



The City of Portland's Comprehensive Annual Financial Report for FY 2017-18

Presented to the Portland City Council • December 19, 2018

Presented by the Bureau of Revenue & Financial Services

Presentation Agenda

- Present the City's Comprehensive Annual Financial Report (CAFR) for FY 2017-18
- Discuss CAFR highlights and financial trends from the past 5 years
- Observations regarding aspects of the City's long-term fiscal health

Prepared by
the BRFS
Accounting
Division



CITY OF PORTLAND, OREGON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2018

Timing of the CAFR

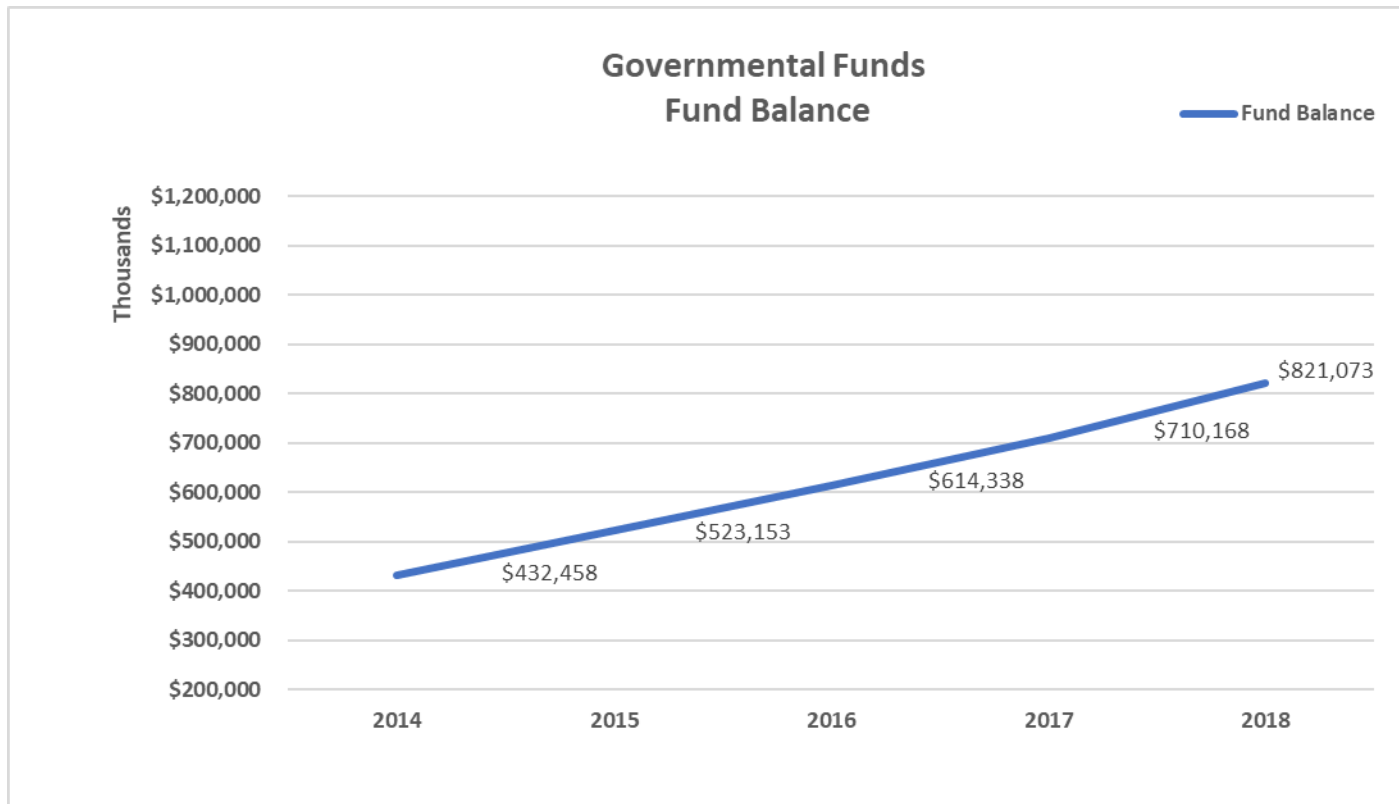
- The FY 2017-18 CAFR was published on October 30th.
 - Earliest publication date in the City's modern history
 - Reduced preparation time by 51 days over the past four years
- Keys to success
 - 1) Communication, 2) Planning, 3) Technology, 4) Project Management, and 5) Continual Process Improvement
- Benefits of timely reporting:
 - Establishes the City as a national leader in financial reporting
 - Popular Annual Financial Report (PAFR)
 - Summarized financial information, easy to read format
 - Translated into four languages for greater community outreach

Highlights of the FY 2017-18 CAFR

- External Auditors (Moss Adams) issued an “Unmodified Opinion” on the financial statements, and found no weaknesses or deficiencies in the City’s accounting processes
- CAFR complies with State Law, and generally accepted accounting principles (GAAP)
- City received the GFOA Award for Excellence in Financial Reporting for the 37th consecutive year for the CAFR; and also received GFOA award for the PAFR
- City unlimited tax general obligation debt remains rated “Aaa”

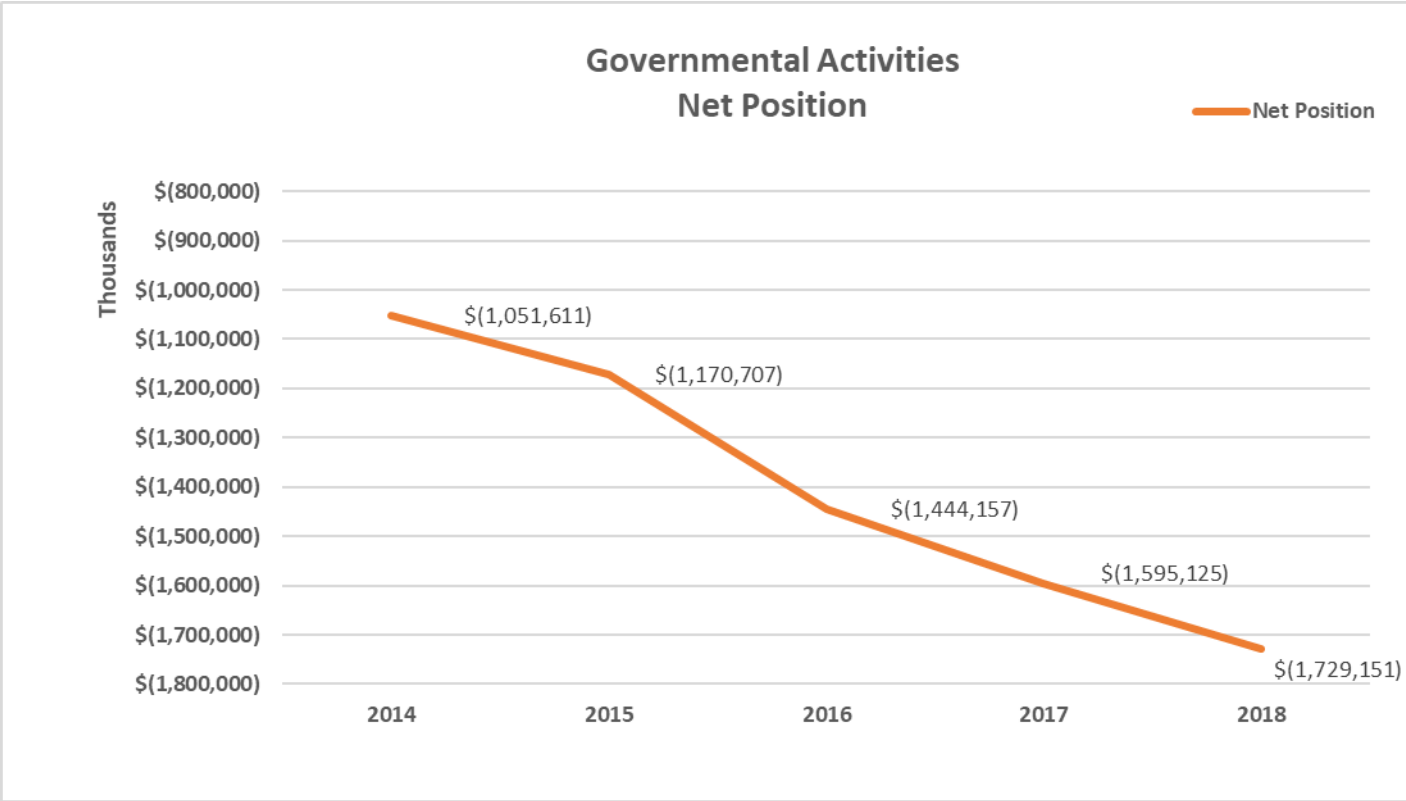
Governmental Fund Balance

Five-year trend (shorter term outlook)



Governmental Activities Net Position

Five-year trend (long term outlook)



What Affects Declining Net Position?

Factors DECREASING Net Position (Expenses > Revenues---full accrual)

- Increases in pensions, benefits, labor contracts and other similar liabilities
- Increases in bonds payable with no off-setting assets
- Non-cash expenses (depreciation) that contribute to expenses exceeding revenues

Strategies to ensure long-term fiscal stability

- Policies regarding regular reserving and increased commitment to infrastructure investments
- Allocate one-time money to long-term liabilities
- Identify opportunities to share costs with partners
- Increased awareness and funding of long-term liabilities and obligations

Summary

- The City's CAFR for FY 2017-18 shows full compliance with all required accounting procedures and standards
- The City's current financial position is strong
- The City is facing a growing set of financial issues that will impact its long-term fiscal health
- Continued development and implementation of policies/practices to address long term obligations will help avoid financial impairments in the future