

Office of Management & Finance

Bureau of Revenue and Financial Services

**The City of Portland's Comprehensive Annual Financial
Report for FY 2019-20**

Presented by

Michelle Kirby, Chief Financial Officer

Ashley Tuttle, Financial Reporting Supervisor

Ron Vaught, Controller



Presentation Agenda

Present the City's
Comprehensive Annual Financial
Report (CAFR) for FY 2019-20

Discuss CAFR highlights and
financial trends

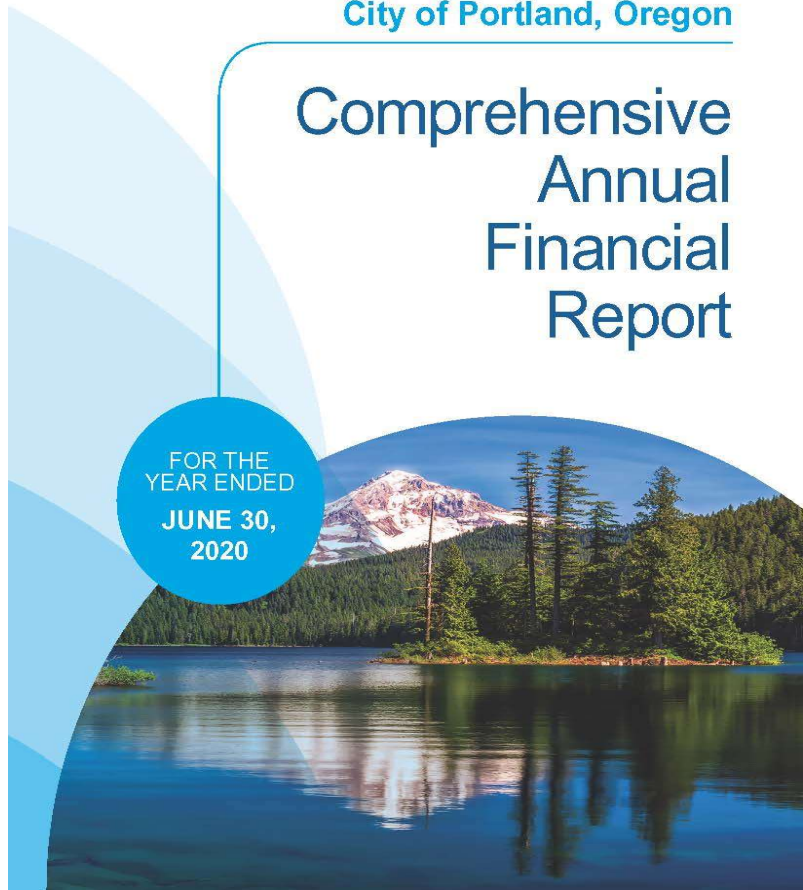
Observations regarding aspects
of the City's long-term fiscal
health

Prepared by the
BRFS Accounting
Division

City of Portland, Oregon

Comprehensive
Annual
Financial
Report

FOR THE
YEAR ENDED
JUNE 30,
2020



Timing of the CAFR

The FY 2019-20 CAFR published on October 30th

- 3rd year in a row published within 4 months of fiscal year-end

Benefits of timely reporting:

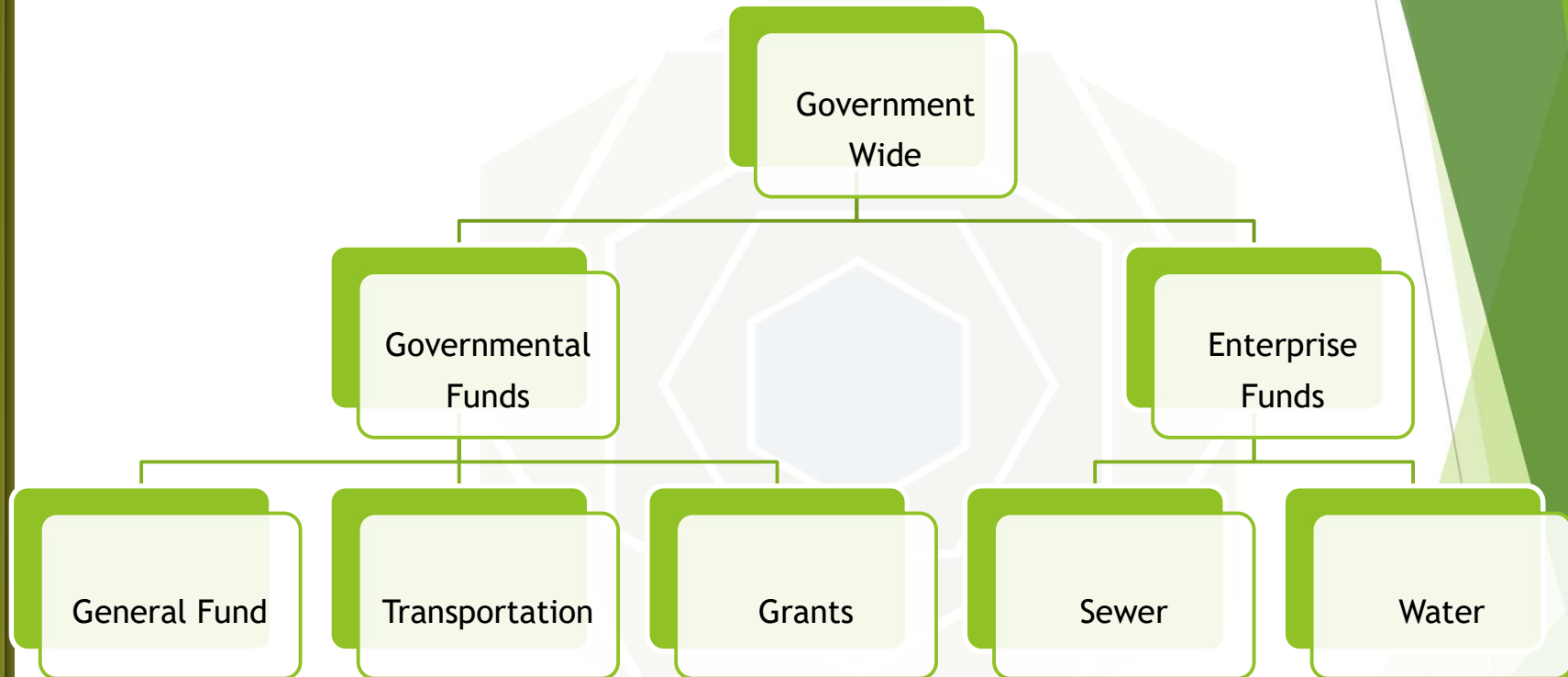
- National leader in financial reporting
- Financial information is published while still relevant
- Monthly financial reporting to monitor ongoing financial concerns



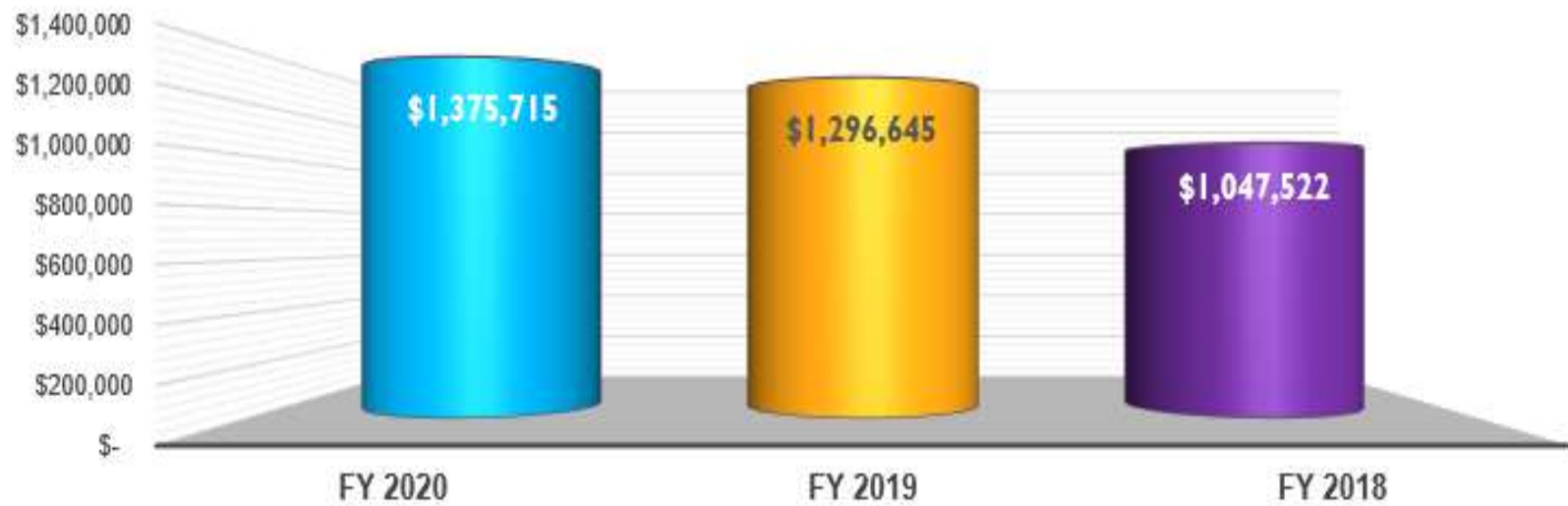
Highlights of the FY 2019- 20 CAFR

- External Auditors (Moss Adams) issued an “Unmodified Opinion” on the financial statements, and found no material weaknesses 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 39th consecutive year for the CAFR
- City unlimited tax general obligation bonds remain rated “Aaa”

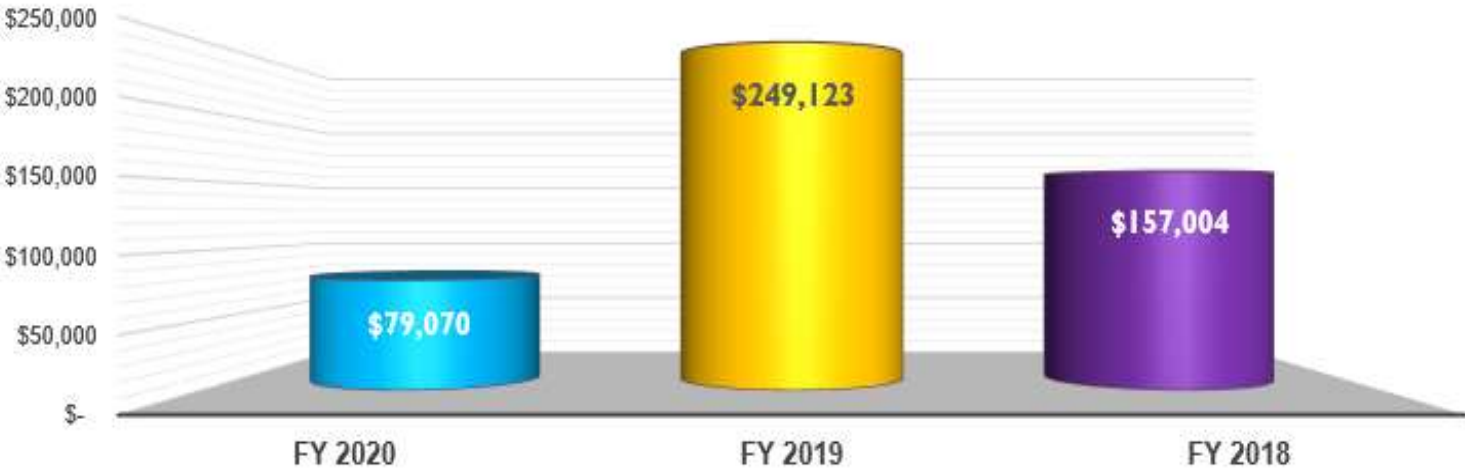
5 Major Funds of the City



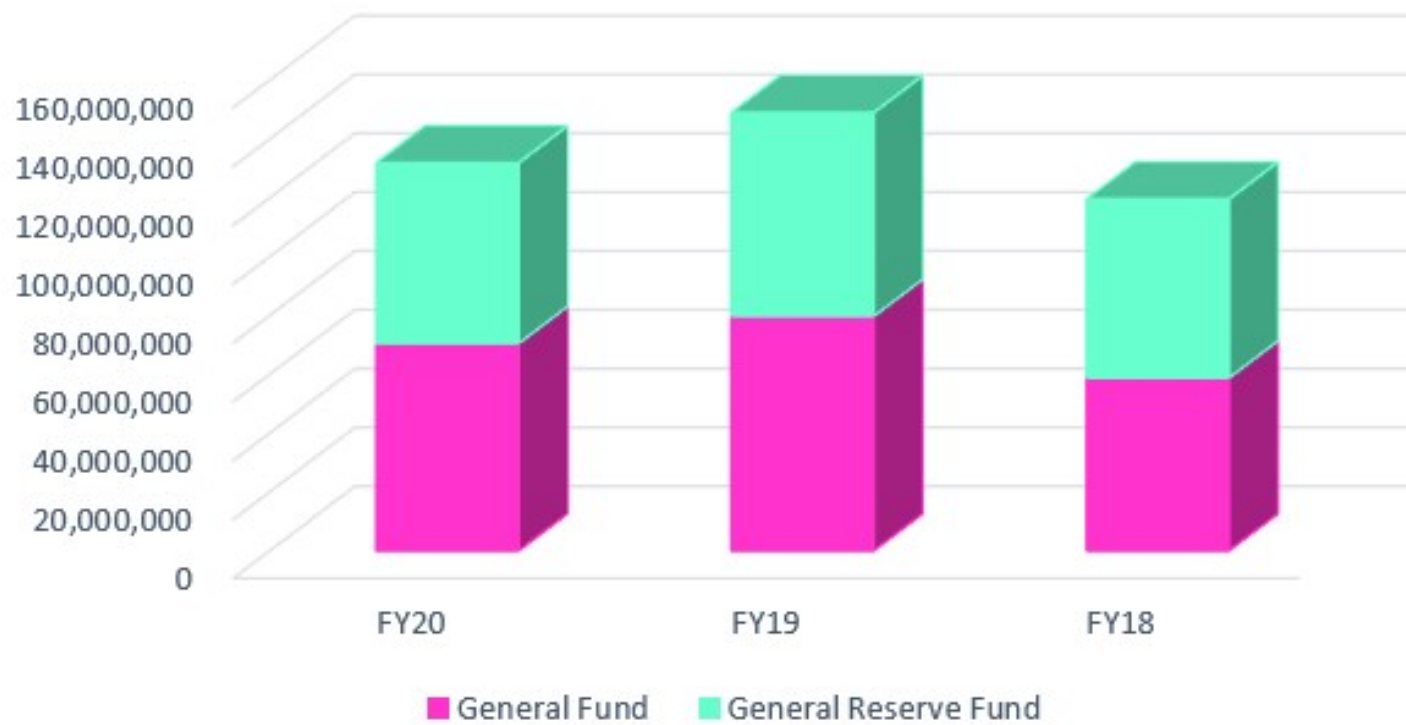
Citywide Total Net Position



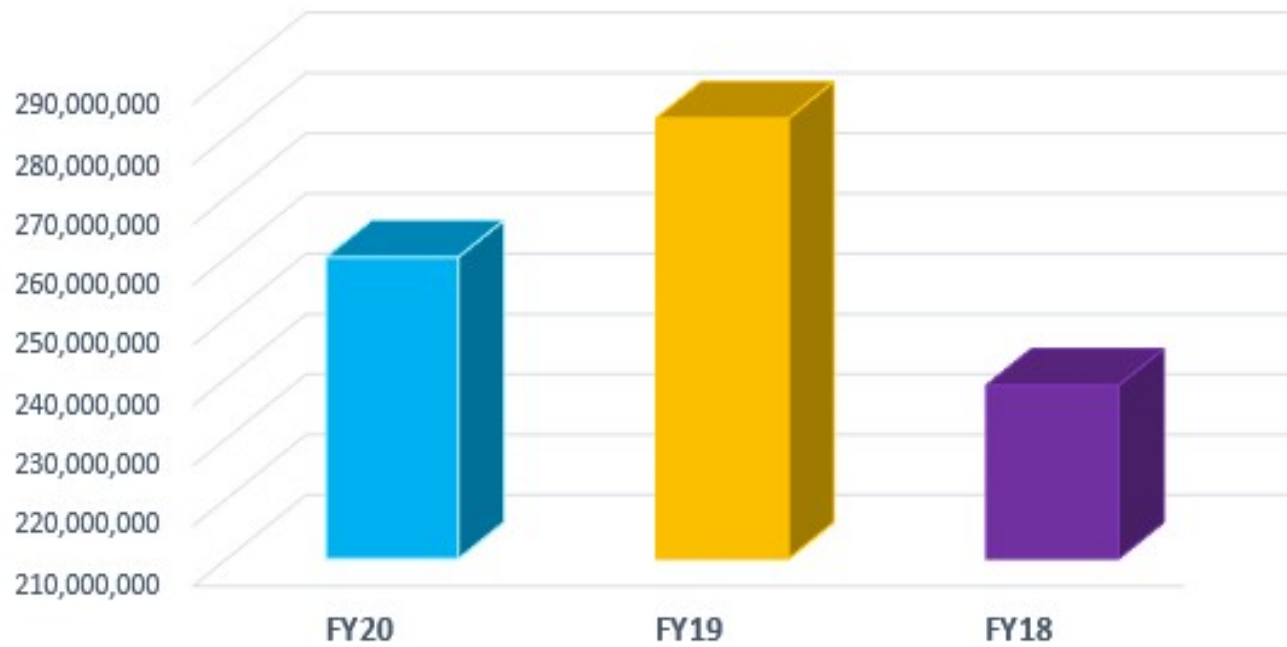
Citywide Changes in Net Position



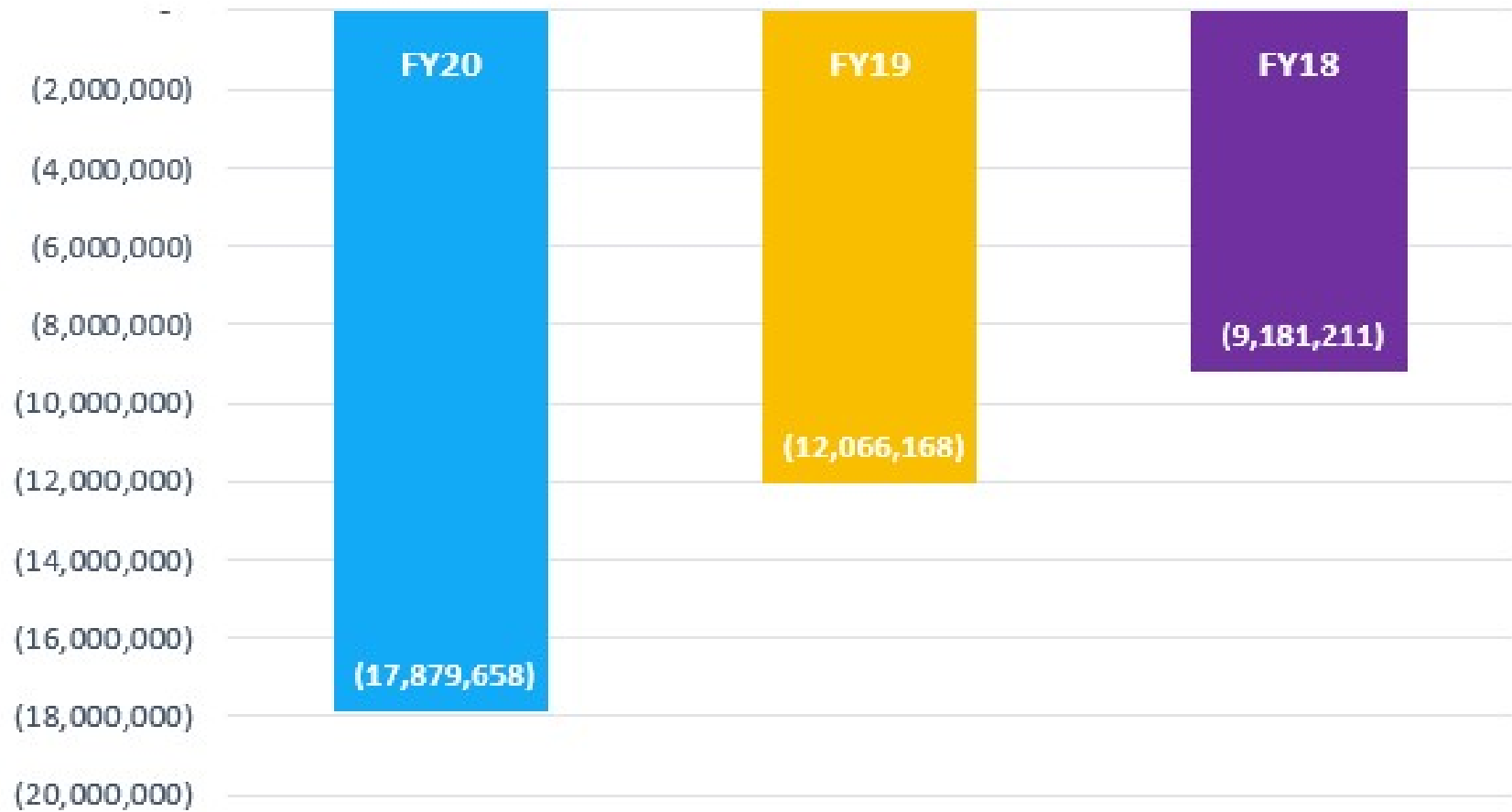
General Fund Fund balance



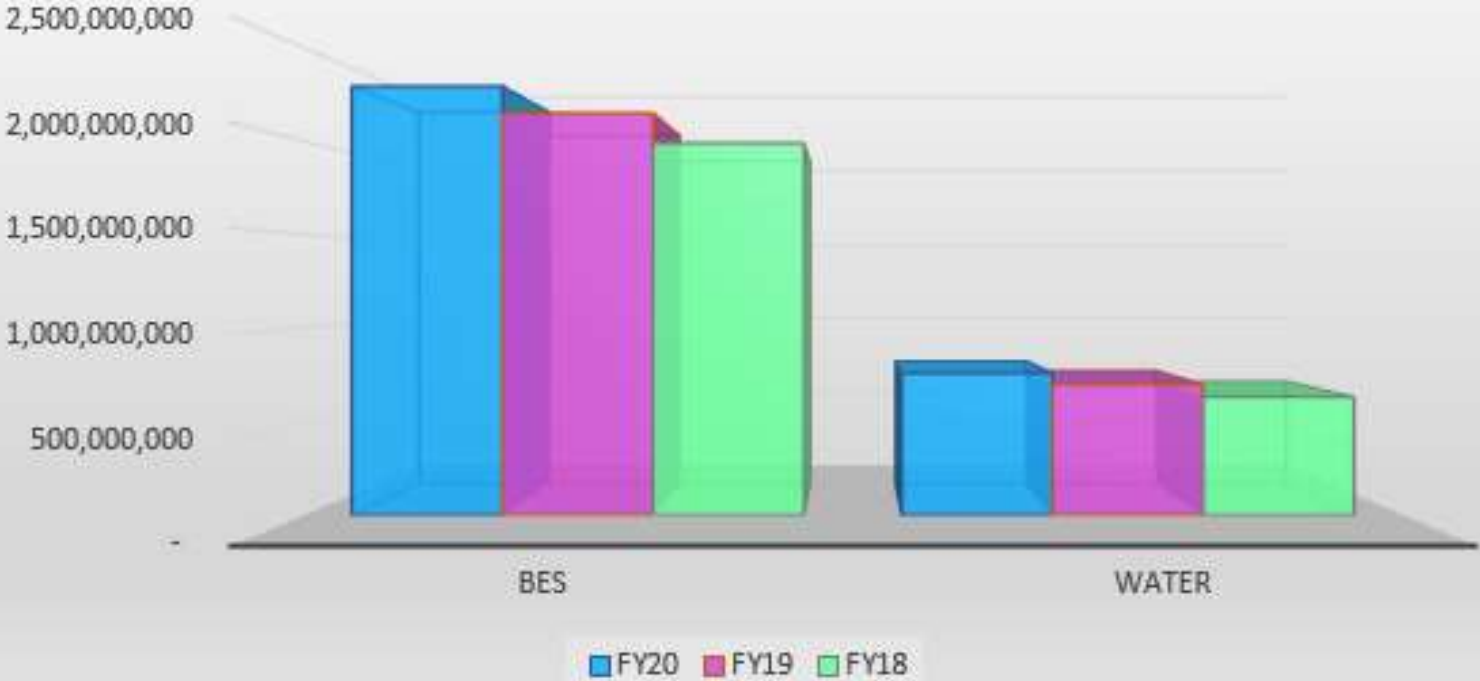
PBOT Fund balance



Grants Fund balance



Utility Funds Net Position



CREDIT OPINION

26 May 2020

✓ Rate this Research

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Portland (City of) OR

Update to credit analysis

Summary

Portland, Oregon (Aaa stable) is supported by a massive tax base and strong economic fundamentals for the largest city in Oregon (Aa1 stable) that benefits from above-average wealth despite income that lags similarly rated peers. Finances will be stable, driven by a strong management team with demonstrated fiscal controls. Also, the city's revenue is primarily sourced from property taxes, which are notably predictable in Oregon, and franchise fees, which are economically sensitive but have traditionally weathered recessions with only moderate declines. Debt and OPEB liabilities and costs are manageable, especially for a city with strong demographic trends that have required infrastructure investment.

Portland credit rating affirmed at Aaa –
May 2020

Credit Considerations – per Moody's

Credit Strengths

- Strong economic fundamentals
- Stable finances/strong management team

Credit challenges

- Elevated pension liabilities
- Modest reserves compared to peers

Stable Outlook – expectations

- Maintain stable fund balances
- Reduce expenses while maintaining sufficient service delivery

Summary



CAFR received clean audit opinion



Net position of the City increased over the prior year



Credit rating affirmed Aaa by Moody's



Long-term financial stability requires a long-term focus