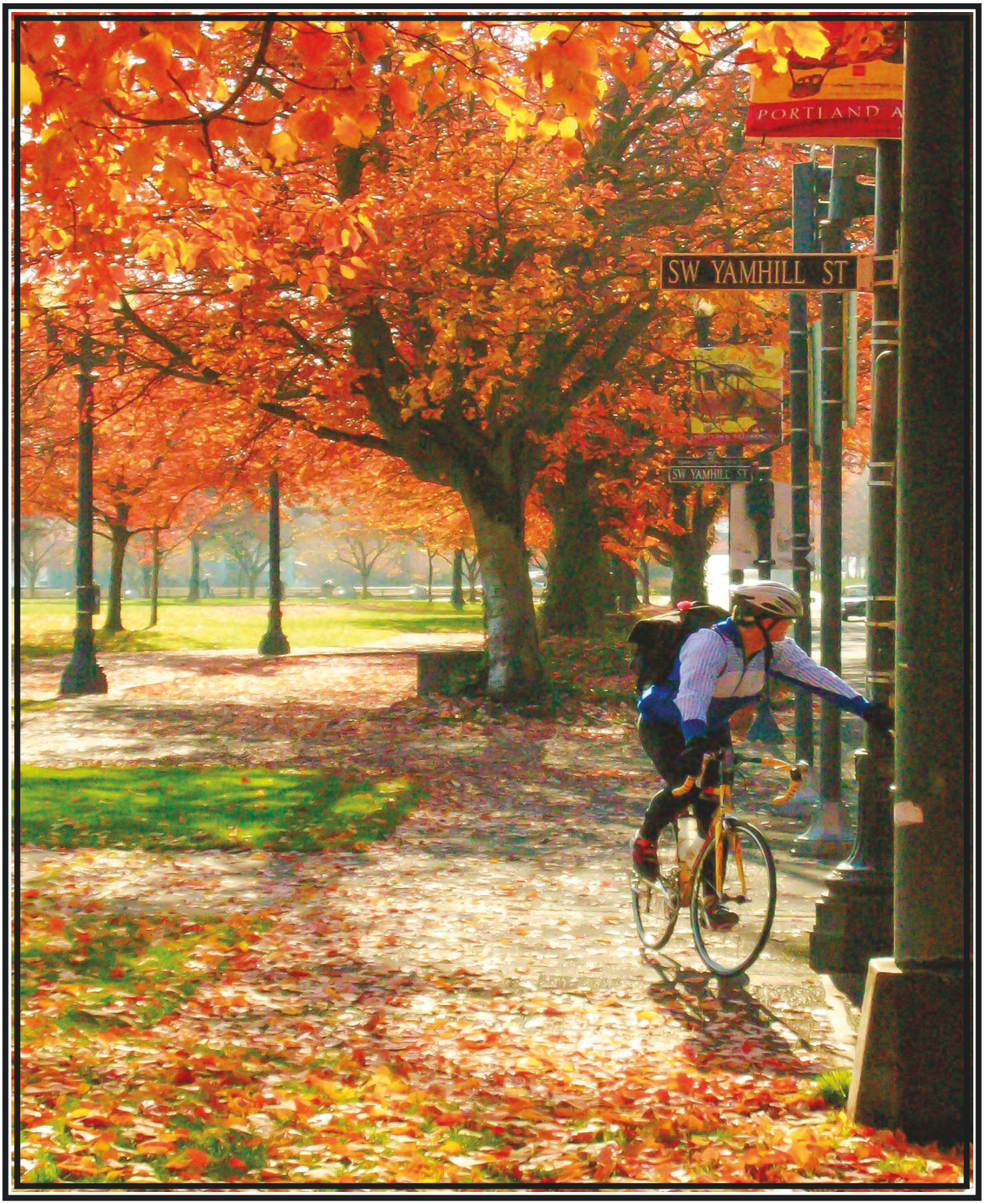


Waterfront Park in the Fall

City of Portland, Oregon
Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Transportation Operating	Other Funds	Total
ASSETS				
Unrestricted:				
Cash and investments	$ 98,872,008	$ 26,421,059	$ 54,266,313	$ 179,559,380
Receivables:				
Taxes	18,570,996	-	-	18,570,996
Accounts, net	34,622,036	12,532,727	2,186,417	49,341,180
Assessments	3,162	2,995,128	4,047,104	7,045,394
Notes and loans, net	339,717	125,000	6,068,755	6,533,472
Advances	1,774,834	100,000	-	1,874,834
Accrued interest	562,076	905,846	547,679	2,015,601
Due from component unit	154,686	-	544,830	699,516
Internal loans receivable	-	10,000,000	15,100,000	25,100,000
Inventories	365,483	7,086,962	-	7,452,445
Prepaid items	176,614	284,082	-	460,696
Restricted:				
Cash and investments	8,845,991	177,040,083	329,227,559	515,113,633
Receivables:				
Taxes	9,155,346	-	14,182,923	23,338,269
Accounts, net	-	15,211,118	2,060,222	17,271,340
Assessments	-	-	62,717,766	62,717,766
Notes and loans, net	-	-	67,959,470	67,959,470
Advances	-	-	3,923	3,923
Grants	-	-	13,221,766	13,221,766
Accrued interest	-	-	1,413,529	1,413,529
Due from component unit	-	-	23,114,012	23,114,012
Internal loans receivable	-	-	1,078,250	1,078,250
Total assets	$ 173,442,949	$ 252,702,005	$ 597,740,518	$ 1,023,885,472
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities payable from unrestricted assets:				
Accounts payable	$ 16,176,237	$ 9,439,906	$ 1,544,109	$ 27,160,252
Due to component unit	1,932,029	-	-	1,932,029
Unearned revenue	291,040	349,520	1,296	641,856
Liabilities payable from restricted assets:				
Accounts payable	-	245,750	13,452,662	13,698,412
Due to component unit	-	-	1,378,074	1,378,074
Due to fiduciary fund	9,155,346	-	-	9,155,346
Internal loans payable	-	-	25,100,000	25,100,000
Unearned revenue	-	-	4,824,973	4,824,973
Other accrued liabilities	8,845,991	-	-	8,845,991
Total liabilities	36,400,643	10,035,176	46,301,114	92,736,933
Deferred inflows of resources:				
Unavailable revenue - unrestricted	17,567,248	3,954,686	3,937,393	25,459,327
Unavailable revenue - restricted	-	-	84,616,549	84,616,549
Total deferred inflows of resources	17,567,248	3,954,686	88,553,942	110,075,876
Fund balances:				
Nonspendable	542,097	7,371,044	163,025	8,076,166
Restricted	-	192,005,451	409,694,587	601,700,038
Committed	60,999,524	-	26,578,287	87,577,811
Assigned	11,668,282	39,335,648	50,700,013	101,703,943
Unassigned	46,265,155	-	(24,250,450)	22,014,705
Total fund balances	119,475,058	238,712,143	462,885,462	821,072,663
Total liabilities, deferred inflows of resources and fund balances	$ 173,442,949	$ 252,702,005	$ 597,740,518	$ 1,023,885,472

The accompanying notes are an integral part of the basic financial statements.

City of Portland, Oregon
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2018

Fund balances - total governmental funds	$	821,072,663
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental funds are not financial resources and, therefore, are reported only in the government-wide statements.		1,753,928,796
Other long-term assets are prepaid or are not available to pay for current period expenditures and, therefore, are deferred in the fund statements:		
Deferred items eliminated for government-wide Unearned revenue in governmental fund statements		110,075,876
Deferred charge for bond refunding		(912,112)
Deferred outflows - pensions		435,926,581
Deferred outflows - OPEB		5,514,221
Deferred inflows - pensions		(264,267,820)
Deferred inflows - OPEB		(5,613,493)
OPEB asset		1,094,205
Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		276,102,697
Noncurrent bonds payable are not due and payable in the current period and are not reported in the governmental funds.		(879,258,265)
Unfunded net pension liability for the City's Fire and Police Disability and Retirement Plan is not reported in the governmental fund financial statements because such amounts are not due and payable in the current period. (See Note IV.D., Employee retirement systems and pension plans.)		(3,277,352,198)
Unfunded net pension liability for the City's PERS pension plan.		(316,473,483)
Other long-term liabilities that are not due and payable in the current period and are not reported in the governmental funds include:		
Compensated absences		(56,074,741)
Notes and loans payable		(131,815,040)
Accrued interest		(100,866,809)
Other postemployment benefits		(79,956,882)
Landfill postclosure		(1,029,080)
Pollution remediation		(275,845)
Other liabilities		(385,546)
Internal balances		(7,000,000)
Internal service fund look-back adjustment to business-type activities		(11,584,759)
Total net position of governmental activities	$	(1,729,151,034)

The accompanying notes are an integral part of the basic financial statements.

City of Portland, Oregon
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	General Fund	Transportation Operating	Other Funds	Total
REVENUES				
Taxes:				
Property	$ 387,906,361	$ -	$ 188,560,907	$ 576,467,268
Lodging	34,768,146	-	18,412,301	53,180,447
Miscellaneous	-	20,886,761	25,880,989	46,767,750
Licenses and fees	223,064,189	20,001,016	54,633,988	297,699,193
Intergovernmental	35,860,138	80,085,753	87,736,903	203,682,794
Charges for services	15,122,570	19,774,523	39,036,742	73,933,835
Interagency	61,076,933	26,518,705	1,419,173	89,014,811
Parking fees	449,408	49,051,356	3,542,291	53,043,055
Parking fines	-	6,928,776	136,184	7,064,960
Rents and reimbursements	4,892,848	873,931	6,260,544	12,027,323
Miscellaneous service charges	6,694,994	7,854,092	16,953,331	31,502,417
Assessments	2,178	2,585,161	12,645,135	15,232,474
Investment earnings	1,801,332	1,580,581	10,420,667	13,802,580
Payments in lieu of taxes	1,420,541	-	-	1,420,541
Miscellaneous	3,714,656	2,184,857	2,468,214	8,367,727
Total revenues	776,774,294	238,325,512	468,107,369	1,483,207,175
EXPENDITURES				
Current:				
Public safety	470,912,771	-	30,913,563	501,826,334
Parks, recreation and culture	92,537,178	-	7,186,131	99,723,309
Community development	59,329,122	-	261,750,002	321,079,124
Transportation	-	155,377,462	1,025,620	156,403,082
Legislative / admin / support services	81,344,595	-	37,662,249	119,006,844
Environmental services	-	-	91,199	91,199
Debt service and related costs:				
Principal	7,237,743	9,378,918	69,548,224	86,164,885
Interest	2,618,441	5,891,322	36,331,623	44,841,386
Debt issuance costs	-	-	324,906	324,906
Capital outlay	2,461,790	36,079,646	62,875,695	101,417,131
Total expenditures	716,441,640	206,727,348	507,709,212	1,430,878,200
Excess (deficiency) of revenues over (under) expenditures	60,332,654	31,598,164	(39,601,843)	52,328,975
OTHER FINANCING SOURCES (USES)				
Transfers in	1,293,264	25,789,297	132,590,832	159,673,393
Transfers out	(54,084,721)	(3,588,467)	(106,958,787)	(164,631,975)
Bonds and notes issued	-	-	51,405,961	51,405,961
Refunding bonds issued	-	-	8,815,000	8,815,000
Bonds and notes premium	-	-	3,176,420	3,176,420
Loans issued	-	-	132,554	132,554
Sale of capital asset	-	4,275	-	4,275
Total other financing sources (uses)	(52,791,457)	22,205,105	89,161,980	58,575,628
Net change in fund balances	7,541,197	53,803,269	49,560,137	110,904,603
Fund balances - beginning	111,933,861	184,908,874	413,325,325	710,168,060
Fund balances - ending	$ 119,475,058	$ 238,712,143	$ 462,885,462	$ 821,072,663

The accompanying notes are an integral part of the basic financial statements.

City of Portland, Oregon
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2018

Net change in fund balances - total governmental funds	$	110,904,603
Amounts reported for governmental activities in the statement of activities are different because:		
The effect of capital outlays made by the governmental funds		101,417,131
Disposals of capital assets and capital contributions		13,244,563
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost is depreciated over their useful lives. Depreciation expense for governmental funds is reported in the government-wide statements. (See Note III.F., Capital assets for a breakdown of depreciation expense by function.)		(181,092,054)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		9,139,071
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is allocated to governmental and business-type activities.		10,927,984
The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This is the amount by which bond proceeds exceeded principal retirement in the current period.		20,613,519
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. Changes related to long-term liabilities included:		
Accrual of compensated absences		(4,480,963)
Accrual of net pension liability which is not reported as an expenditure in governmental funds:		
PERS		(31,371,116)
FPDR		(124,197,996)
Write-off of inactive projects		(7,803,344)
Internal service fund look-back adjustment to business-type activities		(1,169,160)
Accrual of environmental remediation costs		(132,681)
Accrual of other postemployment benefits which are not reported as an expenditure in governmental funds		755,653
Internal balances payable		(7,000,000)
Change in net position - governmental activities	$	(90,244,790)

The accompanying notes are an integral part of the basic financial statements.

City of Portland Oregon
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
ASSETS					
Current assets (unrestricted):					
Cash and investments	$ 220,282,473	$ 152,780,512	$ 43,792,098	$ 416,855,083	$ 182,315,365
Receivables:					
Accounts, net	56,478,394	30,350,197	2,278,205	89,106,796	12,267,134
Assessments	2,873,871	340,337	-	3,214,208	-
Notes and loans, net	-	-	-	-	53,700
Advances	-	119,761	60,000	179,761	-
Accrued interest	1,653,693	882,901	189,629	2,726,223	715,248
Due from component unit	-	-	-	-	105
Inventories	2,009,361	2,503,240	-	4,512,601	1,832,781
Property held for sale	-	151,630	-	151,630	-
Prepaid expenses	1,369,497	1,017,390	-	2,386,887	1,877,567
Internal balances	-	400,000	-	400,000	-
Total current assets (unrestricted)	284,667,289	188,545,968	46,319,932	519,533,189	199,061,900
Current assets (restricted):					
Cash and investments	15,630,714	4,991,683	-	20,622,397	-
Total current assets	300,298,003	193,537,651	46,319,932	540,155,586	199,061,900
Noncurrent assets (unrestricted):					
Capital assets, not being depreciated or amortized:					
Land	77,318,085	14,557,078	17,160,848	109,036,011	13,249,938
Construction in progress	221,278,779	124,666,357	5,871,536	351,816,672	75,920,948
Land use rights	12,170,970	4,095,390	4,500	16,270,860	-
Capital assets, being depreciated or amortized:					
Infrastructure	3,549,098,347	1,290,237,420	44,018,995	4,883,354,762	10,345,178
Buildings	30,599,043	81,082,997	185,458,587	297,140,627	173,628,043
Improvements to land	1,485,801	53,972,203	23,188,089	78,646,093	831,331
Equipment	31,181,128	32,467,749	7,114,583	70,763,460	116,777,890
Land use rights	-	843,940	-	843,940	-
Owning rights	-	10,776	-	10,776	-
Software	8,489,429	9,719,836	182,383	18,391,648	44,890,674
Accumulated depreciation and amortization	(604,879,652)	(450,129,768)	(132,305,064)	(1,187,314,484)	(188,675,625)
Capital assets, net of accumulated depreciation and amortization	3,326,741,930	1,161,523,978	150,694,457	4,638,960,365	246,968,377
Receivables:					
Assessments	4,481,699	239,971	-	4,721,670	-
Internal balances	1,457,886	5,141,410	704	6,600,000	-
Notes and loans, net	-	-	624,556	624,556	107,400
Net OPEB asset	121,681	129,271	19,781	270,733	89,248
Total noncurrent assets (unrestricted)	3,332,803,196	1,167,034,630	151,339,498	4,651,177,324	247,165,025
Noncurrent assets (restricted):					
Cash and investments	202,047,120	44,437,881	1,051,271	247,536,272	-
Total noncurrent assets	3,534,850,316	1,211,472,511	152,390,769	4,898,713,596	247,165,025
Total assets	3,835,148,319	1,405,010,162	198,710,701	5,438,869,182	446,226,925
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows - pensions	21,274,974	19,647,400	2,875,878	43,798,252	15,829,843
Deferred outflows - OPEB	613,206	651,459	99,688	1,364,353	449,762
Deferred charge for debt refundings	-	-	81,623	81,623	-
Total deferred outflows of resources	21,888,180	20,298,859	3,057,189	45,244,228	16,279,605

Continued next page

City of Portland Oregon
Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Sewage Disposal	Water	Other Funds	Total	
LIABILITIES					
Current liabilities (payable from unrestricted assets):					
Accounts payable	6,650,221	6,790,333	1,855,463	15,296,017	19,264,273
Self insurance claims	35,415	125,548	-	160,963	13,314,539
Compensated absences	4,581,410	4,245,606	498,825	9,325,841	3,213,867
Bonds payable	134,345,878	36,693,214	4,440,389	175,479,481	3,962,911
Notes and loans payable	1,393,792	-	-	1,393,792	-
Accrued interest payable	14,941,362	5,956,838	175,159	21,073,359	214,344
Unearned revenue	937,747	368,811	301,270	1,607,828	71,217
Due to component unit	-	-	-	-	1,825,875
Internal loans payable	-	-	113,500	113,500	-
Landfill postclosure	59,102	-	-	59,102	-
Pollution remediation	50,000	143,000	1,017,000	1,210,000	-
Other liabilities	652,634	6,414	-	659,048	-
Total current liabilities (unrestricted)	163,647,561	54,329,764	8,401,606	226,378,931	41,867,026
Current liabilities (payable from restricted assets):					
Accounts payable	15,630,714	4,991,683	-	20,622,397	-
Total current liabilities	179,278,275	59,321,447	8,401,606	247,001,328	41,867,026
Noncurrent liabilities:					
Self insurance claims	-	867,929	-	867,929	18,406,861
Compensated absences	72,178	67,139	8,400	147,717	547,750
Bonds payable	1,587,358,056	651,235,698	32,630,109	2,271,223,863	21,632,585
Notes and loans payable	10,780,833	-	-	10,780,833	44,543,916
Internal loans payable	-	-	964,750	964,750	-
Accrued interest payable	14,389,197	14,944,742	1,471,182	30,805,121	7,143,009
Net pension liability - PERS	61,091,980	57,717,412	7,896,597	126,705,989	45,639,494
Other postemployment benefits	6,701,542	7,310,649	1,092,091	15,104,282	4,939,908
Landfill postclosure	2,402,216	-	-	2,402,216	-
Pollution remediation	250,000	-	1,183,000	1,433,000	-
Other liabilities	149,835	-	-	149,835	-
Total noncurrent liabilities	1,683,195,837	732,143,569	45,246,129	2,460,585,535	142,853,523
Total liabilities	1,862,474,112	791,465,016	53,647,735	2,707,586,863	184,720,549
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pensions	1,905,480	1,827,981	233,669	3,967,130	1,430,293
Deferred charge for debt refunding	5,696,253	1,068,045	-	6,764,298	19,911
Deferred inflows - OPEB	317,784	337,608	51,661	707,053	233,080
Total deferred inflows of resources	7,919,517	3,233,634	285,330	11,438,481	1,683,284
NET POSITION					
Net investment in capital assets	1,806,923,132	535,544,450	115,692,178	2,458,159,760	185,709,270
Restricted for:					
Debt service	180,000	-	-	180,000	-
Capital projects	-	-	1,051,271	1,051,271	-
Unrestricted	179,539,738	95,065,921	31,091,376	305,697,035	90,393,427
Total net position	1,986,642,870	630,610,371	147,834,825	2,765,088,066	276,102,697
Adjustment to reflect the consolidation of internal service funds' activities related to enterprise funds				11,584,759	
Net position of business-type activities				$ 2,776,672,825	

The accompanying notes are an integral part of the basic financial statements.

City of Portland, Oregon
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				
	Sewage Disposal	Water	Other Funds	Total	Governmental Activities- Internal Service Funds
Operating revenues:					
Service charges and fees	$ 386,034,051	$ 193,790,787	$ 16,340,067	$ 596,164,905	$ 20,871,335
Service charges and fees provided internally	1,782,503	3,990,320	1,591,348	7,364,171	257,485,868
Licenses and permits	2,166,745	-	2,986,707	5,153,452	50
Rents and reimbursements	189,308	-	11,028,773	11,218,081	1,783,583
Concessions	-	-	2,017,859	2,017,859	-
Parking fees	-	-	15,049,034	15,049,034	-
Power sales	-	-	2,397,655	2,397,655	-
Miscellaneous	366,919	479,228	155,158	1,001,305	2,915,866
Total operating revenues	390,539,526	198,260,335	51,566,601	640,366,462	283,056,702
Operating expenses:					
Salaries and wages	61,812,417	49,037,424	8,805,112	119,654,953	54,576,725
Operating supplies	4,339,605	4,286,313	716,405	9,342,323	12,277,096
Professional services	3,886,296	3,748,009	4,631,677	12,265,982	43,959,538
Materials and services provided internally	28,923,825	19,156,911	8,102,024	56,182,760	24,193,484
Utilities	6,006,085	1,936,107	968,949	8,911,141	3,076,327
Claims	-	-	-	-	75,313,452
Utility license fees	16,884,548	7,349,454	226,035	24,460,037	22,351
Miscellaneous	6,170,070	7,823,667	19,621,566	33,615,303	48,874,952
Depreciation and amortization	47,889,962	30,519,028	5,391,590	83,800,580	13,935,026
Total operating expenses	175,912,808	123,856,913	48,463,358	348,233,079	276,228,951
Operating income (loss)	214,626,718	74,403,422	3,103,243	292,133,383	6,827,751
Nonoperating revenues (expenses):					
Investment earnings (losses)	1,197,068	2,035,994	288,969	3,522,031	1,138,498
Interest expense	(39,651,443)	(22,425,581)	(1,535,470)	(63,612,494)	(1,893,500)
Debt issuance costs	(629,891)	-	-	(629,891)	(2,055)
Gains (losses) on sale of capital assets	3,816,807	(552,117)	(418,194)	2,846,496	(322,263)
Miscellaneous	1,457,152	6,196,022	704	7,653,878	-
Total nonoperating revenues (expenses)	(33,810,307)	(14,745,682)	(1,663,991)	(50,219,980)	(1,079,320)
Income before contributions and transfers	180,816,411	59,657,740	1,439,252	241,913,403	5,748,431
Transfers in	203,847	1,040,246	250,000	1,494,093	5,769,557
Transfers out	(600,825)	(729,163)	(385,076)	(1,715,064)	(590,004)
Capital contributions	3,419,865	724,484	242,392	4,386,741	-
Change in net position	183,839,298	60,693,307	1,546,568	246,079,173	10,927,984
Total net position - beginning	1,807,692,726	575,111,213	147,082,105		268,760,709
Restatement per GASB 75 implementation (See Note I.E.)	(4,889,154)	(5,194,149)	(793,848)		(3,585,996)
Total net position - beginning, restated	1,802,803,572	569,917,064	146,288,257		265,174,713
Total net position - ending	$ 1,986,642,870	$ 630,610,371	$ 147,834,825		$ 276,102,697
Adjustment to reflect the consolidation of internal service funds' activities related to enterprise funds				1,169,160	
Change in net position of business-type activities				$ 247,248,333	

The accompanying notes are an integral part of the basic financial statements.

BULL RUN
LAKE

City of Portland, Oregon
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				
	Sewage Disposal	Water	Other Funds	Total	Governmental Activities- Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	$ 384,990,657	$ 190,383,406	$ 49,823,818	$ 625,197,881	$ 25,316,436
Receipts for interfund services provided	1,782,502	3,990,320	1,591,348	7,364,170	257,485,868
Payments to suppliers	(40,562,376)	(23,482,352)	(24,748,674)	(88,793,402)	(173,689,502)
Payments to employees	(55,307,726)	(42,669,125)	(8,053,060)	(106,029,911)	(49,390,970)
Payments for interfund services used	(28,923,825)	(19,156,912)	(8,102,022)	(56,182,759)	(24,193,492)
Other receipts (payments)	-	657,783	-	657,783	(9,627)
Net cash provided by (used for) operating activities	261,979,232	109,723,120	10,511,410	382,213,762	35,518,713
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	203,847	1,040,246	250,000	1,494,093	5,769,557
Transfers out	(600,825)	(729,163)	(385,076)	(1,715,064)	(590,004)
Proceeds from internal loans	-	-	335,000	335,000	-
Payments for internal loans	-	-	(56,750)	(56,750)	-
Net cash provided by (used for) noncapital financing activities	(396,978)	311,083	143,174	57,279	5,179,553
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of bonds and notes	191,930,000	-	-	191,930,000	26,635,290
Premium on bonds and notes issued	21,636,279	-	-	21,636,279	-
Proceeds from sale of capital assets	10,665,852	670,411	3,488	11,339,751	1,635,825
Acquisition of capital assets	(110,071,279)	(76,257,097)	(5,602,709)	(191,931,085)	(50,478,261)
Principal paid on bonds and notes	(106,001,539)	(30,868,832)	(3,625,308)	(140,495,679)	(5,574,309)
Interest paid on bonds and notes	(61,888,783)	(25,864,956)	(1,458,385)	(89,212,124)	(1,481,520)
Payments for bond issuance costs	(629,891)	-	-	(629,891)	(2,055)
Net cash provided by (used for) capital related financing activities	(54,359,361)	(132,320,474)	(10,682,914)	(197,362,749)	(29,265,030)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings (losses)	401,288	1,866,461	243,901	2,511,650	896,380
Property for resale	-	(151,630)	-	(151,630)	-
Net cash provided by (used for) investing activities	401,288	1,714,831	243,901	2,360,020	896,380
Net increase (decrease) in cash and cash equivalents	207,624,181	(20,571,440)	215,571	187,268,312	12,329,616
Cash and cash equivalents, July 1, 2017	230,336,126	222,781,516	44,627,798	497,745,440	169,985,749
Cash and cash equivalents, June 30, 2018	$ 437,960,307	$ 202,210,076	$ 44,843,369	$ 685,013,752	$ 182,315,365
Reconciliation of cash and cash equivalents to the Statement of Net Position:					
Unrestricted cash and cash equivalents	$ 220,282,473	$ 152,780,512	$ 43,792,098	$ 416,855,083	$ 182,315,365
Restricted cash and cash equivalents	217,677,834	49,429,564	1,051,271	268,158,669	-
Total cash and cash equivalents	$ 437,960,307	$ 202,210,076	$ 44,843,369	$ 685,013,752	$ 182,315,365

Continued next page

City of Portland, Oregon
Statement of Cash Flows, Continued
Proprietary Funds
For the Fiscal Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds				
	Sewage Disposal	Water	Other Funds	Total	Governmental Activities- Internal Service Funds
Reconciliation of operating income to net cash provided by (used for) operating activities:					
Operating income	$ 214,626,718	$ 74,403,422	$ 3,103,243	$ 292,133,383	$ 6,827,751
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:					
Depreciation and amortization of capital assets	47,889,962	30,519,028	5,391,590	83,800,580	13,935,026
Provision for uncollectible accounts	1,080,219	624,974	-	1,705,193	-
Nonoperating revenue	7,075	654,612	-	661,687	-
Change in assets and liabilities:					
Accounts and advances receivable	(4,999,457)	(4,676,704)	(164,066)	(9,840,227)	(361,480)
Due from / to other funds	-	-	-	-	15,707
Due (from) / to component unit	-	-	-	-	(38,301)
Inventories	(110,742)	(273,716)	-	(384,458)	(100,030)
Prepaid expenses	(1,369,497)	(1,017,390)	-	(2,386,887)	(1,242,922)
Accounts payable	1,666,740	3,053,074	341,005	5,060,819	7,563,857
Self insurance claims	21,537	(68,769)	-	(47,232)	3,652,582
Compensated absences	576,563	339,985	27,327	943,875	520,712
Unearned revenue	37,994	39,021	(19,043)	57,972	(8,480)
Net pension liability - PERS	(7,836,114)	(7,522,656)	(894,317)	(16,253,087)	(6,104,862)
Other postemployment benefits	5,209,747	5,534,740	845,963	11,590,450	3,821,138
Landfill postclosure	(3,611,124)	-	-	(3,611,124)	-
Pollution remediation	(522,500)	(32,000)	1,100,000	545,500	-
Other liabilities	635,939	-	(13,148)	622,791	-
Deferred outflows - pensions	13,728,558	13,526,597	1,619,643	28,874,798	10,737,707
Deferred outflows - OPEB	(613,206)	(651,459)	(99,688)	(1,364,353)	(449,762)
Deferred inflows - pensions	132,190	126,902	15,088	274,180	102,986
Deferred inflows - OPEB	317,784	337,608	51,661	707,053	233,080
Restatement per GASB 75 implementation (See Note I.E.)	(4,889,154)	(5,194,149)	(793,848)	(10,877,151)	(3,585,996)
Net cash provided by (used for) operating activities	$ 261,979,232	$ 109,723,120	$ 10,511,410	$ 382,213,762	$ 35,518,713
Noncash information					
Capital contribution	$ 3,419,865	$ 724,484	$ 242,392	$ 4,386,741	$ -
Increase (decrease) in fair value of investments (classified as cash equivalents)	(3,143,237)	(1,208,087)	(246,864)	(4,598,188)	(1,090,090)

The accompanying notes are an integral part of the basic financial statements.

City of Portland, Oregon
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Pension Trust	Agency
ASSETS		
Current assets:		
Cash and investments [1]	$ 11,398,570	$ 82,827,536
Receivables:		
Accounts, net	5,415	2,471,983
Advances	-	2,034,994
Pension recovery	103,034	-
Accrued interest	286,729	73,150
Due from other funds	9,155,346	-
Prepaid expense	720	-
Total current assets	20,949,814	87,407,663
Noncurrent assets:		
Capital assets:		
Construction in progress	1,694	-
Intangible assets:		
Software	884,249	12,000
Accumulated depreciation and amortization	(426,280)	(7,200)
Net capital assets	459,663	4,800
Net OPEB asset	3,680	-
Total noncurrent assets	463,343	4,800
Total assets	21,413,157	87,412,463
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows - pensions	631,079	-
Deferred outflow - OPEB	18,547	-
Total deferred outflows of resources	649,626	-
LIABILITIES		
Accounts payable	751,484	19,091,294
Salaries and withholding taxes	-	30,681,633
Compensated absences	874,169	-
Due to other governments	-	14,862,214
Bonds payable	279,005	-
Accrued interest payable	225,487	-
Net pension liability - PERS	1,834,325	-
Other postemployment benefits	196,879	-
Other liabilities	-	22,777,322
Total liabilities	4,161,349	87,412,463
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows - pensions	55,006	-
Deferred inflows - OPEB	9,612	-
Total deferred inflows of resources	64,618	-
NET POSITION		
Net position restricted for pensions	17,836,816	-
Total net position	$ 17,836,816	$ -

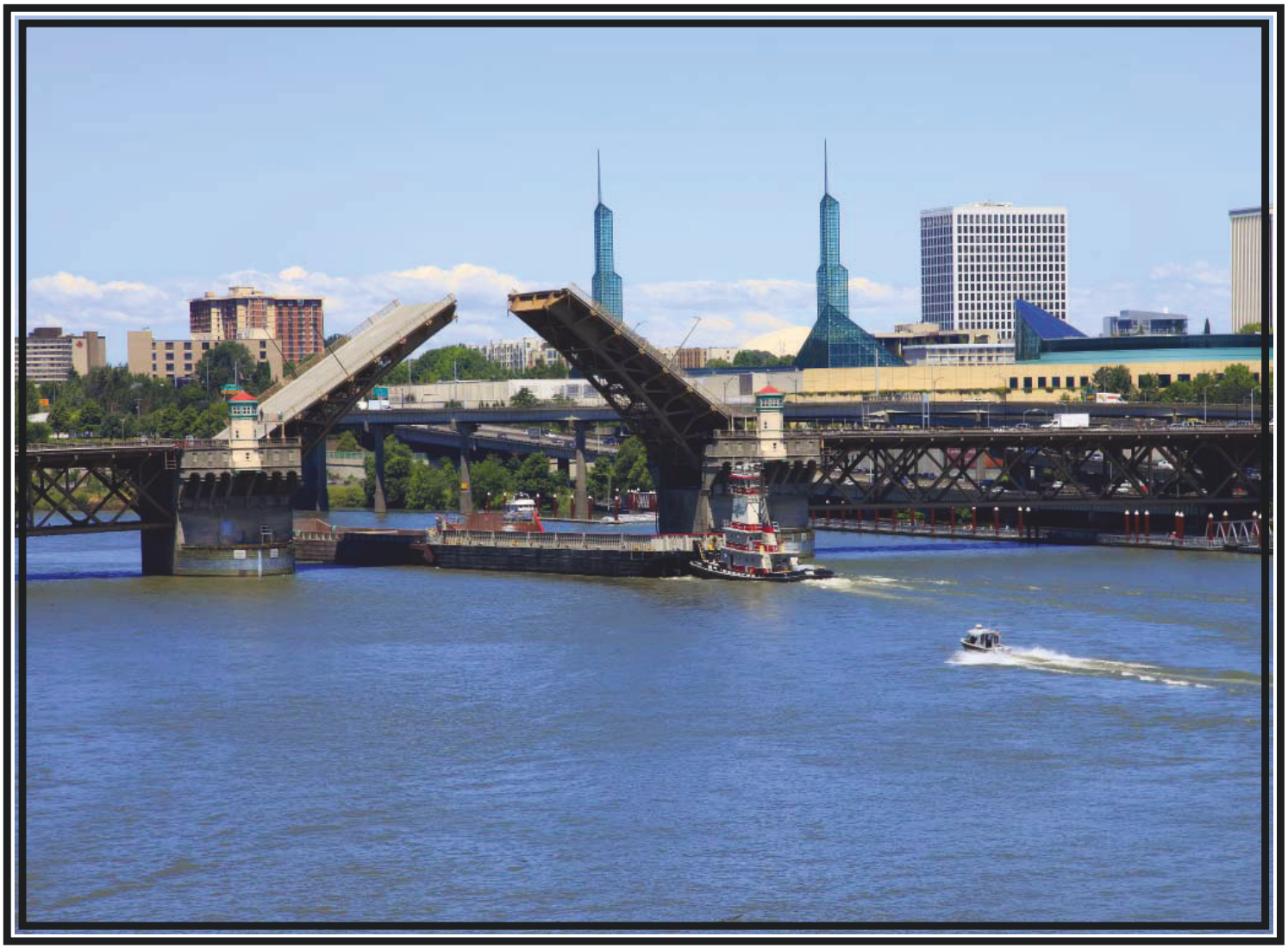
[1] The City's pension plan is unfunded and has only a portion of the City's internal investment pool.

The accompanying notes are an integral part of the basic financial statements.

City of Portland, Oregon
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2018

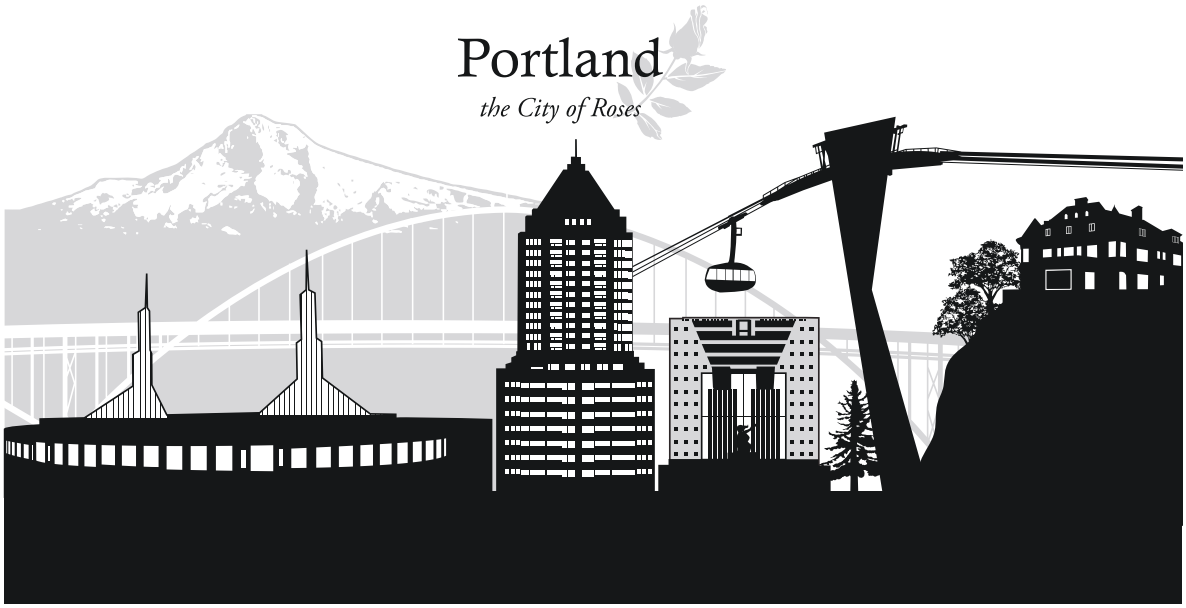
	Pension Trust
ADDITIONS	
Contributions:	
Employer	$ 144,171,103
Other	1,783,054
Total contributions	145,954,157
Investment earnings	869,881
Total additions	146,824,038
DEDUCTIONS	
Benefits and refunds paid to plan members and beneficiaries	139,537,062
Administrative expenses	3,453,210
Total deductions	142,990,272
Change in net position	3,833,766
Net position - beginning, previously reported	14,150,926
Restatement per GASB 75 implementation (See Note I.E.)	(147,876)
Net position - beginning	14,003,050
Net position - ending	$ 17,836,816

The accompanying notes are an integral part of the basic financial statements.



Working draw bridge

Notes to the Financial Statements



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I. Summary of significant accounting policies:

A. Reporting entity:

The territory of Oregon incorporated the City of Portland (City) in 1851, eight years prior to the year Oregon was granted statehood in 1859. The State of Oregon granted a new charter to the City of Portland in 1903. Voters approved an extensive revision to the City Charter, which established a commission form of government in 1913. The City Council, composed of an elected mayor and four commissioners, forms the legislative branch of the City government. The commissioners and mayor manage City bureaus.

The accompanying financial statements present the financial condition of the government and its component units, entities for which the government is considered to be financially accountable. Criteria that indicates financial accountability includes, but is not limited to, the following:

- Appointment by the City of a majority of voting members of the governing body of an organization with the ability to impose its will on the daily operations of an organization, such as: power to remove appointed members at will; to modify or approve budgets, rates or fees; to make other substantive decisions; or
- Provision by the organization of specific financial benefits to the City; imposition by an organization of specific financial burdens on the City, such as assumption of deficits or provision of support; or
- Fiscal dependency of the organization on the City, such as: lack of authority to determine a budget, approve rates, or issue its own bonded debt without City approval.

Blended component units, although legally separate entities, are part of the government's operations. Their sole purpose is to provide services entirely to or exclusively for the City or the City Council as the governing body. A discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City, its governing body is not substantially the same as the City's governing body, and it does not provide services entirely or exclusively to the City government.

Blended component unit - Fire and Police Disability and Retirement Fund

The Fire and Police Disability and Retirement (FPDR) Fund was established by adoption of Chapter 5 of the City Charter by voters in a general election held on November 2, 1948. Ten subsequent amendments have been passed by voters. The most recent changes were passed November 6, 2012. The FPDR Fund provides for the benefit of the sworn employees of Portland Fire and Rescue, the sworn employees of the Bureau of Police, of the City of Portland, and for the benefit of the surviving spouses and dependent minor children of deceased sworn employees (Section 5-101).

The FPDR Fund's Board of Trustees also administers a reserve fund authorized under a provision of Chapter 5 (Section 5-104) of the Charter of the City of Portland. The reserve fund provides for advances to the FPDR Fund in the event the latter is depleted to the extent it cannot meet its obligations. Under provisions of the City Charter, the reserve fund maximum is established at $750,000 (Section 5-103). The FPDR Fund and reserve fund are reported as pension trust funds, fiduciary fund type.

Complete financial statements may be obtained from the administrative office at: Fire and Police Disability and Retirement Fund Board, 1800 SW First Ave., Suite 450, Portland, Oregon 97201, e-mail: FPDR@PortlandOregon.gov, URL: http://www.portlandoregon.gov/fpdr/ or by telephone: (503) 823-6823.

Discretely presented component unit - Prosper Portland

On May 11, 2017, The Portland Development Commission adopted a new name, and will be doing business as Prosper Portland. Prosper Portland is organized under Chapter 15 of the Charter for the City of Portland, Oregon and is the City's urban renewal and redevelopment agency. The Department of Development and Civic Promotion has been administered by Prosper Portland since May 16, 1958. Prosper Portland's principal activities are business retention, employment creation, real estate acquisition to remove or prevent blight, construction improvements, and rehabilitation/restoration lending.

Continued next page

I. Summary of significant accounting policies continued:

A. Reporting entity continued:

Prosper Portland is governed by a five-member volunteer Commission, appointed by the City's Mayor and approved by the City Council to serve three year terms. Prosper Portland's governing board is substantially different than the City's board of commissioners, which prevents the City from imposing its will on Prosper Portland. Prosper Portland does not have a financial burden or benefit relationship with the City. Based upon criteria established by Governmental Accounting Standards Board (GASB) Statement No. 61, Prosper Portland is reported as a discretely presented component unit.

As a discretely presented component unit, the assets, liabilities, revenue and expenses related to Prosper Portland are included in the component unit column of the City's government-wide financial statements. Excerpts of Prosper Portland's notes to the basic financial statements are included if significant. Unless noted otherwise in this report, accounting policies of the component unit are consistent with those described for the primary government. The City is financially accountable for operations of Prosper Portland through budgetary authority and fiscal management. Prosper Portland prepares a separate Comprehensive Annual Financial Report (CAFR), and it may be obtained from their administrative offices at 222 NW Fifth Ave., Portland, Oregon 97209-3859, URL http://ProsperPortland.us/resource-library/ or by telephone: (503) 823-3200.

B. Government-wide and fund financial statements:

The government-wide financial statements, which include the statement of net position and the statement of activities, report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Segments are identified as individual enterprise funds. Segment information for the major funds, Sewage Disposal and Water, is provided in separate columns in the Statement of Net Position Proprietary Funds. Segment information for nonmajor enterprise funds is provided in the Combining Statement of Net Position and the Combining Statement of Revenues, Expenses and Changes in Net Position.

Program revenues include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 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.

C. Measurement focus, basis of accounting, and financial statement presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus, but do employ the accrual basis of accounting for purposes of asset and liability recognition. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Continued next page

I. Summary of significant accounting policies continued:

C. Measurement focus, basis of accounting, and financial statement presentation continued:

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 become both measurable and available. 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, the City considers revenues to be available if they are collected within 60 days following the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

Significant revenues, measurable and available for the fiscal year ended June 30, 2018, under the modified accrual basis of accounting were as follows:

- Federal and state grants (to the extent that revenues are earned as eligible expenditures are incurred)
- State, county, and local shared revenues of business license taxes, liquor taxes, and other taxes
- Interagency agreement revenues for personal services and materials and services between funds
- Property taxes collected within 60 days following year-end

Expenditures generally are recorded when a liability is incurred. Exceptions are:

- Claims and judgments
- Interfund transactions for services which are recorded on the accrual basis
- Interest expenditures on general long-term debt which are recorded when due
- Earned but unpaid vacations which are recorded as expenditures to the extent they are expected to be liquidated with expendable, available financial resources
- Pollution remediation
- Postemployment benefits
- Pension liabilities
- Landfill closure costs

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. This fund accounts for all financial transactions of the general government, except those required to be accounted for in another fund.

The *Transportation Operating Fund* accounts for activities associated with the City's transportation system. The resources available to this fund that are neither restricted nor committed are a combination of parking revenue and license and permit fees. Other resources include: state gas tax, system development charges, and agreements with other governments that are restricted for the purpose of transportation infrastructure and maintenance. A significant amount of the resources available to this fund are restricted.

The City reports the following major proprietary funds:

The *Sewage Disposal Fund* accounts for the activities associated with waste water collection and treatment.

The *Water Fund* accounts for activities associated with the water distribution system.

Continued next page

I. Summary of significant accounting policies continued:

C. Measurement focus, basis of accounting, and financial statement presentation continued:

Additionally, the City reports the following fund types:

Special revenue funds are primarily operating funds that account for revenue derived from specific taxes or other revenue sources, which are legally restricted to finance particular functions or activities. When a special revenue fund is not an operating fund, transfers are made from the special revenue fund to the operating funds authorized to make expenditures.

Debt service funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on long-term debt of governmental funds.

Capital projects funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Capital-related outflows financed by proprietary funds are included within those funds. The principal sources of revenues are proceeds from bonded debt, assessments, system development charges, local cost sharing, and other service charges.

The *permanent fund* accounts for and reports resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs for the benefit of the City and its citizenry.

Enterprise funds account for the operations of predominantly self-supporting activities rendering services to the public on a user charge basis.

Internal service funds account for goods and services provided by one City bureau to another City bureau, or to other governments on a cost reimbursement basis. The internal service funds account for the activities of health insurance for employees, facilities, fleet, printing and distribution, liability insurance, workers' compensation insurance, technology services, and support services for the City's financial system.

Pension trust fund accounts for activities of the Fire and Police Disability and Retirement pension and benefits for members of the Fire and Police Bureaus, their widows and surviving children.

Agency funds account for resources received and held by the City in a custodial capacity on behalf of other organizations. The City maintains two types of agency funds, trustee and clearing. Trustee funds are used to account for resources collected on behalf of other governments or organizations. Clearing funds are used to account for amounts previously expensed to operating funds and transferred to the clearing funds until paid.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between enterprise and various other City functions. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Indirect expenses include general government, support services, and administration costs. These indirect expenses are based on a full-cost allocation approach, thereby spreading indirect expenses among functions with the objective of applying all expenses. This allocation is performed through the General Fund and is included in direct program expenses for the various functional activities within individual funds.

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. Taxes and other items, not included as program revenues, are reported as general revenues.

Continued next page

I. Summary of significant accounting policies continued:

C. Measurement focus, basis of accounting, and financial statement presentation continued:

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods or services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for services such as water and sewer.

The principal operating revenues of the City's internal service funds are printing fees, telecommunication charges, vehicle use and maintenance fees, insurance fees, facility rents, and information system support charges primarily to other City funds.

Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Service charges and fees provided internally (revenues) and services and materials provided internally (expenses) by internal service funds have been segregated from the service charges and fees (revenues) and professional services (expenses) to more clearly illustrate internal verses external of proprietary funds.

The Parks Endowment Fund, the City's only permanent fund, accounts for gifts, donations, and endowments of a permanent nature. The principal is invested and interest earnings are available to support Parks and Recreation programs and activities. Any income not used under the terms and conditions of the original donation shall increase the trust reserve.

Specific fund changes

During the fiscal year ended June 30, 2018, one new fund was established. The fund:

Special Revenue Funds:

- Public Election

Enterprise fund:

The Golf program's outstanding revenue bond debt was paid in the fiscal year ended June 30, 2012. This fund is temporarily inactive; it is anticipated that the program will continue in the future. There were no payments made from the Golf Revenue Bond Redemption Fund in the fiscal year ended June 30, 2018.

D. Assets, liabilities, and net position or equity:

1. Cash and investments

The City maintains a cash and investment pool that is available for use by all funds including its component units. Cash and investments are presented on the balance sheet in the basic financial statements at fair value.

All investment pool cash purchases and sales are part of the City's cash management activity and are considered as cash and cash equivalents. Activities undertaken by the pool, on behalf of the proprietary funds, are not part of operating, capital, investing, or financing activities of the proprietary funds. Details of these transactions are not reported in the statements of cash flows. In general, interest earned from pooled investments is allocated to each fund based on the average earnings rate and daily cash balance of each fund.

Continued next page

I. Summary of significant accounting policies continued:

D. Assets, liabilities, and net position or equity continued:

Oregon Revised Statutes (ORS) 294, authorizes the City and component units to invest primarily in general obligations of the United States (U.S.) Government and its agencies and instrumentalities, of the U.S. or enterprises sponsored by the U.S. Government and obligations whose payment is guaranteed by the U.S., agencies and instrumentalities of the U.S. or enterprises sponsored by the U.S. Government, certain bonded obligations of Oregon municipalities, bank repurchase agreements, bankers' acceptances, high-grade commercial paper, and the State Treasurer's Local Government Investment Pool (LGIP).

2. Receivables

Uncollected property taxes in governmental funds are shown on the balance sheet as receivables. Property is valued annually, as of January 1. Taxes are assessed and become property liens on July 1, annually. Property tax statements are mailed no later than October 25, and taxes are due in three installments on November 15, February 15, and May 15. Discounts, less than or equal to three percent, are offered to those paying early. Taxes outstanding on May 16 are considered delinquent. Property tax receivables are deemed to be substantially collectible or recoverable through foreclosure. Accordingly, no allowance for doubtful tax accounts is deemed necessary. All other receivables are shown net of an allowance for uncollectables.

Proprietary fund receivables are recorded as revenue when earned, including services earned but not billed. The receivables of proprietary funds include billing for residential and commercial customers utilizing the City's water, sewer, and storm water management services. These receivables are reported net of an allowance for doubtful accounts. The allowance for doubtful accounts is based on management's assessment of the collectability of specific customer accounts, the aging of the accounts receivable, historical experience, and other currently available evidence.

Local Improvement District (LID) project expenditures are recognized as accounts receivable when incurred. Upon completion of LID projects, City Council assesses a lien upon the benefited properties at which point accounts receivable are reclassified as assessments receivable.

Contracts and mortgages receivable consist primarily of loans for restoration and rehabilitation of property within the City. Federal and state grants, shared revenues, and interest are recorded as revenue when earned and are included in accounts and grants receivable.

Loans receivable are recorded when the borrower has signed a promissory note, and disbursements are made in accordance with the loan agreement. Through fiscal year ended June 30, 2018, the City maintained a valuation allowance for loans receivable that was comprised of an allowance for risk.

3. Inventories and property held for sale

Inventories are materials and supplies that are stated at average cost. For both governmental and proprietary fund financial statements, inventories are expensed when consumed or used in operations. Inventories are expensed when purchased in the budgetary statements and schedules.

Land and related buildings and improvements acquired for the purpose of redevelopment and sale are recognized as assets and stated at the lower of cost (including costs of appraisal, demolition, and relocation) or net realizable value and are offset by a non-spendable or restricted fund balance depending on the fund classification. Upon final disposition or a decline in the value of the property, gain or loss is charged or credited to operations.

Continued next page

I. Summary of significant accounting policies continued:

D. Assets, liabilities, and net position or equity continued:

4. Prepaid items and advances

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items or advances in both the government-wide and fund financial statements using the consumption method. Payments which are classified as prepaid are primarily items that are being amortized such as prepaid insurance and rent. Payments made to small non-profits and businesses, which need payments in advance due to their lack of working capital, are classified as advances.

5. Capital assets

The City classifies assets with an estimated useful life in excess of one year as capital assets. Capital assets, which include land, construction in progress, buildings and building improvements, improvements to land, leasehold improvements, equipment, infrastructure, capital leases, and intangible assets (land use rights, owning rights, and software), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

All land, buildings, permanent land use rights, and permanent owning rights are capital assets with no minimum cost threshold. Infrastructure, land improvements, and internally-generated software are capitalized with total costs of $10,000 or more. Equipment, term land use rights, term owning rights, and other computer software (not internally-generated) with a cost of $5,000 or greater are capitalized. Dollar thresholds for capital lease assets are the same amount as the purchased capital asset counterpart.

Land use rights include: easements, rights of way, water, timber, air, and mineral rights that grant the City the ability to use, obtain, harvest, mine, or otherwise use resources on land not owned by the City. Owning rights include: trademarks, copyrights, and patents.

Capital assets, including intangibles, are recorded at historical cost or estimated historical cost when actual cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The cost of normal maintenance and repairs that do not add value to the asset or materially extend asset lives are not capitalized. Management evaluates capital assets for impairment and retirement biannually, or as circumstances warrant.

Upon disposal of capital assets, historical cost or estimated historical cost is removed. Proceeds from sales are generally recorded as revenue in the fund that originally acquired the assets.

Depreciation and amortization of capital assets are computed on the straight-line method over their estimated useful lives. Depreciation and amortization are not taken during the year of acquisition. Beginning in fiscal year 2008-09, salvage values are no longer used except for vehicles.

The estimated useful lives of capital assets are:

- Infrastructure – 20 to 100 years
- Improvements to land – 20 to 50 years
- Buildings & building improvements – 10 to 50 years
- Equipment – 3 to 20 years
- Term land use rights – depends on conditions of contract
- Term owning rights – depends on conditions of contract
- Computer software – internally generated – 7 to 17 years

Continued next page

I. Summary of significant accounting policies continued:

D. Assets, liabilities, and net position or equity continued:

- Computer software – other software – 1 to 10 years

Works of art and historical treasures held as a collection are not capitalized as long as:

a. Collections are held for public exhibit rather than financial gain;
b. Such items are protected, unencumbered, cared for, and preserved; and
c. Proceeds from any sales are used by the City to acquire other works of art and historical treasures.

Such items are owned by the City but protected and maintained by the Regional Arts and Culture Council, a nonprofit corporation. The City's collection consists of many items acquired over a long period of time.

6. Capitalized interest

Interest costs of tax-exempt borrowing, less interest earned on investments acquired with these proceeds, are capitalized in enterprise funds from the date of borrowing, after the date of actual expenditure, until the constructed assets are ready for their intended use.

7. Restricted amounts

Certain assets are classified as restricted assets because their use is limited by parties external to the City. Parties external to the City include citizens, creditors, grantors, public interest groups, other governments, and the courts. Restrictions may also be imposed by laws through constitutional provisions or legally enforceable enabling legislation. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first and then unrestricted resources, as they are needed.

8. Accounts payable

Accounts payable to vendors and contractors include general accounts payable, retainage payable, deposits payable, and other accrued contingent liabilities not included in short-term or long-term liabilities.

9. Compensated absences

City employees accumulate earned but unused vacation and sick leave benefits in accordance with applicable bargaining agreements. Vacation leave is recorded in government-wide, proprietary, and fiduciary fund financial statements when earned by employees. Employees may not accumulate more than the vacation earned in a two-year period without the approval from City Council. Compensated absences are reported in governmental funds only if they have matured. Collective bargaining agreements for Fire and Police Bureau employees require payment for accrued sick leave upon retirement. Sick leave for these employees is accrued when earned. Sick leave for other City employees does not vest and is expended in all funds when leave is taken. All compensated absences are paid by the individual funds as they become due.

10. Long-term obligations

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 and business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when bonds are issued.

Continued next page

I. Summary of significant accounting policies continued:

D. Assets, liabilities, and net position or equity continued:

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

11. 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

12. Pensions

Oregon Public Employees Retirement System (OPERS) - For purposes of measuring the net pension liability, deferred outflows and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are reported by OPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Fire and Police Disability, Retirement and Death Benefit Plan (FPDR) - For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of FPDR and additions to/deductions from FPDR fiduciary net position have been determined on the same basis as they are reported by FPDR. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Other Postemployment Benefits (OPEB)

OPERS - Retirement Health Insurance Account. For purposes of measuring the net OPEB liability/asset, deferred outflows of resources and deferred inflows of resources to OPEB, and OPEB expense, information about the fiduciary net position of the OPERS and additions to/deductions from OPERS's fiduciary net position have been determined on the same basis as they are report by OPERS. For this purpose, OPERS recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

City of Portland Health Insurance continuation (HIC). For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources to OPEB, and OPEB expense, the City has relied on actuarial reports. The City allows retired employees to purchase health insurance at the same rates as active employees. The related expense is recognized as the City pays premiums to Kaiser or when claims are paid to health providers, depending on which insurance plan the retirees participate in.

14. Net position and fund balances

In the financial statements, assets in excess of liabilities are presented in one of two ways depending on the measurement focus of the statement.

Continued next page

I. Summary of significant accounting policies continued:

D. Assets, liabilities, and net position or equity continued:

On the Statement of Net Position for government-wide reporting and for the proprietary funds and on the fiduciary funds' Statement of Fiduciary Net Position, net position is segregated into three categories: net investment in capital assets; restricted net position; and unrestricted net position.

Net investment in capital assets represents total capital assets less accumulated depreciation and capital related debt and, net of unspent bond proceeds. Deferred outflows of resources and deferred inflows of resources directly related debt should also be included in this section. Significant unspent deferred inflows of resources should not be included.

Restricted net position represents net position that is not subject solely to the government's own discretion. Restrictions may be placed on net position by an external third party that provided the resources, by laws or regulations of other governments, by enabling legislation, by endowment agreements, or by the nature of the asset. Unspent bond proceeds for capital projects are used in the calculation of restricted net position.

Unrestricted surplus (deficit) net position represent amounts not included in other categories.

On the Balance Sheet - Governmental Funds, assets in excess of liabilities are reported as fund balances and are segregated into separate classifications indicating the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent.

Fund balance is reported as ***Nonspendable*** when the resources cannot be spent because they are either in a nonspendable form, or are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories, endowment principal, and prepaid items.

Fund balance is reported as ***Restricted*** when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, the City's policy is to use restricted resources first, and then unrestricted resources, as they are needed.

Fund balance is reported as ***Committed*** for amounts that can be used only for specific purposes with constraints imposed by the highest level of decision-making authority. The City operates under a commission form of government. The Mayor supervises the general affairs of the City, and together with the four commissioners, comprise the City Council, the City's highest level of decision-making authority. The City Council meets weekly to conduct legislative business and enacts ordinances that may impose, modify, or rescind fund balance commitments. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

The City has established policies requiring that governmental funds be created by the City Council and that each fund in the City shall have a statement of purpose, adopted by ordinance of the City Council. With the exception of the General Fund, all governmental funds are considered ***Assigned*** unless further constrained as described above. The City Council, via ordinance, determines the government's intent to use the resources in the governmental funds for the specific purposes described in each fund's statement of purpose. Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as ***Assigned*** fund balance. Through the adoption of the annual budget with resources in funds outside of the General Fund, the City Council is assigning those resources to the purpose of that fund. The City Council via adoption of the City's budget, determines the specific uses of the General Fund; the portion of ending fund balance that has been appropriated to eliminate a projected budgetary deficit in the next year's budget is reported as ***Assigned*** fund balance.

Continued next page

I. Summary of significant accounting policies continued:

D. Assets, liabilities, and net position or equity continued:

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that is not otherwise reported as nonspendable, restricted, or committed within the general fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

The City has not established a formal policy regarding the use of its unrestricted fund balance amounts. When expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used, the City intends to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts.

15. Leases

Leases classified as capital lease obligations are recorded at the lesser of present value of minimum lease payments or fair value of the leased property at inception. Leases not meeting the criteria of a capital lease are classified as operating leases.

16. Statement of cash flows

In the statement of cash flows for proprietary funds, cash and cash equivalents include all assets in the cash and investment pool. This pool is similar to a demand deposit account for enterprise and internal service funds, so deposits and cash withdrawals may be made any time without prior notice or penalty.

17. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

18. Stabilization arrangements

There are two stabilization arrangements within the City, for which separate funds have been established: the *General Reserve Fund* and the *Transportation Reserve Fund*.

The General Reserve Fund was established by Resolution No. 34722 and adopted by the City Council on May 3, 1990. The two components to the General Reserve Fund are the emergency reserve and the countercyclical reserve. Each component is mandated to maintain a balance of five percent of the General Fund revenues less any short-term borrowing receipts, intrafund, and grant revenues.

The Council reserves one half of the required General Reserve Fund as an emergency reserve. The emergency reserve is available to address one-time emergencies and unanticipated expenditure requirements or to offset unanticipated revenue fluctuations occurring within a fiscal year. The Council may withdraw funds from the emergency reserve when the Council has declared an emergency by ordinance and after the General Fund's budgeted contingency is exhausted. The emergency reserve shall be accessed only when emergency expenditures or an unexpected revenue reduction would result in a negative General Fund ending fund balance.

The Council shall begin to restore emergency reserves used under this policy within 24 months after their first use and shall include a timeline for full reimbursement in the ordinance declaring the emergency.

Continued next page

I. Summary of significant accounting policies continued:

D. Assets, liabilities, and net position or equity continued:

The second half of the reserve is designated as a countercyclical. The Council will use this half of the reserve to either maintain General Fund current service level programs or transition expenditure growth to match slower revenue growth during the first 18- to 24 months of a recession. The countercyclical reserve is designated for use as "bridge financing" necessary to offset slower revenue growth during a recession. For purposes of this policy, slower or recessionary revenue growth triggers Council's assessment of use of the reserve when:

- Basic revenue growth falls to below 5.5% for two consecutive quarters or the Financial Forecast estimates basic revenue growth will be below 5.5% for the next fiscal year. Basic Revenue is defined as the sum of General Fund property tax, business license, utility license/franchise fees, cigarette and liquor taxes, transient lodging taxes, and interest income.

In addition, one or more of the following conditions occurs in conjunction with slower basic revenue growth:

- The Portland Metropolitan Area (PMA) unemployment rate is reported above 6.5% for two consecutive quarters, or the Financial Forecast estimates PMA unemployment will average in excess of 6.5% for the next fiscal year.
- The property tax delinquency rate exceeds eight percent.
- Business license year-to-year revenue growth falls below 5.5% for two consecutive quarters, or the Financial Forecast estimates business license revenue growth at less than 5.5% for the next fiscal year.

The Council should begin to restore countercyclical reserves within 24 months of their first use. Revenue shortfalls associated with bureau service reimbursement income, contract income, or cost recovery income may not be offset by a transfer of resources from the General Reserve Fund. The fund balance of the General Reserve Fund was $60.76 million as of June 30, 2018.

The Transportation Reserve Fund was established in July 1, 1992 in accordance with Ordinance No. 165570, which created the transportation reserve policy. The policy designates two types of reserves.

Countercyclical reserves are mandated to maintain current service level programs or buffer the impact of major revenue interruptions, such as those caused by an economic recession. The policy sets this reserve amount at five percent of the Portland Bureau of Transportation's (PBOT's) discretionary adopted budget revenues.

Emergency reserves are mandated to fund major one-time unexpected requirements, such as those related to a structural failure or road emergency associated with a natural disaster or event. The policy sets this reserve amount at five percent of PBOT’s discretionary adopted budget appropriations excluding contingency. Due to continued reductions in the Transportation Operating Fund, transfers to the reserves have not yet reached the level the policy requires. The fund balance of the Transportation Reserve Fund was $6.73 million as of June 30, 2018.

Continued next page

I. Summary of significant accounting policies continued:

E. Adoption of new GASB pronouncements:

During the fiscal year ended June 30, 2018, the City implemented the following GASB Pronouncements:

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Issued June 2015, this statement replaces the requirements of Statements No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB. Statement No. 75, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, establishes new accounting and financial reporting requirements for OPEB plans. This statement provides guidance for accounting for net OPEB liabilities, including definition of balances to be included in deferred inflows and deferred outflows of resources. The City adopted this new pronouncement in the current year and, accordingly, has restated amounts of effected balances within the government-wide financial statements as of June 30, 2017:

	As Originally Reported	As Restated	Effect of Change
Statement of Net Position			
Deferred outflow of resources			
Payments made to OPERS since measurement date	$ -	1,756,350	1,756,350
HIC payments made since measurement date	-	4,941,484	4,941,484
Noncurrent liabilities			
Net OPEB liability/(asset) - HIC	44,154,621	104,549,108	(60,394,487)
Net OPEB liability/(asset) - RHIA	-	962,074	(962,074)
Net Position: government-wide	945,176,975	890,518,248	(54,658,727)
Statement of activities			
Restatement of beginning net position	$ -	(54,658,727)	(54,658,727)

GASB Statement No. 81, Irrevocable Split-Interest Agreements. Issued March 2016, this statement improves accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This had no impact on the City, as there are no irrevocable split-interest agreements on record.

GASB Statement No. 83, Certain Asset Retirement Obligations. Issued November 2016, this statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). GASB 83 will be effective for the City, fiscal year ending June 30, 2019, however the City has opted for early implementation in the fiscal year ended June 30, 2018. The City has no plans to retire tangible capital assets that fall under the framework of this statement, and therefore is not subject to the reporting requirements of GASB Statement No. 83.

GASB Statement No. 85, Omnibus 2017. This Statement was issued March 2017 to address various accounting matters that have been identified during implementation and application of certain GASB Statements. The Statement addresses a variety of topics including issues related to blending component units, goodwill fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, the Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation. There was no impact on the City as the primary government is not a business-type activity, and therefore is not subject to this reporting requirement.

Continued next page

I. Summary of significant accounting policies continued:

E. Adoption of new GASB pronouncements continued:

- Reporting amounts previously reported as goodwill and "negative" goodwill. The City does not report goodwill and therefore is not subject to this reporting requirement.
- Classifying real estate held by insurance entities. The City does not have real estate held by insurance entities and therefore is not subject to this reporting requirement.
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost. This clarification guidance has no significant impact on the City or current accounting practices.
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus. This paragraph clarifies that all expenditures for defined benefit pensions or defined benefit OPEB should be measured for the reporting period (including amounts for payables to a pension or OPEB plan). This standard is applicable to the City, but didn't have a significant impact or change current City accounting practices.
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements. This paragraph clarifies that an employer should recognize expenditures for on-behalf payments for pensions or OPEB equal and include amounts for payables to a pension or OPEB plan. This standard will be applicable to the City, but has no significant impact or change current City accounting practices.
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB. This paragraph provides clarification on the presentation of covered payroll in the required supplementary information. This standard is applicable to the City, but has no significant impact or change current City accounting practices.
- Simplifying certain aspects of the alternative measurement method for OPEB. This portion of the standard has no impact on the City.
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans. This portion of the requirement has no impact on the City.

GASB Statement No. 85 was implemented by the City for the fiscal year ended June 30, 2018.

GASB Statement No. 86, Certain Debt Extinguishment Issues. This Statement was issued May 2017 to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources-resources other than the proceeds of refunding debt-are placed in an irrevocable trust for the sole purpose of extinguishing debt. The Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. GASB Statement No. 86 was implemented by the City, for the fiscal year ended June 30, 2018.

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Debt Borrowings and Direct Placements. This Statement was issued April 2018 to improve the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. GASB Statement No. 88 was implemented by the City for the fiscal year ended June 30, 2018.

Continued next page

I. Summary of significant accounting policies continued:

F. Future adoption of GASB pronouncements:

The following GASB pronouncements have been issued, but are not effective as of June 30, 2018:

GASB Statement No. 84, Fiduciary Activities. This statement was issued January 2017 to establish criteria for identifying fiduciary activities of all state and local governments. GASB 84 will be effective for the City, fiscal year ending June 30, 2020

GASB Statement No. 87, Leases. This Statement was Issued June 2017 to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments and increases the usefulness of governments' financial statements. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. GASB Statement No. 87 will be effective for the City for fiscal year ending June 30, 2021.

GASB Statement No. 89, Accounting for Interest Costs Incurred Before the End of a Construction Period. This statement was issued June 2018 to establish accounting requirements for interest cost incurred before the end of a construction period. The objectives of the Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. GASB Statement No. 89 will be effective for the City for fiscal year ending June 30, 2021.

GASB Statement No. 90, Majority Equity Interests. Issued August 2018, the primary objective of this statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization; and to improve the relevance of financial statement information for certain component units. GASB Statement No. 90 will be effective for the City for fiscal year ending June 30, 2020.

The City of Portland will implement new GASB pronouncements no later than the required effective date. The City is currently evaluating whether or not the above listed new GASB pronouncements will have a significant impact to the City's financial statements.

II. Stewardship, compliance, and accountability:

A. Budgetary information:

Except for certain fiduciary funds, state law requires the City to budget all funds. State law further requires that total resources in each fund equal total expenditures and requirements for that fund. Appropriations lapse at fiscal year end.

The City legally adopts its budget annually for all funds prior to July 1st through passage of an ordinance. This budget ordinance authorizes positions and establishes appropriations for the fiscal year by bureau, fund, and major categories of expenditures. The legal level of appropriation is established for bureau program expenses, interfund cash transfers, total debt service and related expenditures, contingencies for each fund, and for the General Fund at the appropriation-unit level. Bureau program expenses include the major object categories; personal services, materials and services, and capital outlay. Special appropriations are budgeted at the fund level across functional areas within the General Fund. The City budgets on the modified accrual basis of accounting.

Continued next page

II. Stewardship, compliance, and accountability continued:

A. Budgetary information continued:

Budgets may be modified during the fiscal year through different means. Bureau managers, without City Council's approval, may request a transfer of appropriations between line items within major object categories, provided transfers do not affect total appropriations. In addition, bureaus may transfer appropriations between major object categories with the permission of their commissioner-in-charge, provided the adjustments do not affect total appropriations. However, most appropriation transfers happen during one of the three supplemental budget processes during the year (Budget Monitoring Process).

Bureaus are allowed to amend the budget via ordinance outside the Adopted Budget and Budget Monitoring Process with City Council approval. All new grant awards received mid-year go before Council for budget amendment approval.

B. Expenditures in excess of appropriations:

State law requires a supplemental budget to increase appropriations when unexpected additional resources become available. A supplemental budget is also required to transfer appropriations from a fund's operating contingency during the fiscal year. The supplemental budget process requires a public hearing, advance notice by newspaper publication, and City Council approval. The City adopted three supplemental budgets during the fiscal year ended June 30, 2018.

Oregon state law requires disclosure of fund expenditures in excess of budgeted appropriations. However, local budget law exempts reporting of over appropriations for a variety of situations related to the issuance, repayment and refunding of bonds as defined in ORS 294.338(3-5). This includes bonds issued under revenue bond authority as defined in ORS 287A.360 to 287A.380. Additionally, any outstanding obligation related to an approved bond redemption, in a prior adopted budget period as defined in ORS 294.338(3)(B)(iii) is also exempt.

For the fiscal year ended June 30, 2018, one fund had expenditures for other financing uses payments to refunded loan and bond escrow agents [exempt per ORS 294.338(4)(c)] over appropriations that were exempt from supplemental budgetary requirements per ORS 294.338.

Debt service funds, exempt per 294.338(4)(c):

- Bancroft Bond Interest and Sinking - a special type of Debt Service Fund established by ORS 223.205; 223.260.

C. Deficit fund equity:

Oregon state law requires fund disclosure of deficit fund balances/total net position. At June 30, 2018, two funds reported a deficit fund balance and one fund had a deficit net position in the GAAP basis financial statements:

Nonmajor Special Revenue Fund:	
Grants	$ 9,181,211
Nonmajor Capital Project Fund:	
Housing Capital	15,069,239
Internal Service Funds:	
Printing and Distribution Services Operating	870,576

Continued next page

II. Stewardship, compliance, and accountability continued:

C. Deficit fund equity continued:

The Grants Fund, a special revenue fund, reported a deficit fund balance of $9.18 million in the Grants columns of the Combining Balance Sheet - Nonmajor Special Revenue Funds, and the Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Special Revenue Funds. The City's financial system tracks grant-related expenditures in a central grants fund and the activity for this fund is reported in governmental activities on the government-wide Statement of Activities. The deficit was the result of the timing of the grants reimbursements. Nearly all of the City's grants are reimbursable, which requires the City to incur the expenditures prior to billing the grantor agencies and receiving reimbursement.

The Housing Capital Fund, a capital project fund, reported a deficit fund balance of $15.07 million in the columns of the Combining Balance Sheet - Nonmajor Capital Projects Funds, and the Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Nonmajor Capital Projects Funds. The deficit fund balance is a result of spending on new housing projects that will be paid for with proceeds from General Obligation bonds. The City will issue General Obligation bonds in future years as part of the City's Housing Bond, which was approved by voters in 2016.

The Printing and Distribution Services Operating (P&D) Fund, an internal service fund, reported deficit net position of $870,576 in the Governmental Activities - Internal Service Funds columns of the Statement of Net Position - Proprietary Funds, and the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds. The activity for this fund is reported in governmental activities on the government-wide Statement of Activities. The deficit net position of the P&D Fund is a result of the liabilities for Public Employees Retirement System (PERS). Without an increase in assets, the PERS liability will continue to cause a negative net position for the P&D Fund.

III. Detailed notes:

A. Cash and investments:

Cash and investments for the primary government are reported in governmental and business-type activities. The balances at June 30, 2018 are:

	Primary Government	Fiduciary Activities	Total Government	Component Unit (Prosper Portland)	Total
Cash on hand	$ 9,199	$ -	$ 9,199	$ 600	$ 9,799
Deposits with financial institutions	26,293,583	-	26,293,583	740,771	27,034,354
Less outstanding checks	-	-	-	(540,195)*	(540,195)
Investments	1,535,699,348	94,226,106	1,629,925,454	291,555,768	1,921,481,222
Total Cash and investments	$ 1,562,002,130	$ 94,226,106	$ 1,656,228,236	$ 291,756,944	$ 1,947,985,180

*Prosper Portland cash and investments with the City include $540,195 of outstanding payroll, payroll taxes, and cash in transit from the City.

Restricted cash and investments:

	Governmental Activities	Business-type Activities	Total Primary Government	Fiduciary Activities	Total Government	Component Unit (Prosper Portland)	Total
Unrestricted	$ 361,874,745	$ 416,855,083	$ 778,729,828	$ 82,827,536	$ 861,557,364	$ 291,756,944	$ 1,153,314,308
Restricted	515,113,633	268,158,669	783,272,302	11,398,570	794,670,872	-	794,670,872
Total	$ 876,988,378	$ 685,013,752	$ 1,562,002,130	$ 94,226,106	$ 1,656,228,236	$ 291,756,944	$ 1,947,985,180

Continued next page

III. Detailed notes continued:

A. Cash and investments continued:

Restricted cash and investments: continued

Cash and investments at June 30, 2018, restricted by legal or contractual requirements, are reported in governmental activities, business-type activities and fiduciary funds as follows:

Cash and investments by funds	
Governmental activities:	
General fund:	
Business license overpayments	$ 8,845,991
Transportation fund:	
Capital projects	177,040,083
Nonmajor governmental funds:	
Debt service	76,952,643
Federal and state grants	6,588,473
Voter approved special levies	14,064,426
Capital projects	129,740,304
Public safety	4,967,786
Parks, recreation and culture	1,457,379
Community development	81,378,001
Permanent endowment	185,053
Housing	13,893,494
Total governmental activities	515,113,633
Business-type activities:	
Sewage Disposal fund:	
Debt service for capital projects related debt	217,086,206
Escrow for dock repairs and stabilization	591,628
Water fund:	
Debt service for capital projects related debt	49,429,564
Nonmajor enterprise funds:	
Environmental remediation	1,051,271
Total business-type activities	268,158,669
Total primary governmental restricted cash	783,272,302
Total fiduciary activities	11,398,570
Total restricted cash and investments	$ 794,670,872

Component unit - Prosper Portland

Total cash reported by Prosper Portland for fiscal year ending June 30, 2018 was $291 million, none of which was restricted.

Continued next page

III. Detailed notes continued:

A. Cash and investments continued:

Deposits

Primary government

Custodial credit risk–deposits. There is a risk that, in the event of a bank failure, the City's deposits may not be returned. The City's deposit policy is in accordance with ORS 295. All deposits are collateralized with eligible securities in amounts determined by the Oregon State Treasury (OST). The City's deposit policy requires that all deposits are covered by the Federal Deposit Insurance Corporation (FDIC), and/or are collateralized as required by and in compliance with ORS 295. The bank balance is covered by federal depository insurance or by collateral held by one or more of the State's authorized collateral pool managers. As of June 30, 2018, the book value of all the City's deposits was $27 million.

The OST's custodian, Federal Home Loan Bank of Des Moines, is the agent of the depository bank. The securities pledged are designated as subject to the Pledge Agreement between the Depository Bank, Custodian Bank and OST and are held for the benefit of the OST on behalf of the public depositors.

The FDIC's standard insurance amount is $250,000 per depositor, per insured bank, for each account ownership category.

Component unit - Prosper Portland

Total deposits for Prosper Portland were $740,771 which is FDIC insured to $250,000. The excess is collateralized with eligible securities

Investments

Primary Government

All investment pool purchases and sales are part of the City’s cash management activity and considered cash and cash equivalents. Activities undertaken by the pool on behalf of the proprietary funds are not part of operating, capital, investing, or financing activities of the proprietary funds, and details of these transactions are not reported in the statement of cash flows.

Interest earned from pooled investments is allocated to each fund based on the average earnings rate and daily cash balance of each fund.

Treasury assesses a management fee that is deducted from investment income before distributions are made to all City funds. This fee is based on Treasury's net operating expenses and totaled $1,017,796 for fiscal year ended June 30, 2018.

Fair Value Inputs and Methodologies

The following methods (or "techniques") and inputs are used to establish the fair value of each asset.

Bond investments are valued on the basis of last available bid prices or current market quotations provided by dealers or pricing services. Floating rate loan interests are valued at the mean of the bid prices from one or more brokers or dealers as obtained from a pricing service. In determining the value of an investment, pricing services may use certain information with respect to transactions in such investments, quotations from dealers, pricing matrixes, market transactions in comparable investments, various relationships observed in the market between investments and calculated yield measures.

Continued next page

III. Detailed notes continued:

A. Cash and investments continued:

Investments continued

Fair Value Hierarchy

Various inputs are used in determining the fair value of investments. These inputs to valuation techniques are categorized into a fair value hierarchy consisting of three broad levels for financial statement purposes as follows:

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

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

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.

The categorization of a value determined for investments is based on the pricing transparency of the investments and is not necessarily an indication of the risks associated with investing in those securities.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The City has recorded its investments at fair value, and primarily uses the Market Approach to value each security. The City applies fair market value updates to its securities daily. Security pricing is provided by a third-party and is reported daily to the City by its custodian bank. Assets are categorized by asset type, which is a key component of determining hierarchy levels. Asset types allowable per the City's investment policy generally fall within hierarchy level 1 and 2.

Continued next page

III. Detailed notes continued:

A. Cash and investments continued:

Investments continued

The City has the following recurring fair value measurements as of June 30, 2018:

- Investments Measured at Fair Value ($ in millions).

		Fair Value Measurements Using			Amortized Cost Measurement Using
Investments Measured at Fair Value:	Totals as of 6/30/2018	Quoted Prices in Active Markets for Identical Assets Level One	Significant Other Observable Inputs Level Two	Significant Unobservable Inputs Level Three	Not measured at Fair Value
U.S. Treasury	$ 341,013,510	$ -	$ 341,013,510	$ -	$ -
U.S. Agencies	1,343,027,684	-	1,343,027,684	-	-
Corporate bonds	133,761,861	-	133,761,861	-	-
Municipal bonds	27,390,671	-	27,390,671	-	-
Repurchase Agreements	24,000,000	-	24,000,000	-	-
Time/Interest Bearing Deposits	4,044,340	-	-	-	4,044,340
Local Government Investment Pool	48,243,156	-	-	-	48,243,156
Total investments	$ 1,921,481,222	$ -	$ 1,869,193,726	$ -	$ 52,287,496

The City's investment policy is reviewed annually by the Office of Management and Finance, after consulting with the City's Investment Advisory Committee (IAC). Material changes to the policy require submission to the Oregon Short-Term Fund Board for review. Once completed, it is submitted annually for adoption by City Council.

The City does not invest in any form of derivatives or reverse repurchase agreements and does not leverage its investment portfolio in any manner. The City purchases investments only through designated Primary Government Securities Dealers approved by the Federal Reserve Bank of New York, or broker/dealers approved by the Chief Financial Officer or designee in consultation with the City Treasurer and the IAC.

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. 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. The City intends to measure these investments at book value, as the LGIP's fair value approximates its amortized cost basis.

Continued next page

III. Detailed notes continued:

A. Cash and investments continued:

Investments continued

The following investments are permitted under the City's investment policy as well as by ORS 294.035 and ORS 294.810:

- United States Treasury debt obligations
- United States Agency debt obligations
- Interest-bearing deposits in State of Oregon financial institutions collateralized with securities as required by Oregon Revised Statute 295
- State of Oregon Local Government Investment Pool
- Repurchase agreements secured by United States Treasury and United States Agency debt obligations
- Bankers acceptances
- Municipal debt obligations issued by Oregon state or local governments

Additional direct purchases of commercial paper and corporate debt obligations were suspended on 12/21/2016 and are no longer permitted under the City's current investment policy, although current investments may be held to maturity.

Interest rate risk. Interest rate risk is the risk that the value of a debt security may fall when interest rates rise. In general, the market price of debt securities with longer maturities will go up or down in response to changes in interest rates more than the market price of shorter-term securities. Additionally, securities issued or guaranteed by the U.S. Government, its agencies, instrumentalities and sponsored enterprises have historically involved little risk of loss of principal if held to maturity. However, due to fluctuations in interest rates, the market value of such securities may vary prior to maturity.

As of June 30, 2018, the weighted-average maturity of the City's investment portfolio was 1.33 years. To minimize interest rate risk, the City's investment policy limits the portfolio to a maximum weighted-average maturity of 24 months. In addition, no more than 50% of the projected lowest cash balance may be invested in securities with a maturity range beyond two years. All other funds must be invested in less than two-year maturities.

Credit risk. Credit risk is the financial risk of not receiving principal and interest when due from an issuer. The City's investment policy seeks to minimize this risk by the conservative nature of the permissible investments, and by establishing safe limits on the level of investments with financial institutions, other municipalities, and issuers of commercial paper and by monitoring their credit quality on an ongoing basis. A portfolio policy stressing a relatively short maturity and highly rated investment-grade debt serves to minimize credit risk. On December 21, 2016, City Council suspended all further Commercial Paper and Corporate debt obligation purchases. These investments are no longer permitted under the City's investment policy. Existing Commercial Paper and Corporate debt obligations currently owned by the City will be held to maturity. Maximum combined corporate indebtedness (Commercial Paper and Corporate Bonds) was previously limited to 35% of the total portfolio and a five percent limit of the total portfolio per issuer.

The City's investments in United States Treasury and Agency debt obligations have short-term credit ratings of P-1 / A-1 / F-1, by Moody's Investor Services, Standard & Poor's, and Fitch Ratings respectively. Long-term credit ratings show in the table below. The City's investments in Corporate Debt Obligations in the table below represent either short-term or long-term credit ratings.

Continued next page

III. Detailed notes continued:

A. Cash and investments continued:

Investments continued

As of June 30, 2018, the LGIP was not rated. The credit quality distribution for securities with credit exposure as a percentage of total investments as of June 30, 2018 is:

Credit Quality Distribution for Securities with Credit Exposure as a Percentage of Total Investments

	Moody's Investor's Service	Standard & Poor's	Fitch Ratings	Percentage of Total Investments
Federal Home Loan Bank	Aaa	AA+	AAA	17.68 %
Federal Home Loan Mortgage Corporation	Aaa	AA+	AAA	20.81 %
Federal National Mortgage Association	Aaa	AA+	AAA	8.63 %
Federal Farm Credit Bank	Aaa	AA+	AAA	12.93 %
Federal Agriculture Mortgages Corporation	N/R*	N/R*	N/R*	6.97 %
United States Financing Corp (FICO)	Aaa	N/R*	N/R*	1.53 %
Private Export Funding Corp (PEFCO)	Aaa	N/R*	AAA	0.57 %
United States Treasury	Aaa	AA+	AAA	17.75 %
Tennessee Valley Authority	Aaa	AA+	AAA	0.77 %
Total U.S. Agency Debt Obligations				87.64 %
Corporate bonds	Aa3	AA-	AA-	6.96 %
Municipal bonds	Aa1	AA+	AA+	1.43 %
Repurchase agreements	N/R*	N/R*	N/R*	1.25 %
Time/Interest Bearing Deposits	N/R*	N/R*	N/R*	0.21 %
Local Government Investment Pool	N/R*	N/R*	N/R*	2.51 %
Total Investments				100.00%

N/R =Not Rated*

Concentration of credit risk. This is the risk that, when investments are concentrated in one issue, this concentration presents a heightened risk of potential loss. Of the City's total investments, as of June 30, 2018, 88 percent were United States Treasury and Agency debt obligations or short-term investments (see table above for individual distributions). All other investments not explicitly guaranteed by the United States Government were limited to five percent per issuer. The City's investment policy addresses credit risk concentration by limiting both the types and amounts of securities that may be held in the portfolio. The restrictions of the portfolio vary based upon the investment type and issuer. These restrictions, as well as other information contained in the City's investment policy, are located at: https://www.portlandoregon.gov/citycode/article/272769.

Custodial credit risk. This is the risk that, in the event of failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All trades are executed by delivery vs. payment to ensure that securities are deposited in an eligible financial institution prior to the release of funds. As of June 30, 2018, the City had no investments that were held by either a counterparty or a counterparty's trust department agent. Therefore, the City has no outstanding investments that were exposed to custodial credit risk.

Income risk. Income risk is the risk that the portfolio's yield will vary as short-term securities in the portfolio mature and the proceeds are reinvested in securities with different interest rates.

Continued next page

III. Detailed notes continued:

A. Cash and investments continued:

Investments continued

Market risk and Selection risk. Market risk is the risk that one or more markets in which the portfolio invests will go down in value, including the possibility that the markets will go down sharply and unpredictably. Selection risk is the risk that the securities selected by portfolio management will underperform the markets, the relevant indices, or the other securities available for selection with similar investment objectives and investment strategies.

Municipal securities risks. Municipal securities risks include the relative lack of information about certain issuers of municipal securities, and the possibility of future legislative changes which could affect the market for and value of municipal securities.

U.S. Treasury debt obligations risk. Direct obligations of the U.S. Treasury have historically involved little risk of loss of principal if held to maturity. However, due to fluctuations in interest rates, the market value of such securities may vary during the holding period.

U.S. Agency obligations risk. Certain securities in which the portfolio may invest, including securities issued by certain government agencies and government sponsored enterprises, are not guaranteed by the U.S. Government or supported by the full faith and credit of the United States.

Repurchase agreement risk. In a repurchase agreement, the City purchases securities from a counterparty who agrees to repurchase the same security at a mutually agreed upon date and price. On a daily basis, the counterparty is required to maintain eligible collateral subject to the agreement and in value no less than 102 percent of the agreed repurchase amount. The City only accepts United States Treasuries or Agencies as collateral. The agreements are conditioned upon the collateral being deposited under the Federal Reserve book entry system or held in a segregated account by a custodian under tri-party repurchase agreements. In the event the counterparty defaults and the fair value of the collateral declines, the City could experience losses, delays and costs in liquidating the collateral, should it be required to liquidate the securities prior to stated maturities.

When-issued, Delayed delivery securities and Forward commitments risk. When-issued, delayed delivery securities and forward commitments involve the risk that a security the portfolio buys will lose value prior to its delivery. There also is the risk that a security will not be issued or that the other party to the transaction will not meet its delivery obligation. If this occurs, the portfolio may lose both the investment opportunity for the assets it set aside to pay for the security and any gain in the security's price.

Continued next page

III. Detailed notes continued:

A. Cash and investments continued:

Investments continued

As of June 30, 2018, the City had the following investments and maturities (this table includes fiduciary activities)

Investment Type	Book Value	Fair Market Value	Fair Value Investment Maturity (Years) Less Than 1	Fair Value Investment Maturity (Years) 1 - 5	Weighted Average Maturity (Years)
U.S. Treasury Debt Obligations	$ 341,162,756	$ 341,013,510	$ 286,824,860	$ 54,188,650	0.10
U.S. Agencies	1,354,739,233	1,343,027,684	442,390,452	900,637,232	1.16
Corporate bonds	134,780,042	133,761,860	99,936,911	33,824,949	0.05
Municipal bonds	27,595,836	27,390,672	19,801,000	7,589,672	0.02
Repurchase agreements	24,000,000	24,000,000	24,000,000	-	-
Time/Interest bearing deposits	4,044,340	4,044,340	-	4,044,340	-
Local Government Investment Pool	48,243,156	48,243,156	-	48,243,156	-
Total investments	$ 1,934,565,363	$ 1,921,481,222	$ 872,953,223	$ 1,048,527,999	1.33
Portfolio weighted average maturity (years)		1.33			
Net portfolio yield		1.86 %			

Continued next page

III. Detailed notes continued:

B. Receivables:

Receivables as of June 30, 2018, are as follows:

	Governmental Activities				
	General	Transportation Operating	Other Funds	Internal Service	Total
Taxes	$ 27,726,342	$ -	$ 14,182,923	$ -	$ 41,909,265
Accounts	34,888,212	27,800,325	4,246,765	12,267,831	79,203,133
Assessments	3,162	2,995,128	66,764,870	-	69,763,160
Notes and loans	377,463	125,000	458,813,382	161,100	459,476,945
Advances	1,774,834	100,000	3,923	-	1,878,757
Grants	-	-	13,221,766	-	13,221,766
Interest	562,076	905,846	1,961,208	715,248	4,144,378
Total receivables	65,332,089	31,926,299	559,194,837	13,144,179	669,597,404
Allowance for doubtful accounts	(303,925)	(56,481)	(384,785,279)	(697)	(385,146,382)
Receivables, net	$ 65,028,164	$ 31,869,818	$ 174,409,558	$ 13,143,482	$ 284,451,022
Not scheduled for collection during the subsequent year	$ 339,717	$ 125,000	$ 107,890,882	$ 107,400	$ 108,462,999
Delinquent special assessments	$ 1,787	$ 482,914	$ 23,542,083	$ -	$ 24,026,784

	Business-type Activities			
	Sewage Disposal	Water	Other Funds	Total
Accounts	$ 61,572,444	$ 33,416,799	$ 2,288,963	$ 97,278,206
Assessments	7,355,569	580,309	-	7,935,878
Notes and loans	-	-	624,556	624,556
Advances	-	119,761	60,000	179,761
Interest	1,653,693	882,901	189,629	2,726,223
Total receivables	70,581,706	34,999,770	3,163,148	108,744,624
Allowance for doubtful accounts	(5,094,050)	(3,066,602)	(10,758)	(8,171,410)
Receivables, net	$ 65,487,656	$ 31,933,168	$ 3,152,390	$ 100,573,214
Not scheduled for collection during the subsequent year	$ 4,481,699	$ 239,971	$ 624,556	$ 5,346,226
Delinquent special assessments	$ 362,675	$ 69,660	$ -	$ 432,335

Some special assessments in the Transportation Operating, Other nonmajor governmental, Sewage Disposal, and Water Funds are not expected to be collected within one year. Special assessment liens are defined as being delinquent once they are 30 days past due, this applies to assessments that cannot be financed, or to those that have entered into a financing repayment contract. Certain special assessments have not been financed but are under deferral status and are not deemed delinquent. Delinquent special assessments total $24.5 million.

Continued next page

III. Detailed notes continued:

B. Receivables continued:

Loans Receivable

Loans receivable are comprised of: 1) Portland Housing Bureau loans to qualified borrowers for rehabilitation and restoration of single and multi-family residences which are collateralized by real property; 2) Portland Bureau of Transportation loan; 3) Fleet; and 4) Portland Bureau of Environmental Services loan.

Portland Housing Bureau Loans:

The Portland Housing Bureau (PHB) loans receivable balances as of June 30, 2018 are as follows:

Fund and Program	Maximum Term	Interest Rate	Gross Loans Receivable	Allowance
Nonmajor governmental funds:				
Grants Fund:				
Multi-family housing:				
Cash flow loans	30 yrs	0 - 3%	$ 85,138	$ (80,881)
Equity gap loans	Indefinite	0	283,396	(283,396)
Amortized loans	30 yrs	0 - 3	8,546	(4,273)
Single-family housing:				
Deferred payment loans	30 yrs	0 - 3	270,122	(27,012)
Total gross Grants Fund			647,202	(395,562)
Total Net Grants Fund				251,640
Community Development Block Grant (CDBG) Fund:				
Multi-family housing:				
Cash flow loans	30 yrs	0 - 3%	22,671,158	(21,537,601)
Equity gap loans	Indefinite	0	17,812,844	(17,812,844)
Amortized loans	30 yrs	0 - 3	9,946,912	(4,973,456)
Deferred payment loans	60 yrs	0 - 8	2,261,641	(1,130,820)
Conditional Grants		0	1,798,318	(1,798,318)
Single-family housing:				
Amortized loans	26 yrs	0 - 5	178,286	(8,914)
Deferred payment loans	Indefinite	0	3,976,593	(397,659)
Shared appreciation mortgage	Indefinite	0	269,480	(67,370)
Special assets	Indefinite	0	82,407	(82,407)
Other deferred payment loans			600,000	(300,000)
Accrued interest on loans			2,285,309	(1,861,575)
Total gross CDBG Fund			61,882,948	(49,970,964)
Total net CDBG Fund				11,911,984

Continued next page

III. Detailed notes continued:

B. Receivables continued:

Fund and Program	Maximum Term	Interest Rate	Gross Loans Receivable	Allowance
HOME Grant Fund:				
Multi-family housing:				
Cash flow loans	45 yrs	0 - 3%	34,868,992	(33,125,541)
Equity gap loans	Indefinite	0	22,857,180	(22,857,180)
Amortized loans	30 yrs	1 - 3	5,803,742	(2,901,871)
Deferred payment loans	20 yrs	0 - 3	1,181,333	(590,667)
Single-family housing:				
Amortized loans	30 yrs	0	-	-
Shared appreciation mortgage	Indefinite	0	405,297	(101,324)
Accrued interest on loans			2,889,715	(2,067,697)
Total gross HOME Grant Fund			68,006,259	(61,644,280)
Total net HOME Grant Fund				6,361,979
Housing Investment Fund (HIF):				
Multi-family housing:				
Cash flow loans	45 yrs	0 - 5%	7,883,894	(7,489,699)
Equity gap loans	Indefinite	0	13,410,582	(13,410,582)
Amortized loans	30 yrs	0 - 7	5,765,715	(2,882,858)
Deferred payment loans	20 yrs	0 - 3	1,614,635	(807,318)
Single-family housing:				
Amortized loans	30 yrs	0	2	-
Deferred payment loans	30 yrs	0	75,306	(7,531)
Special assets	Indefinite	0	8,156	(8,156)
Accrued interest on loans			4,352,019	(2,328,410)
Total gross HIF			33,110,309	(26,934,554)
Total net HIF				6,175,755
Tax Increment Financing Reimbursement Fund (TIF):				
Multi-family housing:				
Cash flow loans	30 - 60 yrs	1-9	180,322,109	(171,306,003)
Equity gap loans	Indefinite	0	36,847,067	(36,847,067)
Amortized loans	30 yrs	0-7	43,974,786	(21,987,393)
Deferred payment loans	20 - 50 yrs	0-9	7,211,266	(3,605,633)
Conditional grants	Indefinite	0	3,142,568	(3,142,568)
Single-family housing:				
Amortized loans	20 - 30 yrs	1-5	208,815	(10,441)
Deferred payment loans	30 yrs	0-4	11,715,647	(1,171,565)
Shared appreciation mortgage	Indefinite	0	1,048,163	(262,041)
Special assets	Indefinite	0	22,556	(22,556)
Other deferred payment loans			9,180	(4,590)
Accrued interest on loans			10,423,874	(7,479,935)
Total gross TIF			294,926,031	(245,839,792)
Total net TIF				49,086,239
General Fund - N/NE Housing				
Single-family housing:				
Deferred payment loans	15 - 30 yrs	0	377,463	(37,746)
Total gross General Fund			377,463	(37,746)
Total Net General Fund				339,717
Total gross all funds			$ 458,950,212	$ (384,822,898)
Total net all funds				$ 74,127,314

Continued next page

III. Detailed notes continued:

B. Receivables continued:

Portland Housing Bureau Loan Guarantees

HUD Section 108 Loan Guarantees

The City of Portland has entered into contracts with the U.S. Department of Housing and Urban Development (HUD) as guarantor for guarantees made under HUD's Section 108 Loan Guarantee Program ("Program"). The Program, regulated by federal guidelines in 24 CFR 570, Subpart M, "Loan Guarantees", is a source of financing allotted for economic development, housing rehabilitation, public facilities rehabilitation, construction or installation for the benefit of low-to moderate-income persons, or to aid in the prevention of slums.

HUD contracts for loan guarantee assistance contain certain security provisions. The primary security is a pledge by the City of its current and future Community Development Block Grant (CDBG) funds. The City provides additional security for each Guaranteed Loan, and that such additional security must be acceptable to HUD. The additional security, as specified by federal regulation 24 CFR 570.705(b)(1), is identified in the individual contracts executed at the time each Guaranteed Loan is issued, and may include assets financed by the guaranteed loan.

Finally, the loan guarantee contracts provide that HUD may use existing pledged grants to prepay (or defeasance of) the Guaranteed Loan if HUD determines that the standard pledge of future CDBG funds is insufficient to assure payment of amounts due there under. HUD reserves the right to require further security, and the City may substitute other collateral subject to HUD's approval.

Housing Preservation Loan Fund Project.

In April, 2009, the City of Portland received approval confirmation from the HUD for the City's request for loan guarantee assistance of up to $15 million under Section 108 of the Housing and Community Development Act of 1974. City Ordinance number 182873, dated June 3, 2009, duly authorized acceptance of the funds from HUD and the creation of the Portland Housing Preservation Fund to facilitate related transactions. On December 21, 2009, the City signed contract ("Contract") number B-08-MC-41-003 with the HUD for the loan guarantee assistance, as well as two related contracts for specific Guaranteed Loan note commitments. Guaranteed Loan note commitments are executed with third-party borrowers under the HUD Section 108 program guidelines. These borrowers are scheduled to make periodic pass-through payments to the City, and the City will make annual principal and semi-annual interest payments to HUD.

Continued next page

III. Detailed notes continued:

B. Receivables continued:

As of June 30, 2018, the City had eleven outstanding loans receivable under the HUD Section 108 Loan Guarantee program totaling $9.5 million, for which the City is contingently liable. Each loan was executed with a promissory note signed by the borrower. Loan details are presented in the table below.

Borrower Name	Maximum Principal	Principal Disbursed as of 6/30/2018	Outstanding Balance as of 6/30/2018	Interest Rate	Maturity Date	Cash Flow Begin Date	Allowance	Loan Type
Cash Flow (CF) Loans:								
Roselyn Renewal, LLC	$ 830,000	$ 830,000	$ 830,000	0.50%	June, 2059	4/1/2011	$ (788,500)	Cash Flow
Reach Walnut Partners, LP	1,641,000	1,641,000	1,554,192	0.50%	May, 2071	4/1/2012	(1,476,482)	Cash Flow
Villa De Suenos, LP Loan # 2	750,000	750,000	716,530	0.00%	June, 2041	5/1/2012	(716,530)	Cash Flow
Uptown Tower Apartments, LP	700,000	700,000	700,000	4.50%	December, 2035	1/1/2026	(350,000)	Cash Flow
Total CF Loans	3,921,000	3,921,000	3,800,722				(3,331,512)	
Multi-Family Housing Amortized (MFHA) Loans:								
Halsey Center	650,000	650,000	-	3.00%	November, 2030	12/1/2010	-	MFHA
Upshur Renewal Housing, LP	415,000	415,000	315,656	5.00%	June, 2031	7/1/2011	(157,828)	MFHA
Villa De Suenos, LP Loan # 1	750,000	750,000	557,339	4.00%	June, 2031	7/1/2011	(278,669)	MFHA
Human Solutions Inc.	1,439,000	1,373,547	1,084,153	4.25%	October, 2031	10/1/2011	(542,076)	MFHA
Los Jardines, LP	400,000	396,019	315,201	2.72%	March, 2032	8/1/2012	(157,601)	MFHA
Vista De Rosas, LLC	1,115,000	1,115,000	1,076,966	5.00%	March, 2035	7/1/2015	(538,483)	MFHA
Hacienda CDC	2,400,000	2,400,000	2,330,250	5.00%	September, 2035	9/1/2016	(1,165,125)	MFHA
Total MFHA Loans	7,169,000	7,099,566	5,679,565				(2,839,782)	
Total	$ 11,090,000	$ 11,020,566	$ 9,480,287				$ (6,171,294)	

Annual repayment amounts for cash flow loan types are based on each borrower's excess cash flow level as defined in each of the Notes. An allowance for uncollectibility was established at 95 percent on the cash flow loans based on their non-amortizing repayment terms. Some of the borrowers reported no excess cash flow for the calendar year ended December 31, 2017, and accordingly 2018 payments on those loans were not received.

Annual repayments for multi-family amortized loans follow various set repayment schedules. An allowance for uncollectibility was established at 50% for these loans based on their amortized repayment terms.

Annual City repayments of principal are due to HUD August 1st of each year and mature on August 1, 2033, in accordance with the corresponding HUD Guaranteed Loan Program Variable/Fixed Rate Notes. For the corresponding note payable to HUD see Note III.I. Long-term debt, Loans Payable.

Continued next page

III. Detailed notes continued:

B. Receivables continued:

CityFleet Loans:

Legacy Emanuel Hospital and Health Center

Ordinance No. 185705 authorized the Office of Management and Finance (OMF) to exchange Real Property with Legacy Emanuel Hospital and Health Center. In exchange for the property, the Office of Management and Finance received proceeds including a one-time payment of $1,100,000 and ten annual payments of $53,700. Seven of the ten payments have been received and the remaining three payments totaling $161,100 have been accrued as a loan receivable in the CityFleet Operating Fund under the Office of Management and Finance. This loan carries out governmental objectives and bears zero-interest. The payment schedule is as follows:

Year Ending June 30,	Payment Date	Payment
2019	12/31/2018	$ 53,700
2020	12/31/2019	53,700
2021	12/31/2020	53,700
	Total	$ 161,100

Portland Bureau of Transportation Loan:

Under Ordinance No. 169688, the City loaned $125,000 to the Belmont Limited partnership for the redevelopment of the Belmont Dairy property as a mixed use, Section 42 low-income and moderate income housing/commercial rehabilitation project. The loan term is 30 years and it accrues interest at one percent per annum. The principal and interest are due on January 1, 2026.

Portland Bureau of Environmental Services Loans:

Portland Bureau of Environmental Services Loan: 3300 North Williams Ave

On April 9, 2013, the City of Portland Bureau of Environmental Services entered into an agreement with the U.S. Environmental Protection Agency, which enabled the City to establish and manage the Portland Brownfield Revolving Loan Fund. Under the agreement the City offers low-cost, flexible loans to assist with the remediation of Brownfield properties. The first loan under this agreement was entered into with 3300 North Williams Ave. LLC (North Williams) on April 9, 2013. The initial loan was for $135,000, which was later increased to $165,000 under Amendment No. 1, on December 18, 2013. The loan agreement stipulates an interest rate of three percent per annum. The disbursements to North Williams were made in fiscal year 2014 in the amount of $118,343, and $28,234 in fiscal year 2015 and the remaining of $18,423 thru fiscal year 2016 for the total of $165,000. Amendment No. 2 granted additional $75,000 loan in July 2016. During FY 2017 an additional $42,534 of the loan funds were disbursed to North Williams. The remaining available loan balance of $33,092 was disbursed in FY 2018. The property is undergoing a soil vapor extraction, under the supervision of the Oregon Department of Environmental Quality, to reduce soil pollution at the site to an acceptable level. Per agreement, re-payment of the loan is not required until the project is complete.

Continued next page

III. Detailed notes continued:

B. Receivables continued:

Portland Bureau of Environmental Services Loan: SE Ankeny St.

On October 1, 2008, the City of Portland Bureau of Environmental Services entered an agreement with Robert and Rose Schulz to conduct environmental remediation to facilitate environmental protection and beneficial reuse of several adjacent lots on SE Ankeny St. in Portland. Under this agreement the original loan amount was $485,520 and later increased to $500,000. Per the terms of the agreement the proceeds of the loan were held by the lender the City of Portland and used to secure contracted services to complete environmental remediation at the Ankeny properties to a residential standard established and approved by the Oregon Department of Environmental Quality (DEQ). The loan was secured by a trust deed and the interest rate on the loan was three percent, due in nine years. After the initial remediation effort was completed it was found that the SE Ankeny property still had contamination levels that would not allow its use for redevelopment. On March 17, 2016, the SE Ankeny properties were sold to Group 701 and Wayne Rask and the City allowed the new owners to assume the initial loan. The balance due on the loan at the time sale was $674,556. Group 701 LLC was required to make a $50,000 payment to the City toward the interest of the loan as a condition of the property purchase reducing the outstanding loan balance to $624,556. The interest rate per the amended agreement begins at one percent and escalates over the life of the loan with the loan due in nine years. Group 701 and Wayne Rask will continue to remediate the Ankeny Properties under the guidance of the DEQ, so the properties will meet contamination measurements that will allow the properties to be put to productive use. The loan agreement requires that the loan be paid in full when the property meets DEQ requirements and/or is sold.

C. Payables:

Payables and other accrued liabilities at June 30, 2018, are as follows:

	Governmental Activities					
	General	Transportation Operating	Other Funds	Internal Service	Unallocated Governmental	Total
Accounts to vendors and contractors	$ 25,022,228	$ 9,685,656	$ 14,996,771	$ 19,264,273	$ 9,155,347	$ 78,124,275
Interest on bonds and notes	-	-	-	7,357,353	100,866,809	108,224,162
Total payables	$ 25,022,228	$ 9,685,656	$ 14,996,771	$ 26,621,626	$ 110,022,156	$ 186,348,437

	Business-type Activities			
	Sewage Disposal	Water	Other Funds	Total
Accounts to vendors and contractors	$ 23,083,404	$ 11,788,430	$ 1,855,463	$ 36,727,297
Interest on bonds and notes	29,330,559	20,901,580	1,646,341	51,878,480
Total payables	$ 52,413,963	$ 32,690,010	$ 3,501,804	$ 88,605,777

Continued next page

III. Detailed notes continued:

D. Deferred outflows and inflows of resources and unearned revenue:

The City recognizes revenues when earned. Amounts received in advance of the period in which services are rendered are recorded as a liability, "unearned revenue". The City recognizes inflows of resources that relate to future periods as deferred inflows of resources. The various components of unearned revenue reported in the governmental funds at June 30, 2018 are as follows:

	Governmental Activities				
	General	Transportation Operating	Other Funds	Internal Service	Total
Grants	$ -	$ -	$ 4,824,973	$ -	$ 4,824,973
Misc. unearned	291,040	349,520	1,296	71,217	713,073
Total unearned revenue	$ 291,040	$ 349,520	$ 4,826,269	$ 71,217	$ 5,538,046

	Business-type Activities			
	Sewage Disposal	Water	Other Funds	Total
Total misc. unearned revenue	$ 937,747	$ 368,811	$ 301,270	$ 1,607,828

Various components of deferred inflows reported in the governmental funds at June 30, 2018 are as follows:

	Governmental Funds			
	General	Transportation Operating	Other Funds	Total
Receivables				
Accounts	$ 1,756,758	$ 959,558	$ 255,011	$ 2,971,327
Liens	3,162	2,995,128	66,170,150	69,168,440
Taxes	15,807,328	-	22,128,781	37,936,109
Total unavailable revenue	$ 17,567,248	$ 3,954,686	$ 88,553,942	$ 110,075,876

Continued next page

III. Detailed notes continued:

D. Deferred outflows and inflows of resources and unearned revenue continued:

Various components of deferred outflows reported in the Government-wide statements at June 30, 2018 are as follows:

	Governmental Activities	Business-type Activities	Total Government	Fiduciary Activities	Component Unit (Prosper Portland)	Total
Deferred Outflows of Resources:						
Payments made to OPERS since measurement date - Pensions	$ 39,271,766	$ 11,719,096	$ 50,990,862	$ 184,230	$ 915,328	$ 52,090,420
Difference between expected and actual investment earnings - Pensions	2,394,726	2,382,362	4,777,088	24,262	355,296	5,156,646
Change of assumption - Pensions	65,821,457	23,220,467	89,041,924	329,452	1,866,562	91,237,938
Changes in employer Proportion - Pensions	1,089,573	401,900	1,491,473	5,700	33,957	1,531,130
Difference between expected and actual experience - Pensions	17,569,932	6,074,427	23,644,359	87,435	474,115	24,205,909
FPDR's change in assumptions	266,665,798	-	266,665,798	-	-	266,665,798
FPDR's difference between projected and actual earnings	125,823	-	125,823	-	-	125,823
FPDR's difference between expected and actual earnings	58,817,349	-	58,817,349	-	-	58,817,349
Deferred Outflows - Pensions	451,756,424	43,798,252	495,554,676	631,079	3,645,258	499,831,013
Payments made since measurement date - OPEB - RHIA	1,444,153	330,372	1,774,525	4,491	33,160	1,812,176
Payments made since measurement date - OPEB Prosper Portland	-	-	-	-	35,524	35,524
Payments made since measurement date - OPEB HIC	4,519,830	1,033,981	5,553,811	14,056	-	5,567,867
Deferred Outflows - OPEB	5,963,983	1,364,353	7,328,336	18,547	68,684	7,415,567
Deferred charge for the difference between carrying amount and the reacquisition price of bonds	-	81,623	81,623	-	-	81,623
Total deferred outflows of resources	$ 457,720,407	$ 45,244,228	$ 502,964,635	$ 649,626	$ 3,713,942	$ 507,328,203
Deferred Inflows of Resources:						
Changes in employer proportion - Pensions	$ 3,509,458	$ 1,145,947	$ 4,655,405	$ 16,830	$ 82,302	$ 4,754,537
Difference between contributions and proportionate share of the contributions - Pensions	7,634,311	2,821,183	10,455,494	38,176	251,932	10,745,602
FPDR's difference between expected and actual experience	7,624,832	-	7,624,832	-	-	7,624,832
Changes in assumptions - FPDR	246,929,511	-	246,929,511	-	-	246,929,511
Deferred Inflows - Pensions	265,698,112	3,967,130	269,665,242	55,006	334,234	270,054,482
Difference between projected and actual investment earnings - OPEB	548,108	125,389	673,497	1,705	8,415	683,617
Changes in employer proportion - OPEB	9,408	2,150	11,558	29	146	11,733
Changes in assumptions - OPEB	5,289,057	579,514	5,868,571	7,878	-	5,876,449
Changes in assumptions - OPEB Prosper Portland	-	-	-	-	15,881	15,881
Deferred Inflows - OPEB	5,846,573	707,053	6,553,626	9,612	24,442	6,587,680
Difference between the carrying amount and the reacquisition price of refunded bonds	932,024	6,764,298	7,696,322	-	-	7,696,322
Total deferred inflows of resources	$ 272,476,709	$ 11,438,481	$ 283,915,190	$ 64,618	$ 358,676	$ 284,338,484

Continued next page

III. Detailed notes continued:

E. Fund balances, governmental funds:

On the Balance Sheet - Governmental Funds, balances were reported in the aggregate in the classifications defined by GASB Statement No. 54, Fund Balance Reporting and Governmental fund type definitions. Fund balances by classification for fiscal year-ended June 30, 2018 were as follows:

	General	Transportation Operating	Other Funds	Total
Nonspendable:				
Inventories	$ 365,483	$ 7,086,962	$ -	$ 7,452,445
Prepaid items	176,614	284,082	-	460,696
Permanent fund principal	-	-	163,025	163,025
Restricted:				
Public safety:				
Drug enforcement and education	-	-	4,783,095	4,783,095
Emergency facilities improvements	-	-	631,699	631,699
Emergency communications	-	-	1,203,593	1,203,593
Parks, recreation and culture:				
Capital improvement activities	-	-	124,843,651	124,843,651
Improvements or services	-	-	1,464,169	1,464,169
Operations, maintenance and capital programs	-	-	551,822	551,822
Promotion of program activities	-	-	22,622	22,622
Community development:				
Affordable housing	-	-	80,144,503	80,144,503
Childhood programs	-	-	8,720,860	8,720,860
Construction activities	-	-	74,985,153	74,985,153
Debt service	-	-	239,468	239,468
Federal housing and other programs	-	-	12,568,388	12,568,388
Financing and construction improvements	-	-	1,150,743	1,150,743
Funding of installation of solar electric systems on publicly-owned facilities	-	-	26,814	26,814
Inclusionary housing program	-	-	11,048,371	11,048,371
Transportation:				
Operations, maintenance & capital improvement	-	192,005,451	-	192,005,451
Street improvements	-	-	1,699,133	1,699,133
Legislative / admin / support services	-	-	8,369,555	8,369,555
Debt service	-	-	77,240,948	77,240,948

Continued next page

III. Detailed notes continued:

E. Fund balances, governmental funds continued:

	General	Transportation Operating	Other Funds	Total
Committed:				
Public safety:				
Emergency communications	-	-	1,126,907	1,126,907
Fire apparatus replacement	7,424,527	-	-	7,424,527
Parks, recreation and culture:				
Capital projects	-	-	1,629,625	1,629,625
Improvements and services	-	-	5,910,765	5,910,765
Community development:				
Affordable housing	-	-	9,287,410	9,287,410
Multi-family housing property operations	-	-	4,489,104	4,489,104
Solar power on publicly-owned facilities	-	-	35,019	35,019
Legislative / admin / support services:				
Activities of economic improvement districts	-	-	82,974	82,974
Promotion of convention business and tourism	-	-	143,969	143,969
Recreational cannabis activities	-	-	3,872,514	3,872,514
Reserves for General Fund stabilization	53,574,997	-	-	53,574,997
Assigned:				
Public safety:				
Fire and police payroll	11,668,282	-	-	11,668,282
Parks, recreation and culture:				
Capital projects	-	-	1,258,450	1,258,450
Improvements and services	-	-	10,452,396	10,452,396
Community development:				
Affordable housing	-	-	2,469,727	2,469,727
Construction activities	-	-	16,066,321	16,066,321
Federal housing and other programs	-	-	20,716	20,716
Financing and construction of improvements	-	-	2,201,924	2,201,924
Housing projects	-	-	1,319,927	1,319,927
Transportation	-	39,335,648	-	39,335,648
Debt service	-	-	16,910,552	16,910,552
Unassigned	46,265,155	-	(24,250,450)	22,014,705
Total fund balances	$ 119,475,058	$ 238,712,143	$ 462,885,462	$ 821,072,663

Continued next page

III. Detailed notes continued:

F. Capital assets:

Primary Government

In the governmental activities column of the statement of activities, capital asset reclassification or transfers between governmental funds and internal service funds have been eliminated. In a like manner, capital asset transfers between enterprise funds have been eliminated in the business-type activities column. The remaining transfers shown on the statement of activities consist of $(5,298) in capital asset transfers between governmental activities and business-type activities.

Capital assets activity for the primary government, which excludes fiduciary activities, for the year ended June 30, 2018, is as follows:

	Beginning Balance	Increases	Decreases	Reclassifications and Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated or amortized:					
Land	$ 233,587,229	$ 65,578	$ (363,639)	$ 8,493,804	$ 241,782,972
Construction in progress	358,954,769	140,941,099	-	(136,373,712)	363,522,156
Intangible assets:					
Land use rights	48,910,631	6,035,019	-	501,029	55,446,679
Owning rights	28,953	-	-	-	28,953
Total capital assets, not being depreciated or amortized	641,481,582	147,041,696	(363,639)	(127,378,879)	660,780,760
Capital assets, being depreciated or amortized:					
Infrastructure	4,757,667,090	6,228,753	-	69,800,708	4,833,696,551
Buildings	414,025,816	256,839	(1,560,384)	41,699,203	454,421,474
Improvements to land	154,501,132	23,037	-	741,451	155,265,620
Equipment	220,398,853	5,078,171	(10,011,698)	15,050,299	230,515,625
Intangible assets:					
Software	70,973,573	69,621	(1,221,870)	81,920	81920 69,903,244
Total capital assets being depreciated or amortized	5,617,566,464	11,656,421	(12,793,952)	127,373,581	5,743,802,514
Less accumulated depreciation or amortization for:					
Infrastructure	(3,816,589,460)	(162,631,943)	-	-	(3,979,221,403)
Buildings	(163,016,435)	(9,379,765)	480,067	-	(171,916,133)
Improvements to land	(83,625,243)	(5,813,976)	-	-	(89,439,219)
Equipment	(99,048,752)	(13,847,536)	8,151,684	-	(104,744,604)
Intangible assets:					
Software	(56,222,432)	(3,353,855)	1,211,545	-	(58,364,742)
Total accumulated depreciation or amortization	(4,218,502,322)	(195,027,075)	9,843,296	-	(4,403,686,101)
Total capital assets, being depreciated or amortized, net	1,399,064,142	(183,370,654)	(2,950,656)	127,373,581	1,340,116,413
Governmental activities capital assets, net	$ 2,040,545,724	$ (36,328,958)	$ (3,314,295)	$ (5,298)	$ 2,000,897,173

Continued next page

III. Detailed notes continued:

F. Capital assets continued:

	Beginning Balance	Increases	Decreases	Reclassifications and Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated or amortized:					
Land	$ 111,957,641	$ 179,317	$ (5,038,934)	$ 1,937,987	$ 109,036,011
Construction in progress	264,625,660	190,170,914	-	(102,979,902)	351,816,672
Intangible assets:					
Land use rights	15,791,922	457,648	(19,236)	40,526	16,270,860
Total capital assets, not being depreciated or amortized	392,375,223	190,807,879	(5,058,170)	(101,001,389)	477,123,543
Capital assets, being depreciated or amortized:					
Infrastructure	4,792,093,037	3,501,351	(4,048,398)	91,808,772	4,883,354,762
Buildings	298,951,279	714,804	(3,717,948)	1,192,492	297,140,627
Improvements to land	78,914,805	484,785	(1,272,932)	519,435	78,646,093
Equipment	67,084,823	795,898	(3,415,445)	6,298,184	70,763,460
Intangible assets:					
Land use rights	806,221	-	-	37,719	843,940
Owning rights	10,776	-	-	-	10,776
Software	17,241,563	-	-	1,150,085	18,391,648
Total capital assets being depreciated or amortized	5,255,102,504	5,496,838	(12,454,723)	101,006,687	5,349,151,306
Less accumulated depreciation or amortization for:					
Infrastructure	(926,920,308)	(69,361,123)	3,485,910	-	(992,795,521)
Buildings	(114,135,633)	(6,425,320)	2,572,553	-	(117,988,400)
Improvements to land	(21,837,022)	(2,879,648)	128,775	-	(24,587,895)
Equipment	(33,950,349)	(4,888,762)	2,832,399	-	(36,006,712)
Intangible assets:					
Land use rights	(31,747)	(18,388)	-	-	(50,135)
Owning rights	(4,618)	(770)	-	-	(5,388)
Software	(15,653,866)	(226,567)	-	-	(15,880,433)
Total accumulated depreciation or amortization	(1,112,533,543)	(83,800,578)	9,019,637	-	(1,187,314,484)
Total capital assets, being depreciated or amortized, net	4,142,568,961	(78,303,740)	(3,435,086)	101,006,687	4,161,836,822
Business-type activities capital assets, net	$ 4,534,944,184	$ 112,504,139	$ (8,493,256)	$ 5,298	$ 4,638,960,365

Continued next page

III. Detailed notes continued:

F. Capital assets continued:

	Beginning Balance	Increases	Decreases	Reclassifications and Transfers	Ending Balance
Total:					
Capital assets, not being depreciated or amortized:					
Land	$ 345,544,870	$ 244,895	$ (5,402,573)	$ 10,431,791	$ 350,818,983
Construction in progress	623,580,429	331,112,013	-	(239,353,614)	715,338,828
Intangible assets:					
Land use rights	64,702,553	6,492,667	(19,236)	541,555	71,717,539
Owning rights	28,953	-	-	-	28,953
Total capital assets. not being depreciated or amortized	1,033,856,805	337,849,575	(5,421,809)	(228,380,268)	1,137,904,303
Capital assets, being depreciated or amortized:					
Infrastructure	9,549,760,127	9,730,104	(4,048,398)	161,609,480	9,717,051,313
Buildings	712,977,095	971,643	(5,278,332)	42,891,695	751,562,101
Improvements to land	233,415,937	507,822	(1,272,932)	1,260,886	233,911,713
Equipment	287,483,676	5,874,069	(13,427,143)	21,348,483	301,279,085
Intangible assets:					
Land use rights	806,221	-	-	37,719	843,940
Owning rights	10,776	-	-	-	10,776
Software	88,215,136	69,621	(1,221,870)	1,232,005	88,294,892
Total capital assets being depreciated or amortized	10,872,668,968	17,153,259	(25,248,675)	228,380,268	11,092,953,820
Less accumulated depreciation or amortization for:					
Infrastructure	(4,743,509,768)	(231,993,066)	3,485,910	-	(4,972,016,924)
Buildings	(277,152,068)	(15,805,085)	3,052,620	-	(289,904,533)
Improvements to land	(105,462,265)	(8,693,624)	128,775	-	(114,027,114)
Equipment	(132,999,101)	(18,736,298)	10,984,083	-	(140,751,316)
Intangible assets:					
Land use rights	(31,747)	(18,388)	-	-	(50,135)
Owning rights	(4,618)	(770)	-	-	(5,388)
Software	(71,876,298)	(3,580,422)	1,211,545	-	(74,245,175)
Total accumulated depreciation or amortization	(5,331,035,865)	(278,827,653)	18,862,933	-	(5,591,000,585)
Total capital assets, being depreciated or amortized, net	5,541,633,103	(261,674,394)	(6,385,742)	228,380,268	5,501,953,235
Total capital assets, net	$ 6,575,489,908	$ 76,175,181	$ (11,807,551)	$ -	$ 6,639,857,538

Capitalized interest

Total interest costs incurred in business-type activities in fiscal year ended June 30, 2018 were $72.1 million of which $8.5 million was capitalized for a net interest expense of $63.6 million.

Depreciation and amortization

Fully depreciated capital assets at June 30, 2018 totaled $266,369,963, of which $147,594,439 pertains to governmental activities and $118,775,524 to business-type activities. The total remaining salvage value is $1,198,123, of which $1,138,257 pertains to governmental activities and $59,866 to business-type activities. Capital assets held by the City of Portland's internal service funds are billed according to interagency agreements to the various functions based on their usage of the assets. Depreciation and amortization expenses are charged to the internal service fund that owns and bills for the use of the assets.

Continued next page

III. Detailed notes continued:

F. Capital assets continued:

Depreciation and amortization continued

Depreciation and amortization expenses of the primary government are as follows:

	Amounts
Governmental activities:	
Public safety	$ 5,973,506
Parks, recreation and culture	9,676,234
Community development	498,812
Transportation	164,204,344
Legislative/ admin/ support services	466,937
Environmental services	78,650
Water	176,567
Parking facilities	17,000
Total governmental funds	181,092,050
Internal service funds -	
Legislative/ admin/ support services	13,935,025
Total governmental activities	$ 195,027,075
Business-type activities:	
Environmental services	$ 48,053,614
Water	30,519,029
Hydroelectric power	607,392
Parking facilities	597,560
Golf	715,166
Motor sports	139,184
Spectator facilities	3,168,635
Total business-type activities	$ 83,800,580

Continued next page

III. Detailed notes continued:

F. Capital assets continued:

Component Unit - Prosper Portland

Activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 16,011,711	$ 5,159	$ -	$ -	$ 16,016,870
Work in progress-software	-	135,022	-	-	135,022
Work in progress-Lents Commons	5,263,165	8,825,220	-	(14,088,385)	-
Work in progress-Block 49 parking garage	1,354,358	4,215,560	-	-	5,569,918
Total capital assets, not being depreciated	22,629,234	13,180,961	-	(14,088,385)	21,721,810
Capital assets, being depreciated or amortized:					
Buildings and improvements	23,083,400	-	-	14,088,385	37,171,785
Leasehold improvements	3,849,501	-	-	-	3,849,501
Vehicles and equipment	1,155,937	109,425	(713,461)	-	551,901
Intangible assets:					
Software	1,778,402	-	-	-	1,778,402
Total capital assets, being depreciated or amortized	29,867,240	109,425	(713,461)	14,088,385	43,351,589
Less accumulated depreciation or amortization for:					
Buildings and improvements	(2,185,473)	(545,336)	-	-	(2,730,809)
Leasehold improvements	(3,849,501)	-	-	-	(3,849,501)
Vehicles and equipment	(953,770)	(70,828)	706,736	-	(317,862)
Intangible assets:					
Software	(391,331)	(177,840)	-	-	(569,171)
Total accumulated depreciation or amortization	(7,380,075)	(794,004)	706,736	-	(7,467,343)
Total capital assets, being depreciated or amortized, net	22,487,165	(684,579)	(6,725)	14,088,385	35,884,246
Total governmental activities capital assets, net	$ 45,116,399	$ 12,496,382	$ (6,725)	$ -	$ 57,606,056

G. Interfund receivables, payables, and transfers:

Due to/from other funds and component unit

Primary government

Transactions between individual funds and the component unit are recorded as “due to” and “due from.” Repayment of these transactions is required. The General Fund due to the fiduciary fund represents employer contributions to pay pension benefits. Interfund balances are expected to be repaid within one year.

Continued next page

III. Detailed notes continued:

G. Interfund receivables, payables, and transfers continued:

The composition of due to and due from other funds as of June 30, 2018 was:

	Governmental Activities		Business-type Activities		
	Transportation Operating	Other Funds	Water	Fiduciary Activities	Total Due To Other Funds
Governmental Activities:					
General	$ -	$ -	$ -	$ 9,155,346	$ 9,155,346

Component Unit - Prosper Portland

The amount due from Prosper Portland to the City is $23.8 million in accounts receivable. The amounts due from the City to Prosper Portland for various grant expenditures and other intergovernmental agreements total $5.1 million.

	Governmental Activities				Business-type Activities			Net Due (To) From Component Unit
	General	Transportation Operating	Other Funds	Internal Services	Sewage Disposal	Other Funds	Prosper Portland	
Governmental Activities:								
General	$ -	$ -	$ -	$ -	$ -	$ -	$ (1,932,029)	$ (1,932,029)
Other funds	-	-	-	-	-	-	(1,378,074)	(1,378,074)
Internal service funds	-	-	-	-	-	-	(1,825,875)	(1,825,875)
Total due (to) from component unit	-	-	-	-	-	-	(5,135,978)	(5,135,978)
Prosper Portland:								
Prosper Portland - All funds	154,686	-	23,658,842	105	-	-	-	23,813,633
Net due from (to) component unit	$ 154,686	$ -	$ 23,658,842	$ 105	$ -	$ -	$ (5,135,978)	$ 18,677,655

Interfund transfers

The primary purposes of the significant transfers that occur on a routine basis are as follows: General Fund's transfers to the Transportation Operating Fund are mainly for street lighting operation and maintenance. General Fund's transfers to Nonmajor Governmental Funds are for various programs including: emergency communications, development services support, debt service payments, and General Fund's portion of the PERS debt. General Fund's transfers to Internal Service Funds are for financial commitments to fund operating improvements. Transportation Fund's transfers to Nonmajor Governmental Funds are for debt service payments and Transportation Fund's portion of the PERS debt. Internal Service Funds' transfers to General Fund are for budgeted General Fund discretionary. Nonmajor Enterprise Funds' transfers to Transportation fund are for overhead charges.

In the governmental activities column of the statement of activities, transfers between governmental funds have been eliminated. In a like manner, transfers between enterprise funds have been eliminated in the business-type activities column.

Continued next page

III. Detailed notes continued:

G. Interfund receivables, payables, and transfers continued:

Interfund transfers and the reconciliation to the statement of activities for the fiscal year ended June 30, 2018 consist of the following:

	Governmental Activities				Business-type Activities			
	General	Transportation Operating	Other Funds	Internal Service	Sewage Disposal	Water	Other Funds	Total Transfers Out
Governmental activities:								
General	$ -	$ 23,478,969	$ 24,910,750	$ 4,425,002	$ -	$ 1,020,000	$ 250,000	$ 54,084,721
Transportation	-	700,000	2,823,517	-	44,704	20,246	-	3,588,467
Other funds	677,870	1,610,328	103,269,034	1,344,555	57,000	-	-	106,958,787
Internal service	291,746	-	298,258	-	-	-	-	590,004
Business-type activities:								
Sewage disposal	-	-	600,825	-	-	-	-	600,825
Water	-	-	627,020	-	102,143	-	-	729,163
Other funds	323,648	-	61,428	-	-	-	-	385,076
Total transfers in	$ 1,293,264	$ 25,789,297	$ 132,590,832	$ 5,769,557	$ 203,847	$ 1,040,246	$ 250,000	166,937,043

Reconciliation:	
Total internal service funds	(590,004)
Total governmental funds	(164,631,975)
Total business-type activities	(102,143)
Capital assets transferred to governmental activities	(5,299)
Governmental activities transfers to business-type activities	(1,391,950)
Total transfers per Statement of Activities	$ 215,672

Interfund loans

As of June 30, 2018, the Grants fund received a temporary interest-free operating loan of $10 million from the Transportation Operating Fund. The operating loan was authorized by Resolution No. 37367 and is expected to be repaid during fiscal year 2018-19.

Resolution 37366 authorized a temporary loan of $48 million between Bureau of Development Services and Portland Housing Bureau. The loan will provide interim financing for affordable housing property purchases, including a 52-unit apartment under construction at 10506 E Burnside. Voters had approved issuance of $258.4 million in general obligation bonds in November 2016, but due to timing difference a temporary interfund loan became more cost-effective.

Resolution No. 37081 authorized a temporary loan of $1.5 million from the Parks Capital Improvement Fund to the Golf Fund to finance the redesign the Colwood Golf Course. The outstanding amount and loan repayment are planned as follows:

Fiscal Year Ended June 30,	Principal	Interest
2019	$ 113,500	$ 19,337
2020	170,250	21,617
2021	170,250	20,554
2022	283,750	17,988
2023	$ 340,500	$ 10,600

Continued next page

III. Detailed notes continued:

G. Interfund receivables, payables, and transfers continued:

Interfund loan balances at June 30, 2018 were:

	Governmental Activities			
	General	Transportation Operating	Other Fund	Total Internal Loans Payable
Governmental activities:				
Nonmajor Funds	$ -	$ 10,000,000	$ 15,100,000	$ 25,100,000
Business-type activities:				
Nonmajor Funds	-	-	1,078,250	1,078,250
Total Internal loans receivable	$ -	$ 10,000,000	$ 16,178,250	$ 26,178,250

Internal balances

In December 2017, the City Council voted to authorize a settlement in the sum of $10 million in the *Anderson et al. v. City of Portland* lawsuit in regards to certain expenditures from the Water and Sewer funds. Per Ordinance 188743, $3 million of the settlement was paid by the General fund in FY 17-18, the remaining $7 million will be reimbursed to the Water and Sewer funds in future years. The General Fund is reported on the current financial resources measurement focus and the modified accrual basis of accounting, which does not report long term liabilities in the fund financial statements. The Governmental Activities column of the Government Wide Statement of Net Position includes the reported internal balances for the General Fund.

	Governmental Activities			
	General	Transportation Operating	Other Fund	Total Internal Loans Payable
Governmental activities:	$ -	$ -	$ -	$ -
Business-type activities:				
Sewage Disposal	1,457,886	-	-	1,457,886
Water	5,541,410	-	-	5,541,410
Nonmajor Funds	704	-	-	704
Total internal balances	$ 7,000,000	$ -	$ -	$ 7,000,000

H. Leases:

Operating leases

Lessor operating leases

The City is involved in various cancelable and non-cancelable leasing arrangements under operating leases for land, buildings, equipment and land use rights which are leased mainly to commercial and retail customers. The City's leasing arrangements also include long-term contracts where the purpose is to support benevolent causes for citizens rather than to generate rental income. Thereby, the facilities are rented at reduced rates to nonprofit social services agencies. Initial lease term ranges from zero to 99 years and renewable options from zero to 75 years. The straight-line method of accounting is used to depreciate and amortize the leased properties over the term of the lease.

Continued next page

III. Detailed notes continued:

H. Leases continued:

Operating leases continued

Through the services of various property management companies, the City continues to increase its ownership and investment in rental properties. The total cost and accumulated depreciation includes leased space which represents a percentage of the total square feet of each structure. Included among the leased properties are land use rights; these properties were donated to the City, but due to the passage of time their cost is nil. Governmental activities generated $6.6 million in rental income in FY 17-18 and $3.7 million in FY 16-17. Business-type activities generated $2.3 million in FY 17-18 and $2.7 million in FY 16-17. Contingent rent was insignificant in both FY 17-18 and FY 16-17.

As of June 30, 2018, the City's investment in operating leases is as follows:

	Cost	Accumulated Depreciation	Book Value
Land and improvements	$ 9,645,795	$ 390,895	$ 9,254,900
Buildings	118,237,780	14,359,366	103,878,414
Net Investments	$ 127,883,575	$ 14,750,261	$ 113,133,314

As of June 30, 2018, future minimum rents to be received from non-cancelable operating leases are contractually due as follows:

Fiscal Year Ending June 30,	Governmental Activities	Business-type Activities	Total
2019	$ 1,177,561	$ 1,900,853	$ 3,078,414
2020	744,873	1,601,338	2,346,211
2021	642,100	1,407,418	2,049,518
2022	571,546	1,278,144	1,849,690
2023	470,776	898,700	1,369,476
2024-2028	2,427,479	2,766,841	5,194,320
2029-2033	1,830,363	2,476,629	4,306,992
2034-2038	1,192,579	2,801,572	3,994,151
2039-2043	1,156,308	2,508,472	3,664,780
2044-2048	1,180,076	-	1,180,076
2049-2053	1,150,986	-	1,150,986
2054-2058	733,639	-	733,639
2059-2063	490,161	-	490,161
2064-2068	555,655	-	555,655
2069-2073	629,072	-	629,072
2074-2078	660,487	-	660,487
2079-2083	379,813	-	379,813
Total	$ 15,993,474	$ 17,639,967	$ 33,633,441

Continued next page

III. Detailed notes continued:

H. Leases continued:

Operating leases continued

Lessee operating leases

The City has various noncancelable operating lease commitments including land, buildings and equipment with lease terms varying from one to 99 years and renewal options from zero to 25 years. Provisions for future rent adjustments or rent free periods are specified in the lease agreement; usually, rental increases are predetermined, affixed to a range from 3 to 5 percent or contains an escalation clause linked to the consumer price index. The rental payments are recorded as expenditures or expenses of the related fund when incurred. The City also has noncancelable sublease agreements for certain communication towers, office and parking spaces.

Total operating lease expenditures includes contingent rent attributed to the consumer price index. For the year ended June 30, 2018, operating expenses are summarized as follows:

	Fiscal Year Ending June 30,	
	2018	2017
Minimum rents	$ 8,291,892	$ 3,756,025
Contingent rents	37,673	58,649
Sublease rental income	48,302	48,007
Total rental expense	$ 8,377,867	$ 3,862,681

The significant increase in rental expenses can be attributed to the construction work at the Portland building which is expected to continue into FY 19-20.

Continued next page

III. Detailed notes continued:

H. Leases continued:

Operating leases continued

As of June 30, 2018, future annual lease commitments under noncancelable operating leases are follows:

	Governmental Activities		Business-type Activities	Fiduciary Activities	
Fiscal Year Ending June 30,	Minimum Lease Commitments	Sublease Income *	Minimum Lease Commitments	Minimum Lease Commitments	Lease Commitments
2019	$ 6,874,225	$ 23,425	$ 620,699	$ 210,354	$ 7,728,703
2020	5,199,747	24,020	281,172	216,665	5,721,604
2021	1,091,574	-	15,173	74,026	1,180,773
2022	656,899	-	-	-	656,899
2023	494,276	-	-	-	494,276
2024-2028	1,222,914	-	-	-	1,222,914
2029-2033	443,269	-	-	-	443,269
2034-2038	502,497	-	-	-	502,497
2039-2043	569,640	-	-	-	569,640
2044-2048	645,753	-	-	-	645,753
2049-2053	732,037	-	-	-	732,037
2054-2058	829,850	-	-	-	829,850
2059-2063	940,733	-	-	-	940,733
2064-2068	1,066,432	-	-	-	1,066,432
2069-2073	1,208,926	-	-	-	1,208,926
2074-2078	1,370,459	-	-	-	1,370,459
2079-2083	1,553,577	-	-	-	1,553,577
2084-2088	1,761,162	-	-	-	1,761,162
2089-2093	1,996,484	-	-	-	1,996,484
2094-2098	2,263,249	-	-	-	2,263,249
2099-2103	571,069	-	-	-	571,069
	$ 31,994,772	$ 47,445	$ 917,044	$ 501,045	$ 33,460,306

* Sublease income not included in total

I. Long-term debt:

The City issues a variety of debt types for the purpose of carrying out its capital financing activities. The various types of debt are discussed below and each debt type reports the range of maturities for each of its outstanding debt issue. The City's tax-exempt debt remains in compliance with all Internal Revenue Service arbitrage regulations. Outstanding debt amounts are as of June 30, 2018.

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

General obligation bonds

The City issues general obligation bonds for the acquisition and construction of capital improvements of major capital facilities. General obligation bonds are currently outstanding for only governmental activities. The currently outstanding unlimited tax general obligation bonds for governmental activities were originally issued at $178.5 million. Currently $137 million of these bonds are outstanding. The bonds were originally issued for emergency facilities, public safety, parks improvements and affordable housing. The City is authorized to levy an unlimited ad valorem tax to pay for these bonds.

In January of 2018 the City sold $23.4 million of 2018 Series A General Obligation Bonds. These bonds will be used to finance parks improvements that are eligible for federally tax-exempt financing, including a portion of the rehabilitation of Pioneer Courthouse Square, improvement to playground, pools, maintenance facilities, trails and bridges; and projects designed to improve accessibility. These bonds will be repaid over 12 years with interest rates ranging from two to five percent.

In April of 2018 the City sold $8.8 million of 2018 Series B General Obligation Bonds. These bonds were issued to refund certain outstanding maturities of the City's General Obligation Emergency Facilities Bonds, 2008 Series A and to pay costs of issuance. These bonds will be repaid over ten years with interest rates ranging from 2.5 to 5.0 percent.

Oregon state law limits general obligation debt to three percent of real market value. At June 30, 2018 the City's unused debt margin is $4 billion.

General obligation bonds currently outstanding are as follows:

	Bond Series	Interest Rates(s) Outstanding Debt	Date of Issue	Remaining Years of Maturity	Amount of Original Issue	Outstanding June 30, 2018
Governmental activities:						
Emergency Facilities	2009A	4.00	07/10/2009	2019	$ 14,560,000	$ 1,650,000
Emergency Facilities	2011A	3.00-4.125	05/13/2011	2019-2026	25,835,000	15,195,000
Emergency Facilities	2014A	2.50-5.00	03/27/2014	2019-2029	29,795,000	22,890,000
Emergency Facilities	2015A	2.00-5.00	06/02/2015	2019-2029	17,145,000	14,095,000
Parks Improvement	2015C	2.00-5.00	07/30/2015	2019-2029	23,850,000	17,190,000
Affordable Housing	2017A	2.50-5.00	05/18/2017	2019-2037	35,085,000	34,050,000
Parks Improvement	2018A	2.00-5.00	01/18/2018	2019-2030	23,445,000	23,445,000
Emergency Facilities	2018B	2.50-5.00	04/23/2018	2019-2028	8,815,000	8,815,000
Total governmental activities					$ 178,530,000	$ 137,330,000

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

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

Fiscal Year Ending June 30,	Governmental Activities Principal	Interest
2019	$ 11,540,000	$ 5,510,976
2020	9,665,000	4,670,256
2021	10,030,000	4,304,456
2022	10,470,000	3,864,856
2023	10,905,000	3,425,456
2024-2028	53,485,000	10,100,894
2029-2033	22,090,000	2,878,931
2034-2038	9,145,000	758,275
Total	$ 137,330,000	$ 35,514,100

Limited tax improvement bonds

The City has $28.7 million of outstanding limited tax improvement bonds. These bonds were issued for the purpose of financing local improvement district projects. These bonds are expected to be fully self-supporting from assessment payments received from property owners benefiting from the improvement projects. In addition, the City has pledged its full faith and credit to pay the bonds. Interest rates on the outstanding bonds range from four to five percent.

Limited tax improvement bonds currently outstanding are as follows:

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Remaining Years of Maturity	Amount of Original Issue	Outstanding June 30, 2018
Governmental activities:						
Limited Tax Improvement	2007A	5.00%	06/28/2007	2027	$ 41,745,000	$ 15,755,000
Limited Tax Improvement	2010A	4.125	04/29/2010	2030	22,305,000	8,935,000
Limited Tax Improvement	2011A	4.00	12/13/2011	2022-2032	3,400,000	920,000
Limited Tax Improvement	2014A	4.00	06/26/2014	2018-2034	7,385,000	3,050,000
Total governmental activities					$ 74,835,000	$ 28,660,000

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

Annual debt service requirements to maturity for limited tax improvement bonds are as follows:

Fiscal Year Ending June 30,	Governmental Activities Principal	Interest
2019	$ 430,000	$ 1,315,119
2020	-	1,297,919
2021	-	1,297,919
2022	-	1,297,919
2023	-	1,297,919
2024-2028	15,755,000	5,701,842
2029-2033	9,855,000	1,408,338
2034-2038	2,620,000	104,800
Total	$ 28,660,000	$ 13,721,775

Urban renewal and redevelopment bonds

The City issues urban renewal and redevelopment bonds to finance capital projects that stimulate job creation and growth in designated target areas. The City's urban renewal and redevelopment bonds are secured solely by and paid from the tax increment revenues generated from the respective urban renewal areas. No additional City revenues are pledged to the repayment of these bonds. The City has $357.2 million outstanding long-term urban renewal and redevelopment bonds for nine of its urban renewal districts, including Airport Way, Oregon Convention Center, South Park Blocks, Downtown Waterfront, Interstate Corridor, Lents Town Center, North Macadam, Central Eastside, and River District. Interest rates on the outstanding bonds range from 1.38 to 6.30%.

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

Urban renewal bonds currently outstanding are as follows:

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Remaining Years of Maturity	Amount of Original Issue	Outstanding June 30, 2018
Governmental activities:						
Airport Way	2015A	1.38%	07/09/2015	2019-2020	$ 24,897,200	$ 10,166,200
Central Eastside	2011A	5.535-6.246	03/31/2011	2019-2021	10,205,000	3,040,000
Central Eastside	2011B	4.00-5.375	03/31/2011	2021-2031	19,485,000	19,485,000
Downtown Waterfront	2008A	5.36-6.30	04/22/2008	2019-2024	50,165,000	29,495,000
Downtown Waterfront	2011A	4.00-5.00	07/06/2011	2019-2020	30,370,000	9,525,000
Interstate Corridor	2011A	4.624-6.294	08/11/2011	2019-2021	28,890,000	17,210,000
Interstate Corridor	2011B	4.50-5.00	08/11/2011	2026-2031	17,245,000	17,245,000
Interstate Corridor	2015A	5.00	03/17/2015	2019-2025	17,155,000	12,645,000
Lents District	2010A	5.784-6.284	06/24/2010	2019-2024	21,240,000	10,910,000
Lents District	2010B	4.25-5.00	06/24/2010	2024-2030	15,650,000	15,650,000
North Macadam	2010A	5.374-5.574	09/23/2010	2019-2022	29,645,000	9,940,000
North Macadam	2010B	3.75-5.00	09/23/2010	2022-2030	35,280,000	35,280,000
Oregon Convention Center	2012A	3.623-4.323	05/17/2012	2020-2025	69,760,000	69,760,000
Oregon Convention Center	2011B	5.00	07/06/2011	2019-2020	29,685,000	9,330,000
River District	2012A	3.144-4.430	07/10/2012	2019-2026	24,250,000	14,560,000
River District	2012B	4.00-5.00	07/10/2012	2019-2032	34,140,000	22,335,000
River District	2012C	3.75-5.00	07/10/2012	2026-2031	15,275,000	15,275,000
South Park Blocks	2008A	6.031-6.081	07/16/2008	2019	34,580,000	3,360,000
South Park Blocks	2008B	5.00	07/16/2008	2019-2024	32,020,000	32,020,000
Total governmental activities					$ 539,937,200	$ 357,231,200

Annual debt service requirements to maturity for urban renewal and redevelopment bonds are as follows:

Fiscal Year Ending June 30,	Governmental Activities Principal	Interest
2019	$ 39,922,300	$ 16,997,232
2020	38,963,900	15,146,304
2021	39,475,000	13,352,267
2022	41,335,000	11,507,119
2023	43,300,000	9,540,602
2024-2028	111,035,000	23,083,570
2029-2033	43,200,000	4,216,287
Total	$ 357,231,200	$ 93,843,381

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

The City has directly placed its Airport Way Urban Renewal and Redevelopment Bond, 2015 Series A, which is outstanding in the amount of $10.2 million and has a final maturity of June 15, 2020. The Bond is secured by the tax increment revenues of the Airport Way urban renewal area. In the event of default, the lender may exercise any remedy available under the law, but the outstanding amounts are not subject to acceleration. The interest rate on the Bond may be adjusted in the event of taxability, whereby the interest payable on the Bond is includable in the gross income of the lender for federal income tax purposes.

Limited tax and limited tax revenue bonds

The City has issued limited tax revenue bonds to finance local and public capital improvement projects and to reduce the City's payments to the State of Oregon Public Employees Retirement System (PERS).

These bond issues include non-self-supporting General Fund obligations and self-supporting General Fund obligations.

Non-self-supporting General Fund-secured obligations

As of June 30, 2018, the City had $29.3 million of outstanding limited tax revenue bonds and $21.2 million of outstanding limited tax housing revenue bonds. These bonds are full faith and credit obligations of the City secured by all legally available funds. Because they largely are expected to be repaid from General Fund resources, these obligations are considered to be non-self-supporting.

In June of 2018, the City issued $7.9 million of 2018 Series A Limited Tax Revenue Bonds. The City has pledged its full faith and credit to pay the 2018 Series A Bonds. Proceeds of these non-self-supporting bonds were used to repay a loan for the Ellington Apartments Project, an affordable housing project, and to pay costs of issuance. Interest rates on the 2018 Series A Bonds are five percent. The final maturity of the 2018 Series A Bonds will occur in 2029.

Non-self-supporting limited tax revenue bonds currently outstanding are as follows:

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Remaining Years of Maturity	Amount of Original Issue	Outstanding June 30, 2018
Governmental activities:						
Capital Improvement & Renovation	2010A	3.00-3.125	04/22/2010	2019-2020	$ 4,840,000	$ 895,000
Emergency Coordination Center	2011B	2.375-3.00	12/15/2011	2019-2026	5,445,000	3,360,000
Police Training Facility	2012B	3.00-4.00	05/24/2012	2019-2022	13,305,000	5,850,000
LED Green Bonds	2016A	5.00	11/29/2016	2019-2026	16,220,000	13,150,000
Archives Space Acquisition Project	2017A	4.00-5.00	06/15/2017	2019-2028	6,615,000	6,085,000
Ellington Apartments Project	2018A	5.00	06/28/2018	2019-2029	7,900,000	7,900,000
Total					$ 54,325,000	$ 37,240,000

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

Non-self-supporting limited tax housing revenue bonds currently outstanding are as follows:

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Remaining Years of Maturity	Amount of Original Issue	Outstanding June 30, 2018
Governmental activities:						
Housing Projects	2005D	4.00-4.125%	06/21/2005	2019-2025	$ 6,975,000	$ 4,495,000
Headwaters Apartment Project	2005A	4.50-5.00	04/18/2005	2019-2035	10,480,000	7,875,000
Headwaters Apartment Project	2005B	4.70	04/18/2005	2019-2035	1,260,000	955,000
Total					$ 18,715,000	$ 13,325,000

Limited tax pension obligation revenue bonds.

The City issued $300.8 million of Limited Tax Pension Obligation Revenue Bonds in November 1999, to finance the City's December 31, 1997 unfunded actuarial accrued pension liability with the State of Oregon Public Employees Retirement System (PERS). The bonds are secured by available general funds, defined as revenues that are legally available to pay the bonds, and not prohibited for such use under the charter and ordinances of the City and Oregon laws. Revenues include all taxes and other legally available general funds of the City. At June 30, 2018, interest rates on the $12.6 million of outstanding 1999 Series D variable rate bonds and $12.5 million of outstanding 1999 Series E variable rate bonds, were 1.45% and 1.44% respectively. Interest rates on the outstanding fixed rate $134.5 million of 1999 Series C bonds range from 7.70 to 7.93%.

The $300.8 million liability has been distributed as follows:

	Original Distribution	Liability June 30, 2019
Governmental activities:		
Governmental funds	$ 211,379,554	$ 112,121,605
Internal service funds	16,741,773	8,880,303
Total governmental activities	228,121,327	121,001,908
Business-type activities	72,201,017	38,297,431
Fiduciary activities	526,002	279,006
Total	$ 300,848,346	$ 159,578,345

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

Limited tax pension obligation revenue bonds currently outstanding are as follows:

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Remaining Years of Maturity	Amount of Original Issue	June 30, 2018
Governmental activities:						
Allocation of Limited Tax Pension Obligation	1999C	7.701%	11/01/1999	2018-2022	$ 84,292,006	$ 71,898,226
Allocation of Limited Tax Pension Obligation	1999C	7.93	11/01/1999	2018-2029	30,090,299	30,090,310
Allocation of Limited Tax Pension Obligation	1999D	variable	11/01/1999	2018-2019	56,869,511	9,516,165
Allocation of Limited Tax Pension Obligation	1999E	variable	11/01/1999	2018-2019	56,869,511	9,497,208
Total Governmental activities					228,121,327	121,001,909
Business-type activities:						
Allocation of Limited Tax Pension Obligation	1999C	7.701	11/01/1999	2018-2022	26,678,633	22,755,991
Allocation of Limited Tax Pension Obligation	1999C	7.93	11/01/1999	2018-2029	9,523,664	9,523,654
Allocation of Limited Tax Pension Obligation	1999D	variable	11/01/1999	2018-2019	17,999,360	3,011,893
Allocation of Limited Tax Pension Obligation	1999E	variable	11/01/1999	2018-2019	17,999,360	3,005,893
Total Business-type activities					72,201,017	38,297,431
Fiduciary activities:						
Allocation of Limited Tax Pension Obligation	1999C	7.701	11/01/1999	2018-2022	194,360	165,783
Allocation of Limited Tax Pension Obligation	1999C	7.93	11/01/1999	2018-2029	69,382	69,381
Allocation of Limited Tax Pension Obligation	1999D	variable	11/01/1999	2018-2019	131,130	21,943
Allocation of Limited Tax Pension Obligation	1999E	variable	11/01/1999	2018-2019	131,130	21,899
Total Fiduciary activities					526,002	279,006
Total Limited Tax Pension Bonds					$ 300,848,346	$ 159,578,346

Approximately 37% of the debt service on these bonds is expected to be paid from resources of the General Fund. The remaining 63% is expected to be paid by non-General Fund resources of City bureaus. As of June 30, 2018, $59 million of outstanding principal remaining on the portion of the bonds is projected to be repaid with General Fund resources.

Self-supporting General Fund-secured obligations

As of June 30, 2018, the City had $202.7 million of outstanding self-supporting limited tax revenue bonds. These bonds are full faith and credit obligations of the City secured by all legally available funds. Because they are expected to be paid from non-General Fund resources, these obligations are considered to be self-supporting.

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

The following issues are expected to be repaid from sources other than the General Fund and are considered self-supporting.

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Remaining Years of Maturity	Amount of Original Issue	Outstanding June 30, 2018
Governmental activities:						
Oregon Convention Center	2011A	5.00%	10/06/2011	2019-2030	$ 67,015,000	$ 65,465,000
Deferred Interest	2001B	5.20-5.36	02/13/2001	2019-2022	18,058,888	4,840,382
Portland-Milwaukie Light Rail	2012C	3.00-5.00	09/20/2012	2019-2032	36,160,000	29,930,000
Sellwood Bridge	2014A	4.00-5.00	06/17/2014	2019-2034	44,215,000	38,340,000
Sellwood Bridge II	2017A	4.00-5.00	06/15/2017	2019-2037	29,165,000	29,165,000
Total Governmental activities					194,613,888	167,740,382
Business-type activities:						
Central City Streetcar	2009A	4.00	05/21/2009	2019-2024	21,450,000	9,855,000
Civic Stadium Project	2013A	3.27	12/11/2013	2019-2023	21,915,000	13,153,000
Jeld-Wen Field Project	2012A	3.25-3.50	04/24/2012	2024-2027	12,000,000	12,000,000
Total Business-type activities					55,365,000	35,008,000
Total					$ 249,978,888	$ 202,748,382

Annual debt service requirements to maturity for all of the above types of limited tax revenue bonds at June 30, 2018, are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities		Fiduciary Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	$ 29,867,853	$ 18,406,356	$ 10,108,786	$ 3,283,119	$ 43,841	$ 14,959
2020	33,654,477	17,265,582	10,946,162	2,837,613	48,842	12,767
2021	37,287,653	14,577,088	11,938,531	2,171,297	55,066	9,006
2022	41,241,998	11,861,335	13,041,298	1,434,309	61,876	4,765
2023	20,421,293	32,718,131	5,464,788	8,609,767	11,094	58,213
2024-2028	103,806,501	173,655,351	20,597,625	47,912,532	49,486	340,914
2029-2033	59,887,517	42,517,775	1,208,241	10,828,531	8,801	78,890
2034-2038	13,139,996	1,098,496	-	-	-	-
Total	$ 339,307,288	$ 312,100,114	$ 73,305,431	$ 77,077,168	$ 279,006	$ 519,514

The City has directly placed it Taxable Limited Tax Revenue Refunding Bond, 2013 Series A (Stadium Project), which is outstanding in the amount of $13.2 million and has a final maturity of June 1, 2023. In the event of default, the lender may exercise any remedy available under the law, but the outstanding amounts are not subject to acceleration. The interest rate on the bond may be adjusted in the event of default.

Revenue bonds

The City issues revenue bonds to satisfy a variety of capital financing requirements backed solely by the fees derived from the provision of certain services. Types of revenue bonds outstanding include bonds issued for sewer system facilities, water system facilities, and transportation system improvements. Fees and charges are collected for the individual services provided, generally on the basis of usage.

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

In May of 2018, the City issued $191.9 million of 2018 Series A Second Lien Sewer Revenue Bonds, which are secured by a lien on, and are payable solely from, the Sewer System Net Revenues and amounts required to be deposited in the Second Lien Bond Account. The 2018 Series A Second Lien Bonds were issued to finance capital facilities and improvements to the sanitary sewer and stormwater drainage system owned and operated by the City and to pay issuance costs. The final maturity of the 2018 Series A Second Lien Bonds will occur in 2038 with interest ranging from 4.5 to 5.0 percent.

Bond declarations for particular enterprise debt require setting rates such that net operating income provides specified levels of debt service coverage on outstanding bonds and to maintain adequate insurance on the facilities. Bon declaration for revenue bonds also permit the City to maintain restricted reserve accounts to provide for the payment of debt service in the event that pledged revenues are not sufficient to pay debt service when due. The City is in compliance with its bond covenants as of and for the fiscal year ended June 30, 2018.

Revenue bonds outstanding at June 30, 2018 are as follows:

Purpose	Interest Rates	Principal Outstanding
Gas Tax Revenue Bonds:		
Public street improvements	1.94-5.00%	$ 7,890,000
Sewer System Revenue Bonds:		
Sewer System Capital Improvements	2.00-5.00	1,550,965,000
Water System Revenue Bonds:		
Water System Capital Improvements	3.00-5.00	623,605,000
Total revenue bonds		$ 2,182,460,000

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

Revenue bonds outstanding at June 30, 2018 are as follows:

	Bond Series	Interest Rate(s) Outstanding Debt	Date of Issue	Remaining Years of Maturity	Amount of Original Issue	Outstanding June 30, 2018
Governmental activities						
Gas Tax Revenue Bonds	2011A	3.00-5.00%	11/22/2011	2018-2023	$ 15,400,000	$ 7,890,000
Business-type activities:						
Sewer System Revenue Bonds	2010A	4.00-5.00	08/19/2010	2019-2035	407,850,000	317,010,000
Sewer System Revenue Bonds	2013A	4.00-5.00	09/17/2013	2019-2039	210,965,000	185,410,000
Sewer System Revenue Bonds	2014A	5.00	08/14/2014	2019-2025	86,165,000	64,675,000
Sewer System Revenue Bonds	2014B	3.00-5.00	08/14/2014	2019-2040	204,220,000	190,140,000
Sewer System Revenue Bonds	2015A	3.00-5.00	08/27/2015	2019-2031	329,805,000	231,580,000
Sewer System Revenue Bonds	2015B	3.00-5.00	08/27/2015	2019-2031	63,300,000	52,875,000
Sewer System Revenue Bonds	2016A	2.00-5.00	09/07/2016	2019-2033	156,650,000	155,795,000
Sewer System Revenue Bonds	2016B	2.00-5.00	09/07/2016	2019-2033	162,465,000	161,550,000
Sewer System Revenue Bonds	2018A	4.50-5.00	05/03/2018	2019-2038	191,930,000	191,930,000
Water System Revenue Bonds	2010A	4.00-5.00	02/11/2010	2019-2035	73,440,000	58,170,000
Water System Revenue Bonds	2011A	4.00-5.00	03/22/2011	2019-2036	82,835,000	68,185,000
Water System Revenue Bonds	2012A	3.00-5.00	08/02/2012	2019-2037	76,510,000	63,330,000
Water System Revenue Bonds	2013A	3.00-5.00	05/02/2013	2019-2038	253,635,000	201,690,000
Water System Revenue Bonds	2014A	3.00-5.00	12/16/2014	2019-2039	84,975,000	75,385,000
Water System Revenue Bonds	2016A	4.00-5.00	12/15/2016	2019-2041	168,525,000	156,845,000
Total Business-type activities					2,553,270,000	2,174,570,000
Total Revenue Bonds					$ 2,568,670,000	$ 2,182,460,000

Annual debt service requirements to maturity for all revenue bonds are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	$ 1,445,000	$ 296,000	$ 138,515,000	$ 97,366,016
2020	1,520,000	223,750	144,490,000	90,514,181
2021	1,595,000	147,750	140,705,000	83,322,056
2022	1,640,000	99,900	142,120,000	76,442,956
2023	1,690,000	50,700	148,985,000	69,565,206
2024-2028	-	-	502,170,000	265,032,606
2029-2033	-	-	539,115,000	154,849,038
2034-2038	-	-	360,380,000	51,531,613
2039-2043	-	-	58,090,000	2,790,525
Total	$ 7,890,000	$ 818,100	$ 2,174,570,000	$ 891,414,197

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III. Detailed notes continued:

I. Long-term debt continued

The City issues debt backed solely by future fees received for certain services. At June 30, 2018, future pledged revenues are as follows:

Purpose	Revenue Stream	For the Year June 30, of Final Payments	Future Pledged Revenue Debt Outstanding	Approx. % of Future Revenue Pledged to Gross Revenue	Revenue, Net of Related Expenses For the Year Ended June 30, 2018	Debt Payments For the Year Ended June 30, 2018
Gas Tax Revenue Bonds:						
Eligible transportation improvements	State gas tax	2023	$ 8,708,100	2.36%	$ 69,697,385	$ 1,978,101
Urban Renewal & Redevelopment						
Airport way	Tax increment property tax	2020	10,377,134	99.91	5,320,552	5,183,340
Central Eastside		2031	37,754,907	30.99	8,693,554	2,525,111
Gateway		2019	744,638	0.69	5,218,321	247,097
Interstate Corridor		2031	72,436,133	12.35	33,737,517	6,083,567
Lents		2030	53,305,137	21.18	16,089,410	3,275,626
North MacAdam		2030	77,265,023	26.73	19,787,149	5,204,092
Oregon Convention Center		2025	93,584,456	82.89	9,706,140	7,811,167
River District		2032	126,607,648	20.80	37,381,281	8,760,586
South Park Blocks		2024	41,429,322	99.90	8,467,960	7,181,093
Waterfront		2024	47,262,445	91.42	9,872,451	9,492,539
Sewer State Revolving Fund Loans:						
Energy & sewer system improvements	Sewer fees	2031	12,736,832	0.24	253,210,395 **	1,513,034
Sewage System Revenue Bonds:						
Sewer system capital improvements	Sewer fees	2040	2,172,468,722	21.67	(included above)**	167,992,731
Water System Revenue Bonds						
Water system capital improvements	Water fees	2041	893,569,850	11.49	119,057	55,766,300
Total future pledged revenue			$ 3,648,250,347		$ 477,301,172	$ 283,014,384
Governmental activities			$ 569,474,943		$ 223,971,720	$ 57,742,319
Business-type activities			3,078,775,404		253,329,452	225,272,065
Total			$ 3,648,250,347		$ 477,301,172	$ 283,014,384

Refundings

On April 19th, 2018, the City issued $8.8 million of 2018 Series B General Obligation Refunding Bonds (Emergency Facilities Projects). The 2018 Series B Bonds were used to refund certain maturities of the City's General Obligation Emergency Facilities Bonds, 2008 Series A, and to pay costs of issuance. This refunding was undertaken to reduce total debt service payments by $1.3 million over 10 years in an economic gain of $1.4 million.

On September 17th, 2017 the City carried out a cash-defeasance of the 2018 maturity of the City of Portland First Lien Sewer System Revenue and Refunding Bonds, 2008 Series A. The City wired a total of $60,407,604 to U.S. Bank National Association to be applied to the refunding escrow. The cost of the securities was $60,406,922 and the remaining $683 was deposited as a cash contribution to the escrow.

Conduit debt and Contingent Loan Agreements

The City has issued conduit Economic Development Revenue Bonds, which have not been recorded as a liability. Private developers use the proceeds of these bonds to finance capital expansion. The Economic Development Revenue Bonds have not been recognized as a liability of the City because the bonds are secured solely by the specific project and the developers are obligated to make the payments. The bonds are not payable from a charge upon any of the City's resources or assets, and the City is not subject to any liability from these bonds. Upon completion of the project, the developer owns the assets constructed. Since the City does not own any of the assets constructed or assume any of the liabilities associated with repayment, these bond issues do not require balance sheet disclosure or recognition of revenues and expenditures according to GAAP. The total outstanding principal of these bonds as of June 30, 2018 is $17.6 million.

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III. Detailed notes continued:

I. Long-term debt continued

The City has made a limited, subject-to-appropriation, pledge of its General Fund to restore reserve fund balances on five Home Forward revenue bond issues via contingent loan agreements. The original par amount of these issues is $33.0 million, of which $23.4 million remains outstanding.

Notes, lines of credit and loans payable

Notes payable. There are no outstanding notes at June 30, 2018.

Lines of credit. As of June 30, 2018, the City has $163.7 million outstanding on various lines of credit. The use of proceeds and remaining balances are as follows:

	Amount in Millions
Provide interim financing for urban renewal district projects	$113.2
Finance various City backed projects, including:	
Local improvement district projects	6.0
Improvements to the Portland Building	44.5

The City has executed a line of credit secured by its full faith and credit to pay for infrastructure projects in the River District urban renewal area. The line has an outstanding principal balance of $24,270,957 and has a remaining undrawn balance of $11,729,043 as of June 30, 2018. In the event of an event of default, the lender may increase the applicable interest rate margin to six percent, but outstanding amounts are not subject to acceleration. Interest rates on the line of credit may also be adjusted in the event of an event of taxability, whereby the interest payable on a tax-exempt draw is includable in the gross income of the lender for federal income tax purposes.

The City has an outstanding facility agreement to provide interim financing for projects in five urban renewal areas secured by the City's full faith and credit and the tax increment revenues of each urban renewal area. The total outstanding balance for the five urban renewal areas is $40,704,449 and the remaining undrawn balance is $10,295,551 as of June 30, 2018. In the event of an event of default, the lender may accelerate payment immediately of the entire principal amount and other amounts due. Additionally, the lender may increase the applicable interest rate margin to three percent. The lender also may increase the interest rate margin if the City's rating on full faith and credit obligations by Moody's Investors Service falls below Aa3.

The City has an outstanding line of credit for the River District urban renewal area secured by the tax increment revenues of that area to pay for urban renewal area capital improvement projects. The total outstanding balance is $32,117,166 and the remaining undrawn balance is $27,882,834. In the event of an event of default, the lender may accelerate payment immediately of the entire principal amount and other amounts due. Additionally, the lender may increase the applicable interest rate margin to three percent. The lender also may increase the interest rate margin if the City's rating on its full faith and credit obligations by Moody's Investors Service falls below Aa3.

The City has outstanding separate lines of credit for four urban renewal areas secured solely by the tax increment revenues of each area to pay for urban renewal area capital improvement projects. The total outstanding balance for the four urban renewal areas is $16,103,673 and the remaining undrawn balance is $45,201,327 as of June 30, 2018. The lender may accelerate payment immediately of the entire principal amount and other amounts due in the event that the City has entered against it an order for relief under the federal bankruptcy code, has not paid or admits in writing to its inability to pay its debts, or if a custodian, receiver or similar official is appointed for the City. In the event of an event of default, the lender may increase the applicable interest rate margin to four percent.

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

The City has an outstanding revolving line of credit secured by its full faith and credit to provide interim financing for local improvement district projects. The total outstanding balance is $5,971,400 and the remaining undrawn balance is $4,028,600. In the event of an event of default, the lender may accelerate payment immediately of the entire principal amount and other amounts due. Additionally, the lender may increase the applicable interest rate margin to four percent. The lender also may increase the interest rate margin if the City's rating on its full faith and credit obligations by Moody's Investors Service falls below Aa2 or if an event of taxability occurs, whereby the interest payable on a tax-exempt draw is includable in the gross income of the lender for federal income tax purposes.

The City has an outstanding line of credit secured by its full faith and credit to provide interim financing for rehabilitation of the Portland Building. The total outstanding balance is $44,543,916 and the remaining undrawn balance is $155,453,158. In the event of an event of default, the lender may accelerate payment immediately of the entire principal amount and other amounts due. Additionally, the lender may increase the applicable interest rate margin to four percent. The lender also may increase the interest rate margin if the City's rating on full faith and credit obligations by Moody's Investors Service falls below Aa2; if an event of taxability occurs, whereby the interest payable on a tax-exempt draw is includable in the gross income of the lender for federal income tax purposes; or if a change occurs in the maximum federal corporate tax rate.

The City expects to retire a large portion of the balances on the lines of credit with the proceeds of long-term bonds. Interest rates on the outstanding line of credit balances are variable rates tied to the London Interbank Offered Rate (LIBOR). As of June 30, 2018, those rates ranged from 2.21 to 3.27%. The amount of unused lines of credit available to the city as of June 30, 2018 is $254.6 million.

Loans payable. The City has entered into various loan arrangements for the purpose of financing sewer system improvements, transportation projects, levee improvement projects, and housing programs. The principal balance of these loans at June 30, 2018 was $24.8 million. Interest rates vary from one to five percent with maturities to fiscal year 2033. During the current fiscal year the City received an additional $132,554 in loans for improvements to levees. Details for the activity of notes, lines of credit and loans payable can be found in the changes in long-term liabilities schedule at the end of this note. Annual debt service requirements to maturity for notes payable, lines of credit, and loans payable are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019*	$ 2,000,207	$ 4,587,538	$ 1,393,792	$ 119,242
2020	165,725,958	4,492,158	1,407,852	105,182
2021	972,742	282,453	1,422,058	90,976
2022	641,138	263,860	1,436,405	76,629
2023	664,647	243,666	1,450,902	62,132
2024-2028	3,329,250	864,527	4,886,729	104,937
2029-2033	2,717,014	280,159	176,887	3,109
2034-2038	308,000	7,700	-	-
Total	$ 176,358,956	$ 11,022,061	$ 12,174,625	$ 562,207

*Most of the amounts being paid in 2019 will be paid by selling bonds, so the amount being paid in 2018 doesn't tie to short term liabilities.

For further information on the HUD Section 108 Loan Guarantee Program, refer to the Loans Receivable section of Note III.B., Receivables.

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

The City has an outstanding loan secured by its full faith and credit to provide interim financing for costs related to the Columbia Levee project. The total outstanding balance is $665,644 and the remaining undrawn balance is $431,908. In the event of an event of default, the lender may accelerate payment immediately of the entire loan principal amount and other amounts due.

Direct Placements of debt

The City currently has outstanding bonds and notes from direct borrowings and direct placements related to governmental activities in the amount of $164,377,204 including lines of credit to pay costs of the Portland Building rehabilitation, River District infrastructure, interim financing of local improvement district projects, and urban renewal projects. The City also has privately placed bonds in the amount of $23,319,200 including refunding bonds issued for the Airport Way urban renewal area and the Providence Park Stadium project.

Other liabilities

The City's policy relating to compensated absences is described in Note I.D.9. The long-term portion of compensated absences for governmental activities and business-type activities is $15.3 million. The total amount outstanding at June 30, 2018 was $60.0 million for governmental activities and $9.5 million for business-type activities.

Other postemployment benefits are described in Note IV.D. The total amount outstanding at June 30, 2018 was $84.9 million for governmental activities and $15.1 million for business-type activities.

The police and fire pension liability is described in Note IV.E. $3.284 billion was outstanding at June 30, 2018 and it is solely a governmental activities liability.

The long-term portions of compensated absences, other postemployment benefits and police and fire pension liabilities are expected to be paid in future years from future resources. In prior years, compensated absences and other postemployment benefits have been liquidated primarily by the governmental and enterprise funds for which the employees who earned the benefits were assigned. The General Fund liquidates the police and fire pension liability. Compensated absences and other post-employment benefits are liquidated by the General Fund, Transportation Operating Fund, Grants Fund, Emergency Communication Fund, Development Services Fund, Housing Investment Fund, Parks Local Option Levy Fund, Children's Investment Fund, Community Development Block Grant Fund, HOME Grant Fund, Portland Parks Memorial Fund, Tax Increment Reimbursement Fund, and Parks Capital Improvement Program Fund.

Changes in long-term liabilities:

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for internal service funds are included as part of the totals below for governmental activities. At June 30, 2018, exclusive of discounts and premiums, internal service funds had $24 million of bonds outstanding. For fiscal year 2018, there were no governmental fund resources committed to liquidate other long-term liabilities. The governmental funds and internal service funds, which have a long-term liability, paid the debt service obligations from current resources, except for lines of credit paid off by selling long-term bonds. Long-term liability activity for the year ended June 30, 2018, was as follows:

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

	Beginning Balance	Reclassification / Restatements[1]	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:						
Bonds payable:						
General obligation bonds	$ 124,010,000	$ -	$ 32,260,000	$ 18,940,000	$ 137,330,000	$ 11,540,000
Limited tax improvement bonds payable from assessment payments	32,585,000	-	-	3,925,000	28,660,000	430,000
Urban renewal and redevelopment bonds	392,225,600	-	-	34,994,400	357,231,200	39,922,300
Limited tax and limited tax revenue bonds	360,410,948	-	7,900,000	29,003,660	339,307,288	29,867,853
Revenue bonds	9,512,000	-	-	1,622,000	7,890,000	1,445,000
Unamortized premium and discounts	36,618,857	3,997	3,176,420	5,364,001	34,435,273	5,425,660
Total bonds payable	955,362,405	3,997	43,336,420	93,849,061	904,853,761	88,630,813
Notes, loans and line of credit payable	122,787,212	-	56,825,879	3,254,135	176,358,956	1,982,752
Self insurance claims	28,068,818	-	64,839,071	61,186,489	31,721,400	10,682,525
Net pension liability-FPDR	3,352,955,642	-	195,336,691	270,940,135	3,277,352,198	-
Net pension liability-PERS	411,888,040	-	448,609,465	498,384,528	362,112,977	-
Other postemployment benefits - HIC	40,640,789	48,774,371	1,460	4,519,830	84,896,790	-
Other postemployment benefits - PERS	-	782,959	260,700	2,227,112	(1,183,453)	-
Compensated absences	54,834,687	-	58,567,468	53,565,797	59,836,358	45,032,435
Landfill postclosure	1,029,080	-	-	-	1,029,080	36,089
Pollution remediation	143,164	-	132,681	-	275,845	-
Total other long-term liabilities	4,012,347,432	49,557,330	824,573,415	894,078,026	3,992,400,151	57,733,801
Governmental activities	$ 4,967,709,837	$ 49,561,327	$ 867,909,835	$ 987,927,087	$ 4,897,253,912	$ 146,364,614
Business-type activities:						
Bonds payable:						
Limited tax and limited tax revenue bonds	$ 82,061,240	$ -	$ -	$ 8,755,809	$ 73,305,431	$ 10,108,786
Revenue bonds	2,113,000,000	-	191,930,000	130,360,000	2,174,570,000	138,515,000
Unamortized premium and discounts	203,208,177	-	21,636,279	26,016,543	198,827,913	26,855,694
Total bonds payable	2,398,269,417	-	213,566,279	165,132,352	2,446,703,344	175,479,480
Notes and loans payable	13,554,496	-	-	1,379,871	12,174,625	1,393,792
Self insurance claims	1,076,124	-	1,028,892	1,076,124	1,028,892	206,253
Compensated absences	8,529,683	-	11,094,814	10,150,939	9,473,558	9,325,841
Net pension liability-PERS	142,959,076	-	156,727,395	172,980,482	126,705,989	-
Other postemployment benefits - HIC	3,513,832	11,620,116	1,004,315	1,033,981	15,104,282	-
Other postemployment benefits - PERS	-	179,115	59,639	509,487	(270,733)	-
Landfill postclosure	6,072,442	-	5,332,066	8,943,190	2,461,318	59,102
Pollution remediation	2,097,500	-	15,347,508	14,802,008	2,643,000	1,210,000
Total other long-term liabilities	177,803,153	11,799,231	190,594,629	210,876,082	169,320,931	12,194,988
Business-type activities	$ 2,576,072,570	$ 11,799,231	$ 404,160,908	$ 376,008,434	$ 2,616,024,275	$ 187,674,468

[1]Restatements related to OPEB per GASB 75 implementation (See Note I.E)

Auction rate securities

As of June 30, 2018, the City had $25.1 million in outstanding Limited Tax Pension Obligation Revenue Bonds, 1999 Series D and E, in the form of auction rate securities. These taxable, seven-day auction rate securities are rated Aaa by Moody's Investors Service and are not backed by municipal bond insurance or other credit enhancement. The final maturity of these auction rate securities is June 1, 2019.

Beginning in February 2008, the City began to experience "failed" auctions due to the collapse of the auction rate market. Failed auctions occur when, on any given auction date, there are insufficient buyers to purchase all of the auction rate securities that have been offered for sale by investors. When an auction fails, the rate on the securities for the next interest rate period is determined by a mathematical formula that is defined in the legal provisions for the bonds. The legal provisions for the City's outstanding auction rate securities provide that in the event of a failed auction (and assuming the rating of the securities remains at Aaa), the interest rate for the next interest period is set at 125% of the most recent seven-day AA-rated financial commercial paper index. Since February 2008, all of the City's auctions have "failed" and the rate on these securities has been set by formula. The City expects that it will continue to experience failed auctions for the foreseeable future. As such, the interest rates on the City's auction rate securities will likely continue to be tied directly to the seven-day AA-rated financial commercial paper index. The average interest rate from July 1, 2017 through June 30, 2018, has been 1.738 percent, plus a 0.25 percent broker/dealer fee, for an average all in cost of 1.988 percent. For the week of September 10, 2018, the all-in rate was 2.639% for Series D and 2.639% for Series E bonds.

Continued next page

III. Detailed notes continued:

I. Long-term debt continued

Bond insurer ratings - Debt Service Reserve Fund Surety Bonds

As of June 30, 2018, the City has debt service reserve fund surety bonds relating to outstanding sewer system revenue bonds in a face amount totaling approximately $87 million. The legal provisions for treatment of surety bonds used to fund a sewer system revenue bond debt service reserve require the City to replenish a debt service reserve with cash if (1) all ratings of an insurer that provide the surety bond are either withdrawn or fall below investment grade, and (2) Net Revenues as a percent of annual first lien bond debt service in a fiscal year falls below 150% or Net Revenues as a percent of combined annual debt service for first and second lien bonds falls below 130%. In such a case, the City is permitted to replenish the reserve over a five-year period.

	Insurer Ratings (Moody's / S&P)	Face Amount of DSR Surety Bonds
Assured Guaranty Municipal Corporation (formerly FSA)	A2 / AA	$ 87,003,509
Total		$ 87,003,509

Assets Pledged as Collateral

In December 2012, the City entered into an installment purchase agreement to acquire 77 cashless ticket vending machines and spare parts for the cities' parking management system. The lender has a first lien security interest in the vending machines and parts. The final payment of principal and interest in the amount of $88,816.75 plus a $1.00 termination payment is due on December 20, 2018

Terms specified in debt agreements

If not already described above, in the event of default investors may exercise any remedy available at law or in equity or in bankruptcy or otherwise. Bonds are not subject to acceleration.

Continued next page

III. Detailed notes continued:

J. Short-term debt:

The City issues short-term subordinate bonds, typically with a one-day maturity, to permit the City's component unit, Prosper Portland, to access tax increment revenues deposited into debt service funds established for each urban renewal district. Under ORS 457.435 and 457.440, tax increment collections may only be spent to pay principal and interest on indebtedness. Once tax increment collections are sufficient to meet debt service requirements for outstanding long-term debt and lines of credit, the City issues short-term subordinate debt to release excess collections to Prosper Portland for capital projects. The City issued $96.3 million of short-term subordinate bonds in fiscal year 2018 and were redeemed the day following their issue. At June 30, 2018, there were no outstanding short-term subordinate bonds.

At the beginning of the fiscal year, the City issued $35.7 million of tax anticipation notes in advance of property tax collections, depositing the proceeds in the Fire and Police Disability and Retirement Fund (fiduciary). The notes were issued to meet current operating expenses of the Fire and Police Disability and Retirement Fund. The tax anticipation notes were paid prior to the end of the fiscal year. Short-term debt activity of the fiscal year ended June 30, 2018 was as follows:

	Beginning Balance	Issued	Redeemed	Ending Balance
Short-term subordinate	$ -	$ 96,300,000	$ 96,300,000	$ -
Tax anticipation notes	-	35,705,000	35,705,000	-
Totals	$ -	$ 132,005,000	$ 132,005,000	$ -

K. Termination benefits:

The City offers a targeted severance program which provides qualified employees with a minimum of two months' salary and six months of paid health insurance upon termination of employment. Individual severance agreements are generated by the various bureaus in specific instances offering health care continuation and are generally offered for up to six months of coverage. There were twenty-two employee(s) affected, and the net cost of these termination benefits for fiscal year ending June 30, 2018 was $244,376.

Continued next page

IV. Other information:

A. Risk management:

General Self Insurance

The City is exposed to various risks of loss related to theft, damage and destruction of assets, tort claims (general and fleet liability), injuries to employees, acts of terrorism, and natural disasters. The City of Portland is self-insured for workers' compensation, fleet and general liability claims and certain employees' medical coverage in internal service funds.

Per Oregon Revised Statute (ORS) 30.272 limitations on liability of public bodies for personal injury to any single claimant for causes of action arising on or after July 1, 2017 and before July 1, 2018, limitations are $706,000 for single claimant and $1.412 million for multiple claimants. For causes of action arising on or after July 1, 2018 limits increased to $727,200 for a single claimant and $1,454,300 for multiple claimants.

Per ORS 30.273 limitations on liability of public bodies for property damage arising on or after July 1, 2017 and before July 1, 2018, limitations increase to $115,800 for single claimant and $579,000 for multiple claimants. For causes of action arising on or after July 1, 2018, limits increased to $119,300 for single claimants and $596,400 for multiple claimants.

The City estimates liability for incurred losses for reported and unreported claims for workers' compensation, general and fleet liability and employee medical coverage (included in accrued self insurance claims in the combined statement of net position). Workers' compensation, general and fleet liability estimates are primarily based on individual case estimates for reported claims and through historical data for unreported claims as determined by the City's Risk Management Services and independent actuarial studies. Liabilities are based on estimated ultimate cost of settling claims, including effects of inflation and other societal and economic factors. Estimated liability is then discounted by the City's expected rate of return and anticipated timing of cash outlays to determine present value of the liability. For fiscal year ended June 30, 2018, the expected rate of return used was 1.35%. For fiscal year ending June 30, 2019 and subsequent years, the expected rate of return used was 1.8% and 2.25% respectively. The Bureau of Human Resources and the employee benefits consultant determines relevant employees' medical coverage estimates.

The City provides insurance coverage deemed as adequate, appropriate, and actuarially sound. It meets all the City's anticipated settlements, obligations and outstanding liabilities. The City does not have any claims reserved above the current SIR and Excess layer. In our last three excess renewals, there have been no material changes in our retention, coverage or conditions. Furthermore, current levels of accrued claims and case reserve estimates are viewed as reasonable provisions for expected future losses. An excess liability coverage insurance policy covers individual claims in excess of $1 million to policy limits, police law enforcement claims in excess of $2.5 million to policy limits and an excess workers' compensation coverage insurance policy covers claims in excess of $850,000 for occurrences after July 1, 2012. The City purchases commercial insurance for claims in excess of coverage provided by the self-insurance fund. The City's limits of coverage on the excess liability policy is $10 million per claim above the $1 million self-insurance retention for covered torts occurring after November 12, 2012. Police Law Enforcement Liability retention increased to $2.5 million for claims occurring after November 12, 2013.

Liabilities are reported in the applicable fund when it is probable that a loss has occurred and the amount of loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

Continued next page

IV. Other information continued:

A. Risk management continued:

The estimate of claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether any are allocated to specific claims. Estimated recoveries, from salvage or subrogation for example, are another component of the claims liability estimate. Changes in the balances of claims liabilities during the past two years are as follows:

	Fiscal Year Ended June 30, 2018	Fiscal Year Ended June 30, 2017
Balance, beginning of fiscal year	$ 28,068,818	$ 26,796,392
Incurred claims and adjustments	64,839,071	60,331,926
Claim cash payments	(61,186,489)	(59,059,500)
Unpaid claims, end of fiscal year	$ 31,721,400	$ 28,068,818

Owner Controlled Insurance Program (OCIP)

Under ORS 336, an OCIP is an insurance technique for large construction and/or groups of construction projects that provides the majority of necessary insurance coverage for eligible contractors and subcontract tiers performing work on construction project sites. In 1996, the Bureau of Environmental Services (BES) through its' Insurance Broker opted to purchase a single insurance policy/program for the Capital Improvement Combine Sewer Overflow Program to cover job site risks, which became OCIP Phase I.

Because of the success of the OCIP, financial analysis and risk management/safety practices, BES continued OCIP through Phases II, III and IV. Currently, BES is in Phase V that began in September 2015 and will end in August 2020. BES's insurance broker Marsh (Marsh negotiates insuring agreements with insurance carriers) has estimated a program insurance savings of approximately $20,000,000 or 1.5% savings of construction value based on data through June 2017. Additionally, because of sound risk management and safety practices, BES has received $2.562 million in dividends from the workers' compensation carrier SAIF.

As a result of BES owning the insurance, BES reduces project insurance costs by purchasing broader coverage, controls job site safety, minimizes public and 3rd party liability, improves and controls claim costs, enhances public relations, eliminates cross litigation and improves the bidding ability for M/W/ESB firms. The OCIP eliminates and replaces the City required insurance normally provided by the contractor. Contractors bidding on BES projects will deduct from their bids all costs for insurance that duplicate or provide similar insurance coverages. OCIP coverages include:

- Workers Compensation and Employers Liability, capped at $250,000/per claim in phase V.
- Commercial General Liability: limit at $2 million per occurrence and $4 million annual aggregate;
- Builders Risk: limit at $100 million per occurrence limit;
- Excess Liability with a combination of layers which equal $50 million; and
- Specialty Coverages: Pollution Liability, Railroad Protective Liability and Marine Protection and Indemnity.

Continued next page

IV. Other information continued:

A. Risk management continued:

OCIP Phase IV. July 2011 through June 2016 which included BES's CIP Sewerage System Infrastructure Improvements and the Portland Water Bureau (PWB) Kelly Butte and Powell Butte Reservoir Projects. As of June 30, 2018 the total claim outstanding reserve for workers' compensation incurred losses were $852,770. This number is multiplied by a 1.165 Loss Conversion Factor (LCF) which brings the City's liability to $993,477. Also, as of June 30, 2018 the total claim outstanding reserve for General Liability is $0. The City's total liability for workers comp and general liability related to OCIP Phase IV will then total $993,477.

OCIP Phase IV	Fiscal Year ended June 30, 2018
Balance, beginning of fiscal year	$ 1,163,023
Incurred claims and adjustments	1,474,433
Claims cash payments	1,784,686
Unpaid claims, end of fiscal year	852,770
Loss conversion factor (LCF)	140,707
Balance, end of fiscal year	$ 993,477

OCIP Phase V. September 2015 through August 2020. This phase includes BES's CIP Sewerage System Infrastructure Improvements and PWB's Washington Park Reservoir Projects. The workers' compensation claims per this phase is capped at $250K per claim. There are only 19 workers' compensation claims reported with an incurred cost of $38,052 and total claim outstanding of $1,814. This number is multiplied by a 1.165 Loss Conversion Factor (LCF) which brings the City's liability to $2,114 Also, as of June 30, 2018, the total outstanding claim reserves for General Liability are $29,734. This number is multiplied by 1.120 LCF which brings to total to $33,302. Based on the current known losses, the City's total liability for workers' compensation and general liability is $35,415.

OCIP Phase V (September 2015 - June 2016)	Fiscal Year ended June 30, 2018
Balance, beginning of fiscal year	$ 11,760
Incurred claims and adjustments	105,085
Claims cash payments	85,295
Unpaid claims, end of fiscal year	31,550
Loss conversion factor (LCF)	3,865
Liability Recognized	$ 35,415

B. Landfill closure and postclosure care:

Killingsworth Fast Disposal (KFD) Landfill

The Killingsworth Fast Disposal (KFD) Landfill was a Municipal Solid Waste Landfill that primarily accepted construction and demolition waste. The landfill was permitted by the Oregon Department of Environmental Quality (DEQ) and franchised by the Metro Regional Government to Riedel Waste Systems, Inc. (RWS). The landfill was permanently closed in 1990. After closure, per DEQ requirements, RWS installed a geomembrane cap and a gas extraction system. Finding it financially unable to perform the DEQ required maintenance and monitoring, RWS abandoned the property in 1995. Consequently, the DEQ assumed the monitoring and maintenance activities and installed a new gas extraction system, repaired the geomembrane cap, made drainage system and various other improvements to mitigate threats to human health.

Continued next page

IV. Other information continued:

B. Landfill closure and postclosure care continued:

On March 7, 2002, the DEQ issued a Solid Waste Disposal Site Closure Permit (No. 1204) to the City of Portland for post-closure care. This post-closure care includes proper operation, maintenance, and monitoring of the post-closure equipment and systems. Federal and State laws and regulations require the City, as the permittee, to perform post-closure for thirty years commencing on March 7, 2002. As such, the City is responsible for the following activities: operating, maintaining, and monitoring of the methane gas extraction and leachate collection systems, site membrane cap and final cover maintenance, site drainage systems maintenance, and maintenance of groundwater monitoring wells.

Prior to transferring the property to the City, the DEQ installed, monitored, operated, and maintained site closure systems. On February 25, 2002, the City and the DEQ entered into Intergovernmental Agreement (IGA) No. R001-02 wherein the City agreed to manage and pay for the maintenance and post-closure until 2032, as well as partially reimburse DEQ for the gas extraction/flare and leachate collection system costs. DEQ agreed, that upon satisfactory performance by the City of its obligations under the Agreement, the City would be released from a significant portion of the environmental liabilities at the site. The City has paid $500,000 reimbursement cost to DEQ.

The City has established future annual post-closure care cost projections (2018-2032) based on the average actual annual costs of the first 17 years of the City's operation, maintenance, and monitoring of the site closure systems (2002-2018). Based on these actual costs and projections, the 30-year post-closure care cost, as of June 30, 2018, is estimated to be $1.68 million under current federal and state laws and regulations. (Note: costs going forward have been inflated by 2.5 percent annually). Actual costs may be higher due to inflation, changes in technology and regulations, or the need for repair or replacement of site equipment.

As of June 30, 2018, the City of Portland and Metro (through IGA No. 51802) have paid a total of $746,052 in post-closure care costs. Consequently, the City is responsible for $889,986 of the remaining estimated liability of $992,991.

For fiscal years 2002-2022, Metro has agreed to provide a total of $232,502 in site maintenance and monitoring. Furthermore, the Parks Memorial Fund established a committed account to pay for future post closure costs. Additional funding is provided by a $65,990 annual contribution to the Parks Memorial Fund via the General Fund.

To meet the on-going costs of post-closure care, additional resources will be infused by the City as needed. The closure plan for the KFD Landfill is compliant, in all aspects, with the Oregon DEQ.

Guilds Lake Former Municipal Incinerator / Landfill Remediation Project

The Guilds Lake Former Incinerator Ash Landfill (GLFIAL) is located in an industrial section of northwest Portland. The site consists of 11 of 20 acres of the former landfill operated by the City of Portland during the early 1900s through 1948.The site consisted of a large municipal incinerator for the burning of trash. The incinerator was also reportedly used as a cremation oven in the 1800s. The site was issued a record of decision (ROD) from the Oregon Department of Environmental Quality (ODEQ) in 1991 (Consent order ECSR-NWR-91-09). The ROD lists the selected remedial action for the site. The remediation includes an Asphalt-Concrete-cap, passive vapor controls, gas monitoring, groundwater monitoring, and deed restrictions. The Asphalt-Concrete-cap was built and completed from 1991-1995. ROD requires a yearly inspection of the cap and Gabion Wall, and yearly reporting to ODEQ.

The City of Portland Bureau of Environmental Services is responsible for the various aspects (inspection, maintenance, monitoring and reporting) associated with the closure of the site and implementing the ROD. The annual review of the report is completed by ODEQ under an inter-governmental agreement between BES and ODEQ (City contract number 30001070 and DEQ number LQVC-NWR-09-08).

Continued next page

IV. Other information continued:

B. Landfill closure and postclosure care continued:

The annual reports of recent years indicates that the Asphalt-Concrete-cap has exceeded its life and is failing in several areas (cracks, fissures, and differential settlement). The current Asphalt-Concrete-cap will need to be repaired, sealed, removed and replaced in various locations. The cost to complete this is estimated at $1 million. This project is budgeted in FY 2018 and this amount has been recorded under BES liability.

Annual inspection, monitoring and report to ODEQ will continue to be required under the agreement. The City has established future annual post closure care cost projections based on historic annual costs. This is estimated to be $100,000, or $5,000 per year for the next 20 years.

Columbia Boulevard Wastewater Treatment Plant (CBWTP) Lagoon Monofill closure and post closure care

The City of Portland owns and operates a non-municipal solid waste landfill site at its Columbia Boulevard Wastewater Treatment Plant (CBWTP) Facilities, under DEQ Permit No. 1203. The landfill, also referred to as the "monofill", was created as part of the City's five lagoon reconstruction project phases to line the lagoons. The monofill is constructed with an 80-mil HDPE liner for long term storage of legacy solids from the lagoon that were not suitable for the City's biosolids recycling program. The capacity of the monofill is estimated at 52,300 dry tons, and 99,600 cubic yards. The monofill is currently partially filled with 30,342 dry tons of solids which were introduced in the monofill in the summer of 2014 as part of the second phase of the lagoon reconstruction projects. The next phase of construction will commence in 2016, fill the monofill to capacity, and permanently close it with a final cover. Additional solids have not added to the lagoon since the current phase of construction through FY 2018 because the contractor is waiting for the solids to dry to a state which would allow them to be placed in the Monofill. The final phase of the lagoon will proceed with final vegetative enhancements.

Per Oregon 40 CFR 258.74 the determination by Oregon DEQ that BES should provide a financial assurance plan by November 30, 2015 obligated the City of Portland to place a reference to the closure and post-closure costs assured through the financial tests into its next comprehensive annual financial report (CAFR). The City of Portland meets the financial test by having bonds rated above the minimum requirements of Baa for Moody's or BBB for Standard and Poor's and having post closure costs below the maximum 43% of annual revenue.

During the third and fourth (combined for construction) phase of construction the monofill will be permanently covered and a final bioswale revegetation will be installed. In addition a leachate manhole and pump have been installed in the monofill to capture and pump potential leachate back to the treatment plant. A final permanent closure plan has been filed with the DEQ. This Post Closure Plan requires maintaining the integrity and effectiveness of the final cover, maintaining and operating the leachate collection system, monitoring the groundwater in the vicinity of the monofill, and maintaining and providing security for the landfill site. Annual inspections will note if any impacts such as vegetation damage is occurring and appropriate corrective measures will be taken if needed.

Closure and post-closure costs have been estimated in accordance with OAR 340-095-0090(4)(a). These estimates include frequency and costs of maintenance and inspection activities for various aspects of the monofill. The DEQ has recently approved a 30-year time period to estimate post-closure costs. Before the approval, the cost estimate spanned 170 years. The 30-year post-closure estimate starts in 2023, following closure activities. The new calculation assumes an inflation rate of 1.52%, which is the Oregon DEQ provided rate for Non-Municipal Solid Waste Disposal Sites in 2018 based on the discount rate for 5-year bonds for the week ending July 31, 2018. Based on estimated closure and post-closure costs over 30 years and the 1.52%% inflation factor, the estimated liability as of June 30, 2018 through 2053 is $2,461,318. This liability is recognized in FY 2018 expenditures post-closure costs at an amount of $59,102.00 and future years long-term liability is $2,402,216.

Continued next page

IV. Other information continued:

C. Commitments and contingent liabilities:

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Claims covered by the City's self-insurance internal service funds are reviewed and losses, discounted to reflect the time value of money, are accrued based on the judgment of City management. According to City management, based on advice of legal counsel with respect to such litigation and claims, ultimate disposition of these matters will not have a material adverse effect on the financial position or results of City operations. Claims not covered by the City's self-insurance program are recognized in proprietary and fiduciary funds when it appears probable that a loss has been incurred and the amount in question can be reasonably estimated. Claims against governmental funds are recognized when due.

Labor agreements

There are 10 labor agreements between the City and its employees.

	Effective Dates
Seasonal Maintenance Workers - Laborers' Local 483	7/1/2018 - 6/30/2022
Portland Police Association (PPA)	11/11/2016 - 6/30/2020
Professional and Technical Employees Local 17 (PTE-17), formerly The City of Portland Professional Employees Association (COPPEA)	7/1/2017 - 6/30/2021
The District Council of Trade Unions (DCTU)	7/1/2017 - 6/30/2020
Recreation Employees - Laborers' Local 483	7/1/2017 - 6/30/2021
The Portland Fire Fighters' Association (PFFA) - Local 43	7/1/2016 - 6/30/2019
Bureau of Emergency Communications (BOEC) - AFSCME Local 189-2	7/1/2016 - 6/30/2019
Portland Housing Bureau (PHB) - AFSCME Local 189-3	7/1/2015 - 6/30/2019
The Portland Police Commanding Officers Association (PPCOA)	7/1/2018 - 6/30/2020
Portland City Laborers' - Laborers' Local 483 (PCL-LL483)	7/1/2017 - 6/30/2021

Bonds

The City's general credit is obligated on limited tax improvement bonds totaling $28.7 million at June 30, 2018, only to the extent that liens foreclosed against properties involved in the assessment districts and collections of related assessments and interest are insufficient to retire outstanding bonds and pay bond interest.

Continued next page

IV. Other information continued:

C. Commitments and contingent liabilities continued:

Commitments and other commitments:

The City has several construction and non-construction contractual obligations arising from existing contracts, agreements, legislative enactments and regulations of which $712,798,721 remains outstanding at June 30, 2018. These obligations are not expected to be fully paid from current financial resources and are not recognized as a liability until performance under the contract has occurred. Details are as follows:

Construction contracts specifically negotiated for the construction of building, remodeling, public safety police communication system, park improvements, sewer, transportation and water infrastructure upgrades totaled $439,024,281 of which $228,560,609 remains outstanding as itemized in the table below:

Construction Projects	Spent to Date	Remaining Commitments
Governmental activities:		
Community development	$ 142,322	$ 90,331
Legislative / admin / support services	41,743,257	79,263,197
Parks, recreation and culture	28,418,535	21,374,166
Public safety	53,010	33,645
Transportation	14,384,123	20,450,062
Total governmental activities	84,741,247	121,211,401
Business-type activities:		
Environmental services	98,039,488	86,384,732
Parking facilities	3,421,040	5,154,484
Water	24,261,897	15,809,992
Total business-type activities	125,722,425	107,349,208
Total Construction Projects	$ 210,463,672	$ 228,560,609

Continued next page

IV. Other information continued:

C. Commitments and contingent liabilities continued:

The City contracts the services of professional, technical and/or experts (PTE) who are subject matter experts in their fields of special knowledge or training. PTEs are usually performed by certified or licensed professionals including planners, architects, engineers and lawyers. PTE consists of both construction and non-construction projects. The combined contractual amount is $325,695,395 of which $158,383,316 is unspent as itemized in the table below:

Professional, Technical, or Expert Projects	Spent to Date	Remaining Commitments
Governmental activities:		
Community development	$ 4,701,194	$ 4,587,070
Legislative / admin / support services	21,624,137	26,905,153
Parks, recreation and culture	9,954,170	13,979,436
Public safety	15,563,349	11,430,567
Transportation	41,936,640	41,567,507
Total governmental activities	93,779,490	98,469,733
Business-type activities:		
Environmental services	41,451,011	36,484,520
Hydroelectric power	688,435	480,893
Parking facilities	1,212,750	1,919,754
Water	30,180,393	21,028,416
Total business-type activities	73,532,589	59,913,583
Total Professional, Technical or Expert Projects	$ 167,312,079	$ 158,383,316

The combined total for other non-construction projects amounted to $613,043,546 of which $325,854,798 remains unspent. Other non-construction projects consist of the following:

- Community partnership agreement (CPA) mainly represents a business property license fee within the Lloyd Business District to provide revenues to fund supplemental transportation management, district attorney prosecution, and economic development services within the district amounted to $2,744,981 of which $1,065,778 remains unspent.
- Grant agreements (GA) where the City is awarding funds as a means of assisting in various projects dealing with improving the quality of life, protecting and researching for the public good amounted to $110,554,954 of which $51,317,937 remains unspent.
- Price agreement (PA) are contracts with existing suppliers for goods or non-PTE services with established unit prices but with no quantities identified. If the City awards a price agreement or executes a requirements contract that will allow the City to purchase whatever quantity it needs from a contractor, then City Bureaus shall make their purchases from that contract unless the Chief Procurement Officer grants an exemption to that requirement. The combined total is $499,743,611 of which $273,471,083 remains unspent.

Continued next page

IV. Other information continued:

C. Commitments and contingent liabilities continued:

The table below provides more detail:

	Spent to Date			Remaining Commitments			Total Spent	Total
Other Projects	CPA	GA	PA	CPA	GA	PA	to Date	Remaining
Governmental activities:								
Community development	$ -	$ 36,802,612	$ 5,615,394	$ -	$ 33,833,801	$ 6,147,787	$ 42,418,006	$ 39,981,588
Legislative / admin / support services	1,679,203	15,217,271	63,628,232	1,065,778	10,141,860	43,522,833	80,524,706	54,730,471
Parks, recreation and culture	-	-	10,618,322	-	-	11,210,355	10,618,322	11,210,355
Public safety	-	6,619,571	26,236,025	-	4,495,720	20,660,740	32,855,596	25,156,460
Transportation	-	79,720	38,644,339	-	51,720	26,953,459	38,724,059	27,005,179
Other	-	-	-	-	2,462,545	107,665,841	-	110,128,386
Total governmental activities	1,679,203	58,719,174	144,742,312	1,065,778	50,985,646	216,161,015	205,140,689	268,212,439
Business-type activities:								
Environmental services	-	151,589	58,041,330	-	96,866	41,427,696	58,192,919	41,524,562
Parking facilities	-	120,000	62,822	-	76,163	269,708	182,822	345,871
Water	-	246,254	23,426,064	-	159,262	15,612,664	23,672,318	15,771,926
Total business-type activities	-	517,843	81,530,216	-	332,291	57,310,068	82,048,059	57,642,359
Total Other Projects	$1,679,203	$ 59,237,017	$226,272,528	$1,065,778	$ 51,317,937	$273,471,083	$287,188,748	$325,854,798

HUD Section 108 Loan Guarantee

The City is also party to a Section 108 loan guarantee contract (B97-MC-41-0003) with HUD for the Commercial Revitalization Loan Fund Program. This program is administered by Prosper Portland on behalf of the Portland Housing Bureau. The HUD contract, signed in December 1999, was for $8 million. There are eight outstanding loans totaling $2.1 million in original principal, with remaining balances of $742,000 at June 30, 2018. The table below presents a list of borrowers and their respective loan principal balances:

Borrower Name	Original Principal Amount	Principal Balance June 30, 2018	Principal Balance June 30, 2017
HUD Offering Rate Variance	$ 31,000	$ 11,000	$ 11,000
OUV2	800,000	491,000	524,000
PCRI / Alberta Simmons	375,000	85,000	120,000
PUB Group	875,000	155,000	250,000
Total	$ 2,081,000	$ 742,000	$ 905,000

The Bank of New York Mellon (BNY) serves as custodian for this group of HUD Section 108 loans under an indenture and trust agreement between the City and BNY executed in 1999. All transactions flow through BNY trust accounts. The HUD offering rate variance is repaid by Prosper Portland on a periodic amortizing basis from Economic Development Initiatives (EDI) grant reserve funds also held in trust by BNY. Collective loan balances under this HUD contract, for which the City is contingently liable should the borrowers default, is $742,000. For further information on the HUD Section 108 Loan Guarantee Program, refer to the Loans Receivable section of Note III.B., Receivables.

Continued next page

IV. Other information continued:

C. Commitments and contingent liabilities continued:

Environmental Remediation

GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations established accounting and financial reporting standards for pollution remediation obligations. Multiple remediation projects have been recognized by the City of Portland and accounted for in accordance to GASB Statement No. 49. The details of these projects are discussed below under Portland Harbor Superfund Site and Portland Housing Bureau.

Portland Harbor Superfund Site

Portland Harbor was listed as a federal Superfund site in December of 2000. The City is among the more than 140 potentially responsible parties that have received General Notices Letter from the Environmental Protection Agency (EPA.) In 2001, the City of Portland and nine other potentially responsible parties entered into an Administrative Order on Consent (AOC) with EPA obligating them to finance a Remedial Investigation and Feasibility Study (RI/FS) under the federal Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA). This work has been completed.

The City is one of six parties that entered into an AOC in 2013 to conduct supplemental RI/FS. The AOC was amended in 2016 to include design activities at one sub-area. Currently the Bureau of Environmental Services (BES) has accrued $1,750,000 in estimated costs for work related to the current AOC, as well as additional work at Portland Harbor that is currently still in negotiation with the EPA. The City's costs for this work are being financed primarily from user fees generated by the City's sanitary sewer and storm water utility, which is managed by BES as well as funds from the City's Environmental Remediation Fund. The City's relative contribution to these costs bears no relationship to the City's potential liability for cleanup costs.

In January 2017, EPA finalized the Feasibility Study and issued a final Record of Decision (ROD) for Portland Harbor. Potential remedy costs were included in the ROD for comparative purposes among the potential remedies. Those comparative estimates were based on site-wide cleanup actions and do not include estimates of cleanup of individual sub-areas nor any individual party's share of those costs. This large and complex Superfund Site is not progressing under conventional processes used for smaller sites. For example, the next step at Portland Harbor is for certain parties to complete a new baseline sampling effort to inform the remedy. This work is scheduled to be completed within two years.

The City will seek recovery of some or all of its response costs from other parties that have liability at the Superfund site. The City is participating in voluntary negotiations with approximately 95 other potentially responsible parties to develop a method of fairly allocating investigation and remedy costs among all responsible parties. Additional entities that contributed to the contamination may be discovered throughout the process. This non-judicial allocation process is expected to take several more years to complete. The City believes that an estimate of maximum exposure of the Portland Harbor cleanup cannot be made but could be material to the period in which it is recorded.

The City may also have liabilities to natural resource trustees for areas in and near Portland Harbor. These liabilities are not anticipated to be incurred as part of a pollution remediation effort.

Under CERCLA, responsible parties that fail to enter into agreements to remediate and restore Superfund sites become subject to legal action by EPA to recover their full share of liability for cleanup and restoration activity, including imposition of fines and other financially punitive measures.

The City is also one of 10 plaintiffs who filed suit in June 2009 against 40 entities to protect against a potential statute of limitations claim by parties that are not participating in negotiated settlements or did not agree to waive statute of limitation defenses. The plaintiffs in the litigation sought and were issued a stay of the litigation pending the outcome of the negotiated settlement discussed above.

Continued next page

IV. Other information continued:

C. Commitments and contingent liabilities continued:

Portland Housing Bureau Properties

Portland Housing Bureau (PHB) has two properties with a remediation issues. Through an intergovernmental agreement, PHB continues to rely upon the knowledge and expertise from Prosper Portland's consultants to continue estimating the remediation costs. The potential obligations are estimates by Prosper Portland staff and consultants and are based upon prior experience in identifying and funding similar remediation activities. Site investigation, planning and design, cleanup, and site monitoring are typical remediation activities underway across many Prosper Portland properties, and therefore Prosper Portland has programs, rules, and regulations that routinely deal with remediation-related issues. Much of Prosper Portland's mission is to deal with blighted properties, which sometimes include pollution conditions. Prosper Portland has the knowledge and expertise to estimate the remediation but also employs consultants when expedient. The standards require that pollution remediation liabilities be calculated using the expected cash flow technique. When an estimate cannot be reasonably made, a pollution remediation obligation is not reported.

The remediation obligation estimates that appear in this report are subject to change over time. Costs may vary due to price fluctuation, changes in technology, changes in potential responsible parties, results of environmental studies, changes to statutes or regulations, and other factors that could result in revisions to these estimates. Prospective recoveries from responsible parties may reduce the City's obligation. As of June 30, 2018, the estimated pollution remediation liability is $275,845.

Other Remediation Obligations

There are other sites where the City expects to conduct remediation activities in FY 17-18. These sites consist of City-owned contaminated properties where remediation activities are required by Oregon Department of Environmental Quality (DEQ) and City-acquired contaminated properties where remediation activities are being done voluntarily before constructing new facilities. The total estimated remediation liabilities at these sites are insignificant and have been accrued. These liabilities are estimated using the expected cash flow technique based on professional experience in estimating staff time, consultant costs, analytical costs, agency oversight, and equipment costs for similar work. Potential changes in estimates are expected to be low to moderate. Significant cost recovery is not expected at these sites and does not reduce estimated liability.

Continued next page

IV. Other information continued:

C. Commitments and contingent liabilities continued:

Following are the estimated remediation liabilities that were accrued by project at fiscal year end:

Governmental activities:	
Noncurrent liabilities:	
Community development projects:	
30th & Powell	$ 133,980
SW Stark - Fairfield property	141,865
Total governmental activities	$ 275,845
Business-type activities:	
Current liabilities:	
Environmental services projects:	
Portland Harbor Superfund RI/FS	$ 667,000
Inspection, maintenance and monitoring:	
Closed municipal incinerator	350,000
Clarifier construction surface soils	25,000
DEQ UIC Closure reports	25,000
Water projects:	
Washington Park	30,000
Council Crest Tank Roof	113,000
Total current liabilities	1,210,000
Noncurrent liabilities:	
Environmental services projects:	
Portland Harbor Superfund RI/FS	1,083,000
Inspection, maintenance and monitoring:	
Closed municipal incinerator	100,000
Clarifier construction surface soils	25,000
DEQ UIC Closure reports	225,000
Total noncurrent liabilities	1,433,000
Total business-type activities	$ 2,643,000

Continued next page

IV. Other information continued:

C. Commitments and contingent liabilities continued:

Nonexchange Financial Guarantees:

Home Forward Contingent Loan Agreements

The City is authorized by Oregon Revised Statutes and by City Ordinance to make limited, subject-to-appropriation, pledges of its General Fund to restore reserve fund balances on five Home Forward housing revenue bond issues (see table below). The reserve replenishment pledges remain in place until the underlying Home Forward revenue bonds are fully redeemed or defeased. To date, Home Forward has not requested payment by the City on outstanding bonds, and the City does not expect a request for payment to be forthcoming. Should funds be requested of the City, City Council must first authorize such disbursement and an accompanying repayment plan.

	Authorizing Ordinance No.	Date of Issue	Scheduled Final Maturity Date	Amount of Original Issue	Outstanding 6/30/2018	Maximum Annual Liability
Pearl Court	180528	12/19/2006	01/01/2027	$ 6,170,000	$ 3,430,000	$ 476,200
Yards at Union Station	180792	04/30/2007	05/01/2029	6,335,000	3,940,000	472,680
Hamilton West Apartments*	186515	05/01/2014	01/01/2034	3,470,000	3,205,000	204,800
Gretchen Kafoury Commons**	186514	05/01/2014	01/01/2034	4,030,000	3,725,000	237,465
Lovejoy Station	174844	10/01/2000	07/15/2033	9,690,000	9,160,000	741,600
Total Contingent Loan Agreements				$ 29,695,000	$ 23,460,000	$ 2,132,745

*Maximum annual liability does not reflect a $1,840,800 payment due at maturity on January 1, 2034.
**Maximum annual liability does not reflect a $2,142,400 payment due at maturity on January 1, 2034.

State of Oregon Department of Energy Loan Guarantee - SoloPower Systems

The City is authorized by Oregon Revised Statutes and by City Ordinance No. 184598 to pledge non-tax City revenues to guarantee payment of debt service on a loan offered by the State of Oregon Department of Energy (ODOE) to a private entity, SoloPower Systems. The loan guarantee covers $5 million of a total $10 million ODOE loan and is secured by a pledge of the City's parking meter revenues. In January 2017, the City received notice from the Oregon Department of Justice stating that SoloPower was in default on its ODOE obligations and demanding that the City begin making payments under the guarantee in the amount of $119,000 per month beginning in April 2017. The City made 15 monthly payments totaling $1,785,000 as of June 30, 2018, and is expected to continue making similar monthly payments to the State of Oregon through October 2020.

D. Other postemployment benefits:

The other postemployment benefits (OPEB) for the City combines two separate plans. The City provides an implicit rate subsidy for retiree Health Insurance Continuation (HIC) premiums, and a contribution to the State of Oregon's PERS cost-sharing multiple-employer defined benefit plan.

Continued next page

IV. Other information continued:

D. Other postemployment benefits continued:

Health Insurance Continuation

Plan Description & benefits provided: The City has a Health Insurance Continuation (HIC) option available for most groups of retirees. It is a substantive postemployment benefits plan offered under Oregon Revised Statutes (ORS) 243. ORS 243.303 requires the City provide retirees and their dependents with an opportunity to participate in group health and dental insurance from the date of retirement to age 65, and the rate would be calculated using claims experience from retirees and active employees for health plan rating purposes. Providing the same rate to retirees as provided to current employees constitutes an implicit rate subsidy for OPEB. This single-employer "plan" is not a stand-alone plan and therefore does not issue its own financial statements.

Employees covered by benefit terms: At June 30, 2018, the following employees were covered by the benefit terms:

Retirees & spouses benefitting from HIC benefits	996
Active employees	5,584
	6,580

Total OPEB Liability

The City's total HIC OPEB liability of $100,197,951 was measured as of June 30, 2017, and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs: The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Inflation	2.20%
Salary increases	0.87%, weighted average
Discount rate	3.60%
Healthcare cost trend rates	4.50% - 7.50%
Retiree's share of benefit-related costs	26% of estimated HIC costs

The discount rate was based on an assumed municipal bond rate of 3.58% which results in a rounded discount rate for GASB 75 liability of 3.60%.

Post-Retirement Mortality used is based on RP-2014 Healthy Annuitant, with Generational Projection using Unisex Social Security Data Scale. Active mortality used is based on RP-2014 Employee, with Generational Projection using Unisex Social Security Data Scale.

The actuarial assumptions used in the June 30, 2017 valuation report were based on the results of an actuarial experience study for the period January 1, 2013 to December 31, 2016.

Continued next page

IV. Other information continued:

D. Other postemployment benefits continued:

Changes in Total Liability

	Total OPEB Liability
Balance at 6/30/17	$ 104,746,377
Changes for the year:	
Service cost	4,140,465
Interest	3,086,463
Changes of assumptions	(6,825,794)
Benefit payments	$ (4,949,560)
Net Changes	(4,548,426)
Balance at 6/30/18	$ 100,197,951

Changes of assumptions reflect healthcare increases that were higher than assumed in the prior valuation, an increased participation rate from 40% to 45%, an assumed health care reform excise tax increased from the prior projection, and several assumptions changed from the previous valuation including the rates of retirement, termination, disability, salary scale, and mortality.

Sensitivity of the total OPEB liability to changes in the discount rate:

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower:

	1% Decrease (2.60%)	Discount Rate (3.60%)	1% Increase (4.60%)
Total OBEB liability	$ 110,131,211	$ 100,197,951	$ 91,401,564

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates:

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current health care trend rates:

Healthcare Cost Trend Rates (6.50% - decreasing to 3.50%)	Healthcare Cost Trend Rates (7.50% - decreasing to 4.50%)	Healthcare Cost Trend Rates (8.50% - decreasing to 5.50%)
$ 89,423,068	$ 100,197,951	$ 112,923,512

Continued next page

IV. Other information continued:

D. Other postemployment benefits continued:

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized an OPEB expense of $6,277,583. At June 30, 2018, the City reported deferred inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	$ -	$ 5,876,449
Total	$ -	$ 5,876,449

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

Year End June 30:	
2019	$ (949,345)
2020	(949,345)
2021	(949,345)
2022	(949,345)
2023	(949,345)
Thereafter	(1,129,724)
Total	$(5,876,449)

OPERS Retirement Health Insurance Account

Plan Description. The City contributes to the PERS 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. ORS 238.420 established this trust fund and authorizes the Oregon Legislature to establish and amend the benefit provisions. PERS issues a publicly available financial report that includes financial statements and required supplementary information which can be obtained by writing to Oregon Public Employees Retirement System, PO Box 23700, Tigard, OR 97281-3700, telephone (503) 598-7377, or by URL http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx

Benefits provided: RHIA pays a monthly contribution toward the cost of Medicare companion health insurance premiums of eligible employees. 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 RHIA established by the City, and any monthly cost in excess of $60 shall be paid by the eligible retired member in the manner provided in ORS 238.410. The plan has been closed to new entrants since January 1, 2004.

Contributions: 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. Participating cities are contractually required to contribute to RHIA at a rate assessed each year by PERS.

Continued next page

IV. Other information continued:

D. Other postemployment benefits continued:

The City's contractually required contribution rate for the year ended June 30, 2018, was 0.43% of the covered payroll, actuarily determined as an amount that is expected to finance the costs of benefits earned by employees during the year. Contributions to the OPEB plan from the City were $1,779,016 for the year ended June 30, 2018. Employees are not required to contribute to the OPEB plan.

OPEB Assets, Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At June 30, 2018, the City reported an asset of $1,476,036 for its proportionate share of the net OPEB asset. The net OPEB asset was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation date as of December 31, 2015. The City's proportionate share of the RHIA net OPEB asset has been determined based on the City's contributions to the RHIA program (as reported by PERS) during the Measurement Period ending on the corresponding Measurement Date. The City's proportionate share at June 30, 2017 and June 30, 2016 was 3.53676347% and 3.59596760%, respectively.

City of Portland	Net OPEB Asset	Allocation
Governmental activities	$1,183,453	80.3 %
Business-type activities	270,733	18.3 %
Government-wide	1,454,186	98.6 %
Fiduciary Fund: Fire and Police Disability and Retirement Fund	3,680	0.2 %
Component Unit: Prosper Portland	18,170	1.2 %
	$1,476,036	100.0 %

For the year ended June 30, 2018, the City recognized an OPEB expense of $3,580. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows (Inflows) of Resources
Net difference between projected and actual earnings on investments	$ -	$ (683,617)	$ (683,617)
Changes in proportionate share	-	(11,733)	(11,733)
Total (prior to post-measurement date contributions)	-	(695,350)	(695,350)
City contributions made subsequent to measurement date	1,812,176	-	1,812,176
Net deferred outflow / (inflows) of resources	$ 1,812,176	$ (695,350)	$ 1,116,826

$1,812,176 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Continued next page

IV. Other information continued:

D. Other postemployment benefits continued:

	Deferred Inflows of Resources		
Fiscal Year Ending June 30,	Net Difference between Projected and Actual Earnings on Investments	Changes in Proportionate Share	Net Deferred Outflow/(Inflows) of Resources
2019	$ (170,905)	$ (4,345)	$ (175,250)
2020	(170,904)	(4,345)	(175,249)
2021	(170,904)	(3,043)	(173,947)
2022	(170,904)	-	(170,904)
2023	-	-	-
Thereafter	-	-	-
	$ (683,617)	$ (11,733)	$ (695,350)

Actuarial Methods & Assumptions:

The total OPEB liability in the December 31, 2015 actuarial valuation was determined using the following actuarial methods and assumptions:

Valuation date	December 31, 2015
Measurement date	June 30, 2017
Experience study	2014, published September 23, 2015
Actuarial assumptions:	
Actuarial cost method	Entry Age Normal
Inflation rate	2.50 percent
Long-term expected rate of return	7.50 percent
Discount rate	7.50 percent
Projected salary increases	3.50 percent
Retiree healthcare participation	Healthy retirees: 38%; Disabled retirees: 20%
Healthcare cost trend rate	Not applicable
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as describe in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 sex-distinct generational per Scale BB, disabled mortality table.

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IV. Other information continued:

D. Other postemployment benefits continued:

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

Depletion Date Projection: GASB 75 generally requires that a blended discount rate be used to measure the Total OPEB Liability. The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

Assumed Asset Allocation

Asset Class/Strategy	Low Range	High Range	OIC Target
Cash	- %	3.0 %	- %
Debt Securities	15.0	25.0	20.0
Public Equity	32.5	42.5	37.5
Private Equity	14.0	21.0	17.5
Real Estate	9.5	15.5	12.5
Alternative Equity	-	12.5	12.5
Opportunity Portfolio	-	3.0	-
Total			100.0 %

Long-Term Expected Rate of Return: To develop an analytical basis for the selection of the long-term expected rate of return assumption, in July 2015 the PERS Board reviewed long-term assumptions developed by both Milliman's capital market assumptions team and the Oregon Investment Council's (OIC) investment advisors. Each asset class assumption is based on a consistent set of underlying assumptions, and includes an adjustment for the inflation assumption. These assumptions are not based on historical returns, but instead are based on a forward-looking capital market economic model.

Asset Class	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.0 %	4.0 %
Short-Term Bond	8.0	3.6
Intermediate-Term Bonds	3.0	5.4
High Yield Bonds	1.0	6.2
Large/Mid Cap US Equities	15.8	6.7
Small Cap US Equities	1.3	7.0
Micro Cap US Equities	1.3	7.0
Developed Foreign Equities	13.1	6.7
Emerging Market Equities	4.1	7.3
Non-US Small Cap Equities	1.9	7.2
Private Equity	17.5	8.0

Continued next page

IV. Other information continued:

D. Other postemployment benefits continued:

Asset Class	Target	Compound Annual Return (Geometric)
Real Estate (Property)	10.0	5.8
Real Estate (REITS)	2.5	6.7
Hedge Fund of Funds - Diversified	2.5	4.6
Hedge Fund - Event-driven	0.6	6.7
Timber	1.9	5.9
Farmland	1.9	6.4
Infrastructure	3.8	7.1
Commodities	1.9	4.6
Assumed Inflation - Mean		2.5 %

Sensitivity of the City's proportionate share of the net OPEB asset to changes in the discount rate:

The following presents the City's proportionate share of the net OPEB liability/(asset), as well as what the City's proportionate share of the net OPEB liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (6.50%) or one percentage point higher (8.50%)

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net OPEB liability (asset)	$ 205,757	$(1,476,036)	$(2,906,502)

The RHIA plan is unaffected by health care cost trends since the benefit is limited to a $60 monthly payment toward Medicare companion insurance premiums. Consequently, disclosure of a healthcare cost trend analysis is not applicable.

OPEB plan fiduciary net position:

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPERS financial report.

Aggregate Net OPEB Liability/Asset, Pension Expense, & Net Deferred Outflow/Inflow of Resourced Related to OPEB:

Continued next page

IV. Other information continued:

D. Other postemployment benefits continued:

The tables below present the aggregate balance (in millions) of the City's net OPEB liability/(asset), OPEB expense, and net deferred inflows and outflows as of June 30, 2018:

	Deferred Outflow/(Inflow) of Resources - OPEB	Net OPEB Liability/(Asset)	OPEB Expense
RHIA	$ (695,350)	$ (1,476,036)	$ 3,580
HIC	(5,876,449)	100,197,951	6,277,583
Total	$ (6,571,799)	$ 98,721,915	$ 6,281,163

E. Employee retirement systems and pension plans:

State of Oregon Public Employees Retirement System

Plan description. Civilian City employees, and all sworn fire and police personnel hired after December 31, 2006 are provided pensions as participants under one or more plans currently available through Oregon Public Employees Retirement System (OPERS), a cost-sharing multiple-employer defined benefit plan in accordance with Oregon Revised Statutes Chapter 238, Chapter 23A, and Internal Revenue Service Code Section 401(a).

OPERS prepares their financial statements in accordance with Governmental Accounting Standards Board (GASB) Statements and generally accepted accounting principles. The accrual basis of accounting is used for all funds. Contributions are recognized when due, pursuant to legal (or statutory) requirements. Benefits and withdrawals are recognized when they are currently due and payable in accordance with the terms of the plans. Investments are recognized at fair value, the amount that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. OPERS issues a publicly available financial report that can be obtained at: http://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial Information.aspx

There are currently two programs within OPERS, with eligibility determined by the date of employment. Those employed prior to August 29, 2003 are OPERS Program members, and benefits are provided based on whether a member qualifies for Tier One or Tier Two described below. Those employed on or after August 29, 2003 are Oregon Public Service Retirement Plan (OPSRP) Program members. OPSRP is a hybrid retirement plan with two components: 1) the Pension Program (defined benefit; established and maintained as a tax-qualified governmental defined benefit plan), and 2) the Individual Account Program (IAP) (defined contribution; established and maintained as a tax-qualified governmental defined contribution plan).

The 1995 Legislature created a second tier of benefits for those who became OPERS Program members after 1995 but before August 29, 2003. The second tier does not have the Tier One assumed earnings rate guarantee.

Beginning January 1, 2004, all employees who were active members of OPERS became members of the OPSRP IAP Program. OPERS plan member contributions (the employee contribution, whether made by the employee or "picked-up" by the employer) go into the IAP portion of OPSRP. OPERS plan members retain their existing OPERS accounts; however, member contributions after January 1, 2004 are deposited in the member's IAP, not into the member's OPERS account.

On November 7, 2006, voters in the City of Portland passed a measure that took effect January 1, 2007. All police officers and firefighters hired on or after January 1, 2007 are now enrolled in OPERS instead of the City's Fire and Police Disability and Retirement (FPDR) fund for retirement purposes. They remain under the City's FPDR plan for disability payments.

Continued next page

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

Benefits provided under ORS 238 - Tier One / Tier Two:

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

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

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

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

Disability Benefits. A member with 10 or more years of creditable service who becomes disabled from other than duty-connected causes may receive a non-duty disability benefit. A disability resulting from a job-incurred injury or illness qualifies a member (including PERS judge members) for disability benefits regardless of the length of PERS-covered service. Upon qualifying for either a non-duty or duty disability, service time is computed to age 58 (55 for police and fire members) when determining the monthly benefit.

Benefit Changes after Retirement. Members may choose to continue participation in a variable equities investment account after retiring and may experience annual benefit fluctuations due to changes in the market value of the underlying global equity investments of that account.

Under ORS 238.360 monthly benefits are adjusted annually through cost-of-living changes (COLA). The COLA is capped at 2.0%.

Benefits provided under Chapter 238A - OPSRP Pension Program (OPSRP DB):

Pension Benefits. The ORS 238A Defined Benefit Pension Program provides benefits to members hired on or after August 29, 2003. This portion of the OPSRP provides a life pension funded by employer contributions. Benefits are calculated with the following formula for members who attain normal retirement age:

Continued next page

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

Police and Fire: 1.8% is multiplied by the number of years of service and the final average salary. Normal retirement age for police and fire members is age 60 or age 53 with 25 years of retirement credit. To be classified as a police and fire member, the individual must have been employed continuously as a police and fire member for at least five years immediately preceding retirement. Reduced retirement benefits are available at age 50 to fire and police OPSRP members.

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

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

Death Benefits. Upon the death of a non-retired member, the spouse or other person who is constitutionally required to be treated in the same manner as the spouse, receives for life 50% of the pension that would otherwise have been paid to the deceased member. The surviving spouse or other person may elect to delay payment of the death benefit, but payment must commence no later than December 31 of the calendar year in which the member would have reached 70½ years.

Disability Benefits. A member who has accrued 10 or more years of retirement credits before the member becomes disabled, or a member who becomes disabled due to job-related injury, shall receive a disability benefit of 45% of the member's salary determined as of the last full month of employment before the disability occurred.

Benefit Changes after Retirement. Under ORS 238.360 monthly benefits are adjusted annually through a cost-of-living adjustment (COLA). The COLA is capped at 2.0%.

Funding Policy. PERS funding policy provides for monthly employer contributions at actuarially determined rates. These contributions, expressed as a percentage of covered payroll, are intended to accumulate sufficient assets to pay benefits when due. This funding policy applies to the OPERS Defined Benefit Plan and the Other Postemployment Benefit Plans.

The City elected to finance its December 31, 1997 unfunded actuarial accrued liability to receive a lower employer contribution rate of covered employee's salaries. Proceeds of the 1999 Series, C, D, & E Bonds were used to finance all of the estimated UAAL of the City with OPERS as of December 31, 1997. The debt is recorded on the government-wide statements and is allocated to both governmental and business-type activities. Ultimately this debt is viewed as being an obligate of the general government. These limited tax pension obligation revenue bonds are discussed further in Note III.I. Long-term debt.

Contributions. PERS' funding policy provides for periodic member and employer contributions at rates established by the Public Employees Retirement Board, subject to limits set in statute. The rates established for member and employer contributions were approved based on the recommendations of the System's third-party actuary.

The City's employer contributions for the year ended June 30, 2018 were $51.2 million, excluding amounts to fund employer specific liabilities. The contribution rates in effect for the fiscal year ended June 30, 2018 for each pension program were: Tier1/Tier 2 - 17.62%, OPSRP general service - 10.69%, and OPSRP uniformed - 15.46%. Pension expense for the year was $102.8 million.

Pension Assets, Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

Continued next page

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

At June 30, 2018, the City reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 and rolled forward to June 30, 2017. The City's proportion of the net pension liability was based on the City's projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers. References to the City of Portland, as the Reporting entity, include the City's fiduciary fund and component unit. At June 30, 2018, the City's proportion of OPERS net pension liability was 3.71313021%.

The City's net pension liability as the Reporting entity, was allocated based on contributions by activity:

City of Portland:	Net Pension Liability	Allocation
Governmental activities	$ 362,112,977	72.3 %
Business-type activities	126,705,989	25.3
Government-wide	488,818,966	97.6
Fiduciary activities: Fire and Police Disability and Retirement Fund	1,834,325	0.4
Discretely presented component unit: Prosper Portland	9,878,065	2.0
Reporting entity total	$ 500,531,356	100.0 %

For the year ended June 30, 2018, the Reporting entity recognized pension expense of $102.8 million. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflow/Inflows of Resources
Differences between expected and actual experience	$ 24,205,909	$ -	$ 24,205,909
Changes of assumptions	91,237,938	-	91,237,938
Net difference between projected and actual earnings on investments	5,156,646	-	5,156,646
Changes in proportionate share	1,531,130	4,754,537	(3,223,407)
Differences between City contributions and proportionate share of contributions	-	10,745,602	(10,745,602)
Total (prior to post-measurement date contributions)	122,131,623	15,500,139	106,631,484
City contributions made subsequent to measurement date	52,090,420	-	52,090,420
Net deferred outflows / (inflows) of resources	$ 174,222,043	$ 15,500,139	$ 158,721,904

$52.1 million reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019. Other amounts reported by the City as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in subsequent years as follows:

Continued next page

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

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

	Deferred Outflow of Resources					Deferred Inflows of Resources			
Fiscal Year Ending June 30,	Differences between Expected and Actual Experience	Changes of Assumptions	Difference between Projected and Actual Earnings on Investments	Changes in Proportionate Share	Total Deferred Outflow of Resources	Changes in Proportionate Share	Differences between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflow of Resources	Net Deferred Outflow/Inflow of Resources
2018	$ 7,300,726	$ 27,647,860	$(11,179,408)	$ 624,887	$ 24,394,065	$ 1,105,706	$ 4,599,731	$ 5,705,437	$ 18,688,628
2019	7,300,726	27,647,860	29,422,197	624,887	64,995,670	1,105,706	4,103,371	5,209,077	59,786,593
2020	5,733,066	27,647,860	10,143,249	270,889	43,795,064	1,105,706	1,685,893	2,791,599	41,003,465
2021	3,131,890	8,294,358	(23,229,392)	10,467	(11,792,677)	1,105,706	300,978	1,406,684	(13,199,361)
2022	739,501	-	-	-	739,501	331,713	55,629	387,342	352,159
Total	$ 24,205,909	$ 91,237,938	$ 5,156,646	$ 1,531,130	$ 122,131,623	$ 4,754,537	$ 10,745,602	$ 15,500,139	$ 106,631,484

Actuarial Methods and Assumptions:

Actuarial Valuations. The employer contribution rates effective July 1, 2015, through June 30, 2017, were set using the entry age normal actuarial cost method. Under this cost method, each active member's entry age present value of projected benefits is allocated over the member's service from their date of entry until their assumed date of exit, taking into consideration expected future compensation increases.

The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Valuation date	December 31, 2015
Measurement date	June 30, 2017
Experience study	2014, published September 2015
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Inflation rate	2.50 percent
Investment rate of return	7.50 percent
Discount rate	7.50 percent
Projected salary increases	3.50 percent
Cost of living adjustments (COLA)	Blend of 2.00% COLA and graded COLA (1.25%/0.15%) in accordance with Moro decision; blend based on service
Mortality	Healthy retirees and beneficiaries: RP-2000 Sex-distinct, generational per Scale BB, with collar adjustments and set-backs as described in the valuation. Active members: Mortality rates are a percentage of healthy retiree rates that vary by group, as described in the valuation. Disabled retirees: Mortality rates are a percentage (70% for males, 95% for females) of the RP-2000 Sex-distinct, generational per Scale BB, disabled mortality table.

Continued next page

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

The actuarial valuation calculations are based on the benefits provided under the terms of the plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members. Experience studies are performed as of December 31 of even numbered years. The methods and assumptions shown above are based on the 2014 Experience Study which reviewed experience for the four-year period ending on December 31, 2014.

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

Depletion Date Projection. GASB Statement No. 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses.

Assumed Asset Allocation:

Asset Class / Strategy	Low Range	High Range	OIC Target
Cash	- %	3.0 %	- %
Debt Securities	15.0	25.0	20.0
Public Equity	32.5	42.5	37.5
Private Equity	14.0	21.0	17.5
Real Estate	9.5	15.5	12.5
Alternative Equity	-	12.5	12.5
Opportunity Portfolio	-	3.0	-
Total			100.0 %

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

Continued next page

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

	Target	Compound Annual Return (Geometric)
Core Fixed Income	8.0 %	4.0 %
Short-Term Bonds	8.0	3.6
Intermediate-Term Bonds	3.0	5.4
High Yield Bonds	1.0	6.2
Large/Mid Cap US Equities	15.8	6.7
Small Cap US Equities	1.3	7.0
Micro Cap US Equities	1.3	7.0
Developed Foreign Equities	13.1	6.7
Emerging Market Equities	4.1	7.3
Non-US Small Cap Equities	1.9	7.2
Private Equity	17.5	8.0
Real Estate (Property)	10.0	5.8
Real Estate (REITS)	2.5	6.7
Hedge Fund of Funds - Diversified	2.5	4.6
Hedge Fund - Event-driven	0.6	6.7
Timber	1.9	5.9
Farmland	1.9	6.4
Infrastructure	3.8	7.1
Commodities	1.9	4.6
Assumed Inflation – Mean		2.5

Sensitivity of the City's proportionate share of the net pension liability to changes in the discount rate:

The following presents the City's proportionate, share of the net pension liability calculated using the discount rate of (7.50%), as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.50%) or one-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Discount Rate (7.50%)	1% Increase (8.50%)
Proportionate share of the net pension liability (asset)	$ 852,996,821	$ 500,531,356	$ 205,804,956

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued OPERS financial report. The effect of OPERS on the City's net position has been determined on the same basis used by OPERS.

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IV. Other information continued:

E. Employee retirement systems and pension plans continued:

Changes in Plan Provisions Subsequent to Measurement Date:

On July 28, 2017, the PERS Board adopted a 7.20% assumed rate. The adopted assumed rate will be effective January 1, 2018. Based on the sensitivity analysis provided by OPERS, this could increase the City's net position by an additional $101 million.

Changes in Assumptions:

A summary of key changes implemented since the December 31, 2015 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2014 Experience Study for the System, which was published on September 23, 2015, and can be found at: http://www.oregon.gov/PERS/Documents/Financials/Actuarial/2015/Experience-Study.pdf

Allocation of Liability for Service Segments:

For purposes of allocating Tier One/Tier Two member's actuarial accrued liability among multiple employers, the valuation uses a weighted average of the Money Match methodology and the Full Formula methodology used by PERS when the member retires. The weights are determined based on the prevalence of each formula among the current Tier One/Tier Two population. For the December 31, 2012 and December 31, 2013 valuations, the Money Match was weighted 70 percent for General Service members and 5 percent for Police & Fire members. For the December 31, 2014 and December 31, 2015 valuations, this weighting has been adjusted to 25 percent for General Service members and zero percent for Police & Fire members now that the allocation is based entirely on the Full Formula approach.

Changes in Economic Assumptions:

Inflation. The inflation rate was 2.5% based on a combination of historical and market data and expert forecasts.

Payroll growth. The payroll growth, which is the sum of inflation and real wage growth, was 3.5%.

Investment Return and Interest Crediting. The assumed investment return and interest crediting to both regular and variable account balances was 7.5%.

Tier One/Tier Two Administrative Expenses. Recently implemented GASB statements No. 67 and 68 necessitated an explicit Tier 1/Tier 2 administrative expense assumption. The administrative expense as of the December 31, 2015 valuation was $33 million.

Healthcare Cost Inflation. The healthcare cost inflation for the maximum RHIPA subsidy was updated based on analysis performed by Milliman's healthcare actuaries. This analysis includes the consideration of the excise tax that will be introduced in 2018 by the Patient Protection and Affordable Care Act.

Changes in Demographic Assumptions:

Healthy Mortality. The healthy mortality assumption is based on the RP2000 generational mortality tables with group-specific class and setback adjustments. The group-specific adjustments have been updated to more closely match recently observed system experience.

Disabled Mortality. The disabled mortality assumption is based on the RP2000 generational tables. Gender-specific adjustments were applied to align the assumption with recently observed system experience.

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IV. Other information continued:

E. Employee retirement systems and pension plans continued:

Disability, Retirement from Active Status, and Termination. Rates for disability, retirement from active status, and termination were adjusted.

Changes in Salary Increase Assumptions:

Merit Increases, Unused Sick Leave, and Vacation Pay. Unused sick leave and vacation pay rates were adjusted.

Retiree Healthcare Participation. The RHIA participation rate for healthy retirees was reduced to 38%. The RHIPA participation rate was changed from a uniform rate of 13% to a service-based table of rates.

Defined Contribution Plan - Individual Account Program (IAP):

Pension Benefits. Participants in OPERS defined benefit pension plans also participate in their defined contribution plan. An IAP member becomes vested on the date the employee account is established or on the date the rollover account was established. If the employer makes optional employer contributions for a member, the member becomes vested on the earliest of the following dates: the date the member completes 600 hours of service in each of five calendar years, the date the member reaches normal retirement age, the date the IAP is terminated, the date the active member becomes disabled, or the date the active member dies.

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

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

Contributions. The City has chosen to pay the employees' contributions to the plan. Six percent of covered payroll is paid for general service employees and nine percent of covered payroll is paid for firefighters and police officers. For fiscal year 2018 the City paid $25 million.

Recordkeeping. OPERS contracts with VOYA Financial to maintain IAP participant records.

Fire and Police Disability, Retirement and Death Benefit Plan (the Plan)

Fire and Police Disability and Retirement Fund (FPDR) accounts for the assets of the employee benefit plan held by the City of Portland in a trustee capacity. FPDR is the sole administrator for the plan. FPDR is a governmental single-employer plan maintained and operated solely by the City of Portland. The Plan's authority for vesting and benefit provisions is provided by Chapter 5 of the City Charter. Amendments require approval of the voters in the City of Portland. City Council may provide by ordinance any additional benefits that the City of Portland is required by law to extend to the members and may also change benefits by ordinance to maintain the Plan's tax-qualified status with the Internal Revenue Service. The plan is governed by the FPDR Board of Trustees.

Plan description. The Plan consists of three tiers, two of which are now closed to new employees. Fire and police personnel hired before January 1, 2013 generally became eligible for membership in the Plan immediately upon employment. Sworn personnel initially hired on or after January 1, 2013 are not eligible for membership until they have completed six months of service. See The Fire and Police Disability and Retirement Fund, (Note I.A.) for information on obtaining financial statements.

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IV. Other information continued:

E. Employee retirement systems and pension plans continued:

FPDR One, the original tier, and FPDR Two, the tier in which most active fire and police personnel hired before January 1, 2007 participate, are part of a single-employer defined-benefit plan administered by the FPDR Board of Trustees. FPDR One and FPDR Two are both closed to new entrants. As of June 30, 2018, there were 420 members and beneficiaries subject to the Plan as constituted prior to July 1, 1990, now called FPDR One; 2,486 members and beneficiaries were subject to the Plan as constituted after June 30, 1990, now called FPDR Two.

On November 7, 2006, voters in the City of Portland passed a measure that changed the retirement plan for new police officers and firefighters. Members hired after 2006 are FPDR Three members and enrolled in PERS, predominantly in the Oregon Public Service Retirement Plan (OPSRP), for retirement benefits.

New employees do not become members of PERS for six months unless they were previously members of PERS. The FPDR Fund pays the employee and employer portion of the OPERS contributions for FPDR Three members. FPDR Three members are covered by the FPDR Plan for disability and pre-retirement death benefits. As of June 30, 2018, the number of FPDR Three members was 603.

The Plan provides for service-connected and occupational disability benefits for FPDR Two and Three members at 75% of the member's base pay, reduced by 50% of any wages earned in other employment, for the first year. After the first year, if the member is medically stationary and capable of substantial gainful activity, benefits are reduced to 50% of the member's base pay, and then reduced by 25% of any wages earned in other employment. The minimum benefit is 25% of the member's base pay. The Plan also provides for nonservice-connected disability benefits at reduced rates of base pay after 10 years of service.

FPDR One service-connected and occupational disability benefits are paid at 60% of top-step pay for a police officer or fire fighter. Nonservice-connected disability benefits for FPDR One members are paid in the amount of the member's maximum earned pension, defined below, with a minimum payment of 20% of top step pay for a police officer or fire fighter.

Active members enrolled in the Plan prior to July 1, 1990 were required to make an election as to whether they wished to fall under the provisions of the Plan as constituted prior to July 1, 1990 or become subject to the new Plan provisions effective after June 30, 1990. Under the old provisions, now called FPDR One, benefits are provided upon termination of employment on or after attaining the age of 50 (with 25 or more years of service) or 55 (with 20 years or more of service). Retirement benefits are paid to members at two percent of top-step pay for a police officer or firefighter for each year of active service (up to 60%). Therefore, FPDR One members receive post-retirement benefit increases equal to increases in current top-step police officer or firefighter pay. FPDR One retirement benefits are increased, as necessary, on July 1 of each year. If increases in police officer or firefighter pay occur after July 1 in any given year, FPDR One beneficiaries receive the corresponding increase to their benefit on the following July 1.

Effective July 1, 1990, the Plan was amended to provide for the payment of FPDR Two retirement benefits upon termination of employment on or after attaining age 55, or on or after attaining age 50 if the member has 25 or more years of service. Members become 100% vested after five years of service. Benefits are paid to members at retirement using the following formula: 2.2% to 2.8% multiplied by years of service (30-year maximum); that product is multiplied by the highest one-year base pay the member received during the final three years of employment. The accrual rate of 2.2, 2.4, 2.6 or 2.8% is selected by the member at retirement; the rate determines the survivor benefit. The City Charter allows the FPDR Board to grant post-retirement benefit adjustments to FPDR Two members. The timing and amount of adjustments are at the Board's discretion, with the limitation that the percentage change in any one year may not exceed the percentage change granted to police and fire members of PERS for the same period. Historically the Board has granted a percentage increase each July 1 equal to the PERS percentage increase.

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IV. Other information continued:

E. Employee retirement systems and pension plans continued:

Additional pension benefits are mandated by Oregon Revised Statutes for members whose service began prior to July 14, 1995. The benefits were defined in 1995 but made retroactive to 1991, when the State of Oregon began taxing local pension benefits. The benefits are calculated as a percentage of the Plan benefits, using the greater of 9.89% times the member's percentage of creditable service prior to October 1991 or 0 to 4% based on the member's years of service. Members not subject to Oregon income tax are no longer eligible for the additional benefit.

The Charter provides that, upon termination of employment before attaining five years of service, FPDR Two members shall be entitled to a lump-sum payment consisting of seven percent of base pay received by the member, excluding the first six months of membership. The Charter also provides for FPDR One members to receive a refund of contributions if they terminate employment before vesting. As of June 30, 2018, there are no unvested FPDR One or FPDR Two members.

Death benefits are paid to the surviving spouse or minor children if the member dies from a service-connected or occupational death, regardless of vesting, based on a percentage of base pay or salary as defined in the Plan. Death benefits are also paid to the surviving spouse or minor children in the case of a nonservice-connected death if the member has sufficient service time, as defined by the Plan, and for death after retirement of FPDR One and Two members. The 2015 Oregon State Legislature amended the statutes so that an alternate payee, generally a former spouse, could be treated as the surviving spouse in a domestic relations order for preretirement death benefits.

On November 6, 2007, voters in the City of Portland passed a measure that expanded the types of members who are eligible under the Plan for post-retirement medical treatment required as a result of the member's claim, approved before retirement, for a job-related injury or illness, or for an occupational disability. Previously, members who returned to active service before retirement were not eligible for these postretirement medical benefits. Now, active members who retiree on or after January 1, 2007 are eligible.

On November 6, 2012 voters approved eleven plan amendments referred to them by the Portland City Council. These amendments made a number of changes to plan benefits provisions, the most significant of which was a revision that defined final pay (used to calculate FPDR Two pensions) as base pay received for a 365-day period, or 366 days in leap years.

As of June 30, 2018, membership data related to the Fire and Police Disability, Retirement and Death Benefit Plan (the Plan) was as follows:

	FPDR One	FPDR Two	FPDR Three	Total
Retirees, beneficiaries and participants with disabilities currently receiving pension or long-term disability benefits	420	1,474	-	1,894
Vested benefits not yet in pay status				
Surviving spouses not yet eligible	-	2	-	2
Terminated employees	-	78	-	78
Total vested benefits not yet in pay status	-	80	-	80
Active members on short-term disability	-	15	5	20
Active members:				
Vested	-	932	-	932
Not in FPDR pension plan	-	-	603	603
Total active members	-	932	603	1,535

Continued next page

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

Summary of significant accounting policies. The Plan is reported as a Pension Trust Fund, included within the fiduciary funds, and is maintained on the accrual basis of accounting. Employer contributions to the Plan are made through a dedicated tax levy. Each year the levy is set in an amount that will be sufficient to pay the anticipated benefit payments and administrative costs of the Plan.

Cash and investments held by the City Treasurer in the City of Portland investment pool are stated at fair value. As the FPDR Plan is funded on a pay-as-you-go basis, the Pension Trust Fund has limited cash and investments assets. The Pension Trust Fund's cash and investments are maintained in a cash and investment pool with other funds of the City. Interest earned on pooled investments is allocated monthly based on average participation of the Pension Trust Fund in relation to total investments in the pool. See Note III.A., Cash and Investments for additional information on associated investment risks.

Funding policy and reserves. The Pension Trust Fund was established by adoption of Chapter 5 of the City Charter by the voters at the general election held November 2, 1948. Ten subsequent amendments have been made by voters with the last one being November 6, 2012.

The Board of Trustees of the Pension Trust Fund also administers a Reserve Fund, authorized under provisions of Chapter 5 (Section 5-104) of the City of Portland's Charter. The Reserve Fund's purpose is to provide a reserve from which advances can be made to the Fire and Police Disability and Retirement Fund in the event the latter is depleted to the extent it cannot meet its current obligations. Under provisions of the City Charter, the Reserve Fund maximum is established at $750,000 and was fully funded at June 30, 2018.

A special property tax levy was approved by Portland voters as the resource for annual employer contributions. Under the Charter, employer contributions equal projected current year expenses. Therefore, the FPDR plan is not prefunded on an actuarial basis. The special property tax levy cannot exceed two and eight-tenths mills on each dollar of valuation of property ($2.80 per $1,000 of real market value) not exempt from such levy. As required by Charter, the Pension Trust Fund's Board of Trustees prepares an estimate of the amount required to pay and discharge all requirements of the Pension Trust Fund, exclusive of any loans, advances, or revenues from other sources (such as interagency revenue and interest), for the succeeding fiscal year and submits this estimate to the City Council. The Council is required by Charter annually to levy a tax sufficient to fund the estimated benefits for the upcoming year provided by the Board of Trustees. While the FPDR Fund has not experienced any funding shortfalls to date, future funding is dependent on the availability of property tax revenues and, in the absence of sufficient property tax revenues, City funds.

In the event that funding for the Plan is less than the required payment of benefits to be made in any particular year, the FPDR Fund could receive advances from the FPDR Reserve Fund first and other City funds second, to make up the difference. Repayment of advances, if any, would be made from the special property tax levy in the succeeding year. In the event that the special property tax levy is insufficient to pay benefits because benefits paid exceed the two and eight-tenth mills limit, other City funds would be required to make up the difference; only if both the levy and the FPDR Reserve Fund were exhausted.

Employees do not contribute to the FPDR Plan. Prior to July 1, 1990, members were required to contribute seven percent of a member's base salary into the Plan. Effective July 1, 1990, members were no longer required to make contributions into the Plan, except those members opting to remain in FPDR One. All FPDR One members are now receiving retirement or long-term disability benefits and are no longer contributing.

Contributions. Total actual contributions to the Plan for the fiscal year ended June 30, 2018 totaled $132.0 million.

Changes in net pension liability. The following table presents the changes in the net pension liability for the fiscal year ended June 30, 2018:

Continued next page

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

	Total Pension Liability	Plan Net Position	Net Pension Liability
Balances at 6/30/2017	$ 3,367,105,729	$ 14,150,087	$ 3,352,955,642
Service cost	74,361,810	-	74,361,810
Interest on total liability	120,974,879	-	120,974,879
Changes in assumptions	(141,632,449)	-	(141,632,449)
Benefit payments	(125,666,997)	(125,666,997)	-
Administrative expense	-	(3,601,085)	3,601,085
Net investment income	-	869,867	(869,867)
Employer contributions	-	132,038,902	(132,038,902)
Net changes	(71,962,757)	3,640,687	(75,603,444)
Balances at 6/30/2018	$ 3,295,142,972	$ 17,790,774	$ 3,277,352,198

The City's pension expense for the fiscal year ended June 30, 2018 was $256,236,898.

The change in assumptions corresponds with an increase to the discount rate - the June 30 value of the Bond Buyer General Obligation 20-Bond Municipal Bond Index - from 3.58% on June 30, 2017 to 3.87% on the June 30, 2018.

Sensitivity of the net pension liability to changes in the discount rate:

The following table presents the sensitivity of the net pension liability calculation to a one percent increase or decrease in the discount rate used to measure the total pension liability:

	1% Decrease 2.87%	Discount rate 3.87%	1% Increase 4.87%
Net pension liability	$ 3,807,951,896	$ 3,277,352,198	$ 2,853,083,708

Deferred Inflows and Outflows of Resources:

The following table presents the components of deferred inflows and outflows of resources for the Plan for the fiscal years ended June 30, 2018.

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/Inflows of Resources
Differences between expected and actual experience	$ 58,817,349	$ 7,624,832	$ 51,192,517
Changes in assumptions or inputs	266,665,798	246,929,511	19,736,287
Net difference between projected and actual earnings	125,823	-	125,823
Total	$ 325,608,970	$ 254,554,343	$ 71,054,627

Continued next page

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

The following table presents the future amortization of deferred inflows and outflows of resources for the Plan:

Fiscal Years Ended June 30,	Deferred Outflows	Deferred Inflows of Resources	Net Deferred Outflows/Inflows of Resources
2019	$ 265,120,814	$ 207,265,958	$ 57,854,856
2020	219,570,597	171,655,741	47,914,856
2021	12,095,323	9,455,872	2,639,451
2022	(146,214,947)	(114,307,815)	(31,907,132)
2023	(24,962,817)	(19,515,413)	(5,447,404)
Total	$ 325,608,970	$ 254,554,343	$ 71,054,627

The information presented above is based on the most recent actuarial valuation, or a roll forward of the most recent actuarial valuation. Key assumptions used in the actuarial calculations are listed below.

Actuarial Valuation Assumptions:

The total pension liability in the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Valuation Assumptions	
Valuation date	June 30, 2016
Actuarial cost method	Entry Age Normal
Asset valuation method	Fair market value basis
Dates of experience studies on which significant assumptions are based	June 30, 2014
Mortality assumptions	Retirees and beneficiaries: RP-2000 sex-distinct, generational, with projection scales, with collar adjustments, and set-backs as described in the relevant valuations. Active members: Mortality rates are a percentage of healthy retiree rates, as described in the relevant valuations.
Actuarial assumptions:	
Discount rate	3.87%
Change in discount rate since last measurement date	0.29%
Projected salary increases - Police	3.75%
Projected salary increases - Fire	3.75%
Includes inflation at cost of living adjustments	2.75%

Continued next page

IV. Other information continued:

E. Employee retirement systems and pension plans continued:

Actuarial Valuation Assumptions

Source of municipal bond rate used	Bond Buyer General Obligation 20-Bond Municipal Bond Index*
Post-retirement benefit increases:	
FPDR One	3.75%
FPDR Two	Blend 2.0% / 1.25%

* The Plan is funded by a restricted tax levy, so management chose to use this index to set the discount rate used by the actuary.

The projected salary increases above are for members with more than seven years of service. Those with less than seven years have projected salary increases ranging up to 20%, as detailed in the actuarial valuation report. It is projected that 25% of Fire members and 50% of Police members retire at age 50, and that all Police members retire by age 60 and all Fire members by age 65.

It should be noted that the net pension liability, plan net position as a percentage of total pension liability and the ratio of the net pension liability to covered payroll are measures typically used to gauge the financial health of prefunded plans. Since the FPDR plan is a pay-as-you-go plan funded with a dedicated property tax, the critical measure of the plan's financial health is whether this property tax will ever be insufficient to fully cover plan expenditures.

The FPDR Board periodically assesses the future availability of property tax revenues by ordering projections and simulations in connection with the actuarial valuation of the funds. The most recent assessment was as of June 30, 2016. The analysis found that, under a wide range of simulated economic scenarios in the foreseeable future, the future FPDR Fund levy has an approximately 2.6% probability of reaching the maximum $2.8 per $1,000 of real market value in at least one year through 2036.

Aggregate Net Pension Liability, Pension Expense, & Net Deferred Outflow/Inflow of Resources Related to Pensions

The tables below present the aggregate balance (in millions) of the City's net pension liability, pension expense, and net deferred inflows and outflows as of June 30, 2018:

	Deferred Outflows/Inflows of Resources	Net Pension Liability	Pension Expense
OPERS	$ 106.6	$ 500.5	$ 102.8
FPDR	71.1	3,227.4	256.2
Total	$ 177.7	$ 3,727.9	$ 359.0

F. Tax Abatements

As of June 30, 2018, the City of Portland provides tax abatements through six programs: Non-Profit Low Income Rental Housing, Historic Property, Enterprise Zone, Homebuyer Opportunity Limited Tax Exemption, Multiple-Unit Housing in Core Areas, and Residential Rehab Property.

Continued next page

IV. Other information continued:

F. Tax Abatements continued

Non-Profit Low Income Rental Housing (ORS 307.540 to 307.548):

The largest abatement program for the City is the Non-Profit Low Income Rental Housing. In 1985, Oregon legislature authorized a property tax exemption for low-income housing held by charitable, nonprofit organizations. The tax exemption is intended to benefit low-income renters by alleviating the property tax burden on those agencies that provide this type of housing. The qualifying property must be located within the City of Portland.

Charitable, nonprofit organizations that provide housing to low-income persons are eligible, and must be certified by the Internal Revenue Service as 501(c)(3) or (4) organization. Organizations must own or have a leasehold interest in the property or participate in a partnership as long as the non-profit organization is responsible for the day-to-day management of the property. Applicants who are leaseholders must have a signed leasehold agreement by the application deadline. Vacant land intended to be developed as low-income housing is also eligible for the exemption.

The property tax exemption applies only to the tax levy of a governing body that adopts the provisions of ORS 307.540 to 307.548.

Historic Property (ORS 358.475 to 358.545):

Certain incentives regarding tax abatements may be available to Historic Property. A certified historic structure is a building that is listed individually in the National Register of Historic Places -OR- a building that is in a registered historic district and certified by the National Park Service as contributing to the historic significance of that district. The "structure" must be a building-not a bridge, ship, railroad car, or dam. (A registered historic district is any district listed in the National Register of Historic Places. A State or local historic district may also qualify as a registered historic district if the district and the enabling statute are certified by the Secretary of the Interior.).

Preservation plans are required, along with progress reports every 3rd, 6th, and 9th years. All work approval must be received in advance, and failure to carry out the preservation plan is cause for disqualification, repayment of taxes, penalties and interest.

Ten percent of the building's value must be invested in rehabilitation work within the first five years.

Local jurisdictions may review applications and provide advisory recommendations to the State Historic Preservation Office (SHPO) "relating to public benefit" and property eligibility.

For property certified for special assessment as historic property under ORS 358.490, the county assessor shall for 10 consecutive tax years' list on the assessment and tax roll a specially assessed value that equals the assessed value of the property at the time application was made under ORS 358.487. Though the processes are different, pursuing a historic designation at either the local or National Register level requires research and documentation sufficient to allow evaluation of a resource's historical, cultural and/or architectural significance. The property owner is responsible for providing this material on the appropriate application or form(s).

Property that was classified as historic property on or before September 27, 2007 may continue to receive special assessment under ORS 358.480 to 358.545 until the completion of the 15-year term originally prescribed under ORS 358.487 before 2007 legislative amendments.

Commercial properties can apply for a second 10-year term. Residential properties may also apply for a second 10-year term, unless the local government passes a resolution prohibiting them, if the second term applications includes ADA, seismic, or energy/sustainability improvements.

Continued next page

IV. Other information continued:

F. Tax Abatements continued

Further information can be found at http://www.oregon.gov/OPRD/HCD/SHPO/

Enterprise Zone (ORS 285C.175):

The Oregon Enterprise Zone program is a State of Oregon economic development program, that allows for property tax exemptions for up to five years. In exchange for receiving property tax exemption, participating firms are required to meet the program requirements set by state statute and the local sponsor. Prosper Portland, formerly known as the Portland Development Commission, is the local sponsor for the Portland Enterprise Zone program.

The Enterprise Zone program provides qualified firms that will be making a substantial new capital investment within the defined enterprise zone, a waiver of 100% of the amount of real property taxes attributable to the new investment for a period of five years following completion of the new investment. Land or existing machinery or equipment is not tax exempt; therefore, there is no loss of current property tax levies to local taxing jurisdiction.

Homebuyer Opportunity Limited Tax Exemption (ORS 307.651 to 307.687):

The Homebuyer Opportunity Limited Tax Exemption (HOLTE) program exempts the residential improvement value from real property taxation for a 10-year period, while the land remains taxable. At the end of the 10-year exemption period, the taxes due will reflect the full assessed value of the property. Homes approved for the HOLTE program must sell for less than the annually established price cap to homebuyers who will live in the homes and meet program income requirements. There is a 100-unit cap on the number of new applications approved each year, per administrative rule ARC-HOU-3.01, although the cap does not apply to applications for properties including long-term affordability covenants.

Multiple-Unit Housing in Core Areas (ORS 307.600 to 307.637):

This law addresses the publics' interest in stimulating the construction of transit supportive multiple-unit housing in the core areas of Oregon's urban centers in order to improve the balance between the residential and commercial nature of those areas, and to ensure full-time use of the areas as places where citizens of the community have an opportunity to live as well as work.

In any city, or in any county with a population of over 300,000, the exemption shall apply only to multiple-unit housing preserved, established, constructed, added to or converted on land within an area designated under ORS 307.606. This program exempts property taxes for a period of 10 years, and does not include land values in the exemption.

Residential Rehab Property (ORS 308.450 to 308.481):

The Residential Rehab Property program was designed to rehab properties within distressed areas. The Legislative Assembly determined that it was in the public interest to encourage the rehabilitation of existing units in substandard condition and the conversion of transient accommodation to permanent residential units, and the conversion of nonresidential structures to permanent residential units, to make these units into sound additions to the housing stock of the state. The Legislative Assembly also found that cities and counties of the state should be enabled to establish and design programs to stimulate such rehabilitation and or conversion, based on the incentive of a local property tax exemption. The assessed value of rehabilitated residential property cannot be more than its assessed value as it appears in the last certified assessment roll next preceding the date on which the application for limited assessment is filed with the governing body as provided in ORS 308.462. The program has been repealed by City Code, and new applications are no longer accepted.

Continued next page

IV. Other information continued:

F. Tax Abatements continued

For the fiscal year ended June 30, 2018, the City of Portland abated property taxes totaling $11,576,496 under these programs.

Tax Abatement Program	Amount of Taxes Abated during the Fiscal Year
City of Portland Tax Abatements	
Non-Profit Low Income Rental Housing	$ 3,856,895
Enterprise Zone	2,631,557
Homebuyer Opportunity Limited Tax Exemption (HOLTE)	866,055
Multiple-Unit Housing in Core Areas	864,172
Residential Rehab Property	245
Tax abatements granted by other governments	
Historic Property	3,357,572
	$ 11,576,496

G. Subsequent events:

Changes in OPERS Pension Plan Provisions Subsequent to Measurement Date:

On July 28, 2017, the PERS Board adopted a 7.20% assumed rate. The adopted assumed rate will be effective January 1, 2018. Based on the sensitivity analysis provided by OPERS, this could increase the City's net position liability by an additional $101 million.

Debt activity

Subsequent to fiscal year-end, the City increased the following debt instrument:

Notes and Loans:	Issue Date	Principal	Length in Years	Interest Rates
Tax Anticipation Notes, Series 2018 FPDR	7/19/2018	$ 35,725,000	0.936	4%
Levee Loan #29 Special Finance and Resource	7/19/2018	18,899	7 Years Commencing 12/1/2018	3.26

Line of Credit Activity	Origination Date	Maximum Credit	Draw (Repayment) Date	Principal Draw (Repayment)	Length in Years	Interest Rate
Portland Building LOC Draw #15	4/4/2017	$ 190,000,000	7/1/2018	$ 4,621,065	5	Variable
Portland Building LOC Draw #16	4/4/2017	190,000,000	8/1/2018	6,080,910	5	Variable

Continued next page

IV. Other information continued:

G. Subsequent events continued:

HUD Section 108 Loan Guarantee:

As noted in Note IV.C. The City is a party to a section 108 loan guarantee contract (B97-MC-41-0003) with HUD for the Commercial Revitalization Loan Fund Program.

In August, the City took advantage of available funds in the EDI grant reserve to defease Section 108 Government Guaranteed Participation Certificate, Series 2003A (the "2003 A Note"). There are two outstanding loans that were originally funded with the 2003 A Note reflected below with remaining principal balances:

PUB Group	$	80,000
Alberta Simmons	$	45,000

Payments received from the above notes will be collected by Bank of New York Mellon (BNY), serving as custodian to Prosper Portland. The funds will be remitted to the City as Program Income.

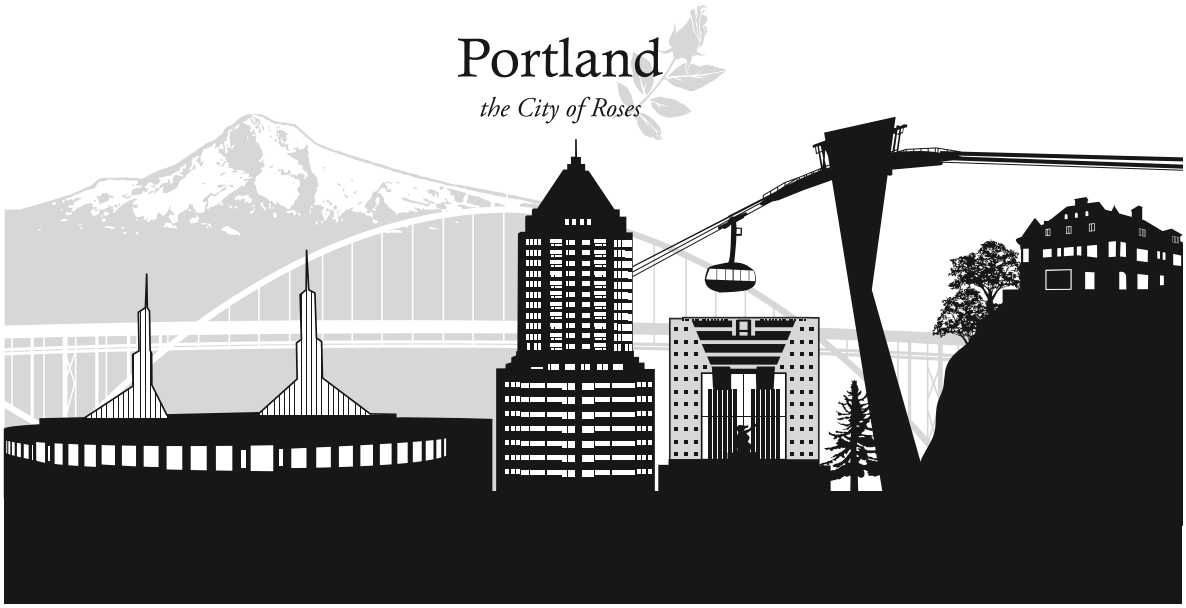
There remains one outstanding Section 108 Government Guaranteed Participate Certificate under the B97-MC-41-0003 contract. There is one outstanding loan that was originally funded with the 2006 A Note. The loan is reflected below with remaining principal balance. BNY will continue to collect principal and interest payments on the loan and will remit to HUD to service the debt on the 2006A Note.

Our United Village (OUV2)	$	456,000

Continued next page

Mt Hood

Required Supplementary Information



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City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 241,054,959	$ 241,054,959	$ 242,329,839	
Prior year property	4,166,953	4,166,953	3,086,299	
Lodging	33,775,500	33,775,500	34,768,146	
Payment in lieu of taxes	618,087	618,087	1,420,541	
Total taxes	279,615,499	279,615,499	281,604,825	$ 1,989,326
Licenses and permits:				
Business licenses, net	114,000,000	114,000,000	134,322,893	
Public utility licenses	82,648,126	82,648,126	83,525,983	
Construction permits	2,715,436	2,535,436	2,642,361	
Other permits	2,557,828	2,642,828	2,572,952	
Total licenses and permits	201,921,390	201,826,390	223,064,189	21,237,799
Charges for services				
Inspection fees	1,838,389	1,838,389	2,185,500	
Rents and reimbursements	4,817,651	4,211,525	4,892,848	
Parking fees	541,572	541,572	449,408	
Concessions	18,156	18,156	-	
Parks and recreation facilities fees	13,706,676	13,257,921	12,937,070	
Other service charges	4,503,982	5,187,699	6,694,994	
Total charges for services	25,426,426	25,055,262	27,159,820	2,104,558
Intergovernmental:				
Federal cost sharing	129,000	129,002	150,216	
State revenue sharing	17,485,117	20,485,117	22,671,684	
State cost sharing	85,000	1,716,269	2,065,572	
Multnomah County cost sharing	2,292,701	2,367,419	2,311,929	
Local revenue sharing	2,206,733	2,406,733	1,843,276	
Local cost sharing	5,947,891	6,416,235	6,694,587	
Overhead charges	270,767	270,767	122,874	
Total intergovernmental	28,417,209	33,791,542	35,860,138	2,068,596
Other:				
Loan repayments	-	-	40,181	
Assessments	4,209	4,209	2,178	
Sales - other	760,197	760,197	932,196	
Refunds	60,000	60,000	149,291	
Donations	-	-	163,950	
Investment earnings	-	-	725,354	
Other interest income	1,614,727	1,614,727	1,017,836	
Fines	507,150	507,150	603,348	
Miscellaneous	976,704	1,121,159	1,865,871	
Total other	3,922,987	4,067,442	5,500,205	1,432,763
Billings to other funds for services	35,023,412	37,055,471	34,536,614	(2,518,857)
Total revenues	574,326,923	581,411,606	607,725,791	26,314,185

Continued next page

City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
Current:				
Personal services	386,194,148	396,226,904	396,180,560	
External materials and services	104,586,860	115,209,534	98,071,159	
Internal materials and services	67,914,473	68,049,039	66,387,882	
Capital outlay	2,737,204	5,559,449	3,936,538	
Total current expenditures	561,432,685	585,044,926	564,576,139	20,468,787
General operating contingencies	13,054,267	15,196,304	-	15,196,304
Debt service and related costs:				
Principal	7,243,146	7,243,146	7,237,743	
Interest	2,776,867	2,776,867	2,618,441	
Total debt service and related costs	10,020,013	10,020,013	9,856,184	163,829
Total expenditures	584,506,965	610,261,243	574,432,323	35,828,920
Revenues over (under) expenditures	(10,180,042)	(28,849,637)	33,293,468	62,143,105
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General fund overhead	28,259,955	28,259,955	28,259,955	-
Emergency Communication	-	599,870	599,870	-
Parks Local Option Levy	624,711	624,711	78,000	(546,711)
Police Special Revenue	-	217,225	-	(217,225)
Water	-	21,596	21,596	-
Parking Facilities	300,294	300,294	300,294	-
Spectator Facilities Operating	23,354	23,354	23,354	-
Technology Services	-	2,851,746	291,746	(2,560,000)
Total transfers from other funds	29,208,314	32,898,751	29,574,815	(3,323,936)

Continued next page

City of Portland, Oregon
General Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES), Continued				
Transfers to other funds:				
Transportation Operating	(17,728,918)	(23,478,969)	(23,478,969)	-
Emergency Communication	(15,305,982)	(15,305,982)	(15,305,982)	-
Development Services	(952,985)	(952,985)	(952,985)	-
General Reserve	(1,000,000)	(1,000,000)	(1,000,000)	-
Housing Investment	(206,576)	(2,940,542)	(2,940,542)	-
Campaign Finance	(250,000)	(250,000)	(250,000)	-
Portland Parks Memorial	(65,990)	(65,990)	(65,990)	-
Pension Debt Redemption	(1,729,216)	(1,729,216)	(1,729,216)	-
Governmental Bond Redemption	(2,865,119)	(1,865,119)	(1,863,243)	1,876
Parks Capital Improvement Program	(1,952,792)	(2,052,792)	(2,052,792)	-
Water	(1,055,000)	(4,055,000)	(4,055,000)	-
Parking Facilities	(250,000)	(250,000)	(250,000)	-
Facilities Services Operating	(1,694,271)	(2,706,021)	(2,706,021)	-
Fire and Police Supplemental Retirement Reserve	(54,000)	(54,000)	(54,000)	-
Total transfers to other funds	(45,110,849)	(56,706,616)	(56,704,740)	1,876
Total other financing sources	(15,902,535)	(23,807,865)	(27,129,925)	(3,322,060)
Net change in fund balance	(26,082,577)	(52,657,502)	6,163,543	58,821,045
Fund balance - beginning	26,082,577	52,657,502	52,608,768	(48,734)
Fund balance - ending	$ -	$ -	58,772,311	$ 58,772,311
Adjustment to generally accepted accounting principles (GAAP) basis:				
Reserve fund budgeted as separate fund			60,757,082	
Campaign Finance fund budgeted as separate fund			242,441	
Unrealized gain (loss) on investments			(1,001,976)	
Loans receivable			339,717	
Inventories			365,483	
Fund balance - GAAP basis			$ 119,475,058	

City of Portland, Oregon
Transportation Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Miscellaneous	$ 18,500,000	$ 18,539,874	$ 20,886,761	$ 2,346,887
Licenses and permits:				
Construction permits	5,435,000	5,566,000	6,428,664	
Other permits	4,328,300	4,328,300	13,572,352	
Total licenses and permits	9,763,300	9,894,300	20,001,016	10,106,716
Charges for services				
Public works and utility charges	12,865,785	13,993,785	18,339,416	
Inspection fees	850,000	912,000	1,435,482	
Rents and reimbursements	650,000	650,000	873,931	
Parking fees	48,989,000	48,989,000	55,980,132	
Other service charges	7,603,117	7,686,617	7,854,092	
Total charges for services	70,957,902	72,231,402	84,483,053	12,251,651
Intergovernmental:				
State revenue sharing	36,532,378	36,532,378	40,976,211	
State cost sharing	-	473,524	703,582	
Multnomah County cost sharing	100,000	100,000	83,414	
Local revenue sharing	34,508,323	34,508,323	30,049,791	
Local cost sharing	1,932,816	1,932,816	8,272,755	
Total intergovernmental	73,073,517	73,547,041	80,085,753	6,538,712
Billings to other funds for services	30,928,898	31,422,702	26,518,705	(4,903,997)
Other:				
Assessments	780,000	780,000	2,585,161	
Sales - other	421,430	421,430	209,500	
Refunds	-	-	2,534	
Donations	300,017	300,017	166,245	
Investment earnings	200,000	200,000	2,589,648	
Other interest income	-	-	312,962	
Miscellaneous	362,000	362,000	1,806,203	
Total other	2,063,447	2,063,447	7,672,253	5,608,806
Total revenues	205,287,064	207,698,766	239,647,541	31,948,775
EXPENDITURES				
Current:				
Personal services	93,569,585	96,254,411	87,240,285	
External materials and services	56,468,227	66,681,991	56,854,309	
Internal materials and services	23,440,245	28,522,542	30,820,727	
Capital outlay	51,780,749	52,215,552	10,771,758	
Total current expenditures	225,258,806	243,674,496	185,687,079	57,987,417
General operating contingencies	104,254,462	95,651,678	-	95,651,678
Debt service and related costs:				
Principal	8,185,734	9,785,734	9,378,918	
Interest	5,368,557	5,967,927	5,891,322	
Internal loan remittances	-	13,000,000	10,000,000	
Total debt service and related costs	13,554,291	28,753,661	25,270,240	3,483,421
Total expenditures	343,067,559	368,079,835	210,957,319	157,122,516
Revenues over (under) expenditures	(137,780,495)	(160,381,069)	28,690,222	(189,071,291)

Continued next page

City of Portland, Oregon
Transportation Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	17,728,918	23,478,969	23,478,969	-
Local Improvement District	7,139,814	7,139,814	1,610,328	(5,529,486)
Total transfers from other funds	24,868,732	30,618,783	25,089,297	(5,529,486)
Transfers to other funds:				
General Fund Overhead	(6,725,943)	(6,725,943)	(6,725,943)	-
Transportation Reserve	-	-	(700,000)	(700,000)
Pension Debt Redemption	(845,416)	(845,416)	(845,416)	-
Gas Tax Bond Redemption	(1,978,101)	(1,978,101)	(1,978,101)	-
Sewer System Operating	(50,000)	(50,000)	(44,703)	5,297
Water	-	(20,247)	(20,247)	-
Total transfers to other funds	(9,599,460)	(9,619,707)	(10,314,410)	(694,703)
Bonds and notes issued	7,124,506	6,624,506	-	(6,624,506)
Internal loan proceeds	9,750,000	9,750,000	8,000,000	(1,750,000)
Sale of capital asset	-	-	4,275	4,275
Total other financing sources (uses)	32,143,778	37,373,582	22,779,162	(14,594,420)
Net change in fund balance	(105,636,717)	(123,007,487)	51,469,384	174,476,871
Fund balance - beginning	106,336,717	123,707,487	165,202,119	41,494,632
Fund balance - ending	$ 700,000	$ 700,000	216,671,503	$ 215,971,503
Adjustment to generally accepted accounting principles (GAAP) basis:				
Reserve fund budgeted as separate fund			6,732,030	
Unrealized gain (loss) on investments			(1,778,352)	
Internal loans receivable			10,000,000	
Inventories			7,086,962	
Fund balance - GAAP basis			$ 238,712,143	

A. Adjustments from the budgetary basis of accounting to GAAP:

General and Transportation Operating Funds are the City's major governmental funds. Both General and Transportation Operating Funds have their own reserve funds that account for countercyclical and emergency reserves. These two reserve funds' budgetary activities are reported in the Special Revenue Funds' section of the CAFR. At fiscal year-end, ending fund balances are folded in with General and Transportation Operating Funds, respectively.

Gain (loss) on investments is the change in fair value of investments and is not recorded in budgetary statements.

Inventories and prepaid expenses, reported in General and Transportation Operating Funds, are resources not available for spending in the subsequent year.

A separate budgetary report, General Fund by Function, is included as part of the Governmental Funds' Budget and Actual section of the CAFR.

Internal loans receivable:

The Transportation Operating Fund provided a temporary operating loan of $8 million to the Grants Fund. The internal loan of $8 million to the Grants Fund provides interim funding to cover lags in federal, State, and other grant reimbursements. This internal loan was authorized by Council Resolution #37215.

B. Expenditures in excess of appropriations:

State law requires a supplemental budget to increase appropriations when unexpected additional resources become available. A supplemental budget is also required to transfer appropriations from a fund's operating contingency during the fiscal year. The supplemental budget process requires a public hearing, advance notice by newspaper publication, and City Council approval. The City adopted three supplemental budgets and made a number of appropriation transfers requiring approval by City Council during fiscal year ended June 30, 2018.

Oregon state law requires disclosure of fund expenditures in excess of budget appropriations. Neither the General of Transportation Operating Funds exceeded budget at the legal level of appropriation (see Note II.A.).

C. Other postemployment benefits:

OPERS Retirement Health Insurance Account

Schedule of Proportionate Share of the Net OPEB Liability/(Asset)
Other Postemployment Benefits
Last Ten Years *
(In Millions)

	2018	2017
Proportion of the OPEB pension liability / (asset)	3.53676347%	3.59596760%
Proportionate share of the net OPEB liability / (asset)	$ (1.48)	$ 0.98
Covered payroll**	$ 359.90	$ 343.60
Proportionate share of the OPEB liability / (asset) as a percentage of covered employee payroll	(0.41%)	0.28%
Plan net position as a percentage of the total OPEB liability	108.90%	94.20%

* Only years with available information are presented.

** As of the measurement date which is one year in arrears.

Continued next page

C. Other postemployment benefits continued

SCHEDULE OF CONTRIBUTIONS
Other Postemployment Benefits
Last Ten Years*
(In millions)

	2018	2017
Contractually required contributions	$ 1.78	$ 1.77
Contributions in relation to the contractually required contribution	1.78	1.77
Contribution deficiency (excess)	$ -	$ -
Covered employee payroll	398.5	359.9
Contributions as a percentage of covered employee payroll	0.45 %	0.49 %

* Only years with available information are presented.

Health Insurance Continuation

SCHEDULE OF CHANGES IN THE CITY'S
TOTAL OPEB LIABILITY AND RELATED RATIO'S
Last 10 Fiscal Years*

	2018
Total OPEB Liability	
Service cost	$ 4,140,465
Interest	3,086,463
Changes of assumptions	(6,825,794)
Benefit payments	(4,949,560)
Net change in total OPEB liability	(4,548,426)
Total OPEB liability - beginning	104,746,377
Total OPEB liability - ending	100,197,951
Covered-employee payroll	$ 435,541,998
Total OPEB liability as a percentage of covered-employee payroll	23.01 %

* Only years with available information are presented.

Notes to the Schedule

Changes of assumptions: There were a number of changes in the demographic and economic actuarial assumptions. Some of these assumption changes have significantly affected the liability of the plan but in an offsetting manner. Key items to note regarding actuarial assumptions include:

- Overall healthcare cost increases were higher than assumed in the prior valuation, resulting in an actuarial loss.

Continued next page

C. Other postemployment benefits continued

- Assumed health care reform excise tax increased from the prior projection to reflect recent plan experience and up-to-date legislation. The increase in assumed excise tax has the effect of increasing the liability.
- Where applicable, demographic assumptions are based on the actuarial valuation assumptions of the Oregon PERS and OPSRP retirement plans. The latest Oregon PERS and OPSRP valuation report available is as of December 31, 2016. Many assumptions changed from the previous valuation including the rates of retirement, termination, disability, salary scale, and mortality.
- Participation rate was changed from 40% to 45% to better reflect actual experience and anticipated future experience.

D. Employee retirement pension benefits:

Oregon Public Employees Retirement System (OPERS):

Per GASB Statement 68, the required supplementary information reports a 10-year Schedule of Proportionate Share of the Net Pension Liability and a 10-year Schedule of Employer Contribution. Additional years' information will be displayed as it becomes available.

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Oregon Public Employees Retirement System
Last Ten Years*
(Dollars in millions)

	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	3.71313021%	3.78332893%	3.78054215%	3.62934176%	3.62934176%
Proportionate share of the net pension liability (asset)	$ 500.5	$ 568.0	$ 217.1	$ (82.3)	$ 185.2
Covered payroll **	$ 359.9	$ 343.6	$ 330.5	$ 313.1	$ 302.6
Proportionate share of the pension liability (asset) as a percentage of its covered employee payroll	139.07 %	165.31 %	65.69 %	(26.29)%	61.20 %
Plan net position as a percentage of the total pension liability	83.12 %	80.53 %	91.88 %	103.59 %	92.00 %

* Only years with available information are presented.
** As of the measurement date which is one year in arrears.

Continued next page

D. Employee retirement pension benefits continued

SCHEDULE OF CONTRIBUTIONS
Oregon Public Employees Retirement System
Last Ten Years*
(Dollars in millions)

	2018	2017	2016	2015	2014	2013 and Prior
Contractually required contribution	$ 51.2	$ 35.6	$ 33.7	$ 26.3	$ 25.0	N/A
Contributions in relation to the contractually required contribution	51.2	35.6	33.7	26.3	25.0	N/A
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	N/A
Covered employee payroll	$ 398.5	$ 359.9	$ 343.6	$ 330.5	$ 313.1	N/A
Contributions as a percentage of covered employee payroll	12.85 %	9.89 %	9.81 %	7.96 %	7.98 %	N/A

* Only years with available information are presented.

Changes in Assumptions:

A summary of key changes implemented since the December 31, 2014 valuation are described briefly below. Additional detail and a comprehensive list of changes in methods and assumptions can be found in the 2014 Experience Study for the system, which was published on September 23, 2015, and can be found at: http://www.oregon.gov/PERS/Documents/Financials/Actuarial/2015/Experience-Study.pdf

Changes in Actuarial Methods and Allocation Procedures:

Allocation of Liability for Service Segments - For purposes of allocating Tier 1/Tier 2 member's actuarial accrued liability among multiple employers, the valuation uses a weighted average of the Money Match methodology and the Full Formula methodology used by PERS when the member retires. The weights are determined based on the prevalence of each formula among the current Tier 1/Tier 2 population. For the December 31, 2012 and December 31, 2013 valuations, the Money Match was weighted 30% for General Service members and five percent for Police & Fire members. For the December 31, 2014 and December 31, 2015 valuations, this weighting has been adjusted to 25% for General Service members and zero percent for Police & Fire members now that the allocation is based entirely on the Full Formula approach.

Changes in Economic Assumptions:

Inflation - The inflation rate was 2.5% based on a combination of historical and market data and expert forecasts.

Payroll Growth - The payroll growth, which is the sum of inflation and real wage growth, was 3.5%.

Investment Return and Interest Crediting. - The assumed investment return and interest crediting to both regular and variable account balances was 7.5%.

Tier 1/Tier 2 Administrative Expenses - Recently implemented GASB statements No. 67 and 68 necessitated an explicit Tier 1/Tier 2 administrative expense assumption. The administrative expense as of the December 31, 2015 valuation was $33 million.

Healthcare Cost Inflation - The healthcare cost inflation for the maximum Retiree Healthcare Insurance Premium Account (RHIPA) subsidy was updated based on analysis performed by Milliman's healthcare actuaries. This analysis includes the consideration of the excise tax that will be introduced in 2018 by the Patient Protection and Affordable Care Act.

Continued next page

D. Employee retirement pension benefits continued

Changes in Demographic Assumptions:

Healthy Mortality - The healthy mortality assumption is based on the RP2000 generational mortality tables with group-specific class and setback adjustments. The group-specific adjustments have been updated to more closely match recently observed system experience.

Disabled Mortality -The disabled mortality assumption base was changed from the RP2000 static tables to the RP2000 generational tables. Gender-specific adjustments were applied to align the assumption with recently observed system experience.

Disability, Retirement from Active Status, and Termination - Rates for disability, retirement from active status, and termination were adjusted.

Changes in Salary Increase Assumptions:

Merit Increases, Unused Sick Leave, and Vacation Pay - Unused sick leave and vacation pay rates were adjusted.

Retiree Healthcare Participation - The RHIA participation rate for healthy retirees was reduced to 38%. The RHIPA participation rate was changed from a uniform rate of 13% to a service-based table of rates.

Fire and Police Disability and Retirement Benefits Plan

Employer contributions to the Fire and Police Disability and Retirement Benefits Plan (Plan) are recognized when due and the employer has made a formal commitment to provide the contributions. Complete financial statements for the Plan may be obtained from the administrative office at: Fire and Police Disability and retirement Fund Board, 1800 SW First Ave., Suite 450, Portland, Oregon 97201, e-mail: FPDR@Portlandoregon.gov, URL: http://www.portlandoregon.gov/fpdr/62529 or by telephone: (503) 823-6823.

Per GASB Statement 68, the required supplementary information reports a 10-year Schedule of Proportionate Share of the Net Pension Liability and a 10-year Schedule of Employer Contribution. Additional years' information will be displayed as it becomes available.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
(Dollars in millions)

Fire and Police Disability, Retirement, and Death Benefit Plan

	2018	2017	2016	2015	2014	2013 and Prior
Total pension liability:						
Service cost	$ 74.4	$ 82.4	$ 66.7	$ 58.9	$ 63.7	N/A
Interest	121.0	97.3	110.5	106.3	117.0	N/A
Benefit payments	(125.7)	(120.4)	(114.0)	(110.9)	(108.0)	N/A
Effect of plan changes	-	36.1	-	185.3	(222.3)	N/A
Effect of changes in assumptions	(141.6)	(215.4)	431.4	208.9	106.5	N/A
Effect of economic/demographic (gains) or losses	-	95.6	-	(25.6)	-	N/A
Net change in total pension liability	(71.9)	(24.4)	494.6	422.9	(43.1)	N/A
Total pension liability, beginning	3,367.1	3,391.5	2,896.9	2,474.0	2,517.1	N/A
Total pension liability, ending	$ 3,295.2	$ 3,367.1	$ 3,391.5	$ 2,896.9	$ 2,474.0	N/A

Continued next page

D. Employee retirement pension benefits continued

	2018	2017	2016	2015	2014	2013 and Prior
Plan net position:						
Employer contributions	$ 132.0	$ 120.7	$ 114.1	$ 115.9	$ 114.7	N/A
Net investment income	0.9	0.5	0.5	(0.5)	0.3	N/A
Benefit payments	(125.7)	(120.4)	(114.0)	(110.9)	(108.0)	N/A
Administrative expense	(3.6)	(4.1)	(5.0)	(3.1)	(3.6)	N/A
Net change in plan net position	3.6	(3.3)	(4.4)	1.4	3.4	N/A
Plan net position, beginning	14.2	17.5	21.9	20.5	17.1	N/A
Plan net position, ending	$ 17.8	$ 14.2	$ 17.5	$ 21.9	$ 20.5	N/A
Net pension liability	$ 3,277.4	$ 3,352.9	$ 3,374.0	$ 2,875.0	$ 2,453.5	N/A
Plan net position as a percent of total pension liability	0.54 %	0.42 %	0.52 %	0.76 %	0.83 %	N/A
Covered employee payroll	$ 143.8	$ 137.6	$ 139.1	$ 139.3	$ 135.7	N/A
Net pension liability as a percent of covered employee payroll	2,279.14 %	2,436.70 %	2,425.59 %	2,063.89 %	1,808.03 %	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(Dollars in millions)

	2018	2017	2016	2015	2014	2013 and Prior
Employer contributions	$ 132.0	$ 120.4	$ 114.1	$ 115.9	$ 114.7	N/A
Contributions recognized by plan	132.0	120.4	114.1	115.9	114.7	N/A
Difference	$ -	$ -	$ -	$ -	$ -	N/A
Covered employee payroll	$ 143.8	$ 137.6	$ 139.1	$ 139.3	$ 135.7	N/A
Contributions as a percent of covered employee payroll	91.79 %	87.50 %	82.03 %	83.20 %	84.52 %	N/A

The net pension liability decreased by $75.5 million because of reductions to plan and assumption changes and economic/demographic gains or losses. The $141.6 million liability reduction due to assumption changes is partially attributable to the increase in the discount rate from 3.58% to 3.87%

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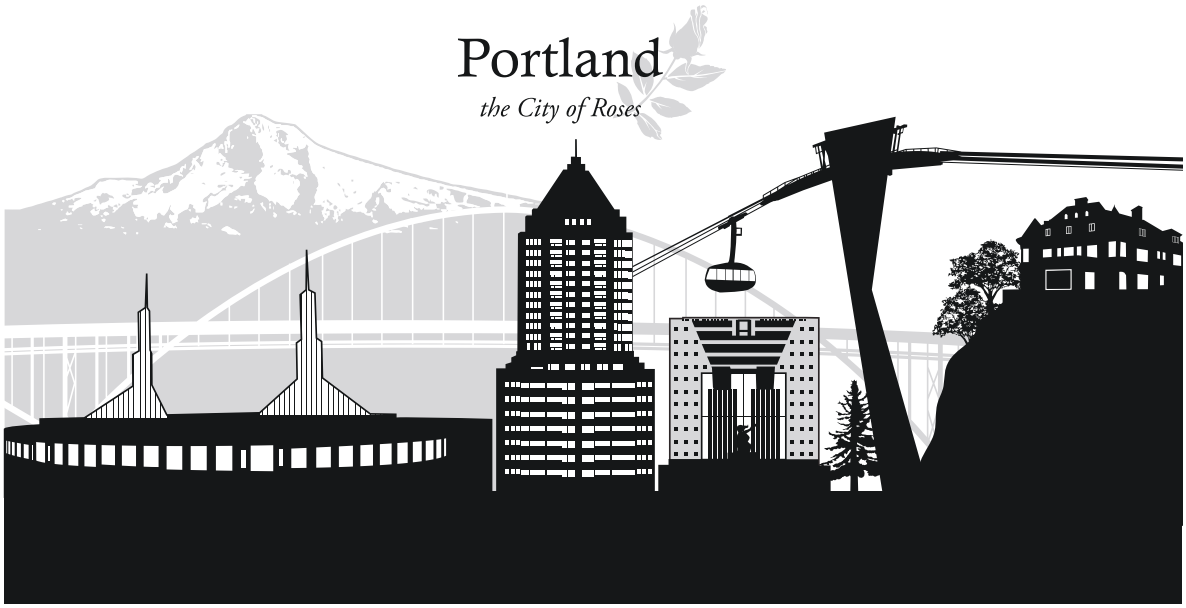
International Rose Test Garden

Combining and Individual Fund Statements and Schedules



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Nonmajor Governmental Funds

Nonmajor Governmental Fund Types:

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Capital Projects Funds are to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs, that is, for the benefit of the City of Portland or its citizenry.

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City of Portland, Oregon
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Permanent Fund	Total
ASSETS					
Unrestricted:					
Cash and investments	$ 23,400,791	$ 16,715,591	$ 14,149,931	$ -	$ 54,266,313
Receivables:					
Accounts, net	2,075,551	-	110,866	-	2,186,417
Assessments	-	4,047,104	-	-	4,047,104
Notes and loans, net	6,068,755	-	-	-	6,068,755
Accrued interest	442,836	81,695	23,148	-	547,679
Due from component unit	544,830	-	-	-	544,830
Internal loans receivable	15,100,000	-	-	-	15,100,000
Restricted:					
Cash and investments	122,349,559	76,952,643	129,740,304	185,053	329,227,559
Receivables:					
Taxes	1,546,329	12,636,594	-	-	14,182,923
Accounts, net	2,060,222	-	-	-	2,060,222
Assessments	22,086,658	30,083,421	10,547,687	-	62,717,766
Notes and loans, net	67,959,470	-	-	-	67,959,470
Advances	3,923	-	-	-	3,923
Grants	13,221,766	-	-	-	13,221,766
Accrued interest	221,851	593,022	597,862	794	1,413,529
Due from component unit	23,114,012	-	-	-	23,114,012
Internal loans receivable	-	-	1,078,250	-	1,078,250
Total assets	$ 300,196,553	$ 141,110,070	$ 156,248,048	$ 185,847	$ 597,740,518
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities payable from unrestricted assets:					
Accounts payable	$ 1,544,109	$ -	$ -	$ -	$ 1,544,109
Unearned revenue	1,296	-	-	-	1,296
Liabilities payable from restricted assets:					
Accounts payable	10,055,832	-	3,396,630	200	13,452,662
Due to component unit	683,474	694,600	-	-	1,378,074
Internal loans payable	10,000,000	-	15,100,000	-	25,100,000
Unearned revenue	4,824,973	-	-	-	4,824,973
Total liabilities	27,109,684	694,600	18,496,630	200	46,301,114
Deferred inflows of resources:					
Unavailable revenue - unrestricted	3,555	3,933,838	-	-	3,937,393
Unavailable revenue - restricted	33,437,863	40,630,999	10,547,687	-	84,616,549
Total deferred inflows of resources	33,441,418	44,564,837	10,547,687	-	88,553,942
Fund balances:					
Nonspendable	-	-	-	163,025	163,025
Restricted	202,742,859	78,940,081	127,989,025	22,622	409,694,587
Committed	24,948,662	-	1,629,625	-	26,578,287
Assigned	21,135,141	16,910,552	12,654,320	-	50,700,013
Unassigned	(9,181,211)	-	(15,069,239)	-	(24,250,450)
Total fund balances	239,645,451	95,850,633	127,203,731	185,647	462,885,462
Total liabilities, deferred inflows of resources and fund balances	$ 300,196,553	$ 141,110,070	$ 156,248,048	$ 185,847	$ 597,740,518

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Permanent Fund	Total
REVENUES					
Taxes:					
Property	$ 19,471,509	$ 169,089,398	$ -	$ -	$ 188,560,907
Lodging	18,412,301	-	-	-	18,412,301
Miscellaneous	25,880,989	-	-	-	25,880,989
Licenses and fees	54,633,988	-	-	-	54,633,988
Intergovernmental	80,100,117	7,450,621	186,165	-	87,736,903
Charges for services	2,686,850	-	36,349,892	-	39,036,742
Interagency	1,233,456	-	185,717	-	1,419,173
Parking fees	3,505,262	-	37,029	-	3,542,291
Parking fines	136,184	-	-	-	136,184
Rents and reimbursements	6,258,944	-	1,600	-	6,260,544
Miscellaneous service charges	15,720,783	-	1,232,548	-	16,953,331
Assessments	3,290,931	4,395,075	4,959,129	-	12,645,135
Investment earnings	5,555,388	3,427,925	1,435,874	1,480	10,420,667
Miscellaneous	907,510	1,267,916	292,788	-	2,468,214
Total revenues	237,794,212	185,630,935	44,680,742	1,480	468,107,369
EXPENDITURES					
Current:					
Public safety	29,469,023	-	1,444,540	-	30,913,563
Parks, recreation and culture	4,660,193	-	2,525,738	200	7,186,131
Community development	143,389,046	694,600	117,666,356	-	261,750,002
Transportation	1,025,620	-	-	-	1,025,620
Legislative / admin / support services	37,662,249	-	-	-	37,662,249
Environmental services	91,199	-	-	-	91,199
Debt service and related costs:					
Principal	1,888,635	66,629,832	1,029,757	-	69,548,224
Interest	1,172,302	34,798,108	361,213	-	36,331,623
Debt issuance costs	-	129,716	195,190	-	324,906
Capital outlay	12,482,409	-	50,393,286	-	62,875,695
Total expenditures	231,840,676	102,252,256	173,616,080	200	507,709,212
Revenues over (under) expenditures	5,953,536	83,378,679	(128,935,338)	1,280	(39,601,843)
OTHER FINANCING SOURCES (USES)					
Transfers in	20,034,965	8,300,759	104,255,108	-	132,590,832
Transfers out	(7,609,894)	(96,300,000)	(3,048,893)	-	(106,958,787)
Bonds and notes issued	-	-	51,405,961	-	51,405,961
Refunding bonds issued	-	8,771,555	43,445	-	8,815,000
Bonds and notes premium	-	884,131	2,292,289	-	3,176,420
Loans issued	-	-	132,554	-	132,554
Total other financing sources (uses)	12,425,071	(78,343,555)	155,080,464	-	89,161,980
Net change in fund balances	18,378,607	5,035,124	26,145,126	1,280	49,560,137
Fund balances - beginning	221,266,844	90,815,509	101,058,605	184,367	413,325,325
Fund balances - ending	$ 239,645,451	$ 95,850,633	$ 127,203,731	$ 185,647	$ 462,885,462

Hawthorne Bridge

City of Portland, Oregon
Combining Balance Sheet, Continued
Nonmajor Special Revenue Funds
June 30, 2018

	Assessment Collection	Emergency Communication	Development Services	Property Management License
ASSETS				
Unrestricted:				
Cash and investments	$ -	$ 4,075	$ 1,137,468	$ 81,717
Receivables:				
Accounts, net	-	1,660,686	-	-
Notes and loans, net	-	-	-	-
Accrued interest	-	4,336	350,527	1,257
Internal loans receivable	-	-	15,100,000	-
Due from component unit	-	-	-	-
Restricted:				
Cash and investments	79,787	-	72,936,156	-
Receivables:				
Taxes	-	-	-	-
Accounts, net	-	-	2,048,997	-
Assessments	2,949	-	22,080,956	-
Notes and loans, net	-	-	-	-
Advances	-	-	-	-
Grants	-	-	-	-
Accrued interest	342	-	-	-
Due from component unit	-	-	-	-
Total assets	$ 83,078	$ 1,669,097	$ 113,654,104	$ 82,974
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities payable from unrestricted assets:				
Accounts payable	$ -	$ 542,190	$ 516,823	$ -
Unearned revenue	-	-	1,296	-
Liabilities payable from restricted assets:				
Accounts payable	-	-	-	-
Due to component unit	-	-	-	-
Internal loans payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	542,190	518,119	-
Deferred inflows of resources:				
Unavailable revenue - unrestricted	-	-	3,555	-
Unavailable revenue - restricted	2,949	-	22,080,956	-
Total deferred inflows of resources	2,949	-	22,084,511	-
Fund balances:				
Restricted	80,129	-	74,985,153	-
Committed	-	1,126,907	-	82,974
Assigned	-	-	16,066,321	-
Unassigned	-	-	-	-
Total fund balances	80,129	1,126,907	91,051,474	82,974
Total liabilities, deferred inflows of resources and fund balances	$ 83,078	$ 1,669,097	$ 113,654,104	$ 82,974

Convention and Tourism	Housing Investment	Parks Local Option Levy	Children's Investment	Grants	Community Development Block Grant
$ 396,013	$ 4,408,464	$ -	$ -	$ -	$ 20,716
-	172,690	-	-	-	-
-	6,068,755	-	-	-	-
8,095	25,124	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,889,833	549,139	13,515,287	5,296,684	1,048,836
-	-	3,114	1,543,215	-	-
-	-	-	-	-	-
-	-	-	-	-	2,753
-	107,000	-	-	492,268	11,911,984
-	-	-	3,923	-	-
-	-	-	-	11,944,099	1,123,901
-	14,527	2,683	63,096	11,356	-
-	-	-	-	778,930	-
$ 404,108	$ 13,686,393	$ 554,936	$ 15,125,521	$ 18,523,337	$ 14,108,190
$ 260,139	$ 67,696	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	5,064,126	2,872,019	832,859
-	-	-	-	-	683,474
-	-	-	-	10,000,000	-
-	-	-	-	4,824,973	-
260,139	67,696	-	5,064,126	17,696,992	1,516,333
-	-	-	-	-	-
-	-	3,114	1,340,535	10,007,556	2,753
-	-	3,114	1,340,535	10,007,556	2,753
-	3,011,360	551,822	8,720,860	-	12,568,388
143,969	9,287,410	-	-	-	-
-	1,319,927	-	-	-	20,716
-	-	-	-	(9,181,211)	-
143,969	13,618,697	551,822	8,720,860	(9,181,211)	12,589,104
$ 404,108	$ 13,686,393	$ 554,936	$ 15,125,521	$ 18,523,337	$ 14,108,190

Continued next page

City of Portland, Oregon
Combining Balance Sheet, Continued
Nonmajor Special Revenue Funds
June 30, 2018

	HOME Grant	Portland Parks Memorial	Tax Increment Reimbursement	Police Special Revenue
ASSETS				
Unrestricted:				
Cash and investments	$ -	$ 7,145,264	$ 1,924,897	$ -
Receivables:				
Accounts, net	-	-	-	-
Notes and loans, net	-	-	-	-
Accrued interest	-	33,827	-	-
Internal loans receivable	-	-	-	-
Due from component unit	-	-	544,830	-
Restricted:				
Cash and investments	242,953	1,457,379	-	4,967,786
Receivables:				
Taxes	-	-	-	-
Accounts, net	-	-	11,225	-
Assessments	-	-	-	-
Notes and loans, net	6,361,979	-	49,086,239	-
Advances	-	-	-	-
Grants	153,766	-	-	-
Accrued interest	-	6,790	21,703	22,303
Due from component unit	-	-	22,335,082	-
Total assets	$ 6,758,698	$ 8,643,260	$ 73,923,976	$ 4,990,089
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities payable from unrestricted assets:				
Accounts payable	$ -	$ 9,876	$ -	$ -
Unearned revenue	-	-	-	-
Liabilities payable from restricted assets:				
Accounts payable	95,280	-	984,524	206,994
Due to component unit	-	-	-	-
Internal loans payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	95,280	9,876	984,524	206,994
Deferred inflows of resources:				
Unavailable revenue - unrestricted	-	-	-	-
Unavailable revenue - restricted	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund balances:				
Restricted	6,663,418	1,464,169	70,469,725	4,783,095
Committed	-	5,910,765	-	-
Assigned	-	1,258,450	2,469,727	-
Unassigned	-	-	-	-
Total fund balances	6,663,418	8,633,384	72,939,452	4,783,095
Total liabilities, deferred inflows of resources and fund balances	$ 6,758,698	$ 8,643,260	$ 73,923,976	$ 4,990,089

Arts Education and Access	Community Solar	Inclusionary Housing	Housing Property	Recreational Cannabis Tax	Total
$ -	$ 35,019	$ -	$ 4,386,145	$ 3,861,013	$ 23,400,791
-	-	-	242,175	-	2,075,551
-	-	-	-	-	6,068,755
-	-	-	8,169	11,501	442,836
-	-	-	-	-	15,100,000
-	-	-	-	-	544,830
8,335,505	26,553	11,003,661	-	-	122,349,559
-	-	-	-	-	1,546,329
-	-	-	-	-	2,060,222
-	-	-	-	-	22,086,658
-	-	-	-	-	67,959,470
-	-	-	-	-	3,923
-	-	-	-	-	13,221,766
34,080	261	44,710	-	-	221,851
-	-	-	-	-	23,114,012
$ 8,369,585	$ 61,833	$ 11,048,371	$ 4,636,489	$ 3,872,514	$ 300,196,553
$ -	$ -	$ -	$ 147,385	$ -	$ 1,544,109
-	-	-	-	-	1,296
30	-	-	-	-	10,055,832
-	-	-	-	-	683,474
-	-	-	-	-	10,000,000
-	-	-	-	-	4,824,973
30	-	-	147,385	-	27,109,684
-	-	-	-	-	3,555
-	-	-	-	-	33,437,863
-	-	-	-	-	33,441,418
8,369,555	26,814	11,048,371	-	-	202,742,859
-	35,019	-	4,489,104	3,872,514	24,948,662
-	-	-	-	-	21,135,141
-	-	-	-	-	(9,181,211)
8,369,555	61,833	11,048,371	4,489,104	3,872,514	239,645,451
$ 8,369,585	$ 61,833	$ 11,048,371	$ 4,636,489	$ 3,872,514	$ 300,196,553

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2018

	Assessment Collection	Emergency Communication	Development Services	Property Management License
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Lodging	-	-	-	-
Miscellaneous	-	-	-	-
Licenses and fees	-	-	47,972,604	5,493,639
Intergovernmental	-	8,009,843	-	-
Charges for services	-	-	2,639,667	-
Interagency	-	-	1,152,531	-
Parking fees	-	-	-	-
Parking fines	-	-	-	-
Rents and reimbursements	-	-	-	-
Miscellaneous service charges	-	333,301	14,815,661	-
Assessments	-	-	3,290,398	-
Investment earnings	638	19,655	1,431,449	5,481
Miscellaneous	-	-	112,484	-
Total revenues	638	8,362,799	71,414,794	5,499,120
EXPENDITURES				
Current:				
Public safety	-	23,235,889	-	-
Parks, recreation and culture	-	-	-	-
Community development	-	-	65,042,918	-
Transportation	-	-	-	-
Legislative / admin / support services	-	-	-	5,456,229
Environmental services	-	-	-	-
Debt service and related costs:				
Principal	-	183,201	919,434	-
Interest	-	66,019	331,332	-
Capital outlay	-	-	1,496,365	-
Total expenditures	-	23,485,109	67,790,049	5,456,229
Revenues over (under) expenditures	638	(15,122,310)	3,624,745	42,891
OTHER FINANCING SOURCES (USES)				
Transfers in	-	15,305,982	952,985	-
Transfers out	-	(643,608)	(219,504)	-
Total other financing sources (uses)	-	14,662,374	733,481	-
Net change in fund balances	638	(459,936)	4,358,226	42,891
Fund balances - beginning	79,491	1,586,843	86,693,248	40,083
Fund balances - ending	$ 80,129	$ 1,126,907	$ 91,051,474	$ 82,974

Convention and Tourism	Housing Investment	Parks Local Option Levy	Children's Investment	Grants	Community Development Block Grant
$ -	$ -	$ 977	$ 19,470,532	$ -	$ -
18,412,301	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	379,087	-	-	17,401,156	8,691,712
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	490,564	-	-	124	4,807
-	-	-	-	-	533
23,134	595,093	10,454	105,691	49,329	1,015,473
-	-	-	-	-	-
18,435,435	1,464,744	11,431	19,576,223	17,450,609	9,712,525
-	-	-	-	4,511,837	-
-	-	39,345	-	422,453	-
-	3,952,345	-	17,857,125	3,960,877	9,802,688
-	-	-	-	1,025,620	-
18,408,857	-	-	-	3,998	-
-	-	-	-	91,199	-
-	-	-	-	-	446,000
-	-	-	-	-	288,577
-	9,689	-	-	9,584,164	-
18,408,857	3,962,034	39,345	17,857,125	19,600,148	10,537,265
26,578	(2,497,290)	(27,914)	1,719,098	(2,149,539)	(824,740)
-	2,940,542	-	-	-	-
-	(5,813,832)	(78,000)	-	-	-
-	(2,873,290)	(78,000)	-	-	-
26,578	(5,370,580)	(105,914)	1,719,098	(2,149,539)	(824,740)
117,391	18,989,277	657,736	7,001,762	(7,031,672)	13,413,844
$ 143,969	$ 13,618,697	$ 551,822	$ 8,720,860	$ (9,181,211)	$ 12,589,104

Continued next page

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Nonmajor Special Revenue Funds
For the Fiscal Year Ended June 30, 2018

	HOME Grant	Portland Parks Memorial	Tax Increment Reimbursement	Police Special Revenue
REVENUES				
Taxes:				
Property	$ -	$ -	$ -	$ -
Lodging	-	-	-	-
Miscellaneous	-	-	-	-
Licenses and fees	-	1,167,745	-	-
Intergovernmental	5,816,393	-	38,067,245	1,734,681
Charges for services	-	47,183	-	-
Interagency	-	80,925	-	-
Parking fees	-	3,504,512	750	-
Parking fines	-	136,184	-	-
Rents and reimbursements	-	416,112	819,984	-
Miscellaneous service charges	892	59,850	14,096	-
Assessments	-	-	-	-
Investment earnings	436,594	72,656	1,678,255	38,003
Miscellaneous	-	614,550	-	138,348
Total revenues	6,253,879	6,099,717	40,580,330	1,911,032
EXPENDITURES				
Current:				
Public safety	-	-	-	1,721,297
Parks, recreation and culture	-	4,198,395	-	-
Community development	4,899,308	-	35,629,429	-
Transportation	-	-	-	-
Legislative / admin / support services	-	-	-	-
Environmental services	-	-	-	-
Debt service and related costs:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	1,116,668	264,447
Total expenditures	4,899,308	4,198,395	36,746,097	1,985,744
Revenues over (under) expenditures	1,354,571	1,901,322	3,834,233	(74,712)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	68,990	57,967	-
Transfers out	-	(854,950)	-	-
Total other financing sources (uses)	-	(785,960)	57,967	-
Net change in fund balances	1,354,571	1,115,362	3,892,200	(74,712)
Fund balances - beginning	5,308,847	7,518,022	69,047,252	4,857,807
Fund balances - ending	$ 6,663,418	$ 8,633,384	$ 72,939,452	$ 4,783,095

Arts Education and Access	Community Solar	Inclusionary Housing	Housing Property	Recreational Cannabis Tax	Total
$ -	$ -	$ -	$ -	$ -	$ 19,471,509
-	-	-	-	-	18,412,301
12,444,574	-	9,036,976	-	4,399,439	25,880,989
-	-	-	-	-	54,633,988
-	-	-	-	-	80,100,117
-	-	-	-	-	2,686,850
-	-	-	-	-	1,233,456
-	-	-	-	-	3,505,262
-	-	-	-	-	136,184
-	-	-	5,022,848	-	6,258,944
-	-	1,488	-	-	15,720,783
-	-	-	-	-	3,290,931
68,274	432	11,265	985	(7,473)	5,555,388
-	8,393	-	33,735	-	907,510
12,512,848	8,825	9,049,729	5,057,568	4,391,966	237,794,212
-	-	-	-	-	29,469,023
-	-	-	-	-	4,660,193
-	84	525,858	1,718,414	-	143,389,046
-	-	-	-	-	1,025,620
12,871,192	-	-	-	921,973	37,662,249
-	-	-	-	-	91,199
-	-	-	340,000	-	1,888,635
-	-	-	486,374	-	1,172,302
-	-	-	11,076	-	12,482,409
12,871,192	84	525,858	2,555,864	921,973	231,840,676
(358,344)	8,741	8,523,871	2,501,704	3,469,993	5,953,536
-	-	680,499	28,000	-	20,034,965
-	-	-	-	-	(7,609,894)
-	-	680,499	28,000	-	12,425,071
(358,344)	8,741	9,204,370	2,529,704	3,469,993	18,378,607
8,727,899	53,092	1,844,001	1,959,400	402,521	221,266,844
$ 8,369,555	$ 61,833	$ 11,048,371	$ 4,489,104	$ 3,872,514	$ 239,645,451

City of Portland, Oregon
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2018

	River District Urban Renewal Area Debt Redemption	Bonded Debt Interest and Sinking	Downtown Waterfront Renewal Bond Sinking	Interstate Corridor Debt Service	Pension Debt Redemption
ASSETS					
Unrestricted:					
Cash and investments	$ -	$ -	$ -	$ -	$ 2,241,140
Receivables:					
Assessments	-	-	-	-	-
Accrued interest	-	-	-	-	19,370
Restricted:					
Cash and investments	8,639,324	607,952	8,541,562	12,270,431	-
Receivables:					
Taxes	2,769,102	1,116,264	799,180	2,352,160	-
Assessments	-	-	-	-	-
Accrued interest	78,491	42,534	67,982	74,978	-
Total assets	$ 11,486,917	$ 1,766,750	$ 9,408,724	$ 14,697,569	$ 2,260,510
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities payable from restricted assets:					
Due to component unit	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-	-
Deferred inflows of resources:					
Unavailable revenue - unrestricted	-	-	-	-	-
Unavailable revenue - restricted	2,337,279	957,876	687,179	2,004,065	-
Total deferred inflows of resources	2,337,279	957,876	687,179	2,004,065	-
Fund balances:					
Restricted	9,149,638	808,874	8,721,545	12,693,504	-
Assigned	-	-	-	-	2,260,510
Total fund balances	9,149,638	808,874	8,721,545	12,693,504	2,260,510
Total liabilities, deferred inflows of resources and fund balances	$ 11,486,917	$ 1,766,750	$ 9,408,724	$ 14,697,569	$ 2,260,510

South Park Block Redemption	Airport Way Debt Service	Gas Tax Bond Redemption	Lents Town Center Urban Renewal Area Debt Redemption	Central Eastside Industrial District Debt Service	Bancroft Bond Interest and Sinking
$ -	$ -	$ -	$ -	$ -	$ 14,442,947
-	-	-	-	-	4,047,104
-	-	-	-	-	61,962
9,735,607	1,792,134	1,691,315	6,359,114	2,544,835	523,050
660,442	414,785	-	1,170,916	648,281	-
-	-	-	-	-	30,083,421
65,227	24,522	7,818	35,697	21,591	6,421
$ 10,461,276	$ 2,231,441	$ 1,699,133	$ 7,565,727	$ 3,214,707	$ 49,164,905
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	3,933,838
568,851	356,054	-	994,731	554,514	29,853,423
568,851	356,054	-	994,731	554,514	33,787,261
9,892,425	1,875,387	1,699,133	6,570,996	2,660,193	759,469
-	-	-	-	-	14,618,175
9,892,425	1,875,387	1,699,133	6,570,996	2,660,193	15,377,644
$ 10,461,276	$ 2,231,441	$ 1,699,133	$ 7,565,727	$ 3,214,707	$ 49,164,905

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City of Portland, Oregon
Combining Balance Sheet, Continued
Nonmajor Debt Service Funds
June 30, 2018

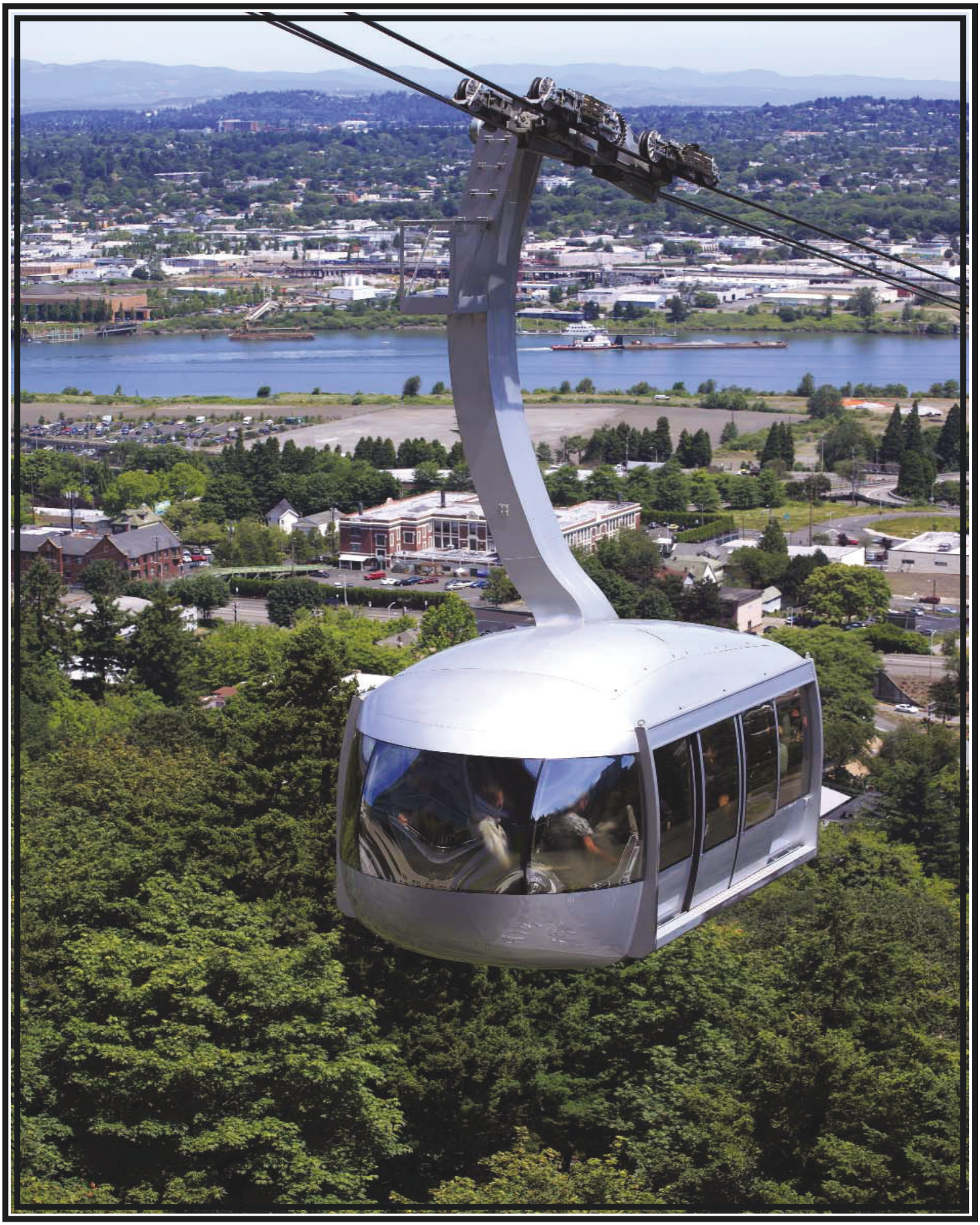
	Convention Center Area Debt Service	North Macadam Urban Renewal Area Debt Redemption	Special Projects Debt Service	Gateway Urban Renewal Area Debt Redemption
ASSETS				
Unrestricted:				
Cash and investments	$ -	$ -	$ -	$ -
Receivables:				
Assessments	-	-	-	-
Accrued interest	-	-	-	-
Restricted:				
Cash and investments	16,489,992	6,787,137	76,470	203,736
Receivables:				
Taxes	860,395	1,401,331	-	390,047
Assessments	-	-	-	-
Accrued interest	93,906	63,832	2,150	4,961
Total assets	$ 17,444,293	$ 8,252,300	$ 78,620	$ 598,744
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities payable from restricted assets:				
Due to component unit	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-
Deferred inflows of resources:				
Unavailable revenue - unrestricted	-	-	-	-
Unavailable revenue - restricted	735,354	1,200,030	-	332,861
Total deferred inflows of resources	735,354	1,200,030	-	332,861
Fund balances:				
Restricted	16,708,939	7,052,270	78,620	265,883
Assigned	-	-	-	-
Total fund balances	16,708,939	7,052,270	78,620	265,883
Total liabilities, deferred inflows of resources and fund balances	$ 17,444,293	$ 8,252,300	$ 78,620	$ 598,744

Governmental Bond Redemption	42nd Avenue Neighborhood Prosperity Initiative Debt Service	Cully Boulevard Neighborhood Prosperity Initiative Debt Service	Parkrose Neighborhood Prosperity Initiative Debt Service	Rosewood Neighborhood Prosperity Initiative Debt Service
$ 31,504	$ -	$ -	$ -	$ -
-	-	-	-	-
363	-	-	-	-
-	93,353	93,600	169,250	103,820
-	15,699	4,628	11,266	6,936
-	-	-	-	-
-	394	395	714	438
$ 31,867	$ 109,446	$ 98,623	$ 181,230	$ 111,194
$ -	$ 94,000	$ 94,200	$ 170,400	$ 104,500
-	94,000	94,200	170,400	104,500
-	-	-	-	-
-	14,795	3,994	10,128	6,239
-	14,795	3,994	10,128	6,239
-	651	429	702	455
31,867	-	-	-	-
31,867	651	429	702	455
$ 31,867	$ 109,446	$ 98,623	$ 181,230	$ 111,194

Continued next page

City of Portland, Oregon
Combining Balance Sheet, Continued
Nonmajor Debt Service Funds
June 30, 2018

	Division-Midway Neighborhood Prosperity Initiative Debt Service	82nd Avenue/Division Neighborhood Prosperity Initiative Debt Service	Total
ASSETS			
Unrestricted:			
Cash and investments	$ -	$ -	$ 16,715,591
Receivables:			
Assessments	-	-	4,047,104
Accrued interest	-	-	81,695
Restricted:			
Cash and investments	106,260	123,701	76,952,643
Receivables:			
Taxes	6,415	8,747	12,636,594
Assessments	-	-	30,083,421
Accrued interest	449	522	593,022
Total assets	$ 113,124	$ 132,970	$ 141,110,070
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities payable from restricted assets:			
Due to component unit	$ 107,000	$ 124,500	$ 694,600
Total liabilities	107,000	124,500	694,600
Deferred inflows of resources:			
Unavailable revenue - unrestricted	-	-	3,933,838
Unavailable revenue - restricted	5,708	7,918	40,630,999
Total deferred inflows of resources	5,708	7,918	44,564,837
Fund balances:			
Restricted	416	552	78,940,081
Assigned	-	-	16,910,552
Total fund balances	416	552	95,850,633
Total liabilities, deferred inflows of resources and fund balances	$ 113,124	$ 132,970	$ 141,110,070



Tram aerial view

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2018

	River District Urban Renewal Area Debt Redemption	Bonded Debt Interest and Sinking	Downtown Waterfront Renewal Bond Sinking	Interstate Corridor Debt Service	Pension Debt Redemption
REVENUES					
Taxes:					
Property	$ 37,381,282	$ 14,152,547	$ 9,872,451	$ 33,737,517	$ -
Intergovernmental	-	-	-	-	9,371
Assessments	-	-	-	-	-
Investment earnings	314,725	102,084	136,391	252,452	45,585
Miscellaneous	-	-	-	-	830,593
Total revenues	37,696,007	14,254,631	10,008,842	33,989,969	885,549
EXPENDITURES					
Current:					
Community development	-	-	-	-	-
Debt service and related costs:					
Principal	5,070,000	18,940,000	6,820,000	3,270,000	3,732,312
Interest	3,255,072	4,971,214	2,672,539	2,815,017	1,355,650
Debt issuance costs	-	-	-	-	129,716
Total expenditures	8,325,072	23,911,214	9,492,539	6,085,017	5,217,678
Revenues over (under) expenditures	29,370,935	(9,656,583)	516,303	27,904,952	(4,332,129)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	160	-	-	4,459,255
Transfers out	(32,000,000)	-	-	(25,900,000)	-
Refunding bonds issued	-	8,771,555	-	-	-
Bonds and notes premium	-	884,131	-	-	-
Total other financing sources (uses)	(32,000,000)	9,655,846	-	(25,900,000)	4,459,255
Net change in fund balances	(2,629,065)	(737)	516,303	2,004,952	127,126
Fund balances - beginning	11,778,703	809,611	8,205,242	10,688,552	2,133,384
Fund balances - ending	$ 9,149,638	$ 808,874	$ 8,721,545	$ 12,693,504	$ 2,260,510

South Park Block Redemption	Airport Way Debt Service	Gas Tax Bond Redemption	Lents Town Center Urban Renewal Area Debt Redemption	Central Eastside Industrial District Debt Service	Bancroft Bond Interest and Sinking
$ 8,467,960	$ 5,320,552	$ -	$ 16,089,410	$ 8,693,554	$ -
-	-	-	-	-	-
-	-	-	-	-	4,395,075
121,765	54,364	23,071	121,957	71,995	1,795,956
-	-	-	-	-	-
8,589,725	5,374,916	23,071	16,211,367	8,765,549	6,191,031
-	-	-	-	-	-
5,070,000	4,974,400	1,622,000	1,510,000	1,205,000	3,925,000
2,111,093	208,940	356,101	1,766,297	1,320,474	1,451,506
-	-	-	-	-	-
7,181,093	5,183,340	1,978,101	3,276,297	2,525,474	5,376,506
1,408,632	191,576	(1,955,030)	12,935,070	6,240,075	814,525
-	-	1,978,101	-	-	-
-	-	-	(12,000,000)	(6,400,000)	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,978,101	(12,000,000)	(6,400,000)	-
1,408,632	191,576	23,071	935,070	(159,925)	814,525
8,483,793	1,683,811	1,676,062	5,635,926	2,820,118	14,563,119
$ 9,892,425	$ 1,875,387	$ 1,699,133	$ 6,570,996	$ 2,660,193	$ 15,377,644

Continued next page

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2018

	Convention Center Area Debt Service	North Macadam Urban Renewal Area Debt Redemption	Special Projects Debt Service	Gateway Urban Renewal Area Debt Redemption
REVENUES				
Taxes:				
Property	$ 9,706,140	$ 19,787,150	$ -	$ 5,218,323
Intergovernmental	-	-	7,441,250	-
Assessments	-	-	-	-
Investment earnings	171,094	182,433	2,506	30,119
Miscellaneous	-	-	-	-
Total revenues	9,877,234	19,969,583	7,443,756	5,248,442
EXPENDITURES				
Current:				
Community development	-	-	-	-
Debt service and related costs:				
Principal	4,335,000	2,740,000	1,805,720	-
Interest	3,476,167	2,464,960	5,635,530	247,382
Debt issuance costs	-	-	-	-
Total expenditures	7,811,167	5,204,960	7,441,250	247,382
Revenues over (under) expenditures	2,066,067	14,764,623	2,506	5,001,060
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	(15,000,000)	-	(5,000,000)
Refunding bonds issued	-	-	-	-
Bonds and notes premium	-	-	-	-
Total other financing sources (uses)	-	(15,000,000)	-	(5,000,000)
Net change in fund balances	2,066,067	(235,377)	2,506	1,060
Fund balances - beginning	14,642,872	7,287,647	76,114	264,823
Fund balances - ending	$ 16,708,939	$ 7,052,270	$ 78,620	$ 265,883

Governmental Bond Redemption	42nd Avenue Neighborhood Prosperity Initiative Debt Service	Cully Boulevard Neighborhood Prosperity Initiative Debt Service	Parkrose Neighborhood Prosperity Initiative Debt Service	Rosewood Neighborhood Prosperity Initiative Debt Service
$ -	$ 90,454	$ 90,919	$ 161,895	$ 99,859
-	-	-	-	-
-	-	-	-	-
720	87	88	182	102
437,323	-	-	-	-
438,043	90,541	91,007	162,077	99,961
-	94,000	94,200	170,400	104,500
1,610,400	-	-	-	-
690,166	-	-	-	-
-	-	-	-	-
2,300,566	94,000	94,200	170,400	104,500
(1,862,523)	(3,459)	(3,193)	(8,323)	(4,539)
1,863,243	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,863,243	-	-	-	-
720	(3,459)	(3,193)	(8,323)	(4,539)
31,147	4,110	3,622	9,025	4,994
$ 31,867	$ 651	$ 429	$ 702	$ 455

Continued next page

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Continued
Nonmajor Debt Service Funds
For the Fiscal Year Ended June 30, 2018

	Division-Midway Neighborhood Prosperity Initiative Debt Service	82nd Avenue/Division Neighborhood Prosperity Initiative Debt Service	Total
REVENUES			
Taxes:			
Property	$ 101,189	$ 118,196	$ 169,089,398
Intergovernmental	-	-	7,450,621
Assessments	-	-	4,395,075
Investment earnings	116	133	3,427,925
Miscellaneous	-	-	1,267,916
Total revenues	101,305	118,329	185,630,935
EXPENDITURES			
Current:			
Community development	107,000	124,500	694,600
Debt service and related costs:			
Principal	-	-	66,629,832
Interest	-	-	34,798,108
Debt issuance costs	-	-	129,716
Total expenditures	107,000	124,500	102,252,256
Revenues over (under) expenditures	(5,695)	(6,171)	83,378,679
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	8,300,759
Transfers out	-	-	(96,300,000)
Refunding bonds issued	-	-	8,771,555
Bonds and notes premium	-	-	884,131
Total other financing sources (uses)	-	-	(78,343,555)
Net change in fund balances	(5,695)	(6,171)	5,035,124
Fund balances - beginning	6,111	6,723	90,815,509
Fund balances - ending	$ 416	$ 552	$ 95,850,633

Union Station and Max

City of Portland, Oregon
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2018

	Special Finance and Resource	BFRES Facilities GO Bond Construction	Local Improvement District
ASSETS			
Unrestricted:			
Cash and investments	$ -	$ -	$ 2,152,376
Receivables:			
Accounts, net	-	-	26,400
Accrued interest	-	-	23,148
Restricted:			
Cash and investments	158,611	647,526	1,150,743
Receivables:			
Assessments	-	-	5,690,657
Accrued interest	728	2,921	-
Internal loans receivable	-	-	-
Total assets	$ 159,339	$ 650,447	$ 9,043,324
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities payable from restricted assets:			
Accounts payable	$ -	$ 18,748	$ -
Internal loans payable	-	-	-
Total liabilities	-	18,748	-
Deferred inflows of resources:			
Unavailable revenue - restricted	-	-	5,690,657
Total deferred inflows of resources	-	-	5,690,657
Fund balances:			
Restricted	159,339	631,699	1,150,743
Committed	-	-	-
Assigned	-	-	2,201,924
Unassigned	-	-	-
Total fund balances	159,339	631,699	3,352,667
Total liabilities, deferred inflows of resources and fund balances	$ 159,339	$ 650,447	$ 9,043,324

Parks Capital Improvement Program	Public Safety GO Bond Construction	Housing Capital	Total
$ 11,997,555	$ -	$ -	$ 14,149,931
84,466	-	-	110,866
-	-	-	23,148
126,408,173	1,205,635	169,616	129,740,304
4,857,030	-	-	10,547,687
588,866	5,347	-	597,862
1,078,250	-	-	1,078,250
$ 145,014,340	$ 1,210,982	$ 169,616	$ 156,248,048
$ 3,231,638	$ 7,389	$ 138,855	$ 3,396,630
-	-	15,100,000	15,100,000
3,231,638	7,389	15,238,855	18,496,630
4,857,030	-	-	10,547,687
4,857,030	-	-	10,547,687
124,843,651	1,203,593	-	127,989,025
1,629,625	-	-	1,629,625
10,452,396	-	-	12,654,320
-	-	(15,069,239)	(15,069,239)
136,925,672	1,203,593	(15,069,239)	127,203,731
$ 145,014,340	$ 1,210,982	$ 169,616	$ 156,248,048

City of Portland, Oregon
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Fiscal Year Ended June 30, 2018

	Special Finance and Resource	BFRES Facilities GO Bond Construction	Local Improvement District
REVENUES			
Intergovernmental	$ -	$ -	$ -
Charges for services	-	-	-
Interagency	-	-	147,661
Parking fees	-	-	-
Rents and reimbursements	-	-	-
Miscellaneous service charges	-	-	1,232,548
Assessments	-	-	1,304,571
Investment earnings/(loss)	1,250	10,751	166,214
Miscellaneous	-	-	-
Total revenues	1,250	10,751	2,850,994
EXPENDITURES			
Current:			
Public safety	-	91,736	-
Parks, recreation and culture	-	-	-
Community development	115,625,032	-	1,346,650
Debt service and related costs:			
Principal	-	-	935,581
Interest	-	-	179,222
Debt issuance costs	90,065	-	-
Capital outlay	-	156,982	-
Total expenditures	115,715,097	248,718	2,461,453
Revenues over (under) expenditures	(115,713,847)	(237,967)	389,541
OTHER FINANCING SOURCES (USES)			
Transfers in	96,300,000	-	-
Transfers out	-	(160)	(1,625,984)
Bonds and notes issued	19,245,128	-	815,833
Refunding bonds issued	43,445	-	-
Bonds and notes premium	-	-	-
Loans issued	132,554	-	-
Total other financing sources (uses)	115,721,127	(160)	(810,151)
Net change in fund balances	7,280	(238,127)	(420,610)
Fund balances - beginning	152,059	869,826	3,773,277
Fund balances - ending	$ 159,339	$ 631,699	$ 3,352,667

Parks Capital Improvement Program	Public Safety GO Bond Construction	Housing Capital	Total
$ 186,165	$ -	$ -	$ 186,165
36,349,892	-	-	36,349,892
38,056	-	-	185,717
37,029	-	-	37,029
1,600	-	-	1,600
-	-	-	1,232,548
3,654,558	-	-	4,959,129
1,258,795	38,899	(40,035)	1,435,874
292,788	-	-	292,788
41,818,883	38,899	(40,035)	44,680,742
-	1,352,804	-	1,444,540
2,525,738	-	-	2,525,738
-	-	694,674	117,666,356
94,176	-	-	1,029,757
31,991	-	150,000	361,213
73,542	-	31,583	195,190
31,024,646	1,065,998	18,145,660	50,393,286
33,750,093	2,418,802	19,021,917	173,616,080
8,068,790	(2,379,903)	(19,061,952)	(128,935,338)
2,907,742	-	5,047,366	104,255,108
(78,194)	(1,344,555)	-	(3,048,893)
23,445,000	-	7,900,000	51,405,961
-	-	-	43,445
1,196,587	-	1,095,702	2,292,289
-	-	-	132,554
27,471,135	(1,344,555)	14,043,068	155,080,464
35,539,925	(3,724,458)	(5,018,884)	26,145,126
101,385,747	4,928,051	(10,050,355)	101,058,605
$ 136,925,672	$ 1,203,593	$ (15,069,239)	$ 127,203,731

Cherry Blossoms in Waterfront Park

Nonmajor Proprietary Funds

Nonmajor Proprietary Fund Types:

Enterprise Funds may be used to report any activity for which a fee is charged to external users for goods and services.

Internal Service Funds may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.

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Mt. Tabor Park reflections

City of Portland, Oregon
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2018

	Hydroelectric Power	Golf	Portland International Raceway
ASSETS			
Current assets (unrestricted):			
Cash and investments	$ 3,136,844	$ 360,829	$ 777,782
Receivables:			
Accounts, net	42,630	408,840	-
Advances	-	-	-
Accrued interest	13,860	-	2,591
Total current assets (unrestricted)	3,193,334	769,669	780,373
Noncurrent assets (unrestricted):			
Capital assets, not being depreciated or amortized:			
Land	-	586,686	-
Construction in progress	-	905,138	-
Land use rights	4,500	-	-
Capital assets, being depreciated or amortized:			
Infrastructure	44,013,579	-	-
Buildings	-	6,613,324	-
Improvements to land	-	15,873,443	5,007,161
Equipment	-	839,231	161,340
Software	-	-	-
Accumulated depreciation and amortization	(23,745,032)	(15,563,974)	(3,553,774)
Capital assets, net of accumulated depreciation and amortization	20,273,047	9,253,848	1,614,727
Receivables:			
Internal balances	-	-	-
Notes and loans, net	-	-	-
Net OPEB asset	690	10,581	2,300
Total noncurrent assets (unrestricted)	20,273,737	9,264,429	1,617,027
Noncurrent assets (restricted):			
Cash and investments	-	-	-
Total noncurrent assets	20,273,737	9,264,429	1,617,027
Total assets	23,467,071	10,034,098	2,397,400
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pensions	111,547	1,171,591	226,256
Deferred outflows - OPEB	3,477	53,323	11,592
Deferred charge for debt refundings	-	-	-
Total deferred outflows of resources	115,024	1,224,914	237,848

Solid Waste Management	Parking Facilities	Spectator Facilities Operating	Environmental Remediation	Total
$ 3,452,323	$ 17,081,064	$ 10,488,548	$ 8,494,708	$ 43,792,098
1,676,472	38,932	11,331	100,000	2,278,205
-	-	60,000	-	60,000
13,740	76,194	44,158	39,086	189,629
5,142,535	17,196,190	10,604,037	8,633,794	46,319,932
-	10,578,071	4,432,758	1,563,333	17,160,848
-	3,881,569	1,084,829	-	5,871,536
-	-	-	-	4,500
-	-	-	5,416	44,018,995
-	39,872,916	137,204,177	1,768,170	185,458,587
-	301,900	484,784	1,520,801	23,188,089
440,401	1,815,920	3,857,691	-	7,114,583
48,320	98,580	35,483	-	182,383
(277,673)	(29,803,429)	(57,897,154)	(1,464,028)	(132,305,064)
211,048	26,745,527	89,202,568	3,393,692	150,694,457
-	-	-	704	704
-	-	-	624,556	624,556
4,830	-	690	690	19,781
215,878	26,745,527	89,203,258	4,019,642	151,339,498
-	-	-	1,051,271	1,051,271
215,878	26,745,527	89,203,258	5,070,913	152,390,769
5,358,413	43,941,717	99,807,295	13,704,707	198,710,701
717,305	6,657	406,613	235,909	2,875,878
24,342	-	3,477	3,477	99,688
-	57,530	24,093	-	81,623
741,647	64,187	434,183	239,386	3,057,189

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City of Portland, Oregon
Combining Statement of Net Position, Continued
Nonmajor Enterprise Funds
June 30, 2018

	Hydroelectric Power	Golf	Portland International Raceway
LIABILITIES			
Current liabilities (payable from unrestricted assets):			
Accounts payable	$ 266,498	$ 324,625	$ 71,938
Compensated absences	11,167	244,963	30,682
Bonds payable	21,545	176,036	33,888
Accrued interest payable	523	4,272	822
Unearned revenue	-	-	-
Internal loans payable	-	113,500	-
Pollution remediation	-	-	-
Total current liabilities (unrestricted)	299,733	863,396	137,330
Noncurrent liabilities:			
Compensated absences	193	4,097	476
Bonds payable	115,567	944,263	181,776
Internal loans payable	-	964,750	-
Accrued interest payable	110,287	901,129	173,472
Net pension liability - PERS	298,187	3,402,182	618,066
Other postemployment benefits	35,447	584,163	132,447
Pollution remediation	-	-	-
Total noncurrent liabilities	559,681	6,800,584	1,106,237
Total liabilities	859,414	7,663,980	1,243,567
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pensions	9,067	103,030	20,618
Deferred inflows - OPEB	1,802	27,633	6,007
Total deferred inflows of resources	10,869	130,663	26,625
NET POSITION			
Net investment in capital assets	20,273,047	9,411,456	1,614,727
Restricted for:			
Debt service	-	-	-
Capital projects	-	-	-
Unrestricted	2,438,765	(5,947,087)	(249,671)
Total net position	$ 22,711,812	$ 3,464,369	$ 1,365,056

Solid Waste Management	Parking Facilities	Spectator Facilities Operating	Environmental Remediation	Total
$ 176,369	$ 294,455	$ 503,731	$ 217,847	$ 1,855,463
180,156	-	-	31,857	498,825
54,664	1,536,599	2,616,395	1,262	4,440,389
1,327	98,551	69,633	31	175,159
-	301,270	-	-	301,270
-	-	-	-	113,500
-	-	-	1,017,000	1,017,000
412,516	2,230,875	3,189,759	1,267,997	8,401,606
3,084	-	-	550	8,400
293,219	8,473,138	22,615,375	6,771	32,630,109
-	-	-	-	964,750
279,828	-	-	6,466	1,471,182
2,144,293	85,906	751,293	596,670	7,896,597
266,845	-	29,799	43,390	1,092,091
-	-	-	1,183,000	1,183,000
2,987,269	8,559,044	23,396,467	1,836,847	45,246,129
3,399,785	10,789,919	26,586,226	3,104,844	53,647,735
67,348	4,406	13,552	15,648	233,669
12,615	-	1,802	1,802	51,661
79,963	4,406	15,354	17,450	285,330
211,047	16,793,317	63,994,893	3,393,691	115,692,178
-	-	-	-	-
-	-	-	1,051,271	1,051,271
2,409,265	16,418,262	9,645,005	6,376,837	31,091,376
$ 2,620,312	$ 33,211,579	$ 73,639,898	$ 10,821,799	$ 147,834,825

City of Portland, Oregon
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2018

	Hydroelectric Power	Golf	Portland International Raceway
Operating revenues:			
Service charges and fees	$ -	$ 6,350,028	$ 365,963
Service charges and fees provided internally	110,800	-	64,704
Licenses and permits	-	-	-
Rents and reimbursements	-	558,376	1,340,830
Concessions	-	1,903,879	113,980
Parking fees	-	-	-
Power sales	2,397,655	-	-
Miscellaneous	-	113,074	15,250
Total operating revenues	2,508,455	8,925,357	1,900,727
Operating expenses:			
Salaries and wages	323,250	3,715,943	909,480
Operating supplies	218	434,871	99,288
Professional services	1,638,189	683,493	167,629
Materials and services provided internally	266,495	931,827	221,487
Utilities	-	325,748	117,510
Utility license fees	-	-	-
Miscellaneous	9,014,510	2,800,810	212,806
Depreciation and amortization	607,392	715,165	139,184
Total operating expenses	11,850,054	9,607,857	1,867,384
Operating income	(9,341,599)	(682,500)	33,343
Nonoperating revenues (expenses):			
Investment earnings (losses)	5,998	1,088	4,117
Interest expense	(17,754)	(160,399)	(27,926)
Gains (losses) on sale of capital assets	-	3,488	-
Miscellaneous	-	-	-
Total nonoperating revenues (expenses)	(11,756)	(155,823)	(23,809)
Income before contributions and transfers	(9,353,355)	(838,323)	9,534
Transfers in	-	-	-
Transfers out	(4,605)	(37,627)	(7,243)
Capital contributions	-	-	-
Change in net position	(9,357,960)	(875,950)	2,291
Total net position - beginning, previously reported	32,097,500	4,765,462	1,455,188
Restatement per GASB 75 implementation (See Note I.E.)	(27,728)	(425,143)	(92,423)
Total net position - beginning, restated	32,069,772	4,340,319	1,362,765
Total net position - ending	$ 22,711,812	$ 3,464,369	$ 1,365,056

Solid Waste Management	Parking Facilities	Spectator Facilities Operating	Environmental Remediation	Total
$ 3,202,378	$ 5,934	$ 1,881,245	$ 4,534,519	$ 16,340,067
5,000	1,003,816	-	407,028	1,591,348
2,986,707	-	-	-	2,986,707
-	917,154	7,645,823	566,590	11,028,773
-	-	-	-	2,017,859
-	12,620,392	2,428,642	-	15,049,034
-	-	-	-	2,397,655
26,584	250	-	-	155,158
6,220,669	14,547,546	11,955,710	5,508,137	51,566,601
2,477,940	403,797	452,824	521,878	8,805,112
171,617	6,219	-	4,192	716,405
252,193	511,826	785,099	593,248	4,631,677
2,008,955	2,761,400	444,106	1,467,754	8,102,024
525,691	-	-	-	968,949
-	-	-	226,035	226,035
214,285	3,685,801	2,306,279	1,387,075	19,621,566
94,634	597,561	3,168,636	69,018	5,391,590
5,745,315	7,966,604	7,156,944	4,269,200	48,463,358
475,354	6,580,942	4,798,766	1,238,937	3,103,243
22,684	132,036	58,545	64,501	288,969
(45,048)	(390,393)	(892,904)	(1,046)	(1,535,470)
(10,422)	-	(411,260)	-	(418,194)
-	-	-	704	704
(32,786)	(258,357)	(1,245,619)	64,159	(1,663,991)
442,568	6,322,585	3,553,147	1,303,096	1,439,252
-	250,000	-	-	250,000
(11,684)	(300,294)	(23,354)	(269)	(385,076)
-	-	242,392	-	242,392
430,884	6,272,291	3,772,185	1,302,827	1,546,568
2,383,516	26,938,298	69,895,441	9,546,700	147,082,105
(194,088)	990	(27,728)	(27,728)	(793,848)
2,189,428	26,939,288	69,867,713	9,518,972	146,288,257
$ 2,620,312	$ 33,211,579	$ 73,639,898	$ 10,821,799	$ 147,834,825

City of Portland, Oregon
Nonmajor Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

	Hydroelectric Power	Golf	Portland International Raceway
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 2,385,025	$ 8,870,551	$ 1,836,023
Receipts for interfund services provided	110,800	-	64,704
Payments to suppliers	(10,497,972)	(4,203,732)	(543,812)
Payments to employees	(306,848)	(3,366,120)	(864,773)
Payments for interfund services used	(266,495)	(931,827)	(221,486)
Net cash provided by (used for) operating activities	(8,575,490)	368,872	270,656
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	-	-
Transfers out	(4,605)	(37,627)	(7,243)
Proceeds from internal loans	-	335,000	-
Payments for internal loans	-	(56,750)	-
Net cash provided by (used for) noncapital financing activities	(4,605)	240,623	(7,243)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from sale of capital assets	-	3,488	-
Acquisition of capital assets	-	(335,000)	-
Principal paid on bonds and notes	(19,289)	(157,607)	(30,340)
Interest paid on bonds, notes and capital leases	(6,951)	(72,129)	(10,934)
Net cash provided by (used for) capital related financing activities	(26,240)	(561,248)	(41,274)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings (losses)	33,035	(2,286)	3,191
Net cash provided by (used for) investing activities	33,035	(2,286)	3,191
Net increase (decrease) in cash and cash equivalents	(8,573,300)	45,961	225,330
Cash and cash equivalents, July 1, 2017	11,710,144	314,868	552,452
Cash and cash equivalents, June 30, 2018	$ 3,136,844	$ 360,829	$ 777,782
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Unrestricted cash and cash equivalents	$ 3,136,844	$ 360,829	$ 777,782
Restricted cash and cash equivalents	-	-	-
Total cash and cash equivalents	$ 3,136,844	$ 360,829	$ 777,782

Solid Waste Management	Parking Facilities	Spectator Facilities Operating	Environmental Remediation	Total
$ 6,051,495	$ 13,497,654	$ 12,082,201	$ 5,100,869	$ 49,823,818
5,000	1,003,816	-	407,028	1,591,348
(1,227,600)	(4,055,127)	(3,212,405)	(1,008,026)	(24,748,674)
(2,216,342)	(403,797)	(411,779)	(483,401)	(8,053,060)
(2,008,954)	(2,761,401)	(444,105)	(1,467,754)	(8,102,022)
603,599	7,281,145	8,013,912	2,548,716	10,511,410
-	250,000	-	-	250,000
(11,684)	(300,294)	(23,354)	(269)	(385,076)
-	-	-	-	335,000
-	-	-	-	(56,750)
(11,684)	(50,294)	(23,354)	(269)	143,174
-	-	-	-	3,488
-	(2,870,625)	(2,397,084)	-	(5,602,709)
(48,942)	(1,425,000)	(1,943,000)	(1,130)	(3,625,308)
(17,637)	(451,200)	(899,127)	(407)	(1,458,385)
(66,579)	(4,746,825)	(5,239,211)	(1,537)	(10,682,914)
17,144	102,241	45,127	45,449	243,901
17,144	102,241	45,127	45,449	243,901
542,480	2,586,267	2,796,474	2,592,359	215,571
2,909,843	14,494,797	7,692,074	6,953,620	44,627,798
$ 3,452,323	$ 17,081,064	$ 10,488,548	$ 9,545,979	$ 44,843,369
$ 3,452,323	$ 17,081,064	$ 10,488,548	$ 8,494,708	$ 43,792,098
-	-	-	1,051,271	1,051,271
$ 3,452,323	$ 17,081,064	$ 10,488,548	$ 9,545,979	$ 44,843,369

Continued next page

City of Portland, Oregon
Nonmajor Enterprise Funds
Combining Statement of Cash Flows, Continued
For the Fiscal Year Ended June 30, 2018

	Hydroelectric Power	Golf	Portland International Raceway
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	$ (9,341,599)	$ (682,500)	$ 33,343
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and amortization	607,392	715,165	139,184
Change in assets and liabilities:			
Accounts and advances receivable	(13,320)	(65,387)	(2,298)
Accounts payable	154,945	41,190	53,420
Compensated absences	6,926	20	(12,980)
Unearned revenue	-	-	-
Net pension liability - PERS	(20,275)	(414,601)	(73,197)
Other postemployment benefits	29,545	453,021	98,483
Pollution remediation	-	-	-
Other liabilities	-	-	-
Deferred outflows - pensions	29,956	765,803	131,474
Deferred outflows - OPEB	(3,477)	(53,323)	(11,592)
Deferred inflows - pensions	343	6,994	1,235
Deferred inflows - OPEB	1,802	27,633	6,007
Restatement per GASB 75 implementation (See Note I.E.)	(27,728)	(425,143)	(92,423)
Net cash provided by (used for) operating activities	$ (8,575,490)	$ 368,872	$ 270,656
Noncash information			
Capital contributions	$ -	$ -	$ -
Increase (decrease) in fair value of investments (classified as cash equivalents)	32,258	(2,705)	(5,302)

Solid Waste Management	Parking Facilities	Spectator Facilities Operating	Environmental Remediation	Total
$ 475,354	$ 6,580,942	$ 4,798,766	$ 1,238,937	$ 3,103,243
94,634	597,561	3,168,636	69,018	5,391,590
(169,000)	(38,934)	125,804	(931)	(164,066)
(51,915)	161,867	(121,027)	102,525	341,005
35,841	-	-	(2,480)	27,327
(11,900)	(7,143)	-	-	(19,043)
(274,111)	-	(56,907)	(55,226)	(894,317)
206,814	(990)	29,545	29,545	845,963
-	-	-	1,100,000	1,100,000
-	(13,148)	-	-	(13,148)
499,073	-	97,538	95,799	1,619,643
(24,342)	-	(3,477)	(3,477)	(99,688)
4,624	-	960	932	15,088
12,615	-	1,802	1,802	51,661
(194,088)	990	(27,728)	(27,728)	(793,848)
$ 603,599	$ 7,281,145	$ 8,013,912	$ 2,548,716	$ 10,511,410
$ -	$ -	$ (242,392)	$ -	$ (242,392)
(22,403)	(112,666)	(70,904)	(65,142)	(246,864)

City of Portland, Oregon
Combining Statement of Net Position
Internal Service Funds
June 30, 2018

	Health Insurance Operating	Facilities Services Operating	CityFleet Operating
ASSETS			
Current assets (unrestricted):			
Cash and investments	$ 28,913,561	$ 36,324,930	$ 20,404,222
Receivables:			
Accounts, net	-	10,413,682	690,129
Notes and loans, net	-	-	53,700
Accrued interest	82,124	165,193	79,058
Due from component unit	-	-	-
Inventories	-	-	1,049,046
Prepaid expenses	-	96,539	12,804
Total current assets	28,995,685	47,000,344	22,288,959
Noncurrent assets (unrestricted):			
Capital assets, not being depreciated or amortized:			
Land	-	12,814,009	87,000
Construction in progress	-	50,751,468	12,948,791
Capital assets, being depreciated or amortized:			
Infrastructure	-	-	-
Buildings	-	165,671,681	1,944,421
Improvements to land	-	831,331	-
Equipment	-	1,792,888	82,973,916
Software	-	772,701	158,600
Accumulated depreciation and amortization	-	(75,166,308)	(38,511,438)
Capital assets net of accumulated depreciation and amortization	-	157,467,770	59,601,290
Receivables:			
Notes and loans, net	-	-	107,400
Net OPEB asset	2,760	8,971	17,252
Total noncurrent assets	2,760	157,476,741	59,725,942
Total assets	28,998,445	204,477,085	82,014,901
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pensions	565,381	1,072,486	2,636,037
Deferred outflows - OPEB	13,910	45,208	86,939
Total deferred outflows of resources	579,291	1,117,694	2,722,976

Printing and Distribution Services Operating	Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Portland Police Association Health Insurance	Enterprise Business Solutions Services	Total
$ 1,961,298	$ 32,132,049	$ 13,485,342	$ 31,857,141	$ 12,117,126	$ 5,119,696	$ 182,315,365
147,118	115,292	-	900,913	-	-	12,267,134
-	-	-	-	-	-	53,700
6,262	134,864	57,629	121,980	46,882	21,256	715,248
-	-	-	105	-	-	105
-	-	-	783,735	-	-	1,832,781
-	263,099	16,871	1,488,254	-	-	1,877,567
2,114,678	32,645,304	13,559,842	35,152,128	12,164,008	5,140,952	199,061,900
-	-	-	348,929	-	-	13,249,938
-	-	-	11,909,850	-	310,839	75,920,948
-	-	-	10,345,178	-	-	10,345,178
-	-	-	6,011,941	-	-	173,628,043
-	-	-	-	-	-	831,331
1,841,559	-	-	30,169,527	-	-	116,777,890
315,337	362,576	260,093	4,532,460	-	38,488,907	44,890,674
(1,612,218)	(217,546)	(156,056)	(35,184,709)	-	(37,827,350)	(188,675,625)
544,678	145,030	104,037	28,133,176	-	972,396	246,968,377
-	-	-	-	-	-	107,400
4,371	3,220	1,380	47,384	-	3,910	89,248
549,049	148,250	105,417	28,180,560	-	976,306	247,165,025
2,663,727	32,793,554	13,665,259	63,332,688	12,164,008	6,117,258	446,226,925
625,951	425,331	374,009	9,263,322	-	867,326	15,829,843
22,024	16,229	6,955	238,791	-	19,706	449,762
647,975	441,560	380,964	9,502,113	-	887,032	16,279,605

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City of Portland, Oregon
Combining Statement of Net Position, Continued
Internal Service Funds
June 30, 2018

	Health Insurance Operating	Facilities Services Operating	CityFleet Operating
LIABILITIES			
Current liabilities (payable from unrestricted assets):			
Accounts payable	$ 6,295,578	$ 5,512,737	$ 2,714,058
Self insurance claims	7,383,000	-	-
Compensated absences	129,981	157,009	476,576
Bonds payable	32,492	2,742,513	411,211
Accrued interest payable	789	184,727	9,979
Due to component unit	-	1,825,875	-
Unearned revenue	-	71,037	180
Total current liabilities	13,841,840	10,493,898	3,612,004
Noncurrent liabilities:			
Self insurance claims	-	-	-
Compensated absences	23,525	27,490	80,027
Bonds payable	174,290	15,086,318	2,205,753
Notes and loans payable	-	44,543,916	-
Accrued interest payable	166,331	895,773	2,104,995
Net pension liability - PERS	1,558,383	3,251,178	7,473,546
Other postemployment benefits	144,195	481,987	959,903
Total noncurrent liabilities	2,066,724	64,286,662	12,824,224
Total liabilities	15,908,564	74,780,560	16,436,228
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow - pensions	47,845	109,603	230,506
Deferred charge for debt refunding	-	19,911	-
Deferred inflows - OPEB	7,208	23,428	45,054
Total deferred inflow of resources	55,053	152,942	275,560
NET POSITION			
Net investment in capital assets	-	96,208,662	59,601,290
Restricted for:			
Unrestricted	13,614,119	34,452,615	8,424,799
Total net position	$ 13,614,119	$ 130,661,277	$ 68,026,089

Printing and Distribution Services Operating	Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Portland Police Association Health Insurance	Enterprise Business Solutions Services	Total
$ 342,486	$ 18,587	$ 26,121	$ 3,375,888	$ 938,105	$ 40,713	$ 19,264,273
-	4,702,397	1,229,142	-	-	-	13,314,539
113,906	117,030	39,818	1,989,482	-	190,065	3,213,867
139,351	76,787	71,824	488,733	-	-	3,962,911
3,382	1,864	1,743	11,860	-	-	214,344
-	-	-	-	-	-	1,825,875
-	-	-	-	-	-	71,217
599,125	4,916,665	1,368,648	5,865,963	938,105	230,778	41,867,026
-	10,585,950	7,820,911	-	-	-	18,406,861
20,270	21,093	7,207	334,474	-	33,664	547,750
747,486	411,886	385,270	2,621,582	-	-	21,632,585
-	-	-	-	-	-	44,543,916
713,339	393,072	367,670	2,501,829	-	-	7,143,009
1,774,822	1,213,347	1,097,883	26,789,422	-	2,480,913	45,639,494
258,867	172,387	84,911	2,638,451	-	199,207	4,939,908
3,514,784	12,797,735	9,763,852	34,885,758	-	2,713,784	142,853,523
4,113,909	17,714,400	11,132,500	40,751,721	938,105	2,944,562	184,720,549
56,955	37,562	34,423	833,140	-	80,259	1,430,293
-	-	-	-	-	-	19,911
11,414	8,410	3,604	123,750	-	10,212	233,080
68,369	45,972	38,027	956,890	-	90,471	1,683,284
544,678	145,031	104,037	28,133,177	-	972,395	185,709,270
(1,415,254)	15,329,711	2,771,659	2,993,013	11,225,903	2,996,862	90,393,427
$ (870,576)	$ 15,474,742	$ 2,875,696	$ 31,126,190	$ 11,225,903	$ 3,969,257	$ 276,102,697

City of Portland, Oregon
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2018

	Health Insurance Operating	Facilities Services Operating	CityFleet Operating
Operating revenues:			
Service charges and fees	$ 12,121,593	$ 62,139	$ 891,647
Service charges and fees provided internally	84,145,240	32,790,396	34,456,464
Licenses and permits	-	50	-
Rents and reimbursements	-	1,493,235	-
Miscellaneous	314,645	465,534	81,533
Total operating revenues	96,581,478	34,811,354	35,429,644
Operating expenses:			
Salaries and wages	1,945,708	4,827,570	8,708,455
Operating supplies	10,849	728,888	8,330,482
Professional services	34,913,576	1,372,829	13,591
Materials and services provided internally	709,396	4,897,707	2,377,793
Utilities	-	2,963,546	32,884
Claims	59,964,072	-	-
Utility license fees	-	-	-
Miscellaneous	3,245,130	19,925,032	4,959,087
Depreciation and amortization	-	3,390,525	6,759,657
Total operating expenses	100,788,731	38,106,097	31,181,949
Operating income (loss)	(4,207,253)	(3,294,743)	4,247,695
Nonoperating revenues (expenses):			
Investment earnings (losses)	10,482	370,402	114,358
Interest expense	(26,778)	(887,798)	(338,868)
Debt issuance costs	-	(2,055)	-
Gains (losses) on sale of capital assets	-	(388,512)	60,249
Total nonoperating revenues (expenses)	(16,296)	(907,963)	(164,261)
Income before contributions and transfers	(4,223,549)	(4,202,706)	4,083,434
Transfers in	-	4,425,002	-
Transfers out	(6,945)	(37,404)	(87,894)
Change in net position	(4,230,494)	184,892	3,995,540
Total net position - beginning, previously reported	17,955,520	130,836,833	64,723,718
Restatement per GASB 75 implementation (See Note I.E.)	(110,907)	(360,448)	(693,169)
Total net position - beginning, restated	17,844,613	130,476,385	64,030,549
Total net position - ending	$ 13,614,119	$ 130,661,277	$ 68,026,089

Printing and Distribution Services Operating	Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Portland Police Association Health Insurance	Enterprise Business Solutions Services	Total
$ 902,445	$ 300	$ -	$ 4,352,863	$ 2,540,348	$ -	$ 20,871,335
6,389,453	11,476,387	4,701,766	56,653,592	16,784,895	10,087,675	257,485,868
-	-	-	-	-	-	50
-	-	-	290,348	-	-	1,783,583
47,544	102,096	106,790	575,301	1,222,423	-	2,915,866
7,339,442	11,578,783	4,808,556	61,872,104	20,547,666	10,087,675	283,056,702
1,951,194	1,381,259	1,333,434	31,620,337	-	2,808,768	54,576,725
442,974	14,847	50,075	2,465,205	-	233,776	12,277,096
-	338,582	315,941	623,577	6,380,197	1,245	43,959,538
1,116,668	3,043,558	778,231	5,944,215	-	5,325,916	24,193,484
-	-	-	79,897	-	-	3,076,327
-	3,202,144	2,834,097	-	9,313,139	-	75,313,452
-	-	-	22,351	-	-	22,351
3,341,547	2,844,037	581,063	12,471,593	935,737	571,726	48,874,952
163,210	72,515	52,019	3,219,055	-	278,045	13,935,026
7,015,593	10,896,942	5,944,860	56,446,230	16,629,073	9,219,476	276,228,951
323,849	681,841	(1,136,304)	5,425,874	3,918,593	868,199	6,827,751
5,457	230,835	109,485	136,779	130,259	30,441	1,138,498
(114,835)	(63,279)	(59,190)	(402,752)	-	-	(1,893,500)
-	-	-	-	-	-	(2,055)
6,000	-	-	-	-	-	(322,263)
(103,378)	167,556	50,295	(265,973)	130,259	30,441	(1,079,320)
220,471	849,397	(1,086,009)	5,159,901	4,048,852	898,640	5,748,431
-	-	-	1,344,555	-	-	5,769,557
(29,786)	(16,412)	(15,353)	(396,210)	-	-	(590,004)
190,685	832,985	(1,101,362)	6,108,246	4,048,852	898,640	10,927,984
(885,658)	14,771,149	4,032,511	26,921,850	7,177,051	3,227,735	268,760,709
(175,603)	(129,392)	(55,453)	(1,903,906)	-	(157,118)	(3,585,996)
(1,061,261)	14,641,757	3,977,058	25,017,944	7,177,051	3,070,617	265,174,713
$ (870,576)	$ 15,474,742	$ 2,875,696	$ 31,126,190	$ 11,225,903	$ 3,969,257	$ 276,102,697

City of Portland, Oregon
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018

	Health Insurance Operating	Facilities Services Operating	CityFleet Operating
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 12,436,239	$ 1,905,354	$ 441,712
Receipts for interfund services provided	84,145,240	32,790,396	34,456,464
Payments to suppliers	(93,481,807)	(23,345,604)	(12,341,230)
Payments to employees	(1,746,530)	(4,417,588)	(7,923,004)
Payments for interfund services used	(709,398)	(4,897,711)	(2,377,795)
Other receipts (payments)	-	-	-
Net cash provided by (used for) operating activities	643,744	2,034,847	12,256,147
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	4,425,002	-
Transfers out	(6,945)	(37,404)	(87,894)
Net cash provided by (used for) noncapital financing activities	(6,945)	4,387,598	(87,894)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITES			
Proceeds from sale of bonds and notes	-	26,635,290	-
Proceeds from sale of capital assets	-	-	1,629,825
Acquisition of capital assets	-	(34,611,714)	(11,696,229)
Principal paid on bonds and notes	(29,091)	(4,481,670)	(368,163)
Interest paid on bonds and notes	(10,483)	(1,087,771)	(132,673)
Payments for bond issuance costs	-	(2,055)	-
Net cash provided by (used for) capital related financing activities	(39,574)	(13,547,920)	(10,567,240)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings (losses)	(14,514)	344,056	92,125
Net cash provided by (used for) investing activities	(14,514)	344,056	92,125
Net increase (decrease) in cash and cash equivalents	582,711	(6,781,419)	1,693,138
Cash and cash equivalents, July 1, 2017	28,330,850	43,106,349	18,711,084
Cash and cash equivalents, June 30, 2018	$ 28,913,561	$ 36,324,930	$ 20,404,222
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Unrestricted cash and cash equivalents	$ 28,913,561	$ 36,324,930	$ 20,404,222

Printing and Distribution Services Operating	Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Portland Police Association Health Insurance	Enterprise Business Solutions Services	Total
$ 979,443	$ 197,951	$ 106,785	$ 5,486,181	$ 3,762,771	$ -	$ 25,316,436
6,389,453	11,476,387	4,701,766	56,653,592	16,784,895	10,087,675	257,485,868
(3,681,705)	(5,687,233)	(3,202,742)	(15,475,908)	(15,690,969)	(782,304)	(173,689,502)
(1,742,287)	(1,217,458)	(1,215,761)	(28,588,068)	-	(2,540,274)	(49,390,970)
(1,116,668)	(3,043,557)	(778,230)	(5,944,217)	-	(5,325,916)	(24,193,492)
-	-	-	(9,627)	-	-	(9,627)
828,236	1,726,090	(388,182)	12,121,953	4,856,697	1,439,181	35,518,713
-	-	-	1,344,555	-	-	5,769,557
(29,786)	(16,412)	(15,353)	(396,210)	-	-	(590,004)
(29,786)	(16,412)	(15,353)	948,345	-	-	5,179,553
-	-	-	-	-	-	26,635,290
6,000	-	-	-	-	-	1,635,825
(66,386)	-	-	(3,798,683)	-	(305,249)	(50,478,261)
(124,763)	(68,748)	(64,305)	(437,569)	-	-	(5,574,309)
(44,960)	(24,774)	(23,174)	(157,685)	-	-	(1,481,520)
-	-	-	-	-	-	(2,055)
(230,109)	(93,522)	(87,479)	(4,393,937)	-	(305,249)	(29,265,030)
2,476	185,765	93,963	83,463	83,378	25,668	896,380
2,476	185,765	93,963	83,463	83,378	25,668	896,380
570,817	1,801,921	(397,051)	8,759,824	4,940,075	1,159,600	12,329,616
1,390,481	30,330,128	13,882,393	23,097,317	7,177,051	3,960,096	169,985,749
$ 1,961,298	$ 32,132,049	$ 13,485,342	$ 31,857,141	$ 12,117,126	$ 5,119,696	$ 182,315,365
$ 1,961,298	$ 32,132,049	$ 13,485,342	$ 31,857,141	$ 12,117,126	$ 5,119,696	$ 182,315,365

Continued next page

City of Portland, Oregon
Internal Service Funds
Combining Statement of Cash Flows, Continued
For the Fiscal Year Ended June 30, 2018

	Health Insurance Operating	Facilities Services Operating	CityFleet Operating
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	$ (4,207,253)	$ (3,294,743)	$ 4,247,695
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation and amortization of capital assets	-	3,390,525	6,759,657
Change in assets and liabilities:			
Accounts and advances receivable	(2,764)	(116,098)	(548,724)
Due (from) to other funds	-	-	-
Due (from) to component unit	-	(39,271)	-
Inventories	-	-	189,220
Prepaid expense	-	(96,539)	(12,804)
Accounts payable	2,552,821	1,780,505	818,401
Self insurance claims	2,099,000	-	-
Compensated absences	28,012	(563)	37,862
Unearned revenue	-	(8,480)	-
Net pension liability - PERS	(226,358)	(508,235)	(949,363)
Other postemployment benefits	118,180	384,084	738,622
Deferred outflows - pensions	395,896	917,316	1,694,620
Deferred outflows - OPEB	(13,910)	(45,208)	(86,939)
Deferred inflows - pensions	3,819	8,574	16,015
Deferred inflows - OPEB	7,208	23,428	45,054
Restatement per GASB 75 implementation (See Note I.E.)	(110,907)	(360,448)	(693,169)
Net cash provided by (used for) operating activities	$ 643,744	$ 2,034,847	$ 12,256,147
Noncash information:			
Increase (decrease) in fair value of investments (classified as cash equivalents)	(188,914)	(208,176)	(129,819)

Printing and Distribution Services Operating	Insurance and Claims Operating	Workers' Compensation Self Insurance Operating	Technology Services	Portland Police Association Health Insurance	Enterprise Business Solutions Services	Total
$ 323,849	$ 681,841	$ (1,136,304)	$ 5,425,874	$ 3,918,593	$ 868,199	$ 6,827,751
163,210	72,515	52,019	3,219,055	-	278,045	13,935,026
24,112	92,337	(1,383)	194,949	-	(3,909)	(361,480)
-	-	-	15,707	-	-	15,707
970	-	-	-	-	-	(38,301)
-	-	-	(289,250)	-	-	(100,030)
-	(263,099)	(16,871)	(853,609)	-	-	(1,242,922)
102,815	2,514	14,683	1,329,572	938,104	24,442	7,563,857
-	972,961	580,621	-	-	-	3,652,582
23,006	29,797	(932)	387,030	-	16,500	520,712
-	-	-	-	-	-	(8,480)
(233,867)	(163,880)	(147,086)	(3,559,467)	-	(316,606)	(6,104,862)
187,117	137,876	59,090	2,028,748	-	167,421	3,821,138
419,292	297,674	264,304	6,182,245	-	566,360	10,737,707
(22,024)	(16,229)	(6,955)	(238,791)	-	(19,706)	(449,762)
3,945	2,765	2,481	60,046	-	5,341	102,986
11,414	8,410	3,604	123,750	-	10,212	233,080
(175,603)	(129,392)	(55,453)	(1,903,906)	-	(157,118)	(3,585,996)
$ 828,236	$ 1,726,090	$ (388,182)	$ 12,121,953	$ 4,856,697	$ 1,439,181	$ 35,518,713
(13,333)	(202,301)	(97,187)	(216,251)	-	(34,109)	(1,090,090)

East Side Promenade during Blues Festival

Fiduciary Funds

Pension Trust Funds:

Fire and Police Disability and Retirement Fund

This fund provides pension and benefits for members of the Fire Bureau and Police Bureau, their widows and children.

Fire and Police Disability and Retirement Reserve Fund

This fund is a reserve for the Fire and Police Disability and Retirement Fund in the event of an emergency.

Fire and Police Supplemental Retirement Reserve Fund

This fund is a reserve for supplemental retirement benefits to certain members of the Fire and Police Bureaus.

Agency Funds:

Mt. Hood Cable Regulatory Commission Fund

This fund accounts for cable revenues and expenditures as required by an intergovernmental agreement with the Mt. Hood Cable Regulatory Commission.

Trustee Fund

This fund is a depository for monies paid to the City Treasurer, obligations, and to guarantee performance of future services.

Multnomah County Business Income Tax Fund

This fund accounts for revenues and expenses associated with collection and disbursement of Multnomah County business income taxes.

Clearing Funds

These funds account for transfers from other funds to pay City payroll, benefits, accounts payable, internal transactions and fire and police pension benefits.

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City of Portland, Oregon
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2018

	Fire and Police Disability and Retirement	Fire and Police Disability and Retirement Reserve	Fire and Police Supplemental Retirement Reserve	Total
ASSETS				
Current assets:				
Cash and investments [1]	$ 10,603,282	$ 750,000	$ 45,288	$ 11,398,570
Receivables:				
Accounts, net	5,415	-	-	5,415
Pension recovery	103,034	-	-	103,034
Accrued interest	286,684	-	45	286,729
Due from other funds	9,155,346	-	-	9,155,346
Prepaid expense	-	-	720	720
Total current assets	20,153,761	750,000	46,053	20,949,814
Capital assets:				
Construction in progress	1,694	-	-	1,694
Intangible assets:				
Software	884,249	-	-	884,249
Accumulated depreciation and amortization	(426,280)	-	-	(426,280)
Net capital assets	459,663	-	-	459,663
Net OPEB asset	3,680	-	-	3,680
Total noncurrent assets	463,343	-	-	463,343
Total assets	20,617,104	750,000	46,053	21,413,157
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflow-pensions	631,079	-	-	631,079
Deferred outflow - OPEB	18,547	-	-	18,547
Total deferred outflows of resources	649,626	-	-	649,626
LIABILITIES				
Accounts payable	751,473	-	11	751,484
Compensated absences	874,169	-	-	874,169
Bonds payable	279,005	-	-	279,005
Accrued interest payable	225,487	-	-	225,487
Net pension liability - PERS	1,834,325	-	-	1,834,325
Other postemployment benefits	196,879	-	-	196,879
Total liabilities	4,161,338	-	11	4,161,349
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pensions	55,006	-	-	55,006
Deferred inflows - OPEB	9,612	-	-	9,612
Total deferred inflows of resources	64,618	-	-	64,618
NET POSITION				
Net position restricted for pensions	$ 17,040,774	$ 750,000	$ 46,042	$ 17,836,816

[1] The City's pension plan is unfunded and has only a portion of the City's internal investment pool.

City of Portland, Oregon
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Fiscal Year Ended June 30, 2018

	Fire and Police Disability and Retirement	Fire and Police Disability and Retirement Reserve	Fire and Police Supplemental Retirement Reserve	Total
ADDITIONS				
Contributions:				
Employer	$ 144,171,103	$ -	$ -	$ 144,171,103
Other	1,729,054	-	54,000	1,783,054
Total contributions	145,900,157	-	54,000	145,954,157
Investment earnings	869,866	-	15	869,881
Total additions	146,770,023	-	54,015	146,824,038
DEDUCTIONS				
Benefits and refunds paid to plan members and beneficiaries	139,528,250	-	8,812	139,537,062
Administrative expenses	3,453,210	-	-	3,453,210
Total deductions	142,981,460	-	8,812	142,990,272
Change in net position	3,788,563	-	45,203	3,833,766
Net position - beginning, as previously reported	13,400,087	750,000	839	14,150,926
Restatement per GASB 75 implementation (See Note I.E.)	(147,876)	-	-	(147,876)
Net position - beginning restated	13,252,211	750,000	839	14,003,050
Net position - ending	$ 17,040,774	$ 750,000	$ 46,042	$ 17,836,816

City of Portland, Oregon
Combining Statement of Fiduciary Net Position
Agency Funds
June 30, 2018

	Mt. Hood Cable Regulatory Commission	Trustee	Multnomah County Business Income Tax	Clearing Funds	Total
ASSETS					
Cash and investments	$ 13,138,567	$ 15,329,927	$ 5,439,087	$ 48,919,955	$ 82,827,536
Receivables:					
Accounts, net	1,666,800	99,234	-	705,949	2,471,983
Advances	2,034,994	-	-	-	2,034,994
Accrued interest	57,643	1,416	14,008	83	73,150
Total current assets	16,898,004	15,430,577	5,453,095	49,625,987	87,407,663
Capital assets:					
Intangible assets:					
Software	12,000	-	-	-	12,000
Accumulated depreciation and amortization	(7,200)	-	-	-	(7,200)
Total assets	16,902,804	15,430,577	5,453,095	49,625,987	87,412,463
LIABILITIES					
Accounts payable	2,040,590	-	4,223	17,046,481	19,091,294
Salaries and withholding taxes	-	-	-	30,681,633	30,681,633
Due to other governments	14,862,214	-	-	-	14,862,214
Other liabilities	-	15,430,577	5,448,872	1,897,873	22,777,322
Total liabilities	16,902,804	15,430,577	5,453,095	49,625,987	87,412,463
NET POSITION	$ -	$ -	$ -	$ -	$ -

City of Portland, Oregon
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Mt. Hood Cable Regulatory Commission				
Assets:				
Cash and investments	$ 12,281,756	$ 9,225,958	$ 8,369,147	$ 13,138,567
Receivables:				
Accounts, net	1,831,720	1,666,800	1,831,720	1,666,800
Advances	1,004,481	2,205,660	1,175,147	2,034,994
Accrued interest	39,418	184,274	166,049	57,643
Total current assets	15,157,375	13,282,692	11,542,063	16,898,004
Capital assets:				
Intangible assets:				
Software	12,000	-	-	12,000
Accumulated depreciation and amortization	(4,800)	-	2,400	(7,200)
Total assets	$ 15,164,575	$ 13,282,692	$ 11,544,463	$ 16,902,804
Liabilities:				
Accounts payable	$ 889,666	$ 20,330,117	$ 19,179,193	$ 2,040,590
Due to other government	14,274,909	42,834,320	42,247,015	14,862,214
Total liabilities	$ 15,164,575	$ 63,164,437	$ 61,426,208	$ 16,902,804
Trustee				
Assets:				
Cash and investments	$ 12,526,322	$ 83,076,737	$ 80,273,132	$ 15,329,927
Receivables:				
Accounts, net	66,866	1,846,465	1,814,097	99,234
Accrued interest	1,043	4,795	4,422	1,416
Total assets	$ 12,594,231	$ 84,927,997	$ 82,091,651	$ 15,430,577
Liabilities:				
Accounts payable	$ 12,104	$ 14,166,554	$ 14,178,658	$ -
Other liabilities	12,582,127	85,381,267	82,532,817	15,430,577
Total liabilities	$ 12,594,231	$ 99,547,821	$ 96,711,475	$ 15,430,577
Multnomah Co. Business Income Tax				
Assets:				
Cash and investments	$ 3,951,181	$ 98,462,775	$ 96,974,869	$ 5,439,087
Receivables:				
Accrued interest	8,917	33,203	28,112	14,008
Total assets	$ 3,960,098	$ 98,495,978	$ 97,002,981	$ 5,453,095
Liabilities:				
Accounts payable	$ 1,116	$ 5,704,641	$ 5,701,534	$ 4,223
Other liabilities	3,958,982	99,482,840	97,992,950	5,448,872
Total liabilities	$ 3,960,098	$ 105,187,481	$ 103,694,484	$ 5,453,095

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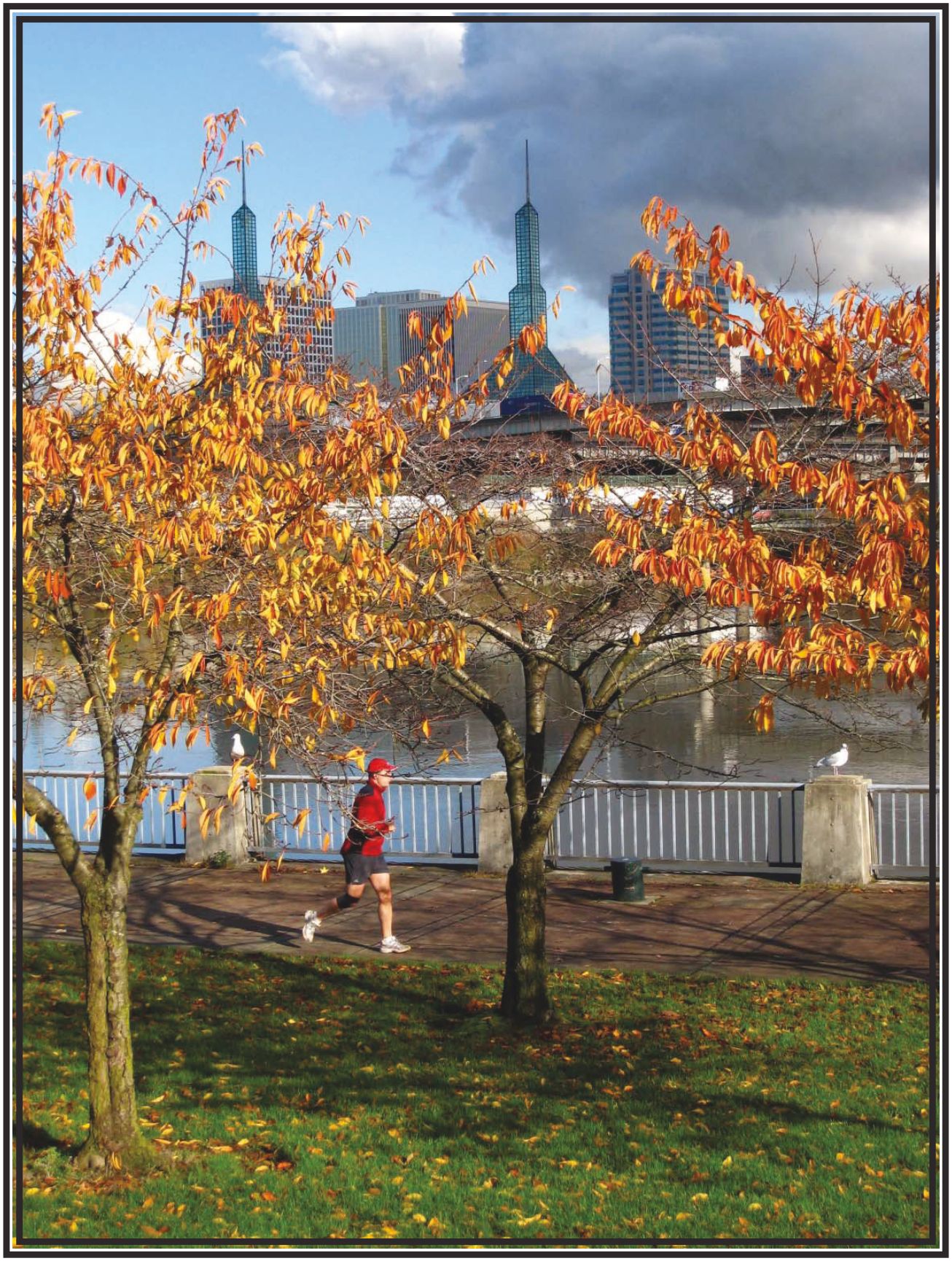
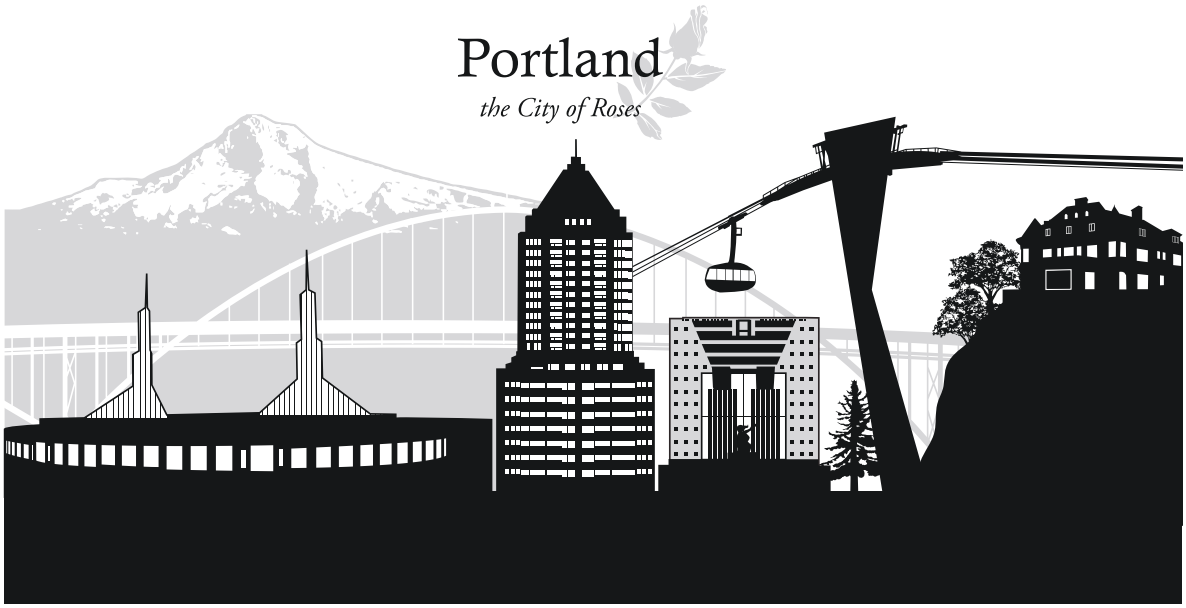
City of Portland, Oregon
Combining Statement of Changes in Assets and Liabilities, Continued
Agency Funds
For the Fiscal Year Ended June 30, 2018

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Clearing				
Assets:				
Cash and investments	$ 36,812,887	$ 1,543,584,470	$ 1,531,477,402	$ 48,919,955
Receivables:				
Accounts, net	560,892	2,427,418,882	2,427,273,825	705,949
Accrued interest	47	235	199	83
Total assets	$ 37,373,826	$ 3,971,003,587	$ 3,958,751,426	$ 49,625,987
Liabilities:				
Accounts payable	4,882,994	301,657,672	289,494,185	17,046,481
Salaries and withholding taxes	30,593,098	1,553,107,416	1,553,018,881	30,681,633
Other liabilities	1,897,734	33,099	32,960	1,897,873
Total liabilities	$ 37,373,826	$ 1,854,798,187	$ 1,842,546,026	$ 49,625,987
Foreclosure sales				
Assets				
Cash and investments	-	125,437	125,437	-
Liabilities				
Other liabilities	-	125,437	125,437	-
Total - All Agency Funds				
Assets:				
Cash and investments	$ 65,572,146	$ 1,734,475,377	$ 1,717,219,987	$ 82,827,536
Receivables:				
Accounts, net	2,459,478	2,430,932,147	2,430,919,642	2,471,983
Advances	1,004,481	2,205,660	1,175,147	2,034,994
Accrued interest	49,425	222,507	198,782	73,150
Total current assets	69,085,530	4,167,835,691	4,149,513,558	87,407,663
Capital assets:				
Intangible assets:				
Software	12,000	-	-	12,000
Accumulated depreciation and amortization	(4,800)	-	2,400	(7,200)
Net capital assets	7,200	-	2,400	4,800
Total assets	$ 69,092,730	$ 4,167,835,691	$ 4,149,515,958	$ 87,412,463
Liabilities:				
Accounts payable	$ 5,785,880	$ 341,858,984	$ 328,553,570	$ 19,091,294
Salaries and withholding taxes	30,593,098	1,553,107,416	1,553,018,881	30,681,633
Due to other government	14,274,909	42,834,320	42,247,015	14,862,214
Other liabilities	18,438,843	185,022,643	180,684,164	22,777,322
Total liabilities	$ 69,092,730	$ 2,122,823,363	$ 2,104,503,630	$ 87,412,463



Waterfront Park in Fall

Schedules of Revenues and Expenditures Governmental Funds - Budget and Actual



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General Fund by Function
Budget and Actual

This fund accounts for City financial resources not included in other funds. Principal revenue sources are property taxes, licenses, permits, interfund service billings, and federal and state shared revenues. Primary expenditures are police protection, fire, rescue and emergency services, parks maintenance and recreation, and general administration.

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City of Portland, Oregon
General Fund by Function
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 241,054,959	$ 241,054,959	$ 242,329,839	
Prior year property	4,166,953	4,166,953	3,086,299	
Lodging	33,775,500	33,775,500	34,768,146	
Payment in lieu of taxes	618,087	618,087	1,420,541	
Total taxes	279,615,499	279,615,499	281,604,825	1,989,326
Licenses and permits:				
Business licenses, net	114,000,000	114,000,000	134,322,893	
Public utility licenses	82,648,126	82,648,126	83,525,983	
Construction permits	2,715,436	2,535,436	2,642,361	
Other permits	2,557,828	2,642,828	2,572,952	
Total licenses and permits	201,921,390	201,826,390	223,064,189	21,237,799
Charges for services				
Inspection fees	1,838,389	1,838,389	2,185,500	
Rents and reimbursements	4,817,651	4,211,525	4,892,848	
Parking fees	541,572	541,572	449,408	
Concessions	18,156	18,156	-	
Parks and recreation facilities fees	13,706,676	13,257,921	12,937,070	
Other service charges	4,503,982	5,187,699	6,694,994	
Total charges for services	25,426,426	25,055,262	27,159,820	2,104,558
Intergovernmental:				
Federal cost sharing	129,000	129,002	150,216	
State revenue sharing	17,485,117	20,485,117	22,671,684	
State cost sharing	85,000	1,716,269	2,065,572	
Multnomah County cost sharing	2,292,701	2,367,419	2,311,929	
Local revenue sharing	2,206,733	2,406,733	1,843,276	
Local cost sharing	5,947,891	6,416,235	6,694,587	
Overhead charges	270,767	270,767	122,874	
Total intergovernmental	28,417,209	33,791,542	35,860,138	2,068,596
Other:				
Loan repayments	-	-	40,181	
Assessments	4,209	4,209	2,178	
Sales - other	760,197	760,197	932,196	
Refunds	60,000	60,000	149,291	
Donations	-	-	163,950	
Investment earnings	-	-	725,354	
Other interest income	1,614,727	1,614,727	1,017,836	
Fines	507,150	507,150	603,348	
Miscellaneous	976,704	1,121,159	1,865,871	
Total other	3,922,987	4,067,442	5,500,205	1,432,763
Billings to other funds for services	35,023,412	37,055,471	34,536,614	(2,518,857)
Total revenues	574,326,923	581,411,606	607,725,791	26,314,185

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City of Portland, Oregon
General Fund by Function, Continued
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
Current:				
Public Safety				
Portland Police Bureau				
Personal services	148,668,336	154,844,142	158,888,878	
External materials and services	16,908,147	23,293,257	14,393,445	
Internal materials and services	36,152,193	34,640,271	33,981,569	
Capital outlay	212,000	534,694	333,177	
Total Portland Police Bureau	201,940,676	213,312,364	207,597,069	5,715,295
Portland Fire and Rescue				
Personal services	99,786,457	103,879,355	103,172,643	
External materials and services	7,748,008	8,072,861	7,443,459	
Internal materials and services	7,200,304	7,200,304	7,265,004	
Capital outlay	2,525,204	4,967,277	3,603,361	
Total Portland Fire and Rescue	117,259,973	124,119,797	121,484,467	2,635,330
Portland Bureau of Emergency Management				
Personal services	1,973,760	1,720,606	1,637,785	
External materials and services	669,107	901,926	432,950	
Internal materials and services	823,014	683,345	646,529	
Capital outlay	-	57,478	-	
Total Portland Bureau of Emergency Management	3,465,881	3,363,355	2,717,264	646,091
Total Public Safety	322,666,530	340,795,516	331,798,800	8,996,716
Parks, Recreation and Culture				
Portland Parks and Recreation				
Personal services	59,742,839	61,149,983	60,098,758	
External materials and services	17,934,053	18,490,327	18,759,772	
Internal materials and services	9,457,673	9,448,393	8,772,817	
Total Portland Parks and Recreation	87,134,565	89,088,703	87,631,347	1,457,356
Total Parks, Recreation and Culture	87,134,565	89,088,703	87,631,347	1,457,356
Community Development				
Portland Housing Bureau				
Personal services	665,433	727,638	727,534	
External materials and services	27,730,993	27,935,753	26,623,892	
Internal materials and services	1,538,761	1,557,105	1,562,828	
Total Portland Housing Bureau	29,935,187	30,220,496	28,914,254	1,306,242
Bureau of Planning and Sustainability				
Personal services	8,785,498	8,539,998	8,479,087	
External materials and services	884,907	1,254,784	983,283	
Internal materials and services	319,706	456,447	395,120	
Total Bureau of Planning and Sustainability	9,990,111	10,251,229	9,857,490	393,739
Community & Civic Life				
Personal services	5,842,431	5,703,051	5,533,032	
External materials and services	4,430,247	4,795,821	4,184,881	
Internal materials and services	909,091	963,928	925,064	
Total Community & Civic Life	11,181,769	11,462,800	10,642,977	819,823

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City of Portland, Oregon
General Fund by Function, Continued
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES, Continued				
Current, Continued:				
Community Development, Continued:				
Prosper Portland				
External materials and services	6,021,910	6,131,910	5,815,282	316,628
Office of Equity & Human Rights				
Personal services	1,430,755	1,305,755	1,183,550	
External materials and services	144,386	222,993	113,007	
Internal materials and services	211,292	216,110	216,041	
Total Office of Equity & Human Rights	1,786,433	1,744,858	1,512,598	232,260
Total Community Development	58,915,410	59,811,293	56,742,601	3,068,692
Legislative/ Admin/ Support Services				
Office of the City Attorney				
Personal services	10,804,807	10,561,961	10,378,879	
External materials and services	844,943	492,080	362,101	
Internal materials and services	1,376,127	1,526,420	1,495,630	
Total Office of the City Attorney	13,025,877	12,580,461	12,236,610	343,851
Office of the City Auditor				
Personal services	6,663,576	6,812,840	6,614,763	
External materials and services	1,823,859	1,549,313	1,190,360	
Internal materials and services	2,169,593	2,272,296	2,401,647	
Total Office of the City Auditor	10,657,028	10,634,449	10,206,770	427,679
City Budget Office				
Personal services	2,079,215	2,024,215	1,978,946	
External materials and services	1,281,700	271,182	238,333	
Internal materials and services	232,199	259,872	244,073	
Total City Budget Office	3,593,114	2,555,269	2,461,352	93,917
Office of Government Relations				
Personal services	1,279,929	1,279,929	1,058,629	
External materials and services	308,300	293,800	267,736	
Internal materials and services	225,921	253,475	249,539	
Total Office of Government Relations	1,814,150	1,827,204	1,575,904	251,300
Office of Management and Finance				
Personal services	31,714,765	31,043,978	30,019,338	
External materials and services	5,334,956	6,819,600	4,498,668	
Internal materials and services	5,570,844	6,412,450	6,142,579	
Total Office of Management and Finance	42,620,565	44,276,028	40,660,585	3,615,443
Special Appropriations				
Personal services	348,253	460,813	415,228	
External materials and services	11,059,401	13,085,454	11,375,891	
Internal materials and services	80,510	123,554	110,291	
Total Special Appropriations	11,488,164	13,669,821	11,901,410	1,768,411
Total Office of Management and Finance	54,108,729	57,945,849	52,561,995	5,383,854

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City of Portland, Oregon
General Fund by Function, Continued
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
EXPENDITURES, Continued				
Current, Continued:				
Legislative/ Admin/ Support Services, Continued:				
Office of the Mayor				
Personal services	2,498,338	2,222,538	2,170,400	
External materials and services	715,563	830,963	769,697	
Internal materials and services	666,159	875,185	860,193	
Total Office of the Mayor	3,880,060	3,928,686	3,800,290	128,396
Commissioner of Public Affairs				
Personal services	1,276,289	1,301,835	1,243,133	
External materials and services	544,344	589,874	527,697	
Internal materials and services	267,016	321,115	306,772	
Total Commissioner of Public Affairs	2,087,649	2,212,824	2,077,602	135,222
Commissioner of Public Safety				
Personal services	911,588	844,188	820,358	
External materials and services	24,624	89,624	66,180	
Internal materials and services	245,343	288,943	282,690	
Total Commissioner of Public Safety	1,181,555	1,222,755	1,169,228	53,527
Commissioner of Public Utilities				
Personal services	814,608	882,208	852,093	
External materials and services	137,937	62,937	10,813	
Internal materials and services	234,386	279,628	271,947	
Total Commissioner of Public Utilities	1,186,931	1,224,773	1,134,853	89,920
Commissioner of Public Works				
Personal services	907,271	921,871	907,526	
External materials and services	39,475	25,075	13,712	
Internal materials and services	234,341	270,198	257,549	
Total Commissioner of Public Works	1,181,087	1,217,144	1,178,787	38,357
Total Legislative/ Admin/ Support Services	92,716,180	95,349,414	88,403,391	6,946,023
Nondepartmental				
General operating contingencies	13,054,267	15,196,304	-	15,196,304
Debt service and related costs:				
Principal	7,243,146	7,243,146	7,237,743	
Interest	2,776,867	2,776,867	2,618,441	
Total debt service and related costs	10,020,013	10,020,013	9,856,184	163,829
Total expenditures	584,506,965	610,261,243	574,432,323	35,828,920
Revenues over (under) expenditures	(10,180,042)	(28,849,637)	33,293,468	62,143,105

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City of Portland, Oregon
General Fund by Function, Continued
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General fund overhead	28,259,955	28,259,955	28,259,955	-
Emergency Communication	-	599,870	599,870	-
Parks Local Option Levy	624,711	624,711	78,000	(546,711)
Police Special Revenue	-	217,225	-	(217,225)
Water	-	21,596	21,596	-
Parking Facilities	300,294	300,294	300,294	-
Spectator Facilities Operating	23,354	23,354	23,354	-
Technology Services	-	2,851,746	291,746	(2,560,000)
Total transfers from other funds	29,208,314	32,898,751	29,574,815	(3,323,936)
Transfers to other funds:				
Transportation Operating	(17,728,918)	(23,478,969)	(23,478,969)	-
Emergency Communication	(15,305,982)	(15,305,982)	(15,305,982)	-
Development Services	(952,985)	(952,985)	(952,985)	-
General Reserve	(1,000,000)	(1,000,000)	(1,000,000)	-
Housing Investment	(206,576)	(2,940,542)	(2,940,542)	-
Campaign Finance	(250,000)	(250,000)	(250,000)	-
Portland Parks Memorial	(65,990)	(65,990)	(65,990)	-
Pension Debt Redemption	(1,729,216)	(1,729,216)	(1,729,216)	-
Governmental Bond Redemption	(2,865,119)	(1,865,119)	(1,863,243)	1,876
Parks Capital Improvement Program	(1,952,792)	(2,052,792)	(2,052,792)	-
Water	(1,055,000)	(4,055,000)	(4,055,000)	-
Parking Facilities	(250,000)	(250,000)	(250,000)	-
Facilities Services Operating	(1,694,271)	(2,706,021)	(2,706,021)	-
Fire and Police Supplemental Retirement Reserve	(54,000)	(54,000)	(54,000)	-
Total transfers to other funds	(45,110,849)	(56,706,616)	(56,704,740)	1,876
Total other financing sources (uses)	(15,902,535)	(23,807,865)	(27,129,925)	(3,322,060)
Net change in fund balance	(26,082,577)	(52,657,502)	6,163,543	58,821,045
Fund balance -- beginning	26,082,577	52,657,502	52,608,768	(48,734)
Fund balance -- ending	$ -	$ -	58,772,311	$ 58,772,311
Adjustment to generally accepted accounting principles (GAAP) basis:				
Reserve fund budgeted as separate fund			60,757,082	
Campaign Finance budgeted as a separate fund			242,441	
Loans receivable, net			339,717	
Unrealized gain on investments			(1,001,976)	
Inventories			365,483	
Fund balance - GAAP basis			$ 119,475,058	

Continued next page

Portland waterfront and kayak

Special Revenue Funds Budget and Actual

Assessment Collection Fund
This fund accounts for programs related to local improvement projects to protect the City from unpaid assessments. Revenues are derived from the sale of bonds and real property.

Emergency Communication Fund
This fund accounts for resources and expenditures related to emergency 911 services.

Development Services Fund
This fund accounts for revenues derived from planning and permit fees and for operation expenditures.

Property Management License Fund
This fund accounts for the activities of economic improvement districts. Revenues are derived from special assessments, administrative charges, interest on investments and collection fees.

Convention and Tourism Fund
This fund accounts for transient lodging tax revenues from hotel occupancy within the City. Expenditures are related to the promotion of convention business and tourism in the City.

General Reserve Fund
This fund accounts for counter-cyclical and emergency reserves for the General Fund.

Transportation Reserve Fund
This fund accounts for counter-cyclical and emergency reserves for the Office of Transportation.

Housing Investment Fund
This fund accounts for financing housing projects administered by the Livable Housing Council.

Public Election Fund
This fund provides financing of the election campaigns of certified candidates for City Office, as well as payment of administrative, enforcement, and other expenses necessary to carry out the functions and duties of chapter 2.16.020 of City Code.

Parks Local Option Levy Fund
This fund was established to manage the five-year local option levy in support of Parks operation, maintenance, and capital programs.

Children's Investment Fund
This fund accounts for revenues and expenditures related to the Children's Levy, approved by Portland area voters in November 2002 and renewed in 2013. The Children's Investment Fund shall be expended only for purposes of early childhood programs, child abuse prevention and intervention, and after school and mentoring programs for children.

Grants Fund
This fund accounts for the receipts and expenditures of federal as well as state, local, and private sources.

Community Development Block Grant Fund
This fund accounts for receipts and expenditures of Federal Housing and Community Development programs.

HOME Grant Fund
This fund accounts for federal entitlement grants received from the Home Investment Partnership Program. These funds are used for acquisition, rehabilitation and/or new construction of housing for low income and special needs persons.

Portland Parks Memorial Fund
This fund accounts for monies held by the City in a trustee capacity with disbursements made in accordance with the trust agreements.

Tax Increment Reimbursement Fund
This fund was established to coincide with the creation of the Portland Housing Bureau to account for restricted tax increment financing that will now be received by the City to pay for certain functions that used to be done by the Portland Development Commission.

Police Special Revenue Fund
This fund was established to account for restricted or committed law enforcement revenues. By law, the Police Bureau may only spend asset forfeiture proceeds on certain functions such as drug enforcement and education. Other donations received are restricted to specific programs for which the contributions were provided.

Continued on back

Special Revenue Funds Budget and Actual

Arts Education and Access Fund

The purpose of this fund is to collect and disburse revenues to school districts located in the City and the Regional Arts and Culture Council in accordance with their respective intergovernmental agreement or contract.

Community Solar Fund

This fund was created to support the Solar Forward Program in the Bureau of Planning and Sustainability. The purpose is to track and account for revenues and capital expenses for the installation of solar electric systems on publicly-owned facilities.

Inclusionary Housing Fund

This fund tracks the receipts from the City's Construction Excise Tax that funds affordable housing initiatives as identified in City Code. The fund also tracks revenue and expenditures associated with the Inclusionary Housing Program.

Housing Property Fund

The purpose of this fund is to track the operating income and expenses associated with multi-family housing property operations.

Recreational Cannabis Tax Fund

The purpose of this fund is to receive the revenues from a three percent tax on recreational marijuana sales in the City of Portland, and to provide funding per City Code.

City of Portland, Oregon
Assessment Collection Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Assessments	$ 200	$ 200	$ -	
Investment earnings	750	750	1,133	
Other interest income	250	250	-	
Total other	1,200	1,200	1,133	$ (67)
Total revenues	1,200	1,200	1,133	(67)
EXPENDITURES				
General operating contingencies	80,735	80,735	-	80,735
Revenues over (under) expenditures	(79,535)	(79,535)	1,133	(80,668)
Net change in fund balance	(79,535)	(79,535)	1,133	80,668
Fund balance - beginning	79,535	79,535	79,660	125
Fund balance - ending	$ -	$ -	80,793	$ 80,793
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(664)	
Fund balance - GAAP basis			$ 80,129	

City of Portland, Oregon
Emergency Communication Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Other service charges	$ 375,749	$ 375,749	$ 333,301	$ (42,448)
Intergovernmental:				
State revenue sharing	3,000,000	3,000,000	4,156,770	
Local cost sharing	4,912,526	4,912,526	3,853,073	
Total intergovernmental	7,912,526	7,912,526	8,009,843	97,317
Other:				
Investment earnings	-	-	15,377	
Other interest income	10,000	10,000	-	
Total other revenue	10,000	10,000	15,377	5,377
Total revenues	8,298,275	8,298,275	8,358,521	60,246
EXPENDITURES				
Current:				
Personal services	16,663,622	16,642,579	16,401,475	
External materials and services	869,818	1,119,818	1,055,370	
Internal materials and services	4,932,601	4,933,283	4,886,633	
Total current expenditures	22,466,041	22,695,680	22,343,478	352,202
General operating contingencies	1,440,195	706,420	-	706,420
Debt service and related costs:				
Principal	163,208	183,201	183,201	
Interest	68,933	69,983	66,019	
Total debt service and related costs	232,141	253,184	249,220	3,964
Total expenditures	24,138,377	23,655,284	22,592,698	1,062,586
Revenues over (under) expenditures	(15,840,102)	(15,357,009)	(14,234,177)	1,122,832
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	15,305,982	15,305,982	15,305,982	-
Transfers to other funds:				
General Fund Overhead	(892,411)	(892,411)	(892,411)	-
General	-	(599,870)	(599,870)	-
Pension Debt Redemption	(43,738)	(43,738)	(43,738)	-
Total transfers to other funds	(936,149)	(1,536,019)	(1,536,019)	-
Total other financing sources (uses)	14,369,833	13,769,963	13,769,963	-
Net change in fund balance	(1,470,269)	(1,587,046)	(464,214)	1,122,832
Fund balance - beginning	1,470,269	1,587,046	1,587,046	-
Fund balance - ending	$ -	$ -	1,122,832	$ 1,122,832
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			4,075	
Fund balance - GAAP basis			$ 1,126,907	

City of Portland, Oregon
Development Services Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Licenses and permits:				
Construction permits	$ 40,299,449	$ 44,441,488	$ 47,084,498	
Other permits	705,744	705,744	888,106	
Total licenses and permits	41,005,193	45,147,232	47,972,604	2,825,372
Charges for services				
Inspection fees	1,475,529	1,475,529	2,639,667	
Other service charges	15,531,973	15,531,973	14,815,661	
Total charges for services	17,007,502	17,007,502	17,455,328	447,826
Billings to other funds for services	1,267,056	1,274,241	1,152,531	(121,710)
Other:				
Assessments	3,677,674	3,677,674	3,290,398	
Refunds	-	-	1,062	
Investment earnings	600,000	1,000,000	1,132,287	
Other interest income	-	150,000	755,562	
Miscellaneous	-	-	111,422	
Total other	4,277,674	4,827,674	5,290,731	463,057
Total revenues	63,557,425	68,256,649	71,871,194	3,614,545
EXPENDITURES				
Current:				
Personal services	44,796,264	46,696,626	43,141,647	
External materials and services	4,952,008	8,180,983	6,716,704	
Internal materials and services	12,248,005	15,677,876	14,686,751	
Capital outlay	-	25,400	147,769	
Total current expenditures	61,996,277	70,580,885	64,692,871	5,888,014
General operating contingencies	29,468,808	20,704,123	-	20,704,123
Debt service and related costs:				
Principal	919,434	919,434	919,434	
Interest	351,222	351,222	331,332	
Internal loan remittances	-	15,100,000	15,100,000	
Total debt service and related costs	1,270,656	16,370,656	16,350,766	19,890
Total expenditures	92,735,741	107,655,664	81,043,637	26,612,027
Revenues over (under) expenditures	(29,178,316)	(39,399,015)	(9,172,443)	30,226,572
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	952,985	952,985	952,985	-
Transfer to other fund:				
General Fund Overhead	(1,846,412)	(1,846,412)	(1,846,412)	-
Pension Debt Redemption	(219,504)	(219,504)	(219,504)	-
Total transfers to other funds	(2,065,916)	(2,065,916)	(2,065,916)	-
Internal loan proceeds	-	10,220,699	10,220,699	-
Total other financing sources (uses)	(1,112,931)	9,107,768	9,107,768	-
Net change in fund balance	(30,291,247)	(30,291,247)	(64,675)	30,226,572
Fund balance - beginning	80,291,247	80,291,247	76,632,770	(3,658,477)
Fund balance - ending	$ 50,000,000	$ 50,000,000	76,568,095	$ 26,568,095
Adjustment to generally accepted accounting principles (GAAP) basis:				
Internal loans receivable			15,100,000	
Unrealized gain (loss) on investments			(616,621)	
Fund balance - GAAP basis			$ 91,051,474	

City of Portland, Oregon
Property Management License Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Licenses and permits:				
Business licenses, net	$ 5,571,000	$ 5,621,000	$ 5,493,639	$ (127,361)
Other:				
Investment earnings	2,800	5,525	6,078	553
Total revenues	5,573,800	5,626,525	5,499,717	(126,808)
EXPENDITURES				
Current:				
External materials and services	5,470,729	5,523,954	5,355,489	
Internal materials and services	78,071	77,571	75,740	
Total current expenditures	5,548,800	5,601,525	5,431,229	170,296
General operating contingencies	14,500	40,165	-	40,165
Total expenditures	5,563,300	5,641,690	5,431,229	210,461
Revenues over (under) expenditures	10,500	(15,165)	68,488	83,653
Transfers to other funds:				
General Fund Overhead	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	(14,500)	(40,165)	43,488	83,653
Fund balance - beginning	14,500	40,165	40,166	1
Fund balance - ending	$ -	$ -	83,654	$ 83,654
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(680)	
Fund balance - GAAP basis			$ 82,974	

City of Portland, Oregon
Convention and Tourism Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Lodging	$ 20,126,000	$ 20,026,000	$ 18,412,301	$ (1,613,699)
Other:				
Investment earnings	25,000	21,500	25,477	3,977
Total revenues	20,151,000	20,047,500	18,437,778	(1,609,722)
EXPENDITURES				
Current:				
External materials and services	19,792,561	19,795,561	18,062,474	
Internal materials and services	333,439	333,439	321,383	
Total current expenditures	20,126,000	20,129,000	18,383,857	1,745,143
General operating contingencies	135,000	11,834	-	11,834
Total expenditures	20,261,000	20,140,834	18,383,857	1,756,977
Revenues over (under) expenditures	(110,000)	(93,334)	53,921	147,255
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General Fund Overhead	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	(135,000)	(118,334)	28,921	147,255
Fund balance - beginning	135,000	118,334	118,344	10
Fund balance - ending	$ -	$ -	147,265	$ 147,265
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(3,296)	
Fund balance - GAAP basis			$ 143,969	

City of Portland, Oregon
General Reserve Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ 678,359	$ 678,359	$ 840,547	$ 162,188
EXPENDITURES				
Current:				
General operating contingencies	60,666,106	60,666,106	-	60,666,106
Revenues over (under) expenditures	(59,987,747)	(59,987,747)	840,547	60,828,294
OTHER FINANCING SOURCES (USES)				
Transfer from other fund:				
General	1,000,000	1,000,000	1,000,000	-
Total other financing sources (uses)	1,000,000	1,000,000	1,000,000	-
Net change in fund balance	(58,987,747)	(58,987,747)	1,840,547	60,828,294
Fund balance - beginning	58,987,747	58,987,747	58,916,535	(71,212)
Fund balance - ending	$ -	$ -	60,757,082	$ 60,757,082
Adjustment to generally accepted accounting principles (GAAP) basis:				
General Reserve Fund budgeted as separate fund - to General Fund			(60,757,082)	
Fund balance - GAAP basis			$ -	

City of Portland, Oregon
Transportation Reserve Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ 40,000	$ 40,000	$ 85,504	$ 45,504
Total revenues	40,000	40,000	85,504	45,504
EXPENDITURES				
Current:				
General operating contingencies	6,666,886	6,666,886	-	6,666,886
Total expenditures	6,666,886	6,666,886	-	6,666,886
Revenues over (under) expenditures	(6,626,886)	(6,626,886)	85,504	6,712,390
OTHER FINANCING SOURCES (USES)				
Transfer from other fund:				
Transportation Operating	700,000	700,000	700,000	-
Net change in fund balance	(5,926,886)	(5,926,886)	785,504	6,712,390
Fund balance - beginning	5,926,886	5,926,886	5,946,526	19,640
Fund balance - ending	$ -	$ -	6,732,030	$ 6,732,030
Adjustment to generally accepted accounting principles (GAAP) basis:				
Transportation Reserve Fund budgeted as separate fund - to Transportation Operating Fund			(6,732,030)	
Fund balance - GAAP basis			$ -	

City of Portland, Oregon
Housing Investment Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Other service charges	$ 457,500	$ 466,800	$ 490,564	
Total charges for services	457,500	466,800	490,564	$ 23,764
Intergovernmental:				
Local cost sharing	100,000	100,000	-	
Local revenue sharing	217,500	217,500	379,087	
Total intergovernmental	317,500	317,500	379,087	61,587
Other:				
Loan repayments	400,000	400,000	1,051,788	
Investment earnings	26,216	26,216	156,928	
Other interest income	234,600	234,600	122,934	
Total other	660,816	660,816	1,331,650	670,834
Total revenues	1,435,816	1,445,116	2,201,301	756,185
EXPENDITURES				
Current:				
Personal services	1,158,421	1,372,399	1,367,717	
External materials and services	6,986,481	3,838,603	3,008,195	
Internal materials and services	-	-	3,515	
Total current expenditures	8,144,902	5,211,002	4,379,427	831,575
General operating contingencies	14,000	-	-	-
Total expenditures	8,158,902	5,211,002	4,379,427	831,575
Revenues over (under) expenditures	(6,723,086)	(3,765,886)	(2,178,126)	1,587,760

Continued next page

City of Portland, Oregon
Housing Investment Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfer from other fund:				
General	206,576	2,940,542	2,940,542	-
Transfers to other funds:				
General Fund Overhead	(63,433)	(63,433)	(63,433)	-
Tax Increment Reimbursement	(80,000)	(80,000)	(57,967)	22,033
Inclusionary Housing	(816,600)	(816,600)	(680,499)	136,101
Housing Property	(80,367)	(203,367)	(28,000)	175,367
Housing Capital	-	(5,065,166)	(5,047,366)	17,800
Total transfers to other funds	(1,040,400)	(6,228,566)	(5,877,265)	351,301
Loans issued	1,200,000	1,200,000	-	(1,200,000)
Total other financing sources (uses)	366,176	(2,088,024)	(2,936,723)	(848,699)
Net change in fund balance	(6,356,910)	(5,853,910)	(5,114,849)	739,061
Fund balance - beginning	6,356,910	5,853,910	12,620,938	6,767,028
Fund balance - ending	$ -	$ -	7,506,089	$ 7,506,089
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(63,147)	
Notes and loans receivable, net			6,175,755	
Fund balance - GAAP basis			$ 13,618,697	

City of Portland, Oregon
Public Election Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
EXPENDITURES				
Current:				
Personal services	$ -	$ 17,728	$ 5,739	
External materials and services	250,000	232,272	537	
Internal materials and services	-	-	1,283	
Total expenditures	250,000	250,000	7,559	$ 242,441
Revenues over (under) expenditures	(250,000)	(250,000)	(7,559)	242,441
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	250,000	250,000	250,000	-
Total other financing sources (uses)	250,000	250,000	250,000	-
Net change in fund balance	-	-	242,441	242,441
Fund balance - beginning	-	-	-	-
Fund balance - ending	$ -	$ -	242,441	$ 242,441
Adjustment to generally accepted accounting principles (GAAP) basis:				
Campaign Finance Fund budgeted as separate fund - to General Fund			(242,441)	
Fund balance - GAAP basis			$ -	

City of Portland, Oregon
Parks Local Option Levy Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Prior year property	$ 2,076	$ 2,076	$ 977	$ (1,099)
Other:				
Investment earnings	5,000	5,000	9,079	4,079
Total revenues	7,076	7,076	10,056	2,980
Revenues over (under) expenditures	7,076	7,076	10,056	2,980
OTHER FINANCING SOURCES (USES)				
Transfer to other fund:				
General Fund Overhead	(39,345)	(39,345)	(39,345)	-
General	(624,711)	(624,711)	(78,000)	546,711
Total transfers to other funds	(664,056)	(664,056)	(117,345)	546,711
Net change in fund balance	(656,980)	(656,980)	(107,289)	549,691
Fund balance - beginning	656,980	656,980	659,131	2,151
Fund balance - ending	$ -	$ -	551,842	$ 551,842
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(20)	
Fund balance - GAAP basis			$ 551,822	

City of Portland, Oregon
Children's Investment Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 18,713,881	$ 18,713,881	$ 19,274,471	
Prior year property	269,273	269,273	196,061	
Total taxes	18,983,154	18,983,154	19,470,532	$ 487,378
Other:				
Investment earnings	-	-	195,157	195,157
Total revenues	18,983,154	18,983,154	19,665,689	682,535
EXPENDITURES				
Current:				
Personal services	590,249	640,249	624,625	
External materials and services	18,295,947	18,295,947	17,144,075	
Internal materials and services	56,157	66,157	63,425	
Total current expenditures	18,942,353	19,002,353	17,832,125	1,170,228
General operating contingencies	5,815,801	5,755,801	-	5,755,801
Total expenditures	24,758,154	24,758,154	17,832,125	6,926,029
Revenues over (under) expenditures	(5,775,000)	(5,775,000)	1,833,564	7,608,564
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General Fund Overhead	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	(5,800,000)	(5,800,000)	1,808,564	7,608,564
Fund balance - beginning	5,800,000	5,800,000	7,024,767	1,224,767
Fund balance - ending	$ -	$ -	8,833,331	$ 8,833,331
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(112,471)	
Fund balance - GAAP basis			$ 8,720,860	

City of Portland, Oregon
Grants Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental:				
Grant revenue	$ 45,924,965	$ 44,652,054	$ 17,401,156	$ (27,250,898)
Service charges and fees:				
Other service charges	-	-	124	124
Other:				
Loan repayments	-	-	44,422	
Other interest income	-	-	16,948	
Investment earnings	-	-	32,372	
Total other	-	-	93,742	93,742
Total revenues	45,924,965	44,652,054	17,495,022	(27,157,032)
EXPENDITURES				
Current:				
Personal services	9,528,623	9,351,898	4,858,648	
External materials and services	7,743,329	17,405,775	7,889,824	
Internal materials and services	6,234,451	6,891,429	2,650,792	
Capital outlay	22,418,562	11,002,952	4,239,151	
Total current expenditures	45,924,965	44,652,054	19,638,415	25,013,639
Debt service and related costs:				
Internal loan remittances	9,750,000	9,750,000	8,000,000	1,750,000
Revenues over (under) expenditures	(9,750,000)	(9,750,000)	(10,143,393)	(393,393)
OTHER FINANCING SOURCES (USES)				
Internal loan proceeds	-	-	10,000,000	10,000,000
Total other financing sources (uses)	-	-	10,000,000	10,000,000
Net change in fund balance	(9,750,000)	(9,750,000)	(143,393)	9,606,607
Fund balance - beginning	9,750,000	9,750,000	469,914	(9,280,086)
Fund balance - ending	$ -	$ -	326,521	$ 326,521
Adjustment to generally accepted accounting principles (GAAP) basis:				
Notes and loans receivable, net			492,268	
Internal loans payable			(10,000,000)	
Fund balance (deficit) - GAAP basis			$ (9,181,211)	

City of Portland, Oregon
Community Development Block Grant Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Other service charges	$ -	$ -	$ 4,807	$ 4,807
Intergovernmental:				
Grants	10,125,514	11,675,202	8,691,712	(2,983,490)
Other:				
Assessments	-	-	533	
Investment earnings (loss)	-	-	(8,142)	
Loan repayments	800,000	800,000	1,053,704	
Other interest income	315,000	315,000	1,086,975	
Total other	1,115,000	1,115,000	2,133,070	1,018,070
Total revenues	11,240,514	12,790,202	10,829,589	(1,960,613)
EXPENDITURES				
Current:				
Personal services	1,227,350	1,227,350	1,197,550	
External materials and services	9,065,240	10,614,928	8,564,189	
Internal materials and services	212,924	212,924	251,501	
Total current expenditures	10,505,514	12,055,202	10,013,240	2,041,962
Debt service and related costs:				
Principal	430,000	430,000	446,000	
Interest	305,000	305,000	288,577	
Total debt service and related costs	735,000	735,000	734,577	423
Total expenditures	11,240,514	12,790,202	10,747,817	2,042,385
Net change in fund balance	-	-	81,772	81,772
Fund balance - beginning	-	-	595,348	595,348
Fund balance - ending	$ -	$ -	677,120	$ 677,120
Adjustment to generally accepted accounting principles (GAAP) basis:				
Notes and loans receivable, net			11,911,984	
Fund balance - GAAP basis			$ 12,589,104	

City of Portland, Oregon
HOME Grant Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Other service charges	$ -	$ -	$ 892	$ 892
Intergovernmental:				
Grants	3,810,823	6,486,059	5,816,393	(669,666)
Other:				
Loan repayments	250,000	250,000	380,164	
Investment earnings (loss)	-	-	(9,825)	
Other interest income	140,000	140,000	117,029	
Total other	390,000	390,000	487,368	97,368
Total revenues	4,200,823	6,876,059	6,304,653	(571,406)
EXPENDITURES				
Current:				
Personal services	337,260	337,260	286,206	
External materials and services	3,863,563	6,538,799	5,844,870	
Total expenditures	4,200,823	6,876,059	6,131,076	744,983
Net change in fund balance	-	-	173,577	173,577
Fund balance - beginning	-	-	127,862	127,862
Fund balance - ending	$ -	$ -	301,439	$ 301,439
Adjustment to generally accepted accounting principles (GAAP) basis:				
Notes and loans receivable, net			6,361,979	
Fund balance - GAAP basis			$ 6,663,418	

City of Portland, Oregon
Portland Parks Memorial Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Licenses and permits:				
Other permits	$ 570,000	$ 570,000	$ 1,167,745	$ 597,745
Charges for services:				
Rents and reimbursements	-	-	416,112	
Parking fees	2,951,379	2,951,379	3,640,696	
Parks and recreation facilities fees	270,000	270,000	47,183	
Other service charges	26,000	26,000	59,850	
Total charges for services	3,247,379	3,247,379	4,163,841	916,462
Billings to other funds for services	-	-	80,925	80,925
Other:				
Donations	431,700	431,700	381,048	
Investment earnings	70,292	69,395	128,375	
Miscellaneous	50,000	50,000	233,502	
Total other	551,992	551,095	742,925	191,830
Total revenues	4,369,371	4,368,474	6,155,436	1,786,962
EXPENDITURES				
Current:				
Personal services	1,279,915	1,284,915	1,481,083	
External materials and services	7,049,225	6,948,847	288,713	
Internal materials and services	1,446,542	1,461,542	2,428,599	
Capital outlay	50,000	50,000	-	
Total current expenditures	9,825,682	9,745,304	4,198,395	5,546,909
General operating contingencies	1,221,881	1,390,576	-	1,390,576
Total expenditures	11,047,563	11,135,880	4,198,395	6,937,485
Revenues over (under) expenditures	(6,678,192)	(6,767,406)	1,957,041	8,724,447
OTHER FINANCING SOURCES (USES)				
Transfer from other fund:				
General	65,990	65,990	65,990	-
Water	-	3,000	3,000	-
Total transfers from other funds	65,990	68,990	68,990	-
Transfer to other fund:				
Parks Capital Improvement Program	(181,600)	(854,950)	(854,950)	-
Total other financing sources (uses)	(115,610)	(785,960)	(785,960)	-
Net change in fund balance	(6,793,802)	(7,553,366)	1,171,081	8,724,447
Fund balance - beginning	6,793,802	7,553,366	7,533,895	(19,471)
Fund balance - ending	$ -	$ -	8,704,976	$ 8,704,976
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(71,592)	
Fund balance - GAAP basis			$ 8,633,384	

City of Portland, Oregon
Tax Increment Reimbursement Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental:				
Local cost sharing	$ 83,271,142	$ 65,683,896	$ 38,067,245	$ (27,616,651)
Charges for services:				
Rents and reimbursements	656,318	706,318	819,984	
Parking fees	-	-	750	
Other service charges	-	-	14,096	
Total charges for services	656,318	706,318	834,830	128,512
Other:				
Loan repayments	7,614,260	6,627,160	6,112,082	
Investment earnings	-	15,000	150,839	
Sale of inventory	512,286	552,286	649,620	
Total others	8,126,546	7,194,446	6,912,541	(281,905)
Total revenues	92,054,006	73,584,660	45,814,616	(27,770,044)
EXPENDITURES				
Current:				
Personal services	3,281,222	3,337,022	3,163,135	
External materials and services	89,126,502	68,366,665	38,856,938	
Internal materials and services	1,212,970	1,220,946	1,494,863	
Capital outlay	1,000,000	800,000	176,098	
Total current	94,620,694	73,724,633	43,691,034	30,033,599
General operating contingencies	147,394	51,000	-	51,000
Total expenditures	94,768,088	73,775,633	43,691,034	30,084,599
Revenues over (under) expenditures	(2,714,082)	(190,973)	2,123,582	2,314,555
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Housing Investment	80,000	80,000	57,967	(22,033)
Transfers to other funds:				
General Fund Overhead	(343,948)	(343,948)	(343,948)	-
Total other financing sources (uses)	(263,948)	(263,948)	(285,981)	(22,033)
Net change in fund balance	(2,978,030)	(454,921)	1,837,601	2,292,522
Fund balance - beginning	2,978,030	454,921	22,030,909	21,575,988
Fund balance - ending	$ -	$ -	23,868,510	$ 23,868,510
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(15,297)	
Notes and loans receivable, net			49,086,239	
Fund balance - GAAP basis			$ 72,939,452	

City of Portland, Oregon
Police Special Revenue Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental:				
Federal cost sharing	$ 450,000	$ 450,000	$ 363,281	
State revenue sharing	125,000	130,000	71,509	
Multnomah County cost sharing	629,510	629,510	464,624	
Local revenue sharing	50,000	50,000	-	
Local cost sharing	705,612	705,612	835,267	
Total intergovernmental	1,960,122	1,965,122	1,734,681	(230,441)
Other:				
Donations	131,700	131,700	138,348	
Investment earnings	26,200	26,200	67,693	
Total other	157,900	157,900	206,041	48,141
Total revenues	2,118,022	2,123,022	1,940,722	(182,300)
EXPENDITURES				
Current:				
Personal services	233,430	233,430	184,057	
External materials and services	6,234,391	5,815,716	1,206,946	
Internal materials and services	450,452	450,452	330,294	
Capital outlay	-	400,856	264,447	
Total expenditures	6,918,273	6,900,454	1,985,744	4,914,710
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General	-	(217,225)	-	217,225
Net change in fund balance	(4,800,251)	(4,994,657)	(45,022)	4,949,635
Fund balance - beginning	4,800,251	4,994,657	4,869,458	(125,199)
Fund balance - ending	$ -	$ -	4,824,436	$ 4,824,436
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(41,341)	
Fund balance - GAAP basis			$ 4,783,095	

City of Portland, Oregon
Arts Education and Access Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Miscellaneous	$ 10,494,000	$ 13,469,000	$ 12,444,574	$ (1,024,426)
Other:				
Investment earnings	60,000	110,000	118,901	8,901
Total revenues	10,554,000	13,579,000	12,563,475	(1,015,525)
EXPENDITURES				
Current:				
External materials and services	12,155,000	11,845,000	11,822,230	
Internal materials and services	974,977	1,174,977	1,023,962	
Total current expenditures	13,129,977	13,019,977	12,846,192	173,785
General operating contingencies	3,479,459	9,280,660	-	9,280,660
Total expenditures	16,609,436	22,300,637	12,846,192	9,454,445
Revenues over (under) expenditures	(6,055,436)	(8,721,637)	(282,717)	8,438,920
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General Fund Overhead	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	(6,080,436)	(8,746,637)	(307,717)	8,438,920
Fund balance - beginning	6,080,436	8,746,637	8,746,638	1
Fund balance - ending	$ -	$ -	8,438,921	$ 8,438,921
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(69,366)	
Fund balance - GAAP basis			$ 8,369,555	

City of Portland, Oregon
Community Solar Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ -	$ -	$ 831	
Miscellaneous	8,984	8,984	8,393	
Total other	8,984	8,984	9,224	$ 240
EXPENDITURES				
Current:				
External materials and services	61,672	61,672	-	61,672
Revenues over (under) expenditures	(52,688)	(52,688)	9,224	61,912
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General Fund Overhead	(84)	(84)	(84)	-
Net change in fund balance	(52,772)	(52,772)	9,140	61,912
Fund balance - beginning	52,772	52,772	53,205	433
Fund balance - ending	$ -	$ -	62,345	$ 62,345
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(512)	
Fund balance - GAAP basis			$ 61,833	

City of Portland, Oregon
Inclusionary Housing Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Miscellaneous	$ 4,557,101	$ 4,732,201	$ 9,036,976	$ 4,304,775
Charges for services:				
Other service charges	1,500	1,500	1,488	(12)
Other:				
Investment earnings	4,108	4,108	98,860	94,752
Total revenues	4,562,709	4,737,809	9,137,324	4,399,515
EXPENDITURES				
Current:				
Personal services	478,113	478,113	337,342	
External materials and services	3,823,714	4,243,714	61,143	
Internal materials and services	267,681	267,681	127,373	
Total current	4,569,508	4,989,508	525,858	4,463,650
General operating contingencies	809,801	809,801	-	809,801
Total expenditures	5,379,309	5,799,309	525,858	5,273,451
Revenues over (under) expenditures	(816,600)	(1,061,500)	8,611,466	9,672,966
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Housing Investment	816,600	816,600	680,499	(136,101)
Total other financing sources (uses)	816,600	816,600	680,499	(136,101)
Net change in fund balance	-	(244,900)	9,291,965	9,536,865
Fund balance - beginning	-	244,900	1,847,976	1,603,076
Fund balance - ending	$ -	$ -	11,139,941	$ 11,139,941
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(91,570)	
Fund balance - GAAP basis			$ 11,048,371	

City of Portland, Oregon
Housing Property Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Rents and reimbursements	$ 4,955,988	$ 4,955,988	$ 5,022,848	$ 66,860
Other:				
Refunds	-	-	33,735	
Investment earnings	10,000	10,000	28,028	
Total other	10,000	10,000	61,763	51,763
Total revenues	4,965,988	4,965,988	5,084,611	118,623
EXPENDITURES				
Current:				
Personal services	152,975	152,975	102,531	
External materials and services	1,793,670	1,872,850	1,600,542	
Internal materials and services	77,555	121,375	26,417	
Total current	2,024,200	2,147,200	1,729,490	417,710
General operating contingencies	2,195,781	2,195,781	-	2,195,781
Debt service and related costs:				
Principal	370,844	370,844	340,000	
Interest	455,530	455,530	486,374	
Total debt service and related costs	826,374	826,374	826,374	-
Total expenditures	5,046,355	5,169,355	2,555,864	2,613,491
Revenues over (under) expenditures	(80,367)	(203,367)	2,528,747	2,732,114
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Housing Investment	80,367	203,367	28,000	(175,367)
Total other financing sources (uses)	80,367	203,367	28,000	(175,367)
Net change in fund balance	-	-	2,556,747	2,556,747
Fund balance - beginning	-	-	1,963,205	1,963,205
Fund balance - ending	$ -	$ -	4,519,952	$ 4,519,952
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized Gain (Loss) on investments			(30,848)	
Fund balance - GAAP basis			$ 4,489,104	

City of Portland, Oregon
Recreational Cannabis Tax Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual (Budgetary Basis)	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Miscellaneous	$ 2,880,000	$ 3,580,000	$ 4,399,439	$ 819,439
Other:				
Investment earnings	10,000	19,000	23,801	4,801
Total revenues	2,890,000	3,599,000	4,423,240	824,240
EXPENDITURES				
Current:				
Personal services	777,548	777,548	622,368	
External materials and services	2,302,652	2,122,452	291,452	
Internal materials and services	12,800	8,800	8,153	
Capital outlay	-	100,000	-	
Total current expenditures	3,093,000	3,008,800	921,973	2,086,827
General operating contingencies	500,000	993,576	-	993,576
Total expenditures	3,593,000	4,002,376	921,973	3,080,403
Net change in fund balance	(703,000)	(403,376)	3,501,267	3,904,643
Fund balance - beginning	703,000	403,376	403,377	1
Fund balance - ending	$ -	$ -	3,904,644	$ 3,904,644
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(32,130)	
Fund balance - GAAP basis			$ 3,872,514	

Portland Timbers game

Debt Service Funds
Budget and Actual

River District Urban Renewal Area Debt Redemption Fund
This fund accounts for redemption of bonds issued for tax increment improvements to the River District Urban Renewal Area.

Bonded Debt Interest and Sinking Fund
This fund accounts for payment of principal and interest on general obligation bonded debt.

Downtown Waterfront Renewal Bond Sinking Fund
This fund accounts for payment of principal and interest on urban renewal bonds. Revenue is derived from sequestered tax on property within the urban renewal area.

Interstate Corridor Debt Service Fund
This fund accounts for payment of principal and interest on bonds to be issued for activities associated with the Interstate Corridor Urban Renewal Area.

Pension Debt Redemption Fund
This fund accounts for resources and expenditures to pay principal and interest on the City's pension obligation bonds.

South Park Block Redemption Fund
This fund accounts for payment of principal and interest on urban renewal and redevelopment bonds. Revenue is derived from taxes on property within the South Park Blocks Urban Renewal Project Area.

Airport Way Debt Service Fund
This fund accounts for redemption of bonds to be issued for tax increment improvements to the Airport Way Urban Renewal Area.

Gas Tax Bond Redemption Fund
This fund accounts for redemption of bonds issued for certain street improvements.

Lents Town Center Urban Renewal Area Debt Redemption Fund
This fund accounts for redemption of bonds issued for tax increment improvements to the Lents Town Center Urban Renewal Area.

Central Eastside Industrial District Debt Service Fund
This fund accounts for redemption of bonds issued for tax increment improvements to the City's Central Eastside.

Bancroft Bond Interest and Sinking Fund
This fund accounts for transactions related to Bancroft bonding activity that are regulated by the I.R.S. code of 1986. The fund also provides segregated financial reporting of each bond issue subject to the provisions of this code.

Convention Center Area Debt Service Fund
This fund accounts for redemption of bonds issued for tax increment improvements to the Convention Center Urban Renewal Area.

North Macadam Urban Renewal Area Debt Redemption Fund
This fund accounts for tax increment revenues and debt service payments for activities associated with the North Macadam Urban Renewal Area.

Special Projects Debt Service Fund
This fund accounts for payment of principal and interest on bonds to be issued for a variety of special projects. These projects comprise only the Convention Center Expansion at this time.

Gateway Urban Renewal Area Debt Redemption Fund
This fund accounts for tax increment revenues and debt service payments for activities associated with the establishment of the Gateway Urban Renewal Area.

Governmental Bond Redemption Fund
This fund accounts for payment of principal and interest on capital lease bond and note obligations.

Continued on back

Debt Service Funds
Budget and Actual

42nd Avenue Neighborhood Prosperity Initiative Debt Service Fund

This fund was established to account for the allocation of resources to pay indebtedness related to improvements in accordance with the urban renewal plan. Oregon Revised Statues require that a separate fund be created for each urban renewal area.

Cully Boulevard Neighborhood Prosperity Initiative Debt Service Fund

This fund was established to account for the allocation of resources to pay indebtedness related to improvements in accordance with the urban renewal plan. Oregon Revised Statues require that a separate fund be created for each urban renewal area.

Parkrose Neighborhood Prosperity Initiative Debt Service Fund

This fund was established to account for the allocation of resources to pay indebtedness related to improvements in accordance with the urban renewal plan. Oregon Revised Statues require that a separate fund be created for each urban renewal area.

Rosewood Neighborhood Prosperity Initiative Debt Service Fund

This fund was established to account for the allocation of resources to pay indebtedness related to improvements in accordance with the urban renewal plan. Oregon Revised Statues require that a separate fund be created for each urban renewal area.

Division-Midway Neighborhood Prosperity Initiative Debt Service Fund

This fund was established to account for the allocation of resources to pay indebtedness related to improvements in accordance with the urban renewal plan. Oregon Revised Statues require that a separate fund be created for each urban renewal area.

82nd Avenue/Division Neighborhood Prosperity Initiative Debt Service Fund

This fund was established to account for the allocation of resources to pay indebtedness related to improvements in accordance with the urban renewal plan. Oregon Revised Statues require that a separate fund be created for each urban renewal area.

City of Portland, Oregon
River District Urban Renewal Area Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 32,707,185	$ 36,700,000	$ 36,899,587	
Prior year property	150,000	250,000	481,695	
Total taxes	32,857,185	36,950,000	37,381,282	$ 431,282
Other:				
Investment earnings	125,040	250,000	362,582	112,582
Total revenues	32,982,225	37,200,000	37,743,864	543,864
EXPENDITURES				
Debt service and related costs:				
Principal	30,070,000	37,070,000	37,070,000	
Interest	6,121,455	3,621,455	3,255,072	
Total expenditures	36,191,455	40,691,455	40,325,072	366,383
Net change in fund balance	(3,209,230)	(3,491,455)	(2,581,208)	910,247
Fund balance - beginning	10,828,088	11,778,703	11,802,740	24,037
Fund balance - ending	$ 7,618,858	$ 8,287,248	9,221,532	$ 934,284
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(71,894)	
Fund balance - GAAP basis			$ 9,149,638	

City of Portland, Oregon
Bonded Debt Interest and Sinking Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 16,798,785	$ 14,010,528	$ 13,976,142	
Prior year property	50,000	90,000	176,405	
Total taxes	16,848,785	14,100,528	14,152,547	$ 52,019
Other:				
Investment earnings	20,000	40,000	105,843	
Other interest income	-	-	33	
Total other revenue	20,000	40,000	105,876	65,876
Total revenues	16,868,785	14,140,528	14,258,423	117,895
EXPENDITURES				
Debt service and related costs:				
Principal	11,515,000	9,510,000	9,265,000	
Interest	5,528,785	4,745,528	4,971,214	
Total expenditures	17,043,785	14,255,528	14,236,214	19,314
OTHER FINANCING SOURCES (USES)				
Transfer from other fund:				
BFRES Facilities GO Bond Construction	-	160	160	-
Bonds and notes issued	-	-	8,771,555	8,771,555
Bonds and notes premium	-	-	884,131	884,131
Payments to refunded loan and bond escrow agent	-	-	(9,675,000)	(9,675,000)
Total other financing sources (uses)	-	160	(19,154)	(19,314)
Net change in fund balance	(175,000)	(114,840)	3,055	117,895
Fund balance - beginning	375,000	375,000	810,878	435,878
Fund balance - ending	$ 200,000	$ 260,160	813,933	$ 553,773
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(5,059)	
Fund balance - GAAP basis			$ 808,874	

City of Portland, Oregon
Downtown Waterfront Renewal Bond Sinking Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 9,492,539	$ 9,492,539	$ 9,744,882	
Prior year property	40,000	40,000	127,569	
Total taxes	9,532,539	9,532,539	9,872,451	$ 339,912
Other:				
Investment earnings	100,000	100,000	190,310	
Other interest income	-	-	51	
Total other revenue	100,000	100,000	190,361	90,361
Total revenues	9,632,539	9,632,539	10,062,812	430,273
EXPENDITURES				
Debt service and related costs:				
Principal	6,820,000	6,820,000	6,820,000	
Interest	2,672,539	2,672,539	2,672,539	
Total expenditures	9,492,539	9,492,539	9,492,539	-
Net change in fund balance	140,000	140,000	570,273	430,273
Fund balance - beginning	7,950,000	7,950,000	8,222,353	272,353
Fund balance - ending	$ 8,090,000	$ 8,090,000	8,792,626	$ 702,626
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(71,081)	
Fund balance - GAAP basis			$ 8,721,545	

City of Portland, Oregon
Interstate Corridor Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 26,154,115	$ 33,275,000	$ 33,402,317	
Prior year property	100,000	175,000	335,200	
Total taxes	26,254,115	33,450,000	33,737,517	$ 287,517
Other:				
Investment earnings	98,507	225,000	332,548	
Other interest income	-	-	20	
Total other revenue	98,507	225,000	332,568	107,568
Total revenues	26,352,622	33,675,000	34,070,085	395,085
EXPENDITURES				
Debt service and related costs:				
Principal	27,270,000	29,270,000	29,170,000	
Interest	3,271,274	3,271,274	2,815,017	
Total expenditures	30,541,274	32,541,274	31,985,017	556,257
Net change in fund balance	(4,188,652)	1,133,726	2,085,068	951,342
Fund balance - beginning	9,900,000	10,688,552	10,710,549	21,997
Fund balance - ending	$ 5,711,348	$ 11,822,278	12,795,617	$ 973,339
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(102,113)	
Fund balance - GAAP basis			$ 12,693,504	

City of Portland, Oregon
Pension Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Other interest income	$ -	$ -	$ 41	
Investment earnings	15,000	15,000	59,683	
Miscellaneous	856,916	856,916	830,593	
Total other	871,916	871,916	890,317	$ 18,401
EXPENDITURES				
Debt service and related costs:				
Principal	3,732,311	3,732,311	3,732,312	
Interest	1,440,737	1,440,737	1,355,650	
Debt issuance costs	167,494	167,494	129,716	
Total expenditures	5,340,542	5,340,542	5,217,678	122,864
Revenues over (under) expenditures	(4,468,626)	(4,468,626)	(4,327,361)	141,265
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	1,729,216	1,729,216	1,729,216	-
Transportation Operating	845,416	845,416	845,416	-
Emergency Communication	43,738	43,738	43,738	-
Development Services	219,504	219,504	219,504	-
Local Improvement District	15,656	15,656	15,656	-
Parks Capital Improvement Program	21,194	21,194	21,194	-
Sewer System Operating	600,824	600,824	600,824	-
Water	624,021	624,021	624,021	-
Hydroelectric Power Operating	4,605	4,605	4,605	-
Golf	37,627	37,627	37,627	-
Portland International Raceway	7,243	7,243	7,243	-
Solid Waste Management	11,684	11,684	11,684	-
Environmental Remediation	269	269	269	-
Health Insurance Operating	6,945	6,945	6,945	-
Facilities Services Operating	37,404	37,404	37,404	-
CityFleet Operating	87,894	87,894	87,894	-
Printing and Distribution Services Operating	29,786	29,786	29,786	-
Insurance and Claims Operating	16,412	16,412	16,412	-
Workers' Compensation Self Insurance Operating	15,353	15,353	15,353	-
Technology Services	104,464	104,464	104,464	-
Fire and Police Disability and Retirement	9,371	9,371	9,371	-
Total transfers from other funds	4,468,626	4,468,626	4,468,626	-
Total other financing sources (uses)	4,468,626	4,468,626	4,468,626	-
Net change in fund balance	-	-	141,265	141,265
Fund balance - beginning	750,000	750,000	2,137,895	1,387,895
Fund balance - ending	$ 750,000	$ 750,000	2,279,160	$ 1,529,160
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(18,650)	
Fund balance - GAAP basis			$ 2,260,510	

City of Portland, Oregon
South Park Block Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 8,181,093	$ 8,181,093	$ 8,372,226	
Prior year property	30,000	30,000	95,734	
Total taxes	8,211,093	8,211,093	8,467,960	$ 256,867
Other:				
Investment earnings	105,000	105,000	184,979	
Other interest income	-	-	37	
Total other revenue	105,000	105,000	185,016	80,016
Total revenues	8,316,093	8,316,093	8,652,976	336,883
EXPENDITURES				
Debt service and related costs:				
Principal	5,070,000	5,070,000	5,070,000	
Interest	2,111,094	2,111,094	2,111,093	
Total expenditures	7,181,094	7,181,094	7,181,093	(1)
Net change in fund balance	1,134,999	1,134,999	1,471,883	336,884
Fund balance - beginning	8,292,000	8,292,000	8,501,560	209,560
Fund balance - ending	$ 9,426,999	$ 9,426,999	9,973,443	$ 546,444
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(81,018)	
Fund balance - GAAP basis			$ 9,892,425	

City of Portland, Oregon
Airport Way Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 5,183,340	$ 5,183,340	$ 5,253,934	
Prior year property	20,000	20,000	66,618	
Total tax	5,203,340	5,203,340	5,320,552	$ 117,212
Other:				
Investment earnings	35,000	35,000	65,862	30,862
Total revenues	5,238,340	5,238,340	5,386,414	148,074
EXPENDITURES				
Debt service and related costs:				
Principal	4,974,400	4,974,400	4,974,400	
Interest	208,941	208,941	208,940	
Total expenditures	5,183,341	5,183,341	5,183,340	(1)
Net change in fund balance	54,999	54,999	203,074	148,075
Fund balance - beginning	1,545,000	1,545,000	1,687,227	142,227
Fund balance - ending	$ 1,599,999	$ 1,599,999	1,890,301	$ 290,302
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(14,914)	
Fund balance - GAAP basis			$ 1,875,387	

City of Portland, Oregon
Gas Tax Bond Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ -	$ -	$ 23,061	
Other interest income	-	-	10	
Total revenues	-	-	23,071	$ 23,071
EXPENDITURES				
Debt service and related costs:				
Principal	1,622,000	1,622,000	1,622,000	
Interest	356,101	356,101	356,101	
Total expenditures	1,978,101	1,978,101	1,978,101	-
Revenues over (under) expenditures	(1,978,101)	(1,978,101)	(1,955,030)	23,071
OTHER FINANCING SOURCES (USES)				
Transfer from other fund:				
Transportation Operating	1,978,101	1,978,101	1,978,101	-
Net change in fund balance	-	-	23,071	23,071
Fund balance - beginning	1,673,047	1,673,047	1,676,062	3,015
Fund balance - ending	$ 1,673,047	$ 1,673,047	1,699,133	$ 26,086
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			-	
Fund balance - GAAP basis			$ 1,699,133	

City of Portland, Oregon
Lents Town Center Urban Renewal Area Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 14,100,600	$ 14,100,600	$ 15,900,239	
Prior year property	55,000	55,000	189,171	
Total taxes	14,155,600	14,155,600	16,089,410	$ 1,933,810
Other:				
Investment earnings	52,170	52,170	163,296	
Other interest income	-	-	4	
Total other revenue	52,170	52,170	163,300	111,130
Total revenues	14,207,770	14,207,770	16,252,710	2,044,940
EXPENDITURES				
Debt service and related costs:				
Principal	14,010,000	14,010,000	13,510,000	
Interest	2,311,278	2,311,278	1,766,297	
Total expenditures	16,321,278	16,321,278	15,276,297	1,044,981
Net change in fund balance	(2,113,508)	(2,113,508)	976,413	3,089,921
Fund balance - beginning	5,146,100	5,146,100	5,647,502	501,402
Fund balance - ending	$ 3,032,592	$ 3,032,592	6,623,915	$ 3,591,323
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(52,919)	
Fund balance - GAAP basis			$ 6,570,996	

City of Portland, Oregon
Central Eastside Industrial District Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 8,367,380	$ 8,565,380	$ 8,597,941	
Prior year property	40,000	50,000	95,613	
Total taxes	8,407,380	8,615,380	8,693,554	$ 78,174
Other:				
Investment earnings	22,175	50,175	87,378	
Other interest income	-	-	12	
Total other revenue	22,175	50,175	87,390	37,215
Total revenues	8,429,555	8,665,555	8,780,944	115,389
EXPENDITURES				
Debt service and related costs:				
Principal	7,033,000	7,650,255	7,605,000	
Interest	1,396,555	1,396,555	1,320,474	
Total expenditures	8,429,555	9,046,810	8,925,474	121,336
Net change in fund balance	-	(381,255)	(144,530)	236,725
Fund balance - beginning	2,405,863	2,820,118	2,825,901	5,783
Fund balance - ending	$ 2,405,863	$ 2,438,863	2,681,371	$ 242,508
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(21,178)	
Fund balance - GAAP basis			$ 2,660,193	

City of Portland, Oregon
Bancroft Bond Interest and Sinking Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Assessments	$ 4,282,979	$ 3,839,908	$ 4,395,075	
Investment earnings	67,585	67,585	215,621	
Other interest income	1,763,653	1,545,319	1,675,071	
Total other	6,114,217	5,452,812	6,285,767	$ 832,955
EXPENDITURES				
Debt service and related costs:				
Principal	3,515,000	3,717,447	3,925,000	
Interest	1,474,375	1,474,375	1,451,506	
Total expenditures	4,989,375	5,191,822	5,376,506	184,684
Net change in fund balance	1,124,842	260,990	909,261	648,271
Fund balance - beginning	13,729,075	14,592,927	14,592,927	-
Fund balance - ending	$ 14,853,917	$ 14,853,917	15,502,188	$ 648,271
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(124,544)	
Fund balance - GAAP basis			$ 15,377,644	

City of Portland, Oregon
Convention Center Area Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 9,323,457	$ 9,323,457	$ 9,547,240	
Prior year property	40,000	40,000	158,900	
Total taxes	9,363,457	9,363,457	9,706,140	$ 342,683
Other:				
Investment earnings	105,000	105,000	277,608	
Other interest income	-	-	25	
Total other revenue	105,000	105,000	277,633	172,633
Total revenues	9,468,457	9,468,457	9,983,773	515,316
EXPENDITURES				
Debt service and related costs:				
Principal	4,335,000	4,335,000	4,335,000	
Interest	3,476,168	3,476,168	3,476,167	
Total expenditures	7,811,168	7,811,168	7,811,167	(1)
Net change in fund balance	1,657,289	1,657,289	2,172,606	515,317
Fund balance - beginning	14,295,000	14,295,000	14,673,559	378,559
Fund balance - ending	$ 15,952,289	$ 15,952,289	16,846,165	$ 893,876
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(137,226)	
Fund balance - GAAP basis			$ 16,708,939	

City of Portland, Oregon
North Macadam Urban Renewal Area Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 13,264,845	$ 19,528,845	$ 19,602,846	
Prior year property	50,000	95,000	184,304	
Total taxes	13,314,845	19,623,845	19,787,150	$ 163,305
Other:				
Investment earnings	58,940	140,000	223,798	
Other interest income	-	-	27	
Total other revenue	58,940	140,000	223,825	83,825
Total revenues	13,373,785	19,763,845	20,010,975	247,130
EXPENDITURES				
Debt service and related costs:				
Principal	12,530,000	17,740,000	17,740,000	
Interest	2,691,885	2,691,885	2,464,960	
Total expenditures	15,221,885	20,431,885	20,204,960	(226,925)
Net change in fund balance	(1,848,100)	(668,040)	(193,985)	474,055
Fund balance - beginning	6,813,750	7,287,646	7,302,736	15,090
Fund balance - ending	$ 4,965,650	$ 6,619,606	7,108,751	$ 489,145
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(56,481)	
Fund balance - GAAP basis			$ 7,052,270	

City of Portland, Oregon
Special Projects Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental:				
Local revenue sharing	$ 7,441,250	$ 7,441,250	$ 7,441,250	$ -
Other:				
Investment earnings	-	-	2,963	
Other interest income	-	-	19	
Total other	-	-	2,982	2,982
Total revenues	7,441,250	7,441,250	7,444,232	2,982
EXPENDITURES				
Debt service and related costs:				
Principal	1,805,720	1,805,720	1,805,720	
Interest	5,635,530	5,635,530	5,635,530	
Total expenditures	7,441,250	7,441,250	7,441,250	-
Net change in fund balance	-	-	2,982	2,982
Fund balance - beginning	-	-	76,274	76,274
Fund balance - ending	$ -	$ -	79,256	$ 79,256
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(636)	
Fund balance - GAAP basis			$ 78,620	

City of Portland, Oregon
Gateway Urban Renewal Area Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 4,951,095	$ 5,109,412	$ 5,156,673	
Prior year property	20,000	32,000	61,650	
Total taxes	4,971,095	5,141,412	5,218,323	$ 76,911
Other:				
Investment earnings	11,140	21,000	31,380	10,380
Total revenues	4,982,235	5,162,412	5,249,703	87,291
EXPENDITURES				
Debt service and related costs:				
Principal	4,600,000	5,000,000	5,000,000	
Interest	382,235	427,235	247,382	
Total expenditures	4,982,235	5,427,235	5,247,382	179,853
Net change in fund balance	-	(264,823)	2,321	267,144
Fund balance - beginning	-	264,823	265,257	434
Fund balance - ending	$ -	$ -	267,578	$ 267,578
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,695)	
Fund balance - GAAP basis			$ 265,883	

City of Portland, Oregon
Governmental Bond Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Other interest income	$ -	$ -	$ 32	
Investment earnings	-	-	688	
Miscellaneous	621,014	621,014	437,323	
Total other	621,014	621,014	438,043	$ (182,971)
EXPENDITURES				
Debt service and related costs:				
Principal	2,411,000	1,611,000	1,610,400	
Interest	1,075,133	875,133	690,166	
Total expenditures	3,486,133	2,486,133	2,300,566	185,567
Revenues over (under) expenditures	(2,865,119)	(1,865,119)	(1,862,523)	2,596
OTHER FINANCING SOURCES (USES)				
Transfer from other fund:				
General	2,865,119	1,865,119	1,863,243	(1,876)
Net change in fund balance	-	-	720	720
Fund balance - beginning	-	-	31,147	31,147
Fund balance - ending	$ -	$ -	31,867	$ 31,867
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			-	
Fund balance - GAAP basis			$ 31,867	

City of Portland, Oregon
42nd Avenue Neighborhood Prosperity Initiative Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 89,030	$ 89,530	$ 89,887	
Prior year property	500	150	567	
Total taxes	89,530	89,680	90,454	$ 774
Other:				
Investment earnings	-	375	859	484
Total revenues	89,530	90,055	91,313	1,258
EXPENDITURES				
Current:				
External materials and services	92,061	94,165	94,000	
Total current	92,061	94,165	94,000	165
Net change in fund balance	(2,531)	(4,110)	(2,687)	1,423
Fund balance - beginning	2,531	4,110	4,115	5
Fund balance - ending	$ -	$ -	1,428	$ 1,428
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(777)	
Fund balance - GAAP basis			$ 651	

City of Portland, Oregon
Cully Boulevard Neighborhood Prosperity Initiative Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 93,450	$ 89,530	$ 89,887	
Prior year property	200	860	1,032	
Total taxes	93,650	90,390	90,919	$ 529
Other:				
Investment earnings	-	350	862	512
Total revenues	93,650	90,740	91,781	1,041
EXPENDITURES				
Current:				
External materials and services	97,226	94,361	94,200	161
Net change in fund balance	(3,576)	(3,621)	(2,419)	1,202
Fund balance - beginning	3,576	3,621	3,627	6
Fund balance - ending	$ -	$ -	1,208	$ 1,208
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(779)	
Fund balance - GAAP basis			$ 429	

City of Portland, Oregon
Parkrose Neighborhood Prosperity Initiative Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 162,230	$ 160,630	$ 161,274	
Prior year property	160	515	621	
Total taxes	162,390	161,145	161,895	$ 750
Other:				
Investment earnings	-	650	1,573	923
Total revenues	162,390	161,795	163,468	1,673
EXPENDITURES				
Current:				
External materials and services	169,227	170,820	170,400	420
Net change in fund balance	(6,837)	(9,025)	(6,932)	2,093
Fund balance - beginning	6,837	9,025	9,042	17
Fund balance - ending	$ -	$ -	2,110	$ 2,110
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,408)	
Fund balance - GAAP basis			$ 702	

City of Portland, Oregon
Rosewood Neighborhood Prosperity Initiative Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 93,630	$ 98,480	$ 98,886	
Prior year property	75	850	973	
Total taxes	93,705	99,330	99,859	$ 529
Other:				
Investment earnings	-	400	959	559
Total revenues	93,705	99,730	100,818	1,088
EXPENDITURES				
Current:				
External materials and services	95,828	104,724	104,500	224
Net change in fund balance	(2,123)	(4,994)	(3,682)	1,312
Fund balance - beginning	2,123	4,994	5,001	7
Fund balance - ending	$ -	$ -	1,319	$ 1,319
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(864)	
Fund balance - GAAP basis			$ 455	

City of Portland, Oregon
Division-Midway Neighborhood Prosperity Initiative Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 93,100	$ 99,973	$ 100,282	
Prior year property	50	750	907	
Total taxes	93,150	100,723	101,189	$ 466
Other:				
Investment earnings	-	415	989	574
Total revenues	93,150	101,138	102,178	1,040
EXPENDITURES				
Current:				
External materials and services	93,549	107,249	107,000	249
Net change in fund balance	(399)	(6,111)	(4,822)	1,289
Fund balance - beginning	399	6,111	6,122	11
Fund balance - ending	$ -	$ -	1,300	$ 1,300
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(884)	
Fund balance - GAAP basis			$ 416	

City of Portland, Oregon
82nd Avenue/Division Neighborhood Prosperity Initiative Debt Service Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 122,200	$ 117,100	$ 117,535	
Prior year property	250	550	661	
Total taxes	122,450	117,650	118,196	$ 546
Other:				
Investment earnings	-	475	1,150	675
Total revenues	122,450	118,125	119,346	1,221
EXPENDITURES				
Current:				
External materials and services	124,631	124,848	124,500	348
Net change in fund balance	(2,181)	(6,723)	(5,154)	1,569
Fund balance - beginning	2,181	6,723	6,735	12
Fund balance - ending	$ -	$ -	1,581	$ 1,581
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,029)	
Fund balance - GAAP basis			$ 552	

Capital Projects Funds Budget and Actual

Special Finance and Resource Fund

This fund serves as a staging area for bond proceeds to ensure proper presentation of City assets and liabilities. Bond proceeds are recorded in this fund and then transferred to the appropriate agency.

Bureau of Fire, Rescue and Emergency Services Facilities GO Bond Construction Fund

This fund accounts for revenues and expenditures associated with bond-funded capital projects for seismic and operational station upgrades, renovation, and replacement of certain existing facilities, and building new fire, rescue and emergency facilities.

Local Improvement District Fund

This fund accounts for financing and construction of improvements paid for, wholly or in part, from special assessments levied against benefited properties.

Parks Capital Improvement Program Fund

This fund accounts for revenues and expenditures associated with capital projects funded by the March 1, 1995 Parks General Obligation bond issue.

Public Safety GO Bond Construction Fund

This fund accounts for revenues and expenditures associated with capital projects funded by the November 2, 2010 Public Safety General Obligation bond issue.

Housing Capital Fund

This fund is for capital acquisition and/or construction funded by the Housing General Obligation Bond.

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City of Portland, Oregon
Special Finance and Resource Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ -	$ -	$ 2,250	$ 2,250
EXPENDITURES				
Current:				
External materials and services	115,982,705	117,467,404	115,625,032	1,842,372
Total current expenditures	115,982,705	117,467,404	115,625,032	1,842,372
Debt service and related costs:				
Debt issuance costs	75,335	102,851	90,065	12,786
Total debt service and related costs	75,335	102,851	90,065	12,786
Total expenditures	116,058,040	117,570,255	115,715,097	1,855,158
Revenues over (under) expenditures	(116,058,040)	(117,570,255)	(115,712,847)	(1,857,408)
OTHER FINANCING SOURCES (USES)				
Bonds and notes issued	116,058,040	117,570,255	115,588,573	(1,981,682)
Loans issued	-	-	132,554	132,554
Total other financing sources (uses)	116,058,040	117,570,255	115,721,127	(1,849,128)
Net change in fund balance	-	-	8,280	8,280
Fund balance - beginning	-	-	152,379	152,379
Fund balance - ending	$ -	$ -	160,659	$ 160,659
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,320)	
Fund balance - GAAP basis			$ 159,339	

City of Portland, Oregon
BFRES Facilities GO Bond Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ -	$ -	$ 10,751	
Other interest income	7,021	7,021	-	
Total revenues	7,021	7,021	10,751	$ 3,730
EXPENDITURES				
Current:				
External materials and services	607,171	7,894	2,050	
Internal materials and services	2,028	98,196	79,266	
Capital outlay	-	777,223	156,982	
Total current expenditures	609,199	883,313	238,298	645,015
Total expenditures	609,199	883,313	238,298	645,015
Revenues over (under) expenditures	(602,178)	(876,292)	(227,547)	(648,745)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General Fund Overhead	(10,420)	(10,420)	(10,420)	-
Bonded debt interest and sinking fund	-	(160)	(160)	-
Total transfers to other funds	(10,420)	(10,580)	(10,580)	-
Net change in fund balance	(612,598)	(886,872)	(238,127)	648,745
Fund balance - beginning	612,598	886,872	869,826	(17,046)
Fund balance - ending	$ -	$ -	631,699	$ 631,699
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			-	
Fund balance - GAAP basis			$ 631,699	

City of Portland, Oregon
Local Improvement District Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Other service charges	$ 1,042,480	$ 1,257,480	$ 1,232,548	$ (24,932)
Billings to other funds for services	-	146,500	147,661	1,161
Other:				
Assessments	315,169	2,000,000	1,304,571	
Investment earnings	35,000	35,000	74,185	
Other interest income	31,517	96,000	111,502	
Total other	381,686	2,131,000	1,490,258	(640,742)
Total revenues	1,424,166	3,534,980	2,870,467	(664,513)
EXPENDITURES				
Current:				
External materials and services	10,000	10,000	2,900	
Internal materials and services	1,455,673	1,475,673	1,343,638	
Total current expenditures	1,465,673	1,485,673	1,346,538	139,135
General operating contingencies	2,430,940	3,225,490	-	3,225,490
Debt service and related costs:				
Principal	236,967	2,313,148	935,581	
Interest	200,352	319,252	179,222	
Debt issuance costs	85,000	85,000	-	
Total debt service and related costs	522,319	2,717,400	1,114,803	1,602,597
Total expenditures	4,418,932	7,428,563	2,461,341	4,967,222
Revenues over (under) expenditures	(2,994,766)	(3,893,583)	409,126	4,302,709
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General Fund Overhead	(112)	(112)	(112)	-
Transportation Operating	(7,139,814)	(7,139,814)	(1,610,328)	(5,529,486)
Pension Debt Redemption	(15,656)	(15,656)	(15,656)	-
Sewer System Construction	(700,000)	(700,000)	-	(700,000)
Total transfers to other funds	(7,855,582)	(7,855,582)	(1,626,096)	(6,229,486)
Bonds and notes issued	13,544,814	13,544,814	815,833	(12,728,981)
Bonds and notes premium	85,000	85,000	-	(85,000)
Payments to refunded loan and bond escrow agent	(5,661,999)	(5,661,999)	-	(5,661,999)
Total other financing sources (uses)	112,233	112,233	(810,263)	(922,496)
Net change in fund balance	(2,882,533)	(3,781,350)	(401,137)	3,380,213
Fund balance - beginning	2,882,533	3,781,350	3,781,350	-
Fund balance - ending	$ -	$ -	3,380,213	$ 3,380,213
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(27,546)	
Fund balance - GAAP basis			$ 3,352,667	

City of Portland, Oregon
Parks Capital Improvement Program Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Public works and utility charges	$ 10,000,000	$ 28,000,000	$ 36,349,892	
Rents and reimbursements	-	-	1,600	
Parking fees	-	-	37,029	
Total charges for services	10,000,000	28,000,000	36,388,521	8,388,521
Intergovernmental:				
Local cost sharing	-	-	186,165	186,165
Other:				
Assessments	1,200,000	1,200,000	3,654,558	
Donations	-	25,000	292,788	
Investment earnings	650,000	650,000	1,710,892	
Other interest income	-	-	470,274	
Total other	1,850,000	1,875,000	6,128,512	4,253,512
Billings to other funds for services	-	-	38,056	38,056
Total revenues	11,850,000	29,875,000	42,741,254	12,866,254
EXPENDITURES				
Current:				
Personal services	3,722,012	3,742,012	3,665,896	
External materials and services	806,558	25,083,462	16,520,210	
Internal materials and services	265,753	305,753	609,256	
Capital outlay	58,877,767	73,033,013	12,386,873	
Total current expenditures	63,672,090	102,164,240	33,182,235	68,982,005
General operating contingencies	37,267,649	55,127,931	-	55,127,931
Debt service and related costs:				
Principal	88,773	94,176	94,176	
Interest	33,911	33,911	31,991	
Debt issuance costs	-	75,000	73,542	
Internal loan remittances	-	335,000	335,000	
Total debt service and related costs	122,684	538,087	534,709	3,378
Total expenditures	101,062,423	157,830,258	33,716,944	124,113,314
Revenues over (under) expenditures	(89,212,423)	(127,955,258)	9,024,310	136,979,568

Continued next page

City of Portland, Oregon
Parks Capital Improvement Program Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	1,952,792	2,052,792	2,052,792	-
Portland Parks Memorial	181,600	854,950	854,950	-
Total transfers from other funds	2,134,392	2,907,742	2,907,742	-
Transfers to other funds:				
General Fund Overhead	(368,149)	(368,149)	(368,149)	-
Pension Debt Redemption	(21,194)	(21,194)	(21,194)	-
Sewer System Operating	-	(57,000)	(57,000)	-
Total transfers to other funds	(389,343)	(446,343)	(446,343)	-
Bonds and notes issued	-	24,682,974	23,445,000	(1,237,974)
Bonds and notes premium	-	-	1,196,587	1,196,587
Internal loan proceeds	-	-	56,750	56,750
Total other financing sources (uses)	1,745,049	27,144,373	27,159,736	15,363
Net change in fund balance	(87,467,374)	(100,810,885)	36,184,046	136,994,931
Fund balance - beginning	87,467,374	100,810,885	100,810,885	-
Fund balance - ending	$ -	$ -	136,994,931	$ 136,994,931
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,147,509)	
Internal loans receivable			1,078,250	
Fund balance - GAAP basis			$ 136,925,672	

City of Portland, Oregon
Public Safety GO Bond Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ -	$ 1,500	$ 35,687	
Other interest income	29,506	12,353	-	
Total revenues	29,506	13,853	35,687	$ 21,834
EXPENDITURES				
Current:				
External materials and services	-	1,500	700	
Internal materials and services	65,156	65,156	65,156	
Capital outlay	1,900,000	3,266,700	2,075,708	
Total current expenditures	1,965,156	3,333,356	2,141,564	1,191,792
General operating contingencies	225	-	-	-
Total expenditures	1,965,381	3,333,356	2,141,564	1,191,792
Revenues over (under) expenditures	(1,935,875)	(3,319,503)	(2,105,877)	1,213,626
OTHER FINANCING SOURCES (USES)				
Transfer to other fund:				
General Fund Overhead	(277,238)	(277,238)	(277,238)	-
Technology Services	(748,084)	(1,344,555)	1,344,555	(2,689,110)
Total transfers to other funds	(1,025,322)	(1,621,793)	(1,621,793)	-
Net change in fund balance	(2,961,197)	(4,941,296)	(3,727,670)	1,213,626
Fund balance - beginning	2,961,197	4,941,296	4,941,296	-
Fund balance - ending	$ -	$ -	1,213,626	$ 1,213,626
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(10,033)	
Fund balance - GAAP basis			$ 1,203,593	

City of Portland, Oregon
Housing Capital Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings/(loss)	$ -	$ -	$ (41,150)	$ (41,150)
EXPENDITURES				
Current:				
Personal services	324,989	476,795	181,194	
External materials and services	30,000,000	16,938,437	199,215	
Internal materials and services	146,259	254,459	97,153	
Capital outlay	10,510,600	22,594,308	18,362,772	
Total current	40,981,848	40,263,999	18,840,334	21,423,665
Debt service and related costs:				
Principal	10,950,000	10,764,782	-	
Interest	-	150,000	150,000	
Debt issuance costs	-	705	31,583	
Internal loan remittances	-	10,220,699	10,220,699	
Total debt service and related costs	10,950,000	21,136,186	10,402,282	10,733,904
Total expenditures	51,931,848	61,400,185	29,242,616	32,157,569
Revenues over (under) expenditures	(51,931,848)	(61,400,185)	(29,283,766)	32,116,419
OTHER FINANCING SOURCES (USES)				
Transfers from other fund:				
Housing Investment	-	5,065,166	5,047,366	(17,800)
Bonds and notes issued	51,931,848	41,235,019	7,900,000	(33,335,019)
Bonds and notes premium	-	-	1,095,702	1,095,702
Internal loan proceeds	-	15,100,000	15,100,000	-
Total other financing sources (uses)	51,931,848	61,400,185	29,143,068	(32,257,117)
Net change in fund balance	-	-	(140,698)	(140,698)
Fund balance - beginning	-	-	170,715	170,715
Fund balance - ending	$ -	$ -	30,017	$ 30,017
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			744	
Internal loans payable			(15,100,000)	
Fund balance - GAAP basis			$ (15,069,239)	

Pearl District restaurants

Permanent Fund
Budget and Actual

Parks Endowment Fund

This fund accounts for gifts, donations, and endowments of a permanent nature. The principal is invested and earnings are available to support Parks and Recreation programs and activities. Any income not used under the terms and conditions of the original donation shall apply to increase the trust reserve.

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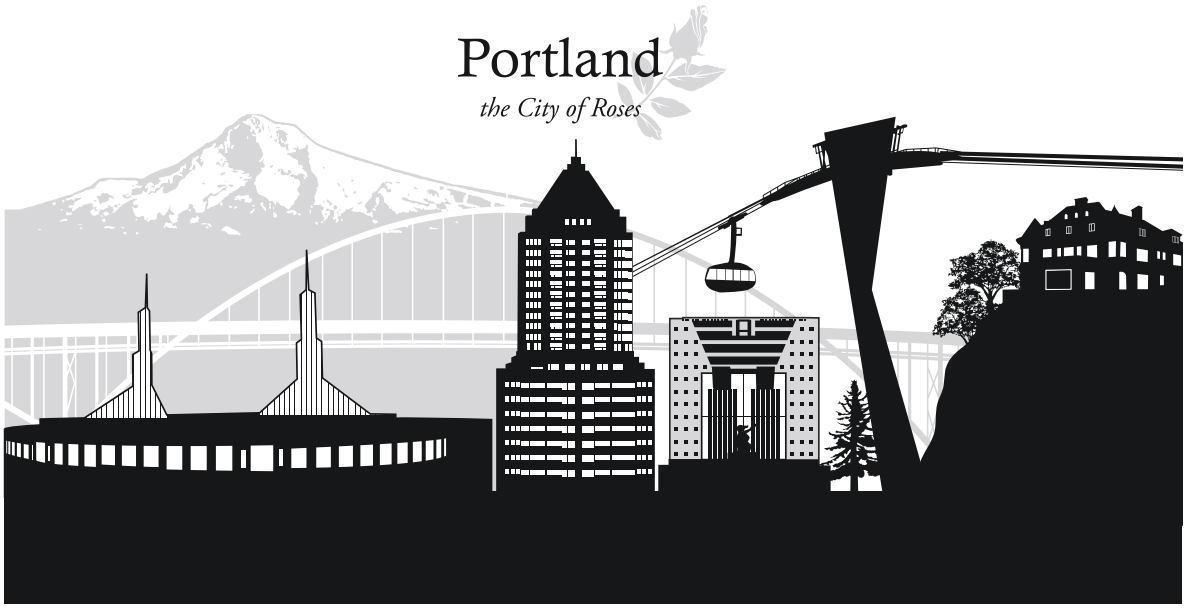
City of Portland, Oregon
Parks Endowment Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ 1,650	$ 1,650	$ 2,629	$ 979
EXPENDITURES				
Current:				
Personal services	750	750	-	
External materials and services	20,917	22,192	200	
Internal materials and services	775	775	-	
Total current expenditures	22,442	23,717	200	23,517
Net change in fund balance	(20,792)	(22,067)	2,429	24,496
Fund balance - beginning	183,484	184,759	184,758	(1)
Fund balance - ending	$ 162,692	$ 162,692	187,187	$ 24,495
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(1,540)	
Fund balance - GAAP basis			$ 185,647	

Winter in Portland

Schedules of Revenues and Expenditures
Proprietary Funds - Budget and Actual



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Enterprise Funds
Budget and Actual

Sewage Disposal Fund

This fund accounts for the wastewater collection and treatment system activities and financing systems development charges through bonded assessments and payment of principal and interest on improvement bonds. Revenue is derived mainly from user fees.

Water Fund

This fund accounts for water distribution system activities. Revenues are derived mainly from water service and installation charges.

Hydroelectric Power Fund

This fund accounts for assets relating to development and installation of hydroelectric generating equipment at the City-owned Bull Run Reservoir. The fund also accounts for activities of the generating plant.

Golf Fund

This fund accounts for the purchase, improvement, and maintenance of municipal golf courses. It also accounts for recreation programs and training utilizing the golf facilities. Revenues are derived from golf fees.

Portland International Raceway Fund

This fund accounts for basic operations of the raceway. Revenues are derived primarily from user fees.

Solid Waste Management Fund

This fund accounts for expenses, user fees, and other revenues associated with the City's oversight of solid waste collection activities and its efforts to reduce solid waste through recycling and waste reduction.

Parking Facilities Fund

This fund accounts for activities of City-owned parking facilities. Revenues are derived from parking fees and commercial space rentals.

Spectator Facilities Operating Fund

This fund accounts for revenues and expenses associated with the development, maintenance, and operation of PGE Park and the Rose Quarter.

Environmental Remediation Fund

This fund is used to identify and track remediation projects and related debt service. Revenues are derived from Revenue Bond sales, remediation charges, and Solid Waste Management Fund transfers.

Enterprise Funds
Budget and Actual

For financial reporting and operating purposes, management considers the activities of the enterprise funds as unitary enterprises. However, for budgetary and legal purposes these activities are accounted for in the funds listed below. Budget to actual schedules for these funds, prepared on the modified accrual basis of accounting, are included in this subsection.

ENTERPRISE FUNDS:

SEWAGE DISPOSAL FUND:
- Sewer System Operating Fund
- Sewer System Debt Redemption Fund
- Sewer System Construction Fund
- Sewer System Rate Stabilization Fund

WATER FUND:
- Water Fund
- Water Bond Sinking Fund
- Water Construction Fund

HYDROELECTRIC POWER FUND:
- Hydroelectric Power Operating Fund
- Hydroelectric Power Bond Redemption Fund
- Hydroelectric Power Renewal and Replacement Fund

GOLF FUND

PORTLAND INTERNATIONAL RACEWAY FUND

SOLID WASTE MANAGEMENT FUND

PARKING FACILITIES FUND

SPECTATOR FACILITIES OPERATING FUND

ENVIRONMENTAL REMEDIATION FUND

City of Portland, Oregon
Sewer System Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Licenses and permits:				
Construction permits	$ 655,000	$ 655,000	$ 610,984	
Other permits	1,765,000	1,765,000	1,555,761	
Total licenses and permits	2,420,000	2,420,000	2,166,745	$ (253,255)
Charges for services:				
Public works and utility charges	362,714,172	380,714,172	383,981,210	
Inspection fees	491,000	491,000	659,963	
Rents and reimbursements	142,000	142,000	189,308	
Other service charges	589,000	589,000	551,780	
Total charges for services	363,936,172	381,936,172	385,382,261	3,446,089
Intergovernmental:				
State revenue sharing	150,000	150,000	217,231	
State cost sharing	-	-	7,238	
Local cost sharing	45,000	45,000	104,696	
Total intergovernmental	195,000	195,000	329,165	134,165
Billings to other funds for services	2,171,132	2,771,332	1,782,503	(988,829)
Other:				
Sale of capital asset	150,000	11,275,000	10,665,852	
Sales - other	280,000	280,000	231,528	
Investment earnings	810,000	810,000	856,430	
Other interest income	220,000	220,000	460,078	
Miscellaneous	57,500	57,500	128,588	
Total other	1,517,500	12,642,500	12,342,476	(300,024)
Total revenues	370,239,804	399,965,004	402,003,150	2,038,146
EXPENDITURES				
Current:				
Personal services	69,821,500	70,018,811	68,124,466	
External materials and services	66,557,128	70,884,373	55,727,225	
Internal materials and services	44,684,206	44,701,473	39,635,980	
Capital outlay	76,516,281	76,883,370	59,658,416	
Total current expenditures	257,579,115	262,488,027	223,146,087	39,341,940
General operating contingencies	73,673,906	67,316,700	-	67,316,700
Debt service and related costs:				
Principal	2,516,668	2,516,668	2,516,668	
Interest	961,362	961,362	906,920	
Debt issuance costs	66,000	66,000	65,783	
Total debt service and related costs	3,544,030	3,544,030	3,489,371	54,659
Total expenditures	334,797,051	333,348,757	226,635,458	106,713,299
Revenues over (under) expenditures	35,442,753	66,616,247	175,367,692	108,751,445

Continued next page

City of Portland, Oregon
Sewer System Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Transportation Operating	50,000	50,000	44,703	(5,297)
Parks Capital Improvement Program	-	57,000	57,000	-
Sewer System Construction	114,000,000	114,000,000	98,100,072	(15,899,928)
Sewer System Rate Stabilization	5,000,000	5,000,000	5,000,000	-
Water	150,000	102,143	102,143	-
Total transfers from other funds	119,200,000	119,209,143	103,303,918	(15,905,225)
Transfers to other funds:				
General Fund Overhead	(6,169,664)	(6,169,664)	(6,169,664)	-
Pension Debt Redemption	(600,824)	(600,824)	(600,824)	-
Sewer System Debt Redemption	(178,872,265)	(170,872,265)	(169,551,334)	1,320,931
Sewer System Construction	(25,000,000)	(45,182,637)	(45,000,000)	182,637
Sewer System Rate Stabilization	(15,000,000)	(34,000,000)	(34,000,000)	-
Total transfers to other funds	(225,642,753)	(256,825,390)	(255,321,822)	1,503,568
Total other financing sources (uses)	(106,442,753)	(137,616,247)	(152,017,904)	(14,401,657)
Net change in fund balance	(71,000,000)	(71,000,000)	23,349,788	94,349,788
Fund balance - beginning	71,180,000	71,180,000	66,553,043	(4,626,957)
Fund balance - ending	$ 180,000	$ 180,000	89,902,831	$ 89,722,831
Adjustment to generally accepted accounting principles (GAAP) basis:				
Debt redemption fund budgeted as separate fund			61,952,492	
Construction fund budgeted as separate fund			199,228,642	
Rate stabilization fund budgeted as separate fund			138,446,143	
Unrealized gain (loss) in investments			(3,639,747)	
Allowance for uncollectible			(5,094,051)	
Inventories			2,009,361	
OPEB asset			121,681	
Capital assets, net of accumulated depreciation			3,326,741,930	
Internal balances			1,457,886	
Self insurance claims			(35,415)	
Deferred outflows - pensions			21,274,974	
Deferred outflows - OPEB			613,206	
Compensated absences			(4,653,588)	
Bonds payable			(1,721,703,934)	
Notes and loans payable			(12,174,625)	
Accrued Interest payable			(29,330,559)	
Net pension liability - PERS			(61,091,980)	
Other postemployment benefits			(6,701,542)	
Landfill postclosure			(2,461,318)	
Pollution remediation			(300,000)	
Deferred inflows - pensions			(1,905,480)	
Deferred inflows - OPEB			(317,784)	
Deferred charge for debt refundings			(5,696,253)	
Net position - GAAP basis			$ 1,986,642,870	

City of Portland, Oregon
Sewer System Debt Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ 715,000	$ 715,000	$ 904,677	
Other interest income	-	-	1,236	
Total revenues	715,000	715,000	905,913	$ 190,913
EXPENDITURES				
Debt service and related costs:				
Principal	103,484,871	103,484,871	103,484,871	
Interest	76,072,394	68,072,394	66,916,999	
Total debt service and related costs	179,557,265	171,557,265	170,401,870	1,155,395
Total expenditures	179,557,265	171,557,265	170,401,870	1,155,395
Revenues over (under) expenditures	(178,842,265)	(170,842,265)	(169,495,957)	1,346,308
OTHER FINANCING SOURCES (USES)				
Transfer from other fund:				
Sewer System Operating	178,872,265	170,872,265	169,551,334	(1,320,931)
Bonds and notes issued	9,000,000	9,000,000	-	(9,000,000)
Total other financing sources (uses)	187,872,265	179,872,265	169,551,334	(10,320,931)
Net change in fund balance	9,030,000	9,030,000	55,377	(8,974,623)
Fund balance - beginning	61,900,000	61,900,000	61,897,115	(2,885)
Fund balance - ending	$ 70,930,000	$ 70,930,000	61,952,492	$ (8,977,508)
Adjustment to generally accepted accounting principles (GAAP) basis:				
Sewer System Debt Redemption Fund budgeted as separate fund - to Sewer System Operating Fund			(61,952,492)	
Net position - GAAP basis			$ -	

City of Portland, Oregon
Sewer System Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Service charges and fees:				
Public works and utility charges	$ 550,000	$ 550,000	$ 745,754	$ 195,754
Other:				
Investment earnings	1,000,000	1,000,000	640,059	(359,941)
Total revenues	1,550,000	1,550,000	1,385,813	(164,187)
EXPENDITURES				
General operating contingencies	146,750,000	166,932,637	-	166,932,637
Debt service and related costs:				
Debt issuance costs	1,500,000	1,500,000	564,108	935,892
Total expenditures	148,250,000	168,432,637	564,108	167,868,529
Revenues over (under) expenditures	(146,700,000)	(166,882,637)	821,705	167,704,342
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Local Improvement District	700,000	700,000	-	(700,000)
Sewer System Operating	25,000,000	45,182,637	45,000,000	(182,637)
Total transfers from other funds	25,700,000	45,882,637	45,000,000	(882,637)
Transfer to other fund:				
Sewer System Operating	(114,000,000)	(114,000,000)	(98,100,072)	15,899,928
Bonds and notes issued	220,000,000	220,000,000	191,930,000	(28,070,000)
Bonds and notes premium	-	-	21,636,279	21,636,279
Total other financing sources (uses)	131,700,000	151,882,637	160,466,207	8,583,570
Net change in fund balance	(15,000,000)	(15,000,000)	161,287,912	176,287,912
Fund balance - beginning	15,000,000	15,000,000	37,940,730	22,940,730
Fund balance - ending	$ -	$ -	199,228,642	$ 199,228,642
Adjustment to generally accepted accounting principles (GAAP) basis:				
Sewer System Construction Fund budgeted as separate fund to Sewer System Operating Fund			(199,228,642)	
Net position - GAAP basis			$ -	

City of Portland, Oregon
Sewer System Rate Stabilization Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ 1,400,000	$ 1,400,000	$ 1,477,826	$ 77,826
EXPENDITURES				
General operating contingencies	131,400,000	138,400,000	-	138,400,000
Revenues over (under) expenditures	(130,000,000)	(137,000,000)	1,477,826	138,477,826
OTHER FINANCING SOURCES (USES)				
Transfer from other fund:				
Sewer System Operating	15,000,000	34,000,000	34,000,000	-
Transfer to other fund:				
Sewer System Operating	(5,000,000)	(5,000,000)	(5,000,000)	-
Total other financing sources (uses)	10,000,000	29,000,000	29,000,000	-
Net change in fund balance	(120,000,000)	(108,000,000)	30,477,826	138,477,826
Fund balance - beginning	120,000,000	108,000,000	107,968,317	(31,683)
Fund balance - ending	$ -	$ -	138,446,143	$ 138,446,143
Adjustment to generally accepted accounting principles (GAAP) basis:				
Sewer System Rate Stabilization Fund budgeted as separate fund to Sewer System Operating Fund			(138,446,143)	
Net position - GAAP basis			$ -	

City of Portland, Oregon
Water Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services				
Public works and utility charges	$ 170,716,927	$ 174,716,927	$ 183,627,323	
Rents and reimbursements	675,000	675,000	654,612	
Other service charges	2,850,000	2,850,000	2,803,903	
Total charges for services	174,241,927	178,241,927	187,085,838	$ 8,843,911
Intergovernmental:				
Local cost sharing	526,000	526,000	524,579	(1,421)
Other:				
Sales - other	100,000	100,000	131,813	
Refunds	20,000	20,000	3,171	
Other interest income	-	-	51,948	
Investment earnings	506,612	506,612	1,043,333	
Miscellaneous	50,000	50,000	309,244	
Sale of capital asset	225,000	225,000	670,411	
Total other	901,612	901,612	2,209,920	1,308,308
Billings to other funds for services	3,275,258	3,315,458	3,990,320	674,862
Total revenues	178,944,797	182,984,997	193,810,657	10,825,660
EXPENDITURES				
Current:				
Personal services	70,363,293	70,363,293	64,049,937	
External materials and services	33,481,466	39,163,836	36,238,539	
Internal materials and services	22,556,741	23,388,590	21,341,367	
Capital outlay	78,124,000	40,884,781	37,182,301	
Total current expenditures	204,525,500	173,800,500	158,812,144	14,988,356
General operating contingencies	79,368,293	119,682,276	-	119,682,276
Debt service and related costs:				
Principal	2,613,832	2,613,832	2,613,832	
Interest	998,479	998,479	941,934	
Debt issuance costs	643,370	643,370	-	
Total debt service and related costs	4,255,681	4,255,681	3,555,766	699,915
Total expenditures	288,149,474	297,738,457	162,367,910	135,370,547
Revenues over (under) expenditures	(109,204,677)	(114,753,460)	31,442,747	(146,196,207)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	1,055,000	4,055,000	4,055,000	-
Transportation Operating	-	20,247	20,247	-
Water Construction	122,770,175	122,770,175	79,825,601	(42,944,574)
Total transfers from other funds	123,825,175	126,845,422	83,900,848	(42,944,574)

Continued next page

City of Portland, Oregon
Water Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES), CONTINUED				
Transfers to other funds:				
General Fund Overhead	(5,136,089)	(5,136,089)	(5,136,089)	-
General	-	(21,596)	(21,596)	-
Portland Parks Memorial	-	(3,000)	(3,000)	-
Pension Debt Redemption	(624,021)	(624,021)	(624,021)	-
Sewer System Operating	(150,000)	(102,143)	(102,143)	-
Water Bond Sinking	(55,452,790)	(55,452,790)	(55,340,958)	111,832
Water Construction	(39,120,393)	(44,129,077)	(43,463,200)	665,877
Total transfers to other funds	(100,483,293)	(105,468,716)	(104,691,007)	777,709
Total other financing sources (uses)	23,341,882	21,376,706	(20,790,159)	(42,166,865)
Net change in fund balance	(85,862,795)	(93,376,754)	10,652,588	104,029,342
Fund balance - beginning	85,862,795	93,376,754	93,376,754	-
Fund balance - ending	$ -	$ -	104,029,342	$ 104,029,342
Adjustment to generally accepted accounting principles (GAAP) basis:				
Water Bond Sinking Fund budgeted as separate fund			31,496,421	
Water Construction Fund budgeted as separate fund			93,943,491	
Unrealized gain (loss) on investments			(1,683,415)	
Allowance for uncollectible accounts			(3,066,602)	
Inventories			2,503,240	
Property held for resale			151,630	
Internal balances			5,541,410	
Capital assets, net of accumulated depreciation and amortization			1,161,523,978	
OPEB asset			129,271	
Deferred outflows - pensions			19,647,400	
Deferred outflows - OPEB			651,459	
Self insurance claims			(993,477)	
Compensated absences			(4,312,745)	
Bonds payable			(687,928,912)	
Accrued interest payable			(20,901,580)	
Net pension liability - PERS			(57,717,412)	
Pollution Remediation			(143,000)	
Utility taxes payable			(1,715,845)	
Other postemployment benefits			(7,310,649)	
Deferred inflows - pensions			(1,827,981)	
Deferred inflows - OPEB			(337,608)	
Deferred charge for debt refunding			(1,068,045)	
Net position - GAAP basis			$ 630,610,371	

City of Portland, Oregon
Water Bond Sinking Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ 313,512	$ 313,512	$ 452,846	
Other interest income	-	-	291	
Total revenues	313,512	313,512	453,137	$ 139,625
EXPENDITURES				
Debt service and related costs:				
Principal	28,255,001	28,255,001	28,255,000	
Interest	27,511,301	27,511,301	27,511,300	
Total debt service and related costs	55,766,302	55,766,302	55,766,300	2
Revenues over (under) expenditures	(55,452,790)	(55,452,790)	(55,313,163)	139,627
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Water	55,452,790	55,452,790	55,340,958	(111,832)
Bonds and notes issued	7,017,000	7,017,000	-	(7,017,000)
Net change in fund balance	7,017,000	7,017,000	27,795	(6,989,205)
Fund balance - beginning	31,351,200	31,468,627	31,468,626	(1)
Fund balance - ending	$ 38,368,200	$ 38,485,627	31,496,421	$ (6,989,206)
Adjustment to generally accepted accounting principles (GAAP) basis:				
Water Bond Sinking Fund budgeted as separate fund - to Water Fund			(31,496,421)	
Net position - GAAP basis			$ -	

City of Portland, Oregon
Water Construction Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Service charges and fees:				
Public works and utility charges	$ 3,250,000	$ 3,250,000	$ 6,792,997	$ 3,542,997
Other:				
Investment earnings	525,404	525,404	1,682,803	
Other interest income	-	-	12,862	
Total other revenue	525,404	525,404	1,695,665	1,170,261
Total revenues	3,775,404	3,775,404	8,488,662	4,713,258
EXPENDITURES				
General operating contingencies	18,415,527	17,902,015	-	17,902,015
Revenues over (under) expenditures	(14,640,123)	(14,126,611)	8,488,662	22,615,273
OTHER FINANCING SOURCES (USES)				
Transfers from other fund:				
Water	39,120,393	44,129,077	43,463,200	(665,877)
Transfers to other fund:				
Water	(122,770,175)	(122,770,175)	(79,825,601)	42,944,574
Bonds and notes issued	91,878,000	91,878,000	-	(91,878,000)
Total other financing sources (uses)	8,228,218	13,236,902	(36,362,401)	(49,599,303)
Net change in fund balance	(6,411,905)	(889,709)	(27,873,739)	(26,984,030)
Fund balance - beginning	122,330,741	121,817,230	121,817,230	-
Fund balance - ending	$ 115,918,836	$ 120,927,521	93,943,491	$ (26,984,030)
Adjustment to generally accepted accounting principles (GAAP) basis:				
Water Construction Fund budgeted as separate fund - to Water Fund			(93,943,491)	
Net position - GAAP basis			$ -	

City of Portland, Oregon
Hydroelectric Power Operating Fund
Schedule of Revenue and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Sales - other	$ 2,200,000	$ 2,200,000	$ 2,292,383	
Investment earnings	10,000	10,000	29,214	
Other interest income	-	-	10,089	
Total other	2,210,000	2,210,000	2,331,686	121,686
Billings to other funds for services	72,500	72,500	110,800	38,300
Total revenues	2,282,500	2,282,500	2,442,486	159,986
EXPENDITURES				
Current:				
Personal services	332,563	332,563	306,848	
External materials and services	1,924,700	3,472,782	1,790,686	
Internal materials and services	226,873	283,991	240,042	
Total current expenditures	2,484,136	4,089,336	2,337,576	1,751,760
General operating contingencies	215,349	968,047	-	968,047
Debt service and related costs:				
Principal	19,289	19,289	19,289	
Interest	7,368	7,368	6,951	
Total debt service and related costs	26,657	26,657	26,240	417
Total expenditures	2,726,142	5,084,040	2,363,816	2,720,224
Revenues over (under) expenditures	(443,642)	(2,801,540)	78,670	(2,880,210)

Continued next page

City of Portland, Oregon
Hydroelectric Power Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	**Final**	**Actual Amounts**	**Variance with Final Budget - Positive (Negative)**
OTHER FINANCING SOURCES (USES)				
Transfers from other fund:				
Hydroelectric Power Renewal and Replacement	100,000	2,520,938	2,482,806	(38,132)
Hydroelectric Power Bond Redemption	15,700	15,700	15,117	(583)
Total transfers from other funds	115,700	2,536,638	2,497,923	(38,715)
Transfers to other funds:				
General Fund Overhead	(26,453)	(26,453)	(26,453)	-
Pension Debt Redemption	(4,605)	(4,605)	(4,605)	-
Total transfers to other funds	(31,058)	(31,058)	(31,058)	-
Total other financing sources (uses)	84,642	2,505,580	2,466,865	(38,715)
Net change in fund balance	(359,000)	(295,960)	2,545,535	2,841,495
Fund balance - beginning	359,000	295,960	295,960	-
Fund balance - ending	$ -	$ -	2,841,495	$ 2,841,495
Adjustment to generally accepted accounting principles (GAAP) basis:				
Hydroelectric Renewal and Replacement Fund budgeted as separate fund			111,457	
Unrealized gain (loss) on investments			(26,116)	
Capital assets, net of accumulated depreciation and amortization			20,273,047	
OPEB asset			690	
Deferred outflows - pensions			111,547	
Deferred outflows - OPEB			3,477	
Compensated absences			(11,360)	
Bonds payable			(137,112)	
Accrued interest payable			(110,810)	
Net pension liability - PERS			(298,187)	
Other postemployment benefits			(35,447)	
Deferred inflows - pensions			(9,067)	
Deferred inflows - OPEB			(1,802)	
Net position - GAAP basis			$ 22,711,812	

City of Portland, Oregon
Hydroelectric Power Bond Redemption Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings (loss)	$ -	$ -	$ (21,544)	
Other interest income	100	100	23	
Total revenues	100	100	(21,521)	$ (21,621)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
Hydroelectric Power Operating	(15,700)	(36,638)	(15,117)	21,521
Net change in fund balance	(15,600)	(36,538)	(36,638)	(100)
Fund balance - beginning	15,600	36,538	36,638	100
Fund balance - ending	$ -	$ -	-	$ -
Adjustment to generally accepted accounting principles (GAAP) basis:				
Hydroelectric Power Bond Redemption Fund budgeted as separate fund - to Hydroelectric Power Operating Fund			-	
Net position - GAAP basis			$ -	

City of Portland, Oregon
Hydroelectric Power Renewal and Replacement Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Sales - other	$ 105,270	$ 105,270	$ 105,272	
Investment earnings (loss)	-	-	(20,672)	
Other interest income	32,500	32,500	41,145	
Total revenues	137,770	137,770	125,745	(12,025)
EXPENDITURES				
Current:				
External materials and services	9,500,000	8,900,000	8,862,231	37,769
General operating contingencies	1,627,770	68,519	-	68,519
Revenues over (under) expenditures	(10,990,000)	(8,830,749)	(8,736,486)	94,263
OTHER FINANCING SOURCES (USES)				
Transfers to other fund:				
Hydroelectric Power Operating	(100,000)	(2,500,000)	(2,482,806)	17,194
Total other financing sources (uses)	(100,000)	(2,500,000)	(2,482,806)	17,194
Net change in fund balance	(11,090,000)	(11,330,749)	(11,219,292)	111,457
Fund balance - beginning	11,090,000	11,330,749	11,330,749	-
Fund balance - ending	$ -	$ -	111,457	$ 111,457
Adjustment to generally accepted accounting principles (GAAP) basis:				
Hydroelectric Power Renewal and Replacement Fund budgeted as separate fund - to Hydroelectric Power Operating Fund			(111,457)	
Net position - GAAP basis			$ -	

City of Portland, Oregon
Golf Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Rents and reimbursements	$ 546,060	$ 546,060	$ 558,376	
Concessions	1,848,927	1,848,927	1,903,879	
Parks and recreation facilities fees	6,271,535	6,271,535	5,703,140	
Other service charges	705,369	705,369	646,888	
Total charges for services	9,371,891	9,371,891	8,812,283	$ (559,608)
Other:				
Sales - other	1,214	1,214	9,507	
Investment earnings	7,698	7,698	3,795	
Miscellaneous	2,005	2,005	103,567	
Total other	10,917	10,917	116,869	105,952
Total revenues	9,382,808	9,382,808	8,929,152	(453,656)
EXPENDITURES				
Current:				
Personal services	3,673,044	3,673,044	3,366,120	
External materials and services	4,329,308	4,329,308	4,579,922	
Internal materials and services	701,558	701,558	526,800	
Capital outlay	-	335,000	-	
Total current expenditures	8,703,910	9,038,910	8,472,842	566,068
General operating contingencies	261,756	330,321	-	330,321
Debt service and related costs:				
Principal	157,607	157,607	157,607	
Interest	70,206	76,529	72,129	
Internal loan remittances	-	56,750	56,750	
Total debt service and related costs	227,813	290,886	286,486	4,400
Total expenditures	9,193,479	9,660,117	8,759,328	900,789
Revenues over (under) expenditures	189,329	(277,309)	169,824	447,133

Continued next page

City of Portland, Oregon
Golf Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers from other fund:				
Transfers to other funds:				
General Fund Overhead	(405,027)	(405,027)	(405,027)	-
Pension Debt Redemption	(37,627)	(37,627)	(37,627)	-
Total transfers to other funds	(442,654)	(442,654)	(442,654)	-
Internal loan proceeds	-	335,000	335,000	-
Sale of capital asset	2,575	2,575	3,488	913
Total other financing sources (uses)	(440,079)	(105,079)	(104,166)	913
Net change in fund balance	(250,750)	(382,388)	65,658	448,046
Fund balance - beginning	250,750	382,388	382,388	-
Fund balance - ending	$ -	$ -	448,046	$ 448,046
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(3,002)	
Capital assets, net of accumulated depreciation and amortization			9,253,848	
OPEB asset			10,581	
Deferred outflow - pensions			1,171,591	
Deferred outflow - OPEB			53,323	
Compensated absences			(249,060)	
Bonds payable			(1,120,299)	
Internal loan proceeds			(1,078,250)	
Accrued interest payable			(905,401)	
Net pension liability - PERS			(3,402,182)	
Other postemployment benefits			(584,163)	
Deferred inflows - pensions			(103,030)	
Deferred inflows - OPEB			(27,633)	
Net position - GAAP basis			$ 3,464,369	

City of Portland, Oregon
Portland International Raceway Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services				
Rents and reimbursements	$ 1,293,410	$ 1,293,410	$ 1,405,534	
Concessions	155,205	155,205	113,980	
Parks and recreation facilities fees	432,988	432,988	348,463	
Other service charges	13,152	13,152	17,500	
Total charges for services	1,894,755	1,894,755	1,885,477	$ (9,278)
Other:				
Investment earnings	4,633	4,633	9,419	
Miscellaneous	6,354	6,354	15,250	
Total other	10,987	10,987	24,669	13,682
Total revenues	1,905,742	1,905,742	1,910,146	4,404
EXPENDITURES				
Current:				
Personal services	785,332	870,332	864,773	
External materials and services	451,176	620,178	597,233	
Internal materials and services	116,285	184,285	161,094	
Total current expenditures	1,352,793	1,674,795	1,623,100	51,695
General operating contingencies	577,975	658,144	-	658,144
Debt service and related costs:				
Principal	295,340	30,340	30,340	
Interest	27,861	11,590	10,934	
Total debt services and related costs	323,201	41,930	41,274	656
Total expenditures	2,253,969	2,374,869	1,664,374	710,495
Revenues over (under) expenditures	(348,227)	(469,127)	245,772	714,899

Continued next page

City of Portland, Oregon
Portland International Raceway Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfer to other fund:				
General Fund Overhead	(60,393)	(60,393)	(60,393)	-
Pension Debt Redemption	(7,243)	(7,243)	(7,243)	-
Total transfers to other funds	(67,636)	(67,636)	(67,636)	-
Net change in fund balance	(415,863)	(536,763)	178,136	714,899
Fund balance - beginning	415,863	536,763	536,775	12
Fund balance - ending	$ -	$ -	714,911	$ 714,911
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(6,476)	
Capital assets, net of accumulated depreciation and amortization			1,614,727	
OPEB asset			2,300	
Deferred outflow - pensions			226,256	
Deferred outflow - OPEB			11,592	
Compensated absences			(31,158)	
Bonds payable			(215,664)	
Accrued interest payable			(174,294)	
Net pension liability - PERS			(618,066)	
Other postemployment benefits			(132,447)	
Deferred inflows - pensions			(20,618)	
Deferred inflows - OPEB			(6,007)	
Net position - GAAP basis			$ 1,365,056	

City of Portland, Oregon
Solid Waste Management Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Licenses and permits:				
Public utility licenses	$ 2,982,183	$ 2,982,183	$ 2,964,657	
Other permits	12,950	12,950	22,050	
Total licenses and permits	2,995,133	2,995,133	2,986,707	$ (8,426)
Intergovernmental:				
Charges for services				
Public works and utility charges	3,002,909	3,002,909	3,202,378	199,469
Other:				
Donations	10,500	10,500	-	
Investment earnings	40,789	40,789	45,086	
Fines	12,650	12,650	4,531	
Miscellaneous	19,500	19,500	22,053	
Total other	83,439	83,439	71,670	(11,769)
Billings to other funds for services	5,000	5,000	5,000	-
Total revenues	6,086,481	6,086,481	6,265,755	179,274
EXPENDITURES				
Current:				
Personal services	2,421,577	2,491,577	2,216,344	
External materials and services	1,624,389	1,354,136	1,163,786	
Internal materials and services	1,840,957	1,840,957	1,827,445	
Total current expenditures	5,886,923	5,686,670	5,207,575	479,095
General operating contingencies	68,293	68,293	-	68,293
Debt service and related costs:				
Principal	48,942	48,942	48,942	
Interest	18,696	18,696	17,637	
Total debt service and related costs	67,638	67,638	66,579	1,059
Total expenditures	6,022,854	5,822,601	5,274,154	548,447
Revenues over (under) expenditures	63,627	263,880	991,601	727,721

Continued next page

City of Portland, Oregon
Solid Waste Management Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General Fund Overhead	(181,510)	(181,510)	(181,510)	-
Pension Debt Redemption	(11,684)	(11,684)	(11,684)	-
Total transfers to other funds	(193,194)	(193,194)	(193,194)	-
Net change in fund balance	(129,567)	70,686	798,407	727,721
Fund balance - beginning	3,599,544	3,811,791	4,196,524	384,733
Fund balance - ending	$ 3,469,977	$ 3,882,477	4,994,931	$ 1,112,454
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(28,765)	
Capital assets net of accumulated depreciation and amortization			211,048	
OPEB asset			4,830	
Deferred outflows - pensions			717,305	
Deferred outflows - OPEB			24,342	
Compensated absences			(183,240)	
Bonds payable			(347,883)	
Accrued interest payable			(281,155)	
Net pension liability - PERS			(2,144,293)	
Other postemployment benefits			(266,845)	
Deferred inflows - pensions			(67,348)	
Deferred inflows - OPEB			(12,615)	
Net position - GAAP basis			$ 2,620,312	

City of Portland, Oregon
Parking Facilities Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Service charges and fees:				
Rents and reimbursements	$ 674,617	$ 674,617	$ 917,154	
Parking fees	13,500,000	13,556,746	12,620,392	
Other service charges	-	-	5,934	
Total service charges and fees	14,174,617	14,231,363	13,543,480	$ (687,883)
Billings to other funds for services	1,058,314	1,001,568	1,003,816	2,248
Other:				
Investment earnings	-	-	244,678	244,678
Other interest income	100,000	100,000	22	(99,978)
Miscellaneous	1,000	1,000	250	(750)
Total other revenue	101,000	101,000	244,950	143,950
Total revenues	15,333,931	15,333,931	14,792,246	(541,685)
EXPENDITURES				
Current:				
Personal services	358,610	508,610	438,539	
External materials and services	5,414,381	6,664,381	5,357,726	
Internal materials and services	3,817,859	5,799,093	2,652,538	
Capital outlay	6,572,449	6,572,449	1,614,434	
Total current expenditures	16,163,299	19,544,533	10,063,237	9,481,296
General operating contingencies	7,154,453	5,738,754	-	5,738,754
Debt service and related costs:				
Principal	1,425,000	1,425,000	1,425,000	
Interest	451,200	451,200	451,200	
Total debt services and related costs	1,876,200	1,876,200	1,876,200	-
Total expenditures	25,193,952	27,159,487	11,939,437	15,220,050
Revenues over (under) expenditures	(9,860,021)	(11,825,556)	2,852,809	14,678,365
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	250,000	250,000	250,000	-
Transfers to other funds:				
General Fund Overhead	(176,431)	(176,431)	(176,431)	-
General	(300,294)	(300,294)	(300,294)	-
Total transfers to other funds	(476,725)	(476,725)	(476,725)	-
Total other financing sources (uses)	(226,725)	(226,725)	(226,725)	-
Net change in fund balance	(10,086,746)	(12,052,281)	2,626,084	14,678,365
Fund balance - beginning	10,086,746	12,052,281	14,128,811	2,076,530
Fund balance - ending	$ -	$ -	16,754,895	$ 16,754,895
Adjustment to generally accepted accounting principles (GAAP) basis:				
Allowance for uncollectible accounts			(10,000)	
Unrealized gain (loss) on investments			(144,430)	
Capital assets, net of accumulated depreciation and amortization			26,745,527	
Deferred outflows - pensions			6,657	
Deferred charge for bond refunding			57,530	
Bonds payable			(10,009,737)	
Accrued interest payable			(98,551)	
Net pension liability - PERS			(85,906)	
Deferred inflows - pensions			(4,406)	
Net position - GAAP basis			$ 33,211,579	

City of Portland, Oregon
Spectator Facilities Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Rents and reimbursements	$ 5,508,853	$ 5,500,709	$ 7,645,823	
Parking fees	1,670,000	1,670,000	2,428,642	
Total charges for services	7,178,853	7,170,709	10,074,465	$ 2,903,756
Intergovernmental:				
Local cost sharing	1,873,771	1,873,771	1,881,245	7,474
Other:				
Investment earnings	35,000	35,000	129,448	94,448
Total revenues	9,087,624	9,079,480	12,085,158	3,005,678
EXPENDITURES				
Current:				
Personal services	380,970	480,970	411,781	
External materials and services	4,387,500	4,977,421	3,351,799	
Internal materials and services	340,977	421,981	318,881	
Capital outlay	2,500,000	3,500,000	2,136,663	
Total current expenditures	7,609,447	9,380,372	6,219,124	3,161,248
General operating contingencies	5,487,470	4,020,692	-	4,020,692
Debt service and related costs:				
Principal	1,943,000	1,943,000	1,943,000	
Interest	899,128	899,128	899,127	
Total debt services and related costs	2,842,128	2,842,128	2,842,127	1
Total expenditures	15,939,045	16,243,192	9,061,251	7,181,941
Revenues over (under) expenditures	(6,851,421)	(7,163,712)	3,023,907	10,187,619

Continued next page

City of Portland, Oregon
Spectator Facilities Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General Fund Overhead	(125,225)	(125,225)	(125,225)	-
General	(23,354)	(23,354)	(23,354)	-
Total transfers to other funds	(148,579)	(148,579)	(148,579)	-
Total other financing sources (uses)	(148,579)	(148,579)	(148,579)	-
Net change in fund balance	(7,000,000)	(7,312,291)	2,875,328	10,187,619
Fund balance - beginning	7,000,000	7,312,291	7,312,293	2
Fund balance - ending	$ -	$ -	10,187,621	$ 10,187,621
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(87,315)	
Capital assets, net of accumulated depreciation and amortization			89,202,568	
OPEB asset			690	
Deferred outflows - pensions			406,613	
Deferred outflows - OPEB			3,477	
Deferred charge for debt refundings			24,093	
Bonds payable			(25,231,770)	
Accrued interest payable			(69,633)	
Net pension liability - PERS			(751,293)	
Other postemployment benefits			(29,799)	
Deferred inflows - pensions			(13,552)	
Deferred inflow - OPEB			(1,802)	
Net position - GAAP basis			$ 73,639,898	

City of Portland, Oregon
Environmental Remediation Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Public works and utility charges	$ 4,374,899	$ 4,374,899	$ 4,534,519	
Rents and reimbursements	500,000	500,000	566,590	
Total charges for services	4,874,899	4,874,899	5,101,109	$ 226,210
Other:				
Investment earnings	48,600	48,600	117,150	
Other interest income	-	-	12,491	
Total other	48,600	48,600	129,641	81,041
Billings to other funds for services	420,612	420,612	407,028	(13,584)
Total revenues	5,344,111	5,344,111	5,637,778	293,667
EXPENDITURES				
Current:				
Personal services	496,785	556,332	483,401	
External materials and services	3,822,893	4,816,346	110,550	
Internal materials and services	1,736,890	1,736,890	1,344,652	
Capital outlay	1,053,000	-	-	
Total current expenditures	7,109,568	7,109,568	1,938,603	5,170,965
General operating contingencies	2,800,210	2,800,210	-	2,800,210
Debt service and related costs:				
Principal	1,130	1,130	1,130	
Interest	432	432	407	
Total debt service and related costs	1,562	1,562	1,537	25
Total expenditures	9,911,340	9,911,340	1,940,140	(7,971,200)
Revenues over (under) expenditures	(4,567,229)	(4,567,229)	3,697,638	8,264,867

Continued next page

City of Portland, Oregon
Environmental Remediation Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfer to other fund:				
General Fund Overhead	(123,102)	(123,102)	(123,102)	-
Pension Debt Redemption	(269)	(269)	(269)	-
Total transfers to other funds	(123,371)	(123,371)	(123,371)	-
Total other financing sources (uses)	(123,371)	(123,371)	(123,371)	-
Net change in fund balance	(4,690,600)	(4,690,600)	3,574,267	8,264,867
Fund balance - beginning	4,690,600	4,690,600	5,972,386	1,281,786
Fund balance - ending	$ -	$ -	9,546,653	$ 9,546,653
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(79,435)	
Notes and loans receivable			624,556	
Capital assets, net of accumulated depreciation and amortization			3,393,692	
OPEB asset			690	
Deferred outflows - pensions			235,909	
Deferred outflows - OPEB			3,477	
Compensated absences			(32,407)	
Internal balances			704	
Bonds payable			(8,033)	
Accrued interest payable			(6,497)	
Net pension liability - PERS			(596,670)	
Other postemployment benefits			(43,390)	
Pollution remediation long-term liability			(2,200,000)	
Deferred inflows - pensions			(15,648)	
Deferred inflows - OPEB			(1,802)	
Net position - GAAP basis			$ 10,821,799	

Internal Service Funds
Budget and Actual

Health Insurance Operating Fund

This fund accounts for the City's self-insured health program with the exception of Portland Police Association employees.

Facilities Services Operating Fund

This fund accounts for the operation and maintenance of City facilities, properties and capital projects.

CityFleet Operating Fund

This fund accounts for automotive fleet services provided to City and County agencies.

Printing and Distribution Services Operating Fund

This fund accounts for reproduction and distribution services provided to City and County agencies.

Insurance and Claims Operating Fund

This fund accounts for the City's self-insured program for liability and tort risks.

Workers' Compensation Self Insurance Operating Fund

This fund accounts for the City's self-insured program for workers' compensation claims.

Technology Services Fund

This fund accounts for multi-year funding of major capital purchases of information technology equipment and services provided to City agencies.

Enterprise Business Solutions Services Fund

This fund is established to account for the City's financial system, including current support and future improvements, and to appropriately allocate expenditures of this system across City bureaus.

Portland Police Association (PPA) Health Insurance Fund

This fund is used for healthcare and benefits services for members of the PPA and eligible participants.

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City of Portland, Oregon
Health Insurance Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Health care charges	$ 62,270,270	$ 94,097,730	$ 96,266,833	$ 2,169,103
Other:				
Investment earnings	142,518	159,308	199,395	
Miscellaneous	645,938	1,866,274	314,645	
Total other	788,456	2,025,582	514,040	(1,511,542)
Total revenues	63,058,726	96,123,312	96,780,873	657,561
EXPENDITURES				
Current:				
Personal services	1,808,813	1,949,130	1,746,528	
External materials and services	61,459,174	97,963,027	96,034,627	
Internal materials and services	420,107	436,990	398,184	
Total current expenditures	63,688,094	100,349,147	98,179,339	2,169,808
General operating contingencies	23,239,640	19,643,173	-	19,643,173
Debt service and related costs:				
Principal	29,091	29,091	29,091	
Interest	11,113	11,113	10,483	
Total debt service and related costs	40,204	40,204	39,574	630
Total expenditures	86,967,938	120,032,524	98,218,913	21,813,611
Revenues over (under) expenditures	(23,909,212)	(23,909,212)	(1,438,040)	22,471,172
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General Fund Overhead	(311,212)	(311,212)	(311,212)	-
Pension Debt Redemption	(6,945)	(6,945)	(6,945)	-
Total other financing sources (uses)	(318,157)	(318,157)	(318,157)	-
Net change in fund balance	(24,227,369)	(24,227,369)	(1,756,197)	22,471,172
Fund balance - beginning	24,227,369	24,227,369	24,696,917	469,548
Fund balance - ending	$ -	$ -	22,940,720	$ 22,940,720
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(240,613)	
OPEB asset			2,760	
Deferred outflows - pensions			565,381	
Deferred outflows - OPEB			13,910	
Self insurance claims			(7,383,000)	
Compensated absences			(153,506)	
Bonds payable			(206,782)	
Accrued interest payable			(167,120)	
Net pension liability - PERS			(1,558,383)	
Other postemployment benefits			(144,195)	
Deferred inflows - pensions			(47,845)	
Deferred inflows - OPEB			(7,208)	
Net position - GAAP basis			$ 13,614,119	

City of Portland, Oregon
Facilities Services Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Licenses and permits:				
Other permits	$ -	$ -	$ 50	$ 50
Charges for services:				
Rents and reimbursements	1,212,721	1,377,521	1,493,235	
Other service charges	-	-	34,443	
Total charges for services	1,212,721	1,377,521	1,527,678	$ 150,157
Intergovernmental:				
State cost sharing	-	-	1,085	
Multnomah County cost sharing	-	-	1,117	
Local cost sharing	-	15,000	25,494	
Total intergovernmental	-	15,000	27,696	12,696
Billings to other funds for services	33,219,390	38,888,670	34,509,377	(4,379,293)
Other:				
Sales - other	260,000	608,000	493,782	
Investment earnings	464,954	464,954	578,528	
Other interest income	-	-	48	
Miscellaneous	23,437	23,437	(28,248)	
Total other	748,391	1,096,391	1,044,110	(52,281)
Total revenues	35,180,502	41,377,582	37,108,911	(4,268,671)
EXPENDITURES				
Current:				
Personal services	5,375,142	6,042,275	5,089,443	
External materials and services	51,450,874	73,866,830	44,450,873	
Internal materials and services	4,073,347	5,624,539	4,453,623	
Capital outlay	30,601,633	32,251,709	14,042,353	
Total current expenditures	91,500,996	117,785,353	68,036,292	49,749,061
General operating contingencies	35,655,788	17,811,258	-	17,811,258
Debt service and related costs:				
Principal	4,425,570	4,397,866	4,481,670	
Interest	2,544,558	2,571,558	1,087,771	
Debt issuance costs	-	-	2,055	
Total debt service and related costs	6,970,128	6,969,424	5,571,496	1,397,928
Total expenditures	134,126,912	142,566,035	73,607,788	68,958,247
Revenues over (under) expenditures	(98,946,410)	(101,188,453)	(36,498,877)	64,689,576

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City of Portland, Oregon
Facilities Services Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers from other fund:				
General	1,694,271	2,706,021	2,706,021	-
Total transfers from other funds	1,694,271	2,706,021	2,706,021	-
Transfers to other funds:				
General Fund Overhead	(881,017)	(881,017)	(881,017)	-
Pension Debt Redemption	(37,404)	(37,404)	(37,404)	-
Total transfers to other funds	(918,421)	(918,421)	(918,421)	-
Loans issued	57,388,020	59,565,099	-	(59,565,099)
Bonds and notes issued	-	-	36,632,364	36,632,364
Total other financing sources (uses)	58,163,870	61,352,699	38,419,964	(22,932,735)
Net change in fund balance	(40,782,540)	(39,835,754)	1,921,087	41,756,841
Fund balance - beginning	40,782,540	39,835,754	37,967,779	(1,867,975)
Fund balance - ending	$ -	$ -	39,888,866	$ 39,888,866
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(298,171)	
Capital assets, net of accumulated depreciation and amortization			157,467,770	
OPEB asset			8,971	
Deferred outflows - pensions			1,072,486	
Deferred outflows - OPEB			45,208	
Compensated absences			(184,499)	
Bonds payable			(17,828,831)	
Notes and loans payable			(44,543,916)	
Accrued interest payable			(1,080,500)	
Net pension liability - PERS			(3,251,178)	
Other postemployment benefits			(481,987)	
Deferred inflows - pensions			(109,603)	
Deferred inflows - debt			(19,911)	
Deferred inflow - OPEB			(23,428)	
Net position - GAAP basis			$ 130,661,277	

City of Portland, Oregon
CityFleet Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Intergovernmental:				
Federal cost sharing	$ 53,902	$ 53,902	$ 47,331	
State cost sharing	8,927	8,927	23,283	
Multnomah County cost sharing	601,498	601,498	494,577	
Local cost sharing	611,114	611,114	326,456	
Total intergovernmental	1,275,441	1,275,441	891,647	$ (383,794)
Other:				
Sales - other	-	-	30,286	
Loan repayments	53,700	53,700	53,700	
Investment earnings	233,432	233,432	244,175	
Other interest income	3,000	3,000	-	
Miscellaneous	40,000	40,000	51,247	
Sale of capital asset	600,000	600,000	1,629,825	
Total other	930,132	930,132	2,009,233	1,079,101
Billings to other funds for services	35,320,165	38,093,851	34,456,464	(3,637,387)
Total revenues	37,525,738	40,299,424	37,357,344	(2,942,080)
EXPENDITURES				
Current:				
Personal services	8,157,132	8,952,806	7,923,005	
External materials and services	13,909,705	14,301,821	13,467,857	
Internal materials and services	2,668,366	2,734,180	2,367,426	
Capital outlay	16,731,112	24,645,802	10,287,383	
Total current expenditures	41,466,315	50,634,609	34,045,671	16,588,938
General operating contingencies	26,851,093	16,306,050	-	16,306,050
Debt service and related costs:				
Principal	368,163	368,163	368,163	
Interest	1,239,523	1,239,523	132,673	
Debt issuance costs	186,268	186,268	-	
Total debt service and related costs	1,793,954	1,793,954	500,836	1,293,118
Total expenditures	70,111,362	68,734,613	34,546,507	34,188,106
Revenues over (under) expenditures	(32,585,624)	(28,435,189)	2,810,837	31,246,026

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City of Portland, Oregon
CityFleet Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General Fund Overhead	(1,098,181)	(1,098,181)	(1,098,181)	-
Pension Debt Redemption	(87,894)	(87,894)	(87,894)	-
Total transfers to other funds	(1,186,075)	(1,186,075)	(1,186,075)	-
Bonds and notes issued	12,604,127	12,604,127	-	(12,604,127)
Total other financing sources (uses)	11,418,052	11,418,052	(1,186,075)	(12,604,127)
Net change in fund balance	(21,167,572)	(17,017,137)	1,624,762	18,641,899
Fund balance - beginning	21,167,572	17,017,137	17,017,136	(1)
Fund balance - ending	$ -	$ -	18,641,898	$ 18,641,898
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(169,923)	
Notes and loans receivable, net			161,100	
Inventories			1,049,046	
Capital assets, net of accumulated depreciation and amortization			59,601,290	
OPEB asset			17,252	
Deferred outflows - pensions			2,636,037	
Deferred outflows - OPEB			86,939	
Compensated absences			(556,603)	
Bonds payable			(2,616,964)	
Accrued interest payable			(2,114,974)	
Net pension liability - PERS			(7,473,546)	
Other postemployment benefits			(959,903)	
Deferred inflows - pensions			(230,506)	
Deferred outflows - OPEB			(45,054)	
Net position - GAAP basis			$ 68,026,089	

City of Portland, Oregon
Printing and Distribution Services Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Other service charges	$ 177,259	$ 177,259	$ 187,274	$ 10,015
Intergovernmental:				
State cost sharing	185,100	185,100	106,265	
Multnomah County cost sharing	491,532	491,532	381,898	
Local cost sharing	316,079	316,079	227,008	
Total intergovernmental	992,711	992,711	715,171	(277,540)
Other:				
Sales - other	48,430	48,430	47,220	
Investment earnings	18,930	18,930	18,790	
Miscellaneous	-	-	324	
Sale of capital asset	-	-	6,000	
Total other	67,360	67,360	72,334	4,974
Billings to other funds for services	6,054,072	6,671,832	6,389,453	(282,379)
	-	-	-	-
Total revenues	7,291,402	7,909,162	7,364,232	(544,930)
EXPENDITURES				
Current:				
Personal services	1,877,636	1,975,617	1,742,285	
External materials and services	3,841,765	4,441,691	3,784,521	
Internal materials and services	896,700	941,663	866,810	
Capital outlay	300,000	300,000	66,386	
Total current expenditures	6,916,101	7,658,971	6,460,002	1,198,969
General operating contingencies	1,185,211	1,131,829	-	1,131,829
Debt service and related costs:				
Principal	124,763	124,763	124,763	
Interest	47,659	47,659	44,960	
Total debt service and related costs	172,422	172,422	169,723	2,699
Total expenditures	8,273,734	8,963,222	6,629,725	2,333,497
Revenues over (under) expenditures	(982,332)	(1,054,060)	734,507	1,788,567

Continued next page

City of Portland, Oregon
Printing and Distribution Services Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General Fund Overhead	(249,858)	(249,858)	(249,858)	-
Pension Debt Redemption	(29,786)	(29,786)	(29,786)	-
Total transfers to other funds	(279,644)	(279,644)	(279,644)	-
Total other financing sources (uses)	(279,644)	(279,644)	(279,644)	-
Net change in fund balance	(1,261,976)	(1,333,704)	454,863	1,788,567
Fund balance - beginning	1,261,976	1,333,704	1,333,705	1
Fund balance - ending	$ -	$ -	1,788,568	$ 1,788,568
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(16,376)	
Capital assets, net of accumulated depreciation and amortization			544,678	
OPEB asset			4,371	
Deferred outflows - pensions			625,951	
Deferred outflows - OPEB			22,024	
Compensated absences			(134,176)	
Bonds payable			(886,837)	
Accrued interest payable			(716,721)	
Net pension liability - PERS			(1,774,822)	
Other postemployment benefits			(258,867)	
Deferred inflows - pensions			(56,955)	
Deferred inflows - OPEB			(11,414)	
Net position - GAAP basis			$ (870,576)	

City of Portland, Oregon
Insurance and Claims Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Other service charges	$ -	$ -	$ 300	$ 300
Other:				
Investment earnings	340,127	340,127	433,136	
Miscellaneous	103,197	105,697	102,096	
Total other	443,324	445,824	535,532	$ 89,708
Billings to other funds for services	11,411,689	11,546,071	11,476,387	(69,684)
Total revenues	11,855,013	11,991,895	12,011,919	20,024
EXPENDITURES				
Current:				
Personal services	1,284,429	1,306,722	1,217,458	
External materials and services	6,777,306	7,181,688	5,426,649	
Internal materials and services	2,872,256	2,902,508	2,870,778	
Total current expenditures	10,933,991	11,390,918	9,514,885	1,876,033
General operating contingencies	29,847,970	30,996,550	-	30,996,550
Debt service and related costs:				
Principal	68,748	68,748	68,748	
Interest	26,262	26,262	24,774	
Total debt service and related costs	95,010	95,010	93,522	1,488
Total expenditures	40,876,971	42,482,478	9,608,407	32,874,071
Revenues over (under) expenditures	(29,021,958)	(30,490,583)	2,403,512	32,894,095
OTHER FINANCING SOURCES (USES)				
Transfers to other funds:				
General Fund Overhead	(172,780)	(172,780)	(172,780)	-
Pension Debt Redemption	(16,412)	(16,412)	(16,412)	-
Total transfers to other funds	(189,192)	(189,192)	(189,192)	-
Net change in fund balance	(29,211,150)	(30,679,775)	2,214,320	32,894,095
Fund balance - beginning	29,211,150	30,679,775	30,679,775	-
Fund balance - ending	$ -	$ -	32,894,095	$ 32,894,095
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(267,378)	
Capital assets, net of accumulated depreciation			145,030	
OPEB asset			3,220	
Deferred outflows - pensions			425,331	
Deferred outflows - OPEB			16,229	
Self insurance claims			(15,288,347)	
Compensated absences			(138,123)	
Bonds payable			(488,673)	
Accrued interest payable			(394,936)	
Net pension liability - PERS			(1,213,347)	
Other postemployment benefits			(172,387)	
Deferred inflows - pensions			(37,562)	
Deferred inflows - OPEB			(8,410)	
Fund balance - GAAP basis			$ 15,474,742	

City of Portland, Oregon
Workers' Compensation Self Insurance Operating Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ 151,316	$ 151,316	$ 192,037	
Miscellaneous	16,120	18,620	106,790	
Total other	167,436	169,936	298,827	$ 128,891
Billings to other funds for services	4,697,702	4,697,702	4,701,766	4,064
Total revenues	4,865,138	4,867,638	5,000,593	132,955
EXPENDITURES				
Current:				
Personal services	1,320,204	1,343,669	1,215,761	
External materials and services	3,484,257	3,534,257	3,200,555	
Internal materials and services	691,319	719,588	687,294	
Total current expenditures	5,495,780	5,597,514	5,103,610	493,904
General operating contingencies	12,739,030	13,017,675	-	13,017,675
Debt service and related costs:				
Principal	64,305	64,305	64,305	
Interest	24,565	24,565	23,174	
Total debt service and related costs	88,870	88,870	87,479	1,391
Total expenditures	18,323,680	18,704,059	5,191,089	13,512,970
Revenues over (under) expenditures	(13,458,542)	(13,836,421)	(190,496)	13,645,925
OTHER FINANCING SOURCES (USES)				
Transfer to other fund:				
General Fund Overhead	(90,937)	(90,937)	(90,937)	-
Pension Debt Redemption	(15,353)	(15,353)	(15,353)	-
Total transfers to other funds	(106,290)	(106,290)	(106,290)	-
Net change in fund balance	(13,564,832)	(13,942,711)	(296,786)	13,645,925
Fund balance - beginning	13,564,832	13,942,711	13,942,711	-
Fund balance - ending	$ -	$ -	13,645,925	$ 13,645,925
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(112,204)	
Capital assets, net of accumulated depreciation and amortization			104,037	
OPEB asset			1,380	
Deferred outflows - pensions			374,009	
Deferred outflows - OPEB			6,955	
Self insurance claims			(9,050,053)	
Compensated absences			(47,025)	
Bonds payable			(457,094)	
Accrued interest payable			(369,413)	
Net pension liability - PERS			(1,097,883)	
Other postemployment benefits			(84,911)	
Deferred inflows - pensions			(34,423)	
Deferred outflows - OPEB			(3,604)	
Net position - GAAP basis			$ 2,875,696	

City of Portland, Oregon
Technology Services Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Charges for services:				
Rents and reimbursements	$ 246,726	$ 246,726	$ 290,348	
Other service charges	38,192	38,192	17,819	
Total charges for services	284,918	284,918	308,167	$ 23,249
Intergovernmental:				
Federal cost sharing	61,794	61,794	83,218	
State cost sharing	260,273	260,273	235,168	
Multnomah County cost sharing	1,972,328	1,972,328	1,885,851	
Local cost sharing	2,286,547	2,286,547	2,130,807	
Total intergovernmental	4,580,942	4,580,942	4,335,044	(245,898)
Other:				
Sales - other	272,937	272,937	405,828	
Refunds	-	-	116,647	
Investment earnings	200,000	200,000	353,031	
Miscellaneous	40,000	40,000	52,826	
Total other	512,937	512,937	928,332	415,395
Billings to other funds for services	55,144,194	57,622,237	56,653,592	(968,645)
Total revenues	60,522,991	63,001,034	62,225,135	(775,899)
EXPENDITURES				
Current:				
Personal services	29,616,949	30,754,240	29,515,920	
External materials and services	24,520,884	21,285,320	18,363,556	
Internal materials and services	3,987,015	4,157,169	3,983,074	
Capital outlay	1,660,000	585,000	374,003	
Total current expenditures	59,784,848	56,781,729	52,236,553	4,545,176
General operating contingencies	19,065,803	24,918,885	-	24,918,885
Debt service and related costs:				
Principal	437,569	437,569	437,569	
Interest	167,151	167,151	157,685	
Total debt service and related costs	604,720	604,720	595,254	9,466
Total expenditures	79,455,371	82,305,334	52,831,807	29,473,527
Revenues over (under) expenditures	(18,932,380)	(19,304,300)	9,393,328	28,697,628

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City of Portland, Oregon
Technology Services Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Public Safety GO Bond Construction Fund	748,084	1,344,555	1,344,555	-
Total transfers from other funds	748,084	1,344,555	1,344,555	-
Transfers to other funds:				
General Fund Overhead	(2,046,284)	(2,046,284)	(2,046,284)	-
General	-	(2,851,746)	(291,746)	2,560,000
Pension Debt Redemption	(104,464)	(104,464)	(104,464)	-
Total transfers to other funds	(2,150,748)	(5,002,494)	(2,442,494)	2,560,000
Total other financing sources (uses)	(1,402,664)	(3,657,939)	(1,097,939)	2,560,000
Net change in fund balance	(20,335,044)	(22,962,239)	8,295,389	31,257,628
Fund balance - beginning	20,335,044	22,962,239	22,962,237	(2)
Fund balance - ending	$ -	$ -	31,257,626	$ 31,257,626
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(265,121)	
Inventories			783,735	
Capital assets, net of accumulated depreciation and amortization			28,133,176	
OPEB asset			47,384	
Deferred outflows - pensions			9,263,322	
Deferred outflows - OPEB			238,791	
Compensated absences			(2,323,956)	
Bonds payable			(3,110,315)	
Accrued interest payable			(2,513,689)	
Net pension liability - PERS			(26,789,422)	
Other postemployment benefits			(2,638,451)	
Deferred inflows - pensions			(833,140)	
Deferred inflows - OPEB			(123,750)	
Net position - GAAP basis			$ 31,126,190	

City of Portland, Oregon
Portland Police Association Health Insurance Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Service charges and fees:				
Health care charges	$ 17,031,560	$ 18,031,955	$ 19,325,243	$ 1,293,288
Other:				
Investment earnings	53,828	53,828	130,259	76,431
Miscellaneous	63,252	1,264,195	1,222,423	(41,772)
Total revenues	17,148,640	19,349,978	20,677,925	1,327,947
EXPENDITURES				
Current:				
External materials and services	17,148,639	16,884,379	16,629,073	255,306
General operating contingencies	7,177,052	9,642,650	-	9,642,650
Total expenditures	24,325,691	26,527,029	16,629,073	9,897,956
Net change in fund balance	(7,177,051)	(7,177,051)	4,048,852	11,225,903
Fund balance - beginning	7,177,051	7,177,051	7,177,051	-
Fund balance - ending	$ -	$ -	11,225,903	$ 11,225,903
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			-	
Fund balance - GAAP basis			$ 11,225,903	

City of Portland, Oregon
Enterprise Business Solutions Services Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ 20,000	$ 37,038	$ 64,527	$ 27,489
Other interest income	-	22	23	1
Total other revenue	20,000	37,060	64,550	27,490
Billings to other funds for services	10,087,676	10,087,676	10,087,675	(1)
Total revenues	10,107,676	10,124,736	10,152,225	27,489
EXPENDITURES				
Current:				
Personal services	2,460,588	2,749,131	2,594,519	
External materials and services	2,809,035	1,414,035	994,892	
Internal materials and services	5,513,812	5,371,318	5,211,485	
Total current expenditure	10,783,435	9,534,484	8,800,896	733,588
General operating contingencies	2,577,560	4,381,776	-	4,381,776
Total expenditures	13,360,995	13,916,260	8,800,896	5,115,364
Revenues over (under) expenditures	(3,253,319)	(3,791,524)	1,351,329	5,142,853
OTHER FINANCING SOURCES (USES)				
Transfer to other funds:				
General Fund Overhead	(177,290)	(177,290)	(177,290)	-
Net change in fund balance	(3,430,609)	(3,968,814)	1,174,039	5,142,853
Fund balance - beginning	3,430,609	3,968,814	3,968,813	(1)
Fund balance - ending	$ -	$ -	5,142,852	$ 5,142,852
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(42,613)	
Capital assets, net of accumulated depreciation and amortization			972,396	
OPEB asset			3,910	
Deferred outflows - pensions			867,326	
Deferred outflows - OPEB			19,706	
Compensated absences			(223,729)	
Net pension liability - PERS			(2,480,913)	
Other postemployment benefits			(199,207)	
Deferred inflows - pensions			(80,259)	
Deferred inflows - OPEB			(10,212)	
Net position - GAAP basis			$ 3,969,257	

Firehouse boat dock

Schedules of Revenues and Expenditures Fiduciary Funds - Budget and Actual

Pension Trust Funds:

Fire and Police Disability and Retirement Fund

This fund provides pension and benefits for members of the Fire Bureau and Police Bureau, their widows and children.

Fire and Police Disability and Retirement Reserve Fund

This fund is a reserve for the Fire and Police Disability and Retirement Fund in the event of an emergency.

Fire and Police Supplemental Retirement Reserve Fund

This fund is a reserve for supplemental retirement benefits to certain members of the Fire and Police Bureaus.

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City of Portland, Oregon
Fire and Police Disability and Retirement Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Taxes:				
Current year property	$ 141,868,948	$ 141,868,948	$ 140,598,780	
Prior year property	2,400,000	2,400,000	1,891,443	
Total taxes	144,268,948	144,268,948	142,490,223	$ (1,778,725)
Service charges and fees:				
Other service charges	-	-	52	52
Other:				
Investment earnings	598,000	598,000	938,720	
Miscellaneous	66,300	66,300	581,737	
Total other	664,300	664,300	1,520,457	856,157
Billings to other funds for services	1,359,000	1,359,000	1,167,132	(191,868)
Total revenues	146,292,248	146,292,248	145,177,864	(1,114,384)
EXPENDITURES				
Current:				
Personal services	2,143,014	2,163,014	2,114,363	
External materials and services	128,012,797	128,004,484	126,014,675	
Internal materials and services	14,377,143	14,786,138	14,327,752	
Capital outlay	46,451	156,451	98,455	
Total current	144,579,405	145,110,087	142,555,245	2,554,842
General operating contingencies	10,077,878	9,547,196	-	9,547,196
Debt service and related costs:				
Principal	44,351,252	44,351,252	35,744,252	
Interest	457,994	457,994	849,741	
Debt issuance costs	25,920	25,920	26,715	
Total debt service and related costs	44,835,166	44,835,166	36,620,708	8,214,458
Total expenditures	199,492,449	199,492,449	179,175,953	20,316,496
Revenues over (under) expenditures	(53,200,201)	(53,200,201)	(33,998,089)	19,202,112

Continued next page

City of Portland, Oregon
Fire and Police Disability and Retirement Fund
Schedule of Revenues and Expenditures - Budget and Actual, Continued
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
Fire and Police Disability and Retirement Reserve	750,000	750,000	-	(750,000)
Transfers to other funds:				
General Fund Overhead	(161,007)	(161,007)	(161,007)	-
Pension Debt Redemption	(9,371)	(9,371)	(9,371)	-
Fire and Police Disability and Retirement Reserve	(750,000)	(750,000)	-	750,000
Total transfers to other funds	(920,378)	(920,378)	(170,378)	750,000
Bonds and notes issued	44,312,000	44,312,000	35,705,000	(8,607,000)
Bonds and notes premium	-	-	526,649	526,649
Total other financing sources (uses)	44,141,622	44,141,622	36,061,271	(8,080,351)
Net change in fund balance	(9,058,579)	(9,058,579)	2,063,182	11,121,761
Fund balance - beginning	9,058,579	9,058,579	9,789,387	730,808
Fund balance - ending	$ -	$ -	11,852,569	$ 11,852,569
Adjustment to generally accepted accounting principles (GAAP) basis:				
Unrealized gain (loss) on investments			(94,876)	
Pension asset			3,680	
Capital assets, net of accumulated depreciation and amortization			459,663	
Deferred outflows - pensions			631,079	
Deferred outflows - OPEB			18,547	
Compensated absences			(874,169)	
Accrued interest payable			(279,005)	
Bonds payable			(225,487)	
Net pension liability - PERS			(1,834,325)	
Other postemployment benefits			(196,879)	
Deferred inflows - pensions			(55,006)	
Deferred inflows - OPEB			(9,612)	
Deferred revenue			7,644,595	
Net position - GAAP basis			$ 17,040,774	

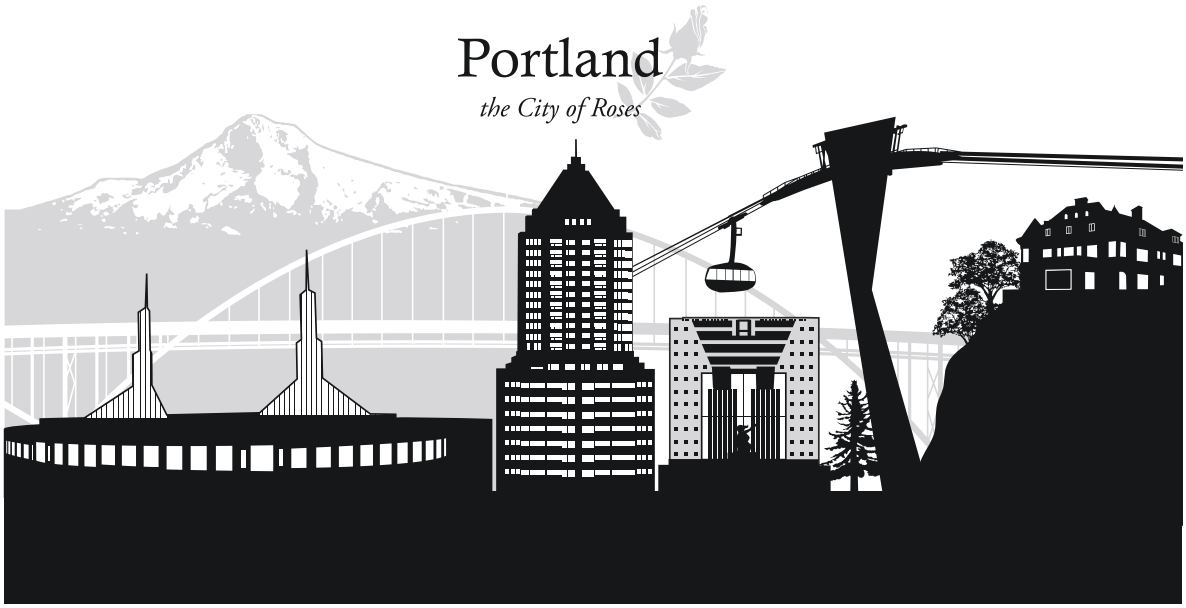
City of Portland, Oregon
Fire and Police Disability and Retirement Reserve Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
OTHER FINANCING SOURCES (USES)				
Transfer from other fund:				
Fire and Police Disability and Retirement	$ 750,000	$ 750,000	$ -	$ (750,000)
Transfer to other fund:				
Fire and Police Disability and Retirement	(750,000)	(750,000)	-	750,000
Total other financing sources (uses)	-	-	-	-
Fund balance - beginning	750,000	750,000	750,000	-
Fund balance - ending	$ 750,000	$ 750,000	750,000	$ -
Adjustment to generally accepted accounting principles (GAAP) basis:				
Net position - GAAP basis			$ 750,000	

City of Portland, Oregon
Fire and Police Supplemental Retirement Reserve Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
REVENUES				
Other:				
Investment earnings	$ 50	$ 50	$ 15	$ (35)
EXPENDITURES				
Current:				
External materials and services	10,000	10,000	8,812	1,188
Revenues over (under) expenditures	(9,950)	(9,950)	(8,797)	1,153
OTHER FINANCING SOURCES (USES)				
Transfers from other funds:				
General	54,000	54,000	54,000	-
Net change in fund balance	44,050	44,050	45,203	1,153
Fund balance - beginning	500	500	839	339
Fund balance - ending	$ 44,550	$ 44,550	46,042	$ 1,492
Adjustment to generally accepted accounting principles (GAAP) basis:				
None			-	
Net position - GAAP basis			$ 46,042	

STATISTICAL SECTION



STATISTICAL SECTION

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Statistical Section

This part of the City of Portland'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 financial health. This section contains the following tables and information:

Contents **Page**

Financial Trends 338

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

Revenue Capacity 343

These schedules contain information to help the reader assess the City's most significant local revenue sources: personal income tax, property tax, and business income tax.

Debt Capacity 349

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

Demographic and Economic Information 357

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

Operating Information 359

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

City of Portland, Oregon
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015[1, 2]	2014	2013[1]	2012	2011	2010[1]	2009
Governmental activities:										
Net investment in capital assets	$ 1,761,907,611	$ 1,881,668,361	$ 1,896,441,844	$ 1,982,917,732	$ 2,045,982,585	$ 2,125,382,711	$ 2,170,541,622	$ 2,219,412,554	$ 2,123,435,196	$ 2,175,464,133
Restricted	659,255,908	549,657,817	446,654,188	340,730,761	271,371,138	254,008,558	211,292,440	197,584,177	183,204,776	159,973,612
Unrestricted	(4,150,314,553)	(4,026,450,846)	(3,787,252,754)	(3,494,355,768)	(3,368,964,230)	(2,024,224,393)	(1,843,957,006)	(1,748,535,567)	(1,686,820,664)	(1,551,207,748)
Total governmental activities net position	$(1,729,151,034)	$(1,595,124,668)	$(1,444,156,722)	$(1,170,707,275)	$(1,051,610,507)	$ 355,166,876	$ 537,877,056	$ 668,461,164	$ 619,819,308	$ 784,229,997
Business-type activities:										
Net investment in capital assets	$ 2,458,159,760	$ 2,328,512,375	$ 2,162,963,007	$ 2,069,303,473	$ 1,968,473,423	$ 1,879,196,917	$ 1,792,291,343	$ 1,682,414,671	$ 1,563,020,091	$ 1,456,673,267
Restricted	1,231,271	12,535,569	12,490,281	14,168,531	14,138,244	13,855,864	14,848,536	14,716,777	110,697,822	19,033,446
Unrestricted	317,281,794	199,253,699	188,318,614	156,008,270	61,834,817	105,676,056	103,946,351	127,233,261	30,210,742	161,146,338
Total business-type activities net position	$ 2,776,672,825	$ 2,540,301,643	$ 2,363,771,902	$ 2,239,480,274	$ 2,044,446,484	$ 1,998,728,837	$ 1,911,086,230	$ 1,824,364,709	$ 1,703,928,655	$ 1,636,853,051
Primary government:										
Net investment in capital assets	$ 4,220,067,371	$ 4,210,180,736	$ 4,059,404,851	$ 4,052,221,205	$ 4,014,456,008	$ 4,004,579,628	$ 3,962,832,965	$ 3,901,827,225	$ 3,686,455,287	$ 3,632,137,400
Restricted	660,487,179	562,193,386	459,144,469	354,899,292	285,509,382	267,864,422	226,140,976	212,300,954	293,902,598	179,007,058
Unrestricted	(3,833,032,759)	(3,827,197,147)	(3,598,934,140)	(3,338,347,498)	(3,307,129,413)	(1,918,548,337)	(1,740,010,655)	(1,621,302,306)	(1,656,609,922)	(1,390,061,410)
Total primary government net position	$ 1,047,521,791	$ 945,176,975	$ 919,615,180	$ 1,068,772,999	$ 992,835,977	$ 2,353,895,713	$ 2,448,963,286	$ 2,492,825,873	$ 2,323,747,963	$ 2,421,083,048

[1] Data as restated

[2] The sharp decline in unrestricted net position in governmental activities in FY 2014 is primarily due to the recording of the net pension liability for the Fire and Police Disability, Retirement and Death Benefit (FPDR) Plan, in accordance with GASB 68. The FPDR is funded annually on a pay as you go basis with revenue received each year from a dedicated property tax levy. As required by GAAP, the net position liability cannot be offset to reflect the value of future revenues expected to be received from the annually dedicated property tax levy.

City of Portland, Oregon
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014[1]	2013	2012	2011[1]	2010	2009
Expenses										
Governmental activities:										
Public safety	$ 643,316,126	$ 662,029,926	$ 675,619,972	$ 681,079,374	$ 524,324,725	$ 539,582,340	$ 486,886,299	$ 460,750,759	$ 444,705,167	$ 452,067,911
Parks, recreation and culture	112,001,845	107,882,771	109,511,440	72,416,721	85,522,569	77,384,671	77,703,274	71,215,918	70,745,599	79,614,221
Community development	329,573,060	290,457,585	258,643,920	162,430,670	166,124,118	206,451,529	276,382,471	235,115,877	204,410,103	131,261,667
Transportation	320,566,855	319,449,307	321,615,626	302,136,406	321,045,231	304,095,341	247,019,675	264,399,020	276,185,628	248,914,860
Legislative / admin / support services	146,510,653	129,284,091	128,136,508	97,013,883	100,869,933	106,340,680	92,989,301	85,191,243	92,190,425	178,268,571
Environmental services	171,074	65,043	273,121	86,523	387,345	604,474	503,400	187,805	326,089	-
Water	145,078	208,375	298,514	175,972	185,404	221,364	409,074	89,336	157,563	-
Parking facilities	17,000	17,000	17,000	17,000	17,000	-	-	-	-	-
Interest on long-term debt	48,756,317	47,225,026	46,848,152	48,113,636	47,846,811	50,436,861	48,030,292	46,341,420	44,629,763	50,010,337
Total governmental activities expenses	1,601,058,008	1,556,619,124	1,540,964,253	1,363,470,185	1,246,323,136	1,285,117,260	1,229,923,786	1,163,291,378	1,133,350,337	1,140,137,567
Business-type activities:										
Environmental services	221,952,760	247,437,383	271,877,219	220,160,935	234,976,444	229,742,394	194,880,070	189,838,169	184,036,412	188,969,781
Water	145,619,884	145,140,721	149,291,453	102,628,362	112,388,000	120,814,693	108,344,964	103,260,628	101,965,612	98,707,471
Hydroelectric power	11,863,295	1,446,666	1,685,144	1,289,400	1,661,975	1,786,015	1,895,974	2,049,214	2,112,254	2,458,249
Parking facilities	8,290,186	8,332,521	8,084,291	6,571,712	6,872,812	6,272,155	6,858,239	6,419,814	9,372,080	9,764,605
Golf	9,739,047	9,485,970	10,856,948	9,288,014	8,890,606	8,532,476	7,704,762	7,803,648	8,023,884	8,603,692
Motor sports	1,824,639	1,556,365	1,855,628	1,578,637	1,685,405	1,745,465	1,702,924	1,730,151	1,830,052	1,811,021
Spectator facilities	8,457,756	11,357,823	8,540,984	7,590,349	6,517,715	10,232,186	8,098,517	9,412,865	8,175,758	8,698,111
Housing	-	-	733,510	774,968	721,620	763,346	967,848	1,750,675	-	-
Total business-type activities expenses	407,747,567	424,757,449	452,925,177	349,882,377	373,714,577	379,888,730	330,453,298	322,265,164	315,516,052	319,012,930
Total primary government expenses	$2,008,805,575	$1,981,376,573	$1,993,889,430	$1,713,352,562	$1,620,037,713	$1,665,005,990	$1,560,377,084	$1,485,556,542	$1,448,866,389	$1,459,150,497
Program Revenues										
Governmental activities:										
Fees, fines and charges for services:										
Public safety	$ 25,653,732	$ 22,176,413	$ 18,463,144	$ 17,462,949	$ 13,932,328	$ 9,198,789	$ 12,351,514	$ 10,589,711	$ 11,350,111	$ 29,183,131
Parks, recreation and culture	35,219,434	29,387,579	26,812,317	26,502,334	21,579,257	21,659,255	19,377,137	17,956,318	18,109,058	28,955,330
Community development	87,158,590	84,020,829	76,481,523	68,509,492	61,010,720	46,267,824	43,503,027	29,178,351	46,285,869	45,989,635
Transportation	132,575,619	127,336,714	101,746,047	94,096,155	83,482,648	81,578,019	77,531,542	61,912,494	60,397,143	71,206,830
Legislative / admin / support services	267,746,078	258,572,199	226,112,875	238,924,027	206,200,217	198,673,424	183,276,317	181,437,591	168,785,605	194,127,883
Environmental services	-	-	-	-	-	22,086	-	30,888	-	-
Operating grants and contributions	223,583,230	130,202,782	154,756,635	166,661,697	147,816,324	187,508,857	196,150,183	179,417,682	136,693,542	30,899,130
Capital grants and contributions	40,574,464	117,286,144	77,985,967	85,061,048	56,392,854	65,753,370	94,247,887	190,020,546	77,921,901	61,307,882
Total governmental activities program revenues	812,511,147	768,982,660	682,358,508	697,217,702	590,414,348	610,661,624	626,437,607	670,543,581	519,543,229	461,669,821

Continued next page

City of Portland, Oregon
Changes in Net Position, Continued
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014[1]	2013	2012	2011[1]	2010	2009
Business-type activities:										
Charges for services:										
Environmental services	403,733,997	384,195,274	357,565,915	341,993,745	316,057,459	292,754,016	268,824,936	256,570,147	239,960,866	237,136,104
Water	203,801,745	179,476,928	177,094,690	160,749,233	145,760,796	147,514,349	130,911,138	118,000,643	112,702,102	101,728,593
Hydroelectric power	2,508,455	1,375,589	1,184,193	3,769,590	4,054,750	4,060,110	4,082,287	3,650,986	3,617,879	3,363,647
Parking facilities	14,547,546	14,379,691	15,147,309	13,753,023	12,896,245	12,164,895	12,092,247	11,901,704	11,316,355	10,708,326
Golf	8,925,357	7,704,827	8,607,405	8,695,532	7,990,960	8,270,199	7,732,554	7,434,680	7,754,612	8,388,970
Motor sports	1,836,023	1,813,785	1,979,719	1,712,727	1,424,301	1,704,966	1,752,621	1,748,086	1,875,497	1,922,096
Spectator facilities	11,955,710	11,322,610	11,328,164	10,696,710	10,473,920	10,846,860	8,601,320	8,870,310	8,846,051	9,000,391
Housing	-	-	1,096,742	1,093,766	868,533	970,625	1,015,467	1,060,568	-	-
Capital grants and contributions	4,380,708	1,484,603	2,455,268	4,022,620	2,794,342	3,259,994	3,964,882	44,450,756	954,259	1,998,768
Total business-type activities program revenues	651,689,541	601,753,307	576,459,405	546,486,946	502,321,306	481,546,014	438,977,452	453,687,880	387,027,621	374,246,895
Total primary government program revenues	$1,464,200,688	$1,370,735,967	$1,258,817,913	$1,243,704,648	$1,092,735,654	$1,092,207,638	$1,065,415,059	$1,124,231,461	$ 906,570,850	$ 835,916,716
Net (Expense) / Revenue										
Governmental activities	$ (788,546,861)	$ (787,636,464)	$ (858,605,745)	$ (666,252,483)	$ (655,908,788)	$ (674,455,636)	$ (603,486,179)	$ (492,747,797)	$ (613,807,108)	$ (678,467,746)
Business-type activities	243,941,974	176,995,858	123,534,228	196,604,569	128,606,729	101,657,284	108,524,154	131,422,716	71,511,569	55,233,965
Total primary government net expense	$ (544,604,887)	$ (610,640,606)	$ (735,071,517)	$ (469,647,914)	$ (527,302,059)	$ (572,798,352)	$ (494,962,025)	$ (361,325,081)	$ (542,295,539)	$ (623,233,781)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property	$ 583,197,121	$ 537,142,744	$ 500,071,854	$ 481,282,272	$ 455,381,655	$ 441,030,147	$ 432,481,353	$ 431,933,936	$ 421,211,270	$ 388,147,722
Lodging	53,180,447	50,782,865	50,543,129	41,803,744	35,063,066	28,746,920	21,359,108	19,142,687	16,511,907	23,571,670
Miscellaneous	46,767,750	24,080,946	10,246,214	10,490,137	7,062,234	7,815,970	-	-	-	-
Investment earnings	14,941,081	21,443,369	19,481,035	8,760,007	8,950,181	6,496,779	8,967,966	10,565,464	6,104,945	18,518,024
Transfers	215,672	1,839,223	4,814,066	4,819,555	6,715,480	7,655,640	6,398,095	15,500,817	5,568,297	3,425,005
Special item:										
Contributions from Prosper Portland	-	-	-	-	-	-	3,695,549	64,246,749	-	-
Total governmental activities	698,302,071	635,289,147	585,156,298	547,155,715	513,172,616	491,745,456	472,902,071	541,389,653	449,396,419	433,662,421
Business-type activities:										
Investment earnings	3,522,031	2,752,477	5,571,466	3,248,776	2,894,317	640,963	1,450,984	4,514,155	1,132,332	12,328,970
Transfers	(215,672)	(1,839,223)	(4,814,066)	(4,819,555)	(6,715,480)	(7,655,640)	(6,398,095)	(15,500,817)	(5,568,297)	(3,425,005)
Special item:										
Capital asset write-off	-	-	-	-	-	(7,000,000)	(16,855,522)	-	-	-
Total business-type activities	3,306,359	913,254	757,400	(1,570,779)	(3,821,163)	(14,014,677)	(21,802,633)	(10,986,662)	(4,435,965)	8,903,965
Total primary government	$ 701,608,430	$ 636,202,401	$ 585,913,698	$ 545,584,936	$ 509,351,453	$ 477,730,779	$ 451,099,438	$ 530,402,991	$ 444,960,454	$ 442,566,386
Change in Net Position										
Governmental activities	(90,244,790)	(152,347,317)	(273,449,447)	(119,096,768)	(142,736,172)	(182,710,180)	(130,584,108)	48,641,856	(164,410,689)	(244,805,325)
Business-type activities	247,248,333	177,909,112	124,291,628	195,033,790	124,785,566	87,642,607	86,721,521	120,436,054	67,075,604	64,137,930
Total primary government change in net position	$ 157,003,543	$ 25,561,795	$ (149,157,819)	$ 75,937,022	$ (17,950,606)	$ (95,067,573)	$ (43,862,587)	$ 169,077,910	$ (97,335,085)	$ (180,667,395)

[1] Data as restated

City of Portland, Oregon
Fund Balances, Governmental Funds [2]
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015[1]	2014[2]	2013	2012[1]	2011	2010	2009
General Fund										
Unreserved	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 91,872,408	$ 133,755,426
Nonspendable	542,097	404,610	453,022	513,774	545,293	531,247	555,088	234,968	-	-
Committed	60,999,524	58,916,535	56,495,175	58,885,208	60,077,408	49,930,120	48,984,519	46,294,375	-	-
Assigned	11,668,282	13,028,310	17,351,152	30,220,861	7,444,423	314,562	5,415,881	23,588,446	-	-
Unassigned	46,265,155	39,584,406	27,255,828	16,460,088	28,900,909	28,514,937	22,296,208	23,962,998	-	-
Total general fund	119,475,058	111,933,861	101,555,177	106,079,931	96,968,033	79,290,866	77,251,696	94,080,787	91,872,408	133,755,426
All other governmental funds										
Reserved	-	-	-	-	-	-	-	-	15,819,740	24,940,060
Unreserved, reported in:										
Major fund:										
Transportation Operating	-	-	-	-	-	-	-	-	10,449,909	10,596,286
Nonmajor funds:										
Special revenue funds	-	-	-	-	-	-	-	-	(12,163,792)	8,976,573
Debt service funds	-	-	-	-	-	-	-	-	62,208,494	43,489,029
Capital projects funds	-	-	-	-	-	-	-	-	5,295,880	6,407,173
Major fund:										
Transportation Operating:										
Nonspendable	7,371,044	6,415,131	6,697,786	7,408,416	5,725,138	5,211,250	5,467,464	2,824,446		
Restricted	192,005,451	130,924,561	47,917,229	39,013,371	31,794,588	26,652,459	18,803,168	20,774,274		
Assigned	39,335,648	47,569,182	71,781,581	36,779,700	33,854,289	20,578,265	14,211,840			
Unassigned	-	-						(14,039,988)		
Nonmajor funds:										
Special revenue funds:										
Nonspendable	-	-	-	-	-	-	-	30,900	-	-
Restricted	202,742,859	187,431,111	156,692,731	150,476,673	102,777,084	92,318,341	77,321,176	71,044,360		
Committed	24,948,662	20,170,158	20,071,904	14,843,739	12,806,577	12,654,543	14,645,781	946,953		
Assigned	21,135,141	20,697,247	17,374,200	14,645,405	12,436,525	10,367,324	8,419,112	12,665,927		
Unassigned	(9,181,211)	(7,031,672)	(3,543,056)	(3,545,508)	(632,801)	(7,280,204)	(7,064,264)	(21,934,442)		
Debt service funds:										
Restricted	78,940,081	75,222,923	66,379,048	62,199,841	55,647,819	51,972,200	53,907,324	50,464,778		
Assigned	16,910,552	15,592,586	15,719,727	14,018,712	12,166,789	15,444,913	14,644,795	13,497,508		
Capital projects funds:										
Nonspendable	-	-						4,100		
Restricted	127,989,025	98,065,337	104,051,671	73,034,959	62,177,707	38,494,304	38,035,418	32,900,374		
Committed	1,629,625	3,767,383	1,910,862	1,282,338	665,072	9,778,398	9,480,674	694,200		
Assigned	12,654,320	9,276,240	7,545,602	6,734,058	5,889,770	8,044,889	8,308,021	6,235,808		
Unassigned	(15,069,239)	(10,050,355)								
Permanent fund:										
Nonspendable	163,025	162,956	162,832	162,572	162,843	163,182	163,142	162,740		
Restricted	22,622	21,411	20,844	19,222	18,457	18,805	19,811	19,671		
Total all other governmental funds	701,597,605	598,234,199	512,782,961	417,073,498	335,489,857	284,418,669	256,363,462	176,291,609	81,610,231	94,409,121
Total governmental funds	$ 821,072,663	$ 710,168,060	$ 614,338,138	$ 523,153,429	$ 432,457,890	$ 363,709,535	$ 333,615,158	$ 270,372,396	$ 173,482,639	$ 228,164,547

[1] Data as restated in prior years
[2] This schedule was modified with the implementation of GASB 54, effective fiscal year 2011, which affected the categories used to report fund balances.

City of Portland, Oregon
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Taxes	$ 676,415,465	$ 607,820,246	$ 561,631,327	$ 531,301,330	$ 495,153,590	$ 476,378,425	$ 448,364,391	$ 450,618,907	$ 439,807,189	$ 404,648,934
Licenses and permits	297,699,193	277,190,024	257,217,150	233,646,104	208,235,312	196,568,153	185,187,374	164,940,343	163,524,368	172,412,165
Intergovernmental	203,682,794	197,151,168	170,956,056	168,242,063	165,057,000	206,179,343	262,848,347	306,470,348	179,137,795	112,420,936
Charges for services	266,586,401	250,686,417	208,154,118	191,393,937	182,994,037	169,369,076	145,895,524	128,092,621	128,460,491	135,712,881
Assessments	15,232,474	15,837,560	14,528,846	13,398,496	20,819,124	9,019,761	8,965,051	9,628,143	17,859,689	10,494,525
Investment earnings	13,802,580	20,891,658	17,794,209	8,008,872	7,810,694	6,394,758	7,997,693	8,656,961	5,940,419	14,150,878
Miscellaneous	9,788,268	9,546,423	9,822,567	20,517,936	12,461,313	7,988,876	11,859,802	8,553,079	13,371,753	18,080,728
Total revenues	1,483,207,175	1,379,123,496	1,240,104,273	1,166,508,738	1,092,531,070	1,071,898,392	1,071,118,182	1,076,960,402	948,101,704	867,921,047
Expenditures										
Current:										
Public safety	501,826,334	460,911,538	453,566,546	432,678,952	417,619,532	405,171,299	402,526,990	382,040,051	381,431,467	365,837,451
Parks, recreation and culture	99,723,309	93,202,761	86,239,951	73,897,333	68,264,016	69,159,278	70,095,137	65,553,655	65,421,722	66,513,218
Community development	321,079,124	287,883,715	246,432,782	173,735,075	170,553,693	211,030,610	299,816,445	233,452,342	216,256,817	130,498,875
Transportation	156,403,082	151,091,787	132,681,487	147,069,608	168,259,803	162,045,823	102,732,375	119,743,004	133,225,382	106,859,618
Legislative / admin / support services	119,006,844	105,771,502	100,720,103	94,739,754	89,223,214	82,597,301	73,694,282	70,316,678	71,214,023	183,391,043
Environmental services	91,199	55,877	227,554	221,231	350,203	604,474	503,400	187,805	326,089	-
Water	-	24,915	122,542	-	50,294	221,364	409,074	89,336	157,563	-
Debt service and related costs:										
Principal	86,164,885	146,815,236	107,566,236	97,537,730	133,585,244	136,765,972	271,515,940	277,450,351	71,726,634	102,210,897
Interest	44,841,386	43,176,548	43,462,701	44,404,911	43,523,677	45,186,688	41,996,682	38,899,209	37,280,438	41,451,139
Debt issuance costs	324,906	822,050	560,115	672,770	793,356	1,052,128	2,113,436	1,528,816	1,355,153	1,063,423
Capital outlay	101,417,131	159,566,571	65,131,845	78,300,490	83,233,658	69,410,696	109,842,632	140,101,129	102,014,291	60,394,581
Total expenditures	1,430,878,200	1,449,322,500	1,236,711,862	1,143,257,854	1,175,456,690	1,183,245,633	1,375,246,393	1,329,362,376	1,080,409,579	1,058,220,245
Revenues over (under) expenditures	52,328,975	(70,199,004)	3,392,411	23,250,884	(82,925,620)	(111,347,241)	(304,128,211)	(252,401,974)	(132,307,875)	(190,299,198)
Other Financing Sources (Uses)										
Transfers in	159,673,393	141,705,782	135,383,738	113,470,018	119,542,744	103,344,628	110,772,511	104,599,012	119,996,827	64,381,992
Transfers out	(164,631,975)	(145,346,966)	(135,787,600)	(115,209,916)	(106,382,665)	(99,832,685)	(96,610,030)	(106,727,613)	(142,667,821)	(73,645,578)
Bonds and notes issued	60,220,961	158,928,038	85,333,395	60,884,119	127,965,979	129,646,072	311,873,457	287,505,419	157,041,092	160,941,346
Bonds and note premium	3,176,420	9,302,181	2,573,207	4,365,018	9,846,162	8,189,496	18,809,162	1,203,343	3,118,769	1,390,471
Bonds and note discounts	132,554	130,652	284,770	3,935,116	-	-	(82,485)	(266,645)	(73,870)	-
Loan proceeds	-	-	-	-	-	-	900,000	4,704,000	3,421,000	1,540,000
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	(63,243,022)	(24,865,000)
Proceeds from sale of capital assets	4,275	5,868	4,788	300	701,755	94,107	74,438	313,703	32,993	1,409,800
Total other financing sources (uses)	58,575,628	164,725,555	87,792,298	67,444,655	151,673,975	141,441,618	345,737,053	291,331,219	77,625,968	131,153,031
Special Item										
Contribution from Prosper Portland	-	-	-	-	-	-	3,695,549	64,246,749	-	-
Net change in fund balances	$ 110,904,603	$ 94,526,551	$ 91,184,709	$ 90,695,539	$ 68,748,355	$ 30,094,377	$ 45,304,391	$ 103,175,994	$ (54,681,907)	$ (59,146,167)
Debt service as a percentage of noncapital expenditures	9.9 %	14.7 %	12.9 %	13.3 %	16.2 %	16.3 %	24.8 %	26.6 %	11.1 %	14.4 %

City of Portland, Oregon
Program Revenues by Function
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,									
Function	2018	2017	2016	2015	2014	2013[1]	2012	2011	2010	2009
Governmental activities:										
Public safety	$ 49,405,291	$ 43,555,255	$ 41,897,135	$ 39,676,455	$ 36,944,769	$ 34,994,419	$ 39,996,014	$ 36,112,027	$ 36,579,628	$ 37,618,789
Parks, recreation and culture	76,144,725	61,329,954	55,509,279	68,963,590	54,501,838	57,103,523	47,995,617	43,739,584	30,052,917	33,900,730
Community development	151,737,844	159,837,138	115,222,934	107,714,842	89,108,592	103,323,245	117,419,849	96,334,022	77,715,883	65,551,272
Transportation	233,524,751	219,001,650	215,250,116	207,284,169	176,603,991	181,963,408	207,660,033	284,663,629	181,040,220	128,348,190
Legislative / admin / support services	299,708,818	285,258,663	254,035,719	272,563,100	231,373,014	229,168,166	210,433,303	207,800,528	192,800,377	196,250,840
Environmental services	923,689	-	343,483	1,015,546	1,463,546	1,774,149	1,602,219	1,136,538	1,239,419	-
Water	115,973	-	99,842	-	418,598	2,334,714	1,330,572	757,253	114,785	-
Subtotal governmental activities	811,561,091	768,982,660	682,358,508	697,217,702	590,414,348	610,661,624	626,437,607	670,543,581	519,543,229	461,669,821
Business-type activities:										
Environmental services	407,153,862	385,406,467	359,264,475	345,411,024	318,323,909	295,468,918	270,144,257	258,701,515	240,915,125	239,134,872
Water	204,520,196	179,661,372	177,317,208	161,248,941	145,958,266	148,014,801	131,695,155	120,880,132	112,702,102	101,728,593
Hydroelectric power	2,508,455	1,375,589	1,184,193	3,769,590	4,054,750	4,060,110	4,082,287	3,650,986	3,617,879	3,363,647
Parking facilities	14,547,546	14,379,691	15,147,309	13,753,023	12,896,245	12,164,895	12,092,247	11,901,704	11,316,355	10,708,326
Golf	8,925,357	7,704,827	8,607,405	8,695,532	7,990,960	8,270,199	7,734,929	7,434,680	7,754,612	8,388,970
Motor sports	1,836,023	1,813,785	1,979,719	1,712,727	1,424,301	1,704,966	1,752,621	29,123,925	1,875,497	1,922,096
Spectator facilities	12,198,102	11,411,576	11,862,354	10,802,343	10,804,342	10,891,500	10,460,489	8,870,310	8,846,051	9,000,391
Housing	-	-	1,096,742	1,093,766	868,533	970,625	1,015,467	13,124,628	-	-
Subtotal business-type activities	651,689,541	601,753,307	576,459,405	546,486,946	502,321,306	481,546,014	438,977,452	453,687,880	387,027,621	374,246,895
Total primary government	$ 1,463,250,632	$ 1,370,735,967	$ 1,258,817,913	$ 1,243,704,648	$ 1,092,735,654	$ 1,092,207,638	$ 1,065,415,059	$ 1,124,231,461	$ 906,570,850	$ 835,916,716

[1] Data as restated

City of Portland, Oregon
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year Ended June 30,	Property Taxes	Lodging Taxes	Arts Taxes[1]	Recreational Cannabis Tax[3]	Gas Tax	Construction Excise Tax	Other Taxes	Total Taxes
2018	$ 576,467,268	$ 53,180,447	$ 12,444,574	$ 4,399,439	$ 20,886,761	$ 9,036,976	$ 1,420,541	$ 677,836,006
2017	532,956,435	50,782,864	12,063,111	406,270	9,787,463	1,824,103	925,534	608,745,780
2016	500,841,984	50,543,129	10,246,215	-	-	-	698,417	562,329,745
2015	479,007,449	41,803,744	10,490,137	-	-	-	586,440	531,887,770
2014	453,028,290	35,063,066	7,062,234	-	-	-	924,647	496,078,237
2013	439,815,535	28,746,920	7,815,970	-	-	-	1,177,430	477,555,855
2012[2]	426,963,931	21,359,108	-	-	-	-	1,701,077	450,024,116
2011	431,476,219	19,142,687	-	-	-	-	408,159	451,027,065
2010	423,295,282	16,511,907	-	-	-	-	700,819	440,508,008
2009	381,077,264	23,571,670	-	-	-	-	758,737	405,407,671

Source: Division of Assessment and Taxation for Multnomah, Clackamas and Washington Counties

[1] Data was added in FY2015

[2] Data was revised in FY2015

[3] Implemented FY2017

City of Portland, Oregon
Assessed Valuation and Actual Values of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30, Note	Real Property	Personal Property	Public Utility Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Real Market Value	Total Taxable Assessed Value as a Percentage of Real Market Value
2018	$ 53,201,192,940	$ 2,249,420,144	$ 3,128,769,753	$ 58,579,382,837	7.88	$ 137,482,640,578	42.61%
2017	50,782,907,083	2,189,521,212	2,901,126,077	55,873,554,372	7.72	120,785,526,154	46.26
2016 **	48,849,632,397	2,089,483,130	2,598,251,460	53,537,366,987	7.76	102,628,140,456	52.17
2015	48,870,874,358	1,086,490,310	1,364,018,730	51,321,383,398	7.89	92,618,335,901	55.41
2014	44,803,583,386	1,957,482,679	2,257,891,313	49,018,957,378	7.81	84,044,895,532	58.32
2013	43,406,553,685	1,877,327,577	2,094,956,450	47,378,837,712	7.83	79,896,235,855	59.30
2012	42,300,972,173	1,870,775,539	2,121,534,522	46,293,282,234	7.69	81,163,435,001	57.04
2011	40,974,245,223	1,948,909,831	2,061,177,281	44,984,332,335	7.69	86,374,680,444	52.08
2010 *	39,707,015,212	2,039,362,255	2,040,333,669	43,786,711,136	7.80	89,022,110,363	49.19
2009 *	38,366,558,470	2,078,744,985	1,912,975,520	42,358,278,975	7.82	90,358,444,241	46.88

Sources: Tax Supervising and Conservation Commission and Divisions of Assessment and Taxation for Multnomah, Clackamas and Washington Counties.

Note: Tax rolls are prepared and taxes are collected by Multnomah, Clackamas and Washington Counties for all units of local government within their boundaries. Taxes collected by the counties are remitted to taxing districts proportionately according to the ratio of each district levy to the total of all levies in the County. Amounts established through tax increment financing have been proportionately allocated by property type

* Data was revised in FY11

** Data was revised in FY17

City of Portland, Oregon
Property Tax Rates - Direct and Overlapping Government
Last Ten Fiscal Years
(per $1,000 of assessed valuation)
(unaudited)

	City of Portland				Overlapping Rates						
Fiscal Year Ended June 30,	General	Special Revenue	Debt Service	Total	Multnomah County	Education Districts	Urban Renewal Prosper Portland[1]	Port of Portland	Metropolitan Service Districts	TriMet	Total
2018	$ 7.23	$ 0.40	$ 0.25	$ 7.88	$ 4.39	$ 10.75	$ 0.23	$ 0.07	$ 0.41	$ -	$ 23.73
2017	7.06	0.40	0.26	7.72	4.39	9.47	0.24	0.07	0.40	-	22.29
2016	7.08	0.40	0.28	7.76	4.49	9.41	0.25	0.07	0.39	-	22.37
2015	7.25	0.40	0.24	7.89	4.49	9.54	0.26	0.07	0.46	-	22.71
2014	7.19	0.40	0.22	7.81	4.54	7.76	0.28	0.07	0.47	-	20.93
2013	7.19	0.40	0.24	7.83	5.42	6.40	0.29	0.07	0.40	-	20.41
2012	7.05	0.40	0.24	7.69	5.44	8.32	0.29	0.07	0.32	0.06	22.19
2011	7.05	0.40	0.24	7.69	5.44	8.32	0.29	0.07	0.32	0.06	22.19
2010	7.21	0.40	0.19	7.80	5.38	7.62	0.30	0.07	0.41	0.09	21.67
2009	7.20	0.40	0.22	7.82	5.40	7.62	0.31	0.07	0.44	0.09	21.75

Source: Multnomah County Division of Assessment and Taxation

[1] Prosper Portland: Includes taxes collected on the urban renewal special levy imposed city-wide.

City of Portland, Oregon
Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited)

	June 30, 2018			June 30, 2009		
Taxpayer	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Port of Portland	$ 599,740,050	1	1.02 %	$ 409,281,370	1	0.97 %
Alaska Airlines	415,491,700	2	0.71	-		-
Portland General Electric Co	337,967,950	3	0.58	254,235,470	3	0.60
Pacificorp (PP&L)	334,346,000	4	0.57	244,454,000	4	0.58
Weston Investment Co LLC	264,055,200	5	0.45	208,514,430	5	0.50
Comcast	244,031,400	6	0.42	-		-
Evraz Inc NA	230,607,780	7	0.39	-		-
Southwest Airlines Co	224,514,300	8	0.38	-		-
AT&T, Inc	219,633,200	9	0.37	127,686,700	9	0.30
Centurylink	213,530,100	10	0.36	-		-
Qwest Wireless	-		-	274,428,060	2	0.65
Oregon Steel Mills, Inc.	-		-	179,313,900	6	0.42
LC Portland LLC	-		-	153,027,950	7	0.36
NW Natural Gas	-		-	137,242,080	8	0.32
Verizon Wireless VAW LLC	-		-	123,480,400	10	0.29
Total	$ 3,083,917,680		5.25 %	$ 2,111,664,360		4.99 %
Total assessed valuation	$ 58,579,382,837			$ 42,358,278,975		

Source: Multnomah County Division of Assessment and Taxation and the City of Portland 2008 CAFR

City of Portland, Oregon
Property Taxes Levies and Collections
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended June 30,	Tax Levy for the Fiscal Year[1]	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2018	$ 600,155,321	$ 565,640,099	94.25 %	$ -	$ 565,640,099	94.25 %
2017	551,135,421	522,198,704	94.75	6,974,724	529,173,428	96.02
2016	516,333,732	488,402,282	94.59	6,776,534	495,178,816	95.90
2015	494,785,514	467,210,020	94.43	11,233,392	478,443,412	96.70
2014	467,516,063	440,453,970	94.21	11,347,978	451,801,948	96.64
2013	452,452,709	425,290,736	94.00	12,675,863	437,966,599	96.80
2012	445,043,642	412,972,199 [2]	92.79 [2]	14,162,503	427,134,702	95.98
2011	445,238,206	416,836,027	93.62	14,825,890	431,661,917	96.95
2010	436,246,475	407,939,510	93.51	15,982,931	423,922,441	97.17
2009	397,821,681	368,922,355	92.74	16,739,630	385,661,985	96.94

Sources: Divisions of Assessment and Taxation for Multnomah, Clackamas and Washington Counties

Notes: Taxes are levied as of July 1 each year and are payable in three installments without interest on November 15, February 15 and May 15. Interest is charged at the rate of 1% per month on delinquent taxes. Tax liens are foreclosed by the various counties after three years' delinquencies. Taxpayers receive a discount of 3% for full payment by November 15 and 2% for payment of 2/3 of the total taxes due.

[1] Total tax levy includes special levies for urban renewal projects.

[2] Restated amount collected within the fiscal year of levy and recalculated percentage of levy.

City of Portland, Oregon
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(unaudited)

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities:										
General obligation bonds	$ 137,330,000	$ 124,010,000	$ 99,250,000	$ 83,625,000	$ 75,850,000	$ 62,675,000	$ 70,740,000	$ 78,530,000	$ 58,890,000	$ 66,820,000
Limited tax improvement bonds	28,660,000	32,585,000	36,805,000	43,315,000	48,625,000	50,700,000	55,940,000	57,425,000	63,105,000	44,260,000
Urban renewal and redevelopment bonds	357,231,200	392,225,600	425,726,400	457,420,000	490,735,000	519,785,000	508,130,000	425,050,000	353,405,000	334,445,000
Limited tax and limited tax revenues bonds	7,890,000	360,410,948	340,436,589	375,114,861	405,413,191	387,503,608	376,042,730	388,347,991	420,165,722	422,137,316
Revenue bonds	7,890,000	9,512,000	11,065,000	13,049,000	14,974,000	16,820,000	18,515,000	3,715,000	4,295,000	4,865,000
Notes, loans and lines of credit payable	176,358,956	122,787,212	102,920,735	77,000,697	57,526,763	71,688,388	97,914,167	124,454,570	183,116,127	194,129,708
Unamortized premiums and discounts	34,435,273	36,618,857	30,992,215	33,717,592	36,904,989	31,860,103	28,556,970	11,106,340	12,543,878	10,117,000
Total governmental activities	749,795,429	1,078,149,617	1,047,195,939	1,083,242,150	1,130,028,943	1,141,032,099	1,155,838,867	1,088,628,901	1,095,520,727	1,076,774,024
Business- type activities:										
Capitalized lease obligations	-	-	-	-	-	-	-	-	-	84,772
General obligation bonds	-	-	-	-	-	-	-	-	1,590,000	3,135,000
Limited tax and limited tax revenue bonds	73,305,431	82,061,240	101,545,969	113,331,618	123,936,784	133,164,668	142,052,566	138,179,477	134,415,413	140,815,546
Revenue bonds	2,174,570,000	2,113,000,000	2,189,760,000	2,341,685,000	2,176,310,002	2,091,980,000	1,957,895,000	2,042,696,000	1,640,956,000	1,640,114,000
Notes and loans payable	12,174,625	13,554,496	14,920,587	16,273,040	17,810,751	97,796,100	20,815,849	32,472,241	182,355,327	20,034,963
Unamortized premiums and discounts	198,827,913	203,208,177	158,794,291	137,482,803	117,958,078	115,881,875	87,643,791	96,956,081	59,228,268	64,242,224
Total business-type activities	2,458,877,969	2,411,823,913	2,465,020,847	2,608,772,461	2,436,015,615	2,438,822,643	2,208,407,206	2,310,303,799	2,018,545,008	1,868,426,505
Total primary government	$ 3,208,673,398	$3,489,973,530	$3,512,216,786	$3,692,014,611	$3,566,044,558	$3,579,854,742	$3,364,246,073	$3,398,932,700	$3,114,065,735	$2,945,200,529
Percentage of personal income [1]	N/A	2.85 %	2.99 %	3.38 %	3.51 %	3.57 %	3.58 %	3.86 %	3.59 %	3.24 %
Per capita [1]	$ 5,465	$ 5,440	$ 5,560	$ 5,957	$ 5,855	$ 5,937	$ 5,664	$ 5,807	$ 5,387	$ 5,196

Source: Bureau of Revenue and Financial Services

N/A: Data not available for this fiscal year.

[1] Data was revised in FY18

City of Portland, Oregon
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(unaudited)

Governmental Activities

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal[1]	Total	Total Taxable Assessed Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Population
2018	$ 137,330,000	$ (808,874)	$ 136,521,126	$58,579,382,837	0.23 %	$ 212	647,805
2017	124,010,000	(809,611)	123,200,389	55,873,554,372	0.22	193	641,494
2016	99,250,000	(566,995)	98,683,005	53,537,366,987	0.18	157	631,731
2015	83,625,000	(38,332)	83,586,668	51,321,383,398	0.16	135	619,740
2014	75,850,000	(338,832)	75,511,168	49,018,957,378	0.15	125	609,059
2013	62,675,000	(538,158)	62,136,842	47,378,837,712	0.13	104	602,955
2012	70,740,000	(801,396)	69,938,604	46,293,282,234	0.15	119	593,965
2011	78,730,000	(740,720)	77,989,280	44,984,332,334	0.17	135	585,340
2010	58,890,000	(665,173)	58,224,827	43,786,711,136	0.13	102	578,104
2009	66,820,000	(465,672)	66,354,328	42,358,278,975	0.16	118	566,850

Note: Represents general obligation bonded debt issued for funding parks, housing and emergency facilities projects

[1] Data was revised in 2018.

Business-type Activities

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total	Total Taxable Assessed Value	Percentage of Estimated Actual Taxable Value of Property	Per Capita	Population
2018	$ -	$ -	$ -	$58,579,382,837	- %	$ -	647,805
2017	-	-	-	55,873,554,372	-	-	641,494
2016	-	-	-	53,537,366,987	-	-	631,731
2015	-	-	-	51,321,383,398	-	-	619,740
2014	-	-	-	49,018,957,378	-	-	609,059
2013	-	-	-	47,378,837,712	-	-	602,955
2012	-	-	-	46,293,282,234	-	-	593,965
2011	-	-	-	44,984,332,334	-	-	585,340
2010	1,590,000	(17,959)	1,572,041	43,786,711,136	-	3	578,104
2009	3,135,000	(21,848)	3,113,152	42,358,278,975	0.01	6	566,850

Note: Represents general obligation bonded debt issued for Water infrastructure

[1] Data was revised in 2018.

City of Portland, Oregon
Direct and Overlapping Governmental Activities Debt
June 30, 2018
(unaudited)

Jurisdiction	Net Property Tax Backed Debt	Percentage within City of Portland	Amount Applicable to City of Portland
Clackamas Community College	$ 98,403,913	0.18 %	$ 181,949
Clackamas County	138,185,000	0.23	315,753
Clackamas City ESD	22,100,000	0.15	32,465
Clackamas County SD 12 (North Clackamas)	601,147,673	0.46	2,794,736
Clackamas County SD* 7J (Lake Oswego)	242,549,604	0.02	55,544
Columbia County SD 1J (Scappoose)	26,345,000	6.12	1,613,210
Metro	205,735,000	45.99	94,612,383
Mt Hood Community College	21,960,000	42.32	9,292,725
Multnomah County	369,885,250	86.53	320,059,488
Multnomah County Drainage District 1	4,500,000	100.00	4,500,000
Multnomah County SD 1J (Portland)	982,119,880	97.93	961,750,714
Multnomah County SD 28J (Centennial)	20,535,050	54.03	11,095,929
Multnomah County SD 3 (Parkrose)	56,759,286	98.47	55,889,393
Multnomah County SD 40 (David Douglas)	81,262,481	100.00	81,261,913
Multnomah County SD 51J (Riverdale)	18,249,889	5.16	941,585
Multnomah County SD 7 (Reynolds)	206,085,539	23.95	49,352,541
Northwest Regional ESD	35,000	0.25	87
Portland Community College	461,071,466	49.86	229,912,364
Tualatin Hills Park & Recreation District	77,707,133	0.02	19,038
Washington County	219,115,761	0.26	561,375
Washington County SD 23J (Tigard-Tualatin)	262,838,126	0.10	254,164
Washington County SD 48J (Beaverton)	1,035,618,531	0.28	2,922,515
Subtotal overlapping debt	$ 5,152,209,582		1,827,419,871
City direct debt			749,795,429
Total direct and overlapping debt			$ 2,577,215,300

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. The State of Oregon provides overlapping debt data based on real market valuation of properties for each jurisdiction.

*SD - School District

City of Portland, Oregon
Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

	Fiscal Year Ended June 30,									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Debt Limit	$ 4,124,479,217	$ 3,623,565,785	$3,078,844,214	$2,778,550,077	$2,521,346,866	$2,396,887,076	$2,434,903,050	$2,591,240,413	$2,670,663,311	$2,710,753,327
Total net debt applicable to limit	136,521,126	123,200,389	98,683,005	83,586,668	75,511,168	62,136,842	69,938,604	77,789,280	58,206,868	66,332,480
Legal debt margin	$ 3,987,958,091	$ 3,500,365,396	$2,980,161,209	$2,694,963,409	$2,445,835,698	$2,334,750,234	$2,364,964,446	$2,513,451,133	$2,612,456,443	$2,644,420,847
Total net debt applicable to limit as a percentage of legal debt margin	3.42 %	3.52 %	3.31 %	3.10 %	3.09 %	2.66 %	2.96 %	3.09 %	2.23 %	2.51 %

Legal Debt Margin Calculation for Fiscal Year 2018

Real market value	$137,482,640,578
Debt limit (3% of real market value)	4,124,479,217
Debt applicable to limit:	
General obligation bonds	137,330,000
Less: Amount set aside for repayment of general obligation debt	(808,874)
Total net debt applicable to limit	136,521,126
Legal debt margin	$ 3,987,958,091

Note: Oregon Revised Statutes Section 287A.050 provides a debt limit of 3% of real market value of all taxable property within City boundaries as provided in ORS 308.207 for general obligation debt.

City of Portland, Oregon
Pledged-Revenue Coverage
Sewer System
Last Ten Fiscal Years

	First Lien Sewer System Revenue Bonds[1]									
						First Lien Bond Debt Service Requirements				
Fiscal Year Ended June 30,	Gross Revenues[2]	Less: Operating Expenses[2]	Non-Stabilized Net Revenues Available for Debt Service	Net Transfers From (to) Rate Stabilization Fund	Stabilized Net Revenue Available for Debt Service	Principal	Interest	Total	Non-Stabilized Coverage	Stabilized Coverage
2018	$ 392,667,838	$ 110,457,443	$ 282,210,395	$ (29,000,000)	$ 253,210,395	$ 72,925,000	$ 23,254,054	$ 96,179,054	2.93	2.63
2017	373,524,446	102,461,741	271,062,705	(31,500,000)	239,562,705	69,495,000	25,905,970	95,400,970	2.84	2.51
2016	347,887,350	100,940,043	246,947,307	(23,615,114)	223,332,193	65,525,000	31,974,926	97,499,926	2.53	2.29
2015	331,225,477	95,223,004	236,002,473	(25,250,000)	210,752,473	60,585,000	35,039,760	95,624,760	2.47	2.20
2014	309,233,026	98,727,948	210,505,078	(21,375,000)	189,130,078	57,675,000	40,110,644	97,785,644	2.15	1.93
2013	284,975,424	102,302,929	182,672,495	7,550,000	190,222,495	54,940,000	42,866,394	97,806,394	1.87	1.94
2012	264,178,982	93,966,499	170,212,483	18,585,000	188,797,483	52,300,000	45,489,894	97,789,894	1.74	1.93
2011	250,891,268	89,421,417	161,469,851	29,500,000	190,969,851	49,815,000	47,988,894	97,803,894	1.65	1.95
2010	231,689,729	87,213,116	144,476,613	9,750,000	154,226,613	40,050,000	49,982,294	90,032,294	1.60	1.71
2009	231,577,544	84,871,252	146,706,292	10,000,000	156,706,292	35,680,000	54,345,994	90,025,994	1.63	1.74
								Required	1.00	1.20
								Bureau Goal	1.00	1.50

Source: Bureau of Environmental Services

Notes:
1. Historical amounts may differ slightly from what has been published in previous Comprehensive Annual Financial Reports as a result of corrections to previous calculations. None of the corrections had a significant impact on final debt service coverages.
2. Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

Continued next page

City of Portland, Oregon
Pledged-Revenue Coverage, Continued
Sewer System
Last Ten Fiscal Years

	Combined First and Second Lien Sewer System Revenue Bonds[1]									
Fiscal Year Ended June 30,	Gross Revenues[2]	Less: Operating Expenses[2]	Non-Stabilized Net Revenues Available for Debt Services	Net Transfers From (to) Rate Stabilization Fund	Stabilized Net Revenue Available for Debt Services	Combined First and Second Lien Bond Debt Service Requirements[3] Principal	Interest[4]	Total	Non-Stabilized Coverage	Stabilized Coverage
2018	$ 392,667,838	$ 110,457,443	$ 282,210,395	$ (29,000,000)	$ 253,210,395	$ 102,105,000	$ 66,783,836	$ 168,888,836	1.67	1.50
2017	373,524,446	102,461,741	271,062,705	(31,500,000)	239,562,705	98,180,000	69,111,108	167,291,108	1.62	1.43
2016	347,887,350	100,940,043	246,947,307	(23,615,114)	223,332,193	92,720,000	78,745,085	171,465,085	1.44	1.30
2015	331,225,477	95,223,004	236,002,473	(25,250,000)	210,752,473	81,555,000	80,684,059	162,239,059	1.45	1.30
2014	309,233,026	98,727,948	210,505,078	(21,375,000)	189,130,078	71,830,000	74,758,838	146,588,838	1.44	1.29
2013	284,975,424	102,302,929	182,672,495	7,550,000	190,222,495	70,805,000	76,076,831	146,881,831	1.24	1.30
2012	264,178,982	93,966,499	170,212,483	18,585,000	188,797,483	67,540,000	79,341,406	146,881,406	1.16	1.29
2011	250,891,268	89,421,417	161,469,851	29,500,000	190,969,851	72,685,000	73,602,513	146,287,513	1.10	1.31
2010	231,689,729	87,213,116	144,476,613	9,750,000	154,226,613	52,460,000	66,076,106	118,536,106	1.22	1.30
2009	231,577,544	84,871,252	146,706,292	10,000,000	156,706,292	47,040,000	72,584,279	119,624,279	1.23	1.31
								Required	1.00	1.10
								Bureau Goal	1.00	1.30

	Subordinate Lien Sewer System State Revolving Fund Loans[1]													
Fiscal Year Ended June 30,	Gross Revenues[2]	Less: Operating Expenses[2]	Non-Stabilized Net Revenues Available for Debt Service	Net Transfers From (to) Rate Stabilization Fund	Stabilized Net Revenue Available for Debt Service	First and Second Lien Bond Debt Service Requirements[3] Principal	Interest[5]	Total	Subordinate Lien SRF Loan Debt Service Requirements Principal	Interest	Total	135% of Subord. Lien Debt Service	Non-Stabilized Coverage	Stabilized Coverage
2018	$392,667,838	$110,457,443	$282,210,395	$(29,000,000)	$253,210,395	$102,105,000	$ 66,783,836	$168,888,836	$ 1,379,871	$ 133,163	$ 1,513,034	$ 2,042,596	1.65	1.48
2017	373,524,446	102,461,741	271,062,705	(31,500,000)	239,562,705	98,180,000	69,111,108	167,291,108	1,366,091	146,943	1,513,034	2,042,596	1.60	1.41
2016	347,887,350	100,940,043	246,947,307	(23,615,114)	223,332,193	92,720,000	78,745,085	171,465,085	1,352,453	160,581	1,513,034	2,042,596	1.42	1.29
2015	331,225,477	95,223,004	236,002,473	(25,250,000)	210,752,473	81,555,000	80,684,059	162,239,059	1,338,950	174,084	1,513,034	2,042,596	1.44	1.28
2014	309,233,026	98,727,948	210,505,078	(21,375,000)	189,130,078	71,830,000	74,758,838	146,588,838	1,325,584	187,450	1,513,034	2,042,596	1.42	1.27
2013	284,975,424	102,302,929	182,672,495	7,550,000	190,222,495	70,805,000	76,076,831	146,881,831	1,312,759	200,275	1,513,034	2,042,596	1.23	1.28
2012	264,178,982	93,966,499	170,212,483	18,585,000	188,797,483	67,540,000	79,341,406	146,881,406	1,264,705	204,835	1,469,540	1,983,879	1.14	1.27
2011	250,891,268	89,421,417	161,469,851	29,500,000	190,969,851	72,685,000	73,602,513	146,287,513	1,153,142	192,363	1,345,505	1,816,432	1.09	1.29
2010	231,689,729	87,213,116	144,476,613	9,750,000	154,226,613	52,460,000	66,076,106	118,536,106	1,135,181	196,530	1,331,711	1,797,810	1.20	1.28
2009	231,577,544	84,871,252	146,706,292	10,000,000	156,706,292	47,040,000	72,584,279	119,624,279	1,107,505	206,085	1,313,590	1,773,347	1.21	1.29
												Required	None	1.00

Source: Bureau of Environmental Services

Notes:
1. Historical amounts may differ slightly from what has been published in previous Comprehensive Annual Financial Reports as a result of corrections to previous calculations. None of the corrections had a significant impact on final debt service coverages.
2. Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.
3. Debt service coverage requirement on second lien revenue bonds is based upon combined debt service of first and second lien bonds.
4. In computing debt service coverage for the Second Lien Sewer System Revenue Bonds, the interest on second lien variable rate bonds is calculated using the Estimated Average Interest Rate as defined in the Master Second Lien Sewer System Revenue Bond Declaration.
5. In computing debt service coverage for the Subordinate Lien Sewer System State Revolving Fund Loans, interest on second lien variable rate bonds is the actual interest payments.

City of Portland, Oregon
Pledged-Revenue Bond Coverage
First Lien Water System Revenue Bonds
Last Ten Fiscal Years
(unaudited)
(amounts expressed in thousands)

Fiscal Year Ended June 30,	Gross Revenues[1]	Direct Operating Expense [1]	Net Revenues Available for Debt Service	First Lien Bond Debt Service Requirements			Debt Service Coverage
				Principal	Interest	Total	
2018	$ 203,199	$ 84,143	$ 119,056	$ 18,540	$ 18,448	$ 36,988	3.22
2017	183,304	77,909	105,395	18,915	15,957	34,872	3.02
2016	179,200	93,514	85,686	12,270	16,534	28,804	2.97
2015	162,528	67,951	94,577	13,230	14,921	28,151	3.36
2014	147,497	65,035	82,462	12,290	14,125	26,415	3.12
2013	148,656	66,199	82,457	15,520	15,991	31,511	2.62
2012	132,356	67,670	64,686	11,885	15,141	27,026	2.39
2011	118,700	64,373	54,327	10,015	12,128	22,143	2.45
2010	113,688	66,159	47,529	9,157	8,510	17,667	2.69
2009	105,433	64,275	41,158	6,465	8,528	14,993	2.75

Source: Portland Water Bureau

[1] Amounts in schedule are calculated in accordance with applicable bond ordinances. Gross Revenues excludes $5.5 million for FY 2017-18 related to proceeds from the Anderson lawsuit settlement.

City of Portland, Oregon
Schedule of Revenue Bond Coverage
Second Lien Water System Revenue Bonds
(unaudited)
(amounts expressed in thousands)

Fiscal Year Ended June 30,	Gross Revenues[2]	Direct Operating Expenses[2]	Net Revenues Available for Debt Service	Transfers From (To) Rate Stabilization Account	Stabilized Net Revenue Available for Debt Service	Combined First and Second Lien Bond Debt Service Requirements[1]			Non-Stabilized Coverage	Stabilized Coverage
						Principal	Interest	Total		
2018	$ 203,199	$ 84,143	$ 119,056	$ (8,100)	$ 110,956	$ 28,255	$ 27,511	$ 55,766	2.13	1.99
2017	183,304	77,909	105,395	(3,000)	102,395	28,180	25,464	53,644	1.96	1.91
2016	179,200	73,750	105,450	(3,000)	102,450	24,310	26,544	50,854	2.07	2.01
2015	162,528	67,951	94,577	(2,500)	92,077	24,760	25,446	50,206	1.88	1.83
2014	147,497	65,035	82,462	428	82,890	21,685	24,043	45,728	1.80	1.81
2013	148,656	66,199	82,457	(12,600)	69,857	17,435	18,626	36,061	2.29	1.94
2012	132,356	67,670	64,686	(1,560)	63,126	13,720	17,856	31,576	2.05	2.00
2011	118,700	64,373	54,327	(3,290)	51,037	11,770	14,919	26,689	2.04	1.91
2010	113,688	66,159	47,529	(7,400)	40,129	10,190	12,027	22,217	2.14	1.81
2009	105,433	64,275	41,158	(2,250)	38,908	8,060	11,480	19,540	2.11	1.99

Source: Portland Water Bureau
[1] Debt Service coverage requirement on Second Lien Water Revenue Bonds is based upon combined debt service of First and Second Lien Bonds.
[2] Amounts in schedule are calculated in accordance with applicable bond ordinances. Gross Revenues excludes $5.5 million for FY 2017-18 related to proceeds from the Anderson lawsuit settlement.

City of Portland, Oregon
Demographic Statistics
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended June 30,	City of Portland Population[1]	Metropolitan Statistical Area Population[2]	Personal Income (expressed in thousands)[2]	Per Capita Personal Income[2]	Portland Public Schools Enrollment[3]	Unemployment Rate[4]
2018	647,805	N/A	N/A	N/A	N/A	3.5 %
2017	641,494	2,424,955	$ 122,433,633	$ 50,489	49,557	3.8
2016	631,731	2,384,807	117,372,731	49,217	49,189	4.6
2015	619,740	2,346,192	109,125,143	46,512	49,075	5.0
2014	609,059	2,312,503	101,689,188	43,974	48,459	5.9
2013	602,955	2,288,142	100,257,000	43,816	48,098	6.8
2012	593,965	2,260,165	93,931,598	41,560	47,508	7.5
2011	585,340	2,232,543	88,150,843	39,484	47,288	8.3
2010	578,104	2,206,737	86,727,054	39,301	46,803	9.5
2009	566,850	2,172,853	91,015,463	41,888	46,046	11.4

N/A: Data not available for this fiscal year

[1] United States Census Bureau Annual Estimates of the Resident Population 2011-2017, Estimates are as of July 1 of the prior calendar year.
[2] Bureau of Economic Analysis CA1-3 Personal income summary; Portland-Vancouver-Hillsboro OR-WA Metropolitan Statistical Area (MSA) includes Clackamas, Columbia, Multnomah, Washington and Yamhill Counties in Oregon, as well as Clark and Skamania Counties in Washington (Calendar year-end figure used for following June 30 fiscal year end.) Last updated: November 17, 2017 - new estimates for 2016; revised estimates for 2010-2015.
[3] Portland Public Schools, Data and Policy Analysis Fall Membership 2017
[4] U.S. Department of Labor, Bureau of Labor Statistics, City of Portland Rate Only
* Data was revised in FY15.

City of Portland, Oregon
Principal Employers
Current Year and Nine Years Ago
(unaudited)

	2018			2009		
Employer	Employees[1]	Rank	Percentage of Total Metropolitan Statistical Area Employment[2]	Employees[3]	Rank	Percentage of Total Metropolitan Statistical Area Employment[2]
Intel Corporation	20,000	1	1.57%	15,141	3	1.37%
Providence Health and Services	18,286	2	1.43	13,825	4	1.25
Oregon Health & Science University	16,658	3	1.31	12,700	5	1.15
Nike Inc.	12,000	4	0.94	8,251	8	0.75
Legacy Health System	11,250	5	0.88	7,000	9	0.63
City of Portland	9,710	6	0.76	9,630	6	0.87
Fred Meyer	7,741	7	0.61	6,900	10	0.63
Portland Public Schools	7,600	8	0.60	-	N/A	-
Beaverton School District	5,457	9	0.43	-	N/A	-
Multnomah County	5,401	10	0.42	-	N/A	-
State of Oregon	-	N/A	-	21,600	1	1.96
U.S. Government	-	N/A	-	18,300	2	1.66
Kaiser Permanente NW	-	N/A	-	8,759	7	0.79
Total	114,103		8.95%	122,106		11.06%
Total MSA[2] employment	1,276,346			1,102,945		

Sources:

[1] Portland Business Journal; Book of Lists 2018

[2] U.S. Department of Labor, Bureau of Labor Statistics, calendar year end figure used for following June 30 fiscal year end. Portland-Vancouver-Beaverton, Oregon-Washington Survey Area or MSA is defined as Multnomah, Washington, Clackamas, Columbia and Yamhill Counties of Oregon, and Clark and Skamania Counties of Washington State.

[3] City of Portland, 2009 Comprehensive Annual Financial Report.

City of Portland, Oregon
Full-Time Equivalent [1] Employees by Function/Program
Last Ten Fiscal Years
(unaudited)

	Full-time Equivalent Employees as of June 30,									
Function/Program	2018[9]	2017[9]	2016[8]	2015[8]	2014[7]	2013[6]	2012[5]	2011[4]	2010[3]	2009[2]
Public safety	2,184	2,161	2,116	2,079	2,059	2,119	2,159	2,164	2,181	2,220
Parks, recreation and culture	695	666	580	457	433	420	445	446	447	437
Community development	681	610	561	501	448	409	403	388	506	567
Transportation	911	866	794	760	734	745	762	764	743	798
Legislative / admin / support services	873	849	841	819	817	846	856	857	861	842
Environmental services	573	561	542	524	521	538	543	549	541	523
Water	593	590	572	569	581	620	631	641	642	673
Total employees	6,510	6,303	6,006	5,709	5,593	5,697	5,799	5,809	5,921	6,060

Sources: Adopted Budget City of Portland, Oregon, Fiscal Year 2018-2019, Volume 1

[1] A full-time employee is scheduled to work 2,088 hours per year (including vacation and sick leave). Full-time-equivalent employment is calculated by dividing total labor hours by 2,088.

[2] Amount represents actual total as published in the Adopted Budget FY 2012-13

[3] Amount represents actual total as published in the Adopted Budget FY 2013-14

[4] Amount represents actual total as published in the Adopted Budget FY 2014-15

[5] Amount represents actual total as published in the Adopted Budget FY 2015-16

[6] Amount represents actual total as published in the Adopted Budget FY 2016-17

[7] Amount represents actual year-end estimate as published in the Adopted Budget FY 2017-18

[8] Amount represents actual year-end estimate as published in the Adopted Budget FY 2018-19

[9] Amount represents revised year-end estimate as published in the Adopted Budget FY 2018-19

City of Portland, Oregon
Operating Indicators by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	Fiscal Year Ended June 30, 2018[2]	2017	2016	2015	2014	2013	2012	2011	2010	2009[3]
Public safety:										
Number of Crime Against Persons offenses per 1,000 residents	14	13	13	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Crime Against Property offenses per 1,000 residents	79	79	74	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Percentage of emergency 9-1-1 calls answered within 20 seconds	64 %	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of fire, medical and other incidents	87,166	85,698	81,076	77,581	72,023	70,386	69,016	67,212	65,912	67,238
Maximum response time to 90 percent of high priority calls (in minutes)	7.19	7.39	7.18	7.12	7.12	7.02	7.15	N/A	N/A	N/A
Total number of emergency telephone line calls	527,027	522,947	536,798	526,243	486,353	468,738	456,619	446,638	444,581	464,084
Percentage of neighborhoods with active NET teams	82 %	71 %	59 %	47 %	37	N/A	N/A	N/A	N/A	N/A
Parks, recreation and culture:										
Number of park acres per 1,000 residents	18	19	19	19	20	20	20	19	19	19
Percentage of residents living within three miles of a full-service community center	N/A %	70 %	70 %	69 %	69 %	70 %	69 %	69 %	69 %	69
Percentage of residents living within 1/2 miles of a developed park or natural area	N/A %	80 %	81 %	80 %	80 %	80 %	79 %	79 %	77 %	76
Community development:										
Total number of commercial and residential building permits	10,324	10,403	10,073	8,964	N/A	N/A	N/A	N/A	N/A	N/A
Total number of commercial and residential inspections	191,146	177,705	176,939	152,426	141,847	134,391	109,495	124,094	131,011	176,626
Percentage of waste recycled or composted	54 %	63 %	64 %	69 %	70 %	70 %	66 %	71 %	N/A	N/A
Number of certified green buildings in Portland	2,872	2,766	2,573	2,362	2,123	2,051	2,378	1,700	1,595	1,379
Percentage reduction in per person carbon emissions from 1990 levels	41 %	41 %	41 %	41 %	31 %	30 %	28 %	26 %	20 %	18
Housing units opened that are newly affordable	804	511	362	182	279	131	92	344	N/A	N/A
Number of individuals prevented from becoming homeless	7,458	6,139	4,174	3,522	4,023	N/A	N/A	N/A	N/A	N/A
Transportation and parking:										
Annual streetcar ridership	4,870,556	4,720,474	4,313,571	4,623,520	4,400,000	N/A	N/A	N/A	N/A	N/A
On-street parking expenses as a percentage of revenues	21 %	23 %	26 %	31 %	31 %	30	N/A	N/A	N/A	N/A
Percentage of "busy" (collector/arterial) streets in fair or better condition	48 %	50 %	53 %	55 %	51 %	N/A	N/A	N/A	N/A	N/A
Percentage of local streets in fair or better condition	31 %	36 %	40 %	43 %	44 %	N/A	N/A	N/A	N/A	N/A

Continued next page

City of Portland, Oregon
Operating Indicators by Function/Program, continued
Last Ten Fiscal Years
(unaudited)

Function/Program	Fiscal Year Ended June 30, 2018[2]	2017	2016	2015	2014	2013	2012	2011	2010	2009[3]
Legislative / admin / support services:										
Number of litigation cases	1,481	1,580	1,447	1,259	1,167	1,402	1,433	2,121	2,072	1,932
Percentage of cases favorably resolved	97 %	90 %	95 %	89 %	N/A	N/A	N/A	N/A	N/A	N/A
Number of active grants - all types	221	351	352	550	475	475	475	475	475	328
Percentage of OMF owned City facilities (excluding spectator venues) maintained in good or better condition	61 %	61 %	61 %	61 %	61 %	61 %	94 %	95 %	95 %	90 %
Percentage of sedans that are electric or plug-in hybrid	44 %	39 %	36 %	11 %	8 %	N/A	N/A	N/A	N/A	N/A
Percentage of all subcontract dollars awarded to Minority, Women, and Emerging Small Businesses subs for construction and professional services contracts	51 %	43 %	19 %	30 %	35 %	22 %	26 %	35 %	25	N/A
Environmental services:										
Amount of wastewater processed annually (in million gallons)	28,901	36,242	32,973	27,597	28,433	28,569	30,911	30,449	27,566	24,927
Number of sanitary sewer overflows	168	179	134	146	227	131	121	N/A	N/A	N/A
Number of combined sewer overflows	3	7	5	4	4	2	4	48	62	44
Water:										
Average minutes that customers are on hold before speaking to a customer service representative	0.33	2.26	3.36	1.50	1.52	1.50	2.03	1.39	N/A	N/A
Number of violations of state and federal drinking water quality regulations	0	0	0	0	1	1	0	0	1	0
Number of violations of state and federal environmental regulations	0	0	0	0	2	0	0	0	0	0

Sources: City of Portland Dashboards of bureau key performance measures, Fiscal Year 2017

NA: Data not available for this fiscal year

[1] City of Portland key performance measure representation was revised FY2017.
[2] Amount represents year-end estimates as published in the most recent performance dashboard.
[3] Historical amounts may differ slightly from what has been published in previous Comprehensive Annual Reports as a result of corrections to previous calculations.

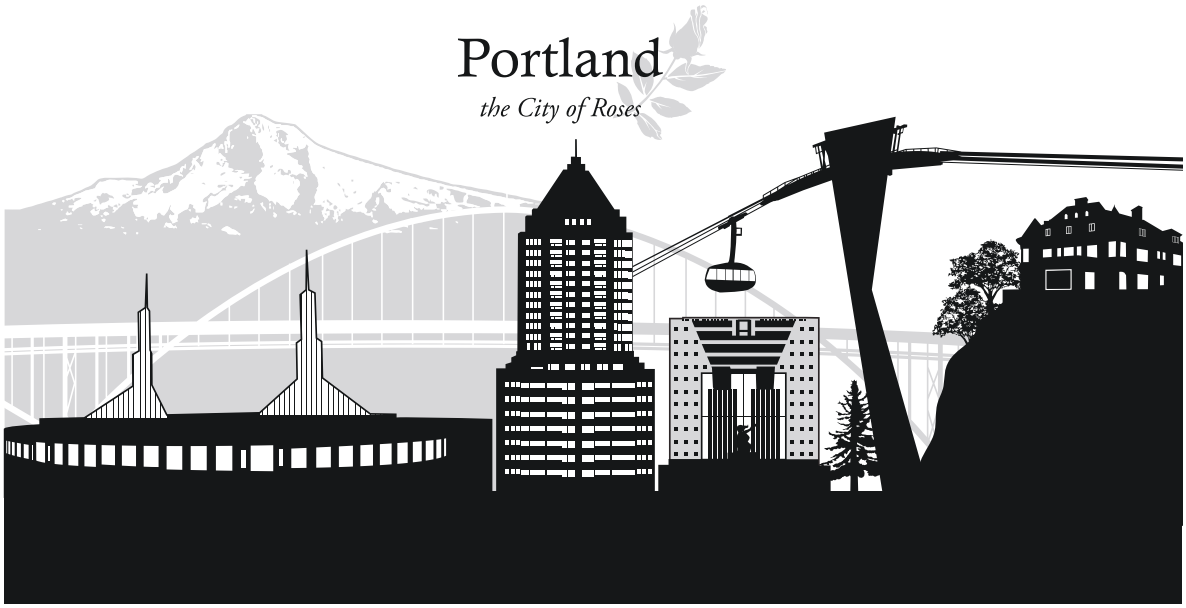
City of Portland, Oregon
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	Fiscal Year Ended June 30, 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public safety:										
Number of front-line emergency vehicles	75	74	81	77	82	81	81	80	73	80
Fire stations	31	30	30	30	30	30	30	30	30	30
Police precincts	3	3	3	3	3	3	3	3	3	3
Police vehicles	700	692	700	641	644	627	688	673	653	659
Parks, recreation and culture:										
Developed parks[4]	146	144	144	144	144	145	141	143	143	136
Sports fields[1]	237	235	234	234	234	232	225	225	351	351
Arts and community centers	19	15	15	15	18	18	18	18	18	18
Pools	13	13	13	13	13	13	13	13	13	13
Golf courses	6	6	6	6	6	5	5	5	5	5
Transportation:										
Lane miles of streets[2]	4,851	4,850	4,851	4,833	4,835	4,829	4,907	4,931	4,776	4,776 *
Miles of bikeways*	375	371 **	352	345	338	331	328	328	324	305 *
Number of street lights*	56,360	56,032	56,032	55,864	55,654	55,477	55,389 *	55,055 *	54,911 *	54,755 *
Unpaved streets (centerline miles)[3]	56	56	56	56	56	57	60	-	-	-
Environmental services:										
Sanitary, storm and combined pipeline (miles)	3,074	3,040 **	3,027	3,015	3,006	2,300	2,336	2,330	2,330	2,333
Water:										
Miles of water mains	2,250	2,253	2,253	2,253	2,253	2,250	2,200	2,100	2,100	2,090
Fire hydrants	14,498	14,457	14,376	14,386	14,326	14,200	14,200	14,000	14,000	14,228
Local water storage (millions of gallons)	194	194	196	364	288	289	301	220	220	295

Sources: Adopted Budget City of Portland, Oregon, Fiscal Year 2017-2018, Volume 1
Previous years of the City of Portland, Oregon Comprehensive Annual Financial Reports
Portland Police Bureau
Portland Parks & Recreation Bureau
Portland Bureau of Transportation
Portland Bureau of Environmental Services
Portland Water Bureau

[1] From 2012 and on, the amounts represent sports fields owned by the City of Portland. Amounts prior to 2012 include fields that the City of Portland permits.
[2] FY2007 and FY2008 represent 28-ft-wide equivalents. FY2009 forward represents 12 ft. lane miles.
[3] Information not available for FY2011 and prior.
[4] Revised in FY18 to meet the following definition: "A developed park includes at least one built amenity that provides a park experience above and beyond a place to walk, sit, and enjoy open space."
* Revised in FY16
** Revised in FY18

Audit Comments and Disclosures



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MOSSADAMS

Report of Independent Auditors on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Oregon Minimum Audit Standards*

City Council
City of Portland, Oregon

We have audited the basic financial statements of the City of Portland, Oregon (City) as of and for the year ended June 30, 2018 and have issued our report thereon dated October 30, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the provisions of the Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, grants, including provisions of Oregon Revised Statutes as specified in Oregon Administrative Rules (OAR) 162-010-000 to 162-010-0330, as set forth below, noncompliance with which could have a direct and material effect on the determination of financial statement amounts:

OAR	Section	Instances of Non-Compliance Identified?
162-010-0000	Preface	None Noted
162-010-0010	Definitions	None Noted
162-010-0020	General Requirements	None Noted
162-010-0030	Contracts	None Noted
162-010-0050	Financial Statements	None Noted
162-010-0115	Required Supplementary Information (RSI)	None Noted
162-010-0120	Other Supplementary Information	None Noted
162-010-0130	Schedule of Revenues, Expenditures / Expenses, and Changes in Fund Balances, / Net Assets, Budget and Actual (Each Fund)	None Noted
162-010-0150	Schedule of Property Tax Transactions or Acreage Assessments	None Noted
162-010-0190	Other Financial or Statistical Information	None Noted
162-010-0200	Independent Auditor's Review of Fiscal Affairs	None Noted
162-010-0190	Other Financial or Statistical Information	None Noted
162-010-0200	Required Disclosures and Independent Auditors Comments	None Noted
162-010-0230	Accounting Records and Internal Control	None Noted
162-010-0240	Public Fund Deposits	None Noted
162-010-0250	Indebtedness	None Noted
162-010-0260	Budget	None Noted
162-010-0270	Insurance and Fidelity Bonds	None Noted
162-010-0280	Programs Funded from Outside Sources	None Noted
162-010-0295	Highway Funds	None Noted
162-010-0300	Investments	None Noted
162-010-0310	Public Contracts and Purchasing	None Noted
162-010-0320	Other Comments and Disclosures	None Noted

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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, except those noted below.

- The City has deficit fund balances in the grants fund, housing capital fund, and printing and distribution services operating fund, which are described in Note II.C. of the City's financial statements.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We noted certain additional matters that we reported to the City in a separately issued letter to management.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and do not provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Minimum Standards for Audits of Oregon Municipal Corporations, prescribed by the Secretary of State, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

For Moss Adams LLP
Portland, Oregon
October 30, 2018

MOSSADAMS

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other atters Based on an Audit of Financial Statements Performed in Accordance with *o ernment Auditing Standards*

The City Council
City of Portland, Oregon

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Portland, Oregon (the City), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated October 30, 2018.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other atters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement 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. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams, LLP

Portland, Oregon
October 30, 2018

1343

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Agenda No.

REPORT

Title

Accept the City of Portland Comprehensive Annual Financial Report for ~~Fiscal Year~~ Ended June 30, 2018 (Report)

INTRODUCED BY Commissioner/Auditor: **Mayor Ted Wheeler**	CLERK USE: DATE FILED DEC 11 2018
COMMISSIONER APPROVAL Mayor—Finance & Administration - Wheeler MP Position 1/Utilities - Fritz Position 2/Works - Fish Position 3/Affairs - Saltzman Position 4/Safety - Eudaly	Mary Hull Caballero Auditor of the City of Portland By: _____ Deputy
BUREAU APPROVAL Office of Management and Finance, CAO: Tom Rinehart TR Bureau: BRFS Bureau Head: Jennifer Cooperman	**ACTION TAKEN:** DEC 19 2018 ACCEPTED
Prepared by: Michelle Kirby Date Prepared: November 26, 2018	
Impact Statement Completed ☒ Amends Budget ☐	
City Auditor Office Approval: required for Code Ordinances	
City Attorney Approval: required for contract, code. easement, franchise, charter, Comp Plan	
Council Meeting Date: **December 19, 2018**	

AGENDA
TIME CERTAIN ☒ **Start time: ~~2:30 PM~~** 2:00 **Total amount of time needed: ~~30 minutes~~** **(for presentation, testimony and discussion)**
CONSENT ☐
REGULAR ☐ **Total amount of time needed: _____** **(for presentation, testimony and discussion)**

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:	YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Eudaly	4. Eudaly	—	—
Wheeler	Wheeler	✓	